



At-Tahur Limited Quarterly Report

Ended September 30th, 2018



Fresh.Pure.Nourishing

COMPANY INFORMATION

Board of Directors

Mr. Ijaz Nisar	(Chairman)
Mr. Rasikh Elahi	(Chief Executive Officer)
Mr. Amar Zafar Khan	
Mr. Aurangzeb Firoz	
Syed Kashif-ul-Hassan	
Mr. Muhammad Ijaz Hussain Awan	
Mr. Shabbi Zahid Ali	

Company Secretary & Chief Financial Officer

Humza Chaudhry

Audit Committee (fully operational since listing of the Company w. e. f. 30 July 2018)

Mr. Aurangzeb Firoz	(Chairman)
Mr. Amar Zafar Khan	(Member)
Mr. Shabbi Zahid Ali	(Member)

Human Resource & Remuneration Committee (fully operational since listing of the Company w. e. f. 30 July 2018)

Mr. Ijaz Nisar	(Chairman)
Mr. Rasikh Elahi	(Member)
Mr. Shabbi Zahid Ali	(Member)

Share Registrar

Corplink (Pvt.) Ltd.
Wings Arcade, 4K Commercial, Model
Town, Lahore

Auditors

Riaz Ahmad & Company
Chartered Accountants

Bankers

MCB Islamic Bank Limited
Allied Bank Limited
Silk Bank Limited
Al-Baraka Bank (Pakistan) Limited
Meezan Bank Limited
Dubai Islamic Bank Pakistan Limited
National Bank of Pakistan
Bank Islami Pakistan Limited

Registered Office

182 Abu Bakar Block,
New Garden Town, Lahore
Ph: +92-42- 111 666 647
Fax: +92-423-5845525
Email: info@atahaur.com
Web: www.atahaur.com

Project Locations

Kotli Rai Abubakar, District Kasur



DIRECTORS' REPORT

The Directors of At-Tahur Limited are pleased to present the un-audited accounts of the Company for the first quarter ended September 30, 2018.

The Companies revenue grew by 21% for the period despite difficult economic conditions. The company managed to record an increase of 75% in its Operating Profit Margin despite higher input and energy costs and foreign currency devaluation which collectively increased raw material prices.

The financial performance for 1st Quarter ended 30th Sep 2018 is summarized below:

PKR Million	30 September 2018	30 September 2017	Change (YOY)
Revenue	338.54	279.28	21%
Gross Profit margin	182.42	133.27	37%
% of sales	53.9%	47.7%	
Operating Profit margin	54.29	30.95	75%
% of sales	16.0%	11.1%	
Net Profit before tax	43.12	28.91	14.21
% of sales	12.7%	10.4%	
Net Profit after tax	38.84	54.04	-28%
% of sales	11.5%	19.3%	
Basic Earnings per share	0.26	0.49	-46%

Sales:

The sales revenue grew up by PKR 59.26 million, yielded a growth of 21% largely driven by volume, launch of new products and increase in price of Prema milk pasteurized 1 liter.

Gross Profit:

Gross margin reported for the three months was 53.9%. The major reasons behind the increase were increase in sales, increase in per cow milk yield and forex devaluation resulting in increase in gains arising from changes in fair value less costs to sell of dairy livestock.

Operating Profit:

Operating profit reported for three months was 16%. The increase is mainly resulted from increase in gross profit.


Net Profit after tax:

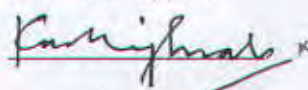
Net profit after tax decreased by 28% mainly due to Deferred Tax Asset, last year company recorded Deferred Tax Asset of PKR 28.7 Million.

Future Outlook:

Despite uncertain economic conditions, the Company is focusing on meeting customer needs through portfolio innovation and optimization of value chain/supply chain to ensure sustainable profitable growth. The company is working on new value added products along with untapped market regions.

We are grateful to our customers for their continued patronage of our products and wish to acknowledge the efforts of the entire At Tahur team, including our staff, vendors, dealers and all business partners for their untiring efforts in these challenging times and look forward to their continued support.


 Rasikh Elahi
 Chief Executive


 Director

ڈائریکٹرز رپورٹ

ہم الطہور لمیٹڈ کے ڈائریکٹرز ستمبر 30، 2018 کو ختم ہونے والی پہلی سہ ماہی کے لئے کمپنی کے غیر آڈٹ شدہ اکاؤنٹس کو پیش کرتے ہیں۔

مشکل معاشی حالات کے باوجود کمپنی کی آمدنی میں ۲۱ فیصد تک اضافہ ہوا ہے۔ کمپنی نے اپنے آپریٹنگ منافع مارجن میں 75 فیصد اضافہ ریکارڈ کیا ہے۔ یہ اضافہ زیادہ کاروباری لاگت، توانائی کے اخراجات میں اضافے، ملکی کرنسی کی ویلیو میں کمی کی وجہ سے خام مال کی قیمت میں اضافے کے باوجود ہوا ہے۔

30 ستمبر 2018 کو ختم ہونے والی پہلی سہ ماہی کے لئے مالیاتی کارکردگی ذیل میں دی گئی ہے:

تبدیلی (YOY)	30 ستمبر 201۷	30 ستمبر 201۸	ملین روپے
21%	279.28	338.54	آمدنی
37%	133.27	182.42	مجموعی منافع مارجن
	47.7%	53.9%	فروخت کا فیصد
75%	30.95	54.29	آپریٹنگ منافع مارجن
	11.1%	16.0%	فروخت کا فیصد
14.21	28.91	43.12	ٹیکس سے پہلے خالص منافع
	10.4%	12.7%	فروخت کا فیصد
-28%	54.04	38.84	ٹیکس کے بعد خالص منافع
	19.3%	11.5%	فروخت کا فیصد
-46%	0.49	0.26	فی شیئر بنیادی آمدنی

سیلز

سیلز آمدنی میں 59.26 ملین روپے اضافہ ہوا، مجموعی بڑھوتری 21 فیصد رہی جو کہ کاروبار کے حجم میں نئی مصنوعات کے آغاز اور پریم دودھ کی فی لیٹر قیمت میں اضافہ کی وجہ سے ہوئی۔

مجموعی منافع

تین مہینوں کا مجموعی منافع 53.9 فیصد رہا۔ جس کی وجہ سے سیل میں اضافہ، گائے کی دودھ کی پیداوار میں اضافہ اور غیر ملکی کرنسی کی قیمتوں میں تبدیلی سے پیدا ہونے والی آمدنی میں اضافہ رہا۔

آپریٹنگ منافع:

تین ماہ کا آپریٹنگ منافع 16 فیصد رہا۔ جس کی وجہ سے مجموعی منافع میں اضافہ ہے۔

ٹیکس کے بعد خالص منافع

خالص منافع میں کمی ۲۸ فیصد رہی۔ جس کی بنیادی وجہ ڈیفرڈ ٹیکس اثاثہ جات ہیں۔ پچھلے عرصہ میں کمپنی نے 28.7 ملین کے ڈیفرڈ ٹیکس اثاثہ جات درج کیے تھے۔

مستقبل پر نظر

غیر یقینی معاشی حالات کے باوجود کمپنی پائیدار منافع بخش ترقی کو یقینی بنانے کے لئے پورٹ فولیو اور قیمت منسلک / سہلائی سلسلہ کے ذریعے کسٹمر کی ضروریات کو پورا کرنے پر توجہ مرکوز کر رہی ہے۔ کمپنی نئی مصنوعات اور نئے علاقوں میں مارکیٹنگ کے ذریعے اپنی آمدن بڑھانے پر کام کر رہی ہے۔

ہم اپنے گاہکوں کے شکر گزار ہیں کہ وہ ہماری مصنوعات کا استعمال جاری رکھے ہوئے ہے، اور ہم پوری الطہور ٹیم کی کوششوں کو تسلیم کرتے ہیں، بشمول ہمارے عملے، وینڈرز، ڈیلرز اور تمام کاروباری شراکت داروں کی مسلسل حمایت اور انتہائی کوششوں کے لئے شکر گزار ہیں اور مستقبل میں اسی طرح کے تعاون کی امید کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

راسخ الہی

چیف ایگزیکٹو

لاہور

ڈائریکٹر


AT-TAHUR LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 September 2018

	NOTE	30 September 2018 (Unaudited) Rupees	30 June 2018 (Audited) Rupees		NOTE	30 September 2018 (Unaudited) Rupees	30 June 2018 (Audited) Rupees
EQUITY AND LIABILITIES				ASSETS			
SHARE CAPITAL AND RESERVES				NON-CURRENT ASSETS			
Authorized share capital		1,500,000,000	1,500,000,000	Property, plant and equipment	8	920,882,028	860,853,461
Issued, subscribed and paid-up share capital		1,466,670,000	1,100,000,000	Biological assets	9	755,282,816	682,411,604
Capital reserve - share premium		356,139,695	-	Long term security deposits		7,908,635	7,908,635
Revenue reserve - Unappropriated profit		370,500,082	331,663,877	Deferred income tax asset		91,432,523	91,432,523
Total equity		2,193,309,777	1,431,663,877			1,775,506,002	1,642,606,223
Share deposit money		-	419,199,666	CURRENT ASSETS			
LIABILITIES				Stores		3,964,217	3,010,987
NON-CURRENT LIABILITIES				Inventories		118,696,428	84,734,314
Employees' retirement benefit		31,036,204	28,077,763	Biological assets	9	453,793	1,238,766
Liabilities against assets subject to finance lease	5	19,696,820	21,309,695	Trade debts		81,422,794	74,527,057
Long term financing	6	170,927,803	180,207,375	Short term advances and other receivables		76,215,469	75,736,942
		221,660,827	229,594,833	Short term security deposits		7,378,459	8,678,559
CURRENT LIABILITIES				Short term prepayment		1,507,046	926,556
Trade and other payables		150,672,643	161,197,949	Advance income tax		77,284,409	71,343,806
Short term borrowings		16,674,458	127,547,806	Sales tax recoverable		81,110,041	68,980,268
Accrued mark-up		5,006,718	4,927,831	Cash and bank balances		438,772,378	464,915,451
Current portion of non-current liabilities		58,447,720	110,308,136			886,805,034	854,092,706
Provision for taxation		16,538,893	12,258,831				
		247,340,432	416,240,553				
Total liabilities		469,001,259	645,835,386				
CONTINGENCIES AND COMMITMENTS							
TOTAL EQUITY AND LIABILITIES	7	2,662,311,036	2,496,698,929	TOTAL ASSETS		2,662,311,036	2,496,698,929

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


 CHIEF EXECUTIVE


 DIRECTOR


 CHIEF FINANCIAL OFFICER

AT-TAHUR LIMITED


CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE QUARTER ENDED 30 SEPTEMBER 2018

NOTE	QUARTER ENDED	
	30 September 2018	30 September 2017
	(Unaudited) Rupees	(Audited) Rupees
SALES	338,536,603	279,284,670
GAIN ARISING ON INITIAL RECOGNITION OF MILK AT FAIR VALUE LESS COSTS TO SELL AT THE TIME OF MILKING	175,286,945	95,204,362
GAINS ARISING FROM CHANGES IN FAIR VALUE LESS COSTS TO SELL OF DAIRY LIVESTOCK	76,821,371	43,179,217
	590,644,919	417,668,249
OPERATING COSTS	(408,228,039)	(284,400,850)
	182,416,880	133,267,399
ADMINISTRATIVE AND GENERAL EXPENSES	(39,279,196)	(24,995,443)
SELLING AND MARKETING EXPENSES	(54,899,384)	(44,874,614)
OTHER EXPENSES	(40,173,508)	(35,210,969)
	(134,352,088)	(105,081,026)
	48,064,792	28,186,373
OTHER INCOME	6,226,339	2,762,696
PROFIT FROM OPERATIONS	54,291,131	30,949,069
FINANCE COST	(11,174,864)	(2,035,851)
PROFIT BEFORE TAXATION	43,116,267	28,913,218
TAXATION	(4,280,062)	25,123,060
PROFIT AFTER TAXATION	38,836,205	54,036,278
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	0.26	0.49

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

AT-TAHUR LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2018

	QUARTER ENDED	
	30 September 2018 (Unaudited) Rupees	30 September 2017 (Audited) Rupees
PROFIT AFTER TAXATION	38,836,205	54,036,278
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified subsequently to profit or loss	-	-
Items that will not be subsequently reclassified to profit or loss:		
Remeasurement of plan obligation	-	1,133,831
Income tax on remeasurement of plan obligation	-	(340,149)
Other comprehensive income for the period - net of tax	-	793,682
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	38,836,205	54,829,960

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


 CHIEF EXECUTIVE


 DIRECTOR


 CHIEF FINANCIAL OFFICER

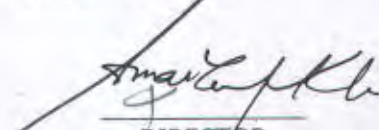
AT-TAHUR LIMITED

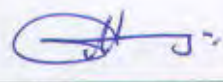
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 SEPTEMBER 2018

	SHARE CAPITAL	CAPITAL RESERVE SHARE PREMIUM	REVENUE RESERVE UNAPPROPRIATED PROFIT	TOTAL
	-----RUPEES-----			
Balance as at 30 June 2017 - audited	1,100,000,000	-	152,655,512	1,252,655,512
Profit for the quarter ended 30 September 2017	-	-	54,036,278	54,036,278
Other comprehensive income for the quarter ended 30 September 2017	-	-	793,682	793,682
Total comprehensive income for the quarter ended 30 September 2017	-	-	54,829,960	54,829,960
Balance as at 30 September 2017 - audited	1,100,000,000	-	207,485,472	1,307,485,472
Profit for the nine months period ended 30 June 2018	-	-	123,644,081	123,644,081
Other comprehensive income for the nine months period ended 30 June 2018	-	-	534,324	534,324
Total comprehensive income for the nine months period ended 30 June 2018	-	-	124,178,405	124,178,405
Balance as at 30 June 2018 - audited	1,100,000,000	-	331,663,877	1,431,663,877
Profit for the quarter ended 30 September 2018	-	-	38,836,205	38,836,205
Other comprehensive income for the quarter ended 30 September 2018	-	-	-	-
Total comprehensive income for the quarter ended 30 September 2018	-	-	38,836,205	38,836,205
Issue of shares	366,670,000	-	-	366,670,000
Share premium	-	403,337,000	-	403,337,000
Less: Expenses incurred on issuance of shares	-	(47,197,305)	-	(47,197,305)
Balance as at 30 September 2018 - unaudited	1,466,670,000	356,139,695	370,500,082	2,193,309,777

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


CHIEF EXECUTIVE


DIRECTOR

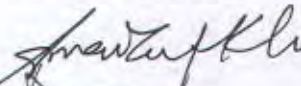

CHIEF FINANCIAL OFFICER


AT-TAHUR LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 SEPTEMBER 2018

	QUARTER ENDED	
	30 September 2018	30 September 2017
	(Unaudited)	(Audited)
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	43,116,267	28,913,218
Adjustments for non-cash charges and other items:		
Depreciation	13,710,417	9,171,346
Gain on sale of operating fixed assets	-	(666,478)
Gains arising from changes in fair value less costs to sell of dairy livestock	(76,821,371)	(43,179,217)
Loss on sale of dairy livestock - net	12,352,461	14,697,491
Loss due to death of dairy livestock	25,399,308	18,968,292
Profit on bank deposits	-	(9,023)
Provision for employees' retirement benefit	2,958,441	2,217,481
Amortization of deferred income	-	(1,451,514)
Finance cost	11,174,864	2,035,851
Cash generated from operating activities before working capital changes	31,890,387	30,697,447
(Increase) / decrease in current assets:		
Inventories	(33,962,114)	(23,599,105)
Stores	(953,230)	(313,880)
Trade debts	(6,895,737)	(3,963,747)
Short term advances and other receivables	(478,527)	634,898
Short term prepayment	(580,490)	(336,763)
Sales tax recoverable	(12,129,773)	(4,826,371)
Increase in current liabilities:		
Trade and other payables	(10,525,306)	(11,246,479)
	(65,525,177)	(43,651,447)
Cash used in operations	(33,634,790)	(12,954,000)
Finance cost paid	(11,095,977)	(2,040,428)
Income tax paid	(5,940,603)	(8,289,106)
Net decrease / (increase) in security deposits	1,300,100	(282,600)
Net cash used in operating activities	(49,371,270)	(23,566,134)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	(73,738,984)	(40,264,744)
Purchase of dairy livestock	(36,885,000)	-
Proceeds from sale of property, plant and equipment	-	1,215,000
Proceeds from sale of dairy livestock	3,868,363	14,755,455
Return on bank deposits	-	9,023
Net cash used in investing activities	(106,755,621)	(24,285,266)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares net of expenses	303,610,029	-
Short term borrowings - net	(110,873,348)	1,532,448
Liabilities against assets subject to finance lease	(3,752,863)	(4,470,004)
Long term financing repayment	(59,000,000)	-
Net cash generated from / (used in) financing activities	129,983,818	(2,937,556)
Net decrease in cash and cash equivalents	(26,143,073)	(50,788,956)
Cash and cash equivalents at the beginning of the period	464,915,451	65,391,323
Cash and cash equivalents at the end of the period	438,772,378	14,602,367

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


 CHIEF EXECUTIVE


 DIRECTOR


 CHIEF FINANCIAL OFFICER

AT- TAHUR LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED 30 SEPTEMBER 2018 (UN-AUDITED)

1. THE COMPANY AND ITS OPERATIONS

At-Tahur Limited ("the Company") is a public limited Company incorporated in Pakistan on 16 March 2007 under the Companies Ordinance, 1984 (Now Companies Act, 2017). The Company was incorporated as a private limited Company and subsequently converted into a public limited Company with effect from 28 September 2015. The Company is listed on Pakistan Stock Exchange on 30 July 2018. The principal activity of the Company is to run dairy farm for the production and processing of milk and dairy products. The registered office of the Company is situated at 182-Abu Bakar Block, New Garden Town, Lahore.

2. BASIS OF PREPARATION

This condensed interim financial information of the Company for the quarter ended 30 September 2018 has been prepared in accordance with the requirements of the International Accounting Standard 34 – Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017 have been followed.

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding audited annual financial statements of the Company for the year ended 30 June 2018.

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 that applied in the preceding audited annual financial statements of the Company for the year ended 30 June 2018.

	30 September 2018 (Unaudited) Rupees	30 June 2018 (Audited) Rupees
5 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
Future minimum lease payments	72,494,111	76,477,606
Less: Un-amortized finance charge	(3,629,143)	(3,859,775)
Present value of future minimum lease payments	68,864,968	72,617,831
Less: Current portion shown under current liabilities	(49,168,148)	(51,308,136)
	<u>19,696,820</u>	<u>21,309,695</u>

5.1 Minimum lease payments have been discounted using implicit interest rate ranges from 9.14% to 9.79% per annum. Rentals are payable in monthly instalments. Registration cost, taxes and insurance coverage are borne by the Company. These are secured against the leased assets, specific hypothecation charge over leased assets, demand promissory notes and security deposits of Rupees 6,478,400.

5.2 Minimum lease payments and their present values are regrouped as under:

	30 September 2018		30 June 2018	
	Not later than one year	Later than one year but not later than five years	Not later than one year	Later than one year but not later than five years
	(Rupees)			
Future minimum lease payments	50,826,332	21,667,779	52,996,496	23,481,110
Less: Un-amortized finance	(1,658,184)	(1,970,959)	(1,688,360)	(2,171,415)
Present value of future minimum lease	<u>49,168,148</u>	<u>19,696,820</u>	<u>51,308,136</u>	<u>21,309,695</u>

	30 September 2018 (Unaudited) Rupees	30 June 2018 (Audited) Rupees
6 LONG TERM FINANCING		
Long term musharika	180,207,375	239,207,375
Less: Current portion shown under current liabilities	(9,279,572)	(59,000,000)
	<u>170,927,803</u>	<u>180,207,375</u>

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

There is no significant change in the status of contingencies as disclosed in the preceding audited annual financial statements of the Company for the year ended 30 June 2018.

7.2 Commitments

7.2.1 Letters of credit other than for capital expenditure of the Company are of Rupees 23,111,098 (30 June 2018: Rupees 11,233,288).

7.2.2 The Company has obtained vehicles and machinery under ijarah arrangements from AlBaraka Bank (Pakistan) Limited and BankIslami Pakistan Limited for a period of three years. The total future monthly Ujrah payments under Ijarah are as follows:

	30 September 2018 (Unaudited) Rupees	30 June 2018 (Audited) Rupees
Not later than one year	10,738,187	15,222,799
Later than one year and not later than five years	866,905	1,380,373
	<u>11,605,092</u>	<u>16,603,172</u>

	30 September 2018 (Unaudited) Rupees	30 June 2018 (Audited) Rupees
8 PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets:		
Owned (Note 8.1)	796,653,660	554,743,525
Leased (Note 8.2)	72,880,361	75,130,871
	<u>869,534,021</u>	<u>629,874,396</u>
Capital work-in-progress (Note 8.3)	51,348,007	230,979,065
	<u>920,882,028</u>	<u>860,853,461</u>
8.1 Operating fixed assets - owned		
Opening net book value	554,743,525	524,099,523
Add: Cost of additions during the period / year (Note 8.1.1)	253,370,042	44,767,864
Add: Book value of assets transfer from leased asset during the period / year	-	18,870,080
Less: Book value of deletions during the period / year (Note 8.1.2)	-	(548,522)
Less: Depreciation charged during the period / year	(11,459,907)	(32,445,420)
Closing net book value	<u>796,653,660</u>	<u>554,743,525</u>
8.1.1 Cost of additions during the period / year		
Buildings on freehold land	193,962,820	907,382
Plant and machinery	41,618,586	39,442,733
Electric installations	9,913,752	60,289
Office equipment	191,350	574,567
Tools and equipment	6,134,171	181,950
Vehicles	1,515,063	3,421,744
Furniture	21,500	23,799
Computers	-	34,000
Arms and ammunition	12,800	121,400
	<u>253,370,042</u>	<u>44,767,864</u>
8.1.2 Book value of deletions during the period / year		
Cost of deletion - Vehicles	-	1,855,370
Less: Accumulated depreciation	-	(1,306,848)
Book value of deletion during the period / year	<u>-</u>	<u>548,522</u>
8.2 Operating fixed assets - leased		
Opening net book value	75,130,871	33,724,318
Add: Cost of additions during the period / year (Note 8.2.1)	-	66,615,024
Less: Book value of assets transfer from leased asset during the period / year	-	(18,870,080)
Less: Depreciation charged during the period / year	(2,750,510)	(6,338,391)
Closing net book value	<u>72,880,361</u>	<u>75,130,871</u>
8.2.1 Cost of additions during the period / year		
Plant and machinery	-	61,000,134
Vehicles	-	5,614,890
	<u>-</u>	<u>66,615,024</u>
8.3 Capital work-in-progress		
Building on freehold land	19,283,196	144,008,858
Plant and machinery	11,457,487	10,217,930
Advance to contractor for civil works	-	37,000,000
Advances against plant and machinery	1,357,324	39,752,277
Advance against purchase of vehicle	19,250,000	-
	<u>51,348,007</u>	<u>230,979,065</u>

9 BIOLOGICAL ASSETS

	30 September 2018 (Unaudited) Rupees	30 June 2018 (Audited) Rupees
Dairy livestock:		
Mature	436,896,343	541,672,232
Immature	318,840,266	141,978,138
	<u>755,736,609</u>	<u>683,650,370</u>
Non-current	755,282,816	682,411,604
Current	453,793	1,238,766
	<u>755,736,609</u>	<u>683,650,370</u>

9.1 Reconciliation of carrying amount of dairy livestock:

Carrying amount at the beginning of the period / year	683,650,370	477,546,086
Purchases during the period / year	36,885,000	160,211,123
Fair value gain due to new births	13,328,480	12,215,620
Gain arising from changes in fair value less costs to sell attributable to physical and price changes	62,807,141	193,045,257
	<u>76,821,371</u>	<u>205,260,877</u>
Decrease due to deaths	(25,399,308)	(49,312,680)
Decrease due to sales	(16,220,824)	(110,055,036)
Carrying amount at the end of the year, which approximates the fair value less costs to sell	<u>755,736,609</u>	<u>683,650,370</u>

9.2 As at 30 September 2018, the Company held 1,449 (30 June 2018: 1,348) mature assets able to produce milk and 983 (30 June 2018: 789) immature assets that are being raised to produce milk in the future. During the period, the Company produced approximately 2,724,558 (30 September 2017: 1,532,651) gross litres of milk from these biological assets. As at 30 September 2018, the Company also held 15 (30 June 2018: 50) immature male calves.

9.3 The valuation of dairy livestock as at 30 June 2018, has been carried out by independent valuers. In this regard, the valuers examined the physical condition of the livestock, assessed the key assumptions and estimates and relied on the representations made by the Company as at 30 June 2018. Further, in the absence of an active market of the Company's dairy livestock in Pakistan, market and replacement values of similar livestock from active markets in Europe and Australia, have been used as basis of valuation by the independent valuers. The cost of transportation to Pakistan is also considered.

10 OPERATING COSTS

	QUARTER ENDED	
	30 September 2018 (Unaudited) Rupees	30 September 2017 (Audited) Rupees
Raw milk consumed	191,180,871	143,378,717
Forage consumed	98,683,953	50,137,698
Packing materials consumed	40,858,405	29,988,074
Stores consumed	581,619	-
Salaries, wages and other benefits	22,962,673	19,214,512
Oil and lubricants	18,121,185	14,643,443
Utilities	4,921,046	5,614,039
Insurance	144,145	294,883
Repair and maintenance	2,671,378	3,733,651
Artificial insemination supplies consumed	-	210,000
Dairy livestock medication consumed	4,785,594	2,537,866
Dairy supplies consumed	7,788,454	5,584,501
Chemicals consumed	111,692	495,071
Vehicles' running	2,010,998	786,640
Depreciation	9,048,875	6,053,088
Miscellaneous	5,241,378	2,573,093
	<u>409,112,266</u>	<u>285,245,276</u>
Finished / manufactured goods		
Opening inventory	2,936,442	3,697,797
Closing inventory	(3,820,669)	(4,542,223)
	<u>(884,227)</u>	<u>(844,426)</u>
	<u>408,228,039</u>	<u>284,400,850</u>

11. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Certain financial assets and financial liabilities are not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts. Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classify its financial instruments into the following three levels. However, as at the reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

12. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

Judgements and estimates are made for non-financial assets that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels.

At 30 September 2018	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Biological assets	-	755,736,609	-	-
Total non-financial assets	-	755,736,609	-	-

At 30 June 2018	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Biological assets	-	683,650,370	-	-
Total non-financial assets	-	683,650,370	-	-

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

(ii) Valuation techniques used to determine level 2 fair values

The fair value of these assets is determined by independent valuers. Fair value of biological assets has been determined using a replacement cost approach, whereby, current cost of similar dairy cattle in the international market has been adjusted for transportation costs to arrive at fair value.

Valuation processes

The Company engages external, independent valuers to determine the fair value of the Company's biological assets at the end of every year. As at 30 June 2018, the fair value of the biological assets was determined by M/s Atlas Exports Pty Limited, M/s Sadruddin Associate (Private) Limited and M/s Andersen Consulting (Private) Limited.

Changes in fair values are analysed between the chief financial officer and the valuers. As part of this discussion the team presents a report that explains the reason for the fair value movements.

13 TRANSACTIONS WITH RELATED PARTIES

- 13.1** The Company carries out transactions with related parties in the normal course of business. Detail of transactions and balances with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	30 September 2018 (Unaudited) Rupees	30 September 2017 (Audited) Rupees
Associated company		
Purchase of goods	3,000,000	1,275,866
Common facilities cost charged	3,000,000	-

13.2 Period end balances**Associated company**

	30 September 2018 (Unaudited) Rupees	30 June 2018 (Audited) Rupees
Advances to suppliers	21,353,188	21,095,634
Common facilities cost recoverable	6,000,000	6,000,000

14 FINANCIAL RISK MANAGEMENT

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 June 2018.

15 SEGMENT INFORMATION

These financial statements has been prepared on the basis of single reportable segment. All of the sales of the Company relates to customers in Pakistan. All non-current assets of the Company as at reporting date were located in Pakistan.

16 DATE OF APPROVAL


These financial statements were approved on 29-10-18 by Board of Directors of the Company.

17 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, wherever necessary, for the purpose of comparison.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

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