


TRANSFORMING THE ART OF MEAT

ALSHAHEER
FOODS



THIRD QUARTERLY REPORT
2018 - 2019

A close-up photograph of a large, raw piece of red meat, possibly a tripe or a large steak, resting on a dark wooden cutting board. Two hands are visible, each holding a large, sharp knife, positioned to carve the meat. The meat is vibrant red with visible white fat and connective tissue. The background is dark, and a thin red horizontal line is visible behind the meat. The overall composition is dramatic and emphasizes the texture and color of the meat.

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

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

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)
Gross Profit	284,126	236,012
Gross Profit Margin	28.6%	20%
Expenses	(271,190)	(292,353)
Other Income	13,811	46,534
Taxation	2,009	8,744
Net Profit / (Loss)	23,846	(1,063)
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

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

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)			
ASSETS			
NON-CURRENT ASSETS			
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
		5,338,631	5,003,824
CURRENT ASSETS			
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
		2,417,695	2,337,882
TOTAL ASSETS		7,756,326	7,341,706
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		772,212	634,687
Revaluation surplus on property, plant and equipment		833,118	852,139
		4,534,210	4,415,706
NON-CURRENT LIABILITIES			
Long-term financing	6	677,680	708,077
Deferred liabilities - staff gratuity		68,038	59,639
		745,718	767,716
CURRENT LIABILITIES			
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
		2,476,398	2,158,284
TOTAL EQUITY AND LIABILITIES		7,756,326	7,341,706
CONTINGENCIES AND COMMITMENTS			
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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	3,186,138	3,951,655	992,101	1,176,844
Cost of sales	(2,291,502)	(3,023,536)	(707,975)	(940,832)
Gross profit	894,636	928,119	284,126	236,012
Administrative and distribution expenses	(807,209)	(990,512)	(233,477)	(275,257)
Other expenses	(7,421)	(288)	(361)	(72)
Other income	11 136,977	92,141	13,811	46,534
Operating profit	216,983	29,460	64,099	7,217
Finance costs	(102,192)	(51,329)	(37,352)	(17,024)
Profit / (loss) before taxation	114,791	(21,869)	26,747	(9,807)
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
Profit / (loss) after taxation	118,504	(35,325)	28,756	(1,063)
Earnings / (loss) per share – basic and diluted (Rupee)	0.83	(0.25)	0.20	(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	-	-	-	-
Total comprehensive profit / (loss) for the period	<u>118,504</u>	<u>(35,325)</u>	<u>28,756</u>	<u>(1,063)</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

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)

CASH FLOWS FROM OPERATING ACTIVITIES

Profit / (loss) before taxation

114,791

(21,869)

Adjustments for:

Depreciation	65,716
Amortisation	978
Provision for defined benefit plan - gratuity	17,227
Loss on disposal of property, plant and equipment	896
Unrealised loss / (gain) on remeasurement of short-term investments	(111)
Dividend income	(17)
Finance costs	102,192

57,245
1,266
15,474
288
(16)
-
51,329

Operating profit before working capital changes

186,981

125,586

301,772

103,717

(Increase) / decrease in current assets:

Fuels and lubricants	(49)
Stock-in-trade	52,937
Trade debts	(90,572)
Loans and advances	(4,153)
Trade deposits and short-term prepayments	(1,716)
Other receivables	(64,698)

91
(1,639)
88,574
(166,690)
(6,090)
(30,157)
(115,911)

Increase / (decrease) in current liabilities:

Trade and other payables	241,001
Due to a related party	(33,485)

202,535
(8,607)
193,928

Cash generated from operations

207,516

193,928

401,037

181,734

Taxes paid	(30,607)
Staff gratuity paid	(8,827)

(51,586)
(10,638)

Net cash generated from operating activities

361,603

119,510

CASH FLOWS FROM INVESTING ACTIVITIES

Additions to:

- property, plant and equipment	(381,690)
- intangible assets	-

(529,786)
(2,055)
7,538

Sale proceeds from disposal of property, plant and equipment

4,263

7,538

Net cash used in investing activities

(377,427)

(524,303)

CASH FLOWS FROM FINANCING ACTIVITIES

Long-term financing - net	96,887
Short-term financing - net	(43,088)
Finance costs paid	(75,791)

303,099
169,484
(37,902)

Net cash (used in) / generated from financing activities

(21,992)

434,681

Net (decrease) / increase in cash and cash equivalents

(37,816)

29,888

Cash and cash equivalents at the beginning of the period

52,094

27,933

Cash and cash equivalents at the end of the period

14,278

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)				
Balance as at 30 June 2017 (Audited)	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)	-
Balance as at 31 March 2018	<u>1,421,175</u>	<u>1,507,705</u>	<u>650,862</u>	<u>179,676</u>	<u>3,759,418</u>
Balance as at 30 June 2018 (Audited)	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)	-
Balance as at 31 March 2019	<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 (II)/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)			
5. PROPERTY, PLANT AND EQUIPMENT			
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		(65,716)	(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)		
5.2 Capital work-in-progress		
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)			
6. LONG-TERM FINANCING			
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)		
10.2 Commitments		
Outstanding letters of guarantees	-	14,006
Capital committments	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:

		(Un-audited) Nine months ended	
Transaction for the period	Relationship	March 31, 2019	March 31, 2018
Nature of transaction		(Rupees in '000)	
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
Balance as at period / year end			
Nature of balance	Relationship	March 31, 2019 (Un-Audited)	June 30, 2018 (Audited)
		(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)			
March 31, 2019 (Un-audited)	Level 1	Level 2	Level 3	Total
At fair value through profit or loss	-	618	-	618
June 30, 2018 (Audited)				
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	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

A close-up photograph of a chef's hands carving a large piece of meat, likely lamb, on a wooden cutting board. The chef is using a sharp knife with a wooden handle. The meat is being carved into thin slices, revealing its texture and color. The background is dark, and the lighting is focused on the hands and the meat. A red horizontal line is visible in the upper right corner of the image.

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)			
ASSETS			
NON-CURRENT ASSETS			
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>
CURRENT ASSETS			
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>
TOTAL ASSETS		<u>7,775,818</u>	<u>7,357,447</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		753,910	616,436
Surplus on revaluation of fixed assets		833,118	852,139
Total equity		<u>4,515,908</u>	<u>4,397,455</u>
Non-controlling interest		20,559	20,609
NON-CURRENT LIABILITIES			
Long-term financing	6	677,680	708,077
Deferred liabilities - Staff gratuity		68,038	59,639
		<u>745,718</u>	<u>767,716</u>
CURRENT LIABILITIES			
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>
TOTAL EQUITY AND LIABILITIES		<u>7,775,074</u>	<u>7,357,447</u>
CONTINGENCIES AND COMMITMENTS			
	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)
Gross profit	894,636	928,119	284,126	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
Operating Profit	216,883	23,465	64,081	6,595
Finance costs	(102,193)	(51,329)	(37,352)	(17,024)
Profit / (Loss) before taxation	114,690	(27,864)	26,729	(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
Profit / (Loss) for the period	118,403	(41,320)	28,738	(1,685)
Attributable to:				
Owners of the Holding Company	118,453	(38,383)	28,747	(1,381)
Non controlling interests	(50)	(2,937)	(9)	(304)
	118,403	(41,320)	28,738	(1,685)
Earning / (Loss) per share – basic and diluted (rupee)	0.83	(0.29)	0.20	(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)	
Profit /(Loss) for the period	118,403	(41,320)	28,738	(1,685)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive profit / (loss) for the period	118,403	(41,320)	28,738	(1,685)
Attributable to:				
Owners of the Holding Company	118,453	(38,383)	28,747	(1,381)
Non controlling interests	(50)	(2,937)	(9)	(304)
	118,403	(41,320)	28,738	(1,685)

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 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)

CASH FLOWS FROM OPERATING ACTIVITIES

Profit / (Loss) before taxation	114,690	(27,864)
Adjustments for:		
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
	186,999	125,606
Operating profit before working capital changes	301,689	97,742

(Increase)/ decrease in current assets:

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)
	(112,243)	(108,317)

Increase / (decrease) in current liabilities:

Trade and other payables	240,538	199,082
Due to a related party	(29,172)	(7,496)
	211,366	191,586

Cash generated from operations

Taxes paid	(30,609)	(51,534)
Staff gratuity paid	(8,828)	(10,638)

Net cash generated from operating activities

361,375 118,839

CASH FLOWS FROM INVESTING ACTIVITIES

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
Net cash used in investing activities	(377,427)	(524,315)

CASH FLOWS FROM FINANCING ACTIVITIES

Long-term financing - net	96,887	303,100
Short term financing	(43,088)	169,483
Finance costs paid	(75,792)	(37,902)
Net cash generated (used in) / from financing activities	(21,993)	434,681

Net (decrease) / increase in cash and cash equivalents

(38,045) 29,205

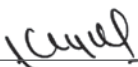
Cash and cash equivalents at the beginning of the period

52,462 28,687

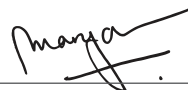
Cash and cash equivalents at the end of the period

14,417 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)					
As at 01 July 2017 (Audited)	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)	-
As at 31 March 2018	1,421,175	1,507,705	636,983	20,970	179,676	3,766,509
As at 30 June 2018 (Audited)	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)	-
As at 31 March 2019	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)	
5 Property, plant and equipment			
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)	
5.2 Capital work-in-progress		
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)			
6. LONG-TERM FINANCING			
Diminishing musharka	6.1	984,147	887,260
Less: Current maturity		<u>(306,467)</u>	<u>(179,183)</u>
		<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 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)		
7. TRADE AND OTHER PAYABLES		
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>806,927</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)		
10.2 Commitments		
- 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:

		(Un-audited) Nine months ended	
Transaction for the period	Relationship	March 31, 2019	March 31, 2018
Nature of transaction		(Rupees in '000)	
Sales	Associate	-	18
Repayment made to chief executive of the Company	Key Management Personnel	29,175	7,496
Balance as at period / year end		March 31, 2018 (Un-Audited)	June 30, 2018 (Audited)
Nature of balance		(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)			
March 31, 2019 (Un-audited)	Level 1	Level 2	Level 3	Total
At fair value through profit or loss	-	618	-	618
June 30, 2018 (Audited)				
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:

Reclassified from component	Reclassified to component	June 30, 2018 (Rupees in '000)
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

ALSHAHEER

FOODS

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