

# ALSHAHEER FOODS



HALF-YEAR REPORT 2019-20

The background of the entire image is a close-up, vertical view of several wooden planks. The wood has a warm, golden-brown tone with prominent, wavy grain patterns and several knots. The planks are separated by dark, recessed grooves. In the center of the image, there is a semi-transparent white rectangular box containing text.

# ALSHAHEER

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## FOODS

The powerful fundamental values of teamwork, integrity, excellence, community service and consumer focus form the foundation of this business which aimed to serve and go beyond the expectations of the customers.

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# OUR STORY

Al Shaheer Corporation entered the world of meat business in 2008 starting from humble beginnings and growing into a renowned name within a short span of time. ***The powerful fundamental values of teamwork, integrity, excellence, community service and consumer focus form the foundation of this business which aimed to serve and go beyond the expectations of the customers.*** Our meat products have always satisfied our consumers with the high hygiene and health standards we have always met, thus enabling us to grow and reach top levels in this industry.

Gadap Town - Karachi is home to our class apart abattoir, designed customarily as an answer to the global need and demand of Halal meat. Well organized logistics, spotless lairage area, cold storage and chillers imported from Australia, all make this abattoir one of the very best; and its capacity of 40 heads per hour makes it the country's largest private slaughtering facility. This has been further certified by the departments of health and food of Middle Eastern GCC countries as well. And if one would wonder who leads the meat export of Pakistan, the answer would be *Al Shaheer Corporation* venturing into export markets of Saudi Arabia, Dubai, Kuwait, Oman, Bahrain and Qatar in 2009.



'Meat One', the first red meat brand of Al Shaheer came into being in 2010 with the objective of providing innovative and convenient 'one stop fresh meat solutions' to consumers, placing us in the center of the fresh meat retail market of Pakistan. This brand offers various kinds of fresh meat operating through exclusively designed outlets as well as standard shop-in-shop models. The quality standards of Meat One are unmatched at every level of the meat selection process. Highest quality cattle is chosen as the first step of our process. Getting the cattle checked by skilled vets comes next as health and safety are the two top most priorities. These are then slaughtered in a completely halal way at our abattoir, sectioning and processing them in large cuts before transporting them in hygienic refrigerated trucks to various outlets.



'Khaas Meat'. Al Shaheer's second retail brand emerged in 2014. This brand stands for three key elements: quality, hygiene and affordability. Neighborhood butcher shops were given a whole new look and meaning by this brand. The brand's reach further increased in 2015 through shop-in shop models in busy superstores across the major cities of Pakistan.

***It was the same year that Al Shaheer Foods achieved yet another important milestone and became a corporate limited company, being listed on the Stock Exchange.*** The company transitioned to Al Shaheer Foods from Al Shaheer Corporation in the first month of 2017, with the objective of establishing itself as a 'foods' company. Keeping this objective in mind, products like poultry, ready-to-cook / ready-to-eat products, fruits and vegetables are now being considered to be further included in the line of business as well.

# OUR STORY

The list of international accreditations to Al Shaheer Foods is nothing less than impressive. These include the ISO 9001:2015, ISO 22000:2005, HACCP for quality and food safety standards in the production process, SAFE Food Award 2009 & 2010 by URS for quality and hygiene. The Federation of Pakistan Chambers of Commerce and Industry has also awarded Al Shaheer Foods with the 'Best Export Performance' Award in 2009, 2010, 2012 and 2013 for Fresh and Frozen Meat while Exhibitor (Pvt.) Ltd. has awarded us with Brand of the Year Award in 2009 and Best Emerging Brand of the Year 2009.

## ***ASC Foods is certified on following regulatory & international standards:***

- **ISO 9001:2015**
- **ISO 22000:2005**
- **ISO 14001: 2015**
- **OHSAS 18001: 2007**
- **HACCP**
- **Pakistan Halal standard PS3733:2016**
- **Malaysian Halal standard MS 1500**
- **UAE/GSO Halal slaughtering standard 993:2015**



With the grace of Allah, we have always been able to supersede the benchmarks created every year by ourselves. This has only been possible because of the astounding support shown by everyone associated with us. It is our key stakeholders; be it our customers, suppliers, employees, agencies, bankers or shareholders, whose unwavering support is what keeps us driven. And as this support keeps increasing, so will our dedication to attain even higher standards and go beyond your expectations every year.

# OUR MOTTO

## VISION

Dominate the meal table offering delightful food solutions to consumers.

## MISSION

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

# COMPANY INFORMATION

## HUMAN RESOURCE COMMITTEE

|                          |        |
|--------------------------|--------|
| Mr. Kamran Ahmed Khalili | Member |
| Mr. Zillay A Nawab       | Member |
| Mr. Umair Ahmed Khalili  | Member |

## CHIEF FINANCIAL OFFICER

Ms. Maryam Ali

## COMPANY SECRETARY

Mr. Mahmood Khuram

## MANAGEMENT COMMITTEE

|                     |   |
|---------------------|---|
| Mr. Kamran Khalili  | Chief Executive Officer                         |
| Mr. Rizwan Jamil    | Deputy Chief Executive Officer                  |
| Ms. Maryam Ali      | Chief Financial Officer                         |
| Mr. Shahnawaz Akbar | Head of Factory Operations                      |
| Mr. Mahmood Khuram  | Assistant General Manager and Company Secretary |
| Mr. Osama Javed     | Head of Human Resource and Administration       |

## REGISTERED OFFICE

Suite G/5/5, 3rd Floor, Mansoor Tower, Block 8 Clifton, Karachi

## GADAP TOWN PLANT

Survey No. 348, Deh Shah Mureed, Tappo Songal, Gadap Town, Karachi

## POULTRY & MEAT PROCESSING PLANT

3.5 Km Manga Mandi  
Near Raiwand Road, Lahore

## BOARD OF DIRECTORS

|                          |                         |
|--------------------------|-------------------------|
| Mr. Kamran Ahmed Khalili | Chief Executive Officer |
| Mr. Adeeb Ahmad          | Director                |
| Mr. M. Qaysar Alam       | Director                |
| Mr. Jamil Akbar          | Director                |
| Ms. Ayesha Aziz          | Director                |
| Mr. Zillay A Nawab       | Director                |
| Mr. Umair Ahmed Khalili  | Director                |

## AUDIT COMMITTEE

|                         |        |
|-------------------------|--------|
| Mr. Jamil Akbar         | Member |
| Mr. M Qaysar Alam       | Member |
| Mr. Umair Ahmed Khalili | Member |

## AUDITORS

Messrs. EY Ford Rhodes Chartered Accountants

## SHARE REGISTRATION OFFICE

Central Depository Company of Pakistan Ltd.  
CDC House, 99-B, Block 'B', S.M.C.H.S.,  
Main Shahrah-e-Faisal, Karachi-74400  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326031

## PRINCIPAL BANKERS

|                                 |                                   |
|---------------------------------|-----------------------------------|
| Faysal Bank Limited             | IBB Main Branch, Karachi          |
| Askari Bank Limited             | IBB DHA Branch, Karachi           |
| Meezan Bank Limited             | Clifton Branch, Karachi           |
| MCB Bank Limited                | Clifton Branch, Karachi           |
| Habib Bank Limited              | IBB Phase IV Branch, Karachi      |
| United Bank Limited             | Khayaban-e-Shabaz Branch, Karachi |
| Habib Metropolitan Bank Limited | IBB-Alfalah Court, Karachi        |
| Summit Bank Limited             | I.I. Chundrigar Road, Karachi     |
| Dubai Islamic Bank              | Clifton, Karachi                  |

# DIRECTORS' REVIEW

## Half Year 2019-20

The Directors of your Company are pleased to present audited financial results of the Company for first half of the year ended on December 31, 2019.

### Operational Performance

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

|                                  | Half Year ended |               |
|----------------------------------|-----------------|---------------|
|                                  | Dec 2019        | Dec 2018      |
|                                  | (Rupees '000)   |               |
| Turnover                         | 1,559,442       | 2,194,037     |
| Cost of sales                    | (993,464)       | (1,583,527)   |
| Gross profit                     | 565,978         | 610,510       |
| <b>Operating Profit</b>          | <b>189,484</b>  | <b>26,809</b> |
| Other Expenses                   | (45,845)        | (7,060)       |
| Other Income                     | 7,995           | 123,166       |
| Taxation                         | 21,886          | 1,705         |
| <b>Net Profit</b>                | <b>27,010</b>   | <b>89,749</b> |
| Basic and Diluted EPS (Rs/Share) | 0.19            | 0.63          |

In the first half of this fiscal, though, there is decline in sales over last year same period, yet the profitability is increased by 8 percentage points from 28% to 36% and expenses are reduced by 13%. This is a result of corrective measures taken and operational efficiencies brought in the last two quarters.

The export business profitability has improved as compared to same period last year. This has been largely due to the currency depreciation and decrease in administrative cost. Renewed efforts are already underway to win back our lost market share in the Middle East.

### Future Outlook

After successful completion of Right Shares issue and completion of restructuring of the Company, we expect higher volumes and better profitability margins in coming quarters.

### Acknowledgement

The Board is thankful to its valuable stakeholders for their trust and continued support to the company. The Board would also like to place on record its appreciation to all employees of the company for their dedication, diligence and hard work



**Qaysar Alam**  
Director





EY Ford Rhodes  
Chartered Accountants  
Progressive Plaza, Beaumont Road  
P.O. Box 15541, Karachi 75530  
Pakistan

UAN: +9221 111 11 39 37 (EYFR)  
Tel: +9221 3565 0007-11  
Fax: +9221 3568 1965  
ey.khi@pk.ey.com  
ey.com/pk

## **INDEPENDENT AUDITOR'S REVIEW REPORT**

**TO THE MEMBERS OF AL SHAHEER CORPORATION LIMITED**

**REPORT ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**

### **Introduction**

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Al Shaheer Corporation Limited** (the Company) as at **31 December 2019**, the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim statement of cash flows and notes to the financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and other comprehensive income for the three-months period ended 31 December 2019 and 2018 have not been reviewed, as we are required to review only the cumulative figures of the six-months period ended 31 December 2019.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Mr. Shaikh Ahmed Salman.

**Chartered Accountants**

**Place: Karachi**

**Date: 28 February 2020**

# Condensed Interim Unconsolidated Financial Statements 2019-20

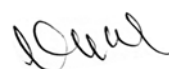


## Unconsolidated Condensed Interim Statement of Financial Position

As at December 31 2019

|  |      | December 31, 2019<br>(Un-Audited) | June 30, 2019<br>(Audited) |
|--|------|-----------------------------------|----------------------------|
| <b>ASSETS</b>  | Note | ----- (Rupees in '000) -----      |                            |
| <b>NON-CURRENT ASSETS</b>                            |      |                                   |                            |
| Property, plant and equipment                        | 5    | 5,139,578                         | 4,987,659                  |
| Intangible assets                                    |      | 3,424                             | 3,913                      |
| Long-term investments                                | 6    | 19,049                            | 93,642                     |
| Long term loans                                      |      | 15,347                            | 15,947                     |
| Deferred taxation                                    |      | <u>211,694</u>                    | <u>179,295</u>             |
|  |      | <b>5,389,092</b>                  | <b>5,280,456</b>           |
| <b>CURRENT ASSETS</b>                                |      |                                   |                            |
| Fuels and lubricants                                 |      | 304                               | 486                        |
| Stock-in-trade                                       |      | 79,901                            | 84,453                     |
| Trade debts  |      | 1,592,376                         | 1,480,172                  |
| Loans and advances                                   |      | 347,788                           | 283,101                    |
| Trade deposits and short-term prepayments            |      | 16,756                            | 19,321                     |
| Short-term investments                               | 6    | 82,538                            | 626                        |
| Other receivables                                    |      | 291,365                           | 253,689                    |
| Taxation - net                                       |      | 149,260                           | 150,714                    |
| Cash and bank balances                               |      | <u>5,122</u>                      | <u>19,735</u>              |
|  |      | <b>2,565,410</b>                  | <b>2,292,297</b>           |
| <b>TOTAL ASSETS</b>                                  |      | <b><u>7,954,503</u></b>           | <b><u>7,572,753</u></b>    |
| <b>EQUITY AND LIABILITIES</b>                        |      |                                   |                            |
| <b>SHARE CAPITAL AND RESERVES</b>                    |      |                                   |                            |
| Share capital  |      | 1,421,175                         | 1,421,175                  |
| Share premium  |      | 1,507,705                         | 1,507,705                  |
| Unappropriated profit                                |      | 882,940                           | 844,912                    |
| Revaluation surplus on property, plant and equipment |      | <u>813,176</u>                    | <u>824,194</u>             |
|  |      | <b>4,624,996</b>                  | <b>4,597,986</b>           |
| <b>NON-CURRENT LIABILITIES</b>                       |      |                                   |                            |
| Long-term financing                                  | 7    | 531,665                           | 590,780                    |
| Lease Liabilities                                    | 3.2  | 148,882                           | -                          |
| Deferred liabilities - staff gratuity                |      | <u>74,563</u>                     | <u>73,386</u>              |
|  |      | <b>755,110</b>                    | <b>664,166</b>             |
| <b>CURRENT LIABILITIES</b>                           |      |                                   |                            |
| Trade and other payables                             |      | 813,705                           | 744,856                    |
| Short-term borrowings                                |      | 1,099,548                         | 1,074,360                  |
| Accrued mark-up                                      |      | 55,723                            | 60,520                     |
| Current portion of long-term financing               | 7    | 393,249                           | 353,416                    |
| Current portion of lease liabilities                 | 3.2  | 57,202                            | -                          |
| Due to a related party                               | 8    | <u>154,970</u>                    | <u>77,449</u>              |
|  |      | <b>2,574,397</b>                  | <b>2,310,601</b>           |
| <b>TOTAL EQUITY AND LIABILITIES</b>                  |      | <b><u>7,954,503</u></b>           | <b><u>7,572,753</u></b>    |
| <b>CONTINGENCIES AND COMMITMENTS</b>                 | 9    |                                   |                            |

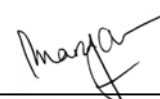
The annexed notes 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

## Unconsolidated Condensed Interim Statement of Profit or Loss

For the Six Months Period Ended December 31, 2019 (Un-Audited)

|  | Half Year ended              |                   | Quarter ended                |                   |
|--|------------------------------|-------------------|------------------------------|-------------------|
|  | December 31, 2019            | December 31, 2018 | December 31, 2019            | December 31, 2018 |
| Note   | ----- (Rupees in '000) ----- |                   | ----- (Rupees in '000) ----- |                   |
| Turnover   | 1,559,442                    | 2,194,037         | 581,995                      | 1,062,391         |
| Cost of sales  | (993,464)                    | (1,583,527)       | (344,601)                    | (759,769)         |
| <b>Gross profit</b>  | <b>565,978</b>               | 610,510           | 237,394                      | 302,622           |
| Administrative and distribution expenses                           | (376,494)                    | (583,701)         | (153,516)                    | (289,185)         |
| <b>Operating profit</b>  | <b>189,484</b>               | 26,809            | <b>83,878</b>                | 13,437            |
| Other expenses   | (45,845)                     | (7,060)           | (13,885)                     | (6,577)           |
| Other income   | 7,995                        | 123,166           | 7,145                        | 101,244           |
| Finance costs  | (146,510)                    | (54,871)          | (89,722)                     | (42,250)          |
| <b>Profit before taxation</b>                                      | <b>5,124</b>                 | 88,044            | <b>(12,584)</b>              | 65,854            |
| Taxation   |                              |                   |                              |                   |
| - Current  | (10,513)                     | (14,304)          | (4,510)                      | (4,848)           |
| - Deferred   | 32,399                       | 16,009            | 21,985                       | 19,549            |
|  | 21,886                       | 1,705             | 17,475                       | 14,701            |
| <b>Profit / (loss) after taxation</b>                              | <b>27,010</b>                | 89,749            | <b>4,891</b>                 | 80,555            |
| <b>Earnings / (loss) per share<br/>- basic and diluted (Rupee)</b> | <b>0.19</b>                  | 0.63              | <b>0.03</b>                  | 0.57              |


The annexed notes 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer


**Unconsolidated Condensed Interim Statement of Comprehensive Income**  
For the Six Months Period Ended December 31, 2019 (Un-Audited)

| Half Year Ended              |                   | Quarter Ended                |                   |
|------------------------------|-------------------|------------------------------|-------------------|
| December 31, 2019            | December 31, 2018 | December 31, 2019            | December 31, 2018 |
| ----- (Rupees in '000) ----- |                   | ----- (Rupees in '000) ----- |                   |

|  |                      |                      |                     |                      |
|--|----------------------|----------------------|---------------------|----------------------|
| <b>Profit after taxation</b>                     | <b>27,010</b>        | <b>89,749</b>        | <b>4,891</b>        | <b>80,555</b>        |
| <b>Other comprehensive income</b>                | -                    | -                    | -                   | -                    |
| <b>Total comprehensive profit for the period</b> | <b><u>27,010</u></b> | <b><u>89,749</u></b> | <b><u>4,891</u></b> | <b><u>80,555</u></b> |

The annexed notes 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.

  
\_\_\_\_\_  
Chief Executive Officer

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Chief Financial Officer

## Unconsolidated Condensed Interim Statement of Changes In Equity

For the Six Months Period Ended December 31, 2019 (Un-Audited)

|   | Share Capital    | Capital reserves | Revenue reserves      | Revaluation surplus on property, plant and equipment | Total            |
|---|------------------|------------------|-----------------------|--|------------------|
|   |                  | Share Premium    | Unappropriated profit |  |                  |
| ----- (Rupees in '000) -----  |                  |                  |                       |  |                  |
| <b>Balance as at 30 June 2018 (Audited)</b>   | 1,421,175        | 1,507,705        | 634,687               | 852,139  | 4,415,706        |
| Net Profit for the period   | -                | -                | 89,749                | -  | 89,749           |
| Other comprehensive loss for the period   | -                | -                | -                     | -  | -                |
| Total comprehensive loss for the period   | -                | -                | 89,749                | -  | 89,749           |
| Revaluation surplus on property, plant and equipment on account of incremental depreciation net of deferred tax | -                | -                | 11,323                | (11,323)   | -                |
| <b>Balance as at 31 December 2018 - Restated</b>  | <u>1,421,175</u> | <u>1,507,705</u> | <u>735,759</u>        | <u>840,815</u>                                       | <u>4,505,455</u> |
| <b>Balance as at 30 June 2019 (Audited)</b>   | 1,421,175        | 1,507,705        | 844,912               | 824,194  | 4,597,986        |
| Net Profit for the period   | -                | -                | 27,010                | -  | 27,010           |
| Other comprehensive loss for the period   | -                | -                | -                     | -  | -                |
| Total comprehensive loss for the period   | -                | -                | 27,010                | -  | 27,010           |
| Revaluation surplus on property, plant and equipment on account of incremental depreciation net of deferred tax | -                | -                | 11,018                | (11,018)   | -                |
| <b>Balance as at 31 December 2019</b>   | <u>1,421,175</u> | <u>1,507,705</u> | <u>882,940</u>        | <u>813,176</u>                                       | <u>4,624,996</u> |

The annexed notes 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

## Unconsolidated Condensed Interim Statement Of Cash Flows

For the Six Months Period Ended December 31, 2019 (Un-Audited)

|   | December 31, 2019            | December 31, 2018 |
|---|------------------------------|-------------------|
|   | ----- (Rupees in '000) ----- |                   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |                              |                   |
| <b>Profit before taxation</b>                                   | 5,124                        | 88,044            |
| <b>Adjustments for:</b>   |                              |                   |
| Depreciation  | 35,055                       | 43,884            |
| Depreciation - Right of use - asset                             | 31,408                       | -                 |
| Amortisation  | 489                          | 652               |
| Provision for defined benefit plan - gratuity                   | 10,906                       | 13,125            |
| Loss on disposal of property, plant and equipment               | 565                          | 535               |
| Unrealised loss on remeasurement of short-term investments      | -                            | 1                 |
| Dividend income   | -                            | (17)              |
| Profit on long term investment                                  | 7,945                        | -                 |
| Finance costs   | 146,510                      | 64,841            |
|   | <b>232,878</b>               | <b>123,021</b>    |
| <b>Operating profit before working capital changes</b>          | <b>238,002</b>               | <b>211,065</b>    |
| <b>(Increase) / decrease in current assets:</b>                 |                              |                   |
| Fuels and lubricants  | 182                          | 192               |
| Stock-in-trade  | 4,552                        | 11,287            |
| Trade debts   | (112,204)                    | (38,993)          |
| Loans and advances  | (64,087)                     | (50,790)          |
| Trade deposits and short-term prepayments                       | 2,565                        | (2,069)           |
| Other receivables   | (37,676)                     | (45,591)          |
|   | <b>(206,668)</b>             | <b>(125,964)</b>  |
| <b>Increase / (decrease) in current liabilities:</b>            |                              |                   |
| Trade and other payables  | 68,849                       | 166,005           |
| Due to a related party  | 77,521                       | (57,421)          |
|   | <b>146,370</b>               | <b>108,584</b>    |
| <b>Cash generated from operations</b>                           | <b>177,704</b>               | <b>193,685</b>    |
| Taxes paid  | (9,059)                      | (21,257)          |
| Staff gratuity paid   | (9,729)                      | (4,722)           |
| <b>Net cash generated from operating activities</b>             | <b>158,916</b>               | <b>167,706</b>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |                              |                   |
| Fixed capital expenditure                                       | (41)                         | (267,604)         |
| Sale proceeds from disposal of property, plant and equipment    | 2,762                        | 3,217             |
| Short-term investments encashed during the period               | 626                          | -                 |
| <b>Net cash generated / (used) in investing activities</b>      | <b>3,347</b>                 | <b>(264,387)</b>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                     |                              |                   |
| Long-term financing - net                                       | (19,282)                     | 150,922           |
| Short-term financing - net                                      | 25,188                       | (34,517)          |
| Lease liabilities paid  | (35,990)                     | -                 |
| Finance costs paid  | (146,791)                    | (54,748)          |
| <b>Net cash (used) / generated from financing activities</b>    | <b>(176,875)</b>             | <b>61,657</b>     |
| <b>Net decrease in cash and cash equivalents</b>                | <b>(14,613)</b>              | <b>(35,024)</b>   |
| <b>Cash and cash equivalents at the beginning of the period</b> | <b>19,735</b>                | <b>52,094</b>     |
| <b>Cash and cash equivalents at the end of the period</b>       | <b>5,122</b>                 | <b>17,070</b>     |

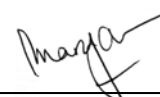
The annexed notes 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

## Notes to the Unconsolidated Condensed Interim Financial Statements For the Six Months Period Ended December 31, 2019 (Un-Audited)

### 1. THE COMPANY AND ITS OPERATIONS

Al Shaheer Corporation Limited (the Company) was incorporated on June 30, 2012 under the repealed Companies Ordinance, 1984 (the Ordinance), now 'the Companies Act, 2017', and is quoted on Pakistan Stock Exchange 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.

### 2. BASIS OF PREPARATION

These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standards 34; 'Interim Financial Reporting', (IAS 34) issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 (the Act),
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Act; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2019. These unconsolidated condensed interim financial statements are unaudited, however have been subject to a limited scope review by the auditors, and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017

The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended December 31, 2019 and December 31, 2018 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half year ended December 31, 2019 and December 31, 2018.

These are the separate financial statements of the Company in which investment in subsidiary is stated at cost less impairment loss, if any.

### 3. ACCOUNTING POLICIES

The accounting policies and the methods of computations adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the Company's annual audited financial statements for the year ended June 30, 2019.

#### 3.1 New / Revised Standard, Amendments, Interpretation and Improvements

The Company has adopted the following accounting standards, amendments and interpretations of IFRSs and the improvements to accounting standards which became effective for the current period:

##### Standard, Amendments and Interpretation

|          |   |
|----------|---|
| IFRS 16  | Leases  |
| IFRIC 23 | Uncertainty over income tax treatments                            |
| IFRS 9   | Prepayment Features with Negative Compensation (Amendments)       |
| IAS 28   | Long-term Interests in Associates and Joint Ventures (Amendments) |
| IAS 19   | Plan Amendment, Curtailment or Settlement (Amendments)            |

Improvements to Accounting Standards Issued by the IASB in December 2017:

|         |  |
|---------|--|
| IFRS 3  | Business Combinations - Previously held Interests in a joint operation                           |
| IFRS 11 | Joint Arrangements - Previously held Interests in a joint operation                              |
| IAS 12  | Income Taxes - Income tax consequences of payments on financial instruments classified as equity |
| IAS 23  | Borrowing Costs - Borrowing costs eligible for capitalisation                                    |

The adoption of the above standards, amendments, interpretations and improvements did not have any effect on the accounting policies of the Company except for IFRS 16. The impact of adoption of IFRS 16 is described in note 3.2 to these unconsolidated condensed interim financial statements:



Chief Executive Officer



Director



Chief Financial Officer



## Notes to the Unconsolidated Condensed Interim Financial Statements For the Six Months Period Ended December 31, 2019 (Un-Audited)

### 3.2 Adoption of IFRS 16 - Leases

During the period, the Company have adopted IFRS 16 as issued by the International Accounting Standards Board (IASB) in January 2016.

IFRS 16 supersedes IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 "Operating Leases-Incentives" and SIC-27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease". The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged under IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Company is the lessor.

The Company has lease contracts for its shops. Before the adoption of IFRS 16, the Company classified each of its leases (as lessee) at the inception date as an operating lease. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in statement of profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Trade deposits, short term prepayments and other receivables, respectively.

Upon adoption of IFRS 16, the Company initially recognized a lease liability for the obligation to make lease payments and a right-of-use (RoU) asset for the right to use the underlying asset for the lease term against a consideration. The lease liability is measured at the present value of the consideration (lease payments) to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease, unless it is not readily determinable, in which case the lessee may use the incremental rate of borrowing. The RoU asset is initially measured at the present value of lease liability, adjusted for lease prepayments and borrowing costs.

As permitted by the transitional provisions of IFRS 16, the Company elected not to restate the comparative figures and not to adjust the opening unappropriated profit. Accordingly, adjustment to the carrying amount of assets and liabilities were recognised in the current period.

The effect of adoption of IFRS 16 as at July 01, 2019 is as follows:

|  | July 01, 2019<br>(Rupees in '000) |
|--|-----------------------------------|
| Increase in RoU asset  | 221,668                           |
| (Decrease) in trade deposits, short term prepayments and other receivables | (2,325)                           |
| Increase in total assets   | <b>219,343</b>                    |
| Increase in lease liability against assets subject to finance lease        | 227,705                           |
| (Decrease) in rent payable   | (8,362)                           |
| Increase in net assets   | <b>-</b>                          |

The Company also applied the available practical expedients wherein it:


- Used a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Relied on its assessment of whether leases are onerous immediately before the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.



Chief Executive Officer



Director



Chief Financial Officer

## Notes to the Unconsolidated Condensed Interim Financial Statements For the Six Months Period Ended December 31, 2019 (Un-Audited)

The lease liabilities as at July 01, 2019 can be reconciled to the operating lease commitments as of June 30, 2019 as follows:

|   | (Rupees in '000)      |
|---|-----------------------|
| Operating lease commitments as at June 30, 2019   | 156,931               |
| Weighted average incremental borrowing rate as at July 01, 2019   | 13.80%                |
| Discounted operating lease commitments as at July 01, 2019  | <u>123,587</u>        |
| Less: Commitments relating to short-term leases   | -                     |
| Add: Lease payments relating to renewal periods not included in operating lease commitments as at June 30, 2019 | 104,119               |
| Lease liabilities as July 01, 2019  | <u><u>227,706</u></u> |

### Summary of new accounting policies in respect of adoption of IFRS 16

Set out below are the new accounting policies of the Company upon adoption of IFRS 16, which have been applied from the date of initial application:

#### Right-of-use (RoU) assets

At the commencement date of the lease, Right-of-use assets is measured at present value of lease liability. Subsequently, RoU asset is measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any pre measurement of lease liabilities. RoU are depreciated on a straight-line basis over the shorter of its estimated useful life and lease term.

#### Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term and is adjusted for lease prepayments. The lease payments are discounted using the interest rate implicit in the lease, unless it is not readily determinable, in which case the lessee may use incremental rate of borrowing. After the commencement date, the carrying amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made.

#### Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases of premises (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Set out below, are the carrying amounts of the Company's right-of-use assets, lease liabilities and interest liability and the movements during the period:

|                                | RoU asset             | Lease liability       |
|--------------------------------|-----------------------|-----------------------|
| <b>As at July 01, 2019</b>     | 221,668               | 227,705               |
| Depreciation expense           | (31,408)              | -                     |
| Interest expense               | -                     | 14,170                |
| Payments                       | -                     | (35,792)              |
| <b>As at December 31, 2019</b> | <u><u>190,260</u></u> | <u><u>206,083</u></u> |

#### 4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of unconsolidated condensed interim financial statements in conformity with approved accounting standards, as applicable in Pakistan requires the management to make estimates, assumptions and use judgments that affect the application of policies and the reported amount of assets and liabilities and income and expenses.

Judgements and estimates made by the management in the preparation of these unconsolidated condensed interim financial statements are same as those applied in the Company's annual unconsolidated financial statements for the year ended June 30, 2019, except as disclosed otherwise.

## Notes to the Unconsolidated Condensed Interim Financial Statements

For the Six Months Period Ended December 31, 2019 (Un-Audited)

|  | Note  | (Un-audited)                 | (Audited)     |
|--|-------|------------------------------|---------------|
|  |       | December 31, 2019            | June 30, 2019 |
|  |       | ----- (Rupees in '000) ----- |               |
| <b>5. PROPERTY, PLANT AND EQUIPMENT</b>  |       |                              |               |
| Operating fixed assets   | 5.1   | 1,698,857                    | 1,737,198     |
| Right of use - asset   | 3.2   | 190,260                      | -             |
| Capital work-in-progress   |       | 3,250,461                    | 3,250,461     |
|  |       | 5,139,578                    | 4,987,659     |
| <b>5.1 The movement in operating fixed assets during the period / year are as follows:</b> |       |                              |               |
| Opening Balance - book value   |       | 1,737,198                    | 1,822,109     |
| Additions during the period / year - end   | 5.1.1 | 41                           | 10,193        |
|  |       | 1,737,239                    | 1,832,302     |
| Disposals during the period / year - end - book value                                      |       | (3,327)                      | (14,279)      |
| Depreciation charge for the period / year  |       | (35,055)                     | (80,825)      |
|  |       | (38,382)                     | (95,104)      |
| Closing balance - book value   |       | 1,698,857                    | 1,737,198     |

**5.1.1 Details of additions and deletions are as follows:**

|                              | Additions (cost)  |               | Deletions (net book value) |               |
|------------------------------|-------------------|---------------|----------------------------|---------------|
|                              | (Un-audited)      | (Audited)     | (Un-audited)               | (Audited)     |
|                              | December 31, 2019 | June 30, 2019 | December 31, 2019          | June 30, 2019 |
| ----- (Rupees in '000) ----- |                   |               |                            |               |
| Building                     | -                 | 6,000         | -                          | -             |
| Plant and machinery          | -                 | 935           | -                          | -             |
| Furniture and fittings       | -                 | 2,654         | -                          | -             |
| Motor vehicles               | -                 | 135           | 3,215                      | 13,897        |
| Office equipment             | 41                | 469           | 3                          | 191           |
| Tools and equipment          | -                 | -             | -                          | -             |
| Computers and accessories    | -                 | -             | 109                        | 191           |
|                              | 41                | 10,193        | 3,327                      | 14,279        |

|   | (Un-audited)      | (Audited)     |
|---|-------------------|---------------|
|   | December 31, 2019 | June 30, 2019 |
| ----- (Rupees in '000) -----  |                   |               |
| <b>6. INVESTMENTS</b>   |                   |               |
| <b>Long Term Investments</b>  |                   |               |
| - Subsidiary company - unquoted   | 19,049            | 19,049        |
| - Sales tax refund bonds - at amortized cost  | -                 | 74,593        |
|   | 19,049            | 93,642        |
| <b>Short Term Investments</b>   |                   |               |
| - Sales tax refund bonds (including accrued profit of Rs.7.945 million) - at amortized cost | 82,538            | -             |
| - Mutual fund units   | -                 | 626           |
|   | 82,538            | 626           |

## Notes to the Unconsolidated Condensed Interim Financial Statements

For the Six Months Period Ended December 31, 2019 (Un-Audited)

|                               |             | December 31, 2019<br>(Un-audited) | June 30, 2019<br>(Audited) |
|-------------------------------|-------------|-----------------------------------|----------------------------|
| <b>7. LONG-TERM FINANCING</b> | <b>Note</b> | ----- (Rupees in '000) -----      |                            |
| Diminishing musharka          | 7.1         | 924,914                           | 944,196                    |
| Less: Current maturity        |             | <u>(393,249)</u>                  | <u>(353,416)</u>           |
|                               |             | <u><u>531,665</u></u>             | <u><u>590,780</u></u>      |

7.1 This includes diminishing musharka facilities obtained from an Islamic bank amounting to Rs.150 million during the period. These facilities carry mark-up rate of 3 months KIBOR + 2.5% per annum and are secured by exclusive charge over respective fixed assets of the Company.

### 8. DUE TO A RELATED PARTY

Represents interest free loan obtained Chief Executive Officer (CEO) of the Company. The loan is unsecured and is repayable on demand. Subsequent to the period end, loan of Rs.75.5 million is adjusted against issue of right shares subscribed by the CEO.

### 9. CONTINGENCIES AND COMMITMENTS

#### 9.1 Contingencies

There are no contingencies as at December 31, 2019.

#### 9.2 Commitments

Capital commitments

|                     | December 31, 2019<br>(Un-audited) | June 30, 2019<br>(Audited) |
|---------------------|-----------------------------------|----------------------------|
|                     | ----- (Rupees in '000) -----      |                            |
| Capital commitments | <u>112,453</u>                    | <u>112,453</u>             |

### 10. OTHER EXPENSES

This includes net exchange loss amounting to Rs.44.896 million on revaluation of trade debts and payables in foreign currency.

### 11. FINANCE COST

This includes interest expense amounting to Rs.14.170 million on lease liability booked against Right of use - asset as disclosed in note 3.2.

## Notes to the Unconsolidated Condensed Interim Financial Statements For the Six Months Period Ended December 31, 2019 (Un-Audited)

### 12. TRANSCATIONS WITH RELATED PARTIES

Related parties of the Company comprise of associates, directors and key management personnel. Transactions with related parties during the period, other than those which have been disclosed elsewhere in this unconsolidated condensed interim financial information, are as follows:

| Transaction for the period  |                                | December 31, 2019            | June 30, 2019        |
|---|--------------------------------|------------------------------|----------------------|
| <b>Nature of transaction</b>  | <b>Relationship</b>            | ----- (Rupees in '000) ----- |                      |
| Settlement of liabilities by / (Repayment to)<br>CEO of the company | Key<br>Management<br>Personnel | <u>77,521</u>                | <u>(13,533)</u>      |
| Loan received / (paid to) from CEO during the period                |                                | <u>-</u>                     | <u>(178,165)</u>     |
| <b>Balance as at period / year end</b>                              |                                | <b>December 31, 2019</b>     | <b>June 30, 2019</b> |
|   |                                | <b>(Un-audited)</b>          | <b>(Audited)</b>     |
| <b>Nature of balance</b>  | <b>Relationship</b>            | ----- (Rupees in '000) ----- |                      |
| Due to Related Party  | Key<br>Management<br>Personnel | <u>154,970</u>               | <u>77,449</u>        |

### 13. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

#### 13.1 Financial risk management information and disclosures

The Company's activities expose it to a variety of financial risks. These unconsolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the annual unconsolidated financial statements of the Company for the year ended 30 June 2019. There have been no changes in any risk management policies since the year end.

#### 13.2 Fair value of financial instruments

IFRS 13 - Fair Value Measurement establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value.

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is based on:

**Level 1:** quoted prices in active markets for identical assets or liabilities;

**Level 2:** those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

**Level 3:** those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**Notes to the Unconsolidated Condensed Interim Financial Statements**  
For the Six Months Period Ended December 31, 2019 (Un-Audited)

| December 31, 2019 (Un-audited) | ----- (Rupees in '000) ----- |         |           |           |
|--------------------------------|------------------------------|---------|-----------|-----------|
|                                | Level 1                      | Level 2 | Level 3   | Total     |
| <b>Financial assets</b>        |                              |         |           |           |
| Short term investment          | -                            | -       | -         | -         |
| <b>Non- financial assets</b>   |                              |         |           |           |
| Property, plant and equipment  | -                            | -       | 1,698,857 | 1,698,857 |
| <b>June 30, 2019 (Audited)</b> |                              |         |           |           |
| <b>Financial assets</b>        |                              |         |           |           |
| Short term investment          | -                            | 626     | -         | 626       |
| <b>Non- financial assets</b>   |                              |         |           |           |
| Property, plant and equipment  | -                            | -       | 1,737,198 | 1,737,198 |

**13.3 Fair value of assets and liabilities**

There were no transfers amongst levels during the period.

**14. SUBSEQUENT EVENT**

The Board of Directors resolved for right issue in its meeting held on December 21, 2019 and the legal formalities for completion of right issue were culminated subsequent to the period. These consolidated condensed interim financial statements do not include the effect of the above event which will be accounted for as a subsequent event.

**15. DATE OF AUTHORISATION FOR ISSUE**


These unconsolidated condensed interim financial statements was authorized for issue on 27 February, 2020 by the Board of Directors of the Company.

**16. GENERAL**

**16.1** Corresponding figures have been reclassified for the purpose of better presentation and comparison, wherever necessary.

**16.2** All figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

  
\_\_\_\_\_  
Chief Executive Officer

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Chief Financial Officer

# Condensed Interim Consolidated Financial Statements 2019-20



## Consolidated Condensed Interim Statement of Financial Position

As at December 31, 2019

|  |             | December 31, 2019<br>(Un-Audited) | June 30, 2019<br>(Audited) |
|--|-------------|-----------------------------------|----------------------------|
|  |             | ----- (Rupees in '000) -----      |                            |
| <b>ASSETS</b>  | <b>Note</b> |                                   |                            |
| <b>NON-CURRENT ASSETS</b>                            |             |                                   |                            |
| Property, plant and equipment                        | 5           | 5,186,638                         | 5,034,729                  |
| Intangible assets                                    |             | 3,424                             | 3,913                      |
| Long-term investments                                | 6           | -                                 | 74,593                     |
| Long term loans                                      |             | 15,347                            | 15,947                     |
| Deferred taxation                                    |             | 211,694                           | 179,295                    |
|  |             | <u>5,417,103</u>                  | <u>5,308,477</u>           |
| <b>CURRENT ASSETS</b>                                |             |                                   |                            |
| Fuels and lubricants                                 |             | 304                               | 486                        |
| Stock-in-trade                                       |             | 79,901                            | 84,453                     |
| Trade debts  |             | 1,592,376                         | 1,480,172                  |
| Loans and advances                                   |             | 347,848                           | 283,161                    |
| Trade deposits and short-term prepayments            |             | 16,757                            | 19,321                     |
| Short-term investments                               | 6           | 82,538                            | 626                        |
| Other receivables                                    |             | 291,365                           | 253,689                    |
| Taxation - net                                       |             | 149,260                           | 150,714                    |
| Cash and bank balances                               |             | 5,438                             | 20,052                     |
|  |             | <u>2,565,787</u>                  | <u>2,292,674</u>           |
| <b>TOTAL ASSETS</b>                                  |             | <u><u>7,982,890</u></u>           | <u><u>7,601,151</u></u>    |
| <b>EQUITY AND LIABILITIES</b>                        |             |                                   |                            |
| <b>SHARE CAPITAL AND RESERVES</b>                    |             |                                   |                            |
| Share capital  |             | 1,421,175                         | 1,421,175                  |
| Share premium  |             | 1,507,705                         | 1,507,705                  |
| Unappropriated profit                                |             | 887,230                           | 849,204                    |
| Revaluation surplus on property, plant and equipment |             | 813,176                           | 824,194                    |
|  |             | <u>4,629,286</u>                  | <u>4,602,278</u>           |
| Non-controlling interest                             |             | 7,085                             | 7,090                      |
| <b>NON-CURRENT LIABILITIES</b>                       |             |                                   |                            |
| Long-term financing                                  | 7           | 531,665                           | 590,780                    |
| Lease Liabilities                                    | 3.2         | 148,882                           | -                          |
| Deferred liabilities - staff gratuity                |             | 74,563                            | 73,386                     |
|  |             | <u>755,110</u>                    | <u>664,166</u>             |
| <b>CURRENT LIABILITIES</b>                           |             |                                   |                            |
| Trade and other payables                             |             | 814,363                           | 745,518                    |
| Short-term borrowings                                |             | 1,099,548                         | 1,074,360                  |
| Accrued mark-up                                      |             | 55,723                            | 60,520                     |
| Current portion of long-term financing               | 7           | 393,249                           | 353,416                    |
| Current portion of lease liabilities                 | 3.2         | 57,202                            | -                          |
| Due to a related party                               | 8           | 171,324                           | 93,803                     |
|  |             | <u>2,591,409</u>                  | <u>2,327,617</u>           |
| <b>TOTAL EQUITY AND LIABILITIES</b>                  |             | <u><u>7,982,890</u></u>           | <u><u>7,601,151</u></u>    |
| <b>CONTINGENCIES AND COMMITMENTS</b>                 |             |                                   |                            |
|  | 9           |                                   |                            |

The annexed notes 1 to 16 form an integral part of these consolidated condensed interim financial statements.



## Consolidated Condensed Interim Statement of Profit or Loss

For the Six Months Period Ended December 31, 2019 (Un-Audited)

|  | Note | Half Year ended              |                   | Quarter ended                |                   |
|--|------|------------------------------|-------------------|------------------------------|-------------------|
|  |      | December 31, 2019            | December 31, 2018 | December 31, 2019            | December 31, 2018 |
|  |      | ----- (Rupees in '000) ----- |                   | ----- (Rupees in '000) ----- |                   |
| Turnover   |      | 1,559,442                    | 2,194,037         | 581,995                      | 1,062,391         |
| Cost of sales  |      | (993,464)                    | (1,583,527)       | (344,601)                    | (759,769)         |
| <b>Gross profit</b>  |      | <b>565,978</b>               | <b>610,510</b>    | <b>237,394</b>               | <b>302,622</b>    |
| Administrative and distribution expenses                       |      | (376,504)                    | (583,784)         | (153,521)                    | (289,227)         |
| <b>Operating profit</b>  |      | <b>189,474</b>               | <b>26,726</b>     | <b>83,873</b>                | <b>13,395</b>     |
| Other expenses   | 10   | (45,842)                     | (7,060)           | (13,881)                     | (6,577)           |
| Other income   |      | 7,995                        | 123,166           | 7,144                        | 101,244           |
| Finance costs  | 11   | (146,510)                    | (54,871)          | (89,722)                     | (42,250)          |
| <b>Profit / (loss) before taxation</b>                         |      | <b>5,117</b>                 | <b>87,961</b>     | <b>(12,586)</b>              | <b>65,812</b>     |
| Taxation   |      |                              |                   |                              |                   |
| - Current  |      | (10,513)                     | (14,304)          | (4,510)                      | (4,848)           |
| - Deferred   |      | 32,399                       | 16,009            | 21,985                       | 19,549            |
|  |      | 21,886                       | 1,705             | 17,475                       | 14,701            |
| <b>Profit / (loss) after taxation</b>                          |      | <b>27,003</b>                | <b>89,666</b>     | <b>4,889</b>                 | <b>80,513</b>     |
| <b>Attributable to:</b>  |      |                              |                   |                              |                   |
| Owners of the Holding Company                                  |      | 27,008                       | 89,707            | 4,891                        | 80,534            |
| Non controlling interests                                      |      | (5)                          | (41)              | (2)                          | (21)              |
|  |      | 27,003                       | 89,666            | 4,889                        | 80,513            |
| <b>Earnings / (loss) per share – basic and diluted (Rupee)</b> |      | <b>0.19</b>                  | <b>0.63</b>       | <b>0.03</b>                  | <b>0.57</b>       |


The annexed notes 1 to 16 form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

**Consolidated Condensed Interim Statement of Comprehensive Income**  
For the Six Months Period Ended December 31, 2019 (Un-Audited)

|  | Half Year ended              |                   | Quarter ended                |                   |
|--|------------------------------|-------------------|------------------------------|-------------------|
|  | December 31, 2019            | December 31, 2018 | December 31, 2019            | December 31, 2018 |
|  | ----- (Rupees in '000) ----- |                   | ----- (Rupees in '000) ----- |                   |
| Profit after taxation                            | 27,003                       | 89,666            | 4,889                        | 80,513            |
| Other comprehensive income                       | -                            | -                 | -                            | -                 |
| <b>Total comprehensive profit for the period</b> | <b>27,003</b>                | <b>89,666</b>     | <b>4,889</b>                 | <b>80,513</b>     |
| <b>Attributable to:</b>                          |                              |                   |                              |                   |
| Owners of the Holding Company                    | 27,008                       | 89,707            | 4,891                        | 80,534            |
| Non-controlling interests                        | (5)                          | (41)              | (2)                          | (21)              |
|  | <b>27,003</b>                | <b>89,666</b>     | <b>4,889</b>                 | <b>80,513</b>     |


The annexed notes 1 to 16 form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

## Consolidated Condensed Interim Statement of Changes In Equity

For the Six Months Period Ended December 31, 2019 (Un-Audited)

|   | Share Capital                | Capital reserves<br>Share Premium | Revenue reserves<br>Unappropriated profit | Non Controlling Interest | Revaluation surplus on property, plant and equipment | Total            |
|---|------------------------------|-----------------------------------|---|--------------------------|--|------------------|
|   | ----- (Rupees in '000) ----- |                                   |   |                          |  |                  |
| <b>Balance as at 30 June 2018 (Audited)</b>   | <b>1,421,175</b>             | <b>1,507,705</b>                  | <b>608,229</b>                            | <b>20,610</b>            | <b>852,139</b>                                       | <b>4,409,858</b> |
| Net Profit for the period   | -                            | -                                 | 89,707                                    | (41)                     | -  | 89,666           |
| Other comprehensive loss for the period   | -                            | -                                 | -   | -                        | -  | -                |
| Total comprehensive loss for the period   | -                            | -                                 | 89,707                                    | (41)                     | -  | 89,666           |
| Revaluation surplus on property, plant and equipment on account of incremental depreciation net of deferred tax | -                            | -                                 | 11,323                                    | -                        | (11,323)   | -                |
| <b>Balance as at 31 December 2018 - Restated</b>  | <b>1,421,175</b>             | <b>1,507,705</b>                  | <b>709,259</b>                            | <b>20,569</b>            | <b>840,815</b>                                       | <b>4,499,524</b> |
| <b>Balance as at 30 June 2019 (Audited)</b>   | <b>1,421,175</b>             | <b>1,507,705</b>                  | <b>849,204</b>                            | <b>7,090</b>             | <b>824,194</b>                                       | <b>4,609,368</b> |
| Net Profit for the period   | -                            | -                                 | 27,008                                    | (5)                      | -  | 27,003           |
| Other comprehensive loss for the period   | -                            | -                                 | -   | -                        | -  | -                |
| Total comprehensive loss for the period   | -                            | -                                 | 27,008                                    | (5)                      | -  | 27,003           |
| Revaluation surplus on property, plant and equipment on account of incremental depreciation net of deferred tax | -                            | -                                 | 11,018                                    | -                        | (11,018)   | -                |
| <b>Balance as at 31 December 2019</b>   | <b>1,421,175</b>             | <b>1,507,705</b>                  | <b>887,230</b>                            | <b>7,085</b>             | <b>813,176</b>                                       | <b>4,636,371</b> |


The annexed notes 1 to 16 form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

## Consolidated Condensed Interim Statement of Cash Flows

For the Six Months Period Ended December 31, 2019 (Un-Audited)

|   | December 31, 2019<br>----- (Rupees in '000) ----- | December 31, 2018<br>----- (Rupees in '000) ----- |
|---|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |   |   |
| <b>Profit before taxation</b>                                   | 5,117   | 87,961  |
| <b>Adjustments for:</b>   |   |   |
| Depreciation  | 35,065  | 43,898  |
| Depreciation - Right of use - asset                             | 31,408  | -   |
| Amortisation  | 489   | 652   |
| Provision for defined benefit plan - gratuity                   | 10,906  | 13,125  |
| Loss on disposal of property, plant and equipment               | 565   | 535   |
| Unrealised loss on remeasurement of short-term investments      | -   | 1   |
| Dividend income   | -   | (17)  |
| Profit on long term investment                                  | 7,945   | -   |
| Finance costs   | 146,510   | 64,841  |
|   | 232,888   | 123,035   |
| <b>Operating profit before working capital changes</b>          | 238,005   | 210,996   |
| <b>(Increase) / decrease in current assets:</b>                 |   |   |
| Fuels and lubricants  | 182   | 192   |
| Stock-in-trade  | 4,553   | 11,287  |
| Trade debts   | (112,203)   | (38,993)  |
| Loans and advances  | (64,085)  | (50,937)  |
| Trade deposits and short-term prepayments                       | 2,563   | (2,069)   |
| Other receivables   | (37,683)  | (49,588)  |
|   | (206,673)   | (130,108)   |
| <b>Increase / (decrease) in current liabilities:</b>            |   |   |
| Trade and other payables  | 68,851  | 166,005   |
| Due to a related party  | 77,521  | (53,421)  |
|   | 146,372   | 112,584   |
| <b>Cash generated from operations</b>                           | 177,703   | 193,472   |
| Taxes paid  | (9,059)   | (21,257)  |
| Staff gratuity paid   | (9,730)   | (4,725)   |
| <b>Net cash generated from operating activities</b>             | 158,914   | 167,490   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |   |   |
| Fixed capital expenditure                                       | (41)  | (267,604)   |
| Sale proceeds from disposal of property, plant and equipment    | 2,762   | 3,217   |
| Short-term investments encashed during the period               | 626   | -   |
| <b>Net cash generated / (used) in investing activities</b>      | 3,347   | (264,387)   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                     |   |   |
| Long-term financing - net                                       | (19,282)  | 150,922   |
| Short-term financing - net                                      | 25,188  | (34,517)  |
| Lease liabilities paid  | (35,990)  | -   |
| Finance costs paid  | (146,791)   | (54,748)  |
| <b>Net cash (used) / generated from financing activities</b>    | (176,875)   | 61,657  |
| <b>Net decrease in cash and cash equivalents</b>                | (14,614)  | (35,240)  |
| <b>Cash and cash equivalents at the beginning of the period</b> | 20,052  | 52,462  |
| <b>Cash and cash equivalents at the end of the period</b>       | 5,438   | 17,222  |


The annexed notes 1 to 16 form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

## Notes to the Consolidated Condensed Interim Financial Statements For the Six Months Period Ended December 31, 2019

### 1. THE COMPANY AND ITS OPERATIONS

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

#### 1.1 Holding Company

Al Shaheer Corporation Limited (the Holding Company) was incorporated on 30 June 2012 and is quoted on Pakistan Stock Exchange. 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 Subsidiary Company

The Subsidiary Company was incorporated in Pakistan as a private limited Company. 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 consolidated statement of financial position date, the Holding Company has 51% shareholding in the Subsidiary Company.

### 2. BASIS OF PREPARATION

These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standards 34; 'Interim Financial Reporting', (IAS 34) issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 (the Act),
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Act; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These consolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2019.

### 3. ACCOUNTING POLICIES

The accounting policies and the methods of computations adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the Company's annual audited financial statements for the year ended June 30, 2019.

#### 3.1 New / Revised Standard, Amendments, Interpretation and Improvements

The Company has adopted the following accounting standards, amendments and interpretations of IFRSs and the improvements to accounting standards which became effective for the current period:

##### Standard, Amendments and Interpretation

|          |   |
|----------|---|
| IFRS 16  | Leases  |
| IFRIC 23 | Uncertainty over income tax treatments                            |
| IFRS 9   | Prepayment Features with Negative Compensation (Amendments)       |
| IAS 28   | Long-term Interests in Associates and Joint Ventures (Amendments) |
| IAS 19   | Plan Amendment, Curtailment or Settlement (Amendments)            |

##### Improvements to Accounting Standards Issued by the IASB in December 2017:

|         |  |
|---------|--|
| IFRS 3  | Business Combinations - Previously held Interests in a joint operation                           |
| IFRS 11 | Joint Arrangements - Previously held Interests in a joint operation                              |
| IAS 12  | Income Taxes - Income tax consequences of payments on financial instruments classified as equity |
| IAS 23  | Borrowing Costs - Borrowing costs eligible for capitalisation                                    |

The adoption of the above standards, amendments, interpretations and improvements did not have any effect on the accounting policies of the Company except for IFRS 16. The impact of adoption of IFRS 16 is described in note 3.2 to these consolidated condensed interim financial statements:

## Notes to the Consolidated Condensed Interim Financial Statements For the Six Months Period Ended December 31, 2019

### 3.2 Adoption of IFRS 16 - Leases

During the period, the Company have adopted IFRS 16 as issued by the International Accounting Standards Board (IASB) in January 2016.

IFRS 16 supersedes IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 "Operating Leases-Incentives" and SIC-27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease". The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged under IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Company is the lessor.

The Company has lease contracts for its shops. Before the adoption of IFRS 16, the Company classified each of its leases (as lessee) at the inception date as an operating lease. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in statement of profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Trade deposits, short term prepayments and other receivables, respectively.

Upon adoption of IFRS 16, the Company initially recognized a lease liability for the obligation to make lease payments and a right-of-use (RoU) asset for the right to use the underlying asset for the lease term against a consideration. The lease liability is measured at the present value of the consideration (lease payments) to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease, unless it is not readily determinable, in which case the lessee may use the incremental rate of borrowing. The RoU asset is initially measured at the present value of lease liability, adjusted for lease prepayments and borrowing costs.

As permitted by the transitional provisions of IFRS 16, the Company elected not to restate the comparative figures and not to adjust the opening unappropriated profit. Accordingly, adjustment to the carrying amount of assets and liabilities were recognised in the current period.

The effect of adoption of IFRS 16 as at July 01, 2019 is as follows:

|  | July 01, 2019<br>(Rupees in '000) |
|--|-----------------------------------|
| Increase in RoU asset  | 221,668                           |
| (Decrease) in trade deposits, short term prepayments and other receivables | (2,325)                           |
| Increase in total assets   | <b>219,343</b>                    |
| Increase in lease liability against assets subject to finance lease        | 227,705                           |
| (Decrease) in rent payable   | (8,362)                           |
| Increase in net assets   | <b>-</b>                          |

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Relied on its assessment of whether leases are onerous immediately before the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

The lease liabilities as at July 01, 2019 can be reconciled to the operating lease commitments as of June 30, 2019 as follows:

|   | (Rupees in '000) |
|---|------------------|
| Operating lease commitments as at June 30, 2019   | 156,931          |
| Weighted average incremental borrowing rate as at July 01, 2019   | 13.80%           |
| Discounted operating lease commitments as at July 01, 2019  | <b>123,587</b>   |
| Less: Commitments relating to short-term leases   | -                |
| Add: Lease payments relating to renewal periods not included in operating lease commitments as at June 30, 2019 | 104,119          |
| Lease liabilities as July 01, 2019  | <b>227,706</b>   |

## Notes to the Consolidated Condensed Interim Financial Statements

### For the Six Months Period Ended December 31, 2019

#### Summary of new accounting policies in respect of adoption of IFRS 16

Set out below are the new accounting policies of the Company upon adoption of IFRS 16, which have been applied from the date of initial application:

#### Right-of-use (RoU) assets

At the commencement date of the lease, Right-of-use assets is measured at present value of lease liability. Subsequently, RoU asset is measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any pre measurement of lease liabilities. RoU are depreciated on a straight-line basis over the shorter of its estimated useful life and lease term.

#### Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term and is adjusted for lease prepayments. The lease payments are discounted using the interest rate implicit in the lease, unless it is not readily determinable, in which case the lessee may use incremental rate of borrowing. After the commencement date, the carrying amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made.

#### Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases of premises (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Set out below, are the carrying amounts of the Company's right-of-use assets, lease liabilities and interest liability and the movements during the period:

|                                | RoU asset      | Lease liability |
|--------------------------------|----------------|-----------------|
| <b>As at July 01, 2019</b>     | 221,668        | 227,705         |
| Depreciation expense           | (31,408)       | -               |
| Interest expense               | -              | 14,170          |
| Payments                       | -              | (35,791)        |
| <b>As at December 31, 2019</b> | <b>190,260</b> | <b>206,084</b>  |

#### 4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of consolidated condensed interim financial statements in conformity with approved accounting standards, as applicable in Pakistan requires the management to make estimates, assumptions and use judgments that affect the application of policies and the reported amount of assets and liabilities and income and expenses.

Judgements and estimates made by the management in the preparation of these consolidated condensed interim financial statements are same as those applied in the Company's annual consolidated financial statements for the year ended June 30, 2019, except as disclosed otherwise.

| 5. PROPERTY, PLANT AND EQUIPMENT   | Note  | (Un-audited)                 | (Audited)        |
|--|-------|------------------------------|------------------|
|  |       | December 31, 2019            | June 30, 2019    |
|  |       | ----- (Rupees in '000) ----- |                  |
| Operating fixed assets   | 5.1   | 1,698,985                    | 1,737,336        |
| Right of use - asset   | 3.2   | 190,260                      | -                |
| Capital work-in-progress   |       | 3,297,393                    | 3,297,393        |
|  |       | <b>5,186,638</b>             | <b>5,034,729</b> |
| <b>5.1 The movement in operating fixed assets during the period / year are as follows:</b> |       |                              |                  |
| Opening Balance - book value   |       | 1,737,336                    | 1,822,272        |
| Additions during the period / year - end   | 5.1.1 | 41                           | 10,193           |
|  |       | <b>1,737,377</b>             | <b>1,832,465</b> |
| Disposals during the period / year - end - book value                                      |       | (3,327)                      | (14,279)         |
| Depreciation charge for the period / year  |       | (35,065)                     | (80,850)         |
|  |       | <b>(38,392)</b>              | <b>(95,129)</b>  |
| Closing balance - book value   |       | <b>1,698,985</b>             | <b>1,737,336</b> |

## Notes to the Consolidated Condensed Interim Financial Statements

For the Six Months Period Ended December 31, 2019

5.1.1 Details of additions and deletions are as follows:

|                           | Additions (cost)                  |                            | Deletions (net book value)        |                            |
|---------------------------|-----------------------------------|----------------------------|-----------------------------------|----------------------------|
|                           | (Un-audited)<br>December 31, 2019 | (Audited)<br>June 30, 2019 | (Un-audited)<br>December 31, 2019 | (Audited)<br>June 30, 2019 |
|                           | ----- (Rupees in '000) -----      |                            |                                   |                            |
| Building                  | -                                 | 6,000                      | -                                 | -                          |
| Plant and machinery       | -                                 | 935                        | -                                 | -                          |
| Furniture and fittings    | -                                 | 2,654                      | -                                 | -                          |
| Motor vehicles            | -                                 | 135                        | 3,215                             | 13,897                     |
| Office equipment          | 41                                | 469                        | 3                                 | 191                        |
| Tools and equipment       | -                                 | -                          | -                                 | -                          |
| Computers and accessories | -                                 | -                          | 109                               | 191                        |
|                           | <b>41</b>                         | <b>10,193</b>              | <b>3,327</b>                      | <b>14,279</b>              |

6. INVESTMENTS

|  | December 31, 2019<br>(Un-audited) | June 30, 2019<br>(Audited) |
|--|-----------------------------------|----------------------------|
|  | ----- (Rupees in '000) -----      |                            |

Long Term Investments

- Sales tax refund bonds - at ammortised cost

|   |   |               |
|---|---|---------------|
| - | - | 74,593        |
|   | - | <b>74,593</b> |

Short Term Investments

- Sales tax refund bonds (including accrued profit of Rs.7.945 million) - at ammortised cost

- Mutual fund units

|   |               |            |
|---|---------------|------------|
| - | 82,538        | -          |
| - | -             | -          |
| - | -             | 626        |
|   | <b>82,538</b> | <b>626</b> |

7. LONG-TERM FINANCING

Diminishing musharka

Less: Current maturity

Note

|  | December 31, 2019<br>(Un-audited) | June 30, 2019<br>(Audited) |
|--|-----------------------------------|----------------------------|
|  | ----- (Rupees in '000) -----      |                            |

|     |                |                |
|-----|----------------|----------------|
| 7.1 | 924,914        | 944,196        |
|     | (393,249)      | (353,416)      |
|     | <b>531,665</b> | <b>590,780</b> |

7.1 This includes diminishing musharka facilities obtained from an Islamic bank amounting to Rs.150 million during the period. These facilities carry mark-up rate of 3 months KIBOR + 2.5% per annum and are secured by exclusive charge over respective fixed assets of the Company.



## Notes to the Consolidated Condensed Interim Financial Statements

### For the Six Months Period Ended December 31, 2019

#### 8. DUE TO A RELATED PARTY

Represents interest free loan obtained Chief Executive Officer (CEO) of the Company. The loan is unsecured and is repayable on demand. Subsequent to the period end, loan of Rs.75.5 million is adjusted against issue of right shares subscribed by the CEO.

#### 9. CONTINGENCIES AND COMMITMENTS

##### 9.1 Contingencies

There are no contingencies as at December 31, 2019.

##### 9.2 Commitments

Capital commitments

| December 31, 2019<br>(Un-audited) | June 30, 2019<br>(Audited) |
|-----------------------------------|----------------------------|
| ----- (Rupees in '000) -----      |                            |
| <u>112,453</u>                    | <u>112,453</u>             |

#### 10. OTHER EXPENSES

This includes net exchange loss amounting to Rs.44.896 million on revaluation of trade debts and payables in foreign currency.

#### 11. FINANCE COST

This includes interest expense amounting to Rs.14.170 million on lease liability booked against Right of use - asset as disclosed in note 3.2.

#### 12. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of associates, directors and key management personnel. Transactions with related parties during the period, other than those which have been disclosed elsewhere in this consolidated condensed interim financial information, are as follows:

| Transaction for the period  | Relationship             | December 31, 2019<br>(Un-audited) | June 30, 2019<br>(Audited) |
|---|--------------------------|-----------------------------------|----------------------------|
| ----- (Rupees in '000) -----  |                          |                                   |                            |
| Settlement of liabilities by / (Repayment to)<br>CEO of the company | Key Management Personnel | <u>77,521</u>                     | <u>(9,201)</u>             |
| Loan received / (paid to) from CEO during the period                | Key Management Personnel | <u>-</u>                          | <u>(178,165)</u>           |
| ----- (Rupees in '000) -----  |                          |                                   |                            |
| Balance as at period / year end                                     | Relationship             | December 31, 2019<br>(Un-audited) | June 30, 2019<br>(Audited) |
| Due to Related Party  | Key Management Personnel | <u>171,324</u>                    | <u>93,803</u>              |

#### 13. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

##### 13.1 Financial risk management information and disclosures

The Company's activities expose it to a variety of financial risks. These consolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the annual consolidated financial statements of the Company for the year ended 30 June 2019. There have been no changes in any risk management policies since the year end.

##### 13.2 Fair value of financial instruments

IFRS 13 - Fair Value Measurement establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value.

## Notes to the Consolidated Condensed Interim Financial Statements For the Six Months Period Ended December 31, 2019

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is based on:

- Level 1: quoted prices in active markets for identical assets or liabilities;  
 Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and  
 Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

|                                       | ----- (Rupees in '000) ----- |         |           |           |
|---------------------------------------|------------------------------|---------|-----------|-----------|
|                                       | Level 1                      | Level 2 | Level 3   | Total     |
| <b>December 31, 2019 (Un-audited)</b> |                              |         |           |           |
| <b>Financial assets</b>               |                              |         |           |           |
| Short term investment                 | -                            | -       | -         | -         |
| <b>Non- financial assets</b>          |                              |         |           |           |
| Property,plant and equipment          | -                            | -       | 1,698,985 | 1,698,985 |
| <b>June 30, 2019 (Audited)</b>        |                              |         |           |           |
| <b>Financial assets</b>               |                              |         |           |           |
| Short term investment                 | -                            | 626     | -         | 626       |
| <b>Non- financial assets</b>          |                              |         |           |           |
| Property,plant and equipment          | -                            | -       | 1,737,336 | 1,737,336 |

### 13.3 Fair value of assets and liabilities

There were no transfers amongst levels during the period.

### 14. SUBSEQUENT EVENT

The Board of Directors resolved for right issue in its meeting held on December 21, 2019 and the legal formalities for completion of right issue were culminated subsequent to the period. These consolidated condensed interim financial statements do not include the effect of the above event which will be accounted for as a subsequent event.

### 15. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements was authorized for issue on 27 February, 2020 by the Board of Directors of the Company.

### 16. GENERAL

All figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

  
\_\_\_\_\_  
Chief Executive Officer

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Chief Financial Officer



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# ALSHAHEER

FOODS

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**Al Shaheer Corporation Limited**  
**Suite G/5/5, 3<sup>rd</sup> Floor,**  
**Mansoor Tower**  
**Block 8, Clifton**  
**Karachi, Pakistan**

[www.ascfoods.com](http://www.ascfoods.com)