



TARIQ
CORPORATION

CONDENSED INTERIM REPORT
FOR THE HALF YEAR ENDED

MARCH 31 2023

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COMPANY INFORMATION

DIRECTORS

Mrs. Sadia Ali Tariq	Chairperson
Mian Mustafa Ali Tariq	Chief Executive Officer
Mian Ahmed Ali Tariq	Non-Executive Director
Mrs. Maryam Habib	Executive Director
Mr. Muhammad Imran Khan	Independent Director
Mr. Saif Hasan	Independent Director
Mr. Waseem Ahmad Ghafoor	Non-Executive Director

DEPUTY CHIEF EXECUTIVE / CHIEF FINANCIAL OFFICER

Mr. Wasim Saleem

COMPANY SECRETARY

Mr. Khalid Mahmood

HEAD OF INTERNAL AUDIT

Mr. Zahid Mahmood

AUDIT COMMITTEE

Chairman	Mr. Muhammad Imran Khan
Member	Mian Ahmed Ali Tariq
Member	Mr. Waseem Ahmad Ghafoor

HUMAN RESOURCE & REMUNERATION COMMITTEE

Chairman	Mr. Saif Hasan
Member	Mian Mustafa Ali Tariq
Member	Mian Ahmed Ali Tariq

RISK MANAGEMENT COMMITTEE

Chairman	Mian Mustafa Ali Tariq
Member	Mrs. Maryam Habib
Member	Mr. Saif Hasan

EXTERNAL AUDITORS

Kreston Hyder Bhimji & Co
Chartered Accountants

BANKERS OF THE COMPANY

SHARIAH COMPLIANT

Askari Bank Limited
Bankislami Pakistan Limited
Dubai Islamic 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 Shahra-e-Faisal Karachi-74400.
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LEGAL ADVISORS

Saad Rasool Law Associates
Siddiqui Bari Kasuri & Company

COST AUDITORS

Fazal Mahmood & Co Chartered Accountants

MILLS

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Ph:041-4312499



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WEBSITE INFORMATION

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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 2023.

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

	31-03-2023	31-03-2022
OPERATIONAL		
Sugarcane crushed (Metric Tons)	616,378	909,397
Sugar produced (Metric Tons)	60,120	78,255
Sugar recovery (%)	9.76	8.76
	.....Rupees.....	
FINANCIAL		
Net sales	4,102,013,154	4,356,005,919
Gross profit	99,475,191	523,902,081
Operating and finance cost	417,183,500	349,098,543
Profit before taxation	89,963,100	190,018,641
Profit after taxation	8,317,262	120,340,388
Earnings per share	0.16	2.27

THE SUGAR INDUSTRY AND THE ECONOMY

In line with the trend of general inflation and contractions seen in the economy in Pakistan and across the world, costs of raw material i.e sugarcane and other inputs have continued to rise drastically. Resultantly, sugar prices have begun to rally in Pakistan and across the world also. Internationally, sugar prices have remained stable at more than 700 USD per ton, a local parity of around Rs. 250 in Pakistan at current USD/PKR levels.

Untimely, a delayed export and late receipts of revenues against sugar inventories have dented the capacity of the industry and farmers. To make things worse, devastating floods, climate change, and expensive inputs have hurt rural productivity as yields of sugarcane and other crops have dropped significantly. If sugar prices do not rally to a point at which mills can pay farmers lucratively, Pakistan will see a sugarcane and sugar crisis in the coming years.

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.

As the State Bank of Pakistan has begun increasing interest rates to fight inflation, the cost of capital has become even more expensive. 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.

Although the Government has promoted sectors across the economy, the same cannot be said about the Sugar Industry in Pakistan. Past and present governments have tried to force sugar prices to arbitrarily defined targets. It is important for skilled and relevant personnel to be engaged to determine the dynamics within the industry. Often times, it is assumed that costs of manufacturing are similar for all firms within the industry. However, with firms operating in different areas and at different scales, the recoveries and costs within the industry vary drastically. There is no homogenous mechanism of production and in fact there is a disparity within the industry. Across the entire political spectrum, there is significant misinformation about the costs of manufacturing of the sugar industry and the value addition the sector provides. Given the devaluation of the rupee against the dollar, and high prices of sugar in the international market, Pakistani sugar is one of the most lucrative products available in our country, for export. Given the pressure on foreign exchange reserves and the balance of payments, it is worth studying whether sugar can be exported to help alleviate some of the economic burden on the country.

Although the Government of Punjab had fixed the minimum support price of sugarcane at Rs. 300 per 40 Kg, it was observed that millers were paying upwards of Rs. 425 per 40 Kg by the end of the season. On average, as per market data, it is estimated that average procurement of sugarcane was roughly at the rate of Rs. 325-330 per 40 Kg for this crushing season.

OPERATING HIGHLIGHTS

Starting on the 25th of November 2023, the company operated for a total of 97 days. Compared to the previous season, the company's crushing season was shorter by more than a month.

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 616,378 M.Tons of Sugarcane and produced 60,120 M.Tons of refined sugar at an average recovery of 9.76% as compared to last year's sugarcane crushing of 909,397 M. Tons and production of 78,255 M.Tons refined sugar at an average recovery of 8.76%. The investments made by the company in promoting sugarcane recovery through provision of pesticides and fertilizers has born fruit, and the company has closed on one degree higher recovery as compared to the previous crushing season.

For the half year, the company has recorded a revenue of Rs. 4.6 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. The company has earned gross profit of Rs. 99,475,191 as compared to gross profit of Rs. 523,902,081 of last year. This year, our profit after tax is Rs. 8,317,262 during the period under review as compared to profit after tax of Rs. 120,340,388 in the corresponding period of last year.

FUTURE OUTLOOK

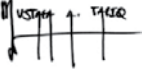
Sugar prices in the local market have not followed the trends that have been observed in the international market. Given a supply-chain disruption internationally, the war in Ukraine, and rising oil prices, many sugar-exporting countries have realigned their production to produce more ethanol as compared to sugar. In the coming years as inflationary tendencies give effect, the government needs to accept higher prices of sugar to enable sugar firms to pay farmers lucratively. In our neighboring countries, Governments have regularly set a minimum price of sugar to ensure that firms are paid well that ultimately pay farmers well to ensure food security. If the government continues its policy of restricting increasing sugar prices while costs of inputs continue to increase, it will lead to a shortage of sugar supplies in the future.

A hike in interest rates through various monetary policies by the State Bank of Pakistan has added to financial obligations of the company as well. Given the economic situation of the country with production at ridiculously high levels – it is the need of the hour to formulate and implement a medium-to-long term sugar policy. Given these difficult circumstances, the company has begun to explore new avenues and is maximizing efficiency in current operations. The company is considering investment in other sectors of the economy for which it is uniquely placed and we have begun reviewing operational efficiencies in terms of manpower and raw material procurements and our confident we will be able to reduce cost of sales and administrative overheads in nominal terms significantly by the next financial year. We look forward to grow this enterprise further in the following years.

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 2023

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2023ء 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:

آپریشنز	31 مارچ 2023	31 مارچ 2022
گنے کی کرھٹ (میٹرک ٹن)	616,378	909,397
چینی کی پیداوار (میٹرک ٹن)	60,120	78,255
چینی کا حصول (فیصد)	9.76	8.76
مالیات		
فروخت	4,102,013,154	4,356,005,919
مجموعی منافع	99,475,191	523,902,081
آپریٹنگ اور مالی اخراجات	417,183,500	349,098,543
قبل از ٹیکس منافع	89,963,100	190,018,641
بعد از ٹیکس منافع	8,317,262	120,340,388
ٹی شیئر آمدنی (روپے)	0.16	2.27

چینی کی صنعت اور معیشت

پاکستان اور دنیا بھر میں معیشت میں نظر آنے والے عام بھنگائی اور سکر اؤ کے رجحان کے مطابق، خام مال یعنی گنے اور دیگر اشیاء کی قیمتوں میں شدید اضافہ جاری ہے۔ اس کے نتیجے میں پاکستان اور دنیا بھر میں چینی کی قیمتوں میں تیزی آنا شروع ہو گئی ہے۔ بین الاقوامی سطح پر چینی کی قیمتیں 700 امریکی ڈالر فی ٹن سے زیادہ مستحکم رہیں، جو کہ موجودہ امریکی ڈالر پاکستانی روپے کی سطح پر منقاری طور پر پاکستان میں تقریباً 250 روپے کے برابر ہے۔

بے وقت، تاخیر سے برآمد اور چینی کی انویٹریز کے مقابل محصولات کی تاخیر سے وصولیوں نے صنعت اور کسانوں کی صلاحیت کو نقصان پہنچایا ہے۔ حالات کا مزید خراب ہونا، جاہ کن سیلاب، موسمیاتی تبدیلی، اور بھنگائی ان پکس نے دہلی پیداوار کو نقصان پہنچایا ہے کیونکہ گنے اور دیگر فصلوں کی پیداوار میں نمایاں کمی آئی ہے۔ اگر چینی کی قیمتیں اس مقام تک نہ پہنچیں جہاں ملو کسانوں کو منافع بخش ادائیگی کر سکیں تو پاکستان آئندہ سالوں میں گنے اور چینی کا بحران دیکھے گا۔

اگرچہ صوبائی حکومتوں نے گنے کی کاشت کی حوصلہ افزائی کے لیے گنے کی امدادی قیمت اور بھنگائی جاری رہتی ہے تو قدرتی طور پر چینی کی قیمتوں میں بھی اسی طرح اضافہ ہوگا۔ لاگت میں اضافہ کرتی ہیں، یعنی کم انکم امدادی قیمت اور بھنگائی جاری رہتی ہے تو قدرتی طور پر چینی کی قیمتوں میں بھی اسی طرح اضافہ ہوگا۔

کیونکہ اسٹیٹ بینک آف پاکستان نے بھنگائی سے لڑنے کے لیے شرح سود میں اضافہ شروع کر دیا ہے، جس سے سرمائے کی قیمت مزید زیادہ ہو گئی ہے۔ درحقیقت سود کی شرحیں دہائیوں میں سب سے زیادہ ہیں۔ خورداک برقی صنعت کے لیے ایسے پس منظر میں چنانا ایک انتہائی مشکل چیلنج بنتا جا رہا ہے۔ سیاسی عدم استحکام نے غیر ملکی آمد کو محدود کر دیا ہے اور اس کے نتیجے میں زرمبادلہ کے ذخائر میں کمی نے روپیہ کو شدید نقصان پہنچایا ہے۔ اگرچہ اس قدر میں کمی مینوفیکچرنگ کے اخراجات پر بوجھ ڈالتی ہے، لیکن یہ پاکستان کے شوگر سیکٹر میں کمپنیوں کو چینی پر تقابلی فائدہ بھی دیتی ہے۔ امریکی ڈالر کی قدر میں ریکارڈ سطح تک کی ساتھ، پاکستان میں چینی کی صنعت کے لیے سالانہ لاکھوں ٹن نہیں تو سینکڑوں ہزار برآمد کرنا منافع بخش ہے۔

اگرچہ حکومت نے پوری معیشت کے شعبوں کو فروغ دیا ہے لیکن پاکستان میں شوگر انڈسٹری کے بارے میں ایسا نہیں کہا جاسکتا۔ ماضی کی اور موجودہ حکومتوں نے چینی کی قیمتوں کو اپنی مرضی سے طے شدہ اہداف پر مجبور کرنے کی کوشش کی ہے۔ صنعت کے اندر موجود محرکات کا تعین کرنے کے لیے ہنرمند اور متعلقہ اہکاروں کا شامل ہونا ضروری ہے۔ اکثر اوقات، یہ فرض کر لیا جاتا ہے کہ صنعت کے اندر تمام فرموں کے لیے مینوفیکچرنگ کے اخراجات ایک جیسے ہوتے ہیں۔ تاہم، مختلف علاقوں میں اور مختلف پیمانے پر کام کرنے والی فرموں کے ہاں، صنعت کے اندر وصولیاں اور اخراجات کافی حد تک مختلف ہوتے ہیں۔ پیداوار کو کوئی یکساں طریقہ کار نہیں ہے اور درحقیقت صنعت میں تفاوت ہے۔ پورے سیاسی میدان میں، شوگر انڈسٹری کی مینوفیکچرنگ کے اخراجات اور اس شعبے کی جانب سے فراہم کردہ ویلیو ایڈیشن کے بارے میں اہم معلومات موجود ہیں۔ ڈالر کے مقابلے روپیہ کی قدر میں کمی اور بین الاقوامی مارکیٹ میں چینی کی زیادہ قیمتوں کے پیش نظر پاکستانی چینی

برآمد کے لیے ہمارے ملک میں دستیاب سب سے زیادہ منافع بخش مصنوعات میں سے ایک ہے۔ زرمبادلہ کے ذخائر پر دباؤ اور ادائیگیوں کے توازن کو دیکھتے ہوئے، یہ بات قابل غور ہے کہ آیا ملک پر پڑنے والے معاشی بوجھ کو کم کرنے کے لیے چینی کو برآمد کیا جاسکتا ہے۔

اگرچہ حکومت پنجاب نے گئے کی کم از کم امدادی قیمت 300 روپے فی 40 کلوگرام مقرر کی تھی، یہ دیکھا گیا کہ ملرز سیزن کے اختتام تک 425 روپے فی 40 کلوگرام سے زائد کی ادائیگی کر رہے تھے۔ اوسطاً، مارکیٹ کے اعداد و شمار کے مطابق، یہ اندازہ لگایا گیا ہے کہ گئے کی اوسط خریداری اس کرشنگ سیزن کے لیے تقریباً 330-325 روپے فی 40 کلوگرام کے حساب سے تھی۔

آپریٹنگ جھلکائیں

25 نومبر 2022 کو شروع کرتے ہوئے، کپنی نے کل 97 دن کام کیا۔ پچھلے سیزن کے مقابلے میں، کپنی کا کرشنگ سیزن ایک مہینہ سے زیادہ کم تھا۔

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

کپنی نے پچھلے سال 909,397 میٹرک ٹن گئے کی کرشنگ اور 8.76 فیصد کی اوسط ریکوری پر 80,125 میٹرک ٹن ریفاائنڈ چینی پیداوار کے مقابلے میں 616,378 میٹرک ٹن گئے کی کرشنگ کی اور اوسطاً 9.76 فیصد کی ریکوری پر 60,120 میٹرک ٹن ریفاائنڈ چینی بنائی۔ کیڑے مارادوبات اور کھادوں کی فراہمی کے ذریعے گئے کی ریکوری کو فروغ دینے میں کپنی کی طرف سے کی گئی سرمایہ کاری نے نتائج دینے اور کپنی نے گزشتہ سیزن کے مقابلے ایک ڈگری زیادہ پر اختتام کیا۔

ششماہی کے دوران کپنی نے 4.6 ملین روپے کی ریکارڈ فروخت کی ہے۔ جبکہ 2017 اور 2018 کے مقابلے میں ہماری پورے سال کی آمدنی 2.7 اور 3.8 ملین روپے تھی۔ انٹیلیجنسی امپروومنٹ پروجیکٹ اور BMR جو کپنی نے مکمل کیا ہے اس نے کپنی کی آپریٹنگ صلاحیت کو یکسر تبدیل کر دیا ہے۔ کپنی نے گزشتہ سال کے 523,902,081 روپے کے مجموعی منافع کے مقابلے میں 99,475,191 روپے کا مجموعی منافع کمایا ہے۔ اس سال بعد از گیس ہمارا منافع زیر جائزہ مدت کے دوران 8,317,262 روپے جبکہ گزشتہ سال کی اسی مدت میں بعد از گیس منافع 120,340,388 روپے تھے۔

مستقبل کا نقطہ نظر

مقامی مارکیٹ میں چینی کی قیمتیں بین الاقوامی منڈی میں دیکھے گئے رجحانات کے مطابق نہیں ہیں۔ بین الاقوامی سطح پر سپلائی چین میں خلل، یوکرین میں جنگ، اور تیل کی بڑھتی ہوئی قیمتوں کو دیکھتے ہوئے، بہت سے چینی برآمد کرنے والے ممالک نے چینی کے مقابلے میں زیادہ آتھول پیدا کرنے کے لیے اپنی پیداوار کو دوبارہ ترتیب دیا ہے۔ آئندہ سالوں میں جب مہنگائی کے رجحانات اثر انداز ہوتے ہیں، حکومت کو چینی کی زیادہ قیمتوں کو قبول کرنے کی ضرورت ہے تاکہ چینی کی فرمیں کسانوں کو منافع بخش ادائیگی کر سکیں۔ ہمارے پڑوسی ممالک میں، حکومتوں نے باقاعدگی سے چینی کی کم از کم قیمت مقرر کی ہے تاکہ اس بات کو یقینی بنایا جاسکے کہ ان فرموں کو اچھی ادائیگی کی جائے جو بالآخر کسانوں کو خوراک کی حفاظت کو یقینی بنانے کے لیے اچھی ادائیگی کرتی ہیں۔ اگر حکومت چینی کی بڑھتی ہوئی قیمتوں کو محدود کرنے کی اپنی پالیسی جاری رکھتی ہے جبکہ ان پٹ کی قیمتیں بڑھتی رہیں تو یہ مستقبل میں چینی کی سپلائی کی کمی کا باعث بنے گی۔

اسٹیٹ بینک آف پاکستان کی جانب سے مختلف ماہیٹری پالیسیوں کے ذریعے شرح سود میں اضافہ نے کپنی کی مالی ذمہ داریوں میں بھی اضافہ کر دیا ہے۔ مضحکہ خیز حد سے زیادہ پیداوار کے ساتھ ملک کی معاشی صورتحال کے پیش نظر۔ یہ وقت کی اہم ضرورت ہے کہ ایک درمیانی سے طویل مدتی چینی پالیسی تشکیل دی جائے اور اس پر عمل درآمد کیا جائے۔ ان مشکل حالات کے پیش نظر، کپنی نے نئی راہیں تلاش کرنا شروع کر دی ہیں اور موجودہ آپریٹرز میں زیادہ سے زیادہ کارکردگی دکھائی ہے۔ کپنی معیشت کے دیگر شعبوں میں سرمایہ کاری پر غور کر رہی ہے جس کے لیے اسے منفر د طور پر رکھا گیا ہے اور ہم نے افرادی قوت اور خام مال کی خریداری کے حوالے سے آپریٹنگ استعداد کار کا جائزہ لینا شروع کر دیا ہے اور ہمیں یقین ہے کہ ہم اگلے مالی سال تک نمایاں طور پر برائے نام شرائط میں فروخت اور اختتامی اور ہیز ز کی لاگت کو کم کرنے میں کامیاب ہو جائیں گے۔ ہم اگلے سالوں میں اس اثر پر اثر کی مزید غور کے منتظر ہیں۔

اظہار تشکر

آپ کی کپنی کے ڈائریکٹرز مختلف سرکاری محکموں اور اس کے کارکنوں، بیگنوں، دیگر مالیاتی اداروں، اور انٹرنیشنل کمپنیوں کی مسلسل حمایت اور تعاون کے لئے شکریہ ادا کرتے ہیں۔ ڈائریکٹرز ہمارے قابل قدر کاہنوں اور سپلائرز کی طرف سے فراہم کی گئی حمایت کے شکر گزار اور تعریف کا بھی اظہار کرتے ہیں۔ ہم اپنے تخصص داروں کا بھی شکریہ ادا کرتے ہیں، جنہوں نے کپنی میں اپنے اعتماد اور یقین کو برقرار رکھا اور کپنی 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 کے کاشتکاروں کے مسلسل تعاون کے شکر گزار ہیں جن کی سخت محنت اور ہماری کپنی کے ساتھ وفاداری کپنی کی نمود اور کامیابی کے لئے جاری رکھی ہے۔ بالآخر، ڈائریکٹرز کپنی کی نمود اور کامیابی کے لئے ملازمین کے تمام گروہوں کی جان نثاری، وفاداری، اور سخت محنت پر ان کی تعریف کرتے ہیں۔

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, 2023, 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.

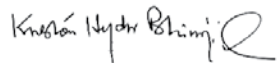
Conclusion

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, 2023, have not been reviewed and we do not express a conclusion on them.

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



KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

Lahore: May 29, 2023

UDIN: RR202310475sGg2FdReV

Other Office at: Karachi - Faisalabad - Islamabad

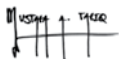
Web site: www.krestonhb.com

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023 (UN-AUDITED)

	Note	(Un-Audited) 31 March 2023 (Rupees)	(Audited) 30 September 2022
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	5,233,305,757	5,101,859,447
Right-of-use assets	7	28,177,213	31,429,816
Investment in subsidiary	8	15,000,000	15,000,000
Long term deposits		47,062,660	46,841,945
		5,323,545,630	5,195,131,208
CURRENT ASSETS			
Inventory		3,113,943,357	1,798,731,290
Trade and other receivables		175,514,802	190,680,794
Advances, deposits and prepayments		217,193,925	292,593,683
Current portion of long term deposits		2,981,450	1,043,250
Financial assets		4,934,092	5,868,967
Tax refund due from Government - income tax		70,790,449	74,785,262
Cash and bank balances		53,539,163	49,711,765
		3,638,897,238	2,413,415,011
TOTAL ASSETS		8,962,442,868	7,608,546,219
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up share capital			
52.965 million (30 September 2022: 38.520 million) 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
Capital reserves			
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		1,885,529,947	1,894,221,121
		2,180,455,856	2,189,147,030
Revenue reserves			
Accumulated loss		(154,812,634)	(189,683,889)
Directors' loans - related parties		99,560,551	99,560,551
		2,724,541,418	2,698,361,337
NON-CURRENT LIABILITIES			
Long term finance	11	703,314,816	538,313,713
Lease liability		29,066,674	29,899,785
Deferred tax liability - net		324,492,888	325,314,873
Liability component of Preference Shares	10	64,064,525	66,561,182
		1,120,938,903	960,089,553
CURRENT LIABILITIES			
Trade and other payables		952,598,170	680,538,137
Contract liabilities		1,447,025,016	768,122,123
Short term borrowings	12	2,239,482,380	1,972,815,938
Accrued mark-up on secured borrowings		150,512,212	192,999,518
Current portion of long term liabilities		304,449,877	319,947,221
Unpaid dividend on preference shares		21,667,500	14,445,000
Unpaid dividend on ordinary shares		31,408	31,408
Unclaimed dividend on ordinary shares		1,195,984	1,195,984
		5,116,962,547	3,950,095,329
CONTINGENCIES AND COMMITMENTS	13		
TOTAL EQUITY AND LIABILITIES		8,962,442,868	7,608,546,219

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 2023

Note	Half Year Ended 31 March		Quarter Ended 31 March	
	2023	2022	2023	2022
	..... (Rupees) .....		..... (Rupees)	
REVENUE FROM CONTRACT WITH CUSTOMERS - GROSS	4,644,504,356	5,001,807,045	2,696,890,629	2,600,722,226
Sales Tax And Other Government Levies	(542,491,202)	(645,801,126)	(292,471,781)	(321,806,167)
REVENUE FROM CONTRACT WITH CUSTOMERS - NET	4,102,013,154	4,356,005,919	2,404,418,484	2,278,916,059
COST OF REVENUE	14 (4,002,537,963)	(3,832,103,838)	(2,503,599,460)	(1,990,926,082)
GROSS PROFIT / (LOSS)	99,475,191	523,902,081	(99,180,612)	287,989,977
OPERATING EXPENSES				
Administrative and general expenses	(134,362,944)	(141,678,012)	(67,966,943)	(81,970,124)
Selling and distribution cost	(12,496,928)	(19,308,535)	(7,479,708)	(7,255,087)
Other operating expenses	(7,702,388)	(27,436,173)	(4,190,589)	(19,955,481)
	(154,562,260)	(188,422,720)	(79,637,240)	(109,180,692)
(LOSS) / PROFIT FROM OPERATIONS	(55,087,069)	335,479,361	(178,817,852)	178,809,285
OTHER INCOME	407,671,409	15,215,103	380,750,388	13,426,709
FINANCE COST	(262,621,240)	(160,675,823)	(159,353,277)	(103,116,341)
PROFIT BEFORE TAXATION	89,963,100	190,018,641	42,579,259	89,119,653
TAXATION	(81,645,838)	(69,678,253)	(59,131,336)	(43,386,132)
PROFIT / (LOSS) AFTER TAXATION	8,317,262	120,340,388	(16,552,077)	45,733,521
EARNINGS / (LOSS) PER SHARE				
BASIC AND DILUTED	15 016	2.27	(0.31)	0.86

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


Chief Executive Officer

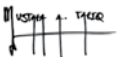

Chief Financial Officer


Director

UNCONSOLIDATE CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 MARCH 2023 (UN-AUDITED)

	Half Year Ended 31 March		Quarter Ended 31 March	
	2023	2022	2023	2022
	..... (Rupees) .....		..... (Rupees)	
PROFIT / (LOSS) AFTER TAXATION	8,317,262	120,340,388	(16,552,077)	45,733,521
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	8,317,262	120,340,388	(16,552,077)	45,733,521

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



Chief Executive Officer



Chief Financial Officer



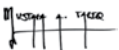
Director

UNCONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 MARCH 2023 (UN-AUDITED)

Note	Half Year Ended	
	31 March 2023	31 March 2022
	..... (Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	89,963,100	190,018,641
Adjustments for non-cash and other items:		
Depreciation of operating fixed assets	78,318,485	76,456,646
Depreciation of ROU assets	3,252,603	1,321,562
Finance cost	262,621,240	160,675,823
Profit on bank accounts	(205,408)	(222,973)
Fair value loss on financial asset	934,875	1,858,571
Gain on disposal of operating fixed assets	(149,577)	-
Dividend income	(29,325)	(6,800)
Old credit balances no more payable written back	-	(1,899,704)
Markup on current account with related party	(951,613)	-
Provision for doubtful trade and other receivables	-	9,570,105
Provision for advances to suppliers	-	1,924,483
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	433,754,380	439,696,354
Changes in working capital items:		
Inventory	(1,315,212,067)	(2,301,424,968)
Trade and other receivables	16,117,605	(101,901,180)
Advances, deposits and prepayments	75,399,758	(22,387,731)
Contract liabilities	678,902,893	387,657,536
Trade and other payables	244,744,608	742,927,040
	(300,047,203)	(1,295,129,303)
CASH INFLOWS / (OUTFLOWS) FROM OPERATIONS	133,707,177	(855,432,949)
Net Change in long term deposits	(2,158,915)	(2,176,008)
Finance cost paid on:		
Lease liability	(2,100,581)	(518,580)
Others	(314,081,311)	(124,309,216)
Income tax paid	(60,610,191)	(55,390,563)
NET CASH OUTFLOWS FROM OPERATING ACTIVITIES	(245,243,821)	(1,037,827,316)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of operating fixed assets	(120,622,550)	(104,667,891)
Capital work in progress incurred	(73,098,921)	(109,573,515)
Proceeds from disposal of operating fixed assets	215,885	-
Investment in subsidiary	-	(15,000,000)
Change in financial assets (equity securities) during the period -net	-	677,251
Dividend received	29,325	6,800
Profit on bank deposits received	205,408	222,973
NET CASH OUTFLOWS FROM INVESTING ACTIVITIES	(193,270,853)	(228,334,382)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from issuance of preference shares during the period	-	28,386,184
Proceed from long term finance	19 300,000,000	36,546,600
Repayment of principal portion of long term finance	19 (149,201,668)	(147,827,152)
Repayment of principal portion of lease liability	19 (2,438,127)	(853,349)
Repayment of director's loans - unsecured and interest free	-	(4,000,007)
Change in short term borrowings - net	19 266,666,442	1,369,665,057
NET CASH INFLOWS FROM FINANCING ACTIVITIES	415,026,647	1,281,917,333
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(23,488,027)	15,755,635
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	43,614,501	60,960,040
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	20,126,474	76,715,675
The reconciliation in cash and cash equivalents is as follows:		
Cash and cash equivalents		
Cash and bank balances	53,539,163	92,138,631
Temporary books' overdraft balances	(33,412,689)	(15,422,956)
Cash and cash equivalents at the end of the period	20,126,474	76,715,675

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 2023 (UN-AUDITED)

	ORDINARY SHARE CAPITAL	EQUITY COMPONENT OF PREFERENCE SHARES	SHARE SUBSCRIPTION MONEY AGAINST THE SHARE ISSUANCE	RESERVES					TOTAL RESERVES	DIRECTIONS' LOANS	TOTAL EQUITY
				Capital		Revenue	Unappropriated profit / (net loss)	Sub total			
				Reserve arising as a consequence of scheme of arrangement	Share premium account							Surplus on revaluation of property, plant and equipment
Balance as at 01 October 2021 (Audited)	385,200,000	-	211,758,198	70,694,859	115,893,550	2,002,191,810	2,188,780,219	(60,191,687)	2,138,588,532	261,953,676	2,997,500,406
Total comprehensive income for the period ended 31 March 2022	-	-	-	-	-	-	120,340,388	-	120,340,388	-	120,340,388
Profit after taxation	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Transactions with owners:											
Adjustment due to repayment - net	-	-	-	-	-	-	-	-	-	(4,000,007)	(4,000,007)
Transfer to share subscription money again right issue	-	-	41,029,302	-	-	-	-	-	-	(41,029,302)	-
Equity component of preference shares	-	37,412,372	-	-	-	-	-	-	-	(116,063,816)	(78,651,444)
Shares issued against share subscription money	144,450,000	-	(252,787,500)	-	108,337,500	-	108,337,500	-	108,337,500	-	-
	144,450,000	37,412,372	(211,758,198)	-	108,337,500	-	108,337,500	-	108,337,500	(161,063,125)	(82,651,451)
Incremental depreciation associated with surplus on revaluation of property, plant and equipment (net of deferred tax)	-	-	-	-	-	(59,364,379)	(59,364,379)	59,364,379	-	-	-
Balance as at 31 March 2022 (Un-audited)	529,650,000	37,412,372	-	70,694,859	224,231,050	1,942,826,431	2,237,752,340	129,514,080	2,367,266,420	100,860,551	3,035,189,943
Balance as at 01 October 2022 (Audited)	529,650,000	69,687,645	-	70,694,859	224,231,050	1,894,221,121	2,189,147,030	(189,683,889)	1,999,463,141	99,560,551	2,698,361,337
Total comprehensive income for the period ended 31 March 2023	-	-	-	-	-	-	-	-	-	-	-
Profit after taxation	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Incremental depreciation associated with surplus on revaluation of property, plant and equipment (net of deferred tax)	-	-	-	-	-	(26,553,993)	(26,553,993)	26,553,993	-	-	-
Effect of change in tax rate on deferred tax related to revaluation surplus of property, plant and equipment	-	-	-	-	-	17,862,819	17,862,819	-	17,862,819	-	17,862,819
Balance as at 31 March 2023 (Un-audited)	529,650,000	69,687,645	-	70,694,859	224,231,050	1,895,529,947	2,190,455,856	(154,812,634)	2,025,643,222	99,560,551	2,724,541,418

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 UNCOSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 MARCH 2023 (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 COMPLAINCE

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, 2023 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, 2022. 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:

- Freehold land, buildings on freehold land and plant and machinery which stands at revalued amount
- 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, 2022.

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 2022 except for investment in subsidiary accounted for as follow:

4.1 Investment in subsidiary

Investment in subsidiary are measured at cost less impairment, if any, as per the requirements of IAS-27 "Separate Financial Statements" which allows to measure the subsidiaries at cost, fair value or equity method for accounting of investment in subsidiaries. The carrying amount of investments is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exist the investments' recoverable amount is estimated at the higher of the value in use and its fair value less cost to sell. An impairment loss is recognized in statement of profit or loss if the carrying amount exceeds the recoverable amount. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in the statement of profit or loss.

4.2 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, 2023 and are relevant:

The amendments that were mandatory for the half year ended March 31, 2023 are considered not to be relevant for the Company's financial reporting process and hence have not been disclosed here.

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

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, 2023. 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 last till March each year.

Note	(Un-Audited) 31 March 2023	(Audited) 30 September 2022
	..... (Rupees)	

6. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	6.1	3,709,022,873	3,666,785,116
Capital work-in-progress	6.2	879,017,141	805,918,220
Stores held for capitalization		645,265,743	629,156,111
		5,233,305,757	5,101,859,447

6.1 Operating fixed assets - tangible

	COST / REVALUED AMOUNT			ACCUMULATED DEPRECIATION			NET BOOK VALUE	
	Balance as at 1-Oct-22	Additions	Transfer	Deletion	For the period		Balance as at 31-Mar-23	AS AT 31-Mar-23
					Rate %	Balance as at 1-Oct-22		
						Balance as at 31-Mar-23	AS AT 31-Mar-23	
Owned								
Freehold land								
Buildings on freehold land	1,083,665,625	-	-	-	-	-	-	1,083,665,625
Plant and machinery	476,372,732	-	-	-	18,795,552	-	118,415,069	357,957,663
Standby equipment	2,363,936,017	119,678,400	-	-	53,540,769	-	268,224,336	2,195,390,081
Factory equipment	2,625,683	-	-	-	45,526	-	1,758,185	867,498
Gas and electric installation	9,446,513	-	-	-	97,637	-	7,586,048	1,860,465
Furniture and fixtures	53,348,598	135,000	-	-	24,004,742	-	25,469,358	28,014,240
Office equipment	7,907,781	177,200	-	-	4,875,126	-	4,835,599	3,132,392
Computer equipment	10,699,099	100,000	-	-	7,462,120	-	7,791,506	3,007,593
Vehicles	7,421,547	410,450	-	-	6,335,444	-	6,536,007	1,295,990
Leasehold improvement	64,631,002	121,500	-	(344,885)	1,712,578	(278,577)	48,463,176	15,944,441
Rupees - March 31, 2023	21,778,145	-	-	(344,885)	1,981,395	-	3,891,250	17,886,895
	4,101,715,742	120,622,550	-	(344,885)	4,221,993,407	(278,577)	512,970,534	3,709,022,873
Owned								
Freehold land								
Buildings on freehold land	1,083,665,625	-	-	-	-	-	-	1,083,665,625
Plant and machinery	468,780,376	-	7,592,356	-	41,386,583	-	99,629,517	376,743,215
Stand by equipment	2,215,808,124	-	148,127,893	-	106,705,157	-	234,683,567	2,129,252,450
Factory equipment	2,625,683	-	-	-	101,447	-	1,712,659	913,024
Gas and electric installation	9,446,513	-	-	-	217,567	-	7,488,411	1,956,102
Furniture and fixtures	46,824,098	6,524,500	-	-	2,233,363	-	24,004,742	29,343,856
Office equipment	7,907,351	87,430	-	-	341,672	-	4,675,126	3,115,695
Computer equipment	7,921,849	2,777,250	-	-	2,771,379	-	7,462,120	3,236,979
Vehicles	6,509,847	911,700	-	-	6,035,848	-	6,335,444	1,086,103
Leasehold improvement	55,565,180	9,065,822	-	-	43,400,667	-	47,029,175	17,601,827
Rupees - September 30, 2022	3,904,850,646	41,144,847	155,720,249	-	157,699,460	-	434,930,626	3,666,785,116

6.2 Capital work-in-progress

	Opening Balance	Additions	Transfer to operating fixed assets / adjustments	Closing Balance
<i>Note</i>	.....Rupees.....			
Civil work and buildings	117,079,327	810,075	-	117,889,402
Plant and machinery	289,272,025	79,194,456	-	368,466,481
Advances for capital expenditure	399,566,868	-	(6,905,610)	392,661,258
March 31, 2023 - Unaudited	805,918,220	80,004,531	(6,905,610)	879,017,141
September 30, 2022 - Audited	958,331,519	438,803,694	(591,216,993)	805,918,220

7.0 RIGHT-OF-USE ASSETS

	Head office rental	Vehicles	Total
	-----Rs-----		
Balance as at October 01, 2022	-	13,251,858	13,251,858
Addition during the year	25,213,240	-	25,213,240
Depreciation charge for the year	(4,384,910)	(2,650,372)	(7,035,282)
Balance as at September 30, 2022 (Audited)	20,828,330	10,601,486	31,429,816
Depreciation charge for the period	(2,192,454)	(1,060,149)	(3,252,603)
Balance as at March 31, 2023 (Un-audited)	18,635,876	9,541,337	28,177,213

8.0 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
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8.1 This is a 60% owned subsidiary company of Tariq Corporation Limited which was acquired in December 2021. Since its incorporation, Tariq Capital (Private) Limited was related party due to common directorship, its main business is dairy farming

9.0 SHARE CAPITAL

9.1. Authorized capital

Ordinary share capital 53 million (30 September 2022: 53 million) ordinary shares of Rupees 10 each	530,000,000	530,000,000
Preference share capital 15 million (30 September 2022: 15 million) preference shares of Rupees 10 each	150,000,000	150,000,000
	680,000,000	680,000,000

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

	Un-Audited	Audited		
	March 31, 2023	September 30, 2022		
	<u>Number of shares</u>			
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
52,965,000	52,965,000		529,650,000	529,650,000

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 30 of any calendar year prior to September 30, 2031.

	Note	Un-Audited March 31, 2023 Rupees	Audited September 30, 2022 Rupees
Opening balance		70,933,609	-
Proceeds from issue of Preference Shares		-	144,450,000
Equity component		-	(69,687,645)
Opening balance / (2022: Liability component at date of issue)		70,933,609	74,762,355
interest charged (using effective interest rate)		5,036,286	10,616,254
Dividend payable @ 10%		(7,222,500)	(14,445,000)
Carrying amount of liability component		68,747,395	70,933,609
Less: current portion shown under current liabilities		(4,682,870)	(4,372,427)
		<u>64,064,525</u>	<u>66,561,182</u>

11. LONG TERM FINANCE

From banking companies - secured

National Bank of Pakistan

Demand finance	11.1	77,584,274	99,806,496
Demand finance	11.2	139,320,000	191,565,000
Demand finance	11.3	133,333,334	155,555,556

First Credit & Investment Bank Limited

Bank Islami DMI	11.4	100,000,000	100,000,000
Bank Islami DMI	11.5	109,375,002	140,625,001
Bank Islami DMII	11.6	300,000,000	-
ORIX Modaraba	11.7	9,749,725	13,901,564
ORIX Modaraba	11.8	35,988,871	44,181,208
ORIX Modaraba	11.9	24,943,390	29,784,540
ORIX Modaraba	11.10	45,509,209	48,188,404
ORIX Modaraba	11.11	23,741,618	25,139,322

		<u>999,545,423</u>	<u>848,747,091</u>
Less: current portion shown under current liabilities		(296,230,607)	(310,433,378)
		<u>703,314,816</u>	<u>538,313,713</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 2022: 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 2022: 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 2022: 278.640 million), for import of equipment and plant and machinery i.e. planetary gears. It carries mark-up at the rate of 3 month KIBOR + 3% (30 September 2022: 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 2022: 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. 2,109.061 million (FSV Rs. 1,581.796 million) vide evaluation report dated 22.06.2017 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 2022: 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 2022: 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. 2,109.061 million (FSV Rs. 1,581.796 million) vide evaluation report dated 22.06.2017 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 2022: 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 2022: 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 2022: 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 2022: 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 favour of BIPL and personal guarantees of two directors of the company alongwith 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 2022: Rs. nil), to meet long term needs through shariah 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% (2022: nil) 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 favour of BIPL and personal guarantees of two directors of the company alongwith their Personal Net Worth Statement (PNWS).
- 11.7 This jjarah facility has been obtained from ORIX Modaraba, out of the total sanctioned limit of Rs. 26.781 million (30 September 2022: 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 2022: 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 ORIX Modaraba for the entire lease period and personal guarantee of directors.
- 11.8 This jjarah facility has been obtained from ORIX Modaraba, out of the total sanctioned limit of Rs. 59.765 million (30 September 2022: Rs. 59.765 million), to import one unit brand new Assets Reduction gear, electric motor, Vacuum pump, Centrifugal pump, Magma Pump, Mascutte 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 2022: 6 months KIBOR + 3.75%) per annum, payable 6 monthly, where 10 % is paid as advance in advance, It is secured by way of title of the leased asset, exclusively in the name of ORIX Modaraba for the entire lease period and personal guarantee of 2 directors.
- 11.9 This jjarah facility has been obtained from ORIX Modaraba, out of the total sanctioned limit of Rs. 38.25 million (30 September 2022: nil), 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 2022: nil) per annum, payable monthly. It is secured by way of title of the leased asset, exclusively in the name of ORIX Modaraba for the entire lease period.
- 11.10 This jjarah facility has been obtained from OLP Modaraba, out of the total sanctioned limit of Rs. 48.188 million (30 September 2022: 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 2022: 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 jjarah tenure and personal guarantees of 2 directors.
- 11.11 This jjarah facility has been obtained from OLP Modaraba, out of the total sanctioned limit of Rs. 25.139 million (30 September 2022: 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 2022: 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 jjarah tenure and personal guarantees of 2 directors.

12 SHORT TERM BORROWINGS

	Note	Un - audited March 31, 2023 Rupees	Audited September 30, 2022 Rupees
From financial institutions	12.1.	2,237,764,156	1,971,097,714
From related party	12.2.	1,718,224	1,718,224
		<u>2,239,482,380</u>	<u>1,972,815,938</u>
12.1. From financial institutions			
Secured and interest bearing			
National Bank of Pakistan			
Cash finance (hypothecation)	12.1.1	99,996,206	99,996,206
Cash finance (pledge)	12.1.2	499,999,750	3,000,000
Samba Bank Limited - cash finance facility	12.1.3	249,999,328	247,462,680
Bank Islami Pakistan Limited			
Istisna finance	12.1.4	802,334	312,802,334
Istisna pledge	12.1.5	187,000,000	187,000,000
Meezan Bank Limited			
Istisna / tjarah	12.1.6	499,997,880	232,336,494
Istisna / tjarah-OTT	12.1.7	199,968,658	-
Dubai Islamic Bank Pakistan Limited			
Salam cum wakala	12.1.8	-	397,500,000
Askari Bank Limited - Islamic banking			
	12.1.9	500,000,000	491,000,000
		<u>2,237,764,156</u>	<u>1,971,097,714</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 2022: 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 2022: 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 2022: Rs. 134 million), first pari passu charge over fixed assets (already registered with SECP) to the extent of Rs. 134 million (2021: Rs. 134 million). Total value of fixed assets assessed at Rs. 2,761.096 million (FSV Rs. Rs. 2,109.061 million) vide Evaluation report dated 21.06.2020 conducted by Harvester Services (Pvt.) Limited measuring 616 Kanal 14 Marla / 77 Acre 14 Marla 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
- 12.1.2 This cash finance (Pledge) facility has been obtained from National Bank of Pakistan, out of the total sanctioned limit of Rs. 500 million (30 September 2022: Rs. 500 million) to finance working capital needs (purchase of raw material i.e. sugarcane for manufacturing of refined sugar / stock-in-trade financing / for keeping stock of white refined sugar). It carries markup at the rate of 1 month KIBOR + 2.50% (30 September 2022: 1 month KIBOR + 2.50%) per annum, payable quarterly. It is secured by way of pledge of white refined sugar bags (Season 2022-2023) in standard size bags of 50 KGs and in shared godowns properly demarcated under common housing arrangement with the Company's banks' stock inclusive of 25% margin, charge of Rs. 667.000 million (inclusive of 25% margin) over pledged assets of the company (registered with SECP), ranking charge of Rs. 400 million (30 September 2022: Rs. 400 million) over fixed assets of the company (registered with SECP) and personal guarantees along with
- 12.1.3 This cash finance facility has been obtained from Samba Bank Limited, out of total sanctioned limit of Rs. 250 million (30 September 2022: 250 million) for working capital requirements. It carries profit at the rate of 3 month KIBOR + 2.75% (30 September 2022: 3 month KIBOR + 2.75%) p.a. It is secured by way of charge of Rs. 334 million (30 September 2022: Rs. 334 million) over present and future fixed assets (inclusive of 25% margin), ranking charge of Rs. 334 million (30 September 2022: Rs. 334 million) over current asset of the company (inclusive of 25% margin), exclusive charge of pledge of refined sugar (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 favour of SBL and personal guarantees of three sponsor directors of the company along with their PNWS.
- 12.1.4 This istisna finance facility has been obtained from Bank Islami Pakistan Limited, out of total sanctioned limit of Rs. 515 million (30 September 2022: Rs. 515 million) for production of sugar. It carries profit at the rate of respective KIBOR + 3% (30 September 2022: respective KIBOR + 3%) per annum, payable quarterly. It is secured by way of first pari passu charge over fixed assets (land, building and plant & machinery) of the Company to the extent of Rs. 334 million (30 September 2022: Rs. 334 million), first pari passu charge over present and future current assets of the company to the extent of Rs. 1059 million (30 September 2022: Rs. 1059 million), ranking charge over present and future current assets of the company amounting to Rs. 334 million upgraded to first pari passu / JPP charge within 120 days from the date of sanction advice,
- 12.1.5 This Istisna (pledge) finance facility has been obtained from Bank Islami Pakistan Limited, out of total sanctioned limit of Rs. 200 million (30 September 2022: 200 million) for production of sugar. It carries profit at the rate of respective KIBOR + 2.5% (30 September 2022: respective KIBOR + 2.5%) per annum. It is secured by way of charge of Rs. 267 million on pledge stock, pledge of white crystal refined sugar in marketable bags lying in factory premises, DP to be maintained / calculated on the basis of outstanding amount of facility, first pari passu charge over present and future fixed assets (land, building and plant & machinery) of the Company to the extent of Rs. 668 million (30 September 2022: Rs. 668 million), first pari passu charge over present and future current assets of the company to the extent of Rs. 1059 million (30 September 2022: Rs. 1059 million), director's loan subordination in favour of BIPL and personal guarantees of two directors of the Company along with Personal Net Worth Statement (PNWS).
- 12.1.6 This istisna tijarah / Istisna- Pledge finance facility was obtained from Meezan Bank Limited, out of total sanctioned limit of Rs. 500 million (30 September 2022: Rs. 500 million) for purchase of raw materials, stores & spares and to meet the working capital requirements of the company. It carries profit at the rate of respective KIBOR + 2.75% per annum (30 September 2022: respective KIBOR + 2.75% per annum). It is secured by way of pledge of charge over pledged stock with 30% margin to be registered with SECP of the company (charge of PKR 1,072 million already registered), Pledge of white crystalline refined sugar packed in marketable bags lying in the factory premises under effective control of bank, ranking charges of Rs. 667 million on fixed assets of company with 25% margin over and above the approved regular limit, corporate
- 12.1.7 This istisna finance facility has been obtained from Meezan Bank Limited, out of total sanctioned limit of Rs. 200 million (30 September 2022: Rs. 200 million) for purchase of raw materials / stores and spares / and to meet the working capital requirements of the company. It carries profit at the rate of respective KIBOR + 2.75% per annum (30 September 2022: respective KIBOR + 2.75%). It is secured by way of charge over pledge amounting to Rs. 1,072 million registered with SECP, corporate guarantee of all credible buyers, pledge of white crystalline refined sugar (season 2022-2023) packed in marketable bags lying in the factory premises under effective control of bank's appointed muddadam as per following margins: 25% in case of where stock is placed in covered godowns and 30% in case where stock is placed in open within the mill premises, excise duty will be excluded while calculating drawing power, for the purpose of drawing power calculation, sugar price shall be obtained from the business recorder or Akbari Mandi (exclusive of sales tax / excise duty whichever is lower), stocks of sugar pledged with different banks are placed in the same godown with clear marking / segregation of stock for each bank.
- 12.1.8 This salam - cum wakala facility was obtained from Dubai Islamic Bank Limited, out of total sanctioned limit of Rs. nil (30 September 2022: Rs. 400 million) for meeting working capital requirement. It carried profit at the rate of relevant KIBOR + 2.75% per annum, payable quarterly. It was secured by way of pledged of white refined sugar of 2021-2022 season with 25% margin, charge of Rs. 534 million over the pledged stock (inclusive of 25% margin), ranking charge of Rs. 534 million over all present and future current assets of the company inclusive of 25% margin, ranking charge of Rs. 334 million over all present and future fixed assets of the company inclusive of 25% margin (already registered) and 1st pari passu charge of Rs. 252 million over all present and future fixed assets (land, buildings and plant and machinery) of the company inclusive of 25% margin (already held) and subordination of the directors' loan amounting to Rs. 521.95 million in favour of Dubai Islamic Bank Limited and personal guarantees of two
- 12.1.9 This salam (Pledge) facility was obtained from Askari Bank Limited, out of total sanctioned limit of Rs. 500 million (30 September 2022: 500 million) for production of white refined sugar from sugarcane. It carries profit at the rate of matching KIBOR + 3% per annum, payable quarterly. It is secured by way of ranking charge over all present and future fixed assets of the company for Rs. 400 million through (constructive MOTD) and plant & Machinery duly registered with SECP, pledge of white refined sugar of 2022-2023 season with 25% margin (inclusive of applicable sales tax) stored at the company's godown (shared with other banks), duly stacked and segregated in countable position and insured under the supervision of the banks approved muddadam, placement of 33.33% of total pledge of sugar bags in open area located within the Mill's premises keeping in view of lesser capacity of godowns during the peak season (FY 2022-2023) and personal guarantees of two directors of the company along with PNWSs.

12.2 From related party	Note	Un - audited	Audited
		March 31, 2023	September 30, 2022
Unsecured and interest free		Rupees	Rupees
Mr. Mustafa Ali Tariq	12.2.1	1,718,224	1,718,224

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, 2022.

13.2 Commitments

Company is committed to pay the following:

Ijarah rentals
 Due within one year
 Due after one year but not later than five years

Note	Un - audited	Audited
	March 31, 2023	September 30, 2022
	Rupees	Rupees
	16,621,652	13,636,263
	38,440,757	29,474,603
	55,062,409	43,110,866

14. COST OF REVENUE

HALF YEAR ENDED - (Un-audited)		QUARTER ENDED - (Un-audited)	
31 March	31 March	31 March	31 March
2023	2022	2023	2022

..... (Rupees).....

Raw material consumed

Sugarcane purchased	4,843,597,499	5,606,164,334	2,923,532,548	3,761,300,051
Sugarcane development cess	38,522,569	33,927,380	22,543,607	22,513,217
Market committee fee	6,163,776	9,047,383	3,607,070	6,003,581
	4,888,283,844	5,649,139,097	2,949,683,225	3,789,816,849
Salaries, wages and other benefits	98,676,996	117,931,465	56,404,953	69,615,697
Workers' welfare expense	8,434,249	11,469,501	6,394,700	7,405,187
Stores, spare parts and loose tools consumed	20,042,836	15,512,540	9,402,561	9,179,455
Chemicals consumed	49,992,513	44,390,510	27,863,918	29,517,162
Packing material consumed	56,563,049	68,031,412	33,390,662	47,143,672
Fuel and power	13,047,386	14,092,249	5,816,066	6,635,523
Repair and maintenance	66,323,065	55,080,731	27,585,568	18,077,883
Vehicle running expenses	16,407,834	11,177,736	9,612,179	6,409,382
Insurance	3,450,795	3,693,870	1,928,888	2,045,971
Other factory overheads	15,224,701	11,614,943	9,719,790	10,816,480
Depreciation	70,570,758	71,455,970	35,100,286	36,456,805
	5,307,018,026	6,073,590,032	3,172,902,796	4,033,120,066

Work-in-process

Opening stock	14,923,704	15,185,158	85,074,422	89,598,991
Closing stock	(16,965,820)	(50,418,765)	(16,965,820)	(50,418,765)
	(2,042,116)	(35,233,607)	68,108,602	39,180,226
Cost of goods manufactured	5,304,975,910	6,038,356,425	3,241,011,398	4,072,300,292

Finished goods

Opening stock	1,489,641,048	932,480,024	2,054,667,057	1,057,358,401
Closing stock	(2,792,078,995)	(3,138,732,611)	(2,792,078,995)	(3,138,732,611)
	(1,302,437,947)	(2,206,252,587)	(737,411,938)	(2,081,374,210)
	4,002,537,963	3,832,103,838	2,503,599,460	1,990,926,082

15. BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE

	HALF YEAR ENDED - (Un-audited)		QUARTER ENDED - (Un-audited)	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
Basic earnings / (loss) per share				
Profit / (loss) attributable to ordinary shareholders for basic earning per share	8,317,262	120,340,388	(16,552,077)	45,733,521
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 earnings / (loss) per share	0.16	2.27	(0.31)	0.86

16. TRANSACTIONS WITH RELATED PARTIES

Related party transactions during the period:

Particulars	Relationship	Names	Half year ended	
			Un-audited 31-Mar-23	Un-audited 31-Mar-22
			Rupees	
Transactions with post-employment benefit plan				
Company's contributions to fund / trust	Post retirement benefits	HSML Employees' Provident Fund Trust	3,767,170	3,880,264
Transactions with key management personnel				
Remuneration and benefits of key management personnel	Chief Operating Officer	Mr. Waseem Saleem	2,369,994	2,369,994
Directors' remuneration and benefits				
	- Director / Chief Executive Officer	Mr. Mustafa Ali Tariq	3,725,328	6,125,328
	- Executive Director	Mrs. Maryam Habib	1,560,000	1,560,000
Contribution of provident fund				
	- Director / Chief Executive Officer	Mr. Mustafa Ali Tariq	240,342	395,184
	- Executive Director	Mrs. Maryam Habib	100,644	100,644
Transactions with associated undertakings				
Tariq Capital (Pvt.) Limited	Current account		324,721	2,011,500
	Markup		951,613	-
	Purchase of shares		-	15,000,000
Tariq Welfare Foundation	Current account		125,957	-
Transactions with other related parties				
Repayment of directors' loans	- Non - Executive Director	Mr. Ahmed Ali Tariq	-	20,000,000
Adjustment of directors' loans against shares	- Non - Executive Director	Mr. Ahmed Ali Tariq	-	83,067,659
Receipt of directors' loans	- Director / Chief Executive Officer	Mr. Mustafa Ali Tariq	-	16,000,000
Adjustment of directors' loans against shares	- Director / Chief Executive Officer	Mr. Mustafa Ali Tariq	-	74,025,466

Closing balances with related parties during the period / year:

Particulars		Un-audited	Audited
		31-Mar-23	30-Sep-22
		Rupees	
Transactions with subsidiary company			
Tariq Capital (Pvt.) Limited	Investment in ordinary shares	15,000,000	15,000,000
	Short term advances - net	9,559,146	9,234,425
	Markup on short term advances for the year	1,732,087	780,474
Transactions with associated companies			
HSM Healthcare Trust	Current account - net	847,205	847,205
Tariq Welfare Foundation	Current account - net	86,126	195,073
HSM Education Trust	Current account - net	1,013,520	1,013,520
Transactions with key management personnel			
M. Mustafa Ali Tariq	Short-term employee benefits	470,811	605,489
Ms. Maryam Habib	Post-employment benefits	220,432	215,323
Transactions with post-employment benefit plan			
HSML Employees' Provident Fund Trust	Contribution including markup	11,052,634	10,618,602

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, 2023 (unaudited)			As on September 30, 2022 (audited)		
	Islamic Banks	Conventional Banks	Total	Islamic Banks	Conventional Banks	Total
	.....Rupees.....			.....Rupees.....		
Account balances:						
Accrued mark-up on secured borrowings	91,736,138	58,776,074	150,512,212	135,156,459	57,843,059	192,999,518
Long term finance	409,375,002	590,170,421	999,545,423	140,625,001	708,122,090	848,747,091
Short term borrowings	1,387,768,872	849,995,284	2,237,764,156	1,620,638,828	350,458,886	1,971,097,714
Bank balances	15,860,540	36,615,119	52,475,659	22,745,670	25,505,725	48,251,395
Ijarah rentals payable	316,720	-	316,720	366,725	-	366,725

	Half year ended March 31, 2023 (unaudited)			Half year ended March 31, 2022 (unaudited)		
	Islamic Banks	Conventional Banks	Total	Islamic Banks	Conventional Banks	Total

	.....Rupees.....			.....Rupees.....		
Class of transactions:						
Ijarah and diminishing musharikhah rentals	7,095,386	-	7,095,386	6,700,852	-	6,700,852
Finance cost	149,644,017	98,597,020	248,241,037	86,303,077	64,505,505	150,808,582
Income from PLS bank accounts	205,408	-	205,408	222,973	-	222,973

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 2022.

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:

Financial assets	As on March 31, 2023 - unaudited			
	Carrying amount	Recurring fair value		
		Rupees	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss (equity securities)	4,934,092	4,934,092	-	-

As on September 30, 2022 - audited

Financial assets

Carrying amount	Recurring fair value			
	Rupees	Level 1	Level 2	Level 3
5,868,967	5,868,967	-	-	-

Financial assets at fair value through profit or loss (equi

Valuation techniques and significant unobservable

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		
Market approach (quoted market prices)	Per share price	The estimated fair value would

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

Description	Ordinary Share capital	Equity Component Of Preference Shares	Share premium account	Directors' loans	Long term finance	Lease liability	Liability Component Of Preference Shares	Short term borrowings
Rupees								
Balance at October 01, 2022	529,650,000	69,687,645	224,231,050	99,560,551	848,747,091	35,041,201	70,933,609	1,972,815,938
Proceeds during the period	-	-	-	-	300,000,000	-	-	-
Accretion of finance cost for the year	-	-	-	-	-	2,100,582	-	-
Dividend for the period	-	-	-	-	-	-	(7,222,500)	-
Interest charged (using effective interest rate)	-	-	-	-	-	-	5,036,286	-
Repayments during the year	-	-	-	-	(149,201,668)	(4,538,709)	-	-
Movement in short term borrowings - net	-	-	-	-	-	-	-	266,666,442
Balance at March 31, 2023	529,650,000	69,687,645	224,231,050	99,560,551	999,545,423	32,603,074	68,747,395	2,239,482,380

20 SUBSEQUENT EVENT

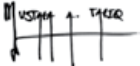
As of the reporting date, the members of the company accorded their approval for the disposal of any or all the assets of the company located at site, comprising freehold land, building constructed threon, plant and machinery, furniture and fixtures, equipment and other ancillary assets (collectively, 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, 2023.

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



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