



At-Tahur Limited Annual Report 2020



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

Audit Committee

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

HR & R Committee

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

Company Secretary & Chief Financial Officer

Mr. Humza Chaudhry

Head of Internal Audit

Mr. Usman Yousaf

Share Registrar

Corplink (Pvt.) Ltd.
Wings Arcade, 1- K Commercial, Model Town, Lahore

Auditors

Riaz Ahmad & Company
Chartered Accountants

Bankers

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

Registered Office

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

Project Locations

Kotli Rai Abubakar, Distirct Kasur



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Vision

To be the best consumer brand on account of superior quality.

Mission

To manufacture and process world class, pure, natural , healthy products of immaculate quality.





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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. It is one hundred percent natural, pure & fresh. Premá is the only milk in Pakistan that is free from all kind of additives, preservatives and growth hormones making it completely traceable from Grass to Glass.



Fresh , Pure Nourishing





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Production & Processing

In order to set the highest standards in purity, hygiene and nourishment, Premá is produced in state of the art dairy facilities, 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
Cow's Milk



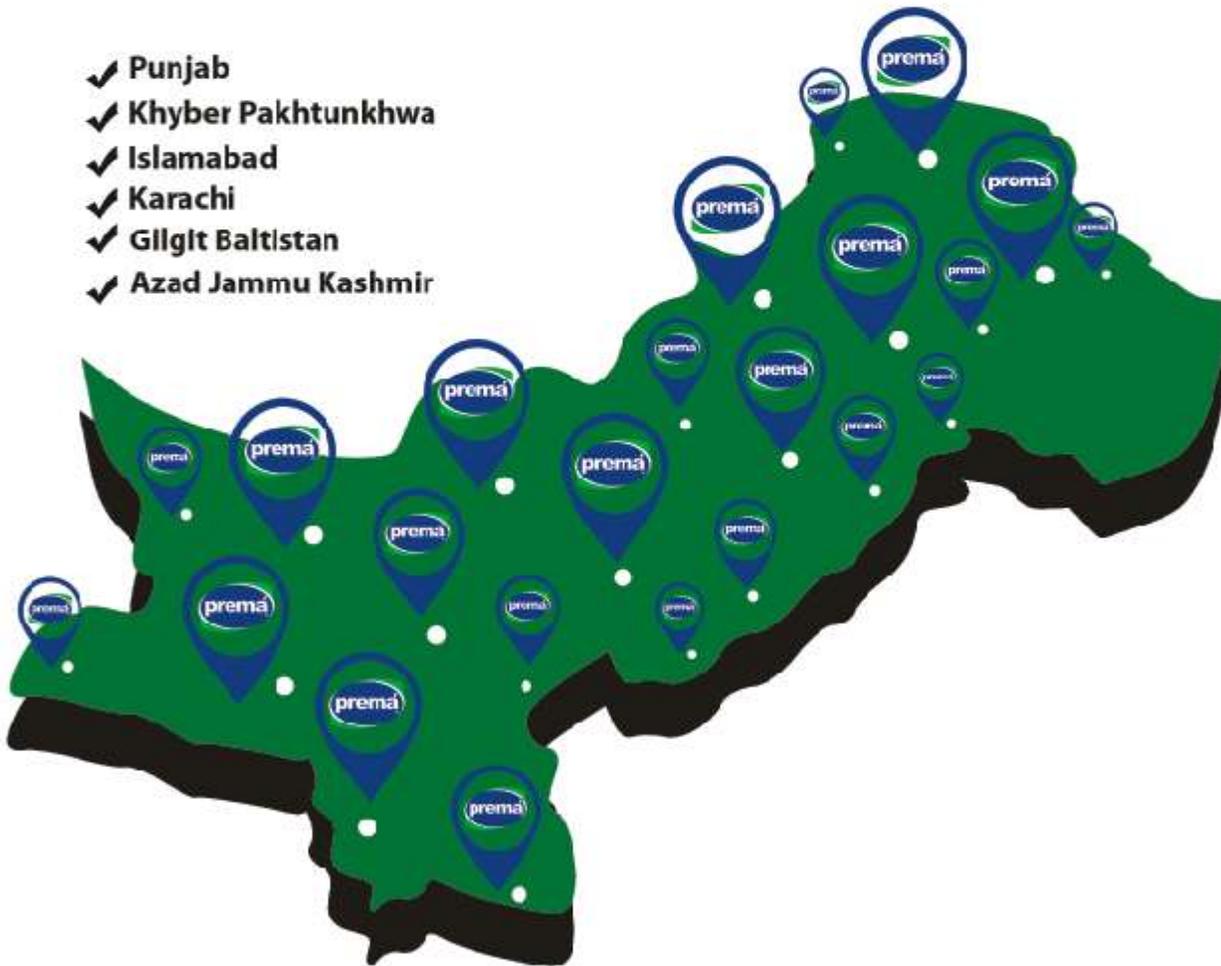
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RETAIL OPERATIONS

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



Premá has a market footprint across Pakistan from Khyber to Karachi.



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PASTEURIZED MILK



Whole Milk



Low Fat Milk

2 favorite variants free from any additives, preservatives & growth hormones.
Fresh from pure breed Australian and Dutch cows.



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YOGURT RANGE



Low Fat Yogurt



Natural Yogurt



Sweet Yogurt

Pure yogurt free from any preservatives and gelatin.



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RAITA RANGE



Zeera Raita



Podina Raita

Premá Zeera Raita with its distinctive cumin flavor is made from 100% natural & pure Premá yogurt.

Premá Podina Raita, with its refreshing and mouth watering mint flavor is made from 100% natural & pure Premá yogurt.

Premá Raitas spice up your food and engage your taste buds to provide you with an unforgettable culinary pleasure at all times.



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CHUNKY FRUIT YOGURT



Blueberry Chunky



Strawberry Chunky

Premá has reinvented the traditional flavored yogurt market with Premá Chunky. The product is made from 100% pure, gelatin free milk yogurt and with the added delight of premium real fruit chunks. This gives a healthier and delicious alternative to the usual artificially sweetened deserts in the market.

Premá Chunky comes in two different premium flavors Blueberry and Strawberry. The two flavors introduced, Blueberry and Strawberry were selected on the basis of their health benefits and for their anti-carcinogenic properties.



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FRUIT YOGURT



Strawberry Yogurt



Vanilla Yogurt



Mango Yogurt

Premá flavored yogurts provide a rich blend of fruity deliciousness along with signature creamy natural yogurt. The blend provides for an extremely creamy texture along with all the health benefits of natural yogurt.

Premá flavored yogurts come in three flavors namely mango, vanilla and strawberry - three most popular flavors in Pakistan.



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PORTION SIZE PACKAGING



250ml

450ml

450ml

250ml

At-Tahur is the pioneer in portion size packaging of pasteurized fresh milk category in Pakistan.

Premá offers whole milk in 250ml, 450ml and Low Fat Milk in 250ml packaging. Premá Ecolean packaging offers convenience of being Microwaveable, and Easy to pour.



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PURE CHOCOLATE MILK & STRAWBERRY MILK



Chocolate Milk



Strawberry Milk

The distinct, smooth and rich flavors of pure chocolate and strawberry mixed with Premá's 100% pure cows' milk for a great experience.



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LABAN RANGE



Sweet Laban



Strawberry Laban

Premá Fresh Laban is not only delicious but is also good for you: a wholesome and natural thirst quencher. Premá Laban includes a special probiotic culture that makes a positive difference to your overall wellbeing, while helping to keep your digestive system in top condition.



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BUTTER RANGE



Slow Churned Plain Butter

Slow Churned Mildly Salted Butter

All natural and pure butter is produced through the slow churn process for retaining homemade goodness.

No colors, preservatives and additives.



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CHEESE RANGE



Cream Cheese



Mozzarella Cheese

Prema Cream Cheese is produced from natural ingredients and is characterized by its distinct fresh taste. It is the perfect solution for a quick snack and also performs in hot and cold recipes; making it ideal for bakery applications.

Prema Mozzarella Cheese is a delicious stretched curd cheese, known for its soft texture and stringy nature. Prepared from Natural Ingredients, without any artificial colors, flavors or preservatives.

Chairman's Message

On behalf of the Board, it is my pleasure to present the Annual Report for the year ended June 30th, 2020. 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 growth of 20%. It has continued to deliver positive results and maintain position of being an innovation leader across categories.

We aim to deliver strong business growth, supported by the expansion of manufacturing facilities and improving productivity; for delivering the best nutrition and positive impact on the lives of our consumers. In this regard, we continue to explore avenues, as we strongly believe that there is huge potential for expansion to fulfill the nutritional need of growing population base. This year, we ventured into new product categories i.e. *Laban, Butter and Cheese*, which have seen positive response and tremendous potential for growth, both in terms of revenues and bottom-line.

As pioneer in the pasteurized dairy sector, we have set high benchmarks for quality and customer-care, by producing fresh, pure and nourishing products to ensure well-being of our customers. As a result At-Tahur Ltd, has been conferred with '**Brand of the Year Award 2019**' for the Fastest Growing Brand in Milk & Yogurt category, by The Brands Foundation FPCCI.

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;

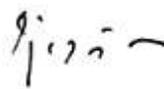
"Except Prema Milk, all other samples are found to be unfit for human consumption".
Supreme Court of Pakistan proceeding 2016
Reference: "Civil Petition No. 2374-L/2016 and C.M.A.NO.2702-L/2016"

Pursuant to the updated Code of Corporate Governance, the company is trying to ensure full compliance. These steps will surely contribute to board development, remuneration processes, accountability and audit, and relations with our valued shareholders.

The emergence of COVID-19 has caused major disruptions to economic activity around the world including Pakistan. The drop in the domestic and global demand compounded the strain on the economy. By the Grace of Allah Almighty, At-Tahur Ltd. by and large remained unscathed by the COVID scourge. We believe, we have emerged much stronger and more resilient on account of COVID challenge.

On behalf of the board of directors, I would like to express gratitude to our stakeholders for their continued support and encouragement. I would also like to appreciate the valuable services rendered by the employees of the company. I also acknowledge the commitment and diligence of my fellow directors and their valuable contributions for the continued growth of the company. I 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.



Justice (R) Sheikh Ijaz Nisar
Chairman

At-Tahur Limited

Date: 28 September, 2020

چیرمین کا پیغام

بورڈ آف ڈائریکٹرز کی جانب سے مالیاتی سال 20-2019 کی سالانہ رپورٹ پیش کرنے میں خوشی کا اظہار کرتا ہوں۔ الطہور لمیٹڈ (PSX: پریمیا) بغیر کسی رعایت کے اچھی کاروباری گورننس کے معیار کو برقرار رکھنے کے لئے پرعزم ہے۔ یہ کمپنی کی اعلیٰ نموا ایک اور سال ہے۔ جہاں ہم نے 20 فی صد کی نمو درج کی۔ کمپنی نے مثبت نتائج دینے اور مختلف کاروباری ضموں میں جدت طرازی کا لیڈر بننے کی پوزیشن برقرار رکھی ہے۔

ہمارا مقصد مضبوط کاروباری نمو ہے۔ جس میں مینوفیکچرنگ کی سہولیات میں توسیع اور پیداواری میں بہتری ہے۔ کمپنی بہترین غذائیت فراہم کرنے اور اپنے صارفین کی زندگیوں پر مثبت اثرات مرتب کرنے کے لئے پرعزم ہے۔ اس تناظر میں، کمپنی نئے مواقع تلاش کر رہی ہے کیونکہ ہم قوی یقین رکھتے ہیں کہ بڑھتی ہوئی آبادی کی غذائی ضروریات کو پورا کرنے کے لئے توسیع کی کافی گنجائش ہے اس سال کمپنی نے نئی مصنوعات لسی، مکھن اور پیپر متعارف کروائیں ہیں۔ جس کے کمپنی کو مثبت نتائج ملے ہیں اور ان پراڈاکٹ کی فروخت میں اضافہ کے کافی مواقع ہیں جس سے کاروبار اور منافع میں اضافہ ہوگا۔

پینچر انڈسٹری سیکٹر میں بطور کمپنی ہم نے اپنا مقصد اعلیٰ معیار اور کسٹمر کیری کو بنایا ہے اور اپنے صارفین کی بہتر صحت کے لیے تازہ خالص اور توانائی بخش مصنوعات مہیا کیں ہیں۔ اس کے نتیجے میں الطہور لمیٹڈ کو دو دھ اور دہی کی فروخت میں تیزی سے اضافہ کی وجہ سے "برانڈ آف دی ایئر ایوارڈ 2019" ملا ہے۔

معیار پر توجہ سے متعلق کمپنی آزاد مارکیٹ آڈٹ کے ذریعے شہادت دیتی ہے جسے معزز عدالت عظمیٰ پاکستان کے احکامات کی روشنی میں منعقد کیا گیا۔ کمیشن کالاب لہاب یہ تھا:

”پریمیا ملک کے علاوہ تمام دیگر نمونے انسانی استعمال کے لئے نامناسب پائے گئے ہیں“ عدالت عظمیٰ پاکستان کا روائی۔ 2016۔

حوالہ ”سول پٹیشن نمبر 2374-L/2016 اور C.M.A. NO.2702-L/2016“۔

کارپوریٹ گورننس کے تازہ ترین جاری کردہ ضابطہ کے مطابق کمپنی کارپوریٹ گورننس کے ضابطہ اخلاق کی مکمل تکمیل کی کوشش کر رہی ہے۔ یہ اقدامات بورڈ کی ترقی، معاوضے کے عمل، احتساب، آڈٹ اور حصص یافتگان کے ساتھ تعلقات میں بہتری لائیں گے۔

کوویڈ 19 نے پاکستان سمیت دنیا بھر میں معاشی سرگرمیوں میں بڑی رکاوٹیں کھڑی کیں ہیں۔ ملکی اور عالمی طلب میں کمی نے معیشت پر مزید دباؤ ڈالا ہے۔ اللہ کے فضل سے الطہور لمیٹڈ کو ویڈ 19 کی لعنت سے بآسانی چھٹکارا مل گیا۔ کوویڈ 19 کی وجہ سے ہم مزید مضبوط بن کر نکلے۔

میں ڈائریکٹرز کی جانب سے تمام اسٹیک ہولڈرز کی مسلسل حمایت اور حوصلہ افزائی کے لیے اظہار تشکر کرتا ہوں اور کمپنی کے ملازمین کی گراں قدر خدمات کی بھی تعریف کرنا چاہتا ہوں اور مزید برآں اپنے ساتھی ڈائریکٹرز کی بھی خدمات کا شکریہ ادا کرتا ہوں جو انہوں نے کمپنی کی مسلسل ترقی کے لیے کیں۔ اس موقع پر میں اپنے معزز کسٹمرز اور صارفین کا بھی شکریہ ادا کرتا ہوں جنہوں نے ہماری مصنوعات پر اعتماد کیا اور کمپنی کی ترقی کو یقین بنانے کے لئے مسلسل مدد فرما، ہم کی۔

—

اعجاز ثار جسٹس (ریٹائرڈ)

چیرمین

الطہور لمیٹڈ

28 ستمبر 2020ء

Directors' Report

Dear Fellow shareholders of At-Tahur Limited,

On behalf of the Board of Directors of the Company, it gives me immense pleasure to present the Annual Report of the Company for the year ended June 30, 2020 together with the audited financial statements for the year in accordance with the accounting, regulatory and legal standards and requirements.

Business Environment

With the unprecedented onset of pandemic Covid-19 taking over the world in FY20, the global economy slid into recession with overall economic growth shrinking 4.9 percent this year; a sharper contraction than the 3 percent predicted earlier by IMF. Pakistan was no exception, with GDP shrinking by 0.38% as compared to 3.3% growth recorded a year earlier. Only the agriculture sector showed positive growth of 2.7% during the year while manufacturing and services sector marked a negative growth of 5.6% and 0.6%, respectively. Large scale manufacturing contracted 10.2% in FY20 largely due to significant decline in textile, food, beverages and tobacco, coke and petroleum products, pharmaceuticals, automobiles, iron and steel products and electronics.

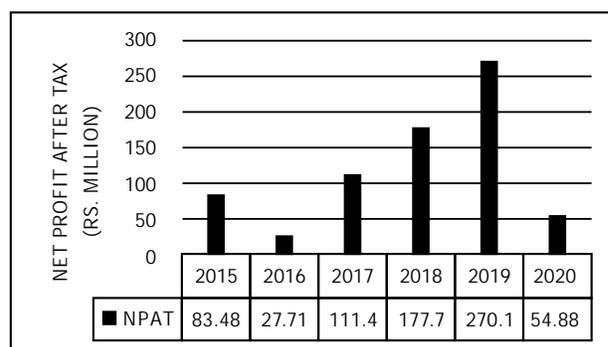
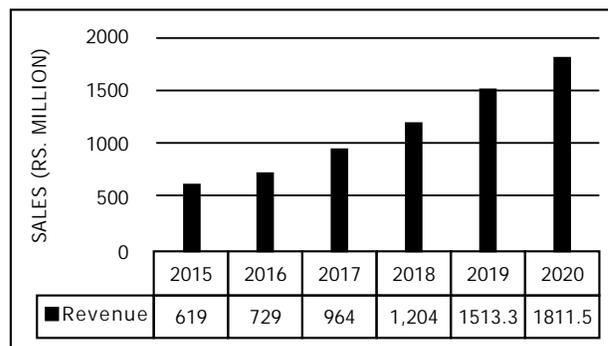
Financial Performance

During the year, your Company has posted after tax profit of PKR 54.88 million (FY19: profit of PKR 270.10 million). The equity of the Company as at the balance sheet date is PKR 2.4 billion (June 2019: PKR 2.4 billion), which translates into book value per share of PKR 14.91 (June 30, 2019: PKR 16.39). The book value per share is reduced due to issue of 14.67 million bonus share during the year.

SUMMARY OF FINANCIAL PERFORMANCE

PKR Million	2019-20	2018-19	Change (YOY)
Revenue	1811.54	1513.29	20%
Gross Profit margin	800.13	790.89	1%
Operating Profit margin	172.26	271.68	-37%
Net Profit before tax	118.60	249.21	-52%
Net Profit after tax	54.88	270.10	-80%
Earnings per share	0.34	1.69	-82%

* Earnings per share for the year ended 30 June 2019 is restated from PKR 1.86 to PKR 1.69.



The company has posted new records on the financial front with net sales revenue of Rs. 1,811.54 million, up by 20% as compared to Rs. 1,513.29 million last years. Due to COVID19 negative impact on the whole world economy as well as reduction of deferred tax asset by Rs. 55.32 million during the year, profit after tax reduced by 80% to Rs. 54.88 million from Rs. 270.10 million posted last year. The overall increase in the revenue is mainly attributable to the improved turnover on account of launch of new products, change in sales mix and enhanced demand of all our products as well as increase in foreign exchange rate against Pakistan rupee. The earnings per share of your Company for the year ended June 30, 2020 was PKR 0.34 diluted compared to PKR 1.69 reported last year.

CONTRIBUTION TO NATIONAL EXCHEQUER

During the year, the Company contributed a sum of Rs. 35.29 million, in terms of Income taxes, excise duty, sales tax and other government levies, to the national exchequer, which amounts to about 1.95% of the total revenue of the Company.

Directors' Report

DIRECTORS' STATEMENT ON CORPORATE & FINANCIAL REPORTING FRAME WORK

- a) The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- b) Proper books of account of the Company have been maintained;
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained;
- e) The System of Internal Control is sound in design and has been effectively implemented and monitored;
- f) There are no significant doubts upon the listed company's ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations;
- h) Key operating and financial data of last six years in a summarized form is attached.
- i) All the statutory payments on account of taxes, duties, levies and charges have been made except those disclosed in financial statement.

BOARD & ITS MEETING

The total number of directors are 7 as per following:

- a. Male 06
- b. Female 01

The Composition of Board of Directors is as follows:

a. Independent Directors:

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

b. Non-Executive Directors:

1. Mr. Shabbi Zahid Ali

c. Executive Directors:

1. Mr. Rasikh Elahi

Four meetings of the Board of Directors were held during the year 2019-20. Name of the Directors (at any time during the year) along with their attendance in Board Meeting is as under:

Sr. No.	Name of Director	No. Of Meetings Attended
1	Mr. Ijaz Nisar Justice (Rtd.)	3
2	Mr. Rasikh Elahi	4
3	Mr. Amar Zafar Khan	3
4	Mr. Aurangzeb Firoz	2
5	Dr. Farzana Firoz	-
6	Mr. Kashif ul Hassan Shah	4
7	Mr. Shabbi Zahid Ali	4
8	Mr. Muhammad Ijaz Awan	-*

(However, leave of absence was granted to the Directors who could not attend the Board Meeting(s) due to pre-occupations).

* During the year Mr. Muhammad Ijaz Awan retired as Director on October 28, 2019 and Dr. Farzana Firoz was elected as Director on October 28, 2019.

ELECTION OF DIRECTORS

During the financial year 2019-20 election of directors was held on October 28, 2019 effective date was October 30, 2019 and above name directors were reelected / elected for the term of three years ended on October 29, 2022.

Mr. Rasikh Elahi, Chief Executive Officer re-appointed for the next term of three years, and there was no change in his per month gross remuneration.

AUDIT COMMITTEE

The Board of Directors in compliance to the Code of Corporate Governance has established an Audit Committee and 4 Audit Committee Meetings were held during the year 2019-20. Attendance by each member is as under:

Directors' Report

Sr. No.	Name of Director	No. Of Meetings Attended
1	Mr. Aurangzeb Firoz	3
2	Mr. Amar Zafar Khan	2
3	Mr. Shabbi Zahid Ali	4

(However, leave of absence was granted to the Members who could not attend the Meeting(s) due to pre-occupations).

HUMAN RESOURCE & REMUNERATION COMMITTEE

The Board of Directors in compliance to the Code of Corporate Governance has established a Human Resource & Remuneration Committee and 1 HR&RC Meeting was held during the year 2019-20. Attendance by each member is as under:

Sr. No.	Name of Director	No. Of Meetings Attended
1	Mr. Ijaz Nisar Justice (Rtd.)	1
2	Mr. Shabbi Zahid Ali	1
3	Mr. Rasikh Elahi	1

DIRECTORS' REMUNERATION

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

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

Moreover, the Board acknowledge the valuable contributions being made by the Non-Executive Directors, and currently a meeting fee is being offered for attendance and participation in Board meeting, while this does not reflect compensation of their contributions and just represents a token of appreciation. The Non-Executive directors may waive their rights to receive such remuneration for attending and participation in the above meetings.

Remuneration of CEO, Directors & Executives is disclosed in note 39 to the financial statements for the year ended June 30, 2020.

DIRECTORS' TRAINING PROGRAMME

Three Directors out of Seven Directors have done the Directors' Training program. Directors' training for other directors shall be arranged.

INVESTOR VALUE

During the year under review the Board of Directors has recommended a final cash dividend of Rs. Nil i.e. Nil % along with issuance of Bonus Shares 10% i.e. 1 share for every 10 shares.

The Break-up value per share for the year is Rs. 14.91/-.

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, 2020.

RELATED PARTY TRANSACTIONS

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

PATTERN OF SHAREHOLDING

The pattern of shareholding of the Company as at June 30, 2020, as required by section 227 of the Companies Act, 2017 and Code of Corporate Governance, is enclosed.

KEY OPERATING & FINANCIAL DATA

The key operating and financial data for the last six years is enclosed.

CORPORATE SOCIAL RESPONSIBILITIES (CSR)

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

BUSINESS IMPACT ON ENVIRONMENT

The management believes that Eco-friendly activities have gained significant importance over the years. The Company installed 1.2 MW solar system at Farm, Plant and Head office, which shows our commitment and intent in reducing carbon emission, greenhouse gasses, etc.

Directors' Report

Furthermore, cows' manure is being supplied in growing organic crops which again fortifies our commitment towards social welfare of the community and the environment at large.

CORPORATE GOVERNANCE

The Company has been complying with the rules of Securities and Exchange Commission of Pakistan and has implemented better internal control policies with more rigorous checks and balances.

CHAIRMAN 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.

MATERIAL CHANGE

There have been no material changes and commitments affecting the financial position of the company which have occurred between 30 June 2020 till today.

FUTURE OUTLOOK

The future prospects of your Company are exceedingly promising on account of the Management's efforts towards increasing the Company's market share and through wider participation in all its business segments. The Company is striving to yield better volumes from its existing clientele as well as prospective clients, by expanding and growing relationships with them through the Company's premium suite of products. This includes offering new and novel products and services through unrelenting research and focus on quality offerings.

ACKNOWLEDGEMENTS

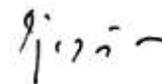
We are grateful to our customers for their continued patronage of our products and wish to acknowledge the efforts of the entire At-Tahur team, including our staff, vendors, dealers and all business partners for their untiring efforts in these challenging times and look to their continued support.

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

For & On behalf of Board of Directors



Rasikh Elahi
Chief Executive Officer



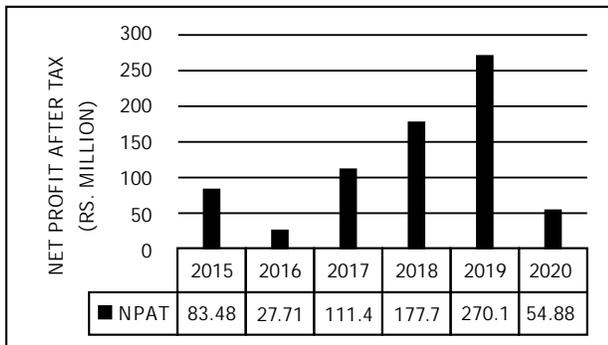
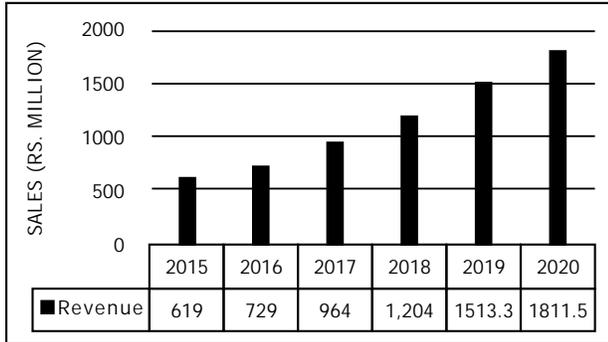
Ijaz Nisar Justice (Rtd.)
Director

September 28, 2020

ڈائریکٹرز کی رپورٹ

فرق (سالانہ بنیاد پر)	2018-19	2019-20	ملین روپے
20%	1513.29	1811.54	آمدنی
1%	790.89	800.13	مجموعی پرافٹ مارجن
-37%	271.68	172.26	آپریٹنگ پرافٹ مارجن
-52%	249.21	118.60	خالص منافع بمعہ ٹیکس
-80%	270.10	54.88	خالص منافع علاوہ ٹیکس
-82%	1.69	0.34	فی حصص آمدنی

ایک حصص کی آمدنی 30 جون 2019ء کے لیے دوبارہ بنائی گئی جو کہ 1.86 روپے سے 1.69 روپے ہو گئی۔



پیارے کمپنی کے حصص داران:

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے مجھے 30 جون 2020 کو ختم ہونے والے سال کے آڈٹ شدہ مالی حسابات جو کہ اکاؤنٹنگ، ریگولیٹری اور قانونی معیارات کے مطابق ہیں کو پیش کرنے پر فخر محسوس کرتا ہوں۔

کاروباری ماحول:

رواں سال 2020 میں وبائی مرض کو وید 19 کے غیر معمولی آغاز کے ساتھ ہی عالمی منڈی کساد بازاری کا شکار ہو گئی اور اس سال مجموعی معاشی نمو 4.9 فیصد سکڑ گئی۔ جبکہ آئی ایم ایف نے 3 فیصد کی پیش گوئی کی تھی۔ پاکستان بھی اس وبا سے محفوظ نہیں رہا۔ جی ڈی پی جو سال کے شروع میں 3.3 فیصد تھا کم ہو کر 0.38 فیصد ہو گیا۔ صرف ذراعت کے شعبے میں 2.7 فیصد اس سال اضافہ ہوا جبکہ مینوفیکچرنگ اور سروسز کے شعبوں میں بالترتیب 5.6 فیصد اور 0.6 فیصد کی منفی نمو ہوئی۔ مالی سال 20 میں بڑے پیمانے پر مینوفیکچرنگ میں 10.2 فیصد کا معاہدہ ہوا۔ جس کی وجہ ٹیکسٹائل، خوراک، مشروبات، تمباکو، کک، پٹرولیم مصنوعات، دواسازی، آٹوموبائل، لوہے، سٹیل اور الیکٹرانکس میں نمایاں کمی ہے۔

مالی کارکردگی

ایک سال کے دوران آپ کی کمپنی نے 54.88 ملین روپے (2019: 270.10 ملین روپے) بعد از ٹیکس منافع کمایا۔ 30 جون 2020 کو ایکویٹی 2.4 بلین روپے (2019: 2.4 بلین روپے) اور حصص کی بک ویلیو 14.91 روپے (2019: 16.39 روپے) رہی۔ بک ویلیو میں کمی سال کے دوران 14.67 ملین بونس شیئر جاری کرنے سے ہوئی۔

ڈائریکٹرز کی رپورٹ

اکاؤنٹنگ معیارات کی پیروی کی گئی ہے اور اس میں تبدیلیوں کو مناسب انداز میں ظاہر کیا گیا ہے۔

اندرونی ضبط کا نظام انتہائی مضبوط ہے اور اس کا موثر انداز میں اطلاق کیا گیا ہے اور اس کی نگرانی کی جاتی ہے۔

کاروباری جاری رکھنے کی لسٹ کمپنی کی صلاحیت میں کوئی ابہام موجود نہ ہے۔

لسٹنگ ریگولیشنز میں بیان کردہ کاروباری گورننس کی بہترین عمل داری میں کوئی رکاوٹ موجود نہ ہے۔

گذشتہ چھ برس کے بنیادی افعالی اور مالیاتی اعداد و شمار مختصر آلف ہذا ہیں۔

ٹیکس، ڈیوٹی، لیوی اور اخراجات کی مد میں قانونی ادائیگیاں کردی گئی ہیں۔ ماسوائے ان کے جو مالیاتی گوشواروں میں بیان کی گئی ہیں۔

بورڈ اور اس کے اجلاس

ڈائریکٹرز کی کل تعداد حسب ذیل ہے:

a. مرد 06

b. خواتین 01

بورڈ آف ڈائریکٹرز کی ترکیب حسب ذیل ہے:

a. آزاد ڈائریکٹرز

1. محترم اعجاز ثار جسٹس (ریٹائرڈ)

2. محترم اورنگزیب فیروز

3. محترم عامر ظفر خان

4. ڈاکٹر فرزانہ فیروز

5. سید کاشف الحسن شاہ

کمپنی نے روان سال سب سے زیادہ سیل 1,811.54 ملین روپے (2019:1,513.29 ملین روپے) کی جو کہ پچھلے سال کے مقابلے میں 20 فیصد زیادہ ہے۔ کوویڈ 19 کی وجہ سے تمام دنیا کی معیشت پر منفی اثر پڑا اور ڈیفنڈ ٹیکس منافع 80 فیصد کم ہو کر 8.84 ملین روپے (2019:270.10 ملین روپے) رہ گیا۔ آمدن میں مجموعی طور پر اضافہ بنیادی طور پر نئی مصنوعات کے اجراء، سیلز ٹیکس میں بدلاؤ اور ہماری مصنوعات کی طلب میں اضافے کے ساتھ ساتھ پاکستانی روپے کی قدر میں کمی کی وجہ سے ہوا۔ اس سال حصص کی قدر کم ہو کر 0.34 روپے (2019:1.69 روپے) رہ گئی۔

قومی خزانے میں حصہ:

دوران سال کمپنی نے اکم ٹیکس، ایکسائز ڈیوٹی، سیل ٹیکس اور دیگر حکومتی ٹیکسوں کی مد میں قومی خزانے میں 35.29 ملین روپے جمع کروائے۔ جو کمپنی کی کل آمدن کا 1.95 فیصد ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک سے متعلق ڈائریکٹرز کا بیان

a) کمپنی کی انتظامیہ کی جانب سے مرتب کردہ مالیاتی گوشوارے

کمپنی کے کاروباری امور، آپریشن کے نتائج، کیش فلوا اور ایکویٹی میں تبدیلیوں کو بہتر انداز میں پیش کرتے ہیں۔

b) کمپنی نے کھاتوں کی موزوں کتابیں مرتب کی ہیں۔

c) مالیاتی گوشواروں کی تیاری میں موزوں اکاؤنٹنگ پالیسیوں کا

تسلسل سے استعمال کیا گیا ہے اور اکاؤنٹنگ خسارے موزوں

اور قابل فیصلوں کی بنیاد پر لگائے جاتے ہیں۔ ماسوائے مالیاتی

گوشواروں کے نوٹ 4 میں بیان کردہ تبدیلیوں کے۔

d) مالیاتی گوشواروں کی تیاری میں پاکستان میں لاگو بین الاقوامی

ڈائریکٹرز کی رپورٹ

ڈائریکٹر 29 اکتوبر 2022ء کو ختم ہونے والی تین سال کی مدت کے لیے منتخب ہوئے۔

محترم راجح الہی چیف ایگزیکٹو تین سال کی اگلی مدت کے لیے دوبارہ تقرر کیا گیا اور ان کے مہینہ وار معاوضے میں کوئی تبدیلی نہیں ہوئی۔

آڈٹ کمیٹی

کوڈ آف کارپوریٹ گورننس کی تعمیل میں بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی تشکیل دی ہے اور سال 2019-20ء کے دوران آڈٹ کمیٹی کے 104 اجلاس منعقد ہوئے۔ ہر رکن کی حاضری حسب ذیل ہے۔

نمبر شمار	نام ڈائریکٹر	اجلاس میں حاضری کی تعداد
1.	محترم اورنگزیب فیروز	3
2.	محترم عامر ظفر خان	2
3.	محترم شی زاہد علی	4

(تاہم، مصروفیت کی بنا پر اجلاس میں شرکت نہ کرنے والے اراکین کو غیر حاضری کی رخصت عنایت کی گئی)

ہیومن ریسورس اینڈ ریویژن کمیٹی

کوڈ آف کارپوریٹ گورننس کی تعمیل میں بورڈ آف ڈائریکٹرز نے ہیومن ریسورس اینڈ ریویژن کمیٹی تشکیل دی ہے اور سال 2019-20ء کے دوران HR&RC کا ایک اجلاس منعقد ہوا۔ ہر رکن کی حاضری حسب ذیل ہے۔

نمبر شمار	نام ڈائریکٹر	اجلاس میں حاضری کی تعداد
1.	محترم اعجاز نثار	1
2.	محترم شی زاہد علی	1
3.	محترم راجح الہی	1

b. دیگر نام ایگزیکٹو ڈائریکٹرز

1. محترم شی زاہد علی

c. ایگزیکٹو ڈائریکٹرز

1. محترم راجح الہی

سال 2019-20ء میں بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے۔ (سال میں کسی بھی وقت) ڈائریکٹرز کے نام اور ان کی حاضری حسب ذیل ہے:

نمبر شمار	ڈائریکٹر کا نام	حاضری کی تعداد
1.	محترم اعجاز نثار	3
2.	محترم راجح الہی	4
3.	محترم عامر ظفر خان	3
4.	محترم اورنگزیب فیروز	2
5.	محترم کاشف الحسن شاہ	4
6.	ڈاکٹر فرزانہ فیروز	-
7.	محترم شی زاہد علی	4
8.	محترم محمد اعجاز اعوان	*-

(تاہم مصروفیت کی بنا پر بورڈ اجلاس میں شرکت نہ کرنے والے ڈائریکٹرز کو غیر حاضری کی رخصت عنایت کی گئی۔)

* سال کے دوران محترم محمد اعجاز اعوان 28 اکتوبر 2019ء کو ڈائریکٹر کے عہدہ سے ریٹائرڈ ہوئے اور ڈاکٹر فرزانہ فیروز 28 اکتوبر 2019ء کو ڈائریکٹر منتخب ہوئیں۔

ایکشن آف ڈائریکٹرز:

مالی سال 2019-20ء کے دوران ڈائریکٹرز کا انتخاب 28 اکتوبر 2019ء کو ہوا۔ جس کی مؤثر تاریخ 30 اکتوبر 2019ء تھی اور مندرجہ بالا

ڈائریکٹرز کی رپورٹ

ڈائریکٹرز کا مشاہیرہ

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

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

مزید برآں بورڈ نان ایگزیکٹو ڈائریکٹرز کی گران قدر خدمات کو تسلیم کرتا ہے اور بورڈ اجلاس میں شرکت کے لئے اجلاس فیس ادا کی جائے گی جب کہ یہ فیس ڈائریکٹرز کے معاوضہ کی عکاسی نہیں کرتی بلکہ یہ صرف ان کی خدمات کا اعتراف ہے۔ نان ایگزیکٹو ڈائریکٹرز مذکورہ بالا اجلاس میں شرکت کے لئے معاوضہ وصول کرنے کے حق سے دستبردار ہو سکتے ہیں۔

چیف ایگزیکٹو، ڈائریکٹرز اور ایگزیکٹوز کا معاوضہ نوٹ نمبر 39 میں درج ہے۔

ڈائریکٹرز کا ٹریڈنگ پروگرام

سات میں سے تین ڈائریکٹرز نے ڈائریکٹرز ٹریڈنگ پروگرام مکمل کیا ہے۔ بقیہ ڈائریکٹرز CCG میں مقرر کردہ وقت کے دوران ڈائریکٹرز ٹریڈنگ پروگرام میں حصہ لیں گے۔

انویسٹرویلو

زیر جائزہ سال کے دوران بورڈ آف ڈائریکٹرز نے 0 روپے یعنی 0 فی صد حتمی نقد منافع منقسمہ اور ہر دس حصص کے لئے 1 بونس شیئر یعنی 10 فی صد شیئر کے اجراء کی سفارش کی ہے۔

سال بھر کے لئے بریک اپ ویلیو فی حصص -/14.91 روپے ہے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز ریاض احمد اینڈ کو، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو چکے ہیں اور اہل ہونے کی بنا پر اپنی دوبارہ تقرری کی پیشکش کرتے ہیں۔ ڈائریکٹرز نے 30 جون 2021ء کو اختتام پذیر سال کے لئے آڈٹ کمیٹی کی سفارشات پر میسرز ریاض احمد اینڈ کو دوبارہ آڈیٹرز مقرر کرنے کو تسلیم کیا ہے۔

متعلقہ پارٹی لین دین

متعلقہ فریقین کے ساتھ تمام لین دین زیر جائزہ مالیاتی اسٹیٹمنٹس میں بیان کیا گیا۔

شیئر ہولڈنگ کی وضع

کمپنیز ایکٹ 2017ء کے سیکشن 227 اور کوڈ آف کارپوریٹ گورننس کے تحت 30 جون 2020ء کو کمپنی کی شیئر ہولڈنگ کی وضع ساتھ منسلک ہے۔

بنیادی فعالی اور مالیاتی اعداد و شمار

گذشتہ پچھ برس کا بنیادی فعالی اور مالیاتی ڈیٹا ساتھ منسلک ہے۔

کاروباری سماجی ذمہ داریاں (CSR)

کمپنی اپنے کاروبار میں کاروباری سماجی ذمہ داری سے منسلک ہونے پر یقین رکھتی ہے جو براہ راست یا بالواسطہ ہمارے کاروبار کو متاثر کرتی ہے۔

ماحول پر کاروباری اثرات

انتظامیہ کا خیال ہے کہ گذشتہ برسوں میں ماحول دوست سرگرمیوں نے نمایاں اہمیت حاصل کی ہے۔ کمپنی نے فارم، پلانٹ اور ہیڈ آفس میں 1.2 میگا واٹ سولر سسٹم لگایا ہے جو کہ کاربن کے اخراج اور گرین ہاؤس گیسوں وغیرہ کو کم کرنے میں ہماری وابستگی اور ارادے کو ظاہر کرتا ہے۔

مزید برآں بڑھتی ہوئی نامیاتی فصلوں میں گائے کے گوبر کی کھاد مہیا کی جا رہی ہے جس سے ہماری ماحول کو بہتر کرنے کی کاوش کو تقویت ملتی ہے۔

ڈائریکٹرز کی رپورٹ

منجانب / برائے بورڈ آف ڈائریکٹرز

۹۰۰۰

۲۲

اعجاز نثار جسٹس (ریٹائرڈ)

راسخ الہی

ڈائریکٹر

چیف ایگزیکٹو ڈائریکٹر

28 ستمبر 2020ء

کاروباری انتظام

کمپنی سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے قواعد کی تعمیل کرتی ہے اور کمپنی نے سخت نگرانی کے ساتھ اندرونی ضبط کی بہتر پالیسی کا اطلاق کیا ہے۔

چیمبر مین کا تجزیہ

کمپنی کے ڈائریکٹرز چیمبر مین کے تجزیہ کو تسلیم کرتے ہیں، جو کمپنی کی مجموعی کارکردگی، آئندہ کالائٹ عمل اور بورڈ کی کارکردگی اور تاثیر پر رپورٹ سے متعلق ہے۔

مادی تبدیلی

30 جون 2020ء سے 28 ستمبر 2020ء تک کمپنی کی مالیاتی حالت کو متاثر کرنے والی کوئی تبدیلی یا ہدف سامنے نہیں آیا ہے۔

مستقبل کا منظر نامہ

انتظامیہ کی کاوشوں کی وجہ سے آپ کی کمپنی کا مستقبل بہتر ہے جو کہ مارکیٹ شیئر میں اضافے اور تمام کاروباری طبقات میں وسیع پیمانے پر شرکت ہے۔ کمپنی اپنے موجودہ گاہکوں کے علاوہ متوقع گاہکوں سے اچھے بزنس کی امید کرتی ہے۔ اس سلسلے میں کمپنی اپنے گاہکوں کو بہترین مصنوعات فراہم کر رہی ہے۔ یہ سب کام تحقیق کے ساتھ گاہکوں کو عمدہ نئی مصنوعات کی فراہمی کی وجہ سے ممکن ہے۔

اعترافات

ہماری مصنوعات پر مسلسل اعتماد کے لئے ہم اپنے صارفین کے تہہ دل سے شکر گزار ہیں اور الطہور کی مکمل ٹیم، بشمول عملہ کی کاوشوں اور وینڈرز، ڈیلرز اور تمام کاروباری شراکت داروں کی ان تھک محنت کو قدر کی نگاہ سے دیکھتے ہیں اور ان کی مسلسل حمایت کی توقع رکھتے ہیں۔

ہم اللہ کے آگے جھکتے ہیں اور اس کی عنایات اور رہنمائی کے لئے دعا کرتے ہیں۔

Key Operating and Financial Data of Six Years at a Glance

A. Summary of Profit & Loss Account		2020	2019	2018	2017	2016	2015
Sales		1,811,537,025	1,513,288,448	1,204,453,369	963,902,663	728,785,909	618,868,691
Gross profit		800,133,084	790,893,137	550,424,642	390,525,641	346,981,071	291,765,527
Profit from operation		172,255,337	271,676,992	169,760,824	94,241,060	31,199,080	58,211,379
Profit before taxation		118,603,740	249,212,255	160,552,135	88,762,330	25,639,463	55,729,891
Profit after taxation		54,884,617	270,100,072	177,680,359	111,426,261	27,713,312	83,475,577
B. Summary of Statement of Financial Position							
Share capital		1,613,337,000	1,466,670,000	1,100,000,000	1,100,000,000	1,100,000,000	887,500,010
Accumulated profit for the period		791,629,896	937,349,391	331,663,877	152,655,512	38,879,790	8,996,334
Long term liabilities		198,929,029	144,575,080	229,594,833	37,100,400	18,003,302	17,139,941
Current liabilities		664,474,457	384,935,915	416,240,553	187,544,675	138,965,494	115,491,601
Non Current Assets		2,235,909,450	2,235,909,450	1,642,606,223	1,101,423,768	1,092,646,431	961,000,982
Current Assets		606,764,849	697,620,936	854,092,706	375,876,819	252,202,155	216,190,581
C. Performance Indicators							
Profitability Ratios							
Gross profit ratio	(%)	44.17	52.26	45.70	40.52	47.61	47.14
Operating profit margin to sales	(%)	9.51	17.95	14.09	9.78	4.28	9.41
Net profit margin to sales (Net)	(%)	3.03	17.85	14.75	11.56	3.80	13.49
Return on average Equity	(%)	2.28	21.05	16.15	10.13	2.79	12.58
Return on capital employed	(%)	2.28	9.26	6.80	6.38	2.32	4.94
Return on average assets	(%)	1.78	9.95	8.94	7.90	2.20	8.41
Liquidity Ratios							
Current Ratio	(Times)	0.91	1.81	2.05	2.00	1.81	1.87
Quick Ratio	(Times)	0.60	1.45	1.85	1.54	1.33	0.99
Activity / Turnover Ratio							
Debtors turnover ratio	(Times)	16.10	20.41	18.75	29.22	61.77	70.73
No. of days in receivables / Average collection period	(Days)	22.67	17.88	19.47	12.49	5.91	5.16
Inventory turnover ratio	(Times)	14.67	10.99	14.21	11.05	11.00	6.34
No. of days in Inventory	(Days)	24.88	26.82	26.06	29.07	41.05	31.81
No. of days in creditors / Total assets turnover	(Times)	0.68	0.56	0.61	0.68	0.58	0.62
Earning per Share	(Rs)	0.34	1.69	1.62	1.01	0.28	1.58
Break-up value per share	(Rs)	14.91	15.06	13.02	11.39	11.41	16.93
Capital Structure Ratio							
Debt equity ratio		0.08	0.06	0.16	0.03	0.02	0.02
Total Liabilities to total assets	(%)	30.37	18.05	25.87	15.21	11.67	11.27

Pattern of Shareholding

As at June 30, 2020

No. of Shareholders	From	To	Total Shares Held
137	1	100	5,173
126	101	500	49,203
447	501	1,000	280,670
781	1,001	3,500	1,608,025
149	5,001	10,000	1,133,586
54	10,001	15,000	637,759
29	15,001	20,000	519,112
25	20,001	25,000	572,516
18	25,001	30,000	503,235
7	30,001	35,000	228,650
6	35,001	40,000	231,951
6	40,001	45,000	253,950
8	45,001	50,000	388,600
5	50,001	55,000	270,150
4	55,001	60,000	226,100
3	60,001	65,000	192,000
2	65,001	70,000	133,500
6	70,001	75,000	445,742
3	75,001	80,000	239,050
4	80,001	85,000	330,148
1	90,001	95,000	95,000
3	95,001	100,000	300,000
2	100,001	105,000	208,000
1	110,001	115,000	113,290
1	115,001	120,000	118,000
3	120,001	125,000	366,245
1	140,001	145,000	140,125
1	145,001	150,000	150,000
2	160,001	165,000	326,000
1	170,001	175,000	171,096
2	175,001	180,000	359,000
1	195,001	200,000	200,000
1	205,001	210,000	207,350
2	215,001	220,000	439,476
1	225,001	230,000	228,500
1	260,001	265,000	265,000
1	265,001	270,000	270,000
1	270,001	275,000	271,000
1	275,001	280,000	276,000
1	280,001	285,000	280,251
1	285,001	290,000	288,496
1	315,001	320,000	316,600
1	325,001	330,000	326,000
1	345,001	350,000	350,000
1	355,001	360,000	355,500
1	365,001	370,000	368,500
1	395,001	400,000	400,000
2	435,001	440,000	880,000
1	445,001	450,000	450,000
1	485,001	490,000	488,000
2	500,001	505,000	1,008,316
1	525,001	530,000	526,337

Pattern of Shareholding

As at June 30, 2020

1	545,001	550,000	550,000
1	595,001	600,000	600,000
1	640,001	645,000	641,667
1	665,001	670,000	668,500
1	695,001	700,000	697,500
2	740,001	745,000	1,483,332
1	785,001	790,000	785,568
1	795,001	800,000	800,000
1	915,001	920,000	915,186
1	1,710,001	1,715,000	1,712,000
1	1,845,001	1,850,000	1,849,401
1	2,460,001	2,465,000	2,462,500
1	2,755,001	2,760,000	2,756,050
1	4,665,001	4,670,000	4,665,078
1	5,620,001	5,625,000	5,621,900
1	42,830,001	42,835,000	42,833,190
1	73,500,001	73,505,000	73,500,626
1880			161,333,700

2.3	Categories of shareholders	Share held	Percentage
2.3.1	Directors, Chief Executive Officers, and their spouse and minor children	117,718,253	72.9657%
2.3.2	Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000%
2.3.3	NIT and ICP	1,008,316	0.6250%
2.3.4	Banks Development Financial Institutions, Non Banking Financial Institutions.	0	0.0000%
2.3.5	Insurance Companies	5,701,400	3.5339%
2.3.6	Modarabas and Mutual Funds	10,133,615	6.2812%
2.3.7	Share holders holding 10% or more	116,333,816	72.1076%
2.3.8	General Public		
	a. Local	17,450,227	10.8162%
	b. Foreign	2,943	0.0018%
2.3.9	Others (to be specified)		
	1- Investment Companies	2,756,050	1.7083%
	2- Pension Funds	480,791	0.2980%
	3- Joint Stock Companies	4,726,479	2.9296%
	4- Others	1,355,626	0.8403%

Catagories of Shareholding required under Code of Corporate Governance (CCG)

As on June 30, 2020

Sr. No.	Name	No. of Shares Held	Percentage
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Associated Companies, Undertakings and Related Parties (Name Wise Detail):

-

-

Mutual Funds (Name Wise Detail)

1	CDC - TRUSTEE ABL STOCK FUND (CDC)	537	0.0003
2	CDC - TRUSTEE ALFALAH GHP ALPHA FUND (CDC)	179,000	0.1110
3	CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICAED EQUITY FUND (CDC)	500	0.0003
4	CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND (CDC)	355,500	0.2204
5	CDC - TRUSTEE ALFALAH GHP STOCK FUND (CDC)	271,000	0.1680
6	CDC - TRUSTEE ALFALAH GHP VALUE FUND (CDC)	113,290	0.0702
7	CDC - TRUSTEE APF-EQUITY SUB FUND (CDC)	265,000	0.1643
8	CDC - TRUSTEE APIF - EQUITY SUB FUND (CDC)	180,000	0.1116
9	CDC - TRUSTEE ATLAS ISLAMIC DEDICATED STOCK FUND (CDC)	228,500	0.1416
10	CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND (CDC)	697,500	0.4323
11	CDC - TRUSTEE ATLAS STOCK MARKET FUND (CDC)	2,462,500	1.5263
12	CDC - TRUSTEE AWT ISLAMIC STOCK FUND (CDC)	11,063	0.0069
13	CDC - TRUSTEE FAYSAL ISLAMIC DEDICTED EQUITY FUND (CDC)	276,000	0.1711
14	CDC - TRUSTEE FAYSAL STOCK FUND (CDC)	150,000	0.0930
15	CDC - TRUSTEE MCB PAKISTAN STOCK ASSET ALLOCATION FUND (CDC)	668,500	0.4144
16	CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND (CDC)	1,712,000	1.0612
17	CDC - TRUSTEE MEEZAN BALANCED FUND (CDC)	70,742	0.0438
18	CDC - TRUSTEE MEEZAN ISLAMIC FUND (CDC)	120,045	0.0744
19	CDC - TRUSTEE NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND (CDC)	125,000	0.0775
20	CDC - TRUSTEE NBP ISLAMIC STOCK FUND (CDC)	1,849,401	1.1463
21	CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND (CDC)	270,000	0.1674
22	CDC - TRUSTEE MEEZAN DEDICATED EQUITY FUND (CDC)	91	0.0001
23	MC FSL - TRUSTEE JS GROWH FUND (CDC)	75,000	0.0465
24	MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND (CDC)	1,696	0.0011

Directors and their Spouse and Minor Children (Name Wise Detail):

1	MR. RASIKH ELAHI	73,500,626	45.5581
2	MR. SHABBI ZAHID ALI	550	0.0003
3	MR. AURANGZEB FIROZ	642,218	0.3981
4	SHEIKH IJAZ NISAR	1	0.0000
5	DR. FARZANA FIROZ (CDC)	741,666	0.4597
6	MR. AMAR ZAFAR KHAN	1	0.0000
7	SYED KASHIF UL HASSAN SHAH (CDC)	1	0.0000
8	MRS. ZAHRA ALI ELAHI W/O RASHIKH ELAHI	42,833,190	26.5494

Executives:

-

-

Public Sector Companies & Corporations:

-

-

Banks, Development Finance Institutions, Non Banking Finance**6,232,941****3.8634****Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:****Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)**

1	MR. RASIKH ELAHI	73,500,626	45.5581
2	MRS. ZAHRA ALI ELAHI W/O RASHIKH ELAHI	42,833,190	26.5494

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

S.No	NAME	SALE	PURCHASE	Bonus
1	MR. RASIKH ELAHI			6,681,875
2	MR. SHABBI ZAHID ALI			50
3	MR. AURANGZEB FIROZ (CDC)			58,383
4	MRS. ZAHRA ALI ELAHI W/O RASHIKH ELAHI			3,893,926
5	DR. FARZANA FIROZ			158,333

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

For the year ended June 30, 2020

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven (07) as per following:

- a. Male: 6
- b. Female: 1

2. The composition of board is as follow:

S. No.	Category	Names
1	Independent Directors	Mr. Ijaz Nisar Mr. Aurangzeb Firoz Mr. Amar Zafar Khan Syed Kashif ul Hassan Shah Dr. Farzana Firoz
2	Non-Executive Directors	Mr. Shabbi Zahid Ali
3	Executive Director	Mr. Rasikh Elahi

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company;

4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;

9. The Board has arranged Directors' Training program for the following;

1. Mr. Amar Zafar Khan
2. Mr. Aurangzeb Firoz
3. Syed Kashif ul Hassan Shah

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

For the year ended June 30, 2020

12. The Board has formed committees comprising of members given below:

a) Audit Committee:

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

b) HR and Remuneration Committee:

Mr. Ijaz Nisar	-	Chairman
Mr. Rasikh Elahi	-	Member
Mr. Shabbi Zahid Ali	-	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly / half yearly / yearly) of the committee were as per following:

a) Audit Committee:

Four meetings were held during the financial year ended June 30, 2020.

b) Human Resource & Remuneration Committee:

One meeting was held during the financial year ended June 30, 2020.

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

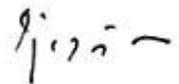
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with;

19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

For the year ended June 30, 2020

Sr. No.	Requirements	Explanation of non-Compliance	Regulation Number
1	Representation of Minority shareholders The minority members as a class shall be facilitated by the Board to contest election of directors by proxy solicitation.	No one intended to contest election as director representing minority shareholders.	5
2	Directors' Orientation Program Acquainting the directors with these Regulations, applicable laws, their duties and responsibilities.	Three directors have completed their prescribed Directors' Training. Directors' Orientation program for other directors shall be arranged.	18
3	Directors' Training At least half of the directors acquire the prescribed certification under Directors Training upto June 30, 2020.	Three directors have completed their prescribed Directors' Training. Directors' Training for other directors shall be arranged.	19
4	Company Secretary Same person shall not simultaneously hold office of Chief Financial Officer and the Company Secretary.	The Company is in process to separate these two designations.	24
5	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the Board has not constituted a separate nomination committee and the functions are being performed by the human resource and remuneration committee. The Board shall consider to constitute nomination committee when required.	29
6	Risk Management Committee The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted a risk management committee and senior officers of the Company perform the requisite functions and apprise the Board accordingly. The Board shall consider to constitute risk management committee when required.	30
7	Disclosure of significant policies on website The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the directors' remuneration policy.	Although these are well circulated among the relevant employees and directors, the Board shall consider posting such policies and synopsis on its website in near future.	35


IJAZ NISAR JUSTICE (RTD.)
 Chairman
 September 28, 2020
 Lashore

Independent Auditor's Review Report to the Members To the members of At-Tahur Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of At-Tahur Limited (the Company) for the year ended 30 June 2020 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2020.



RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

Date: September 28, 2020

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 2020, 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 2020 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 2020, 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 1,476.864 million, which approximates the fair value less costs to sell representing 44.83% of its total assets.</p> <p>During the year ended 30 June 2020, the Company has recognized fair value gain of Rupees 392.756 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>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

Independent Auditor's Report to the Members of At-Tahur Limited Report on the Audit of the Financial Statements

Sr. No.	Key audit matters	How the matters were addressed in our audit
	<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 accounting policies, Biological assets note 2.7 to the financial statements. - Biological assets note 17 to the financial statements. 	<p>accounting and reporting standards.</p> <ul style="list-style-type: none"> • 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. • 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 2020, the Company have recognized deferred income tax assets amounting to Rupees 180.267million on unused tax losses, carried forwarded turnover tax, lease liabilities 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, lease liabilities 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. • We assessed the reasonableness of cash flow projection, taxable profits projections, challenging and performing audit

Independent Auditor's Report to the Members of At-Tahur Limited Report on the Audit of the Financial Statements

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 2.3 to the financial statements. - Deferred income tax asset note 19 to the financial statements. 	<p>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.</p> <ul style="list-style-type: none"> • We tested mathematical accuracy of future projections and the use of appropriate tax rate applicable on temporary timing differences. • 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 recognized net revenue of Rupees 1,811.537 million for the year ended 30 June 2020.</p> <p>We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicator of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets.</p> <p>For further information, refer to the following:</p> <ul style="list-style-type: none"> - Summary of significant accounting policies, Revenue from contracts with customers note 2.23 to the financial statements. - Sales note 28 to the financial statements. 	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue. • We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents. • We compared a sample of revenue transactions recorded around the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. • We tested the effectiveness of the Company's internal controls over the calculation and recognition of discounts. • We assessed whether the accounting policies for revenue recognition complies

Independent Auditor’s Report to the Members of At-Tahur Limited Report on the Audit of the Financial Statements

		<p>with the requirements of IFRS 15 'Revenue from Contracts with Customers'.</p> <ul style="list-style-type: none"> • We compared the details of a sample of journal entries posted to revenue accounts during the year, which met certain specific risk-based criteria, with the relevant underlying documentation. • We also considered the appropriateness of disclosures in the financial statements.
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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 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.



Independent Auditor's Report to the Members of At-Tahur Limited Report on the Audit of the Financial Statements

- 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
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

Date: September 28, 2020

Statement of Financial Position

as at 30 JUNE 2020

	NOTE	2020 Rupees	2019 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
165,000,000 (2019: 150,000,000) ordinary shares of Rupees 10 each		1,650,000,000	1,500,000,000
Issued, subscribed and paid-up share capital	3	1,613,337,000	1,466,670,000
Reserves	4	791,629,896	937,349,391
Total equity		2,404,966,896	2,404,019,391
LIABILITIES			
NON-CURRENT LIABILITIES			
Employees' retirement benefit	5	65,130,626	49,402,851
Liabilities against assets subject to finance lease	6	-	33,961,809
Lease liabilities	7	44,433,861	-
Long term financing	8	89,364,542	61,210,420
		198,929,029	144,575,080
CURRENT LIABILITIES			
Trade and other payables	9	274,422,342	159,398,359
Short term borrowings	10	301,836,072	150,000,000
Accrued mark-up / profit	11	10,438,482	2,866,898
Current portion of non-current liabilities	12	55,652,752	62,594,094
Unclaimed dividend	13	72,483	-
		642,422,131	374,859,351
Total liabilities		841,351,160	519,434,431
CONTINGENCIES AND COMMITMENTS	14		
TOTAL EQUITY AND LIABILITIES		3,246,318,056	2,923,453,822

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

	NOTE	2020 Rupees	2019 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	15	1,007,330,330	1,045,282,153
Right-of-use assets	16	83,545,757	-
Biological assets	17	1,474,184,813	1,053,873,480
Long term security deposits	18	14,981,049	12,190,849
Deferred income tax asset	19	81,563,584	124,562,968
		2,661,605,533	2,235,909,450
CURRENT ASSETS			
Stores	20	15,714,571	15,474,655
Inventories	21	188,231,480	126,279,576
Biological assets	17	2,679,413	1,482,888
Trade debts	22	84,279,634	73,773,066
Short term investment	23	4,619,240	-
Short term advances and prepayments	24	67,794,404	49,495,899
Short term deposits and other receivables	25	69,037,479	73,804,353
Advance income tax - net	26	79,116,124	73,147,332
Cash and bank balances	27	73,240,178	274,086,603
		584,712,523	687,544,372
TOTAL ASSETS		3,246,318,056	2,923,453,822



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

Statement of Profit or Loss

For the year ended 30 June 2020

	NOTE	2020 Rupees	2019 Rupees
SALES	28	1,811,537,025	1,513,288,448
GAIN ARISING ON INITIAL RECOGNITION OF MILK AT FAIR VALUE LESS COSTS TO SELL AT THE TIME OF MILKING	29.1	903,032,176	732,627,412
GAINS ARISING FROM CHANGES IN FAIR VALUE LESS COSTS TO SELL OF DAIRY LIVESTOCK	17.1	392,755,960	453,895,264
		3,107,325,161	2,699,811,124
OPERATING COSTS	29	(2,307,192,077)	(1,908,917,987)
		800,133,084	790,893,137
ADMINISTRATIVE AND GENERAL EXPENSES	30	(164,933,058)	(147,808,841)
SELLING AND MARKETING EXPENSES	31	(264,882,868)	(237,602,121)
OTHER EXPENSES	32	(205,683,617)	(154,520,654)
		(635,499,543)	(539,931,616)
OTHER INCOME	33	164,633,541 7,621,796	250,961,521 20,715,471
PROFIT FROM OPERATIONS		172,255,337	271,676,992
FINANCE COST	34	(53,651,597)	(22,464,737)
PROFIT BEFORE TAXATION		118,603,740	249,212,255
TAXATION	35	(63,719,123)	20,887,817
PROFIT AFTER TAXATION		54,884,617	270,100,072
			(Restated)
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	36	0.34	1.69

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

Statement of Comprehensive Income

For the year ended 30 June 2020

	2020 Rupees	2019 Rupees
PROFIT AFTER TAXATION	54,884,617	270,100,072
OTHER COMPREHENSIVE INCOME / (LOSS)		
Items that may be reclassified subsequently to profit or loss	-	-
Items that will not be reclassified to profit or loss:		
Remeasurement of defined benefit plan	464,335	(11,220,282)
Income tax on remeasurement of defined benefit plan	(134,657)	3,253,882
Other comprehensive income / (loss) for the year - net of tax	329,678	(7,966,400)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	55,214,295	262,133,672

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

Statement of Changes in Equity

For the year ended 30 June 2020

	RESERVES				TOTAL
	CAPITAL RESERVE	REVENUE RESERVE	TOTAL RESERVES		
	SHARE PREMIUM	UN-APPR-OPRIATED PROFIT			
Balance as at 01 July 2018	1,100,000,000	-	319,077,133	319,077,133	1,419,077,133
Transaction with owners:					
Ordinary shares issued during the year	366,670,000	403,337,000	-	403,337,000	770,007,000
Share issuance costs	-	(47,198,414)	-	(47,198,414)	(47,198,414)
	366,670,000	356,138,586	-	356,138,586	722,808,586
Profit for the year	-	-	270,100,072	270,100,072	270,100,072
Other comprehensive loss for the year	-	-	(7,966,400)	(7,966,400)	(7,966,400)
Total comprehensive income for the year	-	-	262,133,672	262,133,672	262,133,672
Balance as at 30 June 2019	1,466,670,000	356,138,586	581,210,805	937,349,391	2,404,019,391
Transactions with owners:					
Issue of 01 bonus share for every 10 ordinary shares for the year ended 30 June 2019	146,667,000	(146,667,000)	-	(146,667,000)	-
Final dividend for the year ended 30 June 2019 @ Rupee 0.37 per share	-	-	(54,266,790)	(54,266,790)	(54,266,790)
	146,667,000	(146,667,000)	(54,266,790)	(200,933,790)	(54,266,790)
Profit for the year	-	-	54,884,617	54,884,617	54,884,617
Other comprehensive income for the year	-	-	329,678	329,678	329,678
Total comprehensive income for the year	-	-	55,214,295	55,214,295	55,214,295
Balance as at 30 June 2020	1,613,337,000	209,471,586	582,158,310	791,629,896	2,404,966,896

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

Statement of Cash Flows

For the year ended 30 June 2020

	NOTE	2020 Rupees	2019 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	37	78,650,551	(32,893,240)
Finance cost paid		(39,384,772)	(24,525,670)
Income tax paid		(26,688,531)	(23,051,103)
Net increase in security deposits		(1,364,700)	(944,759)
Net cash generated from / (used in) operating activities		11,212,548	(81,414,772)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(113,519,116)	(241,439,366)
Initial direct cost incurred on right-of-use asset		(257,235)	-
Purchase of dairy livestock		(242,990,308)	(66,314,417)
Proceeds from sale of operating fixed assets		2,200,000	19,000,000
Short term investments made		(104,500,000)	-
Short term investments disposed of		100,000,000	-
Proceeds from sale of dairy livestock		24,667,179	23,492,847
Return on bank deposits		1,222,484	12,254,406
Interest on term deposit receipts		3,114,626	-
Net cash used in investing activities		(330,062,370)	(253,006,530)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		151,836,072	22,452,194
Liabilities against assets subject to finance lease		-	(14,625,660)
Repayment of lease liabilities		(10,616,189)	-
Long term financing obtained		40,080,829	22,815,000
Long term financing repaid		(9,103,008)	(190,658,000)
Dividend paid		(54,194,307)	-
Proceeds from issue of ordinary shares - net of share issuance costs		-	303,608,920
Net cash from financing activities		118,003,397	143,592,454
Net decrease in cash and cash equivalents		(200,846,425)	(190,828,848)
Cash and cash equivalents at the beginning of the year		274,086,603	464,915,451
Cash and cash equivalents at the end of the year		73,240,178	274,086,603

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

Notes to the Financial Statements

For the year ended 30 June 2020

1. THE COMPANY AND ITS OPERATIONS

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

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

Dairy Farm, Distribution Centers and Office	Address
Dairy farm and plant	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

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) Statement of compliance

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) Accounting convention

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies.

c) 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 and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas

Notes to the Financial Statements

For the year ended 30 June 2020

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, patterns of economic benefits and impairment

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

Income tax

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past. 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.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

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 5.5.

Revenue from contracts with customers involving sale of goods

When recognizing revenue in relation to the sale of goods to customers, the key performance obligation of the Company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Provisions

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is

Notes to the Financial Statements

For the year ended 30 June 2020

recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

d) Standard, interpretation and amendments to published approved accounting standards that are effective in current year and are relevant to the Company

Following standard, interpretation and amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2019:

- IFRS 16 'Leases'
- IFRS 9 (Amendments) 'Financial Instruments'
- IFRIC 23 'Uncertainty over Income Tax Treatments'
- IASB's Annual Improvements to IFRSs: 2015-2017 Cycle

The Company has changed its accounting policies and make certain adjustments without restating prior year results following the adoption of IFRS 16. These are disclosed in note 2.8. Most of the other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

e) Standard and amendments to published approved accounting standards that are effective in current year but not relevant to the Company

There are other standard and amendments to published standards that are mandatory for accounting period beginning on or after 01 July 2019 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.

f) Amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2020 or later periods:

Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (effective for annual periods beginning on or after 01 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS. In addition, the IASB has also issued guidance on how to make materiality judgements when preparing general purpose financial statements in accordance with IFRS.

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

Notes to the Financial Statements

For the year ended 30 June 2020

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.

Interest Rate Benchmark Reform which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' is applicable for annual financial periods beginning on or after 1 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published a report setting out its recommended reforms of some major interest rate benchmarks such as IBORs. Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term 'interest rate benchmark reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provide relief from the potential effects of the uncertainty caused by the reform. A company shall apply the exceptions to all hedging relationships directly affected by interest rate benchmark reform.

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 1 January 2022. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Onerous Contracts Cost of Fulfilling a Contract (Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets') effective for the annual period beginning on or after 1 January 2022 amends IAS 1 'Presentation of Financial Statements' by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16 'Property, Plant and Equipment') effective for the annual period beginning on or after 1 January 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner

Notes to the Financial Statements

For the year ended 30 June 2020

intended by management e.g. when testing etc, are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2 'Inventories'. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022.

- IFRS 9 'Financial Instruments' The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
- IFRS 16 'Leases' The amendment partially amends Illustrative Example 13 accompanying IFRS 16 'Leases' by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
- IAS 41 'Agriculture' The amendment removes the requirement in paragraph 22 of IAS 41 'Agriculture' for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

The above amendments and improvements do not have a material impact on the financial statements.

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 2020 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 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 number of years 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.

Notes to the Financial Statements

For the year ended 30 June 2020

2.3 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.

2.4 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. Figures are rounded off to the nearest of Pak Rupees.

2.5 Foreign currency transactions and translation

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

2.6 Property, plant and equipment and depreciation

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 are stated at cost less any recognized impairment loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as

Notes to the Financial Statements

For the year ended 30 June 2020

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 period in which they are incurred.

Depreciation

Depreciation on property, plant and equipment is charged to the statement of profit or loss applying the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives except for leasehold land, which is depreciated over the lease period using straight-line method, rates given in note 15. Depreciations on additions is charged from the month in which the assets are available for use up to the month prior to disposal. The residual values and useful lives are reviewed by the management, at each financial period-end and adjusted if impact on depreciation is significant.

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 is included in the statement of profit or loss in the year the asset is de-recognized.

2.7 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.

2.8 IFRS 16 “Leases”

The Company has adopted IFRS 16 from 01 July 2019. The standard replaces IAS 17 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognized in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognized lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under IFRS 16 will be higher when compared to lease expenses under IAS 17, as the operating expense is now replaced by interest expense and depreciation in the statement of profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

IFRS 16 has been adopted using the modified retrospective approach and as such the comparatives have not been restated. The impacts of adoption as at 01 July 2019 are as follows:

Notes to the Financial Statements

For the year ended 30 June 2020

	Rupees
Operating fixed assets (leased) decreased by	(91,346,167)
Right-of-use assets increased by	91,346,167
Liabilities against assets subject to finance lease decreased by	(86,401,948)
Lease liabilities increased by	86,401,948

Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to income as incurred.

Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

2.9 Ijarah transactions

Ujrah (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.

2.10 Investments and other financial assets

a) Classification

The Company classifies its financial assets in the following measurement categories:

Notes to the Financial Statements

For the year ended 30 June 2020

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

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

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

b) Measurement

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

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

Debt instruments

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

Amortized cost

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

Fair value through other comprehensive income (FVTOCI)

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

Notes to the Financial Statements

For the year ended 30 June 2020

Fair value through profit or loss (FVTPL)

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

Equity instruments

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

Fair value through other comprehensive income (FVTOCI)

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

Fair value through profit or loss

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

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

2.11 Financial liabilities - classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

2.12 Impairment of financial assets

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

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

2.13 De-recognition of financial assets and financial liabilities

a) Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the

Notes to the Financial Statements

For the year ended 30 June 2020

asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

b) Financial liabilities

The Company derecognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

2.14 Offsetting of financial instruments

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.

2.15 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.

2.16 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.

2.17 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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For the year ended 30 June 2020

Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss.

2.18 Trade debts and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables generally do not include amounts over due by 365 days.

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

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

2.19 Borrowings

Financing and borrowings are initially recognized at fair value of the consideration received, net of transaction costs. They are subsequently measured at amortized cost using the effective interest method.

2.20 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.

2.21 Share capital

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

2.22 Trade and other payables

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

2.23 Revenue from contracts with customers

i) Revenue recognition

(a) Sale of goods

Revenue from the sale of agriculture produce is measured at the fair value of the consideration received or receivable at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

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

(b) Interest

Interest income is recognised as interest accrues using the effective interest method. This is a

Notes to the Financial Statements

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

(c) Other revenue

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

ii) Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

iii) Customer acquisition costs

Customer acquisition costs are capitalised as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortised on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

iv) Customer fulfilment costs

Customer fulfilment costs are capitalised as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the Company that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfilment costs are amortised on a straight-line basis over the term of the contract.

v) Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

vi) Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

vii) Refund liabilities

Refund liabilities are recognised where the Company receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Company does not expect to be

Notes to the Financial Statements

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entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

2.24 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.

2.25 Contingent assets

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

2.26 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

2.27 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.

2.28 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

2.29 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of fixed assets are included in non-current liabilities as deferred income and are credited to profit or loss over the expected lives of the related assets.

2.30 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.

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For the year ended 30 June 2020

3 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

	2020 Number of shares	2019		2020 Rupees	2019 Rupees
	146,667,000	146,667,000	Ordinary shares of Rupees 10 each fully paid-up in cash	1,466,670,000	1,466,670,000
	14,666,700	-	Ordinary shares of Rupees 10 each issued as fully paid-up bonus shares	146,667,000	-
	161,333,700	146,667,000		1,163,337,000	1,466,670,000

3.1 Movement during the year:

	146,667,000	110,000,000	At 01 July	1,466,670,000	1,100,000,000
	-	36,667,000	Issue of fully paid-up ordinary shares of Rupees 10 each	-	366,670,000
	14,666,700	-	Issue of ordinary shares of Rupees 10 each as fully paid-up bonus shares	146,667,000	-
	161,333,700	146,667,000	At 30 June	1,613,337,000	1,466,670,000

3.2 Chief executive and directors of the Company held 73,500,626 (2019: 66,818,751) and 1,384,437 (2019: 584,339) ordinary shares respectively of the Company as at 30 June 2020. 47,498,268 (2019: 38,939,264) ordinary shares are held by family members of the chief executive of the Company.

	2020 Rupees	2019 Rupees
4 RESERVES		
Composition of reserves is as follows:		
Capital reserve		
Share premium (Note 4.1)	209,471,586	356,138,586
Revenue reserve		
Un-appropriated profit	582,158,310	581,210,805
	791,629,896	937,349,391

4.1 This reserve can be utilized by the Company only for the purposes specified in section 81 of the Companies Act, 2017.

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For the year ended 30 June 2020

5 EMPLOYEES' RETIREMENT BENEFIT

The latest actuarial valuation of the defined benefit obligation as at 30 June 2020 was carried out using the projected unit credit method. Details of the obligation as per actuarial valuation are as follows:

	2020 Rupees	2019 Rupees	
5.1 The amount recognized in the statement of financial position is as follows:			
Present value of defined benefit obligation (Note 5.2)	65,130,626	49,402,851	
5.2 Movement in the liability recognized in the statement of financial position is as follows:			
Opening balance	49,402,851	28,077,763	
Net charge for the year	21,100,580	12,163,649	
Benefits due but not paid	(4,908,470)	(2,058,843)	
Actuarial (gains) / losses from changes in financial assumptions	(218,052)	149,959	
Experience adjustments	(246,283)	11,070,323	
Closing balance	65,130,626	49,402,851	
5.3 The amount recognized in the statement of profit or loss is as follows:			
Current service cost	14,410,402	9,729,298	
Interest cost on defined benefit obligation	6,690,178	2,434,351	
	21,100,580	12,163,649	
5.3.1 The charge for the year has been allocated as follows:			
Operating costs (Note 29.2)	9,253,856	4,375,611	
Administrative and general expenses (Note 30.1)	4,068,120	2,394,202	
Selling and marketing expenses (Note 31.1)	7,778,604	5,393,836	
	21,100,580	12,163,649	
5.4 Remeasurements recognized in statement of comprehensive income:			
Actuarial (gains) / losses from changes in financial assumptions	(218,052)	149,959	
Experience adjustments	(246,283)	11,070,323	
	(464,335)	11,220,282	
	2020	2019	
5.5 Principal actuarial assumptions used are as follows:			
Expected rate of eligible salary increase in future	% per annum	7.50	13.25
Discount rate	% per annum	8.50	14.25

Notes to the Financial Statements

For the year ended 30 June 2020

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

	2020 Rupees	2019 Rupees	2018 Rupees	2017 Rupees	2016 Rupees
5.7 Historical information					
Experience adjustment on defined benefit obligation for current and previous years	(246,283)	11,070,323	(1,915,820)	(3,717,464)	(5,178,550)
Actuarial losses from changes in demographic assumptions	-	-	-	326,474	-
Actuarial losses / (gains) from changes in financial assumptions	(218,052)	149,959	18,668	(14,026)	-
Present value of defined benefit obligation for current and previous years	65,130,626	49,402,851	28,077,763	21,104,991	18,003,302
Experience adjustment on defined benefit obligation	(0.50%)	39.43%	(9.08%)	(20.65%)	(30.21%)

5.8 Estimated charge to statement of profit or loss for the year ending on 30 June 2021 will be Rupees 20.347 million.

5.9 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	Increase in assumption	Decrease in assumption
	Bps	Rupees	Rupees
Discount rate	100	61,133,609	69,728,069
Future salary increase	100	69,728,069	61,063,638

5.9.1 The above sensitivity analysis 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.

5.10 The average duration of the defined benefit obligation is 7 years.

	2020 Rupees	2019 Rupees
6 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
Future minimum lease payments	-	98,170,946
Less: Un-amortized finance charge	-	(11,768,998)
Present value of future minimum lease payments	-	86,401,948
Less: Current portion shown under current liabilities (Note 12)	-	(52,440,139)
	-	33,961,809

Notes to the Financial Statements

For the year ended 30 June 2020

- 6.1** As on 01 July 2019, the Company has adopted IFRS 16 'Leases', hence, liabilities against assets subject to finance lease have been classified as lease liabilities (Note 7 to these financial statements). Minimum lease payments were discounted using implicit interest rates ranged from 9.79% to 13.80% per annum. Rentals were payable in monthly instalments. Registration cost, taxes and insurance coverage were borne by the Company. These were secured against the leased assets, specific hypothecation charge over leased assets, demand promissory notes and security deposits of Rupees 11.889 million.

	2020		2019	
	Note later than one year	Later than one year but not later than five year	Not later than one year	Later than one year but not later than five year
	----- (Rupees) -----			
Future minimum lease payments	-	-	57,343,658	40,827,288
Less: Un-amortized finance charge	-	-	(4,903,519)	(6,865,479)
Present value of future minimum lease payments	-	-	52,440,139	33,961,809
			2020 Rupees	2019 Rupees
7 LEASE LIABILITIES				
Total lease liabilities			87,108,959	-
Less: Current portion shown under current liabilities (Note 12)			(42,675,098)	-
			44,433,861	-

- 7.1** The interest expense on lease liabilities for the year is Rupees 5.328 million. The total cash outflow for leases for the year ended 30 June 2020 amounted to Rupees 14.693 million.

- 7.2** Implicit rates against lease liabilities range from 10.72% to 16.72% per annum.

- 7.3** Leases from banking companies are secured against the leased assets, specific hypothecation charge over leased assets, demand promissory notes, personal guarantee of chief executive of the Company and security deposits of Rupees 12.827 million.

- 7.4** Lease period has been deferred by one year in accordance with State Bank of Pakistan BPRD Circular Letter No. 13 of 2020 dated 26 March 2020.

Notes to the Financial Statements

For the year ended 30 June 2020

8.4 This loan is secured against ranking pari passu charge over present and future fixed assets of the Company amounting to Rupees 75.000 million, pledge of shares of chief executive of the Company with 50% margin and personal guarantee of chief executive of the Company. During the year, this long term loan did not carry rate of interest of State Bank of Pakistan refinance scheme for payment of wages and salaries. Hence, does not contain any element of government grant.

	2020 Rupees	2019 Rupees
9 TRADE AND OTHER PAYABLES		
Creditors	174,623,740	77,931,381
Accrued liabilities	24,794,952	30,012,777
Payable to associated company (Note 9.1)	12,781,021	2,328,737
Payable to contractors	1,836,164	4,297,984
Income tax deducted at source	903,020	1,153,110
Workers' profit participation fund payable (Note 9.2)	57,062,960	43,645,642
Workers' welfare fund payable (Note 9.3)	2,420,485	-
Lease rentals payable	-	28,728
	274,422,342	159,398,359

9.1 This represents amount payable to Bahera (Private) Limited - associated company. This payable balance is unsecured, interest free and in the ordinary course of business of the Company.

	2020 Rupees	2019 Rupees
9.2 Workers' profit participation fund payable		
Balance as on 01 July	43,645,642	24,727,060
Add: Prior year adjustment	-	2,287,421
Add: Provision for the year (Note 32)	6,722,077	13,292,171
Interest for the year (Note 34)	6,695,241	3,338,990
Balance as on 30 June	57,062,960	43,645,642

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 Profits (Workers' Participation) Act, 1968 on funds utilized by the Company till the date of allocation to workers.

9.3 Workers' welfare fund payable

Balance as on 01 July	-	-
Add: Provision for the year (Note 32)	2,420,485	-
Balance as on 30 June	2,420,485	-

10 SHORT TERM BORROWINGS

From banking companies - secured

Short term murabahah (Note 10.1)	91,444,842	-
Running finances (Note 10.1 and 10.2)	210,391,230	150,000,000
	301,836,072	150,000,000

Notes to the Financial Statements

For the year ended 30 June 2020

10.1 These are secured against first pari passu charge by the way of hypothecation over Company's present and future current assets, ranking charge over current assets, ranking charge over fixed assets (including land and plant and machinery) and personal guarantee of Company's chief executive. The rate of mark-up on short term borrowings ranged from 9.94% to 15.90% (2019: Nil) per annum. These form part of total credit facility of Rupees 150 million (2019: Rupees Nil).

10.2 These are secured against first pari passu charge over Company's present and future current assets, charge on fixed assets of the Company including charge on land of Bahera (Private) Limited - associated company, personal guarantee of chief executive of the Company and corporate guarantee of Bahera (Private) Limited. The rate of mark-up on short term borrowings ranged from 10.33% to 15.81% (2019: 8.42% to 14.80%) per annum. These form part of total credit facility of Rupees 230 million (2019: Rupees 230 million).

	2020 Rupees	2019 Rupees
11 ACCRUED MARK-UP / PROFIT		
Liabilities against assets subject to finance lease	-	322,670
Lease liabilities	246,610	-
Long term financing	1,389,367	1,588,672
Short term borrowings	8,802,505	955,556
	10,438,482	2,866,898
12 CURRENT PORTION OF NON-CURRENT LIABILITIES		
Liabilities against assets subject to finance lease (Note 6)	-	52,440,139
Lease liabilities (Note 7)	42,675,098	-
Long term financing (Note 8)	12,977,654	10,153,955
	55,652,752	62,594,094

13 UNCLAIMED DIVIDEND

As at the reporting date, the Company is in process of complying with the provision of section 244 of the Companies Act, 2017.

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

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

Notes to the Financial Statements

For the year ended 30 June 2020

- 14.1.2** Deputy Commissioner Inland Revenue (DCIR) passed an order under sections 122(1) read with section 122(5) of the Income Tax Ordinance, 2001 for tax year 2015 creating a tax demand of Rupees 38.264 million. Being aggrieved, the Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] who gave partial relief to the Company, confirmed an addition and remanded back some of the matters. The Company has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) against the order of CIR(A) which is yet to be heard. The management of the Company, based on advice of the legal counsel, is confident of the favorable outcome of its appeal, hence no provision against the aforesaid has been recognised in these financial statements.
- 14.1.3** Deputy Commissioner Inland Revenue (DCIR) and Assistant Commissioner Inland Revenue (ACIR) had rejected sales tax refunds of the Company amounting to Rupees 35.269 million for various tax periods based on their interpretation of SRO 549(I)/2008 dated 11 June 2008 and SRO 670(I)/2013 dated 18 July 2013. As a result, the Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] against the aforesaid rejections. CIR(A) has given the decision in favor of the Company for the sales tax refunds amounting to Rupees 28.472 million. The management of the Company, based on advice of the legal counsel, is confident of favorable outcome of its appeal in connection with the remaining amount, hence no provision against the aforesaid rejections has been made in these financial statements.
- 14.1.4** Additional Commissioner Inland Revenue (ACIR) passed an order under section 122(1) read with section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2014. The ACIR has disallowed brought forward tax credit under section 65B of the Income Tax Ordinance, 2001 amounting to Rupees 0.344 million and Rupees 1.719 million pertaining to the tax years 2012 and 2013 respectively, which was claimed by the Company against tax liability for the tax year 2014. The Company has filed appeal before CIR(A) against the order of ACIR. Based on the advice of legal counsel the management is confident that outcome of the appeal would be in favour of the Company. Hence, no provision against the aforesaid has been recognised in these financial statements.
- 14.1.5** The Competition Commission of Pakistan ("CCP") initiated a formal enquiry under the provisions of the Competition Act, 2010 ("the Act") on complaint against the Company by Pakistan Dairy Association ("Association") for adopting deceptive marketing practices in contravention of section 10 of the Act. It was prayed by Association to CCP to impose a penalty of 10% of the annual turnover of the Company or Rupees 75 million, as CCP may deem appropriate. The Company submitted a detail reply before the CCP through their advocates, rejecting the contents of filed complaint. On 27 December 2019, CCP has passed an order against the Company and imposed a penalty of Rupees 35 million. The Company has filed writ petition against the order of CCP before the Honorable Lahore High Court, Lahore and Competition Appellate Tribunal ("CAT") against the CCP order. On 02 March 2020, the Honorable Lahore High Court, Lahore through its order suspended the penalty. However, the proceedings before the CAT are pending. The legal counsel of the Company is confident that there are meritorious grounds to defend the case. Hence, the provision for penalty has not been recognized in these financial statements.

14.2 Commitments

- 14.2.1** Letters of credit other than for capital expenditure are of Rupees 14.161 million (2019: Rupees 0.948 million).
- 14.2.2** The Company obtained vehicles and machinery under Ijarah arrangements from Bank Islami Pakistan Limited for a period of three years. The total future monthly Ujrah payments under Ijarah is Rupees Nil (2019: Rupees 1.407 million).

Notes to the Financial Statements

For the year ended 30 June 2020

	2020 Rupees	2019 Rupees
15 PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets:		
- Owned (Note 15.1)	999,929,988	874,508,681
- Leased (Note 15.1)	-	91,346,167
	999,929,988	965,854,848
Capital work-in-progress (Note 15.3)	7,400,342	79,427,305
	1,007,330,330	1,045,282,153

15.1 Operating fixed assets

	OWNED					
	Freehold Land	Buildings on freehold land	Plant and machinery	Electric installations	Office equipment	Tools and equipment
	----- RUPEES -----					
At 30 June 2018						
Cost	132,330,143	275,068,870	279,354,078	13,509,059	5,169,502	13,875,524
Accumulated depreciation	-	(74,767,224)	(96,486,184)	(7,762,188)	(1,273,043)	(6,412,759)
Net book value	132,330,143	200,301,646	182,867,894	5,746,871	3,896,459	7,462,765
Year ended 30 June 2019						
Opening net book value	132,330,143	200,301,646	182,867,894	5,746,871	3,896,459	7,462,765
Additions	-	273,497,467	62,963,770	10,892,973	482,288	11,303,510
Disposals:						
Cost	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-
Depreciation charge	-	(20,298,964)	(22,942,001)	(1,620,730)	(412,926)	(1,529,723)
	132,330,143	453,500,149	222,889,663	15,019,114	3,965,821	17,236,552
At 30 June 2019						
Cost	132,330,143	548,566,337	342,317,848	24,402,032	5,651,790	25,179,034
Accumulated depreciation	-	(95,066,188)	(119,428,185)	(9,382,918)	(1,685,969)	(7,942,482)
Net book value	132,330,143	453,500,149	222,889,663	15,019,114	3,965,821	17,236,552
Year ended 30 June 2020						
Opening net book value	132,330,143	453,500,149	222,889,663	15,019,114	3,965,821	17,236,552
Transferred to right-of-use assets on adoption of IFRS 16	-	-	-	-	-	-
Additions	-	125,880,314	45,891,183	6,617,205	796,732	-
Disposals:						
Cost	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-
Transferred from right-of-use assets:						
Cost	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-
Depreciation charge	-	(25,501,097)	(26,160,128)	(2,022,881)	(444,530)	(1,723,655)
Closing net book value	132,330,143	553,879,366	242,620,718	19,613,438	4,318,023	15,512,897
At 30 June 2020						
Cost	132,330,143	674,446,651	388,209,031	31,019,237	6,448,522	25,179,034
Accumulated depreciation	-	(120,567,285)	(145,588,313)	(11,405,799)	(2,130,499)	(9,666,137)
Net book value	132,330,143	553,879,366	242,620,718	19,613,438	4,318,023	15,512,897
Annual rate of depreciation (%)	-	5	10	10	10	10

					LEASED ASSETS		
Vehicles	Furniture	Computers	Arms and ammunition	Total	Plant and machinery	Vehicles	Total
----- RUPEES -----							
55,194,418	1,730,448	2,541,702	308,850	779,082,594	62,140,134	19,085,900	81,226,034
(36,236,468)	(485,550)	(1,806,900)	(108,873)	(225,339,189)	(898,689)	(4,196,354)	(5,095,043)
18,957,950	1,244,898	734,802	199,977	553,743,405	61,241,445	14,889,546	76,130,991
18,957,950	1,244,898	734,802	199,977	553,743,405	61,241,445	14,889,546	76,130,991
33,632,128	186,970	17,520	14,500	392,991,126	502,537	27,907,240	28,409,777
(20,034,272)	-	-	-	(20,034,272)	-	-	-
333,905	-	-	-	333,905	-	-	-
(19,700,367)	-	-	-	(19,700,367)	-	-	-
(5,339,150)	(137,201)	(223,582)	(21,206)	(52,525,483)	(6,171,845)	(7,022,756)	(13,194,601)
27,550,561	1,294,667	528,740	193,271	874,508,681	55,572,137	35,774,030	91,346,167
68,792,274	1,917,418	2,559,222	323,350	1,152,039,448	62,642,671	46,993,140	109,635,811
(41,241,713)	(622,751)	(2,030,482)	(130,079)	(277,530,767)	(7,070,534)	(11,219,110)	(18,289,644)
27,550,561	1,294,667	528,740	193,271	874,508,681	55,572,137	35,774,030	91,346,167
27,550,561	1,294,667	528,740	193,271	874,508,681	55,572,137	35,774,030	91,346,167
-	-	-	-	-	(55,572,137)	(35,774,030)	(91,346,167)
5,593,270	69,875	697,500	-	185,546,079	-	-	-
(2,538,963)	-	-	-	(2,538,963)	-	-	-
2,014,797	-	-	-	2,014,797	-	-	-
(524,166)	-	-	-	(524,166)	-	-	-
6,735,500	-	-	-	6,735,500	-	-	-
(3,650,639)	-	-	-	(3,650,639)	-	-	-
3,084,861	-	-	-	3,084,861	-	-	-
(6,431,542)	(133,235)	(249,072)	(19,327)	(62,685,467)	-	-	-
29,272,984	1,231,307	977,168	173,944	999,929,988	-	-	-
78,582,081	1,987,293	3,256,722	323,350	1,341,782,064	-	-	-
(49,309,097)	(755,986)	(2,279,554)	(149,406)	(341,852,076)	-	-	-
29,272,984	1,231,307	977,168	173,944	999,929,988	-	-	-
20	10	30	10		10	20	-

Notes to the Financial Statements

For the year ended 30 June 2020

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

Description	Address	Area of land Area	Covered area of buildings Square feet
Dairy farm and milking parlor	Kotili Rai Abubakar, District Kasur	79.73	449,213
Plant	Kotili Rai Abubakar, District Kasur	4.88	29,858

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

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain	Mode of disposal
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----- RUPEES -----

Aggregate of items of property, plant and equipment with individual book values not exceeding Rupees 500,000	2,538,963	2,014,797	524,166	2,200,000	1,675,834	Negotiation
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Notes to the Financial Statements

For the year ended 30 June 2020

	2020 Rupees	2019 Rupees
15.2 Depreciation charge for the year has been allocated as follows:		
Operating costs (Note 29)	41,372,406	43,375,255
Administrative and general expenses (Note 30)	17,551,932	18,401,624
Selling and marketing expenses (Note 31)	3,761,129	3,943,205
	62,685,467	65,720,084
15.3 Capital work-in-progress		
Building on freehold land	4,972,389	6,024,031
Plant and machinery	-	38,403,274
Advance against plant and machinery	835,212	-
Advance to contractor for civil works	1,592,741	-
Advance for purchase of land	-	35,000,000
	7,400,342	79,427,305

16 RIGHT-OF-USE ASSETS

	Plant and machinery	Vehicles	Total
	----- Rupees -----		
Net carrying amount at 01 July 2019	55,572,137	35,774,030	91,346,167
Net carrying amount at 30 June 2020	54,573,344	28,972,413	83,545,757
Addition during the year	5,454,250	6,126,185	11,580,435
Depreciation expense for the year ended 30 June 2020	6,453,043	9,842,941	16,295,984
Transferred to owned assets	-	3,084,861	3,084,861

16.1 Lease of plant and machinery

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

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

	2020 Rupees	2019 Rupees
16.3 Depreciation charge for the year has been allocated as follows:		
Operating costs (Note 29)	10,755,350	-
Administrative and general expenses (Note 30)	4,562,875	-
Selling and marketing expenses (Note 31)	977,759	-
	16,295,984	-

Notes to the Financial Statements

For the year ended 30 June 2020

16.4 There is no impairment against right-of-use assets.

16.5 The Company is restricted from assigning and sub-leasing the leased assets.

	2020 Rupees	2019 Rupees
17 BIOLOGICAL ASSETS		
Dairy livestock:		
Mature	924,015,939	698,640,000
Immature	552,848,287	356,716,368
	1,476,864,226	1,055,356,368
Non-current	1,474,184,813	1,053,873,480
Current	2,679,413	1,482,888
	1,476,864,226	1,055,356,368
17.1 Reconciliation of carrying amount of dairy livestock:		
Carrying amount at the beginning of the year	1,055,356,368	683,650,370
Purchases made during the year	242,990,308	66,314,417
Fair value gain due to new births	28,077,667	15,339,000
Gain arising from changes in fair value less costs to sell attributable to physical and price change	364,678,293	438,556,264
	392,755,960	453,895,264
Loss due to deaths of dairy livestock (Note 32)	(81,783,969)	(39,606,121)
Decrease due to sales of dairy livestock	(132,454,441)	(108,897,562)
Carrying amount at the end of the year, which approximates the fair value less costs to sell	1,476,864,226	1,055,356,368

17.2 As at 30 June 2020, the Company held 1,822 (2019: 1,411) mature assets able to produce milk and 1,765 (2019: 1,095) immature assets that are being raised to produce milk in the future. During the year, the Company produced approximately 12,700,341 (2019: 12,109,544) gross liters of milk from these biological assets. As at 30 June 2020, the Company also held 61 (2019: 39) immature male calves.

17.3 The valuation of dairy livestock as at 30 June 2020, has been carried out by independent valuers. In this regard, the valuers examined the physical condition of the livestock, assessed the key assumptions and estimates and relied on the representations made by the Company as at 30 June 2020. Further, in the absence of an active market of the Company's dairy livestock in Pakistan, market and replacement values of similar livestock from active markets in Europe and Australia, have been used as basis of valuation by the independent valuers. The cost of transportation to Pakistan is also considered.

Notes to the Financial Statements

For the year ended 30 June 2020

	2020 Rupees	2019 Rupees
18 LONG TERM SECURITY DEPOSITS		
Security deposits against leased assets	12,826,740	11,889,200
Security deposits against Ijarah	-	600,986
Security deposits - others	3,579,809	3,054,249
	16,406,549	15,544,435
Less: Current portion shown under current assets (Note 25)	1,425,500	3,353,586
	14,981,049	12,190,849
19 DEFERRED INCOME TAX ASSET		
The net deferred income tax asset originated due to timing differences relating to:		
Taxable temporary differences:		
Accelerated tax depreciation	(98,702,989)	(78,453,260)
Assets subject to finance lease	-	(1,172,769)
	(98,702,989)	(79,626,029)
Deductible temporary differences:		
Provision for workers' profit participation fund	16,548,258	12,657,236
Turnover tax carried forward	43,173,706	24,181,964
Available tax losses	172,644,384	167,349,797
Lease liabilities	1,033,329	-
	233,399,677	204,188,997
Deferred income tax asset	134,696,688	124,562,968
Deferred income tax asset not recognised in these financial statements	(53,133,104)	-
Deferred income tax asset recognised in these financial statements	81,563,584	124,562,968
19.1 The Company has an aggregate amount of recognized deferred tax asset of Rupees 81.564 million (2019: Rupees 124.563 million) 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 milk production patterns, future revenue and costs, 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.		
	2020 Rupees	2019 Rupees
20 STORES		
Plastic trays	4,813,550	3,470,445
Diesel	2,052,820	614,144
Artificial insemination supplies	725,269	3,263,173
Medicines (Note 20.1)	8,122,932	8,126,893
	15,714,571	15,474,655

Notes to the Financial Statements

For the year ended 30 June 2020

20.1 This includes medicine in transit amounting to Rupees 0.867 million (2019: Rupees Nil).

	2020 Rupees	2019 Rupees
21 INVENTORIES		
Forage and other consumables	125,497,952	79,614,706
Packing materials (Note 21.1)	47,885,020	22,841,966
Flavours (Note 21.1 and Note 21.2)	6,589,572	18,430,658
Raw milk	976,355	257,972
Finished / manufactured goods	7,282,581	5,134,274
	188,231,480	126,279,576

21.1 These include packing materials in transit amounting to Rupees Nil (2019: Rupees 1.142 million) and flavours in transit amounting to Rupees Nil (2019: Rupees 7.345 million).

21.2 These include stock of flavours held with third party amounting to Rupees 1.284 million (2019: Rupees 4.917 million).

	2020 Rupees	2019 Rupees
22 TRADE DEBTS		
Considered good:		
Trade debts	112,524,268	97,875,659
Less: Allowance for expected credit losses (Note 22.2)	(28,244,634)	(24,102,593)
	84,279,634	73,773,066

22.1 As at 30 June 2020, trade debts due from other than related parties of Rupees 84.280 million (2019: Rupees 73.773 million) 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:

	2020 Rupees	2019 Rupees
Upto 1 month	35,130,882	37,421,240
1 to 6 months	36,230,861	32,162,771
More than 6 months	12,917,891	4,189,055
	84,279,634	73,773,066

22.2 Allowance for expected credit losses

	2020 Rupees	2019 Rupees
Opening balance	24,102,593	-
Recognized as on 01 July 2018	-	12,586,744
Add: Recognized during the year (Note 32)	4,142,041	11,515,849
Closing balance	28,244,634	24,102,593

Notes to the Financial Statements

For the year ended 30 June 2020

	2020 Rupees	2019 Rupees
23 SHORT TERM INVESTMENT		
Term deposit receipt	4,500,000	-
Add: Interest accrued thereon	119,240	-
	4,619,240	-
23.1 Term deposit receipt issued by JS Bank Limited having maturity period of six months and carry interest ranging from 6.60% to 11.25% (2019: Nil) per annum.		
	2020 Rupees	2019 Rupees
24 SHORT TERM ADVANCES AND PREPAYMENTS		
Considered good:		
Advances to suppliers	54,224,135	39,004,485
Advances to employees against salary	1,172,374	2,121,039
Advances to staff for expenses	2,349,402	6,420,504
Advances against letters of credit	9,139,800	699,666
Prepaid insurance	908,693	1,250,205
	67,794,404	49,495,899
25 SHORT TERM DEPOSITS AND OTHER RECEIVABLES		
Current portion of long term security deposits (Note 18)	1,425,500	3,353,586
Short term security deposits	138,000	98,000
Profit receivable on bank deposits	-	1,249,465
Sales tax recoverable	67,473,979	69,103,302
	69,037,479	73,804,353
26 ADVANCE INCOME TAX - NET		
Advance income tax	101,168,450	83,223,896
Less: Provision for taxation	(22,052,326)	(10,076,564)
	79,116,124	73,147,332
27 CASH AND BANK BALANCES		
Cash in hand	16,394,798	17,731,632
Cash with banks:		
Current accounts	56,738,742	47,434,099
Saving accounts (Note 27.1)	106,638	208,920,872
	73,240,178	274,086,603

27.1 Profit on balances in saving accounts ranged from 2.26% to 6.06% (2019: 7.50% to 10.50%) per annum.

Notes to the Financial Statements

For the year ended 30 June 2020

	2020 Rupees	2019 Rupees
28 SALES		
Raw milk	63,888,057	93,975,727
Finished / manufactured goods	1,850,661,432	1,515,613,935
	1,914,549,489	1,609,589,662
Less: Sales tax	46,992,700	32,034,868
Discounts	56,019,764	64,266,346
	1,811,537,025	1,513,288,448
29 OPERATING COSTS		
Raw milk consumed (Note 29.1)	966,477,051	801,977,009
Forage consumed	689,730,285	541,323,558
Packing materials consumed	223,678,721	219,916,688
Stores consumed	3,389,535	3,925,197
Salaries, wages and other benefits (Note 29.2)	87,136,306	82,944,929
Oil and lubricants	113,037,323	84,159,027
Utilities	34,441,502	19,930,632
Insurance	1,094,773	327,232
Repair and maintenance	28,919,598	17,426,282
Artificial insemination supplies consumed	7,021,379	3,423,756
Dairy livestock medication consumed	35,956,566	14,772,190
Dairy supplies consumed	35,653,703	31,982,389
Chemicals consumed	820,475	1,721,947
Vehicles' running	6,223,636	8,025,312
Depreciation on operating fixed assets (Note 15.2)	41,372,406	43,375,255
Depreciation on right-of-use assets (Note 16.3)	10,755,350	-
Rent, rates and taxes	9,989,971	7,400,668
Miscellaneous	13,641,804	28,483,748
	2,309,340,384	1,911,115,819
Finished / manufactured goods		
Opening inventory	5,134,274	2,936,442
Closing inventory	(7,282,581)	(5,134,274)
	(2,148,307)	(2,197,832)
	2,307,192,077	1,908,917,987
29.1 Raw milk consumed		
Inventory at the beginning of the year	257,972	1,194,880
Milk purchased during the year	64,163,258	68,412,689
Gain arising on initial recognition of milk at fair value less costs to sell at the time of milking	903,032,176	732,627,412
Inventory at the end of the year	(976,355)	(257,972)
	966,477,051	801,977,009
29.2 Salaries, wages and other benefits include an amount of Rupees 9.254 million (2019: Rupees 2.394 million) in respect of employees' retirement benefit.		

Notes to the Financial Statements

For the year ended 30 June 2020

	2020 Rupees	2019 Rupees
30 ADMINISTRATIVE AND GENERAL EXPENSES		
Salaries and other benefits (Note 30.1)	82,532,333	63,502,382
Travelling and conveyance	872,388	1,340,409
Communication	3,171,333	5,884,183
Printing and stationery	2,330,446	902,978
Ujrah payments	1,378,368	14,255,250
Utilities	4,797,205	4,617,067
Vehicles' running	16,198,173	18,006,715
Postage and courier	90,645	137,810
Fee and subscription	7,457,663	3,304,463
News papers and periodicals	26,893	14,860
Insurance	2,198,524	2,281,616
Entertainment	4,129,324	2,712,865
Office rent	7,441,500	6,600,000
Legal and professional	2,507,016	1,412,123
Auditor's remuneration (Note 30.2)	2,495,000	2,035,000
Depreciation on operating fixed assets (Note 15.2)	17,551,932	18,401,624
Depreciation on right-of-use assets (Note 16.3)	4,562,875	-
Donations (Note 30.3)	947,330	-
Miscellaneous	4,244,110	2,399,496
	164,933,058	147,808,841
30.1 Salaries and other benefits include an amount of Rupees 4.068 million (2019: Rupees 4.376 million) in respect of employees' retirement benefit.		
30.2 Auditor's remuneration		
Audit fee	1,695,000	1,395,000
Half yearly review fee	650,000	540,000
Reimbursable expenses	150,000	100,000
	2,495,000	2,035,000
30.3 There is no interest of any director or his spouse in donees' fund.		
31 SELLING AND MARKETING EXPENSES		
Salaries and other benefits (Note 31.1)	87,654,656	75,266,730
Travelling	1,041,574	2,192,153
Sales promotion expenses	14,829,295	13,766,748
Vehicles' running	138,060,568	116,967,942
Distribution office rent	458,561	8,400,000
Container rent	9,490,858	8,902,395
Chillers' rent	1,092,391	1,321,733
Entertainment	1,012,473	753,249
Depreciation on operating fixed assets (Note 15.2)	3,761,129	3,943,205
Depreciation on right-of-use assets (Note 16.3)	977,759	-
Miscellaneous	6,503,604	6,087,966
	264,882,868	237,602,121

Notes to the Financial Statements

For the year ended 30 June 2020

31.1 Salaries and other benefits include an amount of Rupees 7.779 million (2019: Rupees 5.394 million) in respect of employees' retirement benefit.

	2020 Rupees	2019 Rupees
32 OTHER EXPENSES		
Loss due to death of dairy livestock (Note 17.1)	81,783,969	39,606,121
Loss on sale of dairy livestock - net	107,787,262	85,404,715
Loss on sale of operating fixed asset	-	700,367
Exchange loss	527,543	-
Allowance for expected credit losses (Note 22.2)	4,142,041	11,515,849
Provision for expired / damaged stock	1,456,095	1,714,010
Workers' profit participation fund	6,722,077	15,579,592
Workers' welfare fund (Note 9.3)	2,420,485	-
Advances to suppliers written off	844,145	-
	205,683,617	154,520,654
33 OTHER INCOME		
Income from financial assets:		
Profit on bank deposits	1,222,484	13,503,871
Interest on term deposit receipts	3,233,866	-
Income from non-financial assets:		
Sales of scrap	1,489,612	4,211,600
Gain on sale of operating fixed assets (Note 15.1.2)	1,675,834	-
Common facilities cost charged	-	3,000,000
	7,621,796	20,715,471
34 FINANCE COST		
Mark-up on short term borrowings	29,808,405	3,869,451
Profit / interest on long term financing	10,513,369	10,634,784
Interest on workers' profit participation fund (Note 9.2)	6,695,241	3,338,990
Bank and other charges	1,306,703	916,884
Mark-up on lease liabilities	5,327,879	3,704,628
	53,651,597	22,464,737
35 TAXATION		
For the year:		
- Current tax (Note 35.1)	22,052,326	10,076,564
- Deferred tax	42,864,727	(29,876,563)
Prior year adjustment	(1,197,930)	(1,087,818)
	63,719,123	(20,887,817)

Notes to the Financial Statements

For the year ended 30 June 2020

35.1 The provision for current tax represents minimum tax on local sales and tax on income from other sources. Numerical reconciliation between the average tax rate and the applicable tax rate has not been presented, being impracticable.

		2020	2019
36 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	54,884,617	270,100,072
			(Restated)
Weighted average number of ordinary shares	Number	161,333,700	159,625,922
			(Restated)
Earnings per share	Rupees	0.34	1.69
		2020 Rupees	2019 Rupees
37 CASH GENERATED FROM / (USED IN) OPERATIONS			
Profit before taxation		118,603,740	249,212,255
Adjustments for non-cash charges and other items:			
Depreciation on operating fixed assets		62,685,467	65,720,084
Depreciation on right-of-use assets		16,295,984	-
Gains arising from changes in fair value less costs to sell of dairy livestock (Gain) / loss on sale of operating fixed asset		(392,755,960) (1,675,834)	(453,895,264) 700,367
Loss on sale of dairy livestock - net		107,787,262	85,404,715
Loss due to death of dairy livestock		81,783,969	39,606,121
Allowance for expected credit losses		4,142,041	11,515,849
Provision for Workers' Profit Participation Fund		6,722,077	15,579,592
Provision for Workers' Welfare Fund		2,420,485	-
Provision for expired / damaged stock		1,456,095	1,714,010
Unrealised exchange loss		522,430	-
Return on bank deposits		(1,222,484)	(13,503,871)
Interest on term deposit receipts		(3,233,866)	-
Advances to suppliers written off		844,145	-
Provision for employees' retirement benefit		16,057,453	10,104,806
Finance cost		53,651,597	22,464,737
Working capital changes (Note 37.1)		4,565,950	(67,516,641)
		78,650,551	(32,893,240)
37.1 Working capital changes			
(Increase) / decrease in current assets:			
- Stores		(239,916)	(12,463,668)
- Inventories		(61,951,904)	(41,545,262)
- Trade debts		(14,648,609)	(23,348,602)

Notes to the Financial Statements

For the year ended 30 June 2020

	2020 Rupees	2019 Rupees
- Short term advances and prepayments	(19,142,650)	27,167,599
- Short term deposits and other receivables	3,341,374	1,766,484
	(92,641,705)	(48,423,449)
Increase / (decrease) in trade and other payables	97,207,655	(19,093,192)
	4,565,950	(67,516,641)

37.2 Reconciliation of movement of liabilities to cash flows arising from financing activities

	2020					Total
	Long term financing	Assets subject to finance lease	Lease liabilities	Short term borrowings	Unclaimed dividend	
	----- Rupees -----					
Balance as at 01 July 2019	71,364,375	86,401,948	-	150,000,000	-	307,766,323
Transferred to lease liabilities on adoption of IFRS 16 'Leases'	-	(86,401,948)	86,401,948	-	-	-
Financing obtained	40,080,829	-	-	-	-	40,080,829
Repayment of financing	(9,103,008)	-	-	-	-	(9,103,008)
Acquisitions - finance leases	-	-	11,323,200	-	-	11,323,200
Repayment of lease liabilities	-	-	(10,616,189)	-	-	(10,616,189)
Short term borrowings - net	-	-	-	151,836,072	-	151,836,072
Dividend declared	-	-	-	-	54,266,790	54,266,790
Dividend paid	-	-	-	-	(54,194,307)	(54,194,307)
Balance as at 30 June 2020	102,342,196	-	87,108,959	301,836,072	72,483	491,359,710

	2019			
	Long term financing	Assets subject to finance lease	Short term borrowing	Total
	----- Rupees -----			
Balance as at 01 July 2018	239,207,375	72,617,831	127,547,806	439,373,012
Financing obtained	22,815,000	-	-	22,815,000
Repayment of financing	(190,658,000)	-	-	(190,658,000)
Acquisitions - finance leases	-	27,054,000	-	27,054,000
Repayment of lease liabilities	-	(13,269,883)	-	(13,269,883)
Short term borrowings - net	-	-	22,452,194	22,452,194
Balance as at 30 June 2019	71,364,375	86,401,948	150,000,000	307,766,323

	2020 Rupees	2019 Rupees
37.3 Non-cash financing activities		
Acquisition of vehicles and plant and machinery by means of finance leases	11,323,200	27,054,000

Notes to the Financial Statements

For the year ended 30 June 2020

38 EVENTS AFTER THE REPORTING PERIOD

38.1 The Board of Directors of the Company has proposed a cash dividend for the year ended 30 June 2020 of Rupees Nil per share (2019: Rupees 0.37 per share) and 1 bonus share for every 10 ordinary shares (2019: 01 bonus share for every 10 ordinary shares) at their meeting held on September 28, 2020. However, these events have been considered as non-adjusting events under IAS 10 'Events after the Reporting Period' and have not been recognized in these financial statements.

39 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Executives	
	2020	2019	2020	2019
	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	16,363,636	13,636,364	17,191,601	21,808,509
Medical allowance	1,636,364	1,363,636	1,719,160	2,180,851
Others	7,516,803	-	-	-
Number of persons	1	1	7	8

39.1 The Company has also provided Company maintained vehicle and mobile phone facility to certain executives. Chief executive of the Company is provided with Company maintained vehicle, free utilities, reimbursement of children education and travel expenses and mobile phone facility.

39.2 Aggregate amount charged in the financial statements for meeting fee to six directors (2019: six directors) was Rupees 0.480 million (2019: Rupees 0.480 million).

39.3 No remuneration was paid to non-executive directors of the Company.

40 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:

Nature of relationship	Nature of transactions	2020 Rupees	2019 Rupees
Associated company			
Bahera (Private) Limited	Purchase of goods	41,915,953	45,332,441
	Common facilities cost charged	-	3,000,000
City Schools (Private) Limited	Purchase of fixed asset	581,000	-
Key management personnel			
Directors	Dividend paid	432,038	-
	Bonus shares issued	1,167,660	-
Chief Executive	Dividend paid	24,722,938	-
	Bonus shares issued	66,818,751	-
Other related parties			
Family members of Chief Executive	Dividend paid	15,976,690	-
	Bonus shares issued	43,180,244	-

Notes to the Financial Statements

For the year ended 30 June 2020

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

Name of related party	Basis of relationship	Transactions entered or agreements and / or arrangements in place during the financial year		Percentage of Shareholding
		2020	2019	
Bahera (Private) Limited	Common directorship	Yes	Yes	None
United Bank Limited	Common directorship	No	No	None
Eco Pak Limited	Common directorship	No	No	None
The Kidney Center	Common trusteeship of directors	No	No	None
City Schools (Private) Limited	Common directorship	Yes	No	None
Educational System (Private) Limited	Common directorship	No	No	None
Smart Education System (Private) Limited	Common directorship	No	No	None
The Smart Schools (Private) Limited	Common directorship	No	No	None
City Asia Pacific Institute of Information Technology (Private) Limited	Common directorship	No	No	None
Universal Assessments Pakistan (Private) Limited	Common directorship	No	No	None
Engen (Private) Limited	Common directorship	No	No	None
Premier Realities (Private) Limited	Common directorship	No	No	None
Remington Realities (Private) Limited	Common directorship	No	No	None
Pakgen Power Limited	Common directorship	No	No	None
Lalpir Power Limited	Common directorship	No	No	None
City Agro (Private) Limited	Common directorship	No	No	None
Hayat Khan (Private) Limited	Common shareholder	No	No	None
Standard Gas (Private) Limited	Common key management personnel	No	No	None
Siddiqsons Energy Limited	Common directorship	No	No	None
Karachi Supports Foundation	Common trusteeship of directors	No	No	None
Public Private Partnership Support Facility	Common trusteeship of directors	No	No	None

40.2 Detail of compensation to key management personnel comprising of chief executive and executives is disclosed in note 39.

Notes to the Financial Statements

For the year ended 30 June 2020

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

As at 30 June 2020, the Company has fully utilized the proceeds of IPO of 36,667,000 ordinary shares as per the following detail:

Purposes Mentioned Under the Heading 4.9 'Expansion plan' in the prospectus Dated 13 June 2018	Total funds available before reallocation	Allocation of funds		Total funds available	Total funds utilized till 30 June 2020
		Reallocation of IPO proceeds among expenditure heads*	Allocation of profit on bank deposits to IPO proceeds*		
----- Rupees -----					
Plant and machinery	133,002,950	(41,342,271)	-	91,660,679	91,660,679
Farm civil works	206,552,161	-	-	206,552,161	206,552,161
Milking Parlor	49,700,000	(26,670,181)	-	23,029,819	23,029,819
Cows	267,500,000	96,703,003	13,659,952	377,862,955	377,862,955
Utilities	24,000,000	(24,000,000)	-	-	-
Miscellaneous farm expenses	49,600,000	(4,690,551)	-	44,909,449	44,909,449
Working capital requirement	215,000,000	-	-	215,000,000	215,000,000
Excess IPO funds:					
- Repayment of long term debt facility	14,666,800	-	-	14,666,800	14,666,800
- Finance working capital	11,000,100	-	-	11,000,100	11,000,100
- Any other activity relating to company's ongoing operations. Decision to be taken by BOD	11,000,100	-	-	11,000,100	11,000,100
Total	982,022,111	-	13,659,952	995,682,063	995,682,063

* The members of the Company unanimously passed a resolution to reallocate the unutilized Initial Public Offer (IPO) proceeds of Rupees 96.703 million available in various expenditure heads mentioned under the heading 4.9 'Expansion Plan' in the prospectus dated 13 June 2018 coupled with profit on bank deposits earned on IPO funds of Rupees 13.660 million to expenditure head 'Cows' in their Annual General Meeting duly held on 28 October 2019.

41.1 IPO proceeds utilization:

	Rupees
Net proceeds from IPO	770,007,000
Profit on deposit	13,659,952
Debt financing	212,015,111
Total funds	995,682,063
Less: Funds utilized till 30 June 2020	995,682,063
Un-utilized funds as on 30 June 2020	-

Notes to the Financial Statements

For the year ended 30 June 2020

		2020	2019
42 NUMBER OF EMPLOYEES			
Number of employees as on 30 June		505	475
Average number of employees during the year		490	475
43 PLANT CAPACITY AND ACTUAL PRODUCTION			
Pasteurized milk			
-Total capacity	Litres	19,200,000	19,200,000
-Actual production	Litres	10,658,491	9,844,453
Yogurt			
-Total capacity	Litres	2,660,000	2,660,000
-Actual production	Litres	1,434,432	1,177,735
Raita			
-Total capacity	Litres	700,000	700,000
-Actual production	Litres	39,014	65,650
Chunky yogurt			
-Total capacity	Litres	90,000	90,000
-Actual production	Litres	68,161	46,015
Butter			
-Total capacity	Kilogram	360,000	-
-Actual production	Kilogram	104,246	-
Cream cheese			
-Total capacity	Kilogram	100,000	-
-Actual production	Kilogram	3,390	-

43.1 Under utilization of available capacity is mainly due to limited availability of raw milk.

44. 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 classifies its financial instruments into the following three levels. However, as at the reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

Notes to the Financial Statements

For the year ended 30 June 2020

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

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

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

45 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 2020	Level 1	Level 2	Level 3	Total
----- Rupees-----				
Biological assets	-	1,476,864,226	-	-
Total non-financial assets	-	1,476,864,226	-	-

At 30 June 2019	Level 1	Level 2	Level 3	Total
----- Rupees-----				
Biological assets	-	1,055,356,368	-	-
Total non-financial assets	-	1,055,356,368	-	-

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 2020, the fair value of the biological assets was

Notes to the Financial Statements

For the year ended 30 June 2020

determined by M/s Atlas Exports Pty Limited, M/s Sadruddin Associate (Private) Limited and M/s Anderson Consulting (Private) Limited.

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

46 FINANCIAL RISK MANAGEMENT

46.1 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 exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD). Currently, the Company's foreign exchange risk exposure is restricted to the amounts payable to the foreign entities. The Company's exposure to currency risk was as follows:

	2020 Rupees	2019 Rupees
Trade and other payables		
- USD	132,034	-
The following significant exchange rates were applied during the year:		
Rupees per US Dollar		
Average rate	158.82	137.29
Reporting date rate	168.75	164.00

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 1.036 million (2019: Rupees Nil) lower / higher, mainly as a result of exchange losses / gains on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

Notes to the Financial Statements

For the year ended 30 June 2020

(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, 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:

	2020 Rupees	2019 Rupees
Fixed rate instruments		
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	106,638	208,920,872
Term deposit receipt	4,619,240	-
	4,725,878	208,920,872
Financial liabilities		
Long term financing	102,342,196	71,364,375
Short term borrowings	301,836,072	150,000,000
Liabilities against assets subject to finance lease	-	86,401,948
Lease liabilities	87,108,959	-
	491,287,227	307,766,323
	(486,561,349)	(98,845,451)

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.

Notes to the Financial Statements

For the year ended 30 June 2020

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 4.525 million (2019: Rupees 0.939 million) 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:

	2020 Rupees	2019 Rupees
Long term security deposits	14,981,049	12,190,849
Trade debts	84,279,634	73,773,066
Short term investment	4,619,240	-
Short term advances	1,172,374	2,121,039
Short term deposits and other receivables	1,563,500	3,451,586
Bank balances	56,845,380	256,354,971
	163,461,177	347,891,511

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			2020	2019
	Short term	Long term	Agency	----- Rupees -----	
Banks					
Allied Bank Limited	A1+	AAA	PACRA	15,296,901	9,558,616
MCB Bank Limited	A1+	AAA	PACRA	605,452	1,669,933
Silkbank Limited	A-2	A-	JCR-VIS	1,087,214	1,211,019
AlBaraka Bank (Pakistan) Limited	A1	A	PACRA	64	186
MCB Islamic Bank Limited	A1	A	PACRA	22,104,453	188,362,522
Dubai Islamic Bank Pakistan Limited	A-1+	AA	JCR-VIS	13,446,604	49,438,282
National Bank of Pakistan	A1+	AAA	PACRA	2,820	2,065,654
JS Bank Limited	A1+	AA-	PACRA	-	3,799,688
Habib Metropolitan Bank Limited	A1+	AA	JCR-VIS	200,113	10,000
Bank Islami Pakistan Limited	A1+	AA+	PACRA	7,853	239,071
Askari Bank Limited	A1+	AA+	PACRA	4,093,906	-
				56,845,380	256,354,971

The Company's exposure to credit risk and allowance for expected credit losses related to trade debts is disclosed in Note 22.

Notes to the Financial Statements

For the year ended 30 June 2020

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 2020, the Company had Rupees 78.164 million (2019: Rupees 80.000 million) available short term borrowing limits from financial institutions and Rupees 73.240 million (2019: Rupees 116.596 million, other than un-utilized IPO proceeds) 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 2020

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2year	more than 2 year
----- Rupees -----						
Non-derivative financial liabilities:						
Long term financing	102,342,196	130,275,464	5,838,269	19,429,013	53,243,071	51,765,111
Trade and other payables	214,035,877	214,035,877	214,035,877	-	-	-
Short term borrowings	301,836,072	312,846,007	312,846,007	-	-	-
Accrued mark-up / profit	10,438,482	10,438,482	10,438,482	-	-	-
Lease liabilities	87,108,959	96,487,436	41,463,455	4,462,897	12,173,574	38,387,510
Unclaimed dividend	72,483	72,483	72,483	-	-	-
	715,834,069	764,155,749	584,694,573	23,891,910	65,416,645	90,152,621

Contractual maturities of financial liabilities as at 30 June 2019

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2year	more than 2 year
----- Rupees -----						
Non-derivative financial liabilities:						
Long term financing	71,364,375	90,216,978	8,785,736	9,909,466	28,706,695	42,815,081
Trade and other payables	114,599,607	114,599,607	114,599,607	-	-	-
Short term borrowings	150,000,000	160,941,699	160,941,699	-	-	-
Accrued mark-up / profit	2,866,898	2,866,898	2,866,898	-	-	-
Liabilities against assets subject to finance lease	86,401,948	98,170,946	47,476,544	9,867,114	10,759,911	30,067,377
	425,232,828	466,796,128	334,670,484	19,776,580	39,466,606	72,882,458

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 6, 7, 8 and 10 to these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2020

	Financial liabilities at amortized cost	
	2020 Rupees	2019 Rupees
46.2 Financial instruments by categories		
Assets as per statement of financial position		
Long term security deposits	14,981,049	12,190,849
Trade debts	84,279,634	73,773,066
Short term investment	4,619,240	-
Short term advances	1,172,374	2,121,039
Short term deposits and other receivables	1,563,500	3,451,586
Cash and bank balances	73,240,178	274,086,603
	179,855,975	365,623,143
	Financial liabilities at amortized cost	
	2020 Rupees	2019 Rupees
Liabilities as per statement of financial position		
Long term financing	102,342,196	71,364,375
Accrued mark-up / profit	10,438,482	2,866,898
Short term borrowings	301,836,072	150,000,000
Trade and other payables	214,035,877	114,599,607
Liabilities against assets subject to finance lease	-	86,401,948
Lease liabilities	87,108,959	-
Unclaimed dividend	72,483	-
	628,652,627	425,232,828

46.3 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.

46.4 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 financing as referred to in note 8, liabilities against assets subject to finance lease as referred to in note 6 and lease liabilities note 7. Total capital employed includes 'total equity' as shown in the statement of financial position plus 'borrowings'.

Notes to the Financial Statements

For the year ended 30 June 2020

		2020	2019
Borrowings	Rupees	491,287,227	307,766,323
Total equity	Rupees	2,404,966,896	2,404,019,391
Total capital employed	Rupees	2,896,254,123	2,711,785,714
Gearing ratio	Percentage	16.96%	11.35%

The increase in the gearing ratio is mainly due to increase in short term borrowings.

	Note	2020 Rupees	2019 Rupees
DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX			
Description			
Loan / advances obtained as per Islamic mode:			
Loans	8	153,706,209	71,364,375
Advances		-	-
Shariah compliant bank deposits / bank balances			
Bank balances	27	35,558,974	238,040,061
Profit earned from shariah compliant bank deposits / bank balances			
Profit on deposits with banks	33	1,215,287	13,500,142
Revenue earned from shariah compliant business			
	28	1,811,537,025	1,513,288,448
Gain / (loss) or dividend earned from shariah compliant investments			
		-	-
Exchange loss			
	32	527,543	-
Mark-up on Islamic mode of financing			
		15,020,108	10,634,784
Profits earned or interest paid on any conventional loan / advance			
Interest paid on loans		19,111,092	3,869,451
Mark-up on lease liabilities	34	5,403,939	3,704,628
Interest on workers' profit participation fund	34	6,695,241	3,338,990
Profit earned on deposits with banks		7,200	3,730

Relationship with shariah compliant banks

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

Notes to the Financial Statements

For the year ended 30 June 2020

48 SEGMENT INFORMATION

These financial statements have 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.

49 IMPACT OF COVID-19 (CORONA VIRUS)

The pandemic of COVID-19 that rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. On 23 March 2020, the Government of the Punjab and the Government of Sindh announced a temporary lock down as a measure to reduce the spread of the COVID-19. The Company was not required to suspend its operations due to the nature of the products. In the Company's case, after implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the Company continued its operations and took all necessary steps to ensure smooth and adequate continuation of its business in order to maintain business performance despite slowdown in economic activity. The lockdown caused disruptions in supply chain including supply of goods to the customers. Subsequent to the year ended 30 June 2020, due to significant reduction in outbreak, demand for the Company's goods is fast reverting back to normal levels. Due to this, management has assessed the accounting implications of these developments on these financial statements, including but not limited to the following areas:

- expected credit losses under IFRS 9 'Financial instruments';
- the impairment of tangible assets under IAS 36 'Impairment of Assets';
- the net realisable value of inventory under IAS 2, 'Inventories';
- provisions and contingent liabilities under IAS 37 Provisions, Contingent Liabilities and Contingent Assets'; and
- going concern assumption used for the preparation of these financial statements.

According to management's assessment, there is no significant accounting impact of the effects of COVID-19 in these financial statements.

50 DATE OF APPROVAL

These financial statements were authorized for issue on September 28, 2020 by the Board of Directors of the Company.

51 CORRESPONDING FIGURES

Following major reclassifications have been made during the year:

Description	Reclassified from	Reclassified to	2019
			Rupees
Advance income tax - net	Provision for taxation	Advance income tax - net (Presented on the face of statement of financial position)	10,076,564
Medicines	Inventories	Stores	3,263,173
Artificial insemination supplies	Inventories	Stores	8,126,893



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 13 Annual General Meeting of the shareholders (3rd after listing on PSX) of **At-Tahur Limited** will be held on **Wednesday, October 28, 2020 at 11:00 a.m. at Registered Office, 182-Abu Bakar Block, New Garden Town, Lahore** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended 30 June 2020 together with the Directors' and Auditors' reports thereon.
2. To approve and declare bonus shares @ 10% i.e. 1 share of every 10 shares as recommended by the Board of Directors for the year ended June 30, 2020.
3. To appoint auditors of the Company and to fix their remuneration. The present auditor M/s Riaz Ahmad & Company, Chartered Accountants, retires and being eligible, offers themselves for re-appointment as auditors of the Company.

SPECIAL BUSINESS

4. To Alter the Memorandum of Association of the Company to increase in Authorized Share Capital up to Rs. 2,000,000,000 from Rs. 1,650,000,000. In this respect the main clause V of Memorandum of Association be and hereby amended as follow:
 - V. The authorized capital of the company is Rupees 2,000,000,000 (Rupees Two Billion Only) divided in to 200,000,000 shares of Rupees 10 each comprising ordinary shares and preference shares with the rights, privileges and conditions attaching thereto as are provided by the regulations of the company for the time being, with power to increase and reduce the capital of the company and to divide the shares in the capital for the time being into several classes in accordance with the provisions of the Companies Act, 2017.
5. To transact any other business with the permission of the Chair.

Statement under section 134 (3) concerning special resolution are being circulated to the members along with notice of the meeting.

By Order of the Board

October 07, 2020

Company Secretary

Lahore

BOOK CLOSURE:

The Members' Register will remain closed from October 22, 2020 to October 28, 2020 (both day inclusive).

NOTES:

1. Transfer received in order at the Registered Office by the close of business hours on Wednesday, October 21, 2020 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

Notice of Annual General Meeting

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 Computerized National Identity Card (CNIC) 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.

Video Conference Facility:

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. The shareholders who wish to avail the video-link facility may send their request on Standard Form provided in the annual report and also available on the company's website.

Circulations of Annual Reports through CD/DVD/USB/ Email

Pursuant to the Securities and Exchange Commission of Pakistan's notification S.R.O 470(I)/2016 dated 31 May, 2016, the shareholders of At-Tahur Limited had accorded their consent for transmission of annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company through CD or DVD or USB instead of transmitting the same in hard copies. The shareholders who wish to receive hard copy of the aforesaid documents may send to the Company Secretary / Share Registrar, the Standard Request Form provided in the annual report and also available on the website of the Company and the Company will supply hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand.



Notice of Annual General Meeting

Circulation of Accounts via Email

The shareholders who intend to receive the annual report including the notice of meeting through e-mail are requested to provide their written consent on the Standard Request Form provided in the annual report and also available on the Company's website.

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

Agenda Item (4) Concerning the Change in Memorandum of Association

Under the sub section 2 of section 85 of Companies Act, 2017 a Company alter its authorized share capital by way of special resolution. In this regard the clause V of the Memorandum of Association amend as follow.

Moreover, No directors or Chief Executive of the Company or their relatives have any interest in the proposed alterations of the Memorandum of Association of the Company except up to their holding in the Company and in their capacities as Directors/Chief Executive/Shareholders.

The following resolution is proposed to be passed as Special Resolution:

Draft Resolution:

Resolved that the existing clause V of the Memorandum of Association of the Company be and is hereby replaced to read as follow:

The authorized capital of the company is Rupees 2,000,000,000 (Rupees Two Billion Only) divided in to 200,000,000 shares of Rupees 10 each comprising ordinary shares and preference shares with the rights, privileges and conditions attaching thereto as are provided by the regulations of the company for the time being, with power to increase and reduce the capital of the company and to divide the shares in the capital for the time being into several classes in accordance with the provisions of the Companies Act, 2017.

Resolved further that the Chief Executive Officer and / or Company Secretary be and is hereby authorized to do all acts, deeds and things, take any or all necessary actions to complete all legal and corporate formalities, make amendments, modification addition or deletion and file all requisite documents with the Registrar to effectuate and implement this special resolution.

Inspection:

A copy of existing Memorandum of Association along with copy of Memorandum of Association as will appear after such alteration has been kept at the Registered Office of the Company which may be inspected during business hours (9 a.m. 5 p.m.) on any working day from the date of publication / issue of this notice.

نوٹس | سالانہ اجلاس عام

نوٹس ہذا سے مطلع کیا جاتا ہے کہ الطھو ر لمیٹڈ کا تیر ہواں سالانہ اجلاس عام 28 اکتوبر، 2020ء بروز بدھ بوقت 11:00 بجے دن کمپنی کے رجسٹرڈ آفس واقع 182 ابو بکر بلاک، نیو گارڈن ٹاؤن لاہور میں مندرجہ ذیل امور پر بحث کے لئے منعقد ہوگا:

عمومی امور

1. 30 جون 2020ء کو اختتام پذیر سال کے لئے پڑتال شدہ کھاتوں کے ہمراہ ڈائریکٹرز اور آڈیٹرز رپورٹس کو وصول کرنا، زیر غور لانا اور اپنانا۔
2. 30 جون 2020ء کو اختتام پذیر سال کے لئے ڈائریکٹرز کی سفارشات پر 10 فی صد کی شرح سے یعنی ہر 10 حصص کے لیے 1 حصص بونس حصص جاری کرنے کی منظوری دینا۔
3. کمپنی کے آڈیٹرز کی تقرری اور ان کا مشاہیرہ طے کرنا۔ موجودہ آڈیٹرز میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو چکے ہیں اور خود کو دوبارہ تقرری کے لئے پیش کرتے ہیں۔

خصوصی امور

4. مجاز سرمایہ حصص میں 1,650,000,000 روپے سے 2,000,000,000 روپے اضافہ کرنے کے لئے میمورنڈم آف ایسوسی ایشن میں تبدیلی لانا۔ اس تناظر میں میمورنڈم آف ایسوسی ایشن کی بنیادی شق ۷ میں حسب ذیل ترمیم کی جاتی ہے۔
۷. کمپنی کا مجاز سرمایہ حصص میں 2,000,000,000 روپے (صرف دو ارب روپے) ہے۔ جو کہ 200,000,000 حصص میں تقسیم ہے اور فی حصص قیمت 10 روپے ہے۔ اور یہ مجاز سرمایہ عمومی حصص اور ترجیحی حصص بمعہ حقوق۔ استحقاق اور شرائط جو کہ کمپنی کے قواعد میں اس وقت درج ہیں پر مشتمل ہے۔ اور کمپنی کمپنیز ایکٹ 2017ء کے قواعد کے تحت مجاز سرمایہ میں کمی بیٹھی کر سکتی ہے اور مجاز سرمائے کو مختلف اقسام کے حصص میں تقسیم کر سکتی ہے۔

نوٹس | سالانہ اجلاس عام

5. چیئرمین کی اجازت سے دیگر امور پر بحث کرنا۔

سیکشن (3) 134 کے تحت خصوصی قرارداد سے متعلقہ بیان نوٹس اجلاس عام کے ہمراہ اراکین کو ارسال کر دیا گیا ہے۔

بحکم بورڈ

کمپنی سیکریٹری

لاہور

اکتوبر 07، 2020ء

کتاب کی بندش:

اراکین کا رجسٹرڈ 22 اکتوبر 2020ء سے 28 اکتوبر 2020ء تک (بشمول دونوں ایام) بند رہے گا۔

مندرجات:

1. بدھ 21 اکتوبر 2020ء کو رجسٹرڈ آفس میں کاروباری اوقات کار میں موصول ٹرانسفر کو بروقت تصور کیا جائے گا۔
 2. اس اجلاس میں ووٹ کرنے اور شرکت کرنے کا/کی اہل رکن اپنی جگہ اجلاس میں شرکت کرنے اور ووٹ کرنے کے لئے کسی دوسرے رکن کو اپنا پراکسی مقرر کر سکتا/سکتی ہے۔
 3. پراکسی مقرر کرنے کا دستاویز اور مختار نامہ یا دیگر تھارٹی جس کے ماتحت اس پر دستخط کئے گئے ہوں یا مختار نامہ کی نوٹری سے تصدیق شدہ نقل کمپنی کے رجسٹرڈ دفتر میں اجلاس کے انعقاد سے 48 گھنٹے قبل موصول ہو جانا چاہئے۔
 4. CDC کا وٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جاری کردہ حسب ذیل ہدایات پر عمل کرنا ہوگا:
- اجلاس میں شرکت کے لئے:

- i. افراد کی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر یا جس کی رجسٹریشن تفصیلات قواعد کے تحت شائع کی گئی ہوں، کو اپنا اصلی کمپیوٹرائزڈ شناختی کارڈ (CNIC) یا پاسپورٹ اجلاس میں شرکت کے وقت پیش کرنا ہوگا۔
- ii. کاروباری ادارہ کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ نامزد کے نمونہ کے دستخط (اگر یہ پہلے فراہم نہ کئے گئے ہوں) اجلاس میں شرکت کے وقت پیش کرنا ہوں گے۔

نوٹس | سالانہ اجلاس عام

پراکسی کے تقرر کے لئے:

- i. افراد کی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور جس کی رجسٹریشن تفصیلات قواعد کے تحت شائع کی گئی ہوں کو مذکورہ بالا معیار کے مطابق پراکسی فارم جمع کرانا ہوگا۔
- ii. جائز شناختی کارڈ یا بینیفیشنل اونر کا پاسپورٹ اور پراکسی، پراکسی فارم کے ساتھ جمع کروائے جائیں گے۔
- iii. پراکسی اجلاس کے موقع پر اپنا اصلی جائز CNIC یا اصلی پاسپورٹ پیش کرے گا/گی۔
- iv. کاروباری ادارہ کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ نمونہ کے دستخط (اگر پہلے فراہم نہ کیا گیا ہو) اجلاس کے موقع پر پیش کرنا ہوگا۔

ویڈیو کانفرنس سہولت:

10.00 فی صد یا زائد شیئر ہولڈنگ کے حامل انفرادی یا اجتماعی حصص داران اجلاس میں بذریعہ ویڈیو کانفرنس شرکت کے لئے اجلاس کے انعقاد سے کم از کم سات یوم قبل اپنی رضامندی کا اظہار کریں گے۔ شیئر ہولڈر کے جغرافیائی مقام کو مد نظر رکھتے ہوئے شہر میں سہولت کی دستیابی سے مشروط کمپنی ویڈیو کانفرنس سہولت کا بندوبست کرے گی۔ کمپنی اجلاس کے انعقاد سے کم از کم پانچ یوم قبل ویڈیو لنک سہولت کے لئے مقام سے متعلق اراکین کو آگاہ کرے گی۔ جس میں سہولت حاصل کرنے کے لئے تمام ضروری معلومات شامل ہوں گی۔ ایسے حصص داران جو ویڈیو لنک کی سہولت حاصل کرنے کے خواہش مند ہیں وہ سالانہ رپورٹ اور کمپنی کی ویب سائٹ پر فراہم کردہ معیاری فارم پر اپنی درخواست بھیج سکتے ہیں۔

سالانہ رپورٹس کی بذریعہ سی ڈی / ڈی وی ڈی / یو ایس بی / ای میل ترسیل

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مورخہ 31 مئی 2016ء کے مراسلہ SRO 470(I)/2016 کی پیروی میں اظہار و لمیٹڈ کے حصص داران نے سالانہ پڑتال شدہ اکاؤنٹس، سالانہ اجلاس عام کے نوٹس اور کمپنی کی دیگر معلومات کے ہمراہ سالانہ رپورٹس کی کاغذی صورت کی بجائے بذریعہ سی ڈی یا ڈی وی ڈی یا یو ایس بی حاصل کرنے کے لئے رضامندی ظاہر کی ہے۔ جو حصص داران مذکورہ بالا دستاویزات کی کاغذی نقل حاصل کرنا چاہتے ہیں وہ سالانہ رپورٹ اور کمپنی کی ویب سائٹ پر دستیاب معیاری درخواست فارم کے ذریعے مطالبہ کر سکتے ہیں۔ اور کمپنی اس مطالبہ کے ایک ہفتہ کے اندر بغیر کسی فیس کے حصص داران کو مذکورہ بالا دستاویزات کی کاغذی نقل ارسال کرے گی۔

نوٹس | سالانہ اجلاس عام

بذریعہ ای میل کھاتوں کی ترسیل

حصص داران جو نوٹس برائے اجلاس اور سالانہ رپورٹ بذریعہ ای میل وصول کرنا چاہتے ہیں انہیں درخواست کی جاتی ہے کہ وہ سالانہ رپورٹ اور کمپنی کی ویب سائٹ پر دستیاب معیاری درخواست فارم پر اپنی تحریری رضامندی فراہم کریں۔

کمپنیز ایکٹ کے سیکشن (3) 134 کے تحت بیان

میمورنڈم آف ایسوسی ایشن میں تبدیلی سے متعلق ایجنڈا آئیٹم (4)

کمپنیز ایکٹ 2017ء کے سیکشن 85 کی ذیلی شق 2 کے تحت، کمپنی اپنے مجاز حصص سرمایہ میں خصوصی قرارداد کے ذریعے تبدیلی لاسکتی ہے۔ اس تناظر میں میمورنڈم آف ایسوسی ایشن کی شق V میں حسب ذیل ترمیم کی جاتی ہے:

مزید برآں، کمپنی کا کوئی بھی ڈائریکٹر یا چیف ایگزیکٹو یا ان کے رشتہ دار کو کمپنی کے میمورنڈم آف ایسوسی ایشن میں مجوزہ ترمیم میں کوئی فائدہ نہیں ہے ماسوائے کمپنی میں ہولڈنگ تک اور ان کی ڈائریکٹرز/ چیف ایگزیکٹو/ شیئر ہولڈرز کے اختیارات تک۔

مندرجہ ذیل مجوزہ قرارداد کو خصوصی قرارداد کے طور پر پاس کیا جائے گا:

قرارداد کا مسودہ

قرار پایا کہ کمپنی کے میمورنڈم آف ایسوسی ایشن کی حالیہ شق V کو حسب ذیل سے تبدیل کیا جاتا ہے:

کمپنی کا مجاز سرمایہ حصص میں 2,000,000,000 روپے (صرف دو ارب روپے) ہے۔ جو کہ 200,000,000 حصص میں تقسیم ہے اور فی حصص قیمت 10 روپے ہے۔ اور یہ مجاز سرمایہ عمومی حصص اور ترجیحی حصص بمعہ حقوق۔ استحقاق اور شرائط جو کہ کمپنی کے قواعد میں اس وقت درج ہیں پر مشتمل ہے۔ اور کمپنی کمپنیز ایکٹ 2017ء کے قواعد کے تحت مجاز سرمایہ میں کمی بیشی کر سکتی ہے اور مجاز سرمائے کو مختلف اقسام کے حصص میں تقسیم کر سکتی ہے۔

مزید قرار پایا کہ اس خصوصی قرارداد کے مؤثر اور لاگو کرنے کے لئے چیف ایگزیکٹو آفیسر اور/یا کمپنی سیکریٹری کو تمام قانونی اور کاروباری تقاضے پورے کرنے، ترمیم کرنے، تبدیلی، اضافہ یا حذف کرنے اور تمام ضروری دستاویزات رجسٹر ارا کو جمع کرانے کا اختیار دیا جاتا ہے۔

جائزہ:

موجودہ میمورنڈم آف ایسوسی ایشن اور ترمیم کے بعد ممکنہ میمورنڈم آف ایسوسی ایشن کی نقول کمپنی کے رجسٹرڈ دفتر میں رکھی گئی ہے اس نوٹس کی اشاعت/اجرا کے بعد کام کے دنوں میں کاروباری اوقات کار (صبح 09:00 سے شام 05:00 بجے تک) کے دوران اس کا جائزہ لیا جاسکتا ہے۔

Form for Video Conference Facility

The Company Secretary/Share Registrar,

I, We _____, of _____, being the registered shareholder(s) of the company under Folio No(s). _____ / CDC Participant ID No. ___ and Sub Account No. ___ / CDC Investor Account ID No., and holder of _____ Ordinary Shares, hereby request for video conference facility at _____ for the Annual General Meeting of the Company to be held on _____.

Date: _____

Member's signature

Note:

This Standard Request Form may be sent at either of the following addresses of the Company Secretary or Independent Share Registrar of the Company:

Company Secretary

At-Tahur Limited
182 Abu Bakar Block, New Garden Town, Lahore

Chief Executive,

M/s Corplink (Private) Limited
Independent Share Registrar of At-Tahur Limited
Wings Arcade, I-K, Commercial, Model Town, Lahore
Email: corplink786@gmail.com, shares@corplink.com.pk



Standard Request Form for Hard Copies of Annual Audited Accounts

Name of member: _____

CNIC No/Passport No: _____

Folio/CDC Participant ID/Sub a/c/Investor a/c: _____

Registered Address: _____

I/We hereby request you to provide me/us a hard copy of the Annual Report of At-Tahur Limited for the year ended June 30, _____ at my above-mentioned registered address instead of CD/DVD/USB.

I undertake to intimate any change in the above information through revised Standard Request Form.

Date: _____

Member's signature

Note:

This Standard Request Form may be sent at either of the following addresses of the Company Secretary or Independent Share Registrar of the Company:

Company Secretary

At-Tahur Limited
182 Abu Bakar Block, New Garden Town, Lahore

Chief Executive,

M/s Corplink (Private) Limited
Independent Share Registrar of At-Tahur Limited
Wings Arcade, I-K, Commercial, Model Town, Lahore
Email: corplink786@gmail.com, shares@corplink.com.pk

Consent Form for Electronic Transmission of Annual Report and Notice of AGM

M/s Corplink (Private) Limited
Independent Share Registrar of At-Tahur Limited
Wings Arcade, I-K, Commercial, Model Town, Lahore
Email: corplink786@gmail.com, 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 as mentioned under the provisions 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: _____

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

Date: _____

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- 📱 Subscription to Alerts (event notifications, corporate and regulatory actions)
- 📱 Jamapunji application for mobile device
- 📖 Online Quizzes



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*Mobile apps are also available for download for android and ios devices



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 Wednesday, October 28, 2020 at
11:00 a.m. and at any adjournment thereof.

As witness my/our hand seal this _____ day of _____, 2020

Folio No.	CDC Account Holder		No. of Ordinary 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:

1. 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.
2. 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.
3. 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.
 - a) 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.
 - b) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
 - c) The proxy shall produce original CNIC or passport at the time of attending the meeting.
 - d) 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 (مختار نامہ) فارم

سالانہ جنرل اجلاس

میں اہم ساکن _____ ضلع _____ کا اے رہائشی ہوں/ہیں اظہور لمیٹڈ کا ممبر ہونے کے ناٹے میں اہم 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 اہم سے لئے اور میری اہماری طرف سے 28 اکتوبر 2020 بروز بدھ دن صبح 11:00 بجے ہونیوالے کمپنی کے سالانہ جنرل اجلاس میں میری اہماری طرف سے بحیثیت پراکسی ووٹ دینے کا مجاز ہوگا۔

آج مورخہ _____ 2020

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

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

گواہ شدگان 2

گواہ شدگان 1

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

نوٹ:

- 1۔ اجلاس شروع ہونے سے 48 گھنٹے پہلے 182 ابو بکر بک گارڈن، ڈائن لاہور میں واقع کمپنی کے رجسٹرڈ آفس میں پیشگی اطلاع دینا دستخط شدہ اور ممبر لگا ہوا پراکسی فارم (مختار نامہ) موثر تصور کیا جائے گا۔
- 2۔ اگر ایک ممبر نے کمپنی میں ایک سے زیادہ پراکسی (متبادل رکن) مقرر کئے یا فارم جمع کروانے 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

تذکرہ ہال کے علاوہ مندرجہ ذیل ضروریات کو بھی مد نظر رکھا جائے

- 1۔ پراکسی فارم دو افراد سے دستخط شدہ ہوا اور ان کے نام، پتہ اور شناختی کارڈ نمبر واضح لکھے ہونے ہوں۔
- 2۔ اصل مالکان اور متبادل اراکین کے شناختی کارڈ یا پاسپورٹ کی فتول 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 اور آف انارٹی (مختار نامہ) پراکسی فارم کیساتھ پیشگی کوئی کرنا ہوگا۔



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