

ALSHAHEER

FOODS

Half Yearly Report 2020-2021

A CUT OF
EXCELLENCE





ALSHAHEER
FOODS

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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



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

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

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

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

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



ASC Foods is certified on following regulatory & international standards:

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



The latest and most anticipated project of ASC Foods is the much awaited poultry and processed food line. This project with the grace of Allah is in its final stages of completion and will be launched in the retail market very soon Inshallah. Following the benchmarks set by Meat One, the essence of this upcoming brand is yet again innovation and convenience, meeting consumer needs with a differentiated and diverse offering. Just like its predecessor, this brand will also uphold the quality standards of health and hygiene and will bring significant improvement in our customer's lives not just through delicious satisfaction to the taste buds but also through an assortment of product offering currently unmet in entirety by any other local brand. This will hence be the perfect opportunity for our company to expand its presence even further both locally and internationally through general and modern trade.

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

Our Motto



Vision

“Dominate the meal table by offering delightful food solutions to consumers”.



Mission

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

Company Information

BOARD OF DIRECTORS

Mr. Kamran Ahmed Khalili	Chief Executive Officer
Mr. Adeeb Ahmad	Director
Mr. M. Qaysar Alam	Director
Mr. M. Zubair Haider Shaikh	Director
Mr. Zillay A Nawab	Director
Mr. Umair Ahmed Khalili	Director
Ms. Sabeen Fazli Alavi	Director

AUDIT COMMITTEE

Mr. M Qaysar Alam	Chairman
Mr. M. Zubair Haider Shaikh	Member
Mr. Umair Ahmed Khalili	Member

HUMAN RESOURCE COMMITTEE

Mr. Zillay A Nawab	Chairman
Mr. Kamran Ahmed Khalili	Member
Mr. Umair Ahmed Khalili	Member
Ms. Sabeen Fazli Alavi	Member

CHIEF FINANCIAL OFFICER

Ms. Maryam Ali

COMPANY SECRETARY

Mr. Osama Javed Usmani

HEAD OF INTERNAL AUDIT

Mr. Furqan Galla

Company Information

MANAGEMENT COMMITTEE

Mr. Kamran Ahmed Khalili	Chief Executive Officer
Ms. Maryam Ali	Chief Financial Officer
Mr. Shahnawaz Akbar	Head of Factory Operations
Mr. Osama Javed Usmani	Head of Local Business, Human Resource and Company Secretary
Mr. Furqan Galla	Head of Internal Audit

AUDITORS

Messrs. EY Ford Rhodes Chartered Accountants

SHARE REGISTRATION OFFICE

CDC Share Registrar Services Limited.
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shahrah-e-Faisal, Karachi-74400
Tel: (92-21) 111-111-500
Fax: (92-21) 34326031

PRINCIPAL BANKERS

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

REGISTERED OFFICE

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

GADAP TOWN PLANT

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

POULTRY & MEAT PROCESSING PLANT

3.5 Km Manga Mandi
Near Raiwand Road, Lahore

Director's Review



The Directors of your Company are pleased to present the un-audited financial results of the Company for the Half Year Ended December 31, 2020.

Operational Performance

Summarized operating performance of the company for the Half Year is as follows:

	Half Year Ended December 31, 2020	Half Year Ended December 31, 2019
	(Rupees in '000)	
Turnover	2,625,338	1,559,442
Cost of Sales	(1,888,224)	(993,464)
Gross Profit	737,114	565,978
Expenses	(655,408)	(568,849)
Other Income	473	7,995
Taxation	(22,491)	21,886
Net Profit / (Loss)	59,688	27,010
EPS (Rs./Share)	0.30	0.14

In the first half of this fiscal year, the Company's topline increased by 68.4% compared to the same period last year. The export business increased over 80% in comparison with same period last year.

Meat One

Our premium retail brand, Meat One, grew by 20.4% over the same period last year, the gross profit increased by 3% as compared to same period last year. As reported in the previous quarter, our Qurbani service this year was a major success, resulting in 100% growth in turnover as well as profitability.

Khaas Meat

Our mid-tier brand, Khaas Meat performed considerably well, showing 34.8% sales growth over same period last year. Gross profit increased by 10% as compared to same period last year.

Institutional Sales

The institutional sales business performed well in our portfolio, delivering a 17.9% growth versus same period last year. Gross profit increased by 3.23% as compared to same period last year.

Future Outlook

The Company is on track to increase topline by increasing Export and Institutional Sales business as market conditions gradually return to normalcy. Plans include expanding our local retail network through strategic alliances with modern trade. Furthermore, the Company will continue to work with optimized resources to ensure efficiencies and positive results.

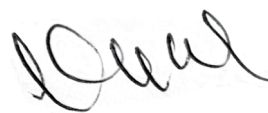
Our poultry and processed foods plant commissioning in Lahore is under final stages. We expect to start our commercial production from first quarter of next fiscal year.

Acknowledgment


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.



Muhammad Qaysar Alam
Chairman – Board of Directors



Kamran Khalili
Chief Executive Officer



**Condensed
Interim
Unconsolidated
Financial
Statements
2020-21**

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF AL SHAHEER CORPORATION LIMITED

REPORT ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Al Shaheer Corporation Limited** (the Company) as at **31 December 2020**, and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim statement of cash flows and notes to the financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review. The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income and the notes forming part thereof for the three-months period ended 31 December 2020 and 2019 have not been reviewed, as we are required to review only the cumulative figures of the six-months period ended 31 December 2020.

Scope of Review

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

Conclusion

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

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



Chartered Accountants

Place: Karachi

Date: 01 March 2021

Unconsolidated Condensed Interim Statement of Financial Position


As at December 31, 2020

		December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	5,014,020	5,049,519
Intangible assets		2,591	2,958
Long-term investments		19,049	19,049
Long term loans		9,761	12,261
Deferred taxation		248,089	246,790
		<u>5,293,510</u>	<u>5,330,577</u>
CURRENT ASSETS			
Fuels and lubricants		706	379
Stock-in-trade		172,067	140,724
Trade debts	6	2,063,875	1,985,426
Loans and advances		321,909	316,719
Trade deposits and prepayments		15,546	15,081
Other receivables		377,009	302,263
Taxation - net		143,488	147,357
Cash and bank balances		8,651	44,343
		<u>3,103,251</u>	<u>2,952,292</u>
TOTAL ASSETS		<u>8,396,761</u>	<u>8,282,869</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		1,999,593	1,999,593
Share premium		1,507,705	1,507,705
Unappropriated profit		1,079,764	1,023,332
Advance against issue of right shares	8	130,000	-
Revaluation surplus on property, plant and equipment		777,639	788,049
		<u>5,494,701</u>	<u>5,318,679</u>
NON-CURRENT LIABILITIES			
Long-term financing	7	700,719	593,398
Government grant		3,881	2,080
Lease liabilities		85,442	117,445
Deferred liabilities		77,021	71,924
		<u>867,063</u>	<u>784,847</u>
CURRENT LIABILITIES			
Trade and other payables		739,164	799,533
Short-term borrowings		713,058	1,023,934
Accrued mark-up		56,808	59,914
Due to a related party	8	55,484	29,693
Current portion of long-term financing		399,005	206,746
Current portion of government grant		4,057	1,436
Current portion of lease liabilities		67,421	58,087
		<u>2,034,997</u>	<u>2,179,343</u>
TOTAL EQUITY AND LIABILITIES		<u>8,396,761</u>	<u>8,282,869</u>
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


Unconsolidated Condensed Interim Statement of Profit or Loss

For the Six Months Period Ended December 31, 2020 (Un-Audited)

	Half Year ended		Quarter ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Note	----- (Rupees in '000) -----			
Turnover	2,625,338	1,559,442	1,124,511	581,995
Cost of sales	(1,888,224)	(993,464)	(783,456)	(344,601)
Gross profit	737,114	565,978	341,055	237,394
Administrative and distribution expenses	(436,608)	(376,494)	(231,724)	(153,516)
Operating profit	300,506	189,484	109,331	83,878
Other expenses	(102,381)	(45,845)	(74,637)	(13,885)
Other income	473	7,995	5	7,145
Finance costs	(116,419)	(146,510)	(52,408)	(89,722)
Profit / (loss) before taxation	82,179	5,124	(17,709)	(12,584)
Taxation				
- Current	(23,789)	(10,513)	(3,162)	(4,510)
- Deferred	1,298	32,399	1,298	21,985
	(22,491)	21,886	(1,864)	17,475
Profit / (loss) after taxation	59,688	27,010	(19,573)	4,891
	----- (Rupee) -----			
Earnings / (loss) per share – basic	0.30	0.14	(0.10)	0.02
Earnings / (loss) per share – diluted	0.28	0.14	(0.09)	0.02

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


 Chief Executive Officer


 Director


 Chief Financial Officer

Unconsolidated Condensed Interim Statement of Comprehensive Income


For the Six Months Period Ended December 31, 2020 (Un-Audited)

	Half Year ended		Quarter ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	----- (Rupees in '000) -----			
Profit / (loss) after taxation	59,688	27,010	(19,573)	4,891
Other comprehensive income	-	-	-	-
Total comprehensive profit / (loss) for the period	59,688	27,010	(19,573)	4,891

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



 Chief Executive Officer



 Director



 Chief Financial Officer

Unconsolidated Condensed Interim Statement of Changes in Equity


For the Six Months Period Ended December 31, 2020 (Un-Audited)

	Share Capital	Capital reserves	Revenue reserves	Advance against issue of right shares (note 8)	Revaluation surplus on property, plant and equipment	Total
		Share Premium	Unappropriated profit			
----- (Rupees in '000) -----						
Balance as at 30 June 2019 (Audited)	1,421,175	1,507,705	844,912	-	824,194	4,597,986
Net Profit for the period	-	-	27,010	-	-	27,010
Other comprehensive profit for the period	-	-	-	-	-	-
Total comprehensive profit for the period	-	-	27,010	-	-	27,010
Transferred to accumulated profit in respect of incremental depreciation during the period – net of tax	-	-	11,018	-	(11,018)	-
Balance as at 31 December 2019	<u>1,421,175</u>	<u>1,507,705</u>	<u>882,940</u>	<u>-</u>	<u>813,176</u>	<u>4,624,996</u>
Balance as at 30 June 2020 (Audited)	1,999,593	1,507,705	1,023,332	-	788,049	5,318,679
Net Profit for the period	-	-	59,688	-	-	59,688
Other comprehensive profit for the period	-	-	-	-	-	-
Total comprehensive profit for the period	-	-	59,688	-	-	59,688
Issue cost of right shares	-	-	(13,666)	-	-	(13,666)
Advance against issue of right shares	-	-	-	130,000	-	130,000
Transferred to accumulated profit in respect of incremental depreciation during the period – net of tax	-	-	10,410	-	(10,410)	-
Balance as at 31 December 2020	<u>1,999,593</u>	<u>1,507,705</u>	<u>1,079,764</u>	<u>130,000</u>	<u>777,639</u>	<u>5,494,701</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

Unconsolidated Condensed Interim Cash Flows Statement


For the Six Months Period Ended December 31, 2020 (Un-Audited)

	December 31, 2020	December 31, 2019
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	82,179	5,124
Adjustments for:		
Depreciation	31,298	35,055
Depreciation - Right of use - asset	32,363	31,408
Amortisation	367	489
Provision for defined benefit plan - gratuity	7,206	10,906
Loss on disposal of property, plant and equipment	352	565
Profit on long term investment	-	7,945
Finance costs	116,419	146,510
	188,005	232,878
Operating profit before working capital changes	270,184	238,002
(Increase) / decrease in current assets:		
Fuels and lubricants	(327)	182
Stock-in-trade	(31,343)	4,552
Trade debts	(78,449)	(112,204)
Loans and advances	(2,690)	(64,087)
Trade deposits and prepayments	(465)	2,565
Other receivables	(74,746)	(37,676)
	(188,020)	(206,668)
(Decrease) / increase in current liabilities:		
Trade and other payables	(60,369)	68,849
Due to a related party	25,791	77,521
	(34,578)	146,370
Cash generated from operations	47,586	177,704
Taxes paid	(19,920)	(9,059)
Staff gratuity paid	(2,109)	(9,729)
Net cash generated from operating activities	25,557	158,916
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(23,565)	(41)
Sale proceeds from disposal of property, plant and equipment	200	2,762
Short-term investments encashed during the period	-	626
Net cash (used) in / generated from investing activities	(23,365)	3,347
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue cost of right shares	(13,666)	-
Advance received against right shares	130,000	-
Long-term financing - net	304,002	(19,282)
Short-term financing - net	(310,876)	25,188
Lease rentals paid	(38,684)	(35,990)
Finance costs paid	(108,660)	(146,791)
Net cash used in financing activities	(37,884)	(176,875)
Net decrease in cash and cash equivalents	(35,692)	(14,613)
Cash and cash equivalents at the beginning of the period	44,343	19,735
Cash and cash equivalents at the end of the period	8,651	5,122

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 Unconsolidated Condensed Interim Financial Statements

For the Six Months Period Ended December 31, 2020 (Un-Audited)

1. THE COMPANY AND ITS OPERATIONS

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

2. BASIS OF PREPARATION

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

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

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

These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2020. These unconsolidated condensed interim financial statements are unaudited, however have been subject to a limited scope review by the auditors, and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended December 31, 2020 and December 31, 2019 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half year ended December 31, 2020 and December 31, 2019.

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

3. ACCOUNTING POLICIES

The accounting policies and the methods of computations adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the Company's annual audited financial statements for the year ended June 30, 2020.

3.1 New / Revised Standard, Amendments, Interpretation and Improvements

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

Amendments and framework:

- IFRS 3 - Definition of a Business (amendments);
- IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (amendments);
- IAS 1 / IAS 8 - Definition of Material (amendments);
- IFRS 16 - COVID 19 Related Rent Concessions (amendments)

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 01, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

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

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Six Months Period Ended December 31, 2020 (Un-Audited)

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.

Judgments and estimates made by the management in the preparation of these unconsolidated condensed interim financial statements are same as those applied in the Company's annual unconsolidated financial statements for the year ended June 30, 2020.

The company follows the practice to conduct actuarial valuation as at year end. Hence the impact of re-measurement of staff retirement benefit fund has not been incorporated in these condensed interim financial statements

5. PROPERTY, PLANT AND EQUIPMENT	Note	(Un-audited)	(Audited)
		December 31, 2020	June 30, 2020
		----- (Rupees in '000) -----	
Operating fixed assets	5.1	1,619,625	1,645,488
Right of use - asset		131,637	158,851
Capital work-in-progress	5.2	3,262,758	3,245,180
		<u>5,014,020</u>	<u>5,049,519</u>
5.1 The movement in operating fixed assets during the period / year are is follows:			
Opening balance - book value		1,645,488	1,737,198
Additions during the period / year	5.1.1	5,987	11,097
		<u>1,651,475</u>	<u>1,748,295</u>
Disposals during the period / year - book value	5.1.1	(552)	(37,678)
Depreciation charge for the period / year		(31,298)	(65,129)
		<u>(31,850)</u>	<u>(102,807)</u>
Closing balance - book value		1,619,625	1,645,488

5.1.1 Details of addition and deletions are as followed:

	Additions (cost)		Deletions (net book value)	
	(Un-audited) December 31, 2020	(Un-audited) December 31, 2019	(Un-audited) December 31, 2020	(Un-audited) December 31, 2019
	----- (Rupees in '000) -----			
Buildings on freehold land	1,799	-	450	-
Plant and machinery	65	-	-	-
Furniture and fittings	881	-	-	-
Motor vehicles	260	-	102	3,215
Office equipment	815	41	-	3
Computers and accessories	2,167	-	-	109
	<u>5,987</u>	<u>41</u>	<u>552</u>	<u>3,327</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Six Months Period Ended December 31, 2020 (Un-Audited)

5.2 The movement in capital work-in-progress is as follows:

	Leasehold Land	Building	Plant and machinery	Advance to suppliers and contractors	Intangible asset under development	Total
----- (Rupees in '000) -----						
Opening balance	65,610	42,059	1,586,969	1,526,729	23,813	3,245,180
Addition during the period	-	-	7,578	10,000	-	17,578
Adjustments during the period	-	-	-	-	-	-
Closing balance	65,610	42,059	1,594,547	1,536,729	23,813	3,262,758

6. TRADE DEBTS

	December 31, 2020 (Un-audited)	June 30, 2020 (Audited)
----- (Rupees in '000) -----		
Considered Good	2,063,875	1,985,426
Considered Doubtful	46,396	41,365
	2,110,271	2,026,791
Allowance for expected credit Loss	6.1 (46,396)	(41,365)
	2,063,875	1,985,426

6.1 Allowance for expected credit loss

The movement in expected credit loss during the period/year is as follows:

Balance at the beginning of the period/year	41,365	29,769
Provision recognised during the period/year	5,031	11,596
Balance at end of the period/year	46,396	41,365

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Six Months Period Ended December 31, 2020 (Un-Audited)

7. LONG-TERM FINANCING

- 7.1 During the period, under SBP BPRD Circular letter no.13 of 2020, the company restructured and converted its existing outstanding Murabaha financing facilities into Diminishing Musharaka facilities from various commercial banks aggregating to Rs. 320 million. These facilities carry profit at the rates ranging from 3 months KIBOR + 4% to 12 months KIBOR + 5.88% per annum and are payable latest by June 2025. These facilities are secured by exclusive charge over respective fixed assets of the Company.
- 7.2 During the period, the Company obtained 4 further tranches of long-term financing from a conventional bank under the refinance scheme for payment of wages and salaries by State Bank of Pakistan. These carry markup rate at the rate 3% however, these loans have been recognised at the present value. The loans are repayable in 8 equal quarterly installments commencing from January 2021 discounted at effective rate of interest. The differential markup has been recognised as government grant which will be amortised to interest income over the period of facility. These facilities are secured by way of first pari passu over fixed assets of the company with 25% margin over the facility amount.

8. DUE TO A RELATED PARTY

Represents interest free loan obtained from CEO of the Company. The loan is unsecured and repayable on demand. During the period, loan of Rs.130 million was adjusted against issue of right shares subscribed by the CEO, which were not issued till period end.

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There are no contingencies as at December 31, 2020

9.2 Commitments

Capital commitments

December 31, 2020 (Un-audited)	June 30, 2020 (Audited)
----- (Rupees in '000) -----	
10,000	10,000

10. OTHER EXPENSES

This includes net exchange loss amounting to Rs.95.06 million on revaluation of trade debts and payables in foreign currency.

11. TRANSACTIONS WITH RELATED PARTIES

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

Transaction for the period		December 31, 2020 (Un-audited)	June 30, 2020 (Audited)
Nature of transaction	Relationship	----- (Rupees in '000) -----	
Loan received from / Settlement of liabilities by CEO of the company	Key Management Personnel	155,791	24,774
Loan adjusted against right issue subscription / repaid to CEO	Key Management Personnel	(130,000)	(72,530)
Balance as at period / year end		December 31, 2020 (Un-audited)	June 30, 2020 (Audited)
Nature of balance	Relationship	----- (Rupees in '000) -----	
Due to Related Party	Key Management Personnel	55,484	29,693

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Six Months Period Ended December 31, 2020 (Un-Audited)

12. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

12.1 Financial risk management information and disclosures

The Company's activities expose it to a variety of financial risks. These unconsolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the annual unconsolidated financial statements of the Company for the year ended 30 June 2020. There have been no changes in any risk management policies since the year end.

12.2 Fair value of financial instruments

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

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

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

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

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

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

	----- (Rupees in '000) -----			
	Level 1	Level 2	Level 3	Total
December 31, 2020 (Un-audited)				
Non- financial assets				
Property, plant and equipment excluding computers and accessories	-	-	1,596,070	1,596,070
June 30, 2020 (Audited)				
Non- financial assets				
Property, plant and equipment	-	-	1,645,488	1,645,488

12.3 Fair value of assets and liabilities

There were no transfers amongst levels during the period.

13. SUBSEQUENT EVENT

The Board of Directors in their meeting held on December 9, 2020 approved to raise further capital by issuance of right shares at a value of Rs. 10 per share to its existing shareholders in the proportion of 1 right share for every 2 ordinary share held. The total size of the issue is Rs.999,796,000. Subsequent to the year end, the Company received full amount for the subscription of right shares.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Six Months Period Ended December 31, 2020 (Un-Audited)

14. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements was authorized for issue on 26 February 2021 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.

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



Chief Executive Officer



Director



Chief Financial Officer



**Condensed
Interim
Consolidated
Financial
Statements
2020-21**

Consolidated Condensed Interim Statement of Financial Position

As at December 31, 2020

		December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
		----- (Rupees in '000) -----	
ASSETS	Note		
NON-CURRENT ASSETS			
Property, plant and equipment	5	5,061,053	5,096,569
Intangible assets		2,591	2,958
Long term loans		9,761	12,261
Deferred taxation		248,089	246,790
		<u>5,321,494</u>	<u>5,358,578</u>
CURRENT ASSETS			
Fuels and lubricants		706	379
Stock-in-trade		172,067	140,724
Trade debts	6	2,063,875	1,985,426
Loans and advances		321,969	316,779
Trade deposits and prepayments		15,546	15,081
Other receivables		377,009	302,263
Taxation - net		143,488	147,357
Cash and bank balances		9,029	44,515
		<u>3,103,689</u>	<u>2,952,524</u>
TOTAL ASSETS		<u>8,425,183</u>	<u>8,311,102</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		1,999,593	1,999,593
Share premium		1,507,705	1,507,705
Unappropriated profit		1,083,811	1,027,424
Advance against issue of right shares	8	130,000	-
Revaluation surplus on property, plant and equipment		777,639	788,049
		<u>5,498,748</u>	<u>5,322,771</u>
Non-controlling interest		6,859	6,902
		<u>5,505,607</u>	<u>5,329,673</u>
NON-CURRENT LIABILITIES			
Long-term financing	7	700,719	593,398
Government grant		3,881	2,080
Lease liabilities		85,442	117,445
Deferred liabilities		77,021	71,924
		<u>867,063</u>	<u>784,847</u>
CURRENT LIABILITIES			
Trade and other payables		740,027	800,418
Short-term borrowings		713,058	1,023,934
Accrued mark-up		56,808	59,914
Due to a related party	8	72,137	46,047
Current portion of long-term financing		399,005	206,746
Current portion of government grant		4,057	1,436
Current portion of lease liabilities		67,421	58,087
		<u>2,052,513</u>	<u>2,196,582</u>
TOTAL EQUITY AND LIABILITIES		<u>8,425,183</u>	<u>8,311,102</u>
CONTINGENCIES AND COMMITMENTS	9		

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


Chief Executive Officer


Director


Chief Financial Officer


Consolidated Condensed Interim Statement of Profit or Loss

For the Six Months Period Ended December 31, 2020 (Un-Audited)

	Half Year ended		Quarter ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Note	----- (Rupees in '000) -----			
Turnover	2,625,338	1,559,442	1,124,511	581,995
Cost of sales	(1,888,224)	(993,464)	(783,456)	(344,601)
Gross profit	737,114	565,978	341,055	237,394
Administrative and distribution expenses	(436,696)	(376,504)	(231,808)	(153,521)
Operating profit	300,418	189,474	109,247	83,873
Other expenses	10 (102,381)	(45,842)	(74,637)	(13,881)
Other income	473	7,995	5	7,144
Finance costs	(116,419)	(146,510)	(52,408)	(89,722)
Profit / (loss) before taxation	82,091	5,117	(17,793)	(12,586)
Taxation				
- Current	(23,789)	(10,513)	(3,162)	(4,510)
- Deferred	1,298	32,399	1,298	21,985
	(22,491)	21,886	(1,864)	17,475
Profit / (loss) after taxation	59,600	27,003	(19,657)	4,889
Attributable to:				
Owners of the Holding Company	59,643	27,008	(19,615)	4,891
Non controlling interests	(43)	(5)	(42)	(2)
	59,600	27,003	(19,657)	4,889
	----- (Rupee) -----			
Earnings / (loss) per share – basic	0.30	0.14	(0.10)	0.02
Earnings / (loss) per share – diluted	0.28	0.14	(0.09)	0.02

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


 Chief Executive Officer


 Director


 Chief Financial Officer

Consolidated Condensed Interim Statement of Comprehensive Income


For the Six Months Period Ended December 31, 2020 (Un-Audited)

	Half Year ended		Quarter ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	----- (Rupees in '000) -----			
Profit / (loss) after taxation	59,600	27,003	(19,657)	4,889
Other comprehensive income	-	-	-	-
Total comprehensive profit / (loss) for the period	59,600	27,003	(19,657)	4,889
Attributable to:				
Owners of the Holding Company	59,643	27,008	(19,615)	4,891
Non controlling interests	(43)	(5)	(42)	(2)
	59,600	27,003	(19,657)	4,889

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



Chief Executive Officer



Director



Chief Financial Officer

Consolidated Condensed Interim Statement of Changes in Equity


For the Six Months Period Ended December 31, 2020 (Un-Audited)

	Share Capital	Capital reserves	Revenue reserves	Non-controlling interest	Advance against issue of right shares (note 8)	Revaluation surplus on property, plant and equipment	Total
		Share Premium	Unappropriated profit				
----- (Rupees in '000) -----							
Balance as at 30 June 2019 (Audited)	1,421,175	1,507,705	849,204	7,090	-	824,194	4,609,368
Net Profit for the period	-	-	27,008	(5)	-	-	27,003
Other comprehensive profit for the period	-	-	-	-	-	-	-
Total comprehensive profit for the period	-	-	27,008	(5)	-	-	27,003
Transferred to accumulated profit in respect of incremental depreciation during the period – net of tax	-	-	11,018	-	-	(11,018)	-
Balance as at 31 December 2019	<u>1,421,175</u>	<u>1,507,705</u>	<u>887,230</u>	<u>7,085</u>	<u>-</u>	<u>813,176</u>	<u>4,636,371</u>
Balance as at 30 June 2020 (Audited)	1,999,593	1,507,705	1,027,424	6,902	-	788,049	5,329,673
Net Profit for the period	-	-	59,643	(43)	-	-	59,600
Other comprehensive profit for the period	-	-	-	-	-	-	-
Total comprehensive profit for the period	-	-	59,643	(43)	-	-	59,600
Issue cost of right shares	-	-	(13,666)	-	-	-	(13,666)
Advance against issue of right shares	-	-	-	-	130,000	-	130,000
Transferred to accumulated profit in respect of incremental depreciation during the period – net of tax	-	-	10,410	-	-	(10,410)	-
Balance as at 31 December 2020	<u>1,999,593</u>	<u>1,507,705</u>	<u>1,083,811</u>	<u>6,859</u>	<u>130,000</u>	<u>777,639</u>	<u>5,505,607</u>

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



 Chief Executive Officer



 Director



 Chief Financial Officer

Consolidated Condensed Interim Cash Flows Statement


For the Six Months Period Ended December 31, 2020 (Un-Audited)

	December 31, 2020	December 31, 2019
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	82,091	5,124
Adjustments for:		
Depreciation	31,315	35,055
Depreciation - Right of use - asset	32,363	31,408
Amortisation	367	489
Provision for defined benefit plan - gratuity	7,206	10,906
Loss on disposal of property, plant and equipment	352	565
Profit on long term investment	-	7,945
Finance costs	116,419	146,510
	188,022	232,878
Operating profit before working capital changes	270,113	238,002
(Increase) / decrease in current assets:		
Fuels and lubricants	(327)	182
Stock-in-trade	(31,343)	4,552
Trade debts	(78,449)	(112,204)
Loans and advances	(2,690)	(64,087)
Trade deposits and prepayments	(465)	2,565
Other receivables	(74,746)	(37,676)
	(188,020)	(206,668)
(Decrease) / increase in current liabilities:		
Trade and other payables	(60,219)	68,849
Due to a related party	26,090	77,521
	(34,129)	146,370
Cash generated from operations	47,964	177,704
Taxes paid	(19,920)	(9,059)
Staff gratuity paid	(2,109)	(9,729)
Net cash generated from operating activities	25,935	158,916
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(23,565)	(41)
Sale proceeds from disposal of property, plant and equipment	200	2,762
Short-term investments encashed during the period	-	626
Net cash (used) in / generated from investing activities	(23,365)	3,347
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue cost of right shares	(13,666)	-
Advance received against right shares	130,000	-
Long-term financing - net	304,002	(19,282)
Short-term financing - net	(310,876)	25,188
Lease rentals paid	(38,684)	(35,990)
Finance costs paid	(108,660)	(146,791)
Net cash used in financing activities	(37,884)	(176,875)
Net decrease in cash and cash equivalents	(35,314)	(14,613)
Cash and cash equivalents at the beginning of the period	44,343	19,735
Cash and cash equivalents at the end of the period	9,029	5,122

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



Chief Executive Officer



Director



Chief Financial Officer

Notes to the Consolidated Condensed Interim Financial Statements

For the Six Months Period Ended December 31, 2020 (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 June 30, 2012 and is quoted on Pakistan Stock Exchange. 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. 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.

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 reporting date, the Holding Company has 51% shareholding in the Subsidiary Company.

2. BASIS OF PREPARATION

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

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

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

These consolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2020. These consolidated condensed interim financial statements are unaudited, however have been subject to a limited scope review by the auditors, and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

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

3. ACCOUNTING POLICIES

The accounting policies and the methods of computations adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the Company's annual audited financial statements for the year ended June 30, 2020.

3.1 New / Revised Standard, Amendments, Interpretation and Improvements

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

Amendments and framework:

- IFRS 3 - Definition of a Business (amendments);
- IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (amendments);
- IAS 1 / IAS 8 - Definition of Material (amendments);
- IFRS 16 - COVID 19 Related Rent Concessions (amendments)

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 01, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

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

Notes to the Consolidated Condensed Interim Financial Statements

For the Six Months Period Ended December 31, 2020 (Un-Audited)

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.

Judgments 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 unconsolidated financial statements for the year ended June 30, 2020.

The company follows the practice to conduct actuarial valuation as at year end. Hence the impact of re-measurement of staff retirement benefit fund has not been incorporated in these condensed interim financial statements

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
5. PROPERTY, PLANT AND EQUIPMENT	Note	----- (Rupees in '000) -----	
Operating fixed assets	5.1	1,619,726	1,645,606
Right of use - asset		131,637	158,851
Capital work-in-progress	5.2	3,309,690	3,292,112
		5,061,053	5,096,569
5.1 The movement in operating fixed assets during the period / year are as follows:			
Opening balance - book value		1,645,606	1,737,336
Additions during the period / year	5.1.1	5,987	11,097
		1,651,593	1,748,433
Disposals during the period / year - book value	5.1.1	(552)	(33,465)
Depreciation charge for the period / year		(31,315)	(69,362)
		(31,867)	(102,827)
Closing balance - book value		1,619,726	1,645,606

5.1.1 Details of additions and deletions are as follows:

	Additions (cost)		Deletions (net book value)	
	(Un-audited) December 31, 2020	(Un-audited) December 31, 2019	(Un-audited) December 31, 2020	(Un-audited) December 31, 2019
	----- (Rupees in '000) -----			
Buildings on freehold land	1,799	-	450	-
Plant and machinery	65	-	-	-
Furniture and fittings	881	-	-	-
Motor vehicles	260	-	102	3,215
Office equipment	815	41	-	3
Computers and accessories	2,167	-	-	109
	5,987	41	552	3,327

5.2 The movement in capital work-in-progress is as follows:

	Leasehold Land	Building	Plant and machinery	Advance to suppliers and contractors	Intangible asset under development	Total
	----- (Rupees in '000) -----					
Opening balance	65,610	87,814	1,588,146	1,526,729	23,813	3,292,112
Addition during the period	-	-	7,578	10,000	-	17,578
Adjustments during the period	-	-	-	-	-	-
Closing balance	65,610	87,814	1,595,724	1,536,729	23,813	3,309,690

Notes to the Consolidated Condensed Interim Financial Statements

For the Six Months Period Ended December 31, 2020 (Un-Audited)

6. TRADE DEBTS

Considered Good		2,063,875	1,985,426
Considered Doubtful		46,396	41,365
		<u>2,110,271</u>	<u>2,026,791</u>
Allowance for expected credit Loss	6.1	<u>(46,396)</u>	<u>(41,365)</u>
		<u>2,063,875</u>	<u>1,985,426</u>

6.1 Allowance for expected credit loss

The movement in expected credit loss during the period/year is as follows:

Balance at the beginning of the period/year		41,365	29,769
Provision recognised during the period/year		5,031	11,596
Balance at end of the period/year		<u>46,396</u>	<u>41,365</u>

7. LONG-TERM FINANCING

7.1 During the period, under SBP BPRD Circular letter no.13 of 2020, the company restructured and converted its existing outstanding Murabaha financing facilities into Diminishing Musharaka facilities from various commercial banks aggregating to Rs. 320 million. These facilities carry profit at the rates ranging from 3 months KIBOR + 4% to 12 months KIBOR + 5.88% per annum and are payable latest by June 2025. These facilities are secured by exclusive charge over respective fixed assets of the Company.

7.2 During the period, the Company obtained 4 further tranches of long-term financing from a conventional bank under the refinance scheme for payment of wages and salaries by State Bank of Pakistan. These carry markup rate at the rate 3% however, these loans have been recognised at the present value. The loans are repayable in 8 equal quarterly installments commencing from January 2021 discounted at effective rate of interest. The differential markup has been recognised as government grant which will be amortised to interest income over the period of facility. These facilities are secured by way of first pari passu over fixed assets of the company with 25% margin over the facility amount.

8. DUE TO A RELATED PARTY

Represents interest free loan obtained from CEO of the Company. The loan is unsecured and repayable on demand. During the period, loan of Rs.130 million was adjusted against issue of right shares subscribed by the CEO, which were not issued till period end.

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There are no contingencies as at December 31, 2020

9.2 Commitments

Capital commitments

December 31, 2020 (Un-audited)	June 30, 2020 (Audited)
----- (Rupees in '000) -----	
<u>10,000</u>	<u>10,000</u>

10. OTHER EXPENSES

This includes net exchange loss amounting to Rs.95.06 million on revaluation of trade debts and payables in foreign currency.

11. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of subsidiary company, 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:

Notes to the Consolidated Condensed Interim Financial Statements

For the Six Months Period Ended December 31, 2020 (Un-Audited)

		December 31, 2020 (Un-audited)	June 30, 2020 (Audited)
Transaction for the period			
Nature of transaction	Relationship	----- (Rupees in '000) -----	
Loan received from / Settlement of liabilities by CEO of the company	Key Management Personnel	156,090	24,774
Loan adjusted against right issue subscription / repaid to CEO	Key Management Personnel	(130,000)	(72,530)
Balance as at period / year end			
		December 31, 2020 (Un-audited)	June 30, 2020 (Audited)
Nature of balance	Relationship	----- (Rupees in '000) -----	
Due to Related Party	Key Management Personnel	72,137	46,047

12. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

12.1 Financial risk management information and disclosures

The Company's activities expose it to a variety of financial risks. These unconsolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the annual unconsolidated financial statements of the Company for the year ended 30 June 2020. There have been no changes in any risk management policies since the year end.

12.2 Fair value of financial instruments

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

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

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

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

Notes to the Consolidated Condensed Interim Financial Statements

For the Six Months Period Ended December 31, 2020 (Un-Audited)

December 31, 2020 (Un-audited)	----- (Rupees in '000) -----			
	Level 1	Level 2	Level 3	Total
Non- financial assets				
Property, plant and equipment excluding computers and accessories	-	-	1,596,171	1,596,171
June 30, 2020 (Audited)				
Non- financial assets				
Property, plant and equipment	-	-	1,645,606	1,645,606

12.3 Fair value of assets and liabilities

There were no transfers amongst levels during the period.

13. SUBSEQUENT EVENT

The Board of Directors in their meeting held on December 9, 2020 approved to raise further capital by issuance of right shares at a value of Rs. 10 per share to its existing shareholders in the proportion of 1 right share for every 2 ordinary share held. The total size of the issue is Rs. 999,796,000. Subsequent to the year end, the Company received full amount for the subscription of right shares.


14. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements was authorized for issue on 26 February 2021 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.

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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