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COMPANY INFORMATION

Board of Directors
Noorur Rahman Abid - Chairman
Kamran Ahmed Khalili
Naveed Godil
Muhammad Ali
Adeeb Ahmed
Rizwan Jamil
Qaysar Alam
Rukhsana Asghar

Chief Executive Officer
Kamran Ahmed Khalili

Company Secretary
Mohammed Ashraf

Committees Of Directors

1. Audit Committee

Board Members	Secretary	Management on invitation
a. Noorur Rahman Abid (Chairman)	Company Secretary	CEO
b. Qaysar Alam		CFO
c. Muhammad Ali		

2. Human Resource and Compensation Committee

Board Members	Secretary	Management on invitation
a. Rukhsana Asgher (Chairperson)	Company Secretary	CEO
b. Noorur Rahman Abid		CFO

3. Operations and Cost Optimization Committee

Board Members	Secretary	Management on invitation
a. Qaysar Alam (Chairman)	Company Secretary	CEO
b. Rukhsana Asgher		CFO

4. Strategic Investment Committee

Board Members	Secretary	Management on invitation
a. Muhammad Ali (Chairman)	Company Secretary	CEO
b. Rizwan Jamil		CEO
c. Noorur Rahman Abid		

5. Marketing Committee

Board Members	Secretary	Management on invitation
a. Rizwan Jamil (Chairman)	Company	CEO
b. Rukhsana Asgher	Secretary	CFO

Registered Office
Suite/5/5, 3rd Floor Mansoor Tower, Block 8, Shahrah e Roomi, Clifton, Karachi

Auditors
Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza, Beaumont Road,
P.O.Box 15541
Karachi 75530

Legal Advisors
Amir & Company Advocates
Suite # 511, Regal Trade Square, A. M. 320,
Saddar, Karachi – 74400

Registrar & Share Registration Office
Central Depository Company of Pakistan Limited
CDC House, 99-B, Block B, S.M.C.H.S.,
Main Shahrah e Faisal,
Karachi – 74400.

Standalone Financial

Statements 2015

Directors' Report

"On behalf of the Board of Directors of Al Shaheer Corporation Limited, I am pleased to present to you the unaudited financial statements of the company for the first quarter of the fiscal year 2015-2016.

	Sep-2015	Sep-2014
Profit before Tax	81,540,898	42,217,372
Taxation	(5,551,339)	7,894,661
Profit after Tax	**75,989,559**	**50,112,033**
EPS		
- Basic	Rs. 0.92/share	Rs. 1.93/Share
- Diluted	Rs. 0.85/share	Rs. 1.93/Share

*The Board of Director's have proposed a 35 % Bonus Share, that is, 35 shares for every 100 ordinary shares for the Quarter Ended September 30, 2015. The financial statement do not reflect these appropriations in compliance with the Fourth Schedule of Companies Ordinance, 1984.

Your company has witnessed tremendous growth during this quarter. Your company was able to improve the topline by 69% with supportive growth coming across from all SBUs. Though, the margins did not grow in line with the revenue growth during this quarter but this is usual in your company's business cycle whereby livestock prices increased due to Ramzan and Eid-ul-Azha and both events occurred during this quarter. Going forward, we see this trend normalizing.

The key indicators for the quarter are showing a very healthy trend which is evident form expansion in retail universe, enhanced customer base of B2B business and continually fueling export business. Your company have served a record number of Qurbani Project Customers during this quarter. All of this signifies the trust our customers continue to place in our business and our brands.

Looking at our Strategic Business Units (SBUs), our export business continues to grow by leaps and bounds. In Q1 FY1516, we were able to grow our export business by 56% over last year and 25% over last quarter. Similarly, overall retail grew from 236mn to 417mn over the year, registering a growth of 77% versus year ago, with Meat One growing by 69% and Khaas growing by 127%. Our total retail footprint stands at 43 stores, which is +13 versus year ago and +7 versus last quarter.

Our financing costs still constitute a significant number in our accounts owing to the existing murabaha costs also incurred during this quarter since the IPO proceeds took time to come in post IPO. Next quarter onwards, this is expected to be reduced significantly.

We are looking for significant capability building for our business in the upcoming quarters. A major project of Feedlot fattening through a subsidiary will be expected to start functioning soon. We have also acquired 12 acres of land for our poultry facility near Raiwind and another land to set up a slaughterhouse near Islamabad. These steps would significantly enhance our capabilities by multiple folds to serve our business growth model across Pakistan

Your company is confident that it will continue to fuel this growth trend through several other initiatives taking place during the upcoming quarters. With enhanced reach via an ever expanding retail footprint, focused strategies to delightfully serve our customers across SBUs, a robust and innovative business plan for the immediate as well as the future, we are certainly looking forward to exciting and rewarding times ahead. We look forward to your continued trust and support in our bid to deliver value to all our stakeholders- our customers, our communities and certainly our shareholders.

Balance Sheet

AS AT 30 SEPTEMBER 2015

	Note	Quarter Ended Sep-15	Year Ended Jun-15
		(Rupees)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	**1,371,083,156**	1,131,403,735
Intangible assets	5	**2,473,106**	2,736,336
		1,373,556,262	1,134,140,071
Long-term investment	6	**35,700,000**	35,700,000
Long-term deposit	7	**13,400,000**	13,400,000
Deferred tax asset	8	**63,356,009**	51,616,979
		1,486,012,271	1,234,857,050
CURRENT ASSETS			
Fuels and lubricants		**5,556,147**	3,441,275
Stock-in-trade	9	**99,095,656**	31,179,079
Trade debts	10	**720,302,239**	527,345,804
Short-term investments		**808,211,376**	-
Loans and advances	11	**803,401,376**	554,307,750
Short-term deposits and prepayments	12	**39,319,473**	21,500,540
Other receivables	13	**276,887,329**	161,786,886
Taxation - net		**33,270,328**	28,428,346
Cash and bank balances	14	**(32,163,077)**	1,812,348,955
		2,753,880,847	3,140,338,635
TOTAL ASSETS		**4,239,893,117**	4,375,195,685
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
150,000,000 (2014: 50,000,000) ordinary shares of Rs. 10/- each		**1,500,000,000**	1,500,000,000
Issued, subscribed and paid-up capital	15	**915,410,160**	665,410,160
Share premium reserve		**2,013,433,305**	-
Unappropriated profit		**407,190,533**	285,557,861
		3,336,033,998	950,968,021
Advance against issue of shares	16	**-**	1,781,250,000
Surplus on revaluation of fixed assets	17	**207,782,151**	216,302,218
NON-CURRENT LIABILITIES			
Long-term financing	18	**28,088,374**	36,072,965
Deferred liabilities	19	**19,164,088**	18,054,095
		47,252,462	54,127,060
CURRENT LIABILITIES			
Trade and other payables	20	**572,411,383**	1,262,666,924
Accrued mark-up	21	**1,803,731**	16,912,936
Current portion of long-term financing	18	**72,866,967**	77,684,637
Due to a related party	22	**1,742,425**	15,283,889
		648,824,506	1,372,548,386
TOTAL EQUITY AND LIABILITIES		**4,239,893,117**	4,375,195,685
CONTINGENCIES AND COMMITMENTS	23		

The annexed notes 1 to 36 form an integral part of these financial statements.

Chief Executive

Director

Profit And Loss Account

FOR THE QUARTER ENDED 30 SEPTEMBER 2015

	Note	Quarter Ended Sep-15	Quarter Ended Sep-14
		(Rupees)	
Turnover - net	24	**1,935,132,014**	1,145,798,975
Cost of sales	25	**(1,739,498,851)**	(985,102,558)
Gross profit		**195,633,163**	160,696,417
Administration and distribution expenses	26	**(136,548,595)**	(99,681,859)
Other expenses	27	**(97,821)**	(58,536)
		(136,646,416)	(99,740,395)
Operating profit		**58,986,747**	60,956,022
Other income	28	**43,792,526**	5,303,019
Finance costs	29	**(21,238,375)**	(24,041,669)
Profit before tax		**81,540,898**	42,217,372
Taxation	30	**(5,551,339)**	7,894,661
Profit for the period		**75,989,559**	50,112,033
Earnings per share – basic	31	**0.92**	1.93
Earnings per share – diluted	31	**0.85**	1.93

The annexed notes 1 to 36 form an integral part of these financial statements.

Chief Executive

Director

Statement Of Comprehensive Income

FOR THE QUARTER ENDED 30 SEPTEMBER 2015

	Quarter Ended Sep-15	Quarter Ended Sep-14
	(Rupees)	
Profit for the period	**75,989,559**	50,112,033
Other comprehensive income		
Total comprehensive income for the period	**75,989,559**	50,112,033

The annexed notes 1 to 36 form an integral part of these financial statements.

Chief Executive

Director

Cash Flow Statement

FOR THE QUARTER ENDED 30 SEPTEMBER 2015

	Note	Quarter Ended Sep-15	Year Ended Jun-15
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**81,540,898**	167,432,471
Adjustments for:			
Depreciation	4.2	**23,575,061**	87,659,400
Amortisation	5	**387,430**	1,287,879
Provision for doubtful debts	10.2	**-**	22,476,866
Gain on disposal of property, plant and equipment	28	**(10,387,600)**	(188,590)
Workers' Profits Participation Fund (WPPF)		**-**	8,048,661
Workers' Welfare Fund		**-**	3,058,491
Gratuity	19.1	**2,136,689**	7,354,685
Finance costs	29	**21,238,375**	95,251,840
		36,949,955	224,949,232
Operating profit before working capital changes		**118,490,853**	392,381,703
Decrease / (increase) in current assets:			
Fuels and lubricants		**(2,114,872)**	2,758,863
Stock-in-trade		**(67,916,577)**	9,622,124
Trade debts		**(192,956,435)**	(48,292,154)
Loans and advances		**(249,093,626)**	(413,378,288)
Short-term deposits and prepayments		**(17,818,933)**	(1,398,422)
Other receivables		**(115,100,443)**	(135,804,496)
		(645,000,886)	(586,492,373)
Increase / (decrease) in current liabilities:			
Trade and other payables		**(685,914,880)**	535,486,683
Due to a related party		**(13,541,464)**	(77,238,653)
		(699,456,344)	458,248,030
Cash flows (used in) / generated from operations		**(1,225,966,377)**	264,137,360
Long-term deposit - net		**-**	(13,400,000)
Tax paid		**(15,008,510)**	(48,749,876)
Gratuity paid		**(1,026,695)**	(2,321,180)
WPPF paid		**(4,340,661)**	(11,261,709)
Net cash flows (used in) / generated from operating activities		**(1,246,342,243)**	188,404,595
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition to:			
- property, plant and equipment		**(131,790,431)**	(50,082,464)
- capital work-in-progress		**(164,276,453)**	(66,720,687)
- intangible assets	5	**(124,200)**	(1,402,547)
Sale proceeds from disposal of property, plant and equipment		**43,200,000**	3,376,150
Short-term investment		**(808,211,375)**	-
Long-term investment	6	**-**	(35,700,000)
Net cash flows used in investing activities		**(1,061,202,459)**	(150,529,548)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**2,375,000,000**	349,594,108
Advance against issue of shares - net		**(1,781,250,000)**	1,569,779,321
Share issue costs paid		**(81,567,488)**	(40,054,283)
Long-term financing - net		**(12,802,261)**	(27,575,734)
Finance costs paid		**(36,347,581)**	(94,109,431)
Net cash flows generated from financing activities		**463,032,670**	1,757,633,981
Net (decrease) / increase in cash and cash equivalents		**(1,844,512,032)**	1,795,509,028
Cash and cash equivalents at the beginning of the year	14	**1,812,348,955**	16,839,927
Cash and cash equivalents at the end of the period	14	**(32,163,077)**	1,812,348,955
Cash and cash equivalents			
Cash and bank balances	14	**77,080,233**	1,847,168,867
Book overdraft	14	**(109,243,310)**	(34,819,912)
		(32,163,077)	1,812,348,955

The annexed notes 1 to 36 form an integral part of these financial statements.

Chief Executive

Director

Statement Of Changes In Equity

AS AT 30 SEPTEMBER 2015

	Issued, subscribed and paid-up capital	Capital reserves Share premium	Revenue reserves Unappropriated profit	Total
	(Rupees)			
As at 01 July 2014	260,015,000	-	155,959,348	415,974,348
Profit for the year	-	-	196,885,531	196,885,531
Other comprehensive income for the year, net of tax	-	-	125,773	125,773
Total comprehensive income for the year	-	-	197,011,304	197,011,304
Issue of right shares (note 15.1)				
- 2,745,759 shares at a premium of Rs. 59.23 per share	27,457,590	162,631,306	-	190,088,896
- 2,193,416 shares at a premium of Rs. 62.72 per share	21,934,160	137,571,052	-	159,505,212
	49,391,750	300,202,358	-	349,594,108
Issue of 35,600,341 bonus shares at 115.06% (note 15.2)	356,003,410	(300,202,358)	(55,801,052)	-
Surplus on revaluation of fixed assets realised on account of incremental depreciation charged on related assets, net of deferred tax (note 17)	-	-	-	-
	-	-	25,509,459	25,509,459
Share issue costs, net of deferred tax (note 1.2 & note 16)	-	-	(37,121,198)	(37,121,198)
As at 30 June 2015	**665,410,160**	**-**	**285,557,861**	**950,968,021**
Profit for the period ended 30 September 2015	-	-	75,989,559	75,989,559
Issue of shares under initial public offer	250,000,000	2,125,000,000	-	2,375,000,000
Share issue costs, net of deferred tax (note 1.2 & note 16)	-	(111,566,695)	37,121,198	(74,445,497)
Deferred tax on acturial gains in prior years	-	-	1,848	1,848
Surplus on revaluation of fixed assets realised on account of incremental depreciation charged on related assets and on disposal of assets, net of deferred tax	-	-	8,520,067	8,520,067
As at 30 September 2015	**915,410,160**	**2,013,433,305**	**407,190,533**	**3,336,033,998**

The annexed notes 1 to 36 form an integral part of these financial statements.

Chief Executive

Director

Notes To The Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2015

1. THE COMPANY AND ITS OPERATIONS

1.1 Al Shaheer Corporation Limited (the Company) was incorporated as a private limited company in Pakistan on 30 June 2012 under the Companies Ordinance, 1984. The Company was formed as result of amalgamation of two firms having common partners namely, 'Al Shaheer Corporation' and 'MeatOne', which stands as merged on 30 June 2012 and the Company commenced its operations from 01 July 2012 by continuing homogenous line of business of said firms. During the year, the Company changed its legal status from private limited company to public limited company and accordingly, the name of the Company changed to Al Shaheer Corporation Limited. The registered office of the Company is situated at Suite No. G/5/5, 3rd floor, Mansoor Tower, Block-8, Shahrah-e-Roomi, Clifton, Karachi. The Company is engaged in trading of different kinds of Halal meat including goat, cow, chicken and fish, both for export market and local sales through chain of retail stores.

1.2 On 24 August 2015, the Company enlisted on Karachi, Lahore and Islamabad stock exchanges through issue of 25 million ordinary shares of Rs.10/- each. Out of the total issue of 25 million ordinary shares, 18.750 million ordinary shares have been subscribed through book building process by high net worth individuals and institutional investors and 6.250 million ordinary shares have been subscribed by the general public through initial public offering.

1.3 As of the balance sheet date, the Company owns 51% shares in its subsidiary namely, Al Shaheer Farms (Private) Limited (the Subsidiary Company).

1.4 These financial statements are the separate financial statements of the Company in which the investment in the above mentioned subsidiary has been accounted for at cost less accumulated impairment losses, if any.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

These financial statements have been prepared under the historical cost convention except for certain items of property, plant and equipment which are stated at revalued amounts (note 4.1) and defined benefit plan carried at present value (note 19.1).

3.2 Standards, amendments and interpretations adopted during the year

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

New, revised and amended standards and interpretations

The Company has adopted the following amendments to IFRSs and interpretations which became effective for the current year:

IAS 19 – Employee Benefits (Amendment) - Defined Benefit Plans: Employee Contributions
IAS 32 – Financial Instruments: Presentation (Amendment): Offsetting Financial Assets and Financial Liabilities
IAS 36 – Impairment of Assets (Amendment) - Recoverable Amount Disclosures for Non-Financial Assets
IAS 39 – Financial Instruments: Recognition and Measurement (Amendment) – Novation of Derivatives and Continuation of Hedge Accounting
IFRIC 21 – Levies

Improvements to the accounting standards issued by the IASB

IFRS 2 – Share-based Payment: Definitions of vesting conditions
IFRS 3 – Business Combinations: Accounting for contingent consideration in a business combination
IFRS 3 – Business Combinations: Scope exceptions for joint ventures
IFRS 8 – Operating Segments: Aggregation of operating segments
IFRS 8 – Operating Segments: Reconciliation of the total of the reportable segments' assets to the entity's assets
IFRS 13 – Fair Value Measurement: Scope of paragraph 52 (portfolio exception)
IAS16 – Property, Plant and Equipment and IAS 38 Intangible Assets: Revaluation method – proportionate restatement of accumulated depreciation / amortization
IAS 24 – Related Party Disclosures: Key management personnel
IAS 40 – Investment Property: Interrelationship between IFRS 3 and IAS 40 (ancillary services)

The adoption of the above amendments, revisions and improvements to accounting standards and interpretations did not have any material effect on these financial statements.

3.3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in the process of applying the Company's accounting policies. Judgments, estimates and assumptions are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In the process of applying the Company's accounting policies, the management has made the following judgments, estimates and assumptions which are significant to the financial statements:

Property, plant and equipment and Intangible assets

The Company reviews the appropriateness of the rate of depreciation / amortisation, depreciation / amortisation method, useful life and residual value used in the calculation of depreciation / amortisation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available with the Company. Any change in estimates in future might affect the carrying amount of respective item of property, plant and equipment and intangible assets, with a corresponding effect on the depreciation / amortisation charge and impairment.

Surplus on revaluation of fixed assets

The Company reviews the appropriateness of the revaluation of fixed assets (carried at revalued amounts) periodically for the purpose of ensuring that the carrying amount of the same does not differ materially from its fair value. In making this assessment, the Company uses the technical resources available with the Company. The revaluation exercise is carried out by independent professional valuers using various significant assumptions. Any change in assessment in future might affect the carrying amount of respective item of fixed assets, with a corresponding effect on surplus on revaluation of fixed assets.

Trade debts

The Company reviews its doubtful trade debts at each reporting date to assess whether provision for impairment should be recorded in the profit and loss account. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provisions.

Purchases

The management of the Company considers that it procures the livestock and meat. Meat and other items saleable in the ordinary course of business are procured at a net price adjusted for residues. Owing to the

nature of the industry in which the Company operates, it facilitates its suppliers in disposing off such materials. The Company accordingly procures only the meat at a price discounted against such facilitation / disposals i.e. purchase cost of meat net of proceeds from sale of residues and skin etc. in the financial statements. The management is also of the view that it does not carry the risks and rewards related to such by-products which actually relate to the suppliers and not the Company. With regard to the own purchases of livestock, the Company considers recovery against these residues to be an ancillary activity and not a sale in ordinary course of business.

Taxation

In making the estimate for income tax payable by the Company, the Company takes into account the applicable tax laws and the decision by appellate authorities on certain issues in the past. With regard to deferred tax, the Company applies various assumptions on future projections and applicability of different tax regime, as well as recoverability of various deferred tax asset.

Post retirement benefits

The cost of defined benefit plan is determined using actuarial valuation. The actuarial valuation involves making assumptions about discount rate and future salary increases. Due to long-term nature of the plan, such estimates are subject to significant uncertainty.

Other areas where judgments, estimates and assumptions involved are disclosed in respective notes to these financial statements.

3.4 Property, plant and equipment

Owned

Property, plant and equipment except for vehicles and computers are stated at revalued amounts, which are the fair value at the date of revaluation. These are stated at revalued amount less accumulated depreciation and accumulated impairment losses, if any, recognised subsequent to the date of revaluation.

Vehicles and computers are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged to profit and loss account using straight line method so as to write off the historical cost of the assets over their estimated useful lives at the rates specified in note 4 to these financial statements. A full year's depreciation charge is made in the year the assets are put to use, while no depreciation is charged in the year of disposal of the asset.

The carrying values of property, plant and equipment are reviewed at each reporting date for indication that an asset may be impaired and carrying values may not be recovered. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount at the balance sheet date. Accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Capital stores and spare parts held by the Company for replacement of major items of plant and machinery are stated at cost less accumulated impairment losses, if any. Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and improvements, if any, are capitalized when it is probable that respective future economic benefits will flow to the Company.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the relevant assets. These are included in the profit and loss account in the period in which they arise.

Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any, and consists of expenditure incurred and advances made in respect of operating fixed assets and intangible assets in the course of their acquisition, erection, construction and installation. The assets are transferred to relevant category of operating fixed assets or intangible assets when they are available for use.

3.5 Intangible assets

An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of such assets can also be measured reliably.

Generally, costs associated with developing and maintaining the computer software programmes are recognized as expense as incurred. However, costs that are directly associated with identifiable software and have probable economic benefit exceeding the cost beyond one year, are recognized as intangible asset. Direct costs include the purchase cost of software and related overhead cost.

Expenditure which enhances or extends the performance of computer software beyond its original specification and useful life is recognized as a capital improvement and added to the original cost of the software.

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged on a straight line basis over the useful lives of the assets at the rates specified in note 5 of these financial statements.

3.6 Investments

The management of the Company determines the appropriate classification of investments at the time of purchase. The investments of the Company, upon initial recognition, are classified as investment in subsidiaries, investment at fair value through profit or loss, held-to-maturity investment or available-for-sale investment, as appropriate.

Investment in subsidiaries

Investment in subsidiaries are stated at cost less provision for impairment, if any. A reversal of an impairment loss on subsidiary is recognised as it arises provided the increased carrying value does not exceed its cost.

Held-to-maturity investments

Investments with fixed or determinable payments and fixed maturity, where management has both the positive intent and ability to hold to maturity are classified as held-to-maturity. Held-to-maturity investments are intially measured at fair value plus transaction costs and are subsequently stated at amortised cost using the effective interest method. Gains and losses are recognised in profit and loss account, when the investments are derecognised or impaired, as well as through the amortisation process. These are classified as current and non-current assets in accordance with criteria set out by IFRSs.

At fair value through profit or loss

An investment is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are classified as held for trading if they are acquired for the purpose of selling and repurchasing in near term. Held for trading assets are acquired principally for the purpose of generating a profit from short-term fluctuation in price. Financial instruments are designated at fair value through profit or loss, if the Company manages such investments and makes sales and purchase decision based on their fair value in accordance with the Company's investment strategy.

All investments classified as investments at fair value through profit or loss are initially measured at cost being fair value of consideration given. All transaction costs are recognised directly in profit and loss account. At subsequent dates these investments are measured at fair value, determined on the basis of prevailing market prices, with any resulting gain or loss recognised directly in the profit and loss account. These are classified as current and non-current assets in accordance with criteria set out by IFRSs. The Company has not classified any financial asset as held for trading.

Notes To The Financial Statements
FOR THE QUARTER ENDED 30 SEPTEMBER 2015

Available for sale investments

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to liquidity needs or in response to changes in the market conditions.

At initial recognition, available-for-sale financial assets are measured at fair value plus directly attributable transaction costs. For investments traded in active market, fair value is determined by reference to quoted market price and the investments for which a quoted market price is not available, or the fair value cannot be reasonably calculated, are measured at cost, subject to impairment review at each balance sheet date.

3.7 Fuels and lubricants

Fuels and lubricants are stated at cost i.e. invoice price.

3.8 Stock-in-trade

Stock-in-trade are valued at lower of cost and net realizable value. The cost is determined on weighted average basis and is computed by using the average cost for the last month of the reporting period. Net realizable value is the estimated selling prices in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of stock comprise of cost of purchase, cost of conversion and other cost incurred in bringing the stock to their present location and condition.

The Company's stock comprise of livestock and finished goods.

3.9 Trade debts

Trade debts are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts. An estimate provision for doubtful debt is made when collection of the full amount is no longer probable. Balances considered bad and irrecoverable are written off, as and when identified.

3.10 Impairment

Financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Any impairment losses on financial assets including financial assets carried at amortised cost are recognised in profit and loss account.

Non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs to sell of the asset. In determining fair value less costs to sell, the recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other fair value indicators.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit and loss account.

3.11 Loans, advances and other receivables

These are stated at cost less provision for doubtful balance, if any.

3.12 Cash and cash equivalents

Cash and cash equivalents are stated at cost. For the purposes of cash flow statement, cash and cash equivalents comprises cash in hand, bank balances, short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and book overdraft (cheques issued pending clearance), if any.

3.13 Surplus on revaluation of fixed assets

The surplus arising on revaluation of fixed assets is credited to the "Surplus on Revaluation of Fixed Assets Account" shown below equity in the balance sheet in accordance with the requirements of Section 235 of the Companies Ordinance, 1984. The said section was amended through the Companies (Amendment) Ordinance, 2002 and accordingly the Company has adopted the following accounting treatment of depreciation on revalued assets, keeping in view the Securities and Exchange Commission of Pakistan (SECP) SRO 45(1)/2003 dated 13 January 2003:

- depreciation on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the profit and loss account; and

- an amount equal to incremental depreciation for the year net of deferred taxation is transferred from "Surplus on Revaluation of Fixed Assets Account" to accumulated profit through Statement of Changes in Equity to record realisation of surplus to the extent of the incremental depreciation charge for the year.

Upon disposal, any revaluation surplus relating to a particular asset being disposed is transferred to unappropriated profit.

3.14 Post retirement benefits - defined benefit plan

The Company operates an unfunded gratuity scheme for employees who qualify for statutory gratuity. Staff gratuity scheme benefits are payable to staff on completion of prescribed qualifying period of service under the scheme. Provisions are made periodically, on the basis of actuarial valuations. Actuarial gains and losses for defined benefit plan are recognised in full in the period in which they occur in 'other comprehensive income'. Such actuarial gains and losses are also immediately recognised in retained earnings and are are not reclassified to profit or loss in subsequent periods. The past service costs are recognised at the earlier of when the amendment or curtailment occurs and when the Company has recognised related restructuring or terminations.

Notes To The Financial Statements
FOR THE QUARTER ENDED 30 SEPTEMBER 2015

3.15 Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, in accordance with the Income Tax Ordinance, 2001. It also includes any adjustment to tax payable in respect of prior years. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

Deferred

Deferred tax is recognized using the balance sheet liability method, on all temporary differences arising at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax losses and unused tax credits, to the extent that it is probable that the future taxable profits will be available against which the deductible temporary differences, carry forward of unused tax losses and unused tax credits can be utilized.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date. Deferred tax on items pertaining to income under final tax regime has not been recognised.

Deferred tax is charged to the profit and loss account. Deferred tax relating to items recognised directly in the other comprehensive income or equity is recognised in the other comprehensive income or equity and not in profit and loss account.

3.16 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for the goods and services received, whether or not billed to the Company.

3.17 Ijarah contracts

Leases under Shariah compliant Ijarah contracts, where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as Ijarah. Rentals under these arrangements are charged to profit and loss account on straight line basis over the lease term.

Sales and leaseback on Ijarah

In case of sale and lease back transaction on Ijarah basis, any profit or loss is recognized immediately. If the sale price is below fair value, any profit or loss is recognised immediately except that, if the loss is compensated for by future lease payments at below market price, it is deferred and amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is deferred and amortised over the period for which the asset is expected to be used.

3.18 Provisions

Provisions are recognized when the Company has a present 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 obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Notes To The Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2015

3.19 Foreign currency translations

Foreign currency transactions are translated into Pak Rupees (functional currency) using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are taken to profit and loss currently. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

3.20 Financial instruments

All the financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. All financial assets are derecognised at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognised at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expired. Any gains or losses on derecognition of financial assets and financial liabilities are taken to profit and loss account.

3.21 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is only offset and the net amount is reported in the balance sheet if the Company has legally enforceable right to set off the recognized amount and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses arising from such assets and liabilities are also offset accordingly.

3.22 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates, and sales tax or duty. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or an agent. The Company has concluded that it is acting as a principal in all its revenue arrangements. The following are the specific recognition criteria that must be met before revenue is recognised:

- Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer which generally coincides with dispatch of goods to customers.

- Income on deposits and other financial assets is recognised on accrual basis.

3.23 Functional and presentation currency

These financial statements are presented in Pakistani Rupees (Pak Rupees), which is the Company's functional and presentation currency.

3.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to decision-maker. The decision-maker is responsible for allocating resources and assessing performance of the operating segments.

3.25 Borrowing costs

Borrowing and other related costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Notes To The Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2015

3.26 Dividend and appropriation of reserves

Dividends and appropriation to reserves are recognised to the financial statement in the period in which these are approved. However, if these are approved after the reporting period but before the financial statements are authorised for issue, they are disclosed in the notes to the financial statements.

3.27 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (accounting periods beginning on or after)
IFRS 10 – Consolidated Financial Statements	01 January 2015
IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements: Investment Entities (Amendment)	01 January 2015
IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements: Investment Entities: Applying the Consolidation Exception (Amendment)	01 January 2016
IFRS 10 – Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	01 January 2016
IFRS 11 – Joint Arrangements	01 January 2015
IFRS 11 – Joint Arrangements: Accounting for Acquisition of Interest in Joint Operation (Amendment)	01 January 2016
IFRS 12 – Disclosure of Interests in Other Entities	01 January 2015
IFRS 13 – Fair Value Measurement	01 January 2015
IAS 1 – Presentation of Financial Statements: Disclosure Initiative (Amendment)	01 January 2016
IAS 16 – Property, Plant and Equipment and IAS 38 Intangible Assets: Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	01 January 2016
IAS 16 – Property, Plant and Equipment and IAS 41 Agriculture: Agriculture - Bearer Plants (Amendment)	01 January 2016
IAS 27 – Separate Financial Statements: Equity Method in Separate Financial Statements (Amendment)	01 January 2016

The Company expects that the adoption of the above standards and amendments will not have any material impact on the Company's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after 01 January 2016. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

	IASB Effective date (accounting periods beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	01 January 2018
IFRS 14 – Regulatory Deferral Accounts	01 January 2016
IFRS 15 – Revenue from Contracts with Customers	01 January 2018

The Company expects that above new standards will not have any material impact on the Company's financial statements in the period of initial application.

Notes To The Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2015

	Note	Quarter Ended Sep-15	Year Ended Jun-15
		(Rupees)	
4. Property, plant and equipment			
Operating fixed assets	4.1	782,800,981	707,398,013
Capital work-in-progress		588,282,175	424,005,722
		1,371,083,156	1,131,403,735

4.1 Operating fixed assets

	GROSS CARRYING VALUE				
	As at 01 July 2015	Additions / Transfer **	(Disposals)	As at 30 September 2015	Years
	(Rupees)				
Owned					
Freehold land	77,941,473	113,577,916	(32,812,400)	158,706,989	-
Building	154,995,536	794,320	-	155,789,856	3-5
Plant and machinery	238,993,260	1,134,195	-	240,127,455	3-5
Furniture and fixture	115,252,882	4,155,896	-	119,408,778	5
Motor vehicles	68,984,812	7,272,002	-	76,256,814	3-5
Office equipment	123,516,310	3,812,531	-	127,328,841	5
Tools and equipment	20,623,900	126,350	-	20,750,250	3-5
Computers and accessories	10,469,282	917,221	-	11,386,503	3
September 2015	810,777,455	131,790,431	(32,812,400)	909,755,486	

	GROSS CARRYING VALUE				
	As at 01 July 2014	Additions / Transfer **	(Disposals)	As at 30 June 2015	Years
	(Rupees)				
Owned					
Freehold land	77,941,473	-	-	77,941,473	-
Building	152,562,498	2,433,038	-	154,995,536	3-5
Plant and machinery	222,326,924	16,666,336	-	238,993,260	3-5
Furniture and fixture	102,613,204	12,639,678	-	115,252,882	5
Motor vehicles	58,535,819	13,955,086	(3,506,093)	68,984,812	3-5
Office equipment	97,478,594	26,622,521	(584,805)	123,516,310	5
Tools and equipment	19,757,025	866,875	-	20,623,900	3-5
Computers and accessories	8,835,954	1,675,328	(42,000)	10,469,282	3
June 2015	740,051,491	74,858,862	(4,132,898)	810,777,455	

Notes To The Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2015

	ACCUMULATED DEPRECIATION				NET BOOK VALUE
	As at 01 July 2015	Charge for the quarter	(On disposals)	As at 30 September 2015	As at 30 September 2015
	(Rupees)				
Freehold land	-	-	-	-	158,706,989
Building	17,699,492	4,458,450	-	22,157,942	133,631,914
Plant and machinery	25,490,061	6,609,611	-	32,099,672	208,027,783
Furniture and fixture	12,635,722	3,372,795	-	16,008,517	103,400,261
Motor vehicles	23,545,059	2,859,631	-	26,404,690	49,852,124
Office equipment	19,248,886	5,373,248	-	24,622,134	102,706,707
Tools and equipment	2,272,801	572,388	-	2,845,189	17,905,061
Computers and accessories	2,487,421	328,940	-	2,816,361	8,570,142
September 2015	103,379,442	23,575,063	-	126,954,505	782,800,981

	ACCUMULATED DEPRECIATION				NET BOOK VALUE
	As at 01 July 2014	Charge for the year	(On disposals)	As at 30 June 2015	As at 30 June 2015
	(Rupees)				
Freehold land	-	-	-	-	77,941,473
Building	-	17,699,492	-	17,699,492	137,296,044
Plant and machinery	-	25,490,061	-	25,490,061	213,503,199
Furniture and fixture	-	12,635,722	-	12,635,722	102,617,160
Motor vehicles	15,125,549	9,207,833	(788,323)	23,545,059	45,439,753
Office equipment	-	19,401,701	(152,815)	19,248,886	104,267,424
Tools and equipment	-	2,272,801	-	2,272,801	18,351,099
Computers and accessories	1,539,831	951,790	(4,200)	2,487,421	7,981,861
June 2015	16,665,380	87,659,400	(945,338)	103,379,442	707,398,013

4.2 Depreciation for the period has been allocated as follows:

	Note	Quarter Ended Sep-15	Quarter Ended Jun-15
		(Rupees)	
Cost of sales	25	**19,293,047**	41,698,235
Administrative and distribution expenses	26	**4,282,014**	45,961,165
		23,575,061	87,659,400

5. INTANGIBLE ASSETS

	COST			ACCUMULATED AMORTISATION				WRITTEN DOWN VALUE
	As at 01 July 2015	Additions	As at 30 September 2015	Rate	As at 01 July 2015	Charge for the year	As at 30 September 2015	As at 30 September 2015
	(Rupees)				(Rupees)			
Software	6,074,688	124,200	6,198,888	25%	3,338,352	387,430	3,725,782	2,473,106
September 2015	6,074,688	124,200	6,198,888		3,338,352	387,430	3,725,782	2,473,106
June 2015	4,672,141	1,402,547	6,074,688		2,050,473	1,287,879	3,338,352	2,736,336

6. LONG-TERM INVESTMENT

	Note	Quarter Ended Sep-15	Year Ended Jun-15
		(Rupees)	
Subsidiary company, unquoted - at cost			
Al Shaheer Farms (Private) Limited 3,570,000 ordinary shares of Rs. 10 each	6.1	**35,700,000**	35,700,000

6.1 Represents investment in Al Shaheer Farms (Private) Limited (the Subsidiary Company) which intends to carry on the business of all kinds of farming including agricultural, poultry, horticultural and dairy and to purchase, acquire, keep, maintain, breed, sell or otherwise dispose of all kinds of cattle, cows, buffaloes, poultry and other form of live stocks. The Subsidiary Company was incorporated on 02 March 2015 and it has yet not commenced its business operations.

7. LONG-TERM DEPOSIT

	Note	Quarter Ended Sep-15	Year Ended Jun-15
		(Rupees)	
Cash margin against bank guarantees		**13,400,000**	13,400,000

8. DEFERRED TAX ASSET / (LIABILITY) - NET

	Note	Quarter Ended Sep-15	Year Ended Jun-15
Deferred tax assets on deductible temporary differences:			
Unabsorbed tax losses		**85,825,064**	76,170,512
Unused tax credits		**1,666,634**	1,666,634
Deferred liability – defined benefit plan		**3,677,139**	3,677,126
		91,168,837	81,514,272
Deferred tax liabilities on taxable temporary differences:			
Property, plant and equipment		**(8,102,587)**	(8,689,932)
Surplus on revaluation of fixed assets		**(19,710,241)**	(21,207,361)
		(27,812,828)	(29,897,293)
	8.1	**63,356,009**	51,616,979

8.1 The deferred tax asset is recognised in line with the accounting policy as disclosed in note 3.15 to these financial statements based on the future projections of the Company.

9. STOCK-IN-TRADE

	Note	Quarter Ended Sep-15	Year Ended Jun-15
		(Rupees)	
Livestock		**70,774,282**	9,686,672
Finished goods		**28,321,374**	21,492,407
		99,095,656	31,179,079

10. TRADE DEBTS - Unsecured

	Note	Quarter Ended Sep-15	Year Ended Jun-15
Considered good			
Overseas		**516,616,880**	358,549,297
Local		**203,685,359**	168,796,507
	10.1	**720,302,239**	527,345,804
Considered doubtful			
Overseas		**-**	13,581,305
Local		**-**	8,895,561
		-	22,476,866
Less: Provision for doubtful debts	10.2	**-**	(22,476,866)
		720,302,239	527,345,804

10.1 These are non-interest bearing and generally on an average term of 30 days.

10.2 As at 30 June 2015, the Company made a provision of Rs. 22.477 million against the long outstanding balances out of which Rs.17.158 million has been reversed in current quarter as the payments have been subsequently received at the reporting date.

Notes To The Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2015

11. LOANS AND ADVANCES

	Note	Quarter Ended Sep-15	Year Ended Jun-15
		(Rupees)	
Considered good			
Secured			
Loans to employees:			
Executives		**3,269,707**	4,359,609
Other employees		**7,591,025**	5,603,131
		10,860,732	9,962,740
Unsecured			
- suppliers		**513,053,557**	510,022,779
- employees against purchases	11.1	**10,891,303**	9,666,220
- service providers and other vendors		**55,537,397**	24,576,816
- against land for slaughter house in Lahore		**193,000,000**	-
- others		**20,058,387**	79,195
		792,540,644	544,345,010
	11.2	**803,401,376**	554,307,750

11.1 Represents advances given to employees to meet business expenses, which are settled, as and when the expenses are incurred.

11.2 These are non-interest bearing and generally on an average term of 1 to 6 months

12. SHORT-TERM DEPOSITS AND PREPAYMENTS

	Note	Quarter Ended Sep-15	Year Ended Jun-15
		(Rupees)	
Trade deposits		**10,142,949**	9,604,081
Prepayments			
- rent		**15,817,708**	8,363,568
- others		**13,358,816**	3,532,891
		29,176,524	11,896,459
		39,319,473	21,500,540

13. OTHER RECEIVABLES

	Note	Quarter Ended Sep-15	Year Ended Jun-15
Unsecured, considered good			
Sales tax receivables		**48,203,807**	33,286,920
Others	13.1	**228,683,522**	128,499,966
		276,887,329	161,786,886

13.1 Included herein receivable from shareholders on account of tax on bonus shares issued during the year (note 20)

Notes To The Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2015

14. CASH AND BANK BALANCES

	Note	Quarter Ended Sep-15	Year Ended Jun-15
		(Rupees)	
Cash in hand		**15,839,299**	12,547,961
With banks:			
Saving accounts - local currency	14.1	**23,868,432**	1,400,553
Current accounts			
- local currency		**37,320,267**	1,833,169,478
- foreign currency		**52,235**	50,875
		61,240,934	1,834,620,906
Book overdraft	14.2	**(109,243,310)**	(34,819,912)
		(32,163,077)	1,812,348,955

14.1 These carry profit at the rates ranging between 4% to 5% (2015: 4% to 5%) per annum.

14.2 Represents cheques issued during the period pending for clearances

15. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Quarter Ended Sep-15	Year Ended Jun-15		Note	Quarter Ended Sep-15	Year Ended Jun-15
Number of shares		Ordinary shares of Rs. 10 each		(Rupees)	
29,940,675	4,940,675	Issued for cash	15.1	**299,406,750**	49,406,750
26,000,000	26,000,000	Issued for consideration other than cash		**260,000,000**	260,000,000
35,600,341	35,600,341	Issued as bonus shares	15.2	**356,003,410**	356,003,410
91,541,016	66,541,016			**915,410,160**	665,410,160

15.1 On 24 August 2015, the Company enlisted on Karachi, Lahore and Islamabad stock exchanges through issue of 25 million ordinary shares of Rs.10/- each. Out of the total issue of 25 million ordinary shares, 18.750 million ordinary shares were subscribed through book building process by high net worth individuals and institutional investors and 6.250 million ordinary shares are subscribed by the general public through initial public offering.

15.2 On 19 February 2015, the Company has issued 35,600,341 ordinary shares of Rs. 10 each as bonus shares. Out of the total bonus issue of Rs. 356.003 million, shares of Rs. 300.202 million were issued from the share premium account and the remaining Rs. 55.801 million were transferred from unappropriated profit.

16. ADVANCE AGAINST ISSUE OF SHARES

Represents amount received in respect of book building portion of the initial public offering as disclosed in note 1.2 to these financial statements.

17. SURPLUS ON REVALUATION OF FIXED ASSETS

	Note	Quarter Ended Sep-15	Year Ended Jun-15
		(Rupees)	
As at 01 July		237,509,579	267,524,432
Transferred to unappropriated profit on account of:			
- incremental depreciation during the year		(7,500,962)	(30,003,848)
- disposal of fixed assets during the year		(2,516,225)	(11,005)
		227,492,392	237,509,579
Deferred tax			
As at 01 July		(21,207,361)	(25,712,755)
Deferred tax on incremental depreciation		1,497,120	4,505,394
		(19,710,241)	(21,207,361)
		207,782,151	216,302,218

18. LONG-TERM FINANCING

	Note	Quarter Ended Sep-15	Year Ended Jun-15
Diminishing Musharaka			
Summit Bank Limited	18.1	31,904,167	39,583,333
Askari Bank Limited	18.2	31,666,664	34,833,332
Dubai Islamic Bank Pakistan Limited	18.3	22,500,000	30,000,000
Habib Metropolitan Bank Limited	18.4	14,884,510	9,340,937
Standard Chartered Bank (Pakistan) Limited		-	-
		100,955,341	113,757,602
Less: current maturity shown under current liabilities		(72,866,967)	(77,684,637)
		28,088,374	36,072,965

18.1 Represents diminishing musharaka facility having a limit of Rs. 47.5 million (30 June 2015: Rs. 47.5 million) for various fixed assets for a period of 18 months. It carries profit at the rate of 3 months KIBOR + 2% per annum. The facility is secured by ranking charge of Rs. 71.585 million on plant and machinery installed at Deh Shah Mureed-Tappo Songal-Gadap Town- Karachi, in the name of a commercial bank. The musharaka units are to be purchased commencing from 09 March 2015 on the basis of percentages set out in the musharaka agreement.

18.2 Represents diminishing musharaka facility having a limit of Rs. 38 million (30 June 2015: Rs. 38 million) for various fixed assets for a period of 4 years. It carries profit at the rate of 3 month KIBOR + 2% per annum. The facility is secured by exclusive charges of Rs. 51 million (30 June 2015: Rs. 51 million) over plant and machinery of the Company, in the name of a commercial bank. The musharaka units are to be purchased commencing from 27 February 2014 on the basis of percentages set out in the musharaka agreement.

18.3 The Company had obtained diminishing musharaka facility having a limit of Rs. 30 million (30 June 2015: Rs. 30 million) for various fixed assets for a period of 2 years. It carries profit at the rate of relevant KIBOR + 3% per annum. The facility is secured by first exclusive charge over specific plant and machinery with 30% margin and personal guarantees of the CEO / major shareholder. The musharaka units are to be purchased commencing from 13 June 2014 on the basis of percentages set out in the musharaka agreement.

18.4 During the year, the Company has obtained diminishing musharaka facility having a limit of Rs. 19.888 million (30 June 2015: 19.888 million) for various vehicles for a period of 3 years. It carries profit at the rate of 6 month KIBOR + 2% per annum. The facility is secured by registration of vehicles in the name of the bank and personal guarantees of the CEO / major shareholder. The musharaka units are to be purchased

19. DEFERRED LIABILITIES

	Note	Quarter Ended Sep-15	Year Ended Jun-15
		(Rupees)	
Defined benefit plan - gratuity	19.1	19,164,088	18,054,095

20. TRADE AND OTHER PAYABLES

	Note	Quarter Ended Sep-15	Year Ended Jun-15
		(Rupees)	
Creditors:			
Trade		173,647,138	157,399,455
Non-trade		-	54,306,242
		173,647,138	211,705,697
Murabaha:			
Summit Bank Limited	20.1	45,000,000	443,750,000
Habib Metropolitan Bank Limited	20.2	225,079,304	227,529,667
Dubai Islamic Bank Pakistan Limited		-	137,000,000
Askari Bank Limited		-	50,000,000
Meezan Bank Limited		-	30,000,000
Standard Chartered Bank (Pakistan) Limited		-	-
		270,079,304	888,279,667
Accrued liabilities		16,563,726	20,646,661
Advance from customers		-	27,219,267
Witholding tax payable	13.1	22,025,781	37,927,950
Workers' Profits Participation Fund		3,708,000	8,048,661
Workers' Welfare Fund		5,772,767	5,398,803
Payable against purchase of capital work-in-progress		60,585,855	43,100,419
Retention money		10,000,000	10,000,000
Other payables		10,028,812	10,339,799
		572,411,383	1,262,666,924

20.1 The Company obtained murabaha financing facility aggregating to Rs. 500 million. It carries profit at the rate of 6 months KIBOR + 1% per annum. Out of the total facility limit, Rs. 300 million is secured by equitable mortgage of land Survey No. 348 located at Deh Shah Mureed, Tappo Songal, Taluka & District West Gadap Town, Karachi, agricultural land Khewat No 114, Khatooni No 257, Khewat No 200, Khatooni No 436, Khewat No 217, Khatooni No 476 located at Mouza Hadaira, Tehsil Cantt, District Lahore, first exclusive charge of Rs. 20 million over receivables of the Company and ranking charge on specific plant and machinery installed at various locations.

The remaining facility of Rs. 200 million is secured against ranking charge on current assets of the Company with 25% margin. It carries profit at the rate of 6 months KIBOR + 2% per annum. Further, the facility is also secured against the personal guarantees of directors.

20.2 Represents murabaha facility having a limit of Rs.230 million (30 June 2015: Rs.230 million), out of which Rs. 4.921 million (30 June 2015: Rs. 2.470 million) remains unutilized as at balance sheet date. It carries profit at the rate of relevant KIBOR + 2% per annum. The facility is secured by first pari passu charge over receivables and first exclusive charge over specific plant and machinery of the Company duly insured in bank's favor.

21. ACCRUED MARK-UP

	Quarter Ended Sep-15	Year Ended Jun-15
	(Rupees)	
Accrued mark-up on:		
- Long-term financing	**234,392**	541,031
- Murabaha	**1,569,339**	16,371,905
	1,803,731	16,912,936

22. DUE TO A RELATED PARTY

Represents interest free loan obtained from the Company's Chief Executive Officer at the time of incorporation of the Company in 2012. The loan is unsecured and is repayable on demand.

23. CONTINGENCIES AND COMMITMENTS

	Quarter Ended Sep-15	Year Ended Jun-15
	(Rupees)	
23.1 Contingencies		
Guarantees issued by banks on behalf of the Company.	**28,000,000**	28,000,000
Post dated cheques	**12,979,489**	66,418,962
23.2 Commitments		
23.2.1 Capital expenditure commitments	**35,665,906**	35,665,906
24. TURNOVER		
Local sales	**586,643,379**	279,160,774
Sales discount	**(19,451,950)**	(12,456,155)
Sales return	**(4,064,918)**	(958,602)
	563,126,510	265,746,017
Export sales	**1,372,005,504**	880,052,958
	1,935,132,014	1,145,798,975

Notes To The Financial Statements
FOR THE QUARTER ENDED 30 SEPTEMBER 2015

25. COST OF SALES

	Note	Quarter Ended Sep-15	Quarter Ended Sep-14
		(Rupees)	
Livestock and meat cost			
Opening stock		**9,686,672**	18,705,081
Purchases		**1,534,135,080**	787,954,573
Recovery against livestock residuals - net		**(29,063,850)**	(28,778,178)
Closing stock		**(70,774,282)**	(5,265,021)
		1,443,983,620	772,616,455
Conversion cost			
Salaries, wages and other benefits		**22,740,908**	18,617,398
Electricity, diesel and related expenses		**11,762,690**	13,440,897
Repairs and maintenance		**6,722,983**	3,999,954
Depreciation	4.2	**19,293,047**	17,515,269
Cargo		**208,215,092**	137,645,344
Clearing, forwarding and freight		**11,370,620**	8,443,671
Packing material		**15,998,894**	11,786,601
Livestock food		**2,624,845**	-
Marination		**2,173,746**	2,853,696
Others		**3,556,246**	1,093,295
		304,459,071	215,396,125
Cost of goods available for sale		**1,748,442,691**	988,012,580
Finished goods and fuels and lubricants			
Opening stock		**24,933,681**	28,296,260
Closing stock		**(33,877,521)**	(31,206,282)
		(8,943,840)	(2,910,022)
		1,739,498,851	985,102,558

Notes To The Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2015

26. ADMINISTRATION AND DISTRIBUTION EXPENSES

	Note	Quarter Ended Sep-15	Quarter Ended Sep-14
		(Rupees)	
Salaries, wages and other benefits		**42,720,579**	34,974,241
Electricity, diesel and related expenses		**7,977,985**	10,830,229
Repair and maintenance		**409,237**	243,483
Fuel and vehicle maintenance		**7,872,855**	6,829,217
Travelling and conveyance		**6,005,078**	4,182,559
Telephone and communication		**2,501,710**	3,012,065
Marketing and advertisement		**14,558,531**	1,092,337
Rent, rates and taxes		**22,691,187**	19,793,281
Food		**3,471,222**	3,218,668
Depreciation	4.2	**4,282,014**	3,887,444
Amortization		**387,430**	1,193,761
Legal and professional		**1,457,658**	142,300
Donation	26.1	**2,183,169**	1,450,520
Office supplies		**2,072,023**	1,724,668
Postage and courier		**166,088**	122,308
Takaful		**1,288,436**	-
Staff welfare		**3,737,346**	1,484,346
Security		**65,280**	76,250
Training		**407,706**	850
Cleaning		**1,588,661**	1,068,299
Commission on credit card facilities		**1,877,621**	1,262,594
Shelf rentals		**4,569,691**	163,270
Ijarah rentals		**1,681,065**	856,912
Others		**2,576,023**	2,072,257
		136,548,595	99,681,859

26.1 No director of the Company or his spouse had interest in any donee.

27. OTHER EXPENSES

	Quarter Ended Sep-15	Quarter Ended Sep-14
Loss on disposal of fixed assets	**-**	26,511
Others	**97,821**	32,025
	97,821	58,536

Notes To The Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2015

28. OTHER INCOME

	Note	Quarter Ended Sep-15	Quarter Ended Sep-14
		(Rupees)	
Income / (Loss) from financial assets			
Gain / (Loss) on forward contracts		**(1,730,447)**	-
Dividend Income		**2,699,375**	-
Profit on saving accounts		**4,123,492**	15,359
		5,092,420	15,359
Income from assets other than financial assets			
Exchange gain - net		**11,154,190**	5,287,660
Reversal of provision for doubtful debts	10.2	**17,158,316**	-
Gain on disposal of property, plant and equipment		**10,387,600**	-
		38,700,106	5,287,660
		43,792,526	5,303,019

29. FINANCE COSTS

	Quarter Ended Sep-15	Quarter Ended Sep-14
Mark-up on long-term financing	**1,472,884**	4,366,907
Profit on murabaha	**13,915,732**	14,874,014
Bank charges	**5,849,759**	4,800,747
	21,238,375	24,041,669

30. TAXATION

	Note	Quarter Ended Sep-15	Quarter Ended Sep-14
Current		**10,166,528**	7,662,255
Prior years		**-**	(59,184)
		10,166,528	7,603,071
Deferred		**(4,615,189)**	(15,497,733)
	30.1	**5,551,339**	(7,894,661)

30.1 The return of income for the tax year 2014 has been filed which is deemed to be an assessment order in view of the provision of Section 120 of the Income Tax Ordinance, 2001.

31 EARNINGS PER SHARE - basic and diluted

	Quarter Ended Sep-15	Quarter Ended Sep-14
	(Rupees)	
Profit for the year (Rupees)	**75,989,559**	50,112,033
Weighted average number of ordinary shares of Rs. 10/- each - basic	**82,233,951**	26,001,500
Weighted average number of ordinary shares of Rs. 10/- each - diluted	**89,570,907**	26,001,500
Basic earnings per share (Rupees)	**0.92**	1.93
Diluted earnings per share (Rupees)	**0.85**	1.93

32. TRANSACTIONS WITH RELATED PARTIES

The related parties include group companies, retirement benefit funds, companies where directors also hold directorship, directors and key management personnel. The related party status of outstanding balances as at 30 June 2015 and 30 September 2015 are disclosed in respective notes to these financial statements, wherever applicable. Transactions with related parties other than remuneration and benefits to key management personnel are as follows:

	Note	Quarter Ended Sep-15	Quarter Ended Sep-14
		(Rupees)	
Nature of transaction			
Existing shareholders			
Issue of right shares at premium		-	349,594,108
Issue of bonus shares		-	356,003,410
Subsidiary Company			
Investment made during the year		-	35,700,000
Payments made on behalf of the Subsidiary Company (subsequently reimbursed)		-	54,943,664

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk and currency risk), credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. No changes were made in the objectives, policies or processes and assumptions during the quarter ended 30 September 2015. The Company's Board of Directors oversees the management of these risks which are summarized below:

33.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity risk. The sensitivity analysis in the following sections relate to the position as at 30 September 2015 and 30 June 2015.

33.1.1 Interest rate

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term and short-term financing arrangement at floating interest rates to meet its business operations and working capital requirements. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Company's profit before tax (through impact on floating rate borrowings). There is no direct impact on the Company's equity. This analysis excludes the impact of movement in market variables on the carrying values of provisions and non-financial assets and liabilities of the Company:

	Increase / decrease in basis points	Effect on profit before tax Rupees
Quarter ended 30 September 2015	**+100**	**3,710,346**
	-100	**(3,710,346)**
Year ended 30 June 2015	+100	10,020,373
	-100	(10,020,373)

33.1.2 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. The Company's exposure to the risk of changes in foreign currency exchange rates risk primarily relates to the Company's operating activities i.e. bank accounts and receivables / payables in foreign currencies. The Company manages its foreign currency risk by effective fund management and taking forward contracts.

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar exchange rate. As at 30 September 2015 and 30 June 2015, if Pakistani Rupee (Pak Rupee) had weakened / strengthened by 10 percent against the US Dollar, with all other variables held constant, on the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) are as follows:

	Increase / decrease in US Dollar to Pak	Effect on profit before tax
	(Rupees)	
Quarter ended 30 September 2015	**+10%**	**51,661,688**
	-10%	**(51,661,688)**
Year ended 30 June 2015	+10%	37,352,389
	-10%	(37,352,389)

33.1.3 Other price risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investments securities. The Company manages the price risk through diversification and placing limits on individual and total equity instruments. As of balance sheet date, the Company is only exposed to equity price risk in respect of investment in its subsidiary company (note 6).

33.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharging an obligation. The Group's credit risk is primarily attributable to its trade debts, advances to suppliers/vendors, other receivables and bank balances. The Group has a large number of customers, including local and overseas corporate and individuals, due to large number and diversity of its customer base, concentration of credit risk with respect to trade debts and other receivables is limited. The Group minimize its credit exposure on advances to suppliers / vendors, who have long standing with the Group and with bank balances having good credit ratings.

As at balance sheet date, there are no financial assets that would otherwise be past due or impaired whose terms have been renegotiated. The Group monitors the credit policy of its financial assets with reference to historical performance of such assets and available external credit ratings.

Notes To The Financial Statements
FOR THE QUARTER ENDED 30 SEPTEMBER 2015

33.3 Liquidity Risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations with the financial liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility by maintaining sufficient bank balances and committed credit lines.

33.4 Fair value

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction. The carrying amounts of all the financial instruments reflected in these financial statements approximate to their fair value.

33.5 Capital management

The primary objective of the Group's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investments projects to support its business sustainability and future development and maximize its shareholders value. No changes were made in the objectives, policies or processes during the year ended 30 September 2015.

The Group manages its capital structure and makes adjustment to it in the light of changes in economic conditions. The Group monitors capital using a debt equity ratio, which is net debt divided by total capital plus net debt. Equity comprises of share capital and reserves.

34. NUMBER OF PERSONS EMPLOYED

	Note	Quarter Ended Sep-15	Quarter Ended Sep-14
		(Rupees)	
Persons employed as of 30 September		**670**	539
Average persons employed during the period		**655**	536

35. DATE OF AUTHORISATION FOR ISSUE

The Board of Directors of the Company authorised these financial statements for issue on October 30, 2015.

36. GENERAL

36.1 Amounts have been rounded off to the nearest rupee unless otherwise stated.

36.2 Due to nature of the Company's business, the production capacity is not relevant

Chief Executive

Director

Consolidated Financial Statements 2015

Consolidated Balance Sheet

AS AT 30 SEPTEMBER 2015

	Note	Quarter Ended Sep-15	Year Ended Jun-15
		(Rupees)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	**1,433,707,849**	1,193,674,095
Intangible assets	6	**2,473,105**	2,736,336
		1,436,180,954	1,196,410,431
Long-term deposit	7	**13,400,000**	13,400,000
Deferred tax asset	8	**63,356,009**	51,616,979
		1,512,936,963	1,261,427,410
CURRENT ASSETS			
Fuels and lubricants		**5,556,147**	3,441,275
Stock-in-trade	9	**99,095,656**	31,179,079
Trade debts	10	**720,302,239**	527,345,804
Short-term investments		**808,211,376**	-
Loans and advances	11	**808,516,109**	559,322,483
Short-term deposits and prepayments	12	**39,319,473**	21,500,540
Other receivables	13	**276,887,329**	161,786,886
Taxation - net		**33,270,328**	28,428,346
Cash and bank balances	14	**(32,158,077)**	1,812,353,955
		2,759,000,580	3,145,358,368
TOTAL ASSETS		**4,271,937,543**	4,406,785,778
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
150,000,000 (2014: 50,000,000) ordinary shares of Rs. 10/- each		**1,500,000,000**	1,500,000,000
Issued, subscribed and paid-up capital	15	**915,410,160**	665,410,160
Share premium reserve		**2,013,433,305**	-
Unappropriated profit		**405,347,034**	284,073,808
		3,334,190,499	949,483,968
Non-controlling interest		**32,528,794**	32,874,146
		3,366,719,293	982,358,114
Advance against issue of shares		**-**	1,781,250,000
Surplus on revaluation of fixed assets	16	**207,782,151**	216,302,218
NON-CURRENT LIABILITIES			
Long-term financing	17	**28,088,374**	36,072,965
Deferred liabilities	18	**19,164,087**	18,054,095
		47,252,461	54,127,060
CURRENT LIABILITIES			
Trade and other payables	19	**573,770,516**	1,262,866,924
Accrued mark-up	20	**1,803,731**	16,912,936
Current portion of long-term financing	17	**72,866,967**	77,684,637
Due to a related party	21	**1,742,424**	15,283,889
		650,183,638	1,372,748,386
TOTAL EQUITY AND LIABILITIES		**4,271,937,543**	4,406,785,779
CONTINGENCIES AND COMMITMENTS	22		

The annexed notes 1 to 35 form an integral part of these financial statements.

Chief Executive

Director

Consolidated Profit and Loss Account

FOR THE QUARTER ENDED 30 SEPTEMBER 2015

	Note	Quarter Ended Sep-15	Quarter Ended Sep-14
		(Rupees)	
Turnover - net	23	**1,935,132,014**	1,145,798,975
Cost of sales	24	**(1,739,498,851)**	(985,102,555)
Gross profit		**195,633,163**	160,696,419
Administration and distribution expenses	25	**(137,253,395)**	(99,681,859)
Other expenses	26	**(97,821)**	(58,536)
		(137,351,216)	(99,740,395)
Operating profit		**58,281,947**	60,956,024
Other income	27	**43,792,526**	5,303,019
Finance costs	28	**(21,238,375)**	(24,041,669)
Profit before tax		**80,836,098**	42,217,374
Taxation	29	**(5,551,339)**	7,894,661
Profit for the period		**75,284,759**	50,112,036
Attributable to:			
Owners of the Holding Company		**75,630,111**	50,112,036
Non-controlling interests		**(345,352)**	-
		75,284,759	50,112,036
Earnings per share – basic	30	**0.92**	1.93
Earnings per share – diluted	30	**0.84**	1.93

The annexed notes 1 to 35 form an integral part of these financial statements.

Chief Executive

Director

Consolidated Statement of Comprehensive Income

FOR THE QUARTER ENDED 30 SEPTEMBER 2015

	Quarter Ended Sep-15	Quarter Ended Sep-14
	(Rupees)	
Profit for the period	**75,284,759**	50,112,036
Other comprehensive income		
Total comprehensive income for the period	**75,284,759**	50,112,036
Attributable to:		
Owners of the Holding Company	**75,630,111**	50,112,036
Non controlling interests	**(345,352)**	-
	75,284,759	50,112,036

The annexed notes 1 to 35 form an integral part of these financial statements.

Chief Executive

Director

Consolidated Cash Flow Statement

FOR THE QUARTER ENDED 30 SEPTEMBER 2015

	Note	Quarter Ended Sep-15	Year Ended Jun-15
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**80,836,098**	164,522,564
Adjustments for:			
Depreciation	5.2	**23,575,061**	87,659,400
Amortisation	6	**387,431**	1,287,879
Provision for doubtful debts	10.2	**-**	22,476,866
Gain on disposal of property, plant and equipment	27	**(10,387,600)**	(188,590)
Workers' Profits Participation Fund (WPPF)		**-**	8,048,661
Workers' Welfare Fund		**-**	3,058,491
Gratuity		**2,136,689**	7,354,685
Finance costs	28	**21,238,375**	95,251,840
		36,949,956	224,949,232
Operating profit before working capital changes		**117,786,054**	389,471,796
Decrease / (increase) in current assets:			
Fuels and lubricants		**(2,114,872)**	2,758,863
Stock-in-trade		**(67,916,577)**	9,622,124
Trade debts		**(192,956,435)**	(48,292,154)
Loans and advances		**(249,193,626)**	(418,393,021)
Short-term deposits and prepayments		**(17,818,933)**	(1,398,422)
Other receivables		**(115,100,443)**	(135,804,496)
		(645,100,886)	(591,507,106)
Increase / (decrease) in current liabilities:			
Trade and other payables		**(684,755,747)**	535,686,683
Due to a related party		**(13,541,465)**	(77,238,653)
		(698,297,212)	458,448,030
Cash flows (used in) / generated from operations		**(1,225,612,044)**	256,412,720
Long-term deposit - net		**-**	(13,400,000)
Tax paid		**(15,008,510)**	(48,749,876)
Gratuity paid		**(1,026,696)**	(2,321,180)
WPPF paid		**(4,340,661)**	(11,261,709)
Net cash flows (used in) / generated from operating activities		**(1,245,987,911)**	180,679,955
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
- property, plant and equipment		**(131,790,431)**	(50,082,464)
- capital work-in-progress		**(164,630,786)**	(128,991,047)
- intangible assets	6	**(124,200)**	(1,402,547)
Sale proceeds from disposal of property, plant and equipment		**43,200,000**	3,376,150
Short-term investment		**(808,211,376)**	-
Net cash flows used in investing activities		**(1,061,556,793)**	(177,099,908)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**2,375,000,000**	349,594,108
Proceeds from issue of shares to non-controlling interests			34,300,000
Advance against issue of shares - net		**(1,781,250,000)**	1,569,779,321
Share issue costs paid		**(81,567,488)**	(40,054,283)
Long-term financing - net		**(12,802,260)**	(27,575,734)
Finance costs paid		**(36,347,580)**	(94,109,431)
Net cash flows generated from financing activities		**463,032,672**	1,791,933,981
Net (decrease) / increase in cash and cash equivalents		**(1,844,512,032)**	1,795,514,028
Cash and cash equivalents at the beginning of the year	14	**1,812,353,955**	16,839,927
Cash and cash equivalents at the end of the year	14	**(32,158,077)**	1,812,353,955
Cash and cash equivalents			
Cash and bank balances	14	**77,085,233**	1,847,173,867
Book overdraft	14	**(109,243,310)**	(34,819,912)
		(32,158,077)	1,812,353,955

The annexed notes 1 to 35 form an integral part of these financial statements.

Chief Executive

Director

Consolidated Statement of Changes in Equity

AS AT 30 SEPTEMBER 2015

	Issued, subscribed and paid-up capital	Capital reserve Share premium	Revenue reserve Unappropriated profit	Non-controlling interests	Total
			(Rupees)		
As at 01 July 2014	260,015,000	-	155,959,348	-	415,974,348
Profit for the year	-	-	195,401,478	(1,425,854)	193,975,624
Other comprehensive income for the year, net of tax	-	-	125,773		125,773
Total comprehensive income for the year	-	-	195,527,251	(1,425,854)	194,101,397
Issue of right shares (note 15.1)					
- 2,745,759 shares at a premium of Rs. 59.23 per share	27,457,590	162,631,306	-	-	190,088,896
- 2,193,416 shares at a premium of Rs. 62.72 per share	21,934,160	137,571,052	-	-	159,505,212
	49,391,750	300,202,358	-	-	349,594,108
Issue of 35,600,341 bonus shares at 115.06% (note 15.2)	356,003,410	(300,202,358)	(55,801,052)	-	-
Shares issued to non-controlling interests (note 1.2)	-	-	-	34,300,000	34,300,000
Surplus on revaluation of fixed assets realised on account of incremental depreciation charged on related assets, net of deferred tax (note 16)	-	-	25,509,459	-	25,509,459
Share issue costs, net of deferred tax (note 1.1 & note 16)	-	-	(37,121,198)	-	(37,121,198)
As at 30 June 2015	**665,410,160**	**-**	**284,073,808**	**32,874,146**	**982,358,114**
Profit for the period ended 30 September 2015	-	-	75,630,111	(345,352)	75,284,759
Issue of shares under initial public offer	250,000,000	2,125,000,000	-	-	2,375,000,000
Share issue costs, net of deferred tax (note 1.2 & note 16)	-	(111,566,695)	37,121,198	-	(74,445,497)
Deferred tax on acturial gains in prior years	-	-	1,850	-	1,850
Surplus on revaluation of fixed assets realised on account of incremental depreciation charged on related assets and on disposal of assets, net of deferred tax	-	-	8,520,067	-	8,520,067
As at 30 September 2015	**915,410,160**	**2,013,433,305**	**405,347,034**	**32,528,794**	**3,366,719,293**

The annexed notes 1 to 35 form an integral part of these financial statements

Chief Executive

Director

Notes To The Consolidated Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

1. LEGAL STATUS AND OPERATIONS OF THE GROUP

The Group consists of Al Shaheer Corporation Limited (the Holding Company) and its subsidiary company Al Shaheer Farms (Private) Limited (the Subsidiary Company) that have been consolidated in these consolidated financial statements. Brief profiles of the Holding Company and its Subsidiary Company are as follows:

1.1 The Holding Company

Al Shaheer Corporation Limited (the Holding Company) was incorporated as a private limited company in Pakistan on 30 June 2012 under the Companies Ordinance, 1984. The Holding Company was formed as result of amalgamation of two firms having common partners namely, 'Al Shaheer Corporation' and 'MeatOne', which stands as merged on 30 June 2012 and the Company commenced its operations from 01 July 2012 by continuing homogenous line of business of said firms. During the year, the Holding Company changed its legal status from private limited company to public limited company and accordingly, the name of the Holding Company changed to Al Shaheer Corporation Limited. The registered office of the Holding Company is situated at Suite No. G/5/5, 3rd floor, Mansoor Tower, Block-8, Shahrah-e-Roomi, Clifton, Karachi. The Holding Company is engaged in trading of different kinds of Halal meat including goat, cow, chicken and fish, both for export market and local sales through chain of retail stores.

On 24 August 2015, the Holding Company enlisted on Karachi, Lahore and Islamabad stock exchanges through issue of 25 million ordinary shares of Rs.10/- each. Out of the total issue of 25 million ordinary shares, 18.750 million ordinary shares have been subscribed through book building process by high net worth individuals and institutional investors and 6.250 million ordinary shares have been subscribed by the general public through initial public offering.

1.2 The Subsidiary Company

The Subsidiary Company was incorporated in Pakistan as a private limited company on 02 March 2015 under the Companies Ordinance, 1984. The principal activity of the Subsidiary Company is to carry on all kinds of farming including agricultural, poultry, horticultural and dairy and to purchase, acquire, keep, maintain, breed, sell or otherwise dispose of all kinds of cattle and other form of live stocks. The registered office of the Subsidiary Company is situated at Suite No. G/5/5, 3rd Floor, Mansoor Tower, Block-8, Shahrah-e-Roomi, Clifton, Karachi, Pakistan. As of the balance sheet date, the Holding Company has 51% shareholding in the Subsidiary Company.

2. STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standard Board (IASB) and Islamic Financial Accounting standards (IFAS) issued by Institute of Chartered Accountant of Pakistan (ICAP) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, shall prevail.

3. BASIS OF PREPARATION

These consolidated financial statements have been prepared under the historical cost convention except for certain items of property, plant and equipment which are stated at revalued amounts (note 5.1) and defined benefit plan carried at present value (note 18.1).

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of consolidation

These consolidated financial statements comprise the financial statements of the Holding Company and its Subsidiary Company as at 30 June 2015, here-in-after referred to as 'the Group'.

Subsidiaries

Subsidiaries are those entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the profit and loss account from the date Group gains control until the date the Group ceases to control the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition is recorded as goodwill. If the cost of acquisition is less than fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit and loss account.

The assets, liabilities, income and expenses of subsidiary company are consolidated on a line by line basis and the carrying value of investments held by the Holding Company is eliminated against the subsidiary company's shareholders' equity in the consolidated financial statements.

All intra-group transactions, balances, income, expenses and unrealised gains and losses on transactions between Group companies are eliminated in full.

The subsidiary has same reporting period as that of the Holding Company, however, the accounting policies of subsidiary have been changed to confirm with accounting policies of the Group, wherever needed.

When the ownership of a subsidiary is less than 100 percent and, therefore, a non-controlling interest (NCI) exists, the NCI is allocated on its share of the total comprehensive income / loss of the period, even if that results in a deficit balance.

A change in the ownership interest of subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group looses control over subsidiary, it derecognises the assets (including goodwill) and liabilities of the subsidiary, carrying amount of any NCI, cumulative translation differences recognised in equity, and recognises fair value of consideration received, any investment retained, surplus or deficit in the profit and loss, and reclassifies the Holding company share of component previously recognised in other comprehensive income to profit and loss or retained earnings, as appropriate.

4.2 Standards, amendments and interpretations adopted during the period

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous financial year except as follows:

New, revised and amended standards and interpretations

The Group has adopted the following revised standards, amendments and interpretation of IFRS, which became effective for the current year:

IAS 19 – Employee Benefits (Amendment) - Defined Benefit Plans: Employee Contributions
IAS 32 – Financial Instruments: Presentation (Amendment): Offsetting Financial Assets and Financial Liabilities
IAS 36 – Impairment of Assets (Amendment) - Recoverable Amount Disclosures for Non-Financial Assets
IAS 39 – Financial Instruments: Recognition and Measurement (Amendment) – Novation of Derivatives and Continuation of Hedge Accounting
IFRIC 21 – Levies

Improvements to the accounting standards issued by the IASB

IFRS 2 – Share-based Payment: Definitions of vesting conditions
IFRS 3 – Business Combinations: Accounting for contingent consideration in a business combination
IFRS 3 – Business Combinations: Scope exceptions for joint ventures
IFRS 8 – Operating Segments: Aggregation of operating segments
IFRS 8 – Operating Segments: Reconciliation of the total of the reportable segments' assets to the entity's assets
IFRS 13 – Fair Value Measurement: Scope of paragraph 52 (portfolio exception)
IAS16 – Property, Plant and Equipment and IAS 38 Intangible Assets: Revaluation method – proportionate restatement of accumulated depreciation / amortization
IAS 24 – Related Party Disclosures: Key management personnel
IAS 40 – Investment Property: Interrelationship between IFRS 3 and IAS 40 (ancillary services)

The adoption of the above amendments, revisions, interpretations and improvements did not have any material effect on the consolidated financial statements of the Holding Company.

4.3 Significant accounting judgments, estimates and assumptions

The preparation of consolidated financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in the process of applying the Group's accounting policies. Judgments, estimates and assumptions are continually evaluated and are based on historic experience and other factors, including

expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In the process of applying the Group's accounting policies, the management has made the following judgments, estimates and assumptions which are significant to these consolidated financial statements:

Property, plant and equipment and Intangible assets

The Group reviews the appropriateness of the rate of depreciation / amortisation, depreciation / amortisation method, useful life and residual value used in the calculation of depreciation / amortisation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Group uses the technical resources available with the Group. Any change in estimates in future might affect the carrying amount of respective item of property, plant and equipment and intangible assets, with a corresponding effect on the depreciation / amortisation charge and impairment.

Surplus on revaluation of fixed assets

The Group reviews the appropriateness of the revaluation of fixed assets (carried at revalued amounts) periodically for the purpose of ensuring that the carrying amount of the same does not differ materially from its fair value. In making this assessment, the Group uses the technical resources available with the Group. The revaluation exercise is carried out by independent professional valuers using various significant assumptions. Any change in assessment in future might affect the carrying amount of respective item of fixed assets, with a corresponding effect on surplus on revaluation of fixed assets.

Trade debts

The Group reviews its doubtful trade debts at each reporting date to assess whether provision for impairment should be recorded in the profit and loss account. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provisions.

Purchases

The management of the Group considers that it procures the livestock and meat. Meat and other items saleable in the ordinary course of business are procured at a net price adjusted for residues. Owing to the nature of the industry in which the Group operates, it facilitates its suppliers in disposing off such materials. The Group accordingly procures only the meat at a price discounted against such facilitation / disposals i.e. purchase cost of meat net of proceeds from sale of residues and skin etc. in the consolidated financial statements. The management is also of the view that it does not carry the risks and rewards related to such by-products which actually relate to the suppliers and not the Group. With regard to the own purchases of livestock, the Group considers recovery against these residues to be an ancillary activity and not a sale in ordinary course of business.

Taxation

In making the estimate for income tax payable by the Group, the Group takes into account the applicable tax laws and the decision by appellate authorities on certain issues in the past. With regard to deferred tax, the Group applies various assumptions on future projections and applicability of different tax regime, as well as recoverability of various deferred tax asset.

Post retirement benefits

The cost of defined benefit plan is determined using actuarial valuation. The actuarial valuation involves making assumptions about discount rate and future salary increases. Due to long-term nature of the plan, such estimates are subject to significant uncertainty.

Other areas where judgments, estimates and assumptions involved are disclosed in respective notes to these consolidated financial statements.

4.4 Property, plant and equipment

Owned

Property, plant and equipment except for vehicles and computers are stated at revalued amounts, which are the fair value at the date of revaluation. These are stated at revalued amount less accumulated depreciation and accumulated impairment losses, if any, recognised subsequent to the date of revaluation.

Vehicles and computers are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged to profit and loss account using straight line method so as to write off the historical cost of the assets over their estimated useful lives at the rates specified in note 5 to these consolidated financial statements. A full year's depreciation charge is made in the year the assets are put to use, while no depreciation is charged in the year of disposal of the asset.

The carrying values of property, plant and equipment are reviewed at each reporting date for indication that an asset may be impaired and carrying values may not be recovered. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount at the balance sheet date. Accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Capital stores and spare parts held by the Group for replacement of major items of plant and machinery are stated at cost less accumulated impairment losses, if any. Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and improvements, if any, are capitalized when it is probable that respective future economic benefits will flow to the Group.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the relevant assets. These are included in the profit and loss account in the period in which they arise.

Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any, and consists of expenditure incurred and advances made in respect of operating fixed assets and intangible assets in the course of their acquisition, erection, construction and installation. The assets are transferred to relevant category of operating fixed assets or intangible assets when they are available for use.

4.5 Intangible assets

An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the Group and the cost of such assets can also be measured reliably.

Generally, costs associated with developing and maintaining the computer software programmes are recognized as expense as incurred. However, costs that are directly associated with identifiable software and have probable economic benefit exceeding the cost beyond one year, are recognized as intangible asset. Direct costs include the purchase cost of software and related overhead cost.

Expenditure which enhances or extends the performance of computer software beyond its original specification and useful life is recognized as a capital improvement and added to the original cost of the software.

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged on a straight line basis over the useful lives of the assets at the rates specified in note 6 of these consolidated financial statements.

4.6 Investments

The management of the Group determines the appropriate classification of investments at the time of purchase. The investments of the Group, upon initial recognition, are classified as investment at fair value through profit or loss, held-to-maturity investment or available-for-sale investment, as appropriate.

Held-to-maturity investments

Investments with fixed or determinable payments and fixed maturity, where management has both the positive intent and ability to hold to maturity are classified as held-to-maturity. Held-to-maturity investments are intially measured at fair value plus transaction costs and are subsequently stated at amortised cost using the effective interest method. Gains and losses are recognised in profit and loss account, when the investments are derecognised or impaired, as well as through the amortisation process. These are classified as current and non-current assets in accordance with criteria set out by IFRSs.

Notes To The Consolidated Financial Statements
FOR THE QUARTER ENDED 30 SEPTEMBER 2015

At fair value through profit or loss

An investment is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are classified as held for trading if they are acquired for the purpose of selling and repurchasing in near term. Held for trading assets are acquired principally for the purpose of generating a profit from short-term fluctuation in price. Financial instruments are designated at fair value through profit or loss, if the Group manages such investments and makes sales and purchase decision based on their fair value in accordance with the Group's investment strategy.

All investments classified as investments at fair value through profit or loss are initially measured at cost being fair value of consideration given. All transaction costs are recognised directly in profit and loss account. At subsequent dates these investments are measured at fair value, determined on the basis of prevailing market prices, with any resulting gain or loss recognised directly in the profit and loss account. These are classified as current and non-current assets in accordance with criteria set out by IFRSs. The Group has not classified any financial asset as held for trading.

Available-for-sale investments

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to liquidity needs or in response to changes in the market conditions.

At initial recognition, available-for-sale financial assets are measured at fair value plus directly attributable transaction costs. For investments traded in active market, fair value is determined by reference to quoted market price and the investments for which a quoted market price is not available, or the fair value cannot be reasonably calculated, are measured at cost, subject to impairment review at each balance sheet date.

4.7 Fuels and lubricants

Fuels and lubricants are stated at cost i.e. invoice price.

4.8 Stock-in-trade

Stock-in-trade are valued at lower of cost and net realizable value. The cost is determined on weighted average basis and is computed by using the average cost for the last month of the reporting period. Net realizable value is the estimated selling prices in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of stock comprise of cost of purchase, cost of conversion and other cost incurred in bringing the stock to their present location and condition.

The stock comprise of livestock and finished goods.

4.9 Trade debts

Trade debts are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts. An estimate provision for doubtful debt is made when collection of the full amount is no longer probable. Balances considered bad and irrecoverable are written off, as and when identified.

4.10 Impairment

Financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Any impairment losses on financial assets including financial assets carried at amortised cost are recognised in profit and loss account.

Non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs to sell of the asset. In determining fair value less costs to sell, the recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other fair value indicators.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit and loss account.

4.11 Loans, advances and other receivables

These are stated at cost less provision for doubtful balance, if any.

4.12 Cash and cash equivalents

Cash and cash equivalents are stated at cost. For the purposes of cash flow statement, cash and cash equivalents comprises cash in hand, bank balances, short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and book overdraft (cheques issued pending clearance), if any.

4.13 Surplus on revaluation of fixed assets

The surplus arising on revaluation of fixed assets is credited to the "Surplus on Revaluation of Fixed Assets Account" shown below equity in the balance sheet in accordance with the requirements of Section 235 of the Companies Ordinance, 1984. The said section was amended through the Companies (Amendment) Ordinance, 2002 and accordingly the Group has adopted the following accounting treatment of depreciation on revalued assets, keeping in view the Securities and Exchange Commission of Pakistan (SECP) SRO 45(1)/2003 dated 13 January 2003:

- depreciation on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the profit and loss account; and
- an amount equal to incremental depreciation for the year net of deferred taxation is transferred from "Surplus on Revaluation of Fixed Assets Account" to accumulated profit through Statement of Changes in Equity to record realisation of surplus to the extent of the incremental depreciation charge for the year.

Upon disposal, any revaluation surplus relating to a particular asset being disposed is transferred to unappropriated profit.

4.14 Post retirement benefits - defined benefit plan

The Group operates an unfunded gratuity scheme for employees who qualify for statutory gratuity. Staff gratuity scheme benefits are payable to staff on completion of prescribed qualifying period of service under the scheme. Provisions are made periodically, on the basis of actuarial valuations. Actuarial gains and losses for defined benefit plan are recognised in full in the period in which they occur in ther comprehensive income'. Such actuarial gains and losses are also immediately recognised in retained earnings and are are not reclassified to profit or loss in subsequent periods. The past service costs are recognised at the earlier of when the amendment or curtailment occurs and when the Group has recognised related restructuring or terminations.

4.15 Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation after taking into

Notes To The Consolidated Financial Statements
FOR THE QUARTER ENDED 30 SEPTEMBER 2015

account tax credits and rebates available, if any, in accordance with the Income Tax Ordinance, 2001. It also includes any adjustment to tax payable in respect of prior years. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

Deferred

Deferred tax is recognized using the balance sheet liability method, on all temporary differences arising at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax losses and unused tax credits, to the extent that it is probable that the future taxable profits will be available against which the deductible temporary differences, carry forward of unused tax losses and unused tax credits can be utilized.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date. Deferred tax on items pertaining to income under final tax regime has not been recognised.

Deferred tax is charged to the profit and loss account. Deferred tax relating to items recognised directly in the other comprehensive income or equity is recognised in the other comprehensive income or equity and not in profit and loss account.

4.16 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for the goods and services received, whether or not billed to the Group.

4.17 Ijarah contracts

Leases under Shariah compliant Ijarah contracts, where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as Ijarah. Rentals under these arrangements are charged to profit and loss account on straight line basis over the lease term.

Sales and leaseback on Ijarah

In case of sale and lease back transaction on Ijarah basis, any profit or loss is recognized immediately. If the sale price is below fair value, any profit or loss is recognised immediately except that, if the loss is compensated for by future lease payments at below market price, it is deferred and amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is deferred and amortised over the period for which the asset is expected to be used.

4.18 Provisions

Provisions are recognized when the Group has a present 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 obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4.19 Foreign currency translations

Foreign currency transactions are translated into Pak Rupees (functional currency) using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are taken to profit and loss currently. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

4.20 Financial instruments

All the financial assets and financial liabilities are recognised at the time when the Group becomes a party to the contractual provisions of the instrument. All financial assets are derecognised at the time when the Group loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognised at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expired. Any gains or losses on derecognition of financial assets and financial liabilities are taken to profit and loss account.

4.21 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is only offset and the net amount is reported in the balance sheet if the Group has legally enforceable right to set off the recognized amount and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses arising from such assets and liabilities are also offset accordingly.

4.22 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates, and sales tax or duty. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or an agent. The Group has concluded that it is acting as a principal in all its revenue arrangements. The following are the specific recognition criteria that must be met before revenue is recognised:

- Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer which generally coincides with dispatch of goods to customers.

- Income on deposits and other financial assets is recognised on accrual basis.

4.23 Functional and presentation currency

These consolidated financial statements are presented in Pakistani Rupees (Pak Rupees), which is the Group's functional and presentation currency.

4.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to decision-maker. The decision-maker is responsible for allocating resources and assessing performance of the operating segments.

4.25 Borrowing costs

Borrowing and other related costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

4.26 Dividend and appropriation of reserves

Dividends and appropriation to reserves are recognised to the consolidated financial statement in the period in which these are approved. However, if these are approved after the reporting period but before the consolidated financial statements are authorised for issue, they are disclosed in the notes to the consolidated financial statements.

4.27 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

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Standard or Interpretation	Effective date (accounting periods beginning on or after)
IFRS 10 – Consolidated Financial Statements	01 January 2015
IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements: Investment Entities (Amendment)	01 January 2015
IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements: Investment Entities: Applying the Consolidation Exception (Amendment)	01 January 2016
IFRS 10 – Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures: Sale or Contribution of Assets between n Investor and its Associate or Joint Venture (Amendment)	01 January 2016
IFRS 11 – Joint Arrangements	01 January 2015
IFRS 11 – Joint Arrangements: Accounting for Acquisition of Interest in Joint Operation (Amendment)	01 January 2016
IFRS 12 – Disclosure of Interests in Other Entities	01 January 2015
IFRS 13 – Fair Value Measurement	01 January 2015
IAS 1 – Presentation of Financial Statements: Disclosure Initiative (Amendment)	01 January 2016
IAS 16 – Property, Plant and Equipment and IAS 38 Intangible Assets: Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	01 January 2016
IAS 16 – Property, Plant and Equipment and IAS 41 Agriculture: Agriculture - Bearer Plants (Amendment)	01 January 2016
IAS 27 – Separate Financial Statements: Equity Method in Separate Financial Statements (Amendment)	01 January 2016

The Group expects that the adoption of the above standards and amendments will not have any material impact on the Group's consolidated financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after 01 January 2016. The Group expects that such improvements to the standards will not have any material impact on the Group's consolidated financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

	IASB Effective date (accounting periods beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	01 January 2018
IFRS 14 – Regulatory Deferral Accounts	01 January 2016
IFRS 15 – Revenue from Contracts with Customers	01 January 2018

The Group expects that above new standards will not have any material impact on the Group's consolidated financial statements in the period of initial application.

5. PROPERTY, PLANT AND EQUIPMENT

		Quarter Ended Sep-15	Year Ended Jun-15
		(Rupees)	
Operating fixed assets	5.1	**782,800,981**	707,398,013
Capital work-in-progress		**650,906,868**	486,276,082
		1,433,707,849	1,193,674,095

5.1 Operating fixed assets

	GROSS CARRYING VALUE				
	As at 01 July 2015	Additions / Transfer **	(Disposals)	As at 30 September 2015	Years
	(Rupees)				
Owned					
Freehold land	77,941,473	113,577,916	(32,812,400)	158,706,989	-
Building	154,995,536	794,320	-	155,789,856	3-5
Plant and machinery	238,993,260	1,134,195	-	240,127,455	3-5
Furniture and fixture	115,252,882	4,155,896	-	119,408,778	5
Motor vehicles	68,984,812	7,272,002	-	76,256,814	3-5
Office equipment	123,516,310	3,812,531	-	127,328,841	5
Tools and equipment	20,623,900	126,350	-	20,750,250	3-5
Computers and accessories	10,469,282	917,221	-	11,386,503	3
September 2015	**810,777,455**	**131,790,431**	**(32,812,400)**	**909,755,486**	

	GROSS CARRYING VALUE				
	As at 01 July 2014	Additions / Transfer **	(Disposals)	As at 30 June 2015	Years
	(Rupees)				
Owned					
Freehold land	77,941,473	-	-	77,941,473	-
Building	152,562,498	2,433,038	-	154,995,536	3-5
Plant and machinery	222,326,924	16,666,336	-	238,993,260	3-5
Furniture and fixture	102,613,204	12,639,678	-	115,252,882	5
Motor vehicles	58,535,819	13,955,086	(3,506,093)	68,984,812	3-5
Office equipment	97,478,594	26,622,521	(584,805)	123,516,310	5
Tools and equipment	19,757,025	866,875	-	20,623,900	3-5
Computers and accessories	8,835,954	1,675,328	(42,000)	10,469,282	3
June 2015	**740,051,491**	**74,858,862**	**(4,132,898)**	**810,777,455**	

	ACCUMULATED DEPRECIATION				Net Book Value
	As at 01 July 2015	Change for the quarter	(On disposals)	As at 30 September 2015	As at 30 September 2015
	(Rupees)				
Owned					
Freehold land	-	-	-	-	158,706,989
Building	17,699,492	4,458,450	-	22,157,942	133,631,914
Plant and machinery	25,490,061	6,609,610	-	32,099,671	208,027,784
Furniture and fixture	12,635,722	3,372,795	-	16,008,517	103,400,261
Motor vehicles	23,545,059	2,859,631	-	26,404,690	49,852,124
Office equipment	19,248,886	5,373,248	-	24,622,134	102,706,707
Tools and equipment	2,272,801	572,388	-	2,845,189	17,905,061
Computers and accessories	2,487,421	328,941	-	2,816,362	8,570,141
September 2015	**103,379,442**	**23,575,063**	**-**	**126,954,505**	**782,800,981**

	ACCUMULATED DEPRECIATION				Net Book Value
	As at 01 July 2014	Change for the year	(On disposals)	As at 30 June 2015	As at 30 June 2015
	(Rupees)				
Owned					
Freehold land	-	-	-	-	77,941,473
Building	-	17,699,492	-	17,699,492	137,296,044
Plant and machinery	-	25,490,061	-	25,490,061	213,503,199
Furniture and fixture	-	12,635,722	-	12,635,722	102,617,160
Motor vehicles	15,125,549	9,207,833	(788,323)	23,545,059	45,439,753
Office equipment	-	19,401,701	(152,815)	19,248,886	104,267,424
Tools and equipment	-	2,272,801	-	2,272,801	18,351,099
Computers and accessories	1,539,831	951,790	(4,200)	2,487,421	7,981,861
June 2015	**16,665,380**	**87,659,400**	**(945,338)**	**103,379,442**	**707,398,013**

Notes To The Consolidated Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2015

5.2 Depreciation for the period has been allocated as follows:

	Note	Quarter Ended Sep-15	Year Ended Jun-15
		(Rupees)	
Cost of sales	24	**19,293,047**	41,698,235
Administrative and distribution expenses	25	**4,282,014**	45,961,165
		23,575,061	87,659,400

6. INTANGIBLE ASSETS

	COST			ACCUMULATED AMORTISATION				WRITTEN DOWN VALUE
	As at 01 July 2015	Additions	As at 30 September 2015	Rate	As at 01 July 2015	Charge for the year	As at 30 September 2015	As at 30 September 2015
	(Rupees)							
Software	6,074,688	124,200	6,198,888	25%	3,338,352	387,431	3,725,783	2,473,105
September 2015	6,074,688	124,200	6,198,888		3,338,352	387,431	3,725,783	2,473,105
June 2015	4,672,141	1,402,547	6,074,688		2,050,473	1,287,879	3,338,352	2,736,336

7. LONG-TERM DEPOSIT

	Note	Quarter Ended Sep-15	Year Ended Jun-15
		(Rupees)	
Cash margin against bank guarantees		**13,400,000**	13,400,000

8. DEFERRED TAX ASSET / (LIABILITY) - NET

	Note	Quarter Ended Sep-15	Year Ended Jun-15
Deferred tax assets on deductible temporary differences:			
Unabsorbed tax losses		**85,825,064**	76,170,512
Unused tax credits		**1,666,634**	1,666,634
Deferred liability – defined benefit plan		**3,677,139**	3,677,126
		91,168,837	81,514,272
Deferred tax liabilities on taxable temporary differences:			
Property, plant and equipment		**(8,102,587)**	(8,689,932)
Surplus on revaluation of fixed assets		**(19,710,241)**	(21,207,361)
		(27,812,828)	(29,897,293)
	8.1	**63,356,009**	51,616,979

8.1 The deferred tax asset is recognised in line with the accounting policy as disclosed in note 4.15 to these consolidated financial statements based on the future projections of the the Holding Company.

Notes To The Consolidated Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2015

9. STOCK-IN-TRADE

	Note	Quarter Ended Sep-15	Year Ended Jun-15
		(Rupees)	
Livestock		**70,774,282**	9,686,672
Finished goods		**28,321,374**	21,492,407
		99,095,656	31,179,079

10. TRADE DEBTS - Unsecured

	Note	Quarter Ended Sep-15	Year Ended Jun-15
Considered good			
Overseas		**516,616,880**	358,549,297
Local		**203,685,359**	168,796,507
	10.1	**720,302,239**	527,345,804
Considered doubtful			
Overseas		**-**	13,581,305
Local		**-**	8,895,561
		-	22,476,866
Less: Provision for doubtful debts	10.2	**-**	(22,476,866)
		720,302,239	527,345,804

10.1 These are non-interest bearing and generally on an average term of 30 days.

10.2 As at 30 June 2015, the Company made a provision of Rs. 22.477 million against the long outstanding balances out of which Rs.17.158 million has been reversed in current quarter as the payments have been subsequently received at the reporting date.

11. LOANS AND ADVANCES

	Note	Quarter Ended Sep-15	Year Ended Jun-15
		(Rupees)	
Considered good			
Secured			
Loans to employees:			
Executives		**3,269,707**	4,359,609
Employees		**7,591,025**	5,603,131
		10,860,732	9,962,740
Unsecured			
- suppliers		**513,053,557**	510,022,779
- employees against purchases	11.1	**10,891,303**	9,666,220
- service providers and other vendors		**55,537,397**	24,576,816
- against land for slaughter house in Lahore		**193,000,000**	-
- others		**25,173,120**	5,093,928
		797,655,377	549,359,743
	11.2	**808,516,109**	559,322,483

11.1 Represents advances given to employees to meet business expenses, which are settled, as and when the expenses are incurred.

11.2 These are non-interest bearing and generally on an average term of 1 to 6 months.

Notes To The Consolidated Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2015

12. SHORT-TERM DEPOSITS AND PREPAYMENTS

	Note	Quarter Ended Sep-15	Year Ended Jun-15
		(Rupees)	
Trade deposits		**10,142,949**	9,604,081
Prepayments			
- rent		**15,817,708**	8,363,568
- others		**13,358,816**	3,532,891
		29,176,524	11,896,459
		39,319,473	21,500,540

13. OTHER RECEIVABLES

	Note	Quarter Ended Sep-15	Year Ended Jun-15
Unsecured, considered good			
Sales tax receivables		**48,203,807**	33,286,920
Others	13.1	**228,683,522**	128,499,966
		276,887,329	161,786,886

13.1 Included herein receivable from shareholders of the Holding Company on account of tax on bonus shares issued during the year (note 15).

14. CASH AND BANK BALANCES

	Note	Quarter Ended Sep-15	Year Ended Jun-15
		(Rupees)	
Cash in hand		**15,839,299**	12,547,961
With banks:			
Saving accounts - local currency	14.1	**23,868,432**	1,400,553
Current accounts			
- local currency		**37,325,267**	1,833,174,478
- foreign currency		**52,235**	50,875
		61,245,934	1,834,625,906
Book overdraft	14.2	**(109,243,310)**	(34,819,912)
		(32,158,077)	1,812,353,955

14.1 These carry profit at the rates ranging between 4% to 5% (2015: 4% to 5%) per annum.

14.2 Represents cheques issued during the period pending for clearances.

Notes To The Consolidated Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2015

15. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2015	2014	Ordinary shares of Rs. 10 each	Note	Quarter Ended Sep-15	Year Ended Jun-15
Number of Shares				(Rupees)	
29,940,675	4,940,675	Issued for cash	15.1	**299,406,750**	49,406,750
26,000,000	26,000,000	Issued for consideration other than cash		**260,000,000**	260,000,000
35,600,341	35,600,341	Issued as bonus shares	15.2	**356,003,410**	356,003,410
91,541,016	66,541,016			**915,410,160**	665,410,160

15.1 On 24 August 2015, the Holding Company enlisted on Karachi, Lahore and Islamabad stock exchanges through issue of 25 million ordinary shares of Rs.10/- each. Out of the total issue of 25 million ordinary shares, 18.750 million ordinary shares were subscribed through book building process by high net worth individuals and institutional investors and 6.250 million ordinary shares are subscribed by the general public through initial public offering.

15.2 On 19 February 2015, the Holding Company issued 35,600,341 ordinary shares of Rs. 10 each as bonus shares. Out of the total bonus issue of Rs. 356.003 million, shares of Rs. 300.202 million were issued from the share premium account and the remaining Rs. 55.801 million were transferred from unappropriated profit.

16. SURPLUS ON REVALUATION OF FIXED ASSETS

	Note	Quarter Ended Sep-15	Year Ended Jun-15
		(Rupees)	
As at 01 July		**237,509,579**	267,524,432
Transferred to unappropriated profit on account of:			
- incremental depreciation during the year		**(7,500,962)**	(30,003,848)
- disposal of fixed assets during the year		**(2,516,225)**	(11,005)
		227,492,392	237,509,579
Deferred tax			
As at 01 July		**(21,207,361)**	(25,712,755)
Deferred tax on incremental depreciation		**1,497,120**	4,505,394
		(19,710,241)	(21,207,361)
		207,782,151	216,302,218

17. LONG-TERM FINANCING

	Note	Quarter Ended Sep-15	Year Ended Jun-15
Diminishing Musharaka			
Summit Bank Limited	17.1	**31,904,167**	39,583,333
Askari Bank Limited	17.2	**31,666,664**	34,833,332
Dubai Islamic Bank Pakistan Limited	17.3	**22,500,000**	30,000,000
Habib Metropolitan Bank Limited	17.4	**14,884,510**	9,340,937
Standard Chartered Bank (Pakistan) Limited		**-**	-
		100,955,341	113,757,602
Less: current maturity shown under current liabilities		**(72,866,967)**	(77,684,637)
		28,088,374	36,072,965

17.1 Represents diminishing musharaka facility having a limit of Rs. 47.5 million (30 June 2015: Rs. 47.5 million) for various fixed assets for a period of 18 months. It carries profit at the rate of 3 months KIBOR + 2% per annum. The facility is secured by ranking charge of Rs. 71.585 million on plant and machinery installed at Deh Shah Mureed-Tappo Songal-Gadap Town- Karachi, in the name of a commercial bank. The musharaka units are to be purchased commencing from 09 March 2015 on the basis of percentages set out in the musharaka agreement.

17.2 Represents diminishing musharaka facility having a limit of Rs. 38 million (30 June 2015: Rs. 38 million) for various fixed assets for a period of 4 years. It carries profit at the rate of 3 month KIBOR + 2% per annum. The facility is secured by exclusive charges of Rs. 51 million (30 June 2015: Rs. 51 million) over plant and machinery of the Holding Company, in the name of a commercial bank. The musharaka units are to be purchased commencing from 27 February 2014 on the basis of percentages set out in the musharaka agreement.

17.3 The Holding Company had obtained diminishing musharaka facility having a limit of Rs. 30 million (30 June 2015: Rs. 30 million) for various fixed assets for a period of 2 years. It carries profit at the rate of relevant KIBOR + 3% per annum. The facility is secured by first exclusive charge over specific plant and machinery with 30% margin and personal guarantees of the CEO / major shareholder. The musharaka units are to be purchased commencing from 13 June 2014 on the basis of percentages set out in the musharaka agreement.

17.4 During the year, the Holding Company has obtained diminishing musharaka facility having a limit of Rs. 19.888 million (30 June 2015: 19.888 million) for various vehicles for a period of 3 years. It carries profit at the rate of 6 month KIBOR + 2% per annum. The facility is secured by registration of vehicles in the name of the bank and personal guarantees of the CEO / major shareholder. The musharaka units are to be purchased commencing from 29 October 2014 on the basis of percentages set out in the musharaka agreement.

18. DEFERRED LIABILITIES

	Note	Quarter Ended Sep-15	Year Ended Jun-15
		(Rupees)	
Defined benefit plan - gratuity		**19,164,087**	18,054,095

19. TRADE AND OTHER PAYABLES

	Note	Quarter Ended Sep-15	Year Ended Jun-15
		(Rupees)	
Creditors:			
Trade		**173,647,138**	157,399,455
Non-trade		**-**	54,306,242
		173,647,138	211,705,697
Murabaha:			
Summit Bank Limited	19.1	**45,000,000**	443,750,000
Habib Metropolitan Bank Limited	19.2	**225,079,304**	227,529,667
Dubai Islamic Bank Pakistan Limited		**-**	137,000,000
Askari Bank Limited		**-**	50,000,000
Meezan Bank Limited		**-**	30,000,000
Standard Chartered Bank (Pakistan) Limited		**-**	-
		270,079,304	888,279,667
Accrued liabilities		**16,763,726**	20,846,661
Advance from customers		**-**	27,219,267
Witholding tax payable	13.1	**22,053,018**	37,927,950
Workers' Profits Participation Fund		**3,708,000**	8,048,661
Workers' Welfare Fund		**5,772,767**	5,398,803
Payable against purchase of capital work-in-progress		**60,585,855**	43,100,419
Retention money		**10,000,000**	10,000,000
Other payables		**11,160,708**	10,339,799
		573,770,516	1,262,866,924

Notes To The Consolidated Financial Statements
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19.1 The Holding Company obtained murabaha financing facility aggregating to Rs. 500 million. It carries profit at the rate of 6 months KIBOR + 1% per annum. Out of the total facility limit, Rs. 300 million is secured by equitable mortgage of land Survey No. 348 located at Deh Shah Mureed, Tappo Songal, Taluka & District West Gadap Town, Karachi, agricultural land Khewat No 114, Khatooni No 257, Khewat No 200, Khatooni No 436, Khewat No 217, Khatooni No 476 located at Mouza Hadaira, Tehsil Cantt, District Lahore, first exclusive charge of Rs. 20 million over receivables of the Holding Company and ranking charge on specific plant and machinery installed at various locations.

The remaining facility of Rs. 200 million is secured against ranking charge on current assets of the Holding Company with 25% margin. It carries profit at the rate of 6 months KIBOR + 2% per annum. Further, the facility is also secured against the personal guarantees of directors.

19.2 Represents murabaha facility obtained by the Holding Company having a limit of Rs.230 million (2014: Rs.180 million), out of which Rs. 2.470 million (2014: Rs. 26,432/-) remains unutilized as at balance sheet date. It carries profit at the rate of relevant KIBOR + 2% per annum. The facility is secured by first pari passu charge over receivables and first exclusive charge over specific plant and machinery of the Holding Company duly insured in bank's favor.

19.3 Represents murabaha facility having a limit of Rs.230 million (30 June 2015: Rs.230 million), out of which Rs. 4.921 million (30 June 2015: Rs. 2.470 million) remains unutilized as at balance sheet date. It carries profit at the rate of relevant KIBOR + 2% per annum. The facility is secured by first pari passu charge over receivables and first exclusive charge over specific plant and machinery of the Holding Company duly insured in bank's favor.

20. ACCRUED MARK-UP

	Quarter Ended Sep-15	Year Ended Jun-15
	(Rupees)	
Accrued mark-up on:		
- Long-term financing	**234,392**	541,031
- Murabaha	**1,569,339**	16,371,905
	1,803,731	16,912,936

21. DUE TO A RELATED PARTY

Represents interest free loan obtained from the Holding Company's Chief Executive Officer at the time of incorporation of the Holding Company in 2012. The loan is unsecured and is repayable on demand.

22. CONTINGENCIES AND COMMITMENTS

	Quarter Ended Sep-15	Year Ended Jun-15
	(Rupees)	
22.1 Contingencies		
Guarantees issued by banks on behalf of the Holding Company.	**28,000,000**	28,000,000
Post dated cheques	**12,979,489**	66,418,962
22.2 Commitments		
22.2.1 Capital expenditure commitments	**35,665,906**	35,665,906

23. TURNOVER

	Quarter Ended Sep-15	Quarter Ended Sep-14
	(Rupees)	
Local sales	586,643,379	279,160,774
Sales discount	(19,451,950)	(12,456,155)
Sales return	(4,064,918)	(958,602)
	563,126,510	265,746,017
Export sales	1,372,005,504	880,052,958
	1,935,132,014	1,145,798,975

24. COST OF SALES

	Note	Quarter Ended Sep-15	Quarter Ended Sep-14
		(Rupees)	
Livestock and meat cost			
Opening stock		9,686,672	18,705,081
Purchases		1,534,135,080	787,954,573
Recovery against livestock residuals - net		(29,063,850)	(28,778,178)
Closing stock		(70,774,282)	(5,265,021)
		1,443,983,620	772,616,455
Conversion cost			
Salaries, wages and other benefits		22,740,908	18,617,398
Electricity, diesel and related expenses		11,762,690	13,440,897
Repairs and maintenance		6,722,983	3,999,954
Depreciation	5.2	19,293,047	17,515,269
Cargo		208,215,092	137,645,344
Clearing, forwarding and freight		11,370,620	8,443,671
Packing material		15,998,894	11,786,601
Livestock food		2,624,845	-
Marination		2,173,746	2,853,696
Others		3,556,246	1,093,295
		304,459,071	215,396,123
Cost of goods available for sale		1,748,442,691	988,012,578
Finished goods and fuels and lubricants			
Opening stock		24,933,681	28,296,260
Closing stock		(33,877,521)	(31,206,283)
		(8,943,840)	(2,910,023)
		1,739,498,851	985,102,555

Notes To The Consolidated Financial Statements
FOR THE QUARTER ENDED 30 SEPTEMBER 2015

25. ADMINISTRATION AND DISTRIBUTION EXPENSES

	Note	Quarter Ended Sep-15	Quarter Ended Sep-14
		(Rupees)	
Salaries, wages and other benefits		42,812,229	34,974,241
Electricity, diesel and related expenses		7,977,985	10,830,229
Repair and maintenance		409,237	243,483
Fuel and vehicle maintenance		7,933,935	6,829,217
Travelling and conveyance		6,005,078	4,182,559
Telephone and communication		2,501,710	3,012,065
Marketing and advertisement		14,558,531	1,092,337
Rent, rates and taxes		22,691,187	19,793,281
Food		3,484,812	3,218,668
Depreciation	5.2	4,282,014	3,887,444
Amortization		387,431	1,193,761
Legal and professional		1,693,702	142,300
Donation	25.1	2,183,169	1,450,520
Office supplies		2,077,108	1,724,668
Postage and courier		166,088	122,308
Takaful		1,288,436	-
Staff welfare		3,737,346	1,484,346
Security		65,280	76,250
Training		407,706	850
Cleaning		1,590,216	1,068,299
Commission on credit card facilities		1,877,621	1,262,594
Shelf rentals		4,569,691	163,270
Ijarah rentals		1,681,065	856,912
Others		2,871,818	2,072,257
		137,253,395	99,681,859

25.1 No director of the Group or his spouse had interest in any donee.

26. OTHER EXPENSES

	Note	Quarter Ended Sep-15	Quarter Ended Sep-14
		(Rupees)	
Loss on disposal of fixed assets		-	26,511
Others		97,821	32,025
		97,821	58,536

27. OTHER INCOME

	Note	Quarter Ended Sep-15	Quarter Ended Sep-14
Income from financial assets			
Gain / (Loss) on forward contracts		(1,730,447)	-
Dividend Income		2,699,375	-
Profit on saving accounts		4,123,492	15,359
		5,092,420	15,359
Income from assets other than financial assets			
Exchange gain - net		11,154,190	5,287,660
Reversal of provision for doubtful debts	10.2	17,158,316	-
Gain on disposal of property, plant and equipment		10,387,600	-
		38,700,106	5,287,660
		43,792,526	5,303,019

28. FINANCE COSTS

	Note	Quarter Ended Sep-15	Quarter Ended Sep-14
Mark-up on long-term financing		1,472,884	4,366,907
Profit on murabaha		13,915,732	14,874,014
Bank charges		5,849,759	4,800,747
		21,238,375	24,041,669

29. TAXATION

	Note	Quarter Ended Sep-15	Quarter Ended Sep-14
Current		10,166,528	7,662,255
Prior years		-	(59,184)
		10,166,528	7,603,071
Deferred		(4,615,189)	(15,497,733)
	29.1	5,551,339	(7,894,661)

29.1 The return of income of the Holding Company for the tax year 2014 has been filed which is deemed to be an assessment order in view of the provision of Section 120 of the Income Tax Ordinance, 2001.

30. EARNINGS PER SHARE - basic and diluted

	Quarter Ended Sep-15	Quarter Ended Sep-14
	(Rupees)	
Profit for the year (Rupees)	75,284,759	50,112,036
Weighted average number of ordinary shares of Rs. 10/- each - basic	82,233,951	26,001,500
Weighted average number of ordinary shares of Rs. 10/- each - diluted	89,570,907	26,001,500
Basic earnings per share (Rupees)	0.92	1.93
Diluted earnings per share (Rupees)	0.84	1.93

31. TRANSACTIONS WITH RELATED PARTIES

The related parties include group companies, retirement benefit funds, companies where directors also hold directorship, directors and key management personnel. The related party status of outstanding balances as at 30 June 2014 and 2015 are disclosed in respective notes to these financial statements, wherever applicable. Transactions with related parties other than remuneration and benefits to key management personnel are as follows:

	Quarter Ended Sep-15	Quarter Ended Sep-14
	(Rupees)	
Nature of transaction		
Existing shareholders		
Issue of right shares at premium	-	349,594,108
Issue of bonus shares	-	356,003,410
Subsidiary Company		
Investment made during the year	-	35,700,000
Payments made on behalf of the Subsidiary Company (subsequently reimbursed)	-	54,943,664

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and currency risk), credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. No changes were made in the objectives, policies or processes and assumptions during the quarter ended 30 September 2015. The Group's Board of Directors oversees the management of these risks which are summarized below:

32.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity risk. The sensitivity analysis in the following sections relate to the position as at 30 September 2015 and 30 June 2015.

32.1.1 Interest rate

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term and short-term financing arrangement at floating interest rates to its business operations and working capital requirements. The Group manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Group's profit before tax (through impact on floating rate borrowings). There is no direct impact on the Group's equity. This analysis excludes the impact of movement in market variables on the carrying values of provisions and non-financial assets and liabilities of the Group:

	Increase / decrease in basis points	Effect on profit before tax Rupees
Quarter ended 30 September 2015	**+100**	**3,710,346**
	-100	**(3,710,346)**
Year ended 30 June 2015	+100	10,020,373
	-100	(10,020,373)

32.1.2 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. The Group's exposure to the risk of changes in foreign currency exchange rates risk primarily relates to the Group's operating activities i.e. bank accounts and receivables / payables in foreign currencies. The Group manages its foreign currency risk by effective fund management and taking forward contracts.

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar exchange rate. As at 30 September 2015 and 30 June 2015, if Pakistani Rupee (Pak Rupee) had weakened / strengthened by 10 percent against the US Dollar, with all other variables held constant, on the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) are as follows:

	Increase / decrease in US Dollar to Pak	Effect on profit before tax
	(Rupees)	
Quarter ended 30 September 2015	**+10%**	**51,661,688**
	-10%	**(51,661,688)**
Year ended 30 June 2015	+10%	37,352,389
	-10%	(37,352,389)

32.1.3 Other price risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investments securities. The Group manages the price risk through diversification and placing limits on individual and total equity instruments. As of balance sheet date, the Group is only exposed to equity price risk in respect of investment in its subsidiary company.

32.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharging an obligation. The Group's credit risk is primarily attributable to its trade debts, advances to suppliers/vendors, other receivables and bank balances. The Group has a large number of customers, including local and overseas corporate and individuals, due to large number and diversity of its customer base, concentration of credit risk with respect to trade debts and other receivables is limited. The Group minimize its credit exposure on advances to suppliers / vendors, who have long standing with the Group and with bank balances having good credit ratings.

As at balance sheet date, there are no financial assets that would otherwise be past due or impaired whose terms have been renegotiated. The Group monitors the credit policy of its financial assets with reference to historical performance of such assets and available external credit ratings.

32.3 Liquidity Risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations with the financial liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility by maintaining sufficient bank balances and committed credit lines.

32.4 Fair value

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction. The carrying amounts of all the financial instruments reflected in these financial statements approximate to their fair value.

32.5 Capital management

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investments projects to support its business sustainability and future development and maximize its shareholders value. No changes were made in the objectives, policies or processes during the year ended 30 September 2015.

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. The Company monitors capital using a debt equity ratio, which is net debt divided by total capital plus net debt. Equity comprises of share capital and reserves.

	Quarter Ended Sep-15	Quarter Ended Sep-14
	(Rupees)	
33. NUMBER OF PERSONS EMPLOYED		
Persons employed as of 30 September	**670**	539
Average persons employed during the period	**655**	536

34. DATE OF AUTHORISATION FOR ISSUE

The Board of Directors of the Group authorised these financial statements for issue on October 30, 2015.

35. GENERAL

35.1 Amounts have been rounded off to the nearest rupee unless otherwise stated.

35.2 Due to nature of the Group's business, the production capacity is not relevant.

Chief Executive

Director