

**Nature's Riches, Perfected: Bringing the Best from Field to Market**



2024

**Condensed Interim Financial Statements (Un-Audited)  
for the Half year ended 31 March**

Tariq Corporation Limited

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# COMPANY INFORMATION

## DIRECTORS

|                     |                         |
|---------------------|-------------------------|
| Sadia Ali Tariq     | Chairperson             |
| Mustafa Ali Tariq   | Chief Executive Officer |
| Ahmed Ali Tariq     | Executive Director      |
| Ghazanfar Ali       | Non Executive Director  |
| Maryam Habib        | Non Executive Director  |
| Muhammad Imran Khan | Independent Director    |
| Saif Hasan          | Independent Director    |

## CHIEF FINANCIAL OFFICER

Wasim Saleem

## COMPANY SECRETARY

Khalid Mahmood

## HEAD OF INTERNAL AUDIT

Zahid Mahmood

## AUDIT COMMITTEE

|          |                     |
|----------|---------------------|
| Chairman | Muhammad Imran Khan |
| Member   | Ghazanfar Ali       |
| Member   | Maryam Habib        |

## HUMAN RESOURCE & REMUNERATION COMMITTEE

|          |                   |
|----------|-------------------|
| Chairman | Saif Hasan        |
| Member   | Maryam Habib      |
| Member   | Mustafa Ali Tariq |

## RISK MANAGEMENT COMMITTEE

|          |                   |
|----------|-------------------|
| Chairman | Mustafa Ali Tariq |
| Member   | Ahmed Ali Tariq   |
| Member   | Saif Hasan        |

## EXTERNAL AUDITORS

Kreston Hyder Bhimji & Co  
Chartered Accountants

## BANKERS OF THE COMPANY

## SHARIAH COMPLIANT

Askari Bank Limited  
Bankislami Pakistan Limited  
Faysal Bank Limited  
Meezan Bank Limited  
OLP Modaraba

## CONVENTIONAL

Bank Alfalah Limited  
First Credit and Investment Bank Limited  
National Bank of Pakistan  
Samba Bank Limited

## SHARE REGISTRAR

CDC Share Registrar Services Limited

### KARACHI

CDC House, 99 – B, Block 'B',  
S.M.C.H.S., Main Shakra-e-Faisal Karachi-74400.  
Tel: Customer Support Services  
(Toll Free) 0800-CDCPL (23275)  
Fax: (92-21) 34326053  
Email: [info@cdcsrsl.com](mailto:info@cdcsrsl.com)  
Website: [www.cdcsrsl.com](http://www.cdcsrsl.com)



### CDC LAHORE OFFICE

Mezzanine Floor,  
South Tower, LSE Plaza,  
Khayaban-E-Aiwan-E-Iqbal, Lahore  
Tel: (92-42)- 36362061-66



### CDC ISLAMABAD OFFICE

Room # 410,4th Floor, ISE Towers,  
55-B, Jinnah Avenue,  
Blue Area, Islamabad.  
Tel. (92-51) 2895456-9



## LEGAL ADVISORS

Saad Rasool Law Associates  
Siddiqui Bari Kasuri & Company

## COST AUDITORS

Fazal Mahmood & Co  
Chartered Accountants

### MILLS

Lahore Road, Jaranwala  
Ph:(92-41)-4312499



## REGISTERED / HEAD OFFICE

28-C, Block E-1, Gulberg-III, Lahore  
Ph: (92-42) -111-111-476  
Fax:(92-42) -35712680  
Email: [info@tariqcorp.com](mailto:info@tariqcorp.com)



## WEBSITE INFORMATION

[www.tariqcorp.com](http://www.tariqcorp.com)

## PSX SYMBOL

TCORP

## DIRECTORS' REPORT

The directors of your company are pleased to present the reviewed financial information of the Company for the half-year that ended on 31 March 2024.

The highlights of the Company's performance for the half year and its comparison with the corresponding period of last year is given below:

|                                 | 31-03-2024       | 31-03-2023    |
|---------------------------------|------------------|---------------|
| <b>OPERATIONAL</b>              |                  |               |
| Sugarcane crushed (Metric Tons) | 570,050          | 616,378       |
| Sugar produced (Metric Tons)    | 58,183           | 60,120        |
| Sugar recovery (%)              | 10.21            | 9.76          |
| <b>FINANCIAL</b>                |                  |               |
|                                 | .....Rupees..... |               |
| Net sales                       | 7,747,523,842    | 4,644,504,356 |
| Gross (loss) / profit           | (311,973,089)    | 99,475,191    |
| Operating and finance cost      | 325,755,956      | 417,183,500   |
| (Loss) / Profit before taxation | (607,219,985)    | 89,963,100    |
| (Loss) / Profit after taxation  | (490,885,021)    | 8,317 ,262    |
| (Loss) / Earnings per share     | (9.27)           | 0.16          |

## THE SUGAR INDUSTRY AND THE ECONOMY

This year saw a further rise in the cost of sugarcane to Mills as the Government of Punjab and other provinces in Pakistan notified an even higher cost of Sugarcane fixed at Rs. 400 per Maund. Although this was the notified price floor, market prices of sugarcane fluctuated upwards of Rs. 550 per Maund and Mills bought very expensive sugarcane.

Although provincial governments have increased the support prices of sugarcane to encourage sugarcane plantation, they have not been supportive of the corresponding increase in sugar prices. If governments increase the costs of production, i.e minimum support price and inflation continues, naturally, there will be a corresponding increase in prices of sugar.

In the agriculture sector in general, it has been seen that in recent years and in the years to come, farmers have chosen to shift towards sugarcane compared to alternative crops due to the excellent returns they have received from Mills. With a larger quantity of crushable sugarcane and higher costs of sugarcane, there was a larger production of national sugar this year, compared to the previous year.

Although the costs of manufacturing have gone higher, the surplus inventory of sugar has adversely affected the price of sugar. The price of sugar has remained depressed and the proposal for the export of sugar has been advocated by stakeholders to relevant policymakers for due consideration. It is expected that on export of the surplus quantity of sugar, the market will stabilize and rally corresponding to costs of manufacturing.

Although the State Bank of Pakistan has begun to decelerate rising interest rates as inflation look to have been reigned in, the cost of capital has become too costly. In fact interest rates are the highest they have been in decades. It is becoming an extremely difficult challenge for a food-based industry to navigate in such a background. Political instability has restricted foreign inflows and the resulting dent in foreign exchange reserves have hit hard on the Rupee. Although this devaluation adds a burden on the costs of manufacturing, it also gives companies in Pakistan's sugar sector a comparative advantage on sugar. With the USD devaluation to record levels, it is lucrative for the sugar industry in Pakistan to export hundreds of thousands, if not millions of tonnes annually.

## OPERATING HIGHLIGHTS

Starting on the 22nd of November 2023, the company operated for a total of 102 days. Compared to the previous season, the company's crushing season was roughly the same, longer by 5% in terms of days.

Although financial results of the half-year are never truly representative of what the company will ultimately achieve, the directors are pleased to announce that:

The Company was able to crush 570,050 M.Tons of Sugarcane and produced 58,183 M.Tons of refined sugar at an average recovery of 10.21% as compared to last year's sugarcane crushing of 616,378 M. Tons and production of 60,120 M.Tons refined sugar at an average recovery of 9.76%. The investments made by the company in promoting sugarcane recovery through provision of pesticides and fertilizers has borne fruit, and the company has closed on half a degree higher as compared to the previous crushing season. The trend shows that sucrose recovery is increasing every year, and we are hopeful that the sucrose recovery will continue to increase year on year.

For half a year, the company has recorded a revenue of Rs. 7.747 billion. In comparison in 2017 and 2018 our full year revenues were at Rs. 2.7 and Rs. 3.8 billion for the entire year. The Efficiency Improvement Project and the BMR that the company has completed has drastically changed the operational capacity of the company. This year, our loss after tax is Rs. 490,885,021 during the period under review as compared to profit after tax of Rs. 8,317,262 in the corresponding period of last year. Increasing costs of capital, limited working capital availability, and costlier sugarcane without a corresponding increase in the price of sugar mid-season can be attributed to the loss after tax this year.

## FUTURE OUTLOOK

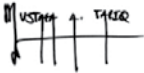
Although sugar prices have not increased in the local market correspondingly to the increase in sugarcane costs, we are confident that the market will stabilize in the coming months. National sugar demand is on the increase in general YoY and next year is predicted to be a bumper crop. As other crops have not returned sufficiently to farmers, more and more farmers are choosing to cultivate sugarcane as compared to alternatives for next year. Our Cane Surveying Department forecasts at least a 10% increase in sugarcane cultivation for the next year.

In the current working capital environment where cost of capital is around 24-25%, it has become essential to reduce financial costs as much as possible. In this regard and to compensate for operational losses, The Board of the Company has instructed management to capitalize on the profits from non-core assets by strategically disposing of them at gains. This decision aims to enhance the company's financial health by generating positive cash flow, thereby reinforcing the company's liquidity and enabling reinvestment in core business operations. By converting non-earning assets into earning assets, the Board hopes to capitalize on the current monetary environment by saving on bank interests and through significant returns on bank deposits. In this regard, the Board has authorized and directed the management of the Company to dispose of non-operational assets. Therefore, management is in discussions with potential parties to dispose of non-core operational assets to generate liquidity for the company.

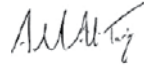
## ACKNOWLEDGEMENT

The Directors of your Company would like to thank the various governmental departments and its functionaries, our banking partners, others financial institutions, and insurance companies for their continued support and cooperation. The Directors would also like to express their gratitude and appreciation for the support provided by our valued customers and suppliers. We also thank our shareholders, who continue to place their trust and confidence in the Company and assure them of our best efforts to ensure optimum utilization of their investment in the Company. Furthermore, the Directors place on record their appreciation for the continued support of our sugarcane growers whose hard work and loyalty with our company continue to be at the center of our company's growth and success. Lastly and above all, the Directors wish to acknowledge and place on record their appreciation for the devotion, loyalty, and hard work of all cadres of employees towards the growth and success of the company.

For and on behalf of Board of Directors,

Handwritten signature of Mian Mustafa Ali Tariq in black ink, featuring a stylized 'M' and 'T'.

Mian Mustafa Ali Tariq  
Chief Executive Officer

Handwritten signature of Mian Ahmed Ali Tariq in black ink, featuring a stylized 'A' and 'T'.

Mian Ahmed Ali Tariq  
Director

LAHORE: 29 May 2024





## ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2024ء کو ختم ہونے والی پہلی ششماہی کے لیے کمپنی کی نظر ثانی شدہ مالی معلومات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ پہلی ششماہی اور گزشتہ سال کی اسی مدت کے موازنہ کے لئے کمپنی کی کارکردگی کی جھلکیاں حسب ذیل ہیں:

| آپریٹنگ                        | 2024 31 مارچ  | 2023 31 مارچ  |
|--------------------------------|---------------|---------------|
| گھنے کی کھپ (میٹرنگن)          | 570,050       | 616,378       |
| چینی کی پیداوار (میٹرنگن)      | 58,183        | 60,120        |
| چینی کا حصول (فیصد)            | 10.21         | 9.76          |
| <b>مالیات</b>                  |               |               |
| فروخت                          | 7,747,523,842 | 4,544,504,356 |
| مجموعی (تقصان) / منافع         | (311,973,089) | 99,475,191    |
| آپریٹنگ اور مالی اخراجات       | 325,755,956   | 417,183,500   |
| فصل ازگیس (تقصان) / منافع      | (607,219,985) | 89,963,100    |
| بھارا زگیس (تقصان) / منافع     | (490,885,021) | 8,317,262     |
| فی ٹیکس (تقصان) / آمدنی (روپے) | (9.27)        | 0.16          |

### چینی کی صنعت اور معیشت

اس سال ملوں نے گھنے کی قیمت میں مزید اضافہ دیکھا کیونکہ حکومت پنجاب اور پاکستان کے دیگر صوبوں نے گھنے کی پہلے ہی زیادہ قیمت 400 روپے فی من مقرر کی۔ گوکہ یہ اعلان کردہ قیمت فلوور پر چینی لینا گھنے کی مارکیٹ قیمتوں میں 550 روپے فی من تک اتار چڑھاؤ رہا اور ملوں نے بہت ہونگا گنا خریدا۔

اگرچہ صوبائی حکومتوں نے گھنے کی کاشت کی حوصلہ افزائی کے لئے گھنے کی امدادی قیمتوں میں اضافہ کیا ہے، لیکن وہ چینی کی قیمتوں میں اسی طرح کے اضافے کی ضمانت نہیں کرتی ہیں۔ اگر حکومتیں پیداواری لاگت میں اضافہ کرتی ہیں یعنی کم از کم امدادی قیمت اور افراط زر میں اضافہ جاری رہتا ہے تو قدرتی طور پر چینی کی قیمتوں میں اسی مناسبت سے اضافہ ہوگا۔

زراعت کے شعبہ میں عمومی طور پر یہ دیکھا گیا ہے کہ حالیہ برسوں میں اور آئندہ برسوں میں کسانوں نے ملوں سے ملنے والے بھر پور منافع کی وجہ سے متبادل فصلوں کے مقابلے میں گھنے کی طرف متغزل ہونے کا انتخاب کیا ہے۔ گھنے کی بڑی مقدار اور گھنے کی زیادہ لاگت کی وجہ سے گزشتہ سال کے مقابلے میں اس سال قومی چینی کی پیداوار زیادہ ہوئی۔

اگرچہ چینوٹیکسٹریل کی لاگت میں اضافہ ہوا ہے، لیکن چینی کی اضافی انٹرنیٹری نے چینی کی قیمت پر منفی اثر ڈالا ہے۔ چینی کی قیمت میں کمی آئی ہے اور اسٹیک ہولڈرز کی جانب سے متعلقہ پالیسی سازوں کو مناسب خورد و خورش کے لئے چینی کی برآمد کی تجویز دی گئی ہے۔ توقع ہے کہ چینی کی اضافی مقدار کی برآمد پر مارکیٹ مستحکم ہوگی اور چینوٹیکسٹریل کی لاگت کے مطابق تیزی آئے گی۔

اگرچہ اسٹیٹ بینک آف پاکستان نے بروہن شرح سود کو کم کر دیا ہے کیونکہ لگتا ہے کہ افراط زر پر قابو پا لیا گیا ہے، لیکن سرمائے کی لاگت بہت بڑھ گئی ہے۔ درحقیقت شرح سود کی دہائیوں میں سب سے زیادہ ہے۔ خوراک پر مبنی صنعت کے لئے اس طرح کے پس منظر میں نیو گیٹ کرنا ایک انتہائی مشکل چیلنج بننا چاہا ہے۔ سیاسی عدم استحکام نے غیر ملکی سرمایہ کاری کو محدود کر دیا ہے اور اس کے نتیجے میں زرمبادلہ کے ذخائر میں کمی کے روپے کو بری طرح متاثر کیا ہے۔ اگرچہ روپے کی قدر میں کمی کی صورت میں اس کی سے چینوٹیکسٹریل کی لاگت پر بوجھ پڑتا ہے لیکن اس سے پاکستان کے شوگر سیکٹر کی

کمپنیوں کو چینی پر تقابلی فائدہ بھی حاصل ہوتا ہے۔ امریکی ڈالر کی قدر میں ریکارڈ کمی کے بعد پاکستان میں چینی کی صنعت کے لیے سلاہینیں ٹن ٹنیں تو سوزاؤرڈن چینی برآمد کرنا منافع بخش ہے۔

## آپریٹنگ جھلکیاں

22 نومبر 2023 کو شروع کرتے ہوئے، کھیتی نے کل 102 دن کام کیا۔ پچھلے سیزن کے مقابلے میں، کھیتی کا کرشٹ سیزن امدانڈوں کے لحاظ سے 5% طویل تھا۔

اگرچہ ششماہی کے مالیاتی نتائج کبھی بھی حقیقی معنوں میں اس بات کا فائدہ نہیں ہوتے کہ کھیتی آخر کار کیا حاصل کرے گی، ڈائریکٹرز بخوشی اعلان کرتے ہیں کہ:

کھیتی نے پچھلے سال 616,378 میٹرک ٹن کھیتی کے کرشٹ اور 9.76 فیصد کی اوسط ریکوری پر 60,120 میٹرک ٹن ریفاؤنڈر کھیتی کی پیداوار کے مقابلے میں 570,050 میٹرک ٹن کھیتی کے کرشٹ کی اور اوسطاً 10.21 فیصد کی ریکوری پر 58,183 میٹرک ٹن ریفاؤنڈر کھیتی بنائی۔ کیڑے مارا دیا گیا اور کھادوں کی فراہمی کے ذریعے کھیتی کی ریکوری کو فروغ دینے میں کھیتی کی طرف سے کی گئی سرمایہ کاری نے نتائج دینے اور کھیتی نے گزشتہ کرشٹ سیزن کے مقابلے میں نصف ڈگری زیادہ پر اہتمام کیا۔ رجحان ظاہر کرتا ہے کہ کمزوری کی ریکوری ہر سال بڑھ رہی ہے اور ہم امید کرتے ہیں کہ کمزوری کی ریکوری سال بہ سال بڑھتی جائے گی۔

ششماہی کے دوران کھیتی نے 7.747 بلین روپے کی ریکارڈ آمدنی حاصل کی ہے۔ 2017 اور 2018 کے مقابلے میں ہماری پورے سال کی آمدنی 2.7 اور 3.8 بلین روپے تھی۔ اہم اقتصادی اہم پروڈیوٹ پروڈیوٹ اور BMR جو کھیتی نے عمل کیا ہے اس نے کھیتی کی آپریشنل صلاحیت کو تیز کر دیا ہے۔ اس سال، کھیتی نے گزشتہ سال کی اسی مدت کے 8,317,262 روپے کے بعد از نیکس منافع کے مقابلے میں زیر جائزہ مدت کے دوران 490,885,021 روپے کا بعد از نیکس نقصان ہوا ہے۔ سرمایہ کی لاگت میں اضافہ، محدود رنگ سرمایہ کی عدم دستیابی، اور درمیان سیزن کھیتی کی قیمت میں مداخلت سے اضافہ کے بغیر منجھے گئے ہیں۔ اس سال بعد از نیکس نقصان ہو سکتا ہے۔

## مستقبل کا منظر

اگرچہ گئے کھیتیوں میں اضافے کے مطابق مقامی مارکیٹ میں کھیتی کی قیمتوں میں اضافہ نہیں ہوا ہے لیکن ہمیں یقین ہے کہ آئندہ مہینوں میں مارکیٹ میں استحکام آئے گا۔ عام طور پر سال بہ سال کھیتی کی مقامی طلب میں اضافہ ہوا ہے اور اگلے سال فصل زبردست ہونے کی پیش گوئی کی گئی ہے۔ چونکہ دیگر فصلیں کسانوں کو کافی حد تک منافع نہیں دیتی ہیں، لہذا زیادہ سے زیادہ کسان اگلے سال متبادل کے مقابلے میں گئے کھیتی کرنے کا انتخاب کر رہے ہیں۔ ہمارے گئے کے سروے ڈیپارٹمنٹ نے اگلے سال کے لئے گئے کی کاشت میں کم از کم 10 فیصد اضافے کی پیش گوئی کی ہے۔

موجودہ رنگ کھیتیوں کا محل میں جہاں سرمائے کی لاگت تقریباً 25-24 فیصد ہے، مالی اخراجات کو بھٹا ممکن ہو کم کرنا ضروری ہو گیا ہے۔ اس سلسلے میں اور آپریشنل نقصانات کی خلاف ورزی کے لئے کھیتی کے بورڈ نے انتظامیہ کو ہدایت کی ہے کہ غیر اہم اٹاؤں سے حاصل ہونے والے منافع سے فائدہ اٹھاتے ہوئے انہیں قطع پر اسٹور چیک طور پر فروخت کر دیں۔ اس فیصلے کا مقصد مثبت نقد بہاؤ پیدا کر کے کھیتی کی مالی حالت کو بہتر بنانا ہے، اس طرح کھیتی کی لیکویڈیٹی کو تقویت ملے گی اور زیادہ کامیابی آپریٹرز میں دوبارہ سرمایہ کاری کو ممکن بنانا جائے گا۔ غیر آمدنی دینے والے اٹاؤں کو کمائی کے اٹاؤں میں تبدیل کر کے بڑی امید کرتا ہے کہ چیک کے سود کی بجٹ کر کے اور چیک ڈیپازٹس پر نمایاں منافع حاصل کر کے موجودہ مالیاتی ماحول سے فائدہ اٹھایا جائے گا۔ اس سلسلے میں بورڈ نے کھیتی کی انتظامیہ کو غیر آپریشنل اٹاؤں کو فروخت کرنے کی اجازت دی ہے۔ لہذا، انتظامیہ کھیتی کے لئے لیکویڈیٹی پیدا کرنے کے لئے مکمل فریقیوں کے ساتھ غیر اہم آپریشنل اٹاؤں کی فروخت کے لئے گفت و شنید کر رہی ہے۔

## اظہار تشکر

آپ کی کھیتی کے ڈائریکٹرز مختلف سرکاری تنظیموں اور اس کے کارکنوں، بیجوں، دیگر مالیاتی اداروں، اور اسٹورس کمپنیوں کی مسلسل حمایت اور تعاون کے لئے شکر ادا کرتے ہیں۔ ڈائریکٹرز ہمارے قابل قدر کاموں اور پلانڈرز کی طرف سے فراہم کی گئی حمایت کے شکر گزار اور تعریف کا بھی اظہار کرتے ہیں۔ ہم اپنے محض دادوں کا بھی شکریہ ادا کرتے ہیں، جنہوں نے کھیتی میں اپنے اعتماد اور یقین کو برقرار رکھا اور کھیتی میں ان کی سرمایہ کاری کے زیادہ سے زیادہ استعمال کو یقینی بنانے کے لئے ہماری بہترین کوششوں پر یقین رکھا ہے۔ مزید برآں، ڈائریکٹرز ہمارے گئے کا شکناؤں کے مسلسل تعاون کے شکر گزار ہیں جن کی سخت محنت اور ہماری کھیتی کے ساتھ وفاداری کھیتی کی جمود کا سامنا کرنے کے لئے جاری رکھی ہے۔ بالآخر، ڈائریکٹرز کھیتی کی سرکار کا مالیاتی کے لئے ملازمین کے تمام کردہوں کی جان ٹائی، وفاداری، اور سخت محنت پر ان کی تعریف کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز

حکیم احمد علی طارق  
ڈائریکٹر

میان مصطفیٰ علی طارق  
چیف ایگزیکٹو آفیسر

لاہور: 29 مئی 2024ء

# TO THE MEMBERS OF TARIQ CORPORATION LIMITED

## REPORT ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

### Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Messrs. Tariq Corporation Limited (the "Company") as at March 31, 2024, and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the six month period then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed 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 unconsolidated condensed interim financial statements based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed 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.

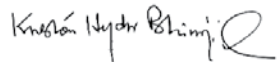
### Conclusion

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

### Other matter

The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarter ended March 31, 2024 have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's report is Syed Aftab Hameed, FCA.



KRESTON HYDER BHIMJI & CO.  
CHARTERED ACCOUNTANTS

Lahore: May 29, 2024  
UDIN: RR202410475qiwY98UjC

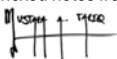
**Other Office at:** Karachi - Faisalabad - Islamabad  
**Web site:** [www.krestonhb.com](http://www.krestonhb.com)

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024 (UN-AUDITED)

|   | Note | (Un-Audited)<br>31 March<br>2024 | (Audited)<br>30 September<br>2023 |
|---|------|----------------------------------|-----------------------------------|
|   |      | (Rupees) .....                   |                                   |
| <b>ASSETS</b>   |      |                                  |                                   |
| <b>NON-CURRENT ASSETS</b>   |      |                                  |                                   |
| Property, plant and equipment   | 6    | 5,615,776,984                    | 5,626,160,820                     |
| Right-of-use assets   | 7    | 79,092,853                       | 24,924,611                        |
| Intangible assets   |      | 70,000,000                       | 70,000,000                        |
| Investment in subsidiary  | 8    | 15,000,000                       | 15,000,000                        |
| Long term deposit   |      | 53,282,181                       | 43,931,452                        |
|   |      | 5,833,152,018                    | 5,780,016,883                     |
| <b>CURRENT ASSETS</b>   |      |                                  |                                   |
| Inventory   |      | 669,730,317                      | 496,576,309                       |
| Trade and other receivables   |      | 1,266,726,700                    | 213,803,517                       |
| Advance, deposits and prepayments   |      | 229,009,445                      | 249,241,901                       |
| Current portion of long term deposits   |      | 3,654,660                        | 5,081,575                         |
| Financial assets  |      | 8,771,973                        | 5,341,557                         |
| Tax refund due from the Government - income tax   |      | -                                | 27,095,439                        |
| Cash and bank balances  |      | 241,294,696                      | 54,533,154                        |
|   |      | 2,419,187,791                    | 1,150,673,452                     |
| <b>TOTAL ASSETS</b>   |      | <b>8,252,339,809</b>             | <b>6,930,690,335</b>              |
| <b>EQUITY AND LIABILITIES</b>   |      |                                  |                                   |
| <b>SHARE CAPITAL AND RESERVES</b>   |      |                                  |                                   |
| <i>Issued, subscribed and paid-up share capital</i>                                     |      |                                  |                                   |
| 52.965 million (30 September 2023: 52.965 million)<br>ordinary shares of Rupees 10 each | 9    | 529,650,000                      | 529,650,000                       |
| Equity component of preference shares   | 10   | 69,687,645                       | 69,687,645                        |
| Share subscription money against right share issuance                                   |      | 197,988,724                      | -                                 |
| <b>Capital reserves</b>   |      |                                  |                                   |
| Reserve arising as a consequence of scheme of arrangement                               |      | 70,694,859                       | 70,694,859                        |
| Share premium account   |      | 224,231,050                      | 224,231,050                       |
| Surplus on revaluation of property, plant and equipment                                 |      | 2,428,838,825                    | 2,458,832,511                     |
|   |      | 2,723,764,734                    | 2,753,758,420                     |
| <b>Revenue reserves</b>   |      |                                  |                                   |
| Accumulated (loss) / profit   |      | (262,212,380)                    | 198,678,955                       |
| <i>Directors' loans - related parties</i>   |      | 3,100,000                        | 97,366,885                        |
|   |      | 3,261,978,723                    | 3,649,141,905                     |
| <b>NON-CURRENT LIABILITIES</b>  |      |                                  |                                   |
| Long term finance   | 11   | 376,513,957                      | 528,556,652                       |
| Lease liability   |      | 69,808,712                       | 15,912,902                        |
| Deferred tax liability - net  |      | 457,614,163                      | 657,539,055                       |
| Liability component of preference shares  | 10   | 58,716,688                       | 61,567,870                        |
|   |      | 962,653,520                      | 1,263,576,479                     |
| <b>CURRENT LIABILITIES</b>  |      |                                  |                                   |
| Trade and other payables  |      | 2,728,839,186                    | 1,114,953,160                     |
| Contract liabilities  |      | 489,696,678                      | 316,706,875                       |
| Short term borrowings   |      | 252,935,352                      | 101,411,890                       |
| Accrued mark-up on secured borrowings   |      | 64,047,634                       | 49,553,863                        |
| Current portion of long term liabilities  |      | 449,362,231                      | 405,230,266                       |
| Provision for income tax  |      | 34,073,548                       | -                                 |
| Unpaid dividend on preference shares  |      | 7,527,040                        | 28,890,000                        |
| Unpaid dividend on ordinary shares  |      | 29,913                           | 29,913                            |
| Unclaimed dividend on ordinary shares   |      | 1,195,984                        | 1,195,984                         |
|   |      | 4,027,707,566                    | 2,017,971,951                     |
| <b>CONTINGENCIES AND COMMITMENTS</b>  |      |                                  |                                   |
|   | 13   | 8,252,339,809                    | 6,930,690,335                     |
| <b>TOTAL EQUITY AND LIABILITIES</b>   |      | <b>8,252,339,809</b>             | <b>6,930,690,335</b>              |

The annexed notes from 1 to 22 from an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Director

# UN CONSOLIDATE CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS( UN-AUDITED) FOR THE HALF YEAR ENDED 31 MARCH 2024

| Note  | Half Year Ended 31 March |                 | Quarter Ended 31 March |                 |
|---|--------------------------|-----------------|------------------------|-----------------|
|   | 2024                     | 2023            | 2024                   | 2023            |
|   | ..... (Rupees) .....     |                 | ..... (Rupees) .....   |                 |
| REVENUE FROM CONTRACT<br>WITH CUSTOMERS - GROSS | 7,747,523,842            | 4,644,504,356   | 5,476,947,195          | 2,696,890,629   |
| Sales Tax And Other Government<br>Levies        | (1,065,057,801)          | (542,491,202)   | (759,453,281)          | (292,471,781)   |
| REVENUE FROM CONTRACT<br>WITH CUSTOMERS - NET   | 6,682,466,041            | 4,102,013,154   | 4,717,493,914          | 2,404,418,848   |
| COST OF REVENUE                                 | 14 (6,994,439,130)       | (4,002,537,963) | (5,225,928,049)        | (2,503,599,460) |
| GROSS (LOSS) / PROFIT                           | (311,973,089)            | 99,475,191      | (508,434,135)          | (99,180,612)    |
| OPERATING EXPENSES                              |                          |                 |                        |                 |
| Administrative and general expenses             | (152,472,466)            | (134,362,944)   | (77,350,173)           | (67,966,943)    |
| Selling and distribution cost                   | (11,520,612)             | (12,496,928)    | (6,365,318)            | (7,479,708)     |
| Other operating expenses                        | -                        | (7,702,388)     | 3,623,348              | (4,190,589)     |
|   | (163,993,078)            | (154,562,260)   | (80,092,143)           | (79,637,240)    |
| LOSS FROM OPERATIONS                            | (475,966,167)            | (55,087,069)    | (588,526,278)          | (178,817,852)   |
| OTHER INCOME                                    | 30,509,060               | 407,671,409     | 26,209,040             | 380,750,388     |
| FINANCE COST                                    | (161,762,878)            | (262,621,240)   | (87,004,667)           | (159,353,277)   |
| (LOSS) / PROFIT BEFORE TAXATION                 | (607,219,985)            | 89,963,100      | (649,321,906)          | 42,579,259      |
| TAXATION  | 116,334,964              | (81,645,838)    | 127,492,288            | (59,131,336)    |
| (LOSS) / PROFIT AFTER TAXATION                  | (490,885,021)            | 8,317,262       | (521,829,618)          | (16,552,077)    |
| (LOSS) / EARNINGS PER SHARE                     | 15 (9.27)                | 0.16            | (9.85)                 | (0.31)          |

The annexed notes from 1 to 22 from an integral part of these financial statements.

  
Chief Executive Officer

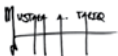
  
Chief Financial Officer

  
Director

# UNCONSOLIDATE CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 MARCH 2024 (UN-AUDITED)

|   | Half Year Ended 31 March |           | Quarter Ended 31 March |              |
|---|--------------------------|-----------|------------------------|--------------|
|   | 2024                     | 2023      | 2024                   | 2023         |
|   | ..... (Rupees) .....     |           | ..... (Rupees) .....   |              |
| (LOSS) / PROFIT AFTER TAXATION                        | (490,885,021)            | 8,317,262 | (521,829,618)          | (16,552,077) |
| OTHER COMPREHENSIVE INCOME                            | -                        | -         | -                      | -            |
| TOTAL COMPREHENSIVE INCOME /<br>(LOSS) FOR THE PERIOD | (490,885,021)            | 8,317,262 | (521,829,618)          | (16,552,077) |

The annexed notes from 1 to 22 from an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



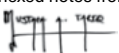
Director

# UNCONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 MARCH 2024 (UN-AUDITED)

|   | Note | Half Year Ended |                 |
|---|------|-----------------|-----------------|
|   |      | 31 March 2024   | 31 March 2023   |
|   |      | (Rupees) .....  |                 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                             |      |                 |                 |
| (Loss) / profit before taxation   |      | (607,219,985)   | 89,963,100      |
| Adjustments for non-cash and other items:                               |      |                 |                 |
| Depreciation of operating fixed assets                                  | 6.1  | 89,149,998      | 78,318,485      |
| Depreciation of ROU assets  | 7    | 8,179,892       | 3,252,603       |
| Finance cost  |      | 161,762,878     | 262,621,240     |
| Profit on bank accounts   |      | (540,858)       | (205,408)       |
| Fair value gain on financial asset                                      |      | (3,178,632)     | -               |
| Fair value loss on financial asset                                      |      | -               | 934,875         |
| Gain on disposal of operating fixed assets                              |      | (106,443)       | (149,577)       |
| Dividend income   |      | (105,303)       | (29,325)        |
| Markup on current account with related                                  |      | (3,980,409)     | (951,613)       |
|   |      | (356,038,862)   | 433,754,380     |
| <b>OPERATING (LOSS) / PROFIT BEFORE WORKING CAPITAL CHANGES</b>         |      |                 |                 |
| Changes in working capital items:                                       |      |                 |                 |
| Inventory   |      | (72,995,265)    | (1,315,212,067) |
| Trade and other receivables   |      | (1,048,942,774) | 16,117,605      |
| Advances, deposits and prepayments                                      |      | 120,232,456     | 75,399,758      |
| Contract liabilities  |      | 172,989,803     | 678,902,893     |
| Trade and other payables  |      | 1,607,456,255   | 244,744,608     |
|   |      | 778,740,475     | (300,047,203)   |
|   |      | 422,701,613     | 133,707,177     |
| Net Change in long term deposits  |      | (7,923,814)     | (2,158,915)     |
| Finance cost paid on:   |      |                 |                 |
| Lease liability   |      | (4,159,906)     | (2,100,581)     |
| Others  |      | (138,383,357)   | (314,081,311)   |
| Income tax paid   |      | (22,420,941)    | (60,610,191)    |
|   |      | 249,813,595     | (245,243,821)   |
| <b>NET CASH INFLOWS / (OUTFLOWS) FROM OPERATING ACTIVITIES</b>          |      |                 |                 |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                              |      |                 |                 |
| Purchase of operating fixed assets                                      | 6.1  | (66,183,000)    | (120,622,550)   |
| Capital work in progress incurred                                       |      | (113,835,461)   | (73,098,921)    |
| Proceeds from disposal of operating fixed assets                        |      | 200,000         | 215,885         |
| Change in financial assets ( equity securities ) during the period -net |      | (251,784)       | -               |
| Dividend received   |      | 105,303         | 29,325          |
| Profit on bank deposits received  |      | 540,858         | 205,408         |
|   |      | (179,424,084)   | (193,270,853)   |
| <b>NET CASH OUTFLOWS FROM INVESTING ACTIVITIES</b>                      |      |                 |                 |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                              |      |                 |                 |
| Dividend paid of preference shares                                      |      | (28,585,518)    | -               |
| Share subscription money received during the period                     |      | 197,988,724     | -               |
| Proceed from long term finance  | 19   | 52,002,243      | 300,000,000     |
| Repayment of principal portion of long term finance                     | 19   | (162,887,304)   | (149,201,668)   |
| Repayment of principal portion of lease liability                       | 19   | (5,832,518)     | (2,438,127)     |
| Repayment of director's loans   | 19   | (94,266,885)    | -               |
| Change in short term borrowings - net                                   | 19   | 151,523,462     | 266,666,442     |
|   |      | 109,942,204     | 415,026,647     |
| <b>NET CASH INFLOWS FROM FINANCING ACTIVITIES</b>                       |      |                 |                 |
| <b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>           |      |                 |                 |
|   |      | 180,331,715     | (23,488,027)    |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>             |      |                 |                 |
|   |      | 54,533,154      | 43,614,501      |
| <b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>                   |      |                 |                 |
|   |      | 234,864,869     | 20,126,474      |
| The reconciliation in cash and cash equivalents is as follows:          |      |                 |                 |
| <b>Cash and cash equivalents</b>  |      |                 |                 |
| Cash and bank balances  |      | 241,294,696     | 53,539,163      |
| Temporary books' overdraft balances                                     |      | (6,429,827)     | (33,412,689)    |
|   |      | 234,864,869     | 20,126,474      |
| <b>Cash and cash equivalents at the end of the period</b>               |      |                 |                 |

The annexed notes from 1 to 22 from an integral part of these financial statements.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director



# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 MARCH 2024 (UN-AUDITED)

| ORDINARY SHARE CAPITAL                     | EQUITY COMPONENT OF PREFERRED SHARES | SHARE SUBSCRIPTION MONEY AGAINST RIGHT SHARE ISSUANCE | RESERVES  |                       |   |               | TOTAL RESERVES | DIRECTOR'S LOANS | TOTAL EQUITY |               |
|--|--------------------------------------|---|---|-----------------------|---|---------------|----------------|------------------|--------------|---------------|
|  |                                      |   | Reserve arising as a consequence of share scheme of arrangement | Share premium account | Capital   |               |                |                  |              |               |
|  |                                      |   |   |                       | Surplus on revaluation of property, plant and equipment | Sub total     |                |                  |              | Revenue       |
| Unappropriated profit / (accumulated loss) |                                      |   |   |                       |   |               |                |                  |              |               |
| 529,650,000                                | 69,687,645                           | -   | (7,694,859)   | 224,231,050           | 1,954,221,211   | 2,188,127,080 | (189,683,996)  | 1,998,443,411    | 99,560,551   | 2,899,381,837 |
| -  | -                                    | -   | -   | -                     | -   | -             | 6,317,292      | -                | -            | 6,317,292     |
| -  | -                                    | -   | -   | -                     | 24,530,993  | 24,530,993    | 6,317,292      | 6,317,292        | -            | 6,317,292     |
| -  | -                                    | -   | -   | -                     | (24,530,993)  | (24,530,993)  | 26,253,993     | -                | -            | -             |
| 529,650,000                                | 69,687,645                           | -   | (7,694,859)   | 224,231,050           | 17,682,819  | 2,180,453,896 | (154,812,654)  | 2,025,641,222    | 99,560,551   | 2,724,541,418 |
| -  | -                                    | -   | (7,694,859)   | 224,231,050           | 2,434,682,511   | 2,758,754,420 | 198,678,955    | 2,957,433,375    | 97,966,866   | 3,649,141,905 |
| -  | -                                    | -   | -   | -                     | -   | -             | (440,885,321)  | (440,885,321)    | -            | (440,885,321) |
| -  | -                                    | -   | -   | -                     | -   | -             | (440,885,321)  | (440,885,321)    | -            | (440,885,321) |
| -  | -                                    | 197,966,724   | -   | -                     | -   | -             | -              | -                | (94,266,865) | 94,266,865    |
| -  | -                                    | 197,966,724   | -   | -                     | -   | -             | -              | -                | (94,266,865) | 103,721,659   |
| -  | -                                    | -   | -   | -                     | 24,530,993  | 24,530,993    | 26,253,993     | -                | -            | -             |
| 529,650,000                                | 69,687,645                           | 197,966,724   | (7,694,859)   | 224,231,050           | 2,420,684,825   | 2,723,764,734 | (662,212,360)  | 2,461,552,354    | \$ 10,100M   | 3,261,974,723 |

Balance as at 01 October 2023 (Audited)

Retained earnings, income for the active period of 31 March 2023  
 - after taxation  
 - after provisions, audit

Provisional depreciation associates with surplus on liquidation of property, plant and equipment that of accounted tax  
 - the share of tax rate on calculated tax related to "product" surplus of associate, item and company  
 Balance as at 31 March 2023 (Un-audited)

Balance as at 01 October 2023 (Audited)

Total comprehensive loss for the period ended 31 March 2024  
 - associate liquidation  
 - after provisions, audit

Transactions with owners:

Equation of balance sheet, net of  
 share subscription money and right issue proceeds during the year

Provisional depreciation associates with surplus on liquidation of property, plant and equipment that of accounted tax  
 Balance as at 31 March 2024 (Un-audited)

The annexed notes from 1 to 22 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Director

# NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 MARCH 2024 (UN-AUDITED)

## 1. THE COMPANY AND ITS OPERATIONS

Tariq Corporation Limited ("the Company") is a public limited company incorporated in Pakistan under the repealed Companies Act, 1913 (now the Companies Act, 2017). The shares of the Company are listed on Pakistan Stock Exchange Limited. The Company is principally engaged in the business of production and sale of sugar and by products. Its registered office is situated at 28-C, Block E-1, Gulberg-III, Lahore, whereas its mill / plant is situated at Lahore Road, Jaranwala, district Faisalabad.

## 2. STATEMENT OF COMPLAINT

These unconsolidated 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, Islamic Financial Standards (IFAS) issued by the Institute of Chartered Accountancy of Pakistan as referred 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 unconsolidated condensed interim financial statements are unaudited. However, the cumulative figures for the half year ended March 31, 2024 presented in these unconsolidated condensed interim financial statements have been subjected to limited scope review by the auditors of the Company, as required under section 237 of the Companies Act, 2017.

These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended September 30, 2023. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

## 3. BASIS OF MEASUREMENT

### 3.1 Accounting convention

These unconsolidated condensed interim financial statements have been prepared following accrual basis of accounting except for unconsolidated condensed interim statement of cash flows. These unconsolidated condensed interim financial statements have been prepared under the historical cost convention without any adjustments for the effect of inflation or current values, except for the following material items in the unconsolidated condensed interim statement of financial position:

- Inventories which are valued at lower of weighted / moving average cost or Net Realizable Value (NRV) in accordance with IAS 2;

- Freehold land, buildings on freehold land and plant and machinery which stands at revalued amount in accordance with IAS 16; and

- Certain financial instruments which are carried at their fair value in accordance with IFRS 9.

### 3.2 Functional and presentation currency

These unconsolidated condensed interim financial statements are presented in Pakistani Rupee (Rs.) which is the Company's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded to nearest rupee, unless otherwise indicated.

### 3.3 Critical accounting estimates, judgments and assumptions

The preparation of these unconsolidated condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparation of these unconsolidated condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty are the same as those that were applied to audited annual financial statements of the Company for the year ended September 30, 2023.

## 4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are same as those applied in the preparation of the annual audited financial statements for the year ended 30 September 2023.

### 4.1 Change in accounting standards, interpretations and amendments to published approved accounting and reporting standards

(a) New standards, interpretations and amendments to published approved accounting and reporting standards which are effective during the half year ended March 31, 2024 and are relevant:

The amendments that were mandatory for the half year ended March 31, 2024 are considered not to be relevant for the Company's financial reporting process and hence have not been disclosed here.

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after January 01, 2023. Although the amendments did not result in any changes to accounting policy themselves, they will impact the accounting policy information disclosed in the annual financial statements.

The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

(b) Standards and amendments to approved accounting and reporting standards that are not yet effective

There are new standards and certain amendments and interpretation to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after April 01, 2024. However, these standard, amendments and interpretation will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

## 5. SEASONALITY OF OPERATIONS

Due to the seasonal availability of sugarcane, operating results are expected to fluctuate in the second half of the year. The crushing season generally starts from November and lasts till March each year.

## 6. PROPERTY, PLANT AND EQUIPMENT

|                          |      | (Un-Audited)<br>31 March<br>2024 | (Audited)<br>30 September<br>2023 |
|--------------------------|------|----------------------------------|-----------------------------------|
|                          | Note |                                  |                                   |
|                          |      | ..... (Rupees) .....             |                                   |
| Operating fixed assets   | 6.1  | 4,406,796,969                    | 4,429,857,524                     |
| Capital work-in-progress | 6.2  | 1,208,980,015                    | 1,196,303,296                     |
|                          |      | <u>5,615,776,984</u>             | <u>5,626,160,820</u>              |

## 6.1 Operating fixed assets - tangible

|                                 | COST / REVALUED AMOUNT |                   |          |                    | ACCUMULATED DEPRECIATION |                         |                    |                        | NET BOOK VALUE AS AT 31-Mar-24 |                         |
|---------------------------------|------------------------|-------------------|----------|--------------------|--------------------------|-------------------------|--------------------|------------------------|--------------------------------|-------------------------|
|                                 | Balance as at 1-Oct-23 | Additions         | Transfer | Deletion           | Revaluation Surplus      | Depreciation Adjustment | For the period     |                        |                                | Balance as at 31-Mar-24 |
|                                 |                        |                   |          |                    |                          |                         | Rate %             | Balance as at 1-Oct-23 |                                |                         |
| <b>Owned</b>                    |                        |                   |          |                    |                          |                         |                    |                        |                                |                         |
| Freehold land                   | 1,548,093,750          | -                 | -        | -                  | -                        | -                       | -                  | -                      | 1,548,093,750                  |                         |
| Buildings on freehold land      | 510,150,821            | -                 | -        | -                  | -                        | -                       | 25,577,415         | -                      | 484,573,206                    |                         |
| Furniture and machinery         | 2,300,249,000          | 60,183,000        | -        | -                  | -                        | -                       | 59,000,457         | -                      | 2,309,432,543                  |                         |
| Stands/equipment                | 2,625,683              | -                 | -        | -                  | 2,625,683                | -                       | 41,199             | -                      | 1,845,160                      |                         |
| Factory equipment               | 9,446,513              | -                 | -        | -                  | 9,446,513                | -                       | 7,024,221          | -                      | 7,772,577                      |                         |
| Gas and electric installation   | 54,593,598             | -                 | -        | -                  | 54,593,598               | -                       | 1,383,195          | -                      | 29,330,419                     |                         |
| Furniture and fixtures          | 8,012,381              | -                 | -        | -                  | 8,012,381                | -                       | 5,000,688          | -                      | 2,860,691                      |                         |
| Office equipment                | 10,699,099             | -                 | -        | -                  | 10,699,099               | -                       | 8,103,516          | -                      | 3,369,184                      |                         |
| Computer equipment              | 8,247,997              | -                 | -        | -                  | 8,247,997                | -                       | 6,793,810          | -                      | 1,353,461                      |                         |
| Vehicles                        | 66,688,822             | -                 | -        | (1,383,080)        | -                        | -                       | 47,466,779         | (1,491,523)            | 16,283,115                     |                         |
| Leasehold improvement           | 21,778,145             | -                 | -        | -                  | 21,778,145               | -                       | 5,983,921          | -                      | 14,300,810                     |                         |
| <b>Impacts - March 31, 2024</b> | <b>4,599,355,409</b>   | <b>60,183,000</b> | <b>-</b> | <b>(1,383,080)</b> | <b>-</b>                 | <b>-</b>                | <b>109,707,895</b> | <b>(1,491,523)</b>     | <b>4,460,706,909</b>           |                         |

|                                     | COST / REVALUED AMOUNT |                   |                  |                    | ACCUMULATED DEPRECIATION |                         |                    |                        | NET BOOK VALUE AS AT 30-Sep-23 |                         |
|-------------------------------------|------------------------|-------------------|------------------|--------------------|--------------------------|-------------------------|--------------------|------------------------|--------------------------------|-------------------------|
|                                     | Balance as at 1-Oct-22 | Additions         | Transfer         | Deletion           | Revaluation Surplus      | Depreciation adjustment | For the year       |                        |                                | Balance as at 30-Sep-23 |
|                                     |                        |                   |                  |                    |                          |                         | Rate %             | Balance as at 1-Oct-22 |                                |                         |
| <b>Owned</b>                        |                        |                   |                  |                    |                          |                         |                    |                        |                                |                         |
| Freehold land                       | 1,098,665,825          | -                 | -                | -                  | 464,423,125              | -                       | -                  | -                      | 1,548,093,750                  |                         |
| Buildings on freehold land          | 476,372,732            | -                 | 5,708,434        | -                  | 165,374,657              | (137,305,402)           | 90,629,517         | 37,675,885             | 510,150,821                    |                         |
| Furniture and machinery             | 2,365,936,017          | 82,519,263        | 1,038,941        | -                  | 195,947,397              | (943,192,719)           | 234,683,567        | 108,039,151            | 2,300,249,000                  |                         |
| Stands/equipment                    | 2,625,683              | -                 | -                | -                  | -                        | -                       | 1,712,639          | 91,302                 | 821,722                        |                         |
| Factory equipment                   | 9,446,513              | -                 | -                | -                  | 9,446,513                | -                       | 7,489,411          | 163,810                | 7,024,221                      |                         |
| Gas and electric installation       | 53,348,598             | 1,245,000         | -                | -                  | 54,593,598               | -                       | 24,004,742         | 2,960,642              | 27,628,214                     |                         |
| Furniture and fixtures              | 7,790,781              | 221,600           | -                | -                  | 8,012,381                | -                       | 4,675,126          | 323,967                | 3,011,688                      |                         |
| Office equipment                    | 10,699,099             | -                 | -                | -                  | 10,699,099               | -                       | 7,462,120          | 647,396                | 2,593,583                      |                         |
| Computer equipment                  | 7,421,547              | 826,450           | -                | -                  | 8,247,997                | -                       | 6,335,444          | 468,366                | 6,793,810                      |                         |
| Vehicles                            | 64,691,002             | 5,692,203         | -                | (4,854,043)        | -                        | -                       | 47,023,173         | 3,755,191              | 47,466,779                     |                         |
| Leasehold improvement               | 21,778,145             | -                 | -                | -                  | 21,778,145               | -                       | 1,960,895          | -                      | 5,893,321                      |                         |
| <b>Impacts - September 30, 2023</b> | <b>4,101,715,142</b>   | <b>90,034,576</b> | <b>6,747,275</b> | <b>(4,854,043)</b> | <b>822,750,919</b>       | <b>(480,498,120)</b>    | <b>434,930,626</b> | <b>(188,992,906)</b>   | <b>4,460,706,909</b>           |                         |

## 6.2 Capital work-in-progress

|                                  | Opening Balance      | Additions          | Transfer to operating fixed assets / adjustments | Closing Balance      |
|----------------------------------|----------------------|--------------------|--|----------------------|
| <b>Note</b> .....                | Rupees.....          |                    |  |                      |
| Civil work and buildings         | 114,855,078          | 8,656,718          | -  | 123,511,796          |
| Plant and machinery              | 930,815,392          | 52,002,578         | -  | 982,817,970          |
| Advances for capital expenditure | 150,632,825          | 53,176,166         | (101,158,743)                                    | 102,650,248          |
| March 31, 2024 - Unaudited       | <u>1,196,303,295</u> | <u>113,835,462</u> | <u>(101,158,743)</u>                             | <u>1,208,980,015</u> |
| September 30, 2023 - Audited     | <u>805,918,220</u>   | <u>883,837,890</u> | <u>(493,452,815)</u>                             | <u>1,196,303,296</u> |

## 7. RIGHT-OF-USE ASSETS

|  | Head office rental premises | Vehicles          | Total             |
|--|-----------------------------|-------------------|-------------------|
|  | Rs                          |                   |                   |
| Balance as at October 01, 2022             | 20,828,330                  | 10,601,486        | 31,429,816        |
| Addition during the year                   | -                           | -                 | -                 |
| Depreciation charge for the year           | (4,384,908)                 | (2,120,297)       | (6,505,205)       |
| Balance as at September 30, 2023 (Audited) | 16,443,422                  | 8,481,189         | 24,924,611        |
| Addition during the year                   | 30,496,134                  | 31,852,000        | 62,348,134        |
| Depreciation charge for the period         | (6,258,606)                 | (1,921,286)       | (8,179,892)       |
| Balance as at March 31, 2024 (Un-audited)  | <u>46,680,950</u>           | <u>38,411,903</u> | <u>79,092,853</u> |

## 8. INVESTMENT IN SUBSIDIARY - at cost

### Tariq Capital (Private) Limited

|  |     |            |            |
|--|-----|------------|------------|
| 1,500,000 ordinary shares of Rs. 10 each held by the company | 8.1 | 15,000,000 | 15,000,000 |
|--|-----|------------|------------|

8.1 This represents equity investment in Tariq Capital (Private) Limited (TCPL), a private unlisted company incorporated in Pakistan. As of the reporting date, the Company owns 60% (September 30, 2023: 60%) shares of TCL comprising of 1,500,000 (September 30, 2023: 1,500,000) issued, subscribed and paid up shares of Rs.10 each. TCL is engaged in the business of dairy.

## 9. SHARE CAPITAL

### 9.1. Authorized capital

|  |                    |                    |
|--|--------------------|--------------------|
| <b>Ordinary share capital</b>  | 700,000,000        | 530,000,000        |
| 70 million (30 September 2023: 53 million) ordinary shares of Rupees 10 each   |                    |                    |
| <b>Preference share capital</b>  | 150,000,000        | 150,000,000        |
| 15 million (30 September 2023: 15 million) preference shares of Rupees 10 each |                    |                    |
|  | <u>850,000,000</u> | <u>680,000,000</u> |

### 9.2. Issued, subscribed and paid-up ordinary share capital

|                   |                   | Un-Audited   | Audited            |                    |  |
|-------------------|-------------------|--|--------------------|--------------------|--|
|                   |                   | March 31, 2024   | September 30, 2023 |                    |  |
|                   |                   | Number of shares   |                    |                    |  |
| 26,189,150        | 26,189,150        | Ordinary shares of Rs. 10 each, fully paid in cash                           | 261,891,500        | 261,891,500        |  |
| 1,129,000         | 1,129,000         | Ordinary shares of Rs. 10 each, fully paid for consideration other than cash | 11,290,000         | 11,290,000         |  |
| 11,201,850        | 11,201,850        | Ordinary shares of Rs. 10 each, issued as fully paid bonus shares            | 112,018,500        | 112,018,500        |  |
| 14,445,000        | 14,445,000        | Ordinary shares of Rs. 10 each, issued as right shares                       | 144,450,000        | 144,450,000        |  |
| <u>52,965,000</u> | <u>52,965,000</u> |  | <u>529,650,000</u> | <u>529,650,000</u> |  |

## 10. LIABILITY COMPONENT OF PREFERENCE SHARES

This represents 14,445,000 listed, convertible, non-redeemable, non-voting, non-participatory, cumulative Preference Shares ("Preference Shares") of Rs.10/- each issued by the Company during the period. These Preference Shares were issued to the existing shareholders of the Company by way of rights (i.e. 37.50% rights issue) at par value of Rs.10/- per share, in proportion to their respective shareholdings in the ratio of 3:8 i.e. 3 Preference Shares for every 8 Ordinary Shares held by the shareholders.

These Preference Shares carry entitlement to a fixed cumulative preferential cash dividend out of the normal profits of the Company @ 10% (ten per cent) per annum, in priority over dividends declared by the Company on Ordinary Shares. No compensation shall be available to the Preferred Shareholders other than the agreed return i.e. 10% per annum.

These Preference Shares shall be convertible into Ordinary Shares in the ratio of 1:2 only at the option of the Company on September 30th of any calendar year prior to September 30, 2031.

| Note  | Un-Audited<br>March 31, 2024<br>Rupees | Audited<br>September 30, 2023<br>Rupees |
|---|--|---|
| Opening balance   | 66,561,182                             | 70,933,609                              |
| Interest charged (using effective interest rate)        | 4,725,844                              | 10,072,573                              |
| Dividend payable @ 10%                                  | <u>(7,222,500)</u>                     | <u>(14,445,000)</u>                     |
| Carrying amount of liability component at September 30, | 64,046,526                             | 66,561,182                              |
| Less: current portion shown under current liabilities   | <u>(5,347,837)</u>                     | <u>(4,993,312)</u>                      |
|   | <u><u>58,716,688</u></u>               | <u><u>61,567,870</u></u>                |

## 11. LONG TERM FINANCE

### From banking companies - secured

|   |       |                           |                           |
|---|-------|---------------------------|---------------------------|
| National Bank of Pakistan                             |       |                           |                           |
| Demand finance - I                                    | 11.1  | 33,139,830                | 55,362,052                |
| Demand finance - II                                   | 11.2  | 57,075,000                | 121,905,000               |
| Demand finance - III                                  | 11.3  | 88,888,890                | 111,111,112               |
| First Credit & Investment Bank Limited                | 11.4  | 82,352,941                | 88,235,294                |
| Bank Islami Pakistan Limited                          |       |                           |                           |
| Diminishing musharaka - I                             | 11.5  | 46,875,002                | 78,125,002                |
| Diminishing musharaka - II                            | 11.6  | 281,250,000               | 300,000,000               |
| OLP Modaraba - overhead crane                         | 11.7  | -                         | 5,187,962                 |
| OLP Modaraba - tijara facility (direct lease)         | 11.8  | 20,768,733                | 27,187,776                |
| OLP Modaraba - centrifugal machine                    | 11.9  | 15,914,038                | 19,709,567                |
| OLP Modaraba - main bagasse carrier                   | 11.10 | 32,929,859                | 39,925,268                |
| OLP Modaraba - inclined bagasse carrier               | 11.11 | 18,744,183                | 20,828,543                |
| OLP Modaraba - juice heater (old)                     | 11.12 | 43,951,796                | 47,200,000                |
| OLP Modaraba - juice heater (new)                     | 11.13 | 24,390,243                | -                         |
| OLP Modaraba - MS tanks                               | 11.14 | 27,612,000                | -                         |
|   |       | <u>803,892,515</u>        | <u>914,777,576</u>        |
| Less: current portion shown under current liabilities |       | <u>(427,378,558)</u>      | <u>(386,220,924)</u>      |
|   |       | <u><u>376,513,957</u></u> | <u><u>528,556,652</u></u> |

11.1 This demand finance facility has been obtained from National Bank of Pakistan, out of the total sanctioned limit of Rs. 200 million (30 September 2023: Rs.200 million), to finance CAPEX / BMR requirement of the company ( installation of equipment and plant & machinery i.e. falling film evaporators) to improve efficiency of mill. It carries mark-up at the rate of 3 month KIBOR + 2.50% (30 September 2023: 3 months Kibor + 2.50%) per annum, payable quarterly. It is secured by way of first pari passu mortgage charge of Rs. 267 million over fixed assets (including land, building and machinery) of the company with 25% margin registered with SECP as well as personal guarantees of two directors of the company along with personal Net-worth Statement (PNWS).

11.2 This demand finance facility has been obtained from National Bank of Pakistan, out of the total sanctioned limit of Rs. 278.640 million (30 September 2023: Rs. 278.640 million), for import of equipment and plant and machinery i.e. planetary gears. It carries markup at the rate of 3 month KIBOR + 3% (30 September 2023: 3 month KIBOR + 3%) per annum. It is secured by way of lien over import documents of the title of goods, first pari passu / JPP charge of Rs. 372 million (30 September 2023: Rs. 372 million) over fixed assets (land, building and plant and machinery) of the company, a ranking charge for Rs. 372 million over fixed assets (land, building and plant and machinery) of the company registered with SECP which shall be converted into first pari passu / JPP within 90 days of first LC establishment), total value of fixed assets assessed at Rs. 5,008.493 million (FSV Rs. 3,911.179 million) vide evaluation report dated 30.09.2023 conducted by Harvester Services (Pvt.) Limited and measuring 616 Kanal 14 marla / 77 Acres 14 marala land located at Chak No. 128 G.B., Lahore Road, Tehsil Jaranwala, District Faisalabad as well as personal guarantees along with Personal Net Worth Statement (PNWS) / wealth tax returns of the two directors of the company.

- 11.3 This demand finance facility has been obtained from National Bank of Pakistan, out of the total sanctioned limit of Rs. 200 million (30 September 2023: Rs. 200 million), to finance CAPEX / BMR requirement of the company (installation of equipment and plant and machinery i.e. falling film evaporators) to improve efficiency of mill. It carries mark-up at the rate of 3 month KIBOR + 3.00% (30 September 2023: 3 month KIBOR + 3.00%) per annum, payable quarterly. It is secured by way of first pari passu / JPP charge of Rs. 267 million (30 September 2022: Rs. 267 million) over fixed assets (land, building and plant and machinery) of the company, ranking charge for Rs. 267 million over fixed assets (land, building and plant and machinery) of the company registered with SECP which shall be converted into first pari passu / JPP within 90 days of first disbursement of Demand finance-III, total value of fixed assets assessed at Rs. 5,008,493 million (FSV Rs. 3,911,179 million) vide evaluation report dated 30.09.2023 conducted by Harvester Services (Pvt.) Limited and measuring 616 Kanal 14 marla / 77 Acres 14 marala land located at Chak No. 128 G.B., Lahore Road, Tehsil Jaranwala, District Faisalabad as well as personal guarantees along with Personal Net Worth Statement (PNWS) / wealth tax returns of the two directors of the company.
- 11.4 This long term finance facility has been obtained from First Credit & Investment Bank Limited (FCIBL), out of the total sanctioned limit of Rs. 100 million (30 September 2023: Rs. 100 million), for Balancing, Modernization and Replacement (BMR) and Efficiency Improvement Project (EIP). It carries mark-up at the rate of 3 months KIBOR + 3.5% (30 September 2023: 3 months KIBOR + 3.5%) per annum, payable quarterly in arrears. It is secured by way of first pari passu charge over all present and future fixed assets / non-current assets (including land, building and plant and machinery) of the company with 25% margin registered with SECP and personal guarantee of Chief Executive and Chairman of the Company along with their latest Personal Net Worth Statement (PNWS) as well as subordination of directors' loan. The tenor of the facility is five years from the date of disbursement.
- 11.5 This diminishing musharakah facility has been obtained from Bank Islami Pakistan Limited, out of the total sanctioned limit of Rs. 312 million (30 September 2023: Rs. 312 million), to facilitate the conventional banking loans. It carries mark-up at the rate of 6 months KIBOR + 3.0%, floor =10% and cap=40% (rates to be revised on semi-annually basis) (30 September 2023: 6 month Kibor +3%) per annum, payable quarterly. It is secured by way of 1st pari passu charge over present and future fixed assets (land, building and plant and machinery) of the company amounting to Rs. 668 million, first pari passu charge of Rs. 1,059 million over present and future current assets of the company, Director's loan subordination in favor of BIPL and personal guarantees of two directors of the company along with their Personal Net Worth Statement (PNWS).
- 11.6 This demand finance facility has been obtained from Bank Islami Pakistan Limited, out of the total sanctioned limit of Rs. 300 million (30 September 2023: Rs. 300 million), to meet long term needs through sharia compliant or to facilitate payment of conventional banking loans. It carries mark-up at the rate of 6 months KIBOR + 3.00%, floor =10% and cap=40% (30 September 2023: KIBOR + 3.00%) per annum, payable semi annually. It is secured by way of 1st pari passu charge over present and future fixed assets (land, building and plant and machinery) of the company amounting to Rs. 668 million, first pari passu charge of Rs. 1,059 million over present and future current assets of the company, Ranking charge over DM assets amounting Rs 371.52 million to be registered with SECP, Director's loan subordination in favor of BIPL and personal guarantees of two directors of the company along with their Personal Net Worth Statement (PNWS).
- 11.7 This Ijarah facility has been obtained from OLP Modaraba, out of the total sanctioned limit of Rs. 26.781 million (30 September 2023: Rs. 26.781 million), to import one unit brand new over head crane. It carries mark-up at the rate of 3 months KIBOR + 3.75% (30 September 2023: 3 Months Kibor + 3.75%) per annum, payable monthly. It is secured by way of title of the leased asset, exclusively in the name of OLP Modaraba for the entire lease period and personal guarantee of directors.
- 11.8 This Ijarah facility has been obtained from OLP Modaraba, out of the total sanctioned limit of Rs. 59.765 million (30 September 2023: Rs. 59.765 million), to import one unit brand new Assets Reduction gear, electric motor, Vacuum pump, Centrifugal pump, Magma Pump, Mascuette Pump, a Conveyer complete, high frequency inverter and KSB multistage boiler. It carries mark-up at the rate of 6 months KIBOR + 3.75% (30 September 2023: 6 months KIBOR + 3.75%) per annum, payable 6 monthly, where 10 % is paid as security in advance. It is secured by way of title of the leased asset, exclusively in the name of OLP Modaraba for the entire lease period and personal guarantee of 2 directors.
- 11.9 This Ijarah facility has been obtained from OLP Modaraba, out of the total sanctioned limit of Rs. 38.25 million (30 September 2023: Rs. 38.25 million), to import one unit brand new fully Automatic Centrifugal Machine with spares parts. It carries mark-up at the rate of 6 months KIBOR + 3.75% (30 September 2023: 6 months KIBOR + 3.75%) per annum, payable monthly. It is secured by way of title of the leased asset, exclusively in the name of OLP Modaraba for the entire lease period.
- 11.10 This Ijarah facility has been obtained from OLP Modaraba, out of the total sanctioned limit of Rs. 48.188 million (30 September 2023: Rs. 48.188 million), to lease 1 unit of main bagasse carrier. It carries mark-up at the rate of 6 months KIBOR + 3.75% (30 September 2023: 6 months KIBOR + 3.75%) per annum, payable monthly. It is secured by way of title of the leased asset i.e. Plant and machinery, exclusively in the name of OLP Modaraba for entire ijarah tenure and personal guarantees of 2 directors.

- 11.11 This Ijarah facility has been obtained from OLP Modaraba, out of the total sanctioned limit of Rs. 25.139 million (30 September 2023: Rs. 25.139 million), to lease 1 unit of inclined bagasse carrier. It carries mark-up at the rate of 6 months KIBOR + 3.75% (30 September 2023: 6 months KIBOR + 3.75% ) per annum, payable monthly. It is secured by way of title of the leased asset i.e. Plant and machinery, exclusively in the name of OLP Modaraba for entire ijarah tenure and personal guarantees of 2 directors.
- 11.12 This Ijarah facility was obtained from OLP Modaraba, out of the total sanctioned limit of Rs. 47.2 million (30 September 2023: Rs. 47.2 million), to purchase juice heaters with s.s tubes and u-shaped crystallizer. It carries mark-up at the rate of 3 months KIBOR + 3.75% (30 September 2023: 3 months KIBOR + 3.75%) per annum, payable monthly. It is secured by way of 10% security deposit of finance account, title of the leased asset, exclusively in the name of OLP Modaraba for entire ijarah lease period and personal guarantees of two directors of the company.
- 11.13 This Ijarah facility was obtained from OLP Modaraba, out of the total sanctioned limit of Rs. 24.390 million (30 September 2023 :Rs. nil), to purchase top inverted juice heaters. It carries mark-up at the rate of 3 months KIBOR + 3.75% (30 September 2023: nil) per annum, payable monthly. It is secured by way of 10% security deposit of finance account, title of the leased asset, exclusively in the name of OLP Modaraba for entire ijarah lease period and personal guarantees of two directors of the company.
- 11.14 This Ijarah facility was obtained from OLP Modaraba, out of the total sanctioned limit of Rs. 27.612 million (30 September 2023: Rs. nil), to purchase 03 units MS Tanks. It carries mark-up at the rate of 3 months KIBOR + 3.75% (30 September 2023: nil) per annum, payable monthly. It is secured by way of 10% security deposit of finance account, title of the leased asset, exclusively in the name of OLP Modaraba for entire ijarah lease period and personal guarantees of two directors of the company.

## 12 SHORT TERM BORROWINGS

|  | Note   | Un - audited<br>March 31, 2024<br>Rupees | Audited<br>September 30, 2023<br>Rupees |
|--|--------|--|---|
| From financial institutions                | 12.1.  | 251,477,247                              | 100,000,000                             |
| From related party                         | 12.2.  | 1,458,105                                | 1,411,890                               |
|  |        | <u>252,935,352</u>                       | <u>101,411,890</u>                      |
| <b>12.1. From financial institutions</b>   |        |  |   |
| <b>Secured and interest bearing</b>        |        |  |   |
| National Bank of Pakistan                  |        |  |   |
| Cash finance (hypothecation)               | 12.1.1 | 100,000,000                              | 100,000,000                             |
| Samba Bank Limited - cash finance facility | 12.1.2 | 151,477,247                              | -                                       |
|  |        | <u>251,477,247</u>                       | <u>100,000,000</u>                      |

- 12.1.1 This cash finance (hypothecation) facility has been obtained from National Bank of Pakistan, out of the total sanctioned limit of Rs. 100 million (30 September 2023: Rs.100 million), to finance working capital needs i.e. raw material procurement & other direct / indirect cost / expense / overheads as well as financing of white refined sugar. It carries mark-up at the rate of 3 months KIBOR + 3.00% (30 September 2023: 3 months KIBOR + 3.00%) per annum, payable quarterly. It is secured by way of first pari passu charge over current assets of the company (already registered with SECP) to the extent of Rs. 134 million (30 September 2023: Rs. 134 million), first pari passu charge over fixed assets (already registered with SECP) to the extent of Rs. 134 million (2023: Rs. 134 million). Total value of fixed assets assessed at Rs. 5,008.493 million (FSV Rs. 3,911.179 million) vide evaluation report dated 30.09.2023 conducted by Harvester Services (Pvt.) Limited measuring 616 Kanal 14 Marla / 77 Acre 14 Marala land located at Chak No. 128 G.B., Lahore Road, Tehsil Jaranwala, District Faisalabad and personal guarantees along with Personal Net Worth Statement (PNWS) / Wealth tax returns of the two directors of the company.

- 12.1.2 This cash finance facility has been obtained from Samba Bank Limited, out of total sanctioned limit of Rs. 250 million (30 September 2023: 250 million) for working capital requirements. It carries profit at the rate of 3 month KIBOR + 2.75% (30 September 2023: 3 month KIBOR + 2.75%) p.a. It is secured by way of charge of Rs. 334 million (30 September 2023: Rs. 334 million) over present and future fixed assets (inclusive of 25% margin), ranking charge of Rs. 334 million (30 September 2023: Rs. 334 million) over current asset of the company (inclusive of 25% margin), exclusive charge of pledge of finish good (refined sugar bags) of Rs. 334 million (with 25% margin) to be registered with SECP, letter of access duly signed by the customer and by the owner(s) of site on which pledge goods will be placed, letter of awareness to be circulated to all banks having security of pledge, pledge stock to be insured with SBL name as "loss payee" with other pledge holders, directors' loan subordination in favor of SBL and personal guarantees of three sponsor directors of the company along with their PNWS.

|                                    | Note   | Un - audited<br>March 31, 2024<br>Rupees | Audited<br>September 30, 2023<br>Rupees |
|------------------------------------|--------|--|---|
| <b>12.2 From related party</b>     |        |  |   |
| <b>Unsecured and interest free</b> |        |  |   |
| Mr. Mustafa Ali Tariq              | 12.2.1 | 1,458,105                                | 1,411,890                               |

- 12.2.1 This represents loan obtained from the sponsoring director / Chief Executive, Mr. Mustafa Ali Tariq, of the Company to bridge / assist its working capital requirements. It is payable on demand.



### 13. CONTINGENCIES AND COMMITMENTS

#### 13.1 Contingencies

There is no change in the status of contingencies as reported in the annual audited financial statements of the company for the year ended September 30, 2023.

#### 13.2 Commitments

Company is committed to pay the following:

Lease rentals

Due within one year

Due after one year but not later than five years

| Un - audited<br>March 31, 2024 | Audited<br>September 30, 2023 |
|--------------------------------|-------------------------------|
| Rupees                         | Rupees                        |
| 14,573,722                     | 13,636,263                    |
| 25,411,875                     | 29,474,603                    |
| <u>39,985,597</u>              | <u>43,110,866</u>             |

### 14. COST OF REVENUE

| HALF YEAR ENDED - (Un-audited) |          | QUARTER ENDED - (Un-audited) |          |
|--------------------------------|----------|------------------------------|----------|
| 31 March                       | 31 March | 31 March                     | 31 March |
| 2024                           | 2023     | 2024                         | 2023     |

(Rupees)

#### Raw material consumed:

|  |                      |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|
| Sugarcane purchased                          | 6,594,558,194        | 4,843,597,499        | 3,780,205,236        | 2,923,532,548        |
| Sugarcane development cess                   | 35,627,266           | 38,522,569           | 18,638,979           | 22,543,607           |
| Market committee fee                         | 5,700,504            | 6,163,776            | 2,982,305            | 3,607,070            |
|  | <u>6,635,885,964</u> | <u>4,888,283,844</u> | <u>3,801,826,520</u> | <u>2,949,683,225</u> |
| Salaries, wages and other benefits           | 110,844,001          | 98,676,996           | 62,018,725           | 56,404,953           |
| Workers' welfare expense                     | 50,472               | 8,434,249            | 17,941               | 6,394,700            |
| Stores, spare parts and loose tools consumed | 22,556,952           | 20,042,836           | 13,720,612           | 9,402,561            |
| Chemicals consumed                           | 59,194,324           | 49,992,513           | 30,947,962           | 27,863,918           |
| Packing material consumed                    | 59,462,108           | 56,563,049           | 32,337,695           | 33,390,662           |
| Fuel and power                               | 22,306,936           | 13,047,386           | 11,178,466           | 5,816,066            |
| Repair and maintenance                       | 146,260,837          | 66,323,065           | 89,312,543           | 27,585,568           |
| Vehicle running expenses                     | 3,761,150            | 16,407,834           | 1,699,560            | 9,612,179            |
| Insurance                                    | 6,447,427            | 3,450,795            | 4,835,570            | 1,928,888            |
| Other factory overheads                      | 13,548,937           | 15,224,701           | 7,940,734            | 9,719,790            |
| Depreciation                                 | 81,426,300           | 70,570,758           | 40,316,512           | 35,100,286           |
|  | <u>7,161,745,407</u> | <u>5,307,018,026</u> | <u>4,096,152,839</u> | <u>3,172,902,796</u> |

#### Work-in-process

|                                   |                      |                      |                      |                      |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|
| Opening stock                     | 17,428,776           | 14,923,704           | 85,074,422           | 85,074,422           |
| Closing stock                     | (27,094,325)         | (16,965,820)         | (27,094,325)         | (16,965,820)         |
|                                   | <u>(9,665,549)</u>   | <u>(2,042,116)</u>   | <u>(14,840,322)</u>  | <u>68,108,602</u>    |
| <b>Cost of goods manufactured</b> | <b>7,152,079,858</b> | <b>5,304,975,910</b> | <b>4,081,312,517</b> | <b>3,241,011,398</b> |

#### Finished goods

|               |                      |                        |                      |                      |
|---------------|----------------------|------------------------|----------------------|----------------------|
| Opening stock | 95,153,306           | 1,489,641,048          | 1,397,406,566        | 2,054,667,057        |
| Closing stock | (252,794,034)        | (2,792,078,995)        | (252,794,034)        | (2,792,078,995)      |
|               | <u>(157,640,728)</u> | <u>(1,302,437,947)</u> | <u>1,144,615,532</u> | <u>(737,411,938)</u> |
|               | <u>6,994,439,130</u> | <u>4,002,537,963</u>   | <u>5,225,928,049</u> | <u>2,503,599,460</u> |

## 15. (LOSS) / EARNINGS PER SHARE

|   | HALF YEAR ENDED - (Un-audited) |                  | QUARTER ENDED - (Un-audited) |                  |
|---|--------------------------------|------------------|------------------------------|------------------|
|   | 31 March<br>2024               | 31 March<br>2023 | 31 March<br>2024             | 31 March<br>2023 |
| Basic (loss) /earnings per share  |                                |                  |                              |                  |
| (Loss) / Profit attributable to ordinary shareholders for basic earning per share                     | (490,885,021)                  | 8,317,262        | (521,829,618)                | (16,552,077)     |
| Weighted average number of ordinary shares outstanding during the period for basic earnings per share | 52,965,000                     | 52,965,000       | 52,965,000                   | 52,965,000       |
| Basic (loss) / earnings per share   | (9.27)                         | 0.16             | (9.85)                       | (0.31)           |

15.1 The potential ordinary shares (i.e. preference share convertible to ordinary shares) have an anti dilutive effect on earning / (loss) per share, hence not applicable to be disclosed in these unconsolidated condensed interim financial statements.

15.2 The Company issued 13,241,250 ordinary right shares subsequent to the reporting date at a price of Rs. 15 per share which is equivalent to its market price, hence, no retrospective adjustment / restatement has been made to outstanding ordinary shares as of reporting date.

## 16. TRANSACTIONS WITH RELATED PARTIES

Related party transactions during the period:

| Particulars   | Relationship                         | Names                                | Half year ended         |                         |
|---|--------------------------------------|--------------------------------------|-------------------------|-------------------------|
|   |                                      |                                      | Un-audited<br>31-Mar-24 | Un-audited<br>31-Mar-23 |
| Rupees  |                                      |                                      |                         |                         |
| <b>Transactions with post -employment benefit plan</b>    |                                      |                                      |                         |                         |
| Company's contributions to fund / trust                   | Post retirement benefits             | HSML Employees' Provident Fund Trust | 4,028,017               | 3,767,170               |
| <b>Transactions with key management personnel</b>         |                                      |                                      |                         |                         |
| Remuneration and benefits of key management personnel     | Deputy CEO / CFO                     | Mr. Waseem Saleem                    | 2,369,994               | 2,369,994               |
| <b>Directors' remuneration and benefits</b>               |                                      |                                      |                         |                         |
|   | - Director / Chief Executive Officer | Mr. Mustafa Ali Tariq                | 3,725,328               | 3,725,328               |
|   | - Executive Director                 | Mr. Ahmad Ali Tariq                  | 1,560,000               | -                       |
|   | - Executive Director                 | Mrs. Maryam Habib                    | -                       | 1,560,000               |
| <b>Contribution of provident fund</b>                     |                                      |                                      |                         |                         |
|   | - Director / Chief Executive Officer | Mr. Mustafa Ali Tariq                | 240,342                 | 240,342                 |
|   | - Executive Director                 | Mr. Ahmad Ali Tariq                  | 100,644                 | -                       |
|   | - Executive Director                 | Mrs. Maryam Habib                    | -                       | 100,644                 |
| <b>Transactions with associated undertakings</b>          |                                      |                                      |                         |                         |
| Tariq Capital (Pvt.) Limited                              | Current account                      |                                      | 20,168,315              | 324,721                 |
|   | Markup                               |                                      | 3,980,409               | 951,613                 |
| Tariq Welfare Foundation                                  | Current account                      |                                      | 82,055                  | 125,957                 |
| <b>Transactions with other related parties</b>            |                                      |                                      |                         |                         |
| Repayment of directors' loans                             | Director / Chief Executive           | Mr. Mustafa Ali Tariq                | 94,266,885              | -                       |
| Current account - net                                     | Director / Chief Executive           | Mr. Mustafa Ali Tariq                | -                       | 46,215                  |
| Share subscription received against ordinary right shares | Director                             | Mr. Ahmad Ali Tariq                  | 60,987,860              | -                       |
| Share subscription received against ordinary right shares | Director / Chief Executive           | Mr. Mustafa Ali Tariq                | 66,760,825              | -                       |
| Share subscription received against ordinary right shares | Director                             | Mrs. Sadiq Ali Tariq                 | 25,781                  | -                       |
| Share subscription received against ordinary right shares | Director                             | Mrs. Maryam Habib                    | 1,876,566               | -                       |
| Share subscription received against ordinary right shares | Director                             | Mr. M. Imran Khan                    | 3,959                   | -                       |
| Share subscription received against ordinary right shares | Director                             | Mr. Saif Hassan                      | 2,756                   | -                       |
| Share subscription received against ordinary right shares | Director                             | Mr. Shazfar Ali                      | 2,705                   | -                       |
| Share subscription received against ordinary right shares | Close family member of CEO           | Mrs. Ramana Ashfaq                   | 20,259,940              | -                       |

Closing balances with related parties during the period / year:

| Particulars   | Un-audited<br>31-Mar-24                                   |            | Audited<br>30-Sep-23 |  |
|---|---|------------|----------------------|--|
|   | Rupees  |            |                      |  |
| <b>Transactions with subsidiary company</b>           |   |            |                      |  |
| ariq Capital (M.) Limited                             | Investment in ordinary shares                             | 1,500,000  | 1,500,000            |  |
|   | Short-term advances - net                                 | 39,984,018 | 19,857,938           |  |
|   | Mark-up on short-term advances                            | 7,502,355  | 3,521,946            |  |
| <b>Transactions with associated companies</b>         |   |            |                      |  |
| ariq Welfare Foundation                               | Current account - net                                     | 242,346    | 324,401              |  |
| <b>Transactions with key management personnel</b>     |   |            |                      |  |
| Mr. Mustafa A. ariq                                   | Short-term employee benefits                              | 393,171    | -                    |  |
| Mr. Amree Al Farq                                     | Short-term employee benefits                              | 227,621    | -                    |  |
| <b>Transactions with post-employment benefit plan</b> |   |            |                      |  |
| HSM Employees' Provident Fund Trust                   | Contribution including mark-up                            | 30,295,230 | 16,760,645           |  |
| <b>Transactions with other related parties</b>        |   |            |                      |  |
| Mr. Mustafa A. ariq                                   | Directors' loans  | 3,100,000  | 96,966,356           |  |
| Mr. Amree Al Farq                                     | Directors' loans  | -          | 500,000              |  |
| Mr. Amree Al Farq                                     | Share subscription received against ordinary right shares | 80,987,889 | -                    |  |
| Mr. Mustafa A. ariq                                   | Share subscription received against ordinary right shares | 66,780,825 | -                    |  |
| Mr. Saad Al Farq                                      | Share subscription received against ordinary right shares | 25,781     | -                    |  |
| Mr. Maryam Haqib                                      | Share subscription received against ordinary right shares | 1,876,556  | -                    |  |
| Mr. Miran Khan  | Share subscription received against ordinary right shares | 3,859      | -                    |  |
| Mr. Saif Hasan  | Share subscription received against ordinary right shares | 2,756      | -                    |  |
| Mr. Ghazanfar Ali                                     | Share subscription received against ordinary right shares | 2,708      | -                    |  |
| Mr. Ismaaha Ashfaq                                    | Share subscription received against ordinary right shares | 20,258,340 | -                    |  |

## 17. RELATIONSHIP WITH THE ISLAMIC AND CONVENTIONAL FINANCIAL INSTITUTIONS

The Company in the normal course of business deals with sole Islamic financial institutions as well as the financial institutions who operate both the conventional side and Islamic window. During the year, the Company carried out transactions with both the conventional side as well as Islamic window of financial institutions. The details of segregation between Shariah complaints and conventional assets/liabilities and income/expenditure are given below :

| As on March 31, 2024 (unaudited) |                    |       | As on September 30, 2023 (audited) |                    |       |
|----------------------------------|--------------------|-------|------------------------------------|--------------------|-------|
| Islamic Banks                    | Conventional Banks | Total | Islamic Banks                      | Conventional Banks | Total |

|                                       | .....Rupees..... |             |             | .....Rupees..... |             |             |
|---------------------------------------|------------------|-------------|-------------|------------------|-------------|-------------|
| Account balances:                     |                  |             |             |                  |             |             |
| Accrued mark-up on secured borrowings | 21,579,821       | 42,468,353  | 64,047,634  | 23,519,173       | 26,034,689  | 49,553,862  |
| Long term finance                     | 328,125,002      | 475,767,513 | 803,892,515 | 538,164,118      | 376,613,458 | 914,777,576 |
| Short term borrowings                 | -                | 251,477,247 | 251,477,247 | -                | 100,000,000 | 100,000,000 |
| Bank balances                         | 203,210,015      | 33,808,047  | 237,018,062 | 24,011,624       | 29,457,342  | 53,468,965  |
| Ijarah rentals payable                | -                | -           | -           | -                | -           | -           |

| Half year ended March 31, 2024 (unaudited) |                    |       | Half year ended March 31, 2023 (unaudited) |                    |       |
|--|--------------------|-------|--|--------------------|-------|
| Islamic Banks                              | Conventional Banks | Total | Islamic Banks                              | Conventional Banks | Total |

|   | .....Rupees..... |            |             | .....Rupees..... |            |             |
|---|------------------|------------|-------------|------------------|------------|-------------|
| Class of transactions:                    |                  |            |             |                  |            |             |
| Ijarah and diminishing musharikah rentals | 8,489,644        | -          | 8,489,644   | 70,095,386       | -          | 70,095,386  |
| Finance cost                              | 46,326,098       | 95,261,837 | 141,587,936 | 149,644,017      | 98,597,020 | 248,241,037 |
| Income from PLS bank accounts             | 540,858          | -          | 540,858     | 205,408          | -          | 205,408     |

## 18. FINANCIAL RISK MANAGEMENT

### 18.1 Financial risk factors

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 September 2023.

### 18.2 Fair values 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 prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent 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 and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

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

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

During the year, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurement.

The Company has not disclosed the fair values of the financial assets and financial liabilities because their carrying amounts are reasonable approximation of fair values, except fair value of equity instruments.

#### Valuation techniques used to determine fair values

The table analyses financial assets measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

| As on March 31, 2024 - unaudited  |                 |           |         |         |
|---|-----------------|-----------|---------|---------|
| Financial assets  | Recurring fair  |           |         |         |
|   | Carrying amount | value     |         |         |
|   | Rupees          | Level 1   | Level 2 | Level 3 |
| Financial assets at fair value through profit or loss (equity securities) | 8,771,973       | 8,771,973 | -       | -       |

| As on September 30, 2023 - audited  |                 |           |         |         |
|---|-----------------|-----------|---------|---------|
| Financial assets  | Recurring fair  |           |         |         |
|   | Carrying amount | value     |         |         |
|   | Rupees          | Level 1   | Level 2 | Level 3 |
| Financial assets at fair value through profit or loss (equity securities) | 5,341,557       | 5,341,557 | -       | -       |

#### Valuation techniques and significant unobservable inputs

The following table shows the valuation technique used in measuring Level 1 fair values for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

| Valuation technique                    | Significant unobservable inputs | Inter-relationship between     |
|--|---------------------------------|--------------------------------|
| Equity instruments - shares            | Per share price                 | The estimated fair value would |
| Market approach (quoted market prices) |                                 |                                |

#### 19. RECONCILIATION OF MOVEMENTS OF SHARE CAPITAL AND LIABILITIES TO CASH FLOWS ARISING FROM FINANCIAL ACTIVITIES

| Description                               | Ordinary Share capital | Equity Component Of Preference | Share Subscription Money Against Right | Share premium account | Directors' loans | Long term finance | Lease liability | Liability Component Of Preference Shares | Short term borrowings |
|---|------------------------|--------------------------------|--|-----------------------|------------------|-------------------|-----------------|--|-----------------------|
|   | Rupees                 |                                |  |                       |                  |                   |                 |  |                       |
| Balance at October 01, 2023               | 529,650,000            | 69,687,645                     | -                                      | 224,231,050           | 97,366,885       | 914,777,576       | 29,928,932      | 66,561,182                               | 101,411,890           |
| Proceeds during the period                | -                      | -                              | 197,988,724                            | -                     | -                | 52,002,243        | -               | -  | -                     |
| Accretion of finance cost for the year    | -                      | -                              | -                                      | -                     | -                | -                 | 4,159,906       | -  | -                     |
| Dividend for the period                   | -                      | -                              | -                                      | -                     | -                | -                 | -               | (7,222,500)                              | -                     |
| Additions during the year                 | -                      | -                              | -                                      | -                     | -                | -                 | 62,348,134      | -  | -                     |
| Interest charged using effective interest | -                      | -                              | -                                      | -                     | -                | -                 | -               | 4,725,944                                | -                     |
| Repayments during the year                | -                      | -                              | -                                      | -                     | (94,266,885)     | (162,887,304)     | (9,392,424)     | -  | -                     |
| Movement in short term borrowings - net   | -                      | -                              | -                                      | -                     | -                | -                 | -               | -  | 151,523,462           |
| Balance at March 31, 2024                 | 529,650,000            | 69,687,645                     | 197,988,724                            | 224,231,050           | 3,100,000        | 803,892,515       | 86,444,548      | 64,064,526                               | 252,935,352           |

#### 20. SUBSEQUENT EVENT

As of the reporting date, the members of the company accorded their approval for the disposal of any or all the assets of the company located at site, comprising freehold land, building constructed thereon, plant and machinery, furniture and fixtures, equipment and other ancillary assets (collectively, the 'Assets') subject to completion of necessary corporate, regulatory and legal formalities as well as availability of prospective buyer. These assets have not been classified as 'Non-current assets held for sale' as an active program to sell these assets has not yet begun.

#### 21. DATE OF AUTHORIZATION

These unconsolidated condensed interim financial statements have been approved and authorized by the Board of Directors of the Company for issue on May 29, 2024.

#### 22. GENERAL

22.1 Figures of the corresponding period have been re-arranged and regrouped to represent better / true presentation and to facilitate appropriate comparison. However, no major reclassifications were made in the corresponding figures during the period.

22.2 Allocation to the Worker's Profit Participation Fund, Workers' Welfare Fund and figures of taxation are provisional. Final liabilities thereof would be determined on the basis of annual results.

Chief Executive Officer

Chief Financial Officer

Director



📍 28-C, Block E-1, Gulberg-III, Lahore - 54660

☎ 042-111-111- 476

✉ info@tariqcorp.com

🌐 www.tariqcorp.com