



At-Tahur Limited

Quarterly Report

Unaudited

March 31st 2021



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	
Mr. Kashif ul Hassan	
Dr. Farzana Firoz	
Mr. Shabbi Zahid Ali	

Audit Committee

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

HR & R Committee

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

Company Secretary & Chief Financial Officer

Mr. Humza Chaudhry

Head of Internal Audit

Mr. Usman Yousaf

Share Registrar

Corplink (Pvt.) Ltd.

Wings Arcade, 1- K Commercial, Model Town, Lahore

Auditors

Riaz Ahmad & Company

Chartered Accountants

Bankers

Al-Baraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Islamic Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Islamic Bank Limited
MCB Bank Limited
National Bank of Pakistan
Silk Bank Limited

Registered Office

182 Abu Bakar Block,

New Garden Town, Lahore

Ph: +92-42- 111 666 647

Fax: +92-423-5845525

Email: info@at-tahur.com

Web: www.at-tahur.com

Project Locations

Kotli Rai Abubakar, Distirct Kasur

AT-TAHUR LIMITED

DIRECTORS' REPORT

It gives me immense pleasure to present on behalf of the Board of Directors of **At-Tahur Limited**, (hereinafter referred to as "the Company"), financial statements of At-Tahur Limited for the nine months ended March 31, 2021. Your Company continued its journey of success and is poised for growth.

Covid-19 has impacted and irreversibly changed the economic environment. Cost push inflation has created multiple challenges for all economic sections and dairy isn't an exception. In spite of the challenges, At-Tahur displayed its resilience and adaptability to the adverse environment by posting PAT of Rs 181.44 Million (448% higher YOY).

Farm milk production showed stellar growth on account of our timely expansion of farm animals and the ancillary infrastructure. Moreover, the company increased its SKU offerings comprising of value added downstream dairy products.

Company maintained its singular focus on operational efficiencies contributing significantly to company's profitability. Furthermore, the Company got approval of TERF facility of Rs. 500 million from the two leading banks.

The financial performance for the nine months ended is summarized below:

Description	NINE MONTHS ENDED			QUARTER ENDED		
	July – Mar 2021 PKR million	July – Mar 2020 PKR million	Change	Jan – Mar 2021 PKR million	Jan – Mar 2020 PKR million	Change
Sales	1,848	1,305	41.67%	674	448	50.61%
Gross Profit	740	526	40.56%	266	185	43.80%
% of sales	40.03%	40.35%		39.39%	41.26%	
Operating Profit	244	71	246.17%	128	38	234.29%
% of sales	13.22%	5.41%		19.01%	8.57%	
Net Profit after tax	181	33	447.91%	104	16	533.54%
% of sales	9.82%	2.54%		15.47%	3.68%	
Earnings per share	1.02	0.21		0.59	0.10	

BOARD & ITS COMMITTEES:

The total number of directors are 7 as per following:

- a. Male 06
- b. Female 01

The Composition of Board of Directors is as follows:

a. Independent Directors:

1. Mr. Ijaz Nisar (Justice Rtd.)
2. Mr. Aurangzeb Firoz
3. Mr. Amar Zafar Khan
4. Dr. Farzana Firoz
5. Syed Kashif ul Hassan Shah

b. Other Non-Executive Directors:

1. Mr. Shabbi Zahid Ali

AT-TAHUR LIMITED

1. Mr. Rasikh Elahi

AUDIT COMMITTEE

In Compliance of Listing Companies (Code of Corporate Governance) Regulation, 2019 the names of members of Audit Committee members are as under:

Sr. No.	Name of Directors
---------	-------------------

- | | |
|---|----------------------|
| 1 | Mr. Aurangzeb Firoz |
| 2 | Mr. Amar Zafar Khan |
| 3 | Mr. Shabbi Zahid Ali |

HUMAN RESOURCE & REMUNERATION COMMITTEE

In Compliance of Listing Companies (Code of Corporate Governance) Regulation, 2019 the names of members of Human Resource & Remuneration Committee members are as under:

Sr. No.	Name of Directors
---------	-------------------

- | | |
|---|----------------------|
| 1 | Mr. Ijaz Nisar |
| 2 | Mr. Shabbi Zahid Ali |
| 3 | Mr. Rasikh Elahi |

DIRECTORS' REMUNERATION

The Board of Directors has approved Directors' Remuneration Policy. The features of the policy are as follows:

- The Company shall not pay remuneration to its non-executive directors including independent directors except for meeting fee for attending Board meetings;
- The Company will reimburse or incur expenses of travelling and accommodation of Directors for attending Board meetings;
- The Directors' Remuneration policy will be reviewed and approved by the Board of Directors from time to time.

Moreover, the Board acknowledge the valuable contributions being made by the Non-Executive directors, and currently a meeting fee is being offered for attendance and participation in Board meeting, while this does not reflect compensation of their contributions and just represents a token of appreciation.

Future Outlook:

Despite the tough economic environment, the management remains fully committed and optimistic about the future potential of the business and will continue to delight consumers and fulfil their needs with high quality products and consumer centric innovation & renovation of portfolio while remaining focused on optimization of the value chain.



Rasikh Elahi
Chief Executive
April 28, 2021



Shabbi Zahid Ali
Director

ڈائریکٹرز رپورٹ

میں بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2021 کو ختم ہونے والے نو ماہی کے مالی جائزہ کی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔ آپ کی کمپنی نے کامیابی کا سفر جاری رکھا ہے اور مزید ترقی کی طرف کوشاں ہے۔

کوویڈ 19 نے معاشی ماحول کو بے حد متاثر اور تبدیل کر دیا ہے۔ قیمتوں میں اضافہ کے رجحان نے معاشی طبقات کے لیے بیشمار چیلنجز پیدا کر دیتے ہیں۔ اور دودھ کی صنعت بھی اس سے متاثر نہیں ہے۔ چیلنجز کے باوجود اظہور لمیٹیڈ نے خالص منافع 181.44 ملین روپے کمایا جو کہ گزشتہ سال کے مقابلے میں 448 فیصد زیادہ ہے۔

فارم کے دودھ میں اضافہ، بروقت جانوروں کی تعداد میں اضافے اور ذیلی انفراسٹرکچر کی بہتری کی وجہ سے ہوا، مزید برآں کمپنی نے اپنے ایس کے یو میں اضافہ کیا ویلیو ایڈڈ پروڈاکٹ کو شامل کر کے۔

کمپنی نے اپنے آپریشنز پر مکمل فوکس کیا جسکی وجہ سے کمپنی کے منافع میں خاطر خواہ اضافہ ہوا۔ مزید برآں کمپنی نے 500 ملین روپے TERF کی دو بڑے بینکوں سے منظوری لے لی ہے۔

نو ماہی مالیاتی کارکردگی ذیل میں دی گئی ہے:

نوماہی (ملین روپے)			سم ماہی (ملین روپے)		
جولائی -مارچ 2021	جولائی - مارچ 2020	تبدیلی	جنوری-مارچ 2021	جنوری - مارچ 2020	تبدیلی
آمدنی	1,848	41.67%	674	448	50.61%
مجموعی منافع مارجن	740	40.56%	266	185	43.80%
فروخت کا فیصد	40.03		39.39	41.26	
آپریٹنگ منافع مارجن	244	246.17%	128	38	234.29%
فروخت کا فیصد	13.22		19.01	8.57	
بعد ٹیکس خالص منافع	181	447.91%	104	16	533.54%
فروخت کا فیصد	9.82		15.47	3.68	
فی شیئر آمدنی	1.02		0.59	0.10	

بورڈ اور اس کی کمیٹیز

ڈائریکٹرز کی کل تعداد حسب ذیل ہے:

a.	مرد	06
b.	خاتون	01

بورڈ آف ڈائریکٹرز کی ترکیب حسب ذیل ہے:

a. آزاد ڈائریکٹرز

1. محترم اعجاز نثار (جسٹس ریٹائرڈ)
2. محترم اورنگزیب فیروز
3. محترم عامر ظفر خان
4. ڈاکٹر فرزانه فیروز
5. سید کاشف الحسن شاہ

b. نان ایگزیکٹو ڈائریکٹر

1. محترم شبی زاہد علی

c. ایگزیکٹو ڈائریکٹر

1. محترم راسخ الہی

آڈٹ کمیٹی

کوڈ آف کارپوریٹ گورننس 2019 کی تعمیل میں بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی تشکیل دی ہے۔ جس کے ارکان کے نام درج ذیل ہیں۔

نمبر شمار	نام ڈائریکٹر
1.	محترم اورنگزیب فیروز
2.	محترم عمار ظفر خان
3.	محترم شبی زاہد علی

بیومن ریسورس اینڈ ریمونریشن کمیٹی

کوڈ آف کارپوریٹ گورننس 2019 کی تعمیل میں بورڈ آف ڈائریکٹرز نے بیومن ریسورس اینڈ ریمونریشن کمیٹی تشکیل دی ہے۔ جس کے ارکان کے نام درج ذیل ہیں۔

نمبر شمار	نام ڈائریکٹر
1.	محترم اعجاز ناصر
2.	محترم شبی زاہد علی
3.	محترم راسخ الہی

ڈائریکٹرز کامشاہیرہ

بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کا مشاہیرہ طے کرنے کی پالیسی مرتب کی ہے۔ پالیسی کی خصوصیات حسب ذیل ہیں:

1. کمپنی اپنے نان ایگزیکٹو اور آزاد ڈائریکٹرز کو بورڈ اجلاس میں شرکت کے لئے اجلاس فیس کے علاوہ مشاہیرہ ادا نہیں کرے گی۔
2. بورڈ اجلاس میں شرکت کی غرض سے ڈائریکٹرز کی جانب سے رہائش اور سفر پر برداشت کئے جانے والے اخراجات کمپنی ادا کرے گی۔
3. ڈائریکٹرز کی مشاہیرہ پالیسی پر ہمہ وقت نظر ثانی کی جائے گی اور بورڈ آف ڈائریکٹرز اس کی منظوری دیں گے۔

مزید برآں بورڈ نان ایگزیکٹو ڈائریکٹرز کی گراں قدر خدمات کو تسلیم کرتا ہے اور حال میں بورڈ اجلاس میں حاضری اور شرکت کے لئے اجلاس فیس ادا کی جائے گی جب کہ یہ ان کے معاوضہ کی عکاسی نہیں کرتا بلکہ یہ ان کی خدمات کا اعتراف ہے۔

مستقبل پر نظر

غیر یقینی معاشی حالات کے باوجود انتظامیہ کاروبار کے مستقبل کے بارے میں پوری پر اُمید اور پر عزم ہے اور اپنے گاہکوں کو خوش رکھے گی۔ اُن کی ضروریات کو اعلیٰ معیار کی چیزوں اور اپنی مصنوعات میں جدت اور بہتری لاکر اور اس کے ساتھ ویلیو چین کو بہتر بنائے گی۔



شبی زاہد علی
ڈائریکٹر

بورڈ آف ڈائریکٹرز کی جانب سے
راسخ الہی
چیف ایگزیکٹو ڈائریکٹر
28 اپریل 2021

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	NOTE	Un-audited 31 March 2021 Rupees	Audited 30 June 2020 Rupees		NOTE	Un-audited 31 March 2021 Rupees	Audited 30 June 2020 Rupees
EQUITY AND LIABILITIES				ASSETS			
SHARE CAPITAL AND RESERVES				NON-CURRENT ASSETS			
Authorized share capital				Property, plant and equipment	7	1,287,050,385	1,007,330,330
200,000,000 (30 June 2020: 165,000,000) ordinary shares of Rupees 10 each		<u>2,000,000,000</u>	<u>1,650,000,000</u>	Right-of-use assets	8	85,299,157	83,545,757
				Biological assets	9	1,560,744,480	1,474,184,813
Issued, subscribed and paid-up share capital				Long term security deposits		20,593,209	14,981,049
177,467,070 (30 June 2020: 161,333,700) ordinary shares of Rupees 10 each		1,774,670,700	1,613,337,000	Deferred income tax asset		<u>81,563,584</u>	<u>81,563,584</u>
Reserves		<u>811,741,245</u>	<u>791,629,896</u>			3,035,250,815	2,661,605,533
Total equity		<u>2,586,411,945</u>	<u>2,404,966,896</u>				
LIABILITIES				CURRENT ASSETS			
NON-CURRENT LIABILITIES				Stores		30,809,240	15,714,571
Employees' retirement benefit		80,391,056	65,130,626	Inventories		203,938,926	188,231,480
Lease liabilities	4	46,716,917	44,433,861	Biological assets	9	1,799,777	2,679,413
Long term financing	5	<u>231,051,147</u>	<u>89,364,542</u>	Trade debts		86,335,314	84,279,634
		358,159,120	198,929,029	Short term investment		-	4,619,240
				Short term advances and prepayments		114,609,821	67,794,404
				Short term deposits and other receivables		73,520,450	69,037,479
				Advance income tax - net		60,621,302	79,116,124
				Cash and bank balances		<u>125,032,930</u>	<u>73,240,178</u>
						696,667,760	584,712,523
CURRENT LIABILITIES							
Trade and other payables		455,960,718	274,422,342				
Short term borrowings		232,166,888	301,836,072				
Accrued mark-up / profit		7,587,463	10,438,482				
Current portion of non-current liabilities		91,588,175	55,652,752				
Unclaimed dividend		<u>44,266</u>	<u>72,483</u>				
		787,347,510	642,422,131				
Total liabilities		<u>1,145,506,630</u>	<u>841,351,160</u>				
CONTINGENCIES AND COMMITMENTS							
	6						
TOTAL EQUITY AND LIABILITIES		<u>3,731,918,575</u>	<u>3,246,318,056</u>	TOTAL ASSETS		<u>3,731,918,575</u>	<u>3,246,318,056</u>

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2021**

NOTE	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	Rupees	Rupees	Rupees	Rupees
SALES	1,848,250,082	1,304,607,529	674,105,706	447,573,662
GAIN ARISING ON INITIAL RECOGNITION OF MILK AT FAIR VALUE LESS COSTS TO SELL AT THE TIME OF MILKING	1,135,922,043	631,627,896	439,562,540	244,063,734
GAINS ARISING FROM CHANGES IN FAIR VALUE LESS COSTS TO SELL OF DAIRY LIVESTOCK	259,244,087	255,763,769	53,246,447	156,236,673
	3,243,416,212	2,191,999,194	1,166,914,693	847,874,069
OPERATING COSTS	(2,503,556,409)	(1,665,629,872)	(901,361,263)	(663,211,036)
	739,859,803	526,369,322	265,553,430	184,663,033
ADMINISTRATIVE AND GENERAL EXPENSES	(137,386,348)	(123,009,201)	(47,982,568)	(39,365,186)
SELLING AND MARKETING EXPENSES	(200,138,519)	(197,891,190)	(69,277,836)	(65,055,679)
OTHER EXPENSES	(159,682,243)	(141,700,729)	(20,480,623)	(43,105,112)
	(497,207,110)	(462,601,120)	(137,741,027)	(147,525,977)
OTHER INCOME	242,652,693	63,768,202	127,812,403	37,137,056
	1,689,496	6,815,905	352,679	1,202,894
PROFIT FROM OPERATIONS	244,342,189	70,584,107	128,165,082	38,339,950
FINANCE COST	(34,600,160)	(33,480,040)	(10,586,767)	(14,666,831)
PROFIT / (LOSS) BEFORE TAXATION	209,742,029	37,104,067	117,578,315	23,673,119
TAXATION	(28,296,980)	(3,987,930)	(13,300,956)	(7,213,570)
PROFIT AFTER TAXATION	181,445,049	33,116,137	104,277,359	16,459,549
EARNINGS PER SHARE - BASIC AND DILUTED	1.02	0.21	0.59	0.10

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2021

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	Rupees	Rupees	Rupees	Rupees
PROFIT AFTER TAXATION	181,445,049	16,656,588	104,277,359	7,765,606
OTHER COMPREHENSIVE INCOME				
Items that may be reclassified subsequently to profit or	-	-	-	-
Items that will not be reclassified to profit or loss	-	-	-	-
Other comprehensive income for the period	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>181,445,049</u>	<u>16,656,588</u>	<u>104,277,359</u>	<u>7,765,606</u>

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2021**

	SHARE CAPITAL	RESERVES			TOTAL
		CAPITAL RESERVE	REVENUE RESERVE	TOTAL RESERVES	
		SHARE PREMIUM	UN-APPROPRIATED PROFIT		
-----RUPEES-----					
Balance as at 30 June 2019 - audited	1,466,670,000	356,138,586	581,210,805	937,349,391	2,404,019,391
Transactions with owners:					
Issue of 01 bonus share for every 10 ordinary shares for the year ended 30 June 2019	146,667,000	(146,667,000)	-	(146,667,000)	-
Final dividend for the year ended 30 June 2019 @ Rupee 0.37 per share	-	-	(54,266,790)	(54,266,790)	(54,266,790)
	146,667,000	(146,667,000)	(54,266,790)	(200,933,790)	(54,266,790)
Profit for the nine months ended 31 March 2020	-	-	33,116,137	33,116,137	33,116,137
Other comprehensive income for the nine months ended 31 March 2020	-	-	-	-	-
Total comprehensive income for the nine months ended 31 March 2020	-	-	33,116,137	33,116,137	33,116,137
Balance as at 31 March 2020 - un-audited	1,613,337,000	209,471,586	560,060,152	769,531,738	2,382,868,738
Profit for the three months ended 30 June 2020	-	-	21,768,480	21,768,480	21,768,480
Other comprehensive income for the three months ended 30 June 2020	-	-	329,678	329,678	329,678
Total comprehensive income for the three months ended 30 June 2020	-	-	22,098,158	22,098,158	22,098,158
Balance as at 30 June 2020 - audited	1,613,337,000	209,471,586	582,158,310	791,629,896	2,404,966,896
Transaction with owners:					
Issue of 01 bonus share for every 10 ordinary shares for the year ended 30 June 2020	161,333,700	(161,333,700)	-	(161,333,700)	-
Profit for the nine months ended 31 March 2021	-	-	181,445,049	181,445,049	181,445,049
Other comprehensive income for the nine months ended 31 March 2021	-	-	-	-	-
Total comprehensive income for the nine months ended 31 March 2021	-	-	181,445,049	181,445,049	181,445,049
Balance as at 31 March 2021 - un-audited	1,774,670,700	48,137,886	763,603,359	811,741,245	2,586,411,945

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2021

	NINE MONTHS ENDED	
	31 March 2021	31 March 2020
	Rupees	Rupees
CASH GENERATED FROM OPERATIONS		
Profit before taxation	209,742,029	37,104,067
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	50,981,712	43,600,932
Depreciation on right-of-use assets	14,503,356	10,112,569
(Gain) / Loss on sale of operating fixed assets	3,316,260	(1,682,747)
Gains arising from changes in fair value less costs to sell of dairy live stock	(259,244,087)	(255,763,769)
Loss on sale of dairy livestock - net	62,993,742	75,467,555
Loss due to death of dairy livestock	80,278,782	65,394,789
Profit on bank deposits	(56,727)	(4,302,772)
Provision for employees' retirement benefit	15,260,430	10,243,260
Finance cost	34,600,160	33,480,040
	2,633,628	(23,450,143)
Working capital changes		
(Increase) / decrease in current assets:		
- Stores	(15,094,669)	(15,218,044)
- Inventories	(15,707,446)	(9,979,048)
- Trade debts	(2,055,680)	(18,862,618)
- Short term investment	4,619,240	-
- Short term advances and prepayments	(46,815,417)	6,009,944
- Short term deposits and other receivables	(4,482,971)	(1,236,744)
	(79,536,943)	(39,286,510)
(Decrease) / increase in trade and other payables	181,538,376	126,508,276
Cash generated from operations	314,377,090	100,875,690
Finance cost paid	(37,451,179)	(25,579,827)
Income tax refunded / (paid)	(9,802,158)	(23,127,479)
Net increase in long term security deposits	(5,612,160)	(1,591,210)
Net cash generated from operating activities	261,511,593	50,577,174
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	(361,044,527)	(95,937,520)
Right-of-use assets	(16,256,756)	-
Purchase of dairy livestock	(9,963,000)	(242,319,634)
Proceeds from sale of property, plant and equipment	27,026,500	2,077,418
Proceeds from sale of dairy livestock	40,254,532	21,053,336
Profit on bank deposits	56,727	4,302,772
Net cash used in investing activities	(319,926,524)	(310,823,628)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings - net	(69,669,184)	136,999,433
Lease liability - net	10,548,393	(8,949,029)
Long term financing obtained	174,372,919	-
Long term financing repaid	(5,016,228)	(7,119,619)
Dividend paid	(28,217)	(54,204,168)
Net cash from financing activities	110,207,683	66,726,617
Net increase / (decrease) in cash and cash equivalents	51,792,752	(193,519,837)
Cash and cash equivalents at the beginning of the period	73,240,178	274,086,603
Cash and cash equivalents at the end of the period	125,032,930	80,566,766

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 MARCH 2021**

1. THE COMPANY AND ITS OPERATIONS

- 1.1** 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. On 23 July 2018, the Company was formally listed on Pakistan Stock Exchange Limited. 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

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

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

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

- 2.2** These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2020. These condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding annual audited published financial statements of the Company for the year ended 30 June 2020.

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements 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 these 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 were the same as those that applied in the preceding annual audited published financial statements of the Company for the year ended 30 June 2020.

	Un-audited 31 March 2021 Rupees	Audited 30 June 2020 Rupees
4 LEASE LIABILITIES		
Total lease liabilities	97,657,352	87,108,959
Less: Current portion shown under current liabilities	<u>(50,940,435)</u>	<u>(42,675,098)</u>
	<u>46,716,917</u>	<u>44,433,861</u>

4.1 The interest expense on lease liabilities for the period is Rupees 3.269 million (31 March 2020 : Rupees 3.881 million). The total cash outflow for leases for the period ended 31 March 2021 amounted to Rupees 4.322 million (31 March 2020: Rupees 11.815 million).

4.2 Implicit rates against lease liabilities range from 9.96% to 10.10% (30 June 2020: Rupees 10.72% to 16.72%) per annum.

4.3 Leases from banking companies are secured against the leased assets, specific hypothecation charge over leased assets, demand promissory notes, personal guarantee of chief executive of the Company and security deposits of Rupees 15.147 million (30 June 2020: Rupees 12.827 million).

	Un-audited 31 March 2021 Rupees	Audited 30 June 2020 Rupees
5 LONG TERM FINANCING		
5.1 From banking companies -		
Long term musharika (Note 5.2)	236,634,287	62,261,367
Long term loan (Note 5.3)	-	40,080,829
Loan under SBP Refinance Scheme	<u>35,064,600</u>	<u>-</u>
	271,698,887	102,342,196
Less: Current portion shown under current liabilities	<u>(40,647,740)</u>	<u>(12,977,654)</u>
	<u>231,051,147</u>	<u>89,364,542</u>

5.2 The reconciliation of carrying amount of long term musharika is as follows:

Opening balance	62,261,367	71,364,375
Add: Loan obtained during the period / year	174,372,919	-
Less: Repaid during the period / year	<u>-</u>	<u>(9,103,008)</u>
Closing balance	236,634,286	62,261,367
Less: Current portion shown under current liabilities	<u>(20,610,829)</u>	<u>(2,952,197)</u>
	<u>216,023,457</u>	<u>59,309,170</u>

5.3 The reconciliation of carrying amount of long term loan is as follows:

Opening balance	40,080,829	-
Add: Loan obtained during the period / year	-	40,080,829
Less: Transferred to SBP Refinance Scheme during the period / year	<u>(40,073,829)</u>	<u>-</u>
Less: Repaid during the period / year	<u>(7,000)</u>	<u>-</u>
Closing balance	-	40,080,829
Less: Current portion shown under current liabilities	<u>-</u>	<u>(10,025,457)</u>
	<u>-</u>	<u>30,055,372</u>

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There is no significant change in the status of contingencies as disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2020 except for the following:

- 6.1.1** Deputy Commissioner Inland Revenue (DCIR) and Assistant Commissioner Inland Revenue (ACIR) had rejected sales tax refunds of the Company amounting to Rupees 35.269 million for various tax periods based on their interpretation of SRO 549(I)/2008 dated 11 June 2008 and SRO 670(I)/2013 dated 18 July 2013. As a result, the Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] against the aforesaid rejections. CIR(A) has given decision in favor of the Company for sales tax refunds amounting to Rupees 28.472 million. On 30 April 2020, DCIR issued show cause notice whereby an intention was shown to reject the sales tax refunds of Rupees 69.828 million for the tax periods from July 2008 to June 2016 including the sales tax refunds allowed by CIR(A) as mentioned above. The Company submitted reply to DCIR against the show cause notice issued. However, on 09 September 2020, DCIR passed an adverse order disallowing these sales tax refunds claimed by the Company and proceeded to impose penalty under section 33 of the Sales Tax Act, 1990. The Company, being aggrieved by the order of DCIR, preferred an appeal before CIR(A) which is pending fixation. On 20 October 2020, DCIR raised a demand of Rupees 1.294 million on account of penalty mentioned in the order of DCIR. Being aggrieved, the Company filed appeal before Appellate Tribunal Inland Revenue (ATIR) for grant of stay on the aforementioned penalty imposed by DCIR. On 02 December 2020, ATIR granted stay on the amount of penalty. The management of the Company, based on advice of the legal counsel, is confident of favorable outcome of its appeal, hence no provision against the aforesaid rejections has been made in these condensed interim financial statements.
- 6.1.2** The Competition Commission of Pakistan ("CCP") initiated a formal enquiry under the provisions of the Competition Act, 2010 ("the Act") on complaint against the Company by Pakistan Dairy Association ("Association") for adopting deceptive marketing practices in contravention of section 10 of the Act. It was prayed by Association to CCP to impose a penalty of 10% of the annual turnover of the Company or Rupees 75 million, as CCP may deem appropriate. The Company submitted a detail reply before the CCP through their advocates, rejecting the contents of filed complaint. On 27 December 2019, CCP passed an order against the Company and imposed a penalty of Rupees 35 million. The Company filed writ petition against the order of CCP before the Honorable Lahore High Court, Lahore and Competition Appellate Tribunal ("CAT") against the CCP order. On 02 March 2020, the Honorable Lahore High Court, Lahore through its order suspended the penalty. During the period ended 31 December 2020, Honorable Lahore High Court, Lahore held, inter-alia that the CCP was validly constituted. However, it also held that the CAT was not validly constituted in accordance of law, and suspended it from functioning. The proceedings before the CAT are still pending as the same has not been validly constituted yet. The legal counsel of the Company is confident that there are meritorious grounds to defend the case. Hence, the provision for penalty has not been recognized in these condensed interim financial statements.
- 6.1.3** Deputy Commissioner Inland Revenue (DCIR) passed an order under sections 122(1) read with section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2018 creating a tax demand of Rupees 55.206 million. The Company has filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)], which is yet to be heard. The management of the Company, based on advice of the legal counsel, is confident of the favorable outcome of its appeal, hence no provision against the aforesaid has been recognised in these financial statements.
- 6.1.4** Deputy Commissioner Inland Revenue (DCIR) passed an order under sections 122(1) read with section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2019 creating a tax demand of Rupees 12.245 million. The Company has filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)], which is yet to be heard. The management of the Company, based on advice of the legal counsel, is confident of the favorable outcome of its appeal, hence no provision against the aforesaid has been recognised in these financial statements.

6.2 Commitments

- 6.2.1** Letters of credit other than for capital expenditure of the Company are of Rupees 10.026 million (30 June 2020: Rupees 14.161 million).
- 6.2.2** The Company has obtained vehicle under Ijarah arrangements from Askari Bank Limited for a period of five years. The total future monthly Ujah payments under Ijarah are as follows:

	Un-audited 31 March 2021 Rupees	Audited 30 June 2020 Rupees
Not later than one year	4,474,513	-
Later than one year	14,173,189	-
7 PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 7.1)	1,233,630,474	999,929,988
Capital work-in-progress (Note 7.2)	53,419,911	7,400,342
	<u>1,287,050,385</u>	<u>1,007,330,330</u>
7.1 Operating fixed assets		
Opening net book value	999,929,988	965,854,848
Add: Cost of additions during the period / year (Note 7.1.1)	311,114,958	185,546,079
Less: Transferred to right-of-use assets	-	(91,346,167)
Less: Book value of deletions during the period / year (Note 7.1.2)	(26,432,760)	(524,166)
Add: Transferred from right-of-use assets	-	3,084,861
Less: Depreciation charged during the period / year	(50,981,712)	(62,685,467)
Closing net book value	<u>1,233,630,474</u>	<u>999,929,988</u>
7.1.1 Cost of additions during the period / year		
Freehold land	80,000,000	-
Buildings on freehold land	51,722,780	125,880,314
Plant and machinery	167,111,356	45,891,183
Electric installations	9,449,706	6,617,205
Office equipment	84,200	796,732
Vehicles	1,498,766	5,593,270
Furniture	697,650	69,875
Computers	550,500	697,500
	<u>311,114,958</u>	<u>185,546,079</u>
7.1.2 Book value of deletions during the period / year		
Cost of vehicles and machinery	31,613,794	2,538,963
Less: Accumulated depreciation	(5,181,034)	(2,014,797)
	<u>26,432,760</u>	<u>524,166</u>
7.2 Capital work-in-progress		
Building on freehold land	53,419,911	4,972,389
Advances against plant and machinery	-	835,212
Advances to contractors for civil works	-	1,592,741
	<u>53,419,911</u>	<u>7,400,342</u>

8 RIGHT-OF-USE ASSETS

	Plant and machinery	Vehicles	Total
	-----Rupees-----		
Net carrying amount at 30 June 2020	54,573,344	28,972,413	83,545,757
Net carrying amount at 31 March 2021	49,466,075	35,833,082	85,299,157
Additions during the period ended 31 March 2021	-	16,256,756	16,256,756
Depreciation expense for the period ended 31 March 2021	5,107,269	9,396,087	14,503,356

8.1 Lease of plant and machinery

The Company obtained plant and machinery on lease for its plant operations. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leases are typically made for an average period of six years.

8.2 Lease of vehicles

The Company obtained vehicles on lease for supply of goods and for its employees. The average contract duration is six years,

8.3 There is no impairment against right-of-use assets.**8.4** The Company is restricted from assigning and sub-leasing the leased assets.

	Un-audited 31 March 2021 Rupees	Audited 30 June 2020 Rupees
9 BIOLOGICAL ASSETS		
Dairy livestock:		
Mature	1,026,397,342	924,015,939
Immature	536,146,915	552,848,287
	<u>1,562,544,257</u>	<u>1,476,864,226</u>
Non-current	1,560,744,480	1,474,184,813
Current	1,799,777	2,679,413
	<u>1,562,544,257</u>	<u>1,476,864,226</u>

9.1 Reconciliation of carrying amount of dairy livestock:

Carrying amount at the beginning of the period / year	1,476,864,226	1,055,356,368
Purchases during the period / year	9,963,000	242,990,308
Fair value gain due to new births	23,307,994	28,077,667
Gain arising from changes in fair value less costs to sell attributable to physical and price changes	235,936,093	364,678,293
	259,244,087	392,755,960
Loss due to deaths of dairy livestock	(80,278,782)	(81,783,969)
Decrease due to sales of dairy livestock	(103,248,274)	(132,454,441)
Carrying amount at the end of the period / year, which approximates the fair value less costs to sell	<u>1,562,544,257</u>	<u>1,476,864,226</u>

9.2 As at 31 March 2021, the Company held 2,175 (30 June 2020: 1,822) mature assets able to produce milk and 1,749 (30 June 2020: 1,765) immature assets that are being raised to produce milk in the future. During the period ended 31 December 2020, the Company produced approximately 14,214,011 (31 March 2020: 8,973,020) gross liters of milk from these biological assets. As at 31 March 2021, the Company also held 45 (30 June 2020: 47) immature male calves and 10 (30 June 2020: 14) mature bulls.

- 9.3** The valuation of dairy livestock as at 31 December 2020 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 31 December 2020. 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, Australia and United States, have been used as basis of valuation by the independent valuers. The cost of transportation to Pakistan is also considered.

UN-AUDITED			
NINE MONTHS ENDED		QUARTER ENDED	
31 March 2021	31 March 2020	31 March 2021	31 March 2020
Rupees	Rupees	Rupees	Rupees

10 OPERATING COSTS

Raw milk consumed	1,149,359,598	696,108,445	444,128,024	248,919,729
Forage consumed	794,964,968	488,794,117	257,102,351	253,484,407
Stores consumed	3,413,287	2,713,194	1,736,647	1,264,434
Packing materials consumed	170,040,143	168,091,560	54,263,845	60,045,774
Salaries, wages and other benefits	70,356,676	63,588,357	23,856,759	20,367,953
Oil and lubricants	80,730,280	88,332,078	17,456,393	21,963,427
Utilities	32,194,487	22,495,940	11,016,207	6,407,135
Insurance	854,585	792,334	230,760	246,343
Repair and maintenance	34,533,941	16,779,797	11,956,855	5,273,425
Artificial insemination supplies consumed	6,847,284	6,139,534	3,409,228	1,313,914
Dairy livestock medication consumed	33,956,349	22,977,462	8,949,556	5,280,036
Dairy supplies consumed	30,800,339	24,905,533	10,371,323	8,662,197
Chemicals consumed	83,121	638,533	21,156	159,003
Vehicles' running	4,505,160	4,456,417	750,855	2,083,810
Depreciation on operating fixed assets	43,220,147	36,678,125	16,286,767	12,600,950
Rent, rates and taxes	7,528,608	6,609,738	2,013,230	1,483,852
Miscellaneous	34,693,098	17,054,361	27,658,345	14,535,522
	<u>2,498,082,071</u>	<u>1,667,155,525</u>	<u>891,208,301</u>	<u>664,091,911</u>
Finished / manufactured goods				
Opening inventory	7,282,581	5,134,274	10,789,310	5,779,052
Closing inventory	(1,808,243)	(6,659,927)	(1,808,243)	(6,659,927)
	<u>5,474,338</u>	<u>(1,525,653)</u>	<u>8,981,067</u>	<u>(880,875)</u>
	<u><u>2,503,556,409</u></u>	<u><u>1,665,629,872</u></u>	<u><u>900,189,368</u></u>	<u><u>663,211,036</u></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 from 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 condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classifies 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, and trading and equity 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 condensed interim 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 31 March 2021	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Biological assets	-	1,562,544,257	-	1,562,544,257
Total non-financial assets	-	1,562,544,257	-	1,562,544,257

At 30 June 2020	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Biological assets	-	1,476,864,226	-	1,476,864,226
Total non-financial assets	-	1,476,864,226	-	1,476,864,226

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 period. 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 and independent valuers to determine the fair value of the Company's biological assets at the end of reporting period. As at 31 December 2020, the fair value of the biological assets was determined by M/s Saddruddin Associates (Private) Limited and M/s Anderson Consulting (Private) Limited.

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

13 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise associated companies, other related parties and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Details of transactions with related parties are as follows:

(i) Transactions:

	UN-AUDITED			
	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	Rupees	Rupees	Rupees	Rupees
Associated companies				
Purchase of goods	7,568,844	18,641,499	4,594,834	4,655,310
Purchase of fixed asset	-	581,000	-	-
Other related parties				
Bonus shares issued	122,383,300	111,166,655	-	-
Dividend paid	-	39,130,466	-	-
Remuneration of chief executive officer and executives	37,941,087	20,945,380	11,022,733	9,287,380
			Un-audited 31 March 2021 Rupees	Audited 30 June 2020 Rupees

(ii) Period end balances**Bahera (Private) Limited - associated company**

Trade and other payables	<u>1,487,273</u>	<u>12,781,021</u>
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14 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding annual audited published financial statements of the Company for the year ended 30 June 2020.

15 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on 28 April 2021.

16 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 'Interim Financial Reporting', the condensed interim statement of financial position and the condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison, however, no significant re-arrangements have been made.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

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