

ALSHAHEER
FOODS

Third Quarterly Report
for the year 2017 - 18

**A CUT OF
EXCELLENCE**



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Our Story

2008 witnessed the birth of a dream revolving around the vision of dominating the meal table by offering delightful food solutions to the consumers. Growing into a National corporation from a small partnership in just 9 years, we have vitalized our consumers with food products meeting the highest standards of health, hygiene and fulfillment.

The observance of the increase in demand of Halal meat globally brought about the setting of a world-class, custom designed, state-of-the-art abattoir, situated in Gadap Town, Karachi, brought in from Australia with attached chillers, cold storage, transportation and hygienic lairage area. This is the largest private slaughtering facility in the country with a capacity of 40 heads per hour with certification from the health and food departments of most Middle Eastern GCC countries.

One year in our inception, the company was found exploring new export markets including Saudi Arabia, Dubai, Kuwait, Oman, Bahrain and Qatar, making it one of the leading meat exporters of Pakistan.

Our determination of exploring new avenues led to our entrance into the Pakistani fresh meat market in 2010 by laying the foundation for the first red meat brand called 'Meat One.' Different types of fresh meat are sold under this brand with its own specialized outlets. Our pledge was to make the same quality meat available to local consumers, thereby considerably raising the benchmark in meat selling.

Al Shaheer introduced its second retail brand, Khaas Meat in 2014 with the aim of selling quality meat at affordable rates with no compromise on hygiene and safety as well as redefining the concept of neighborhood butcher shops. A year later, in 2015 the company's expansion shop-in-shop model was developed to increase their reach by opening meat sections in high trafficking superstores across the nation.

The same year the company went public and was listed on Pakistan Stock Exchange. In January 2017, Al Shaheer announced its transition to Al Shaheer Foods, expanding the scope of business into higher margin products, i.e. poultry, as well as fruits and vegetables. ASC Foods is also exploring the opportunity to expand into the frozen and processed food category.

There are several international accreditations to our credit like the ISO 9001:2000, ISO 9001:22000, HACCP for its quality and standards used in the production process, SAFE Food Award 2009 & 2010 by URS for quality and hygiene. Al Shaheer Foods has also won the 'Best Export Performance' Award in 2009, 2010, 2012 and 2013 for Fresh and Frozen Meat from the Federation of Pakistan Chamber of Commerce and Industry, Brand of the Year Award in 2009 and best Emerging Brand of the Year 2009 by Exhibitor (pvt.) limited. ASC Foods has certifications of ISO 9001:2008, ISO 22000:2005, HACCP, PSQCA HALAL Standard from SGS Pakistan and HALAL certification from Jamia Markaz Uloom Islamia Mansoorah (authorized HALAL certification body of Malaysia).

We can foresee the success and further growth of our domestic business, particularly our Meat One and Institutional Sales channel. A stable growth is already seen in our organic range and we have a strong product innovation pipeline which is geared to deliver higher value from these channels in the coming years. The upcoming fiscal year will see the production in our soon to be launched poultry and processed meat plant in Lahore, which will enable the company to produce high margin products and expand in the general and modern trade segments in Pakistan and abroad.

The tremendous support shown by our customers, suppliers, employees, agencies, bankers and shareholders has brought us till here and will keep helping us move to greater heights and achieve even more, empowering us in providing you the best.

Our Motto

Vision

“ Dominate the meal table by 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 a friendly work environment.
- We will make sure that our actions will clearly exhibit relentless commitment to ethics, product safety and consumer satisfaction.

Company Information

Human Resource and Remuneration Committee

Ms. Rukhsana Asghar	Chairperson
Mr. Sarfaraz Rehman	Member
Mr. Zafar Siddiqui	Director

Chief Financial Officer

Ms. Maryam Ali

Company Secretary

Mr. Syed Sajjad

Head of Internal Audit

Mr. Muhammad Adnan Khan

Management Committee

Mr. Kamran Khalili	Chief Executive Officer
Mr. Rizwan Jamil	Deputy Chief Executive Officer
Ms. Maryam Ali	Chief Financial Officer
Mr. Syed Sajjad	Company Secretary
Mr. Adnan Budhani	Head of Poultry Processing
Mr. Muhammad Adnan Khan	Head of Internal Audit
Mr. Hammaad Chishti	Business Analyst
Mr. Mahmood Khurram	Head of Distribution Sales
Ms. Najiyeh Akbar	Head of Marketing
Mr. Namood Ali	Head of Institutional Sales
Mr. Osama Javed	Head of Human Resource & Administration
Mr. Shahnawaz Akbar	Head of Factory Operations
Mr. Shoab Saleem	Head of Information Technology
Mr. Soofian Akhter	Head of Retail Sales

Board of Directors

Mr. Noorur Rahman Abid	Chairman
Mr. Kamran Khalili	Chief Executive Officer
Mr. M. Qaysar Alam	Director
Mr. Muhammed Amin	Director
Mr. Naveed Godil	Director
Mr. Rizwan Jamil	Director
Ms. Rukhsana Asghar	Director
Mr. Sarfaraz Rehman	Director
Mr. Zafar Siddiqui	Director
Mr. Umair Khalili	Director

Audit Committee

Mr. M. Qaysar Alam	Chairman
Mr. Noorur Rahman Abid	Member
Mr. Muhammed Amin	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-Shahbaz Branch, Karachi
Habib Metropolitan Bank Limited	IBB-Alfalah Court
Summit Bank Limited	I.I. Chundrigar Road
Dubai Islamic Bank	Clifton

REGISTERED OFFICE

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

GADAPTOWN PLANT

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

POULTRY & MEAT PROCESSING PLANT

3.5Km Manga Mandi,
near Raiwind Road, Lahore

Directors' Review

The Directors of your Company are pleased to present the un-audited financial results of the Company for the quarter ended on March 31, 2018.

Operational Performance

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

	Quarter Ended March 31, 2018	Quarter Ended March 31, 2017
	(Rupees in '000)	
Sales	1,176,844	1,488,048
Cost of Sales	(940,740)	(1,145,852)
Gross Profit	236,104	342,196
Expenses	(292,445)	(338,102)
Other Income	46,534	5,040
Taxation	8,744	(2,639)
Net Loss	(1,063)	6,495
Basic & Diluted EPS (Rs./Share)	(0.01)	0.05

This was a challenging quarter of the year where business remained under pressure. In third quarter, the company's domestic business dropped by 1.8% whereas overall sales declined by 20.9% compared to same period last year.

Export Performance

Meat exports from Pakistan have continued to decline, with falling margins, in the last 2 years. Al Shaheer, the country's largest meat exporter, has of course been most impacted. Third quarter of 2017-18 saw a 32% drop in the Company's exports business. Following factors have resulted in this situation:

- Cheaper meat imports from India, Brazil & Australia (due to currency devaluation in these countries) to GCC markets
- Increasing livestock prices in Pakistan market, with rising costs of doing business
- Challenges in the supply chain of livestock
- Sharp decline in Pakistan's leather exports (26% decline last year) aggravated with a glut of hides after Eid-ul-Azha Qurbani, caused skin / hide prices to decline significantly in the last six months causing a further decline in meat margins.

Meat One

The retail network of our premium brand was reorganized. Outlet cost structures have been scrutinized in detail and cost rationalization steps identified by a cost-committee last quarter, implemented. These cost efficiencies will improve brand margins and this business unit will start delivering profits from this last quarter of current financial year.

Khaas Meat

Our mid-tier brand, Khaas Meat came out as the star performer delivering 13% increase in its topline vs same period last year. This is after network optimization carried out last year, which has also helped reduce operating expenses and increase focus on profitable locations.

Institutional Sales

Company's tendered business (armed forces, government contracts etc.) grew by 13% compared to same period last year. Continuous cost pressures on livestock and its supply challenges during the quarter, however, made the Institutional Channel business unviable for some of our B2B customers. These pressures have eased now and positive results are expected in the coming quarter.

Poultry & Processed Foods Business

Our poultry and processed foods plant in Lahore is in final stages of completion. Launch product portfolio has been finalized, product testing and trial production have been conducted. Final work in the civil and refrigeration areas is in process. Sales team has completed a Route-to-Market plan, having prominent distributors on board and trade agreements with retailers in place. In short, our team is in full readiness for an impactful launch of the processed foods business in first quarter of next financial year.

Future Outlook

Recent upward revaluation of US Dollars has significantly increased export margins. The falling topline of export business has turned around delivering growth from the start of April. We are confident that export business will regain its potential. Actions on the cost optimization plan have been executed. This has helped improve margins significantly. With higher volumes, the domestic business should turn profitable in this last quarter of 2017-2018.

Launch of processed frozen foods in September quarter 2018-2019 will be a major milestone for the Company changing its status from a meat company to a Foods business.

Acknowledgment

The Board is thankful to valuable members and bankers 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.

Standalone
Financial Statements
2017-18

Unconsolidated Condensed Interim Statement of Financial Position

AS AT 31 MARCH 2018

		March 31, 2018 (Un-Audited)	June 30, 2017 (Audited)
		(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	3,832,905	3,368,189
Intangible assets		5,649	4,863
		<u>3,838,554</u>	<u>3,373,052</u>
Long-term investments		55,700	55,700
Deferred taxation		191,139	177,563
		<u>4,085,393</u>	<u>3,606,315</u>
CURRENT ASSETS			
Fuels and lubricants		351	442
Stock-in-trade		118,257	116,618
Trade debts		1,124,077	1,212,651
Loans and advances		659,708	493,018
Trade deposits and short-term prepayments		26,904	20,814
Short-term investments		582	566
Other receivables		264,202	234,045
Taxation - net		133,692	109,138
Cash and bank balances		57,821	27,933
		<u>2,385,594</u>	<u>2,215,225</u>
TOTAL ASSETS		<u><u>6,470,987</u></u>	<u><u>5,821,540</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		1,421,175	1,421,175
Share premium		1,507,705	1,507,705
Unappropriated profit		650,862	678,941
Surplus on revaluation of fixed assets		179,676	186,922
Total equity		<u>3,759,418</u>	<u>3,794,743</u>
NON-CURRENT LIABILITIES			
Long-term financing	6	577,055	400,414
Deferred liabilities - Staff gratuity		48,362	43,526
		<u>625,417</u>	<u>443,940</u>
CURRENT LIABILITIES			
Trade and other payables	7	674,773	472,238
Short term borrowings	8	1,214,402	1,044,918
Accrued mark-up		25,183	11,758
Current portion of long-term financing		166,874	40,416
Due to a related party		4,920	13,527
		<u>2,086,152</u>	<u>1,582,857</u>
TOTAL EQUITY AND LIABILITIES		<u><u>6,470,987</u></u>	<u><u>5,821,540</u></u>
CONTINGENCIES AND COMMITMENTS	9		

The annexed notes 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive


Director


Chief Financial Officer

Unconsolidated Condensed Interim Profit And Loss Account

FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2018 (UN-AUDITED)

	Nine months Ended		Quarter Ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	(Rupees in '000)			
Turnover	3,951,655	4,542,868	1,176,844	1,488,048
Cost of sales	(3,022,890)	(3,456,212)	(940,740)	(1,145,852)
Gross profit	928,765	1,086,656	236,104	342,196
Administrative and distribution expenses	(991,158)	(1,053,395)	(275,349)	(320,612)
Other expenses	(288)	(2,492)	(72)	(142)
	(991,446)	(1,055,887)	(275,421)	(320,754)
Operating (loss) / profit	(62,681)	30,769	(39,317)	21,442
Other income	92,141	11,039	46,534	5,040
Finance costs	(51,329)	(54,806)	(17,024)	(17,348)
(Loss)/ Profit before taxation	(21,869)	(12,998)	(9,807)	9,134
Taxation				
- Current	(27,032)	(39,330)	(6,437)	(13,465)
- Deferred	13,576	23,854	15,181	10,826
	(13,456)	(15,476)	8,744	(2,639)
(Loss) / profit for the period	(35,325)	(28,474)	(1,063)	6,495
(Loss)/ earning per share – basic and diluted (Rupee)	(0.25)	(0.20)	(0.01)	0.05

Note

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The annexed notes 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive


Director


Chief Financial Officer

Unconsolidated Condensed Interim Statement Of Comprehensive Income

FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2018 (UN-AUDITED)

	Nine Months Ended		Quarter Ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	(Rupees in '000)			
(Loss) / profit for the period	(35,325)	(28,474)	(1,063)	6,495
Other comprehensive income	-	-	-	--
Total comprehensive (loss) / profit for the period	<u>(35,325)</u>	<u>(28,474)</u>	<u>(1,063)</u>	<u>6,495</u>

The annexed notes 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive



Director



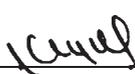
Chief Financial Officer

Unconsolidated Condensed Interim Cash Flow Statement

FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2018 (UN-AUDITED)

	March 31, 2018	March 31, 2017
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(21,869)	(12,998)
Adjustments for:		
Depreciation	57,245	58,131
Amortisation	1,266	805
Provision for gratuity	15,474	10,024
Loss on disposal of property, plant and equipment	288	-
Gain on remeasurement of short-term investments	(16)	59
Gain on disposal of short-term investments	-	(919)
Finance costs	51,329	54,806
	125,586	122,906
Operating profit before working capital changes	103,717	109,908
(Increase)/ decrease in current assets:		
Fuels and lubricants	91	354
Stock-in-trade	(1,639)	87,827
Trade debts	88,574	24,419
Loans and advances	(166,690)	67,802
Trade deposits and short-term prepayments	(6,090)	(12,258)
Other receivables	(30,157)	(14,459)
	(115,911)	153,685
Increase / (decrease) in current liabilities:		
Trade and other payables	202,535	305,553
Due to a related party	(8,607)	35,290
	193,928	340,843
Cash generated from operations	181,734	604,436
Taxes paid	(51,586)	(67,135)
Staff gratuity paid	(10,638)	(6,448)
Net cash generated from operating activities	119,509	530,853
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
- property, plant and equipment	(529,786)	(663,874)
- intangible assets	(2,055)	(1,454)
Sale proceeds from disposal of property, plant and equipment	7,538	118
Short-term investments - net	-	216,245
Net cash used in investing activities	(524,303)	(448,965)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term financing - net	303,099	(25,068)
Short term borrowings	169,484	-
Finance costs paid	(37,902)	(42,429)
Net cash generated from/ (used in) financing activities	434,681	(67,497)
Net increase in cash and cash equivalents	29,888	14,391
Cash and cash equivalents at the beginning of the period	27,933	25,064
Cash and cash equivalents at the end of the period	57,821	39,455

The annexed notes 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer

Unconsolidated Condensed Interim Statement Of Changes In Equity

FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2018 (UN-AUDITED)

	Issued, subscribed and paid-up capital	Capital reserve Share premium account	Revenue reserve Unappropriated profit	Surplus on revaluation of Fixed Assets	Total
	(Rupees in '000)				
As at 01 July 2016 (Restated)	1,235,804	1,693,076	698,586	197,078	3,824,544
Loss for the period	-	-	(28,474)	-	(28,474)
Other comprehensive loss for the period	-	-	-	-	-
Total comprehensive loss for the period			(28,474)		(28,474)
Issue of 18,537,056 bonus shares at 15%	185,371	(185,371)	-	-	-
Surplus on revaluation of fixed assets realised on account of incremental depreciation charged on related assets, net of deferred tax	-	-	8,552	(8,552)	-
As at 31 March 2017 (Un-audited Restated)	1,421,175	1,507,705	678,664	188,526	3,796,070
As at 30 June 2017 (Audited Restated)	1,421,175	1,507,705	678,941	186,922	3,794,743
Loss for the period	-	-	(35,325)	-	(35,325)
Other comprehensive loss for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	(35,325)	-	(35,325)
Surplus on revaluation of fixed assets realised on account of incremental depreciation charged on related assets, net of deferred tax	-	-	7,246	(7,246)	-
As at 31 March 2018 (Un-audited)	1,421,175	1,507,705	650,862	179,676	3,759,418

The annexed notes 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive


Director


Chief Financial Officer

Notes To The Unconsolidated Condensed Interim Financial Statements

FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2018 (UN-AUDITED)

1 THE COMPANY AND ITS OPERATIONS

- 1.1 Al Shaheer Corporation Limited (the 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 These are the separate financial statements of the Company in which the investment in subsidiary has been accounted for on the basis of direct equity interest and is not consolidated.

2 STATEMENT OF COMPLIANCE

These unconsolidated condensed interim financial statements of the Company for the nine months period ended 31 March 2018 have been prepared in accordance with the requirements of the International Accounting Standards (IAS) – 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Act 2017 (the Act). In case requirements differ, the provisions of or directives under the Companies Act 2017 shall prevail.

Companies Act 2017 has been enacted on 30 May 2017 which repeals the Companies Ordinance 1984 (the Ordinance). Circular 23/2017 dated 04 October 2017 of the Securities and Exchange Commission of Pakistan is followed in the preparation of these unconsolidated condensed interim financial statements of the Company.

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 30 June 2017 except for additional disclosure required under the Act.

3 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2017 except that the Company has adopted the following standards which became effective during the period:

IAS 7 Statement of Cash flows: Disclosures - Disclosure Initiative (Amendment)
IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)
IFRS 12 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements (improvements)

The adoption of the above amendments and improvements did not have any material effect on the unconsolidated condensed interim financial statements.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

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, 2017

		March 31, 2018 (Un-Audited)	June 30, 2017 (Audited)
		(Rupees in '000)	
5	Property, plant and equipment		
	Operating fixed assets	1,143,153	1,165,775
	Capital work-in-progress	2,689,752	2,202,414
		3,832,905	3,368,189
5.1	The movement in operating fixed assets during the period / year are as follows:		
	Opening Balance - book value	1,165,775	1,171,895
	Additions during the period / year - end	42,449	73,774
		1,208,224	1,245,669
	Disposals during the period / year - end - book value	(7,826)	(1,212)
	Depreciation charge for the period / year	(57,245)	(78,682)
		(65,071)	(79,894)
	Closing balance - book value	1,143,153	1,165,775
5.1.1	Additions during the period / year		
	Building	594	5,613
	Plant and machinery	1,736	12,004
	Furniture and fittings	15,441	30,974
	Motor vehicles	18,372	8,963
	Office equipment	4,520	11,691
	Tools and equipment	1,005	1,601
	Computers and accessories	781	2,928
		42,449	73,774
5.2	Capital work-in-progress		
	Land	44,111	44,111
	Civil works	53,420	27,786
	Plant and machinery*	1,549,064	1,358,392
	Advance to suppliers and contractors	1,022,028	753,490
	Computer Software	21,129	18,635
	Closing Balance	2,689,752	2,202,414

*Include borrowing costs amounting to Rs. 72.36 million (30 June 2017: Rs. 1.61 million) capitalized during the period using capitalization rate of 7.16-8.18% (30 June 2017: 7.56-8.13%) per annum.

	March 31, 2018 (Un-Audited)	June 30, 2017 (Audited)
6 LONG-TERM FINANCING	(Rupees in '000)	
Diminishing Musharakah	743,929	440,830
Less: current maturity	(166,874)	(40,416)
	<u>577,055</u>	<u>400,414</u>

6.1 Include diminishing musharaka facilities obtained from an Islamic bank amounting to Rs. 395.833 million during the period. These facilities carry markup rate of KIBOR + 2% per annum and are secured by exclusive charge over respective leased assets of the Company

	March 31, 2018 (Un-Audited)	June 30, 2017 (Audited)
7 TRADE AND OTHER PAYABLES	(Rupees in '000)	
Creditors	524,588	358,775
Accrued liabilities	27,403	7,863
Withholding tax payable	35,201	38,524
Workers' Profits Participation Fund	18,459	17,547
Workers' Welfare Fund	12,751	12,751
Retention money	46,958	24,020
Other payables	9,413	12,758
	<u>674,773</u>	<u>472,238</u>

8 SHORT TERM BORROWINGS

Includes musharaka facilities obtained from banks amounting to Rs. 210 million during the period. The facility carries markup rate of 6 month's KIBOR + 1% per annum and is secured by exclusive hypothecation charge over assets of the Company.

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There are no material changes in the status of contingencies as reported in the annual unconsolidated financial statements of the Company for the year ended 30 June 2017

9.2 Commitments

	March 31, 2018 (Un-Audited)	June 30, 2017 (Audited)
	(Rupees in '000)	
- Outstanding letter of credits	-	61,373
- Outstanding letter of Guarantees	14,006	11,549
- Post dated cheques	92,334	33,407
- Outstanding capital commitments	94,691	163,078

10 OTHER INCOME

Includes exchange gain of Rs. 74.220 million (31 March 2017: Nil)

11 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OBJECTIVES

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 Company's annual financial statements for the year ended 30 June 2017. There have been no changes in any risk management policies since the year end.

The carrying values of all financial assets and liabilities in these unconsolidated condensed interim financial statements approximate their fair values.

12 RELATED PARTY TRANSACTIONS

Related parties comprise of associates, directors, key management personnel and retirement fund. Transactions with related parties other than those disclosed elsewhere in these unconsolidated condensed interim financial statements are as follows:

Transactions for the period	Relationship	March 31, 2018	June 30, 2017
		(Un-Audited)	(Audited)
		(Rupees in '000)	
Repayments made by subsidiary company	Subsidiary	11,722	4,232
Sales	Associate	18	63
		(Rupees in '000)	
(Payable)/ Receivable balance	Associate	(5)	8
Receivables from the subsidiary company	Subsidiary	10,148	21,869

13 CORRESPONDING FIGURES

Certain corresponding figures have been reclassified for the purpose of better presentation and comparison.

14 DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorised for issue on **24 April 2018** by the Board of Directors of the Company.

15 GENERAL

All figures have been rounded off to the nearest thousand rupees.



Chief Executive



Director



Chief Financial Officer

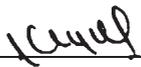
Consolidated
Financial Statements
2017-18

Consolidated Condensed Interim Statement of Financial Position

AS AT 31 MARCH 2018

		March 31, 2018 (Un-Audited)	June 30, 2017 (Audited)
		(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	3,906,842	3,442,133
Intangible asset		5,649	4,863
Deferred taxation		191,139	177,563
		4,103,630	3,624,559
CURRENT ASSETS			
Fuels and lubricants		351	442
Consumables		282	13,692
Stock-in-trade		118,257	116,618
Trade debts		1,124,077	1,212,651
Loans and advances		660,036	499,314
Trade deposits and short-term prepayments		26,907	20,814
Short-term investments		582	566
Other receivables		254,385	212,447
Taxation - net		133,671	109,166
Cash and bank balances		57,892	28,687
		2,376,440	2,214,397
TOTAL ASSETS		6,480,070	5,838,956
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		1,421,175	1,421,175
Share premium		1,507,705	1,507,705
Unappropriated profit		636,983	668,120
Surplus on revaluation of fixed assets		179,676	186,922
Total equity		3,745,539	3,783,922
Non-controlling interest		20,970	23,907
NON-CURRENT LIABILITIES			
Long-term financing	6	577,055	400,414
Deferred liabilities - Staff Gratuity		48,362	43,526
		625,417	443,940
CURRENT LIABILITIES			
Trade and other payables	7	675,654	476,568
Short term borrowings	8	1,214,402	1,044,918
Accrued mark-up		25,183	11,758
Current portion of long-term financing		166,874	40,416
Due to a related party		6,031	13,527
		2,088,144	1,587,187
TOTAL EQUITY AND LIABILITIES		6,480,070	5,838,956
CONTINGENCIES AND COMMITMENTS			
	9		

The annexed notes 1 to 15 form an integral part of these consolidated condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer

Consolidated Condensed Interim Profit And Loss Account

FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2018 (UN-AUDITED)

	Nine months ended		Quarter Ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	(Rupees in '000)			
Turnover	3,951,655	4,542,868	1,176,844	1,488,048
Cost of sales	(3,022,890)	(3,456,212)	(940,740)	(1,145,852)
Gross profit	928,765	1,086,656	236,104	342,196
Administrative and distribution expenses	(997,153)	(1,060,234)	(275,971)	(324,244)
Other expenses	(288)	(2,492)	(72)	(142)
	(997,441)	(1,062,726)	(276,043)	(324,386)
Operating (loss) / profit	(68,676)	23,930	(39,939)	17,810
Other income	92,141	11,039	46,534	5,040
Finance costs	(51,329)	(54,808)	(17,024)	(17,348)
(Loss) / profit before taxation	(27,864)	(19,839)	(10,429)	5,502
Taxation				
- Current	(27,032)	(39,330)	(6,437)	(13,465)
- Deferred	13,576	23,854	15,181	10,826
	(13,456)	(15,476)	8,744	(2,639)
(Loss) / profit for the period	(41,320)	(35,315)	(1,685)	2,863
Attributable to:				
Owners of the Holding Company	(38,383)	(31,963)	(1,381)	4,643
Non-controlling interests	(2,937)	(3,352)	(304)	(1,780)
	(41,320)	(35,315)	(1,685)	2,863
(Loss) / earning per share – basic and diluted (Rupee)	(0.29)	(0.25)	(0.01)	0.02

Note

10

The annexed notes 1 to 15 form an integral part of these consolidated condensed interim financial statements.


Chief Executive


Director

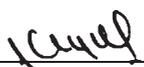

Chief Financial Officer

Consolidated Condensed Interim Statement of Comprehensive Income

FOR THE NINE MONTHS PERIOD 31 MARCH 2018 (UN-AUDITED)

	Nine months ended		Quarter Ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	(Rupees in '000)			
(Loss) / profit for the period	(41,320)	(35,315)	(1,685)	2,863
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / profit for the period	(41,320)	(35,315)	(1,685)	2,863
Attributable to:	(38,383)	(31,963)	(1,381)	4,643
Owners of the Holding Company	(2,937)	(3,352)	(304)	(1,780)
Non-controlling interests	(41,320)	(35,315)	(1,685)	2,863

The annexed notes 1 to 15 form an integral part of these consolidated condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer

Consolidated Condensed Interim Cash Flow Statement

FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2018 (UN-AUDITED)

	March 31, 2018	March 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
(Rupees in '000)		
Loss before taxation	(27,864)	(19,839)
Adjustments for:		
Depreciation	57,265	58,131
Amortisation	1,266	805
Provision for gratuity	15,474	10,024
Loss on disposal of property, plant and equipment	288	-
Gain on remeasurement of short-term investments	(16)	59
Gain on disposal of short-term investments	-	(919)
Finance costs	51,329	54,808
	125,606	122,908
Operating profit before working capital changes	97,742	103,069
(Increase)/ decrease in current assets:		
Fuels and lubricants	92	354
Consumables	13,410	(9,770)
Stock-in-trade	(1,638)	87,827
Trade debts	88,575	24,419
Loans and advances	(160,723)	61,828
Trade deposits and short-term prepayments	(6,094)	(12,265)
Other receivables	(41,939)	4,844
	(108,317)	157,237
Increase / (decrease) in current liabilities:		
Trade and other payables	199,082	309,302
Due to a related party	(7,496)	35,290
	191,586	344,592
Cash generated from operations	181,011	604,898
Taxes paid	(51,534)	(67,124)
Staff gratuity paid	(10,638)	(6,448)
Net cash generated from operating activities	118,839	531,326
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
- Property, plant and equipment	(529,798)	(663,998)
- intangible assets	(2,055)	(1,454)
Sale proceeds from disposal of property, plant and equipment	7,538	117
Short-term investments - net	-	216,244
Net cash used in investing activities	(524,315)	(449,091)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term financing - net	303,100	(25,068)
Short term borrowings	169,483	-
Finance costs paid	(37,902)	(42,430)
Net cash generated from / (used in) financing activities	434,681	(67,498)
Net increase in cash and cash equivalents	29,205	14,737
Cash and cash equivalents at the beginning of the period	28,687	25,216
Cash and cash equivalents at the end of the period	57,892	39,953

The annexed notes 1 to 15 form an integral part of these consolidated condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer

Consolidated Condensed Interim Statement Of Changes In Equity

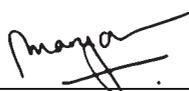
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2018 (UN-AUDITED)

	Issued, subscribed and paid-up capital	Capital reserve Share premium account	Revenue reserve Unappropriated profit	Non-controlling interest	Surplus on revaluation of Fixed Assets	Total
(Rupees in '000)						
As at 01 July 2016 (Restated)	1,235,804	1,693,076	693,515	29,428	197,078	3,848,901
Loss for the period	-	-	(31,963)	(3,352)	-	(35,315)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(31,963)	(3,352)	-	(35,315)
Issue of 18,537,056 bonus shares at 15%	185,371	(185,371)	-	-	-	-
Surplus on revaluation of fixed assets realised on account of incremental depreciation charged on related assets, net of deferred tax	-	-	8,552	-	(8,552)	-
As at 31 March 2017 (Un-audited - Restated)	1,421,175	1,507,705	670,104	26,076	188,526	3,813,586
As at 30 June 2017 (Audited -Restated)	1,421,175	1,507,705	668,120	23,907	186,922	3,807,829
Loss for the period	-	-	(38,383)	(2,937)	-	(41,320)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(38,383)	(2,937)	-	(41,320)
Surplus on revaluation of fixed assets realised on account of incremental depreciation charged on related assets, net of deferred tax	-	-	7,246	-	(7,246)	-
As at 31 March 2018 (Un-audited)	1,421,175	1,507,705	636,983	20,970	179,676	3,766,509

The annexed notes 1 to 15 form an integral part of these consolidated condensed interim financial statements.


Chief Executive


Director


Chief Financial Officer

Notes To The Consolidated Condensed Interim Financial Statements

FOR THE NINE MONTH PERIOD ENDED 31 MARCH 2018 (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 as a private limited company in Pakistan on 30 June 2012 under the repealed Companies Ordinance, 1984. The Holding Company was formed as result of amalgamation of two firms having common partners namely, 'Al Shaheer Corporation' and 'MeatOne', which stands as merged on 30 June 2012 and the Company commenced its operations from 01 July 2012 by continuing homogenous line of business of said firms. In 2015, the Holding Company changed its status from private limited company to public limited company and accordingly, the name of the Holding Company changed to Al Shaheer Corporation Limited. The registered office of the Holding Company is situated at Suite No. G/5/5, 3rd floor, Mansoor Tower, Block-8, Shahrah-e-Roomi, Clifton, Karachi. The Holding Company is engaged in trading of different kinds of Halal meat including goat, cow, chicken and fish, both for export market and local sales through chain of retail stores.

1.2 Subsidiary Company

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

2. STATEMENT OF COMPLIANCE

These consolidated condensed interim financial statements of the Company for the nine months period ended 31 March, 2018 have been prepared in accordance with the requirements of the International Accounting Standards (IAS)-34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Act 2017 (the Act). In case requirements differ, the provisions of or directives under the Companies Act 2017 shall prevail.

Companies Act 2017 has been enacted on 30 May 2017 which repeals the Companies Ordinance 1984 (the Ordinance). Circular 23/2017 dated 04 October 2017 of the Securities and Exchange Commission of Pakistan is followed in the preparation of these consolidated condensed interim financial statements of the Company.

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 30 June 2017 except for additional disclosure required under the Act.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these consolidated condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2017 except that the Company has adopted the following standards which became effective during the period:

IAS 7	Statement of Cash flows: Disclosures - Disclosure Initiative (Amendment)
IAS 12	Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)
IFRS	Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements (improvements)

The adoption of the above amendments and improvements did not have any material effect on the consolidated condensed interim financial statements.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

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, 2017

		March 31, 2018 (Un-Audited)	June 30, 2017 (Audited)
		(Rupees in '000)	
5	Property, plant and equipment		
	Operating fixed assets	1,143,323	1,165,965
	Capital work-in-progress	2,763,519	2,276,168
		3,906,842	3,442,133
5.1	The movement in operating fixed assets during the period / year are as follows:		
	Opening Balance - book value	1,165,965	1,171,895
	Additions during the period / year - end	42,449	73,996
		1,208,414	1,245,891
	Disposals during the period / year - end - book value	(7,826)	(1,209)
	Depreciation charge for the period / year	(57,265)	(78,717)
		(65,091)	(79,926)
	Closing balance - book value	1,143,323	1,165,965
5.1.1	Additions during the period / year		
	Building	594	5,613
	Plant and machinery	1,736	12,004
	Furniture and fittings	15,441	30,974
	Motor vehicles	18,372	8,963
	Office equipment	4,520	11,880
	Tools and equipment	1,005	1,601
	Computers and accessories	781	2,961
		42,449	73,996
5.2	Capital work-in-progress		
	Land	44,111	44,111
	Civil works	127,187	101,540
	Plant and machinery*	1,549,064	1,358,392
	Advance to suppliers and contractors	1,022,028	753,490
	Computer Software	21,129	18,635
	Closing balance	2,763,519	2,276,168

*Include borrowing costs amounting to Rs. 72.36 million (30 June 2017: Rs. 1.61 million) capitalized during the period using capitalization rate of 7.16-8.18% (30 June 2017: 7.56-8.13%) per annum.

		March 31, 2018 (Un-Audited)	June 30, 2017 (Audited)
		(Rupees in '000)	
6	LONG-TERM FINANCING		
	Diminishing Musharakah	743,929	440,830
	Less: current maturity	(166,874)	(40,416)
		577,055	400,414

6.1 Include diminishing musharaka facilities obtained from an Islamic bank amounting to Rs. 395.833 million during the period. These facilities carry markup rate of KIBOR + 2% per annum and are secured by exclusive charge over respective leased assets of the Company

	March 31, 2018 (Un-Audited)	June 30, 2017 (Audited)
7 TRADE AND OTHER PAYABLES	(Rupees in '000)	
Creditors	524,588	358,775
Accrued liabilities	28,369	12,092
Withholding tax payable	35,202	38,524
Workers' Profits Participation Fund	18,459	17,548
Workers' Welfare Fund	12,751	12,751
Retention money	46,958	24,020
Other payables	9,327	12,758
	<u>675,654</u>	<u>476,468</u>

8 SHORT TERM BORROWING

Includes diminishing musharaka facilities obtained from banks amounting to Rs.210 million during the period. The facility carries markup rate of 6 month's KIBOR + 1% per annum and is secured by exclusive hypothecation charge over assets of the Company.

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There are no material changes in the status of contingencies as reported in the annual consolidated financial statements of the Company for the year ended 30 June 2017

9.2 Commitments

- Outstanding letter of credits
- Outstanding letter of Guarantees
- Post dated cheques
- Outstanding capital commitments

	March 31, 2018 (Un-Audited)	June 30, 2017 (Audited)
	(Rupees in '000)	
	-	61,373
	<u>14,006</u>	<u>11,549</u>
	<u>92,334</u>	<u>33,407</u>
	<u>94,691</u>	<u>163,078</u>

10 OTHER INCOME

Includes exchange gain of Rs.74.220 million (31 March 2017: Nil)

11 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OBJECTIVES

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 Company's annual financial statements for the year ended 30 June 2017. There have been no changes in any risk management policies since the year end.

The carrying values of all financial assets and liabilities in these consolidated condensed interim financial statements approximate their fair values.

12 RELATED PARTY TRANSACTIONS

Related parties comprise of associates, directors, key management personnel and retirement fund. Transactions with related parties other than those disclosed elsewhere in these consolidated condensed interim financial statements are as follows:

		March 31, 2018 (Un-Audited)	March 31, 2017 (Un-Audited)
Transactions for the period	Relationship	(Rupees in '000)	
Sales	Associate	<u>18</u>	<u>63</u>
Balances as at period end		(Rupees in '000)	
Receivables /(Payable) balance	Associate	<u>(5)</u>	<u>8</u>

13 CORRESPONDING FIGURES

Certain corresponding figures have been reclassified for the purpose of better presentation and comparison.

14 DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorised for issue on **24 April 2018** by the Board of Directors of the Company.

15 GENERAL

All figures have been rounded off to the nearest thousand rupees.



Chief Executive



Director



Chief Financial Officer

ALSHAHEER

FOODS

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