

Tandlianwala
Sugar Mills Ltd.

Quarterly
Report

JUNE
30,
2019

TANGLIANWALA 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 the Company for the nine months period ending June 30, 2019.

The salient features of the period under review are as under:

Turnover of the Company has achieved the highest levels, mainly due to increase in selling prices of sugar, sale of carryover sugar stocks of the previous year and the devaluation factor embedded in the ethanol export proceeds

During the period, the Company was able to earn a net profit before taxation of Rs 1.416 Billion, in comparison with the last year net profit of Rs 242 Million.

The profitability earned due to timely and visionary decisions of the Company, resulted in tremendous improvement in the EPS of the Company.

The crushing season started in the second quarter of December 2018, but due to shortage of sugarcane in crushing season 2018-19, the production of sugar was less as compared to the crushing season 2017-18. The notified procurement price of sugar cane remained unchanged at Rs 180 per 40 Kg in the season.

The finance cost of the Company also increased in the current period due to increase in discount rate by SBP, resulting in higher markup rates on long and short term borrowings, as well as on the carryover sugar stocks from previous year.

We still await to receive the subsidies pertaining to previous years sugar export. This also has put pressure on the cash flows and the company, resultantly utilized the working capital lines for extended periods of time.

Our Ethanol Division continues to contribute in growth and profitability of the Company and also attracts significant foreign exchange for the country. This segment of the Company has a great potential for future growth. The CO2 Division also performed reasonably well, despite several challenges and a tough competition.

The board would also like to acknowledge the hard work and dedication of the management, employees and workers of the Company.

On behalf of the Board of Directors.

AKBAR KHAN

(Chief Executive)

December 16, 2019

معزز حصص داران

بورڈ آف ڈائریکٹرز کی جانب سے 30 جون 2019ء کو اختتام پذیر ہونے والے 9 ماہ کے عرصہ کیلئے کمپنی کے غیر آڈٹ شدہ مالی بیانیہ پیش کرنا میرے لئے باعث مسرت و افتخار ہے۔

زیر غور عرصہ کے اہم نکات حسب ذیل ہیں

کمپنی کی کاروباری شرح شوگر کی قیمت فروخت میں اضافے، گزشتہ سال کی ملٹوئی شوگر کے ذخیرہ کی فروخت اور اتھنول ایکسپورٹ کے عمل کی قدر میں کمی کی وجہ سے زیادہ ہوئی۔

اس عرصہ کے دوران ٹیکسیشن سے پہلے کمپنی کا خالص منافع مبلغ 1.416 بلین رہا جبکہ گزشتہ سال خالص منافع مبلغ 242 بلین تھا۔ کمپنی کے بروقت اور دوراندیش فیصلوں کے نتیجے میں کمپنی کے EPS میں خاطر خواہ بہتری دیکھنے میں آئی۔

کرشنگ سیزن کا آغاز دسمبر 2018ء کی دوسری سہ ماہی میں ہوا لیکن کرشنگ سیزن 2018-19ء میں گنے کی کمی کی وجہ سے شوگر کی پیداوار میں کرشنگ سیزن 2017-18ء کے مقابلہ میں کمی واقع ہوئی۔ سیزن کے دوران گنے کی فراہمی کی نامزد قیمت مبلغ 180 روپے فی 40 کلوگرام برقرار رہی۔

اس عرصہ میں ایس بی پی کی جانب سے رعایتی شرح میں اضافے کی وجہ سے کمپنی کی فنانس لاگت میں بھی اضافہ ہوا جس کے نتیجے میں ملویل اور ٹیکس ایڈوائس کے ساتھ جانت کے ساتھ پچھلے سال کے مقابلہ میں شوگر کے ذخیرہ پر بھی زیادہ مارک آپ کی شرح بڑھ گئی۔

ہم گزشتہ سال کی شوگر ایکسپورٹ سے متعلقہ سبسڈی کے تاحال منتظر ہیں۔ اس صورتحال کی وجہ سے کمپنی کے کیش فلو پر دباؤ بڑھا جس کے نتیجے میں وقتاً فوقتاً ورکنگ کپٹل لائنز کو بروئے کار لایا گیا ہے۔

ہمارا اتھنول ڈویژن کمپنی کے منافع اور بڑھوتری کیلئے مسلسل کوشاں اور ملک کیلئے غیر ملکی زرمبادلہ کے معافی نیز مواقع رکھتا ہے۔ کمپنی کا یہ شعبہ مزید ترقی و ترقی کے بھرپور امکانات رکھتا ہے۔ اس کے علاوہ ہی اوٹو ڈویژن بھی بے شمار چیلنجز اور سخت مقابلہ جاتی ماحول کے باوجود بھی بہتری کا کردار ادا کر رہا ہے۔

بورڈ کمپنی کی مینجمنٹ، ایگزیکیوٹو اور ورکرز کی شہانہ روزگت اور عزم کو سلام کرتا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

اکبر خان

(چیف ایگزیکٹو)

16 دسمبر 2019ء

TANGLIANWALA SUGAR MILLS LTD.

BALANCE SHEET (UN-AUDITED)

	30-June-2019 (Un-Audited) Rupees	30-Sep-2018 (Audited) Rupees
EQUITY AND LIABILITIES		
<u>Share capital and reserves</u>		
Authorised Share Capital		
120,000,000 (2018 : 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	5,257,018,584	3,841,141,347
Loan from sponsors - unsecured	3,541,050,170	1,935,050,170
	9,975,131,754	6,953,254,517
<u>Non current liabilities</u>		
Long term finances-secured	2,361,649,206	2,698,134,997
Liabilities against assets subject to finance lease - secured	610,705,031	661,213,299
Deferred Liabilities	454,803,552	456,274,478
	3,427,157,789	3,815,622,774
<u>Current liabilities</u>		
Short term borrowings - secured	8,600,760,571	8,523,389,945
Current portion of non-current liabilities	1,037,729,040	1,188,080,201
Trade and other payables	1,513,595,846	8,481,337,041
Interest and markup accrued	371,720,764	268,950,864
	11,523,806,221	18,461,758,051
Contingencies and Commitments	-	-
	24,926,095,764	29,230,635,342

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

Lahore

December 16, 2019

Chief Financial Officer

Chief Executive

TANGLIANWALA SUGAR MILLS LTD.

AS AT JUNE 30, 2019

	30-June-2019 (Un-Audited) Rupees	30-Sep-2018 (Audited) Rupees
ASSETS		
<u>Non current assets</u>		
Property, plant and equipment	15,671,888,585	15,717,733,700
Long term deposits	152,574,745	182,397,705
	15,824,463,330	15,900,131,405
<u>Current assets</u>		
Stores, Spares and loose tools	1,610,961,612	1,100,061,916
Stock in trade	4,586,921,383	9,662,664,711
Trade debts - considered good	22,669,279	25,328,463
Advances, deposits, prepayments and other receivables	2,001,150,724	1,768,251,565
Tax refunds due from Government - net	790,305,887	691,128,965
Cash & bank balances	89,623,549	83,068,317
	9,101,632,434	13,330,503,937
	24,926,095,764	29,230,635,342

Director

TANGLIANWALA SUGAR MILLS LTD.

PROFIT AND LOSS ACCOUNT (UN-AUDITED)

For the period ended June 30, 2019

	NINE MONTHS ENDED		QUARTER ENDED	
	30-June		30-June	
	2019	2018	2019	2018
	(RUPEES)	(RUPEES)	(RUPEES)	(RUPEES)
Sales - net	24,122,379,735	11,204,252,049	10,246,789,706	5,774,459,790
Cost of sales	(20,784,253,233)	(10,081,595,168)	(9,424,837,088)	(5,290,953,374)
Gross profit	3,338,126,502	1,122,656,881	821,952,618	483,506,416
Administrative expenses	(402,627,825)	(373,495,697)	(142,581,817)	(132,260,671)
Distribution expenses	(290,314,363)	(328,548,138)	(92,687,524)	(96,079,435)
Other income	24,771,774	564,135,895	2,834,979	373,066,760
	(668,170,414)	(137,907,940)	(232,434,362)	144,726,654
Profit from operations	2,669,956,088	984,748,941	589,518,256	628,233,070
Finance cost	(1,179,558,996)	(730,439,813)	(453,871,900)	(239,927,082)
Other expenses	(74,519,855)	(12,715,456)	(1,551,177)	(12,715,456)
	(1,254,078,851)	(743,155,269)	(455,423,077)	(252,642,538)
Profit before taxation	1,415,877,237	241,593,672	134,095,179	375,590,532
Taxation	-	-	-	-
Profit after taxation	1,415,877,237	241,593,672	134,095,179	375,590,532
Earnings per share	12.03	2.05	1.14	3.19

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

Lahore

December 16, 2019

Chief Financial Officer

Chief Executive

Director

TANGLIANWALA SUGAR MILLS LTD.

STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the period ended June 30, 2019

	NINE MONTHS ENDED 30-June		QUARTER ENDED 30-June	
	2019 (RUPEES)	2018 (RUPEES)	2019 (RUPEES)	2018 (RUPEES)
Profit after tax for the period	1,415,877,237	241,593,672	134,095,179	375,590,532
Other comprehensive income	-	-	-	-
Total comprehensive Income for the period	<u>1,415,877,237</u>	<u>241,593,672</u>	<u>134,095,179</u>	<u>375,590,532</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, 2019

	RESERVES					Total
	Share Capital	Share premium	Un-appropriated profit	Sub total	Equity portion of sponsors loan	
	Rupees					
Balance as at 1st October 2017	1,177,063,000	290,741,640	2,777,150,382	3,067,892,022	1,935,050,170	6,180,005,192
Transaction with sponsors of the Company						
Repayment made during the period	-	-	-	-	-	-
Profit for the period ended 30 June 2018	-	-	241,593,672	241,593,672	-	241,593,672
Other comprehensive income for the period ended 30 June 2018	-	-	-	-	-	-
	-	-	241,593,672	241,593,672	-	241,593,672
Balance as at 30 June 2018	<u>1,177,063,000</u>	<u>290,741,640</u>	<u>3,018,744,054</u>	<u>3,309,485,694</u>	<u>1,935,050,170</u>	<u>6,421,598,864</u>
Balance as at 1st October 2018	1,177,063,000	290,741,640	3,550,399,707	3,841,141,347	1,935,050,170	6,953,254,517
Transaction with sponsors of the Company						
Payment received during the period	-	-	-	-	1,606,000,000	1,606,000,000
Profit for the period ended 30 June 2019	-	-	1,415,877,237	1,415,877,237	-	1,415,877,237
Other comprehensive income for the period ended 30 June 2019	-	-	-	-	-	-
	-	-	1,415,877,237	1,415,877,237	-	1,415,877,237
Balance as at 30 June 2019	<u>1,177,063,000</u>	<u>290,741,640</u>	<u>4,966,276,944</u>	<u>5,257,018,584</u>	<u>3,541,050,170</u>	<u>9,975,131,754</u>

Lahore

December 16, 2019 Chief Financial Officer

Chief Executive

Director

TANGLIANWALA SUGAR MILLS LTD.

CASH FLOW STATEMENT (UN-AUDITED)

For the period ended June 30, 2019

	October 2018 To June 2019 (Rupees)	October 2017 To June 2018 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,415,877,238	241,593,672
Adjustments for non cash and other items :		
Depreciation	600,158,095	505,454,774
Finance cost	1,179,558,996	730,439,813
Gain on disposal of fixed assets	-	(211,538)
Provision for WPPF	74,519,855	12,715,456
	<u>1,854,236,945</u>	<u>1,248,398,505</u>
Operating profit before working capital changes	3,270,114,183	1,489,992,177
(Increase) / decrease in current assets :		
Stores, spares and loose tools	(510,899,696)	(379,221,739)
Trade debtors	2,659,184	(6,120,750)
Advances, deposits, prepayments and other receivables	(332,076,081)	(1,272,423,372)
Stock in trade	5,075,743,328	(4,067,885,880)
	<u>4,235,426,735</u>	<u>(5,725,651,741)</u>
(Decrease) / increase in current liabilities :		
Trade and other payables	(7,042,261,050)	5,110,914,060
Cash generated from operations	<u>463,279,868</u>	<u>875,254,496</u>
Finance cost paid	(1,076,789,096)	(687,743,107)
Employee retirement benefits paid	(1,470,926)	(1,572,031)
Workers' profit participation fund paid	-	(24,510,145)
	<u>(1,078,260,022)</u>	<u>(713,825,283)</u>
NET CASH GENERATED FROM OPERATING ACTIVITIES	<u>(614,980,153)</u>	<u>161,429,213</u>
CASH FLOW FROM INVESTING ACTIVITIES :		
Fixed capital expenditure	(532,151,621)	(317,967,271)
Proceeds from sale of fixed assets	-	8,262,067
Long Term Deposits	29,822,960	1,919,653
Capital work in progress	(22,161,358)	(711,965,345)
NET CASH USED IN INVESTING ACTIVITIES	<u>(524,490,019)</u>	<u>(1,019,750,896)</u>
CASH FLOW FROM FINANCING ACTIVITIES :		
Lease rental paid	(204,716,706)	(29,882,656)
Short term borrowings	77,370,625	1,908,126,402
Long term loans	(332,628,514)	50,481,923
Loan from sponsors	1,606,000,000	-
Advances from customers	-	(554,036,748)
NET CASH GENERATED FROM FINANCING ACTIVITIES	<u>1,146,025,405</u>	<u>1,374,688,921</u>
Net increase in cash and cash equivalents	6,555,232	516,367,238
Cash and cash equivalents at the beginning of the period	83,068,317	687,766,245
Cash and cash equivalents at the end of the period	<u>89,623,549</u>	<u>1,204,133,483</u>

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

Lahore

December 16, 2019

Chief Financial Officer

Chief Executive

Director

TANGLIANWALA SUGAR MILLS LTD.

NOTES TO THE ACCOUNTS (UN-AUDITED)

For the period ended June 30, 2019

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 requirement of the Companies Act, 2017.
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 2018.
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 December 16, 2019.
6. Figures have been rounded off to the nearest rupee.

Lahore

December 16, 2019

Chief Financial Officer

Chief Executive

Director

TANDLIANWALA 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 United Bank Limited Allied Bank Limited Bank Alfalah Limited Habib Bank Limited The Bank of Punjab Soneri 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. Ghazi Khan Mr. Tahir Farooq Malik Mr. Khalid Siddique	(Chairman) (Member) (Member) (Secretary)
Auditors	UHY Hassan Naeem & Co. Chartered Accountants	
Share Registrar	Corplink (Private) Limited 1-K, Commercial 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	

STAMP

BOOK POST

 by: Arif Sons

**IF UNDELIVERED, PLEASE RETURN TO:
Tandlianwala Sugar Mills Ltd.
66-L, GULBERG II, Lahore.**