



At-Tahur Limited

2022

Half Yearly
Un-Audited Report





Company Information

Board of Directors

Mr. Ijaz Nisar (Chairman)
Mr. Rasikh Elahi (Chief Executive Officer)
Mr. Amar Zafar Khan
Mr. Aurangzeb Firoz
Dr. Farzana Firoz
Mr. Shabbi Zahid Ali
Syed Kashif ul Hassan Shah

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
Askari Bank Limited
Allied Bank Limited
Bank Islamic Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
MCB Islamic 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

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"), reviewed financial statements of At-Tahur Limited along with auditors reviewed report for the half year ended December 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 410.51 million (431.96% higher than the last year).

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.

The financial performance for the half year ended is summarized below:

Description	HALF YEAR ENDED			QUARTER ENDED		
	July - Dec 2021 PKR million	July - Dec 2020 PKR million	Change	Oct - Dec 2021 PKR million	Oct - Dec 2020 PKR million	Change
Sales	1,480.38	1,174.14	26.08%	786.71	633.57	24.17%
Gross Profit	922.75	474.31	94.54%	451.15	218.04	106.91%
% of sales	62.33%	40.40%		57.35%	34.41%	
Operating Profit	480.33	116.18	313.44%	227.26	47.67	376.74%
% of sales	32.45%	9.89%		28.89%	7.52%	
Net Profit after tax	410.51	77.17	431.96%	189.20	27.84	579.60%
% of sales	27.73%	6.57%		24.05%	4.39%	
Earnings per share	2.07	0.39*		0.95	0.14*	

* Restated due to bonus share issue during the period.

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

c. Executive Director:

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
February 24, 2022



Shabbi Zahid Ali
Director

ڈائریکٹرز رپورٹ

میں بورڈ آف ڈائریکٹرز کی جانب سے 31 دسمبر 2021 کو ختم ہونے والے آدھے سال کے مالی جائزہ کے ساتھ آڈیٹرز 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 لمیٹڈ نے خالص منافع 410.51 ملین روپے کمایا جو کہ گزشتہ سال کے مقابلے میں 431.96 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۔

31 دسمبر 2021 کو ختم ہونے والی ششماہی کے لئے مالیاتی کارکردگی ذیل میں دی گئی ہے:

ششماہی (ملین روپے)			سہ ماہی (ملین روپے)		
31 دسمبر 2021	31 دسمبر 2020	تبدیلی	31 دسمبر 2021	31 دسمبر 2020	تبدیلی
آمدنی	1,480.38	1174.14	786.71	633.57	24.17%
مجموعی منافع مارجن	922.75	474.31	451.15	218.04	106.91%
فروخت کا فیصد	62.33%	40.40%	57.35%	34.41%	376.74%
آپریٹنگ منافع مارجن	480.33	116.18	227.26	47.67	579.60%
فروخت کا فیصد	32.45%	9.89%	28.89%	7.52%	
بعد ٹیکس خالص منافع	410.51	77.17	189.20	27.84	
فروخت کا فیصد	27.73%	6.57%	24.05%	4.39%	
فی شیئر آمدنی	2.07	0.39*	0.95	0.14*	

* دہائیوں میں گھٹنے دوران عرصہ بن سٹشہرز جاری کرنے کی وجہ سے

بورڈ اور اس کی کمیٹیز**ڈائریکٹرز کی کل تعداد حسب ذیل ہے:**

a.	مرد	06
b.	خواتین	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
24 فروری 2022ء

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of At-Tahur Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of At-Tahur Limited ("the Company") as at 31 December 2021 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2021 and 31 December 2020 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2021.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Mubashar Mehmood.

RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

Date: 24 February 2022

UDIN: RR202110158AtqvdpzH3

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	NOTE	Un-audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees		NOTE	Un-audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
EQUITY AND LIABILITIES				ASSETS			
SHARE CAPITAL AND RESERVES				NON-CURRENT ASSETS			
Authorized share capital				Property, plant and equipment	7	1,492,692,649	1,389,142,377
200,000,000 (30 June 2021: 2,000,000,000) ordinary shares of Rupees 10 each		<u>2,000,000,000</u>	<u>2,000,000,000</u>	Right-of-use assets	8	89,563,520	100,125,822
				Biological assets	9	2,034,749,025	1,657,574,595
Issued, subscribed and paid-up share capital				Long term security deposits		26,664,969	24,911,609
198,763,118 (30 June 2021: 177,467,070) ordinary Shares of Rupees 10 each		1,987,631,184	1,774,670,700	Deferred income tax asset - net		<u>10,457,771</u>	<u>19,258,286</u>
Reserves		<u>1,083,233,100</u>	<u>885,680,269</u>			3,654,127,934	3,191,012,689
Total equity		3,070,864,284	2,660,350,969				
LIABILITIES				CURRENT ASSETS			
NON-CURRENT LIABILITIES				Stores		26,087,066	36,306,621
Employees' retirement benefit		101,187,618	87,923,340	Inventories		275,746,676	343,239,717
Lease liabilities	4	91,785,617	99,697,421	Biological assets	9	1,960,113	2,533,952
Long term financing	5	324,730,491	317,970,905	Trade debts		129,504,583	98,465,275
Deferred income - Govement grant		<u>24,758,375</u>	<u>11,788,706</u>	Short term advances and prepayments		81,324,527	43,200,188
		542,462,101	517,380,372	Short term deposits and other receivables		116,164,942	64,751,860
CURRENT LIABILITIES				Advance income tax - net of provision for taxation		51,862,413	45,880,670
Trade and other payables		364,824,171	395,971,277	Cash and bank balances		<u>166,857,506</u>	<u>114,232,014</u>
Short term borrowings		392,560,415	275,353,193			849,507,826	748,610,297
Accrued mark-up / profit		24,141,557	12,782,755				
Current portion of non-current liabilities		108,748,109	77,741,268				
Unclaimed dividend		<u>35,123</u>	<u>43,152</u>				
		890,309,375	761,891,645				
Total liabilities		1,432,771,476	1,279,272,017				
CONTINGENCIES AND COMMITMENTS							
TOTAL EQUITY AND LIABILITIES	6	<u>4,503,635,760</u>	<u>3,939,622,986</u>			<u>4,503,635,760</u>	<u>3,939,622,986</u>
				TOTAL ASSETS			

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 HALF YEAR ENDED 31 DECEMBER 2021

NOTE	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	Rupees	Rupees	Rupees	Rupees
REVENUE FROM CONTRACTS WITH CUSTOMERS	1,480,381,904	1,174,144,376	786,706,530	633,572,206
GAIN ARISING ON INITIAL RECOGNITION OF MILK AT FAIR VALUE LESS COSTS TO SELL AT THE TIME OF MILKING	955,621,879	696,359,503	541,492,729	400,023,204
GAINS ARISING FROM CHANGES IN FAIR VALUE LESS COSTS TO SELL OF DAIRY LIVESTOCK	550,216,229	205,997,640	240,550,983	66,571,748
	2,986,220,012	2,076,501,519	1,568,750,242	1,100,167,158
OPERATING COSTS	10 (2,063,474,788)	(1,602,195,146)	(1,117,596,119)	(882,127,547)
	922,745,224	474,306,373	451,154,123	218,039,611
ADMINISTRATIVE AND GENERAL EXPENSES	(111,269,986)	(89,403,780)	(57,663,720)	(45,328,593)
SELLING AND MARKETING EXPENSES	(160,828,333)	(130,860,683)	(85,476,526)	(66,873,226)
OTHER EXPENSES	(174,484,646)	(139,201,620)	(83,175,632)	(59,422,832)
	(446,582,965)	(359,466,083)	(226,315,878)	(171,624,651)
	476,162,259	114,840,290	224,838,245	46,414,960
OTHER INCOME	4,169,390	1,336,817	2,424,477	1,253,354
PROFIT FROM OPERATIONS	480,331,649	116,177,107	227,262,722	47,668,314
FINANCE COST	(46,736,402)	(24,013,393)	(25,623,624)	(12,943,587)
PROFIT BEFORE TAXATION	433,595,247	92,163,714	201,639,098	34,724,727
TAXATION	(23,081,932)	(14,996,024)	(12,438,828)	(6,886,190)
PROFIT AFTER TAXATION	410,513,315	77,167,690	189,200,270	27,838,537
		(Restated)		(Restated)
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	2.07	0.39	0.95	0.14

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 HALF YEAR ENDED 31 DECEMBER 2021

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2021 Rupees	31 December 2020 Rupees	31 December 2021 Rupees	31 December 2020 Rupees
PROFIT AFTER TAXATION	410,513,315	77,167,690	189,200,270	27,838,537
OTHER COMPREHENSIVE INCOME				
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Items that will not be reclassified to profit or loss	-	-	-	-
Other comprehensive income for the period	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	410,513,315	77,167,690	189,200,270	27,838,537

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 HALF YEAR ENDED 31 DECEMBER 2021

	SHARE CAPITAL	RESERVES			TOTAL
		CAPITAL RESERVE	REVENUE RESERVE	TOTAL RESERVES	
		SHARE PREMIUM	UN- APPROPRIATE D PROFIT		
		-----Rupees-----			
Balance as at 30 June 2020 - audited	1,613,337,000	209,471,586	582,158,310	791,629,896	2,404,966,896
Transactions with owners - Issue of bonus shares @ 10%	161,333,700	(161,333,700)	-	(161,333,700)	-
Profit for the half year ended 31 December 2020	-	-	77,167,690	77,167,690	77,167,690
Other comprehensive income for the half year ended 31 December 2020	-	-	-	-	-
Total comprehensive income for the half year ended 31 December 2020	-	-	77,167,690	77,167,690	77,167,690
Balance as at 31 December 2020 - un-audited	1,774,670,700	48,137,886	659,326,000	707,463,886	2,482,134,586
Profit for the half year ended 30 June 2021	-	-	185,101,945	185,101,945	185,101,945
Other comprehensive loss for the half year ended 30 June 2021	-	-	(6,885,562)	(6,885,562)	(6,885,562)
Total comprehensive income for the half year ended 30 June 2021	-	-	178,216,383	178,216,383	178,216,383
Balance as at 30 June 2021	1,774,670,700	48,137,886	837,542,383	885,680,269	2,660,350,969
Transaction with owners - Issue of bonus shares @ 12%	212,960,484	-	(212,960,484)	(212,960,484)	-
Profit for the half year ended 31 December 2021	-	-	410,513,315	410,513,315	410,513,315
Other comprehensive income for the half year ended 31 December 2021	-	-	-	-	-
Total comprehensive income for the half year ended 31 December 2021	-	-	410,513,315	410,513,315	410,513,315
Balance as at 31 December 2021 - un-audited	1,987,631,184	48,137,886	1,035,095,214	1,083,233,100	3,070,864,284

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 HALF YEAR ENDED 31 DECEMBER 2021

		Half Year Ended	
	Note	31-Dec 2021	31-Dec 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
(Rupees in thousand)			
Cash generated from operations	11	87,864,279	141,662,550
Finance cost paid		(35,377,600)	(23,795,333)
Income tax paid		(20,263,160)	2,341,184
Net increase in security deposits		(1,753,360)	(4,137,960)
Net cash generated from operating activities		30,470,159	116,070,441
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(147,614,717)	(125,470,656)
Purchase of dairy livestock		(23,242,851)	(9,924,000)
Proceeds from sale of operating fixed assets		83,453	116,500
Short term investments disposed of		-	4,619,240
Proceeds from sale of dairy livestock		29,707,096	27,141,252
Return on bank deposits		715,979	56,721
Net cash used in investing activities		(140,351,040)	(103,460,943)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		117,207,221	(49,138,473)
Repayment of lease liabilities		(7,128,863)	(5,266,399)
Long term financing obtained		77,943,210	70,330,000
Long term financing repaid		(25,507,165)	(7,000)
Dividend paid		(8,029)	(28,217)
Net cash from financing activities		162,506,374	15,889,911
Net decrease in cash and cash equivalents		52,625,492	28,499,409
Cash and cash equivalents at the beginning of the period		114,232,014	73,240,178
Cash and cash equivalents at the end of the period		166,857,506	101,739,587

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

		Un-audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
4	LEASE LIABILITIES		
	Total lease liabilities	107,485,440	114,614,303
	Less: Current portion shown under current liabilities	<u>(15,699,823)</u>	<u>(14,916,882)</u>
		<u>91,785,617</u>	<u>99,697,421</u>
4.1	The interest expense on lease liabilities for the period is Rupees 4.584 million (31 December 2020 : Rupees 2.092 million). The total cash outflow for leases for the period ended 31 December 2021 amounted to Rupees 11.714 million (31 December 2020: Rupees 7.001 million).		
4.2	Implicit rates against lease liabilities range from 9.03% to 14.46% (30 June 2021: Rupees 9.96% to 10.35%) 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 13.722 million (30 June 2021: Rupees 13.722 million).		
		Un-audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
5	LONG TERM FINANCING		
	Opening balance	377,888,223	102,342,196
	Add: Loan obtained during the period / year	71,602,690	302,996,919
	Less: Effect of discounting during the period / year	<u>(17,428,165)</u>	<u>(16,826,081)</u>
	Present value of loan obtained during the period / year	54,174,525	286,170,838
	Add: Interest accrued during the period / year	6,340,503	3,949,086
	Less: Payments made during the period / year	<u>(25,507,149)</u>	<u>(14,573,897)</u>
	Closing balance	412,896,102	377,888,223
	Less: Current portion shown under current liabilities	<u>(88,165,610)</u>	<u>(59,917,318)</u>
		<u>324,730,492</u>	<u>317,970,905</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 2021 except for the following:		
6.1.1	On 29 November 2021, Deputy Commissioner Inland Revenue (DCIR) passed an order under section 170(3) of the Income Tax Ordinance, 2001 whereby income tax refunds amounting to Rupees 3.323 million were rejected for the tax year 2017 on account of excess payments / deductions claimed. The Company has filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] which is pending adjudication.		
	Further, 04 January 2022, subsequent to the reporting period, DCIR passed an order under section 170(3) of the Income Tax Ordinance, 2001 whereby income tax refunds amounting to Rupees 6.206 million were rejected for the tax year 2020 on account of excess payments / deductions claimed. The Company has filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] which is pending adjudication.		
	Based on the advice of legal counsel, the management is confident that outcome of the matter shall be decided in favour of the Company. Hence, no provision against the aforesaid rejections has been made in these condensed interim financial statements.		
6.2	Commitments		
		Un-audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
6.2.1	For capital expenditures	-	82,809,116
6.2.1	Letters of credit for capital expenditures	<u>189,350,309</u>	-
6.2.1	Letters of credit other than for capital expenditures	<u>18,644,764</u>	<u>51,954,620</u>
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 Ujrah payments under Ijarah are as follows:		

	Un-audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
Not later than one year	11,643,812	2,382,969
Later than one year but not later than five years	41,377,920	8,728,255
	<u>53,258,791</u>	<u>11,111,224</u>
7 PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 7.1)	1,490,582,836	1,312,073,285
Capital work-in-progress (Note 7.2)	2,109,813	77,069,092
	<u>1,492,692,649</u>	<u>1,389,142,377</u>
7.1 Operating fixed assets		
Opening net book value	1,312,073,285	999,929,988
Add: Cost of additions during the period / year (Note 7.1.1)	222,575,545	409,242,220
Less: Book value of deletions during the period / year (Note 7.1.2)	(183,842)	(26,432,760)
Add: Transferred from right-of-use assets	-	2,086,487
Less: Depreciation charged during the period / year	(43,882,152)	(72,752,650)
Closing net book value	<u>1,490,582,836</u>	<u>1,312,073,285</u>
7.1.1 Cost of additions during the period / year		
Freehold land	-	84,283,085
Buildings on freehold land	98,252,893	115,869,231
Plant and machinery	114,242,961	193,195,912
Electric installations	7,231,661	12,963,844
Office equipment	430,500	84,200
Vehicles	1,427,030	1,505,998
Furniture	187,000	697,650
Computers	803,500	642,300
	<u>222,575,545</u>	<u>409,242,220</u>
7.1.2 Book value of deletions during the period / year		
Plant and machinery	-	26,354,407
Vehicles	-	78,353
Electric installations	183,842	-
	<u>183,842</u>	<u>26,432,760</u>
	Un-audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
7.2 Capital work-in-progress		
Building on freehold land	-	27,234,005
Plant and machinery	-	11,834,717
Advances against plant and machinery	-	34,429,997
Advance against electric installations	-	1,679,207
Advances to contractors for civil works	-	1,891,166
Advances against capital expenditure	2,109,813	-
	<u>2,109,813</u>	<u>77,069,092</u>

	Un-audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
8. RIGHT-OF-USE ASSETS		
Opening book value	100,125,822	83,545,757
Add: Additions during the period / year (Note 8.1)	-	78,987,884
Less: Book value of assets transferred to fixed assets - owned during the period / year (Note 8.2)	-	(2,086,487)
Less: Depreciation expense for the period / year	(10,562,302)	(24,266,198)
Less: Disposal due to termination of lease	-	(36,055,134)
Closing book value	<u>89,563,520</u>	<u>100,125,822</u>
8.1 Cost of additions during the period / year		
Buildings	-	62,731,128
Vehicles	-	16,256,756
	<u>-</u>	<u>78,987,884</u>
8.2 Book value of assets transferred to fixed assets - owned during the period / year		
Plant and Machinery	-	331,196
Vehicles	-	1,755,291
	<u>-</u>	<u>2,086,487</u>
9 BIOLOGICAL ASSETS		
Dairy livestock:		
Mature	1,379,662,218	1,098,430,809
Immature	643,873,069	561,677,738
	2,023,535,287	1,660,108,547
Advance against purchase of biological assets	13,173,851	-
	<u>2,036,709,138</u>	<u>1,660,108,547</u>
Non-current	2,034,749,025	1,657,574,595
Current	1,960,113	2,533,952
	<u>2,036,709,138</u>	<u>1,660,108,547</u>
9.1 Reconciliation of carrying amount of dairy livestock:		
Carrying amount at the beginning of the period / year	1,660,108,547	1,476,864,226
Purchases during the period / year	10,069,000	90,739,477
Fair value gain due to new births	25,692,526	26,125,281
Gain arising from changes in fair value less costs to sell attributable to physical and price changes	524,523,703	334,459,776
	550,216,229	360,585,057
Loss due to deaths of dairy livestock	(86,373,835)	(89,300,880)
Decrease due to sales of dairy livestock	(110,484,654)	(178,779,333)
Carrying amount at the end of the period / year, which approximates the fair value less costs to sell	<u>2,023,535,287</u>	<u>1,660,108,547</u>
9.2 As at 31 December 2021, the Company held 2,527 (30 June 2021: 2,282) mature assets able to produce milk and 2,015 (30 June 2021: 1,834) immature assets that are being raised to produce milk in the future. During the period ended 31 December 2021, the Company produced approximately 10,499,178 (31 December 2020: 9,042,687) gross liters of milk from these biological assets. As at 31 December 2021, the Company also held 57 (30 June 2021: 75) immature male calves.		
9.3 The valuation of dairy livestock as at 31 December 2021 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 2021. 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			
		HALF YEAR ENDED		QUARTER ENDED	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		Rupees	Rupees	Rupees	Rupees
10	OPERATING COSTS				
	Raw milk consumed	962,780,203	705,231,574	544,352,041	404,487,535
	Forage consumed	630,761,592	537,862,617	340,557,127	310,740,697
	Stores consumed	1,668,763	1,676,640	1,253,717	880,368
	Packing materials consumed	132,803,112	115,776,298	63,457,644	54,970,342
	Salaries, wages and other benefits	59,345,040	46,499,917	30,482,501	23,301,134
	Oil and lubricants	60,574,288	63,273,887	27,547,423	26,599,739
	Utilities	44,837,665	21,178,280	22,142,440	9,154,990
	Insurance	837,541	623,825	380,548	310,504
	Repair and maintenance	40,148,111	22,577,086	21,389,884	11,523,202
	Artificial insemination supplies consumed	5,358,123	3,438,056	3,421,433	2,247,198
	Dairy livestock medication consumed	36,904,153	23,834,898	19,550,711	9,443,340
	Dairy supplies consumed	31,092,530	20,429,016	19,510,736	8,335,595
	Chemicals consumed	102,042	61,965	(3,378,913)	43,932
	Vehicles' running	5,552,320	3,754,305	1,373,588	2,683,276
	Depreciation on operating fixed assets	28,962,220	20,730,728	15,371,825	10,423,098
	Depreciation on right-of-use assets	4,299,987	6,202,652	2,149,994	3,011,914
	Rent, rates and taxes	7,426,022	5,515,378	5,598,835	3,013,475
	Miscellaneous	3,882,524	7,034,753	2,445,114	4,463,937
		<u>2,057,336,236</u>	<u>1,605,701,875</u>	<u>1,117,606,648</u>	<u>885,634,276</u>
	Finished / manufactured goods				
	Opening inventory	14,435,762	7,282,581	8,286,681	7,282,581
	Closing inventory	(8,297,210)	(10,789,310)	(8,297,210)	(10,789,310)
		<u>6,138,552</u>	<u>(3,506,729)</u>	<u>(10,529)</u>	<u>(3,506,729)</u>
		<u>2,063,474,788</u>	<u>1,602,195,146</u>	<u>1,117,596,119</u>	<u>882,127,547</u>
				Un-audited	
				HALF YEAR ENDED	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		Rupees	Rupees	Rupees	Rupees
11	CASH GENERATED FROM OPERATIONS				
	Profit before taxation			433,595,247	92,163,714
	Adjustments for non-cash charges and other items:				
	Depreciation on operating fixed assets			43,882,149	31,410,194
	Depreciation on right-of-use assets			10,562,302	9,397,958
	Gain / (loss) on sale of operating fixed assets			98,843	(38,147)
	Gains arising from changes in fair value less costs to sell of dairy live stock			(550,216,229)	(205,997,640)
	Loss on sale of dairy livestock - net			80,777,558	65,807,656
	Loss due to death of dairy livestock			86,373,835	63,927,186
	Profit on bank deposits			(715,979)	(56,721)
	Deferred income - Government grant			(2,482,888)	(811,551)
	Allowance for expected credit losses			2,103,237	2,203,998
	Provision for employees' retirement benefit			13,264,278	8,192,843
	Finance cost			46,736,402	24,013,393
	Working capital changes (Note 11.1)			<u>(76,114,476)</u>	<u>51,449,667</u>
				<u>87,864,279</u>	<u>141,662,550</u>
11.1	Working capital changes				
	(Increase) / decrease in current assets:				
	- Stores			10,219,555	(2,549,557)
	- Inventories			67,493,041	25,357,546
	- Trade debts			(33,142,545)	7,729,449
	- Short term advances and prepayments			(38,124,339)	36,818,279
	- Short term deposits and other receivables			<u>(51,413,082)</u>	<u>(12,074,158)</u>
				<u>(44,967,370)</u>	<u>55,281,559</u>
	Decrease in trade and other payables			<u>(31,147,106)</u>	<u>(3,831,892)</u>
				<u>(76,114,476)</u>	<u>51,449,667</u>

12 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.

13 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 December 2021	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Biological assets	-	2,023,535,287	-	2,023,535,287
Total non-financial assets	-	2,023,535,287	-	2,023,535,287

At 30 June 2021	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Biological assets	-	1,660,108,547	-	1,660,108,547
Total non-financial assets	-	1,660,108,547	-	1,660,108,547

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 2021, 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.

14 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					
HALF YEAR ENDED			QUARTER ENDED		
31 December 2021	31 December 2020		31 December 2021	31 December 2020	
Associated companies					
Purchase of goods	Rupees	-	2,974,010	-	1,972,890
Other related parties					
Bonus shares issued	Number of shares	16,069,935	122,383,300	16,069,935	122,383,300
Remuneration of chief executive officer and executives	Rupees	35,787,458	26,918,354	17,719,827	13,633,701
			Un-audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees	
(ii) Period end balances					
Bahera (Private) Limited - associated company					
Trade and other payables			2,117,676	9,117,676	
			Un-audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees	

15 DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

Description

Loan / advances obtained as per Islamic mode:

Loans 151,291,202 369,529,056

Shariah compliant bank deposits / bank balances

Bank balances 41,814,492 63,458,011

Un-audited	
HALF YEAR ENDED	
31 December 2021	31 December 2020
Rupees	Rupees

Profit earned from shariah compliant bank deposits / bank balances

Profit on deposits with banks 408,611 2,959

Revenue earned from shariah compliant business

1,480,381,904 1,174,144,376

Gain or dividend earned from shariah complaint investments

- -

Exchange loss

- -

Mark-up paid on Islamic mode of financing

8,071,222 8,363,523

Profits earned or interest paid on any conventional loan / advance

Interest paid on loans 13,465,386 12,303,719

Mark-up on lease liabilities 4,584,973 2,091,291

Interest on workers' profit participation fund 4,987,093 2,784,460

Profit earned on deposits with banks 307,368 2,900

Relationship with shariah compliant banks

Name	Relationship
Bank Islami Pakistan Limited	Bank balance
Dubai Islamic Bank Pakistan Limited	Bank balance
MCB Islamic Bank Limited	Bank balance, long term and short term borrowings
Al Baraka Bank (Pakistan) Limited	Bank balance

16 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 2021.

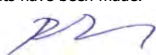
17 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on February 24, 2022.

18 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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