



TANDLIANWALA
SUGAR MILLS LTD.

QUARTERLY REPORT



JUNE

30, 2021

DIRECTOR' REVIEW

Dear Shareholders,

On behalf of the Board of Directors of Tandlianwala Sugar Mills Limited, I am pleased to present the condensed interim financial statements of the Company for the nine months period ended June 30, 2021.

As mentioned in our earlier review reports of this year, the entire sugar industry continues to respond to numerous notices & queries of the federal & provincial governments various regulatory and revenue authorities.

The scarcity of sugarcane, escalating international sugar prices coupled with a depreciated rupee lead the growers of sugarcane to hoard their produce to fetch astronomically high prices.

Even during these hard & testing times, the Company management made & will continue to make a collective effort for attaining better results. During these nine months period, the company achieved an all time high net revenue figure of Rs. 22.555 Billion in comparison to Rs. 17.103 Billion for the same corresponding nine months period of the last year with gross profit of Rs. 1.384 Billion, as compared to Rs. 1.169 Billion of the preceding same period.

The Company's distillery division appreciably earned these gross profits and thus reduced the overall losses, which the company suffered & may also suffer by the year end, owing to the ongoing onslaught, of the regulators.

In this changing environment of the sugar sector, our management has decided to equip with the ability to produce ethanol for the remaining part of this year, by perfecting our business approach and procuring large quantities of molasses from outside, at competitive prices.

In order to maintain an overall good performance in future, we would now be focusing more to reduce the controllable overheads, being one of the critical success factors, other than the all important raw material costs, so as to enable the Company to achieve reasonable profits, in both of its sugar & distillery divisions.

On behalf of Board of Directors

(Chief Executive Officer)

July 30, 2021

Lahore

(Director)

معزز حصص داران

بورڈ آف ڈائریکٹرز تاندلیانوالہ شوگر ملز لمیٹڈ کی جانب سے مورخہ 30 جون 2021ء کو اختتام پذیر ہونے والے 9 ماہ کیلئے کمپنی کی اصل عبوری فنانشل سٹیٹمنٹ پیش کرنا میرے لئے باعث مسرت و افتخار ہے۔

ہماری امسال کی ابتدائی نظر ثانی رپورٹ کے مطابق مجموعی طور پر پوری شوگر انڈسٹری کو وفاقی اور صوبائی حکومتوں کی مختلف ریگولیٹری اور پونیو اتھارٹیز کی جانب سے مختلف نوٹسوں اور ہدایات پر جواب دیا گیا۔

گنے کی قلت نے بین الاقوامی سطح پر شوگر کی قیمت میں اضافہ کیساتھ روپے کی قدر میں کمی کی وجہ سے گنے کے کاشتکاروں نے پیداوار کو ذخیرہ کیا اور قیمتیں آسمان سے باتیں کرنے لگیں۔

ان مشکل حالات کے باوجود بھی کمپنی کی مینجمنٹ نے ملکر بہتر نتائج حاصل کرنے کی بھرپور کوشش کی ہے۔ اس 9 ماہ کے عرصہ کے دوران کمپنی نے مجموعی طور پر 1.384 بلین کے منافع کے ساتھ سب سے زیادہ مبلغ 22.555 بلین روپے فروخت کیا جبکہ گزشتہ سال کے اسی نو ماہ کے عرصہ میں یہ منافع مجموعی طور پر 1.169 کے ساتھ فروخت مبلغ 17.103 بلین روپے تھا۔

کمپنی کے ڈسٹری ڈویشن نے قابل تعریف حد تک یہ مجموعی منافع کمایا اور ریگولیٹری کی جانب سے پہنچائے جانے والے اُن نقصانات کو کم کیا جن کا کمپنی کو سامنا ہے اور سال کے آخر تک یہ سامنا رہنے کی توقع ہے۔

شوگر سیکٹر کے اس بدلنے ہوئے ماحول میں ہماری انتظامیہ نے یہ فیصلہ کیا ہے کہ اس سال کے بقایا حصہ میں کاروباری نقطہ نظر کو درست سمت میں لے جاتے ہوئے اور مقابلہ جاتی نرخوں میں باہر سے بڑی مقدار کے اندر مولاسیس کی پروکیورنگ کیساتھ ایٹھول کی پیداوار میں اضافہ کیلئے خود کو تیار کیا جائے۔

مستقبل میں مجموعی طور پر بہتر کارکردگی کے مظاہرہ کیلئے کامیابی کے ایک مستند جواز ہونے کے ناطے ہم تمام اہم خام مال کے اخراجات کے علاوہ قابل کنٹرول اور ہیڈز پر زیادہ توجہ مرکوز رکھیں گے تاکہ کمپنی کو شوگر اور ڈسٹری ڈویشن دونوں میں معقول منافع دیا جاسکے۔

بحکم بورڈ آف ڈائریکٹرز

(چیف ایگزیکٹو آفیسر)

30 جولائی 2021ء

لاہور

(ڈائریکٹر)

TANDLIANWALA SUGAR MILLS LTD.

**CONDENSED INTERIM STATEMENT OF
FINANCIAL POSITION (UN-AUDITED)**

	(Un-Audited) 30-June-2021 Rupees	(Audited) 30-Sep-2020 Rupees
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorised Share Capital 120,000,000 (September 2020: 120,000,000) ordinary shares of Rs. 10 each	1,200,000,000	1,200,000,000
Issued, subscribed and paid-up share capital	1,177,063,000	1,177,063,000
Share Premium	290,741,640	290,741,640
Un-appropriated Profits	4,249,399,249	4,743,215,795
Loan from sponsors	3,372,366,770	3,635,214,057
	9,089,570,659	9,846,234,492
Non current liabilities		
Long term finances - <i>secured</i>	1,471,318,063	1,981,759,137
Lease Liability - <i>secured</i>	516,839,573	435,691,325
Deferred liabilities	632,450,084	564,706,862
	2,620,607,720	2,982,157,324
Current liabilities		
Short term borrowings - <i>secured</i>	10,899,353,009	6,160,656,056
Current portion of non-current liabilities	1,461,642,186	985,679,431
Trade and other payables	5,406,009,163	2,708,079,894
Interest and mark-up accrued	269,852,687	138,423,497
Provision for taxation	318,539,158	576,625,525
	18,355,396,203	10,569,464,403
Contingencies and Commitments	-	-
	30,065,574,582	23,397,856,219

The annexed notes 1 to 9 form an integral part of these financial statements.

Lahore
July 30, 2021

Chief Financial Officer

Chief Executive

TANDLIANWALA SUGAR MILLS LTD.

AS AT JUNE 30, 2021

	(Un-Audited) 30-June-2021 Rupees	(Audited) 30-Sep-2020 Rupees
ASSETS		
Non current assets		
Property, plant and equipment	15,742,413,091	16,168,944,779
Long term deposits	182,490,283	224,370,919
	<u>15,924,903,374</u>	<u>16,393,315,698</u>
Current assets		
Stores, Spareparts and loose tools	1,244,408,296	1,099,256,719
Stock-in-trade	10,319,130,909	2,384,437,294
Trade debts - considered good	10,305,210	5,808,788
Advances, deposits, prepayments and other receivables	2,175,644,748	2,371,757,797
Tax refunds due from Government - net	356,064,028	859,595,298
Cash & bank balances	35,118,017	283,684,625
	<u>14,140,671,208</u>	<u>7,004,540,521</u>
	<u><u>30,065,574,582</u></u>	<u><u>23,397,856,219</u></u>

Director

TANDLIANWALA SUGAR MILLS LTD.

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED)

For the nine months period and quarter ended June 30, 2021

	NINE MONTHS ENDED 30-June		THREE MONTHS ENDED 30-June	
	2021 (RUPEES)	2020 (RUPEES)	2021 (RUPEES)	2020 (RUPEES)
Net Sales	22,554,962,814	17,103,441,378	8,384,904,017	4,707,875,521
Cost of sales	(21,171,443,820)	(15,934,300,291)	(7,597,336,042)	(4,325,817,763)
Gross profit	1,383,518,994	1,169,141,087	787,567,975	382,057,758
Administrative expenses	(401,782,270)	(431,647,622)	(112,147,959)	(146,277,146)
Distribution expenses	(278,944,426)	(220,778,134)	(82,253,993)	(35,785,780)
Other income	7,087,046	77,298,180	1,109,925	(1,084,870)
	(673,639,650)	(575,127,576)	(193,292,027)	(183,147,796)
Profit from operations	709,879,344	594,013,511	594,275,948	198,909,962
Finance cost	(875,661,965)	(932,739,470)	(311,161,742)	(272,051,158)
Other expenses	(9,494,767)	(9,896,339)	(145,503)	(2,741,531)
	(885,156,732)	(942,635,809)	(311,307,245)	(274,792,689)
(Loss)/profit before taxation	(175,277,388)	(348,622,298)	282,968,703	(75,882,727)
Taxation	(318,539,158)	(242,346,901)	(115,323,448)	(64,918,373)
(Loss)/profit after taxation	(493,816,546)	(590,969,199)	167,645,255	(140,801,100)
Earnings per share - Basic and Diluted	(4.20)	(5.02)	1.42	(1.20)

The annexed notes 1 to 9 form an integral part of these financial statements.

Lahore
July 30, 2021

Chief Financial Officer

Chief Executive

Director

Quarterly Report June 30, 2021

TANDLIANWALA SUGAR MILLS LTD.

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME / LOSS (UN-AUDITED)

For the nine months period and quarter ended June 30, 2021

	NINE MONTHS ENDED 30-June		THREE MONTHS ENDED 30-June	
	2021 (RUPEES)	2020 (RUPEES)	2021 (RUPEES)	2020 (RUPEES)
(Loss)/income after taxation for the period	(493,816,546)	(590,969,199)	167,645,255	(140,801,100)
Other comprehensive income	-	-	-	-
Total comprehensive (loss)/income for the period	(493,816,546)	(590,969,199)	167,645,255	(140,801,100)

The annexed notes 1 to 9 form an integral part of these financial statements.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the nine months period ended June 30, 2021

	Share capital	Capital Share premium	RESERVES Revenue Un-appropriated profits	Total Reserves	Loan from Sponsors	Total Equity
	Rupees					
Balance as at 1st October 2019	1,177,063,000	290,741,640	5,033,079,825	5,323,821,465	1,935,050,170	8,435,934,635
Transactions with owners of the Company						
Amount received during the period	-	-	-	-	101,816,900	101,816,900
Total comprehensive income/(loss) for the period						
(Loss) for the period ended 30 June 2020			(590,969,199)	(590,969,199)		(590,969,199)
Other comprehensive income/(loss) for the period ended 30 June 2020	-	-	-	-	-	-
	-	-	(590,969,199)	(590,969,199)	-	(590,969,199)
Balance as at 30 June 2020	1,177,063,000	290,741,640	4,442,110,626	4,732,852,266	2,036,867,070	7,946,782,336
Balance as at 1st October 2020	1,177,063,000	290,741,640	4,743,215,795	5,033,957,435	3,635,214,057	9,846,234,492
Transactions with owners of the Company						
Amount paid during the period	-	-	-	-	(262,847,287)	(262,847,287)
Total comprehensive income/(loss) for the period						
(Loss) for the period ended 30 June 2021			(493,816,546)	(493,816,546)		(493,816,546)
Other comprehensive income/(loss) for the period ended 30 June 2021	-	-	-	-	-	-
	-	-	(493,816,546)	(493,816,546)	-	(493,816,546)
Balance as at 30 June 2021	1,177,063,000	290,741,640	4,249,399,249	4,540,140,889	3,372,366,770	9,089,570,659

The annexed notes 1 to 9 form an integral part of these financial statements.

Lahore

July 30, 2021

Chief Financial Officer

Chief Executive

Director

TANDLIANWALA SUGAR MILLS LTD.

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the nine months period ended June 30, 2021

	30 June 2021 (Rupees)	30 June 2020 (Rupees)
<u>Cash Flow From Operating Activities:</u>		
(Loss) before taxation	(175,277,388)	(348,622,298)
<u>Adjustments:</u>		
Depreciation on Property, Plot and Equipment	614,102,452	621,285,273
Finance cost	875,661,965	932,739,470
Gain on disposal of fixed assets	2,622,192	-
Provision for staff retirement benefits	71,400,000	74,319,120
	1,563,786,609	1,628,343,862
Operating profit before working capital changes	1,388,509,221	1,279,721,565
<u>(Increase) / decrease in current assets :</u>		
Stores, spareparts and loose tools	(145,151,577)	(95,543,547)
Trade debtors - considered goods	(7,934,693,615)	309,211,966
Advances, deposits, prepayments and other receivables	(403,411,660)	434,774,191
Stock in trade	(4,496,422)	(2,270,969,341)
	(8,487,753,274)	(1,622,526,731)
<u>(Decrease) / increase in current liabilities :</u>		
Trade and other payables	3,297,453,978	790,222,028
Cash generated from / (used in) operations	(3,801,790,075)	447,416,862
Finance cost paid	(744,232,775)	(898,310,898)
Staff retirement benefits paid	(3,656,778)	(3,461,194)
Workers' profit participation fund paid	-	(58,358,759)
Taxes Paid	(73,094,255)	(273,819,231)
	(820,983,808)	(1,233,950,082)
Net cash generated from / (used in) operating activities	(4,622,773,882)	(786,533,220)
<u>Cash Flow From Investing Activities:</u>		
Fixed capital expenditure	(190,192,955)	(358,427,661)
Proceeds from sale of fixed assets	-	2,265,500
Long Term Deposits	41,880,636	(807,328)
Net cash generated from / (used in) investing activities	(148,312,319)	(356,969,489)
<u>Cash Flow From Financing Activities:</u>		
Lease rental paid	47,742,645	(166,678,719)
Short term borrowings - net	4,738,696,953	2,603,962,061
Long term loans	(1,072,715)	(550,972,964)
Loan from sponsors	(262,847,287)	101,816,900
Net cash generated from / (used in) financing activities	4,522,519,596	1,988,127,278
Net increase in cash and cash equivalents	(248,566,606)	844,624,569
Cash and cash equivalents at the beginning of the period	283,684,625	176,214,041
Cash and cash equivalents at the end of the period	35,118,019	1,020,838,610

The annexed notes 1 to 9 form an integral part of these financial statements.

Lahore

July 30, 2021

Chief Financial Officer

Chief Executive

Director

Quarterly Report June 30, 2021

TANDLIANWALA SUGAR MILLS LTD.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the period nine months ended June 30, 2021

1. These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprises of:
 - 1.1 International Accounting Standard (IAS) 34 "Interim Financial Reporting," issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 ("the Act");
 - 1.2 Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act, 2017 ("the Act");
 - 1.3 Provisions of and directives issued under the Companies Act, 2017, where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34 or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.
2. These financial statements are unaudited and are being submitted to the shareholders as required under section 237 of the Companies Act, 2017 ("the Act") and the listing regulations of Pakistan Stock Exchange Limited (PSX).
3. The significant judgment, estimates and assumptions as made by the management in applying the accounting policies and the methods of computation as adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the audited financial statements for the year ended 30 September 2020.
4. Sugar cane crushing season starts from November till March each year.
5. Provision in respect of taxation is estimated only and final liability will be determined on the basis of annual results.
6. Contingencies and commitments
 - 6.1 Contingencies:

There are no other significant changes in the status of contingencies, other than as those already reported in contingencies as reported in the audited financial statements for the year ended September 30, 2020, which require disclosure in the condensed interim financial statements.
 - 6.2 Commitments:

The Company has capital commitments of Rs. 16.109 Million (September 30, 2020: Rs. NIL) on account of import of machinery and its related components.
7. The Company's financial risk management objective and policies are consistent with that disclosed in the audited annual financial statements of the Company for the year ended 30 September 2020.
8. These condensed interim financial statements were approved and authorized for issue by the Board of Directors of the Company on 30 July 2021.
9. Figures have been rounded off to the nearest rupee.

Lahore
July 30, 2021

Chief Financial Officer

Chief Executive

Director

Quarterly Report June 30, 2021

TANDLIANWALA SUGAR MILLS LTD.

COMPANY'S 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	Conventional National Bank of Pakistan Limited MCB Bank Limited United Bank Limited Allied Bank Limited Habib Bank Limited The Bank of Punjab Soneri Bank Limited Sindh Bank Limited Samba Bank Limited The Bank of Khyber Pair Investment Co. Limited Pak Oman Investment Co. Limited Pak Libya Holding Co. (Pvt) Limited	Islamic Dubai Islamic Bank Al-Baraka Bank (Pakistan 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 Wings Arcade, 1-K, Commercial Model Town, Lahore.	
Sugar Mills:		
Unit 1	Kanjwani, Tehsil Tandlianwala, District Faisalabad.	
Unit 2	Taunsa Road, Indus Highway, District Dera Ismail Khan.	
Unit 3	Shah Jamal Road, District Muzaffargarh.	
Distilleries:		
Unit 1	Kanjwani, Tehsil Tandlianwala, District Faisalabad.	
Unit 2	Shah Jamal Road, District Muzaffargarh.	
Top Gas (CO₂) :	Kanjwani, Tehsil Tandlianwala, District Faisalabad.	
Registered & Corporate Office:	66-L, Gulberg-II, Lahore-54000, Pakistan. PABX: 042-35712901, 35763115, 35754701, 35761124 Fax: 042-35710929, 35710605 Email: tsmho@tsmlgroup.com Website: www.tsmlgroup.com	

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