

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



2023

**Condensed Interim Financial Statements (Un-Audited)
for the quarter ended 31 December**

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

DEPUTY CHIEF EXECUTIVE / 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

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LEGAL ADVISORS

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Siddiqui Bari Kasuri & Company

COST AUDITORS

Fazal Mahmood & Co
Chartered Accountants

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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 un-audited interim condensed financial information of the Company for the first quarter that ended on 31 December 2023

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

	31-Dec-2023	31-Dec-2022
OPERATIONAL		
Sugarcane crushed (Metric Tons)	271,820	255,642
Sugar produced (Metric Tons)	26,695	23,930
Sugar recovery (%)	9.87	9.37
 (Rupees)	
FINANCIAL		
Sale	1,964,972,127	1,697,594,306
Gross profit	196,461,047	198,655,803
Operating expenses	(83,900,936)	(74,925,020)
Finance cost	(74,758,211)	(103,267,963)
Profit before taxation	42,101,921	47,383,841
Profit after taxation	30,944,597	24,869,339
Earnings per share	0.58	0.47

INDUSTRY OVERVIEW

The sugarcane crushing season commenced in November across Pakistan. Mills in Sindh started operations earlier than the rest of Pakistan. However, by the third week of November, almost all mills nationwide had begun crushing. Tariq Corporation, keeping up its legacy and long-standing commitment to growers, was once again among the first mills in the province to start crushing. This decision to start crushing early proved successful in many aspects. The Company is happy to report that the company has recorded a recovery of 9.87 which is 0.5 Degrees higher than the previous year.

The government of Punjab has notified a minimum sugarcane procurement price of Rs. 400 per Maund and the government of Sindh has notified Rs. 425 per Maund. This is an almost 33% rise as compared to the previous season. Similarly, other associated costs have increased with a devaluation in the Pakistani rupee and an increase in interest rates. Due to the further devaluation and depreciation of the Rupee, the costs of various items such as polypropylene bags, lubricants, and diesel among others have risen exponentially. Similarly, interest rate hikes have further added to manufacturing costs. In general, the costs of manufacturing sugar have witnessed a significant increase as compared to last year. Naturally, with an increasing cost of manufacturing, it is reasonable to assume that sugar prices will be higher than the previous year.

Reaping the results of the hard work of our Research and Development team, this year we have seen a complete reversal in sugarcane recoveries in our region. Working with farmers in our area by encouraging usage of fertilizers and pesticides, we have seen unprecedented highs in sugarcane recoveries across our area of operation. In fact, we have seen more than a one degree rise in sugarcane recoveries in some areas as compared to the previous year and we forecast breaking previous records by the end of this year. Undoubtedly, this rise in recovery will improve both gross and operating margins for this crushing season.

It is pertinent to mention that sugarcane yields per acre are noted to be 15-20% higher than the previous year and acreages of sugarcane cultivation in general have decreased by a similar percentage. Assuming no significant events change the crop cultivation due in Q-2, we forecast a similar or higher national production for this year as compared to last year. Our expectation is that given the much higher costs of production as compared to the last year, it is not unreasonable to assume that sugar prices will continue to increase throughout the latter part of 2024.

OPERATING HIGHLIGHTS

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

The Company was able to crush 271,820 Tons of Sugarcane and produced 26,695 Tons of refined sugar at an average recovery of 9.87% during the first quarter ending December 31, 2023, as compared to last year's sugarcane crushing of 255,642 Tons and production of 23,930 Tons refined sugar at an average recovery of 9.37%. Essentially, the company has produced more than 10% additional sugar than last year while crushing only an additional 6% cane in the same financial period. In fact, the crushing efficiency of the mills is even higher than last year. In terms of days worked, Mills is crushing at a better efficiency than last year. This achievement can be attributed to the hard work that the Research and Development Task Force in our agricultural team has undertaken. Over the past several years, the staff at our company have made significant efforts to manage and execute a comprehensive development program for sugarcane cultivation. They have also been dedicated to eradicating pests in our area, conducting extensive campaigns to increase awareness and distribute pesticides, fertilizers, and other chemicals. The company has begun to reap the rewards of this program, recording a record Q-1 recovery, that is 0.5 degrees higher than the corresponding period last year.

Financially, our results have been like last year. Net sales were recorded at Rs. 1,964,972,127 during the first quarter from 1st October 2023 to 31st December 2023 as compared to Rs. 1,697,594,306 against the corresponding period of last year. Although materialized sale prices are higher than last year, the cost of production of sugar has also increased simultaneously as compared to the previous year.

The company has earned gross profit of 196,461,047 during the period under review as compared to 198,655,803 in the corresponding period of last year after-tax profit has been recorded at Rs. 30,944,597 against after tax profit of Rs. 24,869,339 over the same period of last year.

We are confident, due to supply and demand dynamics of sugarcane, and the manufacturing cost of sugar, that the price of sugar in the domestic market will continue to rally throughout 2024.

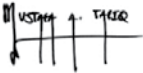
FUTURE OUTLOOK

Although sugar prices rallied in Q-2 and Q-3 of 2023, they have revised downwards in the months of October -December 2023 and through January 2024. The downwards trend of prices is due to the increased supply of sugar in the market. Like last year, excess stocks from the previous year have driven down prices to recent lows and it is expected that the glut of retail prices will subside once the government allows for the export of excess sugar. Although the Government has not allowed for the export of carry-over stocks from the previous year, it is hoped that if excess stocks are available by the end of the crushing season this year, the Government might consider export. With a forecasted production higher than last year coupled with the existing carryover stocks from the previous year, an opportunity to export might present itself. If the conditions permit, Policymakers must not waste the opportunity and must jump at the opportunity of earning potential foreign exchange. Not only will the additional capital inflows help the Pakistani economy in general (by reducing capital and current deficits), but it will also ensure timely and healthy payments to farmers that will inevitably improve sugarcane cultivation and production for the next year. Given the current account deficit in the country and the demand for foreign currency to help alleviate the stress on the economy, the industry has finally been given a chance to contribute towards earnings from abroad.


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 to 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,



Mustafa Ali Tariq
Chief Executive Officer



Ahmed Ali Tariq
Director

LAHORE: 26 January 2024

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2023ء کو ختم ہونے والی پہلی سہ ماہی کے لیے کمپنی کی غیر نظر ثانی شدہ عبوری مجمد مالی معلومات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ پہلی سہ ماہی اور گزشتہ سال کی اسی مدت کے موازنہ کے لئے کمپنی کی کارکردگی کی جھلکیاں حسب ذیل ہیں:

آپریٹیشنز	31 دسمبر 2023	31 دسمبر 2022
گنے کی کرشنگ (میٹرک ٹن)	271,820	255,642
چینی کی پیداوار (میٹرک ٹن)	26,695	23,930
چینی کا حصول (فیصد)	9.87	9.37
مالیات		
فروخت	1,964,972,127	1,697,594,306
مجموعی منافع	196,461,047	198,655,803
آپریٹنگ اخراجات	(83,900,936)	(74,925,020)
مالی لاگت	(74,758,211)	(103,267,963)
قبل از ٹیکس منافع	42,806,465	47,383,841
بعد از ٹیکس منافع	30,944,597	24,869,339
فی شیئر آمدنی (روپے)	0.58	0.47

انڈسٹری کا جائزہ

پورے پاکستان میں گنے کا کرشنگ بیزنس شروع ہوا۔ سندھ میں ملز نے باقی پاکستان سے پہلے آپریٹیشنز شروع کئے۔ تاہم، نومبر کے چوتھے ہفتے تک، ملک کی تقریباً تمام ملز کرشنگ شروع کر چکی تھیں۔ طارق کارپوریشن، کاشنکاروں کے ساتھ اپنی وراثت اور دیرینہ وابستگی کو برقرار رکھتے ہوئے، ایک بار پھر پہلے کرشنگ شروع کرنے والی صوبہ کی اولین ملوں میں شامل رہی۔ کرشنگ جلد شروع کرنے کا یہ فیصلہ کئی پہلوؤں سے کامیاب ثابت ہوا۔ کمپنی خوشی بیان کرتی ہے کہ کمپنی نے 9.87 کی ریکوری ریکارڈ کی ہے جو پچھلے سال کے مقابلے میں تقریباً 0.5 ڈگری زیادہ ہے۔ حکومت پنجاب نے گنے کی کم از کم قیمت خرید 400 روپے فی من کا اعلان کیا ہے۔ یہ پچھلے بیزنس کے مقابلے میں تقریباً 33 فیصد زیادہ ہے۔ اسی طرح پاکستانی روپے کی قدر میں کمی اور شرح سود میں اضافے سے دیگر متعلقہ اخراجات میں اضافہ ہوا ہے۔ پاکستانی روپے کی قدر میں کمی اور ڈیپریسی ایشن کی وجہ سے متعدد اشیاء جیسا کہ پولی پرائیملین بیگز، لمبر ٹیکسٹس، اور ڈیزل کی قیمتیں بھی تیزی سے بڑھ گئیں ہیں۔ اسی طرح، شرح سود میں اضافہ نے میٹیریل پراجیکٹنگ اخراجات کو مزید بڑھا دیا ہے۔ عام طور پر، چینی کی میٹیریل پراجیکٹنگ لاگت میں گزشتہ سال کے مقابلے نمایاں اضافہ دیکھا گیا ہے۔ ہماری ریسرچ اینڈ ڈیولپمنٹ ٹیم کی محنت کے ثمرات حاصل کرتے ہوئے، اس سال ہم نے اپنے علاقے میں گنے کی ریکوری میں مکمل تبدیلی دیکھی ہے۔ کھادوں اور کیزے مارادویات کے استعمال کی حوصلہ افزائی کر کے اپنے علاقے میں گنے کی کٹائیوں کے ساتھ کام کرتے ہوئے، ہم نے اپنے آپریشن کے پورے علاقے میں گنے کی ریکوری میں بے مثال اضافہ دیکھا ہے۔ درحقیقت، ہم نے پچھلے سال کے مقابلے میں گنے کی ریکوری میں ایک ڈگری سے زیادہ اضافہ دیکھا ہے اور ہم اس سال کے آخر تک سابقہ ریکارڈ ٹوٹنے کی پیش گوئی کرتے ہیں۔ بلاشبہ، ریکوری میں یہ اضافہ اس کرشنگ بیزنس کے لیے مجموعی طور پر پینٹنگ مارجن دونوں کو بہتر بنائے گا۔

یہ بات قابل ذکر ہے کہ عام طور پر گنے کی فی ایکڑ پیداوار گزشتہ سال سے 20-15 فیصد زیادہ رہی اور اور عام طور پر گنے کی فی ایکڑ کاشت اسی شرح سے کم رہی۔ یہ فرض کرتے ہوئے کہ دوسری سہ ماہی میں فصلوں کی کاشت میں کوئی اہم تبدیلی نہیں آئے گی، ہم پچھلے سال کے مقابلے میں اس سال کے لئے اسی طرح یا زیادہ قومی پیداوار کی پیش گوئی کرتے ہیں۔ ہماری توقع یہ ہے کہ گزشتہ سال کے مقابلے میں پیداواری لاگت بہت زیادہ ہونے کے پیش نظر یہ خیال کرنا غیر معقول نہیں ہے کہ کمپنی کی قیمتیں 2024 کے آخری حصے میں بڑھ جائیں گی۔

اگرچہ سہ ماہی کے مالیاتی نتائج کبھی بھی اس حقیقت کے نمائندہ نہیں ہیں جو کپنی بالآخر حاصل کرے گی، ڈائریکٹرز کو خوشی یہ اعلان کرتے ہیں کہ: کپنی نے 31 دسمبر 2023ء کو ختم ہونے والی پہلی سہ ماہی کے دوران %9.87 کی اوسط ریکوری پر 271,820 ٹن گنے کی کرشنگ کی اور 26,695 ٹن سفید چینی بنائی جبکہ گزشتہ سال کی اسی مدت کے دوران %9.37 کی اوسط ریکوری پر 255,642 ٹن گنے کی کرشنگ کی اور 23,930 ٹن سفید چینی بنائی۔ بنیادی طور پر، کپنی نے گزشتہ سال سے %10 زیادہ چینی بنائی جبکہ اسی مالی مدت میں %6 زیادہ گنا کرش کیا۔ دراصل، ملز کی کرشنگ صلاحیت گزشتہ سال سے زیادہ ہے۔ کام کے دنوں کے لحاظ سے، ملز گزشتہ سال سے بہتر صلاحیت پر کرشنگ کر رہی ہے۔ یہ حصول ہماری زرعی ٹیم میں ریسرچ اور ڈیولپمنٹ ٹاسک فورس کی سخت محنت کے باعث ہوا۔ گزشتہ کئی سالوں میں، ہماری کپنی کے عملے نے گنے کی کاشت کے لئے ایک جامع زراعتی پروگرام کا انتظام اور عملدرآمد کرنے کی اہم کوششیں کی ہیں۔ وہ ہمارے علاقے میں کیڑوں کے خاتمے، آگاہی بڑھانے اور کیڑے مار دویات، لکھا اور دیگر کیمیکلز کی تقسیم کے لئے وسیع پیمانے پر مہم چلانے کے لئے بھی کوشاں ہیں۔ کپنی کو اس پروگرام کے ثمرات حاصل ہونا شروع ہو گئے ہیں، پہلی سہ ماہی میں ریکوری ریکوری حاصل ہوئی ہے، جو پچھلے سال کی اسی مدت کے مقابلے میں 0.5 ڈگری زیادہ ہے۔

مالی طور پر، ہمارے نتائج گزشتہ سال جیسے ہی رہے ہیں۔ گزشتہ سال کی اسی مدت میں 1,697,594,306 روپے کے مقابلے پہلی سہ ماہی اکتوبر 2023 سے 31 دسمبر 2023 تک کے دوران 1,964,972,127 روپے خالص فروخت درج کی۔ اگرچہ مادی فروخت قیمتیں گزشتہ سال سے زیادہ، چینی کی پیداوار کی لاگت بھی گزشتہ سال کے مقابلے بڑھ گئی ہے۔

زیر جائزہ مدت کے دوران کپنی نے 196,684,661 روپے مجموعی منافع کمایا جبکہ گزشتہ سال کی اسی مدت میں مجموعی منافع 198,655,803 روپے تھا۔ گزشتہ سال کی اسی مدت میں 24,869,339 روپے ٹیکس کے بعد منافع کے برعکس زیر جائزہ مدت کے دوران ٹیکس کے بعد منافع 31,471,569 روپے درج کیا گیا ہے۔

ہمیں یقین ہے کہ گنے کی رسد اور طلب کے محرکات اور چینی کی مینوفیکچرنگ کے اخراجات کی وجہ سے، 2024 سال میں مقامی مارکیٹ میں چینی کی قیمتوں میں اضافہ جاری رہے گا۔

مستقبل کا نقطہ نظر

اگرچہ 2023 کی دوسری اور تیسری سہ ماہی میں چینی کی قیمتوں میں اضافہ ہوا، لیکن اکتوبر۔ دسمبر 2023 اور جنوری 2024 تک ان میں کمی آگئی ہے۔ قیمتوں میں کمی کارخانہ مارکیٹ میں چینی کی رسد میں اضافہ کی وجہ سے ہے۔ گزشتہ سال کی طرح اس سال بھی اضافی اسٹاک کی وجہ سے قیمتیں کم ہوتی ہیں اور توقع کی جارہی ہے کہ حکومت کی جانب سے اضافی چینی کی برآمد کی اجازت ملنے کے بعد خوردہ قیمتوں میں کمی رک جائے گی۔ اگرچہ حکومت نے گزشتہ سال سے کیری اور اسٹاک کی برآمد کی اجازت نہیں دی ہے، لیکن امید ہے کہ اگر اس سال کرشنگ میزن کے انتظام تک اضافی اسٹاک دستیاب رہتا ہے تو حکومت برآمد پر غور کر سکتی ہے۔ گزشتہ سال کے مقابلے میں زیادہ پیداوار کی پیش گوئی کے ساتھ ساتھ پچھلے سال کے موجودہ کیری اور اسٹاک کے ساتھ، برآمد کرنے کا موقع مل سکتا ہے۔ اگر حالات اجازت دیں، تو پالیسی سازوں کو موقع ضائع نہیں کرنا چاہئے اور مکمل غیر ملکی زرمبادلہ کمائے کے مواقع حاصل کرنا چاہئیں۔ اضافی سرمائے کی آمد سے نہ صرف پاکستانی معیشت (سرمایہ اور موجودہ خسارہ کو کم کر کے) کو مدد ملے گی بلکہ اس سے کاشتکاروں کو بروقت اور صحت مند ادائیگیوں کو بھی یقینی بنایا جاسکے گا جس سے اگلے سال کے لئے گنے کی کاشت اور پیداوار میں بحالی بہتری آئے گی۔ ملک میں کرنٹ اکاؤنٹ خسارہ اور معیشت پر دباؤ کو کم کرنے میں مدد کے لئے غیر ملکی کرنسی کی طلب کو دیکھتے ہوئے، صنعت کو بالآخر بیرون ملک سے آمدنی میں حصہ ڈالنے کا موقع دیا گیا ہے۔

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

منجانب بورڈ آف ڈائریکٹرز

محمد علی طارق

احمد علی طارق
ڈائریکٹر

مصطفیٰ علی طارق

مصطفیٰ علی طارق
چیف ایگزیکٹو آفیسر

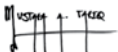
لاہور: 26 جنوری 2024 ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Un-Audited 31-Dec-2023 Rupees	Audited 30-Sep-2023 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
53,000,000 ordinary shares of Rs. 10 each		530,000,000	530,000,000
15,000,000 Preference shares of Rs.10 each		150,000,000	150,000,000
		680,000,000	680,000,000
Issued, subscribed and paid-up share capital		529,650,000	529,650,000
Equity component of preference shares		69,687,645	69,687,645
Share premium account		224,231,050	224,231,050
Surplus on revaluation of fixed assets - net of deferred tax		2,443,835,668	2,458,832,511
Reserve arising as consequence of amalgamation		70,694,859	70,694,859
Accumulated profit		244,620,395	198,678,955
		3,582,719,617	3,551,775,020
Directors' loans - related parties	5	97,366,885	97,366,885
		3,680,086,502	3,649,141,905
NON-CURRENT LIABILITIES			
Long Term Loans		430,506,615	528,556,652
Lease Liability		43,724,207	15,912,902
Deferred tax liability		644,123,199	657,539,055
Liability component of preference shares		64,064,526	61,567,870
		1,182,418,547	1,263,576,479
CURRENT LIABILITIES			
Trade and other payables		1,562,929,914	1,114,953,161
Contract liabilities		1,454,892,054	316,706,875
Short term borrowings	6	732,017,644	101,411,890
Current portion of non-current liabilities		369,603,969	405,230,266
Accrued mark-up on secured borrowings		34,525,306	49,553,862
Dividend payable on preference shares		32,501,250	28,890,000
Unpaid dividend on ordinary shares		29,913	29,913
Unclaimed dividend on ordinary shares		1,195,984	1,195,984
		4,187,696,034	2,017,971,951
CONTINGENCIES AND COMMITMENTS			
	7		
TOTAL EQUITY AND LIABILITIES		9,050,201,083	6,930,690,335

The annexed notes form an integral part of this condensed interim financial information.



Chief Executive Officer



Chief Financial Officer



Director

	Note	Un-Audited 31-Dec-2023 Rupees	Audited 30-Sep-2023 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	5,605,762,389	5,626,160,820
Right of Use-Assets		50,595,204	24,924,611
Intangible assets		70,000,000	70,000,000
Investment in subsidiary		15,000,000	15,000,000
Long term deposits		51,523,766	43,931,452
		5,792,881,359	5,780,016,883
CURRENT ASSETS			
Stores, spares and loose tools		456,485,338	382,994,227
Stock-in-trade		1,409,663,569	112,582,082
Trade debts		698,490,318	190,465,868
Advances, deposits, prepayments and other receivables		403,986,737	372,579,550
Financial assets		9,080,537	5,341,557
Tax refund due from Government		10,303,880	27,095,439
Cash and bank balances		263,812,270	54,533,154
Current portion of long term deposits		5,497,075	5,081,575
		3,257,319,724	1,150,673,452
TOTAL ASSETS		9,050,201,083	6,930,690,335


Chief Executive Officer


Chief Financial Officer


Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE QUARTER ENDED 31 DECEMBER 2023

	Note	31-Dec-2023 Rupees	31-Dec-2022 Rupees
REVENUE FROM CONTRACT WITH CUSTOMERS-GROSS		2,270,576,647	1,947,613,727
Sales Tax And Other Government Levies		(305,604,520)	(250,019,421)
REVENUE FROM CONTRACT WITH CUSTOMERS-NET		1,964,972,127	1,697,594,306
COST OF REVENUE	9	(1,768,511,080)	(1,498,938,503)
GROSS PROFIT		196,461,047	198,655,803
OPERATING EXPENSES			
Administrative and general expenses		(75,122,293)	(66,396,001)
Selling and distribution expenses		(5,155,294)	(5,017,220)
Other operating expenses		(3,623,348)	(3,511,799)
		(83,900,936)	(74,925,020)
PROFIT FROM OPERATIONS		112,560,111	123,730,783
OTHER INCOME		4,300,020	26,921,021
FINANCE COST		(74,758,211)	(103,267,963)
PROFIT BEFORE TAXATION		42,101,921	47,383,841
TAXATION		(11,157,324)	(22,514,502)
PROFIT AFTER TAXATION		30,944,597	24,869,339
EARNINGS PER SHARE			
BASIC		0.58	0.47
DILUTED		0.58	0.46

The annexed notes form an integral part of this condensed interim financial information.


Chief Executive Officer


Chief Financial Officer


Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 31 DECEMBER 2023

	Note	31-Dec-2023 Rupees	31-Dec-2022 Rupees
PROFIT AFTER TAXATION		30,944,597	24,869,339
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		30,944,597	24,869,339

The annexed notes form an integral part of this condensed interim financial information.



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE QUARTER ENDED 31 DECEMBER 2023

	Note	31-Dec-2023 Rupees	31-Dec-2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		42,101,921	47,383,841
Adjustments for non-cash income and expenses:			
Depreciation		44,644,794	39,395,485
Depreciation of ROU assets		4,825,541	1,626,301
Profit on bank deposits		(235,877)	(107,788)
Fair value (gain) / loss on financial assets		(3,487,196)	1,018,644
Dividend income		(67,125)	(18,700)
Old credit balances no more payable written back		-	(199,064)
Finance cost		74,758,211	103,267,963
Cash generated from operating activities before working capital changes		162,540,269	192,366,682
Working capital changes	12	(325,930,212)	241,059,830
Cash (used in) / generated from operations		(163,389,943)	433,426,512
Finance Cost paid during the period		(86,039,232)	(241,760,741)
Income Tax paid		(7,781,621)	(37,280,022)
Net cash (used in) / generated from operating activities		(257,210,796)	154,385,749
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in property, plant and equipment		-	(11,566,150)
Changes in capital work in progress		(24,246,364)	(21,413,703)
Increase in long term deposits		(8,007,817)	(2,164,552)
Change in financial assets (equity securities) during the period		(251,784)	-
Dividend received		67,125	18,700
Profit on bank deposits received		235,877	107,788
Net cash (used in) investing activities		(32,202,960)	(35,017,917)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceed from new financing		24,390,243	-
Repayment in long term finance		(154,212,331)	219,336,540
Repayment of principal portion of lease liability		(4,178,705)	(1,192,091)
Change in short term borrowings - net		630,605,754	(31,829,161)
Net cash generated from financing activities		496,604,961	186,315,288
Net increase in cash and cash equivalents		207,191,205	305,583,120
Cash and cash equivalents at the beginning of the period		54,533,096	43,614,501
Cash and cash equivalents at the end of the period		261,724,301	349,297,621
The reconciliation in cash and cash equivalent is as follows:			
Cash and bank balances		263,812,270	361,961,178
Temporary book overdrawn		(2,087,969)	(12,663,557)
Cash and cash equivalents at the end of the period		261,724,301	349,297,621

The annexed notes form an integral part of this condensed interim financial information.


Chief Executive Officer


Chief Financial Officer


Director

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

FOR THE QUARTER ENDED 31 DECEMBER 2023

	SHARE CAPITAL	EQUIT COMPONENT OF PREFERENCE SHARES	SHARE SUBSCRIPTION MONEY PRE-FRANCE SHARE ISSUANCE	RESERVES					TOTAL RESERVES	DIREC-TORS' LOANS	TOTAL EQUITY
				Capital			Revenue				
				Reserve arising as a consequence of scheme of arrangement	Share premium account	Surplus on revaluation of property, plant and equipment	Sub total	Accumulated Loss			
Balance as at 30 September 2022	529,650,000	69,887,645	-	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 year ended 30 September 2023	-	-	-	-	-	-	-	-	341,048,878	-	341,048,878
Loss after taxation	-	-	-	-	-	-	-	-	684,834,822	-	684,834,822
Other comprehensive income	-	-	-	-	-	-	-	-	684,834,822	-	684,834,822
Transactions with owners:											
Adjustment due to repayment - net of tax against share subscription money	-	-	-	-	-	-	-	-	-	-	-
Share subscription money against right issued during the year	-	-	-	-	-	-	-	-	-	-	-
Equity component of preference shares	-	-	-	-	-	-	-	-	-	(2,193,666)	(2,193,666)
Incremental depreciation associated with surplus on revaluation of property, plant and equipment (net of deferred tax)	-	-	-	-	-	-	(47,313,966)	-	47,313,966	-	-
Effect of change in tax rate on deferred tax related to revaluation surplus of property, plant and equipment	-	-	-	-	-	-	(72,909,466)	-	(72,909,466)	-	(72,906,466)
Balance as at 30 September 2023	529,650,000	69,887,645	-	70,694,859	224,231,050	2,458,832,511	2,753,759,420	198,678,955	2,952,437,375	97,366,885	3,649,141,905
Total comprehensive income for the quarter to 31 December 2023	-	-	-	-	-	-	-	-	30,944,597	-	30,944,597
Profit after taxation	-	-	-	-	-	-	-	-	30,944,597	-	30,944,597
Other comprehensive income	-	-	-	-	-	-	-	-	14,996,843	-	14,996,843
Incremental depreciation associated with surplus on revaluation of property, plant and equipment (net of deferred tax)	-	-	-	-	-	-	(14,996,843)	-	-	-	-
Balance as at 31 December 2023	529,650,000	69,887,645	-	70,694,859	224,231,050	2,443,835,668	2,738,761,577	244,620,395	2,983,381,972	97,366,885	3,680,086,502

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

15000 14000



Chief Executive Officer

Amulya
Chief Financial Officer

Amulya
Director

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

FOR THE QUARTER ENDED 31 DECEMBER 2023

1. THE COMPANY AND ITS OPERATIONS

Tariq Corporation Limited (“the Company”) is a public limited company incorporated in Pakistan under the 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 its by products. Its registered office is situated at -28-C, Block E-1, Gulberg-III, Lahore.V

2. BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- o International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- o Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.”

This condensed interim financial information 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. The figures included in the condensed interim statement of profit and loss for the quarter ended December 31, 2023 and in the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the years ended September 30, 2023.

3. STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual financial statements of the company except as follows:

TAXATION

'Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the 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 expectations of future events that are believed to be reasonable under the circumstances.

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

5 DIRECTOR'S LOAN - RELATED PARTIES

This represents unsecured, interest free loan given by directors to meet the liquidity requirements of the Company. These loans are repayable at the discretion of the Company. In line with Technical Release - 32 (TR 32 - Accounting Directors' Loan) issued by the Institute of Chartered Accountants of Pakistan (ICAP), these loans are shown as part of equity.

	Note	Un-Audited 31-Dec-2023 Rupees	Audited 30-Sep-2023 Rupees
6. SHORT TERM BORROWINGS			
From financial institution	6.1	730,605,754	1,971,097,714
From related parties		1,411,890	1,718,224
		<u>732,017,644</u>	<u>1,972,815,938</u>
6.1 From financial institutions - secured and interest bearing			
National Bank of Pakistan			
Cash finance (hypothecation)	6.1.1	100,000,000	100,000,000
Cash finance (pledge)	6.1.2	380,605,754	-
Samba Bank Limited			
Salam Facility	6.1.3	250,000,000	-
		<u>730,605,754</u>	<u>100,000,000</u>

- 6.1.1** 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 JPP 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 JPP over fixed assets. Total value of fixed assets assessed at Rs. 4,358.493 million (FSV Rs. 3,268.869 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.
- 6.1.2** 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 2023: Rs. Nil) 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 2023: 1 month KIBOR + 2.50%) per annum, payable quarterly. It is secured by way of pledge of white refined sugar bags (Season 30 September 2023-2024) 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, ranking charge of Rs. 400 million (30 September 2023: Rs. 400 million) over fixed assets of the company (registered with SECP) and personal guarantees along with Personal Net Worth Statement (PNWS) / wealth tax returns of two directors of the Company.
- 6.1.3** This cash finance facility has been obtained from Samba Bank Limited, out of total sanctioned limit of Rs. 250 million (30 September 2023: Rs. Nil) for working capital requirements. It carries profit at the rate of 3 month KIBOR + 2.75% (30 September 2023: 3 month KIBOR + 2.75%) per annum. It is secured by way of charge of Rs. 334 million (30 September 2023: Rs. 234 million) over present and future fixed assets (inclusive of 25% margin), ranking charge of Rs. 334 million (30 September 2023: Rs. 234 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 favour of SBL and personal guarantees of three sponsor directors of the company along with their PNWS.

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

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

7.2 Commitments

Company is committed to pay the following:

Ijarah Rentals

	Note	Un-Audited 31-Dec-2023 Rupees	(Audited) 30-Sep-2023 Rupees
Due within one year		14,483,574	15,463,069
Due after one year but not later than five year		31,548,130	30,991,662
		<u>46,031,704</u>	<u>46,454,731</u>

8. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	8.1	4,385,212,730	4,429,857,524
Capital work in progress	8.2	1,220,549,659	1,196,303,295
		<u>5,605,762,389</u>	<u>5,626,160,819</u>

8.1 Operating fixed assets

Opening balance - net book value		4,429,857,524	3,666,785,116
Additions during the period / year	8.1.1	-	90,504,576
Transfer from CWIP		-	6,747,275
Deletions during the period / year		-	(4,654,643)
Depreciation charged during the period / year		(44,644,794)	(152,275,379)
Closing balance - net book value		<u>4,385,212,730</u>	<u>4,429,857,524</u>

8.1.1 The following additions / (deletions) were made during the period in operating fixed assets:

	Note	Un-Audited 31-Dec-2023 Rupees	Audited 30-Sep-2023 Rupees
Plant and machinery		-	82,519,263
Gas and electric installation		-	1,245,000
Furniture & fixture		-	221,600
Vehicles		-	5,692,263
Computer equipment's		-	826,450
		-	90,504,576
8.2 Capital work in progress			
Opening balance		1,196,303,295	805,918,220
Additions during the period / year:			
Civil Works - building		7,020,000	3,484,185
Plant & Machinery		6,071,671	740,074,860
Advance for capital expenditure		11,154,693	140,278,845
		24,246,364	883,837,890
		1,220,549,659	1,689,756,110
Transfer / adjustments during the period / year			
Civil Works - building		-	5,708,434
Plant & Machinery		-	98,531,493
Advance for capital expenditure		-	389,212,888
		-	493,452,815
Closing balance		1,220,549,659	1,196,303,295

9. COST OF REVENUE

Raw materials consumed:

	31-Dec-2023 Rupees	31-Dec-2022 Rupees
Sugarcane purchased	2,814,352,958	1,920,064,951
Sugarcane development cess	16,988,287	15,978,962
Market committee fee	2,718,199	2,556,706
	2,834,059,444	1,938,600,619

Salaries, wages and other benefits	48,825,276	42,272,043
Workers' welfare	32,531	2,039,549
Stores, spares and loose tools consumed	8,836,340	10,640,275
Chemicals consumed	28,246,362	22,128,595
Packing material consumed	27,124,413	23,172,387
Fuel and power	11,128,470	7,231,320
Repair and maintenance	59,009,884	45,533,152
Insurance	1,611,857	1,521,907
Other factory overheads	5,608,203	5,504,911
Depreciation	41,109,788	35,470,472
	231,533,123	195,514,611
	3,065,592,567	2,134,115,230

Work-in-process:

Opening stock	17,428,776	14,923,704
Closing stock	(12,254,003)	(85,074,422)
	5,174,773	(70,150,718)
Cost of goods manufactured	3,070,767,340	2,063,964,512

Finished goods:

Opening stock	95,153,306	1,489,641,048
Closing stock	(1,397,409,566)	(2,054,667,057)
	(1,302,256,260)	(565,026,009)
Cost of goods sold	1,768,511,080	1,498,938,503

10. RELATIONSHIP WITH THE ISLAMIC AND CONVENTIONAL FINANCIAL INSTITUTION

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. The details and segregation between Shariah complaints and conventional assets/liabilities and income/expenditure are given below:

	31-Dec- 2023			31-Dec- 2022		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
	----- Rupees -----					
Accrued Markup on Secured Borrowings	-	34,525,306	34,525,306	26,401,114	38,192,623	64,593,737
Short Term Borrowings	-	730,605,754	730,605,754	1,207,768,872	731,499,681	1,939,268,553
Bank Balances	98,488,776	154,688,362	253,177,138	330,190,468	30,502,180	360,692,648
	98,488,776	919,819,422	1,018,308,198	1,564,360,454	800,194,484	2,365,554,938

11. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies for the period ended 31 Dec, 2023 are consistent with those disclosed in the preceding audited annual published financial statements of the Company .

12. WORKING CAPITAL CHANGES

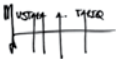
	31-Dec-2023 Rupees	31-Dec-2022 Rupees
Store, spares and loose tools	(73,491,111)	(15,606,743)
Stock in trade	(12,297,081,487)	(635,176,727)
Trade debts	(508,024,450)	(156,050,053)
Advances and prepayments	(31,407,187)	(20,483,685)
Trade and other payables	445,888,844	761,328,686
Contract Liabilities	1,138,185,179	307,048,352
	<u>(325,930,212)</u>	<u>241,059,830</u>

13. DATE OF AUTHORIZATION

This condensed interim financial information was approved by the Board of Directors and authorized for issue on 26 January 2024.

14. GENERAL

- 14.1 Figures of the corresponding period have been re-arranged and regrouped to represent better / true presentation and to facilitate appropriate comparison. However, there were no major reclassifications during the period.
- 14.2 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.
- 14.2 The figures have been rounded off to the nearest rupee.



Chief Executive Officer



Chief Financial Officer



Director



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