

TANDLIANWALA SUGAR MILLS LTD.

BRIEF REVIEW

Dear Shareholders,

On behalf of the Board of Directors, it is my pleasure to present to you the Unaudited Financial Statements of your Company for the Nine months period ended June 30, 2018.

During this period, the Company was able to earn a gross profit of Rs. 1.123 Billion and a net profit from operations amounting to Rs. 985 Million, as compared to last comparative period gross profit of Rs 1.770 Billion and a net profit from operations of Rs. 1.104 Billion, respectively.

The other relevant information of your concern is as follows:

The decreased profitability is mainly due to the reduction in selling prices of sugar within the Country. As intimated in our earlier interim report, the measures of the previous Punjab Government were very discouraging for the sugar industry as the sugarcane procurement prices remained at Rs 180 per 40 Kg for the season 2017-18, as in contrast to that of Sindh, who gave an interim relief by purchasing sugarcane at a net rate of 160 per 40 kg.

Moreover, the sugar sale rate, as fixed by FBR for sales tax purposes continued to remain higher than the actual market selling price of sugar, which in turn affected the profitability. Another factor for decrease in the net profitability is the Finance cost, which increased due to carry over of last season stocks.

Our Bio Fuel (Ethanol) and CO2 (Carbon Di Oxide) gas divisions, as always, continued to perform well towards the operational profitability of the company.

By the end of this year, we expect our Ethanol division to achieve the highest levels of export revenue, since inception.

The board is also pleased to place on record its appreciation for the devoted and dedicated services & efforts of the management, employees, stake holders and workers of the Company.

On behalf of Board of Directors

AKBAR KHAN
(Chief Executive)

October 19, 2018

معزز حصص داران

بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کی 30 جون 2018ء کو اختتام پذیر ہونے والی 9 ماہ کے دورانیہ پر مشتمل غیر آڈٹ شدہ رپورٹ پیش کرنا میرے لئے باعث اطمینان و فخر و امتیاز ہے۔

اس دورانیہ میں کمپنی کا مجموعی منافع مبلغ 1.123 بلین اور آپریشن پر نیٹ پرافٹ مبلغ 985 ملین رہا جبکہ گزشتہ تقابلی عرصہ کے مقابلہ میں مجموعی منافع مبلغ 1.770 بلین اور آپریشن پر نیٹ پرافٹ مبلغ 1.104 بلین روپے تھا۔

دیگر متعلقہ معلومات حسب ذیل ہیں:

ملک میں شوگر کی قیمتوں میں کمی کی وجہ سے منافع کی شرح میں بھی کمی واقع ہوئی ہے۔ جیسا کہ پہلی انترم رپورٹ میں واضح کیا گیا تھا کہ گزشتہ پنجاب گورنمنٹ کے احکامات کے تحت سیشن 2017-18ء کے دوران گئے کی فی 40 کلو قیمت مبلغ 180 روپے برقرار رکھی گئی جو کہ شوگر انڈسٹری کیلئے غیر تسلی بخش تھی جبکہ اس کے مقابلہ میں صوبہ سندھ کے اندر اس دورانیہ میں گئے کی فی 40 کلو گرام قیمت مبلغ 160 روپے برقرار رکھی گئی تھی۔

مزید یہ کہ سیلر ٹیکس کے مقاصد کیلئے ایف بی آر کی جانب سے شوگر کی متعین کردہ قیمت فروخت شوگر کی مارکیٹ میں اصل قیمت فروخت کے مقابلہ میں زیادہ رکھی گئی جس کی وجہ سے منافع پر منفی اثرات مرتب ہوئے۔ نیٹ پرافٹ میں کمی کی ایک دوسری وجہ فنانس کاسٹ ہے جو کہ گزشتہ سیشن کے سٹاک کے پڑے ہونے کی وجہ سے ہوا۔

جب سے آئینہ ڈویژن کا آغاز ہوا ہے کمپنی کا بائیو فیول (آئینہ) اور CO2 (کاربن ڈائی آکسائیڈ) گیس ڈویژن ہمیشہ کمپنی کے آپریشنل منافع میں اضافہ کا باعث رہا ہے۔ توقع کی جارہی ہے کہ اس سال کے اختتام پر آئینہ ڈویژن کی برآمدی آمدن میں خاطر خواہ اضافہ ہوگا۔

بورڈ اپنی مینجمنٹ، ملازمین، سٹیک ہولڈرز اور کمپنی کے ورکرز کی بے لوث خدمات اور کارکردگی پر ان کی تہنید دل سے مشکور ہے۔

19 اکتوبر 2018ء

بجکم بورڈ
اکبر خان
(چیف ایگزیکٹو)

TANDLIANWALA SUGAR MILLS LTD.

BALANCE SHEET (UN-AUDITED)

	30-June-2018 (Un-Audited) Rupees	30-Sep-2017 (Audited) Rupees
EQUITY AND LIABILITIES		
<u>Share capital and reserves</u>		
Authorised Share Capital		
120,000,000 (2017 : 120,000,000)	1,200,000,000	1,200,000,000
shares of Rs. 10 each		
Issued, Subscribed and Paid-up Capital	1,177,063,000	1,177,063,000
Reserves	3,309,485,694	3,067,892,022
Loan from Directors - unsecured	1,935,050,170	1,935,050,170
	6,421,598,864	6,180,005,192
<u>Non current liabilities</u>		
Long term finances-secured	2,975,003,739	2,771,675,932
Liabilities against assets subject to finance lease - secured	445,709,881	489,444,925
Advances from customers - unsecured	-	554,036,748
Deferred Liabilities		
-Staff retirement benefits	308,988,528	310,560,559
-Deferred taxation	8,443,728	8,443,728
	3,738,145,876	4,134,161,892
<u>Current liabilities</u>		
Short term borrowings - secured	12,104,151,634	10,196,025,232
Current portion of non-current liabilities	491,232,440	630,532,378
Trade and other payables	9,546,494,637	4,447,068,821
Interest and markup accrued	303,012,016	260,315,310
	22,444,890,727	15,533,941,741
Contingencies and Commitments	-	-
	32,604,635,467	25,848,108,825

The annexed notes 1 to 6 form an integral part of these financial statements.

Lahore
October 19, 2018

Chief Financial Officer

Chief Executive

TANDLIANWALA SUGAR MILLS LTD.

AS AT JUNE 30, 2018

ASSETS

Non current assets

	30-June-2018 (Un-Audited) Rupees	30-Sep-2017 (Audited) Rupees
Property, plant and equipment	14,312,261,335	13,795,834,019
Long term deposits	122,153,535	124,073,188
	<u>14,434,414,870</u>	<u>13,919,907,207</u>

Current assets

Stores, Spares and loose tools	1,411,867,850	1,032,646,111
Stock in trade	12,882,287,008	8,814,401,128
Trade debts - considered good	26,234,474	20,113,724
Advances, deposits, prepayments and other receivables	2,025,427,343	843,723,068
Tax refunds due from Government - net	620,270,439	529,551,342
Cash & bank balances	1,204,133,483	687,766,245
	<u>18,170,220,597</u>	<u>11,928,201,618</u>
	<u><u>32,604,635,467</u></u>	<u><u>25,848,108,825</u></u>

Director

TANDLIANWALA SUGAR MILLS LTD.

PROFIT AND LOSS ACCOUNT (UN-AUDITED)

For the period ended June 30, 2018

	NINE MONTHS ENDED 30-June		QUARTER ENDED 30-June	
	2018 (RUPEES)	2017 (RUPEES)	2018 (RUPEES)	2017 (RUPEES)
Sales – net	11,204,252,049	10,878,057,161	5,774,459,790	2,948,553,066
Cost of sales	(10,081,595,168)	(9,108,061,247)	(5,290,953,374)	(2,415,261,131)
Gross profit	1,122,656,881	1,769,995,914	483,506,416	533,291,935
Administrative expenses	(373,495,697)	(467,378,001)	(132,260,671)	(252,474,714)
Distribution expenses	(328,548,138)	(216,233,126)	(96,079,435)	(61,031,557)
Other income	564,135,895	17,583,219	373,066,760	11,078,926
	(137,907,940)	(666,027,908)	144,726,654	(302,427,345)
Profit from operations	984,748,941	1,103,968,006	628,233,070	230,864,590
Finance cost	(730,439,813)	(670,615,810)	(239,927,082)	(332,628,925)
Other expenses	(12,715,456)	(21,667,610)	(12,715,456)	5,088,217
	(743,155,269)	(692,283,420)	(252,642,538)	(327,540,708)
Profit before taxation	241,593,672	411,684,586	375,590,532	(96,676,118)
Taxation	-	(108,780,572)	-	(38,452,982)
Profit after taxation	241,593,672	302,904,014	375,590,532	(135,129,100)
Earnings per share	2.053	2.573	3.191	(1.148)

The annexed notes 1 to 6 form an integral part of these financial statements.

Lahore

October 19, 2018

Chief Financial Officer

Chief Executive

Director

TANDLIANWALA SUGAR MILLS LTD.

STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the period ended June 30, 2018

	NINE MONTHS ENDED 30-June		QUARTER ENDED 30-June	
	2018 (RUPEES)	2017 (RUPEES)	2018 (RUPEES)	2017 (RUPEES)
Profit after tax for the period	241,593,672	302,904,014	375,590,532	(135,129,100)
Other comprehensive income	-	-	-	-
Total comprehensive Income for the period	<u>241,593,672</u>	<u>302,904,014</u>	<u>375,590,532</u>	<u>(135,129,100)</u>

The annexed notes 1 to 6 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the period ended June 30, 2018

	RESERVES					Total
	Share capital	Share premium	Un-appropriated profit	Sub total	Equity portion of directors loan	
	-----Rupees-----					
Balance as at 1st October 2016	1,177,063,000	290,741,640	2,326,965,572	2,617,707,212	1,935,050,170	5,729,820,382
Transaction with owners of the Company						
Repayment made during the period	-	-	-	-	(89,267,408)	(89,267,408)
Profit for the period ended 30 June 2017	-	-	302,904,014	302,904,014	-	302,904,014
Other comprehensive income for the period ended 30 June 2017	-	-	-	-	-	-
	-	-	302,904,014	302,904,014	-	302,904,014
Balance as at 30 June 2017	<u>1,177,063,000</u>	<u>290,741,640</u>	<u>2,629,869,586</u>	<u>2,920,611,226</u>	<u>1,845,782,762</u>	<u>5,943,456,988</u>
Balance as at 1st October 2017	1,177,063,000	290,741,640	2,777,150,382	3,067,892,022	1,935,050,170	6,180,005,192
Transaction with owners of the Company						
Repayment made during the period	-	-	-	-	-	-
Profit for the period ended 30 June 2018	-	-	241,593,672	241,593,672	-	241,593,672
Other comprehensive income for the period ended 30 June 2018	-	-	-	-	-	-
	-	-	241,593,672	241,593,672	-	241,593,672
Balance as at 30 June 2018	<u>1,177,063,000</u>	<u>290,741,640</u>	<u>3,018,744,054</u>	<u>3,309,485,694</u>	<u>1,935,050,170</u>	<u>6,421,598,864</u>

Lahore

October 19, 2018

Chief Financial Officer

Chief Executive

Director

TANDLIANWALA SUGAR MILLS LTD.

CASH FLOW STATEMENT (UN-AUDITED)

For the period ended June 30, 2018

	October 2017 To June 2018 (Rupees)	October 2016 To June 2017 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	241,593,672	411,684,587
Adjustments for non cash and other items :		
Depreciation	505,454,774	423,513,573
Finance cost	730,439,813	670,615,810
Gain on disposal of fixed assets	(211,538)	(1,435,371)
Provision for WPPF	12,715,456	21,667,610
	1,248,398,505	1,114,361,622
Operating profit before working capital changes	1,489,992,177	1,526,046,209
(Increase) / decrease in current assets :		
Stores, spares and loose tools	(379,221,739)	(611,360,499)
Trade debtors	(6,120,750)	1,072,861
Advances, deposits, prepayments and other receivables	(1,272,423,372)	(335,171,943)
Stock in trade	(4,067,885,880)	(7,845,861,789)
	(5,725,651,741)	(8,791,321,370)
(Decrease) / increase in current liabilities :		
Trade and other payables	5,110,914,060	2,944,647,743
Cash generated from operations	875,254,496	(4,320,627,418)
Finance cost paid	(687,743,107)	(550,216,362)
Employee retirement benefits paid	(1,572,031)	-
Workers' profit participation fund paid	(24,510,145)	(49,138,435)
	(713,825,283)	(599,354,797)
NET CASH GENERATED FROM OPERATING ACTIVITIES	161,429,213	(4,919,982,215)
CASH FLOW FROM INVESTING ACTIVITIES :		
Fixed capital expenditure	(317,967,271)	(276,765,241)
Proceeds from sale of fixed assets	8,262,067	5,656,610
Long Term Deposits	1,919,653	(34,025,905)
Capital work in progress	(711,965,345)	(1,977,981,123)
NET CASH USED IN INVESTING ACTIVITIES	(1,019,750,896)	(2,283,115,659)
CASH FLOW FROM FINANCING ACTIVITIES :		
Lease rental paid	(29,882,656)	296,597,660
Short term borrowings	1,908,126,402	6,110,830,944
Long term loans	50,481,923	1,884,317,376
Loan from directors	-	(89,267,408)
Advances from customers	(554,036,748)	(227,667,135)
NET CASH GENERATED FROM FINANCING ACTIVITIES	1,374,688,921	7,974,811,437
Net increase in cash and cash equivalents	516,367,238	771,713,563
Cash and cash equivalents at the beginning of the period	687,766,245	66,936,567
Cash and cash equivalents at the end of the period	1,204,133,483	838,650,130

The annexed notes 1 to 6 form an integral part of these financial statements.

Lahore

October 19, 2018

Chief Financial Officer

Chief Executive

Director

TANDLIANWALA SUGAR MILLS LTD.

NOTES TO THE ACCOUNTS (UN-AUDITED)

For the period ended June 30, 2018

1. These financial statements have been prepared in accordance with the requirements of international Accounting Standard-34 (IAS-34) "Interim Financial Reporting".
2. These financial statements are un-audited and are being submitted to the shareholders as requirement of the Companies Act, 2017.
3. The accounting policies adopted for the preparation of these accounts are same as those applied in the preparation of accounts for the preceding year ended 30 September 2017.
4. Provision in respect of taxation is estimated only and final liabilities will be determined on the basis of annual results.
5. These financial statements were authorized for issue by the Board of Directors of the Company on October 19, 2018.
6. Figures have been rounded off to the nearest rupee.

Lahore

October 19, 2018

Chief Financial Officer

Chief Executive

Director

TANDLIANWALA SUGAR MILLS LTD.

COMPANY INFORMATION

Board of Directors	Mr. Ghazi Khan Mr. Akbar Khan Mr. Humayun Akhtar Khan Mr. Haroon Khan Mrs. Rasheeda Begum Mrs. Mobina Akbar Khan Mr. Tahir Farooq Malik	(Chairman) (Chief Executive)
Company Secretary and Chief Financial Officer	Mr. Ahmad Jehanzeb Khan	
Bankers	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 Sibtain Fazli & Associates Mall Mansion 30 The Mall, Lahore
Audit Committee	Mr. Humayun Akhtar Khan Mr. Ghazi Khan Mr. Tahir Farooq Malik Mr. Khalid Siddique	(Chairman) (Member) (Member) (Secretary)
Auditors	KPMG Taseer Hadi & Co. Chartered Accountants	
Share Registrar	Corplink (Private) Limited 1-K, Commercial Model Town, Lahore	
Sugar Mills:		
<i>Unit 1</i>	Kanjwani, Tehsil Tandlianwala, District, Faisalabad	
<i>Unit 2</i>	Taunsa Road, Indus Highway, Dera Ismail Khan	
<i>Unit 3</i>	Shah Jamal Road, Muzaffargarh	
Distillery:		
<i>Unit 1</i>	Kanjwani, Tehsil Tandlianwala, District, Faisalabad	
<i>Unit 2</i>	Shah Jamal Road, Muzaffargarh	
Top Gas:	Kanjwani, Tehsil Tandlianwala, District, Faisalabad	
Registered Office:	66-L, Gulberg-II, Lahore	