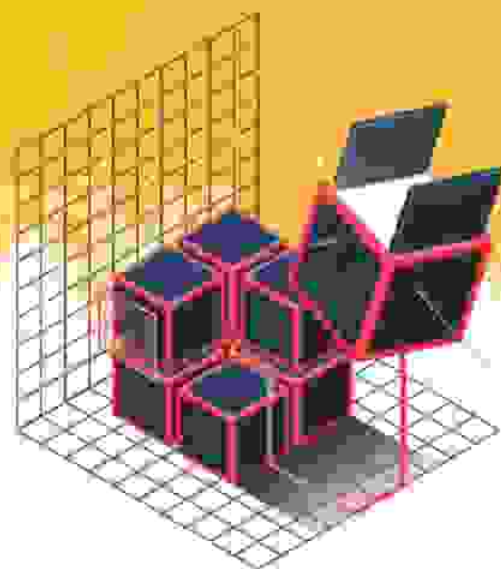


TANDLIANWALA SUGAR MILLS LTD.

HALF YEARLY *Report*



March

31,
2022

TANDLIANWALA SUGAR MILLS LTD.

DIRECTORS' REVIEW REPORT

Dear Shareholders,

On behalf of the Board of Directors of Tandlianwala Sugar Mills Limited (The Company), we are pleased to present the Company's Condensed Interim Unaudited Financial Statements for the six months period ended March 31, 2022, duly reviewed by the Statutory Auditors, as required Auditors, as required under the Code of Corporate Governance.

The crushing season 2021-2022 started at the end of November 2021 and as was expected, it immediately turned into a real crucial and challenging one for the sugar manufacturers. There was a considerable increase in sugarcane crop & the support prices fixed by the governments of Punjab & KPK were Rs.225 per 40 kg.

Since the sugarcane procurement costs is almost 85% of the total approx. cost of manufacturing of sugar, the decision of govt to suppress the prices and by not allowing export of excess produced sugar in the country, severely impacted the sugar mills, in shape of higher raw material costs in relation to its relevant mismatch with the selling prices, thus making it impossible even to cover even the cost to produce.

Our diversification to a value added Ethanol Division, more than a decade & a half ago has been paying dividends since years and has never let the Company down by always achieving overall better financial results & increase in operational profitability of ethanol division & in turn the entire Company.

A continued increase in sugarcane price index since last many previous years, has incentivized the sugarcane growers for increasing their respective sugarcane cultivated areas to get the maximum benefit of this cash earning crop. This sugarcane price hike by the government & cane-war amongst millers will lead to bumper crops in years' ahead, which may benefit both the sugar division, as well as our diversified ethanol division.

In statement of profit & loss account, the profit earned before-tax by the Company improved substantially and was recorded at Rs.1.012 Billion in comparison to the loss before-tax of Rs.458 Million, in the corresponding period of last year.

All our efforts are always afoot & shall be further successfully incorporated during next season, to enhance production of both sugar & ethanol products for a better profitability by employing latest techniques of process efficiencies.

As always, growers' payment has remained our top priority, being one of the main keys of our success and we always try our level best to make growers' payment on priority basis. We regularly provide financial and technical support to our growers.

The board will also like to appreciate its staff and members of the management team for their hard work and contributing in producing best possible results.

On behalf of the Board of Directors.

AKBAR KHAN
(Chief Executive Officer)
November 08, 2022

ڈائریکٹرز جائزہ رپورٹ

معزز شیئر ہولڈرز

تانڈلیانوالہ شوگر ملز لمیٹڈ (کمپنی) کے بورڈ آف ڈائریکٹرز کی جانب سے ہمیں 31 مارچ 2022 کو ختم ہونے والی چھ ماہ کی مدت کے لئے کمپنی کے کنڈینسڈ عبوری آڈٹ شدہ مالیاتی گوشواروں کو پیش کرتے ہوئے خوشی ہو رہی ہے۔ جس کا آڈیٹرز کے ذریعے جائزہ لیا گیا، جیسا کہ کارپوریٹ گورننس کے ضابطہ میں ضرورت ہے۔

کرشنگ سیزن 2021-2022، نومبر 2021 کے آخر میں شروع ہوا اور جیسا کہ توقع کی جا رہی تھی، یہ چینی مینوفیکچررز کے لئے فوری طور پر ایک انہم اور چیلنجنگ سیزن میں بدل گیا۔ گنے کی فصل میں خاطر خواہ اضافہ ہوا اور پنجاب اور کے پی کے کی حکومتوں کی طرف سے مقرر کردہ امدادی قیمتیں 225 روپے فی 40 کلوگرام تھیں۔

چونکہ گنے کی خریداری کی لاگت کل تقریباً 85 فیصد ہے، چینی کی تیاری کی لاگت، قیمتوں کو دہانے کے حکومت کے فیصلے اور ملک میں اضافی چینی کی برآمد کی اجازت نہ دینے سے چینی ملوں پر شدید اثر پڑا، خام مال کی قیمتوں میں اس کی فروخت کی قیمتوں سے مطابقت نہ ہونے کی صورت میں، اس طرح پیداوار کی لاگت کو بھی پورا کرنا ناممکن بنا دیتا ہے۔

ویلیو ایڈڈ "تھنول ڈویژن" میں ہمارا تنوع، ڈیڑھ دہائی سے بھی زیادہ عرصہ سے منافع کی ادائیگی کر رہا ہے اور اس نے ہمیشہ مجموعی طور پر بہتر مالی نتائج حاصل کرنے اور "تھنول ڈویژن" کے آپریشنل منافع میں اضافہ کر کے کمپنی کو بھی مایوس نہیں ہونے دیا۔

پچھلے کئی سالوں سے گنے کی قیمت کے اشاریہ میں مسلسل اضافے نے گنے کے کاشتکاروں کو اس نقد کمانے والی فصل کا زیادہ سے زیادہ فائدہ حاصل کرنے کے لئے اپنے گنے کی کاشت والے علاقوں میں اضافہ کرنے کی ترغیب دی ہے۔ حکومت کی طرف سے گنے کی قیمت میں اضافہ اور ملرز کے درمیان گنے کی جنگ آنے والے سالوں میں بمپر فصلوں کا باعث بنے گی، جس سے شوگر ڈویژن کے ساتھ ساتھ ہمارے متنوع "تھنول ڈویژن" دونوں کا فائدہ ہو سکتا ہے۔

منافع اور نقصان کے اکاؤنٹ کے اسٹیٹمنٹ میں، کمپنی کی طرف سے پہلے ٹیکس سے کمایا گیا منافع کافی بہتر ہوا اور پچھلے سال کی اسی مدت میں 458 ملین روپے کے ٹیکس سے پہلے کے نقصان کے مقابلے میں 1.012 بلین روپے ریکارڈ کیا گیا۔

تمام کوششیں ہمیشہ جاری رہتی ہیں اور اگلے سیزن کے دوران مزید کامیابی کے ساتھ شامل کی جائیں گی تاکہ عمل کی افادیت کی جدید ترین تکنیکوں کو بروئے کار لاکر بہتر منافع کے لئے چینی اور "تھنول" دونوں مصنوعات کی پیداوار میں اضافہ کیا جاسکے۔

ہمیشہ کی طرح، کاشتکاروں کی ادائیگی ہماری اولین ترجیح رہی ہے، جو ہماری کامیابی کی وجہ میں سے ایک ہے اور ہم ہمیشہ ترجیحی بنیادوں پر کاشتکاروں کو ادائیگی کرنے کی پوری کوشش کرتے ہیں۔ ہم اپنے کاشتکاروں کو باقاعدگی سے مالی اور تکنیکی مدد فراہم کرتے ہیں۔

بورڈ اپنے عملے اور انتظامی ٹیم کے ارکان کو ان کی محنت اور بہترین ممکنہ نتائج پیدا کرنے میں تعاون کرنے پر بھی سراہتا ہے۔

بحکم بورڈ آف ڈائریکٹرز

اکبر خان
(چیف ایگزیکٹو آفیسر)
8 نومبر 2022ء

TANDLIANWALA SUGAR MILLS LTD.

INDEPENDENT AUDITOR'S REVIEW REPORT

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Tandlianwala Sugar Mills Limited** ("the Company") as at March 31, 2022 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended March 31, 2021 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended March 31, 2022.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagement 2410, "Review of interim Financial Information Performed by the Independent Auditor of the entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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

Place : Lahore
Date : November 08, 2022
UDIN : RR202210300ihUG4Lp1Z

UHY Hassan Naeem & Co.
Chartered Accountants

TANDLIANWALA SUGAR MILLS LTD.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

EQUITY AND LIABILITIES	Note	(Un-audited) 31 March 2022 Rupees	(Audited) 30 September 2021 Rupees
Authorized capital 120,000,000 (2021: 120,000,000) ordinary shares of Rs. 10 each		1,200,000,000	1,200,000,000
<u>Share Capital and Reserves</u>			
Issued, subscribed and paid-up share capital		1,177,063,000	1,177,063,000
Share premium		290,741,640	290,741,640
Un-appropriated profit		6,133,945,567	5,458,558,557
Loan from Sponsors - <i>unsecured</i>		3,635,214,057	3,635,214,057
		11,236,964,264	10,561,577,254
<u>Non- Current Liabilities</u>			
Long term finances - <i>secured</i>	5	820,052,918	1,236,921,131
Lease liability - <i>secured</i>	6	161,275,525	237,400,367
Deferred liabilities			
- <i>Staff retirement benefits</i>		704,319,328	657,248,153
- <i>Deferred taxation</i>	7	-	-
Deferred Income-Government Grant	8	-	822,248
		1,685,647,771	2,132,391,899
<u>Current Liabilities</u>			
Short term borrowings - <i>secured</i>	9	12,859,028,390	8,758,069,179
Current portion of non-current liabilities	10	1,353,882,428	1,475,925,325
Trade and other payables	11	8,305,889,432	4,002,580,744
Interest and mark-up accrued		326,942,026	237,684,069
Provision for taxation		336,401,678	321,862,481
		23,182,143,954	14,796,121,798
Contingencies and commitments	12		
		36,104,755,989	27,490,090,951

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive Officer

TANDLIANWALA SUGAR MILLS LTD.

AS AT MARCH 31, 2022

ASSETS	Note	(Un-audited) 31 March 2022 Rupees	(Audited) 30 September 2021 Rupees
<u>Non - Current Assets</u>			
Property, plant and equipment	13	15,573,765,707	15,935,896,090
Long term deposits		200,007,324	174,653,829
		15,773,773,031	16,110,549,919
<u>Current Assets</u>			
Stores, spare parts and loose tools		1,222,761,602	1,124,652,184
Stock-in-trade	14	14,643,686,981	6,260,943,955
Trade debts - <i>considered good</i>	15	19,188,179	14,243,716
Advances, deposits, prepayments and other receivables	16	3,817,726,743	3,488,447,950
Tax refunds due from Government		547,554,061	389,504,748
Cash and bank balances	17	80,065,392	101,748,479
		20,330,982,958	11,379,541,032
		36,104,755,989	27,490,090,951

Director

TANDLIANWALA SUGAR MILLS LTD.

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

For the half year and quarter ended March 31, 2022

	Note	Six months ended		Three months ended	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
		Rupees	Rupees	Rupees	Rupees
Sales - net	18	20,367,827,543	14,170,058,797	13,475,123,274	10,043,625,195
Cost of sales	19	(18,044,784,785)	(13,574,107,778)	(11,767,514,236)	(10,212,450,659)
Gross profit / (loss)		2,323,042,758	595,951,019	1,707,609,038	(168,825,464)
Administrative expenses		(350,725,563)	(289,634,311)	(216,544,694)	(170,928,865)
Distribution expenses		(231,129,695)	(196,690,433)	(213,486,782)	(154,867,275)
Other income	20	27,275,387	5,977,121	25,106,399	3,232,845
		(554,579,871)	(480,347,623)	(404,925,077)	(322,563,295)
Profit / (loss) from operations		1,768,462,887	115,603,396	1,302,683,961	(491,388,759)
Finance cost		(694,042,823)	(564,500,223)	(443,608,691)	(423,920,912)
Other expenses		(62,631,376)	(9,349,264)	(43,399,315)	(5,890,056)
		(756,674,199)	(573,849,487)	(487,008,006)	(429,810,968)
Profit / (loss) before taxation		1,011,788,688	(458,246,091)	815,675,955	(921,199,727)
Taxation	21	(336,401,678)	(203,215,710)	(141,319,206)	(141,319,206)
Profit / (loss) after taxation		675,387,010	(661,461,801)	674,356,749	(1,062,518,933)
Earnings per share - Basic and Diluted		5.74	(5.62)	5.73	(9.03)

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive Officer

Director

TANDLIANWALA SUGAR MILLS LTD.

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME / LOSS (UN-AUDITED)

For the half year and quarter ended March 31, 2022

	Six months ended		Three months ended	
	31 March 2022 Rupees	31 March 2021 Rupees	31 March 2022 Rupees	31 March 2021 Rupees
Profit / (loss) after taxation	675,387,010	(661,461,801)	674,356,749	(1,062,518,933)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>675,387,010</u>	<u>(661,461,801)</u>	<u>674,356,749</u>	<u>(1,062,518,933)</u>

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive Officer

Director

TANDLIANWALA SUGAR MILLS LTD.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the half year ended March 31, 2022

	Share capital	Capital Share Premium	Reserves Revenue Un- appropriated profit	Total reserves	Loan from Sponsors	Total
Balance as at October 01, 2020 (audited)	1,177,063,000	290,741,640	4,743,215,795	5,033,957,435	3,635,214,057	9,846,234,492
Transactions with owners of the Company						
Amount paid during the period - net	-	-	-	-	(276,022,897)	(276,022,897)
Total comprehensive income / (loss) for the period						
Loss for the period ended March 31, 2021	-	-	(661,461,801)	(661,461,801)	-	(661,461,801)
Other comprehensive income for the period ended March 31, 2021	-	-	-	-	-	-
Balance as at March 31, 2021 (un-audited)	1,177,063,000	290,741,640	4,081,753,994	4,372,495,634	3,359,191,160	8,908,749,794
Balance as at October 01, 2021 (audited)	1,177,063,000	290,741,640	5,458,558,557	5,749,300,197	3,635,214,057	10,561,577,254
Transactions with owners of the Company						
Amount paid during the period - net	-	-	-	-	-	-
Total comprehensive income / (loss) for the period						
Profit for the period ended March 31, 2022	-	-	675,387,010	675,387,010	-	675,387,010
Other comprehensive income for the period ended March, 31 2022	-	-	-	-	-	-
Balance as at March, 31 2022 (un-audited)	1,177,063,000	290,741,640	6,133,945,567	6,424,687,207	3,635,214,057	11,236,964,264

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive Officer

Director

TANDLIANWALA SUGAR MILLS LTD.

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the half year ended March 31, 2022

	Note	31 March 2022 Rupees	31 March 2021 Rupees
<u>Cash flows from operating activities</u>			
Profit / (Loss) before taxation		1,011,788,688	(458,246,091)
Adjustments:			
Finance cost		694,042,823	564,500,223
Depreciation on property, plant and equipment		404,565,573	408,134,453
Provision for staff retirement benefits		51,439,746	47,600,000
Return on bank deposits	20	(1,634,825)	(5,827,377)
		1,148,413,317	1,014,407,299
Operating profit before working capital changes		2,160,202,005	556,161,208
<i>(Increase) / decrease in current assets:</i>			
Stores, spares parts and loose tools		(98,109,418)	(156,064,459)
Stock-in-trade		(8,382,743,026)	(13,987,021,958)
Trade debts - considered good		(4,944,463)	(5,946,394)
Advances, deposits, prepayments and other receivables		(329,278,793)	282,811,179
		(8,815,075,700)	(13,866,221,632)
<i>Increase / (decrease) in current liabilities:</i>			
Trade and other payables		4,296,954,436	7,209,145,804
Cash used in operations		(2,357,919,259)	(6,100,914,620)
Finance cost paid		(604,784,866)	(401,987,373)
Staff retirement benefits paid		(4,368,571)	(2,780,920)
Taxes paid		(479,909,899)	(44,388,263)
Long term deposits - net		(25,353,495)	41,880,636
		(1,114,416,831)	(407,275,920)
Net cash used in operating activities	20	(3,472,336,090)	(6,508,190,540)
<u>Cash flows from investing activities</u>			
Capital expenditure - net		(43,045,622)	(72,563,656)
Income received from bank deposits		1,634,825	5,827,377
Net cash used in investing activities		(41,410,797)	(66,736,279)
<u>Cash flows from financing activities</u>			
Lease liabilities - net		(87,401,474)	(99,888,147)
Short term borrowings - net		4,001,457,056	6,433,391,448
Loan from sponsors		-	(276,022,897)
Long term finances		(521,493,937)	263,783,416
Net cash generated from financing activities		3,392,561,645	6,321,263,820
Net decrease in cash and cash equivalents		(121,185,242)	(253,662,999)
Cash and cash equivalents at beginning of the period		101,748,479	184,182,470
Cash and cash equivalents at end of the period		(19,436,763)	(69,480,529)
<i>Cash and cash equivalents comprise of the following:</i>			
- Cash and bank balances	17	80,065,392	30,021,626
- Short term borrowings -Running Finance	9	(99,502,155)	(99,502,155)
		(19,436,763)	(69,480,529)

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive Officer

Director

TANDLIANWALA SUGAR MILLS LTD.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the half year ended March 31, 2022

1. Reporting entity

Tandlianwala Sugar Mills Limited ("the Company") was incorporated in Pakistan on November, 01 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

2. Basis of preparation

2.1 Statement of compliance

These condensed interim unconsolidated financial statements comprise of the condensed interim statement of financial position of the Company as at 31 March 2022 and the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and together with the notes forming part thereof for the half year ended 31 March 2022.

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The disclosures made in these condensed interim financial statements of the Company has, however, been limited based on the requirements of the International Accounting Standard 34 - Interim Financial Reporting thus these do not include the statements reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended September 30, 2021. These condensed interim financial statements are unaudited, however, have been subjected to limited scope review by the external auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and section 237 of the Companies Act, 2017.

The comparative statement of financial position presented in these condensed interim financial statements has been extracted from the audited financial statements of the Company for the year ended September 30, 2021, whereas the comparative condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial statements for the half year ended March 31, 2021.

2.2 Basis of measurement

These condensed interim financial statements has been prepared under the historical cost convention unless stated otherwise.

2.3 Use of estimates and judgments

The preparation of the condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by the management in applying accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual financial statements for the year ended September 30, 2021.

2.4 Functional and presentation currency

These condensed interim financial statements are presented in Pak Rupees which is the functional and presentation currency of the Company.

3. Accounting policies

3.1 The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended September 30, 2021, except for those disclosed in note 3.1.1

3.1.1 Change in Significant Accounting Policies

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after 01 October 2021, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

4. Seasonality of operations

Due to seasonal nature of sugar segment, operating results are expected to fluctuate in the second half of the year. The sugarcane crushing season starts from November and lasts till March each year. Therefore, majority of the expenses are incurred and production activities are undertaken in first half of the Company's financial year which leads to an increased volume of inventories and current liabilities at the end of the six months.

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		(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees
5. Long term finances – secured	<i>Note</i>		
Balance at beginning of the period / year		2,506,553,781	2,764,570,561
Loans received during the period / year		-	363,745,275
Government Grant recognised during the period		-	(34,485,454)
Repayments during the period / year		(528,456,726)	(610,480,472)
Unwinding of deferred income- govt. grant		6,962,789	23,203,871
		<u>1,985,059,844</u>	<u>2,506,553,781</u>
Current portion presented under current liabilities	10	<u>(1,165,006,926)</u>	<u>(1,269,632,650)</u>
		<u>820,052,918</u>	<u>1,236,921,131</u>
5.1 Type of loans			
Interest / mark-up based loans		1,954,103,013	2,466,752,177
Islamic mode of financing		30,956,831	39,801,604
		<u>1,985,059,844</u>	<u>2,506,553,781</u>
5.2			
Long term finances are secured against ranking / joint pari passu charge on land, all present and future fixed assets of the Company and personal guarantees of sponsors / directors of the Company.			
6. Lease liability – secured	<i>Note</i>	(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees
Present value of minimum lease payments		345,832,233	433,233,707
Less: Current portion of lease liabilities	10	<u>(184,556,708)</u>	<u>(195,833,340)</u>
		<u>161,275,525</u>	<u>237,400,367</u>
7. Deferred taxation			
As at March 31, 2022 deferred tax asset amounting to Rs.491 million on unused capital allowances 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 September 30, 2022.			
8. Deferred Income - Government Grant	<i>Note</i>	(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees
Opening deferred grant		11,281,583	-
Recognized during the year		-	34,485,454
Amortized during the year		<u>(6,962,789)</u>	<u>(23,203,871)</u>
		<u>4,318,794</u>	<u>11,281,583</u>
less: Current maturity presented under current liabilities	10	<u>(4,318,794)</u>	<u>(10,459,335)</u>
Balance as at 31 March		<u>-</u>	<u>822,248</u>
9. Short term borrowings – secured			
9.1			
This includes running finance of Rs. 99.50 million (September 30, 2021: Rs. 99.50 million).			
10. Current portion of non- current liabilities	<i>Note</i>	(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees
Long term finances – secured	5	1,165,006,926	1,269,632,650
Lease liability – secured	6	184,556,708	195,833,340
Deferred grant	8	4,318,794	10,459,335
		<u>1,353,882,428</u>	<u>1,475,925,325</u>
11. Trade and other payables			
These mainly include advances from customers amounting to Rs. 3,139 million (September 30, 2021: Rs. 696 million) and creditors for capital expenditure amounting to Rs.1,202million (September 30, 2021: Rs. 2,023 million).			

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12. Contingencies and commitments

12.1 Contingencies

- (i) There is no material change in contingencies from the audited financial statements of the Company for the period ended September 30, 2021 except for as stated below and disclosed as commitments and guarantees.
- (ii) The Company has filed a Writ Petition No. 67781/2022 in the Lahore High Court to challenge the validity of Super Tax imposed by the FBR under Section 4C of the Income Tax Ordinance, 2001. The Honourable Court has granted interim relief to the Company to file Income Tax Return for the Tax Year 2022 excluding the tax under section 4C of the Ordinance; subject to deposit of post dated cheques of the differential amount liable to be deposited under section 4C. However, it has been directed on the request of the Petitioner that the cheques shall be encashed on the direction of the Court or subject to decision in this and connected petitions.

12.2 Commitments

- (i) The Company has commitments of Rs. Nil (September 30, 2021: Rs. Nil) on account of import of equipment for improvement of machinery.
- (ii) The Company has given a bank guarantee with 100% cash margin of Rs. 2 million (September 30, 2021: Rs. 2 million) to the Excise and Taxation Department for the export of ethanol.
- (iii) The amount of future Ijarah rentals for Ijarah financing and the period in which these payments will become due are as follows:

		(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees
Not later than one year		9,019,144	26,387,126
Later than one year and not later than five years		-	10,905,363
		<u>9,019,144</u>	<u>37,292,489</u>
13. Property, plant and equipment	<i>Note</i>	(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees
Operating fixed assets	13.1	15,518,270,161	15,880,400,544
Capital work-in-progress	13.2	55,495,546	55,495,546
		<u>15,573,765,707</u>	<u>15,935,896,090</u>
13.1 Operating fixed assets - at net book value			
Net book value at beginning of the period/year		15,880,400,544	16,114,373,406
Additions during the period / year		42,468,694	595,787,660
Disposals during the period / year - net book value		(33,504)	(1,580,634)
Depreciation charged during the period / year		(404,565,573)	(828,179,888)
Net book value at end of period / year		<u>15,518,270,161</u>	<u>15,880,400,544</u>
13.2 Capital work-in-progress			
Opening balance		55,495,546	54,571,373
Addition during the period/year		-	924,173
Transfer made during the period/year		-	-
Closing balance		<u>55,495,546</u>	<u>55,495,546</u>
14. Stock-in-trade		(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees
Raw materials		5,249,214,670	1,738,154,556
Finished goods		<u>9,394,472,311</u>	<u>4,522,789,399</u>
		<u>14,643,686,981</u>	<u>6,260,943,955</u>
15. Trade debts - considered good			
This includes amount due from Lotte Akhtar Beverages (Private) Limited, an associated company, against the sale of Top Gas amounting to Rs. 4.0 million (September 30, 2021: Rs. 3.36 million) in the normal course of business and is over due by less than 180 days.			
16. Advances, deposits, prepayments and other receivables			
16.1 These mainly include advances given to suppliers and contractors of Rs. 1,755 million (September 30, 2021: Rs. 1,499 million), inland export subsidy of Rs. 133 million (September 30, 2021: Rs. 133 million) and export support on sugar of Rs. 586 million (September 30, 2021: Rs. 586 million).			
16.2 This includes an amount of Rs. 6.953 million (September 30, 2021: Rs. 0.83 million) receivable from executive of the Company.			
17. Cash and bank balances	<i>Note</i>	(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees
Cash at Bank			
- Current Accounts		71,937,404	75,903,601
- Saving Accounts	17.1	<u>5,960,741</u>	<u>24,200,463</u>
		77,898,145	100,104,064
Cash in hand		<u>2,167,247</u>	<u>1,644,415</u>
		<u>80,065,392</u>	<u>101,748,479</u>
17.1 The balances in the saving accounts carry mark-up ranging from 5.5% to 7.5% per annum (September 30, 2021: 5.6% to 6.4%).			

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18. Sales - net	(Un-audited) Six months ended		(Un-audited) Three months ended	
	31-Mar-22 Rupees	31-Mar-21 Rupees	31-Mar-22 Rupees	31-Mar-21 Rupees
<i>Local:</i>				
Sugar	19,229,023,590	14,218,872,643	12,805,842,137	9,406,133,396
Ethanol	111,819,626	168,057,785	34,827,462	153,378,643
Top Gas & others	112,564,427	37,242,725	27,742,695	27,278,598
	19,453,407,643	14,424,173,153	12,868,412,294	9,586,790,637
<i>Export:</i>				
Sugar	-	-	-	-
Ethanol	3,768,801,918	1,867,034,423	2,494,487,258	1,867,034,423
	3,768,801,918	1,867,034,423	2,494,487,258	1,867,034,423
<i>Less:</i>				
Sales tax	23,222,209,561	16,291,207,576	15,362,899,552	11,453,825,060
	(2,854,382,018)	(2,121,148,779)	(1,887,776,278)	(1,410,199,865)
	20,367,827,543	14,170,058,797	13,475,123,274	10,043,625,195
19. Cost of sales	(Un-audited) Six months ended		(Un-audited) Three months ended	
	31-Mar-22 Rupees	31-Mar-21 Rupees	31-Mar-22 Rupees	31-Mar-21 Rupees
Raw material consumed	24,577,006,213	26,011,269,461	19,780,893,921	18,033,464,416
Direct wages	378,100,424	342,826,640	143,767,702	191,625,602
Factory overheads	1,472,421,174	1,207,033,635	1,101,181,862	596,656,269
Cost of goods manufactured	26,427,527,811	27,561,129,736	21,025,843,485	18,821,746,287
Finished goods				
- at the beginning of the period	6,260,943,955	2,384,437,294	5,385,357,732	7,762,163,624
- at the end of the period	(14,643,686,981)	(16,371,459,252)	(14,643,686,981)	(16,371,459,252)
Cost of goods sold	18,044,784,785	13,574,107,778	11,767,514,236	10,212,450,659
20. Other income	(Un-audited) Six months ended		(Un-audited) Three months ended	
	31-Mar-22 Rupees	31-Mar-21 Rupees	31-Mar-22 Rupees	31-Mar-21 Rupees
<u>Income from financial assets</u>				
Profit on saving accounts under interest	1,634,825	5,827,377	1,106,774	3,198,886
<u>Income from non-financial assets</u>				
Foreign exchange gain	25,547,478	-	23,999,625	-
Miscellaneous income	93,084	149,744	-	33,959
	25,640,562	149,744	23,999,625	33,959
	27,275,387	5,977,121	25,106,399	3,232,845
21. Taxation	(Un-audited) Six months ended		(Un-audited) Three months ended	
	31-Mar-22 Rupees	31-Mar-21 Rupees	31-Mar-22 Rupees	31-Mar-21 Rupees
Income tax		Note		
- current		21.1	336,401,678	203,215,710
Deferred tax			-	-
			336,401,678	203,215,710

21.1 The provision for taxation for the half year ended March 31, 2022 has been made on an estimated basis.

21.2 There is no material change in status of tax cases from audited financial statements of the Company for the period ended March 31, 2022.

22. Transactions and balances with related parties

The related parties comprise Associated Companies, Directors of the Company, key management personnel and other related parties. The Company in the normal course of business carries out transaction, with various related parties. Amount due from and to related parties are shown under respective notes to this condensed interim financial statements. Other significant transactions and balances with related parties except those disclosed elsewhere are as follows:

Relationship	Nature of transactions	Balance as at		For the period	
		(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees	(Un-audited) 31-Mar-22 Rupees	(Un-audited) 31-Mar-21 Rupees
<u>Associated Company</u>					
Lotte Akhtar Beverages (Private) Limited	Sale of Top Gas	4,000,562	3,367,916	10,745,554	13,901,394
Institute of Policy Reforms	Donation	-	-	9,314,077	4,590,556

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23. Business segments information

23.1 Segment results

	Sugar		Distillery		Top Gas		Total	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Reportable segment revenue	16,401,953,357	12,177,801,478	3,853,309,759	1,960,425,935	112,564,427	31,831,384	20,367,827,543	14,170,058,797
Cost of sales	(19,894,400,743)	(15,794,946,887)	1,864,923,442	2,257,401,312	(15,307,484)	(36,562,203)	(18,044,784,785)	(13,574,107,778)
Inter-Segment	5,194,293,727	3,926,554,712	(5,163,610,087)	(3,926,554,712)	(30,683,640)	-	-	-
Segment gross profit	1,701,846,341	309,409,303	554,623,114	291,272,535	66,573,303	(4,730,819)	2,333,043,758	595,951,019
Administrative expenses	(307,528,016)	(250,472,916)	(42,312,922)	(38,271,413)	(884,625)	(889,982)	(350,725,563)	(289,634,311)
Distribution expenses	(45,017,070)	(38,111,446)	(179,112,836)	(151,349,402)	(6,999,789)	(7,229,585)	(231,129,695)	(196,690,433)
Other income	1,727,909	5,977,121	25,547,478	-	-	-	27,275,387	5,977,121
Finance cost	(523,965,144)	(380,554,635)	(170,077,679)	(183,945,588)	-	-	(694,042,823)	(564,500,223)

23.2 Reconciliation of reportable segments profit or loss

Operating profit/(Loss) of all segments	1,074,420,064	(448,896,827)
Unallocated corporate expenses	1,011,788,688	(458,246,091)
Profit/(Loss) before tax	(336,401,678)	(203,215,710)
Taxation	675,387,010	(661,461,801)
Profit/(Loss) after tax		

23.3 Segments assets and liabilities

	Sugar		Distillery		Top Gas		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	31-Mar-22	30-Sep-21	31-Mar-22	30-Sep-21	31-Mar-22	30-Sep-21	31-Mar-22	30-Sep-21
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Segment assets	21,612,156,070	16,455,453,575	13,427,061,240	10,223,338,299	1,065,538,679	811,299,077	36,104,755,989	27,490,090,951
Segment liabilities	17,016,224,856	11,583,633,912	7,798,830,245	5,308,979,828	52,736,624	35,899,957	24,867,791,725	16,928,513,697

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24. Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted price is readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and that price represents actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at measurement date (Level 1)
- 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 2)
- Inputs for the asset or liability that are not based on observable market data (i.e. unobservable) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

	Carrying amount			
	Fair Value Through Profit or Loss	Fair Value Through OCI	At amortized cost	Total
As at March 31, 2022 (Un-Audited)				
<i>Financial assets - not measured at fair value</i>				
Long term deposits	-	-	200,007,324	200,007,324
Trade debts - considered good	-	-	19,188,179	19,188,179
Advances, deposits, prepayments and other receivables	-	-	1,048,446,874	1,048,446,874
Cash and bank balances	-	-	80,065,392	80,065,392
	<u>-</u>	<u>-</u>	<u>1,347,707,769</u>	<u>1,347,707,769</u>
<i>Financial liabilities - not measured at fair value</i>				
Long term finances - secured	-	-	1,985,059,844	1,985,059,844
Lease liability - secured	-	-	345,832,233	345,832,233
Short term borrowings - secured	-	-	12,859,028,390	12,859,028,390
Trade and other payables	-	-	3,616,574,110	3,616,574,110
Interest and markup accrued	-	-	326,942,026	326,942,026
	<u>-</u>	<u>-</u>	<u>19,133,436,603</u>	<u>19,133,436,603</u>
As at September 30, 2021 (Audited)				
<i>Financial assets - not measured at fair value</i>				
Long term deposits	-	-	79,668,628	79,668,628
Trade debts - considered good	-	-	14,243,716	14,243,716
Advances, deposits, prepayments and other receivables	-	-	1,041,119,675	1,041,119,675
Cash and bank balances	-	-	101,748,479	101,748,479
	<u>-</u>	<u>-</u>	<u>1,236,780,498</u>	<u>1,236,780,498</u>
<i>Financial liabilities - not measured at fair value</i>				
Long term finances - secured	-	-	2,506,553,781	2,506,553,781
Lease liability - secured	-	-	433,233,707	433,233,707
Short term borrowings - secured	-	-	8,758,069,179	8,758,069,179
Trade and other payables	-	-	2,998,268,749	2,998,268,749
Interest and markup accrued	-	-	237,684,069	237,684,069
	<u>-</u>	<u>-</u>	<u>14,933,809,485</u>	<u>14,933,809,485</u>

24.1 Fair value versus carrying amounts

The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or repriced over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

25. Financial risk management

The Company's financial risk management objective and policies are consistent with that disclosed in the annual financial statements of the Company for the year ended September 30, 2021.

26. Date of authorization

This condensed interim financial statements for the six months period ended March 31, 2022 were authorized for issue by the Board of Directors in their meeting held on November 08, 2022.

27. General

Figures in this condensed interim financial statements have been rounded off to the nearest of Rupee.

28. Events after the statement of Financial Position date

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

Chief Financial Officer

Chief Executive Officer

Director

TANDLIANWALA SUGAR MILLS LTD.

COMPANY'S INFORMATION

Board of Directors	Mr. Ghazi Khan Mr. Akbar Khan Mr. Humayun Akhtar Khan Mr. Haroon Khan Mrs. Rasheeda Begum Mrs. Mobina Akbar Khan Mr. Tahir Farooq Malik	(Chairman) (Chief Executive)
Company Secretary and Chief Financial Officer	Mr. Ahmad Jehanzeb Khan	
Bankers	Conventional National Bank of Pakistan Limited MCB Bank Limited United Bank Limited Allied Bank Limited Habib Bank Limited The Bank of Punjab Soneri Bank Limited Sindh Bank Limited Samba Bank Limited The Bank of Khyber Pair Investment Co. Limited Pak Oman Investment Co. Limited Pak Libya Holding Co. (Pvt) Limited	Conventional Bank Alfalah Limited Faysal Bank Limited Meezan Bank Limited Askari Bank Limited Summit Bank Limited Islamic Dubai Islamic Bank Al-Baraka Bank (Pakistan Limited)
Legal Advisors	1. Bandial & Associates 35-A, Luqman Street, Zahoor 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	(Chairman) (Member) (Member) (Secretary)
Auditors	UHY Hassan Naeem & Co. Chartered Accountants	
Share Registrar	Corplink (Private) Limited Wings Arcade, 1-K, Commercial Model Town, Lahore.	
Sugar 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.	
Distilleries:		
Unit 1	Kanjwani, Tehsil Tandlianwala, District Faisalabad.	
Unit 2	Shah Jamal Road, District Muzaffargarh.	
Top Gas (CO₂) :	Kanjwani, Tehsil Tandlianwala, District Faisalabad.	
Registered & Corporate Office:	66-L, Gulberg-II, Lahore-54000, Pakistan. PABX: 042-35712901, 35763115, 35754701, 35761124 Fax: 042-35710929, 35710605 Email: tsmelho@tsmlgroup.com Website: www.tsmlgroup.com	

