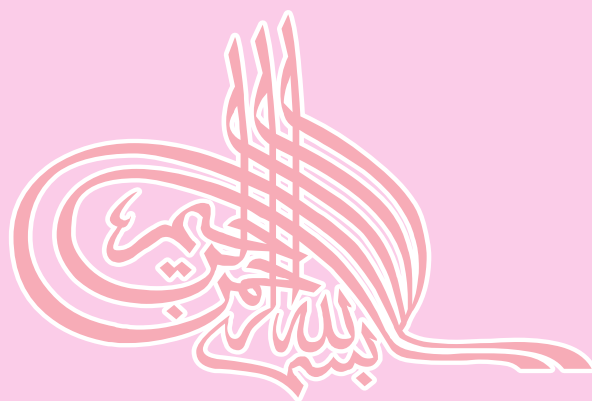




Tandlianwala Sugar Mills Ltd.

**March 31,
2016**

**Half Yearly
Report**



TANDLIANWALA SUGAR MILLS LTD.

BRIEF REVIEW

Dear Shareholders,

On behalf of the Board of Directors, it is my privilege to present to you the Unaudited Financial Statements of your Company for the period ended March 31, 2016. The auditors have reviewed these financial statements as required under the Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan.

Salient features of the Financial Statements are as under:

The crushing season 2015-16 started end November 2015 in the current season and the Company successfully managed to earn an operational profit of Rs 958 Million and a net profit before taxation amounting to Rs 468 Million, as compared to last comparative half year operational profit of Rs 745 Million and a net profit before taxation of Rs 242 Million, respectively.

The support price of Sugar Cane procurement was fixed as previously at Rs 180 per 40 Kg for season 2015-16. The reduced availability of Sugarcane resulted in unhealthy price competition among the Mills, hence the sugar cane growers demanded higher prices. Despite these unfavorable conditions, the first priority for us was to keep our growers satisfied and confident, with prompt and timely payments.

The Government allowed export of 500,000 M.Tons of Sugar by March 31, 2016 and approved cash subsidy of Rs. 13 per Kg thereon. However SBP has still not released the said subsidy so far. In spite of the subsidy, the export of sugar was not a very viable proposition due to low prices in the international market, at that point of time. The carry over stock of Sugar and the difficulty in selling sugar abroad, other than to Afghanistan, at better prices, led the market to have reasonable levels of Sugar stocks in the Country.

Our Ethanol division has also contributed towards the overall operational profitability of the Company as full period of sale & production in our second, state of the art distillery is being recorded during the period under review.

On behalf of Board of Directors

AKBAR KHAN
(Chief Executive Officer)
May 31, 2016

TANDLIANWALA SUGAR MILLS LTD.

AUDITOR'S REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Tandlianwala Sugar Mills Limited** ("the Company") as at 31 March 2016 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six month period then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

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

Conclusion

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

Other matters

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended 31 March 2016, have not been reviewed and we do not express a conclusion on them.

Lahore
May 31, 2016

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

TANDLIANWALA SUGAR MILLS LTD.

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

		(Un-audited) 31 March 2016 Rupees	(Audited) 30 September 2015 Rupees
EQUITY AND LIABILITIES	<i>Note</i>		
<u>Share capital and reserves</u>			
Authorized capital			
120,000,000 (2015: 120,000,000) shares of Rs. 10 each		1,200,000,000	1,200,000,000
Issued, subscribed and paid up capital		1,177,063,000	1,177,063,000
Reserves		2,175,522,531	1,727,382,859
Loan from Directors - <i>unsecured</i>	6	1,963,962,036	1,971,962,036
		5,316,547,567	4,876,407,895
<u>Non - current liabilities</u>			
Long term finances - <i>secured</i>	7	1,124,685,397	1,244,915,364
Liabilities against assets subject to finance lease - <i>secured</i>	8	142,728,716	144,757,046
Advances from customers		1,742,147,504	1,429,124,273
Deferred liabilities			
- <i>Employees' retirement benefits</i>		211,175,867	187,602,200
- <i>Deferred taxation</i>		14,358,717	41,768,921
		3,235,096,201	3,048,167,804
<u>Current liabilities</u>			
Short term borrowings - <i>secured</i>	9	10,764,762,257	6,518,817,533
Current portion of non-current liabilities - <i>secured</i>		573,451,689	450,239,318
Trade and other payables	10	3,663,493,089	1,942,606,092
Interest and mark-up accrued	11	224,660,993	204,952,492
		15,226,368,028	9,116,615,435
		23,778,011,796	17,041,191,134
Contingencies and commitments	12	—	—

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.

Lahore
May 31, 2016

Chief Executive Officer

TANDLIANWALA SUGAR MILLS LTD.

AS AT 31 MARCH 2016

ASSETS	Note	(Un-audited) 31 March 2016 Rupees	(Audited) 30 September 2015 Rupees
<u>Non - current assets</u>			
Property, plant and equipment	13	10,886,608,210	10,954,043,101
Long term deposits		107,857,881	106,240,681
		10,994,466,091	11,060,283,782
<u>Current assets</u>			
Stores, spares and loose tools		681,182,129	647,128,600
Stock-in-trade		10,214,892,511	4,022,346,578
Trade debts	14	18,737,859	233,927,231
Advances, deposits, prepayments and other receivables	15	1,253,108,969	576,132,111
Tax refunds due from Government		362,303,638	345,840,298
Cash and bank balances	16	253,320,599	155,532,534
		12,783,545,705	5,980,907,352
		23,778,011,796	17,041,191,134
			Director

TANDLIANWALA SUGAR MILLS LTD.

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

For the half year and quarter ended 31 March 2016

	Note	Six months ended		Three months ended	
		31 March 2016 Rupees	31 March 2015 Rupees	31 March 2016 Rupees	31 March 2015 Rupees
Sales - net	17	8,681,752,173	7,083,639,349	6,160,461,875	3,614,472,649
Cost of sales		(7,508,013,303)	(6,117,167,780)	(5,429,110,164)	(3,157,758,873)
Gross profit		1,173,738,870	966,471,569	731,351,711	456,713,776
Administrative expenses		(191,607,336)	(176,177,815)	(109,669,429)	(102,120,154)
Distribution expenses		(125,582,100)	(124,107,360)	(87,216,337)	(40,583,424)
Other income	18	102,213,080	78,913,130	101,858,018	75,850,690
		(214,976,356)	(221,372,045)	(95,027,748)	(66,852,888)
Profit from operations		958,762,514	745,099,524	636,323,963	389,860,888
Finance cost		(462,105,290)	(489,469,871)	(294,965,114)	(285,873,825)
Other expenses		(27,905,459)	(13,393,738)	(20,140,540)	(5,877,563)
		(490,010,749)	(502,863,609)	(315,105,654)	(291,751,388)
Profit before taxation		468,751,765	242,235,915	321,218,309	98,109,500
Taxation		(20,612,093)	52,499,255	4,600,810	87,190,922
Profit after taxation		448,139,672	294,735,170	325,819,119	185,300,422
Earnings per share - basic and diluted		3.81	2.50	2.77	1.57

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.

Lahore
May 31, 2016

Chief Executive Officer

Director

TANDLIANWALA SUGAR MILLS LTD.

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the half year and quarter ended 31 March 2016

	Six months ended		Three months ended	
	31 March 2016 Rupees	31 March 2015 Rupees	31 March 2016 Rupees	31 March 2015 Rupees
Profit after taxation for the period	448,139,672	294,735,170	325,819,119	185,300,422
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	448,139,672	294,735,170	325,819,119	185,300,422

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.

Lahore
May 31, 2016

Chief Executive Officer

Director

TANDLIANWALA SUGAR MILLS LTD.

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

For the half year and quarter ended 31 March 2016

	Note	31 March 2016 Rupees	31 March 2015 Rupees
<u>Cash flow from operating activities</u>			
Profit before taxation		468,751,765	242,235,915
<i>Adjustments for non-cash items:</i>			
Finance cost		462,105,290	489,469,871
Depreciation on property, plant and equipment		282,114,061	250,099,204
Workers' profit participation fund		27,905,459	13,393,738
Provision for employees' retirement benefits		24,534,118	18,658,589
Return on bank deposits	18	(1,103,576)	(4,849,930)
		795,555,352	766,771,472
Operating profit before working capital changes		1,264,307,117	1,009,007,387
<i>(Increase) / decrease in current assets:</i>			
Stores, spares parts and loose tools		(59,982,708)	(38,645,798)
Stock-in-trade		(6,192,545,933)	(6,822,727,455)
Trade debts		215,189,372	13,245,375
Advances, deposits, prepayments and other receivables		(676,976,858)	(682,240,482)
		(6,714,316,127)	(7,530,368,360)
<i>Increase in current liabilities:</i>			
Trade and other payables		1,692,981,538	3,437,567,905
Cash used in operations		(3,757,027,472)	(3,083,793,068)
Employees' retirement benefits paid		(960,451)	(768,967)
Finance cost paid		(442,396,789)	(477,738,330)
Taxes paid		(64,485,637)	(51,568,843)
Long term deposits - net		(1,617,200)	16,546,279
		(509,460,077)	(513,529,861)
Net cash used in operations		(4,266,487,549)	(3,597,322,929)
<u>Cash flow from investing activities</u>			
Fixed capital expenditure		(175,577,991)	(636,636,252)
Income received from bank deposits		1,103,576	4,849,930
Net cash used in investing activities		(174,474,415)	(631,786,322)
<u>Cash flow from financing activities</u>			
Finance lease liabilities - net		(9,758,269)	(27,293,327)
Short term borrowings - net		4,245,689,759	4,032,041,124
Long term finances obtained		110,000,000	17,131,099
Long term finances repaid		(112,459,657)	(33,949,968)
Loan from directors - net		(8,000,000)	(82,231,010)
Advance from customers		313,023,231	-
Net cash generated from financing activities		4,538,495,064	3,905,697,918
Net decrease in cash and cash equivalents		97,533,100	(323,411,333)
Cash and cash equivalents at beginning of the period		55,686,991	249,911,385
Cash and cash equivalents at end of the period		153,220,091	(73,499,948)
Cash and cash equivalents comprise of the following:			
Cash and bank balances		253,320,599	25,569,477
Running finance		(100,100,508)	(99,069,425)
		153,220,091	(73,499,948)

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.

Lahore
May 31, 2016

Chief Executive Officer

Director

TANDLIANWALA SUGAR MILLS LTD.

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

For the half year and quarter ended 31 March 2016

	Share capital	Capital Share premium	Reserves	Equity portion of Director's loan	Loan from Directors	Total
			Revenue Un-appropriated profit	Total reserves		
				Rupees		
Balance as at 30 September 2014 as previously reported	1,177,063,000	290,741,640	840,221,677	1,130,963,317	1,101,802,502	3,409,828,819
Effect of restatement - note 6	-	-	-	-	(1,101,802,502)	1,023,827,632
Balance as at 30 September 2014 - restated	1,177,063,000	290,741,640	840,221,677	1,130,963,317	2,125,630,134	4,433,656,451
<i>Transactions with owners of the Company:</i>						
Repayment made during the period	-	-	-	-	(82,231,010)	(82,231,010)
Total comprehensive income for the period						
Profit for the period	-	-	294,735,170	294,735,170	-	294,735,170
Other comprehensive income for the period ended 31 March 2015 - net of tax	-	-	-	-	-	-
Balance as at 31 March 2015 - restated	1,177,063,000	290,741,640	1,134,956,847	1,425,698,487	2,043,399,124	4,646,160,611
Balance as at 01 October 2015	1,177,063,000	290,741,640	1,436,641,219	1,727,382,859	1,971,962,036	4,876,407,895
<i>Transactions with owners of the Company:</i>						
Repayment made during the period	-	-	-	-	(8,000,000)	(8,000,000)
Total comprehensive income for the period						
Profit for the period	-	-	448,139,672	448,139,672	-	448,139,672
Other comprehensive income for the period ended 31 March 2016 - net of tax	-	-	-	-	-	-
Balance as at 31 March 2016	1,177,063,000	290,741,640	1,884,780,891	2,175,522,531	1,963,962,036	5,316,547,567

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.

Lahore
May 31, 2016

Chief Executive Officer

Director

TANDLIANWALA SUGAR MILLS LTD.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the half year and quarter ended 31 March 2016

1. Reporting entity

Tandlianwala Sugar Mills Limited ("the Company") was incorporated in Pakistan on 01 November 1988 as a public limited company under the Companies Ordinance, 1984. The shares of the Company are quoted on Pakistan Stock Exchange ("PSX"). The principal activity of the Company is production and sale of white crystalline sugar, ethanol and top gas (Carbon dioxide). The manufacturing facilities of the Company are located at Kanjwani (Unit I), Dera Ismail Khan (Unit II) and Muzafar Garh (Unit III). The registered office of the Company is situated at 32 - N, Gulberg II, Lahore.

2. Basis of preparation

2.1 Basis of accounting

2.1.1 This condensed interim financial information comprises the condensed interim balance sheet of the Company as at 31 March 2016 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof.

2.1.2 This condensed interim financial information of the Company for the six months period ended 31 March 2016 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

2.1.3 This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual published financial statements for the year ended 30 September 2015.

2.1.4 Comparative balance sheet numbers are extracted from the annual audited financial statements of the Company for the year ended 30 September 2015, whereas comparative figures of profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim financial information of the Company for the six months period ended 31 March 2015.

2.1.5 This condensed interim financial information is unaudited and being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of PSX.

3. Use of estimates and judgments

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

In preparing this condensed interim financial information, the significant judgments made by the management in applying accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual financial statements for the year ended 30 September 2015, except for the change in accounting policy as disclosed in note 4.1 below.

4. Statement of consistency in accounting policies

4.1 Except for change as disclosed in note 4.2, the accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of the annual audited financial statements for the year ended 30 September 2015. The Company has adopted IFRS 13 'Fair Value Measurement' during the period which became effective for financial periods beginning on or after 1 January 2015. The effect of IFRS 13 'Fair Value Measurement' is disclosed in notes 4.2 and 21 to this condensed interim financial information.

4.2 IFRS 13 'Fair value measurement' establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required and permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants on the measurement date. It replaces and expands the disclosure requirements about fair value measurement in other IFRSs, including IFRS 7 'Financial Instruments : Disclosures'. As a result, the Company has added additional disclosures in this regard in note 21 to this condensed interim financial information. In accordance with the transitional provisions of IFRS 13, the Company has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change has no significant impact on the measurement of the Company's financial assets and liabilities.

TANDLIANWALA SUGAR MILLS LTD.

- 4.3** There were certain other new standards and amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed.
The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2016:

Standard or Interpretation	Effective date (accounting periods beginning on or after)
IAS 19 - Employee Benefits	01 January 2016
IAS 38 - Intangible Assets	01 January 2016
IAS 16 - Property, Plant and Equipment	01 January 2016
IAS 41 - Agriculture	01 January 2016
IFRS 10 - Consolidated Financial Statements	01 January 2016
IAS 28 - Investments in Associates and Joint Ventures	01 January 2016
IFRS 5 - Non-Current Assets Held for Sale and Discontinued Operations	01 January 2016
IFRS 7 - Financial Instruments – Disclosures	01 January 2016
IAS 27 - Separate Financial Statements	01 January 2016
IAS 34 - Interim Financial Reporting	01 January 2016

5. Seasonality of operations

Due to seasonal nature of sugar segment, operating results are expected to fluctuate in the second half of the year. The sugarcane crushing season starts from November and lasts till April each year.

6. Loan from Directors – unsecured

This represents the effect of restatement as disclosed in detail in note 9.1 to the annual published financial statements of the Company for the year ended 30 September 2015.

		(Un-audited) 31 March 2016 Rupees	(Audited) 30 September 2015 Rupees
	Note		
7. Long term loans - secured			
Balance at beginning of the period / year		1,653,701,186	1,728,222,499
Loans received during the period / year	7.1	110,000,000	14,806,962
Repayments during the period / year		(112,459,657)	(89,328,275)
		<u>1,651,241,529</u>	<u>1,653,701,186</u>
Current portion presented under current liabilities		(526,556,132)	(408,785,822)
		<u>1,124,685,397</u>	<u>1,244,915,364</u>
7.1	This represents term finance facility obtained from Bank of Punjab for the purchase of Property (land & building) measuring 2 Kanal, 16 Marlas, 111 square feet located at 66-L, Gulberg II, Lahore. This loan is repayable in 16 equal quarterly instalments commencing from 01 April 2016 and ending on 01 January 2020. The interest is payable quarterly at the rate of three months KIBOR + 3.50% per annum. This finance is secured against specific charge for Rs. 136.5 million over Property and personal guarantees of the five Directors of the Company.		
7.2	As at the reporting date principal installment amounting to Rs. 69.44 million relating to MCB Bank Limited - Led Syndicated Loan was due. However, this installment has not been paid by the Company till date.		
		(Un-audited) 31 March 2016 Rupees	(Audited) 30 September 2015 Rupees
7.3 Types of loans			
Interest / mark-up based loans		1,585,658,659	1,573,894,224
Islamic mode of financing		65,582,870	79,806,962
		<u>1,651,241,529</u>	<u>1,653,701,186</u>

8. Liabilities against assets subject to finance lease - secured

During the period, the Company availed leases amounting to Rs. 13.17 million and repaid Rs. 9.76 million. Amounts due in next twelve months amounting to Rs. 46.90 million are included in current portion presented under current liabilities.

TANDLIANWALA SUGAR MILLS LTD.

	(Un-audited) 31 March 2016 Rupees	(Audited) 30 September 2015 Rupees
9. Short term borrowings - secured		
<u>Type of short term borrowings</u>		
Interest / mark-up based loans	10,404,962,257	6,268,817,533
Islamic mode of financing	359,800,000	250,000,000
	<u>10,764,762,257</u>	<u>6,518,817,533</u>
10. Trade and other payables		
These mainly include advance from customers amounting to Rs. 1,489.61 million (30 September 2015: Rs. 623.99 million) and payable to growers against purchase of sugarcane amounting to Rs. 1,274.79 million (30 September 2015: Rs. 185.99 million).		
11. Interest and mark-up accrued		
As at the reporting date mark-up amounting to Rs. 28.58 million (30 September 2015: Rs. nil) relating to MCB Bank Limited - Led Syndicated Loan was due. However, this mark-up has not been paid by the Company till date.		
	(Un-audited) 31 March 2016 Rupees	(Audited) 30 September 2015 Rupees
11.1 Type of interest and mark-up accrued		
Interest / mark-up based loans	220,942,030	204,670,077
Islamic mode of financing	3,718,963	282,415
	<u>224,660,993</u>	<u>204,952,492</u>
12. Contingencies and commitments		
12.1 Contingencies		
There is no material change in contingencies from the preceding audited financial statements of the Company for the year ended 30 September 2015.		
12.2 Commitments		
(i) Future capital commitments in respect of import of machinery and its related components at 31 March 2016 amounted to Rs. 4.5 million (30 September 2015: Rs 32.38 million).		
(ii) The Company has given a bank guarantee with 100% cash margin of Rs. 2 million (30 September 2015: Rs. 2 million) to the Excise and Taxation Department for the export of ethanol.		
(iii) The amount of future Ijarah rentals for Ijarah financing and the period in which these payments will become due are as follows:		
	(Un-audited) 31 March 2016 Rupees	(Audited) 30 September 2015 Rupees
Not later than one year	4,961,994	10,145,715
Later than one year and not later than five years	181,150	1,709,496
	<u>5,143,144</u>	<u>11,855,211</u>
13. Property, plant and equipment	Note 13.1	
Operating fixed assets	10,881,193,473	10,941,621,048
Capital work-in-progress	5,414,737	12,422,053
	<u>10,886,608,210</u>	<u>10,954,043,101</u>
13.1 Operating fixed assets		
Net book value at beginning of the period / year	10,941,621,048	7,974,240,722
Additions during the period / year	221,686,486	3,487,297,318
Disposals during the period / year - net book value	-	(97,201)
Depreciation charged during the period/ year	(282,114,061)	(519,819,791)
Net book value at end of period / year	<u>10,881,193,473</u>	<u>10,941,621,048</u>
14. Trade debts		
These include receivable from Riaz Bottlers (Private) Limited a related party amounting to Rs. 11.37 million (30 September 2015: Rs. 8.81 million) against sale of top gas.		
15. Advances, deposits, prepayments and other receivables		
These mainly include advances given for purchase of sugarcane of Rs. 22.52 million (30 September 2015: Rs. 6.2 million), advances to suppliers and contractors of Rs. 721.24 million (30 September 2015: Rs. 198.21 million), cash support subsidy of Rs. 429.01 million (30 September 2015: 63.50 million) and inland export subsidy of Rs. 133.19 million (30 September 2015: Rs. 133.19 million).		

TANDLIANWALA SUGAR MILLS LTD.

16. Cash and bank balances		(Un-audited) 31 March 2016 Rupees	(Audited) 30 September 2015 Rupees
	Note		
Cash in hand		109,754,249	2,802,915
Cash at bank			
- current accounts		113,934,047	96,154,587
- saving accounts	16.1	29,632,303	56,575,032
		143,566,350	152,729,619
		253,320,599	155,532,534

16.1 These carry mark up at the rates ranging from 6% to 7.75% per annum (30 September 2015: 7% to 8.75% per annum).

		Six months ended (Un-audited)		Three months ended (Un-audited)	
	Note	31 March 2016 Rupees	31 March 2015 Rupees	31 March 2016 Rupees	31 March 2015 Rupees
17. Sales – net					
Local:					
Sugar		6,224,145,620	6,286,212,545	3,686,873,890	3,258,848,345
Ethanol		53,634,395	48,336,788	32,855,492	30,492,193
Top Gas		50,012,620	62,964,906	47,652,086	26,407,098
Molasses		731,000	-	-	-
		6,328,523,635	6,397,514,239	3,767,381,468	3,315,747,636
Export:					
Sugar	17.1	1,883,815,258	338,307,939	1,883,815,258	338,307,939
Ethanol		944,746,500	828,705,410	726,760,812	209,598,835
		2,828,561,758	1,167,013,349	2,610,576,070	547,906,774
		9,157,085,393	7,564,527,588	6,377,957,538	3,863,654,410
Less:					
Sales tax		(15,206,820)	(15,242,865)	(10,898,238)	(8,267,394)
Federal excise duty		(460,126,400)	(465,645,374)	(206,597,425)	(240,914,367)
		(475,333,220)	(480,888,239)	(217,495,663)	(249,181,761)
		8,681,752,173	7,083,639,349	6,160,461,875	3,614,472,649

17.1 This also includes cash export subsidy amounting to Rs. 330 million (31 March 2015: nil) at the rate of Rs. 13 /- per kg on the export of sugar, as notified by Ministry of Commerce, Government of Pakistan through Notification No. 7(2)/2012-E-III dated 14 December 2015.

		Six months ended (Un-audited) (Un-audited)	
	Note	31 March 2016 Rupees	31 March 2015 Rupees
18. Other income			
<u>Income from financial assets</u>			
Profit on saving accounts under interest / mark-up arrangement		1,103,576	4,849,930
<u>Income from non financial assets</u>			
Foreign exchange gain	18.1	2,101,404	-
Inland export subsidy		99,008,100	74,063,200
		101,109,504	74,063,200
		102,213,080	78,913,130

18.1 This represents exchange gain earned from actual currency conversion.

19. Transactions and balances with related parties
Related parties comprise of associated companies, entities under common directorship, directors, and key management personnel. Significant transactions with related parties other than those disclosed elsewhere are as follows:

		(Un-audited) 31 March 2016 Rupees	(Un-audited) 31 March 2015 Rupees
Relationship	Transactions		
Associated Company			
Riaz Bottlers (Private) Limited	Sale of top gas	16,378,911	31,659,295
Key Management Personnel			
Directors of the Company	Repayment of loan	8,000,000	965,503,421
	Remuneration of Chief Executive, Directors and Executives	5,047,500	4,998,000
Employees' retirement benefits	Retirement benefits paid	960,451	768,967

TANDLIANWALA SUGAR MILLS LTD.

20. Business segments information

	Sugar		Distillery		Top Gas		Total	
	(Un-audited) 31 March 2016 Rupees	(Un-audited) 31 March 2015 Rupees	(Un-audited) 31 March 2016 Rupees	(Un-audited) 31 March 2015 Rupees	(Un-audited) 31 March 2016 Rupees	(Un-audited) 31 March 2015 Rupees	(Un-audited) 31 March 2016 Rupees	(Un-audited) 31 March 2015 Rupees
20.1 Segments revenue								
Net external revenue	7,647,834,465	6,159,804,256	991,171,878	870,018,948	42,745,830	53,816,145	8,681,752,173	7,083,639,349
Inter-segment revenue	1,203,077,408	987,142,940	-	-	-	-	1,203,077,408	987,142,940
Reportable segment operating profit / (loss)	(253,761,241)	337,257,916	1,087,030,208	307,615,191	23,280,467	35,065,645	856,549,434	679,938,752
20.2 Reconciliation of reportable segments profit or loss								
Operating profit all segments							856,549,434	679,938,752
Unallocated corporate expenses							(387,797,669)	(437,702,837)
Profit / (loss) before tax							468,751,765	242,235,915
Taxation							(20,612,093)	52,499,255
Profit after tax							448,139,672	294,735,170
	Sugar		Distillery		Top Gas		Total	
	(Un-audited) 31 March 2016 Rupees	(Audited) 30 September 2015 Rupees	(Un-audited) 31 March 2016 Rupees	(Audited) 30 September 2015 Rupees	(Un-audited) 31 March 2016 Rupees	(Audited) 30 September 2015 Rupees	(Un-audited) 31 March 2016 Rupees	(Audited) 30 September 2015 Rupees
20.3 Segments assets and liabilities								
Segment assets	14,104,795,183	7,804,763,270	9,369,276,268	8,923,448,379	303,940,345	312,979,486	23,778,011,796	17,041,191,135
Segment liabilities	8,591,663,716	2,954,433,627	9,565,860,168	8,897,370,127	303,940,345	312,979,486	18,461,464,229	12,164,783,240

TANDLIANWALA SUGAR MILLS LTD.

21. Fair value measurement of financial instruments

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (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. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Carrying Amount (Un-audited)			Fair Value (Un-audited)		
Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
----- Rupees -----					

As at 31 March 2016

Financial assets not measured at fair value

Cash and bank balances	253,320,599	-	253,320,599	-	-	-
Advances, deposits and other receivables	24,133,917	-	24,133,917	-	-	-
Trade debts	18,737,859	-	18,737,859	-	-	-
	<u>296,192,375</u>	<u>-</u>	<u>296,192,375</u>	<u>-</u>	<u>-</u>	<u>-</u>

Financial liabilities not measured at fair value

Long term finances – secured	-	1,651,241,529	1,651,241,529	-	-	-
Trade and other payables	-	1,738,429,472	1,738,429,472	-	-	-
Short term borrowing	-	10,764,762,257	10,764,762,257	-	-	-
Interest and mark-up accrued	-	224,660,993	224,660,993	-	-	-
	<u>-</u>	<u>14,379,094,251</u>	<u>14,379,094,251</u>	<u>-</u>	<u>-</u>	<u>-</u>

22. Financial risk management

The Company's financial risk management objective and policies are consistent with that disclosed in the annual financial statements of the Company for the year ended 30 September 2015.

23. Date of authorization

This condensed interim financial information for the six months period ended 31 March 2016 was authorized for issue by the Board of Directors in their meeting held on 31 May 2016.

24. General

Figures in this condensed interim financial information have been rounded off to the nearest of rupee.

Lahore
May 31, 2016

Chief Executive Officer

Director

TANDLIANWALA SUGAR MILLS LTD.

COMPANY INFORMATION

Board of Directors	Mr. Ghazi Khan Mr. Akbar Khan Mr. Haroon 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	Commercial Banks Allied Bank Limited Faysal Bank Limited MCB Bank Limited NIB Bank Limited Silk Bank Limited Soneri Bank Limited The Bank of Khyber United Bank Limited Islamic Banks Albaraka Bank (Pakistan) Limited Bank Islami Pakistan Limited Meezan Bank Limited	Bank Alfalah Limited Habib Bank Limited National Bank of Pakistan Limited Samba Bank Limited Sindh Bank Limited Summit Bank Limited The Bank of Punjab Burj Bank Limited Dubai Islamic Bank Pakistan 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 Mr. Khalid Siddique	(Chairman) (Member) (Member) (Secretary)
Auditors	KPMG Taseer Hadi & Co. Chartered Accountants	
Share Registrar	Corplink (Private) Limited 1-K, 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:	32-N, Gulberg-II, Lahore	

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