

At-Tahur Limited **Annual Report** 2018



At-Tahur



Fresh.Pure.Nourishing



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COMPANY INFORMATION

Board of Directors

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

Company Secretary & Chief Financial Officer

Humza Chaudhry

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

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

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

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

Share Registrar

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

Auditors

Riaz Ahmad & Company
Chartered Accountants

Bankers

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

Registered Office

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

Project Locations

Kotli Rai Abubakar, District Kasur

About At-Tahur

Inspired by the Arabic word "Tahur" which literally translated means "Purity".

At-Tahur Limited, since its inception in 2007, has strived to provide its consumers with dairy products the way nature intended them to be. This is why At-Tahur's premá milk brand launched in 2008, has, in a short span of time, become a household name in Pakistan for its 100% natural purity & freshness. Ensuring highest production, processing and packaging standards, premá milk is the only milk in Pakistan, that is free of all kinds of additives and artificial growth hormones and completely traceable from Grass to Glass.

The Vision

Behind At-Tahur's commitment to purity and the continuous market growth of premá milk & its other dairy products is the inspiring and passionate vision of At-Tahur. Inducing the coming generations to healthy milk as this vision's guiding principle, At-Tahur's team of highly skilled foreign and local dairy professionals have successfully turned it into a reality.



Fresh , Pure Nourishing



Production & Processing

In order to set highest standards in purity and nourishment At-Tahur imported world renowned / thoroughbred Australian and Dutch cows. Produced at the state of the art dairy facilities and untouched by human hand; premá milk is pasteurized, homogenized and packed using a fully integrated and an internationally compliant Cow to Consumer process.

Purity Transparency
Cohesion **Innovation**
Social Responsibility



100%
Australian
& Dutch
Cow's Milk



Fresh , Pure Nourishing

What is pasteurized fresh milk?

Named after the famous French scientist Louis Pasteur, Pasteurization is the internationally accepted method of heat treating pure milk to remove potentially harmful bacteria and viruses. 95 % of all milk consumed in Europe, North America, Middle East & Australasia is pasteurized fresh cow's milk, just like prema.



What makes prema the best pasteurized milk?

prema milk is pure and unadulterated Australian & Dutch Cows' milk. Produced exclusively at our own modern farms. prema milk is processed in state of the art dairy facilities and packed in hygienic, high quality and convenient gable top cartons. At every stage, from milking to packing, meticulous care is taken to ensure prema milk reaches you in the purest form.

How is prema milk produced?

prema milk is produced by our imported, pure breed Australian & Dutch Holstein cattle. Kept in a healthy and comfortable environment, our free range cows are fed nutritious diet. Our Highly experienced foreign and local experts take great care of every cow, so that every drop of milk produced is wholesome and healthy.



How is premá milk processed?

preamá milk is pasteurized, homogenized and packed in our purpose built plant. Using world renowned equipment, the fully integrated cow-to-consumer process ensures the highest international standards of hygiene, quality, purity and freshness which is completely traceable from Grass to Glass.



What are the health benefits of premá milk?

preamá milk is 100 % pure cow's milk. Nothing added, nothing taken away, **Guaranteed**. Therefore you get all the nutrition and health benefits of premium fresh milk. One delicious glass of premá milk gives you the Recommended Daily Amounts (RDA) of Calcium, Vitamin D & Riboflavin, B12 & Phosphorus, Vitamin A and Potassium & Niacin. Enjoying a healthy lifestyle has never been easier!





Fresh, Pure , Nourishing

RETAIL OPERATIONS



- ✓ Azad Jammu Kashmir
- ✓ Gilgit Baltistan
- ✓ Islamabad
- ✓ Karachi
- ✓ Khyber Pakhtunkhwa
- ✓ Punjab

At premá, our priority is always to bring consumers the best quality products, keeping in mind their location and age demographics, and in accordance with their needs. This is ensured through our effective marketing and widespread sales and distribution network. premá has a current market footprint of 3,000+ stores spanning over 10 different regions.

It has a significant presence in Punjab , KPK, AJK and Gilgit Baltistan. We respect the cultures of the regions in which we operate, and recognize the need to improve the quality of life for the consumers in these areas.

CHAIRMAN'S REVIEW REPORT

I am delighted to present the annual report of At-Tahur limited for Financial Year 2017-2018.-At Tahur Limited (PSX: PREMA) is committed to maintaining high standards of good corporate governance without any concession. This has been another year of stellar growth for the company, where we have seen a substantial growth. This growth has been contributed by the immense hard work and dedication of our employees, and stake holders.

I'm also pleased to announce, on behalf of the directors, that the infrastructure work and capacity enhancement has been completed to a large extent. With adequate technological resources and expertise at our disposal, we intend to explore new markets, and product lines and furthermore, expand into new ventures in the dynamic dairy industry of Pakistan. Prema's new product lines, such as portion size packaging and flavored milk category, have seen a great response by the consumers and we will continue to serve our consumers in the best manner possible.

The Company remains committed to delivering the best nutrition and positively impact the lives of our consumers. In this regard, the Company continues to explore avenues to address this, as we strongly believe that there is huge potential for expansion to fulfill the nutritional need of growing population base. The testimony of company's focus on quality is best described by an independent market audit, conducted under the orders and aegis of Honorable Supreme Court of Pakistan. The finding of the commission was;

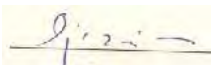
“Except Prema Milk, all other samples are found to be unfit for human consumption” - Supreme Court of Pakistan proceeding – 2016.

Reference “Civil Petition No. 2374-L/2016 and C.M.A.NO.2702 L/2016”.

The board members diligently performed their duties and thoroughly reviewed, discussed and approved business strategies, corporate objectives, plans, financial statements and other reports. All the significant issues throughout the year were presented before the Board regularly by the management and external auditors. The-nonexecutive and independent directors were equally involved in important Board decisions. The Board has exercised its powers in accordance with the laws and regulations applicable on the company. All the directorson the Board are fully conversant with their duties and responsibilities as directors of the company. During the year under review the overall performance of the Board on basis of approved criteria was satisfactory.

In the end I would like to acknowledge the colossal support and commitment of each member of the management team and the employees of the Company, who ensured the Company's continued progress. We also take this opportunity to thank our valued customers and consumers who have trust in our products and continue to provide sustained support in ensuring the progress of the Company.

I'm confident that our commitment will go even further in the upcoming years and that we will continue to serve our stakeholders, through sheer dedication and hard work



Ijaz Nisar
Chairman
At-Tahur Limited

THE DIRECTORS REPORT

The Directors of At-Tahur Limited takes pleasure in presenting Directors' Report, together with the Audited Financial Statements of the Company for the year ended June 30, 2018:

Listing of At-Tahur limited

At-Tahur Limited got listed on Pakistan Stock Exchange Limited on 30 July 2018. Hence, this annual report of the Company for the year ended 30 June 2018 does not contain Statement of Compliance With Listed Companies (Code of Corporate Governance) Regulations, 2017 and Auditor's Review Report On The Statement Of Compliance Contained In Listed Companies (Code Of Corporate Governance) Regulations, 2017. As the listing of the Company happened subsequent to the year end, the Directors' Report for the year ended 30 June 2018, has been drafted based on legal status of the Company as at 30 June 2018.

Summary of financial performance

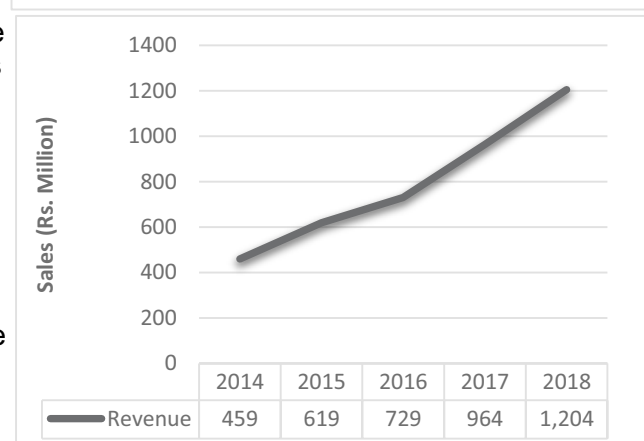
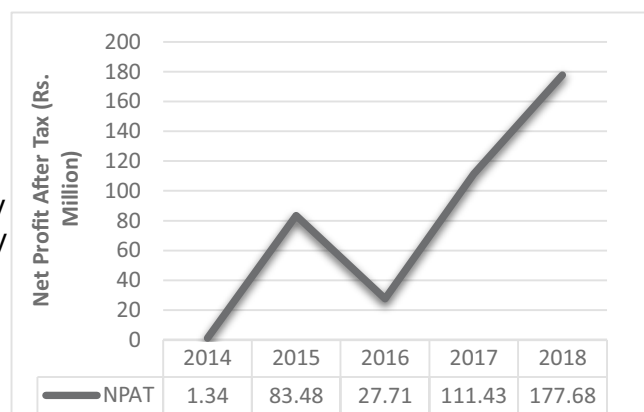
PKR Million	2017-18	2016-17	Change (YOY)
Revenue	1204.45	963.90	25%
Gross Profit margin	550.42	390.53	41%
Operating Profit margin	169.76	94.24	80%
Net Profit before tax	160.55	88.76	81%
Net Profit after tax	177.68	111.43	59%
Earnings per share (Basic)	1.62	1.01	60%

Principal activities of the company

At-Tahur Limited ("the Company") was incorporated in Pakistan as a private limited company in March 2007 and subsequently converted to public limited Company with effect from September 2015. The shares of the Company are quoted on the Pakistan Stock Exchange on 30 July 2018. The Company's principal activity is to run dairy farm for the production and processing of milk and dairy products.

Financial performance overview

During the year ended June 30, 2018, the sales volume increased to 9,494,280 liters as against 7,274,755 liters sold last year. The company has posted new records on the financial front with net sales revenue of Rs. 1,204.45 million, up by 25% as compared to Rs. 963.90 million last year. Profit after tax grew by 59% to 177.68 million from Rs. 111.43 million posted last year. The overall increase in the revenue and net profits is mainly attributable to the improved turnover on account of launch of new products, change in sales mix and increase in foreign exchange rate against Pakistan rupee. The earnings per share of your Company for the year ended June 30, 2018 was PKR 1.62 compared to PKR 1.01 reported last year.



Contribution to National Exchequer

During the year, the Company contributed a sum of Rs. 79.36 million, in terms of Income taxes, excise duty, sales tax and other government levies, to the national exchequer, which amounts to about 7% of the total revenue of the Company.

INDUSTRY REVIEW & ENVIRONMENT

Business Environment

Pakistan's macroeconomic fundamentals are a reason to worry for our national industry, especially on account of the current account deficit standing at \$30 billion. Pakistan has achieved marginally stronger export growth, but rising oil prices and weaker capital inflows, together with a significant rise in imports, are weighing on the balance of payments. The recovery in agriculture and a stronger manufacturing output are both positive aspects of the country's growing economy.

We expect economic growth in the next fiscal year to remain moderate due to large fiscal and current account deficits, rising external debt and tighter financial conditions. The Pak Rupee is expected to remain under pressure, adding to inflation concerns and weaker consumer spending thus impacting dairy industry growth.

The new government 100 days plan includes revamping of livestock sector to become self-sufficient in milk and milk-based products, the Government is also planning to expand meat production for the export market that would eventually benefit Dairy Sector.

Industry Review

During 2017-18, livestock contributed 58.9 percent to the agriculture value added and 11.1 percent to the overall GDP compared to 58.9 percent and 11.3 percent during the corresponding period last year, respectively. Gross value addition of livestock at constant cost factor of 2005-06 has increased from Rs. 1,327 billion (2016-17) to Rs. 1,377 billion (2017-18), showing an increase of 3.8 percent over the same period last year. The table presented below gives the detail growth rates over the years:

Source: Pakistan Bureau of Statistics						
Table 1.1: Growth Rates (%)						
Sector	2017-18 P	2016-17 R	2015-16 F	2014-15	2013-14	2012-13
Agriculture	3.81	2.07	0.15	2.13	2.50	2.68
Livestock	3.76	2.99	3.36	3.99	2.48	3.45

The livestock population for the last three years is given in Table 1.2.

Source: Ministry of National Food Security & Research			
Table 1.2: Estimated Livestock Population (Million Nos.)			
Species	2017-18¹	2016-17¹	2015-16¹
Cattle	46.1	44.4	42.8
Buffalo	38.8	37.7	36.6
¹ : Estimated figure based on inter census growth rate of Livestock Census 1996 & 2006			

The major products of livestock are milk and meat for the last three years is given in Table 1.3.

Source: Ministry of National Food Security & Research			
Table: 1.3 Estimated Milk and Meat Production (000 Tones)			
Species	2017-18¹	2016-17¹	2015-16¹
Milk (Gross Production)	57,890	56,080	54,328
Cow	20,903	20,143	19,412
Buffalo	35,136	34,122	33,137
Milk (Human Consumption²)	46,682	45,227	43,818
Cow	16,722	16,115	15,529
Buffalo		27,298	26,510
Meat³	4,262	4,061	3,873
Beef	2,155	2,085	2,017
<p>1: The figures for milk and meat production for the indicated years are calculated by applying milk production parameters to the projected population of respective years based on the inter census growth rate of Livestock Census 1996 & 2006.</p> <p>3: Milk for human consumption is derived by subtracting 20% (15% wastage in transportation and 5% in calving) of the gross milk production of cows and buffalo.</p> <p>4: The figures for meat production are of red meat and do not include the edible offal's.</p>			

The estimated production of other livestock products for the last three years is given in Table 1.4.

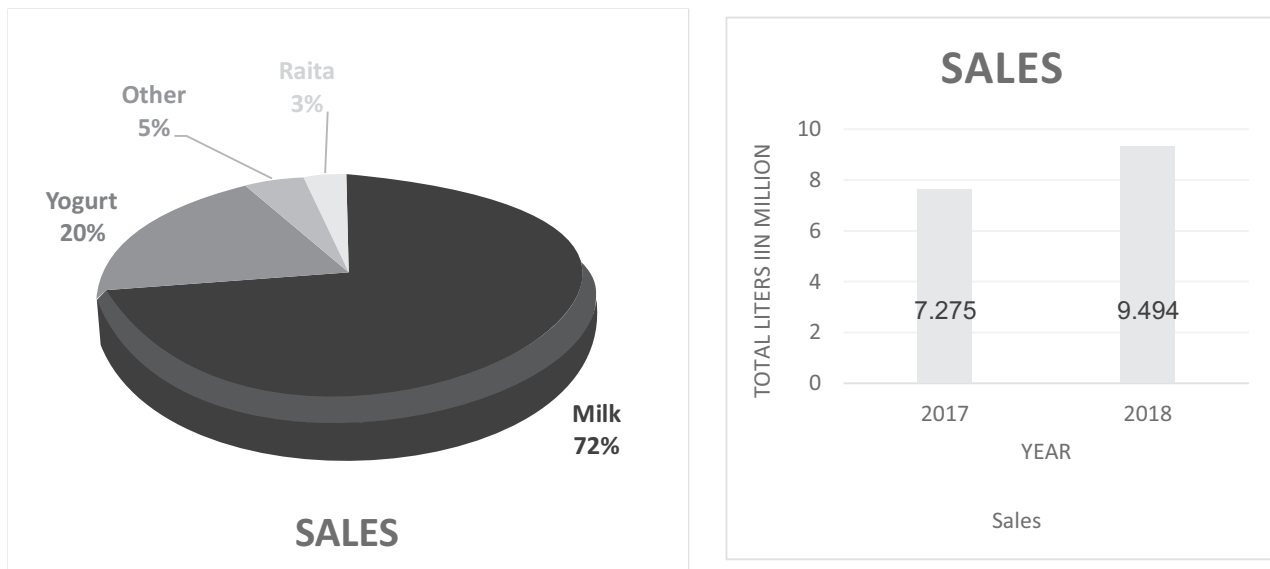
Source: Ministry of National Food Security & Research				
Table 1.4: Estimated Livestock Products Production				
Species	Units	2017-18¹	2016-17¹	2015-16¹
Hides	000 Nos	16,974	16,421	15,886
Cattle	000 Nos	8,734	8,416	8,111
Buffalo	000 Nos	8,131	7,897	7,669
1: The figures for livestock product for the indicated years were calculated by applying production parameters to the projected population of respective years.				

According to Pakistan Economic Survey 2017-18, the population growth, increases in per capita income and export opportunities are fueling the demand of livestock and livestock products in the country. The overall livestock development strategy revolves around fostering "private sector-led development with public sector providing an enabling environment through policy interventions". The regulatory measures are aimed at improving per unit animal productivity by improving health coverage, management practices, animal breeding practices, artificial insemination services, use of balanced ration for animal feeding, and

controlling livestock diseases. The objective is to exploit the livestock sector and its potential to cater to domestic need, for economic growth, food security and rural socio-economic uplift.

Company Review

Your Company, as a major player in Pakistan's dairy industry, has made encouraging advances and has continued its track-record of achieving key milestones. Building on our previous performances, the fiscal year ending June 2018 has once again been a period in which the Company's turnover and profitability have soared to an all-time high. At-Tahur Limited has not only managed to maintain its sales above 6 million liters mark for the third consecutive year, but also recorded a high financial performance. This reflects strong customer confidence in the company and the value proposition offered to the customer.



The Company continues to be committed to enhancing its product base through innovation and renovation which remains an integral part of the Company's mission to provide fresh, pure and healthy dairy products. The major new product launches included:

- Prema chocolate milk 180ml
- Prema milk pasteurized 250ml
- Yogurt low fat 400gm
- Prema milk pasteurized 450ml
- Prema milk low fat 250ml
- Prema Yogurt pouch 500gm

Safety, Health & Environment

The Company is committed to provide a safe and healthy environment to all employees by strictly complying with all safety, health and environment rules and regulations. Ensuring the priorities, full care is taken for the safety of contractors, suppliers and all individuals in general who might be affected by the Company's business operations. The Company employees actively work to prevent accidents, injuries and disease and make continuous efforts to identify, eliminate and manage all safety risks.

Safety Policy

We have taken following measures to ensure safety:

- Prepared and communicated Health and safety policy across the entire organization;
- Made Hazard identification and risk control procedure to reduce the risk of accidents, injuries and disease transmission;
- The Company conducts a number of general and special training programs for employees. The general safety training programs like firefighting, basic safety and first aid are aimed at empowering every employee to deal with emergency situations and avoid accidents. While job specific training includes machine safety and process safety. Complying with the standards only authorized members are allowed to perform a specific job.
- The Company's employee are provided with personal protective equipment like safety masks and gloves, etc.
- The Company is ISO 9001 certified.

Safety Record

The Company recorded a zero lost work day injury rating this year. This was made possible through immediate improvements and a number of measures that were taken which include continuous risk assessment, job safety analysis, awareness sessions, on job hazard identification, safety patrolling by trained members and safety walk by top management. As a result there has been no non-loss day injury since last year.

HUMAN RESOURCE

At-Tahur Limited recognizes the significance of Human Resource. It focuses on acquiring the best talent and developing people to steer the Company to success. To accomplish customer delight, it aspires to have the right people in the right place at the right time. Its HR function is aligned towards developing human capacity to support business growth.

Diversity and Inclusion

The Company committed to affirmative action in support of equal opportunity employment and engagement of women in the workforce.

Employee Engagement

To challenge the physical and mental skill set of employees, a cricket tournament was held in March 2018 at Model Town Greens Cricket Club. More than 50 employees participated in the competition. This competition further helped in improving team work and team building.

CORPORATE MATTERS & RELATED DISCLOSURES

Composition of the Board

The composition of the Board of Directors of the Company as at June 30, 2018 is as follows:

- 1) The total number of directors are 7 as per the following:
 - a) Male - 7
 - b) Female- Nil
- 2) The number of directors under respective categories are as follows:
 - a) Independent Director - 2
 - b) Non-Executive Directors - 4
 - c) Executive Directors - 1

Board of Directors Meetings

A total of Four (04) meetings of the Board of Directors were held during 12 month period from July 01, 2017 to June 30, 2018. Name of the directors (at any time during the year) alongwith their attendance at the Board Meetings is as follows:

Sr#	Name of Directors	Meetings Attended
1	Mr. Rasikh Elahi	4
2	Mr. Shabbi Zahid Ali	4
3	Mr. Humza Chaudhry	1
4	Mr. Aurangzeb Firoz	-
5	Mr. Muhammad Afzal	1
6	Mr. Amar Zafar Khan	-
7	Mr. Ijaz Nisar	-
8	Mr. Muhammad Ijaz Awan	-

However, leave of absence was granted to the Directors who could not attend the Board Meetings due to preoccupations.

Changes in Directors

During the year, 1 casual vacancy occurred on the Board. Mr. Humza Chaudhry resigned as Director with effect from 25 November 2017 and Mr. Aurangzeb Firoz was appointed as Director with effect from 25 November 2017.

Subsequent to the reporting date, Syed Kashif-ul- Hassan was appointed as a director in place of Mr. Muhammad Afzal.

The Board acknowledged the valuable contributions made by the outgoing Directors and welcomed the new Directors on the Board.

Committees of the Board

The Board has formed the following Committees and details of members is as under:

1) Audit Committee

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

Sr#	Name of Members	Designation
1	Mr. Aurangzeb Firoz	Chairman
2	Mr. Shabbi Zahid Ali	Director
3	Mr. Amar Zafar Khan	Director

2) Human Resource & Remuneration Committee

(Fully operational since listing of the Company w. e. f. 30 July 2018)

Sr#	Name of Members	Designation
1	Mr. Ijaz Nisar	Chairman
2	Mr. Shabbi Zahid Ali	Director
3	Mr. Rasikh Elahi	Director

Salient features of Remuneration policy for Non- Executive Directors

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. The Non-Executive directors may waive their rights to receive such remuneration for attending and participation in the above meetings.

Principal Risk and Uncertainties

Despite the fact that the Company's financial performance is exceptional from the past years, however, continuous depreciation of Pak Rupee against various currencies, general inflation and rise in international commodity prices will be vital factors that may have an impact on the future financial statements of the Company. The company welcomes new competition, however, consistent Government policies are required along with creating a level playing field for the existing players of the industry for sustainable growth.

Internal Control

The Company has employed an effective system of internal controls to carry on the business of the Company in an orderly manner, safeguard its assets and secure the accuracy and reliability of its records. The Management supervision and reviews are an essential element of the system of internal controls. The Board ensures adequacy of internal control activities either directly or through its Committees. The Board also reviews the Company's financial operations and position at regular intervals by means of interim accounts, reports, profitability reviews and other financial and statistical information.

Risk management

At-Tahur Limited has formal risk management framework to assess the risks faced in the context of the broader political and macroeconomic environment. The risk management system identifies strategic, regulatory, financial, operational, reputational, and sustainability risks related to business activities. The risks are reviewed by management committee along with departmental objectives, targets and performance. Appropriate strategies are developed and implemented to minimize the impact of the identified risks.

Financial Statements

International Financial Reporting Standards (IFRS), as applicable in Pakistan and provisions of and directives issued under the Companies Act, 2017 have been followed in preparation of the financial statements. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The auditors of the company, M/s Riaz Ahmad & Co., Chartered Accountants, audited the financial statements of the Company and have issued an unqualified report to the members.

Pattern of Shareholding

The Pattern of Shareholding of the Company as at June 30, 2018, is given in the Annual Report.

Appointment of Auditors

The existing auditors, M/s Riaz Ahmad & Co., Chartered Accountant retire and being eligible, offer themselves for re-appointment. The Directors endorse the recommendation of the Audit Committee for re-appointment of M/s Riaz Ahmad & Co, as the auditors for the year ending June 30, 2019.

Related Party Transactions

All transactions with related parties have been disclosed in the financial statements under review.

Key Operating and Financial Data

The Key Operating and Financial Data for the last six years is annexed.

Chairman's Review

The Directors of the company endorse the contents of the Chairman's review, dealing with the overall performance of the Company, future outlook and report on the performance and effectiveness of the Board.

Corporate Social Responsibility

The company strongly believes in integration of corporate social responsibility into its business that are influenced directly or indirectly by our business.

Moving Forward

Future moving forward, your Company plans to secure new and exciting products that will further strengthen the existing product slate to provide a wider choice to customers and ensure sustainable growth and value creation.

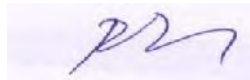
After the formation of the newly elected government, we anticipate that policies are to be made to overcome the economic challenges. Initiatives to be taken to increase investments and localization.

No material changes and commitments affecting the financial position of the Company occurred between 30 June 2018 and 01 October 2018.

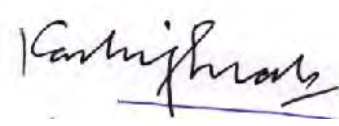
Acknowledgement

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 to their continued support.

We bow to the Almighty and pray for His blessings and guidance.



Rasikh Elahi
Chief Executive



Syed Kashif-ul-Hassan
Director

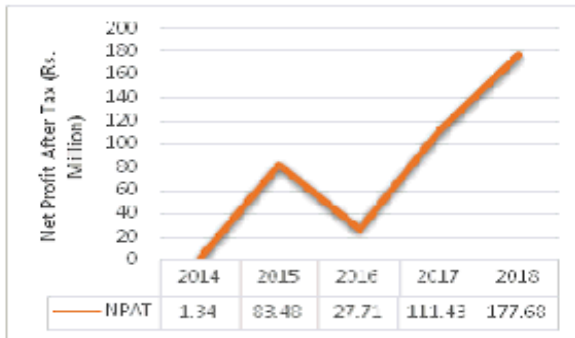
Lahore
01 October 2018

ڈائریکٹرز کی رپورٹ

30 جون 2018ء کو اختتام پذیر سال کے لئے الطہو ر لمیٹڈ کے ڈائریکٹرز پر تال شدہ مالی ایٹیمٹس کے ہمراہ ڈائریکٹرز رپورٹ پیش کرنے میں فخر محسوس کرتے ہیں۔

مالی کارکردگی کا خلاصہ

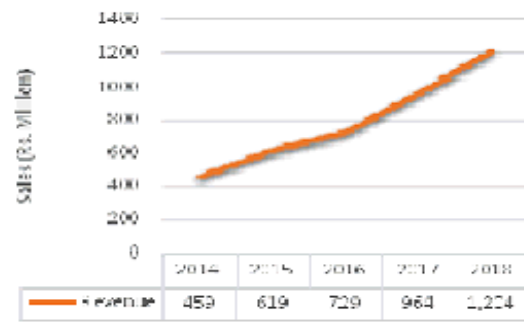
تفصیلات	2016-17	2017-18	تغیر (سال بہ سال)
رقوم ملین روپوں میں			
آمدنی	963.90	1204.45	25 فی صد
مجموعی نفع کا مارجن	390.53	550.42	41 فی صد
آپریٹنگ نفع کا مارجن	94.24	169.76	80 فی صد
خالص نفع بمعہ ٹیکس	88.76	160.55	81 فی صد
خالص نفع علاوہ ٹیکس	111.43	177.68	59 فی صد
بنیادی فی حصص آمدنی (روپے)	1.01	1.62	60 فی صد



کمپنی کی بنیادی سرگرمیاں

مارچ 2007ء میں الطہو ر لمیٹڈ ("کمپنی") پاکستان میں پرائیویٹ لمیٹڈ کمپنی کی حیثیت سے رجسٹر ہوئی اور بعد ازاں ستمبر 2015ء سے موثر پبلک لمیٹڈ کمپنی میں تبدیل ہوئی۔ کمپنی کے حصص 30 جولائی 2018ء کو پاکستان شاہک ایکسچینج میں درج

ہوئے۔ کمپنی کی بنیادی سرگرمیوں میں دودھ اور ڈیری مصنوعات کی تیاری اور پروسیسنگ کے لئے ڈیری فارم چلانا شامل ہے۔



مالی کارکردگی کا جائزہ

گذشتہ سال کے 7,274,755 لٹریلز کے حجم کے مقابلہ میں 30 جون 2018ء کو اختتام پذیر سال کے دوران سیلز کا حجم 9,494,280 لٹریز رہا۔ مالی لحاظ سے کمپنی نے گذشتہ سال میں 963.90 ملین روپے کے نیٹ سیلز ریونیو کے مقابلہ میں رواں

برس 25 فی صد اضافہ کے ساتھ 1204.45 ملین روپے کا ریکارڈ نیٹ سیلز ریونیو درج کیا۔ گذشتہ برس میں 111.43 ملین روپے نفع علاوہ ٹیکس کے مقابلہ میں رواں برس 59 فی صد اضافہ کے ساتھ 177.68 ملین روپے نفع علاوہ ٹیکس درج کیا گیا۔ آمدنی اور خالص منافع میں مجموعی اضافہ منجہ مصنوعات متعارف کرانے پر مثبت اثرن اور، سیلز ٹیکس میں تبدیلیوں اور پاکستانی روپے کے مقابلہ میں غیر ملکی زرمبادلہ میں اضافہ کی وجہ سے تھا۔ گذشتہ سال میں 1.01 روپے فی حصص آمدنی کے مقابلہ میں 30 جون 2018ء کو اختتام پذیر سال کے لئے فی حصص آمدنی 1.62 روپے رہی۔

قومی خزانے میں اعانت

سال کے دوران کمپنی نے انکم ٹیکس، ایکسائز ڈیوٹی، سیلز ٹیکس اور دیگر کورنمنٹ لیواؤز کی مد میں 79.36 ملین روپے کی کثیر رقم قومی خزانے میں جمع کرائی جو کمپنی کی مجموعی آمدنی کے 7 فی صد سے بھی زیادہ ہے۔

صنعتی جائزہ اور ماحول

کاروباری ماحول

پاکستان میں معیشت پر اثر انداز ہونے والے عوامل ہماری قومی صنعت کے لئے پریشانی کا باعث ہیں جس میں 30 بلین ڈالر کا کرنٹ اکاؤنٹ خسارہ انتہائی اہمیت کا حامل ہے۔ پاکستان نے مقابلہ مستحکم برآمدی نمو حاصل کی ہے لیکن تیل کی قیمتوں میں اضافہ اور کمزور سرمایہ داری اور درآمدات میں نمایاں اضافہ ادائیگیوں کے توازن پر بوجھ ڈال رہے ہیں۔ زراعت اور مستحکم صنعتی پیداوار ملک کی بڑھتی ہوئی معیشت کے لئے مثبت پہلو ہیں۔

بھاری مالی اور کرنٹ اکاؤنٹ خسارہ، بیرونی قرضوں میں اضافہ اور تنگ مالی حالات کی وجہ سے ہم آئندہ مالی سال کے لئے معتدل معاشی ترقی کی توقع رکھتے ہیں۔ پاکستانی روپیہ دباؤ کا شکار رہنے کے امکانات ہیں جس سے افراط زر میں اضافہ اور صارفین کی کم دلچسپی دیکھی جائے گی اس لئے ڈیری کی صنعت میں ترقی متاثر ہوگی۔

نئی حکومت کے سوروزہ منصوبہ میں لائیو سٹاک کے شعبہ میں اصلاحات شامل ہیں تاکہ ملک دودھ اور دودھ سے تیار مصنوعات میں خود انحصار ہو جائے۔ حکومت برآمدی منڈی میں کوشش کی پیداوار کو وسعت دینے کے لئے بھی منصوبہ بندی کر رہی ہے جس سے ڈیری کے شعبہ کو فائدہ ہوگا۔

صنعتی جائزہ

سال 2017-18 کے دوران لائیو شاک 58.9 فی صد کے تناسب سے زراعت کے شعبہ میں اعانت کر رہا ہے جب کہ مجموعی قومی پیداوار میں اس کا حصہ 11.1 فی صد ہے۔ جو گزشتہ سال کی اسی مدت میں بالترتیب 58.9 فی صد اور 11.3 فی صد تھا۔ سال 2005-06 کے مستقل کا سٹ فیکٹر پر لائیو شاک کی مجموعی شراکت میں 1,327 بلین (2016-17) سے 1,377 بلین (2017-18) اضافہ ہوا ہے۔ جو گزشتہ سال کی اس مدت کے مقابلہ میں 3.8 فی صد اضافہ ظاہر کرتی ہے۔ کئی برسوں سے نمو کی شرح مندرجہ ذیل ٹیبل میں ظاہر کی گئی ہے:

ذریعہ: اعداد و شمار پاکستان بیورو						
ٹیبل 1.1: شرح نمو (فی صد)						
شعبہ	2017-18P	2016-17R	2015-16F	2014-15	2013-14	2012-13
زراعت	3.81	2.07	0.15	2.13	2.50	2.68
لائیو شاک	3.76	2.99	3.36	3.99	2.48	3.45

مندرجہ ذیل ٹیبل 1.2 میں گزشتہ تین سال کے لائیو شاک کے اعداد و شمار درج ہیں:

ذریعہ: وزارت قومی تحفظ خوراک اور تحقیق			
ٹیبل 1.2: لائیو شاک کی اندازاً آبادی/شمار			
انواع	2017-18 ¹	2016-17 ¹	2015-16 ¹
مویشی	46.1	44.4	42.8
بھینس	38.8	37.7	36.6
¹ : اندازاً اعداد و لائیو شاک مردم شماری 1996 اور 2006 کی انٹرسینسر نمو کی شرح کی بنیاد پر ہیں۔			

لائسٹاک کی بڑی مصنوعات میں دودھ اور گوشت شامل ہیں۔ گزشتہ تین سال کے اعداد و شمار مندرجہ ذیل ٹیبل 1.3 میں درج کئے گئے ہیں:

ذریعہ: وزارت قومی تحفظ خوراک اور تحقیق			
ٹیبل 1.2: دودھ اور گوشت کی پیداوار کے اندازاً اعداد و شمار (000 ٹن میں)			
انواع	2017-18 ¹	2016-17 ¹	2015-16 ¹
دودھ (مجموعی پیداوار)	57,890	56,080	54,328
گائے	20,903	20,143	19,412
بھینس	35,136	34,122	33,137
دودھ (انسانی کھیت) ²	46,682	45,227	43,818
گائے	16,722	16,115	15,529
بھینس	-	27,298	26,510
گوشت ³	4,262	4,061	3,874
بیف	2,155	2,085	2,017

¹: مذکورہ برسوں کے لئے گوشت اور دودھ کی پیداوار کے اعداد و شمار کا حساب 1996 اور 2006 کی لائسٹاک مردم شماری کے بین مردم شماری نمو کی شرح کی بنیاد پر متعلقہ سالوں کی پروجیکٹڈ آبادی کے دودھ کی پیداوار کے پیرامیٹر کے اطلاق سے حاصل کئے گئے ہیں۔

²: انسانی استعمال کے لئے دودھ کی مقدار گائے اور بھینسوں کی مجموعی دودھ کی پیداوار سے 20 فی صد (15 فی صد تریل کے دوران ضیاع اور 5 فی صد بچھڑوں کے استعمال کے لئے) منہا کر کے حاصل کی جاتی ہے۔

³: گوشت کی پیداوار کے اعداد و شمار صرف سرخ گوشت کے لئے ہیں اور اس میں کھانے کے قابل اوجڑی وغیرہ شامل نہ ہے۔

گذشتہ 3 برسوں کے لئے دیگر لائیو سٹاک مصنوعات کی اندازاً پیداوار نمبر 1.4 میں درج کی گئی ہے:

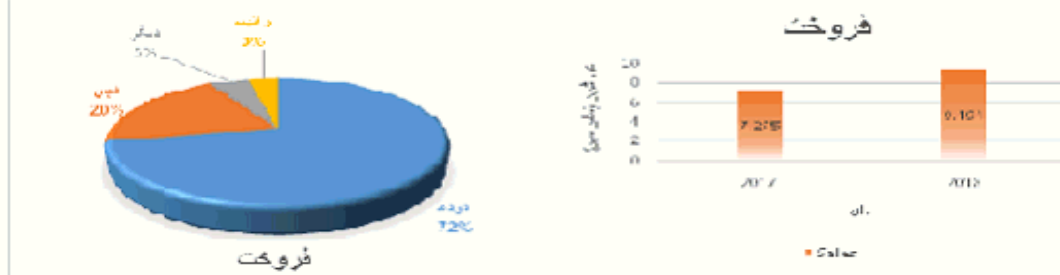
ذریعہ: وزارت قومی تحفظ خوراک اور تحقیق			
نمبر 1.2: لائیو سٹاک مصنوعات کی اندازاً پیداوار (000 نمبرز میں)			
انواع	2017-18 ¹	2016-17 ¹	2015-16 ¹
کھالیں	16,974	16,421	15,886
مویشی	8,734	8,416	8,111
بھینس	8,131	7,897	7,669

¹: مذکورہ برسوں کے لئے لائیو سٹاک مصنوعات کے اعداد و شمار کا حساب متعلقہ برسوں کی پروجیکٹڈ آبادی کے پیداواری پیرامیٹرز کے اطلاق سے لگایا جاتا ہے۔

پاکستان اکنامک سروے 2017-18 کے تحت آبادی میں اضافہ اور آمدنی میں اضافہ اور برآمدات کے مواقع ملک میں لائیو سٹاک اور لائیو سٹاک کی مصنوعات کی طلب کو بڑھاتے ہیں۔ لائیو سٹاک میں ترقی کی مجموعی حکمت عملی ”پالیسی کے اطلاق کے ذریعے سازگار ماحول کی عوامی شعبہ کے ساتھ نجی شعبہ کی سربراہی میں ترقی کے ذریعے فراہمی“ کے گرد گھومتی ہے۔ کمپنی ہیلتھ کورج، مینجمنٹ افعال، جانوروں کی افزائش نسل، مصنوعی تخم ریزی، جانوروں کے لئے متوازن خوراک اور لائیو سٹاک بیماریوں کو کنٹرول جیسے ریگولیٹری اقدامات کے ذریعے جانوروں کی فی یونٹ پیداوار بڑھانے کے لئے پرعزم ہے۔ اس کا مقصد لائیو سٹاک شعبہ کا فروغ ہے اور ڈومیسٹک ضرورت، معاشی نمو، خوراک کے تحفظ اور دیہی معیشت کی بہتری کے لئے سازگار مواقع موجود ہیں۔

کمپنی کا جائزہ

پاکستان کے ڈیری شعبہ میں بڑے پلیئر کی حیثیت سے آپ کی کمپنی نے حوصلہ افزا اقدامات کئے ہیں اور کلیدی اہداف کے حصول کے ٹریک ریکارڈ کو جاری رکھا ہوا ہے۔ اپنی سابقہ کارکردگی پر انحصار کرتے ہوئے جون 2018ء کو اختتام پذیر مالی سال ایسی مدت رہی ہے جس میں کمپنی کا ٹرن اوور اور نفع اعلیٰ سطح پر رہا ہے۔ الطوبہ رلیمنڈ نے مسلسل تیسرے سال نہ صرف 6 ملین لٹر سے زائد کی فروخت کو منظم کیا ہے بلکہ اعلیٰ مالی کارکردگی بھی ریکارڈ کی ہے۔ اس سے کمپنی پر صارفین کے اعتماد کی عکاسی ہوتی ہے۔



کمپنی جدت اور انقلابی اقدامات کے ذریعے اپنی پروڈکٹ میں کو بڑھانے کے لئے پرعزم ہے جو تازہ، خالص اور صحت بخش ڈیری مصنوعات کی فراہمی کے لئے کمپنی کے مشن کا اہم حصہ رہا ہے۔ متعارف کی گئی بڑی نئی مصنوعات میں مندرجہ ذیل شامل ہیں:

- ✓ پریمیا کلیٹ ملک 180 ملیٹر
- ✓ پریمیا ملک پاسچرائزڈ 250 ملیٹر
- ✓ دہی چکنائی سے پاک 400 گرام
- ✓ پریمیا ملک پاسچرائزڈ 450 ملیٹر
- ✓ پریمیا ملک چکنائی سے پاک 250 ملیٹر
- ✓ پریمیا دہی، پاؤچ 500 گرام

حفظان صحت اور ماحول

کمپنی تمام حفاظتی، صحت اور ماحولیاتی اصول و ضوابط پر سختی سے عمل کر کے تمام ملازمین کو محفوظ اور صحت افزا ماحول فراہم کرنے کے لئے پرعزم ہے۔ ترجیحات کو یقینی بناتے ہوئے، ٹھیکے داران، سپلائرز اور تمام افراد، جو کمپنی کے کاروباری امور کی وجہ سے متاثر ہو سکتے ہیں، کے تحفظ پر بھرپور توجہ دی جاتی ہے۔ کمپنی کے ملازمین حادثات، ضرر اور بیماریوں سے بچنے کے لئے مؤثر کام کرتے ہیں اور تمام حفاظتی خطرات کے انتظام اور شناخت اور خاتمہ کے لئے مسلسل کوششیں کرتے ہیں۔

حفاظتی پالیسی

ہم نے تحفظ کو یقینی بنانے کے لئے مندرجہ ذیل اقدامات کئے ہیں:

- ✓ ادارے میں حفظان صحت کی پالیسی کے اطلاق اور تیاری کو عمل میں لایا گیا ہے۔
- ✓ حادثات، ضرر اور بیماریوں پھیلنے کے خطرات کو کم کرنے کے لئے خطرات کی نشاندہی اور کنٹرول کے طریقہ ہائے کار مرتب کئے گئے ہیں۔
- ✓ کمپنی ملازمین کے لئے متعدد عمومی اور خصوصی ٹریننگ پروگرام منعقد کرتی ہے۔ فائر فائٹنگ، بنیادی تحفظ اور فرسٹ ایڈ جیسے عمومی حفاظتی ٹریننگ پروگراموں کا مقصد تمام ملازمین کو ہنگامی حالات سے نمونہ آزماتے اور حادثات سے بچاؤ کے قابل بنانا ہے۔ ملازمت سے متعلقہ ٹریننگ میں مشین سیفٹی اور پراسیس سیفٹی پروگرام شامل ہیں۔ معیارات کی تعمیل کرتے ہوئے صرف مجاز اراکین ہی مخصوص کام سرانجام دینے کے اہل ہیں۔
- ✓ کمپنی کے ملازمین کو سیفٹی ماسک اور دستانوں وغیرہ کے ساتھ ذاتی حفاظتی سامان فراہم کیا گیا ہے۔
- ✓ کمپنی ISO 9001 سرٹیفائیڈ ہے۔

حفاظتی ریکارڈ

کمپنی نے رواں برس کام کے دوران صفر ضرر ریکارڈ کی ریننگ حاصل کی ہے۔ فوری اقدامات اٹھانے کی وجہ سے یہ سب کچھ ممکن ہوا۔ ان اقدامات میں خطرات کا مسلسل تعین، ملازمت کے دوران تحفظ کا جائزہ، آگاہی سیشن، کام کی جگہ پر خطرات کی نشاندہی، تربیت یافتہ اراکین کی جانب سے سیفٹی پیٹرونگ اور اعلیٰ انتظامیہ کی جانب سے سیفٹی واک شامل ہے۔ نتیجتاً گزشتہ سال میں کسی قسم کا نقصان وہ واقعہ پیش نہیں آیا۔

انسانی وسائل

الطہور لمیٹڈ انسانی وسائل کی اہمیت کو سمجھتی ہے۔ کمپنی بہترین قابلیت کو حاصل کرنے پر توجہ دیتی ہے اور لوگوں کی بہتر تربیت کے ذریعے کمپنی کو کامیابی کی جانب گامزن کرتی ہے۔ صارفین کے اطمینان کی غرض سے کمپنی درست مقام اور وقت پر درست لوگوں کی تعیناتی پر یقین رکھتی ہے۔ کمپنی کا HR فنکشن کاروباری نمویں اضافہ کے لئے انسانی صلاحیت کو نکھارنے کے لئے پرعزم ہے۔

تعمیر اور شمولیت

ملازمت کے مساوی مواقعوں کی فراہمی کے لئے کمپنی کام کی جگہ پر خواتین کی شمولیت کو یقینی بنانے کی غرض سے حتمی اقدامات کرنے کے لئے پرعزم ہے۔

ملازمین کا عزم

ملازمین کی جسمانی اور ذہنی مہارت کو چیلنج کرنے کے لئے ماڈل ٹاؤن گرین کرکٹ کلب میں مارچ 2018ء کو کرکٹ ٹورنامنٹ کا انعقاد کیا گیا۔ پچاس سے زائد ملازمین نے ان مقابلوں میں شرکت کی۔ یہ مقابلہ ٹیم ورک اور ٹیم بلڈنگ کے لئے بھی گارنٹیٹا بت ہوا۔

کاروباری معاملات اور متعلقہ اظہارات

بورڈ کی ترکیب

30 جون 2018ء کو کمپنی کے بورڈ آف ڈائریکٹرز کی ترکیب حسب ذیل ہے:

(1) ڈائریکٹرز کی کل تعداد 7 ہے جس میں:

(a) مرد 7

(b) خواتین صفر

(2) متعلقہ درجہ بندی میں ڈائریکٹرز کی تعداد حسب ذیل ہے:

(a) آزاد ڈائریکٹرز 2

(b) نان ایگزیکٹو ڈائریکٹرز 4

(c) ایگزیکٹو ڈائریکٹرز 1

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط 2017ء ”ضابطہ“ کے تحت بورڈ میں حالیہ مدت یعنی 2019ء کے اختتام تک ایک خاتون ڈائریکٹر، ایک تہائی آزاد ڈائریکٹرز ہونے چاہئیں۔

بورڈ آف ڈائریکٹرز کے اجلاس

یکم جولائی 2017 سے 30 جون 2018ء تک کی 12 ماہ کی مدت کے دوران بورڈ آف ڈائریکٹرز کے (04) چار اجلاس منعقد ہوئے۔ (سال میں کسی بھی وقت) ڈائریکٹرز کے نام اور بورڈ کے اجلاس میں ان کی حاضری حسب ذیل ہے۔

نمبر شمار	ڈائریکٹرز کے نام	اجلاس میں حاضری
1	محترم راسخ الہی	4
2	محترم شبیہ زاہد علی	4
3	محترم حمزہ چوہدری	1
4	محترم اورنگزیب فیروز	-
5	محترم محمد افضل	1
6	محترم عامر ظفر خان	-
7	محترم اعجاز ثار	-
8	محترم محمد اعجاز اعوان	-

تاہم جو ڈائریکٹرز بورڈ کے اجلاس میں شرکت نہ کر پائے انہیں غیر حاضری پر رخصت عنایت کی گئی۔

ڈائریکٹرز میں تبدیلیاں

سال کے دوران بورڈ میں ایک نشست خالی ہوئی۔ 25 نومبر 2017ء سے مؤثر محترم حمزہ چوہدری نے استعفیٰ دیا اور محترم اورنگزیب فیروز کو 25 نومبر 2017ء کو مقرر کیا گیا۔

متعین کردہ تاریخ سے پہلے سید کاشف الحسن کو محمد افضل کی جگہ پر ڈائریکٹر مقرر کیا گیا

بورڈ رخصت ہونے والے ڈائریکٹرز کی گراں قدر شراکت کا اعتراف کرتا ہے اور بورڈ میں نئے ڈائریکٹر کو خوش آمدید کہا جاتا ہے۔

بورڈ کی کمیٹیاں

بورڈ نے مندرجہ ذیل کمیٹیاں تشکیل دیں اور ان کے اراکین کی تفصیلات حسب ذیل ہیں:

1) بورڈ آڈٹ کمیٹی

کوڈ آف کارپوریٹ گورننس کی تعمیل میں بورڈ آف ڈائریکٹرز نے ایک آڈٹ کمیٹی تشکیل دی ہے۔ تاہم 30 جون 2018ء کو اختتام پذیر مدت تک کوئی اجلاس منعقد نہ ہوا۔ کیونکہ کمپنی نے 30 جولائی 2018ء کو فارمل لسٹنگ کی حیثیت اختیار کی۔ اراکین کے نام حسب ذیل ہیں۔

نمبر شمار	ڈائریکٹرز کے نام	عہدہ
1	محترم اورنگزیب فیروز	چیئرمین
2	محترم شبیہ زاہد علی	ڈائریکٹر
3	محترم عامر ظفر خان	ڈائریکٹر

(2) ہیومن ریسورس اینڈ ریمونریشن کمیٹی

کوڈ آف کارپوریٹ گورننس کی تعمیل میں بورڈ آف ڈائریکٹرز نے ہیومن ریسورس اینڈ ریمونریشن کمیٹی تشکیل دی ہے۔ تاہم 30 جون 2018ء کو اختتام پذیر مدت تک کوئی اجلاس منعقد نہ ہوا۔ کیونکہ کمیٹی نے 30 جولائی 2018ء کو فارمل لسٹنگ کی حیثیت اختیار کی۔ اراکین کے نام حسب ذیل ہیں۔

نمبر شمار	ڈائریکٹرز کے نام	عہدہ
1	محترم اعجاز شاز	چیئرمین
2	محترم شبیہ زاہد علی	ڈائریکٹر
3	محترم راسخ الہی	ڈائریکٹر

نان ایگزیکٹو ڈائریکٹرز کے لئے معاوضہ کی پالیسی کی نمایاں خصوصیات

بورڈ نان ایگزیکٹو ڈائریکٹرز کی گراں قدر خدمات کو تسلیم کرتا ہے اور حال ہی میں بورڈ اجلاس میں شرکت اور حاضری کے لئے میٹنگ فیس کی پیش کش کی گئی ہے۔ تاہم یہ ان کی خدمات کے معاوضہ کی عکاسی نہیں کرتا اور یہ صرف ان کی حوصلہ افزائی کا ٹوکن ہے۔ نان ایگزیکٹو ڈائریکٹرز مذکورہ بالا اجلاس میں حاضری اور شرکت کے لئے اس مشاہیرہ کی وصولی کے حق سے دستبردار ہو سکتے ہیں۔

بنیادی خطرات اور خطرات

گذشتہ برسوں میں کمپنی کی بہترین مالی کارکردگی کے باوجود پاکستانی روپے کی کئی کرنسیوں کے مقابلہ میں بے قدری، عمومی افراط زر اور بین الاقوامی اشیا کی قیمت میں اضافہ کمپنی کی آئندہ مالی اسٹیٹمنٹس پر اثر انداز ہونے والے اہم ترین عوامل ہوں گے۔ کمپنی نئے مقابلہ کو خوش آمدید کہتی ہے تاہم پائیدار ترقی کے لئے مستقل حکومتی پالیسیاں اور انڈسٹری کے موجودہ حصہ داروں کے لئے مساوی مواقع فراہم کرنا بہت ضروری ہے۔

انٹرنل کنٹرول

کمپنی نے باضابطہ انداز میں کاروباری امور چلانے، اپنے اثاثہ جات کے تحفظ اور اپنے ریکارڈز کی موزونیت قائم کرنے کے لئے انٹرنل کنٹرول کا موثر نظام تشکیل دیا ہے۔ انتظامی نگرانی اور جائزے انٹرنل کنٹرول سسٹم کے بنیادی عوامل ہیں۔ بورڈ براہ راست یا اپنی

کمپنیوں کے ذریعے انٹر نل کنٹرول سرگرمیوں کی اہلیت کو یقینی بنانا ہے۔ بورڈ عبوری کھاتوں، رپورٹس، نفع کے جائزے اور دیگر مالی اور عددی معلومات کے ذریعے لگانا رو قفوں سے کمپنی کے مالی افعال اور حالت پر نظر ثانی کرتا ہے۔

خطرات پر قابو پانا

الٹھو رلیمنڈ فارمل رسک مینجمنٹ فریم ورک کی حامل ہے تاکہ وسیع سیاسی اور معاشی ماحول کے تناظر میں درپیش خطرات کا تعین کیا جاسکے۔ رسک مینجمنٹ سسٹم کاروباری سرگرمیوں سے متعلقہ سٹریٹجک، ریگولیٹری، مالی، آپریشنل، ساکھ اور پائیداری میں خطرات کی نشاندہی کرتا ہے۔ مینجمنٹ کمیٹی شعبہ جاتی مقاصد، اہداف اور کارکردگی کے تحت خطرات پر نظر ثانی کرتی ہے۔ مخصوص خطرات کے اثرات کو کم کرنے کی غرض سے مناسب حکمت عملی تیار کی گئی ہے اور اسے نافذ کیا گیا ہے۔

مالی اسٹیمٹس

مالی اسٹیمٹس کی تیاری میں پاکستان میں لا کوانٹریٹل فائننشیئل رپورٹنگ اسٹینڈرڈز (IFRS) اور کمپنیز ایکٹ 2017ء کے تحت جاری کردہ ہدایات اور قواعد کی پیروی کی گئی ہے۔ جب کمپنیز ایکٹ 2017ء کے تحت جاری کردہ قواعد اور ہدایات IFRS سے مختلف ہوں تو کمپنیز ایکٹ 2017ء کے تحت جاری کردہ قواعد یا ہدایات پر عمل کیا جائے گا۔

کمپنی کے آڈیٹر میسرز ریاض احمد اینڈ کو، چارٹرڈ اکاؤنٹنٹس نے کمپنی کی مالی اسٹیمٹس کی پڑتال کی ہے اور غیر مصدقہ رپورٹ اراکین کی جاری کی ہے۔

شیئر ہولڈنگ کی وضع

30 جون 2018ء کو کمپنی کی شیئر ہولڈنگ کی وضع سالانہ رپورٹ کے ساتھ منسلک ہے۔

آڈیٹرز کی تقرری

موجودہ آڈیٹر، میسرز ریاض احمد اینڈ کو، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو چکے ہیں اور اہل ہونے پر، اپنی دوبارہ تقرری کی پیش کش کرتے ہیں۔ ڈائریکٹرز 30 جون 2019ء کو اختتام پذیر سال کے لئے میسرز ریاض احمد اینڈ کو کی دوبارہ تقرری کے لئے آڈٹ کمیٹی کی سفارشات کی توثیق کرتے ہیں۔

متعلقہ پارٹی لین دین

متعلقہ فریقین کے ساتھ تمام ٹرانزیکشنز کو علیحدہ سے عمل میں لایا گیا ہے اور مالی اسٹیٹمنٹس کے متعلقہ نوٹس میں اس کو ظاہر کیا گیا ہے۔

بنیادی آپریٹنگ اور مالی اعداد و شمار

گزشتہ چھ ماہ کے بنیادی آپریٹنگ اور مالی اعداد و شمار لف ہذا ہیں۔

چیئر مین کا جائزہ

کمپنی کے ڈائریکٹر چیئر مین کے جائزہ کے مندرجات کی توثیق کرتے ہیں۔ جس میں بورڈ کی کارکردگی اور موزونیت پر کمپنی کی مجموعی کارکردگی، مستقبل کا جائزہ اور رپورٹ شامل ہے۔

مستقبل کا لائحہ عمل

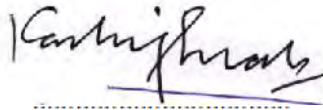
صارفین کے وسیع انتخاب اور پائیدار ترقی اور قدر کے لئے موجودہ مصنوعات میں مزید استحکام کی غرض سے نئی اور موجودہ مصنوعات کے لئے آپ کی کمپنی میں منصوبہ بندی کی جا رہی ہے۔

نئی منتخب حکومت کے قیام کے بعد، ہم قیاس کرتے ہیں کہ معاشی چیلنجز سے نپٹنے کے لئے پالیسیاں تیار کی جائیں گی۔ سرمایہ داری میں اضافہ کے لئے اقدامات بھی کئے جائیں گے۔

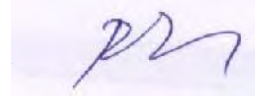
اعتراف

ہم اپنی مصنوعات میں مسلسل دلچسپی پر اپنے صارفین کا شکریہ ادا کرتے ہیں اور اظہو ٹیم بشمول عملہ، وینڈرز، ڈیلرز اور تمام بزنس پارٹنرز کی انتھک محنت کو قدر کی نگاہ سے دیکھتے ہیں۔

ہم اللہ تعالیٰ کے آگے جھکتے ہیں اور اس کی نعمتوں اور رہنمائی کے لئے دعا کو ہیں۔



سید کاشف الحسن
ڈائریکٹر



راخ الہی
چیف ایگزیکٹو

لاہور

مؤرخہ: October 01, 2018

Key Operating and Financial Data

A. Summary of Profit and Loss Account

	2018	2017	2016	2015	2014	2013
Sales	1,204,453,369	963,902,663	728,785,909	618,868,691	459,084,307	359,148,387
Gross profit	550,424,642	390,525,641	346,981,071	291,765,527	178,124,868	106,467,353
Profit / (loss) from operation	169,760,824	94,241,060	31,199,080	58,211,379	7,105,552	(12,205,633)
Profit / (loss) before taxation	160,552,135	88,762,330	25,639,463	55,729,891	5,583,826	(13,654,706)
Profit / (loss) after taxation	177,680,359	111,426,261	27,713,312	83,475,577	1,344,915	(15,506,427)

B. Summary of Statement of Financial Position

Share capital	1,100,000,000	1,100,000,000	1,100,000,000	887,500,010	439,955,850	439,955,850
Unappropriated profit / (Accumulated loss) for the period	331,663,877	152,655,512	38,879,790	8,996,334	(72,741,105)	(74,959,699)
Long term liabilities	229,594,833	37,100,400	18,003,302	17,139,941	12,229,686	9,500,544
Current liabilities	416,240,553	187,544,675	138,965,494	115,491,601	84,497,650	59,587,088
Non Current Assets	1,642,606,223	1,101,423,768	1,092,646,431	961,000,982	734,367,798	686,365,357
Current Assets	854,092,706	375,876,819	252,202,155	216,190,581	72,799,023	65,677,407

C. Investor Information

	2018	2017	2016	2015	2014	2013
Gross profit ratio	45.70%	40.52%	47.61%	47.14%	38.80%	29.64%
Net profit ratio	14.75%	11.56%	3.80%	13.49%	0.29%	-4.32%
Earnings / (loss) per share	1.62	1.01	0.28	1.58	0.03	(0.35)
Current ratio	2.05	2.00	1.81	1.87	0.86	1.10
Debt to equity	0.16	0.03	0.02	0.02	0.03	0.03

D. Summary of Statement of Cash Flow

Cash and cash equivalents at the beginning of the year	65,391,323	29,346,429	27,623,857	14,075,136	10,918,739	19,215,642
Net cash flows operating activities	85,109,728	13,797,592	18,128,563	(30,155,578)	(24,592,799)	(566,652)
Net cash flows from investing activities	(397,941,259)	60,341,501	(130,952,580)	(215,395,607)	(19,689,661)	(27,102,267)
Net cash flows from financing activities	712,355,659	(38,094,199)	114,546,589	259,099,906	47,438,857	19,372,016
Net increase / (decrease) in cash and cash equivalents	399,524,128	36,044,894	1,722,572	13,548,721	3,156,397	(8,296,903)
Cash and cash equivalents at the end of the year	464,915,451	65,391,323	29,346,429	27,623,857	14,075,136	10,918,739

INDEPENDENT AUDITOR'S REPORT

To the members of At-Tahur Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of At-Tahur Limited ('the Company'), which comprise the statement of financial position as at 30 June 2018, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2018 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan ('the Code') and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Sr. No.	Key audit matters	How the matters were addressed in our audit
1.	<p>Fair value recognition of biological assets</p> <p>As at 30 June 2018, the carrying value of the Company's biological assets comprising of heifers / calves, bulls and milking cows (collectively referred to as 'dairy livestock'), amounted to Rupees 683.650 million, which approximates the fair value less costs to sell representing 27.38% of its total assets.</p> <p>During the year ended 30 June 2018, the Company has recognized fair value gain of Rupees 205.260 million arising from the changes in fair value less costs to sell due to biological transformation of dairy livestock, changes in prices of the dairy livestock of similar attributes and changes in foreign currency exchange rates at the reporting date.</p> <p>Dairy livestock are measured on initial recognition and at the end of each reporting date at their fair value less costs to sell. The determination of the fair value requires significant management's judgement regarding inter alia, the species, age, culling rates and growing condition of the dairy livestock. The management employs independent valuers to support its determination of the fair value of the dairy livestock at the end of each reporting date.</p> <p>For further information on biological assets, refer to the following:</p> <ul style="list-style-type: none"> - Summary of significant 	<p>Our audit procedures in relation to the determination of fair value of biological assets, amongst others, included the following:</p> <ul style="list-style-type: none"> • We obtained understanding and assessed the Company's internal controls over the determination of fair value of dairy livestock at each reporting date; • We assessed the appropriateness of the Company's accounting policies for recognition of changes in fair value of biological assets at each reporting date based on the results of valuation of dairy livestock by independent valuers and compliance of those policies with accounting and reporting standards; • We assessed the reasonableness of valuation of dairy livestock by reviewing the representations given by the management to the independent valuers, challenging and performing audit procedures on key assumptions, estimates and accuracy of the data provided by the management and comparing the key assumptions and estimates to the historical data which were used as basis by the independent valuers;

Sr. No.	Key audit matters	How the matters were addressed in our audit
	<p>accounting policies, Dairy livestock note 2.5 to the financial statements.</p> <ul style="list-style-type: none"> - Biological assets note 14 to the financial statements. 	<ul style="list-style-type: none"> • We considered the objectivity, independence and expertise of the independent valuers; • We reviewed the adequacy and appropriateness of the disclosures relating to the fair value measurement of biological assets in the financial statements in accordance with accounting and reporting standards.
2.	<p>Deferred income tax asset</p> <p>Under International Accounting Standard 12 "Income Taxes", the Company is required to review recoverability of the deferred income tax asset recognized in the statement of financial position at each reporting period.</p> <p>Recognition of deferred income tax asset is dependent on management's estimate of availability of sufficient future taxable profits against which carried forward losses and tax credits can be utilized. The future taxable profits are based on approved management's projections. This estimation is inherently uncertain and requires judgement in relation to the future cash flows and also involves assessment of timing of reversals of unused tax losses and tax credits.</p> <p>As at 30 June 2018, the Company have recognized deferred income tax assets amounting to Rupees 152.241 million on unused tax losses, carried forwarded minimum tax and provision for workers' profit participation fund.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • We obtained understanding of the income taxes process, and evaluated the design and tested management's controls over the calculation of the deferred income tax asset and the review of the future recoverability; • We tested management's computation of unused tax losses, carried forwarded minimum tax and provision for workers' profit participation fund for which deferred income tax assets were recognized; • We analyzed the requirements of Income Tax Ordinance, 2001, in relation to above and considering the ageing analysis, expiry periods of relevant deferred income tax assets and tax rates enacted in consultation with our in-house tax specialist;

Sr. No.	Key audit matters	How the matters were addressed in our audit
	<p>We considered this as key audit matter due to significant value of deferred income tax asset and significant management judgement regarding assumptions used in this area.</p> <p>For further information on deferred income tax asset, refer to the following:</p> <ul style="list-style-type: none"> - Summary of significant accounting policies, Taxation (Note 2.2 to the financial statements). - Deferred income tax asset (Note 15 to the financial statements). 	<ul style="list-style-type: none"> • We assessed the reasonableness of cash flow projection, taxable profits projections, challenging and performing audit procedures on assumptions such as herd growth rate, milk production patterns, changes in milk yield, future revenue and costs, by comparing the assumptions to historical results, approved budget and comparing the current year's results with prior year forecast and other relevant information for assessing the quality of Company's forecasting process in determining the future taxable profits; • We tested mathematical accuracy of future projections and the use of appropriate tax rate applicable on temporary timing differences; and • We assessed the appropriateness of management's accounting for deferred income taxes and the accuracy of related disclosures in accordance with the accounting and reporting standards.
3.	<p>Revenue recognition</p> <p>The Company generates revenue from sale of goods to domestic customers.</p> <p>We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not be recognized in the appropriate period.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • We obtained an understanding of and assessed the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting period;

Sr. No.	Key audit matters	How the matters were addressed in our audit
	<p>For further information on revenue recognition, refer to the following:</p> <ul style="list-style-type: none"> - Summary of significant accounting policies, Revenue recognition note 2.14 to the financial statements. - Revenue note 20 to the financial statements. 	<ul style="list-style-type: none"> • We assessed the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards; • We performed audit measures that included comparing sales transactions recognized at the turn of the financial period to documentation supporting revenue recognition, analysis of nominal ledger entries to identify uncommon entries and comparing outstanding sales receivables at the turn of the financial period with payment transactions; and • We inspected credit notes issued to record sales returns subsequent to year end, if any.
4.	<p>Preparation of financial statements under the Companies Act, 2017</p> <p>The Companies Act 2017 (the Act) became applicable for the first time for the preparation of the Company's annual financial statements for the year ended 30 June 2018.</p> <p>The Act forms an integral part of the statutory financial reporting framework as applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • We assessed the procedures applied by the management for identification of the changes required in the financial statements due the application of the Act. • We considered the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures based on the new requirements.

Sr. No.	Key audit matters	How the matters were addressed in our audit
	<p>In case of the Company, specific additional disclosures and changes to the existing disclosures have been included in the financial statements.</p> <p>The above changes and enhancements in the financial statements are considered important and a key audit matter because of the volume and significance of the changes in the financial statements resulting from the transition to the new reporting requirements under the Act.</p> <p>For further information, refer to note 2.1(b) to the financial statements.</p>	<ul style="list-style-type: none"> We verified on test basis the supporting evidences for the additional disclosures and ensured appropriateness of the disclosures made.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Company and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances; but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related

disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

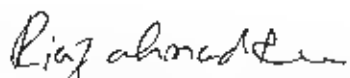
- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

Riaz Ahmad & Company

Chartered Accountants

- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Atif Anjum.



RIAZ AHMAD & COMPANY
Chartered Accountants



Lahore

Date: 01 OCT 2013

AT-TAHUR LIMITED

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

[Signature]
DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER


AT-TAHUR LIMITED
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 Rupees	2017 Rupees
SALES	20	1,204,453,369	963,902,663
GAIN ARISING ON INITIAL RECOGNITION OF MILK AT FAIR VALUE LESS COSTS TO SELL AT THE TIME OF MILKING	21.1	499,684,677	502,597,234
GAINS ARISING FROM CHANGES IN FAIR VALUE LESS COSTS TO SELL OF DAIRY LIVESTOCK	14.1	205,260,877	96,117,112
		<u>1,909,398,923</u>	<u>1,562,617,009</u>
OPERATING COSTS	21	<u>(1,358,974,281)</u>	<u>(1,172,091,368)</u>
		550,424,642	390,525,641
ADMINISTRATIVE AND GENERAL EXPENSES	22	<u>(104,144,814)</u>	<u>(92,964,323)</u>
SELLING AND MARKETING EXPENSES	23	<u>(180,447,890)</u>	<u>(136,150,582)</u>
OTHER EXPENSES	24	<u>(128,718,481)</u>	<u>(69,962,960)</u>
		<u>(413,311,185)</u>	<u>(299,077,865)</u>
		137,113,457	91,447,776
OTHER INCOME	25	<u>32,647,367</u>	<u>2,793,284</u>
		169,760,824	94,241,060
PROFIT FROM OPERATIONS			
FINANCE COST	26	<u>(9,208,689)</u>	<u>(5,478,730)</u>
PROFIT BEFORE TAXATION		160,552,135	88,762,330
TAXATION	27	<u>17,128,224</u>	<u>22,663,931</u>
PROFIT AFTER TAXATION		<u>177,680,359</u>	<u>111,426,261</u>
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	28	<u>1.62</u>	<u>1.01</u>

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


 CHIEF EXECUTIVE


 DIRECTOR



 CHIEF FINANCIAL OFFICER

AT-TAHUR LIMITED
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	2018 Rupees	2017 Rupees
PROFIT AFTER TAXATION	177,680,359	111,426,261
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified subsequently to profit or loss	-	-
Items that will not be subsequently reclassified to profit or loss:		
Remeasurement of plan obligation	1,897,152	3,405,016
Income tax on remeasurement of plan obligation	(569,146)	(1,055,555)
Other comprehensive income for the year - net of tax	1,328,006	2,349,461
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	179,008,365	113,775,722

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

AT-TAHUR LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	SHARE CAPITAL	REVENUE RESERVE UNAPPROPRIATED PROFIT	TOTAL
	-----RUPEES-----		
Balance as at 30 June 2016	1,100,000,000	38,879,790	1,138,879,790
Profit for the year	-	111,426,261	111,426,261
Other comprehensive income for the year	-	2,349,461	2,349,461
Total comprehensive income for the year	-	113,775,722	113,775,722
Balance as at 30 June 2017	1,100,000,000	152,655,512	1,252,655,512
Profit for the year	-	177,680,359	177,680,359
Other comprehensive income for the year	-	1,328,006	1,328,006
Total comprehensive income for the year	-	179,008,365	179,008,365
Balance as at 30 June 2018	1,100,000,000	331,663,877	1,431,663,877


 CHIEF EXECUTIVE


 DIRECTOR


 CHIEF FINANCIAL OFFICER

AT-TAHUR LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	2018 Rupees	2017 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	160,552,135	88,762,330
Adjustments for non-cash charges and other items:		
Depreciation	38,783,811	32,558,522
Gain on sale of operating fixed assets	(666,478)	(233,146)
Gains arising from changes in fair value less costs to sell of dairy livestock	(205,260,877)	(96,117,112)
Loss on sale of dairy livestock - net	73,266,314	7,565,735
Loss due to death of dairy livestock	49,312,680	57,664,897
Profit on bank deposits	(13,071)	(277,219)
Provision for employees' retirement benefit	8,869,924	6,506,705
Amortization of deferred income	(4,838,382)	(967,676)
Finance cost	9,208,689	5,478,730
Cash generated from operating activities before working capital changes	129,214,745	100,941,766
(Increase) / decrease in current assets:		
Inventories	2,535,155	(21,015,652)
Stores	(497,975)	(2,493,505)
Trade debts	(20,578,999)	(41,929,823)
Short term advances and other receivables	(40,463,818)	462,336
Short term prepayment	(596,872)	109,575
Sales tax recoverable	(4,018,470)	2,074,539
Increase in current liabilities:		
Trade and other payables	53,922,135	6,323,830
	(9,698,944)	(56,378,700)
Cash generated from operations	119,515,801	44,563,066
Finance cost paid	(5,265,565)	(5,453,514)
Income tax paid	(33,209,608)	(15,840,374)
Net decrease / (increase) in security deposits	4,069,100	(9,471,588)
Net cash generated from operating activities	85,109,728	13,797,592
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	(275,746,929)	(48,907,557)
Purchase of dairy livestock	(160,211,123)	-
Proceeds from sale of property, plant and equipment	1,215,000	20,090,000
Proceeds from sale of dairy livestock	36,788,722	88,881,839
Return on bank deposits	13,071	277,219
Net cash (used in) / from investing activities	(397,941,259)	60,341,501
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings - net	81,087,994	12,366,628
Liabilities against assets subject to finance lease	(27,139,376)	(1,460,827)
Long term financing obtained	239,207,375	-
Share deposit money received / (repaid)	419,199,666	(49,000,000)
Net cash from / (used in) financing activities	712,355,659	(38,094,199)
Net increase in cash and cash equivalents	399,524,128	36,044,894
Cash and cash equivalents at the beginning of the year	65,391,323	29,346,429
Cash and cash equivalents at the end of the year	464,915,451	65,391,323

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

AT-TAHUR LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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. 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 Board of Directors of the Company in its meeting held on 13 December 2017 decided to initiate the proceedings for enlisting of the Company on the Pakistan Stock Exchange Limited. Hence, the Company issued the prospectus 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 as on 13 June 2018. Details regarding utilization of IPO proceeds for dairy farm and plant expansion have been fully explained in the prospectus. Before the close of the reporting period, 27,500,000 ordinary shares were offered and successfully subscribed through book building process by Institutional Investors and High Net Worth Individuals (HNWI) at a strike price of Rupees 21 per share while the remaining 9,167,000 ordinary shares were offered to general public for subscription at strike price of Rupees 21 per share subsequent to the reporting date. Ordinary shares offered to general public were fully subscribed and shares have been duly allotted to all shareholders. As on 23 July 2018, Pakistan Stock Exchange Limited has approved the Company's application for formal listing and quotation of the shares on Pakistan Stock Exchange.

1.3 Geographical location and addresses of all business units are as follows:

Sr. No.	Dairy Farm, Distribution Centers and Office.	Address
	Dairy farm	Kotli Rai Abubakar, District Kasur
	Distribution Centers:	
	Lahore	The Enterprise Building, 1 KM, Thokar Niaz Baig, Near Eden Value Homes, Multan Road, Lahore
	Rawalpindi	Modern Flour Mills, Naseerabad, Peshawar Road, Rawalpindi
	Office	182, Abu Bakar Block, New Garden Town, Lahore

1.4 Summary of significant transactions and events affecting the Company's financial position and performance

- a) The exchange rate of United States Dollar to Pak Rupees has increased from Pak Rupees 104.8 as at 30 June 2017 to Pak Rupees 121.6 as at 30 June 2018.
- b) For a detailed discussion about the Company's performance, please refer to the Directors' report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated:

2.1 Basis of preparation

- a) These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
- International Financial Reporting Standards (IFRSs) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

b) Preparation of financial statements under the Companies Act, 2017

The Fourth Schedule to the Companies Act, 2017 became applicable to the Company for the first time for the preparation of these financial statements. The Companies Act, 2017 (including its Fourth Schedule) forms an integral part of the statutory financial reporting framework applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements. Additional disclosures include but are not limited to, particulars of immovable assets of the Company (refer note 13.1.1), management assessment of sufficiency of tax provision in the financial statements (refer note 27.1), change in threshold for identification of executives (refer note 31), additional disclosure requirements for related parties (refer note 32) etc.

c) Accounting convention

These financial statements have been prepared under the historical cost convention except for biological assets which are carried at fair value less costs to sell and employees' retirement benefit liability at present value.

d) Critical accounting estimates and judgments

The preparation of 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, including expectation of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Useful lives and residual values of property, plant and equipment

The Company reviews the useful lives and residual values of property, plant and equipment on regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

Provision for taxation

The Company takes into account the current income tax law and the decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

Fair valuation of biological assets

The Company values its biological assets at fair value less costs to sell. Any change in estimate might affect the carrying amount of the biological asset with a corresponding charge to the statement of profit or loss.

Inventories

Net realizable value of inventories is determined with reference to currently prevailing selling prices less estimated expenditure to make sales.

Provision for doubtful debts

The Company reviews its receivable against any provision required for any doubtful balances on an ongoing basis. The provision is made while taking into consideration expected recoveries, if any.

Employees' retirement benefit

The Company uses the valuation performed by an independent actuary as the present value of its retirement benefit obligation. The valuation is based on assumptions as mentioned in note 6.5.

e) Amendments to published approved accounting standards that are effective in current period

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2017:

IAS 7 (Amendments), 'Statement of Cash Flows' (effective for annual periods beginning on or after 01 January 2017). Amendments have been made to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The aforesaid amendments have resulted in certain additional disclosures in the Company's financial statements.

IAS 12 (Amendments), 'Income Taxes' (effective for annual periods beginning on or after 01 January 2017). The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. The amendments have no significant impact on Company's financial statements.

The application of the above amendments does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

f) Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following standards, interpretations and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2018 or later periods:

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 01 July 2018). A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 'Financial Instruments: Recognition and Measurement'. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized. It introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 July 2018). IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are: identify the contract with the customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contracts; and recognize revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The aforesaid standard is not expected to have a material impact on the Company's financial statements.

IFRS 16 'Lease' (effective for annual periods beginning on or after 01 January 2019). IFRS 16 specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16 approach to lessor accounting substantially unchanged from its predecessor, IAS 17 'Leases'. IFRS 16 replaces IAS 17, IFRIC 4 'Determining Whether an Arrangement Contains a Lease', SIC-15 'Operating Leases-Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

Amendments to IFRS 9 (effective for annual periods beginning on or after 01 January 2019) clarify that for the purpose of assessing whether a prepayment feature meets the solely payments of principal and interest ('SPPI') condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI. The amendments are not likely to have significant impact on the Company's financial statements.

IFRS 15 (Amendments), 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 July 2018). Amendments clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts. The aforesaid amendments are not expected to have a material impact on the Company's financial statements.

IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 01 January 2018). IFRIC 22 clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The interpretation is not expected to have a material impact on the Company's financial statements.

IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 01 January 2019). The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'. It specifically considers: whether tax treatments should be considered collectively; assumptions for taxation authorities' examinations; the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and the effect of changes in facts and circumstances. The interpretation is not expected to have a material impact on the Company's financial statements.

On 12 December 2017, IASB issued Annual Improvements to IFRSs: 2015 – 2017 Cycle, incorporating amendments to four IFRSs more specifically in IFRS 3 'Business Combinations', IFRS 11 'Joint Arrangements', IAS 12 'Income Taxes' and IAS 23 'Borrowing Costs'. The amendments are effective for annual periods beginning on or after 01 January 2019. The amendments have no significant impact on the Company's financial statements and have therefore not been analyzed in detail.

On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework. The new Framework reintroduces the terms stewardship and prudence; introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument; removes from the asset and liability definitions references to the expected flow of economic benefits—this lowers the hurdle for identifying the existence of an asset or liability and puts more emphasis on reflecting uncertainty in measurement; discusses historical cost and current value measures, and provides some guidance on how the IASB would go about selecting a measurement basis for a particular asset or liability; states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances will the IASB use other comprehensive income and only for income or expenses that arise from a change in the current value of an asset or liability; and discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements. The Framework is not an IFRS standard and does not override any standard, so nothing will change in the short term. The revised Framework will be used in future standard-setting decisions, but no changes will be made to current IFRS. Preparers might also use the Framework to assist them in developing accounting policies where an issue is not addressed by an IFRS. It is effective for annual periods beginning on or after 1 January 2020 for preparers that develop an accounting policy based on the Framework.

g) Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2018 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Taxation

a) Current

Provision for taxation is based on taxable income for the year determined in accordance with the prevailing law for the taxation of income. The charge for the year is calculated using the prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account available tax credits and rebates, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

b) Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.3 Foreign currencies

These financial statements are presented in Pak Rupees, which is the Company's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the reporting date, while the transactions in foreign currencies during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange gains and losses are recorded in the statement of profit or loss.

2.4 Property, plant and equipment and depreciation

Owned

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of property, plant and equipment consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable costs of bringing the asset to working condition. Freehold land and capital work-in-progress is stated at cost less any identified impairment loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss during the year in which they are incurred.

Leased

Leases where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Assets subject to finance lease are capitalized at the commencement of the lease term at the lower of present value of minimum lease payments under the lease agreements and the fair value of the leased assets, each determined at the inception of the lease.

The related rental obligation net of finance cost is included in liabilities against assets subject to finance lease. The liabilities are classified as current and non-current depending upon the timing of payments. Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the balance outstanding. The finance cost is charged to the statement of profit or loss over the lease term.

Depreciation of assets subject to finance lease is recognized in the same manner as for owned assets. Depreciation of the leased assets is charged to the statement of profit or loss.

Assets leased out under operating leases are included in investment properties. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment.

Depreciation

Depreciation is computed over the useful economic lives of the related assets and charged to statement of profit or loss applying reducing balance method at the rates specified in note 13.1 to these financial statements. Depreciation on additions is charged from the month in which the assets are available for use and on deletions up to the month in which the assets are deleted.

Useful life of assets is reviewed at each financial year end and if expectations differ from previous estimates the change is accounted for as change in accounting estimate in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the assets) is included in the statement of profit or loss in the year the asset is de-recognized.

2.5 Biological assets

Dairy livestock are measured on initial recognition and at end of each reporting period at their fair value less costs to sell. Fair value of dairy livestock is determined by independent valuers on the basis of best available estimates for livestock dairy of similar attributes. Costs to sell are the incremental costs directly attributable to the disposal of an asset mainly comprises of transportation costs.

Gains or losses arising from changes in fair value less costs to sell of dairy livestock are recognized in the statement of profit or loss.

Dairy livestock are categorized as mature or immature. Mature dairy livestock are those that have attained harvestable specifications. Immature dairy livestock have not yet reached that stage.

2.6 Ijarah transactions

Ijarah (lease) payments are recognized as expenses in the statement of profit or loss on a straight-line basis over the Ijarah term unless another systematic basis is representative of the time pattern of the user's benefit even if the payments are not on that basis.

2.7 Stores

These are valued at weighted average cost except for items in transit, which are stated at invoice value plus other charges paid thereon till the reporting date. Adequate provision is also made for slow moving items.

2.8 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined as follows:

- | | | |
|------|--|---|
| i) | Agriculture produce: | At fair value less costs to sell at the time of milking |
| ii) | Forage, packing materials and other inventory items: | At weighted average cost |
| iii) | Finished / manufactured goods: | At average manufacturing cost including a proportion of production overheads. |

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make a sale.

Agricultural produce harvested from the Company's biological assets is raw milk. Upon harvest, agricultural produce is initially recognized as inventory at its fair value less costs to sell at the point of harvest, which is determined based on its market prices quoted in the local area. Any resulting gain or loss arising on initial recognition of such fair values is recognized in the statement of profit or loss in the period of harvest. Upon subsequent sales, such amount of the inventories initially recognized is recognized in profit or loss as operating costs.

2.9 Trade debts and other receivables

Trade debts and other receivables are carried at original invoice amount being the fair value. Provision is made against debts considered doubtful on a review of all outstanding amounts at the year end. Bad debts are written off when considered irrecoverable.

2.10 Borrowings

Borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using effective interest method.

2.11 Borrowing cost

Interest, mark-up and other charges on long-term finances are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such long-term finances. All other interest, mark-up and other charges are recognized in statement of profit or loss.

2.12 Share capital

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognized as a deduction from equity.

2.13 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value which is normally the transaction cost.

2.14 Revenue recognition

Revenue from different sources is recognized as under:

- Revenue from sale of agricultural produce is measured at the fair value of the consideration received or receivable at the time of dispatch of goods to the customer.
- Revenue from sale of finished goods is recognized on dispatch of goods to customers.
- Profit on bank deposits is recognized on a time proportion basis taking into account, the principal outstanding and rates of profits applicable thereon.

2.15 Financial instruments

Financial instruments carried on the statement of financial position include deposits, trade debts, advances and other receivables, cash and bank balances, short-term borrowings, long term musharika, liabilities against assets subject to finance lease, accrued mark-up and trade and other payables etc.

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for "financial instruments at fair value through profit or loss" which are initially measured at fair value.

Financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial asset. The Company loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Company surrenders those rights. Financial liabilities are de-recognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement (except available for sale investments) and de-recognition is charged to the statement of profit or loss currently. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

2.16 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

2.17 Impairment

a) Financial assets

A financial asset is considered to be impaired if objective evidence indicate that one or more events had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available for sale financial assets is calculated with reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics:

b) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

2.18 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

2.19 Cash and cash equivalents

Cash and cash equivalent comprise cash in hand, cash at banks on current accounts, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.20 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

2.21 Employees' retirement benefit

The Company operates an unfunded gratuity scheme for all of its employees who have completed the qualifying period as defined under the scheme. As per gratuity scheme, employees of the Company are entitled to gratuity equivalent to last drawn salary multiplied by the numbers of year of service up to the date of leaving the Company. The liability recognized in the statement of financial position in respect of defined benefit obligation is the present value of the defined benefit obligation at the end of the reporting period less fair value of plan assets, if any. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method. The charge for the year is based on actuarial valuation. The amount arising as a result of remeasurements is recognized in the statement of financial position immediately, with a charge or credit to other comprehensive income in the periods in which they occur. Past-service costs are recognized immediately in the statement of profit or loss.

3 AUTHORIZED SHARE CAPITAL

2018	2017		2018	2017
Number of shares			Rupees	Rupees
150,000,000	150,000,000	Ordinary shares of Rupees 10 each	1,500,000,000	1,500,000,000

4 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2018	2017		2018	2017
Number of shares			Rupees	Rupees
110,000,000	110,000,000	Ordinary shares of Rupees 10 each fully paid in cash	1,100,000,000	1,100,000,000

- 4.1 Hayat Khan (Private) Limited - associated company, chief executive and directors of the Company held Nil (2017: 3,000,000), 66,818,751, (2017: 63,816,756) and 1,005 (2017: 1,000) ordinary shares respectively of the Company as at 30 June 2018. 43,180,244 (2017: 43,180,244) ordinary shares are held by family members of the chief executive of the Company.

5 SHARE DEPOSIT MONEY

The Board of Directors of the Company in its meeting held on 13 December 2017 decided to initiate the proceedings for enlisting of the Company on the Pakistan Stock Exchange Limited. Hence, the Company issued the prospectus 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 as on 13 June 2018. Before the close of the reporting period, 27,500,000 ordinary shares were offered and successfully subscribed through book building process by Institutional Investors and High Net Worth Individuals (HNWI) at a strike price of Rupees 21 per share against which the Company collected share deposit money of Rupees 412.199 million. As per regulation 9(15) of Public Offering Regulations 2017, the bid money of bidders who have undertaken to subscribe the unsubscribed retail portion shall remain blocked till the allotment of shares on pro-rata basis. Therefore, an amount of Rupees 68.601 million remained blocked as at the reporting date. Subsequent to the reporting date, this amount has been refunded to the institutional investors and High Net Worth Individuals (HNWI) after the successful allotment of shares to the shareholders.

6 EMPLOYEES' RETIREMENT BENEFIT

The latest actuarial valuation of the defined benefit obligation as at 30 June 2018 was carried out using the projected unit credit method. Details of the obligation as per actuarial valuation are as follows:

	2018	2017
	Rupees	Rupees
6.1 The amount recognized in the statement of financial position is as follows:		
Present value of defined benefit obligation (Note 6.2)	28,077,763	21,104,991
6.2 Movement in the liability recognized in the statement of financial position is as follows:		
Opening balance	21,104,991	18,003,302
Net charge for the year	8,869,924	6,506,705
Actuarial losses from changes in demographic assumptions	-	326,474
Actuarial losses / (gains) from changes in financial assumptions	18,668	(14,026)
Experience adjustments	(1,915,820)	(3,717,464)
Closing balance	28,077,763	21,104,991
6.3 The amount recognized in the statement of profit or loss is as follows:		
Current service cost	7,234,267	4,886,408
Interest cost on defined benefit	1,635,637	1,620,297
	8,869,924	6,506,705
6.3.1 The charge for the year has been allocated as follows:		
Operating costs	4,309,681	2,928,017
Administrative and general expenses	1,327,983	1,236,274
Selling and marketing expenses	3,232,260	2,342,414
	8,869,924	6,506,705
6.4 Remeasurements recognized in statement of comprehensive income:		
Actuarial losses from changes in demographic assumptions	-	326,474
Actuarial losses / (gains) from changes in financial assumptions	18,668	(14,026)
Experience adjustments	(1,915,820)	(3,717,464)
	(1,897,152)	(3,405,016)

			2018	2017
6.5	Principal actuarial assumptions used are as follows:			
	Expected rate of eligible salary increase in future	% per annum	8.00	6.75
	Discount rate	% per annum	9.00	7.75

6.6 Mortality was assumed to be based on SLIC 2001-2005 ultimate mortality rates, set back one year.

	2018 Rupees	2017 Rupees	2016 Rupees	2015 Rupees	2014 Rupees
6.7	Historical Information				
	Experience adjustment on defined benefit obligation for current and previous year:				
	(1,915,820)	(3,717,464)	(5,178,550)	658,854	(1,323,756)
	Actuarial losses from changes in demographic assumptions				
	-	326,474	-	-	-
	Actuarial losses / (gains) from changes in financial assumptions				
	18,668	(14,026)	-	(619,700)	-
	Present value of defined benefit obligation for current and previous year				
	28,077,763	21,104,991	18,003,302	17,139,941	12,229,686
	Experience adjustment on obligation				
	(9.08%)	(20.65%)	(30.21%)	5.39%	(13.93%)

6.8 Estimated charge to statement of profit or loss for the year ending 30 June 2019 will be Rupees 11,833,765.

6.9 Sensitivity analysis for actuarial assumptions:

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions at reporting date:

	Defined benefit obligation		
	Changes in assumption Bps	Increase in assumption Rupees	Decrease in assumption Rupees
Discount rate	100	26,582,207	29,785,502
Future salary increase	100	23,785,502	26,556,047

6.9.1 The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

6.10 The average duration of the defined benefit obligation is 6 years.

7 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Future minimum lease payments	78,477,606	35,477,329
Less: Un-amortized finance charge	(3,859,775)	(2,335,146)
Present value of future minimum lease payments	72,617,831	33,142,183
Less: Current portion shown under current liabilities	(51,308,136)	(21,985,156)
	<u>21,309,695</u>	<u>11,157,027</u>

7.1 Minimum lease payments have been discounted using implicit interest rate ranges from 9.10% to 9.79% per annum. Rentals are payable in monthly instalments. Registration cost, taxes and insurance coverage are borne by the Company. These are secured against the leased assets, specific hypothecation charge over leased assets, demand promissory notes and security deposits of Rupees 6,478,400.

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

	2018		2017	
	Not later than one year	Later than one year but not later than five years	Not later than one year	Later than one year but not later than five years
	(Rupees)			
Future minimum lease payments	52,996,496	23,481,110	23,492,077	11,985,252
Less: Un-amortized finance charge	(1,688,380)	(2,171,415)	(1,506,821)	(828,225)
Present value of future minimum lease payments	<u>51,308,136</u>	<u>21,309,695</u>	<u>21,985,156</u>	<u>11,157,027</u>

8 LONG TERM FINANCING

From banking company - secured

Long term musharika (Note 8.1)

Less: Current portion shown under current liabilities (Note 11)

2018	2017
Rupees	Rupees
239,207,375	-
(59,000,000)	-
180,207,375	-

LENDER	2018	2017	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE	SECURITY
	Rupees	Rupees					
8.1 Long term musharika							
MCB Islamic Bank Limited (Note 8.2)	59,000,000	-	1 Year offer KIBOR + 2.25 %	Sixteen equal quarterly installments commencing on 20 January 2019 and ending on 20 October	Yearly	Quarterly	1st Joint Pari Passu charge of Rupees 627 Million over current assets of Company including 1st Joint Pari Passu charge of Rupees 627 Million over Company's existing and future fixed assets (including land, building and plant and machinery) of the Company and personal guarantee of chief executive of the Company.
MCB Islamic Bank Limited	2,682,000	-	1 Year offer KIBOR + 2.25 %	Sixteen equal quarterly installments commencing on 4 September 2019 and ending on 4 June 2023	Yearly	Quarterly	
MCB Islamic Bank Limited	14,133,146	-	1 Year offer KIBOR + 2.25 %	Sixteen equal quarterly installments commencing on 4 September 2019 and ending on 4 June 2023	Yearly	Quarterly	
MCB Islamic Bank Limited	131,656,000	-	1 Year offer KIBOR + 2.25 %	Sixteen equal quarterly installments commencing on 7 September 2019 and ending on 7 June 2023	Yearly	Quarterly	
MCB Islamic Bank Limited	17,752,935	-	1 Year offer KIBOR + 2.25 %	Sixteen equal quarterly installments commencing on 9 October 2019 and ending on 9 July 2023	Yearly	Quarterly	
MCB Islamic Bank Limited	2,643,184	-	1 Year offer KIBOR + 2.25 %	Sixteen equal quarterly installments commencing on 9 October 2019 and ending on 9 July 2023	Yearly	Quarterly	
MCB Islamic Bank Limited	11,338,140	-	1 Year offer KIBOR + 2.25 %	Sixteen equal quarterly installments commencing on 9 October 2019 and ending on 9 July 2023	Yearly	Quarterly	
	239,207,375	-					

8.2 Long term musharika obtained from MCB Islamic Bank Limited amounting to Rupees 59,000,000 has been fully repayed subsequent to the reporting date, therefore, presented under current liabilities.

		2018 Rupees	2017 Rupees
9	TRADE AND OTHER PAYABLES		
	Creditors	91,038,253	54,548,783
	Accrued liabilities	15,124,691	23,153,089
	Payable to associated company - interest free and in the normal course of business (Note 9.1)	-	7,540,512
	Payable to contractors	27,208,637	448,677
	Income tax deducted at source	1,558,085	899,229
	Workers' profit participation fund payable (Note 9.2)	24,727,060	16,741,037
	Lease rentals payable	1,057,313	3,320,777
	Salaries payable to directors	483,710	823,710
		<u>161,197,949</u>	<u>107,275,814</u>

9.1 Payable to associated company

Payable to Bahera (Private) Limited	-	7,540,512
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9.2 Workers' profit participation fund payable

Balance as on 01 July	16,741,037	10,856,802
Add: Provision for the year (Note 24)	6,199,487	4,732,328
Interest for the year (Note 26)	1,846,536	1,151,907
Balance as on 30 June	<u>24,727,060</u>	<u>16,741,037</u>

9.2.1 The Company retains workers' profit participation fund for its business operations till the date of allocation to workers. Interest is paid at prescribed rate under the Companies Profit (Workers' Participation) Act, 1968 on funds utilized by the Company till the date of allocation to workers.

	2018 Rupees	2017 Rupees
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10 SHORT TERM BORROWINGS

From banking companies - secured

Running finances (Note 10.1 and 10.2)	<u>127,547,806</u>	<u>46,459,812</u>
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10.1 These finances are obtained from banking companies under mark-up arrangements and are secured against first pari passu charge over Company's present and future current assets and charge on fixed assets of the company including charge on land of Bahera (Private) Limited, an associated company and personal guarantee of chief executive of the Company and corporate guarantee of Bahera (Private) Limited. These form part of total credit facility of Rupees 230,000,000 (2017: Rupees 50,000,000).

10.2 The rate of mark up on short term borrowings ranges from 8.14% to 8.92% (2017: 8.11% to 8.55%) per annum.

	2018 Rupees	2017 Rupees
11 CURRENT PORTION OF NON-CURRENT LIABILITIES		
Current portion of liabilities against assets subject to finance lease (Note 7)	51,308,138	21,985,156
Current portion of long term financing (Note 8)	59,000,000	-
	<u>110,308,138</u>	<u>21,985,156</u>

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

12.1.1 Deputy Commissioner Inland Revenue (DCIR) passed an order under sections 122(f) / 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 now 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 financial statements.

12.1.2 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. During the year, 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 financial statements.

12.1.3 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 27.686 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.

12.1.4 On 10 November, 2017 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 complaint, and expects a favorable outcome of the matter. Hence, no provision for penalty has been recognized in these financial statements.

12.2 Commitments

12.2.1 Letters of credit other than for capital expenditure of the Company are of Rupees 11,233,288 (2017: Rupees 9,697,270).

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

	2018 Rupees	2017 Rupees
Not later than one year	15,222,799	24,759,953
Later than one year and not later than five years	1,380,373	15,885,027
	<u>16,603,172</u>	<u>40,644,980</u>

13 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 13.1)
Capital work-in-progress (Note 13.3)

13.1 Operating fixed assets

Operating fixed assets	OWNED											LEASED ASSETS				TOTAL
	Freehold land	Buildings on freehold land	Plant and machinery	Electric installations	Office equipment	Tools and equipment	Vehicles	Furniture	Computers	Arms and ammunition	Plant and machinery	Vehicles				
RUPEES																
At 30 June 2016																
Cost	132,330,143	282,835,669	223,468,071	13,315,320	3,805,126	13,534,998	42,798,788	950,449	1,579,552	141,750	-	-	-	-	684,756,896	-
Accumulated depreciation	-	(53,595,777)	(78,236,158)	(6,430,767)	(802,765)	(4,877,897)	(30,855,796)	(293,839)	(1,167,828)	(95,470)	-	-	-	-	(175,821,077)	-
Net book value	132,330,143	159,239,892	145,231,913	6,884,553	3,302,361	8,657,101	11,942,992	656,610	411,724	57,280	-	-	-	-	508,935,819	-
Year ended 30 June 2017																
Opening net book value	132,330,143	198,238,922	145,231,913	6,884,553	3,302,361	8,654,116	11,942,992	681,640	411,924	57,290	-	-	-	-	508,935,819	-
Additions	-	21,325,788	24,416,046	133,450	788,828	161,575	12,337,811	755,200	928,150	45,770	21,132,000	13,471,010	-	-	95,497,340	-
Disposals:																
Cost	-	(27,954,771)	(14,270,828)	-	-	-	(1,508,355)	-	-	-	-	-	-	-	(29,473,126)	-
Accumulated depreciation	-	(13,693,942)	(14,540,682)	(634,881)	(373,228)	(893,538)	(3,713,866)	(78,637)	(326,786)	(7,428)	(357,800)	(521,092)	-	-	(15,422,330)	-
Depreciation charge	-	(10,644,743)	(78,906,021)	(7,125,668)	(881,994)	(5,571,425)	(33,418,191)	(347,446)	(1,494,414)	(91,898)	(357,800)	(521,092)	-	-	(32,558,522)	-
Closing net book value	132,330,143	209,919,968	141,013,324	6,323,102	3,712,941	8,122,149	20,208,853	1,369,203	1,013,298	95,552	20,774,400	12,949,918	-	-	557,923,841	-
At 30 June 2017																
Cost	132,330,143	274,161,488	219,919,345	13,448,770	4,594,935	13,693,574	53,628,044	1,706,649	2,507,702	187,450	21,132,000	13,471,010	-	-	750,781,510	-
Accumulated depreciation	-	(54,241,520)	(78,906,021)	(7,125,668)	(881,994)	(5,571,425)	(33,418,191)	(347,446)	(1,494,414)	(91,898)	(357,800)	(521,092)	-	-	(192,557,269)	-
Net book value	132,330,143	209,919,968	141,013,324	6,323,102	3,712,941	8,122,149	20,208,853	1,369,203	1,013,298	95,552	20,774,400	12,949,918	-	-	557,923,841	-
Year ended 30 June 2018																
Opening net book value	132,330,143	209,919,968	141,013,324	6,323,102	3,712,941	8,122,149	20,208,853	1,369,203	1,013,298	95,552	20,774,400	12,949,918	-	-	557,923,841	-
Additions	-	907,382	38,442,733	63,289	574,567	181,850	3,421,744	23,739	34,060	121,400	61,000,134	5,814,890	-	-	111,362,888	-
Transfer from leased assets:																
Cost	-	-	(21,132,000)	-	-	-	-	-	-	-	(21,132,000)	-	-	-	-	-
Accumulated depreciation	-	-	(2,281,820)	-	-	-	-	-	-	-	2,281,820	-	-	-	-	-
Disposals:																
Cost	-	(10,525,704)	(15,436,123)	(633,520)	(391,049)	(841,334)	(4,125,125)	(138,104)	(312,486)	(18,875)	(2,863,125)	(3,675,262)	-	-	(1,955,370)	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing net book value	132,330,143	209,301,546	187,888,014	5,745,871	3,895,459	7,462,765	18,307,960	1,244,895	734,802	199,977	60,241,325	14,889,546	-	-	679,874,386	-
At 30 June 2018																
Cost	132,330,143	275,058,870	289,494,078	13,509,059	5,169,502	13,875,524	55,194,418	1,730,448	2,541,702	308,850	61,000,134	19,085,900	-	-	860,308,528	-
Accumulated depreciation	-	(74,767,224)	(98,628,064)	(7,752,188)	(1,273,043)	(6,412,753)	(36,236,568)	(485,580)	(1,806,900)	(108,873)	(786,809)	(4,193,354)	-	-	(200,434,232)	-
Net book value	132,330,143	200,301,546	187,888,014	5,745,871	3,895,459	7,462,765	18,307,960	1,244,899	734,802	199,977	60,241,325	14,889,546	-	-	659,874,356	-
Annual rate of depreciation (%)	-	5	10	40	10	40	20	10	30	10	10	20	-	-	-	-

13.1.1 Particulars of immovable properties (i.e. land and buildings) are as follows:

Description	Address	Area of land		Covered area of buildings	
		Acres	Square feet	Acres	Square feet
Dairy farm and milking parlor	Kotli Rai Abubakar, District Kasur	79.73	180,537		
Plant	Kotli Rai Abubakar, District Kasur	4.88	16,445		

13.1.2 Detail of operating fixed asset, disposed of during the year is as follows:

Description	Quantity	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain	Mode of disposal	Particulars of purchaser
Number		RUPEES						
Toyota Corolla GLI LEA-12-4341	1	1,855,370	1,306,848	548,522	1,215,000	666,478	Negotiation	Quality Motors, Lahore

	2018 Rupees	2017 Rupees
13.2 Depreciation charge for the year has been allocated as follows:		
Operating costs (Note 21)	25,597,316	21,488,624
Administrative and general expenses (Note 22)	10,869,467	9,116,386
Selling and marketing expenses (Note 23)	2,327,028	1,953,512
	<u>38,783,811</u>	<u>32,558,522</u>

13.3 Capital work-in-progress

Building on freehold land	144,008,858	-
Plant and machinery	10,217,930	-
Advance to contractor for civil works	37,000,000	-
Advances against plant and machinery	39,752,277	-
	<u>230,979,065</u>	<u>-</u>

13.3.1 Borrowings cost amounting to Rupees 5,047,559 (2017: Rupees Nil) has been capitalized during the year using capitalization rate ranged from 9.58 % to 9.82 % (2017: Nil) per annum.

	2018 Rupees	2017 Rupees
14 BIOLOGICAL ASSETS		
Dairy livestock:		
Mature	541,672,232	361,402,800
Immature	141,978,138	116,143,286
	<u>683,650,370</u>	<u>477,546,086</u>
Non-current	682,411,604	467,476,120
Current	1,238,766	10,069,966
	<u>683,650,370</u>	<u>477,546,086</u>

14.1 Reconciliation of carrying amount of dairy livestock:

Carrying amount at the beginning of the year	477,546,086	535,541,445
Purchases during the year	160,211,123	-
Fair value gain due to new births	12,215,620	95,545,331
Gain arising from changes in fair value less costs to sell attributable to physical and price changes	193,045,257	571,781
	205,260,877	96,117,112
Decrease due to deaths (Note 24)	(49,312,680)	(57,664,897)
Decrease due to sales	(110,055,036)	(96,447,574)
Carrying amount at the end of the year, which approximates the fair value less costs to sell	<u>683,650,370</u>	<u>477,546,086</u>

14.2 As at 30 June 2018, the Company held 1,348 (2017: 1,045) mature assets able to produce milk and 789 (2017: 369) immature assets that are being raised to produce milk in the future. During the year, the Company produced approximately 7,816,366 (2017: 8,106,407) gross litres of milk from these biological assets. As at 30 June 2018, the Company also held 50 (2017: 269) immature male calves.

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

	2018 Rupees	2017 Rupees
15 DEFERRED INCOME TAX ASSET		
The net deferred income tax asset originated due to timing differences relating to:		
Taxable temporary differences:		
Accelerated tax depreciation	(60,130,306)	(67,277,236)
Assets subject to finance lease	(678,521)	-
	(60,808,827)	(67,277,236)
Deductible temporary differences:		
Provision for workers' profit participation fund	6,676,306	-
Turnover tax carried forward	27,685,855	-
Available tax losses	117,879,189	128,594,749
	152,241,350	128,594,749
Net deferred income tax asset recognized in the financial statements	91,432,523	61,317,513

The Company has an aggregate amount of recognized deferred tax asset of 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 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 tax asset. Management believes that it is probable that the Company will be able to achieve the profits and, consequently, the deferred tax asset will be fully realized in future.

	2018 Rupees	2017 Rupees
16 INVENTORIES		
Forage (Note 16.1)	48,145,858	55,507,068
Packing materials	25,876,801	15,854,287
Flavours (Note 16.2)	6,580,333	12,106,157
Raw milk	1,194,880	104,160
Finished / manufactured goods	2,936,442	3,697,797
	84,734,314	87,269,469

- 16.1 These include stock of Rupees Nil (2017: Rupees 1,985,224) stored with Agro Tractors (Private) Limited - associated company.
- 16.2 These include stock with third party amounting to Rupees 1,965,926 (2017: Rupees 7,627,087).
- 16.3 The aggregate amount of write-down of inventories to net realizable value recognized as an expense during the year was Rupees 128,786 (2017: Rupees Nil).

17 **TRADE DEBTS**

Considered good:

As at 30 June 2018, trade debts due from other than related parties of Rupees 74,527,057 (2017: Rupees 53,948,058) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:

	2018 Rupees	2017 Rupees
Upto 1 month	51,214,459	52,025,453
1 to 6 months	14,397,803	1,922,605
More than 6 months	8,914,795	-
	<u>74,527,057</u>	<u>53,948,058</u>

18 **SHORT TERM ADVANCES AND OTHER RECEIVABLES**

Considered good:

Advances to suppliers (Note 18.1 and 18.2)	62,855,406	3,524,270
Advances to employees against salary (Note 18.3)	2,001,931	2,591,662
Advances to staff for expenses	3,636,897	354,583
Advances against letters of credit	1,242,708	7,381,506
Common facilities cost recoverable (Note 18.4 and 18.5)	6,000,000	-
Receivable against sale of vehicle	-	21,421,103
	<u>75,736,942</u>	<u>35,273,124</u>

18.1 The maximum aggregate amount receivable from related party at the end of any month during the year was as follows:

Bahera (Private) Limited	<u>21,095,634</u>	<u>-</u>
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18.2 This represents advance made to Bahera (Private) Limited - associated company in the ordinary course of business. This amount is neither past due nor impaired.

18.3 Break up of advances to employees against salary is as follows:

Executives	-	327,516
Other employees	2,001,931	2,264,146
	<u>2,001,931</u>	<u>2,591,662</u>

18.4 This represents amount due from Bahera (Private) Limited - associated company in the ordinary course of business. The age analysis is as follows:

	2018 Rupees	2017 Rupees
Upto 1 month	1,000,000	-
1 to 6 months	4,000,000	-
More than 6 months	-	-
	<u>5,000,000</u>	<u>-</u>

18.5 The maximum aggregate amount receivable from related party at the end of any month during the year was as follows:

Bahera (Private) Limited	<u>6,000,000</u>	<u>-</u>
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		2018 Rupees	2017 Rupees
19	CASH AND BANK BALANCES		
	Cash in hand	4,099,532	56,966,795
	Cash with banks:		
	Current accounts (Note 19.1)	460,766,855	8,386,389
	Saving accounts (Note 19.2)	49,064	38,139
		<u>464,915,451</u>	<u>65,391,323</u>
19.1	These include an amount of Rupees 419.199 million received as share deposit money raised through book building process as part of total Rupees 733.340 million to be received through Initial Public Offer and to enlist the shares of the Company on Pakistan Stock Exchange, as fully explained in Note 1.2 and 5 to these financial statements. This amount was kept in separate bank account in order to comply with the requirements of Section 69 of the Companies Act, 2017 and was made available to the Company for utilization upon approval of Company's application for formal listing and quotation of shares on Pakistan Stock Exchange on 23 July 2018.		
19.2	Profit on balances in saving accounts ranges from 3.75% to 4.50% (2017: 3% to 3.75%) per annum.		
		2018 Rupees	2017 Rupees
20	SALES		
	Raw milk	6,019,035	51,926,257
	Finished / manufactured goods	1,256,176,699	932,209,722
		<u>1,262,195,734</u>	<u>984,135,979</u>
	Less: Sales tax	21,510,765	19,902,579
	Discount	36,231,600	330,737
		<u>1,204,453,369</u>	<u>963,902,663</u>
21	OPERATING COSTS		
	Raw milk consumed (Note 21.1)	643,855,805	551,991,649
	Forage consumed	298,404,098	257,635,676
	Packing materials consumed	137,496,302	134,146,524
	Stores consumed	1,913,428	-
	Salaries, wages and other benefits (Note 21.2)	73,641,644	64,013,213
	Oil and lubricants	67,051,832	68,500,633
	Utilities	17,154,968	12,028,844
	Insurance	238,982	389,116
	Repair and maintenance	13,105,944	14,499,930
	Artificial insemination supplies consumed	4,072,971	4,250,080
	Dairy livestock medication consumed	16,074,586	7,759,536
	Dairy supplies consumed	30,448,031	22,072,393
	Chemicals consumed	878,331	659,665
	Vehicles' running	3,617,002	2,931,130
	Depreciation (Note 13.2)	25,597,316	21,488,624
	Miscellaneous	24,661,686	11,611,518
		<u>1,358,212,926</u>	<u>1,173,978,531</u>
	Finished / manufactured goods		
	Opening inventory	3,697,797	1,810,634
	Closing inventory	(2,936,442)	(3,697,797)
		<u>761,355</u>	<u>(1,887,163)</u>
		<u>1,358,974,281</u>	<u>1,172,091,368</u>

		2018 Rupees	2017 Rupees
21.1	Raw milk consumed		
	Inventory at the beginning of the year	104,160	88,200
	Milk purchased	145,261,848	49,410,375
	Gain arising on initial recognition of milk at fair value less costs to sell at the time of milking	499,684,677	502,597,234
	Inventory at the end of the year	(1,194,880)	(104,160)
		<u>643,855,805</u>	<u>551,991,649</u>

21.2 Salaries, wages and other benefits include an amount of Rupees 4,309,681 (2017: Rupees 2,928,017) in respect of employees' retirement benefit.

		2018 Rupees	2017 Rupees
22	ADMINISTRATIVE AND GENERAL EXPENSES		
	Salaries and other benefits (Note 22.1)	31,740,681	35,833,533
	Travelling and conveyance	1,681,126	1,058,688
	Communication	2,187,910	2,014,598
	Printing and stationery	2,027,717	2,221,707
	Ujrah payments	25,495,772	25,972,695
	Utilities	4,061,477	3,753,310
	Vehicles' running	6,115,838	5,129,916
	Postage and courier	148,134	120,750
	Fee and subscription	3,196,784	1,157,461
	News papers and periodicals	11,608	39,628
	Insurance	1,133,994	916,027
	Entertainment	1,080,449	629,243
	Office rent	8,700,000	1,600,000
	Legal and professional	2,679,423	1,229,442
	Auditors' remuneration (Note 22.2)	1,725,000	800,000
	Depreciation (Note 13.2)	10,859,467	9,116,386
	Miscellaneous	1,299,434	1,370,939
		<u>104,144,814</u>	<u>92,964,323</u>

22.1 Salaries and other benefits include an amount of Rupees 1,327,983 (2017: Rupees 1,236,274) in respect of employees' retirement benefit.

		2018 Rupees	2017 Rupees
22.2	Auditors' remuneration		
	Audit fee	1,100,000	790,000
	Half yearly review fee	262,500	-
	Interim audit fee	262,500	-
	Reimbursable expenses	100,000	10,000
		<u>1,725,000</u>	<u>800,000</u>

		2018 Rupees	2017 Rupees
23	SELLING AND MARKETING EXPENSES		
	Salaries and other benefits (Note 23.1)	55,157,517	39,004,746
	Advertisement	-	33,040
	Travelling	1,317,984	1,528,646
	Sales promotion expenses	13,862,336	8,621,398
	Vehicles' running	96,809,130	75,072,372
	Container rent	6,103,240	5,974,162
	Chillers' rent	918,534	640,204
	Entertainment	795,773	886,567
	Depreciation (Note 13.2)	2,327,028	1,953,512
	Miscellaneous	3,156,348	2,435,935
		<u>180,447,890</u>	<u>136,150,582</u>
23.1	Salaries and other benefits include an amount of Rupees 3,232,260 (2016: Rupees 2,410,722) in respect of employees' retirement benefit.		
		2018 Rupees	2017 Rupees
24	OTHER EXPENSES		
	Loss due to death of dairy livestock (Note 14.1)	49,312,680	57,664,897
	Loss on sale of dairy livestock - net	73,266,314	7,565,735
	Workers' profit participation fund (Note 9.2)	6,139,487	4,732,328
		<u>128,718,481</u>	<u>69,962,960</u>
25	OTHER INCOME		
	Income from financial assets		
	Profit on bank deposits	13,071	277,219
	Income from non-financial asset		
	Sale of scrap	4,769,536	1,315,243
	Gain on sale of operating fixed assets (Note 13.1.2)	666,478	233,146
	Common facilities cost charged	12,000,000	-
	Credit balances written back	10,359,900	-
	Amortization of deferred income on sale and lease back	4,838,382	967,676
		<u>32,647,367</u>	<u>2,793,284</u>
26	FINANCE COST		
	Mark-up on short term borrowings	4,079,004	3,119,006
	Mark-up on long term musharika	798,100	-
	Interest on workers' profit participation fund (Note 9.2)	1,846,536	1,151,907
	Bank and other charges	688,257	883,343
	Mark-up on lease liabilities	1,796,792	324,474
		<u>9,208,689</u>	<u>5,478,730</u>

		2018 Rupees	2017 Rupees
27	TAXATION		
	For the year:		
	- Current tax (Note 27.2)	12,258,831	8,099,393
	- Deferred tax	(30,684,156)	(30,542,282)
	Prior year:		
	- Current tax	1,297,101	(221,042)
		<u>(17,128,224)</u>	<u>(22,663,931)</u>

27.1 The Company computes tax based on the generally accepted interpretations of the tax laws to ensure that the sufficient provision for the purposes of taxation is available which can be analysed as follows:

	2017 Rupees	2016 Rupees	2015 Rupees
Provision for taxation	8,099,393	2,960,972	6,345,094
Tax assessed	7,210,574	2,739,793	3,060,584

27.2 **Reconciliation between tax expense and accounting profit:**

Accounting profit before taxation	160,552,135	88,762,330
Applicable tax rate	30%	31%
Tax on accounting profit	48,165,641	27,516,322
Tax effect of change in prior years' tax	1,297,101	(221,042)
Tax effect of tax credits	(4,038,094)	(2,441,605)
Tax effect of deferred income tax	(30,684,156)	(30,542,282)
Tax effect of minimum tax	(19,285,567)	(16,975,324)
	<u>(4,545,075)</u>	<u>(22,663,931)</u>

		2018	2017	
28	EARNINGS PER SHARE – BASIC AND DILUTED			
	There is no dilutive effect on the basic earnings per share which is based on:			
	Profit after taxation attributable to ordinary shareholders	Rupees	<u>177,680,359</u>	<u>111,426,261</u>
	Weighted average number of ordinary shares	Number	<u>110,000,000</u>	<u>110,000,000</u>
	Earnings per share	Rupees	1.62	1.01

29 **Reconciliation of movement of liabilities to cash flows arising from financing activities**

	Long term financing	Assets subject to finance lease	Short term borrowings	Total
	Rupees	Rupees	Rupees	Rupees
Balance as at 01 July 2017	-	33,142,183	46,459,812	79,601,995
Financing / borrowings obtained	239,207,375	-	661,579,143	900,786,518
Repayment of financing / borrowings	-	-	(580,491,149)	(580,491,149)
Acquisitions - finance leases	-	66,615,024	-	66,615,024
Other change - Non-cash movement	-	(5,850,000)	-	(5,850,000)
Repayment of lease liabilities	-	(21,289,376)	-	(21,289,376)
Balance as at 30 June 2018	239,207,375	72,617,831	127,547,806	439,373,012

30 EVENTS AFTER THE REPORTING PERIOD

- 30.1 The Board of Directors of the Company has proposed a cash dividend for the year ended 30 June 2018 of Rupees Nil per share (2017: Rupees Nil) at their meeting held on 01 OCT 2018. However, this event has been considered as non-adjusting events under IAS 10 'Events after the Reporting Period' and have not been recognized in these financial statements.

31 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these financial statements for remuneration to chief executive, directors and executives of the Company is as follows:

	Chief executive		Directors		Executives	
	2018	2017	2018	2017	2018	2017
	-----Rupees-----					
Managerial remuneration	3,000,000	3,000,000	-	4,134,000	25,325,021	21,533,800
Number of persons	1	1	-	1	10	8

- 31.1 The Company has also provided fully maintained vehicle and mobile phone facility to the chief executive and certain executives.

32 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:

	2018 Rupees	2017 Rupees
Associated company		
Purchase of goods	7,142,446	10,101,678
Common facilities cost charged	12,000,000	-

- 32.1 Following are the related parties with whom the Company had entered into transaction or have arrangement / agreement in place.

Name of company	Basis of relationship	Transactions entered or agreements and / or arrangements in place during the financial year	Percentage of Shareholding
Bahera (Private) Limited	Common directorship	Yes	None
United Bank Limited	Common directorship	No	None
Eco Pak Limited	Common directorship	No	None
The Kidney Center	Common trusteeship	No	None
City Schools (Private) Limited	Common directorship	No	None
Educational System (Private) Limited	Common directorship	No	None
Smart Education System (Private) Limited	Common directorship	No	None
The Smart School (Private) Limited	Common directorship	No	None
City Asia Pacific Institute of Information Technology (Private) Limited	Common directorship	No	None
Engen (Private) Limited	Common directorship	No	None
City Educational Services (Private) Limited	Common directorship	No	None
Premier Realities (Private) Limited	Common directorship	No	None

Name of company	Basis of relationship	Transactions entered or agreements and / or arrangements in place during the financial year	Percentage of Shareholding
Remington Realities (Private) Limited	Common directorship	No	None
Pakgen Power Limited	Common directorship	No	None
Lalpir Power Limited	Common directorship	No	None
City Agro (Private) Limited	Common directorship	No	None
Hayat Khan (Private) Limited	Common directorship	No	None
Pakistan Educational Council	Common trusteeship	No	None
Livestock & Dairy Development Board	Common trusteeship	No	None

Detail of compensation to key management personnel comprising of chief executive officer, directors and executives is disclosed in note 31.

		2018	2017	
33	NUMBER OF EMPLOYEES			
	Number of employees as on 30 June (Note 33.1)	354	289	
	Average number of employees during the year	360	279	
33.1	These include 172 (2017: 124) number of dairy farm and plant employees.			
34	PLANT CAPACITY AND ACTUAL PRODUCTION			
	Pasteurized milk			
	-Total capacity	Million litres	19.20	9.50
	-Actual production	Million litres	8.48	6.51
	Yogurt			
	-Total capacity	Million litres	2.66	1.00
	-Actual production	Million litres	0.83	0.73
	Raita			
	-Total capacity	Million litres	0.70	0.52
	-Actual production	Million litres	0.05	0.07
	Chunky yogurt			
	-Total capacity	Million litres	0.09	0.09
	-Actual production	Million litres	0.05	0.04
	Smoothie			
	-Total capacity	Million litres	0.07	0.07
	-Actual production	Million litres	0.01	0.02
34.1	Under utilization of available capacity is mainly due to limited availability of raw milk.			

35. 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.

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

At 30 June 2017	Level 1	Level 2	Level 3	Total
Rupees				
Biological assets	-	477,546,086	-	-
Total non-financial assets	-	477,546,086	-	-

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

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

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

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

Valuation processes

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

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

37.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk and investment of excess liquidity.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is not exposed to any significant foreign exchange risk at any reporting date as it has no receivables or payables in foreign currencies.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity price risk as it does not have any investment in equity securities.

The Company is exposed to financial risk arising from changes in milk prices. The Company does not anticipate that milk prices will decline significantly in the foreseeable future and, therefore, has not entered into derivative or other contracts to manage the risk of decline in milk prices. The Company reviews its outlook for milk prices regularly in considering the need for active financial risk management.

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises from short term borrowings, long term financing, finance lease liabilities and bank balances in saving accounts. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

	2018 Rupees	2017 Rupees
Fixed rate instruments		
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	49,064	38,139
Financial liabilities		
Long term financing	239,207,375	-
Short term borrowings	127,547,806	46,459,812
Liabilities against assets subject to finance lease	72,617,831	33,142,183

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 4,173,578 (2017: Rupees 755,857) lower / higher, mainly as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2018 Rupees	2017 Rupees
Advances and other receivables	8,001,931	24,012,765
Deposits	16,587,184	20,656,294
Trade debts	74,527,057	53,948,058
Bank balances	480,815,919	8,424,528
	<u>559,932,101</u>	<u>107,041,645</u>

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating			2018	2017
	Short term	Long term	AgencyRupees.....	
Banks					
Allied Bank Limited	A1+	AAA	PACRA	18,540,897	3,370,878
MCB Bank Limited	A1+	AAA	PACRA	422,303,504	1,233,737
Silk Bank Limited	A-2	A-	JCR-VIS	6,321,524	237,248
AlBaraka Bank (Pakistan) Limited	A1	A	PACRA	184,366	45,836
Meezan Bank Limited	A-1+	AA+	JCR-VIS	420	-
MCB Islamic Bank Limited	A1	A	PACRA	6,323,985	653,330
Dubai Islamic Bank Pakistan Limited	A-1	AA-	JCR-VIS	7,042,021	-
National Bank of Pakistan	A1+	AAA	PACRA	2,800	-
BankIslami Pakistan Limited	A1	A+	PACRA	96,392	1,306,294
				<u>480,815,919</u>	<u>6,847,323</u>

The Company's exposure to credit risk and impairment losses related to trade debts is disclosed in Note 17.

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, the management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2018, the Company had Rupees 102,452,194 (2017: Rupees 3,540,188) available short term borrowing limits from financial institutions and Rupees 44,916,451 (2017: Rupees 65,391,323) cash and bank balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2018

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 year	More than 2 years
----- (Rupees) -----						
Non-derivative financial liabilities:						
Long term financing	239,207,375	288,429,936	69,761,741	8,672,520	59,020,509	158,975,166
Trade and other payables	134,912,804	134,912,804	134,912,804	-	-	-
Short term borrowings	127,547,806	133,236,438	133,236,438	-	-	-
Accrued mark-up	4,927,831	4,927,831	4,927,831	-	-	-
Liabilities against assets subject to finance lease	72,617,831	76,477,606	8,473,251	44,523,245	10,252,430	13,228,680
	<u>579,213,647</u>	<u>645,984,615</u>	<u>351,312,065</u>	<u>53,195,765</u>	<u>69,272,939</u>	<u>172,203,846</u>

Contractual maturities of financial liabilities as at 30 June 2017:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 year	More than 2 years
----- (Rupees) -----						
Non-derivative financial liabilities:						
Trade and other payables	89,635,548	89,635,548	89,635,548	-	-	-
Short term borrowings	46,459,812	46,459,812	46,459,812	-	-	-
Accrued mark-up	984,707	984,707	984,707	-	-	-
Liabilities against assets subject to finance lease	33,142,183	33,142,183	33,142,183	11,746,039	11,985,252	-
	<u>170,222,250</u>	<u>170,222,250</u>	<u>170,222,250</u>	<u>11,746,039</u>	<u>11,985,252</u>	<u>-</u>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark-up rates effective as at 30 June. The rates of interest / mark up have been disclosed in note 7, 8 and 10 to these financial statements.

37.2 Financial Instruments by categories

Assets as per statement of financial position

	2018 Rupees	2017 Rupees
Advances and other receivables	8,001,931	24,012,765
Deposits	16,587,194	20,656,294
Trade debts	74,527,057	53,948,058
Cash and bank balances	464,915,451	65,391,323
	<u>564,031,633</u>	<u>164,008,440</u>

Liabilities as per statement of financial position

	2018 Rupees	2017 Rupees
Long term financing	239,207,375	-
Accrued mark-up	4,927,831	984,707
Short term borrowings	127,547,806	46,459,812
Trade and other payables	134,912,804	89,635,548
Liabilities against assets subject to finance lease	131,617,831	33,142,183
	<u>398,006,272</u>	<u>170,222,250</u>

37.3 Offsetting financial assets and financial liabilities

As on the reporting date, recognized financial instruments are not subject to offsetting as there are no enforceable master netting arrangements and similar agreements.

37.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent short term borrowings obtained by the Company as referred to in note 10, long term musharika as referred to in note 8 and liabilities against assets subject to finance lease as referred to in note 7. Total capital employed includes 'total equity' as shown in the statement of financial position plus 'borrowings'.

		2018	2017
Borrowings	Rupees	439,373,012	79,601,995
Total equity	Rupees	1,431,663,877	1,252,655,512
Total capital employed	Rupees	<u>1,871,036,889</u>	<u>1,332,257,507</u>
Gearing ratio	Percentage	<u>23.48%</u>	<u>5.97%</u>

The increase in the gearing ratio resulted primarily from increase in borrowings of the Company.

38 **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.

39 **DATE OF APPROVAL**

These financial statements were approved on 01 OCT 2019 by Board of Directors of the Company.

40 **CORRESPONDING FIGURES**

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

FORM 34
THE COMPANIES ACT, 2017
(Section 227(2)(f))

PATTERN OF SHAREHOLDING

CUIN (Incorporation Number) 0059952

Name of the Company AT-TAHUR LIMITED

Pattern of holding of the shares held by the shareholders as at 30-06-2018

No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
4	1	100	4
1	101	500	500
1	501	1,000	501
1	4,240,001	4,245,000	4,240,980
1	38,935,001	38,940,000	38,939,264
1	66,815,001	66,820,000	66,818,751
9			110,000,000

Categories of shareholders

	Share held	Percentage
Directors, Chief Executive Officers, and their spouse and minor children	105,759,020	96.1446%
Associated Companies, undertakings and related parties.	0	0.0000%
NIT and ICP	0	0.0000%
Banks Development	0	0.0000%
Financial Institutions, Non Banking Financial Institutions.	0	0.0000%
Insurance Companies	0	0.0000%
Modarabas and Mutual Funds	0	0.0000%
Share holders holding 10% or more	105,758,015	96.1437%
General Public	0	0.0000%
a. Local	0	0.0000%
b. Foreign	0	0.0000%
Others (to be specified)	0	0
Sponsors	4,240,980	3.8554%

At-Tahur Limited

PATTERN OF SHAREHOLDING

As on June 30, 2018

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):		-	-
Mutual Funds (Name Wise Detail)		-	-
Directors and their Spouse and Minor Children (Name Wise Detail)			
1	MR. RASIKH ELAHI	66,818,751	60.7443
2	MR. SHABBI ZAHID ALI	500	0.0005
3	MR. AURANGZEB FIROZ	501	0.0005
4	SHEIKH IJAZ NISAR	1	0.0000
5	MR. MUHAMMAD IJAZ HUSSAIN AWAN	1	0.0000
6	MR. AMAR ZAFAR KHAN	1	0.0000
7	MR. MUHAMMAD AFZAL	1	0.0000
8	MRS. ZAHRA ALI ELAHI W/O RASHIKH ELAHI	38,939,264	35.3993
Executives:		-	-
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		-	-
Other-Sponsors		4,240,980	3.8554
General Public		0	0
		110,000,000	100

SHAREHOLDERS HOLDING FIVE PERCENT OR MORE VOTING INTEREST IN THE COMPANY (NAME WISE DETAIL)

1	MR. RASIKH ELAHI	66,818,751	60.7443
2	MRS. ZAHRA ALI ELAHI W/O RASHIKH ELAHI	38,939,264	35.3993

All trades in the shares of the company, carried out by its Directors, Executives and their spouses and minor children:

S.No	NAME	SHARES	
		SALE	PURCHASE
1	Mr. Rasikh Elahi	5	3,002,000

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 1st Annual General Meeting of the shareholders (after listing on PSX) of At-Tahur Limited will be held on **Saturday, October 27, 2018 at 11:30 a.m.** at the Registered Office, 182 -Abu Bakar Block, New Garden Town, Lahore to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts together with the Directors' and Auditors' reports thereon for the year ended June 30, 2018.
2. To appoint auditors of the Company and fix their remuneration. The present auditor M/s Riaz Ahmad & Company Chartered Accountants retires and offers themselves for re-appointment.

SPECIAL BUSINESS

3. To consider dissemination of annual audited accounts through CD or DVD or USB instead of transmitting the same in the form of hard copy. However, for convenience of shareholders Standard Request Form will be uploaded on Company's website for those who opt to receive Annual Audited Accounts at their registered address or through email:

“**Resolved that** dissemination of information regarding Annual Audited Accounts to the Shareholders in soft form i.e. CD or DVD or USB as notified by Securities & Exchange Commission of Pakistan vide its SRO 470(I)/2016 dated May 31, 2016 be and is hereby approved.

4. To transact any other business with the permission of the Chair.

By Order of the Board

Lahore
October 06, 2018

Company Secretary

BOOK CLOSURE:

The Members' Register will remain closed from October 20, 2018 to October 27, 2018 (both days inclusive).

NOTES:

1. Transfer received in order at the Registered Office by the close of business hours on Friday, October 19, 2018 will be treated in time.
2. A member eligible to attend and vote at this Meeting may appoint another member as his/her proxy to attend and vote instead of him/her.
3. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially attested copy of the power of attorney must be received by the Company at the Registered Office not later than 48 hours before the time for holding the Meeting.
4. CDC account holders will further have to follow the under mentioned guidelines as laid down by Securities & Exchange Commission of Pakistan:

For Attending the Meeting

- i. In case of individuals, the account holder or sub-account holder and whose registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original National Identity Card (NIC) or passport at the time of attending the meeting.
- ii. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

For Appointing Proxies:

- i. In case of individuals, the account holder or sub-account holder and whose registration details are uploaded as per the Regulations, shall submit the proxy form as per above requirement
- ii. Attested copies of valid CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- iii. The proxy shall produce his/her original valid CNIC or original passport at the time of the meeting.
- iv. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be produced (unless it has been provided earlier) at the time of meeting.

Through Video conference:

Shareholders individually or collectively holding 10.00% or more shareholding can provide their consent to participate in the meeting through video conference at least seven days prior to date of the meeting. Considering the geographical dispersal of the shareholder, the Company shall arrange video conference facility subject to the availability of such facility in that city. The Company will intimate members regarding venue of the video-link facility at least five days before the date of the general meeting along with complete information necessary to enable them to access the facility.

In this regard, shareholders are requested to fill the following form and submit to the Registered Office of the Company seven days before the date of holding of the general meeting:

I/We ofbeing a member of At-Tahur Limited, holder of Ordinary shares as per Registered Folio number/CDC A/c # hereby opt for video conference facility at

Signature of Member

Circulation of Accounts via Email

As per SRO 787 (I)/2014 the transmission of Annual Financial Statements along with Notice to members through email shall considered compliance with relevant requirements of Companies Act.

In this regard, shareholders are requested to fill the following form and submit to the Registered Office of the Company:

I/We ofbeing a member of At-Tahur Limited, holder of Ordinary shares as per Registered Folio number/CDC A/c # E-mail ID having CNIC No.

The above e-mail address please be recorded in the members register maintained under Section 120 of the Companies Act, 2017.

I will inform the Company or the Registrar about any change in my e-mail address immediately. Henceforth, I will receive the Audited Financial Statements along with Notice only on the above e-mail address, unless a hard copy has been specifically requested by me.

Signature of Member

Tax Deduction-Filer or Non-Filer

According to clarification received from FBR, each joint shareholder is to be treated individually as either a 'Filer' or 'Non-Filer' and tax will be deducted on the basis of shareholding notified by each joint holder. Accordingly, such shareholders(s) may notify in writing within 10 days of this notice to the Shares Registrar of the Company as per format given below. If no notification is received by the Shares Registrar, then it will be assumed that the shares are held in equal proportion by the principal shareholder and the joint holder(s):

Individual/Company Name	Folio/CDC A/c No.	Total Shares	Principle Shareholder		Joint Shareholder(s)	
			Name & CNIC No.	Shareholding Portion (No. of Shares)	Name & CNIC No.	Shareholding Portion (No. of Shares)

Exemptions from Tax

Deduction of Tax and Zakat on Dividend entitlement: Members who want to avail the exemptions on their respective dividend entitlement are requested to furnish the following documents to the Company / Shares Registrar:

- Valid income tax exemption certificate issued by the concerned Commissioner of inland Revenue in order to avail tax exemption under Section 150 of the Income Tax Ordinance, 2001 (tax on dividend) where the statutory exemption under clause 47B of Part IV of Second Schedule is available and want to avail exemption under Section 150 of the Ordinance, otherwise tax will be deducted under the provisions of laws.
- Zakat exemption certificate/undertaking as per Zakat & Ushr Ordinance, 1980.

Statement under Section 134(3) of the Companies Act, 2017

This statement is annexed to the Notice of the Annual General Meeting of At-Tahur Limited (the Company) to be held on Saturday, October 27, 2018, at which certain Special Business is to be transacted. The purpose of this Statement is to set forth the material facts concerning such Special Business.

ITEM (3) OF THE AGENDA

In order to implement SECP directions with respect to transmission / circulation of information such as Annual Audited Accounts through CD/DVD/USB to all members instead of hard copies. Resolution is part of notice for concurrence of shareholders to adopted newly introduced mode of transmission.

The Directors, Sponsors, Major Shareholders and their relatives are not interested directly or indirectly in the above business except to the extent of their shareholding held by them in the Company.

CONSENT FORM FOR ELECTRONIC TRANSMISSION OF ANNUAL REPORT

M/s Corplink (Private) Limited
Wing Arcade, I-K Commercial
Model Town, Lahore
Email: shares@corplink.com.pk

Subject: CONSENT FORM FOR ELECTRONIC TRANSMISSION OF ANNUAL REPORT AND NOTICE OF AGM

Dear Sirs,

I/we, being the shareholder(s) of At-Tahur Limited (“Company”), do hereby consent and authorize the Company for electronic transmission of the Annual Audited Financial Statements of the Company along with Notice of Annual General Meeting via the Email provided herein below and further undertake to promptly notify the Company of any change in my Email address. I understand that the transmission of Annual Audited Financial Statements of the Company along with Notice of Annual General Meeting via the Email shall meet the requirements of Companies Act 2017.

1. Name of Shareholder(s):
2. Fathers / Husband Name:
3. CNIC:
4. NTN:
5. Participant ID / Folio No:
6. E-mail address:
7. Telephone:
8. Mailing address:

Date: _____

Signature: _____

(In case of corporate shareholders, the authorized signatory must sign)

FORM OF PROXY

Annual General Meeting

I/We _____
of _____ in the district of _____ being a member of AT-TAHUR LIMITED hereby appoint _____
_____ of _____ another member of the Company or failing him/her
appoint _____
of _____ another member of the Company as my / our proxy to vote
for me/us and on my/our behalf, at the Annual General Meeting of the Company to be held on Saturday, October 27, 2018 at 11:30 p.m. and at any adjournment thereof.
As witness my/our hand seal this _____ day of _____, 2018

Folio No.	CDC Account Holder		No. of Ordinary Shares held
	Participant I D	Account/Sub Account	

Affix
Revenue of
Stamps of Rs. 5/-

Signature of Member

Witness 1
Signature _____
Name _____
CNIC No. _____
Passport No. _____
Address _____

Witness 2
Signature _____
Name _____
CNIC No. _____
Passport No. _____
Address _____

Important Notes:

- Proxies, in order to be effective, must be received at the Company's Registered Office situated at 182 Abu Bakar Block, New Garden Town, Lahore not later than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.
 - If a member appoints more than one proxy and more than one instruments of proxies are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
 - No person can act as proxy unless he / she is member of the Company, except that a corporation may appoint a person who is not a member.
- For CDC Account Holders / Corporate entities
In addition to the above, the following requirements have to be met.
- The proxy form shall be witnessed by two persons whose name, address and Computerized National Identity Card (CNIC) number shall be mentioned on the form.
 - Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
 - The proxy shall produce original CNIC or passport at the time of attending the meeting.
 - In case of the Corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

پراکسی (مختارنامہ) فارم 2018

سالانہ جنرل اجلاس

میں / ہم _____ ساکن _____ ضلع _____ کا / کے رہائشی ہوں / ہیں / اٹھو رلمیٹیڈ کا ممبر ہونے کے ناطے _____ میں / ہم _____ ساکن _____ کے رہائشی کو جو کہ کمپنی کا ایک اور ممبر ہے اپنا / اپنے متبادل مقرر کرتا ہوں / کرتے ہیں یا _____ کے رہائشی کو جو کہ کمپنی کا ایک اور ممبر ہے اپنا / اپنے متبادل مقرر کرتا ہوں / کرتے ہیں۔ جو میرے / ہمارے لئے اور میری / ہماری طرف سے 27 اکتوبر 2018 بروز ہفتہ دن 11:30 بجے ہونیوالے کمپنی کے سالانہ جنرل اجلاس میں میری / ہمارے طرف سے بحیثیت پراکسی ووٹ دینے کا مجاز ہوگا۔

آج مورخہ _____ 2018

فولیو نمبر	سی ڈی سی اکاؤنٹ / ذیلی اکاؤنٹ نمبر	عام حصص کی تعداد

پانچ روپے کی لکٹ
پر دستخط کریں
دستخط کمپنی کے ساتھ رجسٹرڈ نمونہ کیساتھ اتفاق کرنا چاہئے

گواہ شدگان 2

گواہ شدگان 1

دستخط _____ نام _____ شناختی کارڈ نمبر _____ پاسپورٹ نمبر _____ پتہ _____

نوٹ:

- 1۔ اجلاس شروع ہونے سے 48 گھنٹے پہلے 182 ایوبکر بلاک گارڈن ٹاؤن لاہور میں واقع کمپنی کے رجسٹرڈ آفس میں پہنچنے والا دستخط شدہ اور ممبر لگا ہوا پراکسی فارم (مختارنامہ) موثر تصور کیا جائے گا۔
- 2۔ اگر ایک ممبر نے کمپنی میں ایک سے زیادہ پراکسی (متبادل رکن) مقرر کئے یا فارم جمع کروائے تو اس کے وہ تمام فارم غلط قرار دیئے جائیں گے۔
- 3۔ کوئی بھی فرد اس وقت تک متبادل رکن کے طور پر کام نہیں کر سکتا جب تک وہ کمپنی کا ممبر نہ ہو، سوائے کارپوریشن کے جو کسی بھی شخص کو متبادل رکن مقرر کر سکتی ہے۔

سی ڈی سی اکاؤنٹ ہولڈرز اور کارپوریٹ اداروں کیلئے

مذکورہ بالا کے علاوہ مندرجہ ذیل ضروریات کو بھی مد نظر رکھا جائے

- 1۔ پراکسی فارم دو افراد سے دستخط شدہ ہو اور ان کے نام، پتہ اور شناختی کارڈ نمبر واضح لکھے ہوئے ہوں۔
- 2۔ اصل مالکان اور متبادل اراکین کے شناختی کارڈ یا پاسپورٹ کی نقول پراکسی فارم کیساتھ منسلک کی جائیں۔
- 3۔ متبادل رکن کو اجلاس کے وقت اصل شناختی کارڈ یا پاسپورٹ دکھانا ہوگا۔
- 4۔ کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی دستخط شدہ قرارداد / پاور آف اٹارنی (مختارنامہ) پراکسی فارم کیساتھ کمپنی کو جمع کرانا ہوگا۔



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