

DIRECTORS REPORT

Dear Shareholder,

The Directors take pleasure in presenting their Un-Audited financial report of the Company for the period ended December 31, 2013 together with the un-audited Financial statements of 1st Quarter for the period ended on 31st December 2013 a brief review thereon.

The Sugar Division started crushing in the third week of November at all the three Units and quickly settled into a steady state. Operations in the first three months have been good with an improvement in efficiencies and production compared to the corresponding period of the previous year. During this period/season, the price of sugarcane will continue to be a vexatious issue. A drastic increase in the price of sugarcane for this season and difficulty in selling sugar domestic/abroad at better prices, coupled with non release of freight subsidy on export made last year/current period are the major challenges being faced by the sugar industry.

With the help of our Distillery Unit, Top Gas (CO₂) Unit and the setting up of second Distillery project at our Muzafargarh Unit, the Company would be in position to enjoy the favorable market of the Ethanol and CO₂. This position can allow us to believe that the future profitability of the Company would turn out to be much better.

On behalf of Board of Directors

Haroon Khan
(Chief Executive)
February 28, 2014

TANDLIANWALA SUGAR MILLS LTD.

BALANCE SHEET (UN-AUDITED)

	(Un-audited) 31 December 2013 Rupees	(Audited) 30 September 2013 Rupees
LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital		
120,000,000 ordinary shares of Rs. 10 each	1,200,000,000	1,200,000,000
Issued, subscribed and paid-up capital		
117,706,300 (2012: 117,706,300) ordinary shares of Rs. 10 each	1,177,063,000	1,177,063,000
Equity portion of directors loan	1,299,087,622	1,337,169,540
Reserves	1,022,456,300	879,302,049
	3,498,606,922	3,393,534,589
NON CURRENT LIABILITIES		
Long term finances – secured	279,165,482	135,799,408
Loan from Directors – unsecured	1,043,284,716	1,025,014,048
Liabilities against assets subject to finance lease	57,694,728	66,525,544
Advances from customers	1,940,047,435	1,054,646,732
Deferred liabilities	333,623,239	334,157,508
	3,653,815,600	2,616,143,240
CURRENT LIABILITIES		
Short term borrowings - secured	5,428,178,504	3,609,662,545
Current portion of long term liabilities	106,552,754	102,762,520
Trade and other payables	1,729,289,761	2,060,281,305
Accrued finance cost	57,972,428	114,162,759
Provision for taxation	30,327,834	-
	7,352,321,281	5,886,869,129
CONTINGENCIES AND COMMITMENTS		
	-	-
	14,504,743,803	11,896,546,958

Lahore
February 28, 2014

Chief Executive

TANDLIANWALA SUGAR MILLS LTD.

AS AT DECEMBER 31, 2013

	(Un-audited) 31 December 2013 Rupees	(Audited) 30 September 2013 Rupees
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	7,615,323,110	7,645,294,506
Capital work-in-progress	367,213,602	109,717,812
Long term deposits	95,534,682	65,943,232
	8,078,071,394	7,820,955,550
CURRENT ASSETS		
Stores, spares and loose tools	746,560,697	628,139,722
Stock in trade	4,332,834,548	2,136,242,304
Trade Debts	7,376,608	33,232,863
Advances, deposits, prepayments and other receivables	513,154,428	375,088,038
Advance income tax	157,307,438	137,528,423
Cash and bank balances	669,438,690	765,360,058
	6,426,672,409	4,075,591,408
	14,504,743,803	11,896,546,958

Director

TANDLIANWALA SUGAR MILLS LTD.

PROFIT AND LOSS ACCOUNT (UN-AUDITED)

For the quarter ended December 31, 2013

	31 December 2013 (Rupees)	31 December 2012 (Rupees)
Sales - net	3,032,783,419	1,061,090,723
Cost of sales	(2,664,602,674)	(624,330,804)
Gross profit	368,180,745	436,759,919
Administrative expenses	(66,751,673)	(56,530,022)
Distribution expenses	(44,169,424)	(45,363,017)
Other operating expenses	(9,130,636)	(11,407,225)
Other income	19,786,450	1,490,402
	(100,265,283)	(111,809,862)
Profit from operations	267,915,462	324,950,057
Finance cost	(94,433,377)	(108,212,777)
Profit before taxation	173,482,085	216,737,280
Taxation	(30,327,834)	(5,305,454)
Profit after taxation	143,154,251	211,431,826
Earning per share	1.22	1.80

Lahore
February 28, 2014

Chief Executive

Director

Quarterly Report December 31, 2013

TANDLIANWALA SUGAR MILLS LTD.

STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the quarter ended December 31, 2013

	31 December 2013 (Rupees)	31 December 2012 (Rupees)
Profit after tax for the period	143,154,251	211,431,826
Other comprehensive income	-	-
Total comprehensive income for the period	143,154,251	211,431,826

Lahore

February 28, 2014

Chief Executive

Director

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the quarter ended December 31, 2013

	Reserves					
	Share capital	Share premium	Un- appropriated profit	Sub total	Equity portion of Directors' loan	Total
	Rupees					
Balance as at 30th September 2012 – restated	1,177,063,000	290,741,640	971,279,459	1,262,021,099	1,491,497,576	3,930,581,675
Equity portion of directors' loan for the year	-	-	-	-	(49,025,825)	(49,025,825)
Imputed interest on directors' loan	-	-	-	-	(105,302,211)	(105,302,211)
Total comprehensive loss for the year	-	-	(382,719,050)	(382,719,050)	-	(382,719,050)
Balance as at 30th September 2013-restated	1,177,063,000	290,741,640	588,560,409	879,302,049	1,337,169,540	3,393,534,589
Equity portion of directors' loan for the period	-	-	-	-	74,669,627	74,669,627
Imputed interest on directors' loan	-	-	-	-	(112,751,545)	(112,751,545)
Total comprehensive income for the period	-	-	143,154,251	143,154,251	-	143,154,251
Balance as at 31st December 2013	1,177,063,000	290,741,640	731,714,660	1,022,456,300	1,299,087,622	3,498,606,922

Lahore

February 28, 2014

Chief Executive

Director

Quarterly Report December 31, 2013

TANDLIANWALA SUGAR MILLS LTD.

CASH FLOW STATEMENT (UN-AUDITED)

For the quarter ended December 31, 2013

	October 2013 to December 2013 Rupees	October 2012 to December 2012 Rupees
Cash flow from operating activities		
Profit before taxation	173,482,085	216,737,280
Adjustments for non cash and other items:		
Finance cost	94,433,377	108,212,777
Depreciation	135,676,852	71,355,527
Provision for Workers' Profit Participation Fund	9,130,636	11,407,225
	239,240,865	190,975,529
Operating profit before working capital changes	412,722,950	407,712,809
(Increase)/decrease in current assets:		
Stores, spares and loose tools	(118,420,976)	59,984,379
Stock in trade	(2,196,592,241)	(2,225,650,967)
Advances, deposits, prepayments and other receivables	(157,845,405)	(895,377,086)
Trade debtors	25,856,256	-
	(2,447,002,366)	(3,061,043,674)
(Decrease) / Increase in current liabilities:		
Trade and other payables	(340,122,185)	1,675,297,773
Cash generated from operations	(2,374,401,601)	(978,033,092)
Finance cost paid	(150,623,709)	(140,331,706)
Employee retirement benefits paid	(534,270)	(24,829)
	(151,157,979)	(140,356,535)
Net cash generated (used) / from in operating activities	(2,525,559,580)	(1,118,389,627)
Cash flow from investing activities		
Fixed capital expenditure	(105,705,454)	(100,522,483)
Proceeds from sale of fixed assets	-	33,127
Capital work in progress	(257,495,790)	(240,894,914)
Lease deposits	(29,591,450)	(33,897,746)
Net cash used in investing activities	(392,792,694)	(375,282,016)
Cash flow from financing activities		
Lease liability	(5,040,582)	(7,398,925)
Short term borrowings	1,818,515,960	1,128,212,300
Long term loans	143,366,074	(81,191,125)
Advances from customers	885,400,704	404,533,015
Loans from Directors	(19,811,250)	630,755
Net cash generated (used in) from financing activities	2,822,430,906	1,444,786,020
Net (decrease) / increase in cash and cash equivalents	(95,921,368)	(48,885,623)
Cash and cash equivalents at the beginning of the period	765,360,058	445,297,028
Cash and cash equivalents at the end of the period	669,438,690	396,411,405
Lahore		
February 28, 2014	Chief Executive	Director

Quarterly Report December 31, 2013

TANDLIANWALA SUGAR MILLS LTD.

NOTES TO THE ACCOUNTS (UN-AUDITED)

For the quarter ended December 31, 2013

1. These financial statements have been prepared in accordance with the requirements of International Accounting Standard-34 (IAS-34) "Interim Financial Reporting."
2. The accounting policies adopted for the preparation of these accounts are same as those applied in the preceding year ended 30th September 2013.
3. Provision in respect of taxation and workers profit participation fund are estimated only and financial liabilities will be determined on the basis of annual results.
4. Sugar cane crushing season commences from November till 1st week of April each year.

5. Contingencies and commitments

5.1 Contingencies

There are no other significant changes, other those already reported in contingencies as at September 30, 2013, which require disclosure in the condensed interim financial statements.

5.2 Commitments

The Company has capital commitments of Rs. 154 million (September 30, 2013: Rs. 80.56 million) on account of import of machinery and its related components.

6. These financial statements were authorized for issue by the Board of Directors of the Company on February 28, 2014.
7. Figures in these accounts have been rounded off to the nearest rupee.

Lahore
February 28, 2014

Chief Executive

Director

TANDLIANWALA SUGAR MILLS LTD.

COMPANY INFORMATION

Board of Directors	Mr. Akbar Khan Mr. Haroon Khan Mr. Ghazi Khan Mrs. Rasheeda Begum Mrs. Mobina Akbar Khan Mr. Saeed Ullah Khan Paracha Mr. Tahir Farooq Malik	(Chairman) (Chief Executive)
Company Secretary and Chief Financial Officer	Mr. Ahmad Jehanzeb Khan	
Bankers	Allied Bank Limited Bank Alfalah Limited Habib Bank Limited MCB Bank Limited National Bank of Pakistan Limited The Bank of Punjab United Bank Limited	
Legal Advisors	1. Bandial & Associates House # 12/A, Block 'H' Gulberg II, Lahore	2. Ali Subtain Fazli & Associates Mall Mansion 30 The Mall, Lahore
Audit Committee	Mr. Saeed Ullah Khan Paracha Mr. Akbar Khan Mr. Ghazi Khan	(Chairman) (Member) (Member / Secretary)
Auditors	KPMG Taseer Hadi & Co. Chartered Accountants	
Share Registrar	Corplink (Private) Limited 1-K, 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	
Top Gas:	Kanjwani, Tehsil Tandlianwala District, Faisalabad	
Registered Office	32-N, Gulberg-II, Lahore	