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About Us

Al Shaheer Corporation is the market leader in Pakistan's high consumption meat industry. It was established as a partnership in 2008, setting up a world class abattoir in Gadap Town, Karachi.

Initially, the company only exported red meat to Dubai, followed by Saudi Arabia to become a trusted supplier of high quality and Halal meat to importers across GCC countries. In 2010, Al Shaheer entered the domestic fresh meat market laying the foundation for the first ever red meat brand in Pakistan – Meat One. All kinds of fresh meat are sold under the umbrella of this brand through company owned outlets. A second brand, Khaas, positioned as an economy brand targeting the neighborhood butcheries, was launched in 2014. Later, a shop-in-shop model was also developed to increase reach by opening meat sections in high traffic superstores. In addition to serving export and retail markets, an Institutional Sales unit was formally launched with an objective of catering exclusively to the needs of bulk consumers, mainly HORECA and offices/institutions, providing high quality meat tailored to the requirements of the consumers.

From a small partnership, the company has grown into a national corporation in just 8 years. The company went public in 2015 and is now listed on the Stock Exchange.

Vision & Mission

Vision

Dominate the meal table offering delightful food solutions to consumers.

Mission

- We will delight and vitalize our consumers with food products that meet the highest standards of health, hygiene and fulfilment.
- We will achieve this by sourcing the best quality of livestock, purest ingredients and world class manufacturing processes.
- We will have excellence in our Shariah compliance standards for all our products, our operations and the way we interact with the communities and environment around us.
- We value diversity & teamwork and promote an open informal work environment.
- All our actions will clearly exhibit our relentless commitment to ethics, product safety and consumer satisfaction.

Business Operations

Meat One, the pioneer in structured meat retailing, commenced operations in August 2010 by providing its consumers with a healthy and hygienic meat option. All starting from one shop at Shamsheer, now Meat One's retail footprint is across Pakistan from Karachi to Islamabad, including Hyderabad, Lahore and Rawalpindi. Our commitment is to provide Halal, hygienic and healthy standard of meat to all our consumers through vast coverage of our flagship, small stores and shop-in-shops present in Local Modern trade and International modern trade channels. Meat One is proud to be working with Shaheen Chemist, D Watson, Shell Pakistan and other trade channels to provide its consumers with convenient access to quality meat.

Meat One is present in 4 cities with 35 outlets in all formats; flagship stores, small retail stores and shop-in-shops in LMTs and IMTs. Meat One maintains the same standard in product quality and hygiene everywhere.

Following categories are marketed under the Meat One banner:

- **Mutton**
- **Beef**
- **Chicken**
- **Fish**
- **Marinated items**

Delivery

As a pioneer in the organized meat industry, we take it upon ourselves to provide our clientele with the best of our products and services by adding the prime value of home delivery. An ideal hassle free delivery service not only contributes to the convenience of our consumers but also follows an effective timely response meeting all goals keeping every façade of our business model satisfied. We are currently providing free delivery service from our outlets. Everyone can connect with us for delivery services at 11-11-MEAT-1 (11-11-6328-1) in all cities where we operate.

Institutional Sales

The Institutional Sales unit formally started operations in January 2014 with the objective of catering exclusively to the needs of bulk consumers, mainly HORECA and offices/institutions, providing high quality meat tailored to the requirements of the consumers. Having a separate, focused sales team, the unit now caters to a large consumer base in Karachi and Lahore, with its dedicated butcheries in the two cities.

Al Shaheer Corporation has developed a strong clientele of renowned restaurants, hospitals, burger joints and catering services in both cities. The Company also won the tendered business of Pakistan Air Force in southern region in 2015-16 and 2016-17. With an ambition to develop a wider client base, serving best quality meat, plans are to expand these services to Rawalpindi and Islamabad in 2nd Quarter 2016-17.

Khaas Meat was launched in February 2014 as the second brand of Al Shaheer Corporation Ltd. It is an upgrade to the existing market butcher shops providing high quality Beef, Mutton and Chicken under one roof in a clean and hygienic environment. It caters to SEC B & C through 15 outlets spread across Karachi, Lahore and Rawalpindi. Khaas operates through standalone outlets and through CSD shop-in-shops stores.

Khaas offers below mentioned products:

- **Beef**
- **Mutton**
- **Chicken**

Export

Al Shaheer Corporation is a market leader in Pakistan's burgeoning meat industry. Established in 2008 with a vision to become a global leader in the Halal food sector, we have grown from humble beginnings into a company that occupies a leading position as a fresh meat exporter and retailer in Pakistan. We export fresh beef and mutton to some of the largest distributors in the Middle East.

From a small partnership to a national corporation, we stand committed to serve the needs of our consumers and exceed their expectations.

Factory

Our state-of-the-art abattoir is situated on the outskirts of Pakistan's largest city of Karachi. It is strategically situated with access to international trade routes via the country's largest airport and sea port. The abattoir, which is one of the most modern of its kind in Pakistan, is certified to export to some of the largest regional markets around the globe and qualifies as a high throughput facility with a daily slaughtering capacity of 800 cattle and 1000 goats.

Board of Directors

Our board of directors play a vital role in representing the interest of our shareholders. All Board members have extensive experience in their respective sectors and continuously guide Company operations in their areas of expertise.

1. **Noorur Rahman Abid**
2. **Kamran Khalili**
3. **M. Qaysar Alam**
4. **Muhammad Ali Ghulam Muhammad**
5. **Muhammed Amin**
6. **Naveed Godil**
7. **Rizwan Jamil**
8. **Rukhsana Asghar**
9. **Sarfaraz Rehman**
10. **Zafar Siddiqui**

Directors' Report

The Directors of your Company are pleased to present the unaudited financial results of the Company for the first quarter ended September 30, 2016.

Operational Performance

Summarized operating performance of the company for the quarter is as follows:

	Quarter Ended Sep-16	Quarter Ended Sep-15
	(Rupees in '000)	
Sales	1,536,062	1,935,132
Cost of Sales	(1,362,207)	(1,739,500)
Gross Profit	**173,855**	**195,632**
Expenses and Taxes	(214,483)	(163,438)
Other Income	1,275	43,792
Net (Loss) / Profit	**(39,353)**	**75,986**
Basic (loss) Earnings Per Share (Rs./Share)	(0.28)	0.60
Diluted (loss) Earnings Per Share (Rs./Share)	(0.28)	0.53

In the first quarter of 2016-17, the company topline value declined by 20% compared to the same period last year. As indicated in the previous Directors' Report, the decline is mainly related to the export business – our domestic business maintained stable growth and our contribution of domestic sales improved to 40% in this quarter versus previous years' average of 30%. Quarterly profits have been further impacted by the increase in prices of livestock and operating expenses. The main contributor to the increase in expenses is the cost of human resources which is necessary to support the expansion plans.

Export Performance

During the current quarter, the export business declined by 32% as compared to the same period last year. Export margins continue to remain constrained due to:

- Increasing livestock prices in Pakistan's market, with rising costs of operating the business.
- Sharp decline in Pakistan's leather exports (26% decline last year) coupled with huge glut of hides due to Eid-ul-Adha (Qurbani), caused the skin / hide prices to decline significantly in this quarter which further impacted the profitability.
- Cheaper meat imports from India, Brazil & Australia (due to currency devaluation in these countries) to GCC markets, and increased competition for Pakistani meat in export market.

Meat One

Our premium retail brand, Meat One, grew by 20% over same period last year. This indicates the growing strength and increasing customer penetration of our flagship brand in the Pakistan's market.

Khaas Meat

The Khaas Meat network underwent a consolidation last year, where unprofitable locations were shut down. Despite the fact we were operating 18 locations versus 27 last year, this line of business noticed a marginal increase in revenues by 2.8% as compared to similar period in prior year.

Institutional Sales

The institutional sales business comes from our core B2B clients and tendered business. Our core B2B business continued on a strong growth trajectory.

Future Outlook

In the longer term, we remain bullish on the opportunity in the food's sector in general and Al Shaheer's growth prospects in specific. In the short term however we expect margins to be under pressure. The company is investing heavily in human resource as well as plant, machinery and construction for upcoming poultry processing unit in Lahore. This will impact our profitability during the current fiscal year. We do anticipate higher cost efficiencies once our Lahore operations are energized, and the company overheads are allocated on a larger spread of the enterprise.

Our export volumes are expected to bounce back in the coming quarter and we are confident to regain the current loss of export revenue.

We also expect continued growth in our domestic business. In particular our Meat One and Institutional Sales channel will be the main growth bets. We have strong prospects in both core and tendered Institutional Sales business. Our brand new Institutional Sales production facility in Islamabad will be ready in the coming quarter, and we have strong growth prospects for B2B business in Islamabad and adjoining cities.

Our upcoming poultry and processed meat plant in Lahore is on target for production next year – this will enable the company to produce high margin products and expand in the general and modern trade segments in Pakistan and abroad.

Acknowledgment

The board is thankful to the shareholders, customers, consumers and business associates for their trust and continued support to the company. The board would also like to place on record its appreciation to all employees of the company for their dedication, diligence and hard work.

On behalf of the Board,

Noorur Rahman Abid

Chairman

Standalone Financial Statements 2016

Balance Sheet

AS AT 30 SEPTEMBER 2016

	Note	Quarter Ended Sep-16	Year Ended Jun-16
		(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	**2,760,384**	2,581,433
Intangible assets	5	**3,700**	3,839
		2,764,084	2,585,272
Long-term investment	6	**55,700**	55,700
Deferred tax asset	7	**133,292**	129,078
		2,953,076	2,770,050
CURRENT ASSETS			
Fuel and lubricants		**1,057**	603
Stock-in-trade	8	**73,629**	167,655
Trade debts	9	**1,123,120**	1,096,688
Loans and advances		**520,060**	421,594
Trade deposits and short-term prepayments	10	**45,591**	22,300
Short-term investments		**35**	215,893
Other receivables	11	**180,111**	179,501
Taxation - net		**82,691**	76,225
Cash and bank balances	12	**20,397**	25,063
		2,046,691	2,205,522
TOTAL ASSETS		**4,999,767**	4,975,572
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
150,000,000 (2015: 150,000,000) ordinary shares of Rs. 10/- each (In '000)		**1,500,000**	1,500,000
Issued, subscribed and paid-up capital	13	**1,421,170**	1,235,804
Share premium account		**1,507,705**	1,693,076
Unappropriated profit		**661,679**	698,586
Total equity		**3,590,554**	3,627,466
Surplus on revaluation of fixed assets		**194,633**	197,078
NON-CURRENT LIABILITIES			
Long-term financing	14	**23,558**	29,552
Deferred liabilities	15	**30,755**	28,297
		54,313	57,849
CURRENT LIABILITIES			
Trade and other payables	16	**1,080,740**	1,048,750
Accrued mark-up	17	**10,544**	3,676
Current portion of long-term financing	14	**25,928**	33,189
Due to a related party	18	**43,055**	7,564
		1,160,267	1,093,179
TOTAL EQUITY AND LIABILITIES		**4,999,767**	4,975,572
CONTINGENCIES AND COMMITMENTS	19		

The annexed notes 1 to 33 form an integral part of these financial statements.

Chief Executive

Director

Profit and Loss Account

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	Note	Quarter Ended Sep-16	Quarter Ended Sep-15
		(Rupees in '000)	
Turnover - net	20	**1,536,062**	1,935,132
Cost of sales	21	**(1,362,207)**	(1,739,500)
Gross profit		**173,855**	195,632
Administrative and distribution costs	22	**(186,292)**	(136,549)
Other operating expenses	23	**(1,739)**	(98)
		(188,031)	(136,647)
Operating profit		**(14,176)**	58,985
Other income	24	**1,275**	43,792
Finance costs	25	**(17,628)**	(21,239)
Profit before taxation		**(30,529)**	81,538
Taxation	26	**(8,824)**	(5,552)
Profit for the period		**(39,353)**	75,986
Earnings per share – Basic	27	**(0.28)**	0.60
Earnings per share – Diluted	27	**(0.28)**	0.53

The annexed notes 1 to 33 form an integral part of these financial statements.

Chief Executive

Director

Statement of Comprehensive Income

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	Quarter Ended Sep-16	Quarter Ended Sep-15
	(Rupees in '000)	
Profit for the period	**(39,353)**	75,986
Other comprehensive income for the period, net of tax	**-**	-
Total comprehensive income for the period	**(39,353)**	75,986

The annexed notes 1 to 33 form an integral part of these financial statements.

Chief Executive

Director

Cash Flow Statement

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	Note	Quarter Ended Sep-16	Quarter Ended Sep-15
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**(30,529)**	81,538
Adjustments for:			
Depreciation	4.2	**19,208**	23,575
Amortisation	5	**247**	387
Provision for defined benefit plan - gratuity	15	**3,879**	2,137
Gain on disposal of property, plant and equipment	24	**-**	(10,388)
Gain on disposal of short-term investments	24	**(142)**	-
Finance costs	25	**17,628**	21,238
		40,820	36,949
Operating profit before working capital changes		**10,291**	118,487
Decrease / (increase) in current assets:			
Fuels and lubricants		**(454)**	(2,115)
Stock-in-trade		**94,025**	(67,917)
Trade debts		**(26,431)**	(192,956)
Loans and advances		**(98,467)**	(249,094)
Trade deposits and short-term prepayments		**(23,291)**	(17,819)
Other receivables		**(609)**	(115,100)
		(55,227)	(645,001)
(Decrease) / increase in current liabilities:			
Trade and other payables		**31,990**	(685,915)
Due to a related party		**35,491**	(13,541)
		67,481	(699,456)
Cash flows (used in) / from operations		**22,545**	(1,225,970)
Taxes paid		**(19,511)**	(15,006)
Gratuity paid	15	**(1,421)**	(1,027)
WPPF paid		**-**	(4,341)
Net cash flows (used in) / from operating activities		**1,613**	(1,246,344)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
- operating fixed assets - net of transfer from capital work-in-progress	4.1	**(15,923)**	(131,790)
- capital work-in-progress	4.3	**(182,234)**	(164,276)
- intangible assets	5	**(108)**	(124)
Sale proceeds from disposal of property, plant and equipment		**-**	43,200
Proceeds from disposal of short-term investments - net		**216,000**	(808,211)
Net cash flows used in investing activities		**17,735**	(1,061,201)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**-**	2,375,000
Advance against issue of shares - net		**-**	(1,781,250)
Share issue costs paid		**-**	(81,567)
Long-term financing - net		**(13,254)**	(12,802)
Finance costs paid		**(10,766)**	(36,348)
Net cash flows from financing activities		**(24,014)**	463,033
Net (decrease) / increase in cash and cash equivalents		**(4,666)**	(1,844,512)
Cash and cash equivalents at the beginning of the period		**25,063**	1,812,349
Cash and cash equivalents at the end of the period	12	**20,397**	(32,163)
Cash and cash equivalents			
Cash and bank balances	12	**20,397**	(32,163)

The annexed notes 1 to 33 form an integral part of these financial statements.

Chief Executive

Director

Statement of Changes In Equity

AS AT 30 SEPTEMBER 2016

	Issued, subscribed and paid-up capital	Capital reserves	Revevue reserves	Total
		Share premium account	Unappropriated profit/(Loss)	
	(Rupees in '000)			
As at 01 July 2015	665,410	-	285,558	950,968
Profit for the year	-	-	364,577	364,577
Other comprehensive income for the year, net of tax	-	-	(7,894)	(7,894)
Total comprehensive income for the year	-	-	356,683	356,683
"Issue of 25,000,000 ordinary shares at" premium of Rs.85 per share (notes 1.2 & 13.1)	250,000	2,125,000	-	2,375,000
Issue of 32,039,355 bonus shares at 35% (note 13.3)	320,394	(320,394)	-	-
Surplus on revaluation of fixed assets realised on account of incremental depreciation charged on related assets, net of deferred tax	-	-	19,225	19,225
Share issuance cost, net of deferred tax	-	(74,409)	-	(74,409)
Transfer of share issuance cost, net of deferred tax	-	(37,121)	37,121	-
As at 30 June 2016	1,235,804	1,693,076	698,587	3,627,467
Profit/(Loss) for the period	-	-	(39,353)	(39,353)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the period	-	-	(39,353)	(39,353)
Issue of 18,537,056 bonus shares at 15% (note 13.3)	185,371	(185,371)	-	-
Surplus on revaluation of fixed assets realised on account of incremental depreciation charged on related assets, net of deferred tax	-	-	2,445	2,445
As at 30 September 2016	**1,421,175**	**1,507,705**	**661,679**	**3,590,559**

The annexed notes 1 to 33 form an integral part of these financial statements.

Chief Executive

Director

Notes to the Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

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. In 2015, the Company changed its status from private limited company to public 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 local and export sales through chain of retail stores.

1.2 On 24 August 2015, the Company enlisted on Pakistan Stock Exchange Limited 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 balance sheet date, the Company owns 51% ordinary shares in 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 Subsidiary Company has been accounted 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 (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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

These financial statements have been prepared under the historical cost convention except for certain classes of property, plant and equipment (i.e. freehold land, buildings, plant and machinery, furniture and fixture, office equipment, tools and equipment) which have been measured at revalued amounts, defined benefit plan carried at present value and short-term investments at fair value.

3.2 Standards, amendments and interpretations adopted during the period

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 and Revised Standards

The Company has adopted the following new and revised standards to IFRSs which became effective for the current year:

IFRS 11 – Joint Arrangements
IFRS 12 – Disclosure of Interests in Other Entities
IFRS 13 – Fair Value Measurement
IAS 27 (Revised 2011) – Separate Financial Statements
IAS 28 (Revised) – Investment in associates and joint ventures
The adoption of the above standards 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 classes 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 classes of fixed assets, with corresponding effect on surplus on revaluation of fixed assets.

Provision for doubtful debts and other receivables

The Company reviews its doubtful trade debts and other receivable at each reporting date to assess whether provision for impairment is required. 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 only the meat and other items saleable in the ordinary course of business 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 these 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 employee 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.

Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of future events can not be predicted with certainty. These are based on the availability of latest information, estimates of value of contingent assets / liabilities which may differ on occurrence / non occurrence of uncertain future events.

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 motor vehicles and computers and accessories 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 reducing balance 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. Depreciation is charged from the month the asset is available for use upto the month of derecognition.

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, if the recognition criteria is met.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The residual values, useful lives and method of depreciation of property plant and equipment are reviewed annually and are adjusted prospectively, if appropriate. 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. When revalued assets are sold, the relevant remaining surplus is transferred directly by the Company to its profit and loss account.

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 Company 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.

Amortisation methods, useful lives and residual values are reviewed at each balance sheet date and adjusted, if appropriate.

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 at cost, 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 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 initially measured at fair value plus directly attributable 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.

ll 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.

Available-for-sale investments

Available-for-sale financial assets include equity and debt securities. Equity investments classified available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities 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. The Company has not classified any financial assets as available-for-sale at year end.

3.7 Fuel and lubricants

Fuel 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.

Notes to the Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

3.9 Trade debts and other receivables

Trade debts and other receivables are carried at original invoice amount less an estimate made for doubtful trade debts and other 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 and advances

These are stated at cost less provision for doubtful balance, if any, as the impact of fair value is immaterial.

Notes to the Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

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.

3.14 Post retirement benefits - defined benefit plan

The Company operates an unfunded gratuity scheme for employees who qualify for staff 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 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.

The scheme is governed by the trust deeds and rules and all matters pertaining to the scheme including contributions to the scheme and payment to outgoing members are dealt with in accordance with the trust deeds and rules. The liabilities under the scheme in respect of members in service on the valuation date on a going concern basis and having regard to projected future salary increases, are covered by the Fund on the valuation date, the total balance sheet reserve as of the valuation date, future contributions to the Fund, and future projected investment income of the Fund. As far as possible the contribution to the Fund should remain reasonably stable as a percentage of salaries, under the Projected Unit Credit Method employed.

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 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. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the asset and liabilities, using the enacted or substantially enacted rates of taxation. In this regards effects of deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirement of Accounting Technical Release 27 (ATR-27) of ICAP.

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 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 respectively, and not in profit and loss account.

Further, the Company recognises deferred tax asset / liability or deficit / surplus on revaluation of property plant and equipment which is adjusted against the related deficit / surplus.

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, irrespective of whether 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, 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.

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 retranslated 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 retranslated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e translation difference on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss respectively).

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 using effective interest method.

- Dividend is recognised when right to entitlement is established.

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.

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 2 –	Share-based Payments - Classification and Measurement of Share-based Payments Transactions (Amendments)	01 January 2018
IFRS 10 –	Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates - Investment Entities: Applying the Consolidation Exception (Amendment)	01 January 2016
IFRS 10 –	Consolidated Financial Statements, IFRS 12 Disclosure of Interestsin Other Entities and IAS 28 Investment in Associates - Investment Entities: Applying the Consolidation Exception (Amendment)	Not yet finalised
IFRS 11 –	Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	01 January 2016
IAS 1 –	Presentation of Financial Statements - Disclosure Initiative (Amendment)	01 January 2016

IAS 7 –	Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	01 January 2017
IAS 12 –	Income Taxes - Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	01 January 2017
IAS 16 –	Property, Plant and Equipment - Clarification of Acceptable Method of Depreciation (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 above standards and amendments are not expected to 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 in September 2014. 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, following new standards have been issued by IASB which are yet to be notified by the 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
IFRS 16 –	Leases	01 January 2019

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.

4. Property, plant and equipment

	Note	Quarter Ended Sep-16	Year Ended Jun-16
		(Rupees in '000)	
Operating fixed assets	4.1	**1,168,611**	1,171,894
Capital work-in-progress	4.3	**1,591,773**	1,409,539
		2,760,384	2,581,433

Notes to the Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

4.1 Operating fixed assets

	GROSS CARRYING VALUE					
	As at 01 July 2016	Additions	Transfers	(Disposals)	As at 30 September 2016	Rate
	(Rupees in '000)					
Owned						
Leasehold land	**453,643**	**-**	**-**	**-**	**453,643**	**-**
Buildings	**159,858**	**589**	**-**	**-**	**160,447**	**10%**
Plant and machinery	**229,163**	**4,436**	**-**	**-**	**233,599**	**5% - 20%**
Furniture and fixture	**155,361**	**3,933**	**-**	**-**	**159,294**	**10%**
Motor vehicles	**127,448**	**3,903**	**-**	**-**	**131,351**	**15%**
Office equipment	**174,935**	**1,976**	**-**	**-**	**176,911**	**15%**
Tools and equipment	**23,713**	**662**	**-**	**-**	**24,375**	**10%**
Computers and accessories	**18,720**	**424**	**-**	**-**	**19,144**	**10%**
September 2016	**1,342,841**	**15,923**	**-**	**-**	**1,358,764**	

	GROSS CARRYING VALUE					
	As at 01 July 2015	Additions	Transfers	(Disposals)	As at 30 June 2016	Rate
	(Rupees in '000)					
Owned						
Leasehold land	77,941	408,514	-	(32,812)	453,643	-
Buildings	154,996	4,862	-	-	159,858	10%
Plant and machinery	238,993	11,020	(20,851)	-	229,163	5% - 20%
Furniture and fixture	115,253	40,108	-	-	155,361	10%
Motor vehicles	68,985	65,721	-	(7,258)	127,448	15%
Office equipment	123,516	30,793	20,851	(225)	174,935	15%
Tools and equipment	20,624	3,089	-	-	23,713	10%
Computers and accessories	10,469	8,251	-	-	18,720	10%
June 2016	810,777	572,358	-	(40,295)	1,342,841	

Notes to the Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	Accumulated Depreciation: As at 01 July 2016	Transfers	Charge for the year	(On disposals)	As at 30 Sept. 2016	Net Book Value: As at 30 Sept. 2016
	(Rupees in '000)					
Owned						
Leasehold land	-	-	-	-	-	453,643
Buildings	31,626	-	3,212	-	34,838	125,609
Plant and machinery	33,717	-	2,665	-	36,382	197,217
Furniture and fixture	24,438	-	3,327	-	27,765	131,529
Motor vehicles	30,475	-	3,764	-	34,239	97,112
Office equipment	42,392	-	5,274	-	47,666	129,245
Tools and equipment	4,232	-	493	-	4,725	19,650
Computers and accessories	4,067	-	470	-	4,537	14,607
September 2016	**170,947**	**-**	**19,205**	**-**	**190,152**	**1,168,612**

	Accumulated Depreciation: As at 01 July 2015	(On transfers)	Charge for the year	(On disposals)	As at 30 June 2016	Net Book Value: As at 30 June 2016
	(Rupees in '000)					
Owned						
Leasehold land	-	-	-	-	-	453,643
Building	17,699	-	13,927	-	31,626	128,232
Plant and machinery	25,490	(2,739)	10,966	-	33,717	195,446
Furniture and fixture	12,636	-	11,802	-	24,438	130,923
Motor vehicles	23,545	-	10,503	(3,573)	30,475	96,973
Office equipment	19,249	2,739	20,456	(52)	42,392	132,543
Tools and equipment	2,273	-	1,959	-	4,232	19,481
Computers and accessories	2,487	-	1,580	-	4,067	14,653
June 2016	103,379	-	71,193	(3,625)	170,947	1,171,894

Notes to the Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

4.2 Depreciation for the period has been allocated as follows:

	Note	Quarter Ended Sep-16	Year Ended Jun-16
		(Rupees in '000)	
Cost of sales	21	**7,051**	29,345
Administrative and distribution cost	22	**12,157**	41,846
		19,208	71,191

4.3 Capital work-in-progress

Land	**38,917**	38,667
Civil works	**15,679**	14,899
Equipment and machinery	**994,562**	994,759
Advance to suppliers and contractors	**526,910**	345,508
Intangible asset under development	**15,705**	15,705
	1,591,773	1,409,538

5. INTANGIBLE ASSETS

	COST			Rate	ACCUMULATED AMORTIZATION			WRITTEN DOWN VALUE
	As at 01 July	Additions	As at 30 September		As at 01 July	For the year	As at 30 September	As at 30 September
	(Rupees in '000)				(Rupees in '000)			
Computer software	**8,036**	**108**	**8,144**	**25%**	**4,198**	**247**	**4,444**	**3,700**
September 2016	**8,036**	**108**	**8,144**		**4,198**	**247**	**4,444**	**3,700**
June 2016	6,075	1,962	8,036	25%	3,338	859	4,198	3,839

6. LONG-TERM INVESTMENT

	Note	Quarter Ended Sep-16	Year Ended Jun-16
		(Rupees in '000)	
Subsidiary Company, unquoted - at cost			
Al Shaheer Farms (Private) Limited			
5,570,000 ordinary shares of Rs. 10 each	6.1	**55,700**	55,700

6.1 Represents investment in Al Shaheer Farms (Private) Limited (the Subsidiary Company) which intends to carry business 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 forms of live stock. The Subsidiary Company was incorporated on 02 March 2015 and as of 30 September 2016, has not commenced its business operations.

Last year, the Company further invested Rs. 20 million against right issue upon approval of shareholders of the Company in an Annual General Meeting.

The book value per share is Rs. 8.58/- each based on the latest available audited financial statements for the year ended 30 June 2016. Currently, the Subsidiary Company is in start up phase and financially supported by the Company to activate its full potential in order to make adequate profits and generate positive cash flows. Accordingly, no impairment in value of investment is recognised as of the balance sheet date.

Notes to the Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

7. DEFERRED TAX ASSET - NET

	Note	Quarter Ended Sep-16	Year Ended Jun-16
		(Rupees in '000)	
Deferred tax assets on deductible temporary differences:			
Unabsorbed tax losses		**148,410**	140,408
Unused tax credits		**3,212**	1,667
Defined benefit plan		**8,814**	6,362
Minimum tax		**3,077**	-
		163,513	148,437
Deferred tax liabilities on taxable temporary differences:			
Property, plant and equipment		**(12,467)**	(492)
Surplus on revaluation of fixed assets		**(17,754)**	(18,867)
		(30,221)	(19,359)
	7.1	**133,292**	129,078

7.1 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.

8. STOCK-IN-TRADE

	Note	Quarter Ended Sep-16	Year Ended Jun-16
		(Rupees in '000)	
Livestock		**48,586**	118,697
Finished goods		**25,044**	48,958
		73,630	167,655

9. TRADE DEBTS - Unsecured

	Note	Quarter Ended Sep-16	Year Ended Jun-16
Considered good			
Overseas		**823,316**	812,421
Local		**299,804**	284,267
	9.1	**1,123,120**	1,096,688
Less: Provision for doubtful debts		**-**	-
		1,123,120	1,096,688

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

10. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

	Note	Quarter Ended Sep-16	Year Ended Jun-16
		(Rupees in '000)	
Trade deposits	10.1	**2,112**	2,849
Prepayments			
- rent		**13,046**	13,046
- takaful		**4,432**	4,643
- others		**26,002**	1,762
		43,480	19,451
		45,592	22,300

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

Notes to the Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

11. OTHER RECEIVABLES

	Note	Quarter Ended Sep-16	Year Ended Jun-16
		(Rupees in '000)	
Unsecured, considered good			
Sales tax receivables		**107,030**	98,510
Receivable from shareholders	11.1	**17,800**	17,800
Receivable from:			
- Subsidiary Company	11.2	**10,045**	7,916
- against disposal of assets		**-**	38,200
- banks		**10,964**	6,083
- others		**34,272**	10,992
		55,281	63,191
		180,111	179,501

11.1 Represents amount receivable from shareholders on account of tax on bonus shares issued during the year 2015.

11.2 Represents receivable against payments made on behalf of the Subsidiary Company.

12. CASH AND BANK BALANCES

	Note	Quarter Ended Sep-16	Year Ended Jun-16
		(Rupees in '000)	
Cash in hand		**17,849**	30,656
With banks:			
Saving accounts - local currency (islamic banking)	12.1	**10,799**	9,524
Current accounts			
- local currency	12.2	**8,892**	12,783
- foreign currency		**52**	52
		19,743	22,359
Book overdraft		**(17,195)**	(27,952)
		20,397	25,063

12.1 These carry profit at the rates ranging between 3.27% to 6.5% (30 June 2016: 3.27% to 6.5%) per annum.

12.2 Includes Rs. 9.506 million (30 June 2016: Rs.9.506 million) kept in a separate bank account in respect of security deposits received from customers. These balances are non-interest bearing.

Notes to the Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

13. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Quarter Ended Sep-16	Year Ended Jun-16	Ordinary shares of Rs. 10 each	Note	Quarter Ended Sep-16	Year Ended Jun-16
Number of shares '000				(Rupees in '000)	
29,941	29,941	Issued for cash	13.1	**299,410**	299,407
26,000	26,000	Issued for consideration other than cash	13.2	**260,000**	260,000
86,176	67,640	Issued as bonus shares	13.3	**861,760**	676,397
142,117	123,581			**1,421,170**	1,235,804

13.1 On 24 August 2015, the Company enlisted on Pakistan Stock Exchange Limited through issue of 25 million ordinary shares having face value of Rs. 10/- at a premium of Rs. 85/- each as disclosed in note 1.2 to these financial statements.

13.2 Represents shares issued at a face value of Rs. 10 each against transfer of net assets from the amalgamted firms to the Company as disclosed in note 1.1 to these financial statements.

13.3 During the period, the Company has issued 18,537,056 bonus shares (30 June 2016: 32,039,355 bonus shares) of Rs. 10/- each from the share premium account amounting to Rs. 185.37 million (30 June 2016: Rs. 320.39 million from share premium account).

14. LONG-TERM FINANCING

	Note	Quarter Ended Sep-16	Year Ended Jun-16
		(Rupees in '000)	
Diminishing musharaka - islamic banking			
Summit Bank Limited		**-**	7,917
Askari Bank Limited	14.1	**19,000**	22,167
Habib Metropolitan Bank Limited	14.2	**11,369**	13,345
Burj Bank Limited	14.3	**19,117**	19,312
		49,486	62,741
Less: Current maturity shown under current liabilities		**(25,928)**	(33,189)
		23,558	29,552

14.1 The Company had obtained diminishing musharaka facility having a limit of Rs. 38 million (30 June 2016: Rs.38 million) in respect of purchase of fixed assets for a period of 4 years. It carries profit at the rate of 3 months KIBOR + 2% per annum. The facility is secured by exclusive charges of Rs. 51 million (30 June 2016: Rs. 51 million) over plant and machinery of the Company, in the name of a bank. The musharaka units are to be purchased commencing from 27 February 2014 on the basis of percentages set out in the musharaka agreement.

14.2 During the period, the Company has renewed diminishing musharaka facility having a limit of Rs. 15.744 million (30 June 2016: Rs. 15.744 million) in respect of purchase of motor vehicles for a period of 3 years. It carries profit at the rate of 6 months KIBOR + 2% per annum. The facility is secured by registration of vehicles in the name of a 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.

14.3 During the period, the Company had obtained diminishing musharaka facility having a limit of Rs. 45 million (30 June 2016: Rs. 45 million) in respect of purchase of motor vehicles for a period of 3 years. It carries profit the rate of 6 months KIBOR + 1.9% per annum. The facility is secured by registration of vehicles in the name of a commercial bank. The musharaka units are to be purchased commencing from 10 February 2016 on the basis of percentages set out in the musharaka agreement.

Notes to the Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

15. DEFERRED LIABILITIES

	Quarter Ended Sep-16	Year Ended Jun-16
	(Rupees in '000)	
Defined benefit plan - gratuity	**30,755**	28,297

As stated in note 3.14 to these financial statements, the Company operates an unfunded gratuity scheme. The latest actuarial valuation was carried out as at 30 June 2016 using the Projected Unit Credit method.

16. TRADE AND OTHER PAYABLES

	Note	Quarter Ended Sep-16	Year Ended Jun-16
		(Rupees in '000)	
Creditors:			
Trade		**142,827**	138,138
Non-trade		**22,372**	38,256
		165,199	176,394
Murabaha - islamic banking			
Summit Bank Limited	16.1	**359,000**	259,000
Habib Metropolitan Bank Limited	16.2	**195,466**	226,603
Dubai Islamic Bank Pakistan Limited	16.3	**199,743**	198,980
Askari Bank Limited	16.4	**50,000**	50,000
		804,209	734,583
Accrued liabilities		**24,678**	28,270
Advance from customers		**995**	26,209
Withholding tax payable		**25,495**	22,894
Workers' Profits Participation Fund		**15,896**	15,896
Workers' Welfare Fund		**11,424**	12,751
Retention money		**12,020**	12,020
Other payables		**20,824**	19,733
		1,080,740	1,048,750

16.1 The Company has obtained murabaha financing facility having a limit Rs 375 million (30 June 2016: Rs 275 million) out of which Rs. 16 million (2016: Rs. 16 million) remains unutilized as at balance sheet date. It carries profit at the rate of 6 months KIBOR + 2% per annum.Out of the total facility, Rs.64 million is secured by specific charge over plant and machinery, Rs. 50 million is secured by second charge over receivables. The remaining facility is secured by charge over Gadap Land amounting to Rs. 367 million. In addition to the Rs. 275 million limit during the period the Company has obtained additional murahaba financing facility of Rs. 100 million as one off arrangement which will be settled in next quarter. However there was no additional charge on this enhanced limit.

16.2 Represents murabaha facility (foreign exchange) having a limit of Rs.230 million (30 June 2016: Rs.230 million), out of which Rs. 34.53 million (30 June 2016: Rs. 3.40 million) remains unutilized as at balance sheet date. It carries profit at the rate of relevant LIBOR + 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.

16.3 Represents murabaha facility having a limit of Rs. 200 million (30 June 2016: 200 million), out of which Rs.0.26 million (30 June 2016: 1.02 million) remains unutilized as at balance sheet date. The limits includes both local as well as foreign currency murabaha carrying profit at the rate of KIBOR + 2.5% and LIBOR + 1.5% respectively. Out of the total facility, Rs. 157 million is secured by the first registered pari passu hypothecation charge over receivables including trade receivables with 25% margin.

The facility is secured against exclusive charge over specific plant and machinery of Rs. 43 million, property of Rs. 50 million and personal guarantees of CEO.

16.4 Represents murabaha facility having a limit of Rs. 50 million (30 June 2016: 50 million) which is fully utilized as at balance sheet date. It carries profit at the rate of relevant KIBOR + 2% per annum. The facility is secured against 1st pari passu hypothecation charge of Rs.67 million over stocks and book debts of the Company, duly registered with SECP.

17. ACCRUED MARK-UP

	Note	Quarter Ended Sep-16	Year Ended Jun-16
		(Rupees in '000)	
Accrued mark-up on:			
- Long-term financing		**129**	146
- Murabaha		**10,415**	3,530
		10,544	3,676

18. DUE TO A RELATED PARTY

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

19. CONTINGENCIES AND COMMITMENTS

	Note	Quarter Ended Sep-16	Year Ended Jun-16
		(Rupees in '000)	
19.1 Contingencies			
Guarantees issued by banks on behalf of the Company.		36,119	36,119
Post dated cheques		80,179	33,156
19.2 Commitments			
19.2.1 Letter of credits		55,500	55,500
19.2.2 Capital Commitments		172,735	183,777

Notes to the Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

19.2.3 Ijarah commitments

The Company has entered into Ijarah agreements with a commercial bank in respect of purchase of vehicles for a period of 3 years. Ijarah payments due under these agreements are payable in monthly installments latest by January 2017. Taxes and repairs are to be borne by the Company (lessee), however, major repairs and insurance costs are to be borne by the lessors. Future minimal rentals payable under Ijarah agreements as at period end are as follows:

	Note	Quarter Ended Sep-16	Year Ended Jun-16
		(Rupees in '000)	
Within one year		**1,145**	649

20. TURNOVER - net

	Note	Quarter Ended Sep-16	Quarter Ended Sep-15
		(Rupees in '000)	
Local sales		**647,075**	586,643
Sales discount		**(15,096)**	(19,452)
Sales return		**(16,334)**	(4,065)
		615,645	563,126
Export sales		**920,417**	1,372,006
		1,536,062	1,935,132

21. COST OF SALES

	Note	Quarter Ended Sep-16	Quarter Ended Sep-15
Livestock and meat cost			
Opening stock		**118,697**	9,687
Purchases		**1,079,168**	1,534,135
Recovery against livestock residuals - net		**(27,141)**	(29,064)
Closing stock		**(48,586)**	(70,774)
		1,122,138	1,443,984
Conversion cost			
Salaries, wages and other benefits		**35,910**	22,741
Electricity, diesel and related expenses		**6,987**	11,763
Repairs and maintenance		**4,109**	6,723
Depreciation	4.2	**7,051**	19,293
Cargo		**134,752**	208,215
Clearing and forwarding		**9,289**	11,371
Packing material		**14,264**	15,999
Livestock food		**147**	2,625
Marination		**2,676**	2,174
Others		**1,424**	3,556
		216,609	304,460
Cost of goods available for sale		**1,338,747**	1,748,444
Finished goods and fuels and lubricants			
Opening stock		**49,561**	24,934
Closing stock		**(26,101)**	(33,878)
		23,460	(8,944)
		1,362,207	1,739,500

Notes to the Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

22. ADMINISTRATIVE AND DISTRIBUTION COSTS

	Note	Quarter Ended Sep-16	Quarter Ended Sep-15
		(Rupees in '000)	
Salaries, wages and other benefits		**67,460**	42,721
Electricity, diesel and related expenses		**13,815**	7,978
Repair and maintenance		**3,388**	409
Fuel and vehicle maintenance		**8,164**	7,873
Travelling and conveyance		**5,843**	6,005
Telephone and communication		**3,260**	2,502
Marketing and advertisement		**5,522**	14,559
Rent, rates and taxes		**38,793**	22,691
Food		**3,775**	3,471
Depreciation	4.2	**12,157**	4,282
Amortization	5	**247**	387
Legal and professional		**2,091**	1,458
Donation	22.1	**3,234**	2,183
Office supplies		**4,374**	2,072
Postage and courier		**184**	166
Takaful		**2,955**	1,288
Staff welfare		**2,832**	3,737
Security		**281**	65
Training		**104**	408
Cleaning		**2,230**	1,589
Commission on credit card facilities		**1,388**	1,878
Shelf rentals		**253**	4,570
Ijarah rentals		**149**	1,681
Others		**3,793**	2,576
		186,292	136,549

22.1 No director of the Company or his spouse has interest in any donee.

23. OTHER OPERATING EXPENSES

	Quarter Ended Sep-16	Quarter Ended Sep-15
Exchange Loss - net	**1,711**	-
Other	**28**	98
	1,739	98

Notes to the Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

24. OTHER INCOME

	Note	Quarter Ended Sep-16	Quarter Ended Sep-15
		(Rupees in '000)	
Income from financial assets			
Gain/(Loss) on forward contracts		**1,106**	(1,730)
Profit on saving accounts		**5**	4,123
Gain on disposal of short-term investments		**142**	-
Dividend income		**-**	2,699
		1,253	5,092
Income from assets other than financial assets			
Exchange gain - net		**-**	11,154
Reversal of provision for doubtful debts		**-**	17,158
Gain on disposal of property, plant and equipment		**-**	10,388
Others		**22**	-
		22	38,700
		1,275	43,792

25. FINANCE COSTS

		Quarter Ended Sep-16	Quarter Ended Sep-15
Mark-up on long-term financing		**2,089**	1,473
Profit on murabaha		**11,026**	13,916
Bank charges		**4,257**	5,850
Others		**256**	-
		17,628	21,239

26. TAXATION

		Quarter Ended Sep-16	Quarter Ended Sep-15
Current		**13,038**	10,167
Deferred		**(4,214)**	(4,615)
		8,824	5,552

27. EARNINGS PER SHARE - basic and diluted

	Note	Quarter Ended Sep-16	Quarter Ended Sep-15
Profit for the period after taxation (Rupees in '000)		**(39,353)**	75,986
Weighted average number of ordinary shares of Rs. 10/- each - basic (In '000)		**142,117**	127,352
Weighted average number of ordinary shares of Rs. 10/- each - diluted (In '000)		**142,117**	142,117
Basic earnings per share (Rupees in '000)	27.1	**(0.28)**	0.60
Diluted earnings per share (Rupees in '000)	27.1	**(0.28)**	0.53

27.1 During the period, the Company has issued 15% bonus shares as stated in note 13.3 to these financial statements, which has resulted in restatement of basic and diluted earnings per share for the period ended 30 September 2016.

Notes to the Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

28. RELATED PARTY DISCLOSURE

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 September 2016 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-16	Quarter Ended Sep-15
	(Rupees in '000)	
Nature of transaction		
Existing shareholders		
Issue of bonus shares	**65,704**	-
Subsidiary Company		
Investment made during the year	**-**	20,000
Payments made on behalf of the Subsidiary Company (payable/ subsequently reimbursed)	**10,569**	21,487
Key management personnel		
Settlement of liabilities by Chief Executive on behalf of the Company or by the Company on behalf of Chief Executive - net	**(35,491)**	13,542

29. INFORMATION ABOUT OPERATING SEGMENT

For management purposes, the activities of the Company are organized into one operating segment i.e. trading of halal meat through retail outlets and exports. The Company operates in said reportable operating segment based on nature of product, risk and returns, organisational and management structure and interim financial reporting systems.

The management monitors the operating results of its business units regularly for the purpose of decisions making about resource allocation and performance assessment. Segment performance is evaluated based on certain key performance indicators, including business volume, gross profit and reduction in operating costs.

The information with respect to sales and customers are stated below:

- Sales from exports represent 59.92% (30 September 2015: 70.90%) of total revenue of the Company.
- No customer of the Company constitutes more than 10% of the Company's total revenue related to aforesaid segments.
- Non-current assets of the Company are confined within Pakistan and consist of property, plant and equipment, intangible assets, long-term investment and deposits.

Notes to the Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

30.1 Financial risk factors

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. There have been no changes in the risk management policies during the period ended 30 September 2016, consequently this condensed interim financial information does not include all the financial risk management information and disclosures required in the annual financial statements.

30.2 Fair value of financial assets and liabilities

The carrying value of all financial assets and liabilities reflected in this condensed interim financial information approximate their fair values.

31. NUMBER OF PERSONS EMPLOYED

	Quarter Ended Sep-16	Year Ended Sep-16
	(in Numbers)	
Persons employed as of 30 September	**804**	670
Average persons employed during the year	**795**	655

32. DATE OF AUTHORISATION FOR ISSUE

32.1 The Board of Directors of the Company authorised these financial statements for issue on 28 October 2016.

33. GENERAL

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

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

Chief Executive

Director

Consolidated
Financial Statements
2016

Consolidated Balance Sheet

AS AT 30 SEPTEMBER 2016

	Note	Quarter Ended Sep-16	Year Ended Jun-16
		(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	**2,829,421**	2,650,346
Intangible assets	6	**3,701**	3,840
		2,833,122	2,654,186
Deferred tax asset	7	**133,292**	129,078
		2,966,414	2,783,264
CURRENT ASSETS			
Fuel and lubricants		**1,056**	603
Consumables	8	**14,880**	14,300
Stock-in-trade	9	**73,630**	167,655
Trade debts	10	**1,123,120**	1,096,688
Loans and advances		**525,075**	426,609
Trade deposits and short-term prepayments	11	**45,599**	22,300
Short-term investments		**35**	215,893
Other receivables	12	**169,997**	172,038
Taxation - net		**82,691**	76,244
Cash and bank balances	13	**20,293**	25,215
		2,056,376	2,217,545
TOTAL ASSETS		**5,022,790**	5,000,809
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
150,000,000 (2015: 150,000,000) ordinary shares of Rs. 10/- each		**1,500,000**	1,500,000
Issued, subscribed and paid-up capital	14	**1,421,175**	1,235,804
Share premium account		**1,507,705**	1,693,076
Unappropriated profit		**655,753**	693,516
		3,584,633	3,622,396
Non-controlling interest		**28,608**	29,428
Total equity		**3,613,241**	3,651,824
Surplus on revaluation of fixed assets		**194,633**	197,078
NON-CURRENT LIABILITIES			
Long-term financing	15	**23,558**	29,552
Deferred liabilities	16	**30,755**	28,297
		54,313	57,849
CURRENT LIABILITIES			
Trade and other payables	17	**1,081,081**	1,049,632
Accrued mark-up	18	**10,539**	3,673
Current portion of long-term financing	15	**25,928**	33,189
Due to a related party	19	**43,055**	7,564
		1,160,603	1,094,058
TOTAL EQUITY AND LIABILITIES		**5,022,790**	5,000,809
CONTINGENCIES AND COMMITMENTS	20		

The annexed notes 1 to 34 form an integral part of these consolidated financial statements.

Chief Executive

Director

Consolidated Profit And Loss Account

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	Note	Quarter Ended Sep-16	Quarter Ended Sep-15
		(Rupees in '000)	
Turnover - net	21	**1,536,062**	1,935,132
Cost of sales	22	**(1,362,157)**	(1,739,500)
Gross profit		**173,905**	195,632
Administrative and distribution costs	23	**(188,017)**	(137,253)
Other operating expenses	24	**(1,739)**	(98)
		(189,756)	(137,351)
Operating profit		**(15,851)**	58,281
Other income	25	**1,275**	43,792
Finance costs	26	**(17,628)**	(21,239)
Profit before taxation		**(32,204)**	80,834
Taxation	27	**(8,824)**	(5,552)
Profit for the period		**(41,028)**	75,282
Attributable to:			
Owners of the Holding Company		**(40,208)**	75,627
Non-controlling interest		**(820)**	(345)
		(41,028)	75,282
Earnings per share – Basic	28	**(0.29)**	0.59
Earnings per share – Diluted	28	**(0.29)**	0.53

The annexed notes 1 to 34 form an integral part of these consolidated financial statements.

Chief Executive

Director

Consolidated Statement of Comprehensive Income

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	Note	Quarter Ended Sep-16	Quarter Ended Sep-15
		(Rupees in '000)	
Profit for the period		**(41,028)**	75,282
Other comprehensive income, net of tax			
Total comprehensive income for the period		**(41,028)**	75,282
Attributable to:			
Owners of the Holding Company		**(40,208)**	75,627
Non-controlling interest		**(820)**	(345)
		(41,028)	75,282

The annexed notes 1 to 34 form an integral part of these consolidated financial statements.

Chief Executive

Director

Consolidated Cash Flows Statement

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	Note	Quarter Ended Sep-16	Quarter Ended Sep-15
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**(32,204)**	80,834
Adjustments for:			
Depreciation	5.2	**19,208**	23,575
Amortisation	6	**247**	387
Provision for defined benefit plan - gratuity	16	**3,879**	2,137
Gain on disposal of property, plant and equipment	25	**-**	(10,388)
Gain on disposal of short-term investments	25	**(142)**	-
Finance costs	26	**17,628**	21,238
		40,820	36,949
Operating profit before working capital changes		**8,616**	117,783
Decrease / (increase) in current assets:			
Fuels and lubricants		**(453)**	(2,115)
Consumables		**(580)**	-
Stock-in-trade		**94,025**	(67,917)
Trade debts		**(26,432)**	(192,956)
Loans and advances		**(98,466)**	(249,194)
Trade deposits and short-term prepayments		**(23,299)**	(17,819)
Other receivables		**2,041**	(115,100)
		(53,164)	(645,101)
(Decrease) / increase in current liabilities:			
Trade and other payables		**31,449**	(684,756)
Due to a related party		**35,491**	(13,541)
		66,940	(698,297)
Cash flows (used in) / from operations		**22,392**	(1,225,615)
Taxes paid		**(19,487)**	(15,005)
Gratuity paid	16	**(1,421)**	(1,027)
WPPF paid		**-**	(4,341)
Net cash flows (used in) / from operating activities		**1,484**	(1,245,988)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
- operating fixed assets - net of transfer from capital work-in-progress	5.1	**(15,923)**	(131,790)
- capital work-in-progress	5.3	**(182,358)**	(164,631)
- intangible assets	6	**(108)**	(124)
Sale proceeds from disposal of property, plant and equipment		**-**	43,200
Proceeds from disposal of short-term investments - net		**216,000**	(808,211)
Net cash flows used in investing activities		**17,611**	(1,061,556)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**-**	2,375,000
Advance against issue of shares - net		**-**	(1,781,250)
Share issue costs paid		**-**	(81,567)
Long-term financing - net		**(13,255)**	(12,802)
Finance costs paid		**(10,762)**	(36,348)
Net cash flows from financing activities		**(24,017)**	463,033
Net (decrease) / increase in cash and cash equivalents		**(4,922)**	(1,844,511)
Cash and cash equivalents at the beginning of the period		**25,215**	1,812,353
Cash and cash equivalents at the end of the period	13	**20,293**	(32,158)
Cash and cash equivalents			
Cash and bank balances	13	**20,293**	(32,158)

The annexed notes 1 to 34 form an integral part of these consolidated financial statements.

Chief Executive

Director

Consolidated Statement of Changes In Equity

AS AT 30 SEPTEMBER 2016

	Issued, subscribed and paid-up capital	Capital reserves Share premium account	Revenue reserves Unappropriated profit/(Loss)	Non-controlling interest	Total
	(Rupees in '000)				
As at 01 July 2015	665,410	-	284,074	32,874	982,358
Profit for the year	-	-	360,990	(3,446.00)	357,544
Other comprehensive income for the year, net of tax	-	-	(7,894)	-	(7,894)
Total comprehensive income for the year	-	-	353,096	(3,446)	349,650
Issue of 25,000,000 ordinary shares at premium of Rs.85 per share (notes 1.2 & 13.1)	250,000	2,125,000	-	-	2,375,000
Issue of 32,039,355 bonus shares at 35% (note 13.3)	320,394	(320,394)	-	-	-
Surplus on revaluation of fixed assets realised on account of incremental depreciation charged on related assets, net of deferred tax	-	-	19,225	-	19,225
Share issuance cost, net of deferred tax		(74,409)			(74,409)
Transfer of share issuance cost, net of deferred tax	-	(37,121)	37,121	-	-
As at 30 June 2016	1,235,804	1,693,076	693,516	29,428	3,651,823
Profit/(Loss) for the year	-	-	(40,208)	(820)	(41,028)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	(40,208)	(820)	(41,028)
Issue of 18,537,056 bonus shares at 15% (note 13.3)	185,371	(185,371)			-
Surplus on revaluation of fixed assets realised on account of incremental depreciation charged on related assets, net of deferred tax			2,445	-	2,445
As at 30 September 2016	1,421,175	1,507,705	655,753	28,608	3,613,240

The annexed notes 1 to 34 form an integral part of these consolidated financial statements.

Chief Executive

Director

Notes To Consolidated Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

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 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 Holding Company commenced its operations from 01 July 2012 by continuing homogenous line of business of said firms. In 2015, the Holding Company changed its 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 Pakistan Stock Exchange Limited through the 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 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 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 the 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 classes of property, plant and equipment (i.e. freehold land, buildings, plant and machinery, furniture and fixture, office equipment, tools and equipment) which have been measured at revalued amounts, defined benefit plan carried at present value and short-term investments at fair value.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of consolidation

These consolidated financial statements comprise the consolidated financial statements of the Holding Company and its Subsidiary Company as at 30 September 2016, here-in-after referred to as 'the Group'.

Subsidiaries

Subsidiaries are those entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement(s) with the other vote holders of the investee;

- rights arising from other contractual arrangements; and

- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

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 the Group gains control until the date the Group ceases to control the subsidiary.

Identifiable assets acquired, 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.

Notes To Consolidated Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

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 described below:

New and Revised Standards

The Holding Company has adopted the following new and revised standards to IFRSs which became effective for the current year:

IFRS 10 – Consolidated Financial Statements
IFRS 11 – Joint Arrangements
IFRS 12 – Disclosure of Interests in Other Entities
IFRS 13 – Fair Value Measurement
IAS 27 (Revised 2011) – Separate Financial Statements
IAS 28 (Revised) – Investment in associates and joint ventures

The adoption of the above standards did not have any material effect on these consolidated financial statements.

4.3 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 Holding 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 Holding Company'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.

Provision for doubtful debts and other receivables

The Group reviews its doubtful trade debts and other receivables 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 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.

Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of future events can not be predicted with certainty. These are based on the availability of latest information, estimates of value of contingent assets / liabilities which may differ on occurrence / non occurrence of uncertain future events.

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 motor vehicles and computers and accessories 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 consolidated profit and loss account using reducing balance 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. Depreciation is charged from the month the asset is available for use upto the month of derecognition.

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 consolidated profit and loss account as and when incurred. Major renewals and improvements, if any, are capitalized, if the recognition criteria is met.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The residual values, useful lives and method of depreciation of property plant and equipment are reviewed annually and are adjusted prospectively, if appropriate. Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the relevant assets. These are included in the consolidated profit and loss account in the period in which they arise. When revalued assets are sold, the relevant remaining surplus is transferred directly by the Group to its consolidated profit and loss account.

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.

Amortisation methods, useful lives and residual values are reviewed at each balance sheet date and adjusted, if appropriate.

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 initially measured at fair value plus directly attributable transaction costs and are subsequently stated at amortised cost using the effective interest method. Gains and losses are recognised in consolidated 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 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 consolidated profit and loss account.

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 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. The Group has not classified any financial assets as available-for-sale at year end.

4.7 Fuel and lubricants

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

4.8 Consumables – animal feed

Consumables as stated at invoice value plus other charges paid thereon.

4.9 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 Group's stock comprise of livestock and finished goods.

4.10 Trade debts and other receivables

Trade debts and other receivables are carried at original invoice amount less an estimate made for doubtful trade debts and other 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.

4.11 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 consolidated 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 consolidated profit and loss account.

4.12 Loans and advances

These are stated at cost less provision for doubtful balance, if any, as the impact of fair value is immaterial.

4.13 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.

4.14 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 consolidated 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

4.15 Post retirement benefits - defined benefit plan

The Group operates an unfunded gratuity scheme for employees who qualify for staff 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 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.

The scheme is governed by the trust deeds and rules and all matters pertaining to the scheme including contributions to the scheme and payment to outgoing members are dealt with in accordance with the trust deeds and rules. The liabilities under the scheme in respect of members in service on the valuation date on a going concern basis and having regard to projected future salary increases, are covered by the Fund on the valuation date, the total balance sheet reserve as of the valuation date, future contributions to the Fund, and future projected investment income of the Fund. As far as possible the contribution to the Fund should remain reasonably stable as a percentage of salaries, under the Projected Unit Credit Method employed.

4.16 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 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. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the asset and liabilities, using the enacted or substantially enacted rates of taxation. In this regards effects of deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirement of Accounting Technical Release 27 (ATR-27) of ICAP.

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 respectively, and not in profit and loss account.

Further, the Group recognises deferred tax asset / liability or deficit / surplus on revaluation of property plant and equipment which is adjusted against the related deficit / surplus.

Notes To Consolidated Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

4.17 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.

4.18 Ijarah contracts

Leases under Shariah compliant Ijarah contracts, irrespective of whether 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 consolidated 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, 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.

4.19 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.

4.20 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 retranslated 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 retranslated using the exchange rates at the date when the fair value was determined. The gain or loss arising on re-translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation difference on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss respectively).

4.21 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.

4.22 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.

Notes To Consolidated Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

4.23 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 using effective interest method.

- Dividend is recognised when right to entitlement is established.

4.24 Functional and presentation currency

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

4.25 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.

4.26 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.

4.27 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.

4.28 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 2 –	Share-based Payments - Classification and Measurement of Share-based Payments Transactions (Amendments)	01 January 2018
IFRS 10 –	Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates - Investment Entities: Applying the Consolidation Exception (Amendment)	01 January 2016

IFRS 10 –	Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates - Investment Entities: Applying the Consolidation Exception (Amendment)	Not yet finalised
IFRS 11 –	Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	01 January 2016
IAS 1 –	Presentation of Financial Statements - Disclosure Initiative (Amendment)	01 January 2016
IAS 7 –	Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	01 January 2017
IAS 12 –	Income Taxes - Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	01 January 2017
IAS 16 –	Property, Plant and Equipment - Clarification of Acceptable Method of Depreciation (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 above standards and amendments are not expected to have any material impact on the Group'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 in September 2014. 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 financial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the 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
IFRS 16 –	Leases	01 January 2019

5 Property, plant and equipment

	Note	Quarter Ended Sep-16	Year Ended Jun-16
		(Rupees in '000)	
Operating fixed assets	5.1	**1,168,610**	1,171,893
Capital work-in-progress	5.3	**1,660,811**	1,478,453
		2,829,421	2,650,346

Notes To Consolidated Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

5.1 Operating fixed assets

	Note	GROSS CARRYING VALUE					
		As at 01 July 2016	Additions	Transfers	(Disposals)	As at 30 September 2016	Rate
		(Rupees in '000)					
Owned							
Leasehold land		453,643	-	-	-	453,643	-
Buildings		159,858	589	-	-	160,447	10%
Plant and machinery		229,162	4,436	-	-	233,598	5% - 20%
Furniture and fixture		155,361	3,933	-	-	159,294	10%
Motor vehicles		127,448	3,903	-	-	131,351	15%
Office equipment		174,935	1,976	-	-	176,911	15%
Tools and equipment		23,713	662	-	-	24,375	10%
Computers and accessories		18,720	424	-	-	19,144	10%
September -16		1,342,840	15,923	-	-	1,358,763	

	Note	GROSS CARRYING VALUE					
		As at 01 July 2015	Additions	Transfers	(Disposals)	As at 30 June 2016	Rate
		(Rupees in '000)					
Owned							
Leasehold land		77,941	408,514	-	(32,812)	453,643	-
Buildings		154,996	4,862	-	-	159,858	10%
Plant and machinery		238,993	11,020	(20,851)	-	229,162	5% - 20%
Furniture and fixture		115,253	40,108	-	-	155,361	10%
Motor vehicles		68,985	65,721	-	(7,258)	127,448	15%
Office equipment		123,516	30,793	20,851	(225)	174,935	15%
Tools and equipment		20,624	3,089	-	-	23,713	10%
Computers and accessories		10,469	8,251	-	-	18,720	10%
June -16		810,777	572,358	-	(40,295)	1,342,840	

Notes To Consolidated Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	ACCUMULATED DEPRECIATION					Net Book Value
	As at 01 July 2015	Transfers	Charge for the period	(On disposals)	As at 30 June 2016	As at 30 September 2016
	(Rupees in '000)					Rs. in '000
Owned						
Leasehold land	**-**	**-**	**-**	**-**	**-**	**453,643**
Buildings	**31,626**	**-**	**3,212**	**-**	**34,838**	**125,609**
Plant and machinery	**33,717**	**-**	**2,665**	**-**	**36,382**	**197,216**
Furniture and fixture	**24,438**	**-**	**3,328**	**-**	**27,766**	**131,528**
Motor vehicles	**30,475**	**-**	**3,764**	**-**	**34,239**	**97,112**
Office equipment	**42,392**	**-**	**5,274**	**-**	**47,666**	**129,245**
Tools and equipment	**4,232**	**-**	**493**	**-**	**4,725**	**19,650**
Computers and accessories	**4,067**	**-**	**470**	**-**	**4,537**	**14,607**
	170,947	**-**	**19,206**	**-**	**190,153**	**1,168,610**

	ACCUMULATED DEPRECIATION					Net Book Value
	As at 01 July 2015	(On transfers)	Charge for the year	(On disposals)	As at 30 June 2016	As at 30 June 2016
	(Rupees in '000)					Rs. in '000
Owned						
Leasehold land	-	-	-	-	-	453,643
Buildings	17,699	-	13,927	-	31,626	128,232
Plant and machinery	25,490	(2,739)	10,966	-	33,717	195,445
Furniture and fixture	12,636	-	11,802	-	24,438	130,923
Motor vehicles	23,545	-	10,503	(3,573)	30,475	96,973
Office equipment	19,249	2,739	20,456	(52)	42,392	132,543
Tools and equipment	2,273	-	1,959	-	4,232	19,481
Computers and accessories	2,487	-	1,580	-	4,067	14,653
	103,379	-	71,193	(3,625)	170,947	1,171,893

5.2 Depreciation for the year has been allocated as follows:

	Note	Quarter Ended Sep-16	Year Ended Jun-16
		(Rupees in '000)	
Cost of sales	22	**7,051**	29,345
Administrative and distribution cost	23	**12,157**	41,846
		19,208	71,191
5.3 Capital work-in-progress			
Land		**38,917**	38,667
Civil works		**84,717**	82,439
Equipment and machinery		**994,562**	996,134
Advance to suppliers and contractors		**526,910**	345,508
Intangible asset under development		**15,705**	15,705
		1,660,811	1,478,453

6. INTANGIBLE ASSETS

	COST			Rate	ACCUMULATED AMORTISATION			WRITTEN DOWN VALUE
	As at 01 July	Additions (note 6.1)	As at 30 September		As at 01 July	For the year	As at 30 September	As at 30 September
	(Rupees in '000)				(Rupees in '000)			Rs. in '000
Computer software	**8,037**	**108**	**8,145**	25%	**4,197**	**247**	**4,444**	**3,701**
2016	**8,037**	**108**	**8,145**		**4,197**	**247**	**4,444**	**3,701**
2015	6,075	1,962	8,037		3,338	859	4,197	3,840

6.1 Represents additions of softwares for the Holding Company's retail outlets.

7 DEFERRED TAX ASSET - NET

	Note	Quarter Ended Sep-16	Year Ended Jun-16
		(Rupees in '000)	
Unabsorbed tax losses		**148,410**	140,408
Unused tax credits		**3,212**	1,667
Defined benefit plan		**8,814**	6,362
Minimum tax		**3,077**	-
		163,513	148,437
Deferred tax liabilities on taxable temporary differences:			
Property, plant and equipment		**(12,467)**	(492)
Surplus on revaluation of fixed assets		**(17,754)**	(18,867)
		(30,221)	(19,359)
Deferred tax assets on deductible temporary differences:	7.1	**133,292**	129,078

7.1 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 Group.

8 CONSUMABLES

Represents stock of animal feed purchased for future consumption. These are mechanically processed feed having consumption cycle of 6 to 12 months.

Notes To Consolidated Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

9. STOCK-IN-TRADE

	Note	Quarter Ended Sep-16	Year Ended Jun-16
		(Rupees in '000)	
Livestock		**48,586**	118,697
Finished goods		**25,044**	48,958
		73,630	167,655

10 TRADE DEBTS - Unsecured

	Note	Quarter Ended Sep-16	Year Ended Jun-16
Considered good			
Overseas		**823,316**	812,421
Local		**299,804**	284,267
	10.1	**1,123,120**	1,096,688
Less: Provision for doubtful debts		**-**	-
		1,123,120	1,096,688

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

11. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

	Note	Quarter Ended Sep-16	Year Ended Jun-16
		(Rupees in '000)	
Trade deposits	11.1	**2,112**	2,849
Prepayments			
- rent		**13,046**	13,046
- takaful		**4,439**	4,643
- others		**26,002**	1,762
		43,487	19,451
		45,599	22,300

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

12. OTHER RECEIVABLES

Unsecured, considered good

	Note	Quarter Ended Sep-16	Year Ended Jun-16
Sales tax receivables		**107,486**	98,963
Receivable from shareholders	12.1	**17,800**	17,800
		125,286	116,763
Receivable from:			
- against disposal of assets		**-**	38,200
- banks		**10,964**	6,083
- others		**33,747**	10,992
		44,711	55,275
		169,997	172,038

12.1 Included herein receivable from shareholders of the Holding Company on account of tax on bonus shares issued during the year 2015

Notes To Consolidated Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

13. CASH AND BANK BALANCES

	Note	Quarter Ended Sep-16	Year Ended Jun-16
		(Rupees in '000)	
Cash in hand		**17,942**	30,704
With banks:			
Saving accounts - local currency (islamic banking)	13.1	**10,799**	9,524
Current accounts			
- local currency	13.2	**8,695**	12,887
- foreign currency		**52**	52
		19,546	22,463
Book overdraft		**(17,195)**	(27,952)
		20,293	25,215

13.1 These carry profit at the rates ranging between 3.27% to 6.5% (30 June 2016: 3.27% to 6.5%) per annum.

13.2 Includes Rs. 9.506 million (30 June 2016: Rs.9.506 million) kept in a separate bank account in respect of security deposits received from customers. These balances are non-interest bearing.

14. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Quarter Ended Sep-16	Year Ended Jun-16	Ordinary shares of Rs. 10 each	Note	Quarter Ended Sep-16	Year Ended Jun-16
Number of shares (in '000)				(Rupees in '000)	
29,941	29,941	Issued for cash	14.1	**299,407**	299,407
26,000	26,000	Issued for consideration other than cash	14.2	**260,000**	260,000
86,177	67,640	Issued as bonus shares	14.3	**861,768**	676,397
142,118	123,580			**1,421,175**	1,235,804

14.1 On 24 August 2015, the Holding Company enlisted on Pakistan Stock Exchange Limited through issue of 25 million ordinary shares having face value of Rs. 10/- at a premium of Rs. 85/- each as disclosed in note 1.2 to these consolidated financial statements.

14.2 Represents shares issued at a face value of Rs. 10 each against transfer of net assets from the amalgamted firms to the Holding Company as disclosed in note 1.1 to these consolidated financial statements.

14.3 During the quarter, the Holding Company has issued 18,537,056 bonus shares (30 June 2016: 32,039,355 bonus shares) of Rs. 10/- each from the share premium account Rs. 185.37 million (30 June 2016: Rs. 320.39 million from share premium account).

15. LONG-TERM FINANCING

	Note	Quarter Ended Sep-16	Year Ended Jun-16
		(Rupees in '000)	
Diminishing musharaka - islamic banking			
Summit Bank Limited		**-**	7,917
Askari Bank Limited	15.1	**19,000**	22,167
Habib Metropolitan Bank Limited	15.2	**11,369**	13,345
Burj Bank Limited	15.3	**19,117**	19,312
		49,486	62,741
Less: Current maturity shown under current liabilities		**(25,928)**	(33,189)
		23,558	29,552

15.1 The Holding Company has obtained diminishing musharaka facility having a limit of Rs. 38 million (30 June 2016: Rs.38 million) in respect of purchase of fixed assets for a period of 4 years. It carries profit at the rate of 3 months KIBOR + 2% per annum. The facility is secured by exclusive charges of Rs. 51 million (30 June 2016: Rs. 51 million) over plant and machinery of the Holding Company, in the name of a bank. The musharaka units are to be purchased commencing from 27 February 2014 on the basis of percentages set out in the musharaka agreement.

15.2 During the year, the Holding Company has renewed diminishing musharaka facility having a limit of Rs. 15.744 million (30 June 2016: Rs. 15.744 million) in respect of purchase of motor vehicles for a period of 3 years. It carries profit at the rate of 6 months KIBOR + 2% per annum. The facility is secured by registration of vehicles in the name of a 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.

15.3 During the year, the Holding Company has renewed diminishing musharaka facility having a limit of Rs.45 million (30 June 2016: Rs. 45 million) in respect of purchase of motor vehicles for a period of 3 years. It carries profit the rate of 6 months KIBOR + 1.9% per annum. The facility is secured by registration of vehicles in the name of a commercial bank. The musharaka units are to be purchased commencing from 10 February 2016 on the basis of percentages set out in the musharaka agreement.

	Note	Quarter Ended Sep-16	Year Ended Jun-16
16. DEFERRED LIABILITIES		(Rupees in '000)	
Defined benefit plan - gratuity		**30,755**	28,297

As stated in note 4.15 to these consolidated financial statements, the Holding Company operates an unfunded gratuity scheme. The latest actuarial valuation was carried out as at 30 June 2016 using the Projected Unit Credit method.

17. TRADE AND OTHER PAYABLES	Note	Quarter Ended Sep-16	Year Ended Jun-16
		(Rupees in '000)	
Creditors:			
Trade		**142,827**	138,138
Non-trade		**22,372**	38,256
		165,199	176,394
Murabaha - islamic banking			
Summit Bank Limited	17.1	**359,000**	259,000
Habib Metropolitan Bank Limited	17.2	**195,466**	226,603
Dubai Islamic Bank Pakistan Limited	17.3	**199,743**	198,980
Askari Bank Limited	17.4	**50,000**	50,000
		804,209	734,583
Accrued liabilities		**24,979**	29,104
		-	-
Advance from customers		**996**	26,209
Withholding tax payable		**25,534**	22,942
Workers' Profits Participation Fund		**15,896**	15,896
Workers' Welfare Fund		**11,424**	12,751
Payable against purchase of capital work-in-progress		**-**	-
Retention money		**12,020**	12,020
Other payables		**20,824**	19,733
		1,081,081	1,049,632

Notes To Consolidated Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

17.1 The Holding Company has obtained murabaha financing facility having a limit Rs 375 million (30 June 2016: Rs 275 million) out of which Rs. 16 million (2016: Rs. 16 million) remains unutilized as at balance sheet date. It carries profit at the rate of 6 months KIBOR + 2% per annum.Out of the total facility, Rs.64 million is secured by specific charge over plant and machinery, Rs. 50 million is secured by second charge over receivables. The remaining facility is secured by charge over Gadap Land amounting to Rs. 367 million. In addition to the Rs. 275 million limit during the period The Holding Company has obtained additional murahaba financing facility of Rs. 100 million as one off arrangement which will be settled in next quarter. However there was no additional charge on this enhanced limit.

17.2 Represents murabaha facility (foreign exchange) having a limit of Rs.230 million (30 June 2016: Rs.230 million), out of which Rs. 34.53 million (30 June 2016: Rs. 3.40 million) remains unutilized as at balance sheet date. It carries profit at the rate of relevant LIBOR + 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.

17.3 Represents murabaha facility having a limit of Rs. 200 million (30 June 2016: 200 million), out of which Rs.0.26 million (30 June 2016: 1.02 million) remains unutilized as at balance sheet date. The limits includes both local as well as foreign currency murabaha carrying profit at the rate of KIBOR + 2.5% and LIBOR + 1.5% respectively. Out of the total facility, Rs. 157 million is secured by the first registered pari passu hypothecation charge over receivables including trade receivables with 25% margin.
The facility is secured against exclusive charge over specific plant and machinery of Rs. 43 million, property of Rs. 50 million and personal guarantees of CEO.

17.4 Represents murabaha facility having a limit of Rs. 50 million (30 June 2016: 50 million) which is fully utilized as at balance sheet date. It carries profit at the rate of relevant KIBOR + 2% per annum. The facility is secured against 1st pari passu hypothecation charge of Rs.67 million over stocks and book debts of the Company, duly registered with SECP.

18. ACCRUED MARK-UP

	Quarter Ended Sep-16	Year Ended Jun-16
	(Rupees in '000)	
Accrued mark-up on:		
- Long-term financing	**125**	147
- Murabaha	**10,415**	3,526
	10,539	3,673

19. DUE TO A RELATED PARTY

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

20. CONTINGENCIES AND COMMITMENTS

	Quarter Ended Sep-16	Year Ended Jun-16
20.1 Contingencies	(Rupees in '000)	
Guarantees issued by banks on behalf of the Holding Company.	**36,119**	36,119
Post dated cheques	**80,179**	33,156
20.2 Commitments		
20.2.1 **Letter of credits**	**55,500**	55,500
20.2.2 **Capital Commitments**	**172,735**	183,777

Notes To Consolidated Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

20.2.3 **Ijarah commitments**

The Holding Company has entered into Ijarah agreements with a commercial bank in respect of purchase of vehicles for a period of 3 years. Ijarah payments due under these agreements are payable in monthly installments latest by January 2017. Taxes and repairs are to be borne by the Holding Company (lessee), however, major repairs and insurance costs are to be borne by the lessors. Future minimal rentals payable under Ijarah agreements as at year end are as follows:

	Note	Quarter Ended Sep-16	Year Ended Jun-16
		(Rupees in '000)	
Within one year		**1,145**	649

21. TURNOVER - net

	Note	Quarter Ended Sep-16	Quarter Ended Sep-15
		(Rupees in '000)	
Local sales		**647,075**	586,643
Sales discount		**(15,096)**	(19,452)
Sales return		**(16,334)**	(4,065)
		615,645	563,126
Export sales		**920,417**	1,372,006
		1,536,062	1,935,132

22. COST OF SALES

	Note	Quarter Ended Sep-16	Quarter Ended Sep-15
Livestock and meat cost			
Opening stock		**118,697**	9,687
Purchases		**1,079,168**	1,534,135
Recovery against livestock residuals - net		**(27,141)**	(29,064)
Closing stock		**(48,586)**	(70,774)
		1,122,138	1,443,984
Conversion cost			
Cargo		**134,752**	208,215
Salaries, wages and other benefits		**35,860**	22,741
Packing material		**14,264**	15,999
Clearing and forwarding		**9,289**	11,371
Depreciation	5.2	**7,051**	19,293
Electricity, diesel and related expenses		**6,987**	11,763
Repairs and maintenance		**4,109**	6,723
Marination		**2,676**	2,174
Others		**1,424**	3,556
Livestock food		**147**	2,625
		216,559	304,460
Cost of goods available for sale		**1,338,697**	1,748,444
Finished goods and fuels and lubricants			
Opening stock		**49,561**	24,934
Closing stock		**(26,101)**	(33,878)
		23,460	(8,944)
		1,362,157	1,739,500

Notes To Consolidated Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

23. ADMINISTRATIVE AND DISTRIBUTION COSTS

	Note	Quarter Ended Sep-16	Quarter Ended Sep-15
		(Rupees in '000)	
Salaries, wages and other benefits		**68,116**	42,812
Rent, rates and taxes		**38,943**	22,691
Electricity, diesel and related expenses		**13,815**	7,978
Depreciation	5.2	**12,157**	4,282
Fuel and vehicle maintenance		**8,164**	7,934
Travelling and conveyance		**6,092**	6,005
Marketing and advertisement		**5,522**	14,559
Office supplies		**4,475**	2,077
Food		**3,775**	3,485
Repair and maintenance		**3,450**	409
Staff welfare		**3,280**	3,737
Telephone and communication		**3,277**	2,502
Donation	23.1	**3,234**	2,183
Takaful		**2,955**	1,288
Cleaning		**2,230**	1,590
Legal and professional		**2,091**	1,694
Commission on credit card facilities		**1,388**	1,878
Security		**281**	65
Shelf rentals		**253**	4,570
Amortization	6	**247**	387
Postage and courier		**184**	166
Ijarah rentals		**149**	1,681
Training		**104**	408
Others		**3,835**	2,872
		188,017	137,253

23.1 No director of the Holding Company or his spouse has interest in any donee.

24 OTHER OPERATING EXPENSES

	Quarter Ended Sep-16	Quarter Ended Sep-15
Exchange Loss - net	**1,711**	-
Other	**28**	98
	1,739	98

Notes To Consolidated Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2016

25. OTHER INCOME

	Note	Quarter Ended Sep-16	Quarter Ended Sep-15
		(Rupees in '000)	
Income from financial assets			
Gain/(Loss) on forward contracts		1,106	(1,730)
Profit on saving accounts		5	4,123
Gain on disposal of short-term investments		142	-
Dividend income		-	2,699
		1,253	5,092
Income from assets other than financial assets			
Exchange gain - net		-	11,154
Reversal of provision for doubtful debts		-	17,158
Gain on disposal of property, plant and equipment		-	10,388
Others		22	-
		22	38,700
		1,275	43,792

26. FINANCE COSTS

	Quarter Ended Sep-16	Quarter Ended Sep-15
Mark-up on long-term financing	2,089	1,473
Profit on murabaha	11,026	13,916
Bank charges	4,257	5,850
Others	256	-
	17,628	21,239

27. TAXATION

	Quarter Ended Sep-16	Quarter Ended Sep-15
	(Rupees in '000)	
Current	13,038	10,167
Prior	-	-
	13,038	10,167
Deferred	(4,214)	(4,615)
	8,824	5,552

28. EARNINGS PER SHARE - basic and diluted

	Note	Quarter Ended Sep-16	Quarter Ended Sep-15 (Restated)
		(Rupees in '000)	
Profit for the year after taxation (Rupees)		(41,028)	75,282
Weighted average number of ordinary shares of Rs. 10/- each - basic		142,118	127,352
Weighted average number of ordinary shares of Rs. 10/- each - diluted		142,118	142,118
Basic earnings per share (Rupees)	28.1	(0.29)	0.59
Diluted earnings per share (Rupees)	28.1	(0.29)	0.53

28.1 During the year, the Holding Company has issued 15% bonus shares as stated in note 14.3 to these consolidated financial statements, which has resulted in restatement of basic and diluted earnings per share for the quarter ended 30 September 2016.

Notes To Consolidated Financial Statements

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29. RELATED PARTY DISCLOSURE

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 September 2016 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-16	Quarter Ended Sep-15
	(Rupees in '000)	
Nature of transaction		
Existing shareholders		
Issue of bonus shares	**65,704**	-
Subsidiary Company		
Investment made during the year	**-**	20,000
Payments made on behalf of the Subsidiary Company (payable/ subsequently reimbursed)	**10,569**	21,487
Key management personnel		
Settlement of liabilities by Chief Executive on behalf of the Company or by the Company on behalf of Chief Executive - net	**(35,491)**	13,542

30. INFORMATION ABOUT OPERATING SEGMENT

For management purposes, the activities of The Holding Company are organized into one operating segment i.e. trading of halal meat through retail outlets and exports. the Holding Company operates in said reportable operating segment based on nature of product, risk and returns, organisational and management structure and interim financial reporting systems.

The management monitors the operating results of its business units regularly for the purpose of decisions making about resource allocation and performance assessment. Segment performance is evaluated based on certain key performance indicators, including business volume, gross profit and reduction in operating costs.

The information with respect to sales and customers are stated below:

- Sales from exports represent 59.92% (30 September 2016: 70.90%) of total revenue of the Group.
- No customer of the Group constitutes more than 10% of the Holding Company's total revenue related to aforesaid segments.
- Non-current assets of the Group are confined within Pakistan and consist of property, plant and equipment, intangible assets, long-term investment and deposits.

Notes To Consolidated Financial Statements

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31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

31.1 Financial risk factors

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. There have been no changes in the risk management policies during the period ended 30 September 2016, consequently this condensed interim financial information does not include all the financial risk management information and disclosures required in the annual financial statements.

31.2 Fair value of financial assets and liabilities

The carrying value of all financial assets and liabilities reflected in this condensed interim financial information approximate their fair values.

32. NUMBER OF PERSONS EMPLOYED

	Note	Quarter Ended Sep-16	Quarter Ended Sep-15
		(Rupees in '000)	
Persons employed as of 30 September		**804**	670
Average persons employed during the year		**795**	655

33. DATE OF AUTHORISATION FOR ISSUE

33.1 The Board of Directors of the Holding Company authorised these financial statements for issue on 28 October 2016.

34. GENERAL

34.1 Amounts have been rounded off to the nearest thousand, unless otherwise stated.

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

Chief Executive

Director