

**Tandlianwala Sugar Mills Ltd.**

*Quarterly  
Report*



**JUNE 30,  
2020**

DIRECTOR' REVIEW

Dear Shareholders,

The Board of Directors is pleased to present to you the unaudited Financial Statements of the Company for the nine months ended June 30, 2020.

Highlights and salient features of the operating results of the period under review are as follows:

For the season under review, the crushing started under unusual circumstances as the Government increased & notified the support price after the commencement of crushing season. The sugarcane crop reduced noticeably throughout the country during this season, giving rise to sugarcane prices to much higher levels than the support price, as was elaborated in our March 2020, review report. Initially, the Company resisted on buying the sugarcane at higher prices, but due to scarcity of crop, we were forced to buy at even more than Rs 230/40 kg., thus incurring all time high cost of production of sugar.

It is worth-mentioning that the increase in sales tax rate by the Federal Government, receivables against subsidies on sugar export since last year from the Government, coupled with un-due political pressure on the entire sugar industry, all showed the non serious approach of the decision makers towards addressing the real sugar industry issues.

The sugar sale prices accordingly increased inevitably, due to higher input costs. Even then the Company could not absorb the impact of increased sugarcane costs, resulting in a net loss Rs 591 million for the period under review.

**ALLIED DIVISION:**

The company always relies heavily on its ethanol division but during this period the division has not given the desired operating results. The in-house production of the molasses did not suffice the company's requirement due to the shortage in sugarcane crop. Further the quantity of molasses, which was needed to be purchased from outside could not materialize due to shortage of crop size as well as timely availability of quality molasses from outside sources. Resultantly the Company closed its Distillery division much before the end of the year.

Despite these challenges the management is hopeful for an improved outcome in the remaining three months of this financial year. Having operated in perhaps one of the most difficult years in the history, the management strategy will hopefully turn this year of crisis into a year of relief.

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)  
July 29, 2020

معزز حصص داران

بورڈ آف ڈائریکٹرز کی جانب سے آپ کیلئے مورخہ 30 جون 2020ء تک 9 ماہ پر مبنی کمپنی کی غیر آڈٹ شدہ فنانشل اسٹیٹمنٹ پیش کرنا باعث مسرت ہے۔  
زیر غور سال کے عملدرآمد کی نتائج کے اہم نکات حسب ذیل ہیں۔

کرشنگ سیزن کے آغاز کے بعد حکومت کی جانب سے گنے کی قیمت میں اضافہ اور نامزدگی کی وجہ سے کرشنگ ٹیئر سٹی طرز سے شروع ہوئی۔ ہماری مارچ 2020ء کی نظر ثانی رپورٹ کے مطابق اس سیزن کے دوران ملک بھر میں گنے کی فصل کے اندر بے پناہ کمی واقع ہوئی ہے جس کی وجہ سے سپورٹ پرائس کے مقابلے میں گنے کی قیمت کے اندر ہوشربا اضافہ دیکھنے میں آیا ہے۔ ابتداء میں کمپنی نے گنے کی اضافی قیمت پر خریداری کی مزاحمت کی لیکن بعد ازاں فصل کی قلت کی وجہ سے ہمیں فی 40 کلوگرام مبلغ 230/- روپے سے بھی زائد قیمت پر گنا خریدنا پڑا جو کہ اس وقت تک کی سب سے زیادہ قیمت ہے۔ قابل ذکر حقیقت یہ ہے کہ وفاقی حکومت کی جانب سے سبزیوں کی قیمتوں میں اضافہ حکومت میں پچھلے سال سے شوگر کی ایکسپورٹ پر سبسڈی کی مد میں وصولی جیسے مسائل نے سیاسی پریشر کو فروغ دیا اور شوگر انڈسٹری کو بہت شدید حد تک متاثر کیا ہے جس کی وجہ سے حکام بالاک کی جانب سے درست فیصلے نہیں کیے گئے اور جس کے نتیجے میں شوگر انڈسٹری کو نقصان پہنچا ہے۔ لاگت میں اضافہ کی وجہ سے شوگر کی قیمت میں اضافہ ہوا۔ یہاں تک کہ کمپنی نے گنے کی قیمت میں اضافہ کو برداشت نہ کر سکی اور زیر غور عرصہ کے دوران مبلغ 591/- ملین روپے کے نقصان سے دوچار ہو چکی ہے۔

**اتحادی ڈویژن**

کمپنی کافی حد تک اچھٹول ڈویژن پر انحصار کرتی ہے مگر اس دوران یہ ڈویژن توقعات کے مطابق نتائج دینے سے قاصر رہا اور کمپنی کی ذاتی شیرے کی پیداوار گنے کی فصل میں کمی کی وجہ سے کمپنی کی ضروریات کیلئے کافی نہ تھی۔ عزم برہاں شیرے کی وہ مقدار جو باہر سے خریدی جانی تھی وہ بھی گنے کی کم پیداوار اور بیرونی ذرائع سے معیاری شیرے کی عدم دستیابی کی وجہ سے ممکن نہ ہو سکی۔ جس کے نتیجے میں کمپنی کو شدید کاری ڈویژن سال کے اختتام سے قبل ہی بند کرنا پڑی۔ ان چیلنجز کے باوجود کمپنی مالی سال کے بقیہ تین مہینے کے دوران بہتر نتائج کے لئے برعزم ہے۔ تاریخ مشکل ترین سال سے گزرنے کے بعد متوقع طور پر کمپنی انتظامیہ کی حکمت عملی بحران سے بھرے اس سال کو شاندار سال میں بدل دے گی۔ بورڈ اپنے اسٹاف اور سپورٹس ٹیم کے ممبران کی سخت محنت کو سراہتا ہے۔

بحکم بورڈ آف ڈائریکٹرز

اکبر خان

(چیف ایگزیکٹو آفیسر) 29 جولائی 2020ء

**TANGLIANWALA SUGAR MILLS LTD.**

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

	<b>30-June-2020 (Un-Audited) Rupees</b>	<b>30-Sep-2019 (Audited) Rupees</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Authorised Share Capital</b>		
120,000,000 (September 2019: 120,000,000) Ordinary shares of Rs. 10 each	1,200,000,000	1,200,000,000
<b>Share capital and reserves</b>		
Issued, subscribed and paid-up share capital	1,177,063,000	1,177,063,000
Loan from sponsors - unsecured	3,642,867,070	3,541,050,170
Reserves	4,687,996,018	5,278,965,217
	9,507,926,088	9,997,078,387
<b>Non current liabilities</b>		
Long term finances - secured	1,651,858,642	1,926,794,717
Liabilities against assets subject to finance lease - secured	307,325,237	385,913,905
Deferred liabilities :		
- Staff retirement benefits	579,294,908	508,436,982
- Deferred taxation	-	-
	2,538,478,787	2,821,145,604
<b>Current liabilities</b>		
Short term borrowings - secured	8,117,235,378	5,513,273,317
Current portion of non-current liabilities	1,002,122,656	1,366,249,595
Trade and other payables	4,106,532,655	3,374,669,386
Interest and mark-up accrued	280,805,674	246,377,102
Provision for taxation	242,346,900	273,819,231
	13,749,043,263	10,774,388,631
<b>Contingencies and Commitments</b>	-	-
	<u>25,795,448,138</u>	<u>23,592,612,622</u>

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

Lahore  
July 29, 2020

Chief Financial Officer

Chief Executive

## TANGLIANWALA SUGAR MILLS LTD.

### AS AT JUNE 30, 2020

	30-June-2020 (Un-Audited) Rupees	30-Sep-2019 (Audited) Rupees
<b>ASSETS</b>		
<b><u>Non current assets</u></b>		
Property, plant and equipment	15,890,305,547	16,155,428,659
Long term deposits	82,640,614	82,429,286
	<u>15,972,946,161</u>	<u>16,237,857,945</u>
<b><u>Current assets</u></b>		
Stores, spare parts and loose tools	1,137,628,574	1,042,085,028
Stock-in-trade	5,293,211,818	3,022,242,477
Trade debts - considered good	5,547,494	314,759,460
Advances, deposits, prepayments and other receivables	1,817,902,163	2,016,746,177
Tax refunds due from Government	547,373,317	782,707,494
Cash & bank balances	1,020,838,611	176,214,041
	9,822,501,977	7,354,754,677
	<u>25,795,448,138</u>	<u>23,592,612,622</u>

Director

**TANGLIANWALA SUGAR MILLS LTD.**

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

*For the nine months period and quarter ended June 30, 2020*

	NINE MONTHS ENDED 30-June		THREE MONTHS ENDED 30-June	
	2020 (RUPEES)	2019 (RUPEES)	2020 (RUPEES)	2019 (RUPEES)
Sales - net	17,103,441,378	24,122,379,735	4,707,875,521	10,246,789,706
Cost of sales	(15,934,300,291)	(20,784,253,233)	(4,325,817,763)	(9,424,837,088)
<b>Gross profit</b>	<b>1,169,141,087</b>	<b>3,338,126,502</b>	<b>382,057,758</b>	<b>821,952,618</b>
Administrative expenses	(431,647,622)	(402,627,825)	(146,277,146)	(142,581,817)
Distribution expenses	(220,778,134)	(290,314,363)	(35,785,780)	(92,687,524)
Other income	77,298,180	24,771,774	(1,084,870)	2,834,979
	(575,127,576)	(668,170,414)	(183,147,796)	(232,434,362)
<b>Profit from operations</b>	<b>594,013,511</b>	<b>2,669,956,088</b>	<b>198,909,962</b>	<b>589,518,256</b>
Finance cost	(932,739,470)	(1,179,558,996)	(272,051,158)	(453,871,900)
Other expenses	(9,896,339)	(74,519,855)	(2,741,531)	(1,551,177)
	(942,635,809)	(1,254,078,851)	(274,792,689)	(455,423,077)
(Loss) / Profit before taxation	(348,622,298)	1,415,877,237	(75,882,727)	134,095,179
Taxation	(242,346,901)	-	(64,918,373)	-
(Loss) / Profit after taxation	(590,969,199)	1,415,877,237	(140,801,100)	134,095,179
(Loss) / Earnings per share	(5.02)	12.03	(1.20)	1.14

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

Lahore  
July 29, 2020

Chief Financial Officer

Chief Executive

Director

## TANGLIANWALA SUGAR MILLS LTD.

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

For the nine months period and quarter ended June 30, 2020

	NINE MONTHS ENDED 30-June		THREE MONTHS ENDED 30-June	
	2020 (RUPEES)	2019 (RUPEES)	2020 (RUPEES)	2019 (RUPEES)
(Loss) / Profit after tax for the period	(590,969,199)	1,415,877,237	(140,801,100)	134,095,179
Other comprehensive income	-	-	-	-
<b>Total comprehensive (Loss) / Income for the period</b>	<b>(590,969,199)</b>	<b>1,415,877,237</b>	<b>(140,801,100)</b>	<b>134,095,179</b>

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

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

For the nine months period ended June 30, 2020

	RESERVES					Total
	Share capital	Share premium	Un - appropriated profit	Sub total	Loan from Sponsors	
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
<b><u>Transactions with owners of the Company</u></b>						
Amount received during the period	-	-	-	-	1,606,000,000	1,606,000,000
<b><u>Total comprehensive income for the period</u></b>						
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	-	-	-	-	-	-
<b>Balance as at 30 June 2019</b>	<b>1,177,063,000</b>	<b>290,741,640</b>	<b>4,966,276,945</b>	<b>5,257,018,584</b>	<b>3,541,050,170</b>	<b>9,975,131,754</b>
<b>Balance as at 1st October 2019</b>	<b>1,177,063,000</b>	<b>290,741,640</b>	<b>4,988,223,577</b>	<b>5,278,965,217</b>	<b>3,541,050,170</b>	<b>9,997,078,387</b>
<b><u>Transactions with owners of the Company</u></b>						
Amount received during the period	-	-	-	-	101,816,900	101,816,900
<b><u>Total comprehensive loss for the period</u></b>						
(Loss)/ Profit for the period ended 30 June 2020	-	-	(590,969,199)	(590,969,199)	-	(590,969,199)
Other comprehensive income for the period ended 30 June 2020	-	-	-	-	-	-
	-	-	(590,969,199)	(590,969,199)	-	(590,969,199)
<b>Balance as at 30 June 2020</b>	<b>1,177,063,000</b>	<b>290,741,640</b>	<b>4,397,254,378</b>	<b>4,687,996,018</b>	<b>3,642,867,070</b>	<b>9,507,926,088</b>

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

Lahore  
July 29, 2020

Chief Financial Officer

Chief Executive

Director

## TANGLIANWALA SUGAR MILLS LTD.

### CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the nine months period ended June 30, 2020

	30 June 2020	30 June 2019
	(Rupees)	(Rupees)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) / Profit before taxation	(348,622,298)	1,415,877,238
<b>Adjustments for non cash and other items :</b>		
Depreciation	621,285,272	600,158,095
Finance cost	932,739,470	1,179,558,996
Provision for Staff retirement benefits	74,319,120	-
Provision for Workers' profit participation fund	-	74,519,855
	<b>1,628,343,862</b>	<b>1,854,236,945</b>
<b>Operating profit before working capital changes</b>	<b>1,279,721,564</b>	<b>3,270,114,183</b>
<b>(Increase) / decrease in current assets :</b>		
Stores, spare parts and loose tools	(95,543,547)	(510,899,696)
Trade debts - considered good	309,211,966	2,659,184
Advances, deposits, prepayments and other receivables	434,774,191	(332,076,081)
Stock-in-trade	(2,270,969,341)	5,075,743,328
	<b>(1,622,526,731)</b>	<b>4,235,426,735</b>
<b>(Decrease) / increase in current liabilities :</b>		
Trade and other payables	790,222,029	(7,042,261,050)
<b>Cash generated from operations</b>	<b>447,416,862</b>	<b>463,279,868</b>
Finance cost paid	(898,310,898)	(1,076,789,096)
Staff retirement benefits paid	(3,461,194)	(1,470,926)
Workers' profit participation fund paid	(58,358,759)	-
Taxes Paid	(273,819,231)	-
	<b>(1,233,950,082)</b>	<b>(1,078,260,022)</b>
<b>NET CASH GENERATED FROM / (USED IN) OPERATION</b>	<b>(786,533,220)</b>	<b>(614,980,154)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Capital expenditure	(358,427,661)	(532,151,621)
Proceeds from sale of fixed assets	2,265,500	-
Long Term Deposits	(807,328)	29,822,960
Capital work in progress	-	(22,161,358)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(356,969,489)</b>	<b>(524,490,019)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Finance lease liabilities - net	(166,678,719)	(204,716,706)
Short term borrowings - net	2,603,962,062	77,370,625
Long term finances repaid	(550,972,964)	(332,628,514)
Loan from sponsors	101,816,900	1,606,000,000
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>1,988,127,279</b>	<b>1,146,025,405</b>
<b>Net increase in cash and cash equivalents</b>	<b>844,624,570</b>	<b>6,555,232</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>176,214,041</b>	<b>83,068,317</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,020,838,611</b>	<b>89,623,549</b>

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

Lahore

July 29, 2020

Chief Financial Officer

Chief Executive

Director

## **TANGLIANWALA SUGAR MILLS LTD.**

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

*For the nine months period ended June 30, 2020*

1. These condensed interim financial statements have been prepared in accordance with the accounting and reporting standard as applicable in Pakistan for "Interim Financial Reporting" (IAS-34).
2. These condensed interim financial statements are un-audited and are being submitted to the shareholders as requirement of the Companies Act, 2017.
3. 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 preceding year ended 30 September 2019.
4. Provision in respect of taxation is estimated only and final liabilities will be determined on the basis of annual results.
5. These condensed interim financial statements have been approved and authorized for issue by the Board of Directors of the Company on 29.07.2020.
6. Figures have been rounded off to the nearest rupee.

Lahore  
July 29, 2020

\_\_\_\_\_  
Chief Financial Officer

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Chief Executive

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Director



## TANGLIANWALA SUGAR MILLS LTD.

### COMPANY INFORMATION

<b>Board of Directors</b>	Mr. Ghazi Khan Mr. Akbar Khan Mr. Humayun Akhtar Khan Mr. Haroon Khan Mrs. Rasheeda Begum Mrs. Mobina Akbar Khan Mr. Tahir Farooq Malik	<b>(Chairman)</b> <b>(Chief Executive)</b>
<b>Company Secretary and Chief Financial Officer</b>	Mr. Ahmad Jehanzeb Khan	
<b>Bankers</b>	<b>Conventional</b> 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	<b>Islamic</b> Dubai Islamic Bank Al-Baraka Bank (Pakistan Limited)
<b>Legal Advisors</b>	1. Bandial & Associates 35-A, Luqman Street, Zahoor Afridi Road, Lahore Cantt.	2. Ali Sibtain Fazli & Associates Mall Mansion 30 The Mall, Lahore
<b>Audit Committee</b>	Mr. Humayun Akhtar Khan Mr. Ghazi Khan Mr. Tahir Farooq Malik Mr. Khalid Siddique	<b>(Chairman)</b> <b>(Member)</b> <b>(Member)</b> <b>(Secretary)</b>
<b>Auditors</b>	UHY Hassan Naeem & Co. Chartered Accountants	
<b>Share Registrar</b>	Corplink (Private) Limited 1-K, Commercial Model Town, Lahore	
<b>Sugar Mills:</b>		
<b>Unit 1</b>	Kanjwani, Tehsil Tandlianwala, District Faisalabad	
<b>Unit 2</b>	Taunsa Road, Indus Highway, Dera Ismail Khan	
<b>Unit 3</b>	Shah Jamal Road, Muzaffargarh	
<b>Distillery:</b>		
<b>Unit 1</b>	Kanjwani, Tehsil Tandlianwala, District Faisalabad	
<b>Unit 2</b>	Shah Jamal Road, Muzaffargarh	
<b>Top Gas:</b>	Kanjwani, Tehsil Tandlianwala, District Faisalabad	
<b>Registered Office:</b>	66-L, Gulberg-II, Lahore	

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