



July 10, 2023

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Sub: Notice of Extraordinary General Meeting – MetaTech Trading Limited

Dear Sir,

Enclosed please find a copy of the Notice of Extraordinary General Meeting (EOGM) of MetaTech Trading Limited *formerly MetaTech Health Limited* to be held on **Monday, Jul 31, 2023 at 11:30 a.m.** at Register Office No. 508, 5th Floor, LSE Building, Aiwan-e-Iqbal, being dispatched to shareholders and to be published in newspaper.

You may please inform the TREC Holders of the Exchange accordingly.

For and on behalf of
MetaTech Trading Limited (*Formerly MetaTech Health Limited*)

Sincerely,

A handwritten signature in blue ink, appearing to read "Muhammad Usman", is written over a horizontal line.

Muhammad Usman
Company Secretary



Encl: as above

Cc:

- I. The Executive Director/HOD
Offsite-II Department, Supervision Division
Securities & Exchange Commission of Pakistan

NOTICE OF EXTRORDINARY GENERAL MEETING

SCHEME OF COMPROMISES, ARRANGEMENT AND RECONSTRUCTION FOR AMALGAMATION/MERGER OF

1. METATECH TRADING LIMITED
(AND ITS MEMBERS)

WITH AND INTO

2. BIG BIRD FOODS LIMITED
(AND ITS MEMBERS)

**(IN TERMS OF PROVISIONS OF SECTIONS 279 TO 283
AND ALL OTHER ENABLING PROVISIONS
OF THE COMPANIES ACT, 2017)**

CORPORATE INFORMATION

Metatech Trading Limited (formerly Metatch Health Limited)

Board of Directors

1. Mr. Zahid Mahmood	Chairman
2. Mr. Mansoor Ahmed Soomro	Chief Executive Officer
3. Ms. Maaria Ahmad	Non-Executive Director
4. Mr. Sohail Habib	Non-Executive Director
5. Ms. Farzin Khan	Independent Director
6. Mr. Muhammad Iqbal	Independent Director
7. Mr. Usman Ali Shah	Independent Director

Audit Committee

1. Ms. Farzin Khan	Chairman
2. Mr. Mansoor Ahmed Soomro	Member
3. Ms. Maaria Ahmad	Member
4. Mr. Muhammad Usman	Secretary

Human Resource and Remuneration Committee

1. Mr. Muhammad Iqbal	Chairman
2. Mr. Sohail Habib	Member
3. Ms. Maaria Ahmad	Member
4. Mr. Muhammad Usman	Secretary

Company Secretary

Mr. Muhammad Usman

Auditors

Kreston Hyder Bhimji & Co. Chartered Accountant

Legal Advisor

Azzizuddin & Shahid Law Associates

Registrar

Digital Custodian Company Limited
508, LSE Plaza, Kashmir Egerton Road, Lahore

Registered Office

Office # 505, 5TH Floor, LSE Building, Aiwan-e-Iqbal, Lahore.

Big Bird Foods Limited

Board of Directors

- | | |
|-------------------------|-----------------------------------|
| 1. Mr. Abdul Basit | Chairman / Non-Executive Director |
| 2. Dr. M. Mustafa Kamal | Chief Executive / Director |
| 3. Dr. Abdul Karim | Non-Executive Director |
| 4. Mr. Salman Basit | Non-Executive Director |
| 5. Mr. Ahmed Kamal | Non-Executive Director |
| 6. Mrs. Sadia Karim | Non-Executive/ Female Director |
| 7. Mr. Muhammad Aleem | Non-Executive Director |

Company Secretary

Mr. Muhammad Usman

Auditors

Abdul Khaliq & Co., Chartered Accountants

Legal Advisor

Umer Farooq, Advocate, Lahore

Manufacturing Facility

63-Km Multan Road, Lahore

Registered Office

2-A, Ahmad Block, New Garden Tow, Lahore

Compliance to the Listed Companies (Code of Corporate Governance) Regulations, 2019 regarding composition of Board of Directors, committees and other matters shall be made before listing of BBFL at PSX.

BIG BIRD FOODS LIMITED


**NOTICE OF EXTRAORDINARY GENERAL MEETING FOR APPROVAL OF
SCHEME OF COMPROMISES, ARRANGEMENTS AND RECONSTRUCTION OF
METATECH TRADING LIMITED WITH AND INTO BIG BIRD FOODS LIMITED**


In compliance with the order dated June 26, 2023 passed by the Honorable Lahore High Court, Lahore in Civil Original No. 43907/2023, notice is hereby given that the Extra-ordinary General Meeting (EOGM) of the shareholders of **Big Bird Foods Limited (BBFL)** will be held on Monday **July 31, 2023** at **11:00 A.M.** at the registered office of the Transferor Company i.e. LSE Plaza, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore to consider and if deemed fit, adopt, agree and approve the Scheme of Compromises, Arrangements and Reconstruction ('**the Scheme**') of **METATECH TRADING LIMITED** (and its members) with and into **BIG BIRD FOODS LIMITED** (and its members) and to pass the special resolution, with or without any modification, subject to the terms and conditions entailed in the Scheme.

The Board of Directors in its meeting held on **June 22, 2023** has approved the Scheme and has recommended the resolutions as outlined in the Statement of Information accompanying the Notice to the Members under Section 281(1)(A) / 134(3) of the Companies Act, 2017 to the Shareholders for their approval with or without amendment/alteration. The Board of Directors of the Company has passed the following resolution:

"RESOLVED THAT as recommended by the Board, the draft scheme of compromises, arrangement and reconstruction for amalgamation/merger of Metatech Trading Limited (& its members) with Big Bird Foods Limited (& its members) along with the Statement of Information accompanying Notice to the Members in terms of the provisions of Sections 279 to 282 and all other enabling provisions of the Companies Act, 2017 be and is hereby approved".

In compliance to the above order of the Honorable High Court, the undersigned Joint Chairpersons issue and serve this Notice that the EOGM of the Company will be held at the date, time and place mentioned above.


Mr. Hafiz Muhammad Tahir
Advocate ^{Supreme} Court
M.Q. Law Chamber
7-Turner Road, Lahore


Mr. Ahmad Hassan Butt
Advocate High Court
Axis Law Chambers,
5- Block S, Gulberg II, Lahore.

Notes:

1. The detailed explanatory statement accompanying the notice to the members is being sent along with the Notice of the Extra Ordinary General Meeting of the Company.
2. Copies of the Scheme, statement u/s 281 of the Companies Act, 2017 recent annual/quarterly accounts along with all published or otherwise required accounts of all previous periods of the above referred companies along with financial details on swap ratio, Memorandum and Articles of Association, requisite approvals and any other related information/ documents may also be inspected/ procured during the business hours on any working day at Registered Office of the Company from the date of publication of this Notice till the conclusion of the Extra-Ordinary General Meeting.

Closure of Share Transfer Books

The share transfer Books of the Company shall remain closed from **July 24, 2023 to July 31, 2022** (both days inclusive) for the purpose of attending Extraordinary General Meeting. Transfers received in order at the office of our **Company Secretary, 2-Ahmad Block, New Garden Town, Lahore** at the close of business on **July 21, 2023** will be considered in time to attend the EOGM.

Participation in the Extraordinary General Meeting (EOGM)

In the light of COVID-19 situation in the Country, the Company has made the arrangement for the safety of the members attending the meeting physically. The relevant SOPs should be followed strictly. All members entitled to attend and vote at this Meeting may appoint another person as his/her proxy to attend, speak and vote for him / her. Proxies in order to be effective must be received at the Registered Office of the Company **not less than 48 hours before the time of holding the meeting**. The CDC Accounts Holders will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan. Proxy form is available at the Company's website i.e., www.bigbirdfoods.com.

For Attending the Meeting

- a. In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration detail is uploaded as per the Regulations, shall authenticate their identity by showing his/ her original National Identity Card ("CNIC") or original passport at the time of attending the meeting.
- b. In case of corporate entity, Board of Directors' resolution/ power of attorney with specimen signature of the nominee shall be produced (unless provided earlier) at the time of the meeting.

For Appointing Proxies

- a) In case of individuals, the account holder or sub-account holder is and / or the person whose securities are in group account and their registration detail is uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirement.
- b) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- c) Attested copies of the CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- d) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- e) In case of corporate entities, board of directors' resolution/ power of attorney with specimen signature of the nominee shall be submitted (unless provided earlier) along with the proxy form to Company.

Consent For Video Conference

Pursuant to SECP's Circular No 10 dated 21 May 2014, if the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard, please fill the following and submit to registered address of the Company at least 10 days before the date of EOGM. I/We _____ of _____, being member(s) of **Big Bird Foods Limited** holder _____ Ordinary share(s) as per Register Folio No. _____ hereby opt for video conference facility at _____



Mr. Hafiz Muhammad Tahir
Advocate Supreme Court of Pakistan
M.Q. Law Chamber
7-Turner Road, Lahore



Mr. Ahmad Hassan Butt
Advocate High Court
Axis Law Chambers,
5- Block S, Gulberg II, Lahore.

METATECH TRADING LIMITED
(FORMERLY METATECH HEALTH LIMITED)


**NOTICE OF EXTRAORDINARY GENERAL MEETING FOR APPROVAL OF
SCHEME OF COMPROMISES, ARRANGEMENTS AND RECONSTRUCTION OF
METATECH TRADING LIMITED WITH AND INTO BIG BIRD FOODS LIMITED**


In compliance with the order dated June 26, 2023 passed by the Honorable Lahore High Court, Lahore in Civil Original No. 43907/2023, notice is hereby given that the Extra-ordinary General Meeting (EOGM) of the shareholders of **Metatech Trading Limited (META)** will be held on Monday **July 31, 2023** at **11:30 A.M.** at the registered office of the Company i.e. LSE Plaza, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore to consider and if deemed fit, adopt, agree and approve the Scheme of Compromises, Arrangements and Reconstruction (**'the Scheme'**) of **METATECH TRADING LIMITED** (and its members) with and into **BIG BIRD FOODS LIMITED** (and its members) and to pass the special resolution, with or without any modification, subject to the terms and conditions entailed in the Scheme.

The Board of Directors in its meeting held on **June 23, 2023** has approved the Scheme and has recommended the resolutions as outlined in the Statement of Information accompanying the Notice to the Members under Section 281(1)(A) / 134(3) of the Companies Act, 2017 to the Shareholders for their approval with or without amendment/alteration. The Board of Directors of the Company has passed the following resolution:

"RESOLVED THAT as recommended by the Board, the draft scheme of compromises, arrangement and reconstruction for amalgamation/merger of Metatech Trading Limited (& its members) with Big Bird Foods Limited (& its members) along with the Statement of Information accompanying Notice to the Members in terms of the provisions of Sections 279 to 282 and all other enabling provisions of the Companies Act, 2017 be and is hereby approved".

In compliance to the above order of the Honorable High Court, the undersigned Joint Chairpersons issue and serve this Notice that the EOGM of the Company will be held at the date, time and place mentioned above.


Mr. Hafiz Muhammad Tahir
Advocate ^{Swearing} Court
M.Q. Law Chamber
7-Turner Road, Lahore


Mr. Ahmad Hassan Butt
Advocate High Court
Axis Law Chambers,
5- Block S, Gulberg II, Lahore.

Notes:

1. The detailed explanatory statement accompanying the notice to the members is being sent along with the Notice of the Extra Ordinary General Meeting of the Company.
2. Copies of the Scheme, statement u/s 281 of the Companies Act, 2017 recent annual/quarterly accounts along with all published or otherwise required accounts of all previous periods of the above referred companies along with financial details on swap ratio, Memorandum and Articles of Association, requisite approvals and any other related information/ documents may also be inspected/ procured during the business hours on any working day at Registered Office of the Company from the date of publication of this Notice till the conclusion of the Extra-Ordinary General Meeting.
3. Pursuant to "Companies (Postal Ballot) Regulations, 2018" issued vide SECP SRO.254(I)/2018 dated February 22, 2018 members may exercise their right to vote through e-voting in accordance with the requirements and procedures contained in the aforesaid regulations.

Closure of Share Transfer Books

The share transfer Books of the Company shall remain closed from **July 24, 2023 to July 31, 2022** (both days inclusive) for the purpose of attending Extraordinary General Meeting. Transfers received in order at the office of our **Share Registrar, Digital Custodian Company Limited, 508, LSE Plaza, Kashmir Egerton Road, Lahore** at the close of business on **July 21, 2023** will be considered in time to attend the EOGM.

Participation in the Extraordinary General Meeting (EOGM)

In the light of COVID-19 situation in the Country, the Company has made the arrangement for the safety of the members attending the meeting physically. The relevant SOPs should be followed strictly. All members entitled to attend and vote at this Meeting may appoint another person as his/her proxy to attend, speak and vote for him / her. Proxies in order to be effective must be received at the Registered Office of the Company **not less than 48 hours before the time of holding the meeting**. The CDC Accounts Holders will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan. Proxy form is available at the Company's website i.e., <https://meta-tech.com.pk/>.

For Attending the Meeting

- a. In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration detail is uploaded as per the Regulations, shall authenticate their identity by showing his/ her original National Identity Card ("CNIC") or original passport at the time of attending the meeting.
- b. In case of corporate entity, Board of Directors' resolution/ power of attorney with specimen signature of the nominee shall be produced (unless provided earlier) at the time of the meeting.

For Appointing Proxies

- f) In case of individuals, the account holder or sub-account holder is and / or the person whose securities are in group account and their registration detail is uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirement.
- g) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- h) Attested copies of the CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- i) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.

- j) In case of corporate entities, board of directors' resolution/ power of attorney with specimen signature of the nominee shall be submitted (unless provided earlier) along with the proxy form to Company.

Consent For Video Conference

Pursuant to SECP's Circular No 10 dated 21 May 2014, if the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard, please fill the following and submit to registered address of the Company at least 10 days before the date of EOGM.

I/We _____ of _____, being member(s) of **Metatech Trading Limited** holder _____ Ordinary share(s) as per Register Folio No. _____ hereby opt for video conference facility at _____



Mr. Hafiz Muhammad Tahir
Advocate Supreme Court of Pakistan
M.Q. Law Chamber
7-Turner Road, Lahore



Mr. Ahmad Hassan Butt
Advocate High Court
Axis Law Chambers,
5- Block S, Gulberg II, Lahore.

STATEMENT OF INFORMATION
ACCOMPANYING NOTICE TO THE MEMBERS
UNDER SECTION 281(1)(a) / 134(3) OF THE COMPANIES ACT, 2017

BACKGROUND

Big Bird Foods Limited (BBFL) was incorporated on September 21, 2011 as a private limited company under Companies Ordinance, 1984 (repealed with enactment of the Companies Act, 2017). Subsequently, it was converted into public limited on June 21, 2023. The principal business of the Company is to carry on the business of manufacturer, importer, exporters, suppliers, distributors, agent of dealers/manufacturer doing business in food and produce of every kind and to act as agent of manufacturers, merchants, traders and others for the purchase, disposal and sale of all kind of merchandise, goods, commodities, materials and generally to undertake and to carry out agency work of any kind in any part of the world except managing Agency business.

METATECH TRADING LIMITED (META) was incorporated in Pakistan in 1953 as a public Limited Company and its shares were listed on the Karachi Stock Exchange (now Pakistan Stock Exchange Limited). Due to closure of its plant and disposal of manufacturing facilities, the Company had long become a dormant Company. However, during the Financial Year 2021-2022, the Board of Directors, while approving the revival business plan, had decided to change the principal business of the Company to operate in the technology-enabled healthcare business & services. Upon the unanimous approval of the revival business plan by the Shareholders, the Company has resumed its commercial / business activities/operations in the new / revised line of business. Furthermore, the Company's name has also been changed to M/s Metatech Health Limited after approval from the Securities & Exchange Commission of Pakistan as on August 02, 2022.

However, due to adverse market and economic conditions Ensmile Studio Business was sold to Modaraba Al-Mali with the approval of shareholders in their extraordinary general meeting held on March 24, 2023 and principal business of the Company was changed to carry on the business of services legally permissible, sale, purchase, import, export and to act as general traders, general order suppliers of products commodities, material legally permissible and name of the Company was changed to Metatech Trading Limited.

Objective of the Scheme

- a) Book value of META per share is **Rs. 0.36** whereas its market value is **Rs. 7.29** per certificate (as on **June 21, 2023**).

	<u>Rs.</u>
Shareholders' Equity	2,692,468
No. of Shares Outstanding	7,432,425
Book Value - Rs. / Share	0.36

- b) META has weak financial position having limited capacity to raise funds. However, BBFL has strong financial position and shareholders of META can participate in profitability of BBFL (with healthy EBITDA i.e. earnings before interest, taxes, depreciation and amortization) soon after merger. Moreover, technical, financial and sales & marketing expertise of BBFL will be an added advantage for the operations of META. Thus it is expected to have positive synergies with this merger for the shareholders of both of the merging entities.
- c) BBFL shall be listed at PSX by virtue of listing status of META and accordingly BBFL would be having capacity to raise funds from the Market. Capital market can act as a catalyst to grow of merged company i.e. Big Bird Foods Limited and listing status can give it the requisite fund-raising power to harness its future diversification plan, if any.
- d) Free float of 30% i.e. volumes will be created by BBFL with good free float once it is listed at PSX.
- e) The requisite changes in the Memorandum of Association of BBFL shall be made, if required, to accommodate the intended activities of META (as a transferor) in BBFL (as a transferee).
- f) Upon the completion of merger / amalgamation through the intended Scheme, META will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up, and the shares of BBFL shall be issued to the registered members/shareholders of META.

Benefits of the Scheme

In addition to the benefits enumerated in the above section, the merger shall also provide the following benefits:

To BBFL and its Shareholders:

- a. Operational and strategic synergies in terms of costs, efficiency and fund raising (if any) will be available to BBFL if all operations of both the companies (i.e., BBFL & META) are combined.
- b. The proposed merger will provide a broader shareholders' base which will be conducive in further fund raising from the capital market, if required.
- c. The combined equity value of the company shall increase to more than PKR 4.61 billion, which will be beneficial to all shareholders.
- d. Shares of BBFL will be listed on PSX that will provide secondary market for the shareholders.

To META and its Shareholders:

- a. Financial position of META is weak and with this merger shareholders of META will be the part of strong balance sheet of BBFL.
- b. The combined value (based on book value) of BBFL shares that are being given to META's shareholders under the SWAP ratio is expected to be in excess of the market value of META's shares. Thus, the shareholders of META shall gain from the merger transaction.
- c. It is expected that trading volumes (at PSX) will be improved after the proposed merger which will provide liquidity and tradability to the shareholders/investors.

SPECIAL BUSINESS

Proposed Resolutions as an integral part of Scheme of Compromises, Arrangement and Reconstruction for Amalgamation/Merger ('the Scheme') to be adopted by the Shareholders:

Agenda item – 1 : and the specific resolution required to be approved by the Shareholders	Type of resolution to be passed
<p>To approve the Scheme of Compromises, Arrangement and Reconstruction for Amalgamation/Merger of METTECH TRADING LIMITED (and its members) with and into BIG BIRD FOODS LIMITED (and its members)</p> <p>In terms of provisions of Sections 279 to 283 and all other enabling provisions of the Companies Act, 2017, and, for this purpose, pass the resolutions, as special resolutions (as attached in the Statement of Information, accompanying Notice to the Members under Section 281(1)(a) / 134(3) of the Companies Act, 2017) , with or without modification(s), addition(s) or deletion(s), and to approve the consequent alterations in the Memorandum and Articles of Association of the Company, subject to requisite approvals, if any;</p>	Special Resolution / Under Section 279 and all other enabling provisions of Companies Act, 2017
<p>To grant authorization (singly) to the Chief Executive Officer and Company Secretary of the Transferee Company i.e. Big Bird Foods Limited to undertake and implement all relevant steps/actions, required to be completed, as a consequence of the approval of the above special resolutions.”</p>	Special Resolution / Under Section 279 and all other enabling provisions of Companies Act, 2017

Notes:

1. The resolutions are meant for enabling actions under Sections 279 to 283 of the Companies Act, 2017 and the Rule Book of Pakistan Stock Exchange Limited.
2. The above resolutions may be passed by the shareholders in their absolute discretion, with or without modification(s), addition(s) or deletion(s), if any.

AGENDA ITEM NO. 1 – SCHEME OF ARRANGEMENT

1. **RESOLVED THAT** pursuant to the provisions of Section 279 to 283 of the Companies, Act, 2017 and other applicable provisions, if any, and subject to the approval of the Honorable Lahore High Court, the proposed merger of **Metatech Trading Limited** ('Transferor Company') with and into **Big Bird Foods Limited** ('Transferee Company') along with the draft Scheme of Amalgamation/ Merger/ as placed before the Shareholders, be and are hereby approved.
2. **RESOLVED FURTHER THAT** approval be and is hereby accorded to implement the Scheme and accordingly application/petition shall be filed with the Securities and Exchange Commission of Pakistan, honorable Lahore High Court, Pakistan Stock Exchange Limited and any other competent authority(ies).

3. **RESOLVED FURTHER THAT** the approval of the shareholders, be and is hereby granted to the terms and conditions as set out in the draft Scheme of Amalgamation/ Merger, which includes, inter-alia, the following:
- a) That all asset and liabilities including Income Tax and all other statutory liabilities of the Transferor Company will be transferred to and vest in the Transferee Company (as described in Schedule – 1 of the Scheme);
 - b) That all the employees of the Transferor Company, if any, in service on the date immediately preceding the date on which Scheme finally takes effect i.e. the Effective Date, shall become the employees of the Transferee Company (as described in Schedule – 4 of the Scheme) on such date without any break or interruption in service and upon terms and conditions not less favorable than those subsisting in the concerned Transferor Company on the said date;
 - c) That the Scheme of Amalgamation / Merger shall be effective from **Effective Date**, the provisions of the Scheme, so far as they relate to transfer and vesting of the business and undertaking(s) of the Transferor Company (as described in Schedule – 1 of the Scheme) into the Transferee Company, shall be applicable and come into operation from the Sanction Date or such other date as the Honorable Lahore High Court may approve;
 - d) That the Transferee Companies shall allot shares to the shareholders of the Transferor Company in accordance to the **SWAP Ratio** as per the Valuation Report given by the **Abdul Khaliq, Chartered Accountants** (or any other renowned practicing-chartered accounting firm), as tabled before the meeting and taken note of; and
 - e) That the listing status of the **Metatech Trading Limited** (META) with the Pakistan Stock Exchange Limited (PSX) and eligibility status (of META) with Central Depository Company of Pakistan Limited (CDC) along with all privileges, rights and liabilities of the Transferor Company with PSX and CDC shall be transferred in the names of the Transferee Company (as described in the Scheme).
 - f) Effective date of the Scheme is **March 31, 2023** or any other date which is determined by the honorable Lahore High Court. However, this will not affect the SWAP ratio determined in the Scheme. Any difference, if any, will be adjusted either in goodwill or merger reserves, as the case may be. Moreover, actual transfer will be effectuated on sanctioned date, when the Scheme shall become the operative (as defined in Article – 3 of the Scheme). No further approval shall be required from the shareholders of the Company.
 - g) SWAP ratio will not be changed unless directed (and accepted by the Company) by the honorable Lahore High Court or the Securities and Exchange Commission of Pakistan, as the case may be. Any difference, if any, will be adjusted either in goodwill or merger reserves, as the case may be. No further approval shall be required from the shareholders of the Company.
4. **RESOLVED FURTHER THAT** pursuant to the provision of Section 279 to 283 of the Companies, Act, 2017 and other applicable provisions, necessary joint/separate application(s), petition(s) and may be moved by the Chief Executive Officer or the Company Secretary singly (of transferee Company) before the Honorable Lahore High Court, for seeking its directions as to convening, holding and conducting of any meeting(s) of the shareholders and creditors (if any) or dispensation thereof, as the case may be, including for the appointment of Chairman, issuance and dispatch of notices and placement of advertisements and for seeking any other directions as the Honorable Lahore High Court may deem fit and proper and for seeking the approval of the proposed amalgamation/ merger and the proposed Scheme of Amalgamation / Merger.”
5. **RESOLVED FURTHER THAT** approval be and is hereby given to the Board of Directors to amend the swap ratio, if advised or directed by the Securities and Exchange Commission of Pakistan or honorable Lahore High Court, as the case may be, for the issuance of shares to the shareholders of the shareholders of the **Metatech Trading Limited**.

6. **RESOLVED FURTHER THAT** the shareholders, be and hereby authorize singly the Chief Executive or the Company Secretary of the Transferee Company, to undertake and implement all relevant steps/actions, required to be completed, as a consequence of the approval of the above special resolutions.
7. **RESOLVED FURTHER THAT** the Chief Executive Officer or the Company Secretary of the transferee Company, be and are hereby singly authorized to submit the certified true copies of the resolutions passed by the shareholders of the Company to the Honorable Lahore High Court, the Registrar of Companies, the Securities and Exchange Commission of Pakistan, Pakistan Stock Exchange Limited and such other competent authorities, if necessary.”
8. **RESOLVED FURTHER THAT** the Chief Executive Officer, or the Company Secretary of the transferee Company, be and are hereby singly authorized:
 - a) To sign, submit or present necessary applications, petitions, supplementary applications/petitions, summons, deeds, documents, instruments, rejoinders, replies, and to swear affidavits or execute bonds for the above-mentioned amalgamation/ merger;
 - b) To engage any counsel(s)/advocate(s)/consultant(s) to file the application(s) and petition(s) before the Honorable Lahore High Court, and to do other needful tasks;
 - c) To appear [in person or through representative(s)] before the Honorable Lahore High Court; the Offices of the Registrar of the Companies; the Securities and Exchange Commission of Pakistan; Pakistan Stock Exchange Limited and/or before any other authority or person in connection with the aforesaid amalgamation/merger; and
 - d) To do any other act, deed or thing which may be ancillary or incidental to the above-mentioned matter or which may otherwise be required for the aforesaid purpose.

Financial Statements

1. **Big Bird Foods Limited**
2. **Metatech Trading Limited**

Scheme of Compromises, Arrangement and Reconstruction

As attached

(including SWAP ratio certificate from external Auditors)

**FOR CORPORATE MEMBER
(ON THE LETTERHEAD OF THE COMPANY)**

Date: _____
The Secretary _____ Limited.
Lahore.

Sub: Authorization to attend the EOGM of the Company on behalf of Body Corporate (Member) of the Company.

Dear Sir,

Please be informed that Mr./Mrs./Ms. _____, S/o W/o D/o _____, holder of CNIC No. _____, has been duly authorized by the Board of Directors of our company vide resolution dated _____ to participate and vote on resolutions included in the agenda of the notice of EOGM of _____ Limited scheduled for **July 31, 2023** or at any date adjourned/rescheduled thereof. Resolution of the Board dated _____ in original duly signed and stamped is attached herewith for reference and record.

Yours truly,

Authorized Signatory

Seal of the Company

.....
**SPECIMEN RESOLUTION
(ON THE LETTERHEAD OF THE COMPANY)**

The following resolution has been passed by the Board of Directors of (Name of the Company) in its meeting held on _____, at _____.

Resolved that Mr./Mrs./Ms. _____, S/o W/o D/o _____, be and is hereby authorized on behalf of the Company to participate and vote for resolutions included in the agenda of the notice of EOGM of _____ Limited scheduled for **July 31, 2023** or at any date adjourned/rescheduled thereof.

Certified True Copy.

Authorized Signatory

Seal of the Company



Eat Well. Live Well

Big Bird Foods (Pvt.) Ltd.

Address: 2-A, Ahmad Block, New Garden Town,
Lahore, Pakistan

Phone: +92-42-35865378-74, 35837512-14

UAN: +92-42-111-244-111

Fax: +92-42-35865378, 35837511

Web: www.bigbirdfoods.com

Annex-A

SCHEME OF COMPROMISES, ARRANGEMENT AND RECONSTRUCTION FOR

AMALGAMATION/MERGER OF

12-

1. METATECH TRADING LIMITED
(AND ITS MEMBERS)

WITH AND INTO

2. BIG BIRD FOODS LIMITED
(AND ITS MEMBERS)

(IN TERMS OF PROVISIONS OF SECTIONS 279 TO 283 AND ALL OTHER ENABLING PROVISIONS OF THE COMPANIES ACT, 2017)

The Board of Directors of Big Bird Foods Limited and Metatech Trading Limited in their respective meeting held on June 22, 2023 have approved the Scheme of Compromises, Arrangement and Reconstruction for Amalgamation/Merger of Metatech Trading Limited (as a transferor) with and into Big Bird Foods Limited (as a transferee) and have recommended the resolutions (that will be placed in the Statement of Information accompanying the Notice to the Members under Section 281(1)(A) / 134(3) of the Companies Act, 2017) to the respective shareholders for their approval with or without amendment/alteration as and when meeting is convened by the honorable Lahore High Court.

The Board of Directors of the Company has passed the following resolutions:

"RESOLVED THAT the draft scheme of merger Metatech Trading Limited (& its Members) with and into the Big Bird Foods Limited in terms of the provisions of Sections 279 to 283 and all other enabling provisions of the Companies Act, 2017 be and is hereby approved.

FURTHER RESOLVED THAT the Chief Executive of the Transferee Company, be and is hereby authorized to sign, submit or present necessary applications, petitions, supplementary applications/petitions, summons, deeds, documents, instruments, rejoinders, replies, and to swear affidavits or execute bonds for the above-mentioned amalgamation/ merger to the competent authorities including but not limited to honorable Lahore High Court, Securities and Exchange Commission of Pakistan, Competition Commission of Pakistan."

The Board of Directors of the respective Companies (i.e. Metatech Trading Limited and Big Bird Foods Limited) have also passed the following resolutions (as an integral part of the Scheme) for the subsequent approval (with and without amendments/ alterations) from their respective shareholders in their forthcoming meeting as and when meeting is convened by the honorable Lahore High Court.

[Handwritten signature]



Eat Well. Live Well

Big Bird Foods (Pvt.) Ltd.

Address: 3-A, Ahmad Block, New Garden Town,
Lahore, Pakistan

Phone: +92-42-35805373, 74, 35837512-14

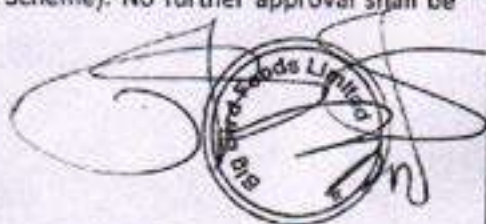
UAN: +92-42-111-244-111

Fax: +92-42-35880519, 35855371

Web: www.bigbirdfoods.com

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1. **RESOLVED THAT** pursuant to the provisions of Section 279 to 283 of the Companies, Act, 2017 and other applicable provisions, if any, and subject to the approval of the Honorable Lahore High Court, the proposed merger of **Metatech Trading Limited** ('Transferor Company') with and into **Big Bird Foods Limited** ('Transferee Company') along with the draft Scheme of Amalgamation/ Merger/ as placed before the Shareholders, be and are hereby approved.
2. **RESOLVED FURTHER THAT** approval be and is hereby accorded to implement the Scheme and accordingly application/petition shall be filed with the Securities and Exchange Commission of Pakistan, honorable Lahore High Court, Pakistan Stock Exchange Limited and any other competent authority(ies).
3. **RESOLVED FURTHER THAT** the approval of the shareholders, be and is hereby granted to the terms and conditions as set out in the draft Scheme of Amalgamation/ Merger, which includes, inter-alia, the following:
 - a) That all asset and liabilities including Income Tax and all other statutory liabilities of the Transferor Company will be transferred to and vest in the Transferee Company (as described in Schedule - 1 of the Scheme);
 - b) That all the employees of the Transferor Company, if any, in service on the date immediately preceding the date on which Scheme finally takes effect i.e. the Effective Date, shall become the employees of the Transferee Company (as described in Schedule - 4 of the Scheme) on such date without any break or interruption in service and upon terms and conditions not less favorable than those subsisting in the concerned Transferor Company on the said date;
 - c) That the Scheme of Amalgamation / Merger shall be effective from **Effective Date**, the provisions of the Scheme, so far as they relate to transfer and vesting of the business and undertaking(s) of the Transferor Company (as described in Schedule - 1 of the Scheme) into the Transferee Company, shall be applicable and come into operation from the Sanction Date or such other date as the Honorable Lahore High Court may approve;
 - d) That the Transferee Companies shall allot shares to the shareholders of the Transferor Company in accordance to the **SWAP Ratio** as per the Valuation Report given by the **Abdul Khaliq and Co., Chartered Accountants** (or any other renowned practicing-chartered accounting firm), as tabled before the meeting and taken note of; and
 - e) That the listing status of the **Metatech Trading Limited (META)** with the Pakistan Stock Exchange Limited (PSX) and eligibility status (of META) with Central Depository Company of Pakistan Limited (CDC) along with all privileges, rights and liabilities of the Transferor Company with PSX and CDC shall be transferred in the names of the Transferee Company (as described in the Scheme).
 - f) Effective date of the Scheme is **March 31, 2023** or any other date which is determined by the honorable Lahore High Court. However, this will not affect the **SWAP ratio** determined in the Scheme. Any difference, if any, will be adjusted either in goodwill or merger reserves, as the case may be. Moreover, actual transfer will be effectuated on sanctioned date, when the Scheme shall become the operative (as defined in Article - 3 of the Scheme). No further approval shall be required from the shareholders of the Company.





Eat Well. Live Well

Big Bird Foods (Pvt.) Ltd.

Address: 2-A, Ahmad Block, New Garden Town,
Lahore, Pakistan
Phone: +92-42-35805373-74, 35807612-14
UAN: +92-42-111-244-111
Fax: +92-42-35805519, 30800271
Web: www.bigbirdfoods.com

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- g) SWAP ratio will not be changed unless directed (and accepted by the Company) by the honorable Lahore High Court or the Securities and Exchange Commission of Pakistan, as the case may be. Any difference, if any, will be adjusted either in goodwill or merger reserves, as the case may be. No further approval shall be required from the shareholders of the Company.
4. **RESOLVED FURTHER THAT** pursuant to the provision of Section 279 to 283 of the Companies, Act, 2017 and other applicable provisions, necessary joint/separate application(s), petition(s) and may be moved by the Chief Executive Officer and the Company Secretary jointly before the Honorable Lahore High Court, for seeking its directions as to convening, holding and conducting of any meeting(s) of the shareholders and creditors (if any) or dispensation thereof, as the case may be, including for the appointment of Chairman, issuance and dispatch of notices and placement of advertisements and for seeking any other directions as the Honorable Lahore High Court may deem fit and proper and for seeking the approval of the proposed amalgamation/ merger and the proposed Scheme of Amalgamation / Merger."
5. **RESOLVED FURTHER THAT** approval be and is hereby given to the Board of Directors to amend the swap ratio, if advised or directed by the Securities and Exchange Commission of Pakistan or honorable Lahore High Court, as the case may be, for the issuance of shares to the shareholders of the shareholdes of the Metatech Trading Limited.
6. **RESOLVED FURTHER THAT** the shareholders, be and hereby authorize jointly the Chief Executive Officer and the Company Secretary of the Company, to undertake and implement all relevant steps/actions, required to be completed, as a consequence of the approval of the above special resolutions.
7. **RESOLVED FURTHER THAT** the Chief Executive Officer and the Company Secretary of the Transferee Company, be and are hereby singly authorized to submit the certified true copies of the resolutions passed by the shareholders of the Company to the Honorable Lahore High Court, the Registrar of Companies, the Securities and Exchange Commission of Pakistan, Pakistan Stock Exchange Limited and such other competent authorities, if necessary."
8. **RESOLVED FURTHER THAT** the Chief Executive Officer, or the Company Secretary of the Transferee Company, be and are hereby singly authorized:
- a) To sign, submit or present necessary applications, petitions, supplementary applications/petitions, summons, deeds, documents, instruments, rejoinders, replies, and to swear affidavits or execute bonds for the above-mentioned amalgamation/ merger;
 - b) To engage any counsel(s)/advocate(s)/consultant(s) to file the application(s) and petition(s) before the Honorable Lahore High Court, and to do other needful tasks;
 - c) To appear [in person or through representative(s)] before the Honorable Lahore High Court; the Offices of the Registrar of the Companies; the Securities and Exchange Commission of Pakistan;

**BIG
BIRD**

Eat Well. Live Well

Big Bird Foods (Pvt.) Ltd.

Address 2-A, Ahmad Block, New Garden Town,
Lahore, Pakistan

Phone +92-42-3583573-74, 35837512-14

FAX +92-42-111-244-111

Fax +92-42-3583519, 3583537

Web www.bigbirdfoods.com

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Pakistan Stock Exchange Limited and/or before any other authority or person in connection with the aforesaid amalgamation/merger; and

- d) To do any other act, deed or thing which may be ancillary or incidental to the above-mentioned matter or which may otherwise be required for the aforesaid purpose.



Abdul Basit





Annex - B

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**SCHEME OF COMPROMISES, ARRANGEMENT AND RECONSTRUCTION FOR
AMALGAMATION/MERGER OF**

1. **METATECH TRADING LIMITED
(AND ITS MEMBERS)**

WITH AND INTO

2. **BIG BIRD FOODS LIMITED
(AND ITS MEMBERS)**

**(IN TERMS OF PROVISIONS OF SECTIONS 279 TO 283 AND ALL OTHER ENABLING
PROVISIONS
OF THE COMPANIES ACT, 2017)**

The Board of Directors of **Big Bird Foods Limited** and **Metatech Trading Limited** in their respective meeting held on **June 23, 2023** have approved the Scheme of Compromises, Arrangement and Reconstruction for Amalgamation/Merger of **Metatech Trading Limited** (as a transferor) with and into **Big Bird Foods Limited** (as a transferee) and have recommended the resolutions (that will be placed in the Statement of Information accompanying the Notice to the Members under Section 281(1)(A) / 134(3) of the Companies Act, 2017) to the respective shareholders for their approval with or without amendment/alteration as and when meeting is convened by the honorable Lahore High Court.

The Board of Directors of the Company has passed the following resolutions:

"RESOLVED THAT the draft scheme of merger **Metatech Trading Limited** (& its Members) with and into the **Big Bird Foods Limited** in terms of the provisions of Sections 279 to 283 and all other enabling provisions of the Companies Act, 2017 be and is hereby approved.

FURTHER RESOLVED THAT Chief Executive or the Company Secretary of the Transferor Company, be and is hereby singly authorized to sign, submit or present necessary applications, petitions, supplementary applications/petitions, summons, deeds, documents, instruments, rejoinders, replies, and to swear affidavits or execute bonds for the above-mentioned amalgamation/ merger to the competent authorities including but not limited to honorable Lahore High Court, Securities and Exchange Commission of Pakistan, Competition Commission of Pakistan."

The Board of Directors of the respective Companies (i.e. **Metatech Trading Limited** and **Big Bird Foods Limited**) have also passed the following resolutions (as an integral part of the Scheme) for the subsequent approval (with and without amendments/ alterations) from their respective shareholders in their forthcoming meeting as and when meeting is convened by the honorable Lahore High Court.

1. **RESOLVED THAT** pursuant to the provisions of Section 279 to 283 of the Companies, Act, 2017 and other applicable provisions, if any, and subject to the approval of the Honorable Lahore High Court, the proposed merger of **Metatech Trading Limited** ("Transferor Company") with and into **Big Bird Foods Limited** ("Transferee Company") along with the draft Scheme of Amalgamation/ Merger/ as placed before the Shareholders, be and are hereby approved.



MetaTech
TRADING LIMITED

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2. **RESOLVED FURTHER THAT** approval be and is hereby accorded to implement the Scheme and accordingly application/petition shall be filed with the Securities and Exchange Commission of Pakistan, honorable Lahore High Court, Pakistan Stock Exchange Limited and any other competent authority(ies).
3. **RESOLVED FURTHER THAT** the approval of the shareholders, be and is hereby granted to the terms and conditions as set out in the draft Scheme of Amalgamation/ Merger, which includes, inter-alia, the following:
- a) That all asset and liabilities including Income Tax and all other statutory liabilities of the Transferor Company will be transferred to and vest in the Transferee Company (as described in Schedule - 1 of the Scheme);
 - b) That all the employees of the Transferor Company, if any, in service on the date immediately preceding the date on which Scheme finally takes effect i.e. the Effective Date, shall become the employees of the Transferee Company (as described in Schedule - 4 of the Scheme) on such date without any break or interruption in service and upon terms and conditions not less favorable than those subsisting in the concerned Transferor Company on the said date;
 - c) That the Scheme of Amalgamation / Merger shall be effective from Effective Date, the provisions of the Scheme, so far as they relate to transfer and vesting of the business and undertaking(s) of the Transferor Company (as described in Schedule - 1 of the Scheme) into the Transferee Company, shall be applicable and come into operation from the Sanction Date or such other date as the Honorable Lahore High Court may approve;
 - d) That the Transferee Companies shall allot shares to the shareholders of the Transferor Company in accordance to the SWAP Ratio as per the Valuation Report given by the Abdul Khaliq, Chartered Accountants (or any other renowned practicing-chartered accounting firm), as tabled before the meeting and taken note of; and
 - e) That the listing status of the **Metatech Trading Limited (META)** with the Pakistan Stock Exchange Limited (PSX) and eligibility status (of META) with Central Depository Company of Pakistan Limited (CDC) along with all privileges, rights and liabilities of the Transferor Company with PSX and CDC shall be transferred in the names of the Transferee Company (as described in the Scheme).
 - f) Effective date of the Scheme is **March 31, 2023** or any other date which is determined by the honorable Lahore High Court. However, this will not affect the SWAP ratio determined in the Scheme. Any difference, if any, will be adjusted either in goodwill or merger reserves, as the case may be. Moreover, actual transfer will be effectuated on sanctioned date, when the Scheme shall become the operative (as defined in Article - 3 of the Scheme). No further approval shall be required from the shareholders of the Company.
 - g) SWAP ratio will not be changed unless directed (and accepted by the Company) by the honorable Lahore High Court or the Securities and Exchange Commission of Pakistan, as the case may be. Any difference, if any, will be adjusted either in goodwill or merger reserves, as the case may be. No further approval shall be required from the shareholders of the Company.
4. **RESOLVED FURTHER THAT** pursuant to the provision of Section 279 to 283 of the Companies, Act, 2017 and other applicable provisions, necessary joint/separate application(s), petition(s) and may be moved by the Chief Executive Officer or the Company Secretary singly before the Honorable Lahore High Court, for seeking its directions as to convening, holding and conducting of any meeting(s) of the shareholders and creditors (if any) or dispensation thereof, as the case may be, including for the appointment of Chairman, issuance and dispatch of notices and placement of

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MetaTech

TRADING LIMITED

advertisements and for seeking any other directions as the Honorable Lahore High Court may deem fit and proper and for seeking the approval of the proposed amalgamation/ merger and the proposed Scheme of Amalgamation / Merger.”

5. **RESOLVED FURTHER THAT** approval be and is hereby given to the Board of Directors to amend the swap ratio, if advised or directed by the Securities and Exchange Commission of Pakistan or honorable Lahore High Court, as the case may be, for the issuance of shares to the shareholders of the shareholders of the Metatech Trading Limited.
6. **RESOLVED FURTHER THAT** the shareholders, be and hereby authorize singly the Chief Executive or the Company Secretary of the Company, to undertake and implement all relevant steps/actions, required to be completed, as a consequence of the approval of the above special resolutions.
7. **RESOLVED FURTHER THAT** the Chief Executive Officer or the Company Secretary of the Transferor Company, be and are hereby singly authorized to submit the certified true copies of the resolutions passed by the shareholders of the Company to the Honorable Lahore High Court, the Registrar of Companies, the Securities and Exchange Commission of Pakistan, Pakistan Stock Exchange Limited and such other competent authorities, if necessary.”
8. **RESOLVED FURTHER THAT** the Chief Executive Officer, or the Company Secretary of the Transferor Company, be and are hereby singly authorized:
 - a) To sign, submit or present necessary applications, petitions, supplementary applications/petitions, summons, deeds, documents, instruments, rejoinders, replies, and to swear affidavits or execute bonds for the above-mentioned amalgamation/ merger;
 - b) To engage any counsel(s)/advocate(s)/consultant(s) to file the application(s) and petition(s) before the Honorable Lahore High Court, and to do other needful tasks;
 - c) To appear [in person or through representative(s)] before the Honorable Lahore High Court; the Offices of the Registrar of the Companies; the Securities and Exchange Commission of Pakistan; Pakistan Stock Exchange Limited and/or before any other authority or person in connection with the aforesaid amalgamation/merger; and
 - d) To do any other act, deed or thing which may be ancillary or incidental to the above-mentioned matter or which may otherwise be required for the aforesaid purpose.

CERTIFICATE

The above extract is the certified true copy of resolution, which was passed by the Board of Directors of MetaTech Trading Limited in their meeting held on Jun 23, 2023 at Corporate office of the Company which is situated at 19, Khayaban-e-Aiwan-e-Iqbal, Lahore.



Muhammad Usman
Company Secretary

Annex - J

SCHEME OF COMPROMISES, ARRANGEMENT AND RECONSTRUCTION FOR

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AMALGAMATION/MERGER OF

1. METATECH TRADING LIMITED
(AND ITS MEMBERS)

WITH AND INTO

2. BIG BIRD FOODS LIMITED
(AND ITS MEMBERS)

**(IN TERMS OF PROVISIONS OF SECTIONS 279 TO 283
AND ALL OTHER ENABLING PROVISIONS
OF THE COMPANIES ACT, 2017)**

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Prithvi Choudhary



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SCHEME OF COMPROMISES, ARRANGEMENT AND RECONSTRUCTION FOR

AMALGAMATION/MERGER OF

1. METATECH TRADING LIMITED
(AND ITS MEMBERS)

WITH AND INTO

2. BIG BIRD FOODS LIMITED
(AND ITS MEMBERS)

**(IN TERMS OF PROVISIONS OF SECTIONS 279 TO 283
AND ALL OTHER ENABLING PROVISIONS
OF THE COMPANIES ACT, 2017)**

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3/P



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PREAMBLE

1. BIG BIRD FOODS LIMITED

BACKGROUND

Big Bird Foods Limited (BBFL) was incorporated on September 21, 2011 as a private limited company under Companies Ordinance, 1984 (repealed with enactment of the Companies Act, 2017). Subsequently, it was converted into public limited on June 21, 2023. The principal business of the Company is to carry on the business of manufacturer, importer, exporters, suppliers, distributors, agent of dealers/manufacturer doing business in food and produce of every kind and to act as agent of manufacturers, merchants, traders and others for the purchase, disposal and sale of all kind of merchandise, goods, commodities, materials and generally to undertake and to carry out agency work of any kind in any part of the world except managing Agency business.

The Corporate Unique Identification (CUIN) of BBFL is 0077146.

- Registered office - 2-A, Ahmad Block, New Garden Tow, Lahore
- Manufacturing Facility - 63-Km Multan Road, Lahore
- External Auditors - Abdul Khaliq & Co., Chartered Accountants
- Legal Advisors - Umer Farooq, Advocate, Lahore

Financial position (as per audited accounts) of the Company as on June 30, 2022 is as follows:

June 30, 2022
Rs.

ASSETS

Non-current assets

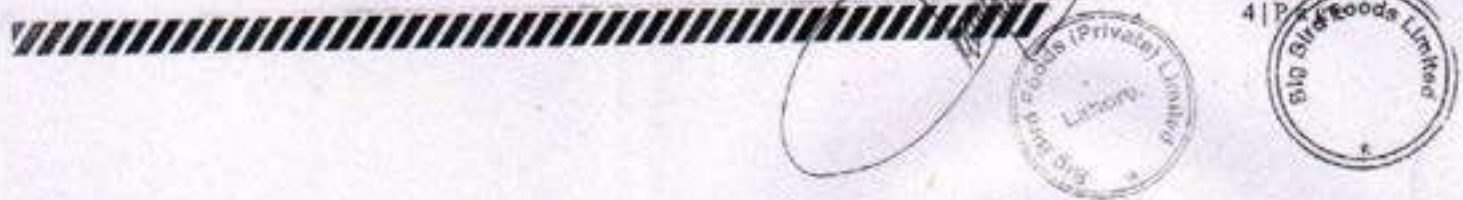
- Property, plant and equipment
- Capital work in progress
- Long term loans and advances
- Long term deposits and prepayments

7,294,903,142
101,141,913
1,620,241
13,844,027
7,411,509,323

Current assets

- Stores and spares
- Stock in trade
- Trade debts
- Loans and advances
- Deposits and prepayments
- Short term investment
- Cash and bank balances

310,620,578
743,994,094
930,991,108
164,557,752
1,264,354
34,825,145
51,394,216



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2,236,847,247

TOTAL ASSETS

9,648,356,570

EQUITY AND LIABILITIES

Share capital and reserves

Authorized share capital

3,000,000,000

Issues, subscribed and paid up capital

2,970,930,000

Accumulated loss

(1,902,792,080)

Surplus on revaluation surplus of operating fixed assets

3,557,950,775

Merger reserves

16,000,000

Loan from director - related party

4,642,088,695

Non-current liabilities

Long term finance - secured

1,439,857,610

Deferred markup

258,872,528

Diminishing musharaka finance

405,432,857

Deferred taxation - net

814,619,796

Employees' benefit obligations

78,110,372

2,996,893,163

Current liabilities

Current and overdue portion of current liabilities

802,253,629

Short term borrowings

361,769,415

Trade and other payables

457,529,421

Accrued and deferred mark-up

387,822,247

2,009,374,712

TOTAL EQUITY AND LIABILITIES

9,648,356,570

Ratio Analysis

Book Value

Rs./share

15.57

Current ratio

times

1.11

Debt-equity ratio

times

1.08

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SIP

Big Bird Foods Limited

Private Limited

Lahore

2. METATECH TRADING LIMITED

BACKGROUND

METATECH TRADING LIMITED (META) was incorporated in Pakistan in 1953 as a public Limited Company and its shares were listed on the Karachi Stock Exchange (now Pakistan Stock Exchange Limited). Due to closure of its plant and disposal of manufacturing facilities, the Company had long become a dormant Company. However, during the Financial Year 2021-2022, the Board of Directors, while approving the revival business plan, had decided to change the principal business of the Company to operate in the technology-enabled healthcare business & services. Upon the unanimous approval of the revival business plan by the Shareholders, the Company has resumed its commercial / business activities/operations in the new / revised line of business. Furthermore, the Company's name has also been changed to M/s MetaTech Health Limited after approval from the Securities & Exchange Commission of Pakistan as on August 02, 2022.

However, due to adverse market and economic conditions Ensmile Studio Business was sold to Modaraba Al-Mali with the approval of shareholders in their extraordinary general meeting held on March 24, 2023 and principal business of the Company was changed to carry on the business of services legally permissible, sale, purchase, import, export and to act as general traders, general order suppliers of products commodities, material legally permissible and name of the Company was changed to MetaTech Trading Limited.

MetaTech Health Limited has been changed to MetaTech Trading Limited vide SECP's Certificate No. B051595 dated May 18, 2023.

The Corporate Unique Identification (CUIN) of META is 0000637 and the date of incorporation is December 19, 1953.

- Registered office - Room No. 508, LSE Plaza, Khayaban-e-Aiwan-Iqbal, Lahore.
- External Auditors - Kreston Hyder Bhinji & Co., Chartered Accountants
- Legal Advisors - Azzizuddin & Shahid Law Associates

Financial position (as per unaudited published accounts) of the Company as on March 31, 2023 is as follows:

	<u>March 31, 2023</u>
	Rs.
CURRENT ASSETS	
Refund due from Govt. – net	2,222,780
Receivable from Modaraba Al-Mali	469,688
TOTAL ASSETS	<u>2,692,468</u>



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Authorized Share Capital	600,000,000
Issued, subscribed and paid-up-capital	74,324,250
Accumulated (Loss)	(71,631,782)
	2,692,468

3. OBJECTIVES AND BENEFITS

1) Objective of the Scheme

- a. Book value of META per share is Rs. 0.36 whereas its market value is Rs. 7.29 per certificate (as on June 21, 2023).

	Rs.
Shareholders' Equity	2,692,468
No. of Shares Outstanding	7,432,425
Book Value - Rs. / Share	0.36

- b. META has weak financial position having limited capacity to raise funds. However, BBFL has strong financial position and shareholders of META can participate in profitability of BBFL (with healthy EBITDA i.e. earnings before interest, taxes, depreciation and amortization) soon after merger. Moreover, technical, financial and sales & marketing expertise of BBFL will be an added advantage for the operations of META. Thus it is expected to have positive synergies with this merger for the shareholders of both of the merging entities.
- c. BBFL shall be listed at PSX by virtue of listing status of META and accordingly BBFL would be having capacity to raise funds from the Market. Capital market can act as a catalyst to grow of merged company i.e. Big Bird Foods Limited and listing status can give it the requisite fund-raising power to harness its future diversification plan, if any.
- d. Free float of 30% i.e. volumes will be created by BBFL with good free float once it is listed at PSX.
- e. The requisite changes in the Memorandum of Association of BBFL shall be made, if required, to accommodate the intended activities of META (as a transferor) in BBFL (as a transferee).
- f. Upon the completion of merger / amalgamation through the intended Scheme, META will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up, and the shares of BBFL shall be issued to the registered members/shareholders of META.

2) Benefits of the Scheme

In addition to the benefits enumerated in the above section, the merger shall also provide the following benefits:

To BBFL and its Shareholders:

- a. Operational and strategic synergies in terms of costs, efficiency and fund raising (if any) will be available to BBFL if all operations of both the companies (i.e., BBFL & META) are combined.

- b. The proposed merger will provide a broader shareholders' base which will be conducive in further fund raising from the capital market, if required.
- c. The combined equity value of the company shall increase to more than PKR 4.61 billion, which will be beneficial to all shareholders.
- d. Shares of BBFL will be listed on PSX that will provide secondary market for the shareholders.

To META and its Shareholders:

- a. Financial position of META is weak and with this merger shareholders of META will be the part of strong balance sheet of BBFL.
- b. The combined value (based on book value) of BBFL shares that are being given to META's shareholders under the SWAP ratio is expected to be in excess of the market value of META's shares. Thus, the shareholders of META shall gain from the merger transaction.
- c. It is expected that trading volumes (at PSX) will be improved after the proposed merger which will provide liquidity and tradability to the shareholders/investors.

Muhammad Iqbal



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ARTICLE - 1 - DEFINITIONS

- I. In this Scheme of Arrangement (including the preamble hereto), unless the subject or context otherwise requires, the following expressions shall bear the meanings specified against them below:
- (a) "Act" means the Companies Act, 2017;
 - (b) "BBFL" means the **BIG BIRD FOODS LIMITED**, a public limited company formed under the Companies Ordinance, 1984;
 - (c) "Commission" means the Securities and Exchange Commission of Pakistan including its regional offices;
 - (d) "Completion" or "Completion Date" means date when undertaking and business are transferred (as per Article - 3) from Transferor to the Transferee within 120 days of Sanction Date and shares are issued/ swapped / cancelled as per SWAP ratio determined in this Scheme (as per Article-4);
 - (e) "Court" means the Lahore High Court, Lahore or any other court of competent jurisdiction for the time being having jurisdiction under Sections 279 to 283 of the Companies Act, 2017 in connection with this Scheme;
 - (f) "Effective Date" means 00:00 hours as on **March 31, 2023** or such other date as may be approved by the Court on the request of the parties to this Scheme;
 - (g) "META" means **METATECH TRADING LIMITED**, a public limited listed company formed under Companies Act, 2017;
 - (h) "PSX" means Pakistan Stock Exchange Limited;
 - (i) "Rs." or "PKR" shall mean "Rupees", being the legal tender money of the Islamic Republic of Pakistan;
 - (j) "Sanction Date" shall have the same meaning ascribed thereto in Article 6 (I)(iv), being the day on which the honorable Lahore High Court approves the Scheme and on which day the Scheme becomes operative;
 - (k) "Scheme" means this Scheme of Arrangement in its present form, with any modification thereof or addition hereto, as approved by the Court and/or the Securities and Exchange Commission of Pakistan and/or the general meeting of members of the respective companies;
 - (l) "SECP" means the Securities and Exchange Commission of Pakistan;

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Muhammad Iqbal

Big Bird Foods (Private) Limited
Lahore.

Big Bird Foods Limited

(m) "Undertaking and Business - META" means the assets, undertaking, business, liabilities of the METATECH TRADING LIMITED (including shares allocated under the Scheme) as more particularly described in Schedule - 1 hereto;

II. The headings and marginal notes are inserted for convenience and shall not affect the construction of this Scheme.

Muhammad Wajid



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ARTICLE - 2 - SHARE CAPITAL AND MANAGEMENT

I. BIG BIRD FOODS LIMITED

The authorized share capital of the Company is Rs. 3,000,000,000 divided into 300,000,000 of ordinary shares of Rs. 10/- each, out of which 297,093,000 ordinary shares are fully paid and issued as follows:

No. of Shares Issued	Issued for/Against	Rs.
297,093,000	Cash	2,970,930,000
-	Consideration other than Cash	-
-	Bonus Shares	-
297,093,000		2,970,930,000

(a) Pattern of Shareholding of the Shares held by the Shareholders as of Effective Date is as follows:

	Category	No. of Shares	% holding
Mr. Abdul Basit	Sponsors	32,680,230	11.00%
Mr. Salman Basit	Sponsors	36,641,470	12.33%
Dr. Abdul Karim	Sponsors	48,525,190	16.33%
Mrs. Sadia Karim	Sponsors	2,970,930	1.00%
Dr. M. Mustafa Kamal	Sponsors	45,554,260	15.33%
Mr. Ahmed Kamal	Sponsors	23,767,440	8.00%
Mr. Muhammad Aleem	Sponsors	17,825,580	6.00%
Public and Investors	Others/ Investors	89,127,900	30.00%
		297,093,000	

(b) Total number of shareholders of BBFL, as of the Effective Date is 07 (excluding others/investors).

(c) The Share Capital of the BBFL will not be changed for Ordinary Shares under the Scheme as described in Article-3. However, the pattern of shareholding can be changed till the Sanction Date. Moreover, 30% free float shall be created by Company by disposing of requisite shares to the investors or others before listing of BBFL at PSX. This is shown under pool of Others/Investors Category.

(d) Category of Others shall be counted in free float once BBFL is listed at PSX after the approval of the Scheme.

(e) The Board of Directors of the Company (BBFL) before the Scheme is as follows:

Sr. No.	Name of Director	Category
1.	Mr. Abdul Basit	Chairman / Non-Executive Director
2.	Dr. M. Mustafa Kamal	Chief Executive / Director



3.	Dr. Abdul Karim	Non-Executive Director
4.	Mr. Salman Basit	Non-Executive Director
5.	Mr. Ahmed Kamal	Non-Executive Director
6.	Mrs. Sadia Karim	Non-Executive/ Female Director
7.	Mr. Muhammad Aleem	Non-Executive Director

(f) Compliance to the Listed Companies (Code of Corporate Governance) Regulations, 2019 regarding composition of Board of Directors, committees and other matters shall be made before listing of BBFL at PSX.

Impact of the Scheme: -

(g) The Share Capital of BBFL shall be given to META under the SWAP ratio.

(h) After the merger under the Scheme, the authorized share capital and issued share capital of BBFL shall be the following:

Authorized Capital - Rs. 3,600,000,000 divided into 360,000,000 ordinary shares of Rs.10/- each

Issued, Subscribed and Paid-up Capital - Rs. 2,989,057,860 divided into 298,905,786 ordinary shares of Rs. 10/- each

Reconciliation - No. of Shares

	<u>BBFL</u>
Ordinary Shares before Merger	297,093,000
Shares to be Issued to the Shareholders of META	1,812,786
Ordinary Shares after Merger	<u>298,905,786</u>

(i) BBFL shall continue to operate its existing operations. Requisite changes in the Memorandum of Association of BBFL shall be allowed and be made to accommodate additional/ extended operations of META.

(j) After the Scheme, BBFL shall operate as a public listed entity.

(k) Goodwill and any capital reserve (merger reserves), if any, may arise on amalgamation in the books of BBFL under the Scheme as mentioned in Article - 4.

(l) The existing Board of Directors shall continue after the sanction of the Scheme. The next election for the directors of BBFL shall take place under Section 159 and 166 of the Companies Act, 2017, on or before May 31, 2026.

- (m) Moreover, no cross holding shall exist between META and BBFL as described in Article - 3.
- (n) The authorized capital of META shall be added to the authorized capital of BBFL and the added capital shall come to Rs. 3,600,000,000/-. No additional fee shall be paid to the Commission for the increase in the authorized capital increased up to Rs. 3,600,000,000/- as the fee for the combined capital already stands paid by the respective companies.

Name of the Company	Authorized Capital before the Scheme	Authorized Capital after the Scheme
BIG BIRD FOODS LIMITED (BBFL)	Rs. 3,000,000,000 divided into 300,000,000 ordinary shares of Rs. 10/- each	Rs. 3,600,000,000 divided into 360,000,000 ordinary shares of Rs. 10/- each
METATECH TRADING LIMITED	Rs. 600,000,000 divided into 60,000,000 ordinary shares of Rs. 10/- each	Dissolved by the Order of the Honorable Lahore High Court, Lahore without winding up
Total in Rs.	Rs. 3,600,000,000	Rs. 3,600,000,000

II. METATECH TRADING LIMITED

The authorized share capital of the Company is Rs. 600,000,000 divided into 60,000,000 of ordinary shares of Rs. 10/- each, out of which 7,432,425 shares are fully paid and issued as follows:

No. of Shares Issued	Issued for/Against	Rs.
1,034,500	Under Scheme of Merger/De-Merger	10,345,000
170,000	Consideration other than Cash	1,700,000
6,227,925	Bonus Shares	62,279,250
7,432,425		74,324,250

- (a) Pattern of Shareholding of the Shares held by the Shareholders as of Effective Date is as follows:

	No. of Shares	% holding
Directors, their Spouse and Family Members	120	0.0%
Modaraba Al-Mali	1,029,013	13.8%
Public/Others	5,191,855	69.9%
Joint Stock Companies	933,951	12.6%
NIT	277,486	3.7%
	7,432,425	

- (b) Complete list of the shareholders is attached as Schedule - 2 (List of Shareholders);



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- (c) Total number of shareholders of META, as of the Effective Date is 1007.
- (d) The Share Capital of the META will not be changed for Ordinary Shares under the Scheme as described in Article-3 (IV). However, the pattern of shareholding can be changed till the Sanction Date.
- (e) The Board of Directors of the Company (META) before the Scheme is as follows:

Sr. No.	Name of Director	Category
1.	Mr. Zahid Mahmood	Chairman/ Independent Director
2.	Mr. Mansoor Ahmad Khan	Chief Executive /Director
3.	Ms. Maaria Ahmad	Non-Executive Director
4.	Mr. Sohail Habib	Executive Director
5.	Ms. Farzin Khan	Independent Director
6.	Mr. Muhammad Iqbal	Independent Director
7.	Mr. Usman Ali Shah	Independent Director

Impact of the Scheme: -

- (f) On the completion of the merger / amalgamation and after the issuance of shares of BBFL to the registered members of META, META will be dissolved by the order of the Honorable Lahore High Court, without winding up.
- (g) The Shares of BBFL to be issued to the registered member of META shall be as following;

No. of Shares Outstanding	7,432,425
No. of Shares of BBFL to be issued to the shareholders of META	1,812,786
SWAP Ratio (No. of Shares of BBFL against every One share of META)	0.24

- (h) The Undertaking and Business of META shall be transferred to BBFL (as described in Schedule - 1).
- (i) Board of Directors of BBFL shall be given power to execute, on behalf of META, the deeds/ documents for the transfer of assets, liabilities and reserves of META.

Muhammad Wafar

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BBFL
Lahore

BBFL
Lahore

ARTICLE - 3 - THE SCHEME OF ARRANGEMENT

GENERAL

- I. This Scheme of Arrangement has been formulated pursuant to the provisions of Sections 279 to 283 of the Act for the transfer and vesting of the Undertaking and Business of META (as a Transferor) into BBFL (as Transferees) as given in Schedule - 1. Upon the completion of merger / amalgamation through the intended Scheme, META will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up, and the shares of BBFL shall be issued to the registered members/shareholders of META.
- II. Requisite changes in the Memorandum of Association of BBFL shall be allowed and be made to accommodate additional/ extended operations of META. The Board of Directors of BBFL is empowered to make requisite changes in the Memorandum and Articles of Association of the BBFL.
- III. The transferee (BBFL) shall be bound to discharge any liability in respect of the assets acquired and any liability in respect of the assets shall not exceed the transferor's (META) cost of the assets at the time of the disposal and the transferee must not be exempt from tax for the tax year in which the disposal takes place.
- IV. Accumulated losses of BBFL shall be re-characterized/ reconstructed under the Scheme and set-off against Surplus on revaluation surplus of operating fixed assets as described in Schedule-3 - Statement of Financial Position showing Merger Effect.
- V. Assets, liabilities and undertaking (as per Schedule 1) of META will be transferred to BBFL with same rights, obligations, privileges and covenants. Moreover, Shares of BBFL shall be issued to the shareholders of META through merger functionality of CDC. Thus same status and encumbrance attached to the META shares shall be attached/transferred to the shares of BBFL for those shareholders.
- VI. After merger (and after issuance of shares of BBFL to the shareholders of META), the shareholders of BBFL can change/ amend the business/principal line of business of merged entity (BBFL) by following the relevant laws and regulations.

TRANSFER OF THE UNDERTAKING AND BUSINESS FROM META TO BBFL

- VII. The Undertaking and Business of META shall be transferred and vested in BBFL in the following manner:
 - a. The designated immovable (including land, building, usufruct with all equitable and legal rights) and movable assets, liabilities, revaluations reserves, capital and revenue reserves described in Schedule - 1 (The Undertaking and Net Assets of META to BBFL) shall stand transferred/vested to BBFL from META. Generally, these net assets include land, building,

M. S. Khan
Secretary
BBFL
Lahore
Punjab
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BBFL
Lahore
Punjab
1999

equipment, investment property, cash and bank balances, revaluation reserves and related liabilities.

- b. The Undertaking of META, including land, building, usufruct with all equitable and legal rights, as at the effective date shall, without any further act, instrument or deed, be and the same shall stand transferred/vested to and be vested or deemed to have been transferred to or vested in BBFL on the Effective Date.
- c. Notwithstanding anything contained in the Stamp Act, 1899 (II of 1899) or any other law for the time being in force, no stamp duty shall be payable on transfer to the transferee company (i.e. BBFL) of the whole or any part of the undertaking and of the property of any transferor company (i.e. META) as a result of sanctioning of the Scheme by the honorable Court.
- d. The transfer / vesting shall be subject to the existing rights (equitable and legal rights), charges mortgages and hypothecation, if any. There are, however no charges/mortgages/hypothecation registered on the assets of META. The land shall stand transferred/vested in the name of BBFL upon completion of all legal and regulatory procedures/Clearance from the Lahore Development Authority.
- e. Such assets of META, which are moveable in nature or are capable of transfer by manual / physical delivery or by endorsement and delivery, shall be so transferred and shall become the property of BBFL as its integral part. All the bodies, departments and concerned institutions/companies, wherever required, shall transfer the assets without any cost, taxes, any further act or deed by the BBFL.
- f. All the utility licenses, connections, meters, and other facilities for electricity, gas, water, telecommunications and others allowed, licensed or provided by any Government agency (including Water and Power Development Authority, Water and Sanitation Agency, Sui Northern Gas Pipelines Limited, Sui Southern Gas Limited) or other agency to the META with the respective benefits including the deposits and prepayments, Government approvals, (if any) will stand transferred without any additional charges/costs to the BBFL. The security deposits and any other cost paid by META against any of these and other existing facilities shall remain unchanged and the charge of name shall take place without any additional fee, charges or costs whatsoever and without any delay.
- g. All the registrations, rights, powers, licenses, permits, sanctions, permissions, privileges of the META shall stand transferred to BBFL.

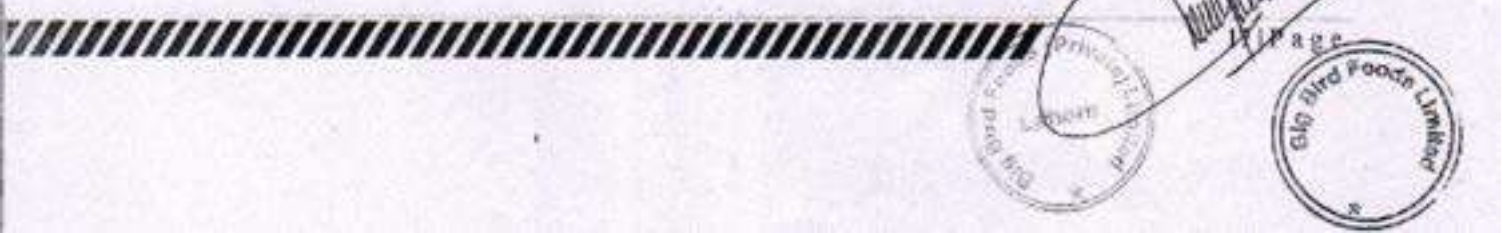
BBFL
BBFL
BBFL



- h. All the titles of land and other immovable property registered in the name of the META will stand transferred in the name of BBFL. However, the existing land and building of META, after transfer to BBFL, shall not be disposed of without the prior written approval of the Commission.
- i. The lease rights (short term and long term), equitable rights, legal rights given by META to the third parties shall be transferred (with all rights and obligations) from META to BBFL.
- j. The existing land and building of META, transferred to BBFL under this Scheme, shall be retained by BBFL and the disposal thereof shall not be allowed without the prior written approval of the SECP. This restriction shall be included in the Memorandum of Association of BBFL.
- k. Undertaking and Business – META (Schedule-1) is transferred/vested to BBFL. If required, requisite changes in the Memorandum of Association of BBFL shall be allowed and be made to accommodate additional/ extended operations of META.
- l. Listing status of META at PSX shall be transferred to BBFL. The shares of **BIG BIRD FOODS LIMITED** shall stand listed on PSX. As the shares of META are eligible for Central Depository System (the "CDS") of Central Depository Company of Pakistan Limited (the "CDC"), the scrip-less shares of BBFL shall be also be the eligible for Central Depository System (the "CDS") of Central Depository Company of Pakistan Limited (the "CDC").
- m. As the purpose of the listing of BBFL at PSX is to enable the company to have a regular price discovery process and also enable the secured creditors of the company to have access to the publicly listed security of the company; therefore, the matter of any write-offs, over-dues, rescheduling/restructuring or litigation, if any, which may appear in the credit information bureau report in respect of the company, its substantial shareholders, directors or promoters, shall not be treated as any hindrance in the listing of the security of the company. Because of BBFL continuing to have normal banking relationship with its secured creditors, improved business outlook and continuity as a going concern, the requisite NOCs to be issued by the secured creditors (financial institutions) in accordance with Section 279 of the Companies Act 2017, shall be deemed as their explicit consent with the Scheme and the resultant listing of BBFL at PSX.

CONDUCT OF BUSINESS BY META TILL THE COMPLETION DATE

VIII. Till the Sanction Date, META shall not sell, transfer or dispose of any of its Undertaking and Business.



- (i) The amalgamation / merger in accordance with this Scheme shall be treated as having taken effect from the Sanction Date and as from that time and until the Effective Date when META's Undertaking and Business is transferred to and vested in BBFL.
- (ii) META shall carry on and be deemed to carry on all its business and activities, if any, and shall stand possessed of its properties and assets, if any, for and on account of and in trust for BBFL and all the profits accruing to META or losses arising or incurred by them, if any, shall for all purposes be treated as the profits or losses, if any, of BBFL.
- (iii) It is hereby undertaken by META that it will carry on its business with reasonable diligence and business prudence, until the Sanction Date and it shall not alienate, charge, mortgage, hypothecate, encumber or otherwise deal with or dispose of the respective Undertakings and Business or any part thereof except, in the ordinary course of business, or without the prior written consent of the Board of Directors of BBFL.

DETERMINATION OF THE UNDERTAKING AND BUSINESS

IX. A balance sheet:

- (i) has been prepared by META (appended herewith as Schedule 5) of the Undertaking and Business, including without limitation, the capital reserves, revenue reserves, revaluation surplus and accumulated profits and losses of META, as reflected in the books of account of META immediately preceding the Effective Date and report of agreed upon procedures from the Auditors has been taken on the books of accounts. Since META is listed Company, its accounts are publicly available and nine months results ending on March 31, 223 has already been disseminated to the shareholders through Pakistan Stock Exchange Limited;
- (ii) shall be prepared by META of the Undertaking and Business, including, without limitation, the share capital, capital and general reserves, revenue reserves, revaluation surplus and accumulated profits and losses of META, as reflected in the books of account of META as of the Sanction Date and which shall be audited by the Auditors of META, within sixty (60) days of the Sanction Date;
- (iii) has been/shall be prepared in accordance with the accounting principles generally accepted in Pakistan and shall include the notes setting out the methodology and assumptions used in identifying the Undertaking and Business of META.

X. A balance sheet:

- (i) has been prepared by BBFL (appended herewith as Schedule 5) of the Undertaking and Business, including without limitation, the capital reserves, revenue reserves, revaluation surplus and accumulated profits and losses of BBFL, as reflected in the books of account of BBFL immediately preceding the Effective Date and which has been audited by the Auditors of BBFL;



- (ii) shall be prepared by BBFL of the Undertaking and Business, including, without limitation, the share capital, capital and general reserves, revenue reserves, revaluation surplus and accumulated profits and losses of BBFL, as reflected in the books of account of BBFL as of the Sanction Date and which shall be audited by the Auditors of BBFL, within sixty (60) days of the Sanction Date;
- (iii) has been/shall be prepared in accordance with the accounting principles generally accepted in Pakistan and shall include notes setting out the methodology and assumptions used in identifying the Undertaking and Business of BBFL.
- (iv) The Statement of Financial Position showing the Merger Effect shall be prepared by the Board of Directors based on the audited financial statement as on Sanction Date that will show the assets, liabilities, reserves (the Undertaking and Net Assets of META) shall be transferred on the Sanction Date and this Statement will be certified by the practicing Chartered Accountant.



Muhammad Irfan

ARTICLE - 4 - SHARES

CONSIDERATION

- I. Upon the Scheme being effective in terms of the order of the Court, shares shall be issued at par value subject to the terms of this Scheme and without any further application, deed or instrument as a consideration for the transfer to and vesting of the Undertaking and Business of METATECH TRADING LIMITED in the BIG BIRD FOODS LIMITED as defined in the Scheme.
- II. The Shares issuance shall be as under:
 - a. SHARES ISSUANCE BY BIG BIRD FOODS LIMITED (BBFL) TO METATECH TRADING LIMITED (META)

METATECH TRADING LIMITED

No. of Shares Outstanding	7,432,425
No. of Shares of BBFL to be issued to the shareholders of META	1,812,786
SWAP Ratio: No. of Shares of META against One Share of BBFL	0.24

METATECH TRADING LIMITED

	Rs.
Total Assets	2,692,468
Less:	
Total Liabilities	-
Net Assets Transferred	2,692,468
Share Capital and Reserves	
Shares of BBFL Issued to the shareholders of META	18,127,860
Accumulated loss	(71,631,782)
Merger Reserves	56,196,390
	2,692,468

- III. Any cross holding, if any, existing at the Sanction Date will be eliminated and shall be given to the shareholders of META and BBFL, as the case may be on the Sanction date.
- IV. The SWAP ratio has been calculated on the basis of valuation of shares of all companies (BBFL and META) by Abdul Khaliq & Co., Chartered Accountants. The resulting SWAP ratio, so worked out, will benefit the members of both the companies.
- V. Normally, the following three factors are given considerations while working out the SWAP ratio:

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Big Bird Foods Limited
Lahore

Big Bird Foods Limited

- a. book value/net asset value/break-up value;
- b. market value of shares; and
- c. dividend earning capacity of the merging companies;
- d. the comparable transaction method;

VI. As BBFL, is unlisted companies; therefore, the market value of shares has not been considered as one of the factors in calculating the SWAP ratio. Similarly, the dividend earning capacities of META and BBFL has not been considered as the other factor as these companies have not declared any dividend as yet. Accordingly, only the last applicable market value of META has been considered as one of the factors in the valuation.

TRANSFER/CANCELLATION OF SHARES

- VII. All members whose names shall appear in the register of member of META, on such date after the Sanction Date as the Board of Directors of BBFL may determine, shall surrender their share certificates for cancellation thereof to BBFL. In default, upon the new shares being allotted and issued by BBFL to the members of META, to those whose names shall appear on the respective register of members on such date, as aforesaid, the share certificate in relation to the shares held by them in META shall be deemed to have been duly cancelled. A notice of up to fourteen (14) days' shall be given to the members of META of the date fixed by the directors of BBFL, for determining the entitlements to ordinary shares of BBFL to be issued to the members of BBFL. The members holding physical shares, if any, will deliver their share certificates to the company for cancellation and shall be issues the shares of BBFL in physical form within thirty (30) days from the reopening of the Book Closure. As the shares of META are eligible for Central Depository System (the "CDS") of Central Depository Company of Pakistan Limited (the "CDC"), the scrip-less shares of BBFL shall be directly credited by book entries in the CDS in lieu of the scrip-less shares of META to their respective Investors' accounts or sub-accounts with CDC participants within thirty (30) days from the reopening of Book Closure as announced for the determination of the merger entitlements.
- VIII. Upon the allotment of the Ordinary shares of BBFL to the members of META in the manner aforesaid, all share certificates representing the ordinary shares of META shall stand cancelled.
- IX. While making physical allotment of the new shares, the fractional allotments above 0.5 shares shall be rounded up to one share and any fraction below 0.5 shall be ignored. However, for shares in CDS fractional shares shall be ignored.
- X. Shares will be issued by BBFL to the members of META under the SWAP ratio. The working of the merger adjustment and the Balance Sheet of BBFL, to emerge immediately after the merger is attached herewith in Schedule-1 and Schedule-3. The merger reserves or goodwill arising of merger, as the case may be, shall be recognized in the books of BBFL.
- XI. New Shares shall be issued by BBFL to META's shareholders.

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BIG BIRD FOODS (PRIVATE) LIMITED
BIG BIRD FOODS LIMITED

- XII. There shall be no cross-holdings between BBFL and META. Any cross-holding shall be distributed amongst the respective shareholders.
- XIII. The distribution of shares and the merger effect are shown in Schedule - 3. The same methodology shall be followed after the Sanction Date.

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Big Bird Foods Limited

Big Bird Foods Limited

ARTICLE - 5 - RIGHTS AND OBLIGATIONS

RIGHTS AND OBLIGATIONS OF BBFL AND META IN RESPECT OF THE UNDERTAKING AND BUSINESS

- I. All suits, appeals, arbitrations, governmental investigations and other legal proceedings instituted by or against META in respect of the Undertaking and Business (as defined in Schedule 1) and pending before any court, tribunal, regulatory body or any other authority shall be treated as suits, appeals and legal proceedings by or against BBFL, and may be continued, prosecuted and enforced by or against BBFL accordingly.
- II. All taxes on income, including but not limited to, advance tax and withholding taxes, collected/deducted from the Effective Date till the Sanction Date in respect of the Undertaking and Business shall, shall be deemed to, be to the benefit and credit of META and shall be transferred to BBFL.
- III. The capital reserves, revenue reserves, revaluation surpluses and accumulated profits and losses of META, as at the day preceding the Effective Date and immediately preceding the Sanction Date respectively, as audited by the Auditors relating to the Undertaking and Business, shall constitute and be treated as reserves and revaluation surpluses of a corresponding nature in BBFL (as defined and mentioned in Schedule 3), and shall be accounted on that basis in the books of accounts of BBFL.
- IV. The authorized share capital of META shall be merged with the authorized share capital of BBFL.

Name of the Company	Authorized Capital before the Scheme	Authorized Capital after the Scheme
BIG BIRD FOODS LIMITED (BBFL)	Rs. 3,000,000,000 divided into 300,000,000 ordinary shares of Rs. 10/- each	Rs. 3,600,000,000 divided into 360,000,000 ordinary shares of Rs. 10/- each
METATECH TRADING LIMITED (META)	Rs. 600,000,000 divided into 60,000,000 ordinary shares of Rs. 10/- each	Dissolved by the Order of the Honorable Lahore High Court, Lahore without winding up
Total in Rs.	Rs. 3,600,000,000	Rs. 3,600,000,000

- V. The merged authorized capital may also be increased further, if so required, with the approval of the shareholders by passing a special resolution in the general meeting, in accordance with the requirements of the Companies Act, 2017.
- VI. The transferee (BBFL) must undertake to discharge any liability in respect of the assets acquired, if any, and any liability in respect of the assets must not exceed the transferor's cost of the assets at the time of the disposal and the transferee must not be exempt from tax for the tax year in which the disposal of such assets takes place.



- VII. The assets acquired by the transferees (BBFL) shall be treated as having the same character as the same had in the hands of the transferor (META).

TRANSFER OF STAFF AND EMPLOYEES

- VIII. Every officer, staff or other employees of META, as existing on the **Effective Date**, shall become the officers, staff or employees, as the case may be, of BBFL (as mentioned in Schedule 4) on the basis that their services have not been interrupted by the transfer and vesting of the Undertaking and Business of META into BBFL, under this Scheme and on the same remuneration and other conditions of service, rights, privileges as to the provident fund, gratuity, any other retirement funds, if any, and other matters as had been applicable to them, before the effective date.



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ARTICLE - 6 - GENERAL PROVISIONS

SANCTION AND EFFECTIVENESS OF SCHEME

I. Sanctions and Provisions of the Scheme:

- (i) This Scheme has been formulated in terms of the provisions of Section 279 and all other enabling provisions of the Act and for an order under Section 282 (along with Section 283) of the Act for bringing the Scheme into effect.
- (ii) This Scheme is subject to the sanction of the Court and may be sanctioned in its present form or with or without any modification thereof or addition thereto as the Court may approve and this Scheme shall become effective, with such modification or addition, if any, also subject to any conditions, which the Court may impose.
- (iii) The respective Boards of Directors of META and BBFL have approved the foregoing Scheme for the submission of the same to the Court. The respective Board of Directors of BBFL and META, have also authorized, consented to, either singly or jointly on behalf of all concerned, to any modifications or additions or alterations to this Scheme or to any conditions, which the Court may think fit to impose and may give any directions, as the honorable Court may consider necessary to settle any question(s) or difficulty arising under this Scheme or in regard to its implementation or in any matter connected therewith.
- (iv) The provisions of this Scheme shall become binding and operative on the date (the "Sanction Date") that a certified copy of the order of the Court, sanctioning this Scheme under Section 279 of the Act, and by making any necessary provisions under Section 282 of the Act, and upon such Scheme having been filed with the office of the Registrar of Companies, SECP, Lahore.
- (v) Notwithstanding that the Scheme becomes binding and operative on the Sanction Date, the merger of META, and transfer to and vesting in BBFL, of the Undertaking and Business shall be deemed to have taken place on the "Effective Date" and shall be treated accordingly, as per the provisions of this Scheme.
- (vi) Except as expressly otherwise stated herein, the Undertakings and the Business, following the Sanction Date, shall be recorded in the books of account of META (as per Schedule 1) at the respective values appearing in the books of account of BBFL on the date preceding the Effective Date.
- (vii) Each of META and BBFL shall take all actions and execute all formalities considered and deemed necessary and expedient by their respective Boards of Directors to properly and smoothly cause the transfer and vesting of the respective Undertakings and Businesses in the manner stated herein, and shall carry out and execute this Scheme pursuant to and in accordance with the order of the Court.



- (viii) Without prejudice to the generality of the foregoing, the respective Boards of Directors of META and BBFL, may, generally or with regard to any specific issue or matter related to the execution and implementation of the Scheme, upon its due approval by the Court, authorize any person(s) or officials to carry out such acts, deeds and things as may be deemed expedient and necessary, for a proper and smooth implementation of the Scheme from time to time.
- (ix) The Board of Directors of META and BBFL have given their assent to any modification or amendment to the Scheme or to agree to any terms and/or conditions, which the Court and / or any other Authority, Body or Commission under the law, may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and / or carrying out the Scheme and to do all acts, deed and things as may be necessary or desirable or expedient for putting the Scheme into effect.
- (x) For the purposes of giving effect to the Scheme or any modification or amendment thereof, the directors of BBFL are hereby authorized by META to give such directions and / or to take all such steps and actions as may be necessary or desirable including any direction for settling any question or doubt or difficulty, whatsoever that may arise from time to time.
- II. As of the **Sanction Date**, the terms of this Scheme shall be binding on each of META and BBFL and all their respective shareholders, members, employees, debtors and creditors and any person having any right or liability in relation to them.
- III. All the costs, charges and expenses, incurred / to be incurred in relation to or in connection with the Scheme of Arrangement and of carrying out the implementation of the Scheme or incidental to the completion of the amalgamation/merger in pursuance of the Scheme, shall be borne and paid by BBFL.
- IV. There can be difference in tax year(s) between effective date and sanction date. Tax returns shall not be changed/revised for the effective dates for the entities involved (i.e. BBFL and META). Moreover, tax position as on Sanction date shall be carried forward to the transferee i.e. from META to BBFL.
- V. This Scheme shall become null and void, subject to the following and in that event, no rights and liabilities shall accrue to or be incurred in terms of this Scheme:
- (i) if the Scheme is not approved by the requisite majority of the shareholders and members of any of META and BBFL;
 - (ii) if the sanction of the Court in respect of this Scheme is not obtained by such date (if any) as may be mutually agreed by the respective Board of Directors of META and BBFL.
- VI. After the **Sanction Date**, the shares of BBFL shall be technically listed on the Pakistan Stock Exchange under the order of the Court without any further, act, deed, formality or fee, subject to the filing of such documentation as may be required by it, in accordance with applicable rules and regulations.



VII. After the Sanction Date, META will be dissolved by the Order of the Honorable Lahore High Court, Lahore without winding up.

DELISTING / LISTING

- VIII. Subsequent to the Sanction Date, **METATECH TRADING LIMITED** shall stand de-listed from Pakistan Stock Exchange Limited within such timeframe during which the shares reconstruction arrangement is completed, and the members of META shall be allotted the shares by BBFL.
- IX. Subsequent to the Sanction Date, the shares of **BIG BIRD FOODS LIMITED** shall stand listed on PSX within such timeframe during which the shares reconstruction arrangement under this Scheme is completed, without any further, act, deed, formality or fee except that BBFL shall be required to file all required documentation to PSX for the purposes of listing.
- X. The opening price shall be based on the P/E ratio, which is determined on the basis of the market equivalent share and the earning potential of the merged balance sheet of both of these companies as determined under the Auditors' Certificate after taking into the impact of the SWAP ratio, but it shall not be less than the par value of the shares of BBFL (i.e PKR 10/- per share). Based on the Auditors' Certificate, the Board of Directors of BBFL shall communicate the opening price of the BBFL to PSX accordingly.

MISCELLANEOUS

- XI. This Scheme shall be governed by and be construed in accordance with the substantive and procedural laws of Pakistan.
- XII. The section or headings used in this Scheme, are solely for the convenience of reference, and shall not affect the meaning or interpretation of this Scheme or any of its provisions.
- XIII. The transfer, vesting and amalgamation of the Undertaking and Businesses in terms of this Scheme shall not: (i) constitute any assignment, devolution, conveyance, alienation, parting with possession, or other disposition under any law for the time being in force; (ii) give rise to any forfeiture; (iii) invalidate or discharge any contract; and (iv) give rise to any right of first refusal or pre-emptive right.
- XIV. This Scheme is subject to the sanction of the Court and may be sanctioned in its present form or with any modification thereof or addition thereto as the Court may approve; and this Scheme is also subject to any such modification or addition or conditions, if any, which the Court may impose.
- XV. The SWAP ratio (as mentioned in this Scheme and having been duly approved by way of the special resolution) will not be changed unless directed (and accepted by the Company) by the honorable Lahore High Court or the Securities and Exchange Commission of Pakistan. Any difference, if any, will be adjusted either in the goodwill or merger reserves, as the case may be. No further approval of any



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change having been ordered by the honorable Court or the SECP, shall be required from the shareholders of the Company.

- XVI. The Board of Directors of BBFL shall have the power to rectify any rounding errors or typographical errors, if any in the Scheme and it will not affect the spirit and efficacy of the Scheme.



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**SCHEDULE - 1 The Undertaking and Net Assets of METATECH TRADING LIMITED
to BIG BIRD FOODS LIMITED**

Loans and advances		Rs.	469,688
Deposits and prepayments			2,222,780
			<hr/>
			2,692,468
Shares to be Issued under SWAP Ratio	Nos.		1,812,786
Shares to be Issued under SWAP Ratio	Rs.		18,127,860
Merger reserves	Rs.		56,196,390
Shares to be Issued under SWAP Ratio	Rs.		18,127,860
Accumulated loss	Rs.		(71,631,782)
			<hr/>
			2,692,468

The above figures are based on unaudited accounts as on effective date i.e. March 31, 2023. However, these figures may change based on the audit for the said period. But this will not affect the SWAP ratio and difference will be adjusted in merger reserve. Moreover, actual transfer shall be effectuated on the Sanction date and this will not affect the SWAP ratio and difference will be adjusted in merger reserve.

Munish Kumar Singh
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Big Bird Foods Limited
Lahore
Big Bird Foods Limited

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SCHEDULE - 2

List of the shareholders of BIG BIRD FOODS LIMITED

List of the shareholders of METATECH TRADING LIMITED

List of shareholders will be added on the effective date



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SCHEDULE - 3 - The Statement of Financial Position showing Merger Effect

	Big Bird Foods Limited	Metatech Trading Limited		Big Bird Foods Limited
	BBFL	META	Merger Effect/	BBFL
	March 31, 2023	March 31, 2023	Reclassification	After Merger
	Rs.	Rs.	Rs.	Rs.
ASSETS				
Non-current assets				
Property, plant and equipment	7,053,743,106			7,053,743,106
Capital work in progress	122,393,167			122,393,167
Long term loans and advances	966,604			966,604
Long term deposits and prepayments	30,618,707			30,618,707
	7,207,721,584			7,207,721,584
Current assets				
Stores and spares	362,706,263			362,706,263
Stock in trade	855,781,027			855,781,027
Trade debts	979,659,551			979,659,551
Loans and advances	146,787,173	469,688		147,256,861
Deposits and prepayments	2,674,448	2,222,780		4,897,228
Short term investment	34,059,616			34,059,616
Cash and bank balances	58,223,945			58,223,945
	2,439,892,023	2,692,468		2,442,584,491
TOTAL ASSETS	9,647,613,607	2,692,468		9,650,306,075
EQUITY AND LIABILITIES				
Share capital and reserves				
Authorized share capital	3,000,000,000	600,000,000		3,600,000,000
Issues, subscribed and paid up capital	2,970,930,000	74,324,250		2,989,057,860
Accumulated loss	(1,812,283,470)	(71,631,782)	1,883,915,252	-
Surplus on revaluation surplus of operating fixed assets	3,456,416,840		(1,883,915,252)	1,572,501,588
Merger reserves				56,196,390
	4,615,063,370	2,692,468		4,617,755,838
Non-current liabilities				
Long term finance - secured	1,068,857,610			1,068,857,610
Deferred markup	272,457,347			272,457,347
Diminishing musharaka finance	405,432,857			405,432,857
Deferred taxation - net	770,269,690			770,269,690
Employees' benefit obligations	77,840,050			77,840,050



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	2,594,857,554	-	2,594,857,554
Current liabilities			
Current and overdue portion of current liabilities	788,753,629		788,753,629
Short term borrowings	339,737,259		339,737,259
Trade and other payables	734,137,737		734,137,737
Accrued and deferred mark-up	575,064,058		575,064,058
	2,437,692,683	-	2,437,692,683
TOTAL EQUITY AND LIABILITIES	9,647,613,607	2,692,468	9,650,306,075



Waqar Hussain

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Big Bird Foods Limited
Lahore

Big Bird Foods Limited

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SCHEDULE - 4 - Transfer of Staff and Employees

- 1. Muhammad Usman - Company Secretary and CFO
- 2. Ameer Hamza - Sales / Operation Officer

Mr. Sohail Habib is executive director (and Chief Operating Officer). However, he will resign on or before Sanction Date and will not be transferred to BBFL.



Muhammad Usman

Big Bird Foods Limited
Lahore

Big Bird Foods Limited

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SCHEDULE - 5

- The Statement of Financial Position - BIG BIRD FOODS LIMITED
The Statement of Financial Position - METATECH TRADING
LIMITED

As attached

Muhammad Iqbal

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31/05/2018
31/05/2018
31/05/2018

31/05/2018

31/05/2018



ABDUL KHALIQ & CO.
CHARTERED ACCOUNTANTS

ANNEX. 0 - 151 -

HB/22-275

The Board of Directors
Big Birds Food Limited
2-A, Ahmad Block, New Garden Tow, Lahore;

The Board of Directors
Metotech Trading Limited
Room No. 508, LSE Plaza, Khayaban-e-Aiwan-Iqbal, Lahore;

Dear Sirs,

AUDITORS CERTIFICATE ON SHARE SWAP RATIO

We have been requested to certify the basis of determination of share swap ratio as on March 31, 2023 upon proposed merger of Metotech Trading Limited (META) with and into Big Bird Foods Limited (BBFL) under the scheme of Compromises, Arrangement and Reconstruction [in terms of provisions of Sections 279 to 283 and all other enabling provisions of the Companies Act, 2017].

AMALGAMATION / MERGER SCHEME (PURPOSE AND OBJECTS)

Under the scheme, the BBFL will acquire the assets and liabilities of META and the Undertaking and Business of META shall be transferred to BBFL.

On the completion of merger / amalgamation and after the issuance of shares of BBFL to the registered members of META, META will be dissolved by the order of the Honorable Lahore High Court, without winding up.

SCOPE OF THE CERTIFICATE

The management of the Big Bird Foods Limited are in the process of filing the Scheme of Merger of Big Bird Foods Limited with and into Meta Trading Limited, a listed company where all the assets and related liabilities of the META shall be transferred to BBFL and shares shall be issued to the shareholders of META subject to the approval of the Honorable Lahore High Court, Lahore, on the Scheme of Compromises, Arrangement and Reconstruction in terms of provisions of sections 279 to 282 and all other enabling provisions of the Companies Act, 2017.

MANAGEMENT'S RESPONSIBILITY

It is the management's responsibility to prepare the share swap ratio in accordance with the Scheme of Arrangement under sections 279 to 282 and all other enabling provisions of the Companies Act, 2017. This certificate does not relieve the management from its responsibility.

AUDITOR'S RESPONSIBILITY

Our responsibility is to certify that the share swap ratio has been properly computed and determined on the basis of the average [of market value and book value] of both companies. As BBFL, is unlisted companies; therefore, the market value of shares has not been considered as one of the factors in calculating the SWAP ratio. Similarly, the dividend earning capacities of META and BBFL has not been considered as the other factor as these companies have not declared any dividend as yet. Accordingly, only the last applicable market value of META has been considered as one of the factors in the valuation.

Accordingly, our verification was limited to the following procedures:

1. We have obtained information about the net assets of the Metatech Trading Limited to be transferred to Big Bird Foods Limited from its audited financial statements as on March 31, 2023.
2. We have obtained the pattern of shareholding of Metatech Trading Limited as at March 31, 2023 for the purpose of determination of the party wise shares to be issued to its each respective share holder by the transferees in proportion to the shares previously held by each of them in Metatech Trading Limited of same class, kind and face value.
3. We have obtained information as to the last applicable market value of META.
4. We have verified the computation of the swap ratio as prepared by the management of the Big Bird Foods Limited to effectuate the scheme of merger (attached as **Annexure - A**).
5. We have checked that all the financial information used in the swap ratio regarding the assets and liabilities is based on the audited financial statements and according to the provisions of the proposed scheme of merger and amalgamation as approved by the BOD of Big Bird Foods Limited and all the allocations and transfers of the net assets have been made in the ratio as decided by the management.
6. We have checked the financial information of the entities as regards to all the assets, liabilities, share capital and reserves after the proposed scheme of demerger and amalgamation takes effect and confirmed that the net assets are transferred to the transferee companies in the allocation criteria as decided by the management that also serves the basis for the determination of swap ratio regarding the net assets transferred and issuance of shares by the transferees there-against.

CERTIFICATE

Based on the procedures mentioned above, we certify that the shares to be issued by the Big Bird Foods Limited ("transferee companies") to the existing shareholders of META under the scheme of amalgamation / merger in a swap ratio of 4.1:1 i.e. 243.90 ordinary shares of BBFL for every 1,000 ordinary shares (i.e. 0.24 shares of BBFL against every One share of META) held in META (Referred to **Annexure - A**).

Our certificate is in accordance with the "Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms" issued by the Institute of Chartered Accountants of Pakistan (ICAP). Our verification was limited to the information as mentioned above.

Restriction on use and distribution

This certificate is being issued on the specific request of the management of Big Bird Foods Limited for the purpose of submission to the Honorable Lahore High Court, Lahore in connection with the Scheme of Compromises, Arrangement and Reconstruction of Metatech Trading Limited Into Big Bird Foods Limited whereby the META will be dissolved by the order of Honorable Lahore High Court, Lahore, without winding up and the issuance of shares to the existing shareholders of META by the transferee company in terms of the provisions of sections 279 to 282 and all other enabling provisions of the Companies Act, 2017 and shall not be used for any other purpose specified therein.

ABDUL KHALIQ & CO.
CHARTERED ACCOUNTANTS



Lahore: June 22, 2023

Annexure - A
Scheme of Compromise, Arrangement and Reconstruction for Amalgamation/Merger of
Metatech Trading Limited (and its members) with and into Big Bird Foods Limited (and its members)

Impact of the Scheme

	Before Merger		After Merger
	Big Bird Foods Limited BBFL Transferee March 31, 2023 Rs.	Metatech Trading Limited META Transferor March 31, 2023 Rs.	Big Bird Foods Limited BBFL Transferee March 31, 2023 Rs.
Non-current assets	7,207,721,584	-	7,207,721,584
Current assets	2,439,892,023	2,692,468	2,442,584,491
Total Assets	9,647,613,607	2,692,468	9,650,306,075
Less:-			
Non-current liabilities	(2,594,857,554)	-	(2,594,857,554)
Current liabilities	(2,437,680,683)	-	(2,437,680,683)
Total Liabilities	(5,032,538,237)	-	(5,032,538,237)
Net Assets	4,615,075,370	2,692,468	4,617,767,838
Represented by			
Issues, subscribed and paid up capital	2,970,930,000	74,324,250	3,045,254,250
Accumulated loss	(1,812,283,470)	(71,631,782)	(1,883,915,252)
Surplus on revaluation surplus of operating fixed assets	3,456,416,840	-	3,456,416,840
Loan from director - related party	-	-	-
Merger reserves	-	-	56,196,390
Share capital and reserves	4,615,075,370	2,692,468	4,617,767,838

SWAP Ratio is determined as follows:

		Big Bird Foods Limited	Metatech Trading Limited
Shares Outstanding	Nos.	297,091,000	7,432,425
Par/ Face Value	Rs./share	10.00	10.00
Book Value	Rs./share	15.55	0.36
Market Value - June 21, 2023	Rs./share	Not Applicable	7.25
SWAP ratio			4.30 shares of META against One share of BBFL

ie. 243.90 shares of BBFL against 1,000 shares of META

1 - Allocation has been determined by the management of the aforementioned companies.

2 - SWAP ratio is determined based on the Average [of market value and book value] of both companies.

As BBFL is unlisted company; therefore, the market value of shares has not been considered as one of the factors in calculating the SWAP ratio. Similarly, the dividend paying capacities of META and BBFL has not been considered as the other factor as these companies have not declared any dividend as yet. Accordingly, only the last applicable market value of META has been considered as one of the factors in the valuation.

3 - Upon the completion of merger / amalgamation through the Intended Scheme, META will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up, and the shares of BBFL shall be issued to the registered members/shareholders of META.

Metatech Trading Limited		
Net Assets to be transferred	Rs.	2,692,468
Shares of BBFL to be issued to the Shareholders of META under SWAP Ratio	Nos.	1,812,786
Value of Shares at par	Rs.	18,127,860 (A)
Value of Shares at Book Value	Rs.	27,664,674

Reconciliation

	BBFL	META	Total
	Rs.	Rs.	Rs.
Before Merger			
Issues, subscribed and paid up capital	2,970,930,000	74,324,250	3,045,254,250
Accumulated loss	(1,812,283,470)	(71,631,782)	(1,883,915,252)
Surplus on revaluation surplus of operating fixed assets	3,456,416,840	-	3,456,416,840
	4,615,075,370	2,692,468	4,617,767,838
After Merger			
Issues, subscribed and paid up capital	2,989,057,860	-	2,989,057,860
Accumulated loss	-	-	-
Surplus on revaluation surplus of operating fixed assets	1,572,501,588	-	1,572,501,588
	4,561,559,448	-	4,561,559,448
Merger reserves	-	(B)	56,196,390

(A) + (B) = Issues, subscribed and paid up capital of META

74,324,250





ABDUL KHALIQ & CO.
CHARTERED ACCOUNTANTS

Annex - K
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INDEPENDENT AUDITOR'S REPORT

To the members of **Big Bird Foods (Pvt.) Limited**
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Big Bird Foods (Pvt.) Limited (the Company), which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss, statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the period then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan.

Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise

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related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

- Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

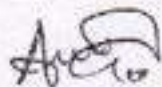
We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the period were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Abdul Khaliq.



Abdul Khaliq & Co.,
Chartered Accountants

Place: Lahore

Date: 21 June, 2023

UDIN:AR202310293dGEqllvQ



appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the

Big Bird Foods (Private) Limited
Statement of Financial Position
As at March 31, 2023

*Annex - 2 -
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	March 31, 2023	June 30, 2022
ASSETS		
Non-current assets		
Property, plant and equipments	7,053,743,106	7,294,903,142
Capital work-in-progress	122,393,167	101,141,913
Long term loans and advances	966,604	1,620,241
Long term deposits and prepayments	30,618,707	13,844,027
	7,207,721,585	7,411,509,323
Current assets		
Stores and spares	362,706,263	310,620,578
Stock in trade	855,781,027	743,994,094
Trade debts	979,659,551	930,991,108
Loans and advances	146,787,123	164,557,752
Deposits and prepayments	2,674,448	1,264,354
Short term investment	34,059,616	34,025,145
Cash and bank balances	58,223,945	51,394,216
	2,439,892,024	2,236,847,247
TOTAL ASSETS	9,647,613,608	9,648,356,571
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized Share Capital: 300,000,000 (2022: 300,000,000) ordinary shares of Rs.10 each	3,000,000,000	3,000,000,000
Issued, subscribed and paid-up share capital	2,970,930,000	2,970,930,000
Accumulated Loss	(1,812,283,467)	(1,902,792,080)
Surplus on revaluation of operating fixed assets	3,456,416,840	3,557,950,775
Loan from director - related party	16,000,000	16,000,000
Total equity	4,615,063,373	4,642,088,695
Non-current liabilities		
Long term finances - secured	1,068,857,610	1,439,857,610
Deferred markup	272,457,347	258,872,528
Diminishing musharaka finance	405,432,857	405,432,857
Deferred taxation-net	770,269,690	814,619,796
Employee's benefit obligation	77,840,050	78,110,372
	2,594,857,554	2,996,893,162
Current liabilities		
Current and over due portion of non-current liabilities	788,753,629	802,253,625
Short term borrowings	339,737,259	361,769,415
Trade and other payables	734,137,737	457,529,421
Accrued and deferred mark-up	575,064,058	387,822,249
	2,437,692,682	2,009,374,713
Contingencies and commitments	-	-
TOTAL EQUITY AND LIABILITIES	9,647,613,608	9,648,356,571

The annexed notes from 1 to 46 form an integral part of these financial statements.

[Signature]
Director

[Signature]
Director

[Signature]
Director



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Big Bird Foods (Private) Limited
Statement of Profit or Loss
For the Nine Month Period Ended March 31, 2023

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		March 31, 2023	March 31, 2022
.....Rupees.....			
Sales - net	28	4,393,220,193	2,700,118,718
Cost of sales	29	(3,964,377,716)	(2,565,482,201)
Gross Profit		428,842,477	134,636,517
Distribution and selling expenses	30	(128,299,880)	(90,763,904)
Administration expenses	31	(88,311,898)	(81,600,606)
Other expenses	32	(6,215,248)	(9,655,238)
		(222,827,026)	(182,019,748)
Other income	33	206,015,451	(47,383,231)
Profit/ (Loss) from operations		103,563,858	21,514,951
Finance cost	34	(331,457,293)	(255,117,112)
Loss before taxation		(21,877,984)	(280,985,392)
Taxation	35	10,852,661	22,569,227
Loss after taxation		(11,025,323)	(258,416,165)

The annexed notes from 1 to 46 form an integral part of these financial statements.


Director


Director


Director

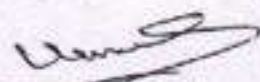
Big Bird Foods (Private) Limited
Statement of Comprehensive Income
For the Nine Month Period Ended March 31, 2023

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March 31, March 31,
2023 2022
.....Rupees.....

Loss after taxation	(11,025,323)	(258,416,165)
Remeasurements chargeable to other comprehensive income		5,516,511
Total comprehensive loss for the period	(11,025,323)	(252,899,654)

The annexed notes from 1 to 46 form an integral part of these financial statements.


Director


Director


Director

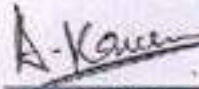
Big Bird Foods (Private) Limited
Statement of Cash Flows
For the Nine Month Period Ended March 31, 2023

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	Notes	March 31, 2023	March 31, 2022
.....Rupees.....			
Cash flow from operating activities			
Cash flows from operations	36	588,759,785	47,560,064
Net Increase/ (decrease) in long term loans to employees		655,637	(127,897)
Net (Increase)/ decrease in long term deposits and prepayments		(16,774,680)	733,072
Finance cost paid		(130,630,664)	(70,889,320)
Gratuity paid		(5,858,107)	(6,559,661)
Income tax refunded		5,082,310	-
Income tax paid		(20,169,716)	(19,917,487)
Net cash (used in) generated from operating activities		121,062,564	(49,201,229)
Cash flow from investing activities			
Capital expenditure on property, plant and equipment's		(1,167,716)	(160,000)
Capital work-in-progress		(21,251,254)	(486,000)
Proceeds from sale of fixed assets		28,867,000	-
Interest received on short term investment		1,851,289	1,333,713
Net cash generated from investing activities		8,299,319	687,712
Cash flow from financing activities			
Share money deposited		-	92,698,000
Loan from/ (to) Director		(16,000,000)	16,000,000
Long term financing - repayments		(376,000,000)	(105,765,274)
Proceeds from short term financing - net		(22,032,156)	(940,433)
Diminishing musharaka finance- repayments		(8,500,000)	-
Net cash (used in) generated from financing activities		(422,532,156)	1,992,293
Net increase/ (decrease) in cash and cash equivalents		6,829,727	(46,521,224)
Cash and cash equivalents at the beginning of the year		85,394,218	96,671,388
Cash and cash equivalents at the end of the year	36.1	92,223,945	50,150,165

The annexed notes from 1 to 46 form an integral part of these financial statements.


Director


Director


Director

Big Bird Foods (Private) Limited
Statement of Changes in Equity
For the Nine Month Period Ended March 31, 2023

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	Capital Reserves			Revenue reserves		Total
	Share capital	Share deposit money	Revaluation surplus	Accumulated losses	Director's Loan	
	Rupees					
Balance as at July 01, 2021	2,100,000,000	778,232,000	3,701,385,946	(1,748,695,931)	-	4,830,922,016
Loss for the period	-	-	-	(258,416,165)	-	(258,416,165)
Other comprehensive income	-	-	-	5,516,511	-	5,516,511
Total comprehensive loss	-	-	-	(252,899,654)	-	(252,899,654)
Incremental depreciation - net of tax	-	-	(107,576,379)	107,576,379	-	-
	-	-	(107,576,379)	107,576,379	-	-
Transactions with owners:						
Share deposit money received	-	92,698,000	-	-	-	92,698,000
Share capital issued	870,930,000	(870,930,000)	-	-	-	-
Loan received from director	-	-	-	-	16,000,000	16,000,000
	870,930,000	(778,232,000)	-	-	16,000,000	108,698,000
Balance as on March, 31 2022	2,970,930,000	-	3,593,809,568	(1,894,019,206)	16,000,000	4,686,720,362
Balance as at July 01, 2022	2,970,930,000	-	3,457,950,775	(1,902,792,080)	16,000,000	4,642,088,695
Loss for the period	-	-	-	(11,025,323)	-	(11,025,323)
Total comprehensive loss	-	-	-	(11,025,323)	-	(11,025,323)
Incremental depreciation - net of tax	-	-	(101,533,935)	101,533,935	-	-
	-	-	(101,533,935)	101,533,935	-	-
Transactions with owners:						
Loan repaid to director	-	-	-	-	(16,000,000)	(16,000,000)
	-	-	-	-	(16,000,000)	(16,000,000)
Balance as at March 31, 2023	2,970,930,000	-	3,456,416,840	(1,812,288,467)	-	4,615,063,372

The annexed notes from 1 to 46 form an integral part of these financial statements.


Director


Director


Director

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Big Bird Foods (Private) Limited
Notes to the Financial Statements
For the Period Ended March 31, 2023

1 Legal status and operations

- 1.1 M/s Big Bird Foods (Private) Limited is large sized company incorporated on September 21, 2011 in Pakistan as a Private Limited Company under the Companies Ordinance, 1984 (repealed with enactment of The Companies Act, 2017). The principal activities are poultry farming, slaughtering, processing and supply of finished & semi finished poultry food products.

The geographical location and address of the company's business unit and plant is as under;

- The company's registered office is situated at 2-A, Ahmad Block, New Garden Town Lahore.
- The company's manufacturing facilities are located at 63 Km Multan Road, Lahore.

2 Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with accounting and reporting standards applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.1 Significant events

On May 19, 2023, the company entered into an agreement with MetaTech Trading Limited (META), a public listed company, to obtain complete management control of the META. Consequently, the company is currently strategizing a reverse merger with MetaTech Trading Limited. In pursuance of the agreement with META Big Bird Foods (Pvt.) Ltd has initiated the process of converting into a public limited company. This conversion would allow the company to offer its shares to the general public and potentially list them on a stock exchange.

2.2 Basis of measurement and preparation

These financial statements have been prepared under historical cost convention, except as disclosed in policies.

2.3 Functional and presentation currency

The financial statements are presented in Pakistan rupee (PKR) which is the Company's functional and presentation currency. Amounts presented in Pakistan rupee have been rounded off to nearest rupee, unless otherwise stated.

2.4 Use of estimates and judgment

In preparing these financial statements, the management has made judgments, estimates and assumptions that affect the application of company's accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Information about judgments made in applying accounting policies that have significant effect on the amounts recognized in the financial statements are discussed in the ensuing paragraphs.

2.4.1 Property, plant and equipments

The Company reviews the residual values and useful lives of property, plant and equipment on regular basis. Further where applicable, an estimate of recoverable amount of assets is made for possible impairment on an annual basis. Any change in such estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with corresponding effect on the depreciation charge, impairment and related deferred tax liability.

2.4.2 Provision for inventory obsolescence

The Company reviews the net realizable value of stock in trade and stores, spare parts and loose tools to assess any diminution in the respective carrying values. Net realizable value is determined with reference to estimated selling price less estimated cost to complete and estimated cost to make the sales.

2.4.3 Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss.

Big Bird Foods (Private) Limited
Notes to the Financial Statements
For the Period Ended March 31, 2023

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2.4.4 Taxation

The Company takes into account the current income tax laws and decisions taken by the taxation authorities. Instances where the Company's view differs from the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

2.4.5 Provisions and contingencies

A provision is recognized, as a result of past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at pre-tax rate that reflects the current market assessments of the time value of money and the risk specific to the liability. The un-winding or discount is recognized as finance cost, if any.

Where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation can not be measured with sufficient reliability, it is disclosed as contingent liability.

2.4.6 Impairment

2.4.6.1 Impairment of financial assets

The Company measures loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortized cost after considering the pattern of receipts from and future financial outlook of the counterparty and is reviewed by the management on regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of assets with a corresponding effect on the profit or loss.

2.4.6.2 Impairment of non financial assets

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If such indication exists, recoverable amount is estimated using criteria given in respective accounting standards to determine the extent of impairment loss, if any.

2.5 New accounting standards, amendments and IFRS interpretations that are effective during the period

The following standards, amendments and interpretations are effective for the year ended June 30, 2022. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

2.5.1 Standards or Interpretations with no significant impact

**Effective from annual
period beginning on or after**

Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

January 01, 2021

Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021

April 01, 2021

Certain annual improvements have also been made to a number of IFRSs.

2.5.2 Standards, interpretations and amendments

New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

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Big Bird Foods (Private) Limited
Notes to the Financial Statements
For the Period Ended March 31, 2023

Standards or Interpretations with no significant impact	Effective from annual period beginning on or after
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely
Amendments Lease Liability in a Sale and Leaseback	January 01, 2024

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

IFRS 17 Insurance Contracts

IFRS 1 First-time Adoption of International Financial Reporting Standard

3 Summary of significant accounting policies

3.1 The accounting policies have been applied consistently to all periods presented in these financial statements;

3.2 Property, plant and equipment's

Property, plant and equipments except for freehold land, capital work in progress are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land and capital work in progress are stated at cost less allowance for impairment, if any. Cost of property, plant and equipment includes acquisition cost, borrowing cost during construction phase of relevant asset and other directly attributable costs including trial run production expenses (net of income, if any). Transfers from capital work in progress are made to the relevant category of property, plant and equipment as and when the assets are available for use in the manner intended by the Company's management.

Big Bird Foods (Private) Limited
Notes to the Financial Statements
For the Period Ended March 31, 2023

Surplus arising on revaluation of property, plant and equipment is recognized, net of tax, in statement of comprehensive income and accumulated in reserves in shareholders' equity and is shown in equity. Revaluation is carried out with sufficient regularity to ensure that the carrying amounts of the assets does not differ materially from the fair value. Accumulated depreciation at the date of revaluation is not eliminated against the cost of the asset. The surplus on revaluation of property, plant and equipment to the extent of incremental depreciation charged on the related property, plant and equipment during the year is transferred by the Company to its unappropriated profit and is presented in statement of changes in equity.

Depreciation is charged to income on the reducing balance method so as to write off the depreciable amount of the property, plant and equipment over their estimated useful lives at the rates specified in note 4. Depreciation on depreciable assets is commenced from the date the asset is available for use up to the date, when the asset is disposed off.

The cost of replacing a major item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the item will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced item is derecognized. The cost of the day to day servicing or property, plant and equipment are recognized in profit or loss account as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposals with the carrying amount of property, plant and equipment and are recognized on net basis within "other income" in profit or loss account.

3.3 Financial Instruments

3.3.1 Financial assets

The Company classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both: - The entity's business model for managing the financial assets; and - The contractual cash flow characteristics of the financial asset.

3.3.2 Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding. The Company includes in this category trade debts, short-term loans and advances and other receivables.

3.3.3 Financial assets measured at fair value through profit or loss

A financial asset is measured at fair value through profit or loss if: (a) Its contractual terms do not give rise to cash flows on specified dates that are Solely Payments of Principal and Interest on the principal amount outstanding; (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or (c) At initial recognition, it is irrevocably designated as measured at fair value through profit or loss when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

3.3.4 Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss, if any.

3.3.5 Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Company has: (a) Transferred substantially all of the risks and rewards of the asset; or (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

Big Bird Foods (Private) Limited
Notes to the Financial Statements
For the Period Ended March 31, 2023

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3.3.6 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.4 Impairment losses

3.4.1 Financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The Company applies the simplified approach to recognise lifetime expected credit losses for trade debts, due from customers and contract assets. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. The Company recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

3.4.2 Non financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

Impairment losses are recognized in profit and loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets of the unit on a pro-rata basis. Impairment losses on goodwill shall not be reversed.

3.5 Taxation

Income tax on the profit or loss for the year comprises of current and deferred tax.

3.5.1 Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, the provision for tax made in previous years arising from assessments framed during the year for such years.

3.5.2 Deferred

Deferred tax is provided using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are calculated at the rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except in the case of items credited or charged to equity in which case it is included in equity.

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Notes to the Financial Statements
For the Period Ended March 31, 2023

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Taxable temporary differences are adjusted by the portion of income expected to fall under PTR.

3.6 Leases

3.6.1 Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying assets available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

3.6.2 Lease liabilities

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

3.7 Ijarah rentals

In ijarah transactions, significant portion of the risks and rewards of ownership are retained by the lessor. Islamic Financial Accounting Standard 2 - 'Ijarah' requires the recognition of 'Ijarah payments' (lease rentals) against ijarah financing as an expense in profit or loss on a straight line basis over the ijarah term.

3.8 Dividend

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which dividends are approved.

3.9 Provisions and contingencies

Provisions are recognized in the balance sheet when the Company has a legal or constructive obligation as a result of past events and it is probable that outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate. Where the outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

3.10 Inventories

Inventories, except for stock in transit, are stated at lower of cost and net realizable value. Cost is determined as follows:

3.10.1 Stores and spares

Store, spares and loose tools are valued at lower of weighted average cost and net realizable value. Cost is determined using weighted average method except for the items in transit which is determined on the basis of cost incurred up to the balance sheet date. For items which are slow moving and / or identified as surplus to the Company's requirements, adequate impairment is recognized. The company reviews the carrying amount of stores, spare parts and loose tools on a regular basis and provision is made.

3.10.2 Stock in trade

Stock of raw material, work in process and finished goods are valued at lower of weighted average cost and net realizable value. Stock of packing material is valued at weighted average cost less impairment, if any. Cost of work in process and finished goods comprises cost of direct material, labour and directly allocable manufacturing overheads.

Big Bird Foods (Private) Limited
Notes to the Financial Statements
For the Period Ended March 31, 2023

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Stock in transit is valued at cost comprising invoice value plus other charges paid thereon.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated cost of completion and estimated cost necessary to be incurred in order to make a sale.

3.11 Biological assets

Biological assets are measured at each reporting date, at fair value less costs to sell. Gains and losses that arise on measuring biological assets at fair value less costs to sell are recognized in the profit or loss in the period in which they arise. Costs to sell include all costs that would be necessary to sell the biological assets, including costs necessary to get the biological assets to market. The fair values of biological assets (Birds) is determined annually.

3.12 Trade debts and other receivables

Trade debts and other receivables are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Provision is made on the basis of lifetime ECLs that result from all possible default events over the expected life of the trade debts/ Bad debts are written off when considered irrecoverable.

3.13 Revenue recognition

Revenue is recognised when or as performance obligations are satisfied by transferring control of a promised goods or service to a customer, and control either transfers over time or at a point in time. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates and government levies.

Interest income is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return.

3.14 Foreign currencies

All monetary assets and liabilities in foreign currencies are translated into rupees at exchange rates prevailing at the balance sheet date. Transactions in foreign currencies are translated into rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into rupees at exchange rates prevailing at the date when fair values are determined. Exchange gains and losses are included in the profit and loss account currently.

3.15 Borrowing cost

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds. The Company capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets as part of the cost of these assets. The Company recognizes other borrowing costs as an expense in the period in which it incurs.

3.16 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash in hand, cash at banks and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

3.17 Staff retirement benefits

The company operates an unfunded gratuity scheme for all its permanent employees which provides for the graduated scale of benefits dependent on the length of service of the employee on terminal date, subject to the completion of minimum qualifying period of service. Gratuity is based on employees' last drawn salary. Remeasurement gains / losses as per actuarial valuation done at financial year end are recognised immediately in other comprehensive income and all other expenses are recognised in accordance with IAS-19 "Employee Benefits" in the profit and loss account. The most recent valuation was carried out as on March 31, 2023 using the "Projected Unit Credit Method".

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4. Property, plant and equipments

Particulars	March 31, 2013											
	Cost					Depreciation						
	As at 01 July 2012	Additions	Disposed	Transfr	Surplus on revaluation	As at 30 June 2013	As at 01 July 2013	On disposal	Transfr	For the year	As at 30 June 2013	Book value as at 30 June 2013
Owned assets												
Land - freehold	991,375,000	-	-	-	-	991,375,000	882,247,893	-	-	110,602,750	882,247,893	991,375,000
Buildings on freehold land	3,433,699,943	-	-	-	-	3,433,699,943	1,212,248,136	-	-	1,120,958,688	2,212,248,136	1,212,248,136
Plant and machinery	4,754,394,137	-	-	-	-	4,754,394,137	42,698,238	-	-	2,941,842	4,711,695,899	4,754,394,137
Plant and machinery	115,016,477	222,096	-	-	-	115,238,573	14,915,633	-	-	2,277,803	130,322,943	115,016,477
Plant and machinery	51,010,264	848,118	(8,192,296)	-	-	43,666,086	1,192,386	(1,192,386)	-	2,277,803	44,861,503	43,666,086
Vehicle	-	-	-	-	-	-	-	-	-	-	-	-
Total owned assets	9,445,070,881	1,110,718	(8,192,296)	-	-	9,445,070,881	2,134,190,345	(1,192,386)	-	2,277,803	7,311,878,533	7,311,878,533
Surplus of net assets	-	-	-	-	-	-	-	-	-	-	-	-
Building	6,862,822	-	-	-	-	6,862,822	1,990,396	-	-	111,091	4,872,426	2,871,426
Total	6,862,822	-	-	-	-	6,862,822	1,990,396	-	-	111,091	4,872,426	2,871,426
March 31, 2013	9,451,933,703	1,110,718	(8,192,296)	-	-	9,451,933,703	2,134,000,541	(1,192,386)	-	2,277,803	7,308,706,858	7,308,706,858
June 30, 2012												
Owned assets												
Land - freehold	991,375,000	-	-	-	-	991,375,000	741,644,943	-	-	140,602,750	882,247,893	991,375,000
Buildings on freehold land	3,433,699,943	-	-	-	-	3,433,699,943	1,036,894,136	-	-	1,185,375,980	2,212,248,136	3,433,699,943
Plant and machinery	4,754,394,137	-	-	-	-	4,754,394,137	38,878,542	-	-	3,810,866	4,715,515,573	4,754,394,137
Plant and machinery	115,016,477	24,889,844	(78,728,159)	-	-	61,178,162	19,987,626	(1,948,074)	-	1,891,576	63,126,738	61,178,162
Plant and machinery	35,848,839	24,889,844	(78,728,159)	-	-	81,990,524	19,987,626	(1,948,074)	-	1,891,576	83,978,020	81,990,524
Vehicle	-	-	-	-	-	-	-	-	-	-	-	-
Total owned assets	9,401,314,407	25,414,664	(78,728,159)	-	-	9,447,996,912	1,207,385,047	(3,948,074)	-	3,511,672	7,244,190,143	7,244,190,143
Surplus of net assets	-	-	-	-	-	-	-	-	-	-	-	-
Building	6,862,822	-	-	-	-	6,862,822	3,744,479	-	-	155,917	3,990,396	2,982,479
Plant and machinery	-	-	-	-	-	-	-	-	-	-	-	-
Vehicle	-	-	-	-	-	-	-	-	-	-	-	-
Total	6,862,822	-	-	-	-	6,862,822	3,744,479	-	-	155,917	3,990,396	2,982,479
June 30, 2012	9,418,227,229	25,414,664	(78,728,159)	-	-	9,443,913,734	1,211,129,526	(4,948,074)	-	3,511,672	7,239,500,143	7,239,500,143

Big Bird Foods (Private) Limited
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For the Period Ended March 31, 2023

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	March 31, 2023	June 30, 2022
Rupees.....	
4.1 Depreciation for the year has been allocated as follows:		
Cost of sales	232,370,238	309,826,984
Administrative expenses	2,227,808	3,409,522
Distribution and selling expenses	2,741,842	3,644,662
	<u>237,339,888</u>	<u>316,881,168</u>

4.2 Furniture, fixtures and equipments includes amount of Rs. 67.5 million of freezers owned by the company lying with 3rd parties in normal course of business.

4.3 Fair Value Measurement

The Company had revalued its freehold land, building and plant & machinery at June 30, 2021. The revaluation had been carried out by K.G.Traders (Private) Limited, independent valuers not connected to the Company and was on the panel of approved valuers of Pakistan Banks Association and possessed appropriate qualification and experience in the fair value measurements. The basis used for the revaluation of freehold land, buildings and machinery were as follows;

Land

Instituted site and conducted market inquiries at surroundings area of the under valuation premises to ascertain the current market value of similar type of land, which is selling in the immediate surroundings.

Buildings

After taking into account the specification, type and class of building, the replacement value has been computed considering inflation factor, currency devaluation, escalation of building materials & labour rates etc.

Plant and machinery

For the purpose of valuation, evaluated the fixed asset in present condition, as acquired and exist in the companies' ownership. After verification of the physical existence, location, condition of the property and best inquiries conducted in the market.

Forced Sales Value (FSV) of land, buildings and machinery was Rs. 793 million, Rs. 2,250 million and Rs. 2,966 million respectively as at June 30, 2021.

The fair valuation of revalued assets has been determined using level 2 inputs of fair value hierarchy.

Had there been no revaluation the cost, accumulated depreciation and book value of revalued assets as at March 30, 2023 would have been as follows:

Particulars	Cost	Accumulated Depreciation	Book Value
Land-freehold	148,074,928	-	148,074,928
Building on - freehold land	1,716,439,441	825,111,722	891,327,719
Plant and Machinery	2,666,821,981	1,167,312,958	1,499,509,023
Total	4,531,336,350	1,992,424,680	2,538,911,670

5 Capital work-in-progress

Civil works - building	5.1	122,393,167	101,141,913
		<u>122,393,167</u>	<u>-101,141,913</u>

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

Balance at the beginning of the year	101,141,913	100,655,913
Addition during the year	21,251,254	486,000
Transferred to operating fixed assets	-	-
	<u>122,393,167</u>	<u>101,141,913</u>

Big Bird Foods (Private) Limited
Notes to the Financial Statements
For the Period Ended March 31, 2023

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		March 31, 2023	June 30, 2022
	Rupees.....	
6	Long term loans and advances		
	To employees - secured, considered good	6.1 966,604	1,620,241
6.1	Company has provided interest free advances to its employees, adjustable against their monthly salary. These advances are secured against gratuity payable to staff.		
	Movement in advance to staff:		
	Balance at beginning of the year	1,740,241	1,851,981
	Add: Advances during the year	361,575	292,649
	Less: Received during the year	1,034,224	434,389
	Closing balance at year end	1,067,592	1,740,241
	Less: current portion shown under current assets	11 100,988	120,000
		966,604	1,620,241
	The maximum aggregate balance of advances due from the staff at the end of any month was Rs. 1.74 million (2022: Rs. 1.87 million).		
7	Long term deposits and prepayments		
	Security deposits - Ijarah	14,789,680	-
	Security deposits - other	15,829,027	13,844,027
		30,618,707	13,844,027
8	Stores and spares		
	Stores and spares	362,706,263	310,620,578
		362,706,263	310,620,578
9	Stock in trade		
	Raw material	118,541,968	60,498,604
	Packing material	45,085,712	41,447,467
	Finished goods	692,153,347	642,048,022
		855,781,027	743,994,094
10	Trade debts		
	Others - considered good - unsecured	1,048,125,844	993,242,153
	Allowance for expected credit losses	10.1 (68,466,293)	(62,251,045)
		979,659,551	930,991,108
10.1	Movement in allowance for expected credit losses		
	At beginning of the year	62,251,044	49,522,152
	Charge for the year	6,215,248	12,728,892
	Written off during the year	-	-
	At end of the year	68,466,293	62,251,044
11	Loans and advances		
	Current maturity of advance to staff	6.1 100,988	120,000
	Advance to suppliers	47,998,935	49,647,219
	Letter of credit	9,044,379	7,627,335
	Income tax refundable	73,707,160	92,117,198
	Other advances	15,935,711	15,046,000
		146,787,173	164,557,752

Big Bird Foods (Private) Limited
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18.1.3 The exposure of The Bank of Punjab has been restructured/ rescheduled for a tenor of 8 years (further extension of 1 year in repayments has been granted in current year). The limit carries 8% fixed markup rate has final maturity in September 2029. It is repayable in twenty eight step-up quarterly installments and secured by way of (i) JPP Charge up to Rs.241 million on land, building and machinery installed at company's foods processing plant located at Mauza Jumber Khurd, District Kasur (ii) JPP charge of Rs.100 million over current assets of the company and (iii) Personal Guarantees of sponsoring directors.

18.1.4 The loan approved by United Bank Limited "UBL" is secured by way of (i) JPP Charge of Rs. 334 million on fixed assets including land, building, plant & machinery of the company (ii) Exclusive charge of Rs.267 million over a poultry farm measuring 1193K-10M located at Mauza Hadbast Chak no. 14, Rakh Haiderabad, Tehsil Mankera (Bhakkar) owned by Grand Parent Poultry Pvt. Limited, (iii) Corporate Guarantee of Big Feed Pvt. Limited, a sister concern and (iv) Personal Guarantees of sponsoring directors.

The loan carries markup at UBL's Cost of Funds and has final repayment in December 2025. Payment of markup deferred would be commenced from January 25, 2025.

18.1.5 This represents Term Facility amounting to Rs.500 million (Facility I) from Saudi Pak Industrial And Agricultural Investment Company Limited "SAPICO" which is secured by way of (i) ranking charge of Rs. 667 million over fixed assets of the company (ii) 1st exclusive charge of Rs. 294 million over the properties located at Ahmed Block, New Garden Town Lahore owned by group companies i.e. Grand Parent Poultry Pvt. Limited, Big Bird Poultry Breeders Pvt. Limited and Big Feed Pvt. Limited, and (iii) Personal guarantees of all the directors.

The Company availed Long Term Finance amounting to Rs. 350 million (Facility II) from Saudi Pak Industrial and Agricultural Investment Company Limited "SAPICO" which is secured by way of (i) 1st exclusive charge over land, building, plant and machinery of Raiwind farm (owned by Big Bird Poultry Breeders Pvt. Limited) measuring area 163K-17M situated at Mauza Rakh Jodhu Dheer, Tehsil & District Lahore and (ii) Ranking Charge of Rs. 467 million over current assets of the company.

In December 2021, SAPICO approved restructuring of both facilities (Facility I & II) for a fresh period of 7 years commencing from 01.07.2021 (inclusive two years grace period for principal and markup payments). The limits repayable in 20 equal quarterly installments carry mark up at the rate of 6 months KIBOR + 2.5% p.a. Mark ups accrue from 01.01.2022 to 30.06.2023 have also been deferred which are recoverable in 60 equal monthly installments commencing from 31.07.2023.

18.1.6 The term finance facility of Rs. 475 million has been approved by Pak China Investment Company Limited "PCICL" for the tenor of five years including grace period of eighteen months. It is secured against (i) 1st SECP Charge of Rs. 633.33 million and token mortgage of Rs. 0.10 million over a poultry Farm measuring 1289K-16M situated at Mouza Gandakas, Tehsil Pindi Gheb, Attock owned by Big Bird Poultry Breeders Pvt. Limited, a sister concern (ii) Ranking charge of Rs. 633.33 over all present and future fixed assets of the company. (iii) Corporate Guarantees of associate concerns i.e. Big Bird Poultry Breeders Pvt. Limited and Big Feed Pvt. Limited and (iv) Personal Guarantees of sponsoring directors. The facility originally was repayable in 14 equal quarterly installments and carried Mark-up rate is 3 months KIBOR + 2.5% payable at quarterly basis.

In October 2019, PCICL approved extension in repayment tenor of the limit up to nine years (inclusive grace period against principal and markup for 3.5 years years commencing from first disbursement date i.e. 16.10.2017). After restructuring, the facility is repayable in 22 equal quarterly installments starting from October 2021 and approved deferment of mark up payment for 1 year ending on 16.10.2020. The facility carries new pricing at 3 months KIBOR + 2% p.a.

18.1.7 During the year, the company fully settled term loan of Rs.375 million obtained from Samba Bank Limited. The facility was secured by way of (i) 1st exclusive mortgage charge over a property (including land, building & machinery) measuring 88K-12M, situated at Raiwind Road, near Sharif Medical City Complex owned by Big Bird Poultry Breeders Pvt. Limited, a sister concern (ii) Ranking charge of Rs.534 million on Fixed Assets (present & future) installed at Foods processing plant of the company (iii) Ranking charge of Rs. 534 million on receivables (present & future) and (iv) Personal Guarantees of sponsoring directors.

Big Bird Foods (Private) Limited
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		March 31, 2023	June 30, 2022
	Rupees.....	
19	Deferred markup		
	Deferred markup	19 & 22	295,336,430
	Less: Current maturity		(22,879,083)
			<u>272,457,347</u>
20	Diminishing Musharaka Finance		
	Diminishing Musharaka	20.1	582,340,000
	Less: Current maturity	23	(176,907,143)
			<u>405,432,857</u>
20.1	From financial Institutions - secured		
	Dubai Islamic Bank	20.1.1	191,300,000
	Askari Islamic Bank	20.1.2	190,840,000
	MIB Islamic Bank	20.1.3	200,000,000
			<u>582,340,000</u>
20.1.1	This represents Shirkat ul Melk Cum facility sanctioned by Dubai Islamic Bank Pakistan Limited that has been converted from outstanding exposure of short term borrowings (wakalah istithmar). The facility has total repayment tenor of five years (inclusive 18 months grace period) and has final settlement in December 2025. The limit carries profit rate of 6 months KIBOR plus 2% per annum is secured against (i) Token Registered Mortgage of Rs.100,000/- and remaining by way of Equitable Mortgage of the property measuring 214K-19M situated at Hadbast Mauza Jamber Khurd, Tehsil Pattoki, District Kasur owned by Mr. M. Ahmad Kamal S/o. M. Mustafu Kamal, the director of the Company (ii) Ranking charge of Rs.534 million over Current Assets of the Company and (iii) Personal Guarantees of sponsoring directors.		
20.1.2	This represents Diminishing Musharakah Facility sanctioned by Askari Bank Limited for a tenor of five years. The facility payable in twenty quarterly installments starting from June 2021 carries pricing at 3M KIBOR + 1.50% p.a. It is secured by way of (i) Token Registered Mortgage of Rs. 0.10 million and remaining equitable mortgage over a property (poultry farm) measuring 1,184K-08M situated at Chak no.3, Rakh Mankira, Tehsil Mankira, District Bhakkar owned by M/s. Grand Parent Poultry Pvt. Limited, a sister concern (ii) Ranking charge of Rs. 533.34 million over current assets of the company and (iii) Personal Guarantees of sponsoring directors. Keeping in view the current nation-wide business challenges; the company requested the bank for extension in existing repayment tenor which is under consideration at the bank.		
20.1.3	The "Diminishing Musharaka" facility approved by MCB Islamic Bank Limited "MIB" is repayable in five years inclusive grace period of 1.5 years (principal only). The limit is secured by way of (i) JPP Charge of Rs. 267 million on all present & future fixed assets of the foods processing plant located at Mauza Jamber, Tehsil Pattoki District Kasur (ii) Personal Guarantees of sponsoring directors. (iii) Corporate guarantees of Big Feed (Pvt.) Limited, Grand Parent Poultry (Pvt.) Limited and Big Bird Poultry Breeders (Pvt.) Limited. The facility carries profit rate at RTK plus 1% p.a.		
21	Deferred liabilities		
	Deferred taxation	21.2	770,269,690
			<u>770,269,690</u>
21.1	The deferred tax asset on unused tax losses has been recognized only the extent of unabsorbed tax depreciation losses as these are available for use for an infinite period under the present income tax laws.		

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Notes to the Financial Statements
For the Period Ended March 31, 2023

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March 31, 2023 June 30, 2022
 Rupees

21.2 Deferred taxation		
The asset (liability) for deferred taxation comprises temporary differences relating to:		
Accelerated tax depreciation	1,379,545,073	1,408,624,646
Retirement Benefit	(22,573,614)	(22,652,008)
Business losses & unabsorbed tax depreciations	(416,897,284)	(435,470,191)
Allowance for expected credit losses	(19,855,225)	(18,052,803)
Others provisions	(93,042,045)	(117,829,848)
	<u>827,176,905</u>	<u>814,619,796</u>
21.3 Reconciliation of deferred tax		
Opening deferred tax liability	814,619,796	921,593,266
Closing deferred tax liability	770,269,690	814,619,796
Deferred tax attributed to other comprehensive income	-	-
Net deferred tax charge / (credit) recognized in statement of profit or loss	<u>(44,350,106)</u>	<u>(106,973,470)</u>
22 Employee's benefit obligation		
Retirement benefits - staff gratuity	77,840,050	78,110,372
	<u>77,840,050</u>	<u>78,110,372</u>
22.1 Present value of defined benefit obligation		
Add: Payables	55,205,917	78,110,372
Balance sheet liability	<u>22,634,133</u>	<u>-</u>
	<u>77,840,050</u>	<u>78,110,372</u>
22.1.1 Changes in present value of defined benefit obligations		
Present value of defined benefit obligation	55,476,239	51,118,985
Current service cost	4,186,064	13,958,241
Interest cost on defined benefit obligation	1,401,721	4,673,976
Benefits due but not paid (payable)	-	(2,419,207)
Benefits paid	(5,858,107)	(6,339,245)
Remeasurements:		
Actuarial (gains)/losses from changes in financial assumptions	-	587,175
Experience adjustments	-	(6,103,686)
Present value of defined benefit obligation	<u>55,205,917</u>	<u>55,476,239</u>
22.1.2 Expenses to be charged to P&L		
Current service cost	4,186,064	13,958,241
Interest cost on defined benefits obligation	1,401,721	4,673,976
	<u>5,587,785</u>	<u>18,632,217</u>
22.1.3 Total remeasurements chargeable in other comprehensive income		
Remeasurement of plan obligation:		
Actuarial losses from changes in financial assumptions	-	587,175
Experience adjustments	-	(6,103,686)
	<u>-</u>	<u>(5,516,511)</u>

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For the Period Ended March 31, 2023

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	March 31, 2023	June 30, 2022
Rupees.....	
22.1.4 Changes in net liability		
Balance sheet liability		75,495,692
Expense chargeable to P&L	5,587,785	18,632,217
Remeasurements chargeable in other comprehensive income		(5,516,511)
Benefits paid	(5,858,107)	(10,501,026)
Balance sheet liability	<u>(270,322)</u>	<u>78,110,372</u>
22.1.5 Significant actuarial assumptions		
Discount rate used for interest cost in P & L charge	10.00%	10.00%
Discount rate used for the year end obligation	13.25%	13.25%
Average duration of the defined benefit obligation is 8 years (7 years).		
Estimated expenses to be charged to P & L in Financial Year 2023 Rs. 21.3 million.		
22.1.6 Year end sensitivity analysis on defined benefit obligation		
Discount rate + 100 bps	51,522,401	51,522,401
Discount rate - 100 bps	60,108,386	60,108,386
Salary increase + 100 bps	60,251,333	60,251,333
Salary increase - 100 bps	51,317,354	51,317,354
22.1.7 Distribution of timing of benefit payments		
1	11,083,438	11,366,079
2	10,702,300	11,083,438
3	10,313,109	10,702,300
4	9,942,879	10,313,109
5	9,944,073	9,942,879
6 to 10	53,279,551	53,279,551
11 and above	1,510,134,142	1,510,134,142
22.1.8 Risk associated with scheme		
Mortality risks		
The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.		
Withdrawal risks		
The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.		
Final salary risks		
The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.		
23 Current and over due portion of non-current liabilities		
Current and over due portion of long term financing	611,846,485	616,846,485
Current portion of diminishing musharaka finance	176,907,143	185,407,143
	<u>788,753,629</u>	<u>802,253,629</u>
24 Short term borrowings		
Short term borrowing from banks	339,737,259	361,769,415
	<u>339,737,259</u>	<u>361,769,415</u>

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Notes to the Financial Statements
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- 24.1 Facilities have been obtained from various conventional banks and Islamic banks under mark-up arrangements against sanctioned limit. Such facilities have been obtained at mark-up rates ranging from 16.30% to 21.47% (2022: 8.75% to 16.31%) per annum, payable monthly/quarterly on the balance outstanding as per agreement. The facilities are secured against ranking/ exclusive/ joint pari passu charges over present and future movable/ immovable assets, hypothecation of current assets and personal guarantees of directors.

	March 31, 2023	June 30, 2022
Rupees.....	
25 Trade and other payables		
Trade creditors	650,261,925	377,607,618
Accrued expenses	56,286,446	54,444,667
Sales tax payable	347,584	140,067
Advance from customers	26,371,033	24,466,319
Workers' welfare fund	870,749	870,749
	<u>734,137,737</u>	<u>457,529,421</u>
26 Accrued and deferred mark-up		
Markup under long term finance	460,032,378	298,307,049
Markup under short term borrowings	115,031,680	89,515,200
	<u>575,064,058</u>	<u>387,822,249</u>

- 26.1 This includes over due interest/ mark-up amounting Rs. 289.3

27 Contingencies and commitments

27.1 Contingencies

- 27.1.1 Recovery suit no: COS.NO: 59647/2022 was filed by Pak China Investment Company Limited before Lahore High Court Lahore on 22.07.2022 against the company. The Company's case is strong, and there is a high probability of it being successful. The case is currently pending, with the last hearing held on March 20, 2023.

- 27.1.2 Recovery suit no: COS.NO: 701/2023 was filed by Askari Bank Limited before Lahore High Court Lahore on 28.12.2022 against the company. The Company's case possesses considerable strength, and there is a strong likelihood of it achieving success. At present, the case is in a pending state, and the most recent hearing took place on April 25, 2023.

- 27.1.3 Recovery suit no: COS.NO: 68010/2019 filed by United bank Limited against the company on 20.06.2019 before the Lahore High Court Lahore. Subsequently on 19.5.2021 suit filed by the United Bank Limited was decreed in term of settlement agreement dated: 28.4.2021 by the Lahore High Court Lahore. Bank filed execution petition for recovery of decretal amount against company and its directors/ Mortgagees/Guarantors. The Company has very good case in its favour and there is likelihood of its success. The case is pending and last date of hearing was 29.05.2023.

- 27.1.4 Recovery suit no: COS.NO: 39406/2023 was filed by Soneri Bank Limited before Lahore High Court Lahore against the company. The Company possesses a strong case with favorable prospects for success. The case is currently under consideration, and the most recent hearing was held on 12.06.2023.

27.2 Commitments

- 27.2.1 The company has opened letters of credit for import of spare parts and ingredients Rs.Nil (2022: 33 million).

- 27.2.2 Bank guarantee given by bank on the behalf of company: 12.9 million (2022: 12.9 million).

- 27.2.3 The company has given corporate guarantees in favor of its associated companies of Rs. 257 million (2022: 257 million).

- 27.2.4 The amount of future payments under Ijarah and the period in which these payments will become due are as follows;

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	March 31, 2023	March 31, 2022
Rupees.....	
Not later than one year	18,144,244	-
Later than one but not later than five year	63,191,331	-
	<u>81,335,575</u>	<u>-</u>
<p>Ijarah Facility (Leasing) for purchase of commercial & non commercial vehicles amounting to Rs. 100 million for the tenor of five years has been approved by Meezan Bank Limited. The rentals against each transaction is payable on monthly basis.</p> <p>It is secured by the way of, (a) Security deposits up to 15% of the value of non commercial and 10% for commercial vehicles, (b) Ownership of Ijara assets in favor of the bank, (c) A ranking charge amounting Rs. 134 million over immovable & movable assets of the company, (d) Personal guarantee of all the sponsoring directors.</p>		
28 Sales - net		
Local Sales	4,247,992,160	2,489,529,230
Less: Sales tax	(30,624,136)	(15,629,797)
Export Sale	175,852,169	226,219,285
	<u>4,393,220,193</u>	<u>2,700,118,718</u>
29 Cost of sales		
Raw material consumed	2,944,278,601	1,895,521,759
Salaries, wages and benefits	281,240,935	223,479,473
Packing material	84,855,894	43,799,265
Freight, loading and unloading	30,975,043	16,579,967
Power and fuel	412,730,645	287,502,194
Watch and ward	12,605,667	10,259,032
Miscellaneous	1,478,804	480,544
Repair and maintenance	13,947,213	16,968,739
Depreciation	232,370,238	244,600,250
	<u>4,014,483,041</u>	<u>2,739,191,223</u>
Increase in finished goods	(50,105,325)	(173,709,022)
	<u>3,964,377,716</u>	<u>2,565,482,201</u>
29.1 Opening raw material	60,498,604	60,498,604
Purchases made during the year	3,002,321,965	1,895,521,759
Less: Closing raw material	(118,541,968)	(60,498,604)
Raw material consumed	<u>2,944,278,601</u>	<u>1,895,521,759</u>
29.2 Salaries wages and benefits includes defined benefit plan of Rs. 3.4 million (2022: Rs. 11.3 million).		
30 Distribution and selling expenses		
Salaries, wages and benefits	43,701,055	35,608,357
Advertisement	10,340,487	7,602,881
Freight outward	43,719,315	29,099,235
Rent, rate and taxes	13,627,419	9,351,520
Ijarah rental	13,816,476	6,170,339
Other selling expenses	353,286	46,465
Depreciation	2,741,842	2,885,106
	<u>128,299,880</u>	<u>90,763,904</u>

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Notes to the Financial Statements
For the Period Ended March 31, 2023

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30.1 Salaries, wages and benefits includes defined benefit plan of Rs. 0.997 million (2022: Rs. 3.3 million).

	March 31, 2023	March 31, 2022
Rupees.....	
31 Administration expenses		
Salaries, wages and benefits	31.1 27,141,508	21,780,222
Printing & stationary	3,579,901	2,441,238
Rent, rate and taxes	2,432,487	5,875,581
Insurance	6,168,024	6,355,991
Communications	3,064,486	2,650,370
Entertainment	2,386,047	2,058,210
Vehicles running and maintenance	12,106,175	12,749,081
Travelling and conveyance	10,598,537	9,339,060
Legal and professional charges	8,381,600	9,384,720
Repair and maintenance	1,880,467	1,442,093
Auditors' remuneration	31.2 783,377	980,976
Miscellaneous	7,541,481	5,141,605
Depreciation	4.1 2,227,808	1,401,460
	<u>88,311,898</u>	<u>81,600,606</u>
31.1 Salaries wages and benefits includes defined benefit plan of Rs. 1.18 million (2022: Rs. 4 million).		
31.2 Auditor's remuneration		
Audit fee	735,732	924,376
Reimbursable expenses	47,645	56,600
	<u>783,377</u>	<u>980,976</u>
32 Other expenses		
Expected credit losses of trade debts	6,215,248	9,546,669
Exchange loss	(0)	108,569
	<u>6,215,248</u>	<u>9,655,238</u>
33 Other income		
From financial assets		
Interest on bank deposits	1,885,761	1,333,713
From non-financial assets		
Gain on disposal of assets	23,879,137	3,475,441
Miscellaneous income	77,798,960	16,705,796
	<u>103,563,858</u>	<u>21,514,951</u>
34 Finance cost		
Mark-up on short term borrowings	40,961,908	27,853,212
Mark-up on long term financing	289,204,485	225,466,138
Bank charges	1,290,899	1,797,763
	<u>331,457,293</u>	<u>255,117,112</u>
35 Taxation		
Current year	33,497,444	20,816,439
Deferred	(44,350,106)	(43,385,666)
	<u>(10,852,661)</u>	<u>(22,569,227)</u>

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- 35.1 As per management's assessment, the provision for income tax made in the financial statement is sufficient. There was no difference of last three years of income tax provision with tax assessment.
- 35.2 As charge for the current year taxation is based on FTR in case of export and minimum tax in case of local sales therefore, tax reconciliation is not presented.

	March 31, 2023	March 31, 2022
Rupees.....	
36 Cash generated from operations		
Loss before taxation	(21,877,984)	(280,985,392)
Adjustment for non-cash charges and other items:		
Depreciation	237,339,888	82,920,882
Finance cost	331,457,293	255,117,112
Interest on bank deposits	(1,885,761)	(1,333,713)
Profit on disposal of fixed assets	(23,879,137)	(3,475,441)
Provision for staff gratuity	5,587,785	6,054,714
Provision for expected credit loss	6,215,248	-
	<u>554,835,316</u>	<u>339,283,555</u>
Loss before working capital changes	532,957,332	58,298,162
Effect on cash flow due to working capital changes:		
(Increase) / decrease in stores and spares	(52,085,685)	13,894,171
(Increase) / decrease in stock in trade	(111,786,933)	45,072,659
Increase/ (decrease) in trade debts	(4,883,691)	296,449,448
Increase in loans and advances	(639,459)	(165,899,039)
(Increase)/ decrease in deposits and prepayments	(1,410,094)	5,919,458
Increase/ (decrease) in trade and other payable	276,608,316	(206,174,796)
	<u>55,802,454</u>	<u>(10,738,099)</u>
	<u>588,759,785</u>	<u>47,560,064</u>
36.1 Cash and cash equivalents		
Cash and bank balances	14 58,223,945	16,150,166
Short term investment - (three months maturity)	13 34,000,000	34,000,000
	<u>92,223,945</u>	<u>50,150,166</u>

37 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Short term borrowings	Diminishing Musharka	Long Term Loan
	Rupees		
Balance at July 01, 2022	361,769,415	405,432,857	1,439,857,610
Changes from Financing Cash Flows			
Repayment	-	-	(371,000,000)
Proceeded during the year	-	-	-
Restructuring during the year	-	-	-
Short term borrowings net	22,032,156	-	-
Changes from Financing Cash Flows	<u>22,032,156</u>	<u>-</u>	<u>(371,000,000)</u>
Balance at march 31, 2023	<u>339,737,259</u>	<u>405,432,857</u>	<u>1,068,857,610</u>

Big Bird Foods (Private) Limited
Notes to the Financial Statements
For the Period Ended March 31, 2023

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		March 31, 2023	March 31, 2022
	Rupees.....	
Earnings Per Share - Basic And Diluted			
There is no dilutive effect on basic earnings per share of the Company, basic is computed as follows:			
Loss after tax for the year	Rupee	(11,025,323)	(258,416,165)
Weighted average number of ordinary shares outstanding during the year	Number	297,093,000	297,093,000
Loss per share	Rupee	(0.04)	(0.87)

38 Financial Risk Management

The Company's objective in managing risks is the creation and protection of shareholders' value. Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Company's continuing profitability. The Company is exposed to credit risk, liquidity risk and market risk (which includes interest rate risk and price risk) arising from the financial instruments it holds.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

38.1 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments. The Company is not exposed to price risk.

38.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The company is not exposed to currency risks since there are no financial instruments at the reporting date whose future cash flows is dependent upon changes in foreign exchange rates.

38.3 Interest rate risk

Interest risk is the risk that the fair value or future value cash flows of the financial instruments will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the company's long term and short term financing arrangement at floating interests rates to meet its business operations and working capital requirements. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables hold constant:

Increase / Decrease in basis points	Effect on Loss / Profit before tax	
+100	26,027,814	30,093,135
-100	(26,027,814)	(30,093,135)

Big Bird Foods (Private) Limited
Notes to the Financial Statements
For the Period Ended March 31, 2023

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38.4 Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

38.5 Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from deposits with banks, trade and other receivables.

March 31, 2023	June 30, 2022
..... Rupees.....	

38.6 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

Trade debts	979,659,551	930,991,108
Loans and advances	1,067,592	1,740,241
Deposits and prepayments	31,489,807	14,715,127
Bank balances	53,686,762	46,868,072
	1,065,903,712	994,314,548

The movement in the allowance for impairment in respect of trade receivables during the year is as follows:

Balance at July 01, 2022	62,251,044	49,522,152
Charge for the period	6,215,248	12,728,892
Bad debts written off	-	-
	68,466,293	62,251,044

The allowance in respect of trade receivables are used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible; at that point the amount considered irrecoverable is written off against the financial asset directly.

Trade debts are essentially due from local customers. The Company does not expect these counterparties to fail to meet their obligations. The majority of sales to the Company's customers are made on specific terms. Customer credit risk is managed by subject to the Company's established policy, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria. Credit quality of the customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored.

38.7 Credit quality of major financial assets

The Company limits its exposure to credit risk by only investing in highly liquid securities and only with counterparties that have a credit rating of at least A1 and A. Given these high credit ratings, management does not expect any counterparty to fail to meet its obligations.

38.8 Liquidity risk

Liquidity risk represent the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the company's business, the Board maintains flexibility in funding by maintaining availability under committed credit lines.

Big Bird Foods (Private) Limited
Notes to the Financial Statements
For the Period Ended March 31, 2023

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Management monitors the forecasts of the company's cash and cash equivalents on the basis of expected cash flow. This is generally carried out in accordance with practice and limits set by the company. The company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet its liabilities, monitoring balance sheet liquidity ratios against internal and external regulatory requirements, and maintaining debt financing plans.

The table below analyses the company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows as the impact of discounting is not significant.

	Carrying amount	Less than one year	More than one year
Financial Liabilities			
As at 31st March, 2023			
Trade and other payables	706,548,371	706,548,371	-
Accrued and deferred mark-up	870,406,488	597,943,141	272,457,347
Diminishing musharaka finance	582,340,000	176,907,143	405,432,857
Short term borrowing - secured	339,737,259	339,737,259	-
Long term financing	1,680,704,095	611,846,485	1,068,857,610
	4,179,730,213	2,432,982,399	1,746,747,814
As at 30th June, 2022			
Trade and other payables	432,052,285	432,052,285	-
Accrued & deferred mark-up	672,829,442	413,956,914	258,872,528
Diminishing musharaka finance	590,840,000	185,607,143	405,432,857
Short term borrowing - secured	361,769,415	361,769,415	-
Long term financing	2,056,704,095	616,846,485	1,439,857,610
	4,114,195,237	2,010,032,243	2,104,162,994

39 Financial instruments by categories

Fair value is 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. Investment in a subsidiary are carried at cost. The carrying values of all other financial assets and liabilities reflected in the financial statements approximate their fair value.

	March 31, 2023	June 30, 2022
Rupees.....	
39.1 Financial assets at amortized cost		
Trade debts	979,659,551	930,991,108
Loans and advances	1,067,592	1,740,241
Deposits and prepayments	31,489,807	14,715,127
Short term investment	34,059,616	34,025,145
Cash and bank balances	58,229,945	51,394,216
	1,104,500,512	1,032,865,837
Financial liabilities at amortized cost		
Trade and other payables	706,548,371	432,052,285
Accrued and deferred mark-up	575,064,058	387,822,249
Deferred markup	-	-
Diminishing musharaka finance	582,340,000	590,840,000
Short term borrowings	339,737,259	361,769,415
Long term borrowings	1,680,704,095	2,056,704,095
	3,884,393,783	3,829,188,044

Big Bird Foods (Private) Limited
Notes to the Financial Statements
For the Period Ended March 31, 2023

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39.2 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Financial Instruments carried at fair value are categorized as follow:

Level 1: Quoted market price.

Level 2: Valuation techniques (market observable) - (Nil)

Level 3: Valuation techniques (non-market observables) - (Nil)

39.3 Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital using 'net debt to capital ratio'. Net debt is calculated as long and short term interest bearing bank borrowings less cash and cash equivalents.

	March 31, 2023	June 30, 2022
Rupees.....	
The gearing ratio as at June 30, 2022 and March 2023 are as follows:		
Interest bearing bank borrowings	2,602,781,354	3,009,313,510
Less: cash and cash equivalents	(92,223,945)	(50,150,165)
Net Debt	2,510,557,409	2,959,163,345
Total Equity	4,615,063,373	4,642,088,695
Total capital (net debt and equity)	7,125,620,782	7,601,252,041
Net debt to total capital ratio	35.23%	38.93%

40 Plant Production capacity (Annual)

	Million Birds	
Birds slaughtering capacity	28.8	38.4
Birds slaughtered	5.1	4.5
Percentage of total capacity	18%	12%

40.1 Capacity is calculated on the basis of slaughtering of 6,000 birds per hour.

40.2 The Company operated the plant considering the market demand and supply of the products.

41 Transactions with related parties (Associates)

41.1 Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Name	Nature of Transactions		
Grand Parent Poultry (Pvt.) Ltd.	Rent of Office	924,000	924,000
Company repaid loan to director amounting to Rs 16 million.			
Remuneration of key management is disclosed in note # 42.			

Big Bird Foods (Private) Limited
Notes to the Financial Statements
For the Period Ended March 31, 2023

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41.2 Following are the related parties with whom the Company had entered into transactions or have arrangement /agreement in place.

Name	Relationship	Shareholding
Big Feed (Pvt.) Ltd.	Associated company by virtue of common directorship	Nil
Big Bird Poultry Breeders (Pvt.) Ltd.	Associated company by virtue of common directorship	Nil
Grand Parent Poultry (Pvt.) Ltd.	Associated company by virtue of common directorship	Nil
The Company does not hold any shares in the above mentioned companies		

42 Remuneration of chief executive, directors and executives

Description	31/03/2023		2022	
	Director	Executives	Director	Executives
Basic Salary	4,819,500	11,826,400	4,819,500	7,061,576
House rent	2,168,775	5,321,896	2,168,775	3,177,707
Medical	481,950	1,182,651	481,950	706,157
Total	7,470,225	18,330,947	7,470,225	10,945,440
Number of persons	1	11	1	5

No remuneration is being withdrawn by chief executive and other directors.

43 Number of employees

Total number of employees
 Average number of employees during the year

	March 31, 2023	March 31, 2022
.....Rupees.....		
Numbers	411	418
	415	427

44 Date of authorization for issue

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on June 21, 2023.

45 Corresponding figures

45.1 Comparative figures have been rearranged, wherever necessary for the purpose of comparison. However, no significant rearrangements have been made in these financial statements.

46 General

Figures have been rounded off to the nearest rupees unless otherwise stated.


 Director


 Director


 Director

Dr. K. K. K. K.

Mr. A. K. K.





INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF METATECH HEALTH LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **METATECH HEALTH LIMITED** (the Company), which comprise the statement of financial position as at March 31, 2023 and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the period beginning from July 01, 2022 to March 31, 2023 and notes to and forming part of the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of the Company as at March 31, 2023, and of its financial performance and its cash flows for the period in accordance with the applicable financial reporting framework for the purpose as stated in Note 1 of the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the annexed financial statements, which describes the basis of accounting along with purpose of preparing these financial statements. As a result, these financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditors' report is Amin Ali.

Lahore 10 JUL 2023
UDIN: AR202310269WIG985Lhr


KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

METATECH HEALTH LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

	Note	March 31, 2023 Rupees	June 30, 2022 Rupees
NON-CURRENT ASSETS			
Property and equipment	4	-	-
Long term Investment	5	-	-
Deferred taxation	6	-	-
CURRENT ASSETS			
Trade debts	7	-	-
Advances, deposits, prepayments and other receivables	8	469,688	34,346,314
Tax refunds due from the Government - income tax		272,780	145,569
Cash and bank balances	9	-	144,604,465
		742,468	179,096,348
TOTAL ASSETS		742,468	179,096,348
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital	10	600,000,000	50,000,000
Issued, subscribed and paid-up-capital (Accumulated loss) / unappropriated profit	10	74,324,250 (73,581,782) 742,468	16,335,000 57,546,308 73,881,308
Sukuk proceeds in advance	11	-	-
		742,468	73,881,308
CURRENT LIABILITIES			
Short term loan - unsecured	12	-	82,495,876
Trade and other payables	13	-	22,719,164
		-	105,215,040
Contingencies and commitments	14	-	-
TOTAL EQUITY AND LIABILITIES		742,468	179,096,348

The annexed notes form an integral part of these financial statements.

KMS


CHIEF EXECUTIVE


DIRECTOR

METATECH HEALTH LIMITED
STATEMENT OF PROFIT OR LOSS
AS AT MARCH 31, 2023

	Note	March 31, 2023 Rupees	June 30, 2022 Rupees
Revenue	15	13,106,344	-
Less: Cost of sales	16	(15,641,802)	-
Gross profit / (loss)		(2,535,458)	-
Administrative and general expenses	17	(106,347,251)	(3,787,077)
Operating loss		(108,882,709)	(3,787,077)
Other income	18	35,481,561	4,129,059
Share of profit from associate company	5.1	2,376,137	-
		37,857,698	4,129,059
Net loss before taxation		(71,025,011)	341,982
Provision for taxation	19	(2,113,829)	-
Net (loss) / Profit after taxation		(73,138,840)	341,982
(Loss) / Profit per share - Basic	20	(9.84)	Restated 0.05

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

METATECH HEALTH LIMITED
STATEMENT OF COMPREHENSIVE INCOME
AS AT MARCH 31, 2023

	March 31, 2023 Rupees	June 30, 2022 Rupees
Net loss after taxation	(73,138,840)	341,982
Other comprehensive income	-	-
Total comprehensive loss for the period	<u>(73,138,840)</u>	<u>341,982</u>

The annexed notes form an integral part of these financial statements.

10/10


CHIEF EXECUTIVE


DIRECTOR

METATECH HEALTH LIMITED
STATEMENT OF CASH FLOWS
AS AT MARCH 31, 2023

	March 31, 2023 Rupees	June 30, 2022 Rupees
CASH FROM OPERATION ACTIVITIES		
Net loss before taxation	(71,025,011)	341,981
Adjustments for non cash and other items:		
Depreciation	528,328	7,690
Share of profit from associate	(2,376,137)	-
Old liabilities written back	(22,719,164)	(3,158,600)
Operating loss before working capital changes	(95,591,984)	(2,808,929)
(Increase) / decrease in current assets:		
Advances, deposits, prepayments and other receivables	35,724,435	(34,346,314)
Increase / (decrease) in current liabilities:		
Trade and other receivables	-	22,719,164
Cash used in operations	(59,867,549)	(14,436,079)
Income tax paid	(2,241,040)	(145,569)
Net cash (used in) / generated from operating activities	(62,108,589)	(14,581,648)
CASH FROM INVESTING ACTIVITIES		
Property and equipment purchased during the period	(14,555,963)	-
Short term investment	-	80,000,000
Proceeds from transfer of property and equipment	14,555,963	-
Investment made in the share capital of an associated company	-	-
Net cash used in investing activities	-	80,000,000
CASH FROM FINANCING ACTIVITIES		
Changes in short term loan - related party	(82,495,876)	36,948,276
Net cash generated from financing activities	(82,495,876)	36,948,276
Net (decrease) / increase in cash and cash equivalents	(144,604,465)	102,366,627
Cash and cash equivalents at beginning of the period	144,604,465	42,237,838
Cash and cash equivalents at end of the period	0	144,604,465

Note - 9

The annexed notes form an integral part of these financial statements.

KMTB


CHIEF EXECUTIVE


DIRECTOR

METATECH HEALTH LIMITED
STATEMENT OF CHANGES IN EQUITY
AS AT MARCH 31, 2023

	Issued, subscribed and paid-up capital	Unappropriated profit / (accumulated loss)	Total
	----- Rupees -----		
Balance as at June 30, 2021	16,335,000	57,204,326	73,539,326
Balance as at July 01, 2021	16,335,000	57,204,326	73,539,326
Total comprehensive income for the period	-	341,982	341,982
Balance as at June 30, 2022	16,335,000	57,546,308	73,881,308
Bonus shares issued during the period	57,989,250	(57,989,250)	-
Total comprehensive loss for the period	-	(73,138,840)	(73,138,840)
Balance as at March 31, 2023	74,324,250	(73,581,782)	742,468

The annexed notes form an integral part of these financial statements.

JKMB


CHIEF EXECUTIVE


DIRECTOR

METATECH HEALTH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD YEAR ENDED MARCH 31, 2023

1 NATURE AND STATUS OF BUSINESS

The Company was incorporated in Pakistan in 1953 as a public Limited Company and its shares were listed on the Karachi (now Pakistan) Stock Exchange. As previously stated, the Company had long become a dormant Company due to closure of its plant and disposal of manufacturing facilities in 2010. In order to revive the company, the Board of Directors had approved a revival plan and decided the principal business of the Company to operate in the technology-enabled healthcare business & services and also changed its registered office. The Company's registered office is now situated at 508, 5th Floor, LSE Building, Alwan-e-Iqbal, Lahore.

Upon the unanimous approval of the revival business plan by the Shareholders, the Company has resumed its commercial / business activities/operations in the new areas. Furthermore, the Company's name has also been changed to M/s MetaTech Health Limited after approval from the Securities & Exchange Commission of Pakistan as on August 02, 2022.

Towards the endeavor of revival of the Company, the Company under the management of Modaraba Al Mali (a PSX listed Islamic Fund focusing on the corporate restructurings and revival activities) has signed a Term Sheet with M/s Ensmile (Private) Limited for an investment of Rs. 300 million and has also taken-over the Operations and Management of Ensmile's Digital Dental Aligners Studios in Pakistan. Besides this, the directors of the Company has also decided for raising about Rs. 408.783 million from Modaraba Al Mali through the issuance of Perpetual, Non-participatory and convertible Sukuks i.e. 5.5 sukuks are to be issued for every one existing share, comprising 40,878,338 sukuks of Rs. 10 each. These sukuks are convertible into ordinary shares in 1:1 ratio. The Company has also started earning revenue from its operations from the Islamabad based Dental Aligners Studio of Ensmile (Private) Limited. However, due to current economic market situation, these Sukuks are on hold by the SECP and the management of the company has decided to cancel the proposed sukuks and these had been settled by transferring the investment in Ensmile (Private) Limited to Modaraba Al Mali after the allotment of shares in its name under a duly executed transfer deed entered into between the company and the Modaraba Al

However during the period, the members of the Company in their meeting held on March 24, 2023 have decided and approved the transfer of business operations of the Company to Modaraba Al Mali for a consideration of Rs. 0.470 million and all the assets and liabilities of the company related to the Ensmile portfolio are to be transferred and taken over by the Modaraba Al Mali. Further, the members have also approved the change in principal business line of the company whereby the company will no longer manage the dental studios of Ensmile (Private) Limited for sales and marketing rather deal in trading business. In pursuance of company's objectives from health care business to trading, the company has also changed its name to MetaTech Trading Limited w.e.f. May 18, 2023. Since, the members of the company have approved the formal plan during the period, therefore, this arrangement as to transfer of operations and disposal of assets & liabilities have been accounted for in these financial statements.

The carrying amounts of assets and liabilities transferred to Modaraba Al Mali as approved by the members of the company in their EOGM held on March 24, 2023 are as follows:

<u>Assets</u>	<u>Rupees</u>
Property and equipment	14,027,635
Long term investment	289,396,637
Trade debts	773,078

Other receivables	7,623,337
Cash and bank balances	2,113,647
	<u>313,934,334</u>
Equity and Liabilities	
Short term loan	(4,979,500)
Sukuk proceeds received in advance	(300,020,500)
Trade and other payables	(8,464,646)
	<u>(313,464,646)</u>
Net assets	<u>469,688</u>

Subsequent to the reporting date, the Board of Directors of the Company in their meeting held on June 14, 2023 has decided a proposed plan for the merger of the company with/into Big Bird Foods Limited subject to the approval of plan by the members of the company in their upcoming EOGM held on July 31, 2023.

These financial statements are being prepared for the purpose of filing a petition for the Scheme of Compromises, Arrangement and Reconstruction for Amalgamation/Merger (in terms of provisions of Sections 279 To 283 and all other enabling provisions of The Companies Act, 2017) and to determine the SWAP ratio under the Scheme; for onward approval by the Honorable Lahore High Court after completion of all related corporate and legal formalities. The effective date of the Scheme is March 31, 2023 or as approved by the Honorable Lahore High Court.

Upon the completion of merger / amalgamation through the intended Scheme, MetaTech Trading Limited will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up, and the shares of Big Bird Foods Limited shall be issued to the registered members / shareholders of MetaTech Trading Limited. However, till the date of sanctioned order of the Honorable Lahore High Court, the company will continue its business of trading activities.

Since the company is going to be merged with/into Big Bird Foods Limited after the sanctioned order of the Honorable Lahore High Court, therefore, the company is not a going concern and these financial statements have been prepared on alternate basis of accounting i.e. net realizable basis.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These 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 Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention without taking into account any adjustments for the effects of inflation or current values, except for the following material items in the statement of financial position. These are as under:

- o Advances and trade receivables which are carried at value determined after the provision of impairment under expected credit loss approach;
- o Certain financial instruments which are carried at their fair value in accordance with IFRS 9;
- o Deferred tax liabilities recognized at amounts in accordance with IAS 12;
- o Provisions are recognized at amounts reflecting the best estimate and contingencies are disclosed in accordance

In these financial statements, except for the statement of cash flows, all the transactions have been accounted for on accrual basis of accounting.

2.3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period, or in the period of revision and future periods if the revision affects both current and future periods. In the process of applying the Company's accounting policies, management has made the following estimates and judgments, which are

- i) Determination and measurement of useful life and residual value of property and equipments.
- ii) Income tax
- iii) Impairment of non-financial assets
- iv) Expected allowance for trade and other receivables

2.4 FUNCTIONAL AND PRESENTATION CURRENCY

Items included in these financial statements are measured using the currency of the primary economic environment in which the company operates. Accordingly, these financial statements are presented in Pakistani Rupees, which is the company's functional currency. All financial information presented in Pakistani Rupees has been rounded off to the nearest rupee, unless otherwise stated.

2.5 STANDARDS, AMENDMENTS AND INTERPRETATIONS AND FORTH COMING REQUIREMENTS

Standards, interpretations and amendments applicable to the financial statements for the year ended March 31, 2023

The following Standards, interpretations and amendments to published approved accounting standards that are effective for accounting periods, beginning on or after the date mentioned against each to them :

**Effective for the period
beginning on or after**

IAS-1	Presentation of Financial Statements & Accounting Policies -Amendments regarding the classification of liabilities.	January 1, 2023
IAS-1	The amendments to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting	January 1, 2023
IAS-8	Accounting Policies, changes in Accounting Estimates and Errors (Amendment regarding the definition of accounting estimates).	January 1, 2023
IAS-12	Income Taxes (The amendments to narrow the scope of the initial recognition exemption).	January 1, 2023
IAS-16	Property, Plant and Equipment- Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use.	January 1, 2022
IAS-37	Provisions, Contingent Liabilities and Contingent Assets-Amendments regarding the costs to include when assessing whether a contract is onerous	January 1, 2022
IAS-41	Amendment resulting from Annual Improvements to IFRS Standards 2018-2020 (the amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique).	January 1, 2022
IFRS-1	Business Combinations - Amendments updating a reference to the Conceptual Framework.	January 1, 2022
IFRS-3	Insurance Contracts - Amendments regarding the expiry date of the deferral approach.	January 1, 2022
IFRS-9	Financial Instruments -Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (fees in the '10 per cent' test for derecognition of financial liabilities)	January 1, 2022
IFRS-16	Amendment resulting Annual Improvements to IFRS Standards 2018-2020 (to resolve any potential confusion that might arise in lease incentives).	January 1, 2022
IFRS-10 / IAS-28	Consolidated Financial Statements and IAS 28 - Investment in Associates and Joint Ventures (Amendment regarding sale or contribution of assets between an investor and its associate or Joint Venture).	Deferred indefinitely

• **New Standards issued by IASB but not yet been notified / adopted by SECP**

Following new standards issued by IASB but not yet effective:

	Effective for the period beginning on or after
IFRS – 1 First Time Adoption of IFRS	July 1, 2009
IFRS – 17 Insurance Contracts	January 1, 2023

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Property, plant and equipment

Owned

These are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Cost in relation to property, plant and equipment comprises acquisition and other directly attributable costs. The cost of self constructed assets includes the cost of materials, direct labor and any other costs directly attributable to bringing the assets to a working condition for their use as intended by the management.

All items of operating fixed assets are initially recognized at cost. Subsequent costs are added to cost of fixed assets or recognized as separate assets, as appropriate, only when it is probable that future economic benefits associated with it will flow to the enterprise and its cost can be measured reliably. All other normal repair and maintenance costs and on-going operational expenditure are charged to income during the period in which these are incurred.

Depreciation is charged to the statement of profit or loss by using reducing balance method to write off the cost of an asset over its estimated useful life in accordance with the rates specified in note 5.1 to these financial statements. Depreciation on additions is charged from the day in which the asset is put to use while no depreciation is charged for the day in which the assets are disposed of.

The assets' residual values and estimated useful lives are reviewed at least annually to adjust the resultant significant impact on depreciation, if any.

Residual values are determined by the management as the amount it expects it would receive currently for an item of property and equipment if it was already of the age and in the condition expected at the end of its useful life based on the prevailing market prices of similar assets already at the end of their useful lives.

Useful lives are determined by the management based on the expected usage of assets, physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing disposal proceeds with carrying amount of the relevant assets and recognized in the statement of profit or loss during the period in which the asset is disposed of.

Since the company is preparing its financial statements on net realizable basis, therefore, the property and equipment is being carried at net realizable value which is equivalent to carrying amounts of property and equipment at the date of transfer. However, the company has transferred all the related operating assets during the period, therefore, there is no impact on the carrying values of property and equipment at the reporting date had these values been reported at fair values as the company has no assets as at that date.

3.2 Investments in equity instruments of associated companies

Investments in associated companies where significant influence can be established are accounted for using the equity method. Under this method the investments are stated at cost plus the Company's equity in undistributed earnings and losses after acquisition, less any impairment in the value of individual investment. Income on investments in associated companies is recognized using the equity method. Under this method, the Company's share of post-acquisition profit or loss of the associated companies is included in profit or loss, its share of post-acquisition other comprehensive income or loss is included in other comprehensive income and its share of post-acquisition movements in reserves is recognized in reserves. Dividend distribution by the associated companies is adjusted against the carrying amount of the investment. Unrealized gains on transactions between the Company and its associate are eliminated to the extent of the Company's interest in the associate.

3.3 Taxation

Income tax comprises of current tax and deferred tax. Income tax expense is recognized in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity (if any), and in which case the tax amounts are recognized directly in other comprehensive income or equity.

a) Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using the prevailing tax rates to the profit for the period after taking into account tax credits, rebates and exemptions, if any. Payable tax is higher of normal tax at corporate tax rate applied to taxable income; or minimum taxation at the rate of 1.25% of the turnover or Alternative Corporate Tax at the rate of 17% of accounting profit adjustable as per income tax laws. For the income covered under Final Taxation Regime (FTR), taxation is based on the applicable tax rates under such Regime.

b) **Deferred**

Deferred tax is recognized using the financial position liability method on all temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liability is recognized for all the taxable temporary differences. Deferred tax asset is recognized for all the deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the asset may be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The carrying amount of deferred tax assets is reviewed at each financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantially enacted by the financial position date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is charged or credited in the income statement, except in the case of items directly credited or charged to comprehensive income or equity, in which case it is included in other comprehensive income or equity. Impact of future income subject to final taxation is also considered in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan, if considered material. Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

Off-setting

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities, and they relate to income taxes levied by the same tax authority.

3.4 Trade debts

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

3.5 Cash and cash equivalents

Cash and cash equivalents are carried at cost in the statement of financial position. For the purposes of cash flow statement, cash and cash equivalents comprise of cash in hand and cash at bank.

3.6 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost in the statement of financial position which is the fair value of the consideration to be paid in future for goods and services received / hired, whether or not billed to the company. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of business, if longer), if not, they are classified as non-current liabilities.

3.7 Financial instruments

The Company classifies its financial assets at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Financial assets at amortized cost

Financial assets at amortized cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognized directly in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value at and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognized in profit or loss. Dividends from such investments continue to be recognized in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Derecognition

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Company recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on derecognition is also recognized in statement of profit or loss.

Financial liabilities comprise contractual trade and other payables and short term financing.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the profit or loss.

Offsetting of financial assets and liabilities

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legally enforceable right to set off and the company intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

3.8 Impairment of financial assets

The Company recognizes loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- (a) Debt securities that are determined to have low credit risk at the reporting date;
- (b) Other debt securities and bank balance for which credit risk (the risk of default occurring over the expected life of
- (c) Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12 months ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

The Company recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date. Loss allowances for financial assets measured at amortized cost are deducted from the Gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expect no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3.9 Impairment of non-financial assets other than inventories

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

3.10 Related party transactions

All transactions arising in the normal course of business and are conducted at arm's length at normal commercial rate on the same terms and conditions as third party transactions using valuation modes as admissible, except in rarely extreme circumstances where, subject to approval of the Board of Directors, it is in the interest of the Company to do so. Parties are said to be related if they are able to influence the operating and financial decisions of the Company and vice versa.

3.11 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of economic resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources embodying economic benefits will be required to settle the obligation, the provisions are reversed.

3.12 Revenue recognition

Revenue from the sale of goods is recognized at the point in time when the performance obligations arising from the contract with a customer is satisfied and the amount of revenue that it expects to be entitled to can be determined. This usually occurs when control of the asset is transferred to the customer, which is when goods are delivered to the customers. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Revenue is disclosed net of taxes, returns, rebates, discounts and other allowances.

3.13 Contingencies and commitments

These are not accounted for in the financial statements unless these are actual liabilities and are only disclosed when:

- a) there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or
- b) there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events not wholly within the control of the Company. However, based on the best judgment of the Company and its legal advisors, the likely outcome of these litigations and claims is remote and there is no need to recognize any liability at the reporting date.

3.14 Earning per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

3.15 Equity and reserves

Ordinary shares issued represent the equity and are recorded at face value. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits, if any.

3.16 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises all components of profit or loss and other comprehensive income. Other comprehensive income comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by approved accounting standards.

4. PROPERTY AND EQUIPMENT

Particulars	Cost / Revaluation				Rate %	Depreciation				Written down value as at March 31, 2023
	As at July 01, 2022	Addition	Transfer adjustment (Note 1)	As at March 31, 2023		As at July 01, 2022	For the period	Adjustment	As at March 31, 2023	
OWNED										
Computer and accessories	-	1,234,864	(1,234,864)	-	30%	-	142,617	(142,617)	-	-
Dental and surgical equipmen	-	588,360	(588,360)	-	20%	-	35,680	(35,680)	-	-
Electrical equipment	-	1,111,247	(1,111,247)	-	20%	-	22,032	(22,032)	-	-
Furniture and fixtures	-	5,277,349	(5,277,349)	-	10%	-	88,595	(88,595)	-	-
Office equipment	-	2,088,713	(2,088,713)	-	10%	-	1,742	(1,742)	-	-
Vehicles	2,974,412	4,256,430	(7,230,842)	-	20%	2,974,412	236,458	(3,210,869)	-	-
MARCH 31, 2022	2,974,412	14,558,963	(17,538,379)	-		2,974,412	528,328	(3,562,740)	-	-

Particulars	Cost / Revaluation				Rate %	Depreciation				Written down value as at June 30, 2022
	As at Jul 01, 2021	Addition	Impairment	As at June 30, 2022		As at Jul 01, 2021	For the year	Adjustment	As at June 30, 2022	
OWNED										
Building (Note 4.1)	12,500,000	-	-	12,500,000		12,500,000	-	-	12,500,000	-
Vehicles	2,974,412	-	-	2,974,412	20%	2,968,722	7,690	-	2,974,412	-
JUNE 30, 2022	15,474,412	-	-	15,474,412		15,468,722	7,690	-	15,474,412	-

March 31, 2023 **June 30, 2022**
Rupees Rupees

4.1 Building at Lahore

Cost
Less: provision for impairment

-	12,500,000
-	(12,500,000)
-	-

Due to the uncertainty of litigation, relating to the building at Lahore, the Company has made a 100% provision against this property. During the year, the management of the company has written off the building against the provision for impairment as the chances of claim of its right over the asset are

4.2 Depreciation charge during the period / year has been allocated to:

Cost of sales
Administrative and general expenses

149,243	-
379,085	7,690
528,328	7,690

4.3 The company has been provided rented office premises by the Modaraba Al Mali, an associated undertaking that are owned by the said party in its name for the purpose of carrying out business activities of the company.

4.4 In pursuance of the management's decision as to the transfer of the business and related assets of the company to Modaraba Al Mali, the company has also transferred vehicles owned by it to the said party. However, the registration of vehicles in the name of Modaraba Al Mali is in process until the terminal date and would be formalized in due course of time.

		March 31, 2023	June 30, 2022
	Note	Rupees	Rupees
5 Long term investment in: Associated company			
Ensmile (Private) Limited - Carrying Value (equity method)	5.1	289,396,637	-
Less: Transferred to Modaraba Al Mali		(289,396,637)	-
		<u>-</u>	<u>-</u>
5.1 Movement during the period in investment in associate			
Balance as at July 01,		-	-
Add: Investment in associate during the period	5.1.1	300,020,500	-
Add: Share of profit after tax from associated company	5.1.2	2,376,137	-
Less: Dividend Income received during the period		(13,000,000)	-
Balance as at March 31 / June 30,		<u>289,396,637</u>	<u>-</u>
Number of shares of Rs. 10 each		<u>5,050,000</u>	<u>-</u>
Percentage of holding in Ensmile (Private) Limited		<u>33.33%</u>	<u>-</u>

5.1.1 During the period, the Company had acquired 33.33% of the share capital of the above named associated company representing 5,050,000 shares of Rs. 59.41 each which is calculated under the Sale growth method. The investment is made in line with the new business strategy of the company where it is supposed to develop the dental studios of the said associated company.

Ensmile was established in December, 2019 and manufactures Clear Aligners, a dental product, which are transparent plastic braces worn over the teeth as an alternative to the conventional metal braces and one of the leading teeth straightening manufacturers. These aligners are manufactured with 3D printers in Pakistan as per computer generated customized designs for individual patients taken at any part of the world.

This management of the company had transferred this investment in the name of Modaraba Al Mali as per the mutually agreed transfer deed entered into between the parties on March 24, 2023 and the shares of the above named associate have been allotted in the name of Modaraba Al Mali. This investment has been adjusted against the Sukuk proceeds received from Modaraba Al Mali.

5.1.2 The company has recognized its share of profit after tax from above named associate on the basis of unaudited financial statements for the period ended March 31, 2023.

5.1.3 This represents dividend income earned on investment from conventional arrangements.

	Note	March 31, 2023	June 30, 2022
		Rupees	Rupees
6 DEFERRED TAXATION			
Deferred tax assets arising due to deductible temporary differences			
Long term investment		(87,005,945)	-
Unavailed tax losses		(20,966,457)	-
Deferred tax asset as at March 31 / June 30,		<u>(107,972,402)</u>	<u>-</u>
Less: Deferred tax assets not recognized	6.1	107,972,402	-
Deferred tax asset recognized in the statement of financial position		<u>-</u>	<u>-</u>

- 6.1 Deferred tax assets in respect of deductible temporary differences have not been recognized in these financial statements as it is not probable that future taxable profits will be available in the foreseeable future against which the taxable losses will be reversed.

	Note	March 31, 2023 Rupees	June 30, 2022 Rupees
7 TRADE DEBTS - unsecured			
Considered good	7.1	773,078	-
Considered doubtful	7.2	-	5,444,688
		773,078	5,444,688
Less: Provision for doubtful debts		-	(5,444,688)
		773,078	-
Less: Transferred to Modaraba Al Mali		(773,078)	-
		-	-

7.1 These balances are past due but not impaired and are within the age bracket of 90 days and had been transferred to Modaraba Al Mali on March 24, 2023 as decided by the members of the company on non recoursesable basis.

7.2 During the year, the company had written off this balance against the provision for doubtful debts since the balance is irrecoverable and there is no track record of the parties concerned.

8 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advances - unsecured

Considered good

Advance to suppliers

Prepaid expenses

Other receivables - related parties

Ensmile (Private) Limited

Modaraba Al Mali

Considered doubtful

Advance to suppliers

Less: Provision for balances doubtful of recovery

Less: Transferred to Modaraba Al Mali

		285,000	-
	8.1	4,711,092	34,346,314
	8.2	2,627,245	-
	8.3	469,688	-
		8,093,025	34,346,314
	8.4	-	7,237,755
		-	(7,237,755)
		-	-
		8,093,025	34,346,314
		(7,623,337)	-
		469,688	34,346,314

- 8.1 This amount had been adjusted / written off during the period (Note 17).
- 8.2 This represents amounts receivable from the above named related party as current account. The period end balance having being the highest aggregate balance due from the said party at the end of any month during the period. This balance is within the age bracket of one month. Moreover, the said party has a historical proven track of profitability with sound financial footing as evident from its latest available audited financial statements for the year ended June 30, 2022, therefore, no provision under the expected credit loss is required in respect of the balance receivable from it. However, this balance had been transferred to Modaraba Al Mall on non recoursesable basis.
- 8.3 This represents the balance amount receivable from Modaraba Al Mall after the transfer of all the related assets and liabilities of the company as decided and approved by the members of the company in their EOGM held on March 24, 2023 as disclosed in note 1 of these financial statements. This balance will be recoverable in the ordinary course of business, is neither past due nor impaired and is within the age bracket of one month.
- 8.4 This represented an amount of Rs. 7,237,755 paid to Messrs. Swiss Embroidery (Private) Limited for supply of tin plate and other material, but the supplier had failed to supply material. A suit for recovery had been filed with the High Court of Sindh and the matter is pending for adjudication. Due to the uncertainty of litigation, the Company had made 100% provision against this balance in the past. During the year, the Company has written off this balance against the provision for doubtful balance.

9 CASH AND BANK BALANCES	March 31,2023	June 30, 2022
	Rupees	Rupees
Cash in hand	-	101,917
Pay order in hand	-	23,217,355
Cash at bank in current account	2,113,647	121,285,193
Less: Transferred to Modaraba Al Mall	(2,113,647)	-
	<u>-</u>	<u>144,604,465</u>

10 SHARE CAPITAL	March 31,2023	June 30, 2022
	Rupees	Rupees
Authorized capital		
60,000,000 (June 30, 2022: 5,000,000) Ordinary shares of Rs. 10 each	<u>600,000,000</u>	<u>50,000,000</u>

- 10.1 During the year, the Board of Directors of the company have decided to increase the authorized capital of the company and which had been so increased from Rs. 50 million to Rs. 600 million followed by a special resolution passed by the members of the company in their meeting held on July 22, 2022.

Issued, subscribed and paid up capital	March 31,2023	June 30, 2022
	Rupees	Rupees
1,633,500 (June 30, 2022: 1,633,500) Ordinary shares of Rs. 10 each, fully paid up in cash	16,335,000	16,335,000
5,798,925 (June 30, 2022: Nil) Ordinary shares of Rs. 10 each, fully paid up bonus shares	57,989,250	-
	<u>74,324,250</u>	<u>16,335,000</u>

- 10.2 During the year, the Board of Directors of the company in their meeting held on August 31, 2022 have announced the issuance of 355% of bonus shares i.e. 3.55 bonus shares for every one share held in the company.

- 10.3 Modaraba Al Mall holds 29.99% of the share capital of the Company comprising 2,228,984 ordinary shares of Rs. 10 each.

	Note	March 31, 2023 Rupees	June 30, 2022 Rupees
11 SUKUK PROCEEDS IN ADVANCE			
Sukuk proceeds in advance	11.1	300,020,500	-
Less: Transferred to Modaraba Al Mali		(300,020,500)	-
		<u>-</u>	<u>-</u>

11.1 During the period, the Board of Directors have decided to raise the funds to the tune of Rs. 408.783 million through the issuance of Perpetual, Non-participatory and convertible Sukuks comprising 40,878,338 sukuku of Rs. 10 each representing 550% of the share capital. These sukuku are convertible into ordinary shares in 1:1 ratio and the same voting rights as of existing ordinary shares. The sukuku are secured against pari passu floating charge on present and future current assets of the company. Succeeding this proposal by the Board, an amount of Rs. 300 million has been received from Modaraba Al Mali as advance proceeds for sukuku, the timing for issuance of which is to be decided by the Board of Directors of the company. Keeping in view all the features of the proposed Sukuku as per the term sheet, these are classified as equity instrument and shown under the equity box in the statement of financial position.

However, due to uncertain economic indicators, the company has not been granted permission from the SECP for the issuance of Sukuku and accordingly the management has cancelled the proposed issuance of Sukuku. The company had previously obtained the Sukuk proceeds from Modaraba Al Mali for its investment requirements in Ensmile (Private) Limited in pursuance of its business activities. In this way, the Sukuk proceeds for issuance of proposed Sukuku had been adjusted against the investment and the company assumes no obligation to the Modaraba Al Mali after the allotment of shares of Ensmile (Private) Limited in its name.

	Note	March 31, 2023 Rupees	June 30, 2022 Rupees
12 SHORT TERM LOAN - UNSECURED			
Related parties - associated concerns			
Modaraba Al Mali	12.1	-	82,495,876
LSE Financial Limited	12.2	-	-
		<u>-</u>	<u>82,495,876</u>

12.1 This represented an unsecured and interest free loan assigned to Modaraba Al-Mali by the ex sponsors of the company which had been paid off in full during the current period.

12.2 The reconciliation in this head of account is as follows:

Balance as at July 01,		-	-
Add: Loan obtained from the related party		64,979,500	-
Less: Repayments made during the period		(60,000,000)	-
Less: Transferred to Modaraba Al Mali	12.2.2	(4,979,500)	-
		<u>-</u>	<u>-</u>

12.2.2 The company has transferred its loan that was payable to LSE Financial Services Limited to Modaraba Al Mali on March 24, 2023 as decided by the members of the company in their EOGM after obtaining necessary NOC from the former party.

	Note	March 31, 2023 Rupees	June 30, 2022 Rupees
13 TRADE AND OTHER PAYABLES			
Trade creditors		7,509,747	-
Accrued expenses		324,982	225,000
Income tax deducted at source payable		318,417	-
Deposits from employees against vehicle		211,500	-
Liabilities against settlements and contingencies	13.1	-	22,494,164
		<u>8,464,646</u>	<u>22,719,164</u>
Less: Transferred to Modaraba Al Mali		(8,464,646)	-
		<u>-</u>	<u>-</u>

13.1 These represented the liabilities recognized previously in connection with the compensation payable to ex employees of the company who had claimed benefits from the company's old management through filing a petition in the Honorable Sindh Labour Court. However, these liabilities had been written back during the period based on the judgment of the Honorable Sindh Labour Court dated September 27, 2022 that the ex employees are not entitled of the benefits claimed by them and accordingly the matter has been decided in favour of the company. Accordingly, the relevant provisions created in this regard have been written back being no more payable.

14. CONTINGENCIES AND COMMITMENTS

There were no contingent liabilities and commitments at the reporting date. (June 30, 2022: Nil).

15	REVENUE - NET	Note	March 31, 2023 Rupees	June 30, 2022 Rupees
	Revenue from services		13,106,344	-
	Less: Sales tax		-	-
	Net Sales		13,106,344	-

15.1 The services of medical consultation and treatment are exempt from the levy of sales tax under Second Schedule of the Punjab Sales Tax on Services Act, 2012.

16. COST OF SALES

16			March 31, 2023 Rupees	June 30, 2022 Rupees
	Raw material consumed	16.1	5,975,750	-
	Surgical / dental items and consumables		1,575,770	-
	Direct wages and salaries		7,760,556	-
	Utilities		77,390	-
	Other expenses		103,093	-
	Depreciation	4.2	149,243	-
			15,641,802	-
			March 31, 2023 Rupees	June 30, 2022 Rupees
16.1	Raw material consumed			
	Opening: raw material		-	-
	Purchases - Dental aligners		5,975,750	-
	Closing: raw material		-	-
			5,975,750	-

17. ADMINISTRATIVE AND SELLING EXPENSES

	Salaries and wages		4,776,184	-
	Travelling and Conveyance		2,400,903	405,330
	Utilities		49,850	-
	Fees and subscription		1,150,000	231,000
	Postage and courier		27,562	-
	Printing and stationary		52,070	3,500
	Legal and professional charges	17.1	21,606,995	2,593,131
	Audit fee		100,000	300,000
	Insurance		19,473	-
	Rent, rates and taxes	17.2	5,386,965	100,000
	Advertisement		7,740,213	-
	Other expenses		2,171,168	146,426
	Depreciation on property and equipment	4.2	379,085	7,690
	Prepaid expenses written off		60,486,783	-
			106,347,251	3,787,077

17.1 These mainly include the costs on account of lawyers, valuation exercise, corporate services, court fee, regulatory charges of SECP, fees paid to PSX and CDC as well as fee for the financial advisory and underwriting services.

17.2 This includes Rs. 2,966,000 charged by the associated undertaking Modaraba Al-Mall against the use of rented office premises owned by the Modaraba.

		March 31, 2023	June 30, 2022
		Rupees	Rupees
18 OTHER INCOME			
Income from financial assets			
Profit on investment / deposits	18.1	2,138,534	970,459
Income from non-financial assets			
Old liabilities written back	18.2	22,719,164	3,158,600
Gain on transfer of business		10,623,863	-
		<u>35,481,561</u>	<u>4,129,059</u>

18.1 This represents profit on deposits earned from shariah compliance arrangements.

18.2 This amount represents to the account of liabilities against settlements which have been written back during the period due to the reasons disclosed in note - 13.1.

19 TAXATION

Current

- minimum tax		163,829	-
- Final tax regime		1,950,000	-
		<u>2,113,829</u>	<u>-</u>

20 (LOSS) / EARNINGS PER SHARE

			Restated
(Loss) / earnings for the period / year		(73,138,640)	341,982
Weighted average number of shares outstanding during the period / year		7,432,425	7,432,425
(Loss) / earnings per share - basic		(9.84)	0.05

The earning per share for the corresponding period has been restated due to the adjustment of bonus fraction for the bonus shares issued during the period. Diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue as at June 30, 2022 and March 31, 2023 which would have any effect on the (loss) / earning per share if the option to convert is exercised.

21 RELATED PARTY TRANSACTIONS

Parties are said to be related if they are able to influence the operating and financial decisions of the company. Related parties include associated companies, directors, key management personnel and employee benefits. Outstanding balances and transactions with related parties have already been disclosed in the relevant notes to these condensed interim financial statements. Other significant transactions carried out with related parties are as follows:

Name of related party	Relationship	Basis of relationship	Nature of transactions	March 31, 2023	June 30, 2022
				Rupees	Rupees
Enemite (Private) Limited	Associated Company	33.33% shareholding	Purchase of dental aligners	5,975,750	-
			Dividend income received	13,090,000	-
			Share of profit	2,376,137	-
Zahir A. Malik - Ex-CEO	Associated Company	Common Directorship	Loan received	-	34,346,313
			Loan assigned to Associated Entity	-	(79,893,814)
Modaraba Al Mall	Associated Company	29.59 % shareholding	Assignment of Loan by Ex-CEO (12.1)	-	82,495,877
			Expenses borne on behalf of the Company	-	2,601,963
LSE Financial Services Limited	Associated Company	Common Directorship	Loan received from the party	64,979,500	-
	Associated Company	Common Directorship	Repayment of loan	60,000,000	-

	March 31, 2023 Rupees	June 30, 2022 Rupees
22 NUMBER OF EMPLOYEES		
Number of employees at March 31 / June 30		
- Permanent	20	-
- Contractual	-	2
	<u>20</u>	<u>2</u>

22.1 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

No remuneration was paid to Chief executive, Executives and other Directors of the company. (June 30, 2022: Nil). In addition to this, no meeting fee was paid to the directors of the company and no compensation is being paid to Non-Executive directors of the company.

23 FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk; and
- Operational risk.

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The accounts department of the Company assist the Board in developing and monitoring the Company's risk management policies. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The risk management policies of the Company are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits, and focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to financial markets. The Company's management oversees and monitors compliance with the Company's risk management policies, procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Directors are assisted in oversight role by the management. Management undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

23.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations on a specified future date. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed by the competent authorities of the sales and recovery departments with the approval of the BOD. The Company is exposed to credit risk from its operating activities primarily for local trade debts, advances, deposits, other receivables, balances with banks and other financial assets. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and / or regions.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at the end of the reporting period was as follows:

	March 31, 2023 Rupees	June 30, 2022 Rupees
Carrying amount		
Trade debts-unsecured and considered good	-	-
Advances, deposits, prepayments and other receivables	469,688	-
Bank Balances	-	121,285,193
	<u>469,688</u>	<u>121,285,193</u>

Bank balances

- The credit quality of the Company's cash and cash equivalents, held with various commercial banks and financial institutions is assessed with reference to external credit rating thereof, ranging from AA+ to A1+ assigned by the reputable credit rating agencies.

Trade debts

Customer is counterparty to local trade debts against sale of surgical equipments and dental aligners. Sales limits are established for each customer based on internal rating criteria and reviewed regularly. Any sales exceeding these limits require special approval of the BOD. Outstanding customer receivables are regularly monitored by the sales and recovery department. The trade debts are within the age bracket of 90 days.

Concentration to credit risks

However, the company has no risk on account of trade receivables and bank balances as the company had transferred all the balances maintained in current and deposit accounts and balances receivables from trade parties to the Modaraba Al Mall as on March 24, 2023 as decided by the members of the company in their EOGM.

23.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets, or that such obligations will have to be settled in a manner unfavourable to the Company. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of statement of financial position liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customers.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Board of Directors has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast & actual cash flows and matching the maturity profiles of financial assets and liabilities. The management believes the liquidity risk to be low since there is no obligation on part of the company as at the reporting date. Following are the contractual maturities of financial liabilities. The amount disclosed in the table are undiscounted cash flows:

Financial liabilities	March 31,2023			
	Carrying amount	Total	Up to one year	More than one year
Trade and other payables	-	-	-	-

Financial liabilities	June 30,2022			
	Carrying amount	Total	Up to one year	More than one year
Trade and other payables	22,719,164	22,719,164	225,000	22,494,164

23.3 Market risk

Market risk is the risk that the value of the financial instruments fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer of the instrument, change in market sentiments, speculative activities, supply and demands of securities and liquidity in the market. Market risk comprises of three types of risk namely, interest risk and other price risk.

23.3.1 Interest rate risk

Interest rate risk represent the risk that the fair value of the future cash follows of the financial instruments will fluctuate because of the changes in market interest rates. The Company has no such risk as the company has no outstanding interest bearing loans at the reporting date.

23.3.2 Other price risk

- Other price risk is the risk that fair value of the future cash flows of the financial instruments will fluctuate because of the changes in market price (other than arising from the interest and currency risk) whether this changes caused by the factor specific to the financial instruments or its issuer or factors effecting similar financial instruments traded in financial markets. The Company is not exposed to other price risk as the company has no investment in equity instruments at the reporting date.

23.3.3 Currency risk

Currency risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. The company is not exposed to such risk since the company has no receivables / payables in foreign currency. Accordingly, the currency risk is minimal.

23.4 Fair value of financial assets and liabilities

Fair value is 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. The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values.

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Fair value hierarchy

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

Level 1	Quoted prices (unadjusted) in active market for identical assets or liabilities.
Level 2	Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derive from prices).
Level 3	Inputs for asset or liability that are not based on observable market data (unobservable inputs).

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

During the year, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurement.

The Company has not disclosed the fair values of the financial assets and financial liabilities because their carrying amounts are reasonable approximation of fair values. As at March 31, 2023 and June 30, 2022, the Company did not hold any financial instruments carried at fair value.

23.5 Operational risk

Operational risk is the risk of direct or indirect losses arising from a wide variety of causes associated with the processes, technologies and infrastructure supporting the Company's operation either internally with in the Company or externally to the Company's service providers, and from external factors other than credit, market and liquidity risk such as those arising from legal regulatory requirements and generally accepted standards of investments and management behavior. Operation risk arises from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting financial losses and damage to its reputation and generating returns from stake holders.

The primary responsibility for the development and implementation of the controls over operational risk rest with the Board of Directors. This responsibility encompasses the controls in the following areas:

- requirements for the segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of the transactions;
- compliance with the regulatory and other legal requirements;
- documentations of controls and procedures;
- requirements for the periodic assessment of operational risk faced, and adequacy of controls and procedures to address the risk identified;
- ethical and business standards; and
- risk mitigation, including insurance where effective.

Senior management will ensures that the Company's staff have adequate training and experience and foster effective communication related to the operational risk management.

23.6 Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain creditor and market confidence, sustain future development of the business, safeguard the Company's ability to continue as a going concern in order to provide the shareholders and benefits for other stakeholders and to maintain optimal capital structure to reduce the cost of capital. The Board of Directors monitors the return on the capital, which the Company defines as net profit after taxation divided by total shareholders equity. The Board of Directors also monitors the level of dividend for ordinary shareholders.

24 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on

10 JUL 2023

25 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison.

KMB


CHIEF EXECUTIVE


DIRECTOR