


# TRANSFORMING THE ART OF MEAT

**ALSHAHEER**  
FOODS



**THIRD QUARTERLY REPORT**  
2018 - 2019





# TRANSFORMING THE ART OF MEAT

As the local market of Pakistan is growing day by day, meat industry needs a rapid change too. Al Shaheer Foods is providing the meat industry with the required pace to enhance its productivity and performance to meet the growing needs of local and international markets.

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# OUR STORY

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

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

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

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

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

# OUR STORY

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ASC Foods is certified on the following regulatory & international standards:

- ISO 9001:2008
- ISO 22000:2005,
- ISO 14001: 2015
- OHSAS 18001: 2007
- HACCP
- Pakistan Halal standard PS3733:2016
- Malaysian Halal standard MS 1500
- UAE/GSO Halal slaughtering standard 993:2015

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

# OUR MOTTO

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## 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 fulfilment.

We will achieve this by sourcing the best quality of livestock, purest ingredients and world class manufacturing processes.

We will have excellence in our Shariah Compliance Standards for all our products, our operations and the way we interact with the communities and environment around us.

We value diversity & teamwork and promote 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

## BOARD OF DIRECTORS

Mr. Adeeb Ahmed	Chairman
Mr. Kamran Khalili	Chief Executive Officer
Mr. Rizwan Jamil	Director
Mr. Sarfaraz Rehman	Director
Mr. Qaysar Alam	Director
Ms. Rukhsana Asghar	Director
Mr. Umair Khalili	Director
Mr. Naveed Godil	Director
Mr. Zafar Siddiqui	Director

## AUDIT COMMITTEE

Mr. M. Qaysar Alam	Chairman
Ms. Rukhsana Asghar	Member

## HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

## MANAGEMENT COMMITTEE

Mr. Kamran Khalili	Chief Executive Officer
Mr. Rizwan Jamil	Deputy Chief Executive Officer
Ms. Maryam Ali	Chief Financial Officer
Mr. Ahsan Ahmed	Head of Local Business
Mr. Adnan Budhani	Head of Poultry Processing
Mr. Muhammad Adnan Khan	Head of Internal Audit
Mr. Hammad Chishti	Business Analyst
Mr. Mahmood Khurram	Head of Distribution Sales
Mr. Osama Javed	Head of Human Resource and Administration
Mr. Shahnawaz Akbar	Head of Factory Operations
Mr. Shoaib Saleem	Head of Information Technology
Mr. Soofian Akhter	Head of Retail Sales
Mr. Shahid Qureshi	General Manager Technical

# COMPANY INFORMATION

## 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, Karachi
Summit Bank Limited	I.I. Chundrigar Road, Karachi
Dubai Islamic Bank	Clifton, Karachi

## 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 Raiwind Road, Lahore

## CHIEF FINANCIAL OFFICER

Ms. Maryam Ali

## ACTING COMPANY SECRETARY

Mr. Muhammad Adnan Khan

## HEAD OF INTERNAL AUDIT

Mr. Muhammad Adnan Khan



# DIRECTORS' REVIEW

The Directors of your Company are pleased to present the financial results of the Company for the quarter ended March 31, 2019.

## OPERATIONAL PERFORMANCE

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

	Quarter ending March 31, 2019	Quarter ending March 31, 2018
(Rupees in '000)		
Sales	992,101	1,176,844
Cost of Sales	(707,975)	(940,832)
<b>Gross Profit</b>	<b>284,126</b>	<b>236,012</b>
<b>Gross Profit Margin</b>	<b>28.6%</b>	<b>20%</b>
Expenses	(271,190)	(292,353)
Other Income	13,811	46,534
Taxation	2,009	8,744
<b>Net Profit / (Loss)</b>	<b>23,846</b>	<b>(1,063)</b>
Basic & Diluted EPS (Rs./Share)	0.20	(0.01)

The Company is pleased to announce the continuing profitability in this quarter. Though Sales declined compared to the same period last year, operational efficiencies and cost management efforts have started producing results in the shape of improved margins.

Export recovered significantly with improved volumes as compared to same period last year. The increased volumes are the result of Company's efforts for re-gaining the market share in Middle East and Saudia.

As per plan, the Company has gone through major restructuring in the local business during the last six months. Outlets making heavy losses have been closed, resources have been better aligned and cost efficiencies have been implemented.

# DIRECTORS' REVIEW

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## FUTURE OUTLOOK

Export volumes will continue to increase with good profitability. Local business margins have already started improving. New Sales points at locations with better potential will be opened by the end of the calendar year, thus increasing Sales at targeted margins.

Overall, the Company is poised to return on a growth track.

## 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.

26th April, 2019



On behalf of the Board of Directors  
CEO



# BEEFING UP THE STANDARDS

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Al Shaheer Foods has defined the new standards of meat in the Pakistani market. By introducing meat chains like Meat One & Khaas Meat, we have provided consumers with quality halal meat in their neighborhoods at affordable prices, which was never done before.

**UNCONSOLIDATED** FINANCIAL STATEMENTS

# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2019

	Note	March 31, 2019 (Un-Audited)	June 30, 2018 (Audited)
(Rupees in '000)			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	5,042,304	4,731,490
Intangible assets		4,239	5,219
Long-term investments		55,700	55,700
Long-term loans		17,374	18,600
Deferred taxation		219,014	192,815
		<u>5,338,631</u>	<u>5,003,824</u>
<b>CURRENT ASSETS</b>			
Fuels and lubricants		335	286
Stock-in-trade		55,022	107,959
Trade debts		1,302,542	1,211,970
Loans and advances		573,129	567,750
Trade deposits and short-term prepayments		23,081	21,365
Short-term investments		618	590
Other receivables		298,608	233,910
Taxation - net		150,082	141,958
Cash and bank balances		14,278	52,094
		<u>2,417,695</u>	<u>2,337,882</u>
<b>TOTAL ASSETS</b>		<u><b>7,756,326</b></u>	<u><b>7,341,706</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		1,421,175	1,421,175
Share premium		1,507,705	1,507,705
Unappropriated profit		772,212	634,687
Revaluation surplus on property, plant and equipment		833,118	852,139
		<u>4,534,210</u>	<u>4,415,706</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing	6	677,680	708,077
Deferred liabilities - staff gratuity		68,038	59,639
		<u>745,718</u>	<u>767,716</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	806,036	565,037
Short-term borrowings	8	1,080,286	1,123,374
Accrued mark-up		47,947	21,543
Current portion of long-term financing	6	306,467	179,183
Due to a related party	9	235,662	269,147
		<u>2,476,398</u>	<u>2,158,284</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>7,756,326</b></u>	<u><b>7,341,706</b></u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
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The annexed notes 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.

  
 Chief Executive Officer

  
 Director

  
 Chief Financial Officer

# CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

Note	Nine months ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	(Rupees in '000)		(Rupees in '000)	
Turnover	<b>3,186,138</b>	3,951,655	<b>992,101</b>	1,176,844
Cost of sales	<b>(2,291,502)</b>	(3,023,536)	<b>(707,975)</b>	(940,832)
<b>Gross profit</b>	<b>894,636</b>	928,119	<b>284,126</b>	236,012
Administrative and distribution expenses	<b>(807,209)</b>	(990,512)	<b>(233,477)</b>	(275,257)
Other expenses	<b>(7,421)</b>	(288)	<b>(361)</b>	(72)
Other income	11 <b>136,977</b>	92,141	<b>13,811</b>	46,534
<b>Operating profit</b>	<b>216,983</b>	29,460	<b>64,099</b>	7,217
Finance costs	<b>(102,192)</b>	(51,329)	<b>(37,352)</b>	(17,024)
<b>Profit / (loss) before taxation</b>	<b>114,791</b>	(21,869)	<b>26,747</b>	(9,807)
Taxation				
- Current	<b>(22,485)</b>	(27,032)	<b>(8,180)</b>	(6,437)
- Deferred	<b>26,198)</b>	13,576	<b>10,189)</b>	15,181
	<b>3,713</b>	(13,456)	<b>2,009</b>	8,744
<b>Profit / (loss) after taxation</b>	<b>118,504</b>	(35,325)	<b>28,756</b>	(1,063)
<b>Earnings / (loss) per share – basic and diluted (Rupee)</b>	<b>0.83</b>	(0.25)	<b>0.20</b>	(0.01)

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

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

	Nine months ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	(Rupees in '000)		(Rupees in '000)	
Profit / (loss) after taxation	118,504	(35,325)	28,756	(1,063)
Other comprehensive income	-	-	-	-
<b>Total comprehensive profit / (loss) for the period</b>	<b>118,504</b>	<b>(35,325)</b>	<b>28,756</b>	<b>(1,063)</b>

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

  
 Chief Executive Officer

  
 Director

  
 Chief Financial Officer



# CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT

FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

	March 31, 2019	March 31, 2018
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit / (loss) before taxation</b>	<b>114,791</b>	(21,869)
<b>Adjustments for:</b>		
Depreciation	65,716	57,245
Amortisation	978	1,266
Provision for defined benefit plan - gratuity	17,227	15,474
Loss on disposal of property, plant and equipment	896	288
Unrealised loss / (gain) on remeasurement of short-term investments	(111)	(16)
Dividend income	(17)	-
Finance costs	102,192	51,329
	<b>186,981</b>	125,586
<b>Operating profit before working capital changes</b>	<b>301,772</b>	103,717
<b>(Increase) / decrease in current assets:</b>		
Fuels and lubricants	(49)	91
Stock-in-trade	52,937	(1,639)
Trade debts	(90,572)	88,574
Loans and advances	(4,153)	(166,690)
Trade deposits and short-term prepayments	(1,716)	(6,090)
Other receivables	(64,698)	(30,157)
	<b>(108,251)</b>	(115,911)
<b>Increase / (decrease) in current liabilities:</b>		
Trade and other payables	241,001	202,535
Due to a related party	(33,485)	(8,607)
	<b>207,516</b>	193,928
<b>Cash generated from operations</b>	<b>401,037</b>	181,734
Taxes paid	(30,607)	(51,586)
Staff gratuity paid	(8,827)	(10,638)
<b>Net cash generated from operating activities</b>	<b>361,603</b>	119,510
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to:		
- property, plant and equipment	(381,690)	(529,786)
- intangible assets	-	(2,055)
Sale proceeds from disposal of property, plant and equipment	4,263	7,538
<b>Net cash used in investing activities</b>	<b>(377,427)</b>	(524,303)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long-term financing - net	96,887	303,099
Short-term financing - net	(43,088)	169,484
Finance costs paid	(75,791)	(37,902)
<b>Net cash (used in) / generated from financing activities</b>	<b>(21,992)</b>	434,681
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(37,816)</b>	29,888
<b>Cash and cash equivalents at the beginning of the period</b>	<b>52,094</b>	27,933
<b>Cash and cash equivalents at the end of the period</b>	<b>14,278</b>	57,821

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

  
 Chief Executive Officer

  
 Director

  
 Chief Financial Officer

# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

	Issued, subscribed and paid-up capital	Capital reserves Share premium account	Revenue reserves Unappropriated profit	Revaluation surplus on property, plant and equipment	Total
	(Rupees in '000)				
<b>Balance as at 30 June 2017 (Audited)</b>	1,421,175	1,507,705	678,941	186,922	3,794,743
Net Loss for the period	-	-	(35,325)	-	(35,325)
Other comprehensive loss for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	(35,325)	-	(35,325)
Revaluation surplus on property, plant and equipment on account of incremental depreciation net of deferred tax	-	-	7,246	(7,246)	-
<b>Balance as at 31 March 2018</b>	<u>1,421,175</u>	<u>1,507,705</u>	<u>650,862</u>	<u>179,676</u>	<u>3,759,418</u>
<b>Balance as at 30 June 2018 (Audited)</b>	1,421,175	1,507,705	634,687	852,139	4,415,706
Net Profit for the period	-	-	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</b>	<u>1,421,175</u>	<u>1,507,705</u>	<u>772,212</u>	<u>833,118</u>	<u>4,534,210</u>

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

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

  
\_\_\_\_\_  
Director

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

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

## FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

### 1. THE COMPANY AND ITS OPERATIONS

Al Shaheer Corporation Limited (the Company) was incorporated on June 30, 2012 under the repealed Companies Ordinance, 1984 (the Ordinance), now 'the Companies Act, 2017', and is quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at Suite No. G/5/5, 3rd Floor, Mansoor Tower, Block-8, Shahrah-e-Roomi, Clifton, Karachi. The Company is engaged in trading of different kinds of halal meat including goat, cow, chicken and fish, both for export market and local sales through chain of retail stores.

### 2. BASIS OF PREPARATION

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; 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 company's annual financial statements for the year ended June 30, 2018.

### 3. SIGNIFICANT 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 followed in the preparation of the Company's annual financial statements for the year ended June 30, 2018 except for:

#### a) New / Revised Standards, Interpretations and Amendments

The Company has adopted the following standards and amendment to IFRSs which became effective for the current period:

##### Standard or Interpretation

IFRS 2	Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)
IFRS 4	Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)
IFRS 9	Financial Instruments *
IFRS 15	Revenue from Contracts with Customers

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

## FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

### Standard or Interpretation

IAS 40 Investment Property: Transfers of Investment Property (Amendments)

IFRIC 22 Foreign Currency Transactions and Advance Consideration

The adoption of the above standards and amendments in the accounting standards did not have effect on the accounting policies of the Company.

Subsequent to the period ended December 31, 2018, the SECP has modified the applicability of IFRS 9 vide its order no. S.R.O. 229 (I)/2019 dated February 14, 2019 whereby the effective date for applicability of IFRS 9 - Financial Instruments in place of IAS 39 - Financial Instruments: Recognition and Measurement has been revised as "Reporting period / year ending on or after June 30, 2019".

### 3.1 IFRS 15 – Revenue from Contracts with Customers

IFRS 15 'Revenue from Contracts with Customers' supersedes IAS 11 'Construction Contracts', IAS 18 'Revenue' and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Company is engaged in slaughtering, export and retailing of beef, mutton, fish and chicken products. The Company has assessed that significant performance obligation in contracts with customers are closely related and therefore are discharged over the period of their relationship with relevant customers. Hence, the Company has concluded that it is in compliance with the requirements of the new accounting standard.

## 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 financial statements for the year ended June 30, 2018 except for changes as disclosed in note 3 above.

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

## FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

	Note	March 31, 2019 (Un-Audited)	June 30, 2018 (Audited)
(Rupees in '000)			
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1.1	1,754,043	1,822,109
Capital work-in-progress	5.2	3,288,261	2,909,381
		<u>5,042,304</u>	<u>4,731,490</u>

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

Opening Balance - book value		1,822,109	1,165,775
Additions during the period / year - end	5.1.1	2,809	67,822
Surplus on revaluation of fixed assets		-	673,569
		<u>1,824,918</u>	<u>1,907,166</u>
Disposals during the period / year - end - book value		(5,159)	(8,376)
Depreciation charge for the period / year		(70,875)	(76,681)
		<u>(70,875)</u>	<u>(85,057)</u>
Closing balance - book value		<u>1,754,043</u>	<u>1,822,109</u>

Additions (cost)		Deletions (net book value)	
(Un-audited)	(Audited)	(Un-audited)	(Audited)
March	June	March	June
31, 2019	30, 2018	31, 2019	30, 2018
(Rupees in '000)			

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

Building	261	20,055	-	-
Plant and machinery	30	6,900	-	-
Furniture and fittings	1,916	15,511	-	690
Motor vehicles	133	18,372	5,055	7,448
Office equipment	469	4,623	33	134
Tools and equipment	-	1,580	-	-
Computers and accessories	-	781	71	104
	<u>2,809</u>	<u>67,822</u>	<u>5,159</u>	<u>8,376</u>

	March 31, 2019 (Un-Audited)	June 30, 2018 (Audited)
(Rupees in '000)		
<b>5.2 Capital work-in-progress</b>		
Land	69,097	59,130
Civil works	40,203	40,203
Plant and machinery	1,547,025	1,547,025
Advance to suppliers and contractors	1,604,096	1,241,267
Computer Software	27,840	21,756
	<u>3,288,261</u>	<u>2,909,381</u>

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

## FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

	Note	March 31, 2019 (Un-Audited)	June 30, 2018 (Audited)
(Rupees in '000)			
<b>6. LONG-TERM FINANCING</b>			
Diminishing musharka	6.1	984,147	887,260
Less: Current maturity		(306,467)	(179,183)
		<u>677,680</u>	<u>708,077</u>

6.1 This includes diminishing musharka facilities obtained from an Islamic bank amounting to Rs.250 million during the period. These facilities carry mark-up rate of 3 months KIBOR + 2-2.5% per annum and are secured by exclusive charge over respective fixed assets of the company.

### 7. TRADE AND OTHER PAYABLES

Creditors	586,791	453,287
Accrued liabilities	69,921	35,628
Withholding tax payable	66,311	20,454
Workers' Profits Participation Fund	25,751	19,370
Workers' Welfare Fund	14,548	12,751
Retention money	2,520	2,521
Other payables	40,194	21,026
	<u>806,036</u>	<u>565,037</u>

### 8. SHORT-TERM BORROWINGS

This include diminishing musharka facility obtained from a Commercial bank amounting to Rs.350 million during the period. The facility carries mark-up rate of 6 month's KIBOR + 3-5% per annum and is secured by exclusive charge over respective assets of the Company.

### 9. DUE TO A RELATED PARTY

During the last year, the Company received a sum of Rs.250 million by way of loan from Kamran Ahmed Khalili, CEO of the Company in order to meet its working capital and food processing unit requirements. The loan is unsecured, interest free and repayable on demand.

### 10. CONTINGENCIES AND COMMITMENTS

#### 10.1 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 June 30, 2018.

	March 31, 2019 (Un-Audited)	June 30, 2018 (Audited)
(Rupees in '000)		
<b>10.2 Commitments</b>		
Outstanding letters of guarantees	-	14,006
Capital commitments	117,419	215,698
Post dated cheques	161,841	16,530



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

## FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

### 11. OTHER INCOME

This includes net exchange gain amounting to Rs.134.597 million (March 31, 2018: Rs.74.220 million) on revaluation of trade debts and payables in foreign currency.

### 12. TRANSACTIONS WITH RELATED PARTIES

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

Transaction for the period	Relationship	(Un-audited) Nine months ended	
		March 31, 2019	March 31, 2018
(Rupees in '000)			
<b>Nature of transaction</b>			
Repayments made by Subsidiary Company	Subsidiary	-	11,722
Sales	Associate	-	18
Repayment made to chief executive of the Company	Key Management Personnel	33,485	8,607
<b>Balance as at period / year end</b>			
<b>Nature of balance</b>	<b>Relationship</b>	<b>March 31, 2019 (Un-Audited)</b>	<b>June 30, 2018 (Audited)</b>
(Rupees in '000)			
Due to Related Party	Key Management Personnel	235,662	269,147

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

#### 13.1 Financial risk management information and disclosures

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 June 30, 2018. There have been no change in any risk management policies since the year end.

#### 13.2 Fair value of financial instruments

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

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

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

## FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

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

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

	(Rupees in '000)			
<b>March 31, 2019 (Un-audited)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
At fair value through profit or loss	-	<b>618</b>	-	<b>618</b>
<b>June 30, 2018 (Audited)</b>				
At fair value through profit or loss	-	590	-	590

**13.2.1** The Company has not disclosed the fair values for all other financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of their fair values.

**13.2.2** During the period ended March 31, 2019, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

### 14. DATE OF AUTHORISATION FOR ISSUE

This unconsolidated condensed interim financial statements was authorized for issue on **April 26, 2019** by the Board of Directors of the Company.

### 15. GENERAL

**15.1** Corresponding figures have been reclassified for the purpose of better presentation and comparison, wherever necessary. However, there are no material reclassifications to report except for the following:

Reclassified from component	Reclassified to component	June 30, 2018 (Rupees in '000)
Loans and advances	Long term loans	<u>18,600</u>

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

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

  
\_\_\_\_\_  
Director

  
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Chief Financial Officer



# CUTTING OUT NEW PATHS

While fulfilling the meat industry needs in Pakistan, Al Shaheer Foods is also making waves in the international meat markets. Right now our main markets include Middle Eastern side; Bahrain, Saudi Arabia, Qatar, Kuwait, Oman and UAE which are also playing their vital role in boosting the exports and eventually country's economy.

**CONSOLIDATED** FINANCIAL STATEMENTS

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

	Note	March 31, 2019 (Un-Audited)	June 30, 2018 (Audited)
(Rupees in '000)			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	5,116,216	4,805,419
Intangible assets		4,239	5,217
Long term loans		17,374	18,600
Deferred taxation		219,014	192,815
		<u>5,356,843</u>	<u>5,022,051</u>
<b>CURRENT ASSETS</b>			
Fuels and lubricants		335	286
Consumables		282	282
Stock-in-trade		55,022	107,959
Trade debts		1,302,542	1,211,970
Loans and advances		573,688	568,309
Trade deposits and short-term prepayments		23,084	21,368
Short-term investments		618	590
Other receivables		298,905	230,214
Taxation - net		150,082	141,956
Cash and bank balances		14,417	52,462
		<u>2,418,975</u>	<u>2,335,396</u>
<b>TOTAL ASSETS</b>		<u><b>7,775,818</b></u>	<u><b>7,357,447</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		1,421,175	1,421,175
Share premium		1,507,705	1,507,705
Unappropriated profit		753,910	616,436
Surplus on revaluation of fixed assets		833,118	852,139
<b>Total equity</b>		<u><b>4,515,908</b></u>	<u><b>4,397,455</b></u>
Non-controlling interest		20,559	20,609
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing	6	677,680	708,077
Deferred liabilities - Staff gratuity		68,038	59,639
		<u>745,718</u>	<u>767,716</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	806,927	566,386
Short term borrowings	8	1,080,286	1,123,374
Accrued mark-up		47,947	21,543
Current portion of long-term financing	6	306,467	179,183
Due to a related party	9	252,006	281,181
		<u>2,493,633</u>	<u>2,171,667</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>7,775,074</b></u>	<u><b>7,357,447</b></u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	10		

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

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

	Nine months ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	(Rupees in '000)		(Rupees in '000)	
Turnover	3,186,138	3,951,655	992,101	1,176,844
Cost of sales	(2,291,502)	(3,023,536)	(707,975)	(940,832)
<b>Gross profit</b>	<b>894,636</b>	928,119	<b>284,126</b>	236,012
Administrative and distribution expenses	(807,309)	(996,507)	(233,495)	(277,011)
Other expenses	(7,421)	(288)	(361)	(72)
Other income	136,977	92,141	13,811	47,666
<b>Operating Profit</b>	<b>216,883</b>	23,465	<b>64,081</b>	6,595
Finance costs	(102,193)	(51,329)	(37,352)	(17,024)
<b>Profit / (Loss) before taxation</b>	<b>114,690</b>	(27,864)	<b>26,729</b>	(10,429)
Taxation				
- Current	(22,485)	(27,032)	(8,180)	(6,437)
- Deferred	26,198	13,576	10,189	15,181
	3,713	(13,456)	2,009	8,744
<b>Profit / (Loss) for the period</b>	<b>118,403</b>	(41,320)	<b>28,738</b>	(1,685)
<b>Attributable to:</b>				
Owners of the Holding Company	118,453	(38,383)	28,747	(1,381)
Non controlling interests	(50)	(2,937)	(9)	(304)
	<b>118,403</b>	(41,320)	<b>28,738</b>	(1,685)
<b>Earning / (Loss) per share – basic and diluted (rupee)</b>	<b>0.83</b>	(0.29)	<b>0.20</b>	(0.01)

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

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

	Nine months ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	(Rupees in '000)		(Rupees in '000)	
<b>Profit/(Loss) for the period</b>	<b>118,403</b>	(41,320)	<b>28,738</b>	(1,685)
Other comprehensive income for the period, net of tax	-	-	-	-
<b>Total comprehensive profit / (loss) for the period</b>	<b>118,403</b>	(41,320)	<b>28,738</b>	(1,685)
<b>Attributable to:</b>				
Owners of the Holding Company	<b>118,453</b>	(38,383)	<b>28,747</b>	(1,381)
Non controlling interests	<b>(50)</b>	(2,937)	<b>(9)</b>	(304)
	<b>118,403</b>	(41,320)	<b>28,738</b>	(1,685)

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

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

  
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Director

  
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Chief Financial Officer

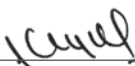



# CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT

FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

	March 31, 2019 (Un-Audited)	March 31, 2018 (Un-Audited)
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit / (Loss) before taxation</b>	<b>114,690</b>	(27,864)
<b>Adjustments for:</b>		
Depreciation	65,733	57,265
Amortisation	978	1,266
Provision for defined benefit plan - gratuity	17,227	15,474
Loss on disposal of property, plant and equipment	896	288
Gain on remeasurement of short-term investments	(11)	(16)
Dividend income	(17)	-
Finance costs	102,193	51,329
	<b>186,999</b>	125,606
<b>Operating profit before working capital changes</b>	<b>301,689</b>	97,742
<b>(Increase)/ decrease in current assets:</b>		
Fuels and lubricants	(49)	92
Consumables	-	13,410
Stock-in-trade	52,937	(1,638)
Trade debts	(90,572)	88,575
Loans and advances	(4,153)	(160,723)
Trade deposits and short-term prepayments	(1,716)	(6,094)
Other receivables	(68,690)	(41,939)
	<b>(112,243)</b>	(108,317)
<b>Increase / (decrease) in current liabilities:</b>		
Trade and other payables	240,538	199,082
Due to a related party	(29,172)	(7,496)
	<b>211,366</b>	191,586
<b>Cash generated from operations</b>	<b>400,812</b>	181,011
Taxes paid	(30,609)	(51,534)
Staff gratuity paid	(8,828)	(10,638)
<b>Net cash generated from operating activities</b>	<b>361,375</b>	118,839
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to:		
- Property, plant and equipment	(381,690)	(529,798)
- intangible assets	-	(2,055)
Sale proceeds from disposal of property, plant and equipment	4,263	7,538
<b>Net cash used in investing activities</b>	<b>(377,427)</b>	(524,315)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long-term financing - net	96,887	303,100
Short term financing	(43,088)	169,483
Finance costs paid	(75,792)	(37,902)
<b>Net cash generated (used in) / from financing activities</b>	<b>(21,993)</b>	434,681
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(38,045)</b>	29,205
<b>Cash and cash equivalents at the beginning of the period</b>	<b>52,462</b>	28,687
<b>Cash and cash equivalents at the end of the period</b>	<b>14,417</b>	57,892

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

  
 Chief Executive Officer

  
 Director

  
 Chief Financial Officer

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

	Issued, subscribed and paid-up capital	Capital reserves Share premium account	Revenue reserves Unappropriated profit	Non Controlling Interest	Surplus on revaluation of Fixed Assets	Total
	(Rupees in '000)					
<b>As at 01 July 2017 (Audited)</b>	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 profit for the period	-	-	-	-	-	-
Total comprehensive profit 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)	-
<b>As at 31 March 2018</b>	1,421,175	1,507,705	636,983	20,970	179,676	3,766,509
<b>As at 30 June 2018 (Audited)</b>	1,421,175	1,507,705	616,436	20,609	852,139	4,418,064
Profit/(Loss) for the period	-	-	118,453	(50)	-	118,403
Other comprehensive profit for the period	-	-	-	-	-	-
Total comprehensive profit/(loss) for the period	-	-	118,453	(50)	-	118,403
Surplus on revaluation of fixed assets realised on account of incremental depreciation charged on related assets, net of deferred tax	-	-	19,021	-	(19,021)	-
<b>As at 31 March 2019</b>	1,421,175	1,507,705	753,910	20,559	833,118	4,536,467

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

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

  
\_\_\_\_\_  
Director

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

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

### 1 LEGAL STATUS AND OPERATIONS OF THE GROUP

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

#### 1.1 Holding Company

Al Shaheer Corporation Limited (the Holding Company) was incorporated 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 Standard (IAS) 34, Interim Financial Reporting, issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; 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 company's annual financial statements for the year ended June 30, 2018.

### 3. SIGNIFICANT 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 followed in the preparation of the Company's annual financial statements for the year ended June 30, 2018 except for:

#### a) New / Revised Standards, Interpretations and Amendments

The Company has adopted the following standards and amendment to IFRSs which became effective for the current period:

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

### Standard or Interpretation

IFRS 2 Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)

IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)

IFRS 9 Financial Instruments \*

### Standard or Interpretation

IFRS 15 Revenue from Contracts with Customers

IAS 40 Investment Property: Transfers of Investment Property (Amendments)

IFRIC 22 Foreign Currency Transactions and Advance Consideration

The adoption of the above standards and amendments in the accounting standards did not have effect on the accounting policies of the Company.

Subsequent to the period ended December 31, 2018, the SECP has modified the applicability of IFRS 9 vide its order no. S.R.O. 229 (I)/2019 dated February 14, 2019 whereby the effective date for applicability of IFRS 9 - Financial Instruments in place of IAS 39 - Financial Instruments: Recognition and Measurement has been revised as "Reporting period / year ending on or after June 30, 2019".

### 3.1 IFRS 15 – Revenue from Contracts with Customers

IFRS 15 'Revenue from Contracts with Customers' supersedes IAS 11 'Construction Contracts', IAS 18 'Revenue' and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Company is engaged in slaughtering, export and retailing of beef, mutton, fish and chicken products. The Company has assessed that significant performance obligation in contracts with customers are closely related and therefore are discharged over the period of their relationship with relevant customers. Hence, the Company has concluded that it is in compliance with the requirements of the new accounting standard.

## 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 financial statements for the year ended June 30, 2018 except for changes as disclosed in note 3 above.

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

	Note	March 31, 2019 (Un-Audited)	June 30, 2018 (Audited)
(Rupees in '000)			
<b>5 Property, plant and equipment</b>			
Operating fixed assets	5.1	1,754,187	1,822,270
Capital work-in-progress	5.2	3,362,029	2,983,147
		<u>5,116,216</u>	<u>4,805,419</u>

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

Opening Balance - book value		1,822,270	1,165,963
Additions during the period / year - end	5.1.1	2,809	67,822
Surplus on revaluation of fixed assets		-	673,568
		<u>1,825,079</u>	<u>1,907,353</u>
Disposals during the period / year - end - book value		(5,159)	(8,376)
Depreciation charge for the period / year		(65,733)	(76,707)
		<u>(70,892)</u>	<u>(85,083)</u>
Closing balance - book value		<u>1,754,187</u>	<u>1,822,270</u>

Additions (cost)		Deletions (net book value)	
(Un-audited)	(Audited)	(Un-audited)	(Audited)
March 31, 2019	June 30, 2018	March 31, 2019	June 30, 2018
(Rupees in '000)			

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

Building	261	20,055	-	-
Plant and machinery	30	6,900	-	-
Furniture and fittings	1,916	15,511	-	690
Motor vehicles	133	18,372	5,055	7,448
Office equipment	469	4,623	33	134
Tools and equipment	-	1,580	-	-
Computers and accessories	-	781	71	104
	<u>2,809</u>	<u>67,822</u>	<u>5,159</u>	<u>8,376</u>

	March 31, 2019 (Un-Audited)	June 30, 2018 (Audited)
(Rupees in '000)		
<b>5.2 Capital work-in-progress</b>		
Land	69,097	59,130
Civil works	113,971	113,971
Plant and machinery	1,547,025	1,547,025
Advance to suppliers and contractors	1,604,096	1,241,267
Computer Software	27,840	21,756
	<u>3,362,029</u>	<u>2,983,149</u>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

	Note	March 31, 2019 (Un-Audited)	June 30, 2018 (Audited)
(Rupees in '000)			
<b>6. LONG-TERM FINANCING</b>			
Diminishing musharka	6.1	984,147	887,260
Less: Current maturity		<u>(306,467)</u>	<u>(179,183)</u>
		<u><b>677,680</b></u>	<u>708,077</u>

- 6.1 This includes diminishing musharka facilities obtained from an Islamic bank amounting to Rs. 250 million during the period. These facilities carry markup rate of 3 months KIBOR + 2-2.5% per annum and are secured by exclusive charge over respective fixed assets of the company.

	March 31, 2019 (Un-Audited)	June 30, 2018 (Audited)
(Rupees in '000)		
<b>7. TRADE AND OTHER PAYABLES</b>		
Creditors	586,791	453,287
Accrued liabilities	70,859	36,910
Withholding tax payable	66,311	20,454
Workers' Profits Participation Fund	25,751	19,370
Workers' Welfare Fund	14,548	12,751
Retention money	2,520	2,521
Other payables	<u>40,147</u>	<u>21,093</u>
	<u><b>806,927</b></u>	<u>566,386</u>

### 8. SHORT-TERM BORROWINGS

This include diminishing musharka facility obtained from a Commercial bank amounting to Rs.350 million during the period. The facility carries mark-up rate of 6 month's KIBOR + 3-5% per annum and is secured by exclusive charge over respective assets of the Company.

### 9. DUE TO A RELATED PARTY

During the last year, the Company received a sum of Rs.250 million by way of loan from Kamran Ahmed Khalili, CEO of the Company in order to meet its working capital and food processing unit requirements. The loan is unsecured, interest free and repayable on demand.

### 10. CONTINGENCIES AND COMMITMENTS

#### 10.1 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 2018.

	March 31, 2019 (Un-Audited)	June 30, 2018 (Audited)
(Rupees in '000)		
<b>10.2 Commitments</b>		
- Outstanding letter of Guarantees	<u>-</u>	<u>14,006</u>
- Post dated cheques	<u>161,841</u>	<u>16,530</u>
- Outstanding capital commitments	<u>117,419</u>	<u>215,698</u>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

### 11. OTHER INCOME

This includes net exchange gain amounting to Rs.134.597 million (March 31, 2018: Rs.74.220 million) on revaluation of trade debts and payables in foreign currency.

### 12. TRANSACTIONS WITH RELATED PARTIES

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

Transaction for the period	Relationship	(Un-audited) Nine months ended	
		March 31, 2019	March 31, 2018
		(Rupees in '000)	
<b>Nature of transaction</b>			
Sales	Associate	-	18
Repayment made to chief executive of the Company	Key Management Personnel	29,175	7,496
<b>Balance as at period / year end</b>			
Nature of balance	Relationship	March 31, 2018	June 30, 2018
		(Un-Audited)	(Audited)
		(Rupees in '000)	
Due to Related Party	Key Management Personnel	252,006	281,181

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

#### 13.1 Financial risk management information and disclosures

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 June 30, 2018. There have been no change in any risk management policies since the year end.

#### 13.2 Fair value of financial instruments

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

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



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

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

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

	(Rupees in '000)			
<b>March 31, 2019 (Un-audited)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
At fair value through profit or loss	-	618	-	618
<b>June 30, 2018 (Audited)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
At fair value through profit or loss	-	590	-	590

**13.2.1** The Company has not disclosed the fair values for all other financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of their fair values.

**13.2.2** During the period ended March 31, 2019, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

#### 14. DATE OF AUTHORISATION FOR ISSUE

This consolidated condensed interim financial statements was authorized for issue on **April 26, 2019** by the Board of Directors of the Company.

#### 15. GENERAL

**15.1** Corresponding figures have been reclassified for the purpose of better presentation and comparison, wherever necessary. However, there are no material reclassifications to report except for the following:

<b>Reclassified from component</b>	<b>Reclassified to component</b>	<b>June 30, 2018 (Rupees in '000)</b>
Loans and advances	Long term loans	18,600

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

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

  
\_\_\_\_\_  
Director

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

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# **ALSHAHEER**

**FOODS**

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