

TANDLIANWALA SUGAR MILLS LTD.

QUARTERLY *Report*



JUNE
30,
2022

TANDLIANWALA SUGAR MILLS LTD.

DIRECTORS' 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, 2022.

As mentioned in our review report to the March 31, 2022 financials, the decision of govt of not allowing export of excess produced sugar has severely impacted the sugar mills, in shape of higher raw material costs in relation to its relevant mismatch with the selling prices.

The Company management, however continue to make a collective effort for attaining further better results. The ethanol sector once again helped us in making a reasonable profit. During these nine months period, the company achieved a higher profit before tax figure of Rs 1.142 Billion, in comparison to a loss before tax of Rs 175.277 Million for the same corresponding nine months period of the last year.

On behalf of Board of Directors

Akbar Khan
(Chief Executive Officer)
November 24, 2022

ڈائریکٹرز کی رپورٹ

پیارے شیئر ہولڈرز

تاندلیانوالہ شوگر ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے، مجھے 30 جون 2022 کو ختم ہونے والی نو ماہ کی مدت کے لیے کمپنی کے کنڈینسڈ عبوری مالیاتی گوشوارے پیش کرنے پر خوشی ہو رہی ہے۔

جیسا کہ ہماری 31 مارچ 2022 کی مالیاتی جائزہ رپورٹ میں ذکر کیا گیا ہے حکومت کا فیصلہ، زائد پیداواری چینی کی برآمد کی اجازت نہ دینے اور خام مال کی قیمتوں اور اس کی فروخت کی قیمتوں سے مطابقت نہ ہونے کی وجہ نے شوگر ملوں کو بری طرح متاثر کیا ہے۔

تاہم کمپنی انتظامیہ مزید بہتر نتائج حاصل کرنے کے لیے اجتماعی کوششیں جاری رکھے ہوئے ہے۔ انتھنول سیکٹر نے ایک بار پھر مناسب منافع کمانے میں ہماری مدد کی۔ کمپنی نے پچھلے سال کے اسی نو ماہ کی مدت کے ٹیکس سے پہلے کے نقصان 175.277 ملین روپے کے مقابلے میں ان نو ماہ کی مدت کے دوران ٹیکس سے پہلے 1.142 ملین روپے کا زیادہ منافع حاصل کیا۔

بورڈ آف ڈائریکٹرز کی جانب سے

اکبر خان
(چیف ایگزیکٹو آفیسر)
لاہور 24 نومبر 2022

TANDLIANWALA SUGAR MILLS LTD.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

	(Un-audited) 30-June-2022 Rupees	(Audited) 30-Sep-2021 Rupees
EQUITY AND LIABILITIES		
Authorised capital 120,000,000 (2021 : 120,000,000) ordinary shares of Rs. 10 each	1,200,000,000	1,200,000,000
Share Capital and Reserves		
Issued, subscribed and paid-up share capital	1,177,063,000	1,177,063,000
Reserves	6,528,437,628	5,749,300,197
Loan from Sponsors - unsecured	3,635,214,057	3,635,214,057
	11,340,714,685	10,561,577,254
Non Current Liabilities		
Long term finances-secured	594,025,642	1,236,921,131
Lease liability - secured	179,256,339	237,400,367
Deferred liabilities	727,714,143	658,070,401
	1,500,996,124	2,132,391,899
Current Liabilities		
Short term borrowings-secured	11,890,871,409	8,758,069,179
Current portion of non-current liabilities	1,206,409,527	1,475,925,325
Trade and other payables	7,600,000,526	4,002,580,744
Interest and mark-up accrued	394,116,848	237,684,069
Provision for taxation	363,048,909	321,862,481
	21,454,447,219	14,796,121,798
Contingencies and Commitments		
	34,296,158,028	27,490,090,951

The annexed notes 1 to 8 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive Officer

TANDLIANWALA SUGAR MILLS LTD.

AS AT JUNE 30, 2022

	(Un-audited) 30-June-2022 Rupees	(Audited) 30-Sep-2021 Rupees
ASSETS		
<u>Non - Current Assets</u>		
Property, plant and equipment	15,376,266,085	15,935,896,090
Long term deposits	188,099,424	174,653,829
	<u>15,564,365,509</u>	<u>16,110,549,919</u>
<u>Current Assets</u>		
Stores, Spares parts and loose tools	1,209,078,957	1,124,652,184
Stock in trade	12,178,386,932	6,260,943,955
Trade debts - considered good	16,592,955	14,243,716
Advances, deposits, prepayments and other receivables	4,675,217,474	3,488,447,950
Tax refunds due from Government - net	585,010,237	389,504,748
Cash & bank balances	67,505,964	101,748,479
	<u>18,731,792,519</u>	<u>11,379,541,032</u>
	<u><u>34,296,158,028</u></u>	<u><u>27,490,090,951</u></u>

Director

TANDLIANWALA SUGAR MILLS LTD.

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

For the nine months period and quarter ended June 30, 2022

	NINE MONTHS ENDED		THREE MONTHS ENDED	
	30-June 2022 RUPEES	30-June 2021 RUPEES	30-June 2022 RUPEES	30-June 2021 RUPEES
Sales - net	26,591,223,620	22,554,962,814	6,260,400,430	8,384,904,017
Cost of sales	(23,336,804,268)	(21,171,443,820)	(5,292,019,483)	(7,597,336,042)
Gross profit	3,254,419,352	1,383,518,994	968,380,947	787,567,975
Administrative expenses	(499,016,948)	(401,782,270)	(148,291,384)	(112,147,959)
Distribution expenses	(427,661,094)	(278,944,426)	(196,531,399)	(82,253,993)
Other income	40,336,895	7,087,046	(23,942,847)	1,109,925
	(886,341,147)	(673,639,650)	(368,765,630)	(193,292,027)
Profit from operations	2,368,078,205	709,879,344	599,615,317	594,275,948
Finance cost	(1,154,615,348)	(875,661,965)	(460,572,525)	(311,161,742)
Other expenses	(71,276,517)	(9,494,767)	(8,645,141)	(145,503)
	(1,225,891,865)	(885,156,732)	(469,217,666)	(311,307,245)
Profit / (Loss) before taxation	1,142,186,340	(175,277,388)	130,397,651	282,968,703
Taxation	(363,048,909)	(318,539,158)	(26,647,230)	(115,323,448)
Profit / (Loss) after taxation	779,137,431	(493,816,546)	103,750,421	167,645,255
Earnings per share-Basic and Diluted	6.62	(4.20)	0.88	1.42

The annexed notes 1 to 8 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive Officer

Director

Quarterly Report June 30, 2022

TANDLIANWALA SUGAR MILLS LTD.

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

For the nine months period and quarter ended June 30, 2022

	NINE MONTHS ENDED		THREE MONTHS ENDED	
	30-June 2022 (RUPEES)	30-June 2021 (RUPEES)	30-June 2022 (RUPEES)	30-June 2021 (RUPEES)
Profit / (Loss) after taxation	779,137,431	(493,816,546)	103,750,421	167,645,255
Other comprehensive income	-	-	-	-
Total comprehensive Income / (loss) for the period	779,137,431	(493,816,546)	103,750,421	167,645,255

The annexed notes 1 to 8 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, 2022

	Share capital	Capital Share premium	Reserves Revenue Un-appropriated profit	Total reserves	Loan from Sponsors	Total
	Rupees					
Balance as at October 01, 2020 (audited)	1,177,063,000	290,741,640	4,743,215,795	5,033,957,435	3,635,214,057	9,846,234,492
Transaction with owners of the Company						
Amount paid during the period – net	-	-	-	-	(262,847,287)	(262,847,287)
Total comprehensive income/(loss) for the period						
(Loss) for the period ended June 30, 2021	-	-	(493,816,546)	(493,816,546)	-	(493,816,546)
Other comprehensive income for the period ended June 30, 2021	-	-	-	-	-	-
	-	-	(493,816,546)	(493,816,546)	-	(493,816,546)
Balance as at June 30, 2021 (un-audited)	1,177,063,000	290,741,640	4,249,399,249	4,540,140,889	3,372,366,770	9,089,570,659
Balance as at October 01, 2021 (audited)	1,177,063,000	290,741,640	5,458,558,557	5,749,300,197	3,635,214,057	10,561,577,254
Transaction with owners of the Company						
Amount paid during the period – net	-	-	-	-	-	-
Total comprehensive income/(loss) for the period						
Profit for the period ended June 30, 2022	-	-	779,137,431	779,137,431	-	779,137,431
Other comprehensive income for the period ended June 30, 2022	-	-	-	-	-	-
	-	-	779,137,431	779,137,431	-	779,137,431
Balance as at June 30, 2022 (un-audited)	1,177,063,000	290,741,640	6,237,695,988	6,528,437,628	3,635,214,057	11,340,714,685

The annexed notes 1 to 8 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive Officer

Director

Quarterly Report June 30, 2022

TANDLIANWALA SUGAR MILLS LTD.

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the nine months period ended June 30, 2022

	30 June 2022 Rupees	30 June 2021 Rupees
Cash flows from operating activities		
Profit /(Loss) before taxation	1,142,186,340	(175,277,388)
Adjustments:		
Depreciation on property, plant and equipment	606,923,216	614,102,452
Finance cost	1,154,615,348	875,661,965
Provision for Staff retirement benefits	77,159,619	71,400,000
Worker's Profit Participation Fund	60,674,098	-
Gain on disposal of fixed assets	-	2,622,192
	1,899,372,281	1,563,786,609
Operating profit before working capital changes	3,041,558,621	1,388,509,221
(Increase) / decrease in current assets :		
Stores, spares parts and loose tools	(84,426,773)	(145,151,577)
Trade debtors - considered goods	(2,349,239)	(7,934,693,615)
Advances, deposits, prepayments and other receivables	(1,186,769,525)	(403,411,660)
Stock in trade	(5,917,442,976)	(4,496,422)
	(7,190,988,513)	(8,487,753,274)
(Decrease) / increase in current liabilities :		
Trade and other payables	3,536,746,639	3,297,453,978
Cash used in operations	(612,683,253)	(3,801,790,075)
Finance cost paid	(998,182,568)	(744,232,775)
Staff retirement benefits paid	(6,693,629)	(3,656,778)
Workers' profit participation fund paid	-	-
Taxes Paid	(517,367,971)	(73,094,255)
	(1,522,244,168)	(820,983,808)
Net cash used in operating activities	(2,134,927,421)	(4,622,773,883)
Cash flows from investing activities:		
Capital expenditure - net	(48,116,413)	(190,192,955)
Long Term Deposits - net	(13,445,596)	41,880,636
Net cash used in investing activities	(61,562,009)	(148,312,319)
Cash flows from financing activities		
Lease liabilities - net	(58,144,028)	47,742,645
Short term borrowings - net	3,132,802,230	4,738,696,953
Long term loans	(912,411,287)	(1,072,715)
Loan from sponsors	-	(262,847,287)
Net cash generated from financing activities	2,162,246,915	4,522,519,596
Net increase in cash and cash equivalents	(34,242,515)	(248,566,606)
Cash and cash equivalents at the beginning of the period	101,748,479	283,684,625
Cash and cash equivalents at the end of the period	67,505,964	35,118,019

The annexed notes 1 to 8 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive Officer

Director

Quarterly Report June 30, 2022

TANDLIANWALA SUGAR MILLS LTD.

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

For the nine months period ended June 30, 2022

1. Tandlianwala Sugar Mills Limited ("the Company") was incorporated in Pakistan on November 01, 1988 as a public limited company. The shares of the Company are listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at 66-L-Gulberg II, Lahore, Pakistan. The principal activities of the Company is production and sale of crystalline sugar including its by products i.e. molasses, bagasse, Ethanol & CO₂.
2. 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:
 - International Accounting Standard (IAS) 34, "Interim Financial Reporting," issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
 - 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.

These condensed interim financial statements do not include all of the information and disclosures required for full annual financial statements and should be read in conjunction with the annual audited financial statements for the year ended 30 September 2021.
3. These financial statements are un-audited and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and section 237 of the Companies Act, 2017.
4. The accounting policies and the methods of computation 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 2021.
5. Provision in respect of taxation is estimated only and final liabilities will be determined on the basis of annual results.
6. Due to seasonal nature of sugar business and is expected to fluctuate in the second half of the year. The sugarcane crushing season normally starts from November and lasts till April each year.
7. These financial statements were authorized for issue by the Board of Directors of the Company on 24-11-2022.
8. Figures have been rounded off to the nearest rupee.

Chief Financial Officer

Chief Executive Officer

Director

Quarterly Report June 30, 2022

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	Conventional Bank Alfalah Limited Faysal Bank Limited Meezan Bank Limited Askari Bank Limited Summit Bank 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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Tandlianwala Sugar Mills Ltd.
66-L, GULBERG II, Lahore.**