



Quarterly Report (Un-Audited)



30 September

2020



At-Tahur Limited



Company Information

Board of Directors

Mr. Ijaz Nisar	(Chairman)
Mr. Rasikh Elahi	(Chief Executive Officer)
Mr. Abid Sattar	
Mr. Amar Zafar Khan	
Mr. Aurangzeb Firoz	
Dr. Farzana Firoz	
Mr. Shabbi Zahid Ali	

Audit Committee

Mr. A. J. Zaheer	(Chairman)
Mr. A. J. Zaheer	(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

Shariah Compliant Islamic Banks

Al-Baraka Bank (Pakistan) Limited
Bank Islamic Pakistan Limited
Dubai Islamic Bank Pakistan Limited
MCB Islamic Bank Limited

Conventional Banks

Askari Bank Limited
Allied Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
National Bank of Pakistan
Silk Bank Limited

Registered Office

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

Project Locations

Kotli Rai Abubakar, Distirct Kasur

AT-TAHUR LIMITED

DIRECTORS' REPORT

It gives me immense pleasure to present on behalf of the Board of Directors of **At-Tahur Limited**, (hereinafter referred to as "the Company"), reviewed financial statements of At-Tahur Limited for the period ended September 30, 2022. Your Company continued its journey of success and is poised for growth.

The financial performance for the quarter ended is summarized below:

Description	QUARTER ENDED		
	July - Sep 2022 PKR million	July - Sep 2021 PKR million	Change (YOY) PKR million
Sales	1012.025	693.68	318.345
Gross Profit	682.749	471.59	211.159
% of sales	67.46%	67.98%	
Operating Profit	232.198	253.07	-20.872
% of sales	22.94%	36.48%	
Net Profit before tax	186.073	231.96	-45.887
% of sales	18.39%	33.44%	
Net Profit after tax	170.681	221.31	-50.629
% of sales	16.87%	31.90%	
Earnings per share	0.86	1.25	

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. Mr. Abid Sattar

b. Other Non-Executive Directors:

- 1. Mr. Shabbi Zahid Ali

c. Executive Director:

- 1. Mr. Rasikh Elahi

AT-TAHUR LIMITED

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. 5a Uf'NUZUf'?\Ub
2	Mr. 5VJX'GUHUF
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 uncertain economic conditions, the Company is focusing on meeting customer needs through portfolio innovation and optimization of value chain/supply chain to ensure sustainable profitable growth. The company is working on new value-added products along with untapped market regions.

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



Rasikh Elahi
Chief Executive
October 29, 2022



Shabbi Zahid Ali
Director

ڈائریکٹرز رپورٹ

الطہور لیمنٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2022 کو ختم ہونے والی سہ ماہی کے مالی حسابات پیش کرنا میرے لیے باعث مسرت ہے۔ آپ کی کمپنی نے کامیابی کا سفر جاری رکھا ہوا ہے اور ترقی کے راستہ پر گامزن ہے۔

پہلی سہ ماہی کے لئے مالیاتی کارکردگی ذیل میں دی گئی ہے:

سہ ماہی (ملین روپے)			
تبدیلی (YOY)	30 ستمبر 2021	30 ستمبر 2022	
318.345	693.68	1012.025	آمدنی
211.159	471.59	682.749	مجموعی منافع
	67.98	67.49	فروخت کا فیصد
-20.872	253.07	232.198	آپریٹنگ منافع
	36.48	22.94	فروخت کا فیصد
-45.887	231.96	186.073	خالص منافع
	33.44	18.39	فروخت کا فیصد
-50.629	221.31	170.681	بعد ٹیکس خالص منافع
	31.09	16.87	فروخت کا فیصد
	1.25	0.86	فی شیئر آمدنی

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. محترم عابد ستار

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 عامر ظفر خان
2.	محترم عابد ستار
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:

- کمپنی اپنے نان ایگزیکٹو اور آزاد ڈائریکٹرز کو بورڈ اجلاس میں شرکت کے لئے اجلاس فیس کے علاوہ مشاہیرہ ادا نہیں کرے گی۔
- بورڈ اجلاس میں شرکت کی غرض سے ڈائریکٹرز کی جانب سے رہائش اور سفر پر کئے جانے والے اخراجات کمپنی ادا کرے گی۔
- ڈائریکٹرز کی مشاہیرہ پالیسی پر ہم 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 کمپنی پائیدار منافع بخش نمو کو یقینی بنانے کے لیے پورٹ فولیو میں جدت طرازی اور ویلیو چین کی اصلاح کے ذریعے صارفین کی ضروریات کو پورا کرنے پر توجہ دے رہی ہے۔ کمپنی نئی ویلیو ایڈڈ مصنوعات پر کام کر رہی ہے اور نئی مارکیٹ کو بھی ٹارگٹ کر رہی ہے۔

ہم اپنے صارفین کی طرف سے اپنی مصنوعات کی مسلسل سرپرستی کے لیے ان کے مشکور ہیں۔ اور اس مشکل وقت میں اپنے عملے ڈیلرز اور تمام کاروباری شراکت داروں اور پوری الطہور کی ٹیم کی کاوشوں کے مشکور ہیں اور مستقبل میں بھی یہی امید رکھتے ہیں۔



شبی زاہد علی
ڈائریکٹر



بورڈ آف ڈائریکٹرز کی جانب سے
راسخ الہی
چیف ایگزیکٹو ڈائریکٹر
29 اکتوبر 2022ء

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

	NOTE	30 September 2022 (RUPEES IN THOUSAND)	30 June 2022 (RUPEES IN THOUSAND)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
200,000,000 (2021: 200,000,000) ordinary shares of Rupees 10 each		<u>2,000,000</u>	<u>2,000,000</u>
Issued, subscribed and paid-up share capital		1,987,631	1,987,631
Reserves		<u>1,698,362</u>	<u>1,527,681</u>
Total equity		3,685,993	3,515,312
LIABILITIES			
NON-CURRENT LIABILITIES			
Employees' retirement benefit		123,878	113,818
Lease liabilities		117,634	126,464
Long term financing	4	467,759	491,748
Deferred income - Government grant		<u>25,592</u>	<u>27,263</u>
		734,863	759,293
CURRENT LIABILITIES			
Trade and other payables		653,530	522,914
Short term borrowings		435,851	439,620
Accrued mark-up / profit		42,289	40,799
Current portion of non-current liabilities		163,748	157,919
Unclaimed dividend		<u>35</u>	<u>35</u>
		1,295,453	1,161,287
Total liabilities		2,030,316	1,920,580
CONTINGENCIES AND COMMITMENTS			
	5		
TOTAL EQUITY AND LIABILITIES		<u>5,716,309</u>	<u>5,435,892</u>

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


 CHIEF EXECUTIVE


 DIRECTOR

	NOTE	30 September 2022 (RUPEES IN THOUSAND)	30 June 2022 (RUPEES IN THOUSAND)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,680,491	1,616,138
Right-of-use assets		130,002	136,572
Biological assets	7	3,001,573	2,670,928
Long term security deposits		36,362	35,405
Deferred income tax asset - net		<u>945</u>	<u>945</u>
		4,849,373	4,459,988
CURRENT ASSETS			
Stores		33,427	38,798
Inventories		285,810	403,912
Biological assets	7	840	464
Trade debts		137,005	161,366
Short term advances and prepayments		86,891	101,219
Short term deposits and other receivables		218,305	185,835
Advance income tax - net of provision for taxation		55,126	56,814
Cash and bank balances		<u>49,532</u>	<u>27,496</u>
		866,936	975,904
TOTAL ASSETS		<u>5,716,309</u>	<u>5,435,892</u>


 CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED 30 SEPTEMBER 2022

	NOTE	30 September 2022 (RUPEES IN THOUSAND)	30 September 2021
REVENUE FROM CONTRACTS WITH CUSTOMERS		1,012,025	693,675
GAIN ARISING ON INITIAL RECOGNITION OF MILK AT FAIR VALUE LESS COSTS TO SELL AT THE TIME OF MILKING		704,843	414,129
GAINS ARISING FROM CHANGES IN FAIR VALUE LESS COSTS TO SELL OF DAIRY LIVESTOCK	7.1	537,526	309,665
		2,254,394	1,417,469
OPERATING COSTS	8	(1,571,645)	(945,879)
		682,749	471,590
ADMINISTRATIVE AND GENERAL EXPENSES		(64,093)	(53,606)
SELLING AND MARKETING EXPENSES		(151,449)	(75,352)
OTHER EXPENSES		(237,688)	(91,309)
		(453,230)	(220,267)
		229,519	251,323
OTHER INCOME		2,679	1,745
PROFIT FROM OPERATIONS		232,198	253,068
FINANCE COST		(46,125)	(21,112)
PROFIT BEFORE TAXATION		186,073	231,956
TAXATION		(15,392)	(10,643)
PROFIT AFTER TAXATION		170,681	221,313
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)		0.86	1.25

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2022**

	30 September 2022	30 September 2021
	(RUPEES IN THOUSAND)	
PROFIT AFTER TAXATION	170,681	221,313
OTHER COMPREHENSIVE LOSS		
Items that may be reclassified subsequently to profit or loss	-	-
Items that will not be reclassified to profit or loss:		
Remeasurement of defined benefit plan - net of tax	-	-
Other comprehensive loss for the period - net of tax	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>170,681</u>	<u>221,313</u>

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

AT-TAHUR LIMITED
STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 SEPTEMBER 2022

	NOTE	30 September 2022	30 September 2021
(RUPEES IN THOUSAND)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	9	190,631	(16,733)
Finance cost paid		(44,635)	(13,127)
Income tax paid		(13,704)	(9,077)
Net increase in security deposits		(957)	(869)
Net cash (used in) / generated from operating activities		131,335	(39,806)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(90,032)	(101,992)
Initial direct cost incurred on right-of-use assets		-	-
Purchase of dairy livestock		-	(10,069)
Proceeds from sale of operating fixed assets		-	123
Short term investment made		40,000	(79)
Short term investment disposed of		(40,000)	-
Proceeds from sale of dairy livestock		11,430	14,120
Return on bank deposits		4	25
Interest on term deposit receipt		-	-
Net cash used in investing activities		(78,598)	(97,872)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		(3,769)	86,968
Lease liabilities - net		(7,104)	(2,829)
Long term financing - net		(19,828)	46,917
Dividend paid		-	(8)
Net cash (used in) / generated from financing activities		(30,701)	131,048
Net (decrease) / increase in cash and cash equivalents		22,036	(6,630)
Cash and cash equivalents at the beginning of the quarter		27,496	114,232
Cash and cash equivalents at the end of the quarter		49,532	107,602

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

**STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2022**

	SHARE CAPITAL	RESERVES			TOTAL
		CAPITAL RESERVE	REVENUE RESERVE	TOTAL RESERVES	
		SHARE PREMIUM	UN- APPROPRIATE D PROFIT		
----- (RUPEES IN THOUSAND) -----					
Balance as at 30 June 2021	1,774,671	48,138	837,542	885,680	2,660,351
Profit for the three months period	-	-	221,313	221,313	221,313
Other comprehensive loss for the three months period	-	-	-	-	-
Total comprehensive income for the three months period	-	-	221,313	221,313	221,313
Balance as at 30 September 2021	1,774,671	48,138	1,058,855	1,106,993	2,881,664
Transaction with owners:					
Issue of 1.2 bonus shares for every 10 ordinary shares for the year ended 30 June 2021	212,960	(48,138)	(164,822)	(212,960)	-
Profit for the nine months period	-	-	639,828	639,828	639,828
Other comprehensive loss for the nine months period	-	-	(6,180)	(6,180)	(6,180)
Total comprehensive income for the nine months period	-	-	633,648	633,648	633,648
				-	-
Balance as at 30 June 2022	1,987,631	-	1,527,681	1,527,681	3,515,312
Profit for the three months period	-	-	170,681	170,681	170,681
Other comprehensive loss for the three months period	-	-	-	-	-
Total comprehensive income for the three months period	-	-	170,681	170,681	170,681
Balance as at 30 September 2022	1,987,631	-	1,698,362	1,698,362	3,685,993

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

AT-TAHUR LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED 30 SEPTEMBER 2022

1. THE COMPANY AND ITS OPERATIONS

- 1.1** At-Tahur Limited ("the Company") is a public limited Company incorporated in Pakistan on 16 March 2007 under the Companies Ordinance, 1984 (Now Companies Act, 2017). The Company was incorporated as a private limited Company and subsequently converted into a public limited Company with effect from 28 September 2015. On 23 July 2018, the Company was formally listed on Pakistan Stock Exchange Limited. The principal activity of the Company is to run dairy farm for the production and processing of milk and dairy products. The registered office of the Company is situated at 182-Abu Bakar Block, New Garden Town, Lahore.

2. BASIS OF PREPARATION

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

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

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

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

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding annual audited published financial statements of the Company for the year ended 30 June 2022.

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding annual audited published financial statements of the Company for the year ended 30 June 2022.

		30 September 2022 (Unaudited)	30 June 2022 (Audited)
		Rupees in thousand	
4	LONG TERM FINANCING		
	Long term financing	592,267	612,095
	Less: Current portion shown under current liabilities	(124,508)	(120,347)
		<u>467,759</u>	<u>491,748</u>
5	CONTINGENCIES AND COMMITMENTS		
5.1	Contingencies		
5.1.1	There is no significant change in the status of contingencies as disclosed in the preceding audited annual financial statements of the Company for the year ended 30 June 2022.		
5.2	Commitments		
5.2.1	Letters of credit of the Company are of Rupees 26.58 million (30 June 2022: Rupees 46.69 million).		
5.2.2	The Company has obtained vehicles under ijarah arrangements from Askari Bank Limited for a period of five years. The total future monthly Ujrah payments under Ijarah are as follows:		
		30 September 2022 (Unaudited)	30 June 2022 (Audited)
		Rupees in thousand	
	Not later than one year	11,304	12,292
	Later than one year and not later than five years	34,528	36,728
		<u>45,832</u>	<u>49,020</u>
6	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	1,550,096	1,524,814
	Capital work-in-progress (Note 6.2)	130,395	91,324
		<u>1,680,491</u>	<u>1,616,138</u>
6.1	Operating fixed assets - owned		
	Opening net book value	1,524,814	1,312,073
	Add: Cost of additions during the period (Note 6.1.1)	50,961	330,156
	Add: Book value of assets transfer from leased asset during the period	-	-
	Less: Book value of deletions during the period	-	(20,184)
	Less: Depreciation charged during the period	(25,679)	(97,231)
	Closing net book value	<u>1,550,096</u>	<u>1,524,814</u>
6.1.1	Cost of additions during the period		
	Land	-	-
	Buildings on freehold land	21,435	113,829
	Plant and machinery	-	117,933
	Electric installations	3,165	21,236
	Office equipment	-	4,202
	Tools and equipment	-	719
	Vehicles	26,267	69,815
	Furniture	43	219
	Computers	51	2,203
		<u>50,961</u>	<u>330,156</u>
6.2	Capital work-in-progress		
	Building on freehold land	91,275	15,984
	Plant and machinery	-	39,257
	Advance against plant and machinery	-	-
	Advance against contractor for civil works	37,438	21,787
	Advances against electric installation	1,558	1,448
	Advances for purchase of vehicles	124	12,848
		<u>130,395</u>	<u>91,324</u>

		30 September 2022 (Unaudited)	30 June 2022 (Audited)
		Rupees in thousand	
7	BIOLOGICAL ASSETS		
	Dairy livestock:		
	Mature	2,063,363	1,786,662
	Immature	939,050	884,730
		<u>3,002,413</u>	<u>2,671,392</u>
	Non-current	3,001,573	2,670,928
	Current	840	464
		<u>3,002,413</u>	<u>2,671,392</u>
7.1	Reconciliation of carrying amount of dairy livestock:		
	Carrying amount at the beginning of the period	2,671,392	1,660,109
	Purchases during the period	-	236,307
	Fair value gain due to new births	22,815	41,223
	Gain arising from changes in fair value less costs to sell attributable to physical and price changes	514,711	1,124,162
		537,526	1,165,385
	Decrease due to deaths	(133,869)	(135,976)
	Decrease due to sales	(72,636)	(254,433)
	Carrying amount at the end of the period, which approximates the fair value less costs to sell	<u>3,002,413</u>	<u>2,671,392</u>
7.2	As at 30 September 2022, the Company held 2,999 (30 June 2022: 2,874) mature assets able to produce milk and 2,255 (30 June 2022: 2,178) immature assets that are being raised to produce milk in the future. During the period, the Company produced approximately 5,638,741 (30 September 2021: 4,601,435) gross litres of milk from these biological assets. As at 30 September 2022, the Company also held 17 (30 June 2022: 11) immature male calves.		
7.3	The valuation of dairy livestock as at 30 June 2022, has been carried out by independent valuers. In this regard, the valuers examined the physical condition of the livestock, assessed the key assumptions and estimates and relied on the representations made by the Company as at 30 June 2022. 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.		

		QUARTER ENDED	
		30 September 2022	30 September 2021
		(Unaudited)	(Unaudited)
		Rupees in thousand	
8	OPERATING COSTS		
	Raw milk consumed	706,221	418,428
	Forage consumed	472,389	290,204
	Packing materials consumed	95,086	69,345
	Stores consumed	2,594	415
	Salaries, wages and other benefits	48,616	28,863
	Oil and lubricants	94,463	33,027
	Utilities	42,311	22,695
	Insurance	608	457
	Repair and maintenance	30,825	18,758
	Artificial insemination supplies consumed	4,818	1,937
	Dairy livestock medication consumed	19,248	17,353
	Dairy supplies consumed	27,178	11,582
	Chemicals consumed	30	3,481
	Vehicles' running	3,547	4,179
	Depreciation	21,284	15,740
	Rent, rates and taxes	3,104	1,827
	Miscellaneous	664	1,437
		<u>1,572,986</u>	<u>939,730</u>
	Finished / manufactured goods		
	Opening inventory	13,304	14,436
	Closing inventory	(14,645)	(8,287)
		<u>(1,341)</u>	<u>6,149</u>
		<u>1,571,645</u>	<u>945,879</u>

30 September **30 September**
2022 **2021**
(RUPEES IN THOUSAND)

9 CASH GENERATED FROM OPERATIONS

Profit before taxation	186,073	231,956
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	25,679	25,876
Depreciation on right-of-use assets	6,570	-
Gains arising from changes in fair value less costs to sell of dairy livestock	(537,526)	(309,665)
(Gain) / loss on sale of operating fixed assets	-	97
Amortization of deferred income - Government grant	(1,729)	-
Loss on sale of dairy livestock - net	61,206	32,457
Loss due to death of dairy livestock	133,869	56,425
Allowance / (reversal of allowance) for expected credit losses	42,613	2,040
Gain on termination of lease	-	-
Provision for Workers' Profit Participation Fund	-	-
Provision for Workers' Welfare Fund	-	-
Provision for expired / damaged stock	-	-
Return on bank deposits	(4)	(25)
Interest on term deposit receipts	-	-
Provision for doubtful advances to suppliers	-	-
Provision for employees' retirement benefit	10,060	6,632
Finance cost	46,125	21,113
Working capital changes (Note 9.1)	217,695	(83,639)
	<u>190,631</u>	<u>(16,733)</u>

9.1 Working capital changes

(Increase) / decrease in current assets:

- Stores	5,371	6,262
- Inventories	118,102	70,110
- Trade debts	(18,252)	(20,809)
- Short term advances and prepayments	14,328	(37)
- Short term deposits and other receivables	(32,470)	(20,349)
	<u>87,079</u>	<u>35,177</u>

Increase in trade and other payables

	<u>130,616</u>	<u>(118,816)</u>
	<u>217,695</u>	<u>(83,639)</u>

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 to their carrying amounts. Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classify its financial instruments into the following three levels. However, as at the reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

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

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

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

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 financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels.

At 30 September 2022	Level 1	Level 2	Level 3	Total
----- Rupees in thousand -----				
Biological assets	-	3,002,413	-	3,002,413
Total non-financial assets	-	3,002,413	-	3,002,413

At 30 June 2022	Level 1	Level 2	Level 3	Total
----- Rupees in thousand -----				
Biological assets	-	2,671,392	-	2,671,392
Total non-financial assets	-	2,671,392	-	2,671,392

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, independent valuers to determine the fair value of the Company's biological assets at the end of every year. As at 30 June 2022, the fair value of the biological assets was determined by M/s Happy Cattle Dairy Farm (Private) Limited, M/s Sadruddin Associate (Private) Limited and M/s Andersen Consulting (Private) Limited.

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

12 TRANSACTIONS WITH RELATED PARTIES

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

	30 September 2022	30 September 2021
	(Unaudited)	(Unaudited)
	(RUPEES IN THOUSAND)	
Associated company		
Purchase of goods	-	-

13 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2022.

14 SEGMENT INFORMATION

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

15 DATE OF APPROVAL

These financial statements were approved on October 29, 2022 by Board of Directors of the Company.

16 CORRESPONDING FIGURES

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

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