

# TANDLIANWALA

SUGAR MILLS, LTD.

## Quarterly Report

December 31,  
2016



**DIRECTORS REPORT**

**Dear Shareholders,**

The Board of Directors of the Company is pleased to present you its unaudited condensed interim financial statements of the company for the 1st Quarter ending December 31, 2016. The key performance indicators are under :

The Company started the sugarcane crushing at all of its units in 2<sup>nd</sup> half of November 2016 and all are operating at reasonably good levels due to the availability of bumper crop of sugar cane.

Though, the first quarter in the sugar sector financial period never presents a fair position of the company affairs, as the crushing has just commenced, but we, in comparison to last year same period are in net profits from operations of Rs 266 million as compared to Rs 122 million, though there was no sugar export in the said period. The company also has managed to reduce the financial charges with efficient usage of working capital facilities during this period .

The sugar cane prices in Punjab and KPK Provinces for the Crushing season 2016-2017 remained un-changed and fixed @ Rs 180 per 40kg .

Because of the expected higher sugar production in the country, the Federal Government, recently approved the sugar quota upto 225,000 M.Tons with no rebate or cash subsidy. We would be exporting Sugar in the next quarter against such approval .

The other segment divisions i.e the Ethanol & CO2 are also operated well, contributing towards the improved profitability of the company .

The Board would like to articulate their appreciation for the allegiance, hard work of the workers, staff and members of the management team.

On behalf of Board of Directors

**AKBAR KHAN**  
(Chief Executive)  
April 03, 2017

**TANGLIANWALA SUGAR MILLS LTD.**

**BALANCE SHEET (UN-AUDITED)**

|  | (Un-Audited)<br>31 December<br>2016<br>Rupees | (Audited)<br>30 September<br>2016<br>Rupees |
|--|---|---|
| <b>LIABILITIES</b>   |   |   |
| <b>SHARE CAPITAL AND RESERVES</b>                                |   |   |
| <b>Authorized capital</b>  |   |   |
| 120,000,000 ordinary shares of Rs. 10 each                       | <b>1,200,000,000</b>                          | 1,200,000,000                               |
| <b>Issued, subscribed and paid-up capital</b>                    |   |   |
| 117,706,300 ordinary shares of Rs. 10 each<br>fully paid in cash | <b>1,177,063,000</b>                          | 1,177,063,000                               |
| Reserves   | <b>2,883,530,220</b>                          | 2,617,707,211                               |
| Equity portion of financial liabilities                          | <b>1,935,050,170</b>                          | 1,935,050,170                               |
|  | <b>5,995,643,390</b>                          | 5,729,820,381                               |
| <b>NON CURRENT LIABILITIES</b>                                   |   |   |
| Long term finances - secured                                     | <b>819,504,855</b>                            | 915,998,593                                 |
| Liabilities against assets subject to finance lease              | <b>37,964,285</b>                             | 37,312,883                                  |
| Advances from customers  | <b>1,854,470,998</b>                          | 1,741,802,889                               |
| Deferred liabilities   |   |   |
| - Employees' retirement benefits                                 | <b>245,041,788</b>                            | 245,194,213                                 |
| - Deferred taxation  | <b>23,746,159</b>                             | 23,746,159                                  |
|  | <b>2,980,728,085</b>                          | 2,964,054,737                               |
| <b>CURRENT LIABILITIES</b>                                       |   |   |
| Short term borrowings - secured                                  | <b>6,043,835,055</b>                          | 5,259,368,808                               |
| Current portion of non-current liabilities                       | <b>669,853,095</b>                            | 608,487,840                                 |
| Trade and other payables   | <b>3,862,607,157</b>                          | 1,532,156,098                               |
| Interest and mark-up accrued                                     | <b>59,434,352</b>                             | 109,673,836                                 |
| Provision for taxation   | <b>35,236,759</b>                             | -   |
|  | <b>10,670,966,418</b>                         | 7,509,686,582                               |
| <b>CONTINGENCIES AND COMMITMENTS</b>                             |   |   |
|  | <b>19,647,337,893</b>                         | 16,203,561,700                              |

Lahore  
April 03, 2017

Chief Executive

**TANGLIANWALA SUGAR MILLS LTD.**

**AS AT DECEMBER 31, 2016**

|   | (Un-Audited)<br>31 December<br>2016<br>Rupees | (Audited)<br>30 September<br>2016<br>Rupees |
|---|---|---|
| <b>ASSETS</b>   |   |   |
| <b>NON CURRENT ASSETS</b>                             |   |   |
| Property, plant and equipment                         | 11,543,826,113                                | 11,247,190,642                              |
| Long term deposits                                    | 157,694,842                                   | 28,919,144                                  |
|   | 11,701,520,955                                | 11,276,109,786                              |
| <b>CURRENT ASSETS</b>                                 |   |   |
| Stores, spares and loose tools                        | 999,407,408                                   | 765,898,105                                 |
| Stock in trade  | 3,804,449,638                                 | 2,978,867,891                               |
| Trade debtors   | 270,952,867                                   | 21,246,615                                  |
| Advances, deposits, prepayments and other receivables | 1,777,002,027                                 | 693,770,239                                 |
| Tax refunds due from government                       | 419,147,951                                   | 400,732,497                                 |
| Cash and bank balances                                | 674,857,047                                   | 66,936,567                                  |
|   | 7,945,816,938                                 | 4,927,451,914                               |
|   | 19,647,337,893                                | 16,203,561,700                              |

Director

## TANGLIANWALA SUGAR MILLS LTD.

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

For the period ended December 31, 2016

|                               | 31 December<br>2016<br>(Rupees) | 31 December<br>2015<br>(Rupees) |
|-------------------------------|---------------------------------|---------------------------------|
| <b>Sales - net</b>            | <b>3,523,675,910</b>            | 2,521,290,298                   |
| Cost of sales                 | (2,967,277,210)                 | (2,078,903,139)                 |
| <b>Gross profit</b>           | <b>556,398,700</b>              | 442,387,159                     |
| Administrative expenses       | (105,809,886)                   | (81,937,907)                    |
| Distribution expenses         | (38,034,109)                    | (38,365,763)                    |
| Other operating expenses      | (15,845,251)                    | (7,764,919)                     |
| Other income                  | 1,281,578                       | 355,062                         |
|                               | (158,407,668)                   | (127,713,527)                   |
| <b>Profit from operations</b> | <b>397,991,032</b>              | 314,673,632                     |
| Finance cost                  | (96,931,264)                    | (167,140,176)                   |
| <b>Profit before taxation</b> | <b>301,059,768</b>              | 147,533,456                     |
| Taxation                      | (35,236,759)                    | (25,212,903)                    |
| <b>Profit after taxation</b>  | <b>265,823,009</b>              | 122,320,553                     |
| <b>Earning per share</b>      | <b>2.26</b>                     | 1.04                            |

Lahore  
April 03, 2017

Chief Executive

Director

## TANGLIANWALA SUGAR MILLS LTD.

### STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the period ended December 31, 2016

|  | 31 December<br>2016<br>(Rupees) | 31 December<br>2015<br>(Rupees) |
|--|---------------------------------|---------------------------------|
| Profit after tax for the period                  | 265,823,009                     | 122,320,553                     |
| Other comprehensive income                       | -                               | -                               |
| <b>Total comprehensive income for the period</b> | <b>265,823,009</b>              | <b>122,320,553</b>              |

Lahore  
April 03, 2017

Chief Executive

Director

### STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the period ended December 31, 2016

|   | RESERVES             |                    |                               |                      |                           | Total                |
|---|----------------------|--------------------|-------------------------------|----------------------|---------------------------|----------------------|
|   | Share<br>Capital     | Share<br>Premium   | Un-<br>appropriated<br>Profit | Sub<br>total         | Loan<br>from<br>directors |                      |
|   | Rupees               |                    |                               |                      |                           |                      |
| <b>Balance as at 01 October 2015</b>            | 1,177,063,000        | 290,741,640        | 1,436,641,219                 | 1,727,382,859        | 1,971,962,036             | 4,876,407,895        |
| <i>Transactions with owners of the Company:</i> |                      |                    |                               |                      |                           |                      |
| Repayments made during the year                 | -                    | -                  | -                             | -                    | (2,000,000)               | (2,000,000)          |
| <i>Total comprehensive income for the year:</i> |                      |                    |                               |                      |                           |                      |
| Total comprehensive income for the period       | -                    | -                  | 122,320,553                   | 122,320,553          | -                         | 122,320,553          |
|   | -                    | -                  | 122,320,553                   | 122,320,553          | -                         | 122,320,553          |
| <b>Balance as at 31 December 2015</b>           | <b>1,177,063,000</b> | <b>290,741,640</b> | <b>1,558,961,772</b>          | <b>1,849,703,412</b> | <b>1,969,962,036</b>      | <b>4,996,728,448</b> |
| <b>Balance as at 01 October 2016</b>            | 1,177,063,000        | 290,741,640        | 2,326,965,571                 | 2,617,707,211        | 1,935,050,170             | 5,729,820,381        |
| <i>Transactions with owners of the Company:</i> |                      |                    |                               |                      |                           |                      |
| Repayment made during the year                  | -                    | -                  | -                             | -                    | -                         | -                    |
| <i>Total comprehensive income for the year:</i> |                      |                    |                               |                      |                           |                      |
| Total comprehensive income for the period       | -                    | -                  | 265,823,009                   | 265,823,009          | -                         | 265,823,009          |
|   | -                    | -                  | 265,823,009                   | 265,823,009          | -                         | 265,823,009          |
| <b>Balance as at 31 December 2016</b>           | <b>1,177,063,000</b> | <b>290,741,640</b> | <b>2,592,788,580</b>          | <b>2,883,530,220</b> | <b>1,935,050,170</b>      | <b>5,995,643,390</b> |

Lahore  
April 03, 2017

Chief Executive

Director

## TANGLIANWALA SUGAR MILLS LTD.

### CASH FLOW STATEMENT (UN-AUDITED)

For the period ended December 31, 2016

|   | October-16<br>to<br>December-16<br>Rupees | October-15<br>to<br>December-15<br>Rupees |
|---|---|---|
| <b>Cash flow from operating activities</b>                      |   |   |
| Profit before taxation  | 301,059,768                               | 147,533,457                               |
| Adjustments for non cash and other items:                       |   |   |
| Finance cost  | 96,931,264                                | 167,140,176                               |
| Depreciation  | 171,981,044                               | 140,526,705                               |
| Gain on disposal of fixed assets                                | (961,988)                                 | -   |
| Provision for Workers' Profit Participation Fund                | 15,845,251                                | 7,764,919                                 |
|   | 283,795,571                               | 315,431,800                               |
| <b>Operating profit before working capital changes</b>          | <b>584,855,339</b>                        | <b>462,965,257</b>                        |
| (Increase)/decrease in current assets:                          |   |   |
| Stores, spares and loose tools                                  | (233,509,303)                             | (97,462,301)                              |
| Stock in trade  | (825,581,747)                             | (2,208,329,496)                           |
| Advances, deposits, prepayments and other receivables           | (1,101,647,241)                           | (205,351,273)                             |
| Trade debtors   | (249,706,252)                             | 7,671,224                                 |
|   | (2,410,444,543)                           | (2,503,471,846)                           |
| (Decrease) / Increase in current liabilities:                   |   |   |
| Trade and other payables  | 2,314,605,810                             | 2,231,756,993                             |
| <b>Cash generated from operations</b>                           | <b>489,016,606</b>                        | <b>191,250,404</b>                        |
| Finance cost paid   | (147,170,748)                             | (89,600,022)                              |
| Employee retirement benefits paid                               | (152,425)                                 | (7,208)                                   |
|   | (147,323,173)                             | (89,607,230)                              |
| <b>Net cash generated (used) / from in operating activities</b> | <b>341,693,433</b>                        | <b>101,643,174</b>                        |
| <b>Cash flow from investing activities</b>                      |   |   |
| Fixed capital expenditure                                       | (10,579,640)                              | (25,765,434)                              |
| Proceeds from sale of fixed assets                              | 2,671,000                                 | -   |
| Capital work in progress  | (459,745,890)                             | 3,320,706                                 |
| Lease deposits  | (128,775,699)                             | (49,273,451)                              |
| <b>Net cash used in investing activities</b>                    | <b>(596,430,229)</b>                      | <b>(71,718,179)</b>                       |
| <b>Cash flow from financing activities</b>                      |   |   |
| Lease liability   | 48,385,445                                | 105,497,293                               |
| Short term borrowings   | 784,466,248                               | 399,016,857                               |
| Long term loans   | (82,862,526)                              | (165,521,247)                             |
| Advances from customers   | 112,668,109                               | 192,034,663                               |
| Loans from Directors  | -   | (2,000,000)                               |
| <b>Net cash generated (used in) from financing activities</b>   | <b>862,657,276</b>                        | <b>529,027,566</b>                        |
| <b>Net (decrease) / increase in cash and cash equivalents</b>   | <b>607,920,480</b>                        | <b>558,952,561</b>                        |
| <b>Cash and cash equivalents at the beginning of the period</b> | <b>66,936,567</b>                         | <b>155,532,534</b>                        |
| <b>Cash and cash equivalents at the end of the period</b>       | <b>674,857,047</b>                        | <b>714,485,095</b>                        |

Lahore  
April 03, 2017

Chief Executive

Director

**NOTES TO THE ACCOUNTS (UN-AUDITED)**

*For the period ended December 31, 2016*

1. These financial statements have been prepared in accordance with the requirements of International Accounting Standard-34 (IAS-34) "Interim Financial Reporting."
2. The accounting policies adopted for the preparation of these accounts are same as those applied in the preceding year ended 30th September 2016.
3. Provision in respect of taxation and workers profit participation fund are estimated only and financial liabilities will be determined on the basis of annual results.
4. Sugar cane crushing season commences from November till April each year.
5. **Contingencies and commitments**
  - 5.1 **Contingencies**

There are no other significant changes, other those already reported in contingencies as at September 30, 2016, which require disclosure in the condensed interim financial statements
  - 5.2 **Commitments**

The Company has capital commitments of Rs.222.15 (M) (September 30 2016: Rs.202.16 million) on account of import of machinery and its related components.
6. These financial statements were authorized for issue by the Board of Directors of the Company on April 03, 2017.
7. Figures in these accounts have been rounded off to the nearest rupee.

Lahore  
April 03, 2017

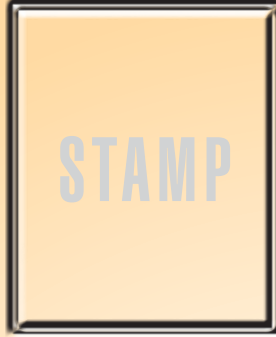
\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

## TANGLIANWALA SUGAR MILLS LTD.

### COMPANY INFORMATION

|  |   |  |
|--|---|--|
| <b>Board of Directors</b>                            | Mr. Ghazi Khan<br>Mr. Akbar Khan<br>Mr. Humayun Akhtar Khan<br>Mr. Haroon Khan<br>Mrs. Rasheeda Begum<br>Mrs. Mobina Akbar Khan<br>Mr. Tahir Farooq Malik   | <b>(Chairman)</b><br><b>(Chief Executive)</b>  |
| <b>Company Secretary and Chief Financial Officer</b> | Mr. Ahmad Jehanzeb Khan   |  |
| <b>Bankers</b>                                       | <b>Commercial Banks</b><br>Allied Bank Limited<br>Faysal Bank Limited<br>MCB Bank Limited<br>NIB Bank Limited<br>Silk Bank Limited<br>Soneri Bank Limited<br>The Bank of Khyber<br>United Bank Limited<br><b>Islamic Banks</b><br>Albaraka Bank (Pakistan) Limited<br>Bank Islami Pakistan Limited<br>Meezan Bank Limited | Bank Alfalah Limited<br>Habib Bank Limited<br>National Bank of Pakistan Limited<br>Samba Bank Limited<br>Sindh Bank Limited<br>Summit Bank Limited<br>The Bank of Punjab<br><br>Burj Bank Limited<br>Dubai Islamic Bank Pakistan Limited |
| <b>Legal Advisors</b>                                | 1. Bandial & Associates<br>35-A, Luqman Street, Zahoor<br>Afridi Road, Lahore Cantt.  | 2. Ali Subtain Fazli & Associates<br>Mall Mansion 30<br>The Mall, Lahore   |
| <b>Audit Committee</b>                               | Mr. Humayun Akhtar Khan<br>Mr. Tahir Farooq Malik<br>Mr. Ghazi Khan<br>Mr. Khalid Siddique  | <b>(Chairman)</b><br><b>(Member)</b><br><b>(Member)</b><br><b>(Secretary)</b>  |
| <b>Auditors</b>                                      | KPMG Taseer Hadi & Co.<br>Chartered Accountants   |  |
| <b>Share Registrar</b>                               | Corplink (Private) Limited<br>1-K, Model Town, Lahore   |  |
| <b>Sugar Mills:</b>                                  |   |  |
| <i>Unit 1</i>  | Kanjwani, Tehsil Tandlianwala,<br>District, Faisalabad  |  |
| <i>Unit 2</i>  | Taunsa Road, Indus Highway,<br>Dera Ismail Khan   |  |
| <i>Unit 3</i>  | Shah Jamal Road,<br>Muzaffargarh  |  |
| <b>Distillery:</b>                                   |   |  |
| <i>Unit 1</i>  | Kanjwani, Tehsil Tandlianwala,<br>District, Faisalabad  |  |
| <i>Unit 2</i>  | Shah Jamal Road,<br>Muzaffargarh  |  |
| <b>Top Gas:</b>                                      | Kanjwani, Tehsil Tandlianwala,<br>District, Faisalabad  |  |
| <b>Registered Office:</b>                            | 66-L, Gulberg-II, Lahore  |  |



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

**D&P** by: Arif Sons