

Tandlianwala Sugar Mills Ltd.

Quarterly Report

December

31,
2018

TANDLIANWALA SUGAR MILLS LTD.

BRIEF REVIEW

Dear Shareholders,

On behalf of the Board of Directors of the Company, I am pleased to present a brief review of the performance of the Company and its unaudited condensed interim financial statements for the 1st Quarter ending December 31, 2018.

The financial results of first quarter in the sugar sector never depict true picture of the final results that a company will achieve at year end, but somehow, give a fair idea of the position of the company affairs.

The key indicators of operating and financial results are summarized below.

The Company started crushing at all its three sugar units in the second week of December 2018. Sugar mills were generally reluctant to start crushing season and in Punjab no sugar mill started crushing, even at the start of December 2018.

In comparison to last corresponding period's net profit of Rs. 188 million, we earned a net profit of Rs 806 million during this period.

The minimum notified support price of sugarcane for crushing season 2018-19 remained unchanged in the province of Punjab and KPK, at Rs 180 per 40 kg.

During the period under review, the performance of our Ethanol & CO2 Divisions was reasonably good and their results further improved.

The Board would like to record its appreciation for the hard work of the staff and members of the management team.

On behalf of Board of Directors

AKBAR KHAN

(Chief Executive Officer)

November 07, 2019

ڈائریکٹر کا جائزہ

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کی کارکردگی کے تفصیلی جائزہ اور 31 دسمبر 2018ء تک کی پہلی سہ ماہی کے اختتام کیلئے غیر آڈٹ شدہ اصل عبوری مالی سٹیٹمنٹ کی رونمائی میرے لئے باعث مسرت ہے۔

شوگر سیکٹر میں پہلی سہ ماہی کے مالی نتائج کمپنی کے سال کے اختتام پر حاصل کردہ مالی نتائج کی عکاسی نہیں کرتے تاہم یہ کمپنی کے امور کی پوزیشن کے بارے میں ایک منصفانہ رائے ضرور فراہم کرتے ہیں۔

آپ بٹنگ اور مالی نتائج کا خلاصہ حسب ذیل ہے:

کمپنی نے اپنے تینوں یونٹس میں دسمبر 2018ء کے دوسرے ہفتے میں کرشنگ کا آغاز کیا تھا۔ شوگر ملیں عام طور پر کرشنگ سیزن شروع کرنے سے گریزاں تھیں اور پنجاب میں دسمبر 2018ء کے آغاز میں بھی شوگر ملز نے کرشنگ کا آغاز نہیں کیا۔

گزشتہ اسی مدت میں مبلغ 188 ملین خالص منافع کے مقابلہ میں اس مدت کے دوران کمپنی نے خالص منافع کی مد میں مبلغ 806 ملین کمائے ہیں۔ پنجاب اور خیبر پختونخوا میں کرشنگ سیزن 2018-19ء کیلئے گئے کی کم از کم نامزد آمدادی قیمت میں کوئی تبدیلی نہیں آئی اور یہ فی 40 کلوگرام مبلغ 180/- روپے برقرار رہی۔

زیر نظر سال کے دوران ہمارے ایٹھوئل اور سی او 2 ڈویژن کی کارکردگی میں اضافہ ہوا۔ بورڈ سٹاف اور انتظامی ٹیم کی انتھک محنت لگن پر ان کا تہہ دل سے مشکور و ممنون ہے۔

بحکم ڈائریکٹر بورڈ

اکبر خان

(چیف ایگزیکٹو آفیسر)

07 نومبر 2019ء

TANDLIANWALA SUGAR MILLS LTD.

BALANCE SHEET (UN-AUDITED)

	(Un-Audited) 31 December 2018 Rupees	(Audited) 30 September 2018 Rupees
LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital		
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
Reserves	4,646,659,916	3,841,141,347
Equity portion of financial liabilities	1,935,050,170	1,935,050,170
	7,758,773,086	6,953,254,517
NON CURRENT LIABILITIES		
Long term finances - secured	2,512,755,702	2,698,134,997
Liabilities against assets subject to finance lease	754,093,843	661,213,299
Deferred liabilities		
- Employees' retirement benefits	414,088,580	414,693,881
- Deferred taxation	41,580,597	41,580,597
	3,722,518,722	3,815,622,774
CURRENT LIABILITIES		
Short term borrowings - secured	8,907,950,129	8,523,389,945
Current portion of non-current liabilities	923,522,744	1,188,080,201
Trade and other payables	7,508,642,242	8,481,337,041
Interest and mark-up accrued	229,294,207	268,950,864
	17,569,409,322	18,461,758,051
CONTINGENCIES AND COMMITMENTS		
	29,050,701,130	29,230,635,342

Lahore
November 07, 2019

Chief Financial Officer

Chief Executive

TANDLIANWALA SUGAR MILLS LTD.

AS AT DECEMBER 31, 2018

	(Un-Audited) 31 December 2018 Rupees	(Audited) 30 September 2018 Rupees
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	15,769,084,003	15,717,733,700
Long term deposits	333,253,848	182,397,705
	16,102,337,851	15,900,131,405
CURRENT ASSETS		
Stores, spares and loose tools	1,348,599,490	1,100,061,916
Stock in trade	8,818,723,343	9,662,664,711
Trade debtors	15,552,312	25,328,463
Advances, deposits, prepayments and other receivables	2,186,312,771	1,768,251,565
Tax refunds due from government - net	547,657,156	691,128,965
Cash and bank balances	31,518,207	83,068,317
	12,948,363,279	13,330,503,937
	29,050,701,130	29,230,635,342
		Director

TANDLIANWALA SUGAR MILLS LTD.

PROFIT AND LOSS ACCOUNT (UN-AUDITED)

For the period ended December 31, 2018

	31 December 2018 (Rupees)	31 December 2017 (Rupees)
Sales - net	5,494,232,288	2,434,568,346
Cost of sales	(4,179,485,093)	(1,768,266,561)
Gross profit	1,314,747,195	666,301,785
Administrative expenses	(122,009,193)	(156,559,529)
Distribution expenses	(53,461,779)	(30,822,721)
Other operating expenses	(42,395,714)	(11,157,662)
Other income	3,342,310	5,859,217
	(214,524,376)	(192,680,695)
Profit from operations	1,100,222,819	473,621,090
Finance cost	(294,704,250)	(261,625,516)
Profit before taxation	805,518,569	211,995,574
Taxation	-	(24,345,683)
Profit after taxation	805,518,569	187,649,891
Earning per share	6.84	1.59

Lahore

November 07, 2019

Chief Financial Officer

Chief Executive

Director

Quarterly Report December 31, 2018

TANDLIANWALA SUGAR MILLS LTD.

STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the period ended December 31, 2018

	31 December 2018 (Rupees)	31 December 2017 (Rupees)
Profit after tax for the period	805,518,569	187,649,891
Other comprehensive income	-	-
Total comprehensive income for the period	805,518,569	187,649,891

STATEMENT OF CHANGES AND EQUITY (UN-AUDITED)

For the period ended December 31, 2018

	RESERVES					Total
	Share capital	Share premium	Un-appropriated profit	Sub total	Loan from directors	
	----- Rupees -----					
Balance as at 01 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
<i>Transactions with owners of the Company:</i>						
Repayments made during the period	-	-	-	-	-	-
<i>Total comprehensive income for the period:</i>	-	-	-	-	-	-
Other comprehensive income for the period	-	-	187,649,891	187,649,891	-	187,649,891
	-	-	187,649,891	187,649,891	-	187,649,891
Balance as at 31 December 2017	<u>1,177,063,000</u>	<u>290,741,640</u>	<u>2,964,800,273</u>	<u>3,255,541,913</u>	<u>1,935,050,170</u>	<u>6,367,655,083</u>
Balance as at 01 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
<i>Transactions with owners of the Company:</i>						
Repayment made during the period	-	-	-	-	-	-
<i>Total comprehensive income for the period:</i>	-	-	-	-	-	-
Other comprehensive income for the period ended 31 December 2018 - net of tax	-	-	805,518,569	805,518,569	-	805,518,569
	-	-	805,518,569	805,518,569	-	805,518,569
Balance as at 31 December 2018	<u>1,177,063,000</u>	<u>290,741,640</u>	<u>4,355,918,276</u>	<u>4,646,659,916</u>	<u>1,935,050,170</u>	<u>7,758,773,086</u>

Lahore

November 07, 2019

Chief Financial Officer

Chief Executive

Director

TANDLIANWALA SUGAR MILLS LTD.

CASH FLOW STATEMENT (UN-AUDITED)

For the period ended December 31, 2018

	October-18 to December-18 Rupees	October-17 to December-17 Rupees
Cash flow from operating activities		
Profit before taxation	805,518,569	211,995,574
Adjustments for non cash and other items:		
Finance cost	294,704,250	171,405,236
Depreciation	200,209,897	261,625,516
Return on bank deposits	(3,254,855)	-
Provision for Workers' Profit Participation Fund	42,395,714	11,157,662
	<u>534,055,006</u>	<u>444,188,414</u>
Operating profit before working capital changes	<u>1,339,573,575</u>	<u>656,183,988</u>
(Increase)/decrease in current assets:		
Stores, spares and loose tools	(248,537,574)	(508,083,942)
Stock in trade	843,941,368	12,287,367
Advances, deposits, prepayments and other receivables	(274,589,397)	(255,573,016)
Trade debtors	9,776,151	(685,103,250)
	<u>330,590,548</u>	<u>(1,436,472,841)</u>
(Decrease) / Increase in current liabilities:		
Trade and other payables	(1,015,090,513)	1,323,251,353
Cash generated from operations	<u>655,073,610</u>	<u>542,962,500</u>
Finance cost paid	(334,360,907)	(213,747,104)
Employee retirement benefits paid	(605,301)	(631,560)
	<u>(334,966,208)</u>	<u>(214,378,664)</u>
Net cash generated (used) / from in operating activities	<u>320,107,402</u>	<u>328,583,836</u>
Cash flow from investing activities		
Fixed capital expenditure	(234,733,151)	(68,372,101)
Income received from bank deposits	3,254,855	-
Capital work in progress	(16,827,048)	77,046,231
Lease deposits	(150,856,143)	(217,200)
Net cash used in investing activities	<u>(399,161,487)</u>	<u>8,456,930</u>
Cash flow from financing activities		
Lease liability	160,358,969	27,171,366
Short term borrowings	384,560,184	(740,801,980)
Long term loans	(517,415,178)	(48,880,918)
Advances from customers	-	(100,585,978)
Net cash generated (used in) from financing activities	<u>27,503,975</u>	<u>(863,097,510)</u>
Net (decrease) / increase in cash and cash equivalents	<u>(51,550,110)</u>	<u>(526,056,744)</u>
Cash and cash equivalents at the beginning of the period	<u>83,068,317</u>	<u>687,766,245</u>
Cash and cash equivalents at the end of the period	<u>31,518,207</u>	<u>161,709,501</u>

Lahore

November 07, 2019

Chief Financial Officer

Chief Executive

Director

NOTES TO THE ACCOUNTS (UN-AUDITED)

For the period ended December 31, 2018

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 2018.
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, 2018, which require disclosure in the condensed interim financial statements.
 - 5.2 **Commitments**

The Company has capital commitments of Rs.Nil(M)(September 30 2018: Rs. Nil(M) 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 November 07, 2019.
7. Figures in these accounts have been rounded off to the nearest rupee.

Lahore

November 07, 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	

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

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