



Third Quarter Financial Statements  
2019 - 2020

# ALSHAHEER

## FOODS

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# 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
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	IBB-Alfalah Court, Bank Limited, Karachi
Summit Bank Limited	I.I. Chundrigar Road, Karachi
Dubai Islamic Bank	Clifton, Karachi

## Directors' Review

*3 Quarters: ending on March 31, 2020*

The Directors of your Company are pleased to present audited financial results of the Company for third Quarter of the year ended on March 31, 2020.

### Operational Performance

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

	3 Quarters Ended		3 <sup>rd</sup> Quarter Ended	
	Mar 31, 2020	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019
	----- (Rs '000) -----		----- (Rs '000) -----	
Turnover	2,609,458	3,186,138	1,050,017	992,101
Cost of Sales	(1,743,653)	(2,291,502)	(748,324)	(707,975)
<b>Gross Profit</b>	<b>865,805</b>	<b>894,636</b>	<b>301,693</b>	<b>284,126</b>
<b>Operating Profit</b>	<b>242,355</b>	<b>87,427</b>	<b>52,873</b>	<b>50,649</b>
Other Expenses	(4,785)	(7,421)	(3,640)	(361)
Other Income	95,598	136,977	122,299	13,811
Taxation	30,561	3,713	8,320	2,009
<b>Profit/(Loss)</b>	<b>130,140</b>	<b>118,504</b>	<b>102,773</b>	<b>28,756</b>
<b>Basic &amp; Diluted EPS (Rs/Share)</b>	<b>0.81</b>	0.74 <i>(Restated)</i>	<b>0.59</b>	0.16 <i>(Restated)</i>

After successful completion of Right share issue and using funds for growth, there is 6% growth in topline and 16% growth in profit versus same period last year. The efforts of corrective measures taken and operational efficiencies brought in the last quarters are giving fruit.

In the last month of the Quarter, the export business profitability has witnessed significant improvement. The share of export in business increased to 73% in this quarter versus 66% during same period last year. Renewed efforts are already underway to win back our lost market share in the Middle East and Saudi Arabia. We will see a positive sales trend in the coming quarters.

### Future Outlook

Export topline and margins have improved. Cash generated through the issuance of right shares will help the business grow and maximize the shareholders' value.

National business is also on the steady rise and will achieve higher sales in remaining period.

Despite challenging economic and operating environment, particularly in the presence of COVID-19 pandemic, we aim to overcome challenges with our expertise, superior customer understanding, good customer services and cash flows.

### 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.



On Behalf of the Board  
Chief Executive Officer



# Condensed Interim Standalone Financial Statements

Third Quarter 2019 - 2020

**AL SHAHEER CORPORATION LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2020**

		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
<b>ASSETS</b>	Note	----- (Rupees in '000) -----	
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	5,082,145	4,987,659
Intangible assets		3,179	3,913
Long-term investments	6	19,049	93,642
Long term loans		12,734	15,947
Deferred taxation		221,396	179,295
		<b>5,338,503</b>	<b>5,280,456</b>
<b>CURRENT ASSETS</b>			
Fuels and lubricants		290	486
Stock-in-trade		75,648	84,453
Trade debts		1,988,494	1,480,172
Loans and advances		357,604	283,101
Trade deposits and short-term prepayments		15,946	19,321
Short-term investments	6	-	626
Other receivables		328,777	253,689
Taxation - net		149,597	150,714
Cash and bank balances		55,141	19,735
		<b>2,971,497</b>	<b>2,292,297</b>
<b>TOTAL ASSETS</b>		<b>8,310,000</b>	<b>7,572,753</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	7	1,999,592	1,421,175
Share premium		1,507,705	1,507,705
Unappropriated profit		984,346	844,912
Revaluation surplus on property, plant and equipment		797,285	824,194
		<b>5,288,928</b>	<b>4,597,986</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing	8	423,212	590,780
Lease Liabilities	3.2	133,140	-
Deferred liabilities - staff gratuity		75,741	73,386
		<b>632,093</b>	<b>664,166</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		753,631	744,856
Short-term borrowings		1,035,289	1,074,360
Accrued mark-up		37,290	60,520
Current portion of long-term financing	8	401,601	353,416
Current portion of lease liabilities	3.2	61,205	-
Due to a related party	9	99,963	77,449
		<b>2,388,979</b>	<b>2,310,601</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,310,000</b>	<b>7,572,753</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	10		

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



Chief Executive officer



Director

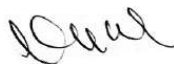


Chief Financial Officer

**AL SHAHEER CORPORATION LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020 (UN-AUDITED)**

	Note	Nine Months ended		Quarter ended	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Turnover		<b>2,609,458</b>	3,186,138	<b>1,050,017</b>	992,101
Cost of sales		<b>(1,743,653)</b>	(2,291,502)	<b>(748,324)</b>	(707,975)
<b>Gross profit</b>		<b>865,805</b>	894,636	<b>301,693</b>	284,126
Administrative and distribution expenses		<b>(623,450)</b>	(807,209)	<b>(248,820)</b>	(233,477)
<b>Operating profit</b>		<b>242,355</b>	87,427	<b>52,873</b>	50,649
Other expenses		<b>(4,785)</b>	(7,421)	<b>(3,640)</b>	(361)
Other income	11	<b>85,598</b>	136,977	<b>122,299</b>	13,811
Finance costs	12	<b>(223,589)</b>	(102,192)	<b>(77,079)</b>	(37,352)
<b>Profit before taxation</b>		<b>99,579</b>	114,791	<b>94,453</b>	26,747
Taxation		<b>30,561</b>	3,713	<b>8,320</b>	2,009
<b>Profit after taxation</b>		<b>130,140</b>	118,504	<b>102,773</b>	28,756
			(Restated)		(Restated)
<b>Earnings per share – basic and diluted (Rupee)</b>		<b>0.81</b>	0.74	<b>0.59</b>	0.16

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



Chief Executive Officer



Director



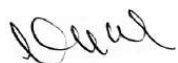
Chief Financial Officer



**AL SHAHEER CORPORATION LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020 (UN-AUDITED)**

	Nine Months ended		Quarter ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Profit after taxation	130,140	118,504	102,773	28,756
Other comprehensive income	-	-	-	-
<b>Total comprehensive profit for the period</b>	<b>130,140</b>	<b>118,504</b>	<b>102,773</b>	<b>28,756</b>

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



Chief Executive Officer



Director

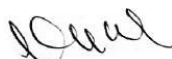


Chief Financial Officer

**AL SHAHEER CORPORATION LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020 (UN-AUDITED)**

	Share Capital	Capital reserves Share Premium	Revenue reserves Unappropriated profit (Rupees in '000)	Revaluation surplus on property, plant and equipment	Total
<b>Balance as at 30 June 2018 (Audited)</b>	1,421,175	1,507,705	634,687	852,139	4,415,706
Impact on adoption of IFRS 9 - net of tax	-	-	(8,207)	-	(8,207)
<b>Adjusted balance as on June 30, 2018</b>	<u>1,421,175</u>	<u>1,507,705</u>	<u>626,480</u>	<u>852,139</u>	<u>4,407,499</u>
Net Profit for the period	-	-	118,504	-	118,504
Other comprehensive loss for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	118,504	-	118,504
Revaluation surplus on property, plant and equipment on account of incremental depreciation net of deferred tax	-	-	19,021	(19,021)	-
<b>Balance as at 31 March 2019 - Restated</b>	<u>1,421,175</u>	<u>1,507,705</u>	<u>764,005</u>	<u>833,117</u>	<u>4,526,003</u>
<b>Balance as at 30 June 2019 (Audited)</b>	<b>1,421,175</b>	<b>1,507,705</b>	<b>844,912</b>	<b>824,194</b>	<b>4,597,986</b>
Net Profit for the period	-	-	130,140	-	130,140
Other comprehensive loss for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	130,140	-	130,140
Issuance of right Shares - 57,841,793 shares at par	<b>578,417</b>				<b>578,417</b>
Share issue costs - net of deferred tax			(17,615)		(17,615)
Revaluation surplus on property, plant and equipment on account of incremental depreciation net of deferred tax	-	-	26,909	(26,909)	-
<b>Balance as at 31 March 2020</b>	<u><b>1,999,592</b></u>	<u><b>1,507,705</b></u>	<u><b>984,346</b></u>	<u><b>797,285</b></u>	<u><b>5,288,928</b></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

**AL SHAHEER CORPORATION LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020 (UN-AUDITED)**

	March 31, 2020	March 31, 2019
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	99,579	114,791
<b>Adjustments for:</b>		
Depreciation	52,573	65,716
Depreciation - Right of use - asset	47,112	-
Amortisation	734	978
Provision for defined benefit plan - gratuity	12,083	17,227
Loss on disposal of property, plant and equipment	4,025	896
Unrealised gain on remeasurement of short-term investments	-	(11)
Dividend income	-	(17)
Profit on long term investment	(8,607)	-
Finance costs	223,589	102,192
	331,509	186,981
<b>Operating profit before working capital changes</b>	431,088	301,772
<b>(Increase) / decrease in current assets:</b>		
Fuels and lubricants	196	(49)
Stock-in-trade	8,805	52,937
Trade debts	(508,322)	(90,572)
Loans and advances	(71,289)	(4,153)
Trade deposits and short-term prepayments	3,373	(1,716)
Other receivables	(75,095)	(64,698)
	(642,332)	(108,251)
<b>Increase / (decrease) in current liabilities:</b>		
Trade and other payables	8,831	241,001
Due to a related party	22,513	(33,485)
	31,344	207,516
<b>Cash generated from operations</b>	(179,900)	401,037
Taxes paid	(10,423)	(30,607)
Staff gratuity paid	(9,729)	(8,827)
<b>Net cash generated from operating activities</b>	(200,052)	361,603
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(41)	(381,690)
Sale proceeds from disposal of property, plant and equipment	24,262	4,263
Realization on encashment of Sales Tax Bonds	83,200	-
Short-term investments encashed during the period	626	-
<b>Net cash generated / (used) in investing activities</b>	108,047	(377,427)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash received from issuance of right shares	560,803	-
Long-term financing - net	(119,383)	96,887
Short-term financing - net	(39,071)	(43,088)
Lease liabilities paid	(48,586)	-
Finance costs paid	(226,352)	(75,791)
<b>Net cash (used) / generated from financing activities</b>	127,411	(21,992)
<b>Net decrease in cash and cash equivalents</b>	35,406	(37,816)
<b>Cash and cash equivalents at the beginning of the period</b>	19,735	52,094
<b>Cash and cash equivalents at the end of the period</b>	55,141	14,278

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

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

  
 \_\_\_\_\_  
 Director

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

**AL SHAHEER CORPORATION LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020 (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 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:

### 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:

	<b>July 01, 2019</b> <b>(Rupees in '000)</b>
Increase in RoU asset	221,668
(Decrease) in trade deposits, short term prepayments and other receivables	(2,325)
Increase in total assets	<b>219,344</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	<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>227,705</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	(47,112)	-
Interest expense	-	20,465
Payments	-	(53,825)
<b>As at March 31, 2020</b>	<u>174,556</u>	<u>194,345</u>
Lease liabilities		133,140
Current portion of lease Liabilities		<u>61,205</u>
		<u><u>194,345</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.

5. PROPERTY, PLANT AND EQUIPMENT	Note	(Un-audited)	(Audited)
		March 31, 2020	June 30, 2019
----- (Rupees in '000) -----			
Operating fixed assets	5.1	1,656,379	1,737,198
Right of use - asset	3.2	174,556	-
Capital work-in-progress		3,251,210	3,250,461
		<u>5,082,145</u>	<u>4,987,659</u>

5.1 The movement in operating fixed assets during the period / year are as follows:

Opening Balance - book value		1,737,198	1,822,109
Additions during the period / year - end	5.1.1	41	10,193
		<u>1,737,239</u>	<u>1,832,302</u>
Disposals during the period / year - end - book value		(28,287)	(14,279)
Depreciation charge for the period / year		(52,573)	(80,825)
		<u>(80,860)</u>	<u>(95,104)</u>
Closing balance - book value		<u>1,656,379</u>	<u>1,737,198</u>

5.1.1 Details of additions and deletions are as follows:

	Additions (cost)		Deletions (net book value)	
	(Un-audited) March 31, 2020	(Audited) June 30, 2019	(Un-audited) March 31, 2020	(Audited) June 30, 2019
----- (Rupees in '000) -----				
Land	-	-	24,960	-
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
Computers and accessories	-	-	109	191
	<u>41</u>	<u>10,193</u>	<u>28,287</u>	<u>14,279</u>

6. LONG TERM INVESTMENTS	March 31, 2020	June 30, 2019
	(Un-audited)	(Audited)
----- (Rupees in '000) -----		
- Subsidiary company - unquoted	19,049	19,049
- Sales tax refund bonds - at amortized cost	-	74,593
	<u>19,049</u>	<u>93,642</u>

## 7 SHARE CAPITAL

During the year, the Company has conducted a right issue in accordance with the requirements of the relevant regulations and issued 57,841,793 ordinary shares at par.

The right issue was conducted in order to expand the existing business in order to enhance profitability of the company as well as Shaaherholder's wealth.

		March 31, 2020 (Un-audited)	June 30, 2019 (Audited)
		----- (Rupees in '000) -----	
<b>8. LONG-TERM FINANCING</b>	<b>Note</b>		
Diminishing musharka	8.1	824,813	944,196
Less: Current maturity		<u>(401,601)</u>	<u>(353,416)</u>
		<u>423,212</u>	<u>590,780</u>

8.1 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.

## 9. DUE TO A RELATED PARTY

Represents interest free loan obtained Chief Executive Officer (CEO) of the Company.

## 10. CONTINGENCIES AND COMMITMENTS

### 10.1 Contingencies

There are no contingencies as at March 31, 2020.

	March 31, 2020 (Un-audited)	June 30, 2019 (Audited)
	----- (Rupees in '000) -----	
<b>10.2 Commitments</b>		
Capital commitments	<u>112,453</u>	<u>112,453</u>

## 11. OTHER INCOME

This includes net exchange gain amounting to Rs.84.031 million on revaluation of trade debts and payables in foreign currency.

## 12. FINANCE COST

This includes interest expense amounting to Rs. 20.465 million on lease liability booked against Right of use - asset as disclosed in note 3.2.

## 13. 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:



		(Un-audited)	
		Nine Months ended	
Transaction for the period		March 31, 2020	March 31, 2019
Nature of transaction	Relationship	----- (Rupees in '000) -----	
Settlement of liabilities by / (Repayment to) CEO of the company	Key Management Personnel	<u>22,514</u>	<u>(33,485)</u>
Balance as at period / year end		March 31, 2020	June 30, 2019
Nature of balance	Relationship	(Un-audited)	(Audited)
		----- (Rupees in '000) -----	
Due to Related Party	Key Management Personnel	<u>99,963</u>	<u>77,449</u>

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

##### 14.1 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.

##### 14.2 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).

March 31, 2020 (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	-	-	1,656,379	1,656,379
<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.

**15. DATE OF AUTHORISATION FOR ISSUE**

These unconsolidated condensed interim financial statements was authorized for issue on April 30, 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



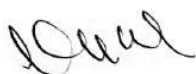
Condensed Interim  
Consolidated Financial Statements

Third Quarter 2019 - 2020

**AL SHAHEER CORPORATION LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2020**

		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
<b>ASSETS</b>	Note	----- (Rupees in '000) -----	
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	5,129,198	5,034,729
Intangible assets		3,179	3,913
Long-term investments	6	-	74,593
Long term loans		12,734	15,947
Deferred taxation		221,396	179,295
		<b>5,366,507</b>	<b>5,308,477</b>
<b>CURRENT ASSETS</b>			
Fuels and lubricants		290	486
Stock-in-trade		75,648	84,453
Trade debts		1,988,494	1,480,172
Loans and advances		357,665	283,161
Trade deposits and short-term prepayments		15,946	19,321
Short-term investments		-	626
Other receivables		328,777	253,689
Taxation - net		149,597	150,714
Cash and bank balances		55,457	20,052
		<b>2,971,874</b>	<b>2,292,674</b>
<b>TOTAL ASSETS</b>		<b>8,338,381</b>	<b>7,601,151</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	7	1,999,592	1,421,175
Share premium		1,507,705	1,507,705
Unappropriated profit		988,629	849,204
Revaluation surplus on property, plant and equipment		797,285	824,194
		<b>5,293,211</b>	<b>4,602,278</b>
Non-controlling interest		7,083	7,090
		<b>5,300,294</b>	<b>4,609,368</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing	8	423,212	590,780
Lease Liabilities	3.2	133,140	-
Deferred liabilities - staff gratuity		75,741	73,386
		<b>632,093</b>	<b>664,166</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		754,293	745,518
Short-term borrowings		1,035,289	1,074,360
Accrued mark-up		37,290	60,520
Current portion of long-term financing	8	401,601	353,416
Current portion of lease liabilities	3.2	61,205	-
Due to a related party	9	116,316	93,803
		<b>2,405,994</b>	<b>2,327,617</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,338,381</b>	<b>7,601,151</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	10		

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



Chief Executive officer



Director

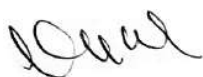


Chief Financial Officer

**AL SHAHEER CORPORATION LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020 (UN-AUDITED)**

	Note	Nine months ended		Quarter ended	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Turnover		2,609,458	3,186,138	1,050,017	992,101
Cost of sales		(1,743,653)	(2,291,502)	(750,189)	(707,975)
<b>Gross profit</b>		<b>865,805</b>	894,636	<b>299,828</b>	284,126
Administrative and distribution expenses		(623,464)	(807,309)	(246,960)	(233,495)
<b>Operating profit</b>		<b>242,341</b>	87,327	<b>52,868</b>	50,631
Other expenses		(4,785)	(7,421)	(3,640)	(361)
Other income	11	85,598	136,977	122,299	13,811
Finance costs	12	(223,590)	(102,193)	(77,079)	(37,352)
<b>Profit before taxation</b>		<b>99,564</b>	114,690	<b>94,448</b>	26,729
Taxation		30,560	3,713	8,320	2,009
<b>Profit after taxation</b>		<b>130,124</b>	118,403	<b>102,768</b>	28,738
<b>Attributable to:</b>					
Owners of the Holding Company		130,131	118,453	102,770	28,747
Non controlling interests		(7)	(50)	(2)	(9)
		<b>130,124</b>	118,403	<b>102,768</b>	28,738
			(Restated)		(Restated)
<b>Earnings per share – basic and diluted (Rupee)</b>		<b>0.81</b>	0.74	<b>0.59</b>	0.16

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



Chief Executive Officer



Director

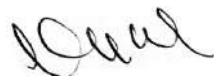


Chief Financial Officer

**AL SHAHEER CORPORATION LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020 (UN-AUDITED)**

	Nine months ended		Quarter ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
<b>Profit after taxation</b>	130,124	118,403	102,768	28,738
<b>Other comprehensive income</b>	-	-	-	-
<b>Total comprehensive profit for the period</b>	<u>130,124</u>	<u>118,403</u>	<u>102,768</u>	<u>28,738</u>
<b>Attributable to:</b>				
Owners of the Holding Company	130,131	118,453	102,770	28,747
Non-controlling interests	(7)	(50)	(2)	(9)
	<u>130,124</u>	<u>118,403</u>	<u>102,768</u>	<u>28,738</u>

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



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



\_\_\_\_\_  
**Director**

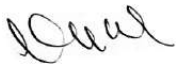


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**Chief Financial Officer**


**AL SHAHEER CORPORATION LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020 (UN-AUDITED)**

	Share Capital	Capital reserves Share Premium	Revenue reserves 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>	1,421,175	1,507,705	608,229	20,609	852,139	4,409,857
Net Profit for the period	-	-	118,453	(50)	-	118,403
Other comprehensive loss for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	118,453	(50)	-	118,403
Revaluation surplus on property, plant and equipment on account of incremental depreciation net of deferred tax	-	-	19,021	-	(19,021)	-
<b>Balance as at 31 March 2018 - Restated</b>	<u>1,421,175</u>	<u>1,507,705</u>	<u>745,703</u>	<u>20,559</u>	<u>833,118</u>	<u>4,528,260</u>
<b>Balance as at 30 June 2019 (Audited)</b>	1,421,175	1,507,705	849,204	7,090	824,194	4,609,368
Net Profit for the period	-	-	130,131	(7)	-	130,124
Other comprehensive loss for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	130,131	(7)	-	130,124
Issuance of right Shares - 57,841,793 shares at par	578,417	-	-	-	-	578,417
Share issue costs - net of deferred tax	-	-	(17,615)	-	-	(17,615)
Revaluation surplus on property, plant and equipment on account of incremental depreciation net of deferred tax	-	-	26,909	-	(26,909)	-
<b>Balance as at 31 March 2020</b>	<u>1,999,592</u>	<u>1,507,705</u>	<u>988,629</u>	<u>7,083</u>	<u>797,285</u>	<u>5,300,294</u>

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

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

  
 \_\_\_\_\_  
 Director

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


**AL SHAHEER CORPORATION LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020 (UN-AUDITED)**

March 31, 2020                      March 31, 2019  
----- (Rupees in '000) -----


**CASH FLOWS FROM OPERATING ACTIVITIES**

<b>Profit before taxation</b>	<b>99,564</b>	114,690
<b>Adjustments for:</b>		
Depreciation	52,588	65,733
Depreciation - Right of use - asset	47,112	-
Amortisation	733	978
Provision for defined benefit plan - gratuity	12,083	17,227
Loss on disposal of property, plant and equipment	4,025	896
Gain on remeasurement of short-term investments	(21)	(11)
Dividend income	-	(17)
Profit on long term investment	(8,607)	-
Finance costs	223,589	102,193
	<b>331,502</b>	186,999
<b>Operating profit before working capital changes</b>	<b>431,066</b>	301,689
<b>(Increase) / decrease in current assets:</b>		
Fuels and lubricants	196	(49)
Stock-in-trade	8,805	52,937
Trade debts	(508,322)	(90,572)
Loans and advances	(71,289)	(4,153)
Trade deposits and short-term prepayments	3,374	(1,716)
Other receivables	(75,095)	(68,690)
	<b>(642,331)</b>	(112,243)
<b>Increase / (decrease) in current liabilities:</b>		
Trade and other payables	8,817	240,538
Due to a related party	22,513	(29,172)
	<b>31,330</b>	211,366
<b>Cash generated from operations</b>	<b>(179,935)</b>	400,812
Taxes paid	(10,423)	(30,609)
Staff gratuity paid	(9,729)	(8,828)
<b>Net cash (used in) / generated from operating activities</b>	<b>(200,087)</b>	361,375
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(41)	(381,690)
Sale proceeds from disposal of property, plant and equipment	24,262	4,263
Realisation from encashment of sales tax bonds	83,200	-
Short-term investments encashed during the period	647	-
<b>Net cash generated from / (used in) investing activities</b>	<b>108,068</b>	(377,427)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash received from issuance of right shares	560,802	-
Long-term financing - net	(119,383)	96,887
Short-term financing - net	(39,071)	(43,088)
Lease liabilities paid	(48,568)	-
Finance costs paid	(226,356)	(75,792)
<b>Net cash generated from / (used in) financing activities</b>	<b>127,424</b>	(21,993)
<b>Net decrease in cash and cash equivalents</b>	<b>35,405</b>	(38,045)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>20,052</b>	52,462
<b>Cash and cash equivalents at the end of the period</b>	<b>55,457</b>	14,417

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

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

  
\_\_\_\_\_  
Director

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



**AL SHAHEER CORPORATION LIMITED**  
**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020 (UN-AUDITED)**

**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:

### 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:

	<b>July 01, 2019</b> <b>(Rupees in '000)</b>
Increase in RoU asset	221,668
(Decrease) in trade deposits, short term prepayments and other receivables	(2,325)
Increase in total assets	<b>219,344</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	<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 preset 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	(47,112)	-
Interest expense	-	20,465
Payments	-	(53,825)
<b>As at March 31, 2020</b>	<u><u>174,556</u></u>	<u><u>194,345</u></u>
Lease liabilities		133,140
Current portion of lease Liabilities		61,205
		<u><u>194,345</u></u>

#### 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)
		March 31, 2020	June 30, 2019
		----- (Rupees in '000) -----	
Operating fixed assets	5.1	1,656,502	1,737,336
Right of use - asset	3.2	174,556	-
Capital work-in-progress		3,298,140	3,297,393
		<u>5,129,198</u>	<u>5,034,729</u>

5.1 The movement in operating fixed assets during the period / year are as follows:

Opening Balance - book value		1,737,336	1,822,272
Additions during the period / year - end	5.1.1	41	10,193
		<u>1,737,377</u>	<u>1,832,465</u>
Disposals during the period / year - end - book value		(28,287)	(14,279)
Depreciation charge for the period / year		(52,588)	(80,850)
		<u>(80,875)</u>	<u>(95,129)</u>
Closing balance - book value		<u>1,656,502</u>	<u>1,737,336</u>

5.1.1 Details of additions and deletions are as follows:

	Additions (cost)		Deletions (net book value)	
	(Un-audited) March 31, 2020	(Audited) June 30, 2019	(Un-audited) March 31, 2020	(Audited) June 30, 2019
----- (Rupees in '000) -----				
Land			24,960	
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
Computers and accessories	-	-	109	191
	<u>41</u>	<u>10,193</u>	<u>28,287</u>	<u>14,279</u>

6. LONG TERM INVESTMENTS	March 31, 2020	June 30, 2019
	(Un-audited)	(Audited)
----- (Rupees in '000) -----		
<b>Long Term Investments</b>		
- Sales tax refund bonds - at ammortised cost	-	74,593
	<u>-</u>	<u>74,593</u>

7 SHARE CAPITAL

During the year, the Company has conducted a right issue in accordance with the requirements of the relevant regulations and issued 57,841,793 ordinary shares at par.

The right issue was conducted in order to expand the existing business in order to enhance profitability of the company as well as Shareholder's wealth.

	Note	March 31, 2020 (Un-audited) ----- (Rupees in '000) -----	June 30, 2019 (Audited)
<b>8. LONG-TERM FINANCING</b>			
Diminishing musharka	8.1	824,813	944,196
Less: Current maturity		<u>(401,601)</u>	<u>(353,416)</u>
		<u><u>423,212</u></u>	<u><u>590,780</u></u>

8.1 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.

## 9 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.

## 10 CONTINGENCIES AND COMMITMENTS

### 10.1 Contingencies

There are no contingencies as at March 31, 2020.

### 10.2 Commitments

Capital commitments

	March 31, 2020 (Un-audited) ----- (Rupees in '000) -----	June 30, 2019 (Audited)
Capital commitments	<u><u>112,453</u></u>	<u><u>112,453</u></u>

## 11 OTHER INCOME

This includes net exchange gain amounting to Rs.84.031 million on revaluation of trade debts and payables in foreign currency.

## 12 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.

## 13 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 consolidated condensed interim financial information, are as follows:

Transaction for the period	Relationship	(Un-audited)	
		Nine months ended	
Nature of transaction		March 31, 2020	March 31, 2019
		----- (Rupees in '000) -----	
Settlement of liabilities by / (Repayment to) CEO of the company	Key Management Personnel	<u>22,513</u>	<u>(29,175)</u>
<b>Balance as at period / year end</b>		<b>March 31, 2020</b>	<b>June 30, 2019</b>
<b>Nature of balance</b>	<b>Relationship</b>	<b>(Un-audited)</b>	<b>(Audited)</b>
		----- (Rupees in '000) -----	
Due to Related Party	Key Management Personnel	<u>116,316</u>	<u>93,803</u>

## 14 FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

### 14.1 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.

### 14.2 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).

March 31, 2020 (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	-	-	1,698,985	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

#### 14.3 Fair value of assets and liabilities

There were no transfers amongst levels during the period.

#### 15. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements was authorized for issue on April 30, 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