

A decorative blue geometric pattern composed of various shades of blue triangles and polygons, resembling a stylized snowflake or ice formation, located at the top right of the page.

# TANDLIANWALA


SUGAR MILLS, LTD.

**Quarterly Report**

December **31,**

**2014**

IF UNDELIVERED, PLEASE RETURN TO:  
Tandlianwala Sugar Mills Ltd.  
32-N, GULBERG II, LAHORE.

 by: Arif Sons

***DIRECTORS REPORT***

**Dear Shareholder,**

I am pleased to present the Un-Audited Financial Statements of 1<sup>st</sup> Quarter ending 31st December 2014, along with a brief review thereon.

During the present season sugar mills commenced crushing in the last week of November. These first quarter financials, as such, can never be a true representative of the entire financial year results that the company will ultimately achieve.

The ongoing crushing season is quite difficult and challenging as a mismatch has surfaced due the net increase in the prices of sugar cane between the province of Sindh and the provinces of Punjab & KPK, where our mills are situated.

The Punjab government has to play its part by announcing incentives / subsidies to the sugar mills, in order to compensate for the huge disadvantageous position and to rescue out the sugar sector in Punjab from current intricate position.

Our state of the art 2<sup>nd</sup> Distillery unit at Muzaffargarh went operational in December 2014, thus making TSML Group, the largest producer of Ethanol in Pakistan.

The current demand as well as the prices of ethanol in the international market are on the decline due to continuous depreciation in Brazilian currency and reduction in crude oil prices. The situation is likely to improve as soon as the Brazilian currency stabilizes.

On behalf of Board of Directors

**HAROON KHAN**  
(Chief Executive)  
March 25, 2015

# TANDLIANWALA SUGAR MILLS LTD.

## BALANCE SHEET (UN-AUDITED)

	(Un-Audited) 31 December 2014 Rupees	(Audited) 30 September 2014 Rupees
<b>LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
<b>Authorized capital</b>		
120,000,000 ordinary shares of Rs. 10 each	<u>1,200,000,000</u>	<u>1,200,000,000</u>
Issued, subscribed and paid-up capital	1,177,063,000	1,177,063,000
Equity portion of financial liabilities	1,037,470,836	1,101,802,502
Reserves	1,240,398,065	1,130,963,317
	<u>3,454,931,901</u>	<u>3,409,828,819</u>
<b>NON CURRENT LIABILITIES</b>		
Long term finances - secured	1,585,047,058	1,602,021,984
Loan from Directors - Unsecured	1,014,449,298	1,023,827,632
Liabilities against assets subject to finance lease	172,377,445	172,422,117
Advances from customers	1,405,477,384	1,055,746,779
Deferred liabilities	196,097,733	196,097,733
	<u>4,373,448,918</u>	<u>4,050,116,245</u>
<b>CURRENT LIABILITIES</b>		
Short term borrowings - secured	5,531,186,273	6,310,458,265
Current portion of non-current liabilities	165,562,756	164,823,746
Trade and other payables	4,269,474,690	2,308,514,650
Interest and mark-up accrued	321,161,895	245,446,716
Provision for taxation	34,691,667	-
	<u>10,322,077,281</u>	<u>9,029,243,377</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	-	-
	<u>18,150,458,100</u>	<u>16,489,188,441</u>

Lahore  
March 25, 2015

Chief Executive

# TANDLIANWALA SUGAR MILLS LTD.

## AS AT DECEMBER 31, 2014

	(Un-Audited) 31 December 2014 Rupees	(Audited) 30 September 2014 Rupees
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	9,714,425,218	7,974,240,722
Capital work-in-progress	383,685,890	1,861,447,879
Long term deposits	166,245,334	110,749,283
	<b>10,264,356,442</b>	<b>9,946,437,884</b>
<b>CURRENT ASSETS</b>		
Stores, spares and loose tools	1,126,540,001	1,081,782,099
Stock in trade	5,338,122,589	4,008,364,929
Trade debts	15,612,443	30,256,752
Advances, deposits, prepayments and other receivables	1,030,953,856	829,028,659
Advance income tax	267,109,847	243,973,837
Cash and bank balances	107,762,922	349,344,281
	<b>7,886,101,658</b>	<b>6,542,750,557</b>
	<b>18,150,458,100</b>	<b>16,489,188,441</b>

Director

## TANDLIANWALA SUGAR MILLS LTD.

### PROFIT AND LOSS ACCOUNT (UN-AUDITED)

For the period ended December 31, 2014

	31 December 2014 (Rupees)	31 December 2013 (Rupees)
<b>Sales – net</b>	<b>3,469,166,700</b>	3,032,783,419
Cost of sales	(2,959,408,907)	(2,664,602,674)
<b>Gross profit</b>	<b>509,757,793</b>	368,180,745
Administrative expenses	(74,057,661)	(66,751,673)
Distribution expenses	(83,523,936)	(44,169,424)
Other operating expenses	(7,516,175)	(9,130,636)
Other income	3,062,440	19,786,450
	(162,035,332)	(100,265,283)
<b>Profit from operations</b>	<b>347,722,461</b>	267,915,462
Finance cost	(203,596,046)	(94,433,377)
<b>Profit before taxation</b>	<b>144,126,415</b>	173,482,085
Taxation	(34,691,667)	(30,327,834)
<b>Profit after taxation</b>	<b>109,434,748</b>	143,154,251
<b>Earning per share</b>	<b>0.93</b>	1.22

Lahore  
March 25, 2015

Chief Executive

Director

Quarterly Report December 31, 2014

## TANDLIANWALA SUGAR MILLS LTD.

### STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the period ended December 31, 2014

	31 December 2014 (Rupees)	31 December 2013 (Rupees)
Profit after tax for the period	109,434,748	143,154,251
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>109,434,748</b>	<b>143,154,251</b>

Lahore

March 25, 2015

Chief Executive

Director

### STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the period ended December 31, 2014

	Reserves				
	Shares capital	Share premium	Un- appropriated Profit	Sub total	Equity portion of directors loan
	Rupees	Rupees	Rupees	Rupees	Rupees
<b>Balance as at 30 September 2013</b>	1,177,063,000	290,741,640	588,560,409	879,302,049	1,337,169,540
<b>Transactions with owners of the Company:</b>					
Equity portion of financial liabilities	-	-	-	-	(122,615,493)
Imputed interest on financial liability	-	-	-	-	(112,751,545)
	-	-	-	-	(235,367,038)
<b>Total comprehensive income for the year:</b>					
Profit for the year ended 30 September 2014	-	-	247,124,090	247,124,090	-
Other comprehensive income for the year	-	-	4,537,178	4,537,178	-
ended 30 September 2014 - net of tax	-	-	251,661,268	251,661,268	-
<b>Balance as at 30 September 2014</b>	<b>1,177,063,000</b>	<b>290,741,640</b>	<b>840,221,677</b>	<b>1,130,963,317</b>	<b>1,101,802,502</b>
<b>Transactions with owners of the Company:</b>					
Equity portion of financial liabilities	-	-	-	-	48,289,373
Imputed interest on financial liability	-	-	-	-	(112,621,039)
	-	-	-	-	(64,331,666)
<b>Total comprehensive income for the year:</b>					
Profit for the year ended 31 December 2014	-	-	109,434,748	109,434,748	-
Other comprehensive income for the year	-	-	-	-	-
ended 31 December 2014 - net of tax	-	-	-	-	-
			109,434,748	109,434,748	109,434,748
<b>Balance as at 31 December 2014</b>	<b>1,177,063,000</b>	<b>290,741,640</b>	<b>949,656,425</b>	<b>1,240,398,065</b>	<b>1,037,470,836</b>

Lahore

March 25, 2015

Chief Executive

Director

## TANDLIANWALA SUGAR MILLS LTD.

### CASH FLOW STATEMENT (UN-AUDITED)

For the period ended December 31, 2014

	October-14 to December-14 Rupees	October-13 to December-13 Rupees
<b>Cash flow from operating activities</b>		
Profit before taxation	144,126,415	173,482,085
<b>Adjustments for non cash and other items:</b>		
Finance cost	203,596,046	94,433,377
Depreciation	109,865,796	135,676,852
Provision for Workers' Profit Participation Fund	7,516,175	9,130,636
	320,978,017	239,240,865
<b>Operating profit before working capital changes</b>	465,104,432	412,722,950
(Increase)/decrease in current assets:		
Stores, spares and loose tools	(44,757,902)	(118,420,976)
Stock in trade	(1,329,757,660)	(2,196,592,241)
Advances, deposits, prepayments and other receivables	(225,061,207)	(157,845,405)
Trade debts	14,644,309	25,856,256
	(1,584,932,460)	(2,447,002,366)
(Decrease) / Increase in current liabilities:		
Trade and other payables	1,953,443,866	(340,122,185)
<b>Cash generated from operations</b>	833,615,838	(2,374,401,601)
Finance cost paid	(127,880,867)	(150,623,709)
Employee retirement benefits paid	-	(534,270)
	(127,880,867)	(151,157,979)
<b>Net cash generated (used) / from in operating activities</b>	705,734,971	(2,525,559,580)
<b>Cash flow from investing activities</b>		
Fixed capital expenditure	(1,850,050,287)	(105,705,454)
Capital work in progress	1,477,761,987	(257,495,790)
Lease deposits	(55,496,051)	(29,591,450)
<b>Net cash used in investing activities</b>	(427,784,351)	(392,792,694)
<b>Cash flow from financing activities</b>		
Finance lease liabilities - Net	(16,280,592)	(5,040,582)
Short term borrowings	(779,271,992)	1,818,515,960
Long term finances - Net	-	143,366,074
Advances from customers	349,730,606	885,400,704
Loans from Directors - Net	(73,710,000)	(19,811,250)
<b>Net cash generated (used in) from financing activities</b>	(519,531,978)	2,822,430,906
<b>Net (decrease) / increase in cash and cash equivalents</b>	(241,581,358)	(95,921,368)
<b>Cash and cash equivalents at the beginning of the period</b>	349,344,280	765,360,058
<b>Cash and cash equivalents at the end of the period</b>	107,762,922	669,438,690
Lahore		
March 25, 2015	Chief Executive	Director

Quarterly Report December 31, 2014

## **TANDLIANWALA SUGAR MILLS LTD.**

### **NOTES TO THE ACCOUNTS (UN-AUDITED)**

*For the period ended December 31, 2014*

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 2014.
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. Nil (September 30 2014: Rs. 19.98 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 March 25, 2015.
7. Figures in these accounts have been rounded off to the nearest rupee.

Lahore  
March 25, 2015

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

## TANDLIANWALA SUGAR MILLS LTD.

### COMPANY INFORMATION

<b>Board of Directors</b>	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	<b>(Chairman)</b> <b>(Chief Executive)</b>
<b>Company Secretary and Chief Financial Officer</b>	Mr. Ahmad Jehanzeb Khan	
<b>Bankers</b>	Allied Bank Limited Bank Alfalah Limited Habib Bank Limited MCB Bank Limited National Bank of Pakistan Limited The Bank of Punjab United Bank Limited	
<b>Legal Advisors</b>	1. Bandial & Associates House # 12/A, Block 'H' Gulberg II, Lahore	2. Ali Subtain Fazli & Associates Mall Mansion 30 The Mall, Lahore
<b>Audit Committee</b>	Mr. Saeed Ullah Khan Paracha Mr. Akbar Khan Mr. Ghazi Khan	<b>(Chairman)</b> <b>(Member)</b> <b>(Member / Secretary)</b>
<b>Auditors</b>	KPMG Taseer Hadi & Co. Chartered Accountants	
<b>Share Registrar</b>	Corplink (Private) Limited 1-K, Model Town, Lahore	
<b>Sugar Mills:</b>		
<b>Unit 1</b>	Kanjwani, Tehsil Tandlianwala District, Faisalabad	
<b>Unit 2</b>	Taunsa Road, Indus Highway, Dera Ismail Khan	
<b>Unit 3</b>	Shah Jamal Road, Muzaffargarh	
<b>Distillery:</b>		
<b>Unit 1</b>	Kanjwani, Tehsil Tandlianwala District, Faisalabad	
<b>Unit 2</b>	Shah Jamal Road, Muzaffargarh	
<b>Top Gas:</b>	Kanjwani, Tehsil Tandlianwala, District, Faisalabad	
<b>Registered Office:</b>	32-N, Gulberg-II, Lahore	