

**HALF YEARLY
REPORT**



**31 March
2023**

Tandlianwala
Sugar Mills Limited

DIRECTORS' REVIEW REPORT

Dear Shareholders,

The Board of Directors is pleased to present the condensed financial statements of the Company, as reviewed by the auditors, for the half year ended March 31, 2023.

The crushing season this year was a continuation of the previous set of challenges. Both the provincial governments of Punjab and KPK notified sugarcane support prices at Rs 300 per 40 Kg. The respective governments, as per previous practices, took no measures to ensure the supply of cane to the Mills at the notified prices and the sugar mills unwillingly bought sugarcane at massive increased prices, ranging between Rs 300 to Rs 385 per 40 Kg, depending on individual mills cash flow availabilities. Despite of the unabated price war, we managed to crush more sugarcane, as compared to the last season, due to better techniques & cash flow management. We also managed lesser shutdowns as compared to many previous seasons, thus saving efficiently on the conversion costs.

The sucrose recovery from sugarcane, during the present season was lower due to our changed technique of high-grade B-molasses production, enabling us to produce high-quality molasses for a higher productivity of export-oriented rectified ethanol. Apart from a better yield of ethanol, we managed to save billions of rupees of cash flows by not buying any molasses from outside and achieving self-sufficiency of indigenous high grade B-molasses production techniques. Thus we gained substantially more in terms of profitability, even after losing some amount of sugarcane recovery, during the revised process.

During these six month period under review, the Company has earned a profit before taxation, amounting to Rs 1.545 billion and a profit after tax of Rs 1.153 billion, in comparison to last year's, six monthly figures of Rs 1.012 billion and Rs 0.675 billion, respectively.

After giving a small quantity on a quota based export of sugar to the Mills, to add much-needed foreign currency for the country, the government went on to illegally fix the sugar price at Rs 95 per kg, which was not sustainable, as the cost of procuring sugarcane was at much higher a price.

The sugar mills have moved the courts against this arbitrary decision of the state.

The ethanol division continues to bring laurels to the Company. Our ethanol product is always very well received in the international market and continues to contribute to the profits. We are hopeful that our ethanol division will be in operations for the maximum part of this year, which definitely will further add to the profitable results by the end of the current financial year.

On behalf of the Board of Directors.

AKBAR KHAN
(Chief Executive Officer)
May 29, 2023

ڈائریکٹرز جائزہ رپورٹ

معزز شیئر ہولڈرز

بورڈ آف ڈائریکٹرز کو 31 مارچ 2023 کو ختم ہونے والے شمشاہی کے لیے کمپنی کے مالیاتی گوشوارے جس کا آڈیٹ نے جائزہ لیا ہے پیش کرنے پر خوشی ہے۔

اس سال کا کرشنگ سیزن پچھلے مجموعی چیلنجوں کا تسلسل تھا۔ پنجاب اور کے پی کے دونوں صوبائی حکومتوں نے گنے کی امدادی قیمتیں 300 روپے فی 40 کلوگرام مقرر کی تھیں۔ متعلقہ حکومتوں نے سابقہ طرز عمل کے مطابق مطلع شدہ قیمتوں پر ملوں کو گنے کی فراہمی کو یقینی بنانے کے لیے کوئی اقدامات نہیں کیے اور شوگر ملوں نے نہ چاہتے ہوئے بھی بڑے پیمانے پر بڑھی ہوئی قیمتوں پر گنا خریدنا، جس کی قیمت انفرادی ملز کے کیش فلوی دستیابی کے مطابق 300 سے 385 روپے فی 40 کلو کے درمیان تھی۔ قیمتوں کی بے لگام جنگ کے باوجود ہم بہتر تکنیک اور کیش فلوی کے انتظام کی وجہ سے پچھلے سیزن کے مقابلے زیادہ گنے کی کرشنگ کرنے میں کامیاب ہوئے۔ ہم نے پچھلے کئی سیزن کے مقابلے میں کم شٹ ڈاؤنز کا بھی انتظام کیا، اس طرح تبادلوں کے اخراجات میں موثر طریقے سے بچت ہوئی۔

موجودہ سیزن کے دوران گنے سے سکروزی ریکوری ہماری اعلیٰ درجے کی B درجہ مولاسز کی پیداوار کی بدلی ہوئی تکنیک کی وجہ سے کم تھی، جس سے ہم برآمدی اور ریکلیفائیڈ اتھنول کی اعلیٰ پیداواری صلاحیت کے لیے اعلیٰ معیار کا مولاسز تیار کر سکتے ہیں۔ اتھنول کی بہتر پیداوار کے علاوہ ہم نے باہر سے کوئی مولاسز نہ خرید کر اور مقامی اعلیٰ درجے کی B درجہ مولاسز کی پیداواری تکنیکوں میں خود کفالت حاصل کر کے اربوں روپے کے کیش کی بچت کرنے میں کامیاب ہو گئے۔ اس طرح نظر ثانی شدہ عمل کے دوران گنے کی ریکوری کی کچھ مقدار کھونے کے بعد بھی، منافع کے لحاظ سے ہم نے کافی زیادہ حاصل کیا۔

زیر جائزہ ان چھ ماہ کی مدت کے دوران، کمپنی نے گزشتہ سالوں کے مقابلے میں 1.545 بلین روپے ٹیکس سے قبل منافع اور 1.153 بلین روپے کا بعد از ٹیکس منافع کمایا ہے، جبکہ پچھلے سال کے چھ ماہ کے اعداد شمار بالترتیب 1.012 بلین روپے اور 0.675 بلین روپے ہے۔

شوگر ملوں کو ملک کے لیے انتہائی ضروری غیر ملکی کرنسی کا اضافہ کرنے کے لیے چینی کے کوٹے پر مبنی برآمد کے لئے تھوڑی مقدار دینے کے بعد، حکومت نے غیر قانونی طور پر چینی کی قیمت 95 روپے فی کلو مقرر کی، جو کہ مناسب سطح پر جاری رکھنے کے قابل نہیں تھی، کیونکہ گنے کی خریداری کی قیمت اس سے کہیں زیادہ تھی۔

شوگر ملوں نے ریاست کے اس صوابدیدی فیصلے کے خلاف عدالتوں کا رخ کیا ہے۔

اتھنول ڈویژن کمپنی کے لیے مسلسل اعزاز لارہا ہے۔ ہماری اتھنول پروڈکٹ کو بین الاقوامی مارکیٹ میں ہمیشہ بہت پزیرائی ملتی ہے اور یہ مسلسل منافع میں اپنا حصہ ڈالتی رہتی ہے۔ ہمیں امید ہے کہ ہمارا اتھنول ڈویژن اس سال کے زیادہ سے زیادہ حصے تک کام کرے گا، جو یقینی طور پر رواں مالی سال کے اختتام تک منافع بخش نتائج میں مزید اضافہ کرے گا۔

بورڈ آف ڈائریکٹرز کی جانب سے

اکبر خان

(چیف ایگزیکٹو آفیسر)

29 مئی 2023

TANDLIANWALA SUGAR MILLS LTD.

INDEPENDENT AUDITOR'S REVIEW REPORT **To the members of Tandlianwala Sugar Mills Limited** **Report on Review of Interim Financial Statements**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Tandlianwala Sugar Mills Limited** (“the Company”) as at March 31, 2023 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the “interim financial statements”). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended March 31, 2022 and 2023 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended March 31, 2023.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagement 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the entity”. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Mr. Ibne Hassan.

Place : Lahore
Date : May 29, 2023
UDIN : RR202310300kACb5PJwH

UHY Hassan Naeem & Co.
Chartered Accountants

TANGLIANWALA SUGAR MILLS LTD.**CONDENSED INTERIM STATEMENT OF
FINANCIAL POSITION (UN-AUDITED)**

		(Un-audited) 31 March 2023 Rupees	(Audited) 30 September 2022 Rupees
EQUITY AND LIABILITIES	<i>Note</i>		
Authorized capital 120,000,000 (2022: 120,000,000) ordinary shares of Rs. 10 each		1,200,000,000	1,200,000,000
<u>Share Capital and Reserves</u>			
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 profit		7,115,550,495	5,963,048,710
Loan from Sponsors - <i>unsecured</i>		3,764,370,720	3,635,214,057
		12,347,725,855	11,066,067,407
<u>Non- Current Liabilities</u>			
Long term finances - <i>secured</i>	5	47,965,098	393,529,554
Lease liability - <i>secured</i>	6	87,538,591	2,412,260
Deferred liabilities			
- <i>Staff retirement benefits</i>		772,498,953	776,438,046
- <i>Deferred taxation</i>	7	-	-
Deferred Income-Government Grant	8	-	-
		908,002,642	1,172,379,860
<u>Current Liabilities</u>			
Short term borrowings - <i>secured</i>	9	12,585,881,570	9,997,040,575
Current portion of non-current liabilities	10	1,113,757,429	1,307,230,534
Trade and other payables	11	14,798,362,093	7,457,575,122
Interest and mark-up accrued		505,675,400	431,127,753
Provision for taxation		392,378,190	467,065,454
		29,396,054,682	19,660,039,438
Contingencies and commitments	12		
		42,651,783,179	31,898,486,705

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive Officer

TANGLIANWALA SUGAR MILLS LTD.**AS AT MARCH 31, 2023**

ASSETS	Note	(Un-audited) 31 March 2023 Rupees	(Audited) 30 September 2022 Rupees
<u>Non - Current Assets</u>			
Property, plant and equipment	13	15,068,781,026	15,385,603,599
Long term deposits		230,381,652	154,606,251
		15,299,162,678	15,540,209,850
<u>Current Assets</u>			
Stores, spare parts and loose tools		1,577,316,163	1,282,815,097
Stock-in-trade	14	18,099,293,705	7,959,386,723
Trade debts - considered good	15	20,963,788	18,486,272
Advances, deposits, prepayments and other receivables	16	6,733,655,263	5,798,251,593
Tax refunds due from Government		748,971,479	654,559,825
Cash and bank balances	17	172,420,103	644,777,345
		27,352,620,501	16,358,276,855
		42,651,783,179	31,898,486,705

Director

TANDLIANWALA SUGAR MILLS LTD.**CONDENSED INTERIM STATEMENT OF PROFIT
OR LOSS (UN-AUDITED)***For the three month and six month period ended March 31, 2023*

	Note	Six months ended		Three months ended	
		31 March 2023 Rupees	31 March 2022 Rupees	31 March 2023 Rupees	31 March 2022 Rupees
Sales - net	18	26,084,686,560	20,367,827,543	17,583,948,511	13,475,123,274
Cost of sales	19	(22,938,525,017)	(18,044,784,785)	(15,410,657,106)	(11,767,514,236)
Gross profit		3,146,161,543	2,323,042,758	2,173,291,405	1,707,609,038
Administrative expenses		(361,851,956)	(350,725,563)	(211,047,847)	(216,544,694)
Distribution expenses		(286,841,257)	(231,129,695)	(266,983,309)	(213,486,782)
Other income	20	274,414,286	27,275,387	274,079,376	25,106,399
		(374,278,927)	(554,579,871)	(203,951,780)	(404,925,077)
Profit from operations		2,771,882,616	1,768,462,887	1,969,339,625	1,302,683,961
Finance cost		(1,116,951,711)	(694,042,823)	(737,860,866)	(443,608,691)
Other expenses		(110,050,930)	(62,631,376)	(106,023,712)	(43,399,315)
		(1,227,002,641)	(756,674,199)	(843,884,578)	(487,008,006)
Profit before taxation		1,544,879,975	1,011,788,688	1,125,455,047	815,675,955
Taxation	21	(392,378,190)	(336,401,678)	(273,848,489)	(141,319,206)
Profit after taxation		1,152,501,785	675,387,010	851,606,558	674,356,749
Earnings per share - Basic and Diluted		9.79	5.74	7.24	5.73

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive Officer

Director

TANDLIANWALA SUGAR MILLS LTD.**CONDENSED INTERIM STATEMENT OF OTHER
COMPREHENSIVE INCOME / LOSS (UN-AUDITED)***For the three month and six month period ended March 31, 2023*

	<u>Six months ended</u>		<u>Three months ended</u>	
	<u>31 March 2023</u> Rupees	<u>31 March 2022</u> Rupees	<u>31 March 2023</u> Rupees	<u>31 March 2022</u> Rupees
Profit after taxation	1,152,501,785	675,387,010	851,606,558	674,356,749
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>1,152,501,785</u>	<u>675,387,010</u>	<u>851,606,558</u>	<u>674,356,749</u>

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive Officer

Director

TANGLIANWALA SUGAR MILLS LTD.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) For the six month period ended March 31, 2023

	Reserves			Loan from Sponsors	Total
	Share capital	Capital Share premium	Revenue Un-appropriated profit		
			Rupees -		
Balance as at October 01, 2021 (Audited)	1,177,063,000	290,741,640	5,458,558,557	3,635,214,057	10,561,577,254
<u>Transactions with owners of the Company</u>					
Amount paid during the period - net	-	-	-	-	-
<u>Total comprehensive loss for the period</u>	-	-	-	-	-
Profit for the period ended March 31, 2022	-	-	675,387,010	-	675,387,010
Other comprehensive income for the period ended March 31, 2022	-	-	-	-	-
Balance as at March 31, 2022 (Un-audited)	1,177,063,000	290,741,640	675,387,010	-	675,387,010
Balance as at October 01, 2022 (Audited)	1,177,063,000	290,741,640	6,133,945,567	3,635,214,057	11,236,964,264
<u>Transactions with owners of the Company</u>					
Amount received during the period - net	-	-	-	129,156,663	-
<u>Total comprehensive loss for the period</u>	-	-	-	-	-
Profit for the period ended March 31, 2023	-	-	1,152,501,785	-	1,152,501,785
Other comprehensive income for the period ended March, 31 2023	-	-	-	-	-
Balance as at March, 31 2023 (Unaudited)	1,177,063,000	290,741,640	7,115,550,495	3,764,370,720	12,347,725,855

Chief Financial Officer

Chief Executive Officer

Director

Half Yearly Report March 31, 2023

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

TANGLIANWALA SUGAR MILLS LTD.

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

For the six month period ended March 31, 2023

	Note	31 March 2023 Rupees	31 March 2022 Rupees
<u>Cash flow from operating activities</u>			
Profit before taxation		1,544,879,975	1,011,788,688
<i>Adjustments:</i>			
Finance cost		1,116,951,711	694,042,823
Depreciation on property, plant and equipment		389,998,560	404,565,573
Provision for staff retirement benefits		-	51,439,746
Provision for worker's profit participation fund		80,734,209	-
Return on bank deposits	20	(5,118,260)	(1,634,825)
		1,582,566,220	1,148,413,317
Operating profit before working capital changes		3,127,446,195	2,160,202,005
<i>(Increase) / decrease in current assets:</i>			
Stores, spares parts and loose tools		(294,501,066)	(98,109,418)
Stock-in-trade		(10,139,906,982)	(8,382,743,026)
Trade debts - <i>considered good</i>		(2,477,516)	(4,944,463)
Advances, deposits, prepayments and other receivables		(935,403,670)	(329,278,793)
		(11,372,289,234)	(8,815,075,700)
<i>Increase / (decrease) in current liabilities:</i>			
Trade and other payables		7,260,052,762	4,296,954,436
Cash used in operations		(984,790,277)	(2,357,919,259)
Finance cost paid		(1,042,404,064)	(604,784,866)
Staff retirement benefits paid		(3,939,093)	(4,368,571)
Taxes paid		(561,477,112)	(479,909,899)
Long term deposits - <i>net</i>		(75,775,401)	(25,353,495)
		(1,683,595,670)	(1,114,416,831)
Net cash used in operations		(2,668,385,947)	(3,472,336,090)
<u>Cash flow from investing activities</u>			
Capital expenditure - <i>net</i>		(73,175,987)	(43,045,622)
Income received from bank deposits		5,118,260	1,634,825
Net cash used in investing activities		(68,057,727)	(41,410,797)
<u>Cash flow from financing activities</u>			
Lease liabilities - <i>net</i>		38,010,584	(87,401,474)
Short term borrowings - <i>net</i>		2,588,840,999	4,001,457,056
Loan from sponsors		129,156,663	-
Long term finances		(491,921,814)	(521,493,937)
Net cash generated from financing activities		2,264,086,432	3,392,561,645
Net decrease in cash and cash equivalents		(472,357,242)	(121,185,242)
Cash and cash equivalents at the beginning of the period		545,275,190	101,748,479
Cash and cash equivalents at the end of the period		72,917,948	(19,436,763)
<i>Cash and cash equivalents comprise of the following:</i>			
- Cash and bank balances	17	172,420,103	80,065,392
- Short term borrowings - <i>Running Finance</i>	9	(99,502,155)	(99,502,155)
		72,917,948	(19,436,763)

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive Officer

Director

Half Yearly Report March 31, 2023

TANDLIANWALA SUGAR MILLS LTD.

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

For the six month period ended March 31, 2023

- 1. Reporting entity**

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 quoted on Pakistan Stock Exchange. The principal activity of the Company is production and sale of white crystalline sugar, ethanol and other related allied by-products. The geographical locations and addresses of the Company's business units, including production facilities are as under:

 - Head office and registered office : 66-L, Gulberg -II, Lahore
 - Unit-I : Kanjwani, Tehsil Tandlianwala, District Faisalabad
 - Unit-II : Zamand, Miran, Indus Highway, District Dera Ismail Khan
 - Unit-III : Rehman Hajra, Shah Jamal Road, District Muzaffargarh
- 2. Basis of preparation**
 - 2.1 Statement of compliance**

These condensed interim financial statements comprise of the condensed interim statement of financial position of the Company as at 31 March 2023 and the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and together with the notes forming part thereof for the half year ended 31 March 2023. 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 comprise of International Accounting Standard (IAS) 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB) 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, the provisions of and directives issued under the Companies Act, 2017 have been followed. The disclosures made in these condensed interim financial statements of the Company have, however, been limited based on the requirements of the International Accounting Standard 34 - Interim Financial Reporting. Thus, these do not include the statements reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended September 30, 2022. These condensed interim financial statements are unaudited, however, have been subjected to limited scope review by the external auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2017 and section 237 of the Companies Act, 2017. The comparative statement of financial position presented in these condensed interim financial statements has been extracted from the audited financial statements of the Company for the year ended September 30, 2022, whereas the comparative condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial statements for the half year ended March 31, 2022.
 - 2.2 Basis of measurement**

These condensed interim financial statements have been prepared under the historical cost convention unless stated otherwise
 - 2.3 Use of estimates and judgments**

The preparation of the condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgments made by the management in applying accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual financial statements for the year ended September 30, 2022.
 - 2.4 Functional and presentation currency**

These condensed interim financial statements are presented in Pak Rupees which is the functional and presentation currency of the Company.
- 3. Accounting policies**
 - 3.1** The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended September 30, 2022, except for those disclosed in note.
 - 3.1.1 Change in Significant Accounting Policies**

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after October 01, 2022, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.
- 4. Seasonality of operations**

Due to seasonal nature of sugar segment, operating results are expected to fluctuate in the second half of the year. The sugarcane crushing season starts from November and lasts till March each year. Therefore, majority of the expenses are incurred and production activities are undertaken in first half of the Company's financial year which leads to an increased volume of inventories and current liabilities at the end of the six months.

TANGLIANWALA SUGAR MILLS LTD.

			(Un-audited)	(Audited)
	Note	31-Mar-23	30-Sep-22	
		Rupees	Rupees	
5. Long term finances - secured				
Balance at beginning of the period / year		1,460,099,738	2,506,553,781	
Loans received during the period / year		-	-	
Government Grant recognised during the period		-	-	
Repayments during the period / year		(491,921,814)	(1,056,913,378)	
Unwinding of deferred income- government grant		822,248	10,459,335	
		<u>969,000,172</u>	<u>1,460,099,738</u>	
Current portion presented under current liabilities	10	(921,035,074)	(1,066,570,184)	
		<u>47,965,098</u>	<u>393,529,554</u>	
5.1 Type of loans				
Interest / mark-up based loans		955,732,962	1,437,987,730	
Islamic mode of financing		13,267,210	22,112,008	
		<u>969,000,172</u>	<u>1,460,099,738</u>	
5.2 Long term finances are secured against ranking / joint pari passu charge on land, all present and future fixed assets of the Company and personal guarantees of sponsor / directors of the Company.				
6. Lease liability – secured				
	Note	31-Mar-23	30-Sep-22	
		Rupees	Rupees	
Present value of minimum lease payments		280,260,946	242,250,362	
Less: Current portion of lease liabilities	10	(192,722,355)	(239,838,102)	
		<u>87,538,591</u>	<u>2,412,260</u>	
7. Deferred taxation				
As at March 31, 2023 deferred tax asset on unused capital allowances has not been recognized in these financial statements as sufficient taxable profits are not expected to be probable against which the Company can use benefits therefrom. Management is of the view that recognition of deferred tax asset shall be re-assessed on September 30, 2023.				
8 Deferred Income - Government Grant				
	Note	31-Mar-23	30-Sep-22	
		Rupees	Rupees	
Opening deferred grant		822,248	11,281,583	
Recognized during the year		-	-	
Amortized during the year		(822,248)	(10,459,335)	
		<u>-</u>	<u>822,248</u>	
Less: Current maturity presented under current liabilities	10	-	(822,248)	
Balance as at 31 March		<u>-</u>	<u>-</u>	
9 Short term borrowings - secured				
	Note	31-Mar-23	30-Sep-22	
		Rupees	Rupees	
Type of short term borrowings:				
Interest / mark-up based loans		12,585,881,570	9,997,040,575	
		<u>12,585,881,570</u>	<u>9,997,040,575</u>	
9.1 This includes running finance of Rs. 99.50 million (September 30, 2022: Rs. 99.50 million).				
10 Current portion of non-current liabilities				
	Note	31-Mar-23	30-Sep-22	
		Rupees	Rupees	
Long term finances – secured	5	921,035,074	1,066,570,184	
Lease liability - secured	6	192,722,355	239,838,102	
Deferred grant	8	-	822,248	
		<u>1,113,757,429</u>	<u>1,307,230,534</u>	
11. Trade and other payables				
These mainly include advances from customers amounting to Rs. 7,825 million (September 30, 2022: Rs. 3,794 million) and creditors for capital expenditure amounting to Rs. 2,692 million (September 30, 2022: Rs. 1,856 million).				

TANGLIANWALA SUGAR MILLS LTD.

12. Contingencies and commitments

12.1 Contingencies

There is no material change in contingencies from the audited financial statements of the Company for the period ended September 30, 2022 except for as stated below and disclosed as commitments and guarantees.

12.2 Commitments

- (i) The Company has given a bank guarantee with 100% cash margin of Rs. 2 million (September 30, 2022: Rs. 2 million) to the Excise and Taxation Department for the export of ethanol.
- (ii) The amount of future Ijarah rentals for Ijarah financing and the period in which these payments will become due are as follows:

	(Un-audited) 31-Mar-23 Rupees	(Audited) 30-Sep-22 Rupees
Not later than one year	-	4,198,215
Later than one year and not later than five years	-	-
	<u>-</u>	<u>4,198,215</u>

13. Property, plant and equipment

	Note	(Un-audited) 31-Mar-23 Rupees	(Audited) 30-Sep-22 Rupees
Operating fixed assets	13.1	15,013,285,480	15,330,108,053
Capital work-in-progress	13.2	55,495,546	55,495,546
		<u>15,068,781,026</u>	<u>15,385,603,599</u>

13.1 Operating fixed assets - at net book value

Net book value at beginning of the period/year	15,330,108,053	15,880,400,537
Additions during the period / year	73,175,987	261,291,582
Disposals during the period / year - net book value	-	(33,504)
Depreciation charged during the period / year	(389,998,560)	(811,550,562)
Net book value at end of period / year	<u>15,013,285,480</u>	<u>15,330,108,053</u>

13.2 Capital work-in-progress

Opening balance	55,495,546	55,495,546
Addition during the period/year	-	-
Transfer made during the period/year	-	-
Closing balance	<u>55,495,546</u>	<u>55,495,546</u>

14. Stock-in-trade

	Note	(Un-audited) 31-Mar-23 Rupees	(Audited) 30-Sep-22 Rupees
Raw materials		8,217,931,341	2,260,439,821
Finished goods		9,881,362,364	5,698,946,902
		<u>18,099,293,705</u>	<u>7,959,386,723</u>

15. Trade debts - considered good

This includes amount due from Lotte Akhtar Beverages (Private) Limited, an associated company, against the sale of Top Gas amounting to Rs. 8.3 million (September 30, 2022: Rs. 4.3 million) in the normal course of business and is over due by less than 180 days.

16. Advances, deposits, prepayments and other receivables

16.1 These mainly include advances given to suppliers and contractors of Rs. 3,547 million (September 30, 2022: Rs. 2,599 million), inland export subsidy of Rs. 133 million (September 30, 2022: Rs. 133 million) and export support on sugar of Rs. 586 million (September 30, 2022: Rs. 586 million).

16.2 This includes an amount of Rs. nil (September 30, 2022: Rs. 0.83 million) receivable from executive of the Company.

17. Cash and bank balances

	Note	(Un-audited) 31-Mar-23 Rupees	(Audited) 30-Sep-22 Rupees
Cash at Bank		169,104,517	607,681,187
- Current Accounts	17.1	1,506,242	22,323,042
- Saving Accounts		170,610,759	630,004,229
Cash in hand		1,809,344	14,773,116
		<u>172,420,103</u>	<u>644,777,345</u>

17.1 The balances in the saving accounts carry mark-up ranging from 16.1% to 20.5% per annum (September 30, 2022: 10% to 13.2%).

TANGLIANWALA SUGAR MILLS LTD.

18. Sales - net	(Un-audited) Six months ended		(Un-audited) Three months ended		
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	
	Rupees	Rupees	Rupees	Rupees	
<i>Local:</i>					
Sugar	22,596,149,018	19,229,023,590	14,833,485,182	12,805,842,137	
Ethanol	121,806,490	111,819,626	64,930,230	34,827,462	
Top Gas & others	283,953,924	112,564,427	241,093,091	27,742,695	
	<u>23,001,909,432</u>	<u>19,453,407,643</u>	<u>15,139,508,503</u>	<u>12,868,412,294</u>	
<i>Export:</i>					
Sugar	1,545,033,290	-	1,545,033,290	-	
Ethanol	4,951,068,073	3,768,801,918	3,154,794,213	2,494,487,258	
	<u>6,496,101,363</u>	<u>3,768,801,918</u>	<u>4,699,827,503</u>	<u>2,494,487,258</u>	
<i>Less:</i>					
Sales tax	29,498,010,795	23,222,209,561	19,839,336,006	15,362,899,552	
	<u>(3,413,324,235)</u>	<u>(2,854,382,018)</u>	<u>(2,255,387,495)</u>	<u>(1,887,776,278)</u>	
	<u>26,084,686,560</u>	<u>20,367,827,543</u>	<u>17,583,948,511</u>	<u>13,475,123,274</u>	
19. Cost of sales	(Un-audited) Six months ended		(Un-audited) Three months ended		
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	
	Rupees	Rupees	Rupees	Rupees	
Raw material purchase	30,718,372,490	24,577,006,213	21,035,526,785	19,780,893,921	
Direct wages	478,125,482	378,100,424	320,704,468	143,767,702	
Factory overheads	1,881,934,027	1,472,421,174	1,291,965,789	1,101,181,862	
Cost of goods manufactured	<u>33,078,431,999</u>	<u>26,427,527,811</u>	<u>22,648,197,042</u>	<u>21,025,843,485</u>	
Stock in trade					
- at the beginning of the period	7,959,386,723	6,260,943,955	10,861,753,769	5,385,357,732	
- at the end of the period	<u>(18,099,293,705)</u>	<u>(14,643,686,981)</u>	<u>(18,099,293,705)</u>	<u>(14,643,686,981)</u>	
Cost of goods sold	<u>22,938,525,017</u>	<u>18,044,784,785</u>	<u>15,410,657,106</u>	<u>11,767,514,236</u>	
20. Other income	(Un-audited) Six months ended		(Un-audited) Three months ended		
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	
	Rupees	Rupees	Rupees	Rupees	
<i>Income from financial assets</i>					
Profit on saving accounts under interest	5,118,260	1,634,825	4,817,566	1,106,774	
<i>Income from non-financial assets</i>					
Foreign exchange gain	269,239,270	25,547,478	269,239,270	23,999,625	
Miscellaneous income	56,756	93,084	22,540	-	
	<u>269,296,026</u>	<u>25,640,562</u>	<u>269,261,810</u>	<u>23,999,625</u>	
	<u>274,414,286</u>	<u>27,275,387</u>	<u>274,079,376</u>	<u>25,106,399</u>	
21. Taxation		Note	(Un-audited) 31-Mar-23	(Un-audited) 31-Mar-22	
Income tax - Current		21.1	392,378,190	336,401,678	
Deferred tax			<u>-</u>	<u>-</u>	
			<u>392,378,190</u>	<u>336,401,678</u>	
21.1 The provision for taxation for the half year ended March 31, 2023 has been made on an estimated basis.					
21.2 There is no material change in status of tax cases from audited financial statements of the Company for the period ended March 31, 2023.					
22. Transactions and balances with related parties					
The related parties comprise Associated Companies, Directors of the Company, key management personnel and other related parties. The Company in the normal course of business carries out transaction, with various related parties. Amount due from and to related parties are shown under respective notes to this condensed interim financial statements. Other significant transactions and balances with related parties except those disclosed elsewhere are as follows:					
		Balance as at		For the period	
Relationship	Nature of transactions	(Un-audited) 31-Mar-23	(Audited) 31-Mar-22	(Un-audited) 31-Mar-23	(Un-audited) 31-Mar-22
		Rupees	Rupees	Rupees	Rupees
Associated Company					
Lotte Akhtar Beverages (Private) Limited	Sale of Top Gas	8,294,389	4,349,171	22,134,031	10,745,554
Institute of Policy Reforms	Donation	-	9,314,077	10,026,700	9,314,077

TANGLIANWALA SUGAR MILLS LTD.

23. Business segments information	Sugar		Disillery		Top Gas		Total	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
23.1 Segment results	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Reportable segment revenue	20,756,432,178	16,401,953,357	5,054,342,939	3,853,309,759	273,911,443	112,564,427	26,084,686,560	20,367,827,543
Cost of sales	(28,338,748,623)	(19,894,400,743)	5,413,899,504	1,864,923,442	(13,675,898)	(15,307,484)	(22,938,525,017)	(18,044,784,785)
Inter-segment	9,973,396,175	5,194,293,727	(9,955,354,511)	(5,163,610,087)	(18,041,664)	(30,683,640)	-	-
Segment gross (loss)/profit	2,391,079,730	1,701,846,341	512,887,932	554,623,114	242,193,881	66,573,303	3,146,161,543	2,323,042,758
Administrative expenses	(306,249,686)	(307,528,016)	(54,989,166)	(42,312,922)	(613,104)	(884,625)	(361,851,956)	(350,725,563)
Distribution expenses	(59,506,588)	(45,017,070)	(215,598,777)	(179,112,836)	(11,735,892)	(6,999,789)	(286,841,257)	(231,129,695)
Other income	5,175,016	1,727,909	269,239,270	25,547,478	-	-	274,414,286	27,275,387
Finance cost	(737,494,828)	(523,965,144)	(379,456,883)	(170,077,679)	-	-	(1,116,951,711)	(694,042,823)
23.2 Reconciliation of reportable segments profit or loss								
Operating profit of all segments							1,654,930,905	1,074,420,064
Unallocated corporate expenses							(110,050,930)	(62,631,376)
Profit before tax							1,544,879,975	1,011,788,688
Taxation							(392,378,190)	(336,401,678)
Profit after tax							1,152,501,785	675,387,010
23.3 Segments assets and liabilities								
	Sugar		Disillery		Top Gas		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
31-Mar-23	30-Sep-22	31-Mar-23	30-Sep-22	31-Mar-23	30-Sep-22	31-Mar-23	30-Sep-22	
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
26,399,146,191	19,743,437,461	14,771,062,727	11,047,007,016	1,481,574,261	1,108,042,228	42,651,783,179	31,898,486,705	
21,590,591,729	14,842,377,540	8,616,101,836	5,923,109,379	97,363,759	66,932,379	30,304,057,324	20,832,419,298	

TANGLIANWALA SUGAR MILLS LTD.

24. Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted price is readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and that price represents actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at measurement date (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (i.e. unobservable) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy;

	Carrying amount			Total
	Fair Value Through Profit or Loss	Fair Value Through OCI	At amortized cost	
	Rupees -			
As at March 31, 2023 (Un-Audited)				
<i>Financial assets - not measured at fair value</i>				
Long term deposits	-	-	230,381,652	230,381,652
Trade debts - considered good	-	-	20,963,788	20,963,788
Advances, deposits, prepayments and other receivables	-	-	1,289,502,225	1,289,502,225
Cash and bank balances	-	-	172,420,103	172,420,103
	-	-	1,713,267,768	1,713,267,768
<i>Financial liabilities - not measured at fair value</i>				
Long term finances - secured	-	-	969,000,172	969,000,172
Lease liability - secured	-	-	280,260,946	280,260,946
Short term borrowings - secured	-	-	12,585,881,570	12,585,881,570
Trade and other payables	-	-	4,969,426,288	4,969,426,288
Interest and markup accrued	-	-	505,675,400	505,675,400
	-	-	19,310,244,376	19,310,244,376
As at September 30, 2022 (Audited)				
<i>Financial assets - not measured at fair value</i>				
Long term deposits	-	-	31,375,863	31,375,863
Trade debts - considered good	-	-	18,486,272	18,486,272
Advances, deposits, prepayments and other receivables	-	-	1,046,560,898	1,046,560,898
Cash and bank balances	-	-	644,777,345	644,777,345
	-	-	1,741,200,378	1,741,200,378
<i>Financial liabilities - not measured at fair value</i>				
Long term finances - secured	-	-	1,460,099,738	1,460,099,738
Lease liability - secured	-	-	242,250,362	242,250,362
Short term borrowings - secured	-	-	9,997,040,575	9,997,040,575
Trade and other payables	-	-	3,079,598,266	3,079,598,266
Interest and markup accrued	-	-	431,127,753	431,127,753
	-	-	15,210,116,694	15,210,116,694

24.1 Fair value versus carrying amounts

The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprised over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

25. Financial risk management

The Company's financial risk management objective and policies are consistent with that disclosed in the annual financial statements of the Company for the year ended September 30, 2022.

26. Date of authorization

These unaudited condensed interim financial statements were authorized for issue on May 29, 2023 by the Board of Directors of the company.

27. General

Figures in this condensed interim financial statements have been rounded off to the nearest of Rupee.

28. Events after the statement of Financial Position date

There are no material subsequent events occurred after the statement of financial position date.

Chief Financial Officer

Chief Executive Officer

Director

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TANGLIANWALA 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	



 by: Arif Sons

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