

ALSHAHEER

FOODS

First Quarter 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



ALSHAHEER
FOODS



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. Jamil Akbar	Director
Mr. Zillay A Nawab	Director
Mr. Umair Ahmed Khalili	Director
Ms. Sabeen Fazli Alavi	Director

AUDIT COMMITTEE

Mr. Jamil Akbar	Chairman
Mr. M Qaysar Alam	Member
Mr. Umair Ahmed Khalili	Member

HUMAN RESOURCE COMMITTEE

Mr. Zillay A Nawab	Chairman
Mr. Kamran Ahmed Khalili	Member
Mr. Umair Ahmed Khalili	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 unaudited financial results of the Company for first quarter ended September 30, 2020.

Operational Performance

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

	Quarter ending September 30, 2020	Quarter ending September 30, 2019
(Rupees in '000)		
Turnover	1,500,827	977,447
Cost of Sales	(1,104,768)	(648,863)
Gross Profit	396,059	328,584
Expenses	(296,639)	(311,726)
Other Income	468	850
Taxation	(20,627)	4,412
Net Profit / (Loss) for the Period	79,261	22,120
Basic & Diluted EPS (Rs./Share)	0.40	0.11

This quarter, sales trend had a seasonal impact of Eid ul Azha. However, sales were considerably higher than same period last year, showing 54% growth over last year. Qurbani service this year, was a major success during the quarter, where we were able to serve twice more customers versus last year, resulting in 100% growth in Turnover as well as project profitability.

Our team is fully aligned and consistently working on bringing operational efficiencies, while at the same time increasing the topline, which has resulted in positive bottom line during Q1 20-21.

Future Outlook

The company is on its track to increase topline by strategically increasing profitable export and local b2b customer base as market demand comes back to normal and expanding local retail network through strategic alliances with modern trade. Further, the company will continue to work with optimized resources to ensure efficiencies and positive results. Given the post-covid scenario, opportunities in local retail have grown, both in brick-and-mortar and ecommerce channel, which will be materialized through careful planning and execution. However, Institutional sales channel is vulnerable due to reoccurrence of Covid-19 and subsequent lockdowns in major cities of Pakistan, which has a direct impact on Institutional sales. The Management is continuously working to minimize the loss of business by evaluating new verticals in Institutional sales channel.

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**

Condensed Interim Unconsolidated Statement of Financial Position


As at September 30, 2020

		September 30, 2020 (Un-Audited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	5,027,819	5,049,519
Intangible asset		2,773	2,958
Long-term investment		19,050	19,049
Long-term loan		11,961	12,261
Deferred tax asset - net		248,718	246,790
		5,310,321	5,330,577
CURRENT ASSETS			
Stock-in-trade		116,661	140,724
Fuel and lubricants		346	379
Trade debts		2,079,784	1,985,426
Loans and advances		414,197	316,719
Trade deposits and prepayments		14,393	15,081
Other receivables		349,761	302,263
Taxation - net		135,379	147,357
Cash and bank balances		13,936	44,343
		3,124,457	2,952,292
TOTAL ASSETS		8,434,778	8,282,869
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
200,000,000 ordinary shares of Rs.10 each		2,000,000	2,000,000
Issued, subscribed and paid-up capital		1,999,593	1,999,593
Share premium		1,507,705	1,507,705
Unappropriated profit		1,109,474	1,023,332
Revaluation surplus on property, plant and equipment		781,168	788,049
		5,397,940	5,318,679
NON-CURRENT LIABILITIES			
Long-term financing	5	576,379	566,941
Long term financing - government grant		56,127	26,457
Deferred income - government grant		5,246	2,080
Lease liabilities		100,338	117,445
Deferred liabilities		71,923	71,924
		810,013	784,847
CURRENT LIABILITIES			
Trade and other payables		829,955	799,533
Short-term borrowings	6	963,388	1,023,934
Accrued mark-up		61,932	59,914
Due to a related party		29,319	29,693
Current portion of long term financing - government grant		35,061	10,018
Current portion of deferred income - government grant		3,661	1,436
Current portion of lease liabilities		61,974	58,087
Current portion of long-term financing	5	241,535	196,728
		2,226,825	2,179,343
TOTAL EQUITY AND LIABILITIES		8,434,778	8,282,869
CONTINGENCIES AND COMMITMENTS			
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The annexed notes 1 to 12 form an integral part of these unconsolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

Condensed Interim Unconsolidated Profit and Loss Account


For the quarter ended 30 September 2020

	Note	Quarter ended	
		September 30, 2020 (Un-Audited)	September 30, 2019 (Un-Audited)
		----- (Rupees in '000) -----	
Turnover - net		1,500,827	977,447
Cost of sales		(1,104,768)	(648,863)
Gross profit		396,059	328,584
Administrative and distribution costs		(204,884)	(217,356)
Operating profit		191,175	111,228
Other expenses	8	(27,744)	(31,960)
Other income		468	850
Finance costs		(64,011)	(62,410)
Profit before taxation		99,888	17,708
Taxation		(20,627)	4,412
Net profit for the year		79,261	22,120
		(Restated)	
		----- (Rupees) -----	
Earnings per share – basic and diluted		0.40	0.11

The annexed notes 1 to 12 form an integral part of these unconsolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

Condensed Interim Unconsolidated Statement of Comprehensive Income

For the quarter ended 30 September 2020

	Quarter ended	
	September 30, 2020 (Un-Audited)	September 30, 2019 (Un-Audited)
Note	----- (Rupees in '000) -----	
Net profit for the year	79,261	22,120
Other comprehensive income / (loss):	-	-
Total comprehensive income for the year	<u>79,261</u>	<u>22,120</u>

The annexed notes 1 to 12 form an integral part of these unconsolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

Condensed Interim Unconsolidated Statement of Changes in Equity


For the quarter ended 30 September 2020

	Issued, sub- scribed and paid- up capital	Share premium account	Unappropriated profit	Revaluation surplus on prop- erty, plant and equipment	Total
----- (Rupees in '000) -----					
Balance as on June 30, 2019	1,421,175	1,507,705	844,912	824,194	4,597,986
Net income for the year	-	-	22,120	-	22,120
Other comprehensive loss	-	-	-	-	-
Total comprehensive income for the year	-	-	22,120	-	22,120
Revaluation surplus on property, plant and equipment realised on account of incremental depreciation	-	-	5,509	(5,509)	-
Balance as at September 30, 2019	1,421,175	1,507,705	872,541	818,685	4,620,106
Balance as at June 30, 2020	1,999,593	1,507,705	1,023,332	788,049	5,318,679
Net income for the year	-	-	79,261	-	79,261
Other comprehensive loss	-	-	-	-	-
Total comprehensive income for the year	-	-	79,261	-	79,261
Revaluation surplus on property, plant and equipment realised on account of incremental depreciation	-	-	6,881	(6,881)	-
Balance as at September 30, 2020	1,999,593	1,507,705	1,109,474	781,168	5,397,940

The annexed notes 1 to 12 form an integral part of these unconsolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

Condensed Interim Unconsolidated Cash Flows Statement


For the quarter ended 30 September 2020

	Quarter ended	
	September 30, 2020	September 30, 2019
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	99,888	17,708
Adjustments for:		
Depreciation	16,828	16,478
Amortisation	185	1,304
Depreciation on Right-of-use assets	15,704	-
Provision for defined benefit plan	-	11,337
Loss on disposal of property, plant and equipment	-	415
Gain on remeasurement of short-term investment	-	(18)
Finance costs	64,012	62,410
	96,729	91,926
Operating profit before working capital changes	196,617	109,634
(Increase) / decrease in current assets:		
Fuels and lubricants	34	264
Stock-in-trade	24,062	26,819
Trade debts	(94,357)	(26,410)
Loans and advances	(97,178)	30,518
Trade deposits and short-term prepayments	688	(4,370)
Other receivables	(47,498)	(25,399)
	(214,250)	1,422
Increase / (decrease) in current liabilities:		
Trade and other payables	30,413	38,562
Due to a related party	(373)	(3,420)
	30,040	35,142
Cash generated from operations	12,407	146,198
Taxes paid	(10,576)	(4,576)
Lease rentals paid	(22,543)	-
Gratuity paid	-	(11,336)
Net cash (used in) / generated from operating activities	(20,712)	130,286
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
- Property, plant and equipment	(1,506)	(2,461)
Long term Investments	-	(787)
Sale proceeds from disposal of property, plant and equipment	-	2,360
Net cash generated / (used in) investing activities	(1,506)	(888)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term financing - net	54,245	(93,570)
Short term borrowings - net	(60,545)	49,998
Long term financing - government grant	60,105	-
Finance costs paid	(61,994)	(70,470)
Net cash generated / (used in) flows from financing activities	(8,189)	(114,042)
Net increase / (decrease) in cash and cash equivalents	(30,407)	15,357
Cash and cash equivalents at the beginning of the year	44,343	19,735
Cash and cash equivalents at the end of the year	13,936	35,092


The annexed notes 1 to 12 form an integral part of these unconsolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

Condensed Interim Unconsolidated Notes to the Financial Statements

For the quarter ended 30 September 2020

1. THE COMPANY AND ITS OPERATIONS

- 1.1 Al Shaheer Corporation Limited (the Company) was incorporated on June 30, 2012 and is quoted on Pakistan Stock Exchange. The Company is principally engaged in trading of different kinds of halal meat including goat, cow, chicken and fish, both for export market and local sales through chain of retail stores.
- 1.2 These are the separate financial statements of the Company in which investment in subsidiary is stated at cost less impairment loss, if any.

2. STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Act.

Where provisions of and directives issued under the Act differ from IFRS, the provisions of and directives issued under the Act have been followed.

3. ACCOUNTING POLICIES

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

September 30, 2020 (Un-Audited)	June 30, 2020 (Audited)
----- (Rupees in 000') -----	

4. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	1,630,167	1,645,488
Right-of-use assets	152,472	158,851
Capital work-in-progress	3,245,180	3,245,180
	<u>5,027,819</u>	<u>5,049,519</u>

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

Opening Balance - book value	1,645,489	1,737,199
Additions during the period / year - end	1,506	11,097
Surplus on revaluation of fixed assets	-	-
	<u>1,646,995</u>	<u>1,748,296</u>
Disposals during the period / year - end - book value	-	(33,465)
Depreciation charge for the period / year	(16,828)	(69,342)
	<u>(16,828)</u>	<u>(102,807)</u>
Closing balance - book value	<u>1,630,167</u>	<u>1,645,489</u>

Condensed Interim Unconsolidated Notes to the Financial Statements

For the quarter ended 30 September 2020

	September 30, 2020 (Un-Audited)	June 30, 2020 (Audited)
	----- (Rupees in 000') -----	
5. LONG-TERM FINANCING		
Diminishing musharaka		
Faysal Bank Limited	100,000	-
Askari Bank Limited	83,333	83,333
Dubai Islamic Bank Pakistan Limited	632,278	677,611
Habib Metropolitan Bank Limited	2,303	2,725
	<u>817,914</u>	<u>763,669</u>
Less: current maturity shown under current liabilities	<u>(241,535)</u>	<u>(196,728)</u>
	<u>576,379</u>	<u>566,941</u>
6. SHORT TERM BORROWINGS		
Murabaha - islamic banking		
Sindh Bank Limited	220,000	220,000
Habib Metropolitan Bank Limited	199,374	199,374
Dubai Islamic Bank Pakistan Limited	332,500	290,909
Askari Bank Limited	99,950	99,950
Faysal Bank Limited	-	99,967
	<u>851,824</u>	<u>910,200</u>
Running Musharaka - Summit Bank Limited	49,734	49,734
Running Musharikhah - Faysal Bank Limited	61,831	64,000
	<u>963,389</u>	<u>1,023,934</u>
7. COMMITMENTS		
Outstanding capital commitments	<u>10,000</u>	<u>10,000</u>
8. OTHER EXPENSES		
Includes exchange loss of Rs. 27.74 Million (exchange gain as at 30 September 2019 : Rs. 31.5 million)		

9. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OBJECTIVES

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

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



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

Condensed Interim Consolidated Statement of Financial Position

As at September 30, 2020

ASSETS	Note	September 30, 2020	June 30, 2020
		(Un-Audited)	(Audited)
----- (Rupees in '000) -----			
NON-CURRENT ASSETS			
Property, plant and equipment	4	5,074,864	5,096,569
Intangible asset		2,773	2,958
Long-term loan		11,961	12,261
Deferred tax asset - net		248,718	246,790
		5,338,316	5,358,578
CURRENT ASSETS			
Stock-in-trade		116,661	140,724
Fuel and lubricants		346	379
Trade debts		2,079,784	1,985,426
Loans and advances		414,255	316,779
Trade deposits and prepayments		14,393	15,081
Other receivables		349,761	302,263
Taxation - net		135,378	147,357
Cash and bank balances		14,107	44,515
		3,124,685	2,952,524
TOTAL ASSETS		8,463,001	8,311,102
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
200,000,000 ordinary shares of Rs.10 each		2,000,000	2,000,000
Issued, subscribed and paid-up capital		1,999,593	1,999,593
Share premium		1,507,705	1,507,705
Unappropriated profit		1,113,564	1,027,424
Revaluation surplus on property, plant and equipment		781,168	788,049
		5,402,030	5,322,771
Non-controlling interest		6,900	6,902
		5,408,930	5,329,673
NON-CURRENT LIABILITIES			
Long-term financing	5	576,379	566,941
Long term financing - government grant		56,127	26,457
Deferred income - government grant		5,246	2,080
Lease liabilities		100,339	117,445
Deferred liabilities		71,924	71,924
		810,015	784,847
CURRENT LIABILITIES			
Trade and other payables		830,529	800,418
Short-term borrowings	6	963,389	1,023,934
Accrued mark-up		61,932	59,914
Due to a related party		45,973	46,047
Current portion of long term financing - government grant		35,061	10,018
Current portion of deferred income - government grant		3,662	1,436
Current portion of lease liabilities		61,975	58,087
Current portion of long-term financing	5	241,535	196,728
		2,244,056	2,196,582
TOTAL EQUITY AND LIABILITIES		8,463,001	8,311,102
CONTINGENCIES AND COMMITMENTS			
	7		

The annexed notes 1 to 12 form an integral part of these consolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Condensed Interim Consolidated Profit and Loss Account


For the quarter ended 30 September 2020

	Note	Quarter ended	
		September 30, 2020 (Un-Audited)	September 30, 2019 (Un-Audited)
		----- (Rupees in '000) -----	
Turnover - net		1,500,827	977,447
Cost of sales		(1,104,768)	(648,863)
Gross profit		396,059	328,584
Administrative and distribution costs		(204,888)	(217,361)
Operating profit		191,171	111,223
Other expenses	8	(27,744)	(31,960)
Other income		468	850
Finance costs		(64,011)	(62,410)
Profit before taxation		99,884	17,703
Taxation		(20,627)	4,412
Net profit for the year		79,257	22,115
Attributable to:			
Owners of the Holding Company		79,259	22,117
Non controlling interests		(2)	(2)
		79,257	22,115
			(Restated)
		----- (Rupees) -----	
Earnings per share – basic and diluted		0.40	0.11

The annexed notes 1 to 12 form an integral part of these consolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

Condensed Interim Consolidated Statement of Comprehensive Income


For the quarter ended 30 September 2020

	Quarter ended	
	September 30, 2020 (Un-Audited)	September 30, 2019 (Un-Audited)
Note	----- (Rupees in '000) -----	
Net profit for the year	79,257	22,115
Other comprehensive income:	-	-
Total comprehensive income for the year	<u>79,257</u>	<u>22,115</u>
Attributable to:		
Owners of the Holding Company	79,259	22,117
Non controlling interests	(2)	(2)
	<u>79,257</u>	<u>22,115</u>

The annexed notes 1 to 12 form an integral part of these consolidated financial statements.



 Chief Executive Officer



 Director



 Chief Financial Officer

Condensed Interim Consolidated Statement of Changes in Equity


For the quarter ended 30 September 2020

	Issued, sub- scribed and paid-up capital	Share premium account	Unappropriated profit	Non-controlling interest	Revaluation surplus on prop- erty, plant and equipment	Total
----- (Rupees in '000) -----						
Balance as on June 30, 2019 (Audited)	1,421,175	1,507,705	849,204	7,090	824,194	4,609,368
Net income for the year	-	-	22,117	(2)	-	22,115
Other comprehensive loss	-	-	-	-	-	-
Total comprehensive income for the year	-	-	22,117	(2)	-	22,115
Revaluation surplus on property, plant and equipment realised on account of incremental depreciation	-	-	5,509	-	(5,509)	-
Balance as at September 30, 2019	1,421,175	1,507,705	876,830	7,088	818,685	4,631,483
Balance as at June 30, 2020 (Audited)	1,999,593	1,507,705	1,027,424	6,902	788,049	5,329,673
Net income for the year	-	-	79,259	(2)	-	79,257
Other comprehensive loss	-	-	-	-	-	-
Total comprehensive income for the year	-	-	79,259	(2)	-	79,257
Revaluation surplus on property, plant and equipment realised on account of incremental depreciation	-	-	6,881	-	(6,881)	-
Balance as at September 30, 2020	1,999,593	1,507,705	1,113,564	6,900	781,168	5,408,930

The annexed notes 1 to 12 form an integral part of these consolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer


Condensed Interim Consolidated Cash Flows Statement

For the quarter ended 30 September 2020

	Quarter ended	
	September 30, 2020	September 30, 2019
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	99,884	17,703
Adjustments for:		
Depreciation	16,832	17,543
Amortisation	185	245
Depreciation on Right-of-use assets	15,704	-
Provision for defined benefit plan	-	11,337
Loss on disposal of property, plant and equipment	-	415
Gain on remeasurement of short-term investment	-	(19)
Finance costs	64,012	62,410
	96,733	91,931
Operating profit before working capital changes	196,617	109,634
(Increase) / decrease in current assets:		
Fuels and lubricants	34	264
Stock-in-trade	24,063	26,819
Trade debts	(94,357)	(26,410)
Loans and advances	(97,178)	30,518
Trade deposits and short-term prepayments	688	(4,370)
Other receivables	(47,498)	(25,399)
	(214,248)	1,422
Increase / (decrease) in current liabilities:		
Trade and other payables	30,111	38,563
Due to a related party	(73)	(3,420)
	30,038	35,143
Cash generated from operations	12,406	146,199
Taxes paid	(10,576)	(4,576)
Lease rentals paid	(22,543)	-
Gratuity paid	-	(11,337)
Net cash (used in) / generated from operating activities	(20,713)	130,286
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
- Property, plant and equipment	(1,506)	(2,461)
Long term Investments	-	(787)
Sale proceeds from disposal of property, plant and equipment	-	2,360
Net cash generated / (used in) investing activities	(1,506)	(888)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term financing - net	54,245	(93,570)
Short term borrowings - net	(60,545)	49,998
Long term financing - government grant	60,105	-
Finance costs paid	(61,994)	(70,470)
Net cash generated / (used in) flows from financing activities	(8,189)	(114,042)
Net increase / (decrease) in cash and cash equivalents	(30,408)	15,356
Cash and cash equivalents at the beginning of the year	44,515	20,051
Cash and cash equivalents at the end of the year	14,107	35,408

The annexed notes 1 to 12 form an integral part of these consolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Condensed Interim Consolidated Notes to the Financial Statements

For the quarter ended 30 September 2020

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. STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 (the Act);

- Provisions of and directives issued under the Act.

Where provisions of and directives issued under the Act differ from IFRS, the provisions of and directives issued under the Act have been followed.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these consolidated condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2020.

4. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Right-of-use assets
Capital work-in-progress

	September 30, 2020 (Un-Audited)	June 30, 2020 (Audited)
	----- (Rupees in 000') -----	
	1,630,280	1,645,606
	152,472	158,851
	<u>3,292,112</u>	<u>3,292,112</u>
	<u>5,074,864</u>	<u>5,096,569</u>

Condensed Interim Consolidated Notes to the Financial Statements

For the quarter ended 30 September 2020

	September 30, 2020 (Un-Audited)	June 30, 2020 (Audited)
	----- (Rupees in 000') -----	
4.1 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 - end	1,506	11,097
Surplus on revaluation of fixed assets	-	-
	1,647,112	1,748,433
Disposals during the period / year - end - book value	-	(33,465)
Depreciation charge for the period / year	(16,832)	(69,362)
	(16,832)	(102,827)
Closing balance - book value	1,630,280	1,645,606
5. LONG-TERM FINANCING		
Diminishing musharaka		
Faysal Bank Limited	100,000	-
Askari Bank Limited	83,333	83,333
Dubai Islamic Bank Pakistan Limited	632,278	677,611
Habib Metropolitan Bank Limited	2,303	2,725
	817,914	763,669
Less: current maturity shown under current liabilities	(241,535)	(196,728)
	576,379	566,941
6. SHORT TERM BORROWINGS		
Murabaha - islamic banking		
Sindh Bank Limited	220,000	220,000
Habib Metropolitan Bank Limited	199,374	199,374
Dubai Islamic Bank Pakistan Limited	332,500	290,909
Askari Bank Limited	99,950	99,950
Faysal Bank Limited	-	99,967
	851,824	910,200
Running Musharaka - Summit Bank Limited	49,734	49,734
Running Musharakah - Faysal Bank Limited	61,831	64,000
	963,389	1,023,934

Condensed Interim Consolidated Notes to the Financial Statements

For the quarter ended 30 September 2020

7. COMMITMENTS

Outstanding capital commitments	<u>10,000</u>	<u>10,000</u>
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8. OTHER EXPENSES

Includes exchange loss of Rs. 27.74 Million (exchange gain as at 30 September 2019 : Rs. 31.5 million)

9. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OBJECTIVES

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

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

10. RELATED PARTY TRANSACTIONS

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

	September 30, 2020 (Un-Audited)	September 30, 2019 (Un-Audited)
	Key Management Personnel	
Repayment of loan received from CEO	<u>74</u>	<u>3,420</u>

11. DATE OF AUTHORISATION FOR ISSUE


These condensed interim consolidated financial statements were authorised for issue on 27 November, 2020 by the Board of Directors of the Company.

12. GENERAL

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



Chief Executive Officer



Director



Chief Financial Officer

ALSHAHEER FOODS

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