

# ALSHAHEER

FOODS

**First Quarterly Report**  
for the year 2017 - 18

A CUT OF  
EXCELLENCE



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## Our Story

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

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

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

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

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

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

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

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

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

## Our Motto

### Vision

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

### Mission

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

# Company Information

## Human Resource and Remuneration Committee

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

## Chief Financial Officer

Ms. Maryam Ali

## Company Secretary

Mr. Syed Sajjad

## Head of Internal Audit

Mr. Muhammad Adnan Khan

## Management Committee

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

## Board of Directors

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

## Audit Committee

Mr. M. Qaysar Alam	Chairman
Mr. Noorur Rahman Abid	Member
Mr. Muhammed Amin	Member

## Auditors

Messrs. EY Ford Rhodes Chartered Accountants

## Share Registration Office

Central Depository Company of Pakistan Ltd.  
CDC House, 99-B, Block 'B', S.M.C.H.S.,  
Main Shahrah-e-Faisal, Karachi-74400  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326031

## Principal Bankers

Faysal Bank Limited	IBB Main Branch, Karachi
Askari Bank Limited	IBB DHA Branch, Karachi
Meezan Bank Limited	Clifton Branch, Karachi
MCB Bank Limited	Clifton Branch, Karachi
Habib Bank Limited	IBB Phase IV Branch, Karachi
United Bank Limited	Khayaban-e-Shahbaz Branch, Karachi

## 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

3.5Km Manga Mandi,  
near Raiwind Road, Lahore

# Directors' Review Report

The Directors of your Company are pleased to present the un-audited financial results of the Company for the first quarter ended September 30, 2017.

## Operational Performance

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

	Quarter Ended Sept 2017	Quarter Ended Sept 2016
	(Rupees in '000)	
Sales	1,518,356	1,536,062
Cost of Sales	(1,147,194)	(1,227,455)
<b>Gross Profit</b>	<b>371,162</b>	<b>308,607</b>
Expenses and Taxes	(396,409)	(349,235)
Other Income / (Loss)	7,641	1,275
<b>Net Loss</b>	<b>(17,606)</b>	<b>(39,353)</b>
Basic & Diluted EPS (Rs./Share)	(0.12)	(0.28)

In the first quarter of 2017-18, the company domestic business clocked a growth of 5%, although the overall sales declined by a modest 1.1% compared to the same period last year. The decline is mainly led by the export business – our domestic business maintained modest growth and our contribution of domestic sales improved to 43% in this quarter versus 40% during the same period last year.

### Export Performance

In the quarter, the export business declined by 5.5% versus the same period last year. Export margins have remained under pressure for the last 15 months due to:

- Increasing livestock prices in Pakistan market, with rising costs of doing business
- Sharp decline in Pakistan leather exports (26% decline last year) coupled with huge glut of hides due to Eid ul Adha Qurbani, caused the skin / hide prices to decline significantly in this quarter putting a further increase in meat prices
- Cheaper meat imports from India, Brazil & Australia (due to currency devaluation in these countries) to GCC markets, and increased competition on Pakistani meat in export markets

**Meat One**

Our premium retail brand, Meat One, remained at par with the same period last year. Our Eid Ul Adha Qurbani Service registered a 1.2% increase in gross revenue. This is in line with our short to medium term strategy to restrict investment in new shops, and drive organic growth and profitability from our existing network.

**Khaas Meat**

The Khaas Meat business declined by 13.5%. The decline was mainly on account of an 11% reduction in the number of shops versus the same period last year. This network optimization has helped to reduce operating expenses and increase focus on profitable locations.

**Institutional Sales**

The institutional sales business remained the star performer in our portfolio, registering a 33.5% growth versus SPLY. The business from core B2B clients increased by 47% while the tendered business (armed forces, government contracts etc) grew by 11%.

**Poultry & Processed Foods Business**

Our poultry and processed foods plant in Lahore is in the final stages of completion. Our launch portfolio has been finalized, and product testing is underway. Key resources have been inducted and team is readying for launch within the calendar year 2017.

**Future Outlook**

Energizing our plant in Lahore and launching the new portfolio will consume most of our efforts and resources in the coming year. The board and management of the company have embarked on an aggressive cost optimization plan to mitigate the impact of reduced profitability in our existing business. We are confident that the innovation and quality we are driving in our existing and future products will play a pivotal role in ensuring growth and long term profitability for our shareholders.

**Acknowledgment**

The board is thankful to valuable members and bankers for their trust and continued support to the company. The board would also like to place on record its appreciation to all employees of the company for their dedication, diligence and hard work



**Noorur Rahman Abid**  
Chairman

**Standalone**  
**Financial Statements**  
**2017-18**



## Condensed Interim Unconsolidated Balance Sheet

AS AT 30 SEPTEMBER 2017

	Note	September 30, 2017 (Un-Audited)	June 30, 2017 (Audited)
(Rupees in '000)			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	3,538,122	3,368,189
Intangible asset		6,510	4,863
		<u>3,544,632</u>	<u>3,373,052</u>
Long-term investment		55,700	55,700
Deferred tax asset	5	177,160	177,563
		<u>3,777,492</u>	<u>3,606,315</u>
<b>CURRENT ASSETS</b>			
Fuel and lubricants		543	442
Stock-in-trade		107,560	116,618
Trade debts		1,136,751	1,212,651
Loans and advances		528,725	493,018
Trade deposits and short-term prepayments		31,448	20,814
Short-term investments		570	566
Other receivables		261,634	234,045
Taxation - net		114,031	109,138
Cash and bank balances		35,015	27,933
		<u>2,216,277</u>	<u>2,215,225</u>
<b>TOTAL ASSETS</b>		<u><b>5,993,769</b></u>	<u><b>5,821,540</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorised capital</b>			
150,000,000 (2016: 150,000,000) ordinary shares of Rs. 10/- each		1,500,000	1,500,000
Issued, subscribed and paid-up capital		1,421,175	1,421,175
Share premium account		1,507,705	1,507,705
Unappropriated profit		663,760	678,941
<b>Total equity</b>		<u>3,592,640</u>	<u>3,607,821</u>
Surplus on revaluation of fixed assets		184,497	186,922
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing		392,619	400,414
Deferred liabilities		43,526	43,526
		<u>436,145</u>	<u>443,940</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	593,349	472,238
Short term financing	7	1,072,511	1,044,918
Accrued mark-up		15,995	11,758
Current portion of long-term financing		95,851	40,416
Due to a related party		2,781	13,527
		<u>1,780,487</u>	<u>1,582,857</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>5,993,769</b></u>	<u><b>5,821,540</b></u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8		

The annexed notes 1 to 14 form an integral part of these condensed interim unconsolidated financial statements.

  
Chief Executive

  
Director

  
Chief Financial Officer

## Condensed Interim Unconsolidated Profit And Loss Account

FOR THE QUARTER ENDED 30 SEPTEMBER 2017 (UN-AUDITED)

	Note	Quarter ended September 30, 2017	Quarter ended September 30, 2016
(Rupees in '000)			
Turnover		1,518,356	1,536,062
Cost of sales	9	(1,147,194)	(1,227,455)
<b>Gross profit</b>		<b>371,162</b>	308,607
Administrative and distribution costs		(369,059)	(321,044)
Other operating expenses		-	(1,739)
		(369,059)	(322,783)
<b>Operating profit / (loss)</b>		<b>2,103</b>	(14,176)
Other income		7,641	1,275
Finance costs		(14,547)	(17,628)
<b>Loss before taxation</b>		<b>(4,803)</b>	(30,529)
Taxation	10	(12,803)	(8,824)
<b>Loss for the period</b>		<b>(17,606)</b>	(39,353)
<b>Loss per share – basic and diluted</b>	11	<b>(0.12)</b>	(0.28)

The annexed notes 1 to 14 form an integral part of these condensed interim unconsolidated financial statements.

  
Chief Executive

  
Director

  
Chief Financial Officer

## Condensed Interim Unconsolidated Statement Of Comprehensive Income

FOR THE QUARTER ENDED 30 SEPTEMBER 2017 (UN-AUDITED)

	Quarter ended September 30, 2017	Quarter ended September 30, 2016
	(Rupees in '000)	
Loss for the period	(17,606)	(39,353)
Other comprehensive loss for the period, net of tax	-	-
<b>Total comprehensive loss for the period</b>	<b>(17,606)</b>	<b>(39,353)</b>

The annexed notes 1 to 14 form an integral part of these condensed interim consolidated financial statements.

  
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Chief Executive

  
\_\_\_\_\_  
Director

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

## Condensed Interim Unconsolidated Cash Flow Statement

FOR THE QUARTER ENDED 30 SEPTEMBER 2017 (UN-AUDITED)

	Quarter ended September 30, 2017	Quarter ended September 30, 2016
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(4,803)	(30,529)
<b>Adjustments for:</b>		
Depreciation	19,195	19,208
Amortisation	402	247
Provision for defined benefit plan - gratuity	1,720	3,879
Loss on disposal of property, plant and equipment	56	-
Gain on remeasurement of short-term investments	(4)	-
Gain on disposal of short-term investments	-	(142)
Finance costs	14,547	17,628
	35,916	40,820
<b>Operating profit before working capital changes</b>	31,113	10,291
<b>(Increase)/ Decrease in current assets:</b>		
Fuels and lubricants	(100)	(454)
Stock-in-trade	9,059	94,025
Trade debts	75,901	(26,431)
Loans and advances	(35,707)	(98,467)
Trade deposits and short-term prepayments	(10,634)	(23,291)
Other receivables	(27,589)	(609)
	10,930	(55,227)
<b>Increase / (decrease) in current liabilities:</b>		
Trade and other payables	121,112	(37,630)
Due to a related party	(10,745)	35,491
	110,367	(2,139)
<b>Cash flows generated from operations</b>	152,410	(47,075)
Taxes paid	(17,296)	(19,511)
Staff gratuity paid	(1,720)	(1,421)
<b>Net cash flows generated from operating activities</b>	133,394	(68,007)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to:		
- operating fixed assets - net of transfer from capital work-in-progress	(17,067)	(15,923)
- capital work-in-progress	(172,548)	(182,358)
- intangible assets	(2,051)	(108)
Sale proceeds from disposal of property, plant and equipment	431	-
Short-term investments - net	-	216,000
	(191,235)	17,735
<b>Net cash flows used in investing activities</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long-term financing - net	47,641	(13,254)
Short term financing	27,592	69,626
Finance costs paid	(10,310)	(10,766)
<b>Net cash flows from financing activities</b>	64,923	45,606
<b>Net increase / (decrease) in cash and cash equivalents</b>	7,082	(4,666)
<b>Cash and cash equivalents at the beginning of the period</b>	27,933	25,063
<b>Cash and cash equivalents at the end of the period</b>	35,015	20,397

The annexed notes 1 to 14 form an integral part of these condensed interim unconsolidated financial statements.

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

  
\_\_\_\_\_  
Director

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

## Condensed Interim Unconsolidated Statement Of Changes In Equity

FOR THE QUARTER ENDED 30 SEPTEMBER 2017 (UN-AUDITED)

	Issued, subscribed and paid-up capital	Capital reserve Share premium account	Revenue reserve Unappropriated profit	Total
	(Rupees in '000)			
<b>As at 01 July 2016</b>	<b>1,235,804</b>	<b>1,693,076</b>	<b>698,586</b>	<b>3,627,466</b>
Loss for the period	-	-	(39,352)	(39,352)
Other comprehensive loss for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(39,352)	(39,352)
Issue of 18,537,056 bonus shares at 15%	185,371	(185,371)	-	-
Surplus on revaluation of fixed assets realised on account of incremental depreciation charged on related assets, net of deferred tax	-	-	2,445	2,445
<b>As at 30 September 2016 (Un-audited)</b>	<b>1,421,175</b>	<b>1,507,705</b>	<b>661,679</b>	<b>3,590,559</b>
<b>As at 30 June 2017 (Audited)</b>	<b>1,421,175</b>	<b>1,507,705</b>	<b>678,941</b>	<b>3,607,821</b>
Loss for the period	-	-	(17,606)	(17,606)
Other comprehensive loss for the period, net of tax	-	-	-	-
Total comprehensive loss for the period	-	-	(17,606)	(17,606)
Surplus on revaluation of fixed assets realised on account of incremental depreciation charged on related assets, net of deferred tax	-	-	2,425	2,425
<b>As at 30 September 2017 (Un-audited)</b>	<b>1,421,175</b>	<b>1,507,705</b>	<b>663,760</b>	<b>3,592,640</b>

The annexed notes 1 to 14 form an integral part of these condensed interim unconsolidated financial statements.

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

  
\_\_\_\_\_  
Director

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

# Notes To The Condensed Interim Unconsolidated Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2017

## 1 THE COMPANY AND ITS OPERATIONS

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

1.2 These are the separate financial statements of the Company in which the investment in subsidiary has been accounted for on the basis of direct equity interest and is not consolidated.

## 2 STATEMENT OF COMPLIANCE

During the year, the Companies Act 2017 (the Act) has been promulgated, however, Securities and Exchange Commission of Pakistan (SECP) vide its circular no.23 of 2017 dated 4 October 2017 communicated Commission's decision that the companies whose financial year closes on or before 31 December 2017 shall prepare their condensed interim financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, these condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the repealed Companies Ordinance, 1984 shall prevail.

## 3 ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2017.

## Notes To The Condensed Interim Unconsolidated Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2017

### 4 Property, plant and equipment

	Note	September 30, 2017 (Un-Audited)	June 30, 2017 (Audited)
(Rupees in '000)			
Operating fixed assets	4.1	1,179,750	1,165,775
Capital work-in-progress	4.2	2,358,372	2,202,414
		<b>3,538,122</b>	<b>3,368,189</b>
4.1 The movement in operating fixed assets during the period / year are as follows:			
Opening Balance - book value		1,165,775	1,171,893
Additions during the period / year - end	4.1.1	33,656	73,774
		<b>1,199,431</b>	<b>1,245,667</b>
Disposals during the period / year - end - book value		(486)	(1,210)
Depreciation charge for the period / year		(19,195)	(78,682)
		<b>(19,681)</b>	<b>(79,892)</b>
Closing balance - book value		<b>1,179,750</b>	<b>1,165,775</b>
4.1.1 Additions during the period / year			
Building		-	5,613
Plant and machinery		1,100	12,004
Furniture and fittings		13,737	30,974
Motor vehicles		15,108	8,963
Office equipment		2,964	11,691
Tools and equipment		370	1,601
Computers and accessories		377	2,928
		<b>33,656</b>	<b>73,774</b>

### 4.2 Capital work-in-progress

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

	Opening balance	Additions during the period / year	Transfers during the period / year	Closing balance
(Rupees in '000)				
Land	44,111	2,900	-	47,011
Civil works	27,888	4,016	(324)	31,580
Plant and machinery	1,358,590	8,459	-	1,367,049
Advance to suppliers and contractors	753,190	157,040	(16,265)	893,965
Intangible asset under development	18,635	132	-	18,767
<b>30 September 2017 - (Un-audited)</b>	<b>2,202,414</b>	<b>172,547</b>	<b>(16,589)</b>	<b>2,358,372</b>
30 June 2017 - (Audited)	1,409,538	1,399,400	(606,524)	2,202,414

## Notes To The Condensed Interim Unconsolidated Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2017

### 5 DEFERRED TAX ASSET - NET

	September 30, 2017 (Un-Audited)	June 30, 2017 (Audited)
(Rupees in '000)		
<b>Deferred tax assets on deductible temporary differences:</b>		
Unused tax losses / credits	210,605	201,642
Provisions	9,079	9,079
	<b>219,684</b>	210,721
<b>Deferred tax liabilities on taxable temporary differences:</b>		
Property, plant and equipment	(25,958)	(16,293)
Surplus on revaluation of Property, plant and equipment	(16,566)	(16,865)
	<b>(42,524)</b>	(33,158)
	<b>177,160</b>	177,563

### 6 TRADE AND OTHER PAYABLES

Creditors:		
Trade	302,682	245,851
Non-trade	97,803	112,924
	<b>400,485</b>	358,775
Accrued liabilities	15,494	7,863
Advance from customers	995	995
Withholding tax payable	45,040	38,524
Workers' Profits Participation Fund	17,548	17,547
Workers' Welfare Fund	12,751	12,751
Retention money	24,020	24,020
Other payables	77,016	11,763
	<b>593,349</b>	472,438

### 7 SHORT TERM FINANCING

Murabaha -Islamic Banking	944,178	1,044,918
Diminishing Musharakah -Islamic Banking	128,333	-
	<b>1,072,511</b>	1,044,918

### 8 CONTINGENCIES AND COMMITMENTS

- Outstanding letter of credits	6,373	61,372
- Outstanding letter of Guarantees	14,006	11,549
- Post dated cheques	55,119	33,407
- Outstanding capital commitments	95,527	163,077



## Notes To The Condensed Interim Unconsolidated Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2017

### 9 COST OF SALES

	Quarter ended September 30, 2017 (Un-Audited)	Quarter ended September 30, 2016 (Un-Audited)
	(Rupees in '000)	
<b>Live stock consumed</b>		
Opening stock	80,740	118,697
Purchases	1,158,676	1,079,168
Recovery against livestock residuals - net	(57,363)	(27,141)
Closing stock	(68,452)	(48,586)
	1,113,601	1,122,138
<b>Conversion cost</b>		
Salaries, wages and other benefits	14,041	35,910
Electricity, diesel and related expenses	4,964	6,987
Repairs and maintenance	2,883	4,109
Depreciation	6,726	7,051
Clearing and forwarding	8,509	9,289
Packing material	16,627	14,264
Livestock food	-	147
Marination	1,695	2,676
Others	4,559	1,424
	60,004	81,857
<b>Cost of goods available for sale</b>	1,173,605	1,203,995
<b>Finished goods, fuels and lubricants</b>		
Opening stock	13,240	49,561
Closing stock	(39,651)	(26,101)
	(26,411)	23,460
	1,147,194	1,227,455
<b>10 TAXATION</b>		
Current	(12,400)	(13,038)
Deferred	(403)	4,214
	(12,803)	(8,824)
<b>11 LOSS PER SHARE - basic and diluted</b>		
Loss for the period after taxation	(17,606)	(39,353)
Weighted average number of ordinary shares of Rs. 10/- each – basic and diluted (Number in thousand)	142,117	142,117
Loss per share (Rupees) – basic and diluted	(0.12)	(0.28)
<b>12 RELATED PARTY TRANSACTIONS</b>		

The related parties include group companies, retirement benefit funds, companies where directors also hold directorship, directors and key management personnel. The related party status of outstanding balances as at 30 September 2017 are disclosed in respective notes to these financial statements, wherever applicable. Transactions with related parties other than remuneration and benefits to key management personnel are as follows:

## Notes To The Condensed Interim Unconsolidated Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2017

	September 30, 2017 (Un-Audited)	June 30, 2017 (Audited)
(Rupees in '000)		
<b>Nature of transaction</b>		
<b>Subsidiary Company</b>		
Receivable from subsidiary Company	27,158	21,869
<b>Key management personnel</b>		
(Repayment) / Settlement of liabilities (to) /by Chief Executive on Behalf of the Company	(10,745)	5,963

	Quarter ended September 30, 2017 (Un-Audited)	Quarter ended September 30, 2016 (Un-Audited)
(Rupees in '000)		
<b>Common directorship</b>		
Sales	7	29
Receivables from the company	98	3

### 13 DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorised for issue on **October 27, 2017** by the Board of Directors of the Company.

### 14 GENERAL

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

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

  
\_\_\_\_\_  
Director

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

**Consolidated**  
**Financial Statements**  
**2017-18**

## Condensed Interim Consolidated Balance Sheet

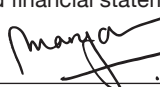
AS AT 30 SEPTEMBER 2017

	Note	September 30, 2017 (Un-Audited)	June 30, 2017 (Audited)
<b>ASSETS</b>			
(Rupees in '000)			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	3,612,065	3,442,133
Intangible asset		6,510	4,861
		<u>3,618,575</u>	<u>3,446,994</u>
Deferred tax asset	5	177,160	177,563
		<u>3,795,735</u>	<u>3,624,557</u>
<b>CURRENT ASSETS</b>			
Fuel and lubricants		543	442
Consumables		19,906	13,692
Stock-in-trade		107,560	116,618
Trade debts		1,136,751	1,212,651
Loans and advances		534,446	499,314
Trade deposits and short-term prepayments		31,456	20,814
Short-term investments		570	566
Other receivables		234,764	212,447
Taxation - net		114,004	109,168
Cash and bank balances		35,653	28,687
		<u>2,215,653</u>	<u>2,214,399</u>
<b>TOTAL ASSETS</b>		<u><u>6,011,388</u></u>	<u><u>5,838,956</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorised capital</b>			
150,000,000 (2016: 150,000,000) ordinary shares of Rs. 10/- each		<u>1,500,000</u>	<u>1,500,000</u>
Issued, subscribed and paid-up capital		1,421,175	1,421,175
Share premium account		1,507,705	1,507,705
Unappropriated profit		651,777	668,120
		<u>3,580,657</u>	<u>3,597,000</u>
Non-controlling interest		22,791	23,907
<b>Total equity</b>		<u>3,603,448</u>	<u>3,620,907</u>
Surplus on revaluation of fixed assets		184,497	186,922
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing		392,619	400,414
Deferred liabilities		43,526	43,526
		<u>436,145</u>	<u>443,940</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	600,160	476,568
Short term financing	7	1,072,511	1,044,918
Accrued mark-up		15,995	11,758
Current portion of long-term financing		95,851	40,416
Due to a related party		2,781	13,527
		<u>1,787,298</u>	<u>1,587,187</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>6,011,388</u></u>	<u><u>5,838,956</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8		

The annexed notes 1 to 14 form an integral part of these condensed interim consolidated financial statements.

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

  
\_\_\_\_\_  
Director

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

## Condensed Interim Consolidated Profit And Loss Account

FOR THE QUARTER ENDED 30 SEPTEMBER 2017 (UN-AUDITED)

	Note	Quarter ended September 30, 2017	Quarter ended September 30, 2016
(Rupees in '000)			
Turnover		1,518,356	1,536,062
Cost of sales	9	(1,147,194)	(1,227,405)
<b>Gross profit</b>		<b>371,162</b>	<b>308,657</b>
Administrative and distribution costs		(371,337)	(322,769)
Other operating expenses		-	(1,739)
		<b>(371,337)</b>	<b>(324,508)</b>
<b>Operating loss</b>		<b>(175)</b>	<b>(15,851)</b>
Other income		7,641	1,275
Finance costs		(14,547)	(17,628)
<b>Loss before taxation</b>		<b>(7,081)</b>	<b>(32,204)</b>
Taxation	10	(12,803)	(8,824)
<b>Loss for the period</b>		<b>(19,884)</b>	<b>(41,028)</b>
<b>Attributable to:</b>			
Owners of the Holding Company		(18,768)	(40,208)
Non-controlling interests		(1,116)	(820)
		<b>(19,884)</b>	<b>(41,028)</b>
<b>Loss per share – basic and diluted</b>	11	<b>(0.14)</b>	<b>(0.29)</b>

The annexed notes 1 to 14 form an integral part of these condensed interim consolidated financial statements.

  
Chief Executive

  
Director

  
Chief Financial Officer

## Condensed Interim Consolidated Statement Of Comprehensive Income

FOR THE QUARTER ENDED 30 SEPTEMBER 2017 (UN-AUDITED)

	Quarter ended September 30, 2017	Quarter ended September 30, 2016
	(Rupees in '000)	
<b>Loss for the period</b>	<b>(19,884)</b>	(41,028)
<b>Other comprehensive loss for the period, net of tax</b>	-	-
<b>Total comprehensive loss for the period</b>	<b>(19,884)</b>	(41,028)

The annexed notes 1 to 14 form an integral part of these condensed interim consolidated financial statements.

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

  
\_\_\_\_\_  
Director

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

## Condensed Interim Consolidated Cash Flows Statement

FOR THE QUARTER ENDED 30 SEPTEMBER 2017 (UN-AUDITED)

	Quarter ended September 30, 2017	Quarter ended September 30, 2016
(Rupees in '000)		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(7,081)	(32,204)
<b>Adjustments for:</b>		
Depreciation	19,196	19,208
Amortisation	402	247
Provision for defined benefit plan - gratuity	1,720	3,879
Loss on disposal of property, plant and equipment	56	-
Gain on remeasurement of short-term investments	(4)	-
Gain on disposal of short-term investments	-	(142)
Finance costs	14,547	17,628
	35,917	40,820
<b>Operating profit before working capital changes</b>	28,836	8,616
<b>(Increase)/ Decrease in current assets:</b>		
Fuels and lubricants	(101)	(453)
Consumables	(6,214)	(580)
Stock-in-trade	9,059	94,025
Trade debts	75,901	(26,432)
Loans and advances	(35,132)	(98,466)
Trade deposits and short-term prepayments	(10,643)	(23,299)
Other receivables	(22,318)	2,041
	10,552	(53,164)
<b>Increase / (decrease) in current liabilities:</b>		
Trade and other payables	123,590	(38,177)
Due to a related party	(10,745)	35,491
	112,845	(2,686)
<b>Cash flows generated / (used in) operations</b>	152,233	(47,234)
Taxes paid	(17,235)	(19,487)
Staff gratuity paid	(1,720)	(1,421)
<b>Net cash flows generated / (used in) from operating activities</b>	133,278	(68,142)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to:		
- operating fixed assets - net of transfer from capital work-in-progress	(17,067)	(15,923)
- capital work-in-progress	(172,548)	(182,358)
- intangible assets	(2,051)	(108)
Sale proceeds from disposal of property, plant and equipment	431	-
Short-term investments - net	-	216,000
	(191,235)	17,611
<b>Net cash flows (used in) / generated from investing activities</b>	(191,235)	17,611
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long-term financing - net	47,641	(13,255)
Short term financing	27,592	69,626
Finance costs paid	(10,310)	(10,762)
<b>Net cash flows generated from financing activities</b>	64,923	45,609
<b>Net increase in cash and cash equivalents</b>	6,966	(4,922)
<b>Cash and cash equivalents at the beginning of the period</b>	28,687	25,215
<b>Cash and cash equivalents at the end of the period</b>	35,653	20,293

The annexed notes 1 to 14 form an integral part of these condensed interim consolidated financial statements.

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

  
\_\_\_\_\_  
Director

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

## Condensed Interim Consolidated Statement Of Changes In Equity

FOR THE QUARTER ENDED 30 SEPTEMBER 2017 (UN-AUDITED)

	Issued, subscribed and paid-up capital	Capital reserve Share premium	Revenue reserve Unappropriated profit	Non- controlling interest	Total
	(Rupees in '000)				
<b>As at 01 July 2016</b>	<b>1,235,804</b>	<b>1,693,076</b>	<b>693,516</b>	<b>29,428</b>	<b>3,651,823</b>
Loss for the period	-	-	(40,208)	(820)	(41,028)
Other comprehensive loss for the period, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	(40,208)	(820)	(41,028)
Issue of 18,537,056 bonus shares at 15%	185,371	(185,371)	-	-	-
Surplus on revaluation of fixed assets realised on account of incremental depreciation charged on related assets, net of deferred tax	-	-	2,445	-	2,445
<b>As at 30 September 2016 (Un-audited)</b>	<b>1,421,175</b>	<b>1,507,705</b>	<b>655,753</b>	<b>28,608</b>	<b>3,613,240</b>
<b>As at 30 June 2017 (Audited)</b>	<b>1,421,175</b>	<b>1,507,705</b>	<b>668,120</b>	<b>23,907</b>	<b>3,620,907</b>
Loss for the period	-	-	(18,768)	(1,116)	(19,884)
Other comprehensive loss for the period, net of tax	-	-	-	-	-
Total comprehensive loss for the period	-	-	(18,768)	(1,116)	(19,884)
Surplus on revaluation of fixed assets realised on account of incremental depreciation charged on related assets, net of deferred tax	-	-	2,425	-	2,425
<b>As at 30 September 2017 (Un-audited)</b>	<b>1,421,175</b>	<b>1,507,705</b>	<b>651,777</b>	<b>22,791</b>	<b>3,603,448</b>

The annexed notes 1 to 14 form an integral part of these condensed interim consolidated financial statements.

  
Chief Executive

  
Director

  
Chief Financial Officer



# Notes To The Condensed Interim Consolidated Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2017

## 1 THE COMPANY AND ITS OPERATIONS

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

### 1.1 Holding Company

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

On 24 August 2015, the Holding Company enlisted on Pakistan Stock Exchange Limited through the issue of 25 million ordinary shares of Rs.10/- each. Out of the total issue of 25 million ordinary shares, 18.750 million ordinary shares have been subscribed through book building process by high net worth individuals and institutional investors and 6.250 million ordinary shares have been subscribed by the general public through initial public offering.

### 1.2 Subsidiary Company

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

## 2 STATEMENT OF COMPLIANCE

During the year, the Companies Act 2017 (the Act) has been promulgated, however, Securities and Exchange Commission of Pakistan (SECP) vide its circular no.23 of 2017 dated 4 October 2017 communicated Commission's decision that the companies whose financial year closes on or before 31 December 2017 shall prepare their condensed interim consolidated financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, these condensed interim consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the repealed Companies Ordinance, 1984 shall prevail.

## 3 ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these consolidated condensed interim consolidated financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2017

## Notes To The Condensed Interim Consolidated Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2017

### 4 Property, plant and equipment

	Note	September 30, 2017 (Un-Audited)	June 30, 2017 (Audited)
(Rupees in '000)			
Operating fixed assets	4.1	1,179,937	1,165,963
Capital work-in-progress	4.2	2,432,128	2,276,170
		<b>3,612,065</b>	<b>3,442,133</b>
4.1 The movement in operating fixed assets during the period / year are as follows:			
Opening Balance - book value		1,165,963	1,171,893
Additions during the period / year - end	4.1.1	33,656	73,996
		1,199,619	1,245,889
Disposals during the period / year - end - book value		(486)	(1,210)
Depreciation charge for the period / year		(19,196)	(78,716)
		(19,682)	(79,926)
Closing balance - book value		1,179,937	1,165,963
4.1.1 Additions induring the period / year			
Building		-	5,613
Plant and machinery		1,100	12,004
Furniture and fittings		13,737	30,974
Motor vehicles		15,108	8,963
Office equipment		2,964	11,880
Tools and equipment		370	1,601
Computers and accessories		377	2,961
		<b>33,656</b>	<b>73,996</b>

### 4.2 Capital work-in-progress

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

	Opening balance	Additions during the period / year	Transfers during the period / year	Closing balance
(Rupees in '000)				
Land	44,111	2,900	-	47,011
Civil works	101,642	4,016	(324)	105,334
Plant and machinery	1,358,591	8,459	-	1,367,050
Advance to suppliers and contractors	753,191	157,040	(16,265)	893,966
Intangible asset under development	18,635	132	-	18,767
<b>30 September 2017 - (Un-audited)</b>	<b>2,276,170</b>	<b>172,547</b>	<b>(16,589)</b>	<b>2,432,128</b>
30 June 2017 - (Audited)	1,478,453	1,404,439	(606,722)	2,276,170

## Notes To The Condensed Interim Consolidated Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2017

### 5 DEFERRED TAX ASSET - NET

	September 30, 2017 (Un-Audited)	June 30, 2017 (Audited)
(Rupees in '000)		
<b>Deferred tax assets on deductible temporary differences:</b>		
Unused tax losses / credits	210,605	201,642
Provisions	9,079	9,079
	<u>219,684</u>	<u>210,721</u>
<b>Deferred tax liabilities on taxable temporary differences:</b>		
Property, plant and equipment	(25,958)	(16,293)
Surplus on revaluation of Property, plant and equipment	(16,566)	(16,865)
	<u>(42,524)</u>	<u>(33,158)</u>
	<u>177,160</u>	<u>177,563</u>

### 6 TRADE AND OTHER PAYABLES

Creditors:		
Trade	302,682	245,851
Non-trade	99,953	112,924
	<u>402,635</u>	<u>358,775</u>
Accrued liabilities	17,764	12,092
Advance from customers	995	995
Withholding tax payable	45,041	38,625
Workers' Profits Participation Fund	17,548	17,547
Workers' Welfare Fund	12,751	12,751
Retention money	24,020	24,020
Other payables	79,406	11,763
	<u>600,160</u>	<u>476,568</u>

### 7 SHORT TERM FINANCING

Murabaha -Islamic Banking	944,178	1,044,918
Diminishing Musharakah -Islamic Banking	128,333	-
	<u>1,072,511</u>	<u>1,044,918</u>

### 8 CONTINGENCIES AND COMMITMENTS

- Outstanding letter of credits	6,373	61,377
- Outstanding letter of Guarantees	14,006	11,549
- Post dated cheques	55,119	33,407
- Outstanding capital commitments	95,527	151,437

## Notes To The Condensed Interim Consolidated Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2017

### 9 COST OF SALES

	Quarter ended September 30, 2017 (Un-Audited)	Quarter ended September 30, 2016 (Un-Audited)
	(Rupees in '000)	
<b>Live stock consumed</b>		
Opening stock	80,740	118,697
Purchases	1,158,676	1,079,168
Recovery against livestock residuals - net	(57,363)	(27,141)
Closing stock	(68,452)	(48,586)
	1,113,601	1,122,138
<b>Conversion cost</b>		
Salaries, wages and other benefits	14,041	35,860
Electricity, diesel and related expenses	4,964	6,987
Repairs and maintenance	2,883	4,109
Depreciation	6,726	7,051
Clearing and forwarding	8,509	9,289
Packing material	16,627	14,264
Livestock food	-	147
Marination	1,695	2,676
Others	4,559	1,424
	60,004	81,807
<b>Cost of goods available for sale</b>	1,173,605	1,203,945
<b>Finished goods, fuels and lubricants</b>		
Opening stock	13,240	49,561
Closing stock	(39,651)	(26,101)
	(26,411)	23,460
	1,147,194	1,227,405
<b>10 TAXATION</b>		
Current	(12,400)	(13,038)
Deferred	(403)	4,214
	(12,803)	(8,824)
<b>11 LOSS PER SHARE - basic and diluted</b>		
Loss for the period after taxation	(19,884)	(41,028)
Weighted average number of ordinary shares of Rs. 10/- each – basic and diluted (Number in thousand)	142,117	142,117
Loss per share (Rupees) – basic and diluted	(0.14)	(0.29)
<b>12 RELATED PARTY TRANSACTIONS</b>		

The related parties include retirement benefit funds, companies where directors also hold directorship, directors and key management personnel. The related party status of outstanding balances as at 30 September 2017 are disclosed in respective notes to these condensed interim consolidated financial statements, wherever applicable. Transactions with related parties other than remuneration and benefits to key management personnel are as follows:

## Notes To The Condensed Interim Consolidated Financial Statements

FOR THE QUARTER ENDED 30 SEPTEMBER 2017

	September 30, 2017 (Un-Audited)	June 30, 2017 (Audited)
	(Rupees in '000)	
<b>Nature of transaction</b>		
<b>Key management personnel</b>		
(Repayment) / Settlement of liabilities (to) /by Chief Executive on Behalf of the Company	<b>(10,745)</b>	5,963

	Quarter ended September 30, 2017 (Un-Audited)	Quarter ended September 30, 2016 (Un-Audited)
	(Rupees in '000)	
<b>Common directorship</b>		
Sales	7	29
Receivables from the company	98	3

### 13 DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorised for issue on **October 27, 2017** by the Board of Directors of the Company.

### 14 GENERAL

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

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

  
\_\_\_\_\_  
Director

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

# ALSHAHEER

FOODS

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