At-Tahur Limited

3rd Quarter Report

Unaudited

March 31st, 2019

At-Tahur

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Fresh.Pure.Nourishing

COMPANY'S 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 Shah	
Mr. Muhammad Ijaz Hussain Awan	
Mr. Shabbi Zahid Ali	

Company Secretary & Chief Financial Officer

Humza Chaudhry

Audit Committee

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

Human Resource & Remuneration Committee

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

Share Registrar

Corplink (Pvt.) Ltd.
Wings Arcade, 1- K 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

Project Locations

Kotli Rai Abubakar, District Kasur
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@at-tahur.com
Web: www.at-tahur.com

AT-TAHUR LIMITED

DIRECTORS' REPORT:

The Board of Directors of At-Tahur Limited (ATL) takes pleasure to present before shareholders the performance review together with the condensed interim financial statements of the Company for the period ended March 31, 2019.

The Directors' report is prepared under section 227 of the Companies Act, 2017, chapter XIII clause 35 (Reporting & Disclosure) of the Code of Corporate Governance.

SUMMARY OF FINANCIAL PERFORMANCE

	NINE MONTHS ENDED	
	31 March 2019 Rupees	**31 March 2018 Rupees**
Sale	1,078,620,364	855,542,370
Profit from operations	175,801,698	100,614,042
As a percentage of sale	16.30%	11.76%
Profit before taxation	159,573,461	92,537,553
As a percentage of sale	14.79%	10.82%
Profit after taxation	178,075,170	111,557,886
As a percentage of sale	16.51%	13.04%

PRINCIPAL ACTIVITES & OVERVIEW OF FINANCIAL PERFORMANCE

The performance of the company for the nine months of the financial year remained satisfactory in the prevailing circumstances of serious economic crisis coupled with drastic devaluation of currency. However, management is optimistic to recover the deficit in closing quarter of the financial year considering economic stability during the period. Launch of new products and expansion in the customer coverage will be our key focus area to meet the objective kept for financial year 2018-19.

The revenue for the current period is Rs. 1.08 billion as compared to Rs. 855.54 million for the same period last year with a positive growth of 26.07%. With double-digit revenue growth, the profit after taxation percentage has increased to 16.51% as compared to 13.04% last year. To neutralize the effect of devaluation, various operational measures have been taken to enhance the revenue and profitability.

FUTURE OUTLOOK

The company is continuously striving to maximize the profitability and growth. In this context Company installed Solar System all over the Farm, Plant and Head Office which will help in brining power cost down in coming period. We are confident that we can generate increased value for shareholders as well as deliver better products and services to our customers. In accomplishing this, we would like to appreciate the enormous cooperation and support of our staff, without which we will not be able to achieve these results.

We also take this opportunity to thank our employees for their continuing contribution in the achievement of Company's results.

Rasikh Elahi	**Shabbi Zahid Ali**
Chief Executive	**Director**

April 25, 2019

ڈائریکٹرز رپورٹ

الطہور لیمیٹڈ کے بورڈ آف ڈائریکٹرز شیئر ہولڈرز کے روبرو بمسرت کارکردگی کا جائزہ مع 31 مارچ 2019 کو ختم ہونے والی سہ ماہی کے لئے کمپنی کے مجموعی عبوری مالیاتی حسابات پیش کر رہے ہیں۔

ڈائریکٹرز کی رپورٹ کمپنیز ایکٹ 2017 کے سیکشن 227 کوڈ آف کارپوریٹ گورنینس کے باب XIII شق 35 (رپورٹنگ ڈسکلوژر) کے تحت تیار کی گئی ہے۔

مالیاتی کارکردگی کا جائزہ:۔

31 مارچ 2019 (روپے ہزاروں میں)

	2019	2018
آمدنی	1,078,620,364	855,542,370
مجموعی منافع جات	175,801,698	100,614,042
مجموعی منافع جات بمطابق آمدنی کا فیصدی	16.30%	11.76%
قبل از ٹیکس منافع	159,573,461	92,537,553
قبل از ٹیکس بمطابق آمدنی کا فیصدی	14.79%	10.82%
بعد از ٹیکس منافع	178,075,170	111,557,886
بعد از ٹیکس منافع بمطابق آمدنی کا فیصدی	16.51%	13.04%

بنیادی سرگرمیاں اور مالیاتی کارکردگی کا جائزہ:۔

مالی سال کے 9 ماہ کے لئے کمپنی کی کارکردگی سنگین معاشی بحران اور کرنسی کی قدر میں نمایاں کمی کے موجودہ حالات میں بھی اطمینان بخش رہی اور اس کے اثرات در آمدات پر منحصر کاروبار پر مرتب ہوئے۔ تاہم انتظامیہ پر عزم ہے کہ مالی سال کی اختتامی سہ ماہی میں خسارہ پورا کیا جائے گا کیونکہ آنے والی مدت میں معاشی استحکام کے قوی امکانات موجود ہیں۔ نئی مصنوعات کے تعارف اور صارفین کا دائرہ کار وسیع کرنا ہمارا کلیدی توجہ کا مرکز ہے تاکہ مالی سال 19-2018 کے لئے اہداف پورے کیے جاسکیں۔

رواں مدت کے لئے آمدنی 1.08 بلین روپے رہی جو گزشتہ سال کی اس مدت کے دوران 855.54 ملین روپے تھی۔ جس سے 26.07 کی مثبت شرح نمو حاصل ہوئی۔ آمدنی میں 2 ہندسوں کی شرح نمو کے ساتھ بعد از منافع کی شرح میں 16.51 فیصد کا اضافہ ہوا جبکہ گزشتہ سال بعد از ٹیکس منافع 13.04 فیصد تھا۔ روپے کی قدر میں کمی کے اثرات کو کم کرنے کے لئے آمدنی اور منافع جات میں اضافے کی غرض سے مختلف آپریشنل اقدامات کئے گئے۔

مستقبل کا جائزہ:۔

کمپنی منافع جات اور ترقی کے حصول کے لئے مستقل طور پر کوشاں ہے۔ ہم پر اعتماد ہیں کہ ہم شیئر ہولڈرز کے لئے منافع جات میں اضافے کے ساتھ ساتھ اپنے صارفین کو بہتر مصنوعات اور خدمات کی فراہمی میں کامیاب رہیں گے۔ اس ضمن میں کمپنی نے اپنے فارم، پلانٹ اور ہیڈ آفس پر بجلی کے اخراجات کم کرنے کے لئے سولر سسٹم نصب کیے ہیں جس سے آنے والے وقت میں بجلی سمیت دیگر اخراجات میں بھی کمی آئے گی۔

اس عزم کے ساتھ ہم اپنی سیلز فورس کے بھرپور تعاون اور سپورٹ کے بھی شکر گزار ہیں۔ جس کے بغیر ہم ان نتائج کے حصول میں کامیاب نہیں ہو سکتے تھے۔ ہم اس موقع پر اپنے ملازمین کے بھی مشکور ہیں کیونکہ انہوں نے کمپنی کے بہتر نتائج کے حصول میں اپنا بھرپور کردار ادا کیا۔

شفیع زاہد علی
ڈائریکٹر

راسخ الہی
چیف ایگزیکٹیو
25 اپریل 2019

AT-TAHUR LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	NOTE	Un-audited 31 March 2019 Rupees	Audited 30 June 2018 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
150,000,000 (30 June 2018: 150,000,000) ordinary shares of Rupees 10 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital			
146,667,000 (30 June 2018: 110,000,000) ordinary shares of Rupees 10 each		1,466,670,000	1,100,000,000
Reserves		853,290,889	331,663,877
Total equity		2,319,960,889	1,431,663,877
Share deposit money		-	419,199,666
LIABILITIES			
NON-CURRENT LIABILITIES			
Employees' retirement benefit		36,953,086	28,077,763
Liabilities against assets subject to finance lease		32,765,109	21,309,695
Long term financing	4	41,429,756	180,207,375
		111,147,951	229,594,833
CURRENT LIABILITIES			
Trade and other payables		135,442,289	161,197,949
Short term borrowings		838,460	127,547,806
Accrued mark-up		1,805,992	4,927,831
Current portion of non-current liabilities		55,397,951	110,308,136
Provision for taxation		6,420,030	12,258,831
		199,904,722	416,240,553
Total liabilities		311,052,673	645,835,386
CONTINGENCIES AND COMMITMENTS	5		
TOTAL EQUITY AND LIABILITIES		2,631,013,562	2,496,698,929

	NOTE	Un-audited 31 March 2019 Rupees	Un-audited 30 June 2018 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	969,645,145	860,853,461
Biological assets	7	890,025,351	682,411,604
Long term security deposits		13,843,449	7,908,635
Deferred income tax asset	8	115,266,443	91,432,523
		1,988,780,388	1,642,606,223
CURRENT ASSETS			
Stores		3,713,006	3,010,987
Inventories		129,702,631	84,734,314
Biological assets	7	816,805	1,238,766
Trade debts		77,119,693	74,527,057
Short term advances and other receivables		68,585,171	75,736,942
Short term security deposits		3,844,715	8,678,559
Short term prepayment		1,361,686	926,556
Advance income tax		80,253,796	71,343,806
Sales tax recoverable		73,424,828	68,980,268
Cash and bank balances		203,410,843	464,915,451
		642,233,174	854,092,706
TOTAL ASSETS		2,631,013,562	2,496,698,929

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 MONTH ENDED 31 MARCH 2019

	NOTE	NINE MONTH ENDED 31 March 2019 Rupees	NINE MONTH ENDED 31 March 2018 Rupees	QUARTER ENDED 31 March 2019 Rupees	QUARTER ENDED 31 March 2018 Rupees
SALES		1,078,620,364	855,542,370	374,180,176	295,504,252
GAIN ARISING ON INITIAL RECOGNITION OF MILK AT FAIR VALUE LESS COSTS TO SELL AT THE TIME OF MILKING		570,823,420	344,018,816	211,220,928	128,675,776
GAINS ARISING FROM CHANGES IN FAIR VALUE LESS COSTS TO SELL OF DAIRY LIVESTOCK	7.1	272,975,133	208,767,639	60,140,258	98,422,601
		1,922,418,917	1,408,328,825	645,541,362	522,602,629
OPERATING COSTS	9	(1,359,827,826)	(985,792,619)	(462,827,784)	(365,917,996)
		562,591,091	422,536,206	182,713,578	156,684,633
ADMINISTRATIVE AND GENERAL EXPENSES		(119,195,448)	(78,663,634)	(40,909,919)	(30,522,442)
SELLING AND MARKETING EXPENSES		(167,376,706)	(139,637,340)	(57,834,673)	(47,608,197)
OTHER EXPENSES		(115,244,901)	(110,603,016)	(28,723,338)	(39,727,699)
		(401,817,055)	(328,903,990)	(127,467,930)	(117,858,338)
		160,774,036	93,632,216	55,245,648	38,826,295
OTHER INCOME		15,027,662	6,981,826	3,775,079	1,917,357
PROFIT FROM OPERATIONS		175,801,698	100,614,042	59,020,727	40,743,652
FINANCE COST		(16,228,237)	(8,076,489)	(2,772,657)	(3,254,577)
PROFIT BEFORE TAXATION		159,573,461	92,537,553	56,248,070	37,489,075
TAXATION		18,501,709	19,020,333	(3,835,347)	(5,969,001)
PROFIT AFTER TAXATION		178,075,170	111,557,886	52,412,723	31,520,074
EARNINGS PER SHARE - BASIC AND DILUTED		1.25	1.01	0.37	0.22

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 MONTH ENDED 31 MARCH 2019

	NINE MONTH ENDED		QUARTER ENDED	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	Rupees	Rupees	Rupees	Rupees
PROFIT AFTER TAXATION	178,075,170	111,557,886	52,412,723	31,520,074
OTHER COMPREHENSIVE INCOME				
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Items that will not be subsequently reclassified to profit or				
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	178,075,170	112,351,568	52,412,723	31,520,074

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 MONTH ENDED 31 MARCH 2019

	SHARE CAPITAL	RESERVES			TOTAL
		CAPITAL	REVENUE	TOTAL RESERVES	
		Share premium	Un-appropriated profit		
	-----	-----	RUPEES	-----	-----
Balance as at 30 June 2017 - audited	1,100,000,000	-	152,655,512	152,655,512	1,252,655,512
Profit for the nine month ended 31 March 2018	-	-	111,557,886	111,557,886	111,557,886
Other comprehensive income for the nine month ended 31 March 2018	-	-	793,682	793,682	793,682
Total comprehensive income for the nine month ended 31 March 2018	-	-	112,351,568	112,351,568	112,351,568
Balance as at 31 March 2018 - un-audited	1,100,000,000	-	265,007,080	265,007,080	1,365,007,080
Profit for the quarter ended 30 June 2018	-	-	66,122,473	66,122,473	66,122,473
Other comprehensive income for the quarter ended 30 June 2018	-	-	534,324	534,324	534,324
Total comprehensive income for the quarter ended 30 June 2018	-	-	66,656,797	66,656,797	66,656,797
Balance as at 30 June 2018 - audited	1,100,000,000	-	331,663,877	331,663,877	1,431,663,877
Adjustment on adoption of IFRS 9 (Note 3.2.1)	-	-	(12,586,744)	(12,586,744)	(12,586,744)
Adjusted total equity as at 01 July 2018	1,100,000,000	-	319,077,133	319,077,133	1,419,077,133
Transaction with owners:					
Ordinary shares issued during the period	366,670,000	403,337,000	-	403,337,000	770,007,000
Share issuance costs	-	(47,198,414)	-	(47,198,414)	(47,198,414)
Profit for the nine month ended 31 March 2019	-	-	178,075,170	178,075,170	178,075,170
Other comprehensive income for the nine month ended 31 March 2019	-	-	-	-	-
Total comprehensive income for the nine month ended 31 March 2019	-	-	178,075,170	178,075,170	178,075,170
Balance as at 31 March 2019 - un-audited	1,466,670,000	356,138,586	497,152,303	853,290,889	2,319,960,889

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

CHIEF EXECUTIVE	DIRECTOR	CHIEF FINANCIAL OFFICER

AT-TAHUR LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTH ENDED 31 MARCH 2019

	NINE MONTH ENDED	
	31 March 2019	31 March 2018
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	159,573,461	92,537,553
Adjustments for non-cash charges and other items:		
Depreciation	46,741,957	27,999,101
Loss / (gain) on sale of operating fixed assets	1,034,272	(666,478)
Gains arising from changes in fair value less costs to sell of dairy livestock	(272,975,133)	(208,767,639)
Loss on sale of dairy livestock - net	63,238,217	65,841,314
Loss due to death of dairy livestock	45,806,172	39,423,929
Profit on bank deposits	(9,771,352)	(12,565)
Provision for doubtful trade debts	4,800,891	-
Provision for employees' retirement benefit	8,875,323	8,353,193
Amortization of deferred income	-	(4,354,542)
Finance cost	16,228,237	8,076,489
Cash generated from operating activities before working capital changes	63,552,045	28,430,355
(Increase) / decrease in current assets:		
Inventories	(44,968,317)	32,071,579
Stores	(702,019)	178,638
Trade debts	(19,980,271)	(15,949,841)
Short term advances and other receivables	7,151,771	29,212,098
Short term prepayment	(435,130)	329,584
Sales tax recoverable	(4,444,560)	3,227,857
Increase / (decrease) in current liabilities:		
Trade and other payables	(25,755,660)	106,628,762
	(89,134,186)	155,698,677
Cash (used in) / generated from operations	(25,582,141)	184,129,032
Finance cost paid	(19,350,076)	(5,806,846)
Income tax paid	(20,081,002)	(27,995,985)
Net (increase) in security deposits	(1,100,970)	(1,630,600)
Net cash generated from / (used in) operating activities	(66,114,189)	148,695,601
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	(175,567,913)	(102,591,851)
Purchase of dairy livestock	(61,284,417)	(134,697,527)
Proceeds from sale of property, plant and equipment	19,000,000	1,215,000
Proceeds from sale of dairy livestock	18,023,375	30,873,385
Return on bank deposits	9,771,352	12,565
Net cash used in investing activities	(190,057,603)	(205,188,428)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings - net	(126,709,346)	1,209,889
Liabilities against assets subject to finance lease	8,425,610	(8,331,694)
Long term financing obtained	-	59,000,000
Repayment of long term financing	(190,658,000)	-
Proceeds from issue of ordinary shares - net of share issuance costs	303,608,920	-
Net cash generated from / (used in) financing activities	(5,332,816)	51,878,195
Net decrease in cash and cash equivalents	(261,504,608)	(4,614,632)
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	203,410,843	60,776,691

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 NINE MONTH ENDED 31 MARCH 2019

1 THE COMPANY AND ITS OPERATIONS

1.1 At-Tahur Limited ("the Company") is a public limited Company incorporated on 16 March 2007 in Pakistan 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 30 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.

1.2 The Company had issued prospectus on 13 June 2018 for Initial Public Offer (IPO) of 36,667,000 ordinary shares of Rupees 10 each at a floor price of Rupees 20 per share including share premium of Rupees 10 per share. Details regarding utilization of IPO proceeds for dairy farm and plant expansion have been fully explained in the prospectus. Out of the total issue of 36,667,000 ordinary shares, 27,500,000 shares were offered to High Net Worth Individuals (HNWI) and Institutional Investors before 30 June 2018 which were fully subscribed at a strike price of Rupees 21 per share determined through book building process. Remaining 9,167,000 ordinary shares were offered to General Public and were fully subscribed at Rupees 21 per share during the period. On 18 July 2018, shares have been duly allotted to all shareholders. On 23 July 2018, Pakistan Stock Exchange Limited has approved the Company's application for formal listing of ordinary shares and trading of shares has started on 30 July 2018.

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 2018. 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, 2017 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 financial statements of the Company for the year ended 30 June 2018 except for the changes in accounting policies as stated in note 3.2 to these condensed interim financial statements.

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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 financial statements of the Company for the year ended 30 June 2018.

3.2 CHANGES IN ACCOUNTING POLICIES DUE TO APPLICABILITY OF CERTAIN INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The following changes in accounting policies have taken place effective from 01 July 2018:

3.2.1 IFRS 9 "Financial Instruments"

The Company has adopted IFRS 9 "Financial Instruments" from 01 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the Company makes an irrevocable election on initial recognition to present gains and losses on equity instruments in other comprehensive income. Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the Company's own credit risk to be presented in other comprehensive income (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the Company. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

The Company has adopted IFRS 9 by generally without restating the prior year results.

Key changes in accounting policies resulting from application of IFRS 9

i) Classification and measurement of financial instruments

IFRS 9 largely retains the existing requirements in IAS 39 "Financial Instruments: Recognition and Measurement" for the classification and measurement of financial liabilities. However, it replaces the previous IAS 39 categories for financial assets i.e. loans and receivables, fair value through profit or loss (FVTPL), available for sale and held to maturity with the categories such as amortised cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVTOCI).

Investments and other financial assets

a) *Classification*

From 01 July 2018, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss),
- those to be measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of profit or loss or statement of comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) *Measurement*

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in statement of profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through statement of comprehensive income, except for the recognition of impairment losses (and reversal of impaiment losses), interest income and foreign exchange gains and losses which are recognised in statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in statement of comprehensive income is reclassified from equity to statement of profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/ (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in statement of comprehensive income, there is no subsequent reclassification of fair value gains and losses to statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss (FVTPL)

Changes in the fair value of equity investments at fair value through profit or loss are recognised in other income/ (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognised in statement of profit or loss as other income when the Company's right to receive payments is established.

ii) **Impairment**

From 01 July 2018, the Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iii) Hedge accounting

IFRS 9 requires that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

There is no impact of the said change on these condensed interim financial statements as there is no hedge activity carried on by the Company during the period ended 31 March 2019.

iv) Impacts of adoption of IFRS 9 on these condensed interim financial statements as on 01 July 2018

On 01 July 2018, the Company's management has assessed which business models apply to the financial assets held by the Company at the date of initial application of IFRS 9 (01 July 2018) and has classified its financial instruments into appropriate IFRS 9 categories. The main effects resulting from this reclassification are as follows:

Financial assets (01 July 2018)	**Trade debts categorized as**	
	Loans and receivables	**Amortised cost**
	- - - - - - - - **Rupees** - - - - - - - -	
Opening balance (before reclassification)	74,527,057	-
Adjustment on adoption of IFRS 9:		
- Reclassification of trade debts	(74,527,057)	74,527,057
- Recognition of expected life time credit losses on trade debts	-	(12,586,744)
Opening balance (after reclassification)	-	61,940,313

The impact of these changes on the Company's un-appropriated profit and equity is as follows:

Reserves and equity (01 July 2018)	**Effect on un-appropriated profit**	**Effect on total equity**
	- - - - - - - - **Rupees** - - - - - - - -	
Opening balance (before reclassification)	331,663,877	1,431,663,877
Adjustment on adoption of IFRS 9 due to recognition of expected life time credit losses on trade debts	(12,586,744)	(12,586,744)
Opening balance (after reclassification)	319,077,133	1,419,077,133

Reclassifications of financial instruments on adoption of IFRS 9

As on 01 July 2018, the classification and measurement of financial instruments of the Company were as follows:

	Measurement category		**Carrying amounts**		
	Original	**New**	**Original**	**New**	**Difference**
	(IAS 39)	**(IFRS 9)**	- - - - - - - - - - **Rupees** - - - - - - - - - -		
Non-current financial assets					
Long term security deposits	Loans and receivables	Amortised cost	7,908,635	7,908,635	-
Current financial assets					
Trade debts	Loans and receivables	Amortised cost	74,527,057	61,940,313	12,586,744
Short term advances and other receivables	Loans and receivables	Amortised cost	8,001,931	8,001,931	-
Short term security deposits	Loans and receivables	Amortised cost	8,678,559	8,678,559	-
Cash and bank balances	Loans and receivables	Amortised cost	464,915,451	464,915,451	-

	Measurement category		Carrying amounts		
	Original	New	Original	New	Difference
	(IAS 39)	(IFRS 9)	---------- Rupees ----------		
Non-current financial liabilities					
Liabilities against assets subject to finance lease	Amortised cost	Amortised cost	21,309,695	21,309,695	-
Long term financing	Amortised cost	Amortised cost	180,207,375	180,207,375	-
Current financial liabilities					
Trade and other payables	Amortised cost	Amortised cost	134,912,804	134,912,804	-
Short term borrowings	Amortised cost	Amortised cost	127,547,806	127,547,806	-
Accrued mark-up	Amortised cost	Amortised cost	4,927,831	4,927,831	-
Current portion of non-current liabilities	Amortised cost	Amortised cost	110,308,136	110,308,136	-

3.2.2 IFRS 15 'Revenue from Contracts with Customers'

The Company has adopted IFRS 15 from 01 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in a Company's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the Company's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

The Company has adopted IFRS 15 by applying the modified retrospective approach according to which the Company is not required to restate the prior year results.

i) Key changes in accounting policies resulting from application of IFRS 15

The Company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

a) Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

b) Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

c) Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

3.2.3 Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

4 LONG TERM FINANCING

From banking company -

	Un-audited 31 March 2019 Rupees	Audited 30 June 2018 Rupees
Opening balance	180,207,375	-
Add: Obtained during the period / year	-	239,207,375
Less: Payment during the period / year	131,658,000	-
	48,549,375	239,207,375
Less: Current Portion	7,119,619	59,000,000
Closing balance	41,429,756	180,207,375

5 CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

5.1.1 Deputy Commissioner Inland Revenue (DCIR) passed an order under sections 122(1) / 122(5) / 177 read with section 122(9) of the Income Tax Ordinance, 2001 for tax year 2013 and made additions and disallowances of Rupees 111.822 million under various heads resulting in reduction of tax losses of the Company. Being aggrieved, the Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] who deleted some of the additions made by DCIR, remanded back some of the additions and disallowances with favorable comments and confirmed an addition and levy of workers' welfare fund. The Company has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) against the order of CIR(A) which is yet to be heard. The management of the Company, based on advice of the legal counsel, is confident of favorable outcome of its appeal, hence no provision against additions and disallowances of Rupees 86.451 million, disallowance of tax credit of Rupees 1.796 million and levy of workers' welfare fund of Rupees 0.484 million has been made in these condensed interim financial statements.

5.1.2 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 the decision in favor of the Company for the sales tax refunds amounting to Rupees 28.472 million. The management of the Company, based on advice of the legal counsel, is confident of favorable outcome of its appeal in connection with the remaining amount, hence no provision against the aforesaid rejections has been made in these condensed interim financial statements.

5.1.3 The Sindh High Court ('the Court') in the case of 'Kasim Textile' in its order of 07 May 2013 has held that benefit of carry forward of minimum tax under section 113 of the Income Tax Ordinance, 2001 is only available if tax payable in a tax year is less than minimum tax paid. If in a tax year, no tax is payable by a company due to assessed losses, the company forgoes the right to carry forward minimum tax paid in that year. In the light of this order, the Company is not entitled to carry forward minimum tax of Rupees 29.183 million. However, the management, based on advice of legal counsel, is of the view that the verdict has been challenged in the Supreme Court and favorable final outcome is expected.

5.1.4 The Competition Commission of Pakistan ("CCP") has 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 has also been 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 has submitted a detail reply before the CCP through their advocates, rejecting the contents of filed compliant, and expects a favorable outcome of the matter. Hence, no provision for penalty has been recognized in these condensed interim financial statements.

5.2 Commitments

5.2.1 Letters of credit other than for capital expenditure of the Company are of Rupees 12,161,269 (30 June 2018: Rupees 11,233,288).

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

	Un-audited 31 March 2019 Rupees	Audited 30 June 2018 Rupees
Not later than one year	2,995,261	15,222,799
Later than one year and not later than five years	-	1,380,373
	2,995,261	16,603,172

6 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets:		
Owned (Note 6.1)	872,358,529	554,743,525
Leased (Note 6.2)	87,057,692	75,130,871
	959,416,221	629,874,396
Capital work-in-progress (Note 6.3)	10,228,924	230,979,065
	969,645,145	860,853,461

6.1 Operating fixed assets - owned

Opening net book value	554,743,525	524,099,523
Add: Cost of additions during the period / year (Note 6.1.1)	375,581,037	44,767,864
Add: Book value of transfer from leased assets (Note 6.2.2)	-	18,870,080
Less: Book value of deletions during the period / year (Note 6.1.2)	(20,034,272)	(548,522)
Less: Depreciation charged during the period / year	(37,931,761)	(32,445,420)
Closing net book value	872,358,529	554,743,525

6.1.1 Cost of additions during the period / year

Building on freehold land	270,952,324	907,382
Plant and machinery	54,122,963	39,442,733
Electric installations	10,479,779	60,289
Office equipment	307,379	574,567
Tools and equipment	11,287,510	181,950
Vehicles	28,231,362	3,421,744
Furniture	167,700	23,799
Computers	17,520	34,000
Arms and ammunition	14,500	121,400
	375,581,037	44,767,864

6.1.2 Book value of deletions during the period / year

Cost		
- Vehicles	20,034,272	1,855,370
Less: Accumulated depreiciation	-	(1,306,848)
Book value of deletions during the period / year	20,034,272	548,522

6.2 Operating fixed assets - leased

Opening net book value	75,130,871	33,724,318
Add: Cost of additions during the period / year (Note 6.2.1)	20,737,017	66,615,024
Less: Book value of transfer to operating fixed assets (Note 6.2.2)	-	(18,870,080)
Less: Depreciation charged during the period / year	(8,810,196)	(6,338,391)
Closing net book value	87,057,692	75,130,871

		Un-audited 31 March 2019 Rupees	Audited 30 June 2018 Rupees
6.2.1	**Cost of additions during the period / year**		
	Plant and machinery	502,537	61,000,134
	Vehicles	20,234,480	5,614,890
		20,737,017	66,615,024
6.2.2	**Book value of transfer to operating fixed assets**		
	Cost		
	- Plant and machinery	-	21,132,000
	Less: Accumulated depreiciation	-	2,261,920
	Book value of transfer during the period / year	-	18,870,080
6.3	**Capital work-in-progress**		
	Building on freehold land	5,091,829	144,008,858
	Plant and machinery	5,137,095	10,217,930
	Advance to contractor for civil works	-	37,000,000
	Advances against plant and machinery	-	39,752,277
		10,228,924	230,979,065
7	**BIOLOGICAL ASSETS**		
	Dairy livestock:		
	Mature	615,081,935	541,672,232
	Immature	275,760,221	141,978,138
		890,842,156	683,650,370
	Non-current	890,025,351	682,411,604
	Current	816,805	1,238,766
		890,842,156	683,650,370
7.1	**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	61,284,417	160,211,123
	Fair value gain due to new births	16,368,940	12,215,620
	Gain arising from changes in fair value less costs to sell attributable to physical and price changes	256,606,193	193,045,257
		272,975,133	205,260,877
	Decrease due to deaths	(45,806,172)	(49,312,680)
	Decrease due to sales	(81,261,592)	(110,055,036)
	Carrying amount at the end of the period / year, which approximates the fair value less costs to sell	890,842,156	683,650,370

7.2 As at 31 March 2019, the Company held 1,440 (30 June 2018: 1,348) mature assets able to produce milk and 1,043 (30 June 2018: 789) immature assets that are being raised to produce milk in the future. During the period, the Company produced approximately 9,354,241 (30 June 2018: 7,816,366) gross litres of milk from these biological assets. As at 31 December 2018, the Company also held 24 (30 June 2018: 50) immature male calves.

7.3 The valuation of dairy livestock as at 31 December 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 31 December 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.

8 DEFERRED INCOME TAX ASSET

The Company has an aggregate amount of recognized deferred income tax asset of Rupees 115,266,443 (30 June 2018: Rupees 91,432,523) which represents management's best estimate of the probable benefits expected to be realized in future years in the form of reduced tax liability as the Company would be able to set off the profits earned in those years against losses carried forward. The Company has prepared five years financial projections for future taxable profits, which have been approved by the Board of Directors of the Company, to assess the recoverability of deferred income tax assets. The projections involve certain key management assumptions underlying the estimation of future taxable profits. The determination of future taxable profits is most sensitive to certain key assumptions such as recent capital injections, growth of herd, increase in milk yield, etc. Any significant changes in such assumptions may have an effect on the recoverability of deferred income tax asset. Management believes that it is probable that the Company will be able to achieve the profits and, consequently, the deferred income tax asset will be fully realized in future.

	Un-audited		Un-audited	
	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	Rupees	Rupees	Rupees	Rupees
9 OPERATING COSTS				
Raw milk consumed	586,548,309	457,039,083	211,220,928	157,802,252
Forage consumed	365,775,119	229,270,163	120,730,535	89,199,721
Stores consumed	1,957,498	576,000	852,072	576,000
Packing materials consumed	132,456,672	94,309,017	48,209,005	20,841,066
Salaries, wages and other benefits	64,112,246	51,772,396	20,797,610	14,051,033
Oil and lubricants	61,134,813	37,004,492	19,195,327	13,507,825
Utilities	11,209,181	12,015,226	2,342,645	3,071,790
Insurance	990,300	2,076,840	573,295	1,471,322
Repair and maintenance	12,578,333	10,515,499	4,098,656	4,112,696
Artificial insemination supplies consumed	1,251,000	6,682,471	110,000	6,472,471
Dairy livestock medication consumed	15,597,075	-	5,912,370	-
Dairy supplies consumed	24,053,651	20,490,356	7,680,950	19,477,406
Chemicals consumed	1,335,262	1,019,533	261,156	390,716
Vehicles' running	6,857,711	1,931,752	1,815,557	414,386
Depreciation	30,849,693	15,542,239	11,130,100	3,316,155
Miscellaneous	43,457,196	44,457,002	8,059,570	29,219,035
	1,360,164,059	984,702,069	462,989,776	363,923,874
Finished / manufactured goods				
Opening inventory	2,936,442	3,697,797	3,110,683	4,601,369
Closing inventory	(3,272,675)	(2,607,247)	(3,272,675)	(2,607,247)
	(336,233)	1,090,550	(161,992)	1,994,122
	1,359,827,826	985,792,619	462,827,784	365,917,996

10 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 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, 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.

11 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 2019	Level 1	Level 2	Level 3	Total
	------------------------ Rupees -----------------------------			
Biological assets	-	890,842,156	-	890,842,156
Total non-financial assets	-	890,842,156	-	890,842,156

At 30 June 2018	Level 1	Level 2	Level 3	Total
	------------------------ Rupees -----------------------------			
Biological assets	-	683,650,370	-	683,650,370
Total non-financial assets	-	683,650,370	-	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 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 an independent valuer. 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 every half yearly reporting period. As at 31 December 2018, the fair value of the biological assets was determined by M/s Sadruddin Associate (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.

12 UTILIZATION OF THE PROCEEDS OF THE INITIAL PUBLIC OFFER (IPO)

Till 31 March 2019, the Company has utilized the proceeds of the initial public offer of 36,667,000 ordinary shares for the purposes mentioned under heading 4.9 'Expansion Plan' in prospectus dated 13 June 2018, as per the following detail:

	Total funds available	Total funds utilized till 31 March 2019
	----------------Rupees----------------	
Plant and machinery	133,002,950	89,754,641
Farm civil works	206,552,161	206,552,161
Milking Parlor	49,700,000	23,029,819
Cows	267,500,000	221,495,540
Utilities	24,000,000	-
Miscellaneous farm expenses	49,600,000	40,298,266
Working capital requirement	215,000,000	215,000,000
Excess IPO funds:		
- Repayment of long term debt facility	14,666,800	14,666,800
- Finance working capital	11,000,100	11,000,100
- Any other activity relating to company's ongoing operations. Decision to be taken by BOD	11,000,100	3,727,954
Total	982,022,111	825,525,281

12.1 IPO proceeds utilization:

	Rupees
Net proceeds from IPO	770,007,000
Profit on deposit	8,630,006
Debt financing	212,015,111
Total funds	990,652,117
Less: Funds utilized till 31 March 2019	825,525,281
Un-utilized funds as on 31 March 2019	165,126,836

13 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise associated company, 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		Un-audited	
	NINE MONTH ENDED		QUARTER ENDED	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	Rupees	Rupees	Rupees	Rupees
Bahera (Private) Limited - associated company				
Purchase of goods	21,421,103	1,275,866	-	-
Common facilities cost charged	3,000,000	6,000,000	-	-

(ii) Period end balances

	Un-audited	Audited
	As at 31 March 2019	As at 30 June 2018
	Rupees	Rupees
Bahera (Private) Limited - associated company		
Short term advances and other receivable	9,000,000	19,953,188
Trade and other payable	67,915	-

14 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding annual audited financial statements of the Company for the year ended 30 June 2018.

15 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on April 25, 2019.

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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