

Tandlianwala Sugar Mills Ltd.



Quarterly Report

June 30,
2016

BRIEF REVIEW

Dear Shareholders,

On behalf of the Board of Directors, I am presenting to you the Unaudited Financial Statements of your Company for the period of nine months ended June 30, 2016.

In the period under review the company managed to earn a gross profit of Rs 1.855 Billion and a net profit before taxation amounting to Rs 622 Million.

The Company exported of 33,000 tons of sugar on which Government has allowed export subsidy, however the claims of such subsidy are still pending with the Government of Pakistan.

The carry over sugar stocks, massive production of sugar in the country, continuous increase in the support prices of sugar cane, non-release of freight subsidy on exports made almost three years ago are the major challenges being faced by the sugar industry

Our Ethanol division continues to proficiently contribute towards the profitability of the Company, though the international ethanol prices remained low during this period.

The CO2 division also operated well, although the local market prices are quite low due to the threat of import of CO2 from India.

In the coming season (2016-2017) the sugar crop seems to be on the higher side as compared to the year under review so the next year shall also be a challenging one.

On behalf of Board of Directors

AKBAR KHAN
(Chief Executive)
July 29, 2016

TANDLIANWALA SUGAR MILLS LTD.

BALANCE SHEET (UN-AUDITED)

	30-June-2016 (Un-Audited) Rupees	30-Sep-2015 (Audited) Rupees
LIABILITIES		
Share capital and reserves		
Authorised Share Capital		
120,000,000 (30 September 2015 : 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
Loan from Directors - Unsecured	1,961,862,036	1,971,962,036
Reserves	2,195,965,251	1,727,382,859
	5,334,890,287	4,876,407,895
Non current liabilities		
Long term finances-secured	1,022,093,413	1,244,915,364
Liabilities against assets subject to finance lease	184,207,834	144,757,046
Advances from customers	1,832,822,342	1,429,124,273
Deferred Liabilities		
-Employees' retirement benefits	185,985,245	187,602,200
-Deferred taxation	41,768,921	41,768,921
	3,266,877,755	3,048,167,804
Current liabilities		
Short term borrowings - secured	9,003,926,937	6,518,817,533
Current portion of non-current liabilities	568,899,436	450,239,318
Trade and other payables	776,333,887	1,942,606,092
Interest and markup accrued	289,188,271	204,952,492
	10,638,348,531	9,116,615,435
Contingencies and Commitments	-	-
	19,240,116,573	17,041,191,134

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

Lahore
July 29, 2016

Chief Executive

TANDLIANWALA SUGAR MILLS LTD.

AS AT JUNE 30, 2016

	30-June-2016 (Un-Audited) Rupees	30-Sep-2015 (Audited) Rupees
ASSETS		
Non current assets		
Property, plant and equipment	10,754,701,095	10,954,043,101
Long term deposits	110,957,281	106,240,681
	<u>10,865,658,376</u>	<u>11,060,283,782</u>
Current assets		
Stores, Spares and loose tools	742,505,051	647,128,600
Stock in trade	5,343,315,691	4,022,346,578
Trade debts	32,306,611	233,927,231
Advances, deposits, prepayments and other receivables	1,565,242,259	576,132,111
Advance income tax	279,618,846	345,840,298
Cash & bank balances	411,469,739	155,532,534
	<u>8,374,458,197</u>	<u>5,980,907,352</u>
	<u><u>19,240,116,573</u></u>	<u><u>17,041,191,134</u></u>

Director

TANDLIANWALA SUGAR MILLS LTD.

PROFIT AND LOSS ACCOUNT (UN-AUDITED)

For the period ended June 30, 2016

	NINE MONTHS ENDED 30-June		QUARTER ENDED 30-June	
	2016 (RUPEES)	2015 (RUPEES)	2016 (RUPEES)	2015 (RUPEES)
Sales - net	15,325,308,891	12,367,398,244	6,643,556,718	5,283,758,895
Cost of sales	(13,470,382,541)	(10,594,465,055)	(5,962,369,238)	(4,477,297,275)
Gross profit	1,854,926,350	1,772,933,189	681,187,480	806,461,620
Administrative expenses	(319,204,624)	(274,570,587)	(127,597,288)	(98,392,772)
Distribution expenses	(223,281,147)	(218,420,844)	(97,699,047)	(94,313,484)
Other income	102,215,179	245,574,756	2,099	166,661,626
	(440,270,592)	(247,416,675)	(225,294,236)	(26,044,630)
Profit from operations	1,414,655,758	1,525,516,514	455,893,244	780,416,990
Finance cost	(760,359,980)	(828,270,153)	(298,254,690)	(338,800,282)
Other expenses	(32,460,296)	(34,862,318)	(4,554,837)	(21,468,580)
	(792,820,276)	(863,132,471)	(302,809,527)	(360,268,862)
Profit before taxation	621,835,481	662,384,043	153,083,716	420,148,128
Taxation	(153,253,089)	48,297,953	(132,640,996)	(4,201,302)
Profit after taxation	468,582,392	710,681,996	20,442,720	415,946,826
Earnings per share	3.981	6.038	0.174	3.534

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

Lahore
July 29, 2016

Chief Executive

Director

Quarterly Report June 30, 2016

TANDLIANWALA SUGAR MILLS LTD.

STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the period ended June 30, 2016

	NINE MONTHS ENDED 30-June		QUARTER ENDED 30-June	
	2016 (RUPEES)	2015 (RUPEES)	2016 (RUPEES)	2015 (RUPEES)
Profit after tax for the period	468,582,392	710,681,996	20,442,720	415,946,826
Other comprehensive income	-	-	-	-
Total comprehensive Income for the period	<u>468,582,392</u>	<u>710,681,996</u>	<u>20,442,720</u>	<u>415,946,826</u>

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

Lahore
July 29, 2016

Chief Executive

Director

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the period ended June 30, 2016

	RESERVES					
	Share capital	Share premium	Un- appropriated profit	Total reserves	Equity portion of Directors' loan	Loan from Directors
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	-
Effect of restatement - note 6	-	-	-	-	(1,101,802,502)	2,125,630,134
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
Transactions with owners of the Company:						
Repayment made during the period	-	-	-	-	-	(153,668,098)
Total comprehensive income for the period	-	-	591,626,697	591,626,697	-	-
Profit for the period	-	-	591,626,697	591,626,697	-	-
Other comprehensive income for the period	-	-	4,792,845	4,792,845	-	-
ended 30 September 2015 - net of tax	-	-	596,419,542	596,419,542	-	-
Balance as at 30 September 2015	<u>1,177,063,000</u>	<u>290,741,640</u>	<u>1,436,641,219</u>	<u>1,727,382,859</u>	<u>-</u>	<u>1,971,962,036</u>
Transactions with owners of the Company:						
Repayment made during the period	-	-	-	-	-	(10,100,000)
Total comprehensive income for the period	-	-	468,582,392	468,582,392	-	-
Profit for the period	-	-	468,582,392	468,582,392	-	-
Other comprehensive income for the period	-	-	-	-	-	-
ended 30 June 2016 - net of tax	-	-	468,582,392	468,582,392	-	-
Balance as at 30 June 2016	<u>1,177,063,000</u>	<u>290,741,640</u>	<u>1,905,223,611</u>	<u>2,195,965,251</u>	<u>-</u>	<u>1,961,862,036</u>

Lahore
July 29, 2016

Chief Executive

Director

TANDLIANWALA SUGAR MILLS LTD.

CASH FLOW STATEMENT (UN-AUDITED)

For the period ended June 30, 2016

	October 2015 To June 2016 (Rupees)	October 2014 To June 2015 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	621,835,481	662,384,043
Adjustments for non cash and other items :		
Depreciation	420,238,552	379,948,932
Finance cost	760,359,980	828,270,153
(Gain) / Loss on disposal of fixed assets	-	-
Provision for WPPF	32,460,296	34,862,318
	1,213,058,828	1,243,081,403
Operating profit before working capital changes	1,834,894,309	1,905,465,446
(Increase) / decrease in current assets :		
Stores, spares and loose tools	(95,376,451)	168,885,122
Trade debtors	201,620,620	14,455,533
Advances, deposits, prepayments and other receivables	(1,076,141,781)	(438,078,755)
Stock in trade	(1,320,969,112)	(3,245,520,218)
	(2,290,866,725)	(3,500,258,318)
(Decrease) / increase in current liabilities :		
Trade and other payables	(1,198,732,510)	625,453,438
Cash generated from operations	(1,654,704,926)	(969,339,434)
Finance cost paid	(676,124,201)	(744,696,213)
Employee retirement benefits paid	(1,616,955)	(768,967)
	(677,741,156)	(745,465,180)
NET CASH GENERATED FROM OPERATING ACTIVITIES	(2,332,446,082)	(1,714,804,614)
CASH FLOW FROM INVESTING ACTIVITIES :		
Fixed capital expenditure	(21,032,866)	(3,031,262,250)
Proceeds from sale of vehicles	-	2,384,004
Long Term Deposits	(4,716,600)	(98,168,875)
Capital work in progress	(199,863,676)	1,853,056,644
NET CASH USED IN INVESTING ACTIVITIES	(225,613,142)	(1,273,990,477)
CASH FLOW FROM FINANCING ACTIVITIES :		
Finance lease liabilities - net	39,075,303	(19,044,235)
Short term borrowings - net	2,485,109,404	2,325,262,369
Long term finances	(103,786,348)	(50,924,777)
Loan from Directors - net	(10,099,999)	(144,096,630)
Advances from customers	403,698,069	600,000,000
NET CASH GENERATED FROM FINANCING ACTIVITIES	2,813,996,429	2,711,196,727
Net increase in cash and cash equivalents	255,937,205	(277,598,364)
Cash and cash equivalents at the beginning of the period	155,532,534	349,344,280
Cash and cash equivalents at the end of the period	411,469,739	71,745,916

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

Lahore
July 29, 2016

Chief Executive

Director

Quarterly Report June 30, 2016

TANDLIANWALA SUGAR MILLS LTD.

NOTES TO THE ACCOUNTS (UN-AUDITED)

For the period ended June 30, 2016

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 2015.
4. Provision in respect of taxation is 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 29, 2016.
6. Figures have been rounded off to the nearest rupee.

Lahore
July 29, 2016

Chief Executive

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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