alshaheer

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annual report '15

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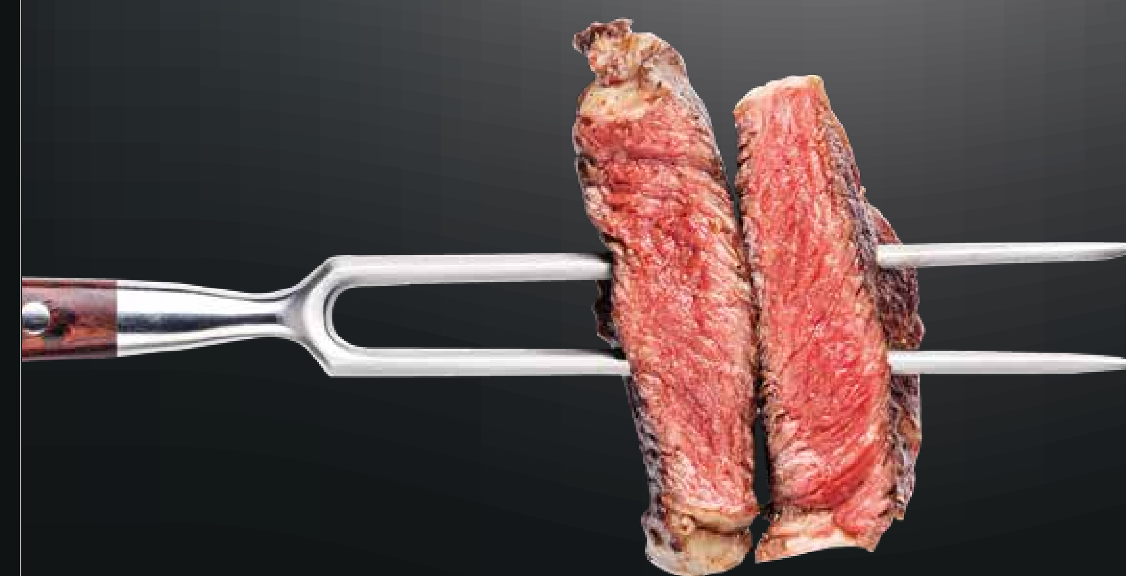

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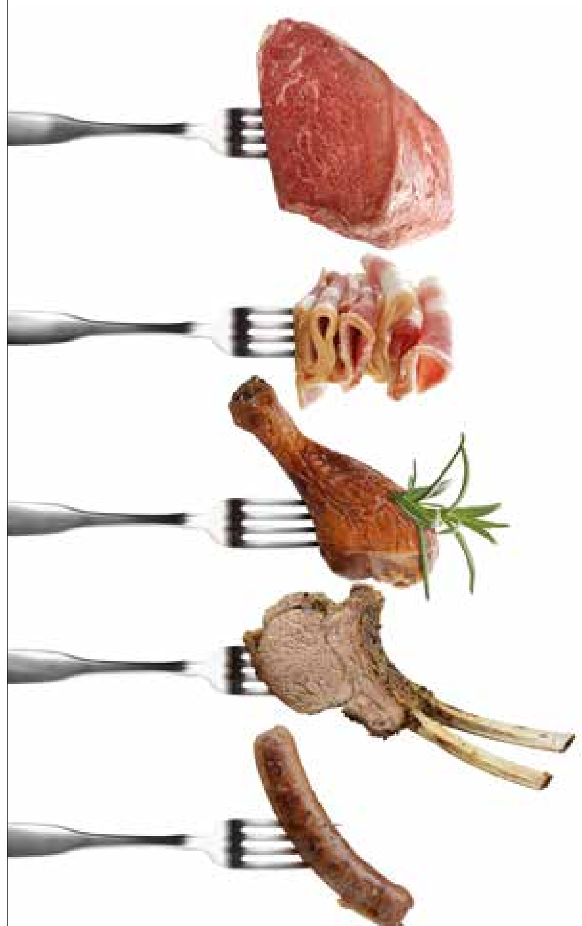


CEO's Message

During 2015, your Company further improved its operational performance, delivering market share and growth in all 3 segments that the Company operates in: Export, Retail and B2B. The Company reported a net profit after tax of Rs. 197 million against a profit after tax of Rs. 73.4 million in the same period last year.

Market Conditions: Halal and hygienic market regulations in Pakistan need radical overhaul to ensure sustainable provision of supply to the public in Pakistan. The recent news items in electronic and print media about haram (forbidden) and unhygienic supply crisis highlighted the immediate challenges that the industry faces: low regulated supplies, supply chain fragility in terms of pricing mechanism and escalating energy costs.

We believe more needs to be done for the sustainability of the industry and we continue to request the government for tight regulation for the protection of health of consumer, providing an equitable taxation mechanism for existing and new entrants and a level playing field for all companies on supply and ensuring regulatory compliance by all industry players.

Overall market conditions remained competitive and despite the challenges, we continued to maintain our position as the largest meat exporting company in Pakistan and received FPCCI Export Award. This was achieved by concerted efforts to increase our market share while maintaining control on costs and capital expenditure.

Retail & B2B Business: The Retail Business delivered growth through superior customer services and valuable customer offerings. 2015 saw the successful and safe expansion for both Meat One & Khaas networks. As of 30th June, 2015 our network stood at 42 locations having added an average of one new shop per month in last 12 months. The speed of network expansion is been further increased since then. The move to expand our network through a shop-in-shop model in partnership with leading grocery stores has yielded outstanding results in terms driving volume and building the brand equity. Our Meat One offering is now available in leading iconic grocery stores like Al Fateh, TM Mart, Bin Dawood – while Khaas is expanding in top locations of CSD stores across the country.

The 2014 Meat One Qurbani project met with a 92% customer satisfaction level, and this will continue to be a major part of our retail strategy in the coming years. We are accelerating the rate of expansion of our network and aim to have strong presence in the top 20 cities of Pakistan.

The B2B business expanded to 60 customers including Armed Forces, Hospitals, Restaurants, Corporate Offices and Secondary Food Manufacturing customers. B2B growth will be on high priority both in the short and long run – indeed it is the key enabler to domestic business profitability and share growth.

Our combined domestic business therefore delivered a robust performance this year by concentrating on topline growth while enhancing focus on premium segment and value selling. The overall domestic business growth was 24% with Meat One growing by 47%, Khaas by 316% and B2B by 287% (Khaas and B2B were formally launched in the last 4 months of the previous financial year). Nonetheless it sustained loss. This is the normal cycle for maturity of any premium retail business. Our economies of scale with the expanded network as well as our strong growth trends in customer basket value and total footfall create sound confidence on achieving profitability in the near future.

Export: The export business grew by 2.6% during this year. The liquidity crunch – which our upcoming IPO proceed is expected to address – prevented us from further increasing the topline. However we made tremendous strides in increasing the bottom line by reducing our cost of livestock procurement. This has been achieved by developing a network of buying agents and deploying own buyers in parallel. We are embarking on an ambitious project to further reduce our purchase costs by establishing a national network of own buying centers.

Corporate Social Responsibility: We are committed to operate our business in a sustainable and truly halal way. This means that we will continuously work for the betterment of the people who work for us, the communities we interact with and the environment we operate in. The coming years will see the roll out of a comprehensive CSR program covering livestock producers, the butcher community, environment impacts mitigation and employee welfare.

Expansion Projects: The current year also saw the highly successful IPO. The IPO proceeds will fuel major growth projects including poultry slaughter & further processing unit (March 2017) and feedlot fattening farm (October 2015).

Your Company remains committed to be the most innovative and competitive Company in the Halal and Hygienic food sector in Pakistan. We look forward to continued support from all our stakeholders. I would like to thank our customers, shareholders, agencies, bankers and staff for their efforts for the Company.

Core Values

Integrity
We act honestly and truthfully

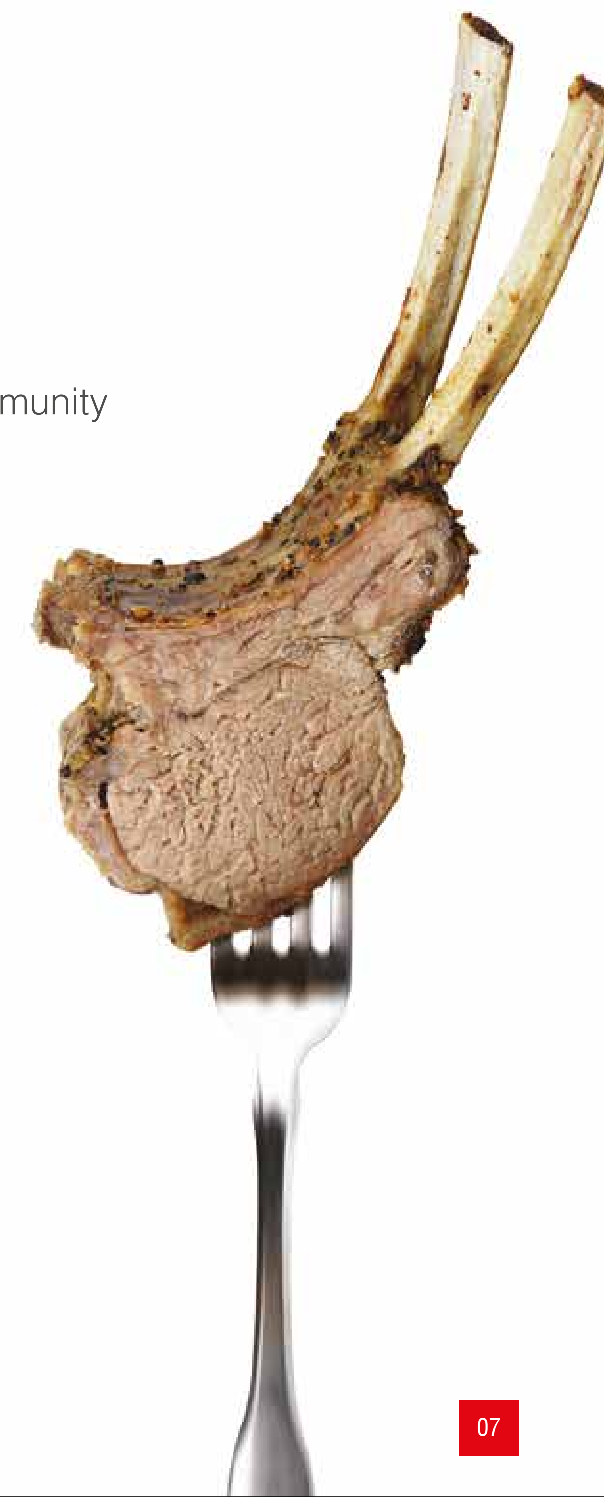
Customer Service
Customer satisfaction is of utmost importance

Teamwork
We build relationships based on trust, respect and empathy

Fair
We are fair to our customers, suppliers, shareholders and employees

Excellence
We strive to be the best in whatever we do

Community
We act as a responsible citizen in every community in which we operate



Founder's Philosophy

The company was founded with the objective of providing Halal meat to the masses. Envisioning the market potential, Mr. Kamran Khalili, Founder & CEO of Al Shaheer Corporation Limited. set up a beef and mutton slaughterhouse in 2008. Successfully tapping the GCC market in the category, he decided to establish specialty retail meat in Pakistan, with an objective of providing Halal, Hygienic, High quality meat to the people of Pakistan, where availability of quality and hygienic meat is a big challenge.

Though the customer response on the local retail chain Meatone was tremendous, due to its premium offers and value added services, it was catering only to SEC A+, A and B customers. In order to provide the same meat quality to the middle class and below, he decided to launch a brand for a large segment of our population by the name of Khaas Meat. This has resulted in moving forward in fulfillment of the company's Mission.

Mission

To become a GLOBAL LEADER in the Food industry by providing HALAL and HYGIENICALLY processed products to mankind.

Head of Departments

Mr. Kamran Ahmed Khalili

CEO

Mr. Kamran Khalili is the CEO of Al Shaheer Corporation Limited. It was his vision to establish halal meat processing company. Kamran Khalili took the initiative and started Al Shaheer Corporation from scratch. He has played a key role in the establishment and growth of Al Shaheer Corporation.

Prior to Al Shaheer Mr. Kamran was the member Karachi Stock Exchange for around 10 years and CEO of Fortune Securities (Pvt.) Ltd. He has also worked as Investment Banker in Muslim Commercial Bank, Pakistan.

After receiving a great response from International exports, Mr. Kamran felt the need to benefit local people with export quality meat products. In accomplishment of this vision, he took the initiative to introduce a concept meat shop in the local market, Meat One.

Mr. Kamran is an MBA from Philippines.

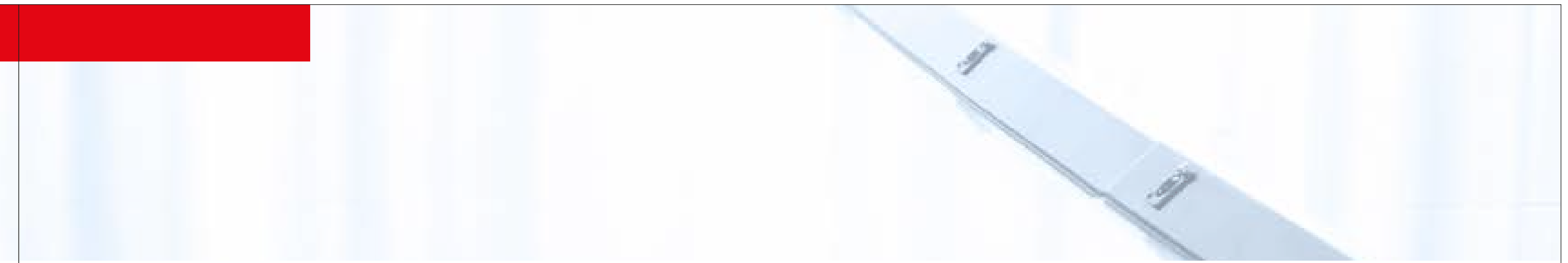
Khan Kashif Khan

Chief Operating Officer

Mr. Khan Kashif Khan is the COO for the organization. He serves the company's Human Resource, Marketing, Retail, Institutional / B2B, Information Technology, Security and Administration functions.

His 21 years of work experience span across global iconic brands and organizations including Royal Dutch Shell, Unilever, British American Tobacco, Cable & Wireless (now part of Vodafone) and Citigroup. His international assignments cover Saudi Arabia, Malaysia and Sri Lanka. A truly motivated sustainable leader, he has done pioneering work in Retail Media, HoReCa, Modern & Traditional Trade and Sustainable Business Initiatives. In his last assignment as Country Market Manager & Chief Marketing Officer for Shell lubricants in KSA, he led his team to deliver record growth, also managing an acquisition, and organically growing B2B & B2C brands.

Mr. Khan is a certified trainer from Earthrwatch and UNESCO in Business Planning for World Heritage and has volunteered on environmental projects for the Borneo Rainforest in Malaysia, The Sunderbans in Bangladesh and Jizera Mountains in the Czech Republic. He is a senior member of the Chief Marketing Officers Council Worldwide, and Advisory Board Member of Finsurgents PTE. LTD, Singapore.



Mr. Muhammad Ali Yousuf

Chief Financial Officer

Mr. Muhammad Ali Yousuf is the Chief Financial Officer at Al Shaheer Corporation Limited at several places.. He is an Associate Chartered Accountant and brings with him more than 14 years of experience.

Mr. Muhammad Ali Yousuf has served at KPMG for almost a decade on various positions within Pakistan and in the Middle East. His work consisted of conducting statutory audits, due diligence exercises and reporting on internal controls for a number of organizations. He has also worked for Pakistan Reinsurance Company, where he was responsible for its Finance & Accounts, Investments and Tax Department. His experience was further extended in KASB as Head of Corporate Planning and Company Secretary. His last assignment before Al Shaheer Corporation Limited at several places. was with Advisoryin Associates as Head of Corporate Services and Finance.

Mr. Muhammad Ali remained involved in developing IT department and capacity building of factory operations, export operations and supply chain functions of the Company.

Mr. Osama Javed Usmani

Head of HR

Mr. Osama Javed Usmani is the Head of Human Resource in Al Shaheer Corporation Limited at several places.. Prior to this, he worked as Group Head - Human Resource for Pak-Qatar Takaful Group, where he established Organization structure, HR policies and procedures and implemented SAP – HCM.

He also worked in TimeLenders, a management consultancy firm, where he got the experience of Training and Event Management, and attended a number of world renowned training programs related to Leadership, Strategic Visions, etc. Further, he bears the experience of working with local and multinational Logistics solution providers, where he looked after business development and strategies. Mr. Osama completed his MBA from IBA in 2005. He is also a certified Neuro-Linguistic Programming Practitioner.

Mr. Adnan Hussain

Head of Retail & Marketing

Mr. Adnan is currently engaged with the company as Assistant General Manager – Retail Operations & Marketing. He did his MBA in Marketing from IBA in 2002 and he was associated with Brand Brigade as COO. He brings in rich experience of working with Procter & Gamble mostly in Sales. He has also played his part in launching of Warid Telecom.

He is a seasoned sales professional with experience across industries and portfolios. Having worked in different industries, he has been instrumental in new business launches and category turnarounds from Service to FMCG, from consumer essentials to luxury brands.

Mr. Shahnawaz Akber Ansari

Senior Manager – Factory

Mr. Shahnawaz looks after the factory of Al Shaheer Corporation Limited. Prior to joining the Company, he has worked in various concerns in Administration, Production and Procurement, for a period accumulating to twenty years. He has been with the Company since its inception where he started his career as Procurement Manager.

Mr. Mohammed Ashraf

Company Secretary

Mr. Ashraf has joined Al Shaheer Corporation Limited. as Company Secretary. He is looking after company's Corporate Affairs and enlisting of the organization as Public Limited Company. Mr. Ashraf is qualified from Association of Certified Chartered Accountant (ACCA).

Mr. Ashraf has professional exposure of more than 20 years as Company Secretary, CFO and Tax Advisor in different foreign & local concerns across Middle East and North Africa (MENA) Region and Pakistan.

Mr. Adnan Budhani

Senior Manager – Meat One Operations

Mr. Adnan Budhani looks after Meat One operations. In addition to this, Adnan is also involved in developing business plans, and improving company's technology infrastructure. He was also responsible for the launch of Khaas Meat. Adnan is an MBA from Lahore University of Management Sciences (LUMS) and is also a Candidate for CFA level III examination.

Prior to MBA, Adnan worked in TPS Pakistan (Pvt.) Ltd as Software Consultant. He did his graduation from NUCES- FAST in faculty of Computer Science.

Mr. Syed Namood Ali Qabil

Head of Institutional Sales

Mr. Syed Namood Ali Qabil is heading Company's Institutional Sales Department. An IBA post graduate, he brings with him more than ten years of rich and diversified experience from different sectors including media, telecom and FMCG.

Prior to joining Al Shaheer, Mr. Namood worked with Aaj TV, Mobilink, and Habib Oil Mills, within marketing functions. In addition to this, he also has experience working for advertising and brand activation agencies like Bulls Eye and National Marketing Services, under various capacities.

Mr. Muhammad Merajuddin

Senior Manager – Administration

Mr. Muhammad Merajuddin is currently working as Senior Manager – Administration. He is associated with the Company for last more than four years in different capacities from Administration to Project Management. Mr. Merajuddin has done his Bachelor's degree in Commerce from University of Karachi.

Mr. Merajuddin has previously served Junaid Jamshed (Pvt.) Ltd. as National Sales Manager prior to joining Al Shaheer Corporation Limited. He has very enriching working experience in very prominent retail brands of Pakistan in different capacities.

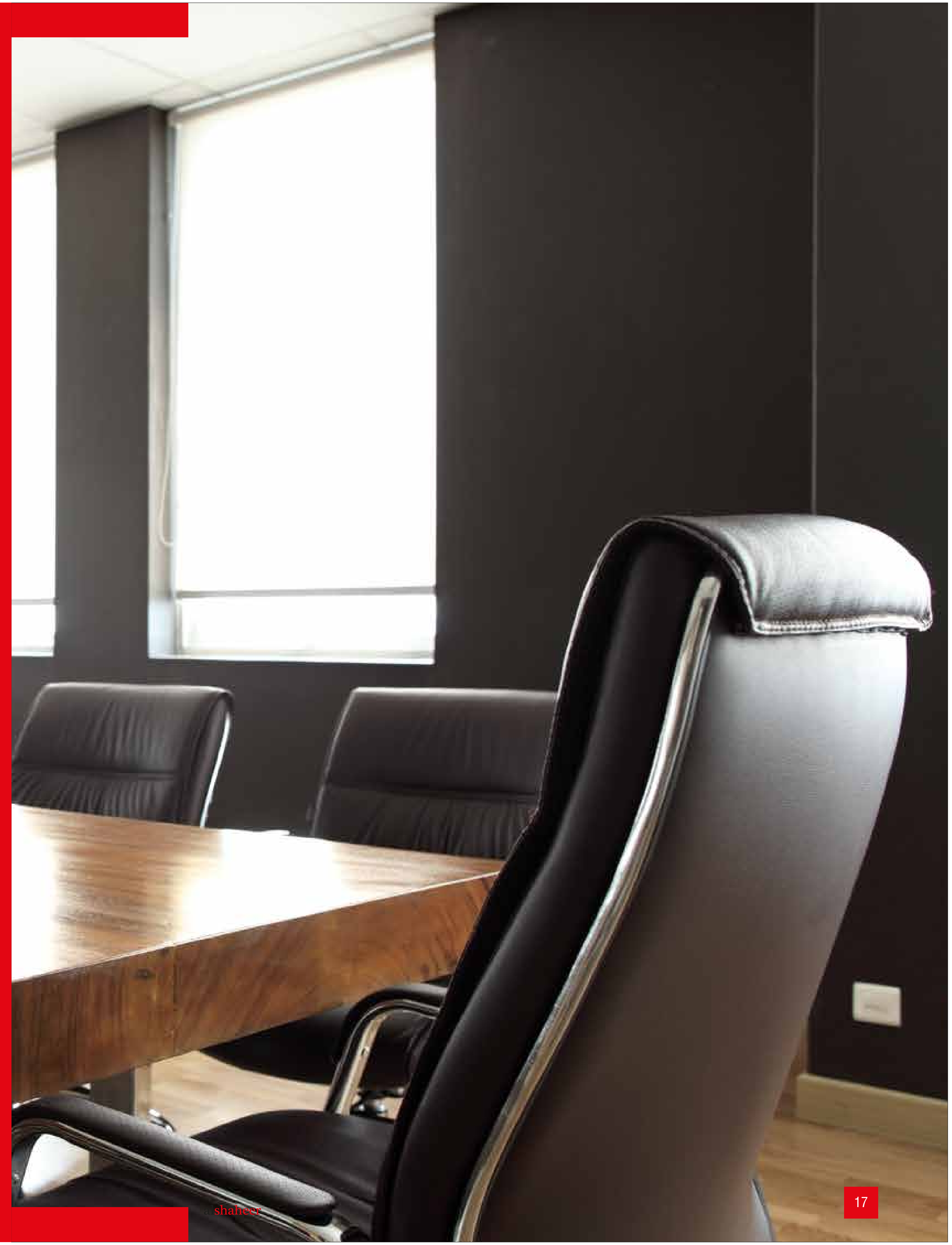
Mr. Shoaib Saleem

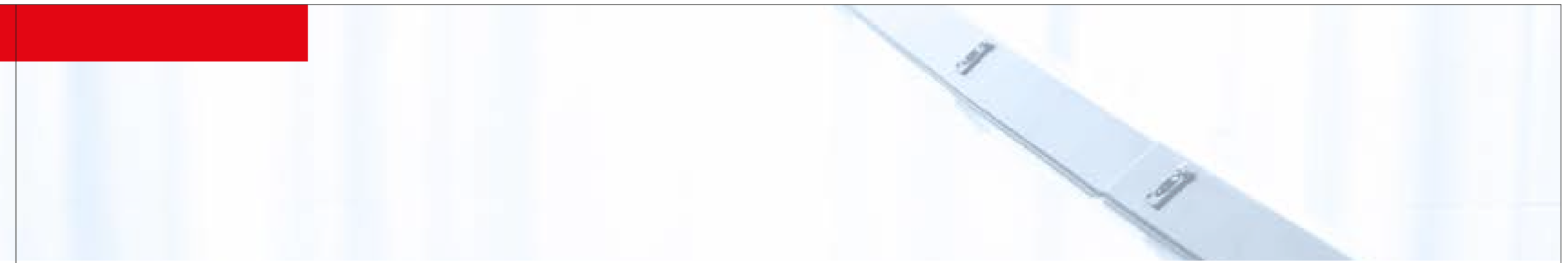
Head of IT & Systems

Mr. Shoaib Saleem is currently heading IT & Systems department of the company. He holds Master's Degree in Computer Science. Mr. Shoaib was previously associated with Addvantum Innovative Technologies and was deputed to Royal Saudi Air Force as Manager Project.

Mr. Shoaib has almost 13 years of experience in Information Technologies & Systems in different positions. He has handled different Projects from ERP implementations to In-house Software Development and Building Database Infrastructure at CDC, KASB Bank, Ora-Tech Systems and Venus Distributors.

Directors' Profile





Mr. Kamran Ahmed Khalili

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Prior to Al Shaheer Mr. Kamran was the member Karachi Stock Exchange for around 10 years and CEO of Fortune Securities (Pvt) Ltd. He has also worked as Investment Banker in Muslim Commercial Bank, Pakistan.

After receiving a great response from International exports, Mr. Kamran felt the need to benefit local people with export quality meat products. In accomplishment of this vision, he took the initiative to introduce a concept meat shop in the local market, Meat One.

Mr. Kamran is an MBA from Philippines.

Mr. Muhammad Ali Ghulam Muhammad

Mr. Muhammad Ali, holding an MBA degree, is an accomplished professional and businessman having worked with distinction in both domestic and internationally reputed organizations like Citibank N.A., Smith New Court Securities London, Indosuez W. I. Carr Securities, Threesixtydegreez LLC USA and Synergy Management Consulting LLC Dubai. Ali is the founder shareholder of Inbox Business Technologies, Converge Technologies, All Agro Real Estate and Al-Shaheer Corporation. Ali has also served as Chairman of Securities and Exchange Commission of Pakistan and as Director on the Boards of Karachi Stock Exchange and Engro Chemicals.

Noor Abid

Noor is a Fellow Chartered Accountant from Institute of Chartered Accountants in England and Wales. He started his career in 1976 in UK, with KPMG. He has more than 35 years experience in the profession, across Europe, Middle East and Africa, of which last 25 years have been in various leadership roles as Audit Partner.

He joined Ernst & Young in 1979 in Jeddah, Saudi Arabia and moved to Kuwait in 1986 . He was admitted to partnership in 1987. He rose to the post of Office Managing Partner in charge of the Bahrain practice in 1993 with overall responsibility for Assurance, Advisory, Tax and Transaction service lines. Noor was named the Assurance Leader for Middle East and North Africa region in 1999.

Upon his appointment, Under Noor's leadership, Ernst & Young audit practice has grown from US$ 35 million in 1999, to US$ 210 million in 2012. He was also directly involved in promoting various Corporate Social Responsibility programs at Ernst & Young. He took retirement in June 2012.

Noor has been involved in advising a number of clients – including industrial and commercial companies, retail and investment banks, Islamic banks and sovereign wealth funds – on accounting matters, guidance on controls framework and governance considerations. In this capacity, he regularly engaged and advised the board members, audit committees and senior management of clients across the region. He has had a particular focus on the Islamic banking Industry.

Noor was declared the winner of the World Islamic Banking Conference 2012 Industry Leadership Award in recognition of his contribution to Islamic Banking.

Rizwan Jamil

Rizwan Jamil is a Change Catalyst. He has a track record of having effectively turned around businesses under pressure to deliver sustained profitable growth. He has been instrumental in bringing about organizational and cultural changes in the companies he has worked in, improving speed & effectiveness. Passionate about teamwork, Rizwan enjoys a strong reputation of building diverse and highly effective teams that deliver.

His initial schooling was at St. Patrick's and Karachi Grammar Schools. He completed his MBA in 1985 from the Institute of Business Administration, Karachi University.

22 years with Unilever, Rizwan has gathered a rich experience of Marketing, Sales and Business Management across a large number of business categories. He was instrumental in turning around power brands like Surf and Lipton and is responsible for creating much remembered advertising campaigns for these brands and others. He led the team that pioneered "Lux Style Awards" in Pakistan. In his last six years at Unilever, Rizwan was Head of the Tea Business Unit. With Unilever, he has worked in Sri Lanka also for nearly 4 years.

Rizwan brought his passion for brands to his current role at Lafarge Pakistan. Lafarge is a Paris based MNC, a global leader in providing innovative construction solutions. Heading Marketing, Business Strategy & Innovation, Rizwan has taken on the challenge of creating brands and bringing innovation to an otherwise commodity industry.

A past Chairman of Pakistan Advertisers Society (PAS), Rizwan has been on the PAS Advertising Awards jury since its inception 4 years ago.

M. Qaysar Alam

President Aaramshop Pakistan (Private) Limited an online grocery shopping network. On the Boards of Directors GS1, Al Shaheer Corporation Ltd. and Member Pakistan Advisory board ISCEA. President Supply Chain Association of Pakistan.
Consultant, a well-known trainer and speaker at various business schools and forums.

Worked for 29 years at Unilever Pakistan, taken early retirement in June'12
There for last 8 years served as Vice President responsible for Unilever's Supply Chain strategies and operations, was on the Boards of Directors, Member of Audit committees and Management Committee.

Key architect of Unilever Pakistan's supply chain structure and processes making it forward looking, achieving efficiency in speed, service and cost.
Led the team to meet company's aggressive growth plan and prepared for the future challenges by adding and training new resources with key process changes

Led the team to implemented SAP at Unilever Pakistan and Bangladesh.
Also led the big restructuring program here with 35% reduction of manpower through process simplification and BPO.

Designed 3 regional manufacturing excellence networks while working at Unilever Asia business group at Singapore.

An experienced JIPM qualified TPM instructor, was part of the global network and led company's manufacturing excellence program improving Productivity, Quality and Safety. TQM is one of his core strength, was trained by Quest Australia. A trained quality auditor, was involved in audits and guidance to other countries as well.

Earlier worked at Exxon Pakistan, ARAMCO SA and taught Petroleum engineering

Masters in Chemical Technology and has also studied Nuclear Engineering.
A keen sports man, playing tennis and badminton used to be fun but now compromised to gym and aerobics. Enjoys music, reading is his addiction and buying books is a hobby.

Naveed Godil

Naveed Godil is a seasoned entrepreneur and is the C.E.O and / or director of many startups including Al Waha Marbles LLC, Universal Packaging Company, 14th Street Pizza, Dazzle JAFCO, Naft (Pvt.) Ltd. He was also the director and chief operating officer of Fortune Securities Pvt. Ltd. from 2000 to 2006.

Mr. Godil graduated from the University of Karachi in 1993 in Commerce.

Adeeb Ahmed

Over 25 years of working experience in private equity, fund management, investment banking, corporate finance and Islamic finance.

One of the earliest entrants in the private equity industry in the region, with the last 15 years dedicated to private equity investments and fund management exclusively focused on various Islamic countries in the Middle East, North Africa, South Asia and South East Asia regions.

Currently, working dedicatedly on the development and establishment of the ICD Food & Agribusiness Fund – pioneering initiative focused on the development of the food and agribusiness sector in the various Islamic countries while generating commercial returns. The Fund is sponsored by the Islamic Corporation for the Development of the Private Sector ("ICD"), a member of the Islamic Development Bank Group. Rabobank, the world's leading food and agribusiness focused financial institution, will be the Knowledge Partner. Adeeb leads the dedicated fund management team with extensive experience in regional private equity and the food sector.

Earlier, led or played key roles in the successful development, establishment and management of sizable regional private equity funds focused on the infrastructure and related sectors covering various Islamic countries. Spearheaded these funds' investment and exit programs, oversaw their operations and administration, and generated attractive returns.
Has a deep understanding and practical working knowledge of all aspects of the regional private equity industry, and a network of key working relationships with a number of leading public and private sector investors, potential project partners, industry operators, investment banks and advisors operating in the region.

Earlier engagements included mid-to-senior level assignments in Islamic finance, investment banking and capital markets with ANZ Investment Bank and ABN AMRO in Bahrain; and Muslim Commercial Bank, Bear Stearns Jahangir Siddiqui, Citibank and ANZ Grindlays Bank in Pakistan.

Rukhsana Asghar

Rukhsana is the Founder and CEO of Fulcrum Business Consulting. She is responsible for providing leadership and strategic direction for the company.

For more than 30 years, Rukhsana has been at the forefront in the field of Human Resources in Pakistan and is one of the leading Human Resource professionals with core experience in senior Human Resource positions with top multinational companies (Unilever, Citibank and UBL) coupled with management consulting experience in the local corporate, multinational and public sectors.

She has a number of ground-breaking HR initiatives to her credit including being the first to introduce the concept of elevating the Human Resource function to the position of equal business partner with equal responsibilities and accountability for overall business results. She is also personally responsible for introduction of third party staffing into commercial banking to help control headcount and staffing costs.

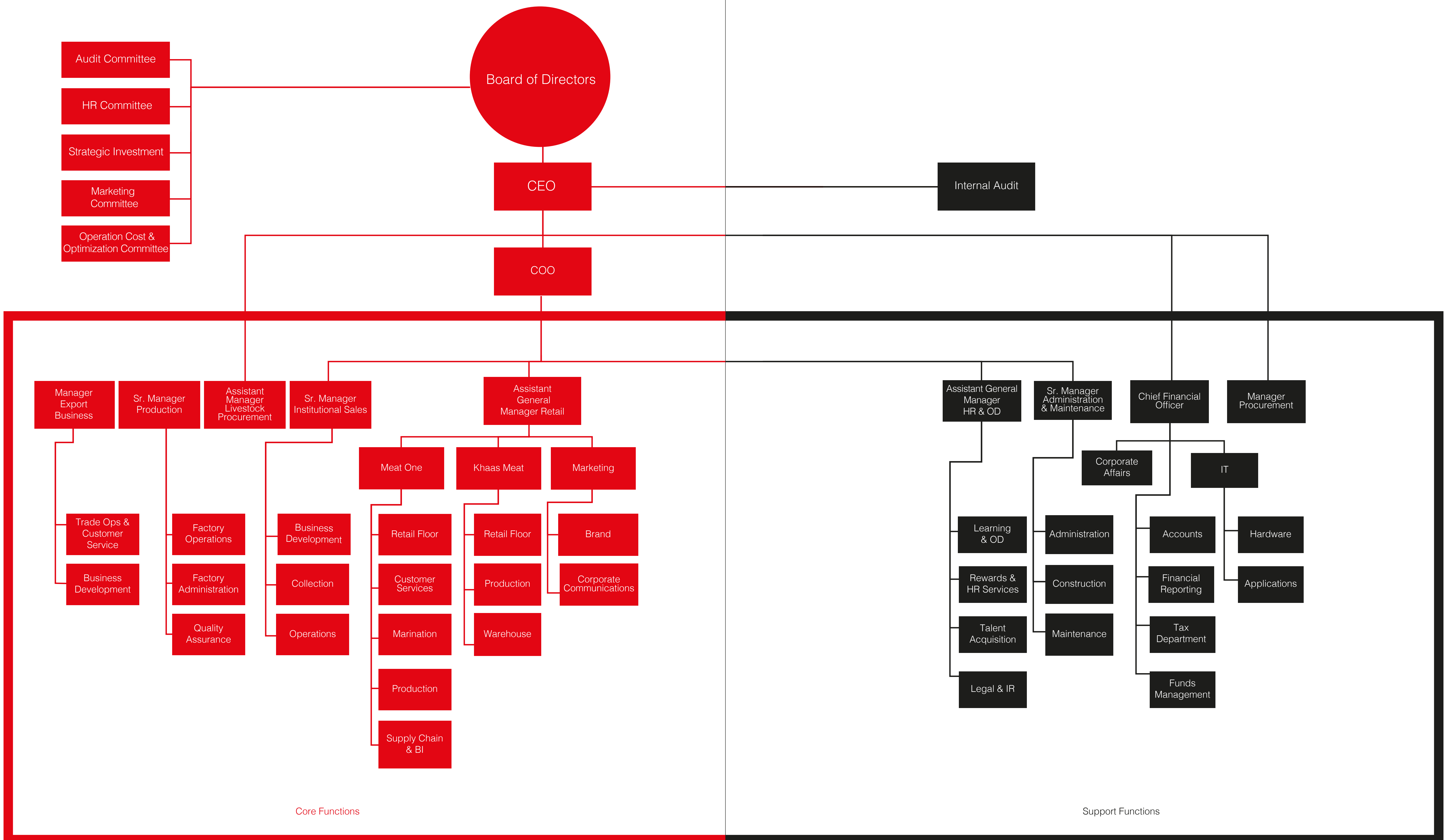
She is well known in the local industry and also recognized internationally. She has a proven ability for implementation of large-scale projects pertaining to an array of Human Resources disciplines including strategic planning and implementation of best practices both locally and overseas.

She holds a BA (Hons) Degree in International Relations and a Bachelor of Law Degree from Karachi University.

Honors:

- Citibank Global Assignment (HR Team Challenge). Part of 12-member team selected from 101 countries for analysis of HR functions, recommendations implemented globally across Citibank.
- Coordinated Margaret Thatcher's (Ex-Prime Minister of the UK) four-day visit to Pakistan.
- Restructuring of Parliament Secretariat of Pakistan (Senate and National Assembly) lead consultant for Bearing Point Inc. on a UNDP project, which included proposed organization structure, manpower strategy HR policies, standard operating procedures and competency based training need analysis and job descriptions. Presentation made to Chairman Senate and Committee, and Speaker of the National Assembly and Committee separately, project appreciated and approved.
- Chairperson, selection and recruitment committee of State Bank of Pakistan.
- Member of Board of Governor Pakistan Society of Training and Development.
- President of South Asian Management Professional Forum.

Organization Chart



Our Products

Al Shaheer serves a wide range of customers, both internationally and domestically. We export fresh beef and mutton to some of the largest distributors in the Middle East and operate a nationwide network of meat shops, retailing fresh beef, mutton, poultry, fish and ready to cook marinated products of the highest quality that consumers know and trust.

"We also supply tailor-made fresh and blast frozen meat cuts to institutional customers."

Directors' Report

The Directors of your Company are pleased to present their Annual Report together with audited financial statements for the year ended June 30, 2015. The Company was listed on Karachi, Lahore and Islamabad Stock Exchanges on August 24, 2015 and as a consequence, Code of Corporate Governance was inapplicable as on June 30, 2015, however, majority of the requirements were voluntarily complied.

The profit for the year ended June 30, 2015 after providing for administrative, marketing and distribution expenses, financial and other charges amounts to:

	(Rupees in millions)
Profit before taxation	149.855
Taxation	32.386
Profit for the year	182.241
	(Rupees)
Earnings per share (Basic)	3.01
Earnings per share (Diluted)	2.99

Appropriations and movement in reserves have been disclosed in the Statement of Changes in Equity in this Annual Report.

1. The financial statements, prepared by the management of the Company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity.
2. Proper books of account of the Company have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements except for changes resulting on initial application of standards, amendments or interpretations to existing standards, as stated in note 3.2 to the financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and departures, if any, have been adequately disclosed.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no doubts upon the Company's ability to continue as a going concern.
7. A reasonable indication of future prospects is discussed in the Chairman's Review.
8. A statement as to the value of investments of provident, gratuity and pension funds on the basis of audited financial statements for the year ended June 30, 2014 is included in note 19.1 to the financial statements in this Annual Report.
9. There were five Board meetings and five Committee meetings held during the year.
10. The directors unless exempted, will acquire the required director's training certification within the specified time.
11. The pattern of shareholding and additional information regarding pattern of shareholding is disclosed in this Annual Report.
12. The retiring auditors M/s Ernst & Young Ford Rhodes Sidat Hyder and Co., Chartered Accountants, being eligible, offer themselves for reappointment.

On behalf of the Board

Kamran A. Khalili
Chairman

Code of Ethics

INTRODUCTION

Al Shaheer Corporation Limited General Business Principles govern how Al Shaheer Corporation Limited conducts its affairs. The objectives of Al Shaheer Corporation Limited are to engage efficiently, responsibly and profitably in halal and hygienic food business and to participate in the search for and development of new products to meet evolving customer needs and the world's growing demand.

We believe that halal and hygienic food is the basic human requirement that will last till the end of times. Our role is to ensure that we source, process and deliver them profitably and in environmentally and socially responsible ways. We seek high standard of performance, maintaining a strong, long-term and growing position in the competitive environments in which we choose to operate. We aim to work closely with our customers, partners and policy-makers to advance more efficient and sustainable supply of halal and hygienic food.

OUR VALUES

Al Shaheer Corporation Limited employees share a set of core values –integrity and fairness in accordance with the injunctions of Islam and above all with the fear of Allah. We harness our culture with the values of teamwork, customer services and giving back to the Community(ies) we operate in; And when it is about how we operate, we share a core value of excellence; operating in a manner which is best possible in available resources.

SUSTAINABLE DEVELOPMENT

As part of the Business Principles, we commit to contribute to sustainable development. This requires balancing short and long term interests, integrating economic, environmental and social considerations into business decision-making, and investing in people, systems and infrastructure for sustainable advantage.

RESPONSIBILITIES

Al Shaheer Corporation Limited recognizes five areas of basic responsibility. It is the duty of management continuously to assess the priorities and discharge these inseparable responsibilities.

a. To shareholders
To protect shareholders' investment, and provide a long-term return competitive with those of other leading companies in the industry.

b. To customers
To win and maintain customers by developing and providing products and services which offer value in terms of price, quality, safety, and convenience.

c. To employees
To respect rights of our employees and to provide them with good and safe working environment and competitive terms and conditions of employment. To develop leadership that continuously promotes best utilization of talent, to create a conducive work environment where every employee has an equal opportunity to develop his or her skills and talents. To encourage the involvement of employees in planning and strategizing their work and to provide them with appropriate channels and structure.

We recognize that commercial and sustainable success depends on the commitment of all employees and disposition of their energies and efforts in the right direction.

d. To those with whom we do business
To seek mutually beneficial relationships with contractors, suppliers and in joint ventures and to promote the application of our General Business Principles in such relationships. The ability to promote these principles effectively is an important factor in the decision to enter into or remain in such relationships.

e. To society
To conduct business as responsible corporate members of society, to comply with applicable laws and regulations, to support fundamental human rights in line with the legitimate role of business, and to give proper regard to health, safety, security and the environment.

ECONOMIC

Long-term profitability is as essential for the company as oxygen to the living being, in order to achieve our higher goals. It is a measure of both efficiency and of the value that customers place on Al Shaheer Corporation Limited products and services. It supplies the necessary corporate resources for the continuing investment that is required to develop and produce halal and hygienic supplies to meet & exceed customer needs. Without profits and a strong financial foundation, it would not be possible to fulfil our higher levels of responsibilities.

COMPETITION

Al Shaheer Corporation Limited supports free enterprise. We believe that a healthy competition always results in greater opportunities, better products and services, and in turn benefit the customer. We seek to compete fairly and ethically and within the framework of applicable competition laws; we will not prevent others from competing freely with us.

BUSINESS INTEGRITY

Al Shaheer Corporation Limited insists on honesty, integrity and fairness in all aspects of our business and expects the same in our relationships with all those with whom we do business. The direct or indirect offer, payment, soliciting or acceptance of bribes in any form is unacceptable. Facilitation payments are also bribes and should not be made. Employees must avoid conflicts of interest between their private activities and their part in the conduct of Company business. Employees must also declare to their employing Company potential conflicts of interest. All business transactions on behalf of Al Shaheer Corporation Limited must be reflected accurately and fairly in the accounts of the Company in accordance with established procedures and are subject to audit and disclosure.

POLITICAL ACTIVITIES

Al Shaheer Corporation Limited acts in a socially responsible manner within the ambit of laws of the country in which we operate, in pursuit of our legitimate commercial objectives. Al Shaheer Corporation Limited does not make payments to political parties, organizations or their representatives.
Al Shaheer Corporation Limited does not take part in party politics. However, when dealing with the government, Al Shaheer Corporation Limited has the right and responsibility to make our position known on any matters which affect us, our employees, our customers, our shareholders or local communities in a manner which is in accordance with our values and Business Principles.

HEALTH, SAFETY, SECURITY AND THE ENVIRONMENT

Al Shaheer Corporation Limited has a systematic approach to health, safety, security and environmental management in order to ensure continuous wellbeing of our employees, customers and public alike. To this end, Al Shaheer Corporation Limited manages these matters as critical business activities, sets standards and targets for improvement, and measures, appraises and reports performance externally. We continually look for ways to reduce the environmental impact of our operations, products and services.

LOCAL COMMUNITIES

Al Shaheer Corporation Limited aims to be good citizen by continuously improving the ways in which we contribute directly or indirectly to the general well-being of the communities within which we work. We manage the social impacts of our business activities carefully and work with others to enhance the benefits to local communities, and to mitigate any negative impacts from our activities. In addition, Al Shaheer Corporation Limited takes a constructive

COMMUNICATION AND ENGAGEMENT

Al Shaheer Corporation Limited recognizes that regular dialogue and engagement with our stakeholders is essential. We are committed to reporting our performance by providing complete relevant information to legitimately interested parties, subject to any overriding considerations of business confidentiality. In our interactions with employees, business partners and local communities, we seek to listen and respond to them honestly and responsibly.

COMPLIANCE

We comply with all applicable laws and regulations of the countries in which we operate.

LIVING BY OUR PRINCIPLES

Our shared core values of integrity teamwork fairness and excellence underpin all the work we do and are the foundation of our Business Principles. The Business Principles apply to all transactions, large or small, and drive the behavior expected of every employee in Al Shaheer Corporation Limited in the conduct of its business at all times.
We are judged by how we act. Our reputation will be upheld if we act in accordance with the law and the Business Principles. We encourage our business partners to live by them or by principles of similar standards.

We encourage our employees to demonstrate leadership, accountability and teamwork, and through these behaviors, to contribute to the overall success of Al Shaheer Corporation Limited. It is the responsibility of the leadership to lead by example, to ensure that all employees are aware of these principles, and behave in accordance with the spirit as well as with the letter of this statement.

The application of these principles is underpinned by a comprehensive set of assurance procedures which are designed to make sure that our employees understand the principles and confirm that they act in accordance with them. As part of the assurance system, it is also the responsibility of management to provide employees with safe and confidential channels to raise concerns and report instances of noncompliance. In turn, it is the responsibility of Al Shaheer Corporation Limited employees to report suspected breaches of the Business Principles to Al Shaheer Corporation Limited.

The Business Principles have for many years been fundamental to how we conduct our business and living by them is crucial to our continued success.

Standalone Financial Statements 2015

Auditors' Report to the Members

We have audited the annexed balance sheet of **Al Shaheer Corporation Limited** (the Company) as at **30 June 2015** and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conduct our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:

   i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied, except for the changes as stated in note 3.2 to the accompanying financial statement with which we concur;

   ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at **30 June 2015** and of the profit, its comprehensive, cash flows and changes in equity for the year then ended; and

d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Karachi

Dated: October 7, 2015

Name of the Engagement Partner: Shariq Ali Zaidi

Balance Sheet

AS AT 30 JUNE 2015

	Note	2015	2014
		(Rupees)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,131,403,735	1,062,347,125
Intangible assets	5	2,736,336	2,621,668
		1,134,140,071	1,064,968,793
Long-term investment	6	35,700,000	-
Long-term deposit	7	13,400,000	-
Deferred tax asset	8	51,616,979	-
		1,234,857,050	1,064,968,793
CURRENT ASSETS			
Fuels and lubricants		3,441,275	6,200,138
Stock-in-trade	9	31,179,079	40,801,203
Trade debts	10	527,345,804	501,530,517
Loans and advances	11	554,307,750	140,929,462
Short-term deposits and prepayments	12	21,500,540	20,102,118
Other receivables	13	161,786,886	25,982,391
Taxation - net		28,428,346	12,963,942
Cash and bank balances	14	1,812,348,955	16,839,927
		3,140,338,635	765,349,698
TOTAL ASSETS		4,375,195,685	1,830,318,491
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
150,000,000 (2014: 50,000,000) ordinary shares of Rs. 10/- each		1,500,000,000	500,000,000
Issued, subscribed and paid-up capital	15	665,410,160	260,015,000
Unappropriated profit		285,557,861	155,959,348
		950,968,021	415,974,348
Advance against issue of shares	16	1,781,250,000	211,470,679
Surplus on revaluation of fixed assets	17	216,302,218	241,811,677
NON-CURRENT LIABILITIES			
Long-term financing	18	36,072,965	105,208,340
Deferred liabilities	19	18,054,095	27,201,001
		54,127,060	132,409,341
CURRENT LIABILITIES			
Trade and other payables	20	1,262,666,924	684,234,379
Accrued mark-up	21	16,912,936	15,770,529
Current portion of long-term financing	18	77,684,637	36,124,996
Due to a related party	22	15,283,889	92,522,542
		1,372,548,386	828,652,446
TOTAL EQUITY AND LIABILITIES		4,375,195,685	1,830,318,491
CONTINGENCIES AND COMMITMENTS	23		

The annexed notes 1 to 39 form an integral part of these financial statements.

Chief Executive

Director

Profit And Loss Account

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015	2014
		(Rupees)	
Turnover - net	24	4,984,751,918	4,438,309,031
Cost of sales	25	(4,164,378,091)	(3,896,766,190)
Gross profit		820,373,827	541,542,841
Administration and distribution expenses	26	(543,977,296)	(359,842,081)
Other expenses	27	(33,584,018)	(27,884,806)
		(577,561,314)	(387,726,887)
Operating profit		242,812,513	153,815,954
Other income	28	19,871,798	11,896,787
Finance costs	29	(95,251,840)	(78,011,206)
Profit before tax		167,432,471	87,701,535
Taxation	30	29,453,060	(14,340,104)
Profit for the year		196,885,531	73,361,431
Earnings per share – basic	31	3.25	1.33
Earnings per share – diluted	31	3.23	1.33

The annexed notes 1 to 39 form an integral part of these financial statements.

Chief Executive

Director

Statement Of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015	2014
		(Rupees)	
Profit for the year		**196,885,531**	73,361,431
Other comprehensive income:			
Other comprehensive income not to be reclassified to profit and loss account in subsequent years			
Remeasurement gain on defined benefit plan	19.1.2	**184,960**	-
Deferred tax		**(59,187)**	-
Other comprehensive income for the year, net of tax		**125,773**	-
Total comprehensive income for the year		**197,011,304**	73,361,431

The annexed notes 1 to 39 form an integral part of these financial statements.

Chief Executive

Director

Cash Flow Statement

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015	2014
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**167,432,471**	87,701,535
Adjustments for:			
Depreciation	4.2	**87,659,400**	56,251,759
Amortisation	5	**1,287,879**	1,168,035
Provision for doubtful debts	10.3	**22,476,866**	-
Gain on disposal of property, plant and equipment	28	**(188,590)**	(206,225)
Amortization of deferred loss on Ijarah		**-**	9,622,255
Workers' Profits Participation Fund (WPPF)	27	**8,048,661**	4,739,045
Workers' Welfare Fund	27	**3,058,491**	2,340,312
Gratuity	19.1.3	**7,354,685**	14,126,050
Finance costs	29	**95,251,840**	78,011,206
		224,949,232	166,052,437
Operating profit before working capital changes		**392,381,703**	253,753,972
Decrease / (increase) in current assets:			
Fuels and lubricants		**2,758,863**	(97,144)
Stock-in-trade		**9,622,124**	(338,812)
Trade debts		**(48,292,154)**	(207,432,658)
Loans and advances		**(413,378,288)**	(51,352,390)
Short-term deposits and prepayments		**(1,398,422)**	(10,746,142)
Other receivables		**(135,804,496)**	(27,428,191)
		(586,492,373)	(297,395,337)
Increase / (decrease) in current liabilities:			
Trade and other payables		**535,486,683**	293,389,756
Due to a related party		**(77,238,653)**	34,702,368
		458,248,030	328,092,124
Cash flows generated from operations		**264,137,360**	284,450,759
Long-term deposit - net		**(13,400,000)**	-
Tax paid		**(48,749,876)**	(27,961,998)
Gratuity paid	19.1.2	**(2,321,180)**	(920,500)
WPPF paid	20.7	**(11,261,709)**	-
Net cash flows generated from operating activities		**188,404,595**	255,568,261
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition to:			
- property, plant and equipment		**(50,082,464)**	(177,539,772)
- capital work-in-progress		**(66,720,687)**	(194,856,216)
- intangible assets	5	**(1,402,547)**	(1,142,390)
Sale proceeds from disposal of property, plant and equipment	4.4	**3,376,150**	510,104
Long-term investment	6	**(35,700,000)**	-
Net cash flows used in investing activities		**(150,529,548)**	(373,028,274)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**349,594,108**	-
Advance against issue of shares - net		**1,569,779,321**	82,799,999
Share issue costs paid		**(40,054,283)**	-
Long-term financing - net		**(27,575,734)**	110,232,607
Finance costs paid		**(94,109,431)**	(62,240,677)
Net cash flows generated from financing activities		**1,757,633,981**	130,791,929
Net increase in cash and cash equivalents		**1,795,509,028**	13,331,916
Cash and cash equivalents at the beginning of the year	14	**16,839,927**	3,508,011
Cash and cash equivalents at the end of the year	14	**1,812,348,955**	16,839,927

The annexed notes 1 to 39 form an integral part of these financial statements.

Chief Executive

Director

Statement Of Changes In Equity

AS AT 30 JUNE 2015

	Issued, subscribed and paid-up capital	Capital reserves Share premium	Unappropriated profit	Total
	(Rupees)			
As at 01 July 2013	260,015,000	-	79,408,158	339,423,158
Profit for the year	-	-	73,361,431	73,361,431
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	73,361,431	73,361,431
Surplus on revaluation of fixed assets realised on account of incremental depreciation charged on related assets, net of deferred tax (note 17)	-	-	3,189,759	3,189,759
As at 30 June 2014	**260,015,000**	**-**	**155,959,348**	**415,974,348**
Profit for the year	-	-	196,885,531	196,885,531
Other comprehensive income for the year, net of tax	-	-	125,773	125,773
Total comprehensive income for the year	-	-	197,011,304	197,011,304
Issue of right shares (note 15.1)				
- 2,745,759 shares at a premium of Rs. 59.23 per share	27,457,590	162,631,306	-	190,088,896
- 2,193,416 shares at a premium of Rs. 62.72 per share	21,934,160	137,571,052	-	159,505,212
	49,391,750	300,202,358	-	349,594,108
Issue of 35,600,341 bonus shares at 115.06% (note 15.2)	356,003,410	(300,202,358)	(55,801,052)	-
Surplus on revaluation of fixed assets realised on account of incremental depreciation charged on related assets, net of deferred tax (note 17)	-	-	25,509,459	25,509,459
Share issue costs, net of deferred tax (note 1.2 & note 16)	-	-	(37,121,198)	(37,121,198)
As at 30 June 2015	**665,410,160**	**-**	**285,557,861**	**950,968,021**

The annexed notes 1 to 39 form an integral part of these financial statements.

Chief Executive

Director

Notes To The Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

1. THE COMPANY AND ITS OPERATIONS

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

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

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

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

2. STATEMENT OF COMPLIANCE

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

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

3.2 Standards, amendments and interpretations adopted during the year

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

New, revised and amended standards and interpretations

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

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

Improvements to the accounting standards issued by the IASB

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

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

3.3 Significant accounting judgments, estimates and assumptions

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

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

Property, plant and equipment and Intangible assets

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

Surplus on revaluation of fixed assets

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

Trade debts

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

Purchases

The management of the Company considers that it procures the livestock and meat. Meat and other items saleable in the ordinary course of business are procured at a net price adjusted for residues. Owing to the nature of the industry in which the Company operates, it facilitates its suppliers in disposing off such materials.

Notes To The Financial Statements
FOR THE YEAR ENDED 30 JUNE 2015

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

Taxation

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

Post retirement benefits

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

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

3.4 Property, plant and equipment

Owned

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

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

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

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

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

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

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

Capital work-in-progress

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

3.5 Intangible assets

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

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

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

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

3.6 Investments

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

Investment in subsidiaries

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

Held-to-maturity investments

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

At fair value through profit or loss

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

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

Available for sale investments

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

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

3.7 Fuels and lubricants

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

3.8 Stock-in-trade

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

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

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

3.9 Trade debts

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

3.10 Impairment

Financial assets

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

Non-financial assets

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

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

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

3.11 Loans, advances and other receivables

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

3.12 Cash and cash equivalents

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

3.13 Surplus on revaluation of fixed assets

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

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

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

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

3.14 Post retirement benefits - defined benefit plan

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

3.15 Taxation

Current

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

Notes To The Financial Statements
FOR THE YEAR ENDED 30 JUNE 2015

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

Deferred

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

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

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

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

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

3.16 Trade and other payables

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

3.17 Ijarah contracts

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

Sales and leaseback on Ijarah

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

3.18 Provisions

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

3.19 Foreign currency translations

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

3.20 Financial instruments

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

3.21 Offsetting of financial assets and financial liabilities

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

3.22 Revenue recognition

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

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

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

3.23 Functional and presentation currency

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

3.24 Segment reporting

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

3.25 Borrowing costs

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

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.

Notes To The Financial Statements
FOR THE YEAR ENDED 30 JUNE 2015

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

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

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

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

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

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

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

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

Notes To The Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015	2014
		(Rupees)	
4. Property, plant and equipment			
Operating fixed assets	4.1	**707,398,013**	723,386,111
Capital work-in-progress	4.3	**424,005,722**	338,961,014
		1,131,403,735	1,062,347,125

	Note	GROSS CARRYING VALUE					
		As at 01 July 2014	Additions / Transfer **	Revaluations	(Disposals)	As at 30 June 2015	Years
		(Rupees)					
Owned							
Freehold land	4.1.1	77,941,473	-	-	-	77,941,473	-
Building	4.1.1	152,562,498	2,433,038**	-	-	154,995,536	3-5
Plant and machinery	4.1.1	222,326,924	16,666,336**	-	-	238,993,260	3-5
Furniture and fixture	4.1.1	102,613,204	12,639,678	-	-	115,252,882	5
Motor vehicles		58,535,819	13,955,086*	-	(3,506,093)	68,984,812	3-5
Office equipment	4.1.1	97,478,594	26,622,521**	-	(584,805)	123,516,310	5
Tools and equipment	4.1.1	19,757,025	866,875	-	-	20,623,900	3-5
Computers and accessories		8,835,954	1,675,328	-	(42,000)	10,469,282	3
	2015	**740,051,491**	**74,858,862**	**-**	**(4,132,898)**	**810,777,455**	

	Note	GROSS CARRYING VALUE					
		As at 01 July 2013	Additions / Transfer **	Revaluations	(Disposals)	As at 30 June 2014	Year
		(Rupees)					
Owned							
Freehold land	4.1.1	25,375,000	50,050,248	2,516,225	-	77,941,473	-
Building	4.1.1	102,504,930	20,471,606	29,585,962	-	152,562,498	3-5
Plant and machinery	4.1.1	111,011,033	22,335,004	88,980,887	-	222,326,924	3-5
Furniture and fixture	4.1.1	51,421,365	43,920,816	7,271,023	-	102,613,204	5
Motor vehicles		42,613,327	16,273,193	-	(350,701)	58,535,819	3-5
Office equipment	4.1.1	49,784,775	17,538,585	30,155,234	-	97,478,594	5
Tools and equipment	4.1.1	8,572,369	4,308,040	6,876,616	-	19,757,025	3-5
Computers and accessories		6,193,674	2,642,280	-	-	8,835,954	3
	2014	**397,476,473**	**177,539,772**	**165,385,947**	**(350,701)**	**740,051,491**	

* Included herein assets costing Rs. 11.279 million under diminishing musharaka arrangements.
**Included herein assets transferred from capital work-in-progress to operating fixed assets.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

	Note	ACCUMULATED DEPRECIATION					NET BOOK VALUE
		As at 01 July 2014	Charge for the year	(On disposals)	(On revaluations)	As at 30 June 2015	As at 30 June 2015
		(Rupees)					
Owned							
Freehold land	4.1.1	-	-	-	-	-	77,941,473
Building	4.1.1	-	17,699,492	-	-	17,699,492	137,296,044
Plant and machinery	4.1.1	-	25,490,061	-	-	25,490,061	213,503,199
Furniture and fixture	4.1.1	-	12,635,722	-	-	12,635,722	102,617,160
Motor vehicles		15,125,549	9,207,833	(788,323)	-	23,545,059	45,439,753
Office equipment	4.1.1	15,125,549	9,207,833	(788,323)	-	23,545,059	45,439,753
Tools and equipment	4.1.1	-	2,272,801	-	-	2,272,801	18,351,099
Computers and accessories		1,539,831	951,790	(4,200)	-	2,487,421	7,981,861
	2015	**16,665,380**	**87,659,400**	**(945,338)**	**-**	**103,379,442**	**707,398,013**

	Note	ACCUMULATED DEPRECIATION					NET BOOK VALUE
		As at 01 July 2013	Charge for the year	(On disposals)	(On revaluations)	As at 30 June 2015	As at 30 June 2014
		(Rupees)					
Owned							
Freehold land	4.1.1	-	-	-	-	-	77,941,473
Building	4.1.1	10,250,493	12,297,654	-	(22,548,147)	-	152,562,498
Plant and machinery	4.1.1	11,101,103	13,334,604	-	(24,435,707	-	222,326,924
Furniture and fixture	4.1.1	5,142,137	9,532,118	-	(14,674,255)	-	102,613,204
Motor vehicles		6,391,998	8,780,373	(46,822)	-	15,125,549	43,410,270
Office equipment	4.1.1	7,467,716	10,098,505	-	(17,566,221)	-	97,478,594
Tools and equipment	4.1.1	857,237	1,288,041	-	(2,145,278)	-	19,757,025
Computers and accessories		619,367	920,464	-	-	1,539,831	7,296,123
	2014	**41,830,051**	**56,251,759**	**(46,822)**	**(81,369,608)**	**16,665,380**	**723,386,111**

4.1.1 The Company had carried out a revaluation exercise through an independent valuer namely Sadruddin Associates (Private) Limited on 30 June 2014. The revaluation had resulted in surplus on freehold land of Rs. 2.516 million, building of Rs. 52.134, plant and machinery of Rs. 113.417 million, furniture and fixtures of Rs. 21.945 million, office equipment of Rs. 47.721 million, and tools and equipment of Rs. 9.022 million, over their cost of Rs. 23.375 million, Rs. 102.505 million, Rs. 111.011 million, Rs. 8.572 million, Rs. 49.785 million and Rs. 51.421 million, respectively. Had these assets not been revalued, net book value of such assets would be as follows:

	Note	2015	2014
		(Rupees)	
Freehold land		**75,425,248**	75,425,248
Building		**83,072,207**	92,081,945
Plant and machinery		**109,832,757**	107,008,477
Furniture and fixtures		**84,927,399**	82,608,170
Office equipment		**60,601,568**	45,574,827
Tools and equipment		**8,481,914**	8,735,725

4.2 Depreciation for the year has been allocated as follows:

	Note	2015	2014
Cost of sales	25	**41,698,235**	35,003,827
Administrative and distribution expenses	26	**45,961,165**	21,247,932
		87,659,400	56,251,759

4.3 Capital work-in-progress

	2015	2014
Land	**38,535,046**	12,012,500
Civil works	**4,512,276**	5,044,276
Equipment and machinery	**207,714,665**	231,959,063
Advance to suppliers and contractors	**157,538,905**	74,240,345
Intangible asset under development	**15,704,830**	15,704,830
	424,005,722	338,961,014

4.3.1 The movement in capital work-in-progress is as follows:

	Land	Civil works	Equipment and machinery	Advance to suppliers and contractors	Intangible asset under development	Total
	(Rupees)					
As at 01 July 2014	12,012,500	5,044,276	231,959,063	74,240,345	15,704,830	338,961,014
Addition during the year	26,522,546	-	-	83,298,560	-	109,821,106
Transfers to operating fixed assets	-	(532,000)	(24,244,398)	-	-	(24,776,398)
As of 30 June 2015	**38,535,046**	**4,512,276**	**207,714,665**	**157,538,905**	**15,704,830**	**424,005,722**

4.4 The details of operating fixed assets disposed off during the year are as follows:

	Gross carrying value	Accumulated depreciation	Written down value	Net sale proceeds	Gain on disposals	Mode of disposal	Particulars of buyers
	(Rupees)						
Owned							
Motor vehicles							
Suburban	2,240,000	336,000	1,904,000	1,737,625	(166,375)	Negotiation	Owais Hashmi, Saudi Arabia
Toyota Belta	828,500	321,045	507,455	750,000	242,545	Negotiation	Junaid Motors, Karachi
Daihatsu - Mira	437,593	131,278	306,315	460,000	153,685	Negotiation	Junaid Motors, Karachi
	3,506,093	788,323	2,717,770	2,947,625	229,855		
Office equipment							
Generator	178,560	35,750	142,810	190,000	47,190	Insurance claim	Pak-Kuwait Takaful Company Ltd., Karachi
Aggregate amount assets disposed off having book value less than Rs. 50,000	406,245	117,065	289,180	208,425	(80,755)	Negotiation	Various
	584,805	152,815	431,990	398,425	(33,565)		
Computers and accessories							
Aggregate amount assets disposed off having book value less than Rs. 50,000	42,000	4,200	37,800	30,100	(7,700)	Negotiation	Various
2015	**4,132,898**	**945,338**	**3,187,560**	**3,376,150**	**188,590**		
2014	350,701	46,822	303,879	510,104	206,225		

Notes To The Financial Statements
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5. INTANGIBLE ASSETS

	COST			ACCUMULATED AMORTISATION				WRITTEN DOWN VALUE
	As at 01 July 2014	Additions	As at 30 June 2015	Rate	As at 01 July 2014	Charge for the year	As at 30 June 2015	As at 30 June 2015
	(Rupees)				(Rupees)			
Software	4,672,141	1,402,547	6,074,688	25%	2,050,473	1,287,879	3,338,352	2,736,336
2015	**4,672,141**	**1,402,547**	**6,074,688**		**2,050,473**	**1,287,879**	**3,338,352**	**2,736,336**
2014	3,529,751	1,142,390	4,672,141		882,438	1,168,035	2,050,473	2,621,668

6. LONG-TERM INVESTMENT

	Note	2015	2014
		(Rupees)	
Subsidiary company, unquoted - at cost			
Al Shaheer Farms (Private) Limited 3,570,000 ordinary shares of Rs. 10 each	6.1	**35,700,000**	-

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

7. LONG-TERM DEPOSIT

	Note	2015	2014
		(Rupees)	
Cash margin against bank guarantees		**13,400,000**	-

8. DEFERRED TAX ASSET / (LIABILITY) - NET

	Note	2015	2014
Deferred tax assets on deductible temporary differences:			
Unabsorbed tax losses		**76,170,512**	23,404,665
Unused tax credits		**1,666,634**	-
Deferred liability – defined benefit plan		**3,677,126**	801,379
		81,514,272	24,206,044
Deferred tax liabilities on taxable temporary differences:			
Property, plant and equipment		**(8,689,932)**	(12,488,740)
Surplus on revaluation of fixed assets		**(21,207,361)**	(25,712,755)
		(29,897,293)	(38,201,495)
	8.1	**51,616,979**	(13,995,451)

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

9. STOCK-IN-TRADE

	Note	2015	2014
		(Rupees)	
Livestock		9,686,672	18,705,081
Finished goods		21,492,407	22,096,122
		31,179,079	40,801,203

10. TRADE DEBTS - Unsecured

	Note	2015	2014
Considered good			
Overseas		358,549,297	422,511,577
Local		168,796,507	79,018,940
	10.1 & 10.2	527,345,804	501,530,517
Considered doubtful			
Overseas		13,581,305	-
Local		8,895,561	-
		22,476,866	-
Less: Provision for doubtful debts	10.3	(22,476,866)	-
		527,345,804	501,530,517

10.1 These are non-interest bearing and generally on an average term of 30 days.
10.2 As of the balance sheet date, the ageing analysis of unimpaired trade debts are as follows:

	Neither past due nor impaired	Past due but not impaired			Total
		> 30 days up to 90 days	> 90 days up to 180 days	> 180 days up to 360 days	
	(Rupees)				
2015	366,476,491	133,054,043	1,128,586	26,686,684	527,345,804
2014	459,283,046	13,419,927	-	28,827,544	501,530,517

10.3 During the year, the Company has made a provision of Rs. 22.477 million against the long outstanding balances.

11. LOANS AND ADVANCES

	Note	2015	2014
		(Rupees)	
Considered good			
Secured			
Loans to employees:			
Executives		4,359,609	3,273,581
Employees		5,603,131	3,702,448
		9,962,740	6,976,029
Unsecured			
- suppliers		510,022,779	97,957,291
- employees against purchases	11.1	9,666,220	6,917,122
- service providers and other vendors		24,576,816	27,966,612
- others		79,195	1,112,408
		544,345,010	133,953,433
	11.2	554,307,750	140,929,462

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

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

Notes To The Financial Statements
FOR THE YEAR ENDED 30 JUNE 2015

12. SHORT-TERM DEPOSITS AND PREPAYMENTS

	Note	2015	2014
		(Rupees)	
Trade deposits		9,604,081	11,094,711
Prepayments			
- rent		8,363,568	6,944,220
- others		3,532,891	2,063,187
		11,896,459	9,007,407
		21,500,540	20,102,118

13. OTHER RECEIVABLES

	Note	2015	2014
Unsecured, considered good			
Sales tax receivables		33,286,920	14,435,724
Others	13.1	128,499,966	11,546,667
		161,786,886	25,982,391

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

14. CASH AND BANK BALANCES

	Note	2015	2014
		(Rupees)	
Cash in hand		12,547,961	17,246,280
With banks:			
Saving accounts - local currency	14.1	1,400,553	48,056
Current accounts			
- local currency	14.2	1,833,169,478	32,592,571
- foreign currency		50,875	-
		1,834,620,906	32,640,627
Book overdraft	14.3	(34,819,912)	(33,046,980)
		1,812,348,955	16,839,927

14.1 These carry profit at the rates ranging between 4% to 5% (2014: 5% to 6%) per annum.
14.2 Included herein Rs.1,781.250 million (2014: Nil) placed with a local bank in respect of the book building portion of the initial public offering (note 16).
14.3 Represents cheques issued during the year pending for clearances.

15. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2015	2014	Ordinary shares of Rs. 10 each	Note	2015	2014
Number of shares				(Rupees)	
4,940,675	1,500	Issued for cash	15.1	49,406,750	15,000
26,000,000	26,000,000	Issued for consideration other than cash		260,000,000	260,000,000
35,600,341	-	Issued as bonus shares	15.2	356,003,410	-
66,541,016	26,001,500			665,410,160	260,015,000

15.1 On 30 December 2014 and 16 February 2015, the Company has issued 2,745,759 and 2,193,416 ordinary shares of Rs. 10 each, at a right price of Rs. 69.23 and Rs. 72.72 per share, respectively. The amount received as consideration in excess of the face value was recorded as 'share premium'.

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

16. ADVANCE AGAINST ISSUE OF SHARES

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

17. SURPLUS ON REVALUATION OF FIXED ASSETS

	Note	2015	2014
		(Rupees)	
As at 01 July		267,524,432	23,958,635
Surplus on revaluation of fixed assets arising during the year		-	246,755,556
Transferred to unappropriated profit on account of:			
- incremental depreciation during the year		(30,003,848)	(3,189,759)
- disposal of fixed assets during the year		(11,005)	-
		237,509,579	267,524,432
Deferred tax			
As at 01 July		(25,712,755)	(26,193,372)
Deferred tax on incremental depreciation		4,505,394	480,617
		(21,207,361)	(25,712,755)
		216,302,218	241,811,677

18. LONG-TERM FINANCING

	Note	2015	2014
Diminishing Musharaka			
Summit Bank Limited	18.1	39,583,333	-
Askari Bank Limited	18.2	34,833,332	38,000,000
Dubai Islamic Bank Pakistan Limited	18.3	30,000,000	30,000,000
Habib Metropolitan Bank Limited	18.4	9,340,937	-
Standard Chartered Bank (Pakistan) Limited		-	73,333,336
		113,757,602	141,333,336
Less: current maturity shown under current liabilities		(77,684,637)	(36,124,996)
		36,072,965	105,208,340

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

18.2 The Company had obtained diminishing musharaka facility having a limit of Rs.38 million (2014: Rs. 50 million) for various fixed assets for a period of 4 years. It carries profit at the rate of 3 month KIBOR + 2% per annum. The facility is secured by exclusive charges of Rs. 51 million (2014: Rs. 67 million) over plant and machinery of the Company, in the name of a commercial bank. The musharaka units are to be purchased commencing from 27 February 2014 on the basis of percentages set out in the musharaka agreement

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

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

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19. DEFERRED LIABILITIES

	Note	2015	2014
		(Rupees)	
Deferred tax liability	8	-	13,995,451
Defined benefit plan - gratuity	19.1	18,054,095	13,205,550
		18,054,095	27,201,001
19.1 Staff gratuity	19.1.2	18,054,095	13,205,550

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 2015 using the Projected Unit Credit method.

19.1.1 Significant actuarial assumptions

The following are the significant actuarial assumptions used in the actuarial valuation:

	2015	2014
Expected rate of increase in salary (per annum)	8.25%	12.50%
Discount rate (per annum)	8.25%	12.50%
Expected mortality rate	70% of EFU	70% of EFU
	61-66 mortality table	61-66 mortality table
Expected withdrawal rate	Age Dependent	Age Dependent

	Note	2015	2014
		(Rupees)	
19.1.2 Movement in net liability / present value of defined benefits obligation			
As at 01 July		13,205,550	-
Charge for the year	19.1.3	7,354,685	14,126,050
Payments to outgoing employees		(2,321,180)	(920,500)
Remeasurement gain recognised in other comprehensive income		(184,960)	-
As at 30 June		18,054,095	13,205,550
19.1.3 Charge for the year			
Current service cost		5,849,065	2,590,585
Interest cost		1,505,620	514,401
		7,354,685	3,104,986
Past service cost	27	-	11,021,064
		7,354,685	14,126,050

19.1.4 Sensitivity analysis

A sensitivity analysis for the above principal actuarial assumptions as of the balance sheet date showing how the defined benefit obligation would have been affected by changes in the said assumptions is as follows:

	2015	
	1% Increase	1% Decrease
	(Rupees)	
Discount rate	(540,500)	580,360
Salary rate	574,863	(545,359)

19.1.5 Description of the risks to the Company

The defined benefit plan exposes the Company to the following risks:
Mortality risks - The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service/age distribution and the benefit.
Final salary risks - The risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.
Withdrawal risks – The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service/age distribution and the benefit.

20. TRADE AND OTHER PAYABLES

	Note	2015	2014
		(Rupees)	
Creditors:			
Trade		**157,399,455**	99,671,309
Non-trade		**54,306,242**	7,980,269
		211,705,697	107,651,578
Murabaha:			
Summit Bank Limited	20.1	**443,750,000**	-
Habib Metropolitan Bank Limited	20.2	**227,529,667**	168,250,000
Dubai Islamic Bank Pakistan Limited	20.3	**137,000,000**	40,000,000
Askari Bank Limited	20.4	**50,000,000**	50,000,000
Meezan Bank Limited	20.5	**30,000,000**	30,000,000
Standard Chartered Bank (Pakistan) Limited		**-**	198,739,999
		888,279,667	486,989,999
Accrued liabilities		**20,646,661**	20,549,575
Advance from customers		**27,219,267**	49,402,300
Witholding tax payable	13.1 & 20.6	**37,927,950**	2,162,612
Workers' Profits Participation Fund	20.7	**8,048,661**	11,261,709
Workers' Welfare Fund		**5,398,803**	2,340,312
Payable against purchase of capital work-in-progress		**43,100,419**	-
Retention money		**10,000,000**	-
Other payables		**10,339,799**	3,876,294
		1,262,666,924	684,234,379

20.1 During the year, the Company has obtained murabaha financing facility aggregating to Rs. 500 million, out of which Rs. 56.25 million remains unutilized as at balance sheet date. It carries profit at the rate of 6 months KIBOR + 1% per annum. Out of the total facility limit, Rs. 300 million is secured by equitable mortgage of land Survey No. 348 located at Deh Shah Mureed, Tappo Songal, Taluka & District West Gadap Town, Karachi, agricultural land Khewat No 114, Khatooni No 257, Khewat No 200, Khatooni No 436, Khewat No 217, Khatooni No 476 located at Mouza Hadaira, Tehsil Cantt, District Lahore, first exclusive charge of Rs. 20 million over receivables of the Company and ranking charge on specific plant and machinery installed at various locations.

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

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

20.3 Represents murabaha facility having a limit of Rs. 167 million (2014: 50 million), out of which Rs.30 million (2014: Nil) remains unutilized as at balance sheet date. Out of the total facility, Rs. 50 million is secured by the first registered pari passu hypothecation charge of Rs. 67 million over receivables including trade receivables with 25% margin. It carries profit at the rate of relevant KIBOR + 3% per annum.

Further, the facility of Rs. 30 million is secured against equitable mortgage over commercial property located at 5th floor, Mansoor Tower, Plot G5/5, Block 8, KDA Scheme 5, Clifton, Karachi. It carries profit at the rate of relevant KIBOR +3% per annum.

The remaining facility of Rs 87 million is secured by equitable mortgage over open land located at Plot 000134, Block-D, Phase 8CBW, DHA, Lahore. It carries profit at the rate of relevant KIBOR + 2.5% per annum. Furthermore, all the sub limits are secured by personal guarantees of the Chief Executive Officer and major shareholder along with personal net worth statement which has been provided to the bank.

Further, the facility is also secured against the personal guarantees of CEO and major shareholder.

20.4 Represents murabaha facility having a limit of Rs. 50 million (2014: 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 first pari passu hypothecation charge over all stocks and book debts of the Company, duly registered with SECP.

20.5 Represents murabaha facility having a limit of Rs. 130 million (2014: 30 million), out of which Rs. 100 million remains unutilized as at balance sheet date. It carries profit at the rate of 6 months KIBOR + 2% per annum, agreed at the time of disbursement. The facility is secured against equitable mortgage charge created (with 10% margin on market value) over Suit No. G/5/5, 4th Floor, Mansoor Tower, Block 8, Shahra-e-Roomi, Clifton, Karachi and hypothecation charge of Rs. 11.25 million over plant and machinery of the Company. In addition, any disbursement above Rs.30 million under this facility is secured by an equitable charge over residential / commercial property (in directors' / family members' / Company's name) including specifically, residential plot No 250/1-Phase VIII-DHA, Bungalow No 44/II-Phase VI-DHA, Plot 258-Phase VIII-DHA, and hypothecation charge over receivables of the Company with 25% margin.

20.6 Included herein witholding tax payable on bonus shares (note 13.1) and purchases amounting to Rs. 17.800 million and Rs. 11.183 million respectively.

20.7 Workers' Profits Participation Fund (WPPF)

	2015	2014
	(Rupees)	
As at 01 July	**11,261,709**	5,795,605
Charge for the year	**8,048,661**	4,739,045
Payments during the year	**(11,261,709)**	-
Interest on WPPF	**-**	727,059
As at 30 June	**8,048,661**	11,261,709

21. ACCRUED MARK-UP

	2015	2014
Accrued mark-up on:		
- Long-term financing	**541,031**	378,541
- Murabaha	**16,371,905**	15,391,988
	16,912,936	15,770,529

22. DUE TO A RELATED PARTY

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

23. CONTINGENCIES AND COMMITMENTS

	2015	2014
	(Rupees)	
23.1 Contingencies		
Guarantees issued by banks on behalf of the Company.	**28,000,000**	-
Post dated cheques	**66,418,962**	-
23.2 Commitments		
23.2.1 Capital expenditure commitments	**35,665,906**	29,967,000

23.2.2 Ijarah commitments

The Company has entered into Ijarah agreements with Dubai Islamic Bank Pakistan Limited in respect of purchase of vehicles for a period of three years. Ijarah payments due under these agreements are payable in monthly installments latest by May 2016. 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 year end are as follows:

	Note	2015	2014
		(Rupees)	
Within one year		**3,965,780**	3,048,276
One year to five years		**-**	5,407,632
		3,965,780	8,455,908

24. TURNOVER

	Note	2015	2014
Local sales		**1,281,778,846**	798,127,392
Sales discount		**(57,190,958)**	(30,733,016)
Sales return		**(7,847,163)**	(2,628,077)
		1,216,740,725	764,766,299
Export sales		**3,768,011,193**	3,673,542,732
		4,984,751,918	4,438,309,031

25. COST OF SALES

	Note	2015	2014
Livestock and meat cost			
Opening stock		**18,705,081**	27,368,108
Purchases		**3,403,651,731**	3,244,082,548
Recovery against livestock residuals - net		**(129,864,535)**	(116,452,474)
Closing stock		**(9,686,672)**	(18,705,081)
		3,282,805,605	3,136,293,101
Conversion cost			
Salaries, wages and other benefits	25.1	**74,741,448**	52,307,229
Electricity, diesel and related expenses		**52,557,128**	34,044,314
Repairs and maintenance		**16,933,900**	11,472,775
Depreciation	4.2	**41,698,235**	35,003,827
Cargo		**575,142,340**	534,073,055
Clearing, forwarding and freight		**35,530,300**	36,855,173
Packing material		**57,596,501**	41,326,183
Livestock food		**7,437,698**	10,090,694
Marination		**5,691,143**	4,699,256
Others		**10,881,214**	9,699,566
		878,209,907	769,572,072
Cost of goods available for sale		**4,161,015,512**	3,905,865,173
Finished goods and fuels and lubricants			
Opening stock		**28,296,260**	19,197,277
Closing stock		**(24,933,681)**	(28,296,260)
		3,362,579	(9,098,983)
		4,164,378,091	3,896,766,190

25.1 Included herein Rs. 7.355 million (2014: Rs. 3.105 million) in respect of staff retirement benefits.

Notes To The Financial Statements
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26. ADMINISTRATION AND DISTRIBUTION EXPENSES

	Note	2015	2014
		(Rupees)	
Salaries, wages and other benefits		**150,969,329**	98,263,230
Electricity, diesel and related expenses		**47,240,755**	30,547,278
Repair and maintenance		**5,523,588**	3,932,376
Fuel and vehicle maintenance		**24,112,679**	20,597,698
Travelling and conveyance		**13,662,098**	10,167,145
Telephone and communication		**12,727,886**	7,960,747
Marketing and advertisement		**75,050,406**	41,726,491
Rent, rates and taxes		**86,009,143**	51,194,336
Food		**13,907,080**	8,243,551
Depreciation	4.2	**45,961,165**	21,247,932
Amortization		**1,287,879**	1,168,035
Legal and professional		**9,922,204**	5,565,015
Donation	26.1	**13,186,382**	1,510,638
Office supplies		**7,640,299**	6,503,962
Postage and courier		**356,929**	191,509
Takaful		**3,142,729**	3,927,659
Staff welfare		**6,601,626**	4,288,675
Security		**378,255**	305,195
Training		**627,201**	538,635
Cleaning		**6,714,039**	5,791,643
Commission on credit card facilities		**4,005,209**	2,464,696
Shelf rentals		**2,742,621**	1,456,095
Auditors' remuneration	26.2	**2,100,225**	478,200
Ijarah rentals		**3,202,138**	25,343,816
Others		**6,905,431**	6,427,524
		543,977,296	359,842,081

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

26.2 Auditors' remuneration

	2015	2014
Audit fee - standalone	**650,000**	400,000
- consolidation	**250,000**	-
Half yearly audit	**475,000**	-
Certifications and other services	**562,740**	-
Out of pocket expenses	**162,485**	78,200
	2,100,225	478,200

27. OTHER EXPENSES

	Note	2015	2014
Workers' Welfare Fund		**3,058,491**	2,340,312
Workers' Profits Participation Fund	20.7	**8,048,661**	4,739,045
Provision for doubtful debts	10.3	**22,476,866**	-
Amortization of deferred loss on Ijarah		**-**	9,622,255
Past service cost on introduction of gratuity scheme		**-**	11,021,064
Others		**-**	162,130
		33,584,018	27,884,806

28. OTHER INCOME

	Note	2015	2014
		(Rupees)	
Income from financial assets			
Gain on forward contracts		**5,609,288**	3,232,872
Profit on saving accounts		**199,680**	29,689
		5,808,968	3,262,561
Income from assets other than financial assets			
Exchange gain - net		**12,958,513**	8,344,839
Liabilities no longer payable written back		**665,238**	-
Gain on disposal of property, plant and equipment	4.4	**188,590**	206,225
Others		**250,489**	83,162
		14,062,830	8,634,226
		19,871,798	11,896,787

29. FINANCE COSTS

	Note	2015	2014
Mark-up on long-term financing		**15,369,817**	6,690,804
Profit on murabaha		**62,365,365**	46,368,738
Interest on Workers' Profits Participation Fund (WPPF)	29.1	**-**	727,059
Bank charges		**17,516,658**	19,266,994
Others		**-**	4,957,611
		95,251,840	78,011,206

29.1 Represents interest on WPPF at the rate of average 6 months KIBOR + 2.5% per annum.

30. TAXATION

	Note	2015	2014
		(Rupees)	
Current		**33,344,656**	29,253,906
Prior years		**(59,184)**	(3,196,499)
		33,285,472	26,057,407
Deferred		**(62,738,532)**	(11,717,303)
	30.1	**(29,453,060)**	14,340,104

30.1 Relationship between tax charge and accounting profit

	2015	2014
Profit before tax	**167,432,471**	87,701,535
Tax at applicable tax rate of 33 percent (2014: 34 percent)	**55,252,715**	29,818,522
Tax effect of income under final tax regime	**(100,855,582)**	(16,984,974)
Provision against withholding tax on purchases	**3,690,655**	-
Deferred tax not recognized in prior years	**-**	5,429,885
Prior year charge	**(59,184)**	(3,196,499)
Effect of change in tax rate on opening deferred tax	**(424,105)**	54,299
Permanent differences	**11,768,872**	(781,129)
Others	**1,173,568**	-
	(29,453,060)	14,340,104
Average effective tax rate	**0%**	16.35%

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

Notes To The Financial Statements
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31 EARNINGS PER SHARE - basic and diluted

	Note	2015	2014
		(Rupees)	
Profit for the year (Rupees)		**196,885,531**	73,361,431
Weighted average number of ordinary shares of Rs. 10/- each - basic		**60,636,266**	55,229,767
Weighted average number of ordinary shares of Rs. 10/- each - diluted		**60,944,485**	55,229,767
Basic earnings per share (Rupees)	31.1	**3.25**	1.33
Diluted earnings per share (Rupees)	31.1 & 31.2	**3.23**	1.33

31.1 During the year, the Company has issued 115.06% bonus and right shares as stated in notes 15.1 and 15.2 to these financial statements, which has resulted in restatement of basic and diluted earnings per share for the year ended 30 June 2014.

31.2 Diluted earnings per share include the effect of advance received against issue of shares in respect of book building portion of the initial public offering (note 16).

32. REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements in expenses and included in capital expenditure for the year in respect of remuneration, including benefit, to the Chief Executive, Directors and Executives of the Company are as follows:

	Chief Executive		Directors		Executives	
	2015	2014	2015	2014	2015	2014
			(Rupees)			
Managerial remuneration	**12,000,000**	-	**-**	-	**67,361,429**	39,059,295
Board fee	**-**	-	**1,275,000**	-	**-**	-
	12,000,000	-	**1,275,000**	-	**67,361,429**	39,059,295
Number of person	**1**	1	**7**	5	**34**	21

33. TRANSACTIONS WITH RELATED PARTIES

The related parties include group companies, retirement benefit funds, companies where directors also hold directorship, directors and key management personnel. Transactions with related parties other than remuneration and benefits to key management personnel are as follows:

The related party status of outstanding balances as at 30 June 2014 and 2015 are disclosed in respective notes to these financial statements, wherever applicable.

	2015	2014
	(Rupees)	
Nature of transaction		
Existing shareholders		
Issue of right shares at premium	**349,594,108**	-
Issue of bonus shares	**356,003,410**	-
Subsidiary Company		
Investment made during the year	**35,700,000**	-
Payments made on behalf of the Subsidiary Company (subsequently reimbursed)	**54,943,664**	-

34. INFORMATION ABOUT OPERATING SEGMENT

For management purposes, the activities of the Company are organized into business units based on their products. Accordingly, the Company has two reportable operating segments as follows:

- The export segment, which is engaged in exports; and
- The retail segment, which is engaged in local sales through retail outlets.

The management monitors the operating results of its business units separately 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.

	2015		
	Export Division	Retail Division	Total
Turnover - net	3,768,011,193	1,216,740,725	4,984,751,918
Segment results	389,870,099	(62,268,479)	327,601,620
Unallocated expenses / income	-	-	(130,716,089)
Segment assets	2,147,172,324	428,973,161	2,576,145,485
Unallocated assets	-	-	1,799,050,200
Total assets	2,147,172,324	428,973,161	4,375,195,685
Segment liabilities	336,081,208	38,559,943	374,641,151
Unallocated liabilities	-	-	2,833,484,295
Total liabilities	336,081,208	38,559,943	3,207,925,446
Capital expenditure	129,286,504	55,393,464	184,679,968
Unallocated capital expenditure	-	-	-
Total capital expenditure	129,286,504	55,393,464	184,679,968
Depreciation and amortisation	54,358,131	34,589,148	88,947,279
Unallocated depreciation and amortisation	-	-	-
Total depreciation	54,358,131	34,589,148	88,947,279

Non-current assets of the Company are confined within Pakistan and consist of property, plant and equipment, intangible assets, long-term investment and deposit.

No customer of the Company constitutes more than 10% of the Company's total revenue related to aforesaid segments.

Segment assets and liabilities

Segment assets include all operating assets by a segment and consist principally of property, plant and equipment, stock-in-trade and trade debts. Segment liabilities include all operating liabilities and consist principally of trade and other payables.

Administrative costs, distribution costs (excluding cartage and freight), other income, finance costs, other expenses and taxation is managed on the Company basis and are not allocated to operating segments.

Notes To The Financial Statements
FOR THE YEAR ENDED 30 JUNE 2015

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

35.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity risk. The sensitivity analysis in the following sections relate to the position as at 30 June 2015 and 2014.

35.1.1 Interest rate

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

Sensitivity analysis

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

	Increase / decrease in basis points	Effect on profit before tax Rupees
2015	**+100**	**(10,020,373)**
	-100	**10,020,373**
2014	+100	(8,336,097)
	-100	8,336,097

35.1.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign currency exchange rates risk primarily relates to the Company's operating activities i.e. bank accounts and receivables / payables in foreign currencies. The Company manages its foreign currency risk by effective fund management and taking forward contracts.

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar exchange rate. As at June 30, 2015 and 2014, if Pakistani Rupee (Pak Rupee) had weakened / strengthened by 10 percent against the US Dollar, with all other variables held constant, on the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) are as follows:

	Increase / decrease in US Dollar to Pak	Effect on profit before tax
	(Rupees)	
2015	**+10%**	**37,352,389**
	-10%	**(37,352,389)**
2014	+10%	37,310,928
	-10%	(37,310,928)

35.1.3 Other price risk

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

35.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharging an obligation. Out of the financial assets of Rs. 3,078.793 million (2014: Rs.696.377 million) the financial assets which are subject to credit risk amounted to Rs.2,906.909 million (2014: Rs.655.495 million). The Company's credit risk is primarily attributable to its trade debts, advances to suppliers/vendors, other receivables and bank balances. The Company has a large number of customers, including local and overseas corporate and individuals, due to large number and diversity of its customer base, concentration of credit risk with respect to trade debts and other receivables is limited. The Company minimize its credit exposure on advances to suppliers / vendors, who have long standing with the Company and with bank balances having good credit ratings.

The credit quality of financial assets that are past due but not impaired is disclosed in note 10 to these financial statements. As at balance sheet date, there are no financial assets that would otherwise be past due or impaired whose terms have been renegotiated. The Company monitors the credit policy of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying values of financial assets which are neither past due nor impaired are as under:

	Note	Carrying value 2015	Carrying value 2014
		(Rupees)	
Long-term deposit	7	13,400,000	-
Trade debts	10	366,476,491	459,283,046
Loans and advances	11	554,307,750	140,929,462
Short-term deposits	12	9,604,081	11,094,711
Other receivables	13	128,499,966	11,546,667
Bank balances	14	1,834,620,906	32,640,627
		2,906,909,194	655,494,513

The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

Bank Balances by short-term rating category	Rating Agency	2015 Rupees
A1+	PACRA	1,450,488
A-1+	JCS-VIS	50,282,429
A1	PACRA	62,242
A-1	JCS-VIS	1,782,805,838
A-2	JCS-VIS	19,909
		1,834,620,906

35.3 Liquidity Risk

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

The table below summarises the maturity profile of the Company's financial liabilities at June 30, 2015 and 2014 based on contractual undiscounted payment dates and present market interest rates:

	On demand	Less than 3 months	3 to 12 months	1 to 5 Years	More than 5 years	Total
			(Rupees)			
2015						
Long-term financing	**-**	**19,421,160**	**58,263,477**	**36,072,965**	**-**	**113,757,602**
Trade and other payables	**-**	**1,176,291,509**	**48,447,465**	**-**	**-**	**1,224,938,974**
Accrued mark-up	**-**	**16,912,936**	**-**	**-**	**-**	**16,912,936**
Due to a related party	**15,283,889**	**-**	**-**	**-**	**-**	**15,283,889**
	15,283,889	**1,212,625,605**	**106,710,942**	**36,072,965**	**-**	**1,370,893,401**

	On demand	Less than 3 months	3 to 12 months	1 to 5 Years	More than 5 years	Total
			(Rupees)			
2014						
Long-term financing	-	9,031,249	27,093,747	105,208,340	-	141,333,336
Trade and other payables	-	668,469,746	13,602,021	-	-	682,071,767
Accrued mark-up	-	15,770,529	-	-	-	15,770,529
Due to a related party	92,522,542	-	-	-	-	92,522,542
	92,522,542	693,271,524	40,695,768	105,208,340	-	931,698,174

35.4 Fair value

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

35.5 Capital management

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

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. The Company monitors capital using a debt equity ratio, which is net debt divided by total capital plus net debt. Equity comprises of share capital and reserves. The gearing ratio as at 30 June 2015 and 2014 are as follows:

Notes To The Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015	2014
		(Rupees)	
Long-term financing	18	**113,757,602**	141,333,336
Trade and other payables	20	**1,262,866,924**	684,234,379
Accrued markup	21	**16,912,936**	15,770,529
Due to a related party	22	**15,283,889**	92,522,542
Total Debts		**1,408,621,351**	933,860,786
Less: Cash and bank balances	14	**1,812,348,955**	16,839,927
Net debt		**(403,727,604)**	917,020,859
Share capital		**665,410,160**	260,015,000
Reserves		**285,557,861**	155,959,348
Total equity		**950,968,021**	415,974,348
Total capital and net debt		**547,240,417**	1,332,995,207
Gearing ratio		**0%**	70%

36. CORRESPONDING FIGURES

Certain corresponding figures have been reclassified for the purpose of better presentation and comparison. Significant reclassifications made during the year are as follows:

Component	From	Notes to the financial statements 2014	To	Rupees
Balance Sheet	**Loans and advances** Advances - to parties	9	**Short-term deposits and prepayments** Short-term prepayments - rent	6,944,220
Balance Sheet	**Loans and advances** Advances - to parties	9	**Property, plant and equipment** Capital work-in-progress	20,857,451
Balance Sheet	**Other receivables** Receivable from agent	10	**Loans and advances** Unsecured advances - to employees against purchases	6,917,122
Balance Sheet	**Long-term deposits** Long-term deposits		**Short-term deposits and prepayments** Short-term deposits	11,094,711
Balance Sheet	**Other receivables** Others	10	**Trade debts** Local debtors	6,305,803
Balance Sheet	**Trade and other payables** Book overdraft	18	**Cash and bank balances** Book overdraft	33,046,980
Balance Sheet	**Trade and other payables** Other payables Other payables	18 18	**Trade and other payables** Withholding tax payable Creditors - non trade	1,071,943 7,980,269
Balance Sheet	**Stock-in-trade** Finished goods	7	**Fuels and lubricants**	6,200,138
Profit and loss	**Other expenses** Ijarah rentals	25	**Administration and distribution expenses** Ijarah rentals	25,343,816

Notes To The Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

37. NUMBER OF PERSONS EMPLOYED

	Note	2015	2014
		(Rupees)	
Persons employed as of 30 June		**642**	524
Average persons employed during the year		**543**	429

38. DATE OF AUTHORISATION FOR ISSUE

The Board of Directors of the Company authorised these financial statements for issue on October 7, 2015.

39. GENERAL

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

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

Chief Executive

Director

Consolidated Financial Statements 2015

Auditors' report on consolidated financial statements to the Members

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of **Al Shaheer Corporation Limited (the Holding Company)** and its subsidiary company namely Al Shaheer Farms (Private) Limited (togather referred to as Group) as at **30 June 2015** and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinion on the financial statements of Holding Company and its subsidiary company. These financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of the Holding Company and its subsidiary company as at **30 June 2015** and the results of their operations for the year then ended.

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Karachi

Dated: October 7, 2015

Name of the Engagement Partner: Shariq Ali Zaidi

Consolidated Balance Sheet

AS AT 30 JUNE 2015

	Note	2015	2014
		(Rupees)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	**1,193,674,095**	1,062,347,125
Intangible assets	6	**2,736,336**	2,621,668
		1,196,410,431	1,064,968,793
Long-term deposit	7	**13,400,000**	-
Deferred tax asset	8	**51,616,979**	-
		1,261,427,410	1,064,968,793
CURRENT ASSETS			
Fuels and lubricants		**3,441,275**	6,200,138
Stock-in-trade	9	**31,179,079**	40,801,203
Trade debts	10	**527,345,804**	501,530,517
Loans and advances	11	**559,322,483**	140,929,462
Short-term deposits and prepayments	12	**21,500,540**	20,102,118
Other receivables	13	**161,786,886**	25,982,391
Taxation - net		**28,428,346**	12,963,942
Cash and bank balances	14	**1,812,353,955**	16,839,927
		3,145,358,368	765,349,698
TOTAL ASSETS		**4,406,785,778**	1,830,318,491
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
150,000,000 (2014: 50,000,000) ordinary shares of Rs. 10/- each		**1,500,000,000**	500,000,000
Issued, subscribed and paid-up capital	15	**665,410,160**	260,015,000
Unappropriated profit		**284,073,808**	155,959,348
		949,483,968	415,974,348
Non-controlling interest		**32,874,146**	-
		982,358,114	415,974,348
Advance against issue of shares	16	**1,781,250,000**	211,470,679
Surplus on revaluation of fixed assets	17	**216,302,218**	241,811,677
NON-CURRENT LIABILITIES			
Long-term financing	18	**36,072,965**	105,208,340
Deferred liabilities	19	**18,054,095**	27,201,001
		54,127,060	132,409,341
CURRENT LIABILITIES			
Trade and other payables	20	**1,262,866,924**	684,234,379
Accrued mark-up	21	**16,912,936**	15,770,529
Current portion of long-term financing	18	**77,684,637**	36,124,996
Due to a related party	22	**15,283,889**	92,522,542
		1,372,748,386	828,652,446
TOTAL EQUITY AND LIABILITIES		**4,406,785,778**	1,830,318,491
CONTINGENCIES AND COMMITMENTS	23		

The annexed notes 1 to 38 form an integral part of these consolidated financial statem

Chief Executive

Director

Consolidated Profit and Loss Account

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015	2014
		(Rupees)	
Turnover - net	24	**4,984,751,918**	4,438,309,031
Cost of sales	25	**(4,164,378,091)**	(3,896,766,190)
Gross profit		**820,373,827**	541,542,841
Administration and distribution expenses	26	**(546,887,203)**	(359,842,081)
Other expenses	27	**(33,584,018)**	(27,884,806)
		(580,471,221)	(387,726,887)
Operating profit		**239,902,606**	153,815,954
Other income	28	**19,871,798**	11,896,787
Finance costs	29	**(95,251,840)**	(78,011,206)
Profit before tax		**164,522,564**	87,701,535
Taxation	30	**29,453,060**	(14,340,104)
Profit for the year		**193,975,624**	73,361,431
Attributable to:			
Owners of the Holding Company		**195,401,478**	73,361,431
Non-controlling interests		**(1,425,854)**	-
		193,975,624	73,361,431
Earnings per share – basic	31	**3.20**	1.33
Earnings per share – diluted	31	**3.18**	1.33

The annexed notes 1 to 38 form an integral part of these consolidated financial statements.

Chief Executive

Director

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015	2014
		(Rupees)	
Profit for the year		**193,975,624**	73,361,431
Other comprehensive income:			
Other comprehensive income not to be reclassified to profit and loss account in subsequent years			
Remeasurement gain on defined benefit plan	19.1.2	**184,960**	-
Deferred tax		**(59,187)**	-
Other comprehensive income for the year, net of tax		**125,773**	-
Total comprehensive income for the year		**194,101,397**	73,361,431
Attributable to:			
Owners of the Holding Company		**195,527,251**	73,361,431
Non-controlling interests		**(1,425,854)**	-
		194,101,397	73,361,431

The annexed notes 1 to 38 form an integral part of these consolidated financial statements.

Chief Executive

Director

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015	2014
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**164,522,564**	87,701,535
Adjustments for:			
Depreciation	5.2	**87,659,400**	56,251,759
Amortisation	6	**1,287,879**	1,168,035
Provision for doubtful debts	10.3	**22,476,866**	
Gain on disposal of property, plant and equipment	28	**(188,590)**	(206,225)
Amortization of deferred loss on Ijarah		**-**	9,622,255
Workers' Profits Participation Fund (WPPF)	27	**8,048,661**	4,739,045
Workers' Welfare Fund	27	**3,058,491**	2,340,312
Gratuity	19.1.3	**7,354,685**	14,126,050
Finance costs	29	**95,251,840**	78,011,206
		224,949,232	166,052,437
Operating profit before working capital changes		**389,471,796**	253,753,972
Decrease / (increase) in current assets:			
Fuels and lubricants		**2,758,863**	(97,144)
Stock-in-trade		**9,622,124**	(338,812)
Trade debts		**(48,292,154)**	(207,432,658)
Loans and advances		**(418,393,021)**	(51,352,390)
Short-term deposits and prepayments		**(1,398,422)**	(10,746,142)
Other receivables		**(135,804,496)**	(27,428,191)
		(591,507,106)	(297,395,337)
Increase / (decrease) in current liabilities:			
Trade and other payables		**535,686,683**	293,389,756
Due to a related party		**(77,238,653)**	34,702,368
		458,448,030	328,092,124
Cash flows generated from operations		**256,412,720**	284,450,759
Long-term deposit - net		**(13,400,000)**	-
Tax paid		**(48,749,876)**	(27,961,998)
Gratuity paid	19.1.2	**(2,321,180)**	(920,500)
WPPF paid	20.7	**(11,261,709)**	-
Net cash flows generated from operating activities		**180,679,955**	255,568,261
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
- property, plant and equipment		**(50,082,464)**	(177,539,772)
- capital work-in-progress		**(128,991,047)**	(194,856,216)
- intangible assets	6	**(1,402,547)**	(1,142,390)
Sale proceeds from disposal of property, plant and equipment	5.4	**3,376,150**	510,104
Net cash flows used in investing activities		**(177,099,908)**	(373,028,274)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares to shareholders of the Holding Company		**349,594,108**	-
Proceeds from issue of shares to non-controlling interests		**34,300,000**	-
Advance against issue of shares - net		**1,569,779,321**	82,799,999
Share issue costs paid		**(40,054,283)**	
Long-term financing - net		**(27,575,734)**	110,232,607
Finance costs paid		**(94,109,431)**	(62,240,677)
Net cash flows generated from financing activities		**1,791,933,981**	130,791,929
Net increase in cash and cash equivalents		**1,795,514,028**	13,331,916
Cash and cash equivalents at the beginning of the year	14	**16,839,927**	3,508,011
Cash and cash equivalents at the end of the year	14	**1,812,353,955**	16,839,927

The annexed notes 1 to 38 form an integral part of these consolidated financial statements.

Chief Executive

Director

Consolidated Statement of Changes in Equity

AS AT 30 JUNE 2015

	Issued, subscribed and paid-up capital	Capital reserve Share premium	Revenue reserve Unappropriated profit	Non-controlling interests	Total
	(Rupees)				
As at 01 July 2013	260,015,000	-	79,408,158	-	339,423,158
Profit for the year	-	-	73,361,431	-	73,361,431
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	73,361,431	-	73,361,431
Surplus on revaluation of fixed assets realised on account of incremental depreciation charged on related assets, net of deferred tax (note 17)	-	-	3,189,759	-	3,189,759
As at 30 June 2014	260,015,000	-	155,959,348	-	415,974,348
Profit for the year	-	-	195,401,478	(1,425,854)	193,975,624
Other comprehensive income for the year, net of tax	-	-	125,773		125,773
Total comprehensive income for the year	-	-	195,527,251	(1,425,854)	194,101,397
Issue of right shares (note 15.1)					
- 2,745,759 shares at a premium of Rs. 59.23 per share	27,457,590	162,631,306	-	-	190,088,896
- 2,193,416 shares at a premium of Rs. 62.72 per share	21,934,160	137,571,052	-	-	159,505,212
	49,391,750	300,202,358	-	-	349,594,108
Issue of 35,600,341 bonus shares at 115.06% (note 15.2)	356,003,410	(300,202,358)	(55,801,052)	-	-
Shares issued to non-controlling interests (note 1.2)	-	-	-	34,300,000	34,300,000
Surplus on revaluation of fixed assets realised on account of incremental depreciation charged on related assets, net of deferred tax (note 17)	-	-	25,509,459	-	25,509,459
Share issue costs, net of deferred tax (note 1.1 & note 17)	-	-	(37,121,198)	-	(37,121,198)
As at 30 June 2015	665,410,160	-	284,073,808	32,874,146	982,358,114

The annexed notes 1 to 38 form an integral part of these consolidated financial statements.

Chief Executive

Director

Notes To The Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

1. LEGAL STATUS AND OPERATIONS OF THE GROUP

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

1.1 the Holding Company

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

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

1.2 the Subsidiary Company

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

2. STATEMENT OF COMPLIANCE

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

3. BASIS OF PREPARATION

These consolidated financial statements have been prepared under the historical cost convention except for certain items of property, plant and equipment which are stated at revalued amounts (note 5.1) and defined benefit plan carried at present value (note 19.1).

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of consolidation

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

Subsidiaries

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

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

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

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

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

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

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

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

4.2 Standards, amendments and interpretations adopted during the year

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

New, revised and amended standards and interpretations

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

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

Improvements to the accounting standards issued by the IASB

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

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

4.3 Significant accounting judgments, estimates and assumptions

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

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

Property, plant and equipment and Intangible assets

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

Surplus on revaluation of fixed assets

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

Trade debts

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

Purchases

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

Taxation

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

Post retirement benefits

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

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

4.4 Property, plant and equipment

Owned

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

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

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

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

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

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

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

Capital work-in-progress

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

4.5 Intangible assets

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

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

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

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

4.6 Investments

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

Held-to-maturity investments

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

Notes To The Consolidated Financial Statements
FOR THE YEAR ENDED 30 JUNE 2015

At fair value through profit or loss

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

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

Available-for-sale investments

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

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

4.7 Fuels and lubricants

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

4.8 Stock-in-trade

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

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

The stock comprise of livestock and finished goods.

4.9 Trade debts

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

4.10 Impairment

Financial assets

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

Non-financial assets

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

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

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

4.11 Loans, advances and other receivables

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

4.12 Cash and cash equivalents

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

4.13 Surplus on revaluation of fixed assets

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

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

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

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

4.14 Post retirement benefits - defined benefit plan

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

Notes To The Consolidated Financial Statements
FOR THE YEAR ENDED 30 JUNE 2015

4.15 Taxation

Current

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

Deferred

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

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

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

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

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

4.16 Trade and other payables

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

4.17 Ijarah contracts

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

Sales and leaseback on Ijarah

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

4.18 Provisions

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

4.19 Foreign currency translations

Foreign currency transactions are translated into Pak Rupees (functional currency) using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are taken to profit and loss currently.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

4.20 Financial instruments

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

4.21 Offsetting of financial assets and financial liabilities

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

4.22 Revenue recognition

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

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

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

4.23 Functional and presentation currency

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

4.24 Segment reporting

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

4.25 Borrowing costs

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

4.26 Dividend and appropriation of reserves

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

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

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

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

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

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

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

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

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

Notes To The Consolidated Financial Statements

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5. PROPERTY, PLANT AND EQUIPMENT

	Note	2015	2014
		(Rupees)	
Operating fixed assets	5.1	707,398,013	723,386,111
Capital work-in-progress	5.3	486,276,082	338,961,014
		1,193,674,095	1,062,347,125

5.1 Operating fixed assets

	Note	GROSS CARRYING VALUE					
		As at 01 July 2014	Additions / Transfer **	Revaluations	(Disposals)	As at 30 June 2015	Years
		(Rupees)					
Owned							
Freehold land	5.1.1	77,941,473	-	-	-	77,941,473	-
Building	5.1.1	152,562,498	2,433,038	-	-	154,995,536	3-5
Plant and machinery	5.1.1	222,326,924	16,666,336	-	-	238,993,260	3-5
Furniture and fixture	5.1.1	102,613,204	12,639,678	-	-	115,252,882	5
Motor vehicles		58,535,819	13,955,086	-	(3,506,093)	68,984,812	3-5
Office equipment	5.1.1	97,478,594	26,622,521	-	(584,805)	123,516,310	5
Tools and equipment	5.1.1	19,757,025	866,875	-	-	20,623,900	3-5
Computers and accessories		8,835,954	1,675,328	-	(42,000)	10,469,282	3
	2015	**740,051,491**	**74,858,862**	**-**	**(4,132,898)**	**810,777,455**	

	Note	GROSS CARRYING VALUE					
		As at 01 July 2013	Additions / Transfer **	Revaluations	(Disposals)	As at 30 June 2014	Years
		(Rupees)					
Owned							
Freehold land	5.1.1	25,375,000	50,050,248	2,516,225	-	77,941,473	-
Building	5.1.1	102,504,930	20,471,606	29,585,962	-	152,562,498	3-5
Plant and machinery	5.1.1	111,011,033	22,335,004	88,980,887	-	222,326,924	3-5
Furniture and fixture	5.1.1	51,421,365	43,920,816	7,271,023	-	102,613,204	5
Motor vehicles		42,613,327	16,273,193	-	(350,701)	58,535,819	3-5
Office equipment	5.1.1	49,784,775	17,538,585	30,155,234	-	97,478,594	5
Tools and equipment	5.1.1	8,572,369	4,308,040	6,876,616	-	19,757,025	3-5
Computers and accessories		6,193,674	2,642,280	-	-	8,835,954	3
	2014	**397,476,473**	**177,539,772**	**165,385,947**	**(350,701)**	**740,051,491**	

* Included herein assets costing Rs. 11.279 million under diminishing musharaka arrangements.
**Included herein assets transferred from capital work-in-progress to operating fixed assets.

Notes To The Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

		ACCUMULATED DEPRECIATION					NET BOOK VALUE
		As at 01 July 2014	Charge for the year	(On disposals)	(On revaluations)	As at 30 June 2015	As at 30 June 2015
		(Rupees)					
Owned							
Freehold land	5.1.1	-	-	-	-	-	77,941,473
Building	5.1.1	-	17,699,492	-	-	17,699,492	137,296,044
Plant and machinery	5.1.1	-	25,490,061	-	-	25,490,061	213,503,199
Furniture and fixture	5.1.1	-	12,635,722	-	-	12,635,722	102,617,160
Motor vehicles	5.1.1	15,125,549	9,207,833	(788,323)	-	23,545,059	45,439,753
Office equipment	5.1.1	-	19,401,701	(152,815)	-	19,248,886	104,267,424
Tools and equipment	5.1.1	-	2,272,801	-	-	2,272,801	18,351,099
Computers and accessories	5.1.1	1,539,831	951,790	(4,200)	-	2,487,421	7,981,861
	2015	**16,665,380**	**87,659,400**	**(945,338)**	**-**	**103,379,442**	**707,398,013**

		ACCUMULATED DEPRECIATION					NET BOOK VALUE
		As at 01 July 2013	Charge for the year	(On disposals)	(On revaluations)	As at 30 June 2014	As at 30 June 2014
		(Rupees)					
Owned							
Freehold land	5.1.1	-	-	-	-	-	77,941,473
Building	5.1.1	10,250,493	12,297,654	-	(22,548,147)	-	152,562,498
Plant and machinery	5.1.1	11,101,103	13,334,604	-	(24,435,707)	-	222,326,924
Furniture and fixture	5.1.1	5,142,137	9,532,118	-	(14,674,255)	-	102,613,204
Motor vehicles	5.1.1	6,391,998	8,780,373	(46,822)	-	15,125,549	43,410,270
Office equipment	5.1.1	7,467,716	10,098,505	-	(17,566,221)	-	97,478,594
Tools and equipment	5.1.1	857,237	1,288,041	-	(2,145,278)	-	19,757,025
Computers and accessories	5.1.1	619,367	920,464	-	-	1,539,831	7,296,123
	2014	**41,830,051**	**56,251,759**	**(46,822)**	**(81,369,608)**	**16,665,380**	**723,386,111**

5.1.1 The Holding Company had carried out a revaluation exercise through an independent valuer namely Sadruddin Associates (Private) Limited on 30 June 2014. The revaluation had resulted in surplus on freehold land of Rs. 2.516 million, building of Rs. 52.134, plant and machinery of Rs. 113.417 million, furniture and fixtures of Rs. 21.945 million, office equipment of Rs. 47.721 million, and tools and equipment of Rs. 9.022 million, over their cost of Rs. 23.375 million, Rs. 102.505 million, Rs. 111.011 million, Rs. 8.572 million, Rs. 49.785 million and Rs. 51.421 million, respectively. Had these assets not been revalued, net book value of such assets would be as follows:

	Note	2015	2014
		(Rupees)	
Freehold land		**75,425,248**	75,425,248
Building		**83,072,207**	92,081,945
Plant and machinery		**109,832,757**	107,008,477
Furniture and fixtures		**84,927,399**	82,608,170
Office equipment		**60,601,568**	45,574,827
Tools and equipment		**8,481,914**	8,735,725

5.2 Depreciation for the year has been allocated as follows:

	Note	2015	2014
Cost of sales	25	**41,698,235**	35,003,827
Administrative and distribution expenses	26	**45,961,165**	21,247,932
		87,659,400	56,251,759

5.3 Capital work-in-progress

	Note	2015	2014
Land		**38,535,046**	12,012,500
Civil works	5.3.2	**65,407,917**	5,044,276
Equipment and machinery		**209,089,384**	231,959,063
Advance to suppliers and contractors		**157,538,905**	74,240,345
Intangible asset under development		**15,704,830**	15,704,830
		486,276,082	338,961,014

5.3.1 The movement in capital work-in-progress is as follows:

	Land	Civil works	Equipment and machinery	Advance to suppliers and contractors	Intangible assets under development	Total
	(Rupees)					
As at 01 July 2014	12,012,500	5,044,276	231,959,063	74,240,345	15,704,830	338,961,014
Addition during the year	26,522,546	60,895,641	1,374,719	83,298,560	-	172,091,466
Transfers to operating fixed assets	-	(532,000)	(24,244,398)	-	-	(24,776,398)
As of 30 June 2015	**38,535,046**	**65,407,917**	**209,089,384**	**157,538,905**	**15,704,830**	**486,276,082**

5.3.2 Included herein Rs. 60.896 million in respect of construction work carried out for the farms being developed by the Subsidiary Company in Badeen village on the land being purchased by the Holding Company. As of the balance sheet date, the Holding Company has paid an advance for the said land. However, the legal titile has not yet transferred.

5.4 The details of operating fixed assets disposed off during the year are as follows:

	Gross carrying value	Accumulated depreciation	Written down value	Net sale proceeds	Gain on disposals	Mode of disposal	Particulars of buyers
	(Rupees)						
Owned							
Motor vehicles							
Suburban	2,240,000	336,000	1,904,000	1,737,625	(166,375)	Negotiation	Owais Hashmi, Saudi Arabia
Toyota Belta	828,500	321,045	507,455	750,000	242,545	Negotiation	Junaid Motors, Karachi
Daihatsu - Mira	437,593	131,278	306,315	460,000	153,685	Negotiation	Junaid Motors, Karachi
	3,506,093	788,323	2,717,770	2,947,625	229,855		
Office equipment							
Generator	178,560	35,750	142,810	190,000	47,190	Insurance claim	Pak-Kuwait Takaful Company Ltd., Karachi
Aggregate amount assets disposed off having book value less than Rs. 50,000	406,245	117,065	289,180	208,425	(80,755)	Negotiation	Various
	584,805	152,815	431,990	398,425	(33,565)		
Computers and accessories							
Aggregate amount assets disposed off having book value less than Rs. 50,000	42,000	4,200	37,800	30,100	(7,700)	Negotiation	Various
2015	**4,132,898**	**945,338**	**3,187,560**	**3,376,150**	**188,590**		
2014	**350,701**	**46,822**	**303,879**	**510,104**	**206,225**		

6. INTANGIBLE ASSETS

	COST			ACCUMULATED AMORTISATION				WRITTEN DOWN VALUE
	As at 01 July 2014	Additions	As at 30 June 2015	Rate	As at 01 July 2014	Charge for the year	As at 30 June 2015	As at 30 June 2015
	(Rupees)							
Software	4,672,141	1,402,547	6,074,688	25%	2,050,473	1,287,879	3,338,352	2,736,336
2015	**4,672,141**	**1,402,547**	**6,074,688**		**2,050,473**	**1,287,879**	**3,338,352**	**2,736,336**
2014	3,529,751	1,142,390	4,672,141		882,438	1,168,035	2,050,473	2,621,668

7. LONG-TERM DEPOSIT

	Note	2015	2014
		(Rupees)	
Cash margin against bank guarantees		13,400,000	-

8. DEFERRED TAX ASSET / (LIABILITY) - NET

	Note	2015	2014
Deferred tax assets on deductible temporary differences:			
Unabsorbed tax losses		76,170,512	23,404,665
Unused tax credits		1,666,634	-
Deferred liability – defined benefit plan		3,677,126	801,379
		81,514,272	24,206,044
Deferred tax liabilities on taxable temporary differences:			
Property, plant and equipment		(8,689,932)	(12,488,740)
Surplus on revaluation of fixed assets		(21,207,361)	(25,712,755)
		(29,897,293)	(38,201,495)
	8.1	51,616,979	(13,995,451)

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

9. STOCK-IN-TRADE

	Note	2015	2014
		(Rupees)	
Livestock		9,686,672	18,705,081
Finished goods		21,492,407	22,096,122
		31,179,079	40,801,203

10. TRADE DEBTS - Unsecured

	Note	2015	2014
Considered good			
Overseas		358,549,297	422,511,577
Local		168,796,507	79,018,940
	10.1 & 10.2	527,345,804	501,530,517
Considered doubtful			
Overseas		13,581,305	-
Local		8,895,561	-
		22,476,866	-
Less: Provision for doubtful debts	10.3	(22,476,866)	-
		527,345,804	501,530,517

10.1 These are non-interest bearing and generally on an average term of 30 days.
10.2 As of the balance sheet date, the ageing analysis of unimpaired trade debts are as follows:

	Past due but not impaired				
	Neither past due nor impaired	> 30 days up to 90 days	> 90 days up to 180 days	> 180 days up to 360 days	Total
	(Rupees)				
2015	366,476,491	133,054,043	1,128,586	26,686,684	527,345,804
2014	459,283,046	13,419,927	-	28,827,544	501,530,517

10.3 During the year, the Holding Company has made a provision of Rs. 22.477 million against the long outstanding balances.

11. LOANS AND ADVANCES

	Note	2015	2014
		(Rupees)	
Considered good			
Secured			
Loans to employees:			
Executives		4,359,609	3,273,581
Employees		5,603,131	3,702,448
		9,962,740	6,976,029
Unsecured			
- suppliers		510,022,779	97,957,291
- employees against purchases	11.1	9,666,220	6,917,122
- service providers and other vendors		24,576,816	27,966,612
- others		5,093,928	1,112,408
		549,359,743	133,953,433
	11.2	559,322,483	140,929,462

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

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

12. SHORT-TERM DEPOSITS AND PREPAYMENTS

	Note	2015	2014
		(Rupees)	
Trade deposits		9,604,081	11,094,711
Prepayments			
- rent		8,363,568	6,944,220
- others		3,532,891	2,063,187
		11,896,459	9,007,407
		21,500,540	20,102,118

13. OTHER RECEIVABLES

	Note	2015	2014
Unsecured, considered good			
Sales tax receivables		33,286,920	14,435,724
Others	13.1	128,499,966	11,546,667
		161,786,886	25,982,391

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

14. CASH AND BANK BALANCES

	Note	2015	2014
		(Rupees)	
Cash in hand		**12,547,961**	17,246,280
With banks:			
Saving accounts - local currency	14.1	**1,400,553**	48,056
Current accounts			
- local currency	14.2	**1,833,174,478**	32,592,571
- foreign currency		**50,875**	-
		1,834,625,906	32,640,627
Book overdraft	14.3	**(34,819,912)**	(33,046,980)
		1,812,353,955	16,839,927

14.1 These carry profit at the rates ranging between 4% to 5% (2014: 5% to 6%) per annum.

14.2 Included herein Rs.1,781.250 million (2014: Nil) placed with a local bank in respect of the book building portion of the initial public offering (note 16).

14.3 Represents cheques issued during the year pending for clearances.

15. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2015	2014			2015	2014
Number of Shares		Ordinary shares of Rs. 10 each	Note	(Rupees)	
4,940,675	1,500	Issued for cash	15.1	**49,406,750**	15,000
26,000,000	26,000,000	Issued for consideration other than cash		**260,000,000**	260,000,000
35,600,341	-	Issued as bonus shares	15.2	**356,003,410**	-
66,541,0160	26,001,500			**665,410,160**	260,015,000

15.1 On 30 December 2014 and 16 February 2015, the Holding Company has issued 2,745,759 and 2,193,416 ordinary shares of Rs. 10 each, at a right price of Rs. 69.23 and Rs. 72.72 per share, respectively. The amount received as consideration in excess of the face value was recorded as 'share premium'.

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

16. ADVANCE AGAINST ISSUE OF SHARES

Represents amount received in respect of book building portion of the initial public offering as disclosed in note 1.1 to these consolidated financial statements.

Notes To The Consolidated Financial Statements
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17. SURPLUS ON REVALUATION OF FIXED ASSETS

	Note	2015	2014
		(Rupees)	
As at 01 July		**267,524,432**	23,958,635
Surplus on revaluation of fixed assets arising during the year		**-** -	246,755,556
Transferred to unappropriated profit on account of:			
- incremental depreciation during the year		**(30,003,848)**	(3,189,759)
- disposal of fixed assets during the year		**(11,005)**	-
		237,509,579	267,524,432
Deferred tax			
As at 01 July		**(25,712,755)**	(26,193,372)
Deferred tax on incremental depreciation		**4,505,394**	480,617
		(21,207,361)	(25,712,755)
		216,302,218	241,811,677

18. LONG-TERM FINANCING

	Note	2015	2014
		(Rupees)	
Diminishing Musharaka			
Summit Bank Limited	18.1	**39,583,333**	-
Askari Bank Limited	18.2	**34,833,332**	38,000,000
Dubai Islamic Bank Pakistan Limited	18.3	**30,000,000**	30,000,000
Habib Metropolitan Bank Limited	18.4	**9,340,937**	-
Standard Chartered Bank (Pakistan) Limited		**-**	73,333,336
		113,757,602	141,333,336
Less: current maturity shown under current liabilities		**(77,684,637)**	(36,124,996)
		36,072,965	105,208,340

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

18.2 The Holding Company had obtained diminishing musharaka facility having a limit of Rs.38 million (2014: Rs. 50 million) for various fixed assets for a period of 4 years. It carries profit at the rate of 3 month KIBOR + 2% per annum. The facility is secured by exclusive charges of Rs. 51 million (2014: Rs. 67 million) over plant and machinery of the Holding Company, in the name of a commercial bank. The musharaka units are to be purchased commencing from 27 February 2014 on the basis of percentages set out in the musharaka agreement.

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

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

19. DEFERRED LIABILITIES

	Note	2015	2014
		(Rupees)	
Deferred tax liability	8	-	13,995,451
Defined benefit plan - gratuity	19.1	18,054,095	13,205,550
		18,054,095	27,201,001
19.1 Staff gratuity	19.1.2	18,054,095	13,205,550

As stated in note 4.14 to these consolidated financial statements, the Holding Company operates an unfunded gratuity scheme.The latest actuarial valuation was carried out as at 30 June 2015 using the Projected Unit Credit method.

19.1.1 Significant actuarial assumptions

The following are the significant actuarial assumptions used in the actuarial valuation:

	Note	2015	2014
Expected rate of increase in salary (per annum)		8.25%	12.50%
Discount rate (per annum)		8.25%	12.50%
Expected mortality rate		70% of EFU 61-66 mortality table	70% of EFU 61-66 mortality table
Expected withdrawal rate		Age Dependent	Age Dependent

19.1.2 Movement in net liability / present value of defined benefits obligation

	Note	2015	2014
As at 01 July		13,205,550	-
Charge for the year	19.1.3	7,354,685	14,126,050
Payments to outgoing employees		(2,321,180)	(920,500
Remeasurement gain recognised in other comprehensive income		(184,960)	-
As at 30 June		18,054,095	13,205,550

19.1.3 Charge for the year

	Note	2015	2014
Current service cost		5,849,065	2,590,585
Interest cost		1,505,620	514,401
		7,354,685	3,104,986
Past service cost	27	-	11,021,064
		7,354,685	14,126,050

19.1.4 Sensitivity analysis

A sensitivity analysis for the above principal actuarial assumptions as of the balance sheet date showing how the defined benefit obligation would have been affected by changes in the said assumptions is as follows:

	2015	
	1% Increase	1% Decrease
	(Rupees)	
Discount rate	(540,500)	580,360
Salary rate	574,863	(545,359)

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19.1.5 Description of the risks to the Holding Company

The defined benefit plan exposes the Holding Company to the following risks:

Mortality risks - The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service/age distribution and the benefit.

Final salary risks - The risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Withdrawal risks – The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service/age distribution and the benefit.

20. TRADE AND OTHER PAYABLES

	Note	2015	2014
		(Rupees)	
Creditors:			
Trade		157,399,455	99,671,309
Non-trade		54,306,242	7,980,269
		211,705,697	107,651,578
Murabaha:			
Summit Bank Limited	20.1	443,750,000	-
Habib Metropolitan Bank Limited	20.2	227,529,667	168,250,000
Dubai Islamic Bank Pakistan Limited	20.3	137,000,000	40,000,000
Askari Bank Limited	20.4	50,000,000	50,000,000
Meezan Bank Limited	20.5	30,000,000	30,000,000
Standard Chartered Bank (Pakistan) Limited		-	198,739,999
		888,279,667	486,989,999
Accrued liabilities		20,846,661	20,549,575
Advance from customers		27,219,267	49,402,300
Witholding tax payable	20.6	37,927,950	2,162,612
Workers' Profits Participation Fund	20.7	8,048,661	11,261,709
Workers' Welfare Fund		5,398,803	2,340,312
Payable against purchase of capital work-in-progress		43,100,419	-
Retention money		10,000,000	-
Other payables		10,339,799	3,876,294
		1,262,866,924	684,234,379

20.1 During the year, the Holding Company has obtained murabaha financing facility aggregating to Rs. 500 million, out of which Rs. 56.25 million remains unutilized as at balance sheet date. It carries profit at the rate of 6 months KIBOR + 1% per annum. Out of the total facility limit, Rs. 300 million is secured by equitable mortgage of land Survey No. 348 located at Deh Shah Mureed, Tappo Songal, Taluka & District West Gadap Town, Karachi, agricultural land Khewat No 114, Khatooni No 257, Khewat No 200, Khatooni No 436, Khewat No 217, Khatooni No 476 located at Mouza Hadaira, Tehsil Cantt, District Lahore, first exclusive charge of Rs. 20 million over receivables of the Holding Company and ranking charge on specific plant and machinery installed at various locations.

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

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

20.3 Represents murabaha facility obtained by the Holding Company having a limit of Rs. 167 million (2014: 50 million), out of which Rs.30 million (2014: Nil) remains unutilized as at balance sheet date. Out of the total facility, Rs. 50 million is secured by the first registered pari passu hypothecation charge of Rs. 67 million over receivables including trade receivables with 25% margin. It carries profit at the rate of relevant KIBOR + 3% per annum.

Further, the facility of Rs. 30 million is secured against equitable mortgage over commercial property of the the Holding Company located at 5th floor, Mansoor Tower, Plot G5/5, Block 8, KDA Scheme 5, Clifton, Karachi. It carries profit at the rate of relevant KIBOR +3% per annum.

The remaining facility of Rs 87 million is secured by equitable mortgage over open land of the Holding Company located at Plot 000134, Block-D, Phase 8CBW, DHA, Lahore. It carries profit at the rate of relevant KIBOR + 2.5% per annum. Furthermore, all the sub limits are secured by personal guarantees of the Chief Executive Officer and major shareholder of the Holding Company along with personal net worth statement which has been provided to the bank.

Further, the facility is also secured against the personal guarantees of CEO and major shareholder of the Holding Company.

20.4 Represents murabaha facility obtained by the Holding Company having a limit of Rs. 50 million (2014: 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 first pari passu hypothecation charge over all stocks and book debts of the Holding Company, duly registered with SECP.

20.5 Represents murabaha facility obtained by the Holding Company having a limit of Rs. 130 million (2014: 30 million), out of which Rs. 100 million remains unutilized as at balance sheet date. It carries profit at the rate of 6 months KIBOR + 2% per annum, agreed at the time of disbursement. The facility is secured against equitable mortgage charge created (with 10% margin on market value) over Suit No. G/5/5, 4th Floor, Mansoor Tower, Block 8, Shahra-e-Roomi, Clifton, Karachi and hypothecation charge of Rs. 11.25 million over plant and machinery of the Holding Company. In addition, any disbursement above Rs.30 million under this facility is secured by an equitable charge over residential / commercial property (in directors' / family members' / Holding Company's name) including specifically, residential plot No 250/1-Phase VIII-DHA, Bungalow No 44/II-Phase VI-DHA, Plot 258-Phase VIII-DHA, and hypothecation charge over receivables of the Holding Company with 25% margin.

20.6 Included herein witholding tax payable by the Holding Company on bonus shares (note 13.1) and purchases amounting to Rs. 17.800 million and Rs. 11.183 million respectively.

	2015	2014
	(Rupees)	
20.7 Workers' Profits Participation Fund (WPPF)		
As at 01 July	**11,261,709**	5,795,605
Charge for the year	**8,048,661**	4,739,045
Payments during the year	**(11,261,709)**	-
Interest on WPPF	**-**	727,059
As at 30 June	**8,048,661**	11,261,709

21. ACCRUED MARK-UP

	2015	2014
Accrued mark-up on:		
- Long-term financing	**541,031**	378,541
- Murabaha	**16,371,905**	15,391,988
	16,912,936	15,770,529

22. DUE TO A RELATED PARTY

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

23. CONTINGENCIES AND COMMITMENTS

	2015	2014
	(Rupees)	
23.1 Contingencies		
Guarantees issued by banks on behalf of the Holding Company	**28,000,000**	-
Post dated cheques	**66,418,962**	-
23.2 Commitments		
23.2.1 Capital expenditure commitments of the Holding Company	**35,665,906**	29,967,000

23.2.2 Ijarah commitments

The Holding Company has entered into Ijarah agreements with Dubai Islamic Bank Pakistan Limited in respect of purchase of vehicles for a period of three years. Ijarah payments due under these agreements are payable in monthly installments latest by May 2016. 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:

	2015	2014
	(Rupees)	
Within one year	**3,965,780**	3,048,276
One year to five years	**-**	5,407,632
	3,965,780	8,455,908

24. TURNOVER

	2015	2014
Local sales	**1,281,778,846**	798,127,392
Sales discount	**(57,190,958)**	(30,733,016)
Sales return	**(7,847,163)**	(2,628,077)
	1,216,740,725	764,766,299
Export sales	**3,768,011,193**	3,673,542,732
	4,984,751,918	4,438,309,031

25. COST OF SALES

	Note	2015	2014
		(Rupees)	
Livestock and meat cost			
Opening stock		18,705,081	27,368,108
Purchases		3,403,651,731	3,244,082,548
Recovery against livestock residuals - net		(129,864,535)	(116,452,474)
Closing stock		(9,686,672)	(18,705,081)
		3,282,805,605	3,136,293,101
Conversion cost			
Salaries, wages and other benefits	25.1	74,741,448	52,307,229
Electricity, diesel and related expenses		52,557,128	34,044,314
Repairs and maintenance		16,933,900	11,472,775
Depreciation	5.2	41,698,235	35,003,827
Cargo		575,142,340	534,073,055
Clearing, forwarding and freight		35,530,300	36,855,173
Packing material		57,596,501	41,326,183
Livestock food		7,437,698	10,090,694
Marination		5,691,143	4,699,256
Others		10,881,214	9,699,566
		878,209,907	769,572,072
Cost of goods available for sale		4,161,015,512	3,905,865,173
Finished goods and fuels and lubricants			
Opening stock		28,296,260	19,197,277
Closing stock		(24,933,681)	(28,296,260)
		3,362,579	(9,098,983)
		4,164,378,091	3,896,766,190

25.1 Included herein Rs. 7.355 million (2014: Rs. 3.105 million) in respect of staff retirement benefits.

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26. ADMINISTRATION AND DISTRIBUTION EXPENSES

	Note	2015	2014
		(Rupees)	
Salaries, wages and other benefits		150,969,329	98,263,230
Electricity, diesel and related expenses		47,240,755	30,547,278
Repair and maintenance		5,564,648	3,932,376
Fuel and vehicle maintenance		24,822,386	20,597,698
Travelling and conveyance		13,662,098	10,167,145
Telephone and communication		12,727,886	7,960,747
Marketing and advertisement		75,050,406	41,726,491
Rent, rates and taxes		86,009,143	51,194,336
Food		14,912,770	8,243,551
Depreciation	5.2	45,961,165	21,247,932
Amortization		1,287,879	1,168,035
Legal and professional		9,982,204	5,565,015
Donation	26.1	13,186,382	1,510,638
Office supplies		7,965,594	6,503,962
Postage and courier		356,929	191,509
Takaful		3,142,729	3,927,659
Staff welfare		6,601,626	4,288,675
Security		378,255	305,195
Training		627,201	538,635
Cleaning		6,714,039	5,791,643
Commission on credit card facilities		4,005,209	2,464,696
Shelf rentals	26.2	2,742,621	1,456,095
Auditors' remuneration		2,300,225	478,200
Ijarah rentals		3,202,138	25,343,816
Others		546,887,203	359,842,081

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

26.2 Auditors' remuneration

	2015	2014
Audit fee - the Holding Company	650,000	400,000
- the Subsidiary Company	200,000	-
- consolidation	250,000	-
Half yearly audit	475,000	-
Certifications and other services	562,740	-
Out of pocket expenses	162,485	78,200
	2,300,225	478,200

27. OTHER EXPENSES

	Note	2015	2014
		(Rupees)	
Workers' Welfare Fund		3,058,491	2,340,312
Workers' Profits Participation Fund	20.7	8,048,661	4,739,045
Provision for doubtful debts	10.3	22,476,866	-
Amortization of deferred loss on Ijarah		-	9,622,255
Past service cost on introduction of gratuity scheme		-	11,021,064
Others		-	162,130
		33,584,018	27,884,806

28. OTHER INCOME

	Note	2015	2014
Income from financial assets			
Gain on forward contracts		5,609,288	3,232,872
Profit on saving accounts		199,680	29,689
		5,808,968	3,262,561
Income from assets other than financial assets			
Exchange gain - net		12,958,513	8,344,839
Liabilities no longer payable written back		665,238	-
Gain on disposal of property, plant and equipment	5.4	188,590	206,225
Others		250,489	83,162
		14,062,830	8,634,226
		19,871,798	11,896,787

29. FINANCE COSTS

	Note	2015	2014
Mark-up on long-term financing		15,369,817	6,690,804
Profit on murabaha		62,365,365	46,368,738
Interest on Workers' Profits Participation Fund (WPPF)	29.1	-	727,059
Bank charges		17,516,658	19,266,994
Others		-	4,957,611
		95,251,840	78,011,206

29.1 Represents interest on WPPF at the rate of average 6 months KIBOR + 2.5% per annum

30. TAXATION

	Note	2015	2014
Current		33,344,656	29,253,906
Prior years		(59,184)	(3,196,499)
		33,285,472	26,057,407
Deferred		(62,738,532)	(11,717,303)
	30.1	(29,453,060)	14,340,104

Notes To The Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

30.1 Relationship between tax charge and accounting profit

	2015	2014
	(Rupees)	
Profit before tax	164,522,564	87,701,535
Tax at applicable tax rate of 33 percent (2014: 34 percent)	54,292,446	29,818,522
Tax effect of income under final tax regime	(100,855,582)	(16,984,974)
Provision against withholding tax on purchases	3,690,655	-
Deferred tax not recognized in prior years	-	5,429,885
Prior year charge	(59,184)	(3,196,499)
Effect of change in tax rate on opening deferred tax	(424,105)	54,299
Permanent differences	12,729,141	(781,129)
Others	1,173,568	-
	(29,453,060)	14,340,104
Average effective tax rate	0%	16.35%

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

31. EARNINGS PER SHARE - basic and diluted

	Note	2015	2014
		(Restated)	
Profit for the year (Rupees)		193,975,624	73,361,431
Weighted average number of ordinary shares of Rs. 10/- each - basic		60,636,266	55,229,767
Weighted average number of ordinary shares of Rs. 10/- each - diluted		60,944,485	55,229,767
Basic earnings per share (Rupees)	31.1	3.20	1.33
Diluted earnings per share (Rupees)	31.1 & 31.2	3.18	1.33

31.1 During the year, the Holding Company has issued 115.06% bonus and right shares as stated in notes 15.1 and 15.2 to these consolidated financial statements, which has resulted in restatement of basic and diluted earnings per share for the year ended 30 June 2014.

31.2 Diluted earnings per share include the effect of advance received by the Holding Company against issue of shares in respect of book building portion of the initial public offering (note 16).

Chief Executive

Director

32. REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the consolidated financial statements in expenses and included in capital expenditure for the year in respect of remuneration, including benefit, to the Chief Executive, Directors and Executives of the Group are as follows:

	Chief Executive		Directors		Executives	
	2015	2014	2015	2014	2015	2014
	(Rupees)					
Managerial remuneration	12,000,000	-	-	-	67,361,429	39,059,295
Board fee	-	-	1,275,000	-	-	-
	12,000,000	-	1,275,000	-	67,361,429	39,059,295
Number of person	1	1	9	5	34	21

33. TRANSACTIONS WITH RELATED PARTIES

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

	2015	2014
	(Rupees)	
Nature of transaction		
Existing shareholders		
Issue of right shares at premium	349,594,108	-
Issue of bonus shares	356,003,410	-
Major shareholder of the Subsidiary Company (non-controlling interest)		
Payments made on behalf of the Group (subsequently reimbursed)	10,036,603	-
Issue of shares	34,300,000	-

34. INFORMATION ABOUT OPERATING SEGMENT

For management purposes, the activities of the Group are organized into business units based on their products. Accordingly, the Group has two reportable operating segments as follows:

- The export segment, which is engaged in exports; and
- The retail segment, which is engaged in local sales through retail outlets.

The management monitors the operating results of its business units separately 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.

	2015		
	Export Division	Retail Division	Total
Turnover - net	3,768,011,193	1,216,740,725	4,984,751,918
Segment results	389,870,099	(62,268,479)	327,601,620
Unallocated expenses / income	-	-	(133,625,996)
Segment assets	2,111,472,324	428,973,161	2,540,445,485
Unallocated assets	-	-	1,866,340,293
Total assets	2,111,472,324	428,973,161	4,406,785,778
Segment liabilities	336,081,208	38,559,943	374,641,151
Unallocated liabilities	-	-	2,833,484,295
Total liabilities	336,081,208	38,559,943	3,208,125,446
Capital expenditure	129,286,504	55,393,464	184,679,968
Unallocated capital expenditure	-	-	62,270,360
Total capital expenditure	129,286,504	55,393,464	246,950,328
Depreciation and amortisation	54,358,131	34,589,148	88,947,279
Unallocated depreciation and amortisation	-	-	-
Total depreciation	54,358,131	34,589,148	88,947,279

Non-current assets of the Group are confined within Pakistan and consist of property, plant and equipment, intangible assets and deposit.

No customer of the Group constitutes more than 10% of the Group's total revenue related to aforesaid segments.

Segment assets and liabilities

Segment assets include all operating assets by a segment and consist principally of property, plant and equipment, stock-in-trade and trade debts. Segment liabilities include all operating liabilities and consist principally of trade and other payables.

Administrative costs, distribution costs (excluding cartage and freight), other income, finance costs, other expenses and taxation is managed on the Group basis and are not allocated to operating segments.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

35.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity risk. The sensitivity analysis in the following sections relate to the position as at 30 June 2015 and 2014.

35.1.1 Interest rate

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

Sensitivity analysis

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

	Increase / decrease in basis points	Effect on profit before tax Rupees
2015	**+100**	**(10,020,373)**
	100	**10,020,373**
2014	+100	(8,336,097)
	-100	8,336,097

35.1.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign currency exchange rates risk primarily relates to the Group's operating activities i.e. bank accounts and receivables / payables in foreign currencies. The Group manages its foreign currency risk by effective fund management and taking forward contracts.

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar exchange rate. As at June 30, 2015 and 2014, if Pakistani Rupee (Pak Rupee) had weakened / strengthened by 10 percent against the US Dollar, with all other variables held constant, on the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) are as follows:

	Increase / decrease in US Dollar to Pak	Effect on profit before tax
	(Rupees)	
2015	**+10%**	**37,352,389**
	-10%	**(37,352,389)**
2014	+10%	37,310,928
	-10%	(37,310,928)

35.1.3 Other price risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices such as equity price risk. As of balance sheet date, the Group is not exposed to other price risk.

35.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharging an obligation. Out of the financial assets of Rs. 3,083.813 million (2014: Rs.696.377 million) the financial assets which are subject to credit risk amounted to Rs.2,911.929 million (2014: Rs.655.495 million). The Group's credit risk is primarily attributable to its trade debts, advances to suppliers/vendors, other receivables and bank balances. The Group has a large number of customers, including local and overseas corporate and individuals, due to large number and diversity of its customer base, concentration of credit risk with respect to trade debts and other receivables is limited. The Group minimize its credit exposure on advances to suppliers / vendors, who have long standing with the Group and with bank balances having good credit ratings.

The credit quality of financial assets that are past due but not impaired is disclosed in note 10 to these consolidated financial statements. As at balance sheet date, there are no financial assets that would otherwise be past due or impaired whose terms have been renegotiated. The Group monitors the credit policy of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying values of financial assets which are neither past due nor impaired are as under:

	Note	2015	2014
		(Rupees)	
Long-term deposit	7	**13,400,000**	-
Trade debts	10	**366,476,491**	459,283,046
Loans and advances	11	**559,322,483**	140,929,462
Short-term deposits	12	**9,604,081**	11,094,711
Other receivables	13	**128,499,966**	11,546,667
Bank balances	14	**1,834,625,906**	32,640,627
		2,911,928,927	655,494,513

The credit quality of Group's bank balances can be assessed with reference to external credit ratings as follows:

Bank Balances by short-term rating category	Rating Agency	2015 Rupees
A1+	PACRA	**1,450,488**
A-1+	JCS-VIS	**50,287,429**
A1	PACRA	**62,242**
A-1	JCS-VIS	**1,782,805,838**
A-2	JCS-VIS	**19,909**
		1,834,625,906

35.3 Liquidity Risk

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

The table below summarises the maturity profile of the Group's financial liabilities at 30 June 2015 and 2014 based on contractual undiscounted payment dates and present market interest rates:

	On demand	Less than 3 months	3 to 12 months	1 to 5 Years	More than 5 years	Total
	(Rupees)					
2015						
Long-term financing	-	19,421,160	58,263,477	36,072,965	-	113,757,602
Trade and other payables	-	1,176,491,509	48,447,465	-	-	1,224,938,974
Accrued mark-up	-	16,912,936	-	-	-	16,912,936
Due to a related party	15,283,889	-	-	-	-	15,283,889
	15,283,889	1,212,825,605	106,710,942	36,072,965	-	1,370,893,401

	On demand	Less than 3 months	3 to 12 months	1 to 5 Years	More than 5 years	Total
	(Rupees)					
2014						
Long-term financing	-	9,031,249	27,093,747	105,208,340	-	141,333,336
Trade and other payables	-	668,469,746	13,602,021	-	-	682,071,767
Accrued mark-up	-	15,770,529	-	-	-	15,770,529
Due to a related party	92,522,542	-	-	-	-	92,522,542
	92,522,542	693,271,524	40,695,768	105,208,340	-	931,698,174

35.4 Fair value

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

35.5 Capital management

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

The Group manages its capital structure and makes adjustment to it in the light of changes in economic conditions. The Group monitors capital using a debt equity ratio, which is net debt divided by total capital plus net debt. Equity comprises of share capital and reserves. The gearing ratio as at 30 June 2015 and 2014 are as follows:

Notes To The Consolidated Financial Statements
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015	2014
		(Rupees)	
Long-term financing	18	113,757,602	141,333,336
Trade and other payables	20	1,262,866,924	684,234,379
Accrued markup	21	16,912,936	15,770,529
Due to a related party	22	15,283,889	92,522,542
Total Debts		1,408,821,351	933,860,786
Less: Cash and bank balances	14	1,812,353,955	16,839,927
Net debt		(403,532,604)	917,020,859
Share capital		665,410,160	260,015,000
Reserves		284,073,808	155,959,348
Total equity		949,483,968	415,974,348
Total capital and net debt		545,951,364	1,332,995,207
Gearing ratio		0%	70%

36. NUMBER OF PERSONS EMPLOYED

	2015	2014
	(Rupees in thousand)	
Persons employed as of 30 June	642	524
Average persons employed during the year	543	429

37. DATE OF AUTHORISATION FOR ISSUE

The Board of Directors of the Group authorised these consolidated financial statements for issue on October 7, 2015.

38. GENERAL

38.1 As the subsidiary company was incorporated during the year, hence corresponding figures of consolidated balance sheet, consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity are not comparable.

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

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

Pattern Of Shareholding

AS AT JUNE 30TH, 2015

Number of Shareholders	Shareholding From	Shareholding To	Total Shares Held
3	1	2,000	3,225
4	2,001	100,000	224,125
7	100,001	1,000,000	3,278,199
10	1,000,001	3,000,000	18,936,808
6	3,000,001	24,391,768	44,098,659
30	Total		**66,541,016**

Categories of Shareholders

	Number of Shares Held	% Age
Associated Companies, Undertakings and Related Parties	-	-
Financial Institutions	-	-
Shareholding 5% or More		
Kamran Ahmed Khalili	24,391,768	36.66%
Naveed Godil	4,772,501	7.17%
Shaikh Qaiser	4,772,501	7.17%
Aftab Zahoor Raja	3,673,508	5.52%
Directors		
Naveed Godil	4,772,501	7.17%
Muhammad Ali	2,150,600	3.23%
Noor Ur Rehman Abid	1,554,252	2.34%
Adeeb Ahmad	1,429,885	2.15%
Qaysar Alam	1,075	
Rizwan Jamil	1,075	
Rukhsana Asghar	1,075	
Other Shareholders	23,792,776	

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Company will be held at Movenpick Hotel, Karachi on Saturday, October 31, 2015, at 12:30 PM for transacting the following business:

Ordinary Business

1. To confirm the minutes of Annual General Meeting held on October 31, 2014

2. To receive and consider the Audited Financial Statement of Al Shaheer Corporation Limited ["the Company"] and Consolidated Audited Financial Statement of the Company for the financial year ended June 30, 2015 together with the Directors' and Auditors' Report thereon.

3. To appoint auditors for the ensuing year ending June 30, 2016 and fix their remuneration Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants, retire and being eligible have offered themselves for reappointment.

Special Business

4. To consider and approve the investment of Rs20,000,000 [Rupees Twenty Million] in 2,000,000 Ordinary Shares of Al Shaheer Farms (Pvt.) Limited, an unquoted subsidiary company, to pass special resolution as contained in the attached statement under section 160(1)(b) of the Companies Ordinance, 1984.
5. To consider and approve investment of Rs894,000,000 [Rupees Eight Hundred and Ninety Four Million] in 89,400,000 ordinary shares of new Al Shaheer Group fully owned subsidiary company, to pass special resolution as contained in the attached statement under section 160(1)(b) of the Companies Ordinance, 1984.

Company Secretary

October 9, 2015

Notes:

1. The individual Members who have not yet submitted photocopy of their valid Computerized National Identity Card (CNIC) to the Company/ Share Registrar, are once again reminded to send the same at the earliest directly to Company's Share Registrar, Central Depository Company of Pakistan Limited, CDC House, 99-B, Block B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi – 74400.

   The Corporate Entities are requested to provide their National Tax Number (NTN). Please give Folio Number with the copy of CNIC/ NTN details. Reference is also made to the Securities and Exchange Commission of Pakistan (SECP) Notifications SRO 779(I) dated August 18, 2011, and SRO 831 (I) 2012 dated July 05, 2012, which mandates that the dividend warrants should bear CNIC number of the registered member or the authorized person, except in case of minor(s) and corporate members.

2. Share Transfer Books will be closed from October 17, 2015 to October 31, 2015 (both days inclusive) when no transfer of shares will be accepted for registration. Transfers in good order, received at the office of Company's Share Registrar Central Depository Company of Pakistan Limited, CDC House, 99-B, Block B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi – 74400 by the close of the Business on October 16, 2015 will be treated in time for the purpose of payment of Final Dividend to the transferees.

3. All Members/ Shareholders are entitled to attend and vote at the meeting. A Member may appoint a proxy who need not be a Member of the Company.

4. Duly completed instrument of proxy, and the other authority under which it is signed, or a notarially certified copy thereof, must be lodged with the Company Secretary at the Company's Registered Office (Suite # G/5/5, 3rd Floor, Mansoor Tower, Shahrah e Roomi, Block 8, Clifton) at least 48 hours before the time of the meeting.

5. Any change of address of Members should be immediately notified to the Company's Share Registrars, Central Depository Company of Pakistan Limited, CDC House, 99-B, Block B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi – 74400.
CDC Account Holders will further have to follow the under-mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan:

A. For Attending the Meeting:

i) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For Appointing Proxies:

i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form accordingly.

ii) The proxy form shall be witnessed by two person whose names, addresses and CNIC number shall be mentioned on the form.

iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iv) The proxy shall produce his/her original CNIC or original passport at the time of meeting.

v) In case of corporate entity, the Board of Directors resolution/ power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted along with proxy form to the Company.

STATEMENT UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984

The statement out the material facts concerning the special business, given in agenda items, to be transacted at the Annual General Meeting of the company to be held on October 31, 2015

AGENDA ITEM 5

INVESTMENT IN AL SHAHEER FARMS (PVT.) LIMITED, AN UNQUOTED COMPANY, TO MAKE THE FEED LOT FATENNING PROJECT COMPANY OPERATIONAL

Brief Background of Al Shaheer Farms (Pvt.) Limited

Al Shaheer Farms (Private) Limited ["ASFPL"] (incorporated in March 2015) will be an integral part of the Company's plan to vertically integrate its supply chain. The plan is to set up Pakistan's largest feedlot fattening farm in Thatta District, Sindh incorporating technology and best practices in farm management to raise cattle specifically for the purpose of obtaining meat. Eventually, the plan is to scale the farm and raise 8000 cattle heads every year for high quality production of beef.

The livestock industry in Pakistan is very fragmented and age old. Livestock has been mostly pursued by small farmers to meet their needs of milk, meat, eggs, food security and cash income on daily basis. These farmers often bring their animals to cattle markets to sell them for cash on a need basis. Thus, these cattle markets become selling points where professional cattle traders buy cattle and then sell them to third parties including abattoirs and local butcher markets.

The biggest drawback of this fragmented model is that the animals that are brought to these markets are not reared for beef production. They do not have a lot of muscle mass and are not ideal for the beef market. Likewise, the meat yield from these animals is insufficient. To counter this, an intensive feeding operation is required that specializes in raising animals for beef production. In this model, the cattle will be brought to the farm, in this case Al Shaheer farms, through traditional means: either by a livestock trader, or purchased directly from the farmer.

The cattle will be kept in the farms for a period of 90 days, where it will be fed hi-energy diet in order to increase sellable meat with in the animal and increase meat yield. The resulting animal would be beefier with better meat quality.

Once the animal is fattened, also called the finished cattle, it will be sent to the Company's abattoir to be slaughtered and for subsequent sale to either the local or export markets. The farm will operate as a for-profit entity, with money made equaling to the difference in the amount of sellable meat obtained minus the cost of feed. In other words, the profit per animal will be equal to the value of the finished cattle minus the total cost. Cost includes price of the cattle, feed cost, labor, and veterinary fees, fixed charges for buildings and equipment and death loss.

It is expected that with this feedlot, Al-Shaheer will be able to get meat producing animals of adequate size, required for specialized cuts and charge premium prices for its quality meat, which would enhance profitability of the Company. Employment for the local community will be created in the feedlot and additional jobs would also be created at the retail level. Simultaneously, livestock farmers in the surrounding areas will have access to a more consistent buyer offering better price (compared to open market sales) for improved breed of livestock and enabling them to increase their income. On the other hand, Al-Shaheer will also source various types of commodities, such as maize, rice polish, molasses etc. at the feedlot. These commodities will have to be procured from the local community, thereby creating a market for these products.

Shareholder Mandate

Consequently, the Board of Directors have resolved, subject to approval from the shareholders, that Rs20,000,000 should be invested in 51% Subsidiary, namely, ASFPL an unquoted company and as a consequence, approval of shareholders is sought for making investment of Rs20,000,000 (Rupees Twenty Million) by subscribing 2,000,000 million Ordinary Shares to make it fully operational and start commercial Operation.

The information required to be disclosed to the members under Companies (Investment in Associated Companies or Associated Undertakings) Regulation, 2012, as applicable in the instant case, is as follows:

Name of Associated Company	Al Shaheer Farms (Pvt.) Limited
Criteria of Relationship	51% Subsidiary as 51% shares are held by the Company

Purpose, Benefit and Period of Investment
An integral part of the Company's plan to vertically integrate its supply chain. The plan is to set up Pakistan's largest feedlot fattening farm in Thatta District, Sindh incorporating technology and best practices in farm management to raise cattle specifically for the purpose of obtaining meat. Eventually, the plan is to scale the farm and raise 8000 cattle heads every year for high quality production of beef. The period of investment would be ongoing basis and beneficial for the continuity of the company.

Maximum Amount of Investment	Rs20,000,000
Maximum Price of Acquisition of Securities	@Rs10/- Per Share
Maximum Number of Securities to be Acquired	2,000,000
Number of Securities and Percentage thereof Held before and After Investment	51%
Sources of funds from which securities are Acquired	Out of Equity
Direct or Indirect Interest of Directors, Sponsors, Majority shareholders, and their relatives	No Direct or Indirect Interest
Project of the Associated Company has not Commenced Operation	It would be a feed lot fattening project expected to commence business during the financial year ending on June 30, 2016.
Interest of the directors of subsidiary in the Company	None of the nominee Director of the Company on the Board of Subsidiary have any personal interest in the company.

For this purpose, it is intended to propose the following resolution to be passed as special resolution with or without modification:

"It is hereby resolved that the Company be and is hereby authorized to invest an amount of Rupees Twenty Million (Rs20,000,000/-), out of its equity, by subscribing 2,000,000 million ordinary shares of Rs10/- each in Al Shaheer Farms (Pvt.) Limited being fully paid up, an unquoted company, to meet the necessary capital, pre and post commencement, expenditure during the Financial Year ending on June 30, 2016.

Resolved further that the company is authorized to take all appropriate steps and execute all necessary documents and in this connection the Chief Executive and the Company Secretary be and are hereby authorized jointly and severally to do all the acts, deeds, and things necessary to implement this special resolution and also jointly and severally empowered to make amendments / modifications to the resolution as may be required by the members or by the regulators"

AGENDA ITEM 5

INVESTMENT IN NEW SUBSIDIARY OF AL SHAHEER GROUP, AN UNQUOTED COMPANY, TO BE INCORPORATES AS FULLY OWNED SUBSIDIARY

Brief Background of New Al Shaheer Group Company

The company has recently raised money by issuing 25 million shares to general public for Poultry Business, Meat Processing Factory, Extension of Retail Network and working capital thereof. However, Finance Act, 2015 has provided three major exemptions to an Industrial Undertaking setting up and commencing production between the July 1, 2015 and June 30, 2017 for establishing and operating halal meat production unit and have obtained halal certification to that effect. The first exemption pertains to exemption of profits and gains under clause 126K of part I of the second schedule to the Income Tax Ordinance, 2001 ["the Tax Ordinance"]. The second one pertains to exemption from section 113 of the tax ordinance by virtue of sub clause (xxiv) of Clause 11A of Part IV of Second Schedule of the tax ordinance while the third one pertains to exemption from section 154 of the tax ordinance by virtue of clause 93 of Part IV of the Second Schedule of the tax ordinance.

Consequently, in order to appropriately safeguard the shareholders money and provide maximum return on shareholders' hard money received through subscription, the Board of Directors of the company has decided to incorporate a fully owned new subsidiary in order to avail the tax exemption announced through Finance Act, 2015. The new company will undertake the Business of Poultry and Meat Processing Factory in a tax efficient manner.

Shareholder Mandate

Consequently, the Board of Directors have resolved, subject to approval from the shareholders, that Rs894,000,000 should be invested in 100% Subsidiary, an unquoted company and as a consequence, approval of shareholders is sought for making investment of Rs894,000,000 (Rupees Eight Hundred and Ninety Four Million) by subscribing 89,400,000 million Ordinary Shares to incorporate, make it fully operational and start commercial Operation thereafter.
The information required to be disclosed to the members under Companies (Investment in Associated Companies or Associated Undertakings) Regulation, 2012, as applicable in the instant case, is as follows:

Name of Associated Company	Al Shaheer Group Company name to be decided upon Approval from regulators
Criteria of Relationship	100% Subsidiary as 100% shares will be held by the Company

Purpose, Benefit and Period of Investment
To incorporate a fully owned subsidiary that will be part of Company's plan to vertically integrate its supply chain and invest shareholders' proceed in same manner as laid down in the prospectus but through a subsidiary in a tax efficient manner. The period of investment would be ongoing basis and beneficial for the continuity of the company.

Maximum Amount of Investment	Rs894,000,000
Maximum Price of Acquisition of Securities	@Rs10/- Per Share
Maximum Number of Securities to be Acquired	89,400,000
Number of Securities and Percentage thereof Held before and After Investment	100%
Sources of funds from which securities are Acquired	Out of Equity
Direct or Indirect Interest of Directors, Sponsors, Majority shareholders, and their relatives	No Direct or Indirect Interest
Project of the Associated Company has not Commenced Operation	It would be a Poultry Plant and Meat Processing Factory project expected to commence business during the financial year ending on June 30, 2017
Interest of the directors of subsidiary in the Company	None of the nominee Director of the company on the Board of Subsidiary have any personal interest in the company

For this purpose, it is intended to propose the following resolution to be passed as special resolution with or without modification:

"It is hereby resolved that the Company be and is hereby authorized to invest an amount of Rupees Eight Hundred and Ninety Four Million (Rs894,000,000/-), out of its equity, by subscribing 89,400,000 million ordinary shares of Rs10/- each in Al Shaheer Group Company, name to be proposed and may change subject to regulatory approvals, being fully paid up, an unquoted company, to meet the necessary capital, pre and post commencement, expenditure during the Financial Year ending on June 30, 2016 and June 30, 2017.

Resolved further that the company is authorized to take all appropriate steps and execute all necessary documents and in this connection the Chief Executive and the Company Secretary be and are hereby authorized jointly and severally to do all the acts, deeds, and things necessary to implement this special resolution and also jointly and severally empowered to make amendments / modifications to the resolution as may be required by the members or by the regulators"

FORM OF PROXY
ANNUAL GENERAL MEETING

I / We ________________________ of ________________________ in the district of ________ being a member of "AL SHAHEER CORPORATION LIMITED" and holder of ______ ordinary shares as per Registration Folio No./CDC Participant I.D. No./Sub-Account No.__________ CNIC No./ Passport No.____________________________ entitled to vote, hereby appoint Mr./Mrs./Miss__________________________________of (full address) __________________ (being member of the Company) as my/our proxy to attend, act and vote for me/us and on behalf at the Annual General Meeting of the Company to be held on 31st day of October, 2015 and/or at any adjournment thereof.

Dated : ______________________________ Signature ___________________________

Presence of:

1. ______________________________

2. ______________________________

Signature on Rs5/- Revenue Stamp

Important Note

1. This form of proxy, duly completed and signed, must be deposited at the registered office of the company situated at Suite # G/5/5, 3rd Floor, Mansoor Tower, Block 8, Shahrah e Roomi, Clifton, Karachi.
2. This form should be signed by the Member or by his/her attorney duly authorized in writing. If the member is a Corporation, its common seal should be affixed to the instrument.
3. A member entitled to attend and vote at the meeting may appoint any other Member as his/her proxy to attend and vote on his/her behalf except that a corporation may appoint a person who is a Member.

For CDC Account Holders/Corporate Entities
In addition to the above, following requirements have to be met:

i. The Proxy form shall be witnessed by two persons whose names, addresses and CNIC Numbers shall be mentioned on the form.
ii. Attested copies of CNIC or Passport of the beneficial owners and proxy shall be furnished with the proxy form
iii. The proxy shall produce his/her original CNIC or original Passport at the time of the meeting.
iv. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted along with proxy form.