

Tandlianwala

Sugar Mills Ltd.

Quarterly Report



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 of nine months ended June 30, 2017.

In the period under review the Company has earned a gross profit of Rs. 1.770 billion and a net profit before taxation of Rs. 412 million.

The crushing achieved this season was higher as compared to last season due to large availability of sugarcane and efficiency of our plants, resulting in a surge of sugar production.

The support price for sugarcane procurement remained unchanged at Rs 180 per 40 Kg for the season 2016-17. The sugar industry has faced a decline in selling price in the local market, hence making it difficult for the sugar manufacturers to cover the mismatch with the procurement costs, in order to earn reasonable profits. However, the industry is looking forward that the Government reconsiders its policies by giving relief including the policy regarding the sales tax on local Sugar sale price, which is presently computed on a fixed price at a very higher price of Rs. 60 per kg.

Although the Government has allowed export of Sugar on a regular basis during this year but in the absence of further supportive measures i.e. cash subsidy and long term incentives, which were granted during previous years, the entire Sugar sector is bound to face severe crises, keeping in view the record production of sugar expected next year.

Allied Products:

Our Ethanol division continues to contribute towards the operational profitability of the Company even though the ethanol prices have also fallen internationally. We expect a record production of Ethanol during the year at both of our Ethanol plants. The Punjab Government has imposed a special excise duty of Rs 2 per liter on ethanol production, resulting in material outflow, which seems discouraging for ethanol producers of Punjab in comparison with those in the province of Sindh. This factor is also discouraging as the ethanol sector, which as a matter of fact should be given additional benefits, since it is contributing largely towards the enhancement of foreign exchange reserves of Pakistan.

The CO2 division also performed reasonably well despite of the huge competition by decrease in demand of CO2, low prices and addition of new CO2 plants in market.

AKBAR KHAN
(Chief Executive)
July 27, 2017

TANGLIANWALA SUGAR MILLS LTD.**BALANCE SHEET (UN-AUDITED)**

	30-June-2017 (Un-Audited) Rupees	30-Sep-2016 (Audited) Rupees
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized Capital		
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
Loan from Directors - unsecured	1,845,782,762	1,935,050,170
Reserves	2,920,611,226	2,617,707,211
	5,943,456,988	5,729,820,381
NON CURRENT LIABILITIES		
Long term loans - Secured	2,858,253,812	915,998,593
Liabilities against assets subject to finance lease	399,493,778	37,312,883
Other long term advances	1,514,135,754	1,741,802,889
Deferred liabilities	266,623,569	268,940,372
	5,038,506,913	2,964,054,737
CURRENT LIABILITIES		
Short term borrowings - secured	11,370,199,751	5,259,368,808
Current maturity of long term liabilities	484,966,763	608,487,840
Trade and other payables	4,449,333,016	1,532,156,098
Interest and mark-up accrued	230,073,284	109,673,836
	16,534,572,814	7,509,686,582
Contingencies and commitments	-	-
	<u>27,516,536,715</u>	<u>16,203,561,700</u>

Lahore
July 27, 2017

Chief Executive

TANDLIANWALA SUGAR MILLS LTD.**AS AT JUNE 30, 2017**

	30-June-2017 (Un-Audited) Rupees	30-Sep-2016 (Audited) Rupees
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	10,424,530,968	10,686,597,914
Capital work in progress	2,538,573,851	560,592,728
Long term deposits	62,945,049	28,919,144
	<u>13,026,049,868</u>	<u>11,276,109,786</u>
CURRENT ASSETS		
Stores, spares & loose tools	1,377,258,604	765,898,105
Stocks in trade	10,824,729,680	2,978,867,891
Trade debtors - Unsecured, considered good	20,173,754	21,246,615
Advances, deposits, prepayments and other receivables	1,025,811,002	693,770,239
Advance income tax	403,863,676	400,732,497
Cash & bank balances	838,650,130	66,936,567
	<u>14,490,486,847</u>	<u>4,927,451,914</u>
	<u>27,516,536,715</u>	<u>6,203,561,700</u>

Director

TANGLIANWALA SUGAR MILLS LTD.

PROFIT AND LOSS ACCOUNT (UN-AUDITED)

For the period ended June 30, 2017

	NINE MONTHS ENDED 30-June		QUARTER ENDED 30-June	
	2017 (RUPEES)	2016 (RUPEES)	2017 (RUPEES)	2016 (RUPEES)
Sales	10,878,057,161	15,325,308,891	2,948,553,066	6,643,556,718
Cost of Sales	(9,108,061,247)	(13,470,382,541)	(2,415,261,131)	(5,962,369,238)
Gross profit	1,769,995,914	1,854,926,350	533,291,935	681,187,480
Administrative expenses	(467,378,001)	(319,204,624)	(252,474,714)	(127,597,288)
Distribution expenses	(216,233,126)	(223,281,147)	(61,031,557)	(97,699,047)
Other operating expenses	(21,667,610)	(32,460,296)	5,088,217	(4,554,837)
Other income	17,583,219	102,215,179	11,078,926	2,099
	(687,695,518)	(472,730,888)	(297,339,128)	(229,849,073)
Profit from operations	1,082,300,397	1,382,195,462	235,952,808	451,338,407
Finance Cost	(670,615,810)	(760,359,980)	(332,628,925)	(298,254,690)
Profit/(loss) before taxation	411,684,587	621,835,482	(96,676,117)	153,083,717
Taxation	(108,780,572)	(153,253,089)	(38,452,982)	(132,640,996)
Profit / (loss) after taxation	302,904,015	468,582,393	(135,129,099)	20,442,721
Earnings per share	2.573	3.981	(1.148)	0.174

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

Lahore
July 27, 2017

Chief Executive

Director

TANGLIANWALA SUGAR MILLS LTD.

STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the period ended June 30, 2017

	NINE MONTHS ENDED 30-June		QUARTER ENDED 30-June	
	2017 (RUPEES)	2016 (RUPEES)	2017 (RUPEES)	2016 (RUPEES)
Profit / (loss) after tax for the period	302,904,015	468,582,392	(135,129,099)	20,442,720
Other comprehensive income	-	-	-	-
Total comprehensive Income for the period	<u>302,904,015</u>	<u>468,582,392</u>	<u>(135,129,099)</u>	<u>20,442,720</u>

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

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the period ended June 30, 2017

	Reserves.....					
	Share capital	Capital Share premium	Revenue Un-appropriated profit	Total reserves	Loan from Directors	Total
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
Transactions with owners of the Company						
Repayment made during the period	-	-	-	-	(10,100,000)	(10,100,000)
Total comprehensive income for the period						
Profit for the period ended 30 June 2016	-	-	468,582,392	468,582,392	-	468,582,392
Other comprehensive income for the period ended 30 June 2016	-	-	-	-	-	-
	-	-	468,582,392	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>1,961,862,036</u>	<u>5,334,890,287</u>
Balance as at 01 October 2016	<u>1,177,063,000</u>	<u>290,741,640</u>	<u>2,326,965,571</u>	<u>2,617,707,211</u>	<u>1,935,050,170</u>	<u>5,729,820,381</u>
Transactions with owners of the Company						
Repayment made during the period	-	-	-	-	(89,267,408)	(89,267,408)
Total comprehensive income for the period						
Profit for the period ended 30 June 2017	-	-	302,904,015	302,904,015	-	302,904,015
Other comprehensive income for the period ended 30 June 2017	-	-	-	-	-	-
	-	-	302,904,015	302,904,015	-	302,904,015
Balance as at 30 June 2017	<u>1,177,063,000</u>	<u>290,741,640</u>	<u>2,629,869,586</u>	<u>2,920,611,226</u>	<u>1,845,782,762</u>	<u>5,943,456,988</u>

Lahore
July 27, 2017

Chief Executive

Director

Quarterly Report June 30, 2017

TANGLIANWALA SUGAR MILLS LTD.

CASH FLOW STATEMENT (UN-AUDITED)

For the period ended June 30, 2017

	October 2016 To June 2017 (Rupees)	October 2015 To June 2016 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	411,684,587	621,835,481
Adjustments for non cash and other items:		
Depreciation	423,513,573	420,238,551
Finance cost	670,615,810	760,359,980
Gain on disposal of fixed assets	(1,435,371)	
Provision for WPPF	21,667,610	32,460,296
	1,114,361,622	1,213,058,827
Operating profit before working capital changes	1,526,046,208	1,834,894,309
(Increase) / decrease in current assets :		
Stores, spares and loose tools	(611,360,499)	(95,376,451)
Trade debtors	1,072,861	201,620,620
Advances, deposits, prepayments and other receivables	(335,171,943)	(1,076,141,781)
Stock in trade	(7,845,861,789)	(1,320,969,112)
	(8,791,321,370)	(2,290,866,725)
Increase / (Decrease) in current liabilities		
Trade and other payables	2,944,647,743	(1,198,732,510)
Cash used in operations	(4,320,627,419)	(1,654,704,926)
Finance cost paid	(550,216,362)	(676,124,201)
Staff retirement benefits paid	-	(1,616,955)
Workers' profit participation fund paid	(49,138,435)	-
	(599,354,797)	(677,741,156)
NET CASH USED IN OPERATING ACTIVITIES	(4,919,982,216)	(2,332,446,082)
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to fixed assets	(276,765,241)	(21,032,866)
Proceeds from sale of fixed assets	5,656,610	-
Lease deposits	(34,025,905)	(4,716,600)
Capital work in progress	(1,977,981,123)	(199,863,676)
NET CASH USED IN INVESTING ACTIVITIES	(2,283,115,659)	(225,613,142)
CASH FLOW FROM FINANCING ACTIVITIES		
Lease liability	296,597,661	39,075,303
Short term borrowings	6,110,830,944	2,485,109,404
Long-term loans	1,884,317,376	(103,786,348)
Loan from Directors - Unsecured	(89,267,408)	(10,099,999)
Advances from customer	(227,667,135)	403,698,069
NET CASH GENERATED FROM FINANCING ACTIVITIES	7,974,811,437	2,813,996,429
Net increase/(decrease) in cash and cash equivalents	771,713,563	255,937,205
Cash and cash equivalents at the beginning of the period	66,936,567	155,532,534
Cash and cash equivalents at the end of the period	838,650,130	411,469,739

Lahore
July 27, 2017

Chief Executive

Director

TANGLIANWALA SUGAR MILLS LTD.

NOTES TO THE ACCOUNTS (UN-AUDITED)

For the period ended June 30, 2017

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 2016.
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 27, 2017.
6. Figures have been rounded off to the nearest rupee.

Lahore
July 27, 2017

Chief Executive

Director

TANGLIANWALA SUGAR MILLS LTD.

COMPANY INFORMATION

Board of Directors	Mr. Ghazi Khan Mr. Akbar Khan Mr. Humayun Akhtar Khan Mr. Haroon Khan Mrs. Rasheeda Begum Mrs. Mobina Akbar Khan Mr. Tahir Farooq Malik	(Chairman) (Chief Executive)
Company Secretary and Chief Financial Officer	Mr. Ahmad Jehanzeb Khan	
Bankers	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	
Legal Advisors	1. Bandial & Associates 35-A, Luqman Street, Zahoor Afridi Road, Lahore Cantt.	2. Ali Sibtain Fazli & Associates Mall Mansion 30 The Mall, Lahore
Audit Committee	Mr. Humayun Akhtar Khan Mr. Tahir Farooq Malik 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:	66-L, Gulberg-II, Lahore	

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

D&P by: Arif Sons