TANDLIANWALA SUGAR MILLS LTD.

2017 ANNUAL REPORT

29^{th} Annual Report

CONTENTS

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	National Bank of Pakistan Limited MCB Bank Limited United Bank Limited Allied Bank Limited Bank Alfalah Limited Habib Bank Limited The Bank of Punjab Soneri Bank Limited Sindh Bank Limited	
Legal Advisors	1) Bandial & Associates 35-A, Luqman Street, Zahoor Afridi Road, Lahore Cantt.	2) Ali Subtain Fazli & Associates Mall Mansion 30 The Mall, Lahore
Audit Committee	Mr. Humayun Akhtar Khan	Chairman
	Mr. Ghazi Khan	Member
	Mr. Tahir Farooq Malik	Member
	Mr. Khalid Siddique	Secretary
Auditors	*KPMG* Taseer Hadi & Co. Chartered Accountants	
Share Registrar	Corplink (Private) Limited 1-K, Commercial Model Town, Lahore.	
Sugar Mills: ***Unit 1***	Kanjwani, Tehsil Tandlianwala District, Faisalabad	
Unit 2	Taunsa Road, Indus Highway, Dera Ismail Khan	
Unit 3	Shah Jamal Road, Muzaffargarh	
Distillery: ***Unit 1***	Kanjwani, Tehsil Tandlianwala District, Faisalabad	
Unit 2	Shah Jamal Road, Muzaffargarh	
Top Gas:	Kanjwani, Tehsil Tandlianwala District, Faisalabad	
Registered Office	66-L, Gulberg-II, Lahore	

VISION, MISSION & STRATEGY

Mission

- To be the market leader and a world-class organization by meeting and proactively anticipating customer needs.
- To maximize the wealth of stakeholders by optimizing the long term returns and growth of the business.
- To be amongst the most efficient and lowest cost producers in the industry.
- To ensure a safe, harmonious and challenging working environment for the employees.

Corporate Strategy

- 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 produce sugar which is of highest international standards.
- To make investment in sugarcane crop to ensure regular supply of cane and profitability of growers.
- To establish modern corporate sugarcane farm of international standards.
- To offer equal and fair growth opportunities to all employees.
- To undertake and support community development and welfare projects in order to fulfill social commitments.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that twenty ninth Annual General Meeting of the Shareholders of the Company will be held on Tuesday February 27, 2018 at 10:00 am, at Chandni Banquet Halls 43-N, Gulberg-III, Lahore to transact the following business:

1. To confirm the minutes of Annual General Meeting of the Company held on March 02, 2017,

2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended September 30, 2017 together with Directors' and Auditors' Reports thereon.

3. To appoint Auditors for the year 2017-2018 and fix their remuneration. The present Auditors M/s KPMG Taseer Hadi & Co. Chartered Accountants, retire and being eligible have offered themselves for reappointment.

4. To transact any other ordinary business with the permission of the Chair.

Lahore: February 06, 2018.

By order of the Board

Ahmad Jehanzeb Khan

Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed from 20-02-2018 to 27-02-2018 (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 19-02-2018 at the Company's Share Registrar M/s Corplink (Pvt) Ltd, Wing Arcade, 1-K Commercial Area Model Town attending of the meeting.
2. 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.
5. Members are advised to promptly notify change in their postal address, if any, to the Company's Share Registrar.

Directors' Report

The Directors of Tandlianwala Sugar Mills Ltd (TSML), the Company, are pleased to present the 29th annual report of the Company for the year ended 30 September 2017 along with the financial statements and auditors' report thereon.

The efficiency improvement initiatives, with corrective & timely steps taken by the management yielded positive results during this year under review, enabling the Company to earn a gross profit of Rs 2.134 billion and a net profit after taxation, of Rs 471 million.

Sugar Division

The sugar division started crushing in the last week of November 2016 at all the three units. Due to abundant availability of sugarcane, TSML sufficiently achieved and utilized its plant by crushing more sugarcane as compared to the last comparative season. This resulted in a reasonably good surge of sugar and molasses production in comparison with the last season production figures. However the prices of sugar remained low during this financial year, which discouraged the sale of sugar in the local market.

The support price for sugarcane procurement remained unchanged at Rs 180 per 40 Kg for the season 2016-17, hence making it difficult for the sugar manufacturers to cover the mismatch, as sugar sale prices for good part of the year remained lower than last three years prices and also, at times even lower than the production costs. TSML, however kept its growers satisfied by keeping their trust and confidence in the Company, by making timely payments to them.
With diminishing margins, the industry remained in a distress situation and struggled to cover, even its costs to manufacture.

The Federal Government allowed a quota of 725,000 Metric Tons for export during this year under review, without allowing any subsidy on such export.

The Government also did not take any steps during the year towards the settlement of amount due from TDAP of the previous year's inland freight subsidy of Rs 133 million.

Despite so many discouraging and challenging factors, the Management of TSML group took prompt decisions, on timely basis, resulting in good results & performance.

Ethanol & Ancillary Division

The Ethanol Division, since its inception has always contributed to a great extent by giving better results every year. Despite the fact that the prices of Ethanol fell locally, as well as, internationally, our ethanol division earned good profits for the company in comparison with our sugar division.

Due to competitive advantage of internally generated raw material, both our ethanol units have remained operational for this entire year.

TSML group continued to remain one of the largest producer and exporter of ethanol in this year as well.

The CO_2 division performed well despite tough competition, decrease in demand, low prices and new entrants in market.

Future Outlook of the Company

In the current crushing season (2017-18) all our three sugar units have started crushing towards the end of November, 2017.

The Government, though a bit belatedly, has allowed 1.500 million tons quota for export and have also promised to release the previous year outstanding freight subsidy.

The notified support price for sugarcane procurement remained unchanged in Punjab at Rs 180 per 40 Kg, which is unsupportive for the industry, as this price, economically, is not viable at all.

The present season is again very tough for the industry due to higher sugarcane purchase costs, low sale prices of sugar and lack of Government attention towards the industry. The entire industry is looking forward towards the Government to take appropriate & prudent measures that are in favor for all the stakeholder of this sector.

Hopefully, in this season too, TSML will perform satisfactorily. Apart from so many discouraging factors, TSML is about to complete the plant efficiency and up gradation.

Corporate Social Responsibility (CSR)

The Company considers CSR as a fundamental responsibility and strives to be a good corporate citizen. The Company contributes to society by supporting public health and education facilities.

Statement of Corporate and Financial Reporting Framework

We are committed to good corporate governance and do comply with the requirements of Code of Corporate governance included in the listing regulation of Pakistan Stock Exchange Ltd and we also confirm that:

- These financial statements, prepared by the management of the company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- Proper books of accounts of the company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable prudent judgments;
- International Financial Reporting Standards and the requirement of the Companies ordinance of Pakistan, 1984, as applicable in Pakistan have been followed in preparation of financial statements;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There are no significant doubts upon the Company's ability to continue as a going concern as it has adequate resources and improving its results to continue in operation for the foreseeable future as has been explained in the Director’s Report and financial statements;

- There has been no material departure from the best practices of the corporate governance as detailed in the listing regulations and properly disclosed in the Statement of Compliance with the Code of Corporate Governance except for paragraph 25 as disclosed in "Statement of compliance with code of corporate governance".
- A statement regarding key financial data for the last six years is annexed to this report.
- Information about taxes and levies is given in the notes to the financial statements.

Six Years Review at a Glance

The six years review at a glance is annexed.

Pattern of Shareholdings

The pattern of shareholdings as on September 30, 2017 which is required to be disclosed under the reporting framework is annexed herewith in 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. The Committee assists the Board in reviewing internal audit manual and internal audit system.

Human Resource Committee

The Board has constituted a Human Resource Committee in compliance with the Code of Corporate Governance 2012. 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 during the year and the attendance of each director is stated as under:

Name of Directors	Board		Audit Committee		Human Resource and Remuneration Committee	
	Attended	Required	Attended	Required	Attended	Required
NON – EXECUTIVE DIRECTORS						
Mr. Ghazi Khan	6	4	4	4	1	1
Mr. Tahir Farooq Malik	6	4	4	4	1	1
Mrs. Rasheeda Begum	5	4	4	4	1	1
Mrs. Mobina Akbar Khan	5	4	4	4	1	1
Mr. Humayun Akhtar Khan	3	4	3	4	1	1

EXECUTIVE DIRECTORS						
Mr. Akbar Khan	6	4	4	4	1	1
Mr. Haroon Khan	6	4	4	4	1	1

(However, leaves of absence were granted to the Directors who could not attend the Board Meetings due to their preoccupations.)

Trading in Shares

Trading in shares by Directors, CEO, CFO, Company Secretary and their spouses and minor children has been disclosed in FORM 34 annexed to this annual report.

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, 2017 due to continuous balancing, modernization and replacement with Steam Efficiency of the plants

Staff Retirement Benefits

The company operates an un-funded gratuity scheme for all employees with qualifying service period of six months.

Auditors

The retiring Auditors, M/s *KPMG* Taseer Hadi & Co., Chartered Accountants, being eligible, offer themselves for re-appointment for the year 2017-2018.

Appreciation

The Board is pleased with the continued dedication and efforts of the employees of the Company. Here we will also acknowledge the growers as they are a key element of our industry and we thank them for their continued co-operation.

On behalf of Board of Directors

Akbar Khan
(Chief Executive Officer)
February 06, 2018

ڈائریکٹرز کی رپورٹ

ٹانڈلیانوالہ شوگر ملز لمیٹڈ کے ڈائریکٹران کیلئے کمپنی کی 29 ویں سالانہ رپورٹ برائے اختتام سال 30 ستمبر 2017 بشمول فنانشل سٹیٹمنٹ اور آڈیٹرز رپورٹ پیش کرنا باعث مسرت وافتخار ہے۔زیرغور سال کے دوران کارکردگی بہتری کیلئے انتظامیہ کی جانب سے درست اور بروقت اقدامات اُٹھائے گئے جس کے بہتر نتائج سامنے آئے اور کمپنی نے مجموعی منافع کی مد میں مبلغ 2.134 بلین جبکہ ٹیکس کٹوتی کے بعد نیٹ پرافٹ مبلغ 471 ملین تک کمایا۔

شوگر ڈویژن

شوگر ڈویژنز کے تینوں یونٹس میں نومبر 2016ء کے آخری ہفتہ کو شوگر کی پیسائی شروع کی گئی۔گنے کی وافر مقدار میں دستیابی کے باعث ٹی ایس ایم ایل نے گزشتہ سیزن کے مقابلہ میں بھرپور پیداوار کو یقینی بنایا اور چینی کے ساتھ شیرے کی پیداوار میں بھی گزشتہ پیداواری اعدادوشمار کے مقابلہ میں بہتری آئی۔تاہم اس مالی سال کے دوران کیونکہ شوگر کی قیمت کم رہی اس لئے مقامی مارکیٹوں میں شوگر کی فروخت متاثر ہوئی۔

2016-17ء کے سیزن کے دوران گنے کی امدادی قیمت بغیر کسی کمی بیشی کے فی 40 کلوگرام مبلغ 180 روپے رہی جس کی وجہ سے شوگر کے تیار کنندگان کیلئے شوگر کی قیمت فروخت کو گزشتہ تین سالوں کی قیمتوں کے مقابلہ اور ساتھ ہی پیداواری لاگت کو بہتر کرامشکل رہا۔ٹی ایس ایم ایل نے ان حالات کے باوجود اپنے کاشتکاروں کو بروقت ادائیگیاں یقینی بناتے ہوئے انہیں مطمئن رکھا تا کہ کمپنی پر ان کا بھروسہ ہمیشہ قائم رہے۔

فی کلوگرام 60 روپے سیلز ٹیکس کی مد میں کاٹے جاتے رہے جس کی وجہ سے صنعت متاثر ہوئی۔مارجن میں کمی کی وجہ سے حالات خراب رہے جنہیں بہتر کرنے کی کوشش کی جاتی رہی جس کے تحت مینوفیکچرنگ لاگت میں بھی کمی لائی گئی۔

وفاقی حکومت کی جانب سے زیرغور سال کے دوران 725,000 میٹرک ٹن کو ایکسپورٹ کرنے کی اجازت دی گئی۔

حکومت نے زیرغور سال کے دوران ٹی ڈی اے پی کی طرف گزشتہ سال کی واجب الادا ان لینڈ فرائٹ سبسڈی مبلغ 133 ملین کے معاملے کے حل کیلئے بھی کوئی قدم نہیں اُٹھایا۔

ٹی ایس ایم ایل کی انتظامیہ نے ناسازگار ماحول کے باوجود بروقت اور فوری اقدامات اُٹھائے جس کے بہتر نتائج سامنے آئے۔

ایتھنول اور اینسلری ڈویژن

ایتھنول ڈویژن نے روزاول سے ہی بہتر نتائج فراہم کئے ہیں۔ایتھنول کی قیمتوں میں مقامی وبین الاقوامی سطح پر کمی کے باوجود ایتھنول ڈویژن نے شوگر ڈویژن کے مقابلہ میں کمپنی کیلئے بہتر منافع اکٹھا کیا۔

خام مال کی اندرون ملک تیاری کے مسابقتی فائدہ کی وجہ سے ہمارے دونوں ایتھنول یونٹس پر مسلسل کام ہوتا رہا ہے۔ٹی ایس ایم ایل گروپ اس سال بھی ایتھنول کی سب سے زیادہ پیداوار کے اعزاز پر فائز ہے۔CO2 ڈویژن نے سخت مقابلہ کی فضاء، طلب میں کمی، کم قیمتوں اور مارکیٹ میں وسعت کے باوجود بہتر کارکردگی کا مظاہرہ کیا۔

کمپنی کے مستقبل میں عزائم

پیسائی کے رواں سیزن 2017-18ء میں تینوں یونٹس کے اندر نومبر 2017ء کے اختتام پر پیسائی کا عمل شروع کر دیا گیا تھا۔حکومت نے بالآخر 1.500 ملین ٹن کو نذ کے ایکسپورٹ کی اجازت صادر فرمانے کے علاوہ گزشتہ سال کی باقی ماندہ فرائٹ سبسڈی کے اجراء کا وعدہ بھی کیا ہے۔

پنجاب میں گنے کی فراہمی کیلئے متعین کردہ امدادی قیمت مبلغ 180 روپوں میں کوئی تبدیلی واقع نہ ہونا صنعت کیلئے نقصان دہ ثابت ہو رہا ہے کیونکہ یہ قیمت معاشی طور پر قابل عمل نہیں ہیں۔

صنعت کیلئے موجودہ سیزن گنے کی قیمت خرید میں اضافے اور شوگر کی قیمت فروخت میں کمی کے علاوہ صنعت کی طرف حکومت کی عدم توجہ کی وجہ سے موجودہ سیزن بھی صنعت کیلئے سخت محنت طلب رہے گا۔

اس وقت پوری صنعت کی توجہ حکومت پر مرکوز ہے کہ وہ اس سیکٹر کے سٹیک ہولڈرز کیلئے سازگار مواقعوں کی فراہمی یقینی بنائے۔

اُمید ہے کہ اس سیزن میں بھی ٹی ایس ایم ایل بہتر کارکردگی کا مظاہرہ کرے گی۔ تمام تر مشکل حالات کے باوجود ٹی ایس ایم ایل پلانٹ کی کارکردگی کی تکمیل اور اَپ گریڈیشن کی جانب رواں دواں ہے۔

کارپوریٹ سوشل ریسپانسبلٹی

کمپنی کیلئے کارپوریٹ سوشل ریسپانسبلٹی اولین ترجیحات میں شامل ہے۔ کمپنی پبلک ہیلتھ اور تعلیم کی سہولیات بہم پہنچا رہی ہے۔

سٹیٹمنٹ آف کارپوریٹ اینڈ فنانشل رپورٹنگ فریم ورک

ہم بہتر کارپوریٹ گورننس اور پاکستان سٹاک ایکسچینج لمیٹڈ کے مطلوبہ قوائد میں شامل کوڈ آف کارپوریٹ گورننس کے معیارات پر ہر لحاظ سے پورا اُترنے کیلئے پرعزم ہیں کہ:

☆ کمپنی کی انتظامیہ کی جانب سے تیار کی جانیوالی فنانشل سٹیٹمنٹس کمپنی کے افعال، عملدرآمد کے نتائج اور پیسے کے بہاؤ کے علاوہ تبدیلی کے رجحانات پر مبنی ہے جس کے مطابق؛

☆ کمپنی کی بکس آف اکاؤنٹس کو باقاعدہ ترتیب دیا گیا ہے؛

☆ فنانشل سٹیٹمنٹ کی تیاری اور اکاؤنٹنگ کے تخمینہ کے حساب پر ذمہ داری سے پورا اُترنے کیلئے مسلسل مناسب اکاؤنٹنگ پالیسیاں لاگو کی جاتی رہی ہیں؛

☆ فنانشل سٹیٹمنٹس کی تیاری میں انٹرنیشنل فنانشل رپورٹنگ سٹینڈرڈز اور پاکستان میں لاگو کمپنیز آرڈیننس آف پاکستان 1984ء کے معیارات مکمل خیال رکھا گیا ہے

☆ انٹرنل کنٹرول سسٹم کو مضبوط اور جامع رکھا گیا ہے جسے پر مؤثر عملدرآمد اور مانیٹر کیا جاتا رہا ہے؛

☆ کمپنی کی صلاحیتوں پر کوئی شک نہیں کیا جاسکتا اور یہ کہ ڈائریکٹرز کی رپورٹ اور فنانشل سٹیٹمنٹ میں واضح کردہ بہتر مستقبل کے لائحہ عمل پر عملدرآمد کیلئے مناسب وسائل اور نتائج میں بہتری لائی جارہی ہے؛

☆ ''سٹیٹمنٹ آف کمپلائنس مع کوڈ آف کارپوریٹ گورننس'' کے پیرا 25 کے علاوہ اور لسٹنگ کے ضوابط میں اس بات کی تفصیل سے وضاحت کی گئی ہے کہ کارپوریٹ گورننس کے تحت کئے جانے والے اقدامات میں کوئی تبدیلی نہیں آئی۔

☆ گزشتہ چھ سالوں کے بنیادی فنانشل ڈیٹا کی سٹیٹمنٹ رپورٹ کیساتھ منسلک ہے۔

☆ فنانشل سٹیٹمنٹس کے نوٹس میں ٹیکسز اور لیویز کی تفصیلات موجود ہیں۔

چھ سالہ ریویو پر ایک نظر

چھ سالہ نظر ثانی منسلک ہے

پیٹرن برائے شیئر ہولڈنگز

30 ستمبر 2017ء پر پیٹرن برائے شیئر ہولڈنگز اس رپورٹ کے ہمراہ ہے۔

آڈٹ کمیٹی

بورڈ نے بشمول چیئرمین آف کمیٹی تین ممبران کی ایک آڈٹ کمیٹی بنائی ہے۔ضابطہ کے مطابق کمیٹی باقاعدگی سے مشاورت کرتی ہے۔کمیٹی بورڈ کی انٹرنل آڈٹ مینول اور انٹرنل آڈٹ سسٹم کے ریویو میں مدد کرتی ہے۔

ہیومن ریسورس کمیٹی

بورڈ نے کوڈ آف کارپوریٹ گورننس 2012ء کے مطابق ایک ہیومن ریسورس کمٹی تشکیل دی ہے۔یہ ہیومن ریسورس کمیٹی بورڈ آف ڈائریکٹرز کے ٹرم آف ریفرنس کے مطابق اپنی ذمہ داریاں سرانجام دے رہی ہے۔

بورڈ اجلاس

سال کے دوران کل گیارہ اجلاس منعقد کیے گئے جس میں ہر ڈائریکٹر کی شمولیت کی تفصیل حسب ذیل ہے

ڈائریکٹرز کے نام	بورڈ		آڈٹ کمیٹی		ہیومن ریسورس اور معاوضہ کمیٹی	
	حاضر	مطلوبہ	حاضر	مطلوبہ	حاضر	مطلوبہ
غیر ایگزیکٹو ڈائریکٹرز						
مسٹر غازی خان	6	4	4	4	1	1
مسٹر طاہر فاروق ملک	6	4	4	4	1	1
مسز رشیدہ بیگم	5	4	4	4	1	1
مسز مو بینہ اکبر خان	5	4	4	4	1	1
مسٹر ہمایوں اکبر خان	3	4	3	4	1	1
ایگزیکٹو ڈائریکٹرز						
مسٹر اکبر خان	6'	4	4	4	1	1
مسٹر ہارون خان	6	4	4	4	1	1

(تاہم وہ ڈائریکٹران جو بورڈ اجلاس میں شرکت نہیں کر پائے ان کو کارکردگی کی بنیاد پر رخصت عنایت کی گئی)۔

شیئرز کی تجارت

سالانہ رپورٹ کیساتھ ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کے عزیز و اقارب اور بچوں کی جانب سے کی جانے والی شیئرز کی تجارت کا فارم 34 منسلک ہے۔

بقایا قانونی واجبات

کم از کم ٹیکس اور دیگر قانونی محصولات کی مد میں بقایا واجبات کی تفصیلات نوٹ 15 اور 31 میں درج ہیں۔

ڈیویڈنڈ

ایک ہی طرح کے حالات ماڈرنائزیشن اور پلانٹس کی سٹیم ایفی شنسی سے متبادل کی وجہ سے 30 ستمبر 2017ء کے اختتام پر بورڈ آف ڈائریکٹرز کی جانب سے ڈیویڈنڈ کے بارے میں تجویز نہیں دی گئی۔

ریٹائرمنٹ پر فوائد

پہلے چھ ماہ کے ابتدائی دورانیہ کے بعد تمام ملازمین کو غیر فنڈ ڈ گریجویٹی فراہم کی جاتی ہے۔

آڈیٹرز

میسرز کے پی ایم جی تاثیر ہادی کمپنی، چارٹرڈ اکاؤنٹنٹس نے اہل ہونے کے ناطے سال 2017-18ء کیلئے دوبارہ تقرری کیلئے درخواست دائر کی ہے۔

اعترافات

بورڈ کمپنی کے ملازمین کی محنت اور کارکردگی کو سراہتا ہے۔ اس کے علاوہ ہم کاشتکاروں کی جانب سے مسلسل تعاون کو بھی تسلیم کرتے ہیں کیونکہ یہ کاشتکار ہماری صنعت کیلئے ریڑھ کی ہڈی کی حیثیت رکھتے ہیں۔

بحکم بورڈ آف ڈائریکٹرز

اکبر خان

چیف ایگزیکٹو آفیسر

06 فروری 2018ء

SIX YEARS REVIEW AT A GLANCE

Figures in '000

		2017 (Rupees)	2016 (Rupees)	2015 (Rupees)	2014 (Rupees)	2013 (Rupees)	2012 (Rupees)
FINANCIAL RESULTS							
Sales (Net)		13,903,985	18,675,054	16,520,294	12,999,789	12,294,796	8,376,917
Cost of Sales		11,769,616	16,258,134	14,301,181	11,574,518	11,435,215	7,508,390
Gross profit		**2,134,369**	**2,416,920**	**2,219,113**	**1,425,271**	**859,581**	**868,527**
Operating, financial and other expenses		1,680,412	1,542,640	1,674,897	1,393,962	1,263,727	1,029,841
		453,957	**874,280**	**544,216**	**31,309**	**(404,146)**	**(161,314)**
Other income		36,246	108,495	70,303	54,161	119,737	13,083
Net profit / (loss) before wppf		**490,203**	**982,775**	**614,519**	**85,471**	**(284,409)**	**(148,231)**
Workers' profit participation fund		29,077	49,139	30,726	4,274	-	-
Net (loss) / profit before Taxation		**461,126**	**933,636**	**583,793**	**81,197**	**(284,409)**	**(148,231)**
Provision for taxation		9,634	(35,669)	7,833	165,927	(98,310)	197,690
Net (loss) / profit after taxation		**470,760**	**897,967**	**591,626**	**247,124**	**(382,719)**	**49,459**
Cash dividend		-	-	-	-	-	-
(Loss) / Earning per share (Rs.)		4.00	7.63	5.03	2.10	(3.25)	0.42
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)		13,082,041	10,686,598	10,941,621	7,974,240	7,645,295	5,460,225
OPERATING RESULTS							
Sugar production	M. Tons	303,142	247,378	265,110	269,597	197,370	149,368

FORM 34

THE COMPANIES ORDINANCE 1984
(Section 236(1) and 464)
PATTERN OF SHAREHOLDING

1. Incorporation Number: L-01226

2. Name of the Company: TANDLIANWALA SUGAR MILLS LIMITED

3. Pattern of holding of the shares held by the shareholders as at: 30-09-2017

4. No. of Shareholders	------Shareholding------ From	To	Total Shares Held
128	1	100	3,487
425	101	500	201,194
62	501	1,000	52,624
61	1,001	5,000	128,708
10	5,001	10,000	70,347
5	10,001	15,000	64,861
3	15,001	20,000	53,607
1	20,001	25,000	21,500
1	25,001	30,000	29,420
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
712			**117,706,300**

5. Categories of shareholders	Share held	Percentage
5.1 Directors, Chief Executive Officers, and their spouse and minor children	89,343,585	75.9038%
5.2 Associated Companies, undertakings and related parties.	---	---
5.3 Banks,Funds, Development Financial Institutions, Non Banking Financial Institutions.	183,940	0.1562%
5.4 Share holders holding 10%	89,341,563	75.9021%

5.5 General Public		
a. Local	28,178,775	23.9399%
5.6 Others (to be specified)		
	---	---

6. Signature of Company Secretary	
7. Name of Signatory	AHMAD JEHANZEB KHAN
8. Designation	COMPANY SECRETARY
9. Date	30 09 2017

Catagories of Shareholding required under Code of Corporate Governance (CCG)
As on September 30, 2017

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):			
		-	-
Mutual Funds (Name Wise Detail)		-	-
Directors and their Spouse and Minor Chidren (Name Wise Detail):			
1	MR. AKBAR KHAN	21,592,481	18.3444%
2	MR. HAROON KHAN	23,135,865	19.6556%
3	MR. GHAZI KHAN	22,965,200	19.5106%
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%
Executives:		-	-
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		183,940	0.1562%

Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)

S. No.	Name	Holding	Percentage
1	MR. AKBAR KHAN	21,592,481	18.3444%
2	MR. HAROON KHAN	23,135,865	19.6556%
3	MR. GHAZI KHAN	22,965,200	19.5106%
4	MRS. RASHEEDA BEGUM	21,648,017	18.3916%
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)	0	6,400
2	MR. GHAZI KHAN (CDC)	0	13,800

Statement of Compliance with the Code of Corporate Governance For the year ended 30 September 2017

This statement is being presented to comply with the Code of Corporate Governance ("the code") contained in clause 5.19.24 of chapter 5 of Rule Book of the Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed Company is managed in compliance with the best practices of corporate governance.

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

1. The Company encourages representation of independent, non-executive directors and directors representing minority interests on its Board of Directors. As at 30 September 2017, the Board includes:

Category	Names		
Executive Directors	i.	Mr.	Akbar Khan
	ii.	Mr.	Haroon Khan
Non-Executive Directors	iii.	Mr.	Ghazi Khan
	iv.	Mr.	Tahir Farooq Malik
	v.	Mrs.	Rasheeda Begum
	vi.	Mrs.	Mobina Akbar Khan
	vii.	Mr.	Humayun Akhtar Khan

2. The Directors have confirmed that none of them is serving as a director in more than seven listed companies, including the Company.

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

4. A causal vacancy occurring on the Board on 02 March 2017 was filled up by the Directors within 90 days.

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

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

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive Directors, have been taken by the Board /Shareholders.

8. 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 and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. All the Directors on the Board are well conversant with their 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 per criteria i-e 14 years of education and 15 years of experience on the board of a listed company.

10. No new appointment of CFO, Company Secretary or Head of Internal Audit has occurred during the year.

11. The Directors' Report for the year ended 30 September 2017 has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

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

13. The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance.

15. The Board has formed three members Audit Committee comprising of non-executive directors. The Chairman of the committee is a non-executive director.

16. The meetings of the Audit Committee were held at least once in every quarter prior to approval of interim and final results of the Company as required by the Code of Corporate Governance. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board has formed an HR and Remuneration Committee. It comprises following of three Board members, all of whom are non-executive directors including the chairman of the committee.

Name	Designation	Category
Mrs. Rasheeda Begam	Chairperson/Member	Non-executive Director
Mr. Ghazi Khan	Member	Non-executive Director
Mr. Tahir Farooq Malik	Member	Non executive Director

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

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

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

21. The "close period" prior to the announcement of interim/final results and business decisions, which may materially affect the market price of the Company's securities, was determined and intimated to Directors, employees and stock exchange.

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

23. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.

24. The Company has continued to present the details of all related party transactions before the Audit Committee and upon their recommendation to the Board for review and approval. The definition of related party used is in accordance with repealed Companies Ordinance, 1984 and applicable financial reporting frame work, as the regulations under Section 208 of the Companies Act, 2017 have not yet been announced.

25. We confirm that all other material principles enshrined in the Code have been complied with except the following:

    a. The company did not have any Independent Director during the year ended 30 September 2017 as per the requirement of sub-clause (b) of clause 5.19.1 of Rule Book of Pakistan Stock Exchange Limited.

    b. None of the members (including Chairman) of the Audit Committee is an Independent Director as per sub-clause (a) of clause 5.19.16 of Rule Book of Pakistan Stock Exchange Limited.

Lahore	**Ghazi Khan**	**Akbar Khan**
06 February 2018	**Chairman**	**Chief Executive**

Review Report to the Members on Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of **Tandlianwala Sugar Mills Limited** ("the Company") for the year ended 30 September 2017 to comply with the requirements of the Rule Book of Pakistan Stock Exchange Limited Chapter 5, Clause 5.19.24 (b), where the Company is listed.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 30 September 2017.

Further, we highlight below instances of non-compliance with the requirements of the Code as reflected in the paragraph reference where these are stated in the Statement of Compliance:

Paragraph reference	**Description**
i) Paragraph 25 (a)	*At present there is no independent director on the Company's Board of Directors as required under the sub-clause (b) of clause 5.19.1 of the Rule Book of Pakistan Stock Exchange Limited.*
ii) Paragraph 25 (b)	*Under the sub-clause (a) of clause 5.19.16 of the rule book of Pakistan Stock Exchange Limited, 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.*

Lahore

Date: 06 February 2018

KPMG Taseer Hadi & Co
Chartered Accountant
(Kamran Iqbal Yousafi)

Auditors' Report to the Members

We have audited the annexed balance sheet of **Tandlianwala Sugar Mills Limited ("the Company")** as at 30 September 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

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

b) in our opinion:

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

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

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

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 September 2017 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and

d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

KPMG Taseer Hadi & Co.
Chartered Accountants
(Kamran Iqbal Yousafi)

Lahore
Date: 06 February 2018

Balance Sheet

	Note	2017 Rupees	2016 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
120,000,000 (2016: 120,000,000) shares of Rs. 10 each		**1,200,000,000**	1,200,000,000
Issued, subscribed and paid-up capital	*6*	**1,177,063,000**	1,177,063,000
Reserves	*7*	**3,067,892,022**	2,617,707,211
Loan from Directors - *unsecured*	*8*	**1,935,050,170**	1,935,050,170
		6,180,005,192	5,729,820,381
Non current liabilities			
Long term finances - *secured*	*9*	**2,771,675,932**	915,998,593
Liabilities against assets subject to finance lease - *secured*	*10*	**489,444,925**	37,312,883
Advances from customers - *unsecured*	*11*	**554,036,748**	1,741,802,889
Deferred liabilities			
- *Staff retirement benefits*	*12.1*	**310,560,559**	245,194,213
- *Deferred taxation*	*12.2*	**8,443,728**	23,746,159
		4,134,161,892	2,964,054,737
Current liabilities			
Short term borrowings - *secured*	*13*	**10,196,025,232**	5,259,368,808
Current portion of non-current liabilities	*14*	**630,532,378**	608,487,840
Trade and other payables	*15*	**4,447,068,821**	1,532,156,098
Interest and mark up accrued	*16*	**260,315,310**	109,673,836
		15,533,941,741	7,509,686,582
Contingencies and commitments	*17*		
		25,848,108,825	16,203,561,700

The annexed notes 1 to 44 form an integral part of these financial statements.

Lahore
February 06, 2018

Chief Financial Officer

As at 30 September 2017

	Note	2017 Rupees	2016 Rupees
ASSETS			
Non current assets			
Property, plant and equipment	*18*	**13,795,834,019**	11,247,190,642
Long term deposits	*19*	**124,073,188**	28,919,144
		13,919,907,207	11,276,109,786
Current assets			
Stores, spare parts and loose tools	*20*	**1,032,646,111**	765,898,105
Stock-in-trade	*21*	**8,814,401,128**	2,978,867,891
Trade debts - *considered good*	*22*	**20,113,724**	21,246,615
Advances, deposits, prepayments and other receivables	*23*	**843,723,068**	693,770,239
Tax refunds due from Government - net		**529,551,342**	400,732,497
Cash and bank balances	*24*	**687,766,245**	66,936,567
		11,928,201,618	4,927,451,914
		25,848,108,825	16,203,561,700

Chief Executive | **Director**

Profit and Loss Account

For the year ended 30 September 2017

	Note	2017 Rupees	2016 Rupees
Sales - *net*	25	**13,903,985,479**	18,675,054,125
Cost of sales	26	**(11,769,616,007)**	(16,258,133,912)
Gross profit		**2,134,369,472**	2,416,920,213
Administrative expenses	27	**(441,207,205)**	(375,645,045)
Distribution expenses	28	**(350,893,443)**	(306,350,974)
Other income	29	**36,246,141**	108,494,653
Profit from operations		**1,378,514,965**	1,843,418,847
Finance cost	30	**(888,312,066)**	(860,643,682)
Other expenses	31	**(29,076,937)**	(49,138,758)
Profit before taxation		**461,125,962**	933,636,407
Taxation	32	**9,633,817**	(35,669,332)
Profit after taxation		**470,759,779**	897,967,075
Earnings per share - *basic and diluted*	33	**4.00**	7.63

The annexed notes 1 to 44 form an integral part of these financial statements.

Lahore
February 06, 2018

Chief Financial Officer **Chief Executive** **Director**

Statement of Comprehensive Income

For the year ended 30 September 2017

	Note	2017 Rupees	2016 Rupees
Profit after taxation		**470,759,779**	897,967,075
Other comprehensive loss			
Items that will not be reclassified to profit and loss:			
Remeasurement of defined benefit liability	12.1.2	**(26,243,582)**	(9,711,211)
Related tax impact		**5,668,614**	2,068,488
		(20,574,968)	(7,642,723)
Total comprehensive income for the year		**450,184,811**	890,324,352

The annexed notes 1 to 44 form an integral part of these financial statements.

Lahore
February 06, 2018

Chief Financial Officer	Chief Executive	Director

Cash Flow Statement

For the year ended 30 September 2017

	Note	2017 Rupees	2016 Rupees
Cash flow from operating activities			
Profit before taxation		**461,125,962**	933,636,407
Adjustments for non-cash and other items:			
Depreciation on property, plant and equipment	*18.2.1*	**581,202,452**	569,349,231
Gain on disposal of property, plant and equipment	*18.2.2*	**(1,382,249)**	(830,869)
Finance cost	*30*	**888,312,066**	860,643,682
Provision for staff retirement benefits	*12.1.3*	**50,812,155**	49,899,339
Return on bank deposits	*29*	**(28,414,436)**	(2,165,750)
Provision for Worker's Profit Participation Fund		**24,510,145**	49,138,758
		1,515,040,133	1,526,034,391
Operating profit before working capital changes		**1,976,166,095**	2,459,670,798
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		**(266,748,006)**	(118,769,505)
Stock-in-trade		**(5,835,533,237)**	1,043,478,687
Advances, deposits, prepayments and other receivables		**(149,952,829)**	(117,638,128)
Trade debts - *considered good*		**1,132,891**	212,680,616
		(6,251,101,181)	1,019,751,670
Increase / (decrease) in current liabilities:			
Trade and other payables		**1,751,775,195**	(116,184,161)
Cash (used in) / generated from operations		**(2,523,159,891)**	3,363,238,307
Finance cost paid		**(737,670,592)**	(948,408,792)
Staff retirement benefits paid	*12.1.1*	**(11,689,391)**	(2,018,537)
Taxes paid		**(128,818,845)**	(106,515,805)
Long term deposits - *net*		**(95,154,044)**	29,808,756
Worker's Profit Participation Fund paid		**(49,138,758)**	(30,725,975)
		(1,022,471,630)	(1,057,860,353)
Net cash (used in) / generated from operating activities		**(3,545,631,521)**	2,305,377,954
Cash flow from investing activities			
Capital expenditure		**(2,627,015,970)**	(843,673,724)
Proceeds from disposal of property, plant and equipment		**2,076,262**	1,060,000
Income received from bank deposits		**28,414,436**	2,165,750
Net cash used in investing activities		**(2,596,525,272)**	(840,447,974)
Cash flow from financing activities			
Long term finances repaid		**(405,288,673)**	(354,427,258)
Long term finances obtained		**2,271,995,140**	110,000,000
Loans from directors		**-**	(36,911,866)
Finance lease liabilities - *net*		**(40,376,420)**	(12,738,098)
Short term borrowings - *net*		**4,876,591,485**	(1,259,537,380)
Net cash generaated from / (used in) financing activities		**6,702,921,532**	(1,553,614,602)
Net increase / (decrease) in cash and cash equivalents		**560,764,739**	(88,684,622)
Cash and cash equivalents at the beginning of the year		**(32,997,631)**	55,686,991
Cash and cash equivalents at the end of the year	*34*	**527,767,108**	(32,997,631)

The annexed notes 1 to 44 form an integral part of these financial statements.

Lahore
February 06, 2018

Chief Financial Officer **Chief Executive** **Director**

Statement of Changes in Equity

For the year ended 30 September 2017

	Share Capital	Reserves - Capital - Share premium	Reserves - Revenue - Un-appropriated profit	Total reserves	Loan from Directors	Total
	Rupees					
Balance as at 30 September 2015	1,177,063,000	290,741,640	1,436,641,219	1,727,382,859	1,971,962,036	4,876,407,895
Transactions with owners of the Company:						
Repayments made during the year	-	-	-	-	(36,911,866)	(36,911,866)
Total comprehensive income for the year:						
Profit for the year ended 30 September 2016	-	-	897,967,075	897,967,075	-	897,967,075
Other comprehensive loss for the year ended 30 September 2016 *net of tax*	-	-	(7,642,723)	(7,642,723)	-	(7,642,723)
	-	-	890,324,352	890,324,352	-	890,324,352
Balance as at 30 September 2016	1,177,063,000	290,741,640	2,326,965,571	2,617,707,211	1,935,050,170	5,729,820,381
Total comprehensive income for the year:						
Profit for the year ended 30 September 2017	-	-	470,759,779	470,759,779	-	470,759,779
Other comprehensive loss for the year ended 30 September 2017 *net of tax*	-	-	(20,574,968)	(20,574,968)	-	(20,574,968)
	-	-	450,184,811	450,184,811	-	450,184,811
Balance as at 30 September 2017	**1,177,063,000**	**290,741,640**	**2,777,150,382**	**3,067,892,022**	**1,935,050,170**	**6,180,005,192**

The annexed notes 1 to 44 form an integral part of these financial statements.

Lahore
February 06, 2018

Chief Financial Officer | **Chief Executive** | **Director**

Notes to the Financial Statements

For the year ended 30 September 2017

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 manufacturing facilities of the Company are located at Kanjwani (Unit I), Dera Ismail Khan (Unit II) and Muzaffargarh (Unit III). The registered office of the Company is situated at 66 - L, Gulberg II, Lahore.

2 Basis of preparation

2.1 Statement of compliance

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

During the year on 30 May 2017, the Companies Act, 2017 (the Act) was enacted which replaced and repealed the Companies Ordinance, 1984 (the repealed Ordinance). However, the Securities and Exchange Commission of Pakistan (SECP) through its Circular No. 23 of 2017 dated 04 October 2017 has advised the Companies whose financial year closes on or before 31 December 2017 to prepare their financial statements in accordance with the provisions of the repealed Ordinance.

2.2 Functional and presentation currency

These financial statements are presented in Pak Rupees ("Rs."), which is the Company's functional and presentation currency. All financial information has been rounded to the nearest rupee, except when otherwise indicated.

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for:

- translation of foreign currency at spot rate / average rate;
- recognition of staff retirement benefits at present value; and
- certain financial instruments at fair value and /or amortized cost

In these financial statements, except for the amounts reflected in the cash flow statement, all transactions have been accounted for on accrual basis.

3 Use of judgements and estimates

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to Company's financial statements or where judgments were exercised in application of accounting policies are:

-	Staff retirement benefits	*5.1*
-	Current and deferred taxation	*5.2*
-	Depreciation method, useful lives, residual values and impairment of property, plant and equipment	*5.4*
-	Stores, spare parts and loose tools	*5.6*
-	Stock-in-trade	*5.7*
-	Trade debts - *considered good*	*5.8*
-	Provisions and contingencies	*5.9*

4 New Companies Act, 2017 and new and revised approved accounting standards, interpretations and amendments thereto

The Companies Act, 2017 applicable for financial year beginning on 01 October 2017 requires certain additional disclosures and Section 235 of the repealed Companies Ordinance, 1984 relating to treatment of surplus arising out of revaluation of assets has not been carried forward in the Companies Act, 2017. This amendment is not likely to have an impact on the Company's financial statements.

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2017:

- Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after 1 January 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. The amendments are not likely to have an impact on Company's financial statements.

- Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after 1 January 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendments are not likely to have an impact on Company's financial statements.

- Amendments to IFRS 2 - Share-based Payment clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on Company's financial statements.
- Transfers of Investment Property (Amendments to IAS 40 'Investment Property' -effective for annual periods beginning on or after 1 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on Company's financial statements. Amendment to IAS 27 'Separate Financial Statements' (effective for annual periods beginning on or after January 01, 2016) allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendment is not likely to have an impact on Company's financial statements.
- Annual improvements to IFRS standards 2014-2016 cycle. The new cycle of improvements addresses improvements to following approved accounting standards:
  - Amendments to IFRS 12 'Disclosure of Interests in Other Entities' (effective for annual periods beginning on or after 1 January 2017) clarify that the requirements of IFRS 12 apply to an entity's interests that are classified as held for sale or discontinued operations in accordance with IFRS 5 – 'Non-current Assets Held for Sale and Discontinued Operations'.
  - Amendments to IAS 28 'Investments in Associates and Joint Ventures' (effective for annual periods beginning on or after 1 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture.
  - IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 1 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.
  - IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax.

The improvements are not likely to have an impact on the Company's financial statements.

5 Significant accounting policies

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

5.1 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 12.1.

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 amortised 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.

Remeasurements of the defined benefit liability, which comprise actuarial gains and losses, is recognised 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.

5.2 Taxation

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

Current 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 accounted for using the balance sheet liability method in respect of all temporary differences arising between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax assets are reviewd at each reporting date and reduced to the extent that it is no longer probable that related temporary benefit will be realized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except in the case of items credited or charged to comprehensive income or equity in which case it is included in comprehensive income or equity.

5.3 Trade and other payables

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

5.4 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 and loss 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 18.1.

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 and loss currently. 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 and loss.

Leased

Assets held under finance 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 5.16. These costs are transferred to operating fixed assets as and when assets are available for their intended use.

5.5 ***Leases***

Leases are classified as finance lease whenever terms of the lease transfer substantially all risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance leases

Finance leases are stated at amounts equal to the fair value or, if lower, the present value of the minimum lease payments. The minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance cost is charged to profit and loss account.

The related rental obligations, net of finance costs, are included in liabilities against assets subject to finance lease. The liabilities are classified as current and non-current depending upon the timing of the payments.

Operating leases / Ijarah Contracts

Leases including Ijarah financing 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 (net of any incentives received from the lessor) are charged to profit and loss 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.

5.6 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 and spare parts based on management's estimate as a result of changes in usage pattern and physical form.

5.7 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 materials	at lower of weighted average cost and net realizable value
Finished goods	at lower of weighted average cost and net realizable value
By product	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.

5.8 Trade debts

Trade debts and other receivables are recognized initially at invoice value, which approximates fair value, less provision for impairment, if any. A provision for impairment of trade debts and other receivables is established when there is an objective evidence that the Company will not be able to collect all the amount due according to the original terms of the receivable. Significant financial difficulties of the debtors, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered as indicators that the trade debt is impaired. The provision is recognized in the profit and loss account. When a trade debt is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the profit and loss account.

5.9 Provisions

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

5.10 Cash and cash equivalents

Cash and cash equivalents are carried at cost in the balance sheet. For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand and bank balances and running finance.

5.11 Financial instruments

5.11.1 Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available-for-sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

5.11.1 *(a) Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

5.11.1 *(b) Loans and receivables*

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

5.11.1 *(c) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investments within twelve months from the balance sheet date. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognized directly in equity are included in the profit and loss account as gains and losses from investment securities. Interest on available-for-sale securities calculated using effective interest method is recognized in the profit and loss account. Dividends on available-for-sale equity instruments are recognized in the profit and loss account when the Company's right to receive payments is established.

5.11.1 *(d) Held to maturity*

Held to maturity are financial assets with fixed or determinable payments and fixed maturity. Where management has the intention and ability to hold these assets till maturity they are carried at amortised cost.

5.11.2 Financial liabilities

Non-derivative financial liabilities that are not financial liabilities at fair value through profit or loss are classified as financial liabilities at amortized cost. Financial liabilities in this category are presented as current liabilities except for maturities greater than twelve months from the reporting date where these are presented as non-current liabilities. The particular measurement methods adopted are disclosed in the individual policy statements associated with each instrument.

5.11.3 Recognition and derecognition

All the financial assets and financial liabilities are recognized at the time when the Company becomes party to the contractual provisions of the instrument. Financial assets are derecognized when the Company looses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to profit and loss account.

5.12 Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment loss in respect of a financial asset measured at fair value is determined by reference to that fair value. All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

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 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 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, net of depreciation and amortization, if no impairment loss had been recognized.

5.13 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statements when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets or settle the liabilities simultaneously.

5.14 Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Foreign currency differences arising on retranslation are generally recognized in profit and loss

5.15 Revenue recognition

Revenue represents the fair value of the consideration received or receivable for goods sold, net of discounts and sales tax. Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue, and the associated cost incurred, or to be incurred, can be measured reliably and there is no continuing management involvement with the goods.

- Revenue from sale of goods is recognized when the significant risk and rewards of ownership of the goods are transferred to the buyer.

- Return on deposits is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return.

5.16 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized in profit and loss account as incurred.

5.17 Settlement date accounting

Regular way purchases and sale of financial assets are recognized on trade date.

5.18 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 it is declared by the Company's shareholders.

5.19 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.

5.20 Loan from directors

Loan from director is accounted for by using Technical Release 32 "Accounting Directors' Loan" ("TR 32") issued by Institute of Chartered Accountants of Pakitan ("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"*.

5.21 Government grants

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

5.22 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.

5.23 Segment reporting

Operating segments is a component of the Company that engages in business activities from which it may earn revenues and incur expenses are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision maker. The Chief Operating Decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes strategic decisions.

6 Issued, subscribed and paid up capital	**2017 Number**	2016 Number	**2017 Rupees**	2016 Rupees
Voting ordinary shares of Rs. 10 each fully paid in cash	**117,706,300**	117,706,300	**1,177,063,000**	1,177,063,000

7 Reserves	*Note*	**2017 Rupees**	2016 Rupees
Share premium	*7.1*	**290,741,640**	290,741,640
Un-appropriated profit		**2,777,150,382**	2,326,965,571
		3,067,892,022	2,617,707,211

7.1 This reserve can be utilized by the Company only for the purpose specified in section 81 (2) of the Companies Act, 2017.

8 Loan from Directors - *unsecured*

This represents interest free loans obtained from the Directors of the Company and are repayable at the discretion of the Company.

	Note	2017 Rupees	2016 Rupees
9 Long term finances - secured			
Mark up bearing finances from conventional bank:			
MCB Bank Limited - *Led Syndicated Loan*	*9.1*	**818,282,090**	1,091,042,757
The Bank of Punjab - *Term Finance*	*9.2*	**68,750,000**	96,250,000
Pak Oman Investment Company Limited	*9.3 (a)*	**85,714,290**	171,428,574
Pak Oman Investment Company Limited	*9.3 (b)*	**300,000,000**	-
National Bank of Pakistan - *Syndicated Term Finance*	*9.4*	**1,962,974,552**	-
		3,235,720,932	1,358,721,331
Islamic mode of financing:			
Al Baraka Bank (Pakistan) Limited - *Diminishing Musharika*	*9.5*	**36,228,544**	40,854,009
First Punjab Modaraba - *Diminishing Musharika*	*9.6*	**4,030,919**	9,698,588
		40,259,463	50,552,597
		3,275,980,395	1,409,273,928
Less: current portion of non-current liabilities	*14*	**504,304,463**	493,275,335
		2,771,675,932	915,998,593

9.1 MCB Bank Limited - *Led syndicated loan*

This syndicated loan has been obtained from consortium of banks comprising of MCB Bank Limited, United Bank Limited, The Bank of Punjab, Soneri Bank Limited and Pak Libya Holding Company (Private) Limited. The Company has obtained this syndicated loan to finance for setting up the ethanol project at Unit II located at Muzaffargarh.

Principle repayment

Loan is repayable in 18 equal quarterly installments, with grace period of two years, commencing from February 2014 and ending in June 2020.

Rate of return

The interest is payable quarterly at a rate of three months KIBOR plus 275 bps per annum.

Security

This loan is secured by way of pari passu charge over all the present and future fixed assets of sugar Unit - I located at Kanjwani and exclusive charge of distillery Unit - II located at Muzaffargarh respectively in the sum of Rs. 1,667 million in favour of security agent. This loan is also secured by way of lien and over the collection account in favour of security agent in terms of collection arrangement entered into between company and security agent and personal guarantees of all the Directors of the Company.

Under the terms of the agreement, the Company is under restriction from lenders that until the entire amount of purchase price and all other amounts due and payable by the Company have been paid in full to the satisfaction of lender, the Company shall not except with the prior written consent of the long term finance facility - syndicate, declare any dividend if the Company is in non-compliance with the financial covenants or if the declaration and payment of such dividend will result in breach of any of the financial covenants contained in the agreement. Directors loan to the extent of Rs 1,250 million is subordinated to this loan.

9.2 The Bank of Punjab - *Term Finance*

This loan has been obtained from Bank of Punjab for purchase of Corporate Office located at 66-L, Gulberg II, Lahore.

Principle repayment

This loan is repayable in 16 quarterly installments commencing from December 2015 and ending in December 2019.

Rate of return

The interest is payable quarterly at a rate of three months KIBOR plus 350 bps per annum.

Security

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 Kanals 16 Marlas 111 Sqft situated at 66-L, Gulberg II, Lahore and personal guarantees of all sponsor Directors of the Company.

9.3 (a) Pak Oman Investment Company Limited

This loan has been obtained from Pak Oman Investment Company Limited for balancing of plant and machinery for Unit III located at Muzaffargarh.

Principle repayment

This loan is repayable in 14 quarterly installments, with grace period of six months, commencing from September 2014 and ending in September 2018.

Rate of return

The interest is payable quarterly at a rate of six months KIBOR plus 300 bps per annum.

Security

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.

9.3 (b) Pak Oman Investment Company Limited

This loan has been obtained from Pak Oman Investment Company Limited to partially finance capital expenditure undertaken in the year ending 30 Septermber 2017.

Principle repayment

This loan is repayable in 12 equal quarterly installments, with grace period of one year, commencing from April 2018 and ending in April 2021.

Rate of return

The interest is payable quarterly at a rate of six months KIBOR plus 250 bps per annum.

Security

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.

9.4 National Bank of Pakistan - *Syndicated Term Finance*

This syndicated loan has been obtained from consortium of banks comprising of National Bank of Pakistan, The Bank of Punjab, Sindh Bank Limited, Soneri Bank Limited, Pak Libya Holding Company (Private) Limited and First Credit and Investment Bank Limited. The Company has obtained this syndicated loan to optimize efficiency and upgradation of Tandlianwala Sugar production Units I, II and III located at Kanjwani, D.I. Khan and Muzaffargarh respectively.

Principle repayment

This loan is repayable in 16 consecutive quarterly installments, with grace period of two years, commencing from April 2019 and ending in January 2023.

Rate of return

The interest is payable quarterly at a rate of three months KIBOR plus 200 bps per annum.

Security

This loan is secured by way of first parri passu hypothecation charge over all present and future moveable fixed assets and mortgage over land and building and any other immovable property of the Company (Unit I, II & III) for an amount of Rs. 3,200 million with 25% margin over the facility amount, respectively. 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 net worth statements.

The lenders have subordinated the repayment of any debts or finance facilities availed from the Sponsors, Directors and the associated companies till the entire liabilities of the Company towards the Syndicate are repaid.

9.5 Al Baraka Bank Pakistan Limited - *Diminishing Musharika*

This loan was obtained from Al Baraka Bank Pakistan Limited under the musharika agreement to acquire steam turbine generator located at Unit III Muzaffargarh.

Principle repayment

This loan is repayable in 12 quarterly installments commencing from November 2015 and ending in February 2018.

Rate of return

The interest is payable quarterly at a rate of six months KIBOR plus 300 bps per annum.

Security

This loan is secured by way of pari passu charge of Rs. 100 million over all fixed and moveable assets including land, building and machinery of Unit III, located at Muzaffargarh. This loan is also secured by personal guarantee of all the Directors of the Company.

9.6 First Punjab Modaraba - *Diminishing Musharika*

This loan was obtained from First Punjab Modaraba under the diminishing musharika agreement to acquire thirteen vehicles of brands namely Toyota, Honda and Tractors.

Principle repayment

This loan is repayable in 36 monthly installments commencing from January 2015 and ending in February 2018.

Rate of return

The interest is payable monthly at a rate of six months KIBOR plus 400 bps per annum.

Security

Vehicles are registered in the name of First Punjab Modaraba as security . This is also secured by personal guarantee of all the Directors of the Company.

9.7 Due installments were paid during the year, except for the installments due on 30 September 2017 that were paid subsequent to the year end.

10 Liabilities against assets subject to finance lease - *secured*

The liability against assets subject to finance lease represents the lease entered into with financial institutions.

	Note	2017 Rupees	2016 Rupees
Present value of minimum lease payments		**615,672,840**	152,525,388
Less: current portion of non-current liabilities	14	**(126,227,915)**	(115,212,505)
		489,444,925	37,312,883

The amount of future minimum lease payments along with their present value and the periods during which they will fall due are:

		2017		
		Minimum lease payments	**Future finance cost**	**Present value**
Particulars	*Note*		**Rupees**	
Not later than one year	**14**	**163,171,555**	**36,943,640**	**126,227,915**
Later than one year and not later than five years		**525,716,134**	**36,271,209**	**489,444,925**
		688,887,689	**73,214,849**	**615,672,840**

		2016		
		Minimum lease payments	Future finance cost	Present value
Particulars			Rupees	
Not later than one year	14	120,341,131	5,128,626	115,212,505
Later than one year and not later than five years		40,692,000	3,379,117	37,312,883
		161,033,131	8,507,743	152,525,388

Salient features of the leases are as follows:	**2017**	2016
Discount factor (%)	**9.94 - 11.40**	10.06 - 12.07
Term of lease (years)	**3 - 5**	3 - 5
Security deposits (%)	**10 - 22.83**	10

10.1 The Company has entered into various lease agreements with financial institutions for plant and machinery and vehicles. Lease rentals are payable on monthly basis. All lease agreements carry renewal option at the end of lease period, however, the Company intends to exercise its option to purchase the leased assets upon completion of the respective lease terms. All leases are secured against personal guarantees of Directors, Chief Executive Officer and different amount of post dated cheque. Residual value of the leased assets has already been paid at the inception of the lease in the form of security deposits. There are no financial restrictions imposed by lessors. Taxes, repairs, replacements and insurance costs are borne by the lessee.

11 Advances from customers - *unsecured*

These represent interest free advances received against sale of sugar from 2018 - 2019 production.

12 Deferred liabilities	Note	2017 Rupees	2016 Rupees
Staff retirement benefits - *Gratuity*	*12.1*	**310,560,559**	245,194,213
Deferred taxation	*12.2*	**8,443,728**	23,746,159
		319,004,287	268,940,372

12.1 Staff retirement benefits - *Gratuity*

The latest actuarial valuation of the Company's defined benefit plan, was conducted at September 30, 2017 using projected unit credit method. Detail of obligation for defined benefit plan is as follows:

	Note	2017 Rupees	2016 Rupees
Present value of defined benefit obligation	*12.1.1*	**310,560,559**	245,194,213
Liability as at 30 September		**310,560,559**	245,194,213

12.1.1 Movement in liability for defined benefit obligation

Present value of defined benefit obligation as at 01 October		**245,194,213**	187,602,200
Current service cost for the year	*12.1.3*	**35,521,789**	33,798,389
Interest cost for the year	*12.1.3*	**15,290,366**	16,100,950
Benefits paid during the year		**(11,689,391)**	(2,018,537)
Actuarial loss on present value of defined benefit obligation	*12.1.2*	**26,243,582**	9,711,211
Present value of defined benefit obligation as at 30 September		**310,560,559**	245,194,213

12.1.2 Changes in actuarial gains

Opening acturial gain		-
Actuarial (loss) during the year	**(26,243,582)**	(9,711,211)
Charge to other comprehensive income	**26,243,582**	9,711,211
Unrecognized actuarial gains	**-**	-

12.1.3 Charge for the year

In profit and loss account

Current service cost	**35,521,789**	33,798,389
Interest cost	**15,290,366**	16,100,950
Net amount chargeable to profit and loss account	**50,812,155**	49,899,339
In other comprehensive income		
Actuarial loss on defined benefit obligation	**26,243,582**	9,711,211
	77,055,737	59,610,550

	2017 Rupees	2016 Rupees	2015 Rupees	2014 Rupees	2013 Rupees
Historical Information					
Present value of defined benefit obligations	**310,560,559**	245,194,213	187,602,200	147,729,780	114,176,546
Experience adjustment arising on plan liability losses / (gains)	**26,243,582**	9,711,211	(6,096,992)	1,148,513	6,673,637

12.1.4 Assumptions used for valuation of defined benefit schemes

	2017	2016
Discount rate used for interest cost	**7.25%**	9.25%
Discount rate used for year ended obligation	**8.00%**	7.25%
Expected rates of salary increase in future	**7.00%**	6.25%
Expected mortality rate	**SLIC 2001-2005 Setback 1 Year**	SLIC 2001-2005 Setback 1 Year
Withdrawal Rates	**Age-Based (per appendix)**	Age-Based (per appendix)
Retirement age	**60 years**	60 years

12.1.5 Expected expense for next year

The expected expense for the gratuity scheme for the year ending 30 September 2018 works out to Rs. 60.54 million.

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

Salary risks

The risk that the final salary at the time of cessation of service is greater than what we 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

The risks that the actual mortality / withdrawal experiences is different. The effect depends upon beneficiaries' service / age distribution and the entitled benefits of the beneficiary.

12.1.7 Gratuity scheme entitles the members to gratuity on resignation, termination, early retirement, retrenchment, death and dismissal based on the Company's Service rules. Gratuity is based on the last month basic salary for each year of service.

12.1.8 The average duration of the defined benefit obligation is 7 Years.

12.1.9 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 2017 would have been as follows:

	Gratuity	
	Impact on present value of defined benefit obligation	
	Increase 100 bps	Decrease 100 bps
	------------ **Rupees** ------------	
Discount rate movement	**260,355,717**	**299,959,236**
Future salary movement	**300,305,005**	**259,725,632**

12.2	Deferred taxation	Note	2017 Rupees	2016 Rupees
	Deferred tax liability on taxable temporary differences arising in respect of:			
	- Accelerated tax depreciation		**1,362,229,021**	1,216,874,780
	- Leased assets - net		**43,335,762**	43,729,522
	Deferred tax asset on deductible temporary differences arising in respect of:			
	- Unused tax losses and tax credits	*12.2.2*	**(1,324,745,783)**	(1,174,165,221)
	- Staff retirement benefits		**(67,081,081)**	(52,226,367)
	- Provision for Worker's Profit Participation Fund		**(5,294,191)**	(10,466,555)
			8,443,728	23,746,159

12.2.1	Movement in deferred tax balances is as follows:	2017	2016
	As at 01 October	**23,746,159**	41,768,921
	Recognized in profit and loss account:		
	- Accelerated tax depreciation on operating fixed assets	**145,354,241**	(5,889,087)
	- Leased assets - *net*	**(393,760)**	5,555,195
	- Unused tax losses and tax credits	**(150,580,562)**	4,875,941
	- Staff retirement benefits	**(9,186,100)**	(10,029,768)
	- Provision for Worker's Profit Participation Fund	**5,172,364**	(10,466,555)
		(9,633,817)	(15,954,274)
	Recognized in other comprehensive income:		
	- Staff retirement benefits	**(5,668,614)**	(2,068,488)
		8,443,728	23,746,159

12.2.2 As at 30 September 2017 deferred tax asset amounting to Rs. 911.61 million (2016: Rs. 999.36 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 2018. Tax losses amounting to Rs. 652.27 million, Rs. 815.74 million, Rs. 981.82 million and Rs. 588.88 million will expire in tax year 2019, 2020, 2021 and 2022 respectively.

13 Short term borrowings - *secured*

Banking & Financial Institutions	Interest rate %	2017 Rupees	2016 Rupees
Mark-up based borrowings from conventional banks:			
Cash finance	**8.15 - 10.14**	**7,920,026,095**	2,672,776,610
Running finance	**8.29 - 9.53**	**159,999,137**	99,934,198
Export refinance	**3.00**	**2,116,000,000**	2,386,658,000
		10,196,025,232	5,159,368,808
Islamic mode of financing:			
Bai-Salam	**9.48 - 9.87**	**-**	100,000,000
		10,196,025,232	5,259,368,808

The Company has availed short term borrowing facilities from various commercial banks under mark-up arrangements having aggregate sanctioned limits of Rs. 13,450 million (2016: Rs. 11,725 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 exports documents and personal guarantees of the sponsoring Directors. The pledge based outstanding borrowings out of the above outstanding borrowings are secured against pledge of stock-in-trade amounting to Rs. 10,645 million (2016: Rs 3,515 million).

14 Current portion of non-current liabilities

	Note	2017 Rupees	2016 Rupees
Long term finances - *secured*	9	**504,304,463**	493,275,335
Liabilities against assets subject to finance lease - *secured*	10	**126,227,915**	115,212,505
		630,532,378	608,487,840

15 Trade and other payables

	Note	2017 Rupees	2016 Rupees
Trade and other creditors		**1,045,715,770**	483,270,739
Creditors for capital expenditure		**915,316,682**	439,672,443
Advances from customers	15.1	**2,234,810,215**	268,937,635
Retention money payable		**15,585,002**	15,504,795
Federal Excise Duty and Sales Tax payable		-	76,636,620
Income tax deducted at source		**4,482,386**	6,863,043
Workers' Profit Participation Fund	15.2	**24,510,145**	49,138,758
Accrued liabilities		**57,792,361**	60,281,718
Other liabilities		**148,856,260**	131,850,347
		4,447,068,821	1,532,156,098

15.1 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.

15.2 Workers' Profit Participation Fund

	2017 Rupees	2016 Rupees
Opening balance	**49,138,758**	30,725,975
Expense for the year	**24,510,145**	49,138,758
Payments made on behalf of Workers' Profit Participation Fund	**(49,138,758)**	(30,725,975)
	24,510,145	49,138,758

16 Interest and markup accrued

	2017 Rupees	2016 Rupees
Mark-up on borrowings from conventional banks:		
Long term loans - *secured*	**60,598,857**	26,916,284
Short term borrowings - *secured*	**199,716,453**	81,043,279
	260,315,310	107,959,563
Rental on islamic mode of financing:		
Short term borrowings - *secured*	-	1,714,273
	260,315,310	109,673,836

17 Contingencies and commitments

17.1 Contingencies

(i) The Government of Punjab under the powers conferred through the Punjab Excise Act, 1914 levied a charge of Rs. 2 per litre 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. 41.51 million with the Deputed Registrar (Judicial), Lahore High Court which is disclosed in note 23 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 favourable outcome regarding this case, hence no provision has been recognised in these financial statements.

17.2 Commitments

(i) The Company has capital commitments of Rs. 338.46 million (2016: Rs. 202.16 million) on account of import of machinery and its related components.

(ii) The Company has given a bank guarantee with 100% cash margin of Rs. 2 million (2016: Rs. 2 million) to the Excise and Taxation Department for the export of ethanol in relation to contingency as discussed in note 17.1 (i).

(iii) The amount of future Ijarah rentals for Ijarah financing and the period in which these payments will become due are as follows:

	2017	2016
	Rupees	Rupees
Not later than one year	**30,885,084**	1,785,629
Later than one year and not later than five years	**96,252,514**	-
	127,137,598	1,785,629

The Company has entered into Ijarah lease agreements with Al-Baraka Bank Pakistan Limited and Orix Leasing Company for vehicles and plant and machinery. Ijarah rentals are payable on monthly basis. The vehicles and plant and machinery shall be returned to the lessor at the end of the Ijarah lease term. During the Ijarah lease term all rights, title and exclusive ownership of the vehicles shall at all times remain vested in the lessor. Taxes, repairs, replacements and insurance costs are borne by the lessee.

18 Property, plant and equipment

	Note	2017 Rupees	2016 Rupees
Operating fixed assets	18.1	13,082,041,183	10,686,597,910
Capital work in progress	18.3	713,792,836	560,592,732
		13,795,834,019	11,247,190,642

18.1 Operating fixed assets

2017	COST					DEPRECIATION				
	As at 01 October 2016	Additions / (deletions) during the year	Transfer	As at 30 September 2017	Rate	As at 01 October 2016	Expense / deletion for the year	Transfer	As at 30 September 2017	Net book value as at 30 September 2017
	Rupees				%	Rupees				
Owned										
Land	277,638,444	-	-	277,638,444		-	-	-	-	277,638,444
Building and roads on land	2,365,789,157	349,460,035	-	2,715,249,192	5	573,724,687	95,745,722	-	669,470,409	2,045,778,783
Plant and machinery	10,499,321,905	2,605,199,725	(503,523,872)	12,600,997,758	5	2,512,122,978	427,434,412	(23,339,710)	2,916,217,680	9,684,780,078
Furniture and fittings	19,302,905	638,301	-	19,941,206	10	8,653,654	1,088,063	-	9,741,717	10,199,489
Telephone installations	5,678,428	997,147	-	6,675,575	10	2,585,315	359,540	-	2,944,855	3,730,720
Vehicles*	168,398,456	2,721,971	1,328,738	168,560,322	20	131,186,846	7,875,170	1,015,249	136,882,435	31,677,887
	-	(3,888,843)					(3,194,830)			
Office equipment	74,630,056	3,320,325	-	77,950,381	10	35,780,838	3,927,996	-	39,708,834	38,241,547
Electrical equipment	179,589,728	5,957,638	-	185,547,366	10	48,064,720	13,100,521	-	61,165,241	124,382,125
Workshop and agricultural implements	44,576,775	539,400	-	45,116,175	10	21,893,015	2,274,108	-	24,167,123	20,949,052
Tube wells	13,190,306	288,580	-	13,478,886	10	7,066,592	614,776	-	7,681,368	5,797,518
Arms and ammunitions	2,183,939	-	-	2,183,939	10	863,427	132,050	-	995,477	1,188,462
Laboratory equipment	29,796,812	3,158,000	-	32,954,812	10	9,385,237	2,193,865	-	11,579,102	21,375,710
	13,680,096,911	2,972,281,122	(502,195,134)	16,146,294,056		3,351,327,309	554,746,223	(22,324,461)	3,880,554,241	12,265,739,815
		(3,888,843)					(3,194,830)			
Leased										
Vehicles	78,111,700	5,058,616	(1,328,738)	81,841,578	20	28,816,722	10,816,897	(1,015,249)	38,618,370	43,223,208
Plant and machinery	414,737,615	-	503,523,872	918,261,487	5	106,204,285	15,639,332	23,339,710	145,183,327	773,078,160
	492,849,315	5,058,616	502,195,134	1,000,103,065		135,021,007	26,456,229	22,324,461	183,801,697	816,301,368
2017	14,172,946,226	2,977,339,738	-	17,146,397,121		3,486,348,316	581,202,452	-	4,064,355,938	13,082,041,183
		(3,888,843)					(3,194,830)			

18.2 Operating fixed assets

	COST					DEPRECIATION					
	2016										
	As at 01 October 2015	Additions / (deletions) during the year	Transfer	As at 30 September 2016	Rate	As at 01 October 2015	Expense / deletion for the year		As at 30 September 2016	Net book value as at 30 September 2016
	----Rupees----				%	----Rupees----				
Owned										
Land	164,838,444	112,800,000	-	277,638,444		-	-	-	-	277,638,444
Building and roads on land	2,301,167,167	64,621,990	-	2,365,789,157	5	479,755,809	93,968,878	-	573,724,687	1,792,064,470
Plant and machinery	10,436,343,525	62,978,380	-	10,499,321,905	5	2,093,132,550	418,990,428	-	2,512,122,978	7,987,198,927
Furniture and fittings	18,579,645	723,260	-	19,302,905	10	7,513,075	1,140,579	-	8,653,654	10,649,251
Telephone installations	5,677,228	1,200	-	5,678,428	10	2,241,658	343,657	-	2,585,315	3,093,113
Vehicles	164,614,850	4,989,021 (1,205,415)	-	168,398,456	20	123,240,784	8,922,346 (976,284)	-	131,186,846	37,211,610
Office equipment	71,727,007	2,903,049	-	74,630,056	10	31,735,712	4,045,126	-	35,780,838	38,849,218
Electrical equipment	138,620,475	40,969,253	-	179,589,728	10	37,254,751	10,809,969	-	48,064,720	131,525,008
Workshop and agricultural implements	41,608,365	2,968,410	-	44,576,775	10	19,559,859	- 2,333,156	-	21,893,015	22,683,760
Tube wells	11,640,306	1,550,000	-	13,190,306	10	6,500,994	565,598	-	7,066,592	6,123,714
Arms and ammunitions	2,183,939	-	-	2,183,939	10	716,704	146,723	-	863,427	1,320,512
Laboratory equipment	28,798,330	998,482	-	29,796,812	10	7,204,982	2,180,255	-	9,385,237	20,411,575
	13,385,799,281	295,503,045 (1,205,415)	-	13,680,096,911		2,808,856,878	543,446,715 (976,284)	-	3,351,327,309	10,328,769,602
Leased										
Vehicles	59,059,521	19,052,179	-	78,111,700	20	19,376,662	9,440,060	-	28,816,722	49,294,978
Plant and machinery	414,737,615	-	-	414,737,615	5	89,741,829	16,462,456	-	106,204,285	308,533,330
	473,797,136	19,052,179	-	492,849,315		109,118,491	25,902,516	-	135,021,007	357,828,308
2016	13,859,596,417	314,555,224 (1,205,415)	-	14,172,946,226		2,917,975,369	569,349,231 (976,284)	-	3,486,348,316	10,686,597,910

18.2.1 The depreciation charge for the year has been allocated as follows:

	Note	**2017 Rupees**	2016 Rupees
Cost of sales	*26*	**557,134,786**	545,457,463
Administrative expenses	*27*	**24,067,666**	23,891,768
		581,202,452	569,349,231

18.2.2 Disposal of property, plant and equipment:

Particulars		Cost	Accumulated depreciation	Net book value	Sales proceeds	Gain	Mode of disposal	Particulars of the buyer
		------------	------------	Rupees	------------	------------		
Vehicle								
Suzuki Liana		**849,185**	**722,662**	**126,523**	**417,000**	**290,477**	Auction	Mr. Sajad Hussain
Toyota Corolla		**1,328,738**	**1,015,249**	**313,489**	**925,262**	**611,773**	Auction	Mr. Muhammad Zulfiqar
Suzuki Baleno		**793,730**	**726,274**	**67,456**	**420,000**	**352,544**	Auction	Mr. Muhammad Azam
Suzuki Cultus		**863,300**	**684,139**	**179,161**	**300,000**	**120,839**	Auction	Mr. Gul Rehan
Honda CD-70		**53,890**	**46,506**	**7,384**	**14,000**	**6,616**	Auction	Mr. Sajjad Ahmed Galu
	2017	**3,888,843**	**3,194,830**	**694,013**	**2,076,262**	**1,382,249**		
	2016	1,205,415	976,284	229,131	1,060,000	830,869		

18.3	Capital work in progress	Note	2017 Rupees	2016 Rupees
	Owned			
	Civil works		-	68,373,989
	Advances	18.3.2	218,376,145	41,303,733
	Plant and machinery		292,040,230	435,780,360
	Electric equipment		167,134,239	13,056,650
	Other		36,242,222	2,078,000
			713,792,836	560,592,732

18.3.1 Movement in the accounts is as follows:

	2017 Rupees	2016 Rupees
Opening balance as at 01 October	560,592,732	12,422,053
Additions made during the year:		
Advances	218,376,145	41,303,733
Civil works	244,349,823	87,538,946
Plant and machinery	2,431,368,345	435,500,622
Electric equipment	154,077,589	13,056,650
Other	34,164,222	2,078,000
	3,082,336,124	579,477,951
Capitalized during the year:		
Advances	(41,303,733)	-
Civil works	(312,723,811)	(31,307,272)
Plant and machinery	(2,575,108,476)	-
	(2,929,136,020)	(31,307,272)
Closing balance as at 30 September	713,792,836	560,592,732

18.3.2 Additions to capital work in progress also include borrowing costs capitalized amounting to Rs. 67.94 million (2016: Nil) relating to specific borrowing obtained for plant efficiency and upgradation at all three units (Unit I, Unit II, Unit III) of the Company at the rates ranging from 8.09% to 8.15% (2016: Nil).

19	Long term deposits	2017 Rupees	2016 Rupees
	Deposits against leased assets	105,100,013	10,645,969
	Others	18,973,175	18,273,175
		124,073,188	28,919,144

20	Stores, spare parts and loose tools	2017 Rupees	2016 Rupees
	Stores and spare parts	1,012,949,698	746,032,106
	Oil and lubricants	19,696,413	19,865,999
		1,032,646,111	765,898,105
21	**Stock-in-trade**		
	Raw materials	873,608,865	44,358,779
	Finished goods	7,940,792,263	2,934,509,112
		8,814,401,128	2,978,867,891

21.1 The amount charged to profit and loss account on account of write down of finished goods and raw materials to net realizable value amounted to Rs. 93.59 million at year ended 30 September 2017.

22 Trade debts - *considered good*

These include amount due from Riaz Bottlers (Pvt.) Limited, an associated company against top gas amounting to Rs. 9.14 million (2016: Rs. 19.99 million) in the normal course of business and is over due by less than 180 days.

23 Advances, deposits, prepayments and other receivables	Note	2017 Rupees	2016 Rupees
Advances to sugar cane growers - *unsecured, considered good*		**16,015,430**	12,838,435
Advances to suppliers and contractors - *unsecured, considered good*	*23.1*	**292,353,940**	84,177,916
Advances to staff - *unsecured, considered good*			
- against expenses		**7,239,894**	10,008,204
- against salaries	*23.2*	**3,465,602**	15,321,223
Lease and other deposits		**152,013,699**	100,192,557
Advances against Letter of Credits - *secured*		**63,438,962**	19,656,639
Prepayments		**11,878,423**	10,345,632
Inland export subsidy	*23.3*	**133,187,750**	133,187,750
Export support on sugar	*23.4*	**49,428,050**	303,513,050
Sales tax receivable		**68,847,915**	-
Deposits with the Deputy Registrar (Judicial), Lahore High Court		**41,506,530**	
Other receivables		**4,346,873**	4,528,833
		843,723,068	693,770,239

23.1 This represents unsecured interest free advances to contractors and suppliers for normal repair and maintenance.

23.2 This includes amount receivable from Mr. Aftab Ali Khan and Mr. Talat Mehmood, executives of the Company amounting to Rs. 3.22 million and Rs. 1.25 million (2016: Rs. 13.80 million) respectively.

23.3 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.

23.4 This represents export support on sugar provided to exporters with inland freight support of Nil (2016: Rs. 3 per kg) and export support of Nil (2016: Rs. 10 per kg) pursuant to Letter No. F.2(3)/CF-C/2014 of 2016 issued by the State Bank of Pakistan under directions of Government of Pakistan dated 06 April 2016.

24 Cash and bank balances	Note	2017 Rupees	2016 Rupees
Cash in hand		**1,210,132**	1,594,603
Cash at bank			
- *current accounts*		**439,777,734**	55,363,532
- *saving accounts*	*24.1*	**246,778,379**	9,978,432
		686,556,113	65,341,964
		687,766,245	66,936,567

24.1 These carry mark up at the rates ranging from 3.75% to 5.55% per annum (2016: 3.00% to 4.50% per annum).

		Note	2017 Rupees	2016 Rupees
25	**Sales - *net***			
	Local:			
	Sugar		**10,312,912,947**	14,792,006,172
	Ethanol		**176,371,544**	129,208,940
	Top Gas		**219,228,215**	291,426,481
	Fusel Oil		**-**	731,000
			10,708,512,706	15,213,372,593
	Export:			
	Sugar	*25.1*	**899,912,975**	1,883,815,258
	Ethanol		**3,443,354,871**	2,790,026,602
			4,343,267,846	4,673,841,860
			15,051,780,552	19,887,214,453
	Less: Sales tax		**57,480,332**	61,316,931
	Federal Excise Duty		**1,090,314,741**	1,150,843,397
			1,147,795,073	1,212,160,328
			13,903,985,479	18,675,054,125

25.1 This also includes export support amounting to Rs. Nil (2016: 330 million) as disclosed in note 23.4 to these financial statements.

		Note	2017 Rupees	2016 Rupees
26	**Cost of sales**			
	Raw material consumed		**15,639,038,821**	13,442,643,213
	Salaries, wages and other benefits	*26.1*	**533,768,683**	447,108,335
	Depreciation	*18.2.1*	**557,134,786**	545,457,463
	Stores and spare parts consumed		**426,873,795**	371,947,944
	Fuel and power		**120,155,431**	107,463,868
	Repair and maintenance		**235,553,229**	229,839,133
	Vehicle running expenses		**17,024,535**	15,709,484
	Insurance		**43,266,852**	40,031,196
	Ijarah rentals		**13,073,488**	-
	Other expenses		**19,259,624**	14,454,589
			17,605,149,244	15,214,655,225
	Add: Opening stock			
	- raw material	*21*	**44,358,779**	2,530,249
	- finished goods	*21*	**2,934,509,112**	4,019,816,329
			20,584,017,135	19,237,001,803
	Less: Closing stock			
	- raw material	*21*	**(873,608,865)**	(44,358,779)
	- finished goods	*21*	**(7,940,792,263)**	(2,934,509,112)
			11,769,616,007	16,258,133,912

26.1 Salaries, wages and other benefits include Rs. 37.84 million (2016: Rs. 34.67 million) in respect of staff retirement benefits.

		Note	2017 Rupees	2016 Rupees
27	**Administrative expenses**			
	Salaries and other benefits	*27.1*	**268,752,379**	218,376,368
	Rent, rates and taxes		**7,759,624**	6,854,908
	Depreciation	*18.2.1*	**24,067,666**	23,891,768
	Utilities expenses		**1,766,987**	2,854,555
	Printing and stationery		**3,853,285**	7,664,940
	Insurance		**3,216,801**	2,482,421
	Postage, telephone and telegrams		**7,150,079**	7,016,966
	Repair and maintenance		**6,511,412**	5,301,817
	Travelling and conveyance		**61,741,654**	45,389,040
	Subscription, books and periodicals		**7,865,470**	3,596,750
	Legal and professional charges		**6,222,487**	6,459,160
	Auditors' remuneration	*27.2*	**3,081,129**	2,662,000
	Entertainment		**12,786,167**	13,291,362
	Ijarah lease rentals		**1,094,494**	8,145,489
	Other expenses		**25,337,571**	21,657,501
			441,207,205	375,645,045

27.1 Salaries, wages and other benefits include Rs. 12.97 million (2016: Rs. 15.23 million) in respect of staff retirement benefit.

		Note	2017 Rupees	2016 Rupees
27.2	**Auditors' remuneration**			
	Audit fee		**2,126,250**	1,925,000
	Half yearly review		**697,725**	495,000
	Out of pocket expenses		**257,154**	242,000
			3,081,129	2,662,000

		Note	2017 Rupees	2016 Rupees
28	**Distribution expenses**			
	Handling and distribution		**118,382,617**	92,522,547
	Transportation		**170,618,155**	167,068,509
	Others		**61,892,671**	46,759,918
			350,893,443	306,350,974
29	**Other income**			
	Income from financial assets			
	Profit on saving accounts		**28,414,436**	2,165,750
	Income from non-financial assets			
	Profit on disposal of property, plant and equipment	*18.2.2*	**1,382,249**	830,869
	Foreign exchange gain		**6,449,456**	6,478,172
	Export support	*23.4*	**-**	99,019,862
			36,246,141	108,494,653

		Note	2017 Rupees	2016 Rupees
30	**Finance cost**			
	<u>*Mark-up based loans from conventional banks*</u>			
	- Long term loans - *secured*		**175,596,658**	142,449,635
	- Short term borrowings - *secured*		**708,630,717**	652,732,348
	- Finance leases - *secured*		**30,963,635**	7,513,546
			915,191,010	802,695,529
	<u>*Islamic mode of financing*</u>			
	- Long term finances - *secured*		**2,814,720**	6,466,489
	- Short term borrowings - *secured*		**18,846,688**	31,648,661
			21,661,408	38,115,150
	Bank charges		**2,370,255**	2,343,185
	Other charges		**17,031,811**	17,489,818
			19,402,066	19,833,003
	Less: Borrowing costs capitalized	*18.3.2*	**(67,942,418)**	-
			888,312,066	860,643,682

31	**Other Expenses**			
	Donations	*31.1*	**4,566,792**	-
	Workers' Profit Participation Fund	*15.2*	**24,510,145**	49,138,758
			29,076,937	49,138,758

31.1 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.

32	**Taxation**			
	Income tax			
	- *current*	*32.2 & 32.3*	-	51,623,606
	Deferred tax	*12.2.1*	**(9,633,817)**	(15,954,274)
			(9,633,817)	35,669,332

32.1 Tax Charge Reconciliation

	2017	2016
Numerical reconciliation between tax expense and accounting profit		
Applicable tax rate as per Income Tax Ordinance, 2001	**30%**	31%
Effect of tax credits	**-37.65%**	-27.28%
Effect of minimum tax	**1.99%**	12.65%
Effect of final tax regime	**-1.84%**	-23.65%
Effect of temporary differences	**-2.09%**	-1.71%
Effect of tax on undistributed reserves	**7.50%**	12.81%
	-32.09%	-27.18%
Average effective tax rate charged to profit and loss account	**-2.09%**	3.82%

32.2 In view of available tax losses, the provision for current tax represents tax under 'Final Tax Regime' (FTR) and tax on minimum turnover u/s 113, of Income Tax Ordinance, 2001. Tax charge (both normal tax and final tax) for current year amounting to Rs. 139.04 million has been adjusted against the tax credit of Rs. 261.95 million related to balancing, modernisation and replacement of plant and machinery already installed, as available u/s 65B of the Income Tax Ordinance, 2001. 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 and 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 amounting to Rs. 43.43 million (2016: Rs. 46.74 million).

32.3 Through Finance Act, 2017 provisions of section 5A of the Income Tax Ordinance, 2001 have been substituted to the effect that for tax year 2017 and onwards a tax at the rate of 7.5% of accounting profit before tax is leviable to a public limited company other than schedule bank or a modarba that derives profit for a tax year but does not distribute (by way of cash or bonus shares) at least 40% of after tax profits within six months of end of tax year.

Tax on undistributed reserves amounting to Rs. 34.58 million (2016: Rs. 114.99 million) has been adjusted against the credits of minimum tax available for set off agaisnt this tax liability.

32.4 Super tax under section 4 (a) of the Income Tax Ordinance, 2001 is not applicable to the Company as the imputable income does not meet the threshold of Rs. 500 million.

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

33 Earnings per share

33.1 Earnings per share - b*asic and diluted*		2017	2016
Profit after taxation	*Rupees*	**470,759,779**	897,967,075
Weighted average number of ordinary shares	*No. of shares*	**117,706,300**	117,706,300
Basic earnings per share	*Rupees*	**4.00**	7.63

33.2 Diluted earnings per share

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 2017.

		2017	2016
	Note	**Rupees**	Rupees
34 Cash and cash equivalents			
Cash and bank balances	*24*	**687,766,245**	66,936,567
Running finance	*13*	**(159,999,137)**	(99,934,198)
		527,767,108	(32,997,631)

35 Capacity and production

Sugar plant	2017 Unit I	Unit II	Unit III	Total
Crushing capacity (Metric tons) based on 125 days - (*Season 2016-2017*)	**812,500**	**1,500,000**	**1,687,500**	**4,000,000**
Sugar produced (Metric tons)	**64,441**	**102,417**	**136,284**	**303,142**
Recovery ratio	**9.00%**	**9.23%**	**9.58%**	**9.33%**

Under utilisation of capacity is due to working capital constraints.

Sugar plant	2016 Unit I	Unit II	Unit III	Total
Crushing capacity (Metric tons) based on 125 days - (*Season 2015-2016)*	812,500	1,500,000	1,687,500	4,000,000
Sugar produced (Metric tons)	50,392	76,474	120,512	247,378
Recovery ratio	8.58%	9.01%	10.12%	9.42%

Under utilisation of capacity is due to the fact that during the season there was shortage of sugarcane.

Ethanol - Distillery plant I	**2017**	2016
Rated capacity (Litres) based on 300 days	**37,500,000**	37,500,000
Actual production (Litres)	**34,300,108**	28,039,715
Ethanol - Distillery plant II		
Rated capacity (Liters) based on 300 days	**39,000,000**	39,000,000
Actual production (Liters)	**40,101,865**	35,314,786
Top Gas - Carbon dioxide plant		
Rated capacity (Metric tons) based on 300 days	**14,400**	14,400
Actual production (Metric tons)	**9,466**	9,094

36 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 recognised 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		
	Loans and receivables	**Other financial liabilities**	**Total**
As at 30 September 2017		**Rupees**	
Financial assets - not measured at fair value			
Long term deposits	**18,973,175**	-	**18,973,175**
Trade debts - considered good	**20,113,724**	-	**20,113,724**
Advances, deposits, prepayments and other receivables	**7,812,475**	-	**7,812,475**
Cash and bank balances	**687,766,245**	-	**687,766,245**
	734,665,619	-	**734,665,619**
Financial liabilities - not measured at fair value			
Long term finances - *secured*	-	**2,771,675,932**	**2,771,675,932**
Liabilities against assets subject to finance lease - *secured*	-	**489,444,925**	**489,444,925**
Short term borrowings - *secured*	-	**10,196,025,232**	**10,196,025,232**
Current portion of non-current liabilities	-	**630,532,378**	**630,532,378**
Trade and other payables	-	**2,167,681,073**	**2,167,681,073**
Interest and markup accrued	-	**260,315,310**	**260,315,310**
	-	**16,515,674,850**	**16,515,674,850**

	Carrying amount		
	Loans and receivables at amortized cost	Other financial liabilities at amortized cost	Total
As at 30 September 2016		Rupees	
Financial assets - measured at fair value	-	-	-
Long term deposits	18,273,175	-	18,273,175
Trade debts - *considered good*	21,246,615	-	21,246,615
Advances, deposits, prepayments and other receivables	19,850,056	-	19,850,056
Cash and bank balances	66,936,567	-	66,936,567
	126,306,413	-	126,306,413
Financial liabilities - not measured at fair value			
Long term finances - *secured*	-	915,998,593	915,998,593
Liabilities against assets subject to finance lease - *secured*	-	37,312,883	37,312,883
Short term borrowings - *secured*	-	5,259,368,808	5,259,368,808
Current portion of non-current liabilities	-	608,487,840	608,487,840
Trade and other payables	-	1,115,075,247	1,115,075,247
Interest and markup accrued	-	109,673,836	109,673,836
	-	8,045,917,207	8,045,917,207

36.1 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.

37 Financial risk management

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

- Credit risk
- Market risk
- Liquidity risk

This note 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.

37.1 Risk management framework

The Board of Directors has 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.

37.2 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, and arises principally from the Company's receivables from customers and other parties. Out of the total financial assets of Rs. 734.67 million (2016: Rs. 126.31 million) financial assets which are subject to credit risk amount to Rs. 733.46 million (2016: Rs. 124.71 million).

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. To manage exposure to credit risk in respect of trade receivables, management reviews credit worthiness, references, establish purchase limits taking into account the customer's financial position, past experience and other factors. Export sales are secured through letters of credit. The management has set a policy of making sales to customers on prepayment basis.

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

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:

	Note	**2017** **Rupees**	2016 Rupees
Long term deposits	*19*	**18,973,175**	18,273,175
Trade debts - *considered good*	*22*	**20,113,724**	21,246,615
Advances, deposits and other receivable		**7,812,475**	19,850,056
Bank balances	*24*	**686,556,113**	65,341,964
		733,455,487	124,711,810

Trade debts

Trade debtor at the balance sheet date are classified in Pak Rupees.

	2017	2016
	Rupees	Rupees
Local - *unsecured, considered good*	20,113,724	21,246,615

The aging of trade receivables at the reporting date is:

	Related Parties	Others	Total
	2017	2017	2017
	Rupees	Rupees	Rupees
1 to 30 days	7,798,472	8,200,899	15,999,371
30 to 90 days	1,342,943	2,483,999	3,826,942
90 to 180 days	-	287,411	287,411
	9,141,415	10,972,309	20,113,724

	Related Parties	Others	Total
	2016	2016	2016
	Rupees	Rupees	Rupees
1 to 30 days	13,740,975	1,248,476	14,989,451
30 to 90 days	6,257,164	-	6,257,164
90 to 180 days	-	-	-
	19,998,139	1,248,476	21,246,615

Trade debts comprise solely of local customers, including Riaz Bottlers Private 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 porition 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:

	Rating		Rating	2017	2016
	Short term	Long term	Agency	Rupees	Rupees
Al-Baraka Islamic Bank	A1	A	PACRA	483,070	177,495
Allied Bank Limited	A1+	AA+	PACRA	429,301,102	3,864,801
Bank Alfalah Limited	A1+	AA+	PACRA	2,597,332	1,899,873
The Bank of Punjab	A1+	AA	PACRA	3,855,215	14,570,327
Burj Bank	A-1	A	JCR-VIS	1,251,627	977,642
Dubai Islamic Bank	A-1	AA-	JCR-VIS	733,291	383,698
Faysal Bank Limited	A1+	AA	PACRA	827,281	197,087
Habib Bank Limited	A-1+	AAA	JCR-VIS	4,080,783	1,193,665
KASB Bank Limited	C	B	PACRA	-	725
MCB Bank Limited	A1+	AAA	PACRA	97,711,623	23,092,890
Meezan Bank Limited	A-1+	AA	JCR-VIS	14,955,467	-
NIB Bank Limited	A1+	AA-	PACRA	500,944	500,944
National Bank of Pakistan	A-1+	AAA	JCR-VIS	1,625,978	3,178,332
Silk bank Limited	A-2	A-	JCR-VIS	-	241,060
Samba Bank Limited	A-1	AA	JCR-VIS	1,346,672	56,676
Saudi Pak Bank	A-1+	AA+	JCR-VIS	-	-
Sindh Bank Limited	A-1+	AA	JCR-VIS	29,625,029	7,866,831
Soneri Bank Limited	A1+	AA-	PACRA	154,940	233,697
Summit Bank Limited	A-1	A-	JCR-VIS	389,126	417,407
The bank Of Khyber	A-1	A	JCR-VIS	227,222	353,177
United Bank Limited	A-1+	AAA	JCR-VIS	96,889,411	6,135,637
				686,556,113	65,341,964

37.3 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

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

	2017					2016				
	Carrying Amount	**Contractual cash flows**	**Less than one year**	**One to five years**	**More than five year**	Carrying Amount	Contractual cash flows	Less than one year	One to five years	More than five year
			Rupees					Rupees		
Non derivative financial liabilities										
Long term finances - *secured*	**3,275,980,395**	**3,557,254,052**	**550,233,559**	**2,741,626,334**	**265,394,159**	1,409,273,928	1,853,396,855	634,202,728	1,219,194,127	-
Liabilities against asset subject to finance lease - *secured*	**615,672,840**	**688,887,689**	**163,171,555**	**525,716,134**	-	152,525,388	161,033,131	120,341,131	40,692,000	-
Short term borrowings-secured	**10,196,025,232**	**10,425,435,800**	**10,425,435,800**	-	-	5,259,368,808	5,377,704,606	5,377,704,606	-	-
Trade and other payables	**2,167,681,073**	**2,167,681,073**	**2,167,681,073**	-	-	1,115,075,247	1,115,075,247	1,115,075,247	-	-
Interest and markup accrued	**260,315,310**	**260,315,310**	**260,315,310**	-	-	109,673,836	109,673,836	109,673,836	-	-
	16,515,674,850	**17,099,573,924**	**13,566,837,297**	**3,267,342,468**	265,394,159	8,045,917,207	8,616,883,675	7,356,997,548	1,259,886,127	-

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

37.4 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.

37.4.1 Currency risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from sales, purchases and resulting balances that are denominated in a currency other than functional currency. The Company's potential currency exposure comprises of:

- Transactional exposure in respect of non functional currency monetary items.
- Transactional exposure in respect of non functional currency expenditure and revenues.

The potential currency exposures are discussed below:

Transactional exposure in respect of non functional currency monetary items

Monetary items, including financial assets and liabilities, denominated in currencies other than the functional currency of the Company are periodically restated to rupee equivalent, and the associated gain or loss is taken to the profit and loss account. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

Transactional exposure in respect of non functional currency expenditure and revenues

Monetary items, including financial assets and liabilities, denominated in currencies other than the functional currency of the Company are periodically restated to rupee equivalent, and the associated gain or loss is taken to the profit and loss account. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

Exposure to currency risk

The Company's exposure to currency risk at the reporting date was as follows:

	2017 Rupees	2016 Rupees
Off balance sheet items		
Outstanding letters of credit	**338,460,000**	202,164,218

Exchange rates applied during the year

The following exchange rate has applied during the year on transactions involving foreign currency.

	2017		
	Spot rate Dollar		**Average rate for the year**
	Buying	**Selling**	
	USD		
Exchange rate during the year on transactions involving foreign currency	**106.31**	**104.60**	**104.89**

	2016		
	Spot rate Dollar		Average rate for the year
	Buying	Selling	
	USD		
Exchange rate during the year on transactions involving foreign currency	103.75	105.74	104.5

Sensitivity analysis

At reporting date, if the PKR had strengthened by 10.00% against the foreign currencies with all other variables held constant, profit for the year would have been higher by the amount shown below, mainly as a result of net foreign exchange gain on translation of outstanding letters of credit.

	2017 Rupees	2016 Rupees
Effect on profit and loss		
USD to Rupee	**33,846,000**	20,216,422

The weakening of the PKR against foreign currencies would have had an equal but opposite impact on the profit.

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

Currency risk management

Since the maximum amount exposed to currency risk is only 1.31% (2016: 1.25%) of the Company's total assets, any adverse / favourable movement in the functional currency with respect to US dollar will not have any material impact on the operational results.

37.4.2 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:

	2017	2016	2017	2016
	Effective rate in		Carrying amount	
	----- Percentage -----		-------- Rupees -------	
- **Financial assets**				
Fixed rate instruments				
Bank balances - *saving accounts*	**3.70% to 5.55%**	3.0% to 4.5%	**246,778,379**	**9,978,432**

	2017	2016	2017	2016
	Effective rate in		Carrying amount	
	----- Percentage -----		-------- Rupees -------	
- **Financial liabilities**				
Floating rate instrument				
Long term finances - *secured*	**7.05% to 10.62%**	8.81% to 10.62%	**3,275,980,395**	1,409,273,928
Liabilities against assets subject to finance lease - *secured*	**9.94% to 13.66%**	10.06% to 12.07%	**8,507,743**	152,525,388
Short term borrowings - *secured*	**8.15% to 10.14%**	8.31% to 11.35%	**8,080,025,232**	2,872,710,808
Fixed rate instruments				
Export refinance facility - *secured*	**3.00%**	3.0% to 4.5%	**2,116,000,000**	2,386,658,000

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 and 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.

	2017 Rupees	2016 Rupees
Effect on profit (Increase)	**113,645,134**	44,345,101
Effect on profit (Decrease)	**(113,645,134)**	(44,345,101)

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 and advances by the Company have variable rate pricing that is mostly dependent on KIBOR as indicated in respective notes.

37.4.3 Concentration of credit risk

Concentration of credit risk exists when the changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial instruments is broadly diversified and all other transactions are entered into with credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

37.4.4 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

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

The Company's objectives when managing capital are:

(i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stake holder, and

(ii) to provide an adequate return to shareholders.

The Company manages the 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 total debt to equity.

The debt-to-equity ratios as at 30 September were as follows:

	2017 Rupees	2016 Rupees
Total debt	**3,891,653,235**	1,561,799,316
Total equity and debt	**10,071,658,427**	7,291,619,697
Debt-to-equity ratio	**39%**	21%

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements, except those, related to maintenance of covenants including restriction on dividend declaration, commonly imposed by the providers of debt finance. Increas in gearing ratio is due to long term loan facilities availed during the year for capital expenditure.

39 Business segments information

39.1 The Company has three reportable segments, as described below, which are the Company's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. Information reported to the Company's Chief operating decision maker for the purpose of resource allocation and assessment of segment performance is focused on type of goods supplied. The following summary describes the operations in each of the Company's reportable segments:

Reportable Segments	***Operation of reportable segments***
Sugar segment	production of White sugar & molasses from sugar cane
Distillery segment	production of Ethanol from molasses
Top Gas segment	production of Top gas

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

Segment revenue and results

Following is the information about reportable segments of the Company:

	Sugar		Distillery		Top Gas		Total	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016
	Rupees	Rupees	**Rupees**	Rupees	**Rupees**	Rupees	**Rupees**	Rupees
Sales - Net								
- External	**10,122,511,181**	15,526,408,440	**3,594,099,787**	2,899,563,253	**187,374,511**	249,082,432	**13,903,985,479**	18,675,054,125
- Inter-segment	**1,671,826,969**	1,277,821,310	**185,002,200**	181,885,800			**1,856,829,169**	1,459,707,110
	11,794,338,150	16,804,229,750	**3,779,101,987**	3,081,449,053	**187,374,511**	249,082,432	**15,760,814,648**	20,134,761,235
Cost of sales								
- External	**(10,671,402,385)**	(14,739,667,734)	**(1,049,736,159)**	(1,472,901,423)	**(48,477,462)**	(45,564,755)	**(11,769,616,006)**	(16,258,133,912)
- Inter-segment	**-**	-	**(1,671,826,969)**	(1,277,821,310)	**(185,002,200)**	(181,885,800)	**(1,856,829,169)**	(1,459,707,110)
	(10,671,402,385)	(14,739,667,734)	**(2,721,563,128)**	(2,750,722,733)	**(233,479,662)**	(227,450,555)	**(13,626,445,175)**	(17,717,841,022)
Gross Profit / (loss)	**1,122,935,765**	2,064,562,016	**1,057,538,859**	330,726,320	**(46,105,151)**	21,631,877	**2,134,369,473**	2,416,920,213
-Administrative expenses	**(226,858,913)**	(165,422,919)	**(205,993,011)**	(207,783,936)	**(8,355,281)**	(2,438,190)	**(441,207,205)**	(375,645,045)
-Distribution & selling exp	**(49,536,813)**	(45,804,740)	**(286,389,024)**	(248,652,719)	**(14,967,607)**	(11,893,515)	**(350,893,444)**	(306,350,974)
-Finance cost	**(689,088,995)**	(593,838,064)	**(199,223,071)**	(263,664,245)	**-**	(3,141,373)	**(888,312,066)**	(860,643,682)
	(965,484,721)	(805,065,723)	**(691,605,106)**	(720,100,900)	**(23,322,888)**	(17,473,078)	**(1,680,412,715)**	(1,542,639,701)
Segment results	**157,451,044**	1,259,496,293	**365,933,753**	(389,374,580)	**(69,428,039)**	4,158,799	**453,956,758**	874,280,512
Profit from operations							**453,956,758**	874,280,512
Other operating expenses							**(29,076,937)**	(49,138,758)
Other income							**36,246,141**	108,494,653
Profit before taxation							**461,125,962**	933,636,407
Taxation							**9,633,817**	(35,669,332)
Profit / (Loss) after taxation							**470,759,779**	897,967,075

39.2 Inter-segment sales and purchases and basis of pricing

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

	Sugar		Distillery		Top Gas		Total	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016
	Rupees	Rupees	**Rupees**	Rupees	**Rupees**	Rupees	**Rupees**	Rupees
39.3 Segment assets	**15,210,447,046**	7,012,687,054	**10,246,050,842**	8,985,091,278	**284,455,065**	205,783,368	**25,740,952,953**	16,203,561,700
39.4 Segment liabilities	**15,002,110,695**	1,308,944,922	**4,553,950,132**	6,292,824,191	**4,886,667**	2,871,972,206	**19,560,947,494**	10,473,741,319
39.5 Capital expenditure	**2,940,304,143**	720,771,841	**36,722,024**	121,258,019	**313,571**	1,643,864	**2,977,339,738**	843,673,724
39.6 Depreciation on property, plant and equipment	**330,774,797**	315,182,305	**215,343,368**	218,730,459	**11,016,621**	11,544,699	**557,134,786**	545,457,463
39.7 Depreciation on leased assets	**21,591,300**	20,525,533	**2,476,366**	3,366,235	**-**	-	**24,067,666**	23,891,768

39.8 Secondary reporting format

Segment revenues from external customers by geographical areas is as follows:

	Sugar		Distillery		Top Gas		Total	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016
	Rupees	Rupees	**Rupees**	Rupees	**Rupees**	Rupees	**Rupees**	Rupees
Export sales (Asia)	**899,912,975**	1,553,815,258	**3,443,354,871**	2,790,026,602	**-**	-	**4,343,267,846**	4,343,841,860
Local sales	**9,222,598,206**	13,972,593,182	**150,744,916**	109,536,651	**187,374,511**	139,790,362	**9,560,717,633**	14,221,920,195
	10,122,511,181	15,526,408,440	**3,594,099,787**	2,899,563,253	**187,374,511**	139,790,362	**13,903,985,479**	18,565,762,055

Export sales are 8.89% (2016: 25.30%) of total sales made by the Company.

39.9 Reconciliations of reportable segment revenues, profit and loss, assets and liabilities

	Total	
	2017	2016
	Rupees	Rupees
39.9.1 Revenues		
Total revenue for reportable segments	**15,760,814,648**	20,134,761,235
Elimination of inter-segment revenue	**(1,856,829,169)**	(1,459,707,110)
Consolidated revenue	**13,903,985,479**	18,675,054,125
39.9.2 Profit and loss before tax and other expenses		
Total profit for reportable segments	**490,202,899**	982,775,165
Unallocated corporate expenses		
- Other expenses	**(29,076,937)**	(49,138,758)
- Taxation	**9,633,817**	(35,669,332)
Consolidated profit after tax	**470,759,779**	897,967,075
39.9.3 Assets		
Total assets for reportable segments	**25,740,952,953**	16,203,561,700
Elimination of inter-segment assets	**-**	-
Consolidated assets	**25,740,952,953**	16,203,561,700
39.9.4 Liabilities		
Total liabilities for reportable segments	**19,560,947,494**	10,473,741,319
Elimination of inter-segment liabilities	**-**	-
Consolidated liabilities	**19,560,947,494**	10,473,741,319

40 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 were as follows:

	2017			
		Directors		
	Chief executive	**Executive**	**Non - executive**	**Executives**
	---------- Rupees ----------			
Managerial remuneration	-	**6,400,000**	**363,000**	**42,640,423**
Medical allowance	-	**640,000**	**36,300**	**4,264,042**
House Rent Allowance	-	**2,560,000**	**145,200**	**17,056,169**
Bonus	-	-	-	**4,577,995**
Staff retirement benefit	-	**800,000**	**45,375**	**5,668,605**
	-	**10,400,000**	**589,875**	**74,207,234**
Number of persons	**1**	**1**	**5**	**43**

	2016			
		Directors		
	Chief executive	Executive	Non - executive	Executives
	---------- Rupees ----------			
Managerial remuneration	-	6,400,000	330,000	41,156,997
Medical allowance	-	640,000	33,000	4,115,700
House Rent Allowance	-	2,560,000	132,000	16,462,799
Bonus	-	-	-	2,207,431
Staff retirement benefit	-	800,000	41,250	5,035,290
	-	10,400,000	536,250	68,978,217
Number of persons	1	1	5	50

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 (2016: Rs. Nil)

41 Number of employees

The Company has employed following number of persons:	**2017**	2016
	(Number of persons)	
- As at 30 September	**1,745**	1,779
- Average number of employees	**1,751**	1,762

42 Transactions 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 transactions with various related parties Amounts due from and to related parties are shown under receivables and payables and remuneration of Directors and key management personnel are disclosed in note 38. Other significant transactions with related parties are as follows:

Name of party	**Relationship**	**Nature of Transaction**	**2017 Rupees**	2016 Rupees
Riaz Bottlers (Pvt) Limited	Associated Company	Sale of top gas	**66,906,554**	93,544,293
		Receipts against sale of top gas	**77,763,638**	82,358,218
Directors of the Company	Directors	Loan repaid	-	(36,911,866)
		Guest house rent paid	**4,800,000**	4,800,000

43 Date of authorisation for issue

These financial statements were authorised for issue on 06, February 2018 by the Board of Directors of the Company.

44 General

Figures have been rounded off to the nearest rupee.

Lahore
February 06, 2018

Chief Financial Officer	Chief Executive	Director

Proxy Form

Tandlianwala Sugar Mills Ltd.

29th Annual General Meeting

Folio No./CDC A/c No. ____________________

I/We ______________________________ of ______________________________________

in the district of ________________________ being a member/members of Tandlianwala Sugar Mills Ltd

holding __________________ shares of Rs.10 each, hereby appoint 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 me/us and on my/our behalf at the 29th Annual General Meeting of the Company to be hold at Chandni

Banquet Hall 43-N Gulberg-III, Lahore on Tuesday, February 27, 2018 at 10:00 am and at any adjournment thereof

or of any ballot to be taken in consequence thereof,

Signed this ____________________ day of February, 2018

Witnesses:

1. Signature: ______________________
   Name: ______________________
   CNIC: ______________________
   Address: ______________________
   ____

Affix Revenue
Stamp of Rupees
Five
Signature by Member(s)

2. Signature: ______________________
   Name: ______________________
   CNIC: ______________________
   Address: ______________________
   ____

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.

پراکسی فارم

تاندلیانوالہ شوگر ملزلمیٹڈ کا 29 واں (انتیسواں) سالانہ اجلاس عام

فولیو/سی ڈی سی اکاؤنٹ نمبر ____________

میں/ہم ________ساکن ____

ضلع ________ بحیثیت رُکن تاندلیانوالہ شوگر ملزلمیٹڈ حامل ____________ عام حصص مبلغ 10 روپے ہر ایک شئیر،

مسمی/مسماۃ ________ ساکن________ کمپنی رکن بروئے رجسٹرڈ فولیو/سی ڈی سی اکاؤنٹ

نمبر ________ یا اُس کی عدم موجودگی میں ________ کو بطور مختار (پراکسی) مقرر کرتا/کرتے ہیں تاکہ وہ میری/ہماری طرف سے کمپنی کے

29 ویں سالانہ اجلاسِ عام بتاریخ 27 فروری 2018ء بروز منگل بوقت صبح 10:00 بجے بمقام چاندی بینکوئٹ ہال N-43 گلبرگ III لاہور پر منعقد ہو رہا ہے اور

اس کے کسی ملتوی شدہ اجلاس میں حق رائے دہی استعمال کرے۔

آج مورخہ فروری________ 2018 کو میرے دستخط سے جاری ہوا۔

پانچ روپے کی ریوینیو ٹکٹ چسپاں کریں

ممبر کے دستخط

گواہان:

1- ____________ 2- ____________

نام ____________ نام ____________

شناختی کارڈ نمبر: ____________ شناختی کارڈ نمبر: ____________

پتہ: ____________ پتہ: ____________

نوٹ:

پراکسی فارم کے موثر ہونے کیلئے لازم ہے کہ ہر لحاظ سے مکمل فارم کمپنی کے رجسٹرڈ دفتر پر اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل لازماً جمع ہو جانا چاہیئے۔