

DIRECTORS REPORT

Dear Shareholder,

On behalf of the Board, I am pleased to present nine months financial information of the Company for the nine months period ended on 30 June, 2014.

During this period under review, the Company has successfully managed to earn an gross profit of Rs. 1.011 billion and a net profit after taxation amounting to Rs. 119.150 million as compared to last comparative 3rd quarter gross profit of Rs. 973.742 million and a profit after taxation of Rs. 52.663 million, respectively.

The Company has exported 39,600 MT of Sugar during the period, which would increase in the last quarter as the Government had allowed a further quota.

The current national stocks, according to various estimates are approximately 2 million tons, which should comfortably cover the local requirements till the start of next crushing season.

ETHANOL DIVISION:

During the period under review, our existing Distillery (D-I) produced 18,627 metric tons, which substantially contributed toward the Operating profits of the Company. Our (D-II) Distillery shall come into production in November 2014 and shall further contribute to the profitability of the Company during its next financial year (2014-2015).

CO₂ DIVISION:

Our Carbon Dioxide (CO₂) division has also contributed in the profitability of the Company, upwards, with the contribution of an operating profit amounting to Rs. 115.060 million.

On behalf of Board of Directors

HAROON KHAN
(Chief Executive)
July 28, 2014

TANDLIANWALA SUGAR MILLS LTD.

BALANCE SHEET (UN-AUDITED)

	30-June-2014 (Un-Audited) Rupees	30-Sep-2013 (Audited) Rupees
LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized Share Capital		
120,000,000 (30 September 2013 : 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 Ordinary Shares of Rs. 10/- each fully paid in cash	1,177,063,000	1,177,063,000
Equity portion of Directors' loan	1,222,048,432	1,337,169,540
Reserves	998,451,708	879,302,049
	3,397,563,140	3,393,534,589
NON CURRENT LIABILITIES		
Long term loans-secured	1,172,604,167	135,799,408
Loans from Directors - unsecured	1,080,464,406	1,025,014,048
Liabilities against assets subject to finance lease	51,916,616	66,525,544
Advances from customers	1,296,971,375	1,054,646,732
Deferred Liabilities	222,291,581	334,157,508
	3,824,248,145	2,616,143,240
CURRENT LIABILITIES		
Short term borrowings - secured	8,126,480,020	3,609,662,545
Current maturity of long term liabilities	74,697,272	102,762,520
Trade and other payables	2,976,053,241	2,060,281,305
Accrued finance cost	319,426,098	114,162,759
	11,496,656,631	5,886,869,129
Contingencies and Commitments	-	-
	18,718,467,916	11,896,546,958

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

Lahore
July 28, 2014

Chief Executive

TANDLIANWALA SUGAR MILLS LTD.

AS AT JUNE 30, 2014

	30-June-2014 (Un-Audited) Rupees	30-Sep-2013 (Audited) Rupees
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	7,315,491,097	7,645,294,506
Capital work-in-progress	1,645,020,650	109,717,812
Long term deposits	67,045,332	65,943,232
	9,027,557,079	7,820,955,550
CURRENT ASSETS		
Stores, Spares and loose tools	707,060,678	628,139,722
Stock in trade	7,438,234,329	2,136,242,304
Trade debts	61,959,772	33,232,863
Advances, deposits, prepayments and other receivables	994,992,470	375,088,038
Advance income tax	223,711,306	137,528,423
Cash & bank balances	264,952,282	765,360,058
	9,690,910,837	4,075,591,408
	<u>18,718,467,916</u>	<u>11,896,546,958</u>

Director

TANDLIANWALA SUGAR MILLS LTD.

PROFIT AND LOSS ACCOUNT (UN-AUDITED)

For the period ended June 30, 2014

	NINE MONTHS ENDED 30-June		QUARTER ENDED 30-June	
	2014 (RUPEES)	2013 (RUPEES)	2014 (RUPEES)	2013 (RUPEES)
Sales - net	9,386,606,518	9,723,218,964	2,719,396,657	5,581,708,888
Cost of sales	(8,375,286,447)	(8,749,477,024)	(2,274,448,151)	(5,060,777,155)
Gross profit	1,011,320,071	973,741,940	444,948,506	520,931,733
Administrative expenses	(262,171,922)	(210,319,877)	(89,203,526)	(66,262,937)
Distribution expenses	(135,831,421)	(157,785,805)	(11,986,406)	(39,457,311)
Other operating expenses	(418,422)	-	(418,422)	-
Other income	50,070,657	5,602,495	17,756,172	1,698,486
	(348,351,108)	(362,503,187)	(83,852,182)	(104,021,762)
Profit from operations	662,968,963	611,238,753	361,096,324	416,909,971
Finance cost	(655,018,939)	(489,331,796)	(289,509,406)	(187,487,090)
Profit before taxation	7,950,024	121,906,957	71,586,918	229,422,881
Taxation	111,199,635	(69,244,057)	-	(44,611,310)
Profit after taxation	119,149,659	52,662,900	71,586,918	184,811,571
Earnings per share	1.012	0.447	0.608	1.570

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

Lahore
July 28, 2014

Chief Executive

Director

Quarterly Report June 30, 2014

TANDLIANWALA SUGAR MILLS LTD.

STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the period ended June 30, 2014

	NINE MONTHS ENDED 30-June		QUARTER ENDED 30-June	
	2014 (RUPEES)	2013 (RUPEES)	2014 (RUPEES)	2013 (RUPEES)
Profit after tax for the period	119,149,659	52,662,900	71,586,918	184,811,571
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>119,149,659</u>	<u>52,662,900</u>	<u>71,586,918</u>	<u>184,811,571</u>

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

Lahore
July 28, 2014

Chief Executive

Director

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the period ended June 30, 2014

	Reserves					Total
	Shares capital	Share premium	Un- appropriated Profit	Sub total	Equity portion of directors loan	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 30 September 2012	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 sponsors' 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 30 September 2013	<u>1,177,063,000</u>	<u>290,741,640</u>	<u>588,560,409</u>	<u>879,302,049</u>	<u>1,337,169,540</u>	<u>3,393,534,589</u>
Equity portion of directors' loan for the period	-	-	-	-	(2,369,563)	(2,369,563)
Imputed interest on sponsors' loan	-	-	-	-	(112,751,545)	(112,751,545)
Total comprehensive income for the period	-	-	119,149,659	119,149,659	-	119,149,659
Balance as at 30 June 2014	<u>1,177,063,000</u>	<u>290,741,640</u>	<u>707,710,068</u>	<u>998,451,708</u>	<u>1,222,048,432</u>	<u>3,397,563,140</u>

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

Lahore
July 28, 2014

Chief Executive

Director

TANDLIANWALA SUGAR MILLS LTD.

CASH FLOW STATEMENT (UN-AUDITED)

For the period ended June 30, 2014

	October 2013 To June 2014 (Rupees)	October 2012 To June 2013 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	7,950,024	121,906,957
Adjustments for non cash and other items :		
Depreciation	285,297,155	214,544,667
Finance cost	655,018,939	489,331,796
(Gain) / Loss on disposal of fixed assets	(746,060)	(3,096)
Provision for WPPF	418,422	-
	939,988,456	703,873,367
Operating profit before working capital changes	947,938,480	825,780,324
(Increase) / decrease in current assets :		
Stores, spares and loose tools	(78,920,956)	(189,244,485)
Trade debtors	(28,726,908)	-
Advances, deposits, prepayments and other receivables	(706,087,315)	(801,629,297)
Stock in trade	(5,301,992,025)	(1,764,338,881)
	(6,115,727,204)	(2,755,212,663)
(Decrease) / increase in current liabilities :		
Trade and other payables	915,353,513	986,430,708
Cash generated from operations	(4,252,435,211)	(943,001,631)
Finance cost paid	(449,755,601)	(470,199,373)
Employee retirement benefits paid	(666,293)	(270,065)
	(450,421,894)	(470,469,438)
NET CASH GENERATED FROM OPERATING ACTIVITIES	(4,702,857,105)	(1,413,471,069)
CASH FLOW FROM INVESTING ACTIVITIES :		
Fixed capital expenditure	(291,117,542)	(257,364,297)
Proceeds from sale of vehicles	1,105,350	1,461,743
Long Term Deposits	(1,102,100)	(15,084,946)
Capital work in progress	(1,200,038,330)	(359,343,681)
NET CASH USED IN INVESTING ACTIVITIES	(1,491,152,622)	(630,331,181)
CASH FLOW FROM FINANCING ACTIVITIES :		
Lease rental paid	(25,699,250)	(27,740,427)
Short term borrowings	4,516,817,475	1,899,615,890
Long term loans	1,019,829,833	20,933,987
Equity portion of directors loan	(115,121,108)	-
Loans from directors	55,450,358	(70,488,183)
Advances from customers	242,324,644	(200,051,352)
NET CASH GENERATED FROM FINANCING ACTIVITIES	5,693,601,952	1,622,269,915
Net increase in cash and cash equivalents	(500,407,775)	(421,532,335)
Cash and cash equivalents at the beginning of the period	765,360,057	445,297,028
Cash and cash equivalents at the end of the period	264,952,282	23,764,693

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

Lahore
July 28, 2014

Chief Executive

Director

TANDLIANWALA SUGAR MILLS LTD.

NOTES TO THE ACCOUNTS (UN-AUDITED)

For the period ended June 30, 2014

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 required by section 245 of the Companies Ordinance, 1984.
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 2013.
4. Provision in respect of taxation and workers' profit participation fund are 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 July 28, 2014.
6. Figures have been rounded off to the nearest rupee.

Lahore
July 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:		
<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	
Top Gas:	Kanjwani, Tehsil Tandlianwala District, Faisalabad	
Registered Office	32-N, Gulberg-II, Lahore	