

# Tandlianwala

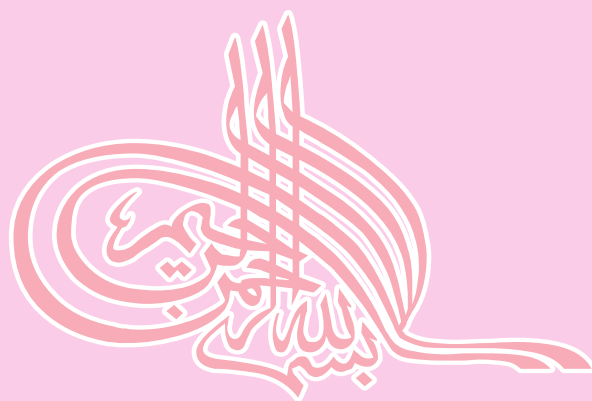
Sugar Mills, LTD.

## Half Yearly Report



March  
**31,**

**2017**



## **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, 2017. 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 2016-17 started during second half of November 2016 and the Company successfully managed to earn a gross profit of Rs 1.237 Billion and a net profit before taxation amounting to Rs 508 Million, as compared to last comparative half year gross profit of Rs 1.174 Billion and a net profit before taxation of Rs. 469 Million, respectively.

The crushing achieved this season was higher with a corresponding increase in sugar production. The support price for sugarcane procurement was fixed, as previously at Rs 180 per 40 Kg for the season 2016-17.

Although the Government allowed export of 225,000 M.Tons of Sugar in January 2017 and enhanced the quota by 200,000 M.Tons in April 2017, but in the absence of further supportive measures, the entire Sugar sector will be in crises, owing to huge surplus of sugar in the country.

Despite these difficulties, the first priority for us was to keep our growers satisfied and confident with timely payments against sugarcane procurement.

Our Ethanol division continues to contribute towards the operational profitability of the company and we expect a record production of Ethanol during the year at both of our Ethanol plants

On behalf of Board of Directors

**AKBAR KHAN**  
(Chief Executive Officer)  
May 29, 2017

## **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 2017 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 to as the "Condensed 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 condensed 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 in the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended 31 March 2017, have not been reviewed and we do not express a conclusion on them.

Lahore  
May 29, 2017

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

# TANDLIANWALA SUGAR MILLS LTD.

## CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

		(Un-audited) 31 March 2017 Rupees	(Audited) 30 September 2016 Rupees
<b>EQUITY AND LIABILITIES</b>	<i>Note</i>		
Authorized capital			
120,000,000 (2016: 120,000,000) shares of Rs. 10 each		<b>1,200,000,000</b>	1,200,000,000
<b><u>Share capital and reserves</u></b>			
Issued, subscribed and paid up capital		<b>1,177,063,000</b>	1,177,063,000
Reserves		<b>3,055,740,325</b>	2,617,707,211
Loan from Directors - <i>unsecured</i>		<b>1,935,050,170</b>	1,935,050,170
		<b>6,167,853,495</b>	5,729,820,381
<b><u>Non current liabilities</u></b>			
Long term finances - <i>secured</i>	6	<b>1,966,520,141</b>	915,998,593
Liabilities against assets subject to finance lease - <i>secured</i>	7	<b>36,602,464</b>	37,312,883
Advances from customers - <i>unsecured</i>		<b>1,439,938,237</b>	1,741,802,889
Deferred liabilities			
- <i>Staff retirement benefits</i>		<b>268,136,370</b>	245,194,213
- <i>Deferred taxation</i>		<b>15,917,878</b>	23,746,159
		<b>3,727,115,090</b>	2,964,054,737
<b><u>Current liabilities</u></b>			
Short term borrowings - <i>secured</i>	8	<b>11,285,271,142</b>	5,259,368,808
Current portion of non-current liabilities		<b>525,125,248</b>	608,487,840
Trade and other payables	9	<b>5,863,961,679</b>	1,532,156,098
Interest and mark-up accrued	10	<b>171,210,103</b>	109,673,836
		<b>17,845,568,172</b>	7,509,686,582
<b>Contingencies and commitments</b>	11		
		<b>27,740,536,757</b>	16,203,561,700

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

Lahore  
May 29, 2017

Chief Executive Officer

# TANDLIANWALA SUGAR MILLS LTD.

## AS AT 31 MARCH 2017

ASSETS	Note	(Un-audited) 31 March 2017 Rupees	(Audited) 30 September 2016 Rupees
<u>Non - current assets</u>			
Property, plant and equipment	12	12,569,536,330	11,247,190,642
Long term deposits		28,021,294	28,919,144
		<b>12,597,557,624</b>	11,276,109,786
<u>Current assets</u>			
Stores, spare parts and loose tools		838,489,286	765,898,105
Stock-in-trade		11,565,705,915	2,978,867,891
Trade debts - <i>considered good</i>	13	24,337,218	21,246,615
Advances, deposits, prepayments and other receivables	14	909,913,058	693,770,239
Tax refunds due from Government - <i>net</i>		391,461,847	400,732,497
Cash and bank balances	15	1,413,071,809	66,936,567
		<b>15,142,979,133</b>	4,927,451,914
		<b>27,740,536,757</b>	16,203,561,700

Director

## TANDLIANWALA SUGAR MILLS LTD.

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

For the half year and quarter ended 31 March 2017

	Note	Six Months ended		Three months ended	
		31 March 2017 Rupees	31 March 2016 Rupees	31 March 2017 Rupees	31 March 2016 Rupees
Net sales	16	7,929,504,095	8,681,752,173	4,405,828,185	6,160,461,875
Cost of sales		(6,692,800,116)	(7,508,013,303)	(3,725,522,906)	(5,429,110,164)
<b>Gross profit</b>		<b>1,236,703,979</b>	<b>1,173,738,870</b>	<b>680,305,279</b>	<b>731,351,711</b>
Administrative expenses		(214,903,287)	(191,607,336)	(109,093,401)	(109,669,429)
Distribution expenses		(155,201,569)	(125,582,100)	(117,167,460)	(87,216,337)
Other income	17	6,504,293	102,213,080	5,222,715	101,858,018
		(363,600,563)	(214,976,356)	(221,038,146)	(95,027,748)
<b>Profit from operations</b>		<b>873,103,416</b>	<b>958,762,514</b>	<b>459,267,133</b>	<b>636,323,963</b>
Finance cost		(337,986,885)	(462,105,290)	(241,055,621)	(294,965,114)
Other expenses		(26,755,827)	(27,905,459)	(10,910,576)	(20,140,540)
		(364,742,712)	(490,010,749)	(251,966,197)	(315,105,654)
<b>Profit before taxation</b>		<b>508,360,704</b>	<b>468,751,765</b>	<b>207,300,936</b>	<b>321,218,309</b>
Taxation	19	(70,327,590)	(20,612,093)	(35,090,831)	4,600,810
<b>Profit after taxation</b>		<b>438,033,114</b>	<b>448,139,672</b>	<b>172,210,105</b>	<b>325,819,119</b>
<b>Earnings per share</b>					
- basic and diluted		3.72	3.81	1.46	2.77

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

Lahore  
May 29, 2017

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 2017

	Six months ended		Three months ended	
	31 March 2017 Rupees	31 March 2016 Rupees	31 March 2017 Rupees	31 March 2016 Rupees
Profit after taxation	<b>438,033,114</b>	448,139,672	<b>172,210,105</b>	325,819,119
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<b>438,033,114</b>	448,139,672	<b>172,210,105</b>	325,819,119

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

Lahore  
May 29, 2017

Chief Executive Officer

Director



## TANDLIANWALA SUGAR MILLS LTD.

### CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

For the half year and quarter ended 31 March 2017

	Note	31 March 2017 Rupees	31 March 2016 Rupees
<b><u>Cash flow from operating activities</u></b>			
Profit before taxation		508,360,704	468,751,765
<i>Adjustments for non-cash and other items:</i>			
Finance cost		337,986,885	462,105,290
Depreciation on property, plant and equipment	12.1	273,117,315	282,114,061
Provision for Worker's Profit Participation Fund		26,755,827	27,905,459
Provision for staff retirement benefits		24,623,912	24,534,118
Return on bank deposits	17	(1,563,130)	(1,103,576)
		660,920,809	795,555,352
<b>Operating profit before working capital changes</b>		1,169,281,513	1,264,307,117
<i>Increase in current assets:</i>			
Stores, spares parts and loose tools		(72,591,181)	(59,982,708)
Stock-in-trade		(8,586,838,024)	(6,192,545,933)
Trade debts - <i>considered good</i>		(3,090,603)	215,189,372
Advances, deposits, prepayments and other receivables		(216,142,819)	(676,976,858)
		(8,878,662,627)	(6,714,316,127)
<i>Increase in current liabilities:</i>			
Trade and other payables		4,305,049,754	1,692,981,538
<b>Cash used in operations</b>		(3,404,331,360)	(3,757,027,472)
Staff retirement benefits paid		(1,681,755)	(960,451)
Finance cost paid		(272,059,135)	(442,396,789)
Taxes paid		(68,885,221)	(64,485,637)
Advances from customers - <i>net</i>		(301,864,652)	313,023,231
Long term deposits - <i>net</i>		897,850	(1,617,200)
		(643,592,913)	(196,436,846)
<b>Net cash used in operations</b>		(4,047,924,273)	(3,953,464,318)
<b><u>Cash flow from investing activities</u></b>			
Capital expenditure		(1,591,365,503)	(175,577,991)
Income received from bank deposits		1,563,130	1,103,576
<b>Net cash used in investing activities</b>		(1,589,802,373)	(174,474,415)
<b><u>Cash flow from financing activities</u></b>			
Finance lease liabilities - <i>net</i>	7	(25,084,746)	(9,758,269)
Short term borrowings - <i>net</i>		5,965,838,590	4,245,689,759
Long term finances obtained	6	1,260,000,000	110,000,000
Long term finances repaid	6	(276,955,700)	(112,459,657)
Loan from directors - <i>net</i>		-	(8,000,000)
<b>Net cash generated from financing activities</b>		6,923,798,144	4,225,471,833
<b>Net increase in cash and cash equivalents</b>		1,286,071,498	97,533,100
<b>Cash and cash equivalents at beginning of the period</b>		(32,997,631)	55,686,991
<b>Cash and cash equivalents at end of the period</b>		1,253,073,867	153,220,091
<i>Cash and cash equivalents comprise of the following:</i>			
- Cash and bank balances		1,413,071,809	253,320,599
- Running finances		(159,997,942)	(100,100,508)
		1,253,073,867	153,220,091

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

Lahore  
May 29, 2017

Chief Executive Officer

Director

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

*For the half year and quarter ended 31 March 2017*

	Share capital	Capital	Revenue	Reserves		Loan from Directors	Total
		Share Premium	Un-appropriated Profit	Total reserves			
<hr/>							
-----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
<hr/>							
<i>Transactions with owners of the Company</i>							
Repayment made during the period	-	-	-	-	(8,000,000)		(8,000,000)
<hr/>							
<i>Total comprehensive income for the period</i>							
Profit for the period ended 31 March 2016	-	-	448,139,672	448,139,672	-		448,139,672
Other comprehensive income for the period ended 31 March 2016	-	-	-	-	-		-
	-	-	448,139,672	448,139,672	-		448,139,672
<hr/>							
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
<hr/>							
Balance as at 01 October 2016	1,177,063,000	290,741,640	2,326,965,571	2,617,707,211	1,935,050,170		5,729,820,381
<hr/>							
<i>Total comprehensive income for the period</i>							
Profit for the period ended 31 March 2017	-	-	438,033,114	438,033,114	-		438,033,114
Other comprehensive income for the period ended 31 March 2017	-	-	-	-	-		-
	-	-	438,033,114	438,033,114	-		438,033,114
<hr/>							
Balance as at 31 March 2017	1,177,063,000	290,741,640	2,764,998,685	3,055,740,325	1,935,050,170		6,167,853,495

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

Lahore  
May 29, 2017

Chief Executive Officer

Director

## TANDLIANWALA SUGAR MILLS LTD.

### NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the half year and quarter ended 31 March 2017

#### 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 66 - L, Gulberg II, Lahore.

#### 2. Basis of preparation

##### 2.1 Basic of accounting

2.1.1 This condensed interim financial information comprises the condensed interim balance sheet of the Company as at 31 March 2017 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 2017 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 2016.

2.1.4 Comparative balance sheet numbers are extracted from the annual audited financial statements of the Company for the year ended 30 September 2016, 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 2016.

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 2016.

#### 4. Statement of consistency in accounting policies

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 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.

		(Un-audited) 31 March 2017 Rupees	(Audited) 30 September 2016 Rupees
6. Long term loans - secured	Note		
Balance at beginning of the period / year		1,409,273,928	1,653,701,186
Loans received during the period / year	6.1	1,260,000,000	110,000,000
Repayments during the period / year		(276,955,700)	(354,427,258)
	6.3	2,392,318,228	1,409,273,928
Current portion presented under current liabilities		(425,798,087)	(493,275,335)
		1,966,520,141	915,998,593

## TANDLIANWALA SUGAR MILLS LTD.

- 6.1 This represents syndicated term finance facility obtained from consortium of banking companies comprising of National Bank of Pakistan, The Bank of Punjab, Sindh Bank Limited, Soneri Bank Limited, Pak Libya Holding Company (Pvt.) Limited and First Credit and Investment Bank Limited, for the purposes of enhancement in the efficiency of the Company's existing production units located at Kanjwani, Faisalabad, D.I. Khan and Muzafargarh.

This loan is repayable in 16 equal quarterly instalments after grace period of twenty four months, commencing from 15 April 2019 and ending on 15 January 2023. The interest is payable quarterly at the rate of three months KIBOR + 2.00% per annum. This finance is secured initially against a ranking hypothecation charge and ranking mortgage charge over the Company's moveable and immovable assets amounting to Rs. 3.2 billion which will be upgraded to first pari passu in 180 days of creation and also against personal guarantees of sponsors/ directors of the Company, as well as, subordination of their loans to the Company.

The first disbursement of syndicated term finance facility was received by the Company on 29 March 2017 and out of this disbursement material amount remained un-utilized at period end. This un-utilised portion is appearing under the head of cash and bank.

- 6.2 The securities offered and facility limits of these long term finances, except for the new syndicated term facility, are the same as disclosed in the audited financial statements of the Company for the year ended 30 September 2016. The interest / markup is payable quarterly at a rate of three to six months KIBOR plus 275 to 400 bps per annum.

	(Un-audited) 31 March 2017 Rupees	(Audited) 30 September 2016 Rupees
6.3 <b>Type of loans</b>		
Interest / mark-up based loans	2,357,543,690	1,358,721,331
Islamic mode of financing	34,774,538	50,552,597
	<u>2,392,318,228</u>	<u>1,409,273,928</u>

7. **Liabilities against assets subject to finance lease - secured**

During the period, the Company availed leases amounting to Rs. 4.01 million (30 September 2016: Rs. 19.05 million) and repaid Rs. 25.08 million (30 September 2016: Rs. 12.74 million). Amounts due in next twelve months amounting to Rs. 99.33 million (30 September 2016: Rs. 115.21 million) are included in current portion presented under current liabilities.

8. **Short term borrowings - secured**

	(Un-audited) 31 March 2017 Rupees	(Audited) 30 September 2016 Rupees
<u>Type of short term borrowings</u>		
Interest / mark-up based loans	10,935,271,142	5,159,368,808
Islamic mode of financing	350,000,000	100,000,000
	<u>11,285,271,142</u>	<u>5,259,368,808</u>

9. **Trade and other payables**

These mainly include advance from customers amounting to Rs. 1,591.29 million (30 September 2016: Rs. 268.94 million) and payable to growers against purchase of sugarcane amounting to Rs. 2,314.45 million (30 September 2016: Rs. 158.81 million).

10. **Interest and mark-up accrued**

	(Un-audited) 31 March 2017 Rupees	(Audited) 30 September 2016 Rupees
<b>Type of interest and mark-up accrued</b>		
Interest / mark-up based loans	169,746,871	107,959,563
Islamic mode of financing	1,463,232	1,714,273
	<u>171,210,103</u>	<u>109,673,836</u>

11. **Contingencies and commitments**

11.1 **Contingencies**

There is no material change in contingencies from the audited financial statements of the Company for the year ended 30 September 2016 except for the commitments and guarantees as disclosed below:

## TANDLIANWALA SUGAR MILLS LTD.

### 11.2 Commitments

- (i) Future capital commitments in respect of import of machinery and its related components at 31 March 2017 amounted to Rs. 230.42 million (30 September 2016: Rs 202.16 million).
- (ii) The Company has given a bank guarantee with 100% cash margin of Rs. 2 million (30 September 2016: 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 2017 Rupees	(Audited) 30 September 2016 Rupees
Not later than one year	-	1,785,629
	-	1,785,629

Note

### 12 Property, plant and equipment

Operating fixed assets	12.1	10,429,043,829	10,686,597,910
Capital work-in-progress	12.2	2,140,492,501	560,592,732
		<u>12,569,536,330</u>	<u>11,247,190,642</u>

#### 12.1 Operating fixed assets

Net book value at beginning of the period / year	10,686,597,910	10,941,621,048
Additions during the period / year	17,339,702	314,555,224
Disposals during the period / year - net book value	(1,766,468)	(229,131)
Depreciation charged during the period / year	(273,117,315)	(569,349,231)
Net book value at end of period / year	<u>10,429,043,829</u>	<u>10,686,597,910</u>

- 12.2 This mainly relates to the on going project of enhancement in efficiency of plant at all three units (Unit I, Unit II, Unit III) of the Company.

### 13. Trade debts - considered good

These include receivable from Riaz Bottlers (Private) Limited, an associated company amounting to Rs. 10.88 million (30 September 2016: Rs. 19.99 million) against sale of top gas in the normal course of business and is over due by less than 180 days.

### 14. Advances, deposits, prepayments and other receivables

- 14.1 These mainly include advances given for purchase of sugarcane of Rs. 2.81 million (30 September 2016: Rs. 12.84 million), advances to suppliers and contractors of Rs. 469.80 million (30 September 2016: Rs.84.18 million), cash export subsidy of Rs. 49.43 million (30 September 2016: 303.52 million) and inland export subsidy of Rs. 133.19 million (30 September 2016: Rs. 133.19 million)
- 14.2 This includes an amount of Rs.11.32 million (September 2016: Rs.11.32 million) Receivables from executive of the company.

	(Un-audited) 31 March 2017 Rupees	(Audited) 30 September 2016 Rupees
<b>15. Cash and bank balances</b>	Note	
<i>Current accounts:</i>		
- Deposits with islamic banks	12,574,355	1,492,285
- Deposits with conventional banks	904,278,908	53,871,247
	<u>916,853,263</u>	<u>55,363,532</u>
<i>Saving accounts:</i>	15.1	
- Deposits with islamic banks	40,047,160	46,550
- Deposits with conventional banks	453,814,312	9,931,882
	<u>493,861,472</u>	<u>9,978,432</u>
Cash in hand	2,357,074	1,594,603
	<u>1,413,071,809</u>	<u>66,936,567</u>

## TANDLIANWALA SUGAR MILLS LTD.

15.1 These carry mark up at the rates ranging from 6.25% to 8.50% per annum (30 Sep 2016: 7.00% to 8.75% per annum).

			Six months ended		Three months ended	
			(Un-audited)		(Un-audited)	
			31 March 2017	31 March 2016	31 March 2017	31 March 2016
16	Net sales	Note	Rupees	Rupees	Rupees	Rupees
	Local:					
	Sugar		6,671,459,175	6,224,145,620	3,548,628,900	3,686,873,890
	Ethanol		98,398,735	53,634,395	46,519,316	32,855,492
	Top Gas		70,086,008	50,012,620	56,603,566	47,652,086
	Molasses		-	731,000	-	-
			6,839,943,918	6,328,523,635	3,651,751,782	3,767,381,468
	Export:					
	Sugar		177,454,796	1,883,815,258	177,454,796	1,883,815,258
	Ethanol		1,607,862,451	944,746,500	963,384,216	726,760,812
			1,785,317,247	2,828,561,758	1,140,839,012	2,610,576,070
			8,625,261,165	9,157,085,393	4,792,590,794	6,377,957,538
	Less:					
	Sales tax / federal excise duty		(695,757,070)	(475,333,220)	(386,762,609)	(217,495,663)
			7,929,504,095	8,681,752,173	4,405,828,185	6,160,461,875
					(Un-audited)	(Audited)
					31 March	31 March
					2017	2016
					Rupees	Rupees
17	Other income					
	<u>Income from financial assets</u>					
	Profit on saving accounts under interest / mark-up arrangement				1,563,130	1,103,576
	<u>Income from non financial assets</u>					
	Foreign exchange gain	17.1			3,626,631	2,101,404
	Gain on sale of property, plant and equipment				1,314,532	-
	Inland export subsidy				-	99,008,100
					4,941,163	101,109,504
					6,504,293	102,213,080

17.1 This represents exchange gain earned from actual currency conversion.

### 18 Transactions and balances with related parties

Related parties comprise of associated company, other related companies, Directors of the Company and entities under common directorship, key management personnel and post employment benefit plans. Amounts due from and due to related parties are shown under respective notes to this condensed interim financial information. Other significant transactions with related parties except those disclosed elsewhere are as follows:

Relationship	Nature of transactions	(Un-audited) 31 March 2017 Rupees	(Un-audited) 31 March 2016 Rupees
<u>Associated Company</u>			
Riaz Bottlers (Private) Limited	Sale of top gas	21,412,372	16,378,911
<u>Key Management Personnel</u>			
Directors of the Company	Repayment of loan	-	8,000,000
	Remuneration of Chief Executive and Directors of the Company	5,468,125	5,047,500
<u>Post employment benefit plans</u>			
Staff retirement benefits	Retirement benefits paid	1,681,755	960,451

# TANDLIANWALA SUGAR MILLS LTD.

## 19. Taxation

19.1 The provision for taxation for the half year ended 31 March 2017 has been made on an estimated basis.

19.2 There is no material change in status of tax cases from audited financial statements of the Company for the year ended 30 September 2016.

## 20. Business segments information

	Sugar		Distillery		Top Gas		Inter segment reconciliation		Total	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>20.1 Segment results</b>										
Net external revenue	6,177,637,603	7,647,834,465	1,691,963,937	991,171,878	59,902,555	42,745,830	-	-	7,929,504,095	8,681,752,173
Inter-segment revenue	1,491,489,722	1,203,077,408	-	-	-	-	(1,491,489,722)	(1,203,077,408)	-	-
Reportable segment revenue	7,669,127,325	8,850,911,873	1,691,963,937	991,171,878	59,902,555	42,745,830	(1,491,489,722)	(1,203,077,408)	7,929,504,095	8,681,752,173
Segment gross profit	1,036,597,544	1,144,504,815	154,643,546	5,789,970	45,462,889	23,444,085	-	-	1,236,703,979	1,173,738,870
Administrative expenses	(84,814,920)	(161,963,114)	(125,208,347)	(29,484,794)	(4,880,020)	(159,428)	-	-	(214,903,287)	(191,607,336)
Distribution expenses	(32,442,964)	(33,225,534)	(117,394,427)	(92,352,376)	(5,364,178)	(4,190)	-	-	(155,201,569)	(125,582,100)
Other income	2,877,662	101,240,487	3,626,631	972,593	-	-	-	-	6,504,293	102,213,080
Finance cost	(234,137,854)	(301,672,951)	(103,846,682)	(157,964,195)	(2,349)	(2,468,144)	-	-	(337,986,885)	(462,105,290)

## 20.2 Reconciliation of reportable segments profit or loss

Operating profit of all segments

Unallocated corporate expenses

Profit before tax

Taxation

Profit after tax

535,116,531	496,657,224
(26,755,827)	(27,905,459)
508,360,704	468,751,765
(70,327,590)	(20,612,093)
438,033,114	448,139,672

	Sugar		Distillery		Top Gas		Total	
	(Un-audited) 31-Mar-17	(Audited) 30-Sep-16	(Un-audited) 31-Mar-17	(Audited) 30-Sep-16	(Un-audited) 31-Mar-17	(Audited) 30-Sep-16	(Un-audited) 31-Mar-17	(Audited) 30-Sep-16
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>20.3 Segment assets liabilities</b>								
Segment assets	17,785,203,701	7,012,687,054	9,730,212,508	8,985,091,278	225,120,548	205,783,368	27,740,536,757	16,203,561,700
Segment liabilities	17,062,652,766	1,308,944,922	4,333,700,600	6,292,824,191	176,329,896	2,871,972,206	21,572,683,262	10,473,741,319

## 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)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. 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
<b>On-Balance sheet financial instruments</b>						
<b>31 March 2017 - (un-audited)</b>						
<u>Financial assets not measured at fair value</u>						
Cash and bank balances	1,413,071,809	-	1,413,071,809	-	-	-
Advances, deposits and other receivables	4,528,833	-	4,528,833	-	-	-
Trade debts - considered good	24,337,218	-	24,337,218	-	-	-
Long term deposits	18,973,175	-	18,973,175	-	-	-
	21.1	1,460,911,035	-	-	-	-
<u>Financial liabilities not measured at fair value</u>						
Long term finances - secured	-	1,966,520,141	1,966,520,141	-	-	-
Liabilities against assets subject to finance lease - secured	-	36,602,464	36,602,464	-	-	-
Current portion of non-current liabilities	-	525,125,248	525,125,248	-	-	-
Trade and other payables	-	4,053,194,703	4,053,194,703	-	-	-
Short term borrowings - secured	-	11,285,271,142	11,285,271,142	-	-	-
Interest and mark-up accrued	-	171,210,103	171,210,103	-	-	-
	21.1	-	18,037,923,801	-	-	-
<b>On-Balance sheet financial instruments</b>						
<b>30 September 2016 - Audited</b>						
<u>Financial assets not measured at fair value</u>						
Cash and bank balances	66,936,567	-	66,936,567	-	-	-
Advances, deposits and other receivables	4,528,833	-	4,528,833	-	-	-
Trade debts - considered good	21,246,615	-	21,246,615	-	-	-
Long term deposits	18,273,175	-	18,273,175	-	-	-
	21.1	110,985,190	-	-	-	-
<u>Financial liabilities not measured at fair value</u>						
Long term finances - secured	-	915,998,593	915,998,593	-	-	-
Liabilities against assets subject to finance lease - secured	-	37,312,883	37,312,883	-	-	-
Current portion of non-current liabilities	-	608,487,840	608,487,840	-	-	-
Trade and other payables	-	675,402,804	675,402,804	-	-	-
Short term borrowings - secured	-	5,259,368,808	5,259,368,808	-	-	-
Interest and mark-up accrued	-	109,673,836	109,673,836	-	-	-
	21.1	-	7,606,244,764	-	-	-

21.1 The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or re-price over short term. Therefore, their carrying amounts are reasonable approximation of their fair values.

### 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 2016.

### 23. Date of authorization

This condensed interim financial information for the six months period ended 31 March 2017 was authorized for issue by the Board of Directors in their meeting held on 29 May 2017.

### 24. General

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

Lahore  
May 29, 2017

Chief Executive Officer

Director



## TANDLIANWALA SUGAR MILLS LTD.

### COMPANY INFORMATION

<b>Board of Directors</b>	Mr. Ghazi Khan Mr. Akbar Khan Mr. Humayun Akhtar Khan Mr. Haroon Khan Mrs. Rasheeda Begum Mrs. Mobina Akbar Khan 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>	National Bank of Pakistan Limited MCB Bank Limited The Bank of Punjab United Bank Limited Habib Bank Limited Bank Alfalah Limited Allied Bank Limited Sindh Bank Limited	
<b>Legal Advisors</b>	1. Bandial & Associates 35-A, Luqman Street, Zahoor Afridi Road, Lahore Cantt.	2. Ali Sibtain Fazli & Associates Mall Mansion 30 The Mall, Lahore
<b>Audit Committee</b>	Mr. Humayun Akhtar Khan Mr. Tahir Farooq Malik Mr. Ghazi Khan Mr. Khalid Siddique	<b>(Chairman)</b> <b>(Member)</b> <b>(Member)</b> <b>(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>		
<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	
<b>Distillery:</b>		
<i>Unit 1</i>	Kanjwani, Tehsil Tandlianwala, District, Faisalabad	
<i>Unit 2</i>	Shah Jamal Road, Muzaffargarh	
<b>Top Gas:</b>	Kanjwani, Tehsil Tandlianwala, District, Faisalabad	
<b>Registered Office:</b>	66-L, Gulberg-II, Lahore	

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Tandlianwala Sugar Mills Ltd.  
66-L, GULBERG II, Lahore.**

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