



ALSHAHEER

FOODS



ALSHAHEER
FOODS



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Company Information

ASC Foods is certified on following regulatory & international standards:

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



Al Shaheer Corporation entered the world of meat business in 2008 starting from humble beginnings and growing into a renowned name within a short span of time.



Our Story

Al Shaheer Corporation entered the world of meat business in 2008 starting from humble beginnings and growing into a renowned name within a short span of time. The powerful fundamental values of teamwork, integrity, excellence, community service and consumer focus form the foundation of this business which aimed to serve and go beyond the expectations of the customers. Our meat products have always satisfied our consumers with the high hygiene and health standards we have always met, thus enabling us to grow and reach top levels in this industry.

Gadap Town - Karachi is home to our class apart abattoir, designed customarily as an answer to the global need and demand of Halal meat. Well organized logistics, spotless lairage area, cold storage and

exclusively designed outlets as well as standard shop-in-shop models. The quality standards of Meat One are unmatched at every level of the meat selection process. Highest quality cattle is chosen as the first step of our process. Getting the cattle checked by skilled vets comes next as health and safety are the two top most priorities. These are then slaughtered in a completely halal way at our abattoir, sectioning and processing them in large cuts before transporting them in hygienic refrigerated trucks to various outlets.

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

It was the same year that Al Shaheer Foods achieved yet another important milestone and became a corporate limited company, being listed on the Stock Exchange. The company transitioned to Al Shaheer Foods from Al Shaheer Corporation in the first month of 2017, with the objective of establishing itself as a 'foods' company. Keeping this



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

'Chef One', Al Shaheer launched its new brand CHEF ONE nationwide last year and is now available in all leading stores across Pakistan. Over the decades following the benchmarks set by Meat One, our new brand Chef One offers convenience and meeting consumer needs with differentiated and diversified innovative frozen foods products like poultry, meat, and fish. Just like its predecessor, this brand also upholds the quality standards of health and hygiene. Chef One hopes to bring significant improvement in our customers' lives not just through delicious satisfaction to the taste buds but also through an assortment of product offerings currently unmet by any other local brand. This will hence be the perfect opportunity for the Company to expand its presence even further both locally and internationally through general and modern trade and B2B market.

In addition, the Company also started its commercial production of frozen chicken at the Lahore plant last year.

'Meat One', the first red meat brand of Al Shaheer came into being in 2010 with the objective of providing innovative and convenient 'one stop fresh meat solutions' to consumers, placing us in the center of the fresh meat retail market of Pakistan. This brand offers various kinds of fresh meat operating through

objective in mind, products like poultry, ready-to-cook / ready-to-eat products, fruits and vegetables are now being considered to be further included in the line of business as well.

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

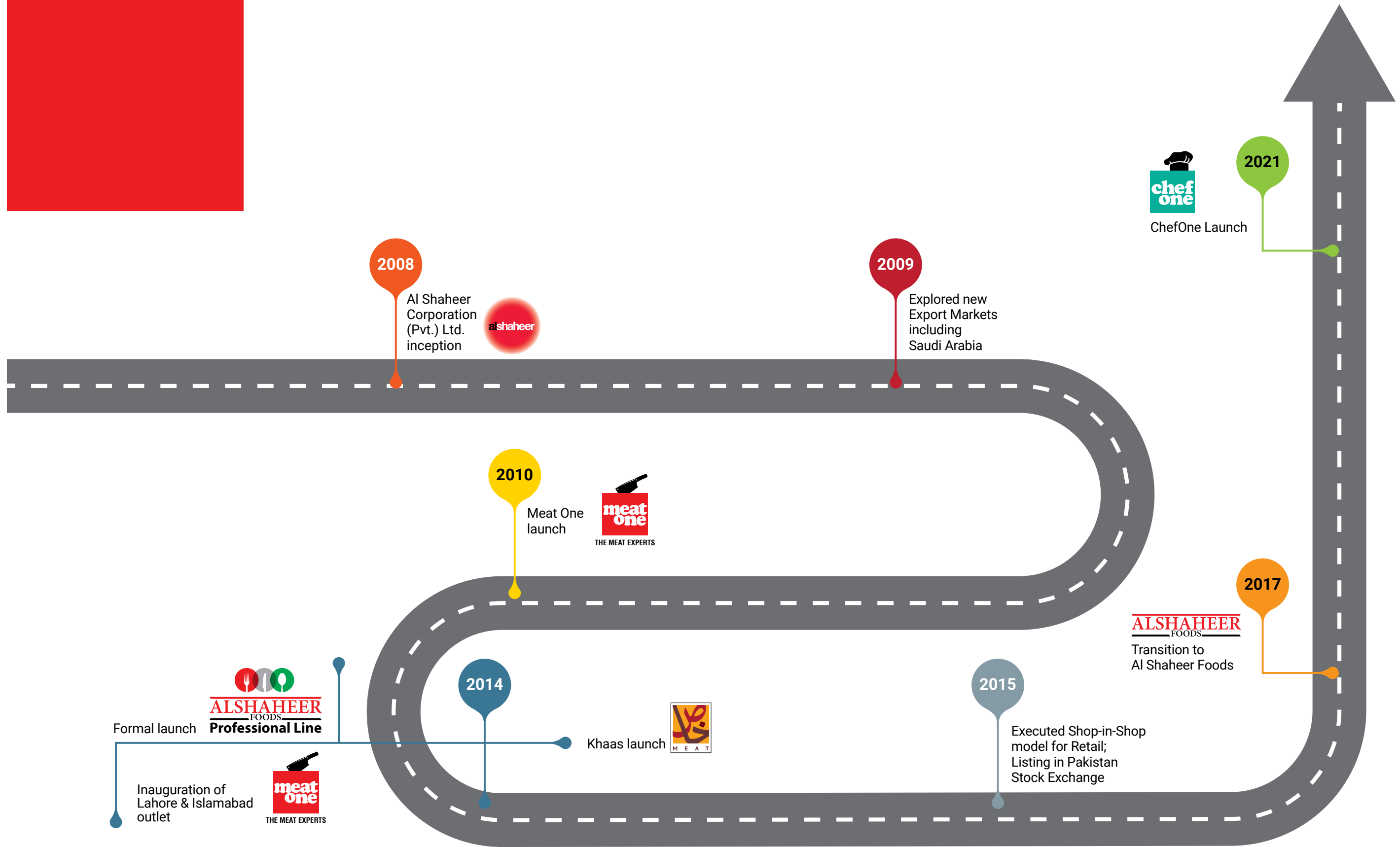
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- Malaysian Halal standard MS 1500
- UAE/GSO Halal slaughtering standard 993:2015



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

Timeline



Chairman's Review

On behalf of the Board of Directors, I am delighted to present the financial results for the fiscal year ending 2022-23.



Throughout the year, our margins faced significant challenges due to economic and inflation crises. The pricing strategies adopted by both local and international businesses in the export market imposed considerable pressure on both our sales volumes and profit margins. Consequently, the Company encountered difficulties in passing on its costs to consumers in full.

Nonetheless, our dedicated team persevered through these challenges, and I would like to take this opportunity to express our gratitude to the Company's hardworking staff and management. We look forward to continuing our journey toward success with the same unwavering spirit and determination.

A handwritten signature in black ink, appearing to be 'MQA', written in a cursive style.

Muhammad Qaysar Alam
Chairman
AlShaheer Corporation Limited

To address the overall financial and business challenges faced by the Company, the Company has devised a new business model, which will be focusing on large institutional customers (international franchises), in addition to Export.

Our Motto



Vision

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

Mission

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

Core Values

Integrity

We act honestly, truthfully & fairly with our consumers, suppliers, employees & all stakeholders.

Consumer Focus

We are consumer-oriented, committed to delivering the best experience to our consumers every time.

Code of Conduct

Introduction

The Company's General Business Principles govern how Al Shaheer Corporation Limited conducts its affairs. The objectives of the organization are to engage efficiently, responsibly and profitably in Halal and hygienic food business and to participate in the search for, and development of, new products to meet evolving consumer needs and changing lifestyles.



Teamwork

We develop & empower our people to work as a strong unified team in an open, informal and disciplined environment.

Excellence

We strive to be the best at whatever we do.

Community

We act as a responsible citizen, protecting the environment and contributing to the community in which we operate.

Halal and hygienic food is a basic human requirement that will exist forever. Our role is to ensure that we source, process and deliver this profitably and in environmentally & socially responsible ways. We seek high standards of performance, building a strong, long term and growing position in the competitive environments in which we choose to operate. We aim to work closely with our consumers, partners and policy-makers to continuously strengthen our position and be recognized as a leader in the food categories we operate in.

Sustainable Development:

As part of the Business Principles, we commit to contribute to sustainable development. This requires balancing short and long term interests, integrating economic, environmental and social considerations into business decision-making, and investing in people, systems and infrastructure for sustainable advantage.

Responsibilities:

Al Shaheer Corporation Limited recognizes five areas of basic responsibilities. It is the duty of management continuously to assess the priorities and discharge these inseparable responsibilities.

- a) To shareholders: To protect shareholders' investment, and provide a long-term return competitive with those of other leading companies in the industry.
- b) To consumers: To win and maintain consumers by developing and providing products and services which offer value in terms of price, quality, safety and convenience.
- c) To employees: To respect rights of our employees and to provide them with good and safe working environment and competitive terms and conditions of employment. To develop leadership that continuously promotes best utilization of talent, to create a conducive work environment where every employee has an equal opportunity to develop his or her skills and talents. To encourage the involvement of employees in planning and strategizing their work and to provide them with appropriate channels and structure. We recognize that commercial and sustainable success depends on the commitment of all employees and disposition of their energies and efforts in the right direction.
- d) To business partners: To seek mutually beneficial relationships with contractors, suppliers and in joint ventures and to promote the application of our General Business Principles in such relationships. The ability to promote these principles effectively is an important factor in the decision to enter into or remain in such relationships.
- e) To society: To conduct business as responsible corporate members of society, to comply with applicable laws and regulations, to support fundamental human rights in line with the legitimate role of business, and to give proper regard to health, safety, security and the environment.

Economic:

Long-term profitability is as essential for the company as oxygen to the living being, in order to achieve our higher goals. It is a measure of both efficiency and of the value that consumers place on Al Shaheer Corporation Limited products and services. It supplies the necessary corporate resources for the continuing investment that is required to develop and produce Halal and hygienic supplies to meet & exceed consumer needs. Without profits and a strong financial foundation, it would not be possible to fulfill our higher levels of responsibilities.

Competition:

Al Shaheer Corporation Limited supports free enterprise. We believe that healthy competition always results in greater opportunities, better products and services, and in turn, benefits the consumer. We seek to compete fairly and ethically and within the framework of applicable competition laws; we will not prevent others from competing freely with us.

Business Integrity:

Al Shaheer Corporation Limited insists on honesty, integrity and fairness in all aspects of our business and expects the same in our relationships with all those with whom we conduct business. The direct or indirect offer, payment, soliciting or acceptance of bribes in any form is unacceptable. Facilitation payments are also bribes and should not be made. Employees must avoid conflicts of interest between

their private activities and their role in the conduct of Company business. Employees must declare to their employing Company potential conflicts of interest, if any. All business transactions on behalf of Al Shaheer Corporation Limited must be reflected accurately and fairly in the accounts of the Company in accordance with established procedures and are subject to audit and disclosure.

Health, Safety and the Environment:

Al Shaheer Corporation Limited has a systematic approach to health, safety and environmental management in order to ensure continuous well-being of our employees, consumers and public alike. To this end, Al Shaheer Corporation Limited manages these matters as critical business activities, sets standards and targets for improvement, and measures, appraises and reports performance externally. We continually look for ways to reduce the environmental impact of our operations, products and services.

Local Communities:

Al Shaheer Corporation Limited aims to be a good corporate citizen by continuously improving the ways in which we contribute, directly or indirectly, to the general well-being of the communities within which we operate. We manage the social impacts of our business activities carefully and work with others to enhance the benefits to local communities, and to mitigate any negative impacts from our activities. In addition, Al Shaheer Corporation Limited takes a constructive interest in social matters, directly or indirectly related to our business.

Communication and Engagement:

Al Shaheer Corporation Limited recognizes that regular dialogue and engagement with our stakeholders is essential. We are committed to reporting our performance by providing complete relevant information to legitimately interested parties, subject to any overriding considerations of business confidentiality. In our interactions with employees, business partners and local communities, we seek to listen and respond to them honestly and responsibly.

Compliance:

We comply with all applicable laws and regulations of the countries in which we operate.

Living by Our Principles:

Our shared core values of integrity, teamwork, consumer focus, fairness and excellence underpin all our activities and are the foundation of our Business Principles. The Business Principles apply to all transactions, large or small, and drive the behavior expected of every employee in Al Shaheer Corporation Limited in the conduct of its business at all times. We are judged by how we act. Our reputation will be upheld if we act in accordance with the law and the Business Principles. We also encourage our business partners to live by these principles.

We encourage our employees to demonstrate leadership, accountability and teamwork, and through these behaviors, contribute to the overall success of Al Shaheer Corporation Limited. It is the responsibility of the leadership to lead by example, to ensure that all employees are aware of these principles, and behave in accordance with the spirit as well as the letter of this statement.

The application of these principles is underpinned by a comprehensive set of assurance procedures which are designed to make sure that our employees understand the principles and confirm that they act in accordance with them. As part of the assurance system, it is also the responsibility of management to provide employees with safe and confidential channels to raise concerns and report instances of noncompliance. In turn, it is the responsibility of the Company employees to report suspected breaches of the Business Principles to the management. The Business Principles are fundamental to how we conduct our business and living by them is crucial to our continued success.

Purpose of Existance

Al Shaheer Foods was created in August 2008 after observing the increase in demand of Halal meat products globally. It operates a custom designed, state-of-the-art plant, brought in from Australia with attached chillers, cold storage, transportation and hygienic lairage area. This is the largest private slaughtering facility in the

Performance' award in 2009, 2010, 2012 and 2013 for Fresh and Frozen Meat from the Federation of Pakistan Chambers of Commerce and Industry.

Al Shaheer currently possesses municipality licenses to export meat to some of the most lucrative markets in the region, including Dubai and Saudi Arabia.

The year 2010 started with a pledge to make the same quality meat available to



country with a capacity of 40 heads per hour.

Winning several international accreditations like the ISO 9001:2015, ISO 22000:2005, HACCP for its quality and standards used in the production process, SAFE Food Award 2009 & 2010 by URS for quality and hygiene, the Company has conquered the global market with a continuous commitment to quality.

Al Shaheer Foods has also won the 'Best Export

local consumers, thereby considerably raising the benchmark in meat selling. Starting off from our flagship Meat One boutique on main Khayaban-e-Shamsheer, DHA, Karachi, we have gradually expanded our network of dedicated Meat One outlets across Pakistan to introduce customers to the best quality, free range meat possible.

Board of Directors

Our board of directors play a significant role in representing the interest of our shareholders. All board members are profoundly experienced in their respective sectors and avidly assist in the company's operations.





M. Qaysar Alam

On the Board of Directors of GS1 and Al-Shaheer Corporation Limited, Member Pakistan Advisory Board ISCEA, President Supply Chain Association of Pakistan. Supply Chain Specialist, Consultant, Trainer and speaker at various business schools and forums. Worked for 29 years at Unilever Pakistan Ltd., where, for the last 8 years served as Vice President responsible for Supply Chain, its strategies and operations.

He was on the Board of Directors, Member of Audit Committees and Management Committee of the Company. Key architect of Unilever Pakistan's Supply Chain structure and processes making it forward looking, achieving efficiencies in speed, service and cost. Earlier worked at Exxon Pakistan, ARAMCO SA and taught Petroleum engineering at KU.



Babur Sultan

A successful career of 33 years in leading national and multinational FMCG companies. Proven track record in General Management, Supply chain Management, Sales & Distribution and System Reengineering. Have experience of green field operations along with merger & acquisition process. Strongly believes in maintaining personal & professional ethics & values.

Last assignment was as Chief Executive Officer of Engro Foods Ltd. Served Engro foods as Vice President Sales and Senior Vice President Supply chain. Prior to joining Engro, worked for Haleeb Foods, Reckitt Benckiser, AgrEvo, a subsidiary of Hoechst and Wellcome Pakistan now GSK.

Holds a Master degree from University of Karachi, attended Agri-business Management program at University of Santa Clara, California, Advanced Management Programs at INSEAD and Harvard. Also has Certificate of Director Education from Pakistan Institute of Corporate Governance. Served as Board member: Engro Foods Ltd, Engro Foundation, Engro Foods Supply Chain Private Limited, Dairy and Rural Development Foundation and Chairman Pakistan Dairy Association.



Kamran Khalili

Kamran Khalili is the CEO of Al-Shaheer Corporation Limited. It was his vision to establish a Halal meat processing company. Kamran Khalili took the initiative and started Al Shaheer Foods from scratch, playing a pivotal role in the company's growth.

Prior to Al Shaheer, Kamran was a member of the Karachi Stock Exchange for around 10 years and CEO of Fortune Securities (Pvt.) Ltd. He has also worked as an Investment Banker in Muslim Commercial Bank, Pakistan.

After receiving an encouraging response from exports, Kamran expanded his vision to provide export quality meat products in the local market as well. In accomplishment of this vision, he took the initiative to introduce a concept meat shop in the local market, Meat One. Kamran Khalili is an MBA.



Imtiaz Jaleel

Mr. Imtiaz Jaleel has over 27 years' rich financial management, business transformation and corporate governance experience in well reputed multiple organizations, where he contributed in delivering accelerated and competitive growth. He has working experience in Asia, Africa, Europe and North America. He has also served on the Board and Audit Committee of a reputed oil refinery in Pakistan.

He started his professional career with A. F. Ferguson & Co., Chartered Accountants (member firm of Price Waterhouse Coopers. He is fellow member of the Institute of Chartered Accountants of Pakistan and Association of Chartered Certified Accountants, UK, besides holding a certification in Internal Audit from the Institute of Internal Auditors, USA..



Zillay A. Nawab

Zillay A. Nawab is a trusted business adviser, coach and trainer with extensive experience in multiple business segments. He is an expert in managing complex organizational transformation programs, with an effective blend of leadership, facilitation and collaboration at all levels. His interventions deliver measurable cost savings, enhanced stakeholder satisfaction and strategic alignment.

Zillay's consulting and training experience is industry agnostic, including water, banking, stock exchange, oil, automotive, nuclear, IT, hospitality, retail, healthcare, engineering, fertilizers, electric power utilities, advertising, construction, manufacturing, process automation and a host of other verticals.

Zillay is currently engaged with Pakistan Institute of Management, Ministry of Industries & Production, Government of Pakistan, to develop, launch and manage the Pakistan Management Excellence Award program, designed to elevate national organizational performance to international best practices.

Zillay is active in international standards development. He Chairs both international and Canadian standards development committees and presents the Canadian viewpoint at International Organization for Standardization (ISO) meetings. He is collaborating with global experts on developing risk, asset management and service excellence ISO standards.

Zillay is a gifted speaker and story-teller. He has delivered presentations and training workshops in North America, Middle East, Australia, Africa and Europe, on Business Excellence, Strategy, Organizational Performance Management, Benchmarking, Risk Management, Customer Centricity, Change Management and other topics.

Zillay is an avid writer and contributes regularly to newspapers, magazines and social media. He has edited and published magazines, company annual reports and in-house magazines. Zillay co-authored the ISO IWA on Sharing Economy. Passionate about writing, he is working on a book. He developed an innovative benchmarking methodology, registered under Benchmarking Canada trademark.



Sabeen Fazli Alavi

Sabeen is an FMCG industry specialist with more than 20 years of experience in mature and developing markets working on regional and global brands. She is known for defining winning business strategies, delivering differentiated, best-in class consumer experiences and crafting compelling brand stories to grow market share and build brand loyalty under challenging business conditions.

Sabeen's career started as a management consultant with Grant Thornton International before joining Unilever in Consumer and Market Insights where she spent two years before moving in to brand marketing. After a number of leadership roles in Unilever Pakistan she moved to the MENA region where her last corporate role was Marketing Director & Management Committee member for Unilever Gulf. Through her career Sabeen has successfully managed and grown large complex business units, launched numerous new brands and categories, led a number of disruptive innovation projects, managed large and often cross-functional teams, delivered market-beating growth, and spear-headed the organization's digital transformation agenda.

After a long and successful corporate stint, Sabeen has ventured into consulting where she continues to leverage her diverse and rich experience in consulting on projects that demand high-level strategic thinking, planning and implementation.



Umair Khalili

Umair Khalili is the youngest Director of Al-Shaheer Corporation Limited. He is an HR graduate from London School of Economics and Political Sciences (LSE). He is an enthusiastic individual who has great talent in public speaking and debating.

Umair has been the team lead for various events including Model United Nations where he lead multi-cultural teams and won the MUNs in the home country. Apart from academics, Umair is actively involved in cricket & football.

Director's Report

Year ended
June 30, 2023



The Directors of your Company are pleased to present the audited financial results of the Company for the year ended June 30, 2023.

Operational Performance

Summarized operating performance of the Company for the year is as follows:

| | Year Ended | |
|---------------------------------------|--------------------------|------------------|
| | June 30, 2023 | June 30, 2022 |
| | ----- (Rupees 000) ----- | |
| Turnover | 6,884,918 | 6,043,329 |
| Cost of sales | (6,286,946) | (5,209,972) |
| Gross profit | 597,972 | 833,357 |
| Expenses | (3,139,728) | (1,635,963) |
| Other income | 1,093,370 | 571,211 |
| Taxation | (378,103) | (7,423) |
| Profit / (loss) for the period | (1,826,489) | (238,818) |
| Basic and Diluted EPS (Rs./Share) | (5.54) | (0.80) |

In this fiscal year, the Company's overall topline increased by 14% compared to the same period last year. However, gross margins remained under pressure due to the challenges on account of economic and global inflation. Unprecedented increase in finance cost, material prices coupled with rising cost of utilities & logistics impacted our margins in this period, leading to losses. The major impact on bottom line was due to the impact of IFRS 9's Expected Credit Loss (ECL) model against trade receivables which resulted in provisioning of approximately PKR 1.2 billion loss.

Despite the aforementioned challenges, the Company remained committed to its vision of positively enhancing the quality of life of our consumers by expanding its product base through continuous innovation & renovation.

Poultry & Processed Foods Business

For Poultry & Processed Foods Business, the Company is expanding its processed food business into HORECA and Institutional sales. The Company has high expectations of attracting international and local food chains in Pakistan, as it is entering the market with premium quality product and services. In pursuance of the said goal, the Company has already entered into contracts with McDonalds and Hardees for the supply of beef patties throughout Pakistan.

Export Performance

Exports declined significantly during the financial year due to several macroeconomic factors affecting both, business volume and margins.

Retail Outlets

Retail segments i.e. Meat One suffered majorly due to increased inflation cost of utilities and livestock, resulting in decrease in footfall.

Institutional Sales

The institutional sales business performed well in our portfolio, delivering a 257% growth versus the same period last year. Despite strong competition from the unorganized sector, the Company has successfully been able to increase its market share and is committed to expanding its customer base in the following year.

Future Outlook

To address the overall financial and commercial challenges faced by the Company, the Company has devised a new business model, which will be focusing on large institutional customers (international franchises), in addition to Export. Furthermore, the Company will continue to work with optimized resources to ensure efficiencies and positive results.

Corporate Social Responsibility

The Company makes charitable donations of meat and funds to welfare and educational institutes, with its available resources. We are committed to local sourcing and local employment at all our facilities - creating employment and supporting small businesses in rural areas.

Human Resource Policies

The Company is an equal opportunity employer with systems and procedures in place to reward success. Human Resource management policies are in place and have been disseminated to all. The Company considers its people its core strength, who work continuously to meet individual challenges and help the Company achieve its targets.

Consumer Protection Measures

The Company ensures that, throughout the entire supply and dispatch chain, meat is handled in accordance with international standards to deliver a healthy, safe and hygienic product to all its consumers. It complies with major health and safety standards and ensures that the customers get best value for their money. The Company also operates a customer service help line for deliveries and complaints and offers full replacement guarantee to dissatisfied customers.

Business Ethics and Anti-Corruption Measures

The Company is committed to promoting high standards of ethical behavior throughout its business. The management condemns corrupt and fraudulent practices and ensures transparency, integrity and honesty in all aspects of work. The Company expects all its employees to perform their duties with utmost integrity and sheer professionalism. The Company has a whistle-blowing policy in place, where any employee can point out any perceived discrepancy in total confidence.

Contribution to National Exchequer

The Company contributed around PKR 45.7 million to the government treasury in form of taxes, excise duty, income tax and sales tax.

Financial Statements

The financial statements of the Company have been audited and approved without qualification by the auditors of the Company, M/s. Grant Thornton Anjum Rahman.

Statement on Corporate and Financial Reporting Framework

- a) The financial statements, prepared by the management of the Company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity.
- b) Proper books of account of the Company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures there from has been adequately disclosed and explained.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts upon the listed Company's ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- h) Outstanding liabilities on account of taxes, duties, levies and charges, if any, are disclosed in the financial statements.
- i) The Board consists of 4 independent Directors, 2 non-executive Director and 1 executive Directors. It includes 6 male and 1 female member.
- j) During the year, four meetings of the Board of Directors were held. Attendance by each director in the meetings of the Board and its sub-committees is as follows. The list contains some Directors who left during the course of the year and were replaced by new ones.

| Board / Committee | Board of Directors | Audit Committee | Strategic Steering Committee | Human Resource Committee |
|-----------------------------------|--------------------|-----------------|------------------------------|--------------------------|
| Meetings held during YE 202-23 | 5 | 4 | 3 | 1 |
| Mr. Kamran Ahmed Khalili | 5 | 4 | 3 | 1 |
| Ms. Sabeen Fazli | 5 | - | 3 | 1 |
| Mr. M. Qaysar Alam | 5 | 4 | 3 | 1 |
| Mr. Umair Ahmed Khalili | 5 | 4 | - | 1 |
| Mr. Babur Sultan | 4 | - | 3 | 1 |
| Mr. Muhammad Zubair Haider Sheikh | 5 | 4 | 3 | - |
| Mr. Zillay A Nawab | 5 | - | 3 | 1 |

- a) No trading in the shares of the Company was carried out during the year by the Directors, CEO, CFO, Company Secretary, Executives and their spouses and minor children.
- b) The Company pays gratuity to its employees for which liability as at 30 June 2023 is PKR 31.3 million.
- c) Pattern of shareholding is annexed with the report.
- d) Transactions with related parties are presented in note number 35 of the financial statements.

Directors' Remuneration

The Board of Directors have a policy and established procedures for remuneration of Directors in accordance with the relevant regulations.

Sales Tax Refunds

During the year, sales tax refunds of PKR 36.1 million were claimed.

Al Shaheer Farms (Pvt.) Ltd.

The Company has 51% holding in Al Shaheer Farms (Pvt.) Ltd. The subsidiary was incorporated on 2 March 2015 as a private limited company under Companies Ordinance 1984. The principal activity of the subsidiary is to carry on all kinds of farming including agricultural, poultry, horticultural and dairy. The subsidiary also purchases, acquires, maintains, breeds, sells or otherwise disposes off all kinds of cattle and other forms of livestock

Bonus Shares

No bonus shares have been issued.

Dividend

No dividend is proposed.

Rights Shares

74,984,707 Right shares have been issued during the year.

Appointment of Auditors

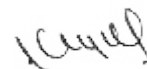
The present auditors M/s. Grant Thornton Anjum Rahman, retire and being eligible, offer themselves for reappointment.

Acknowledgment

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



Director



Chief Executive Officer

Management
Team





Kamran Khalili

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Prior to Al Shaheer, Kamran was a member of the Karachi Stock Exchange for around 10 years and CEO of Fortune Securities (Pvt.) Ltd. He has also worked as an Investment Banker in Muslim Commercial Bank, Pakistan.

After receiving an encouraging response from exports, Kamran expanded his vision to provide export quality meat products in the local market as well. In accomplishment of this vision, he took the initiative to introduce a concept meat shop in the local market, Meat One. Kamran Khalili is an MBA.



Muhammad Hamza Paracha
CFO

Muhammad Hamza Paracha (ACA) is the Chief Financial Officer of Al Shaheer Corporation Limited. He is a qualified Chartered Accountant and a member of the Institute of Chartered Accountants of Pakistan (ICAP).

He possesses extensive experience of over 13 years in the field of audit, financial management, accounting, reporting, taxation, and risk management.

Hamza started his career in 2009 with Grant Thornton Anjum Rahman, Chartered Accountants, where he led statutory audits, non-assurance engagements, and risk advisory assignments for various private, listed, and multinational companies.

He also worked with Quick Foods Industries and led the internal audit department.

He is associated with Al Shaheer since 2019



Shahid Qureshi
General Manager Technical

Mr. Shahid Qureshi is general and operations manager with 29 years of versatile manufacturing management experience in Dairy, Ice cream, Chocolates, Pasta, Cakes, Confectionery, Meat Industry & Seafood / Fish Processing Frozen Food Products.

He was associated with Yummy Milk Products, Polka Ice Cream Sharjah UAE, Nestlé Middle East Dubai UAE as inception partner to develop the largest ice cream plant in Asia, and IFFCO group Dubai UAE to develop Chocolate, Cakes and Pasta plants. He Played a Key role in product development and plant management for Alislami Foods (Meat division) UAE to nurture the giant brand of Frozen Food in UAE.

He allied with Perfect Foods UAE and aligned planning and craft/ produce the products for all the QSR's like Burger King, Subway, Pizza Hut (YUM) Applebees, chillies, Papa jones, Rastelli and own brand Tammiah.

He graduated in Chemical Engineering from Punjab University.

He holds Food Protection Manager Certification (American National standard Institute (ANSI). He is also certified from HOCHSCHULE GEISENHEIM UNIVERSITY for Sensory evaluation of foods.

He is associated with CCFRA (Campden Chorleywood Food Research Association), dealing in immaculate quality and food safety. He is also associated with "Fraunhofer University Munich" to develop meat and seafood products with industrial and mass Production concepts.



Wajihuddin Farooq
Company Secretary

Mr. Wajihuddin Farooq is the Company Secretary of Al Shaheer Corporation Limited. Prior to this, he worked for GSK Consumer Healthcare Pakistan Limited and DAMCO Pakistan Limited. He possesses more than 9 years of experience. He has diversified experience in HR, Finance, Admin and Corporate Affairs. Wajih has done his MBA from SZABIST.



Furqan Galla
Head of Internal Audit

Furqan Galla is Head of Internal Audit of Al Shaheer Corporation Limited. He is Certified Chartered Accountant and Certified Internal Auditor (IIA - USA). He has more than 15 years of experience in the field of Financial Planning, Reporting and Auditing.

He has worked in several industries including Manufacturing, Textiles, Distribution and Retails. At Deloitte, he got exposure of auditing numerous industries including but not limited to Banking, Manufacturing, Textiles and Distribution.

Business Channels



Export

Meat has always made meals more appetizing, more appealing and even when you think you're not all that hungry, the aroma of barbecued kababs is enough to pull you towards it. Accessibility to meat supposedly 'Halal' and fit for consumption was never a problem in Pakistan, dubious origins notwithstanding but, what about our countrymen and fellow Muslims living abroad?



Halal meat was barely available in limited regions and limited quantities. Choice of cut and range of taste were luxuries. Poor Muslims abroad did not even consider to fathom. Reflective of the related notion that access to any meat that was Halal was primary and quality was a secondary, if at all, consideration, the term 'Halal' was not yet used synonymously with food items nor was 'Halal' a brand name that touched the hearts, minds and palate of voracious Muslims yearning for fresh, healthy meat prepared in a Halal way.

Imagine yourself sitting down for dinner oceans away from home, thinking of mouthwatering mutton chops, chicken drumsticks or a juicy beef steak but you have to make do with the daal and veggies because there isn't any Halal meat available, a tragedy indeed. But not anymore!

Halal meat has always been a necessity and its growing global demand makes it one of the fastest growing segments within the global food trade. The increased demand brought Pakistan into this business, soon making it the 19th biggest Halal meat exporter in the world. It was not long before the global market saw the emergence of Al Shaheer Foods which soon became a trusted supplier of high quality Halal meat to importers across GCC countries.

Amid significant competition, Al Shaheer Foods has made its mark as one of the leading meat exporters of Pakistan since its conception in the summer of 2008 answering the prayers of meat lovers all around the world. The wide range of products offered in beef, prime beef, mutton, chicken, steak stone, ready to cook/marinated range and lamb (local and Aussie) leaves nothing to be desired.

Being one of the leading meat exporters of Pakistan, Al Shaheer Foods plays a major role in the 27% annual growth of the Halal meat industry, on its way to making Pakistan one of the largest players in the meat trade.

Karachi, Pakistan's largest air and sea port houses our state-of-the-art abattoir, strategically situated with access to international trade routes and certified to export to some of the largest regional markets around the globe, making sure there is never any delay in providing the freshest produce to our distributors abroad.

With a determined focus on our vision of becoming global leaders in the Halal food sector, we began by exporting red meat only to Dubai and have now expanded our reach to Saudi Arabia, Oman, Kuwait, Bahrain and Qatar and strive to widen our reach worldwide.

Having won the 'Best Export Performance' award several times for Fresh and Frozen Meat from the Federation of Pakistan Chambers of Commerce and Industry, we aim and are working towards further such accolades in the future.

Following are the countries Al Shaheer exports to:



Retail

Chef One

Al Shaheer launched its new brand CHEF ONE nationwide last year and is now available in all leading stores across Pakistan. Over the decades following the benchmarks set by Mea One, our new



brand Chef One offers convenience and meeting consumer needs with differentiated and diversified innovative frozen foods products like poultry, meat, and fish. Just like its predecessor, this brand also upholds the quality standards of health and hygiene. Chef One hopes to bring significant improvement in our customers' lives not just through delicious satisfaction to the taste buds but also through an assortment of product offerings currently unmet by any other local brand. This will hence be the perfect opportunity for the Company to expand its presence even further both locally and internationally through general and modern trade and B2B market.



Retail

Meat One

There is a quagmire that residents of Karachi meat find themselves in when it comes to buying one top quality, healthy and hygienic meat that can be traced back to respectable origins. In some ways sadly, the choice is simple.



The contest is really between bad meat and worse meat, the quality being a direct function of how long the meat jostled around, marinating on the back of a truck, imbuing not only the sights and sounds of rural Pakistan, but also the urban air pregnant with lead, mercury and other highly undesirable elements.

Our meat buying practices are paradoxical to our lifestyles as most of us are forced to buy substandard meat at the local roadside butcher or perhaps at a higher end grocery store in more

civilized surroundings. Either way, the origin of the meat remains entirely questionable.

This is where we come in. Owning and operating one of the largest abattoirs in Pakistan, we recognized that the practice of exporting good quality meat was a travesty, and realized the need to change this practice - to give Karachi a taste of good quality meat from free range animals. This was the obvious way of giving back to our country.

'Meat One' is a meat boutique; a concept which is not alien to most of Karachi, but one currently based on fantasy. The words "boutique" and "meat shop" do seem like two different ideas, but in effect it really translates into a unique opportunity to do something that has not been done before. Allow us to make this fantasy a reality. From nurturing to slaughtering, chilling, transporting and retailing, our products have to undergo stringent quality checks each step of the way. Halal, healthy and fresh, this meat is now being made available at various locations through specially designed Meat One boutiques.

Meat One is a concept meat shop, all about celebrating carnivorous yearnings. No more flailing arms like a banshee in an attempt to ward off the flies, no begums with their beautiful faces hidden behind duppattas, or worse yet contorted into ugliness due to the malodorous surroundings. Meat lovers will no longer have to worry about the dubious origins of their steak. Buying meat will no longer be the dreaded chore that is readily delegated to the errand boy, but will rather become an enjoyable weekly ritual.

Giving priority to health and hygiene, the shop is custom made, without compromising on aesthetics. The customers will be able to follow the whole process of meat preparation behind the glass counters and be thoroughly convinced of the quality of meat and the effort and honesty that the process entails.



Retail

Khaas Meat

Who doesn't want the best quality in the best economical price? But is that even possible in today's day and age, you may ask?

All you see around you is inflated prices and



The February of 2014 saw the launching of Khaas Meat, Al Shaheer's second retail brand after the success of Meat One.

You may be wondering about the purpose of a second retail brand offering the same as the first with the difference of a name. Well, the name says it all. At Khaas Meat, there is no compromise on quality or hygiene but we have chopped the prices to cater to SEC B & C, providing our customers with premium quality meat processed in a hygienic environment.

You don't need to go to the local butcher shops and share your meat with the hundreds of flies, having the time of their lives on your overly priced mutton leg. Khaas Meat is an upgrade to the existing butcher shops in the market providing high quality meat in a clean and hygienic environment.

Kiosk butcher shops being our primary competitors, it took a lot of hard work and dedication to place a firm foothold in that market but we managed to establish and secure our customers' loyalty. Our customers are offered the best meat of beef, mutton and chicken from animals that have been verified safe and healthy by our vets and which is compliant with international meat standards.

The best export quality meat can be found at our retail stores along with great service from competent, courteous and friendly staff. Our outlets are designed not only with an aesthetic sense but in a way that our customers can follow the whole process of meat preparation leaving no doubts about the quality of meat they are buying.

Our par excellence services and products have helped us make our mark in a significantly short period of time. The growth of Khaas Meat proves our claims of high quality and affordable prices and this will only keep increasing with our reputation and service.

deteriorating quality. Either the quality keeps falling or the quantity keeps shrinking and you end up with almost half of the quantity at double the price. It's enough to make you give up and just accept this as the norm which will keep emptying your pockets giving you a half filled rumbling stomach and the never ending frustration of having to put up with this daylight robbery.

But don't give up hope just yet because this is where Al Shaheer Foods steps in with their 'aam' priced Khaas Meat.



Delivery & E-Commerce

As a pioneer in the organized meat industry, we take it upon ourselves to provide our customers with the best of our products and services by adding the prime value of home delivery. An ideal hassle free delivery service not only contributes to the convenience of our consumers but also follows an effective timely response meeting all goals keeping each business front satisfied.

The Meat Experts

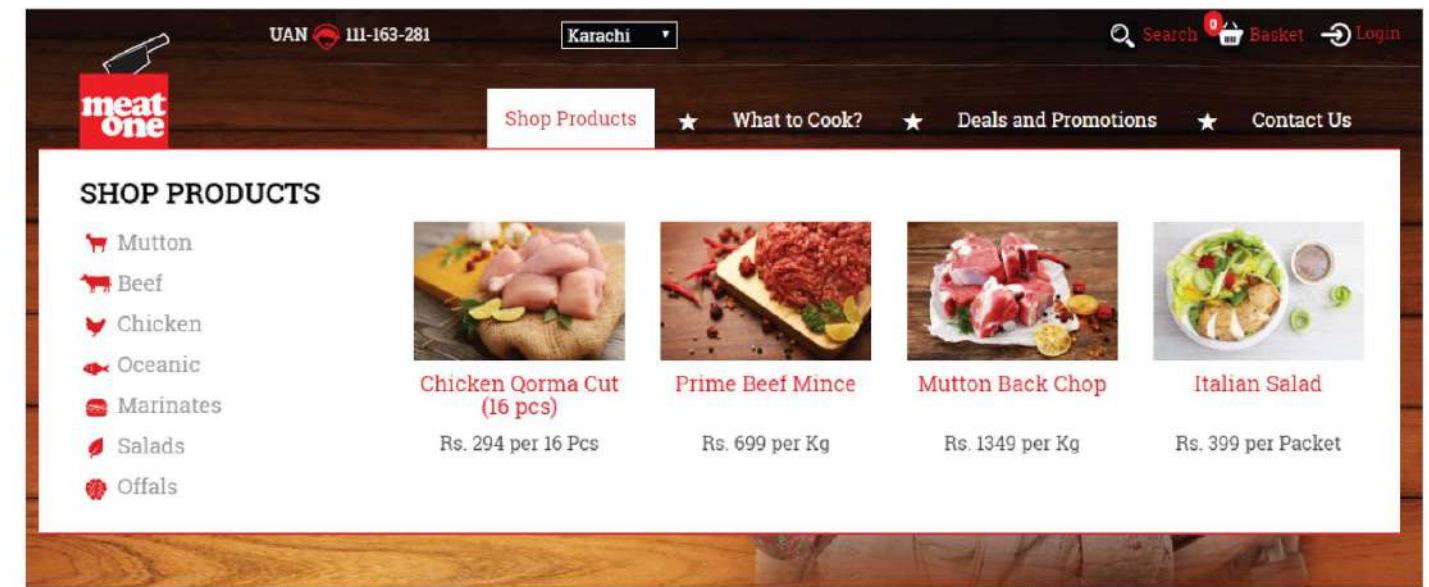
Our Meat Experts offer you with Wholesome, Fresh and Trimmed meat with cashback guarantee.



SHOP PRODUCTS



Initially the delivery service was being provided through a traditional way of call center in which a customer dials 1-11-MEAT-1 and place his/her order. But digitization has changed consumer buying behavior and people seek for more convenience. Keep this behavior in mind, Meat One has come up with e-commerce enabled website (www.meatone.net) to add more value and experience to consumer's convenience. Through e-commerce, the freshest Meat is just clicks away from the door step of consumers. Meat One's exceptional Store-to-Door delivery service combined with more convenient e-commerce facility takes consumer's shopping experience to new heights.



FROM STORE-TO-DOOR!
CALL NOW



11-11-MEAT-1



Professional Line

Traveling by air? Dining at a restaurant? Having lunch at your office cafeteria? What is one of your top concerns?

The hygiene and freshness of the food they are serving, right?

Well, that will be the least of your worries now



because the meat providers are none other than Al Shaheer Foods.

Meat has always been the main issue of concern regarding its origin, freshness, quality and distribution with Al Shaheer Foods ticking all these boxes every single time. This is especially important at the institutional level because they in turn have to serve the best to their customers. We realize that along with the institution's reputation it is mainly the provider's which is at stake, which is why Al Shaheer makes no compromises in providing the best quality of meat.

The overwhelming success of Meat One retail outlets and the massive positive response from household consumers encouraged us to widen our reach and serve consumers at the institutional level. In 2013, with a firm foothold in export and retail business, Al Shaheer ventured to serve local B2B customers, mainly Hotels, Restaurants, Hospitals and Corporates.

Having a start with shared retail resources, our Institutional Sales Unit gradually grew into a separate department, keeping in mind the requirements of bulk consumers. Fulfilling the needs of corporate clients being our primary objective, our clients in various cities have increased in a short span of time and the number keeps on increasing.

We don't believe in overpricing our products which is why our local clients with bulk orders are served premium products at cost efficient rates. We are a one stop solution to all our clients whose complete meat procurement requirements are satisfactorily and conveniently fulfilled by Al Shaheer Foods.

Our clients are primarily from three different channels. The first channel is HoReCa which includes Hotels, Restaurants, Cafes, Clubs and Caterers which consumes meat to make their primary offering i.e. food. They are pitched on the basis of food quality and taste.

The second channel is in-house Kitchens, Airlines, Hospitals & Ship Chandlers - These customers are pitched on the basis of price consciousness and value for money.

The third channel is Educational Institutions - In-house cafeterias which prepare fresh food for students and staff. These customers are targeted on the basis of nutrition and health benefits.



Factory

Our state-of-the-art abattoir is situated on the outskirts of Pakistan's largest city of Karachi. It is strategically situated with access to international trade routes via the country's largest airport and sea port. The abattoir, which is one of the most modern of its kind in Pakistan, is certified to export to some of the largest regional markets around the globe and qualifies as a high throughput facility with a daily slaughtering capacity of 700 cattle and 1000 mutton.



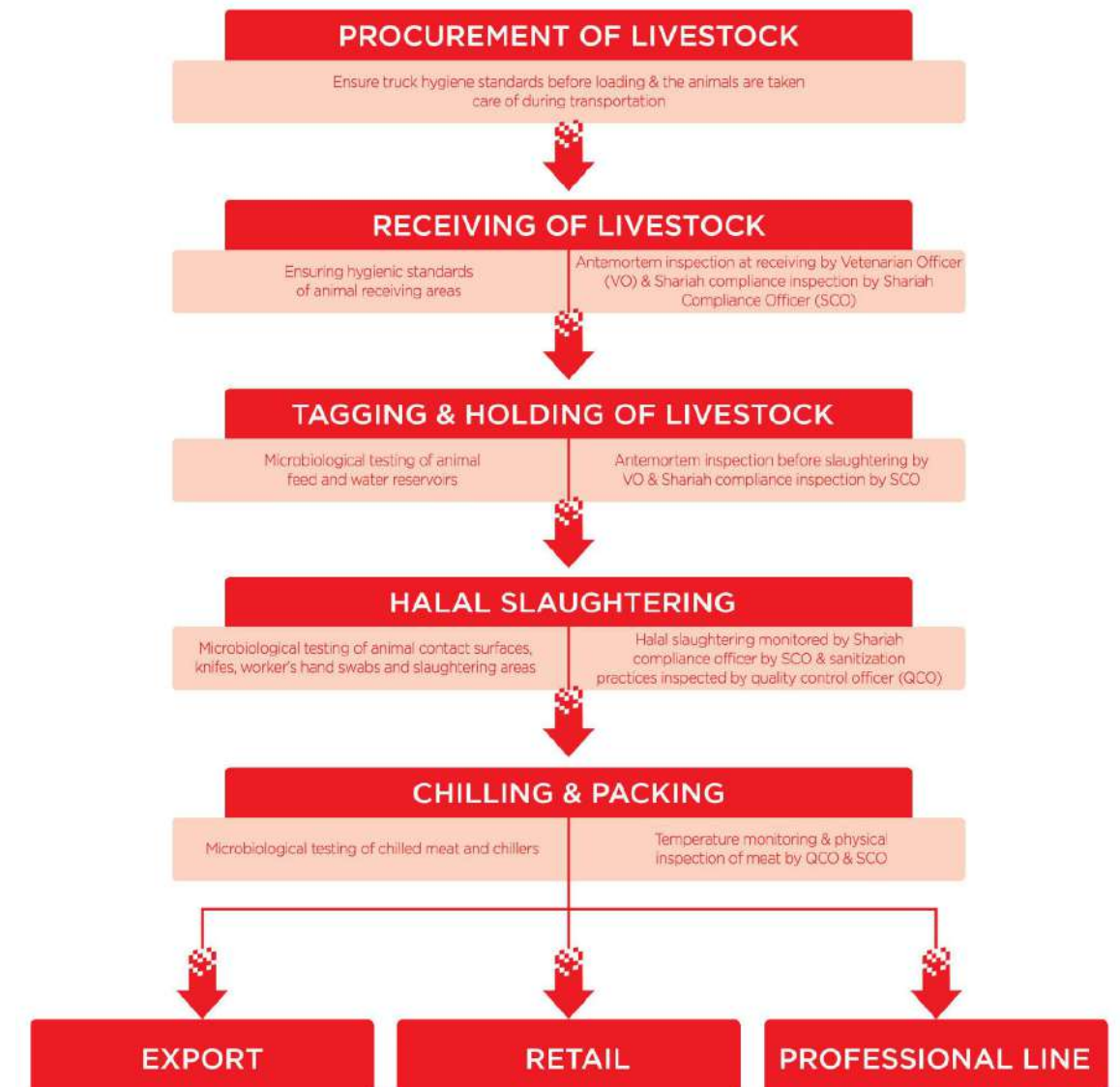
Certificates & Accreditations

1. HALAL certification on Pakistan HALAL standard PS 3733:2016
2. HALAL certification on international HALAL standard MS 1500
3. HALAL certification on UAE / GSO 993:2015 (HALAL slaughtering standard)
4. ISO 22000:2005
5. HACCP
6. ISO 14001:2015 7. OHSAS 18001:2007 8. ISO 9001:2015

Value Supply Chain

From sparkling, air-conditioned stores that eliminate the risk of meat going bad on the shelves, to a closely-monitored supply chain, Al Shaheer Corporation Ltd is rapidly changing meat shopping in Pakistan, transforming the once-dreaded experience of visiting the butcher into a comfortable, hygienic experience.

We take care to ensure only the best, export-quality meat makes it to the customer's table. Before the Halal slaughtering of the meat, it is ensured that all animals are examined by veterinarians and are thoroughly cleaned, the meat is examined once again after slaughter, to ensure that only the freshest and healthiest meats make it to their stores. All our outlets are based on international hygiene standards, with a state of the art abattoir in Karachi receiving a HACCP (Hazard Analysis and Critical Control Points) certification. Indeed, even in transport, every step is taken to ensure the quality of the meat is not compromised, as a special fleet of chilled trucks transports all meat to our retail outlets, keeping it fresh in controlled temperature, but never frozen so it retains the nutrition and reaches the customer in best way possible, as fresh as it could get.

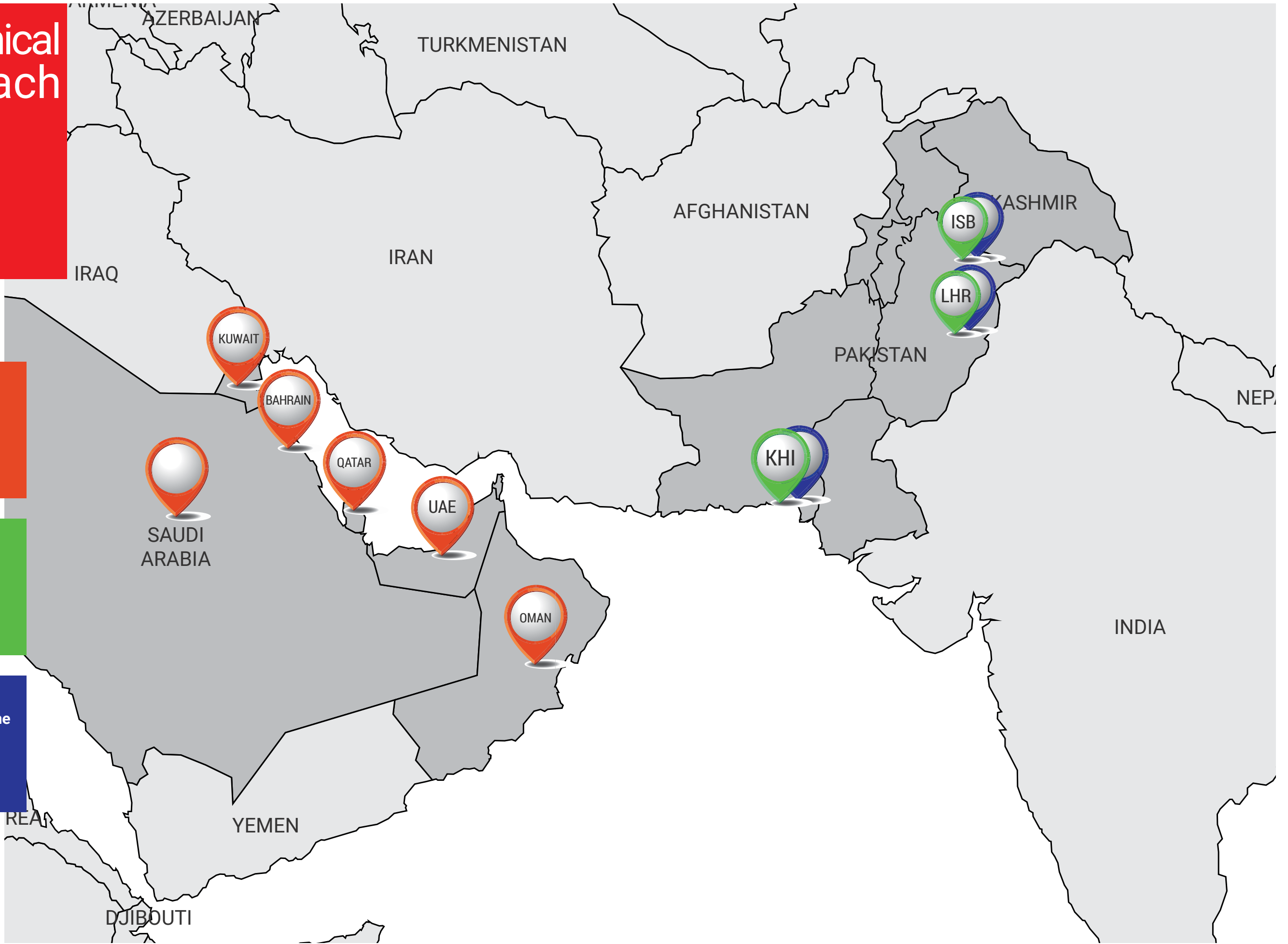


Geographical Reach

- Export**
- UAE
 - Saudi Arabia
 - Oman
 - Kuwait
 - Bahrain
 - Qatar

- Retail**
- Karachi
 - Lahore
 - Islamabad

- Professional Line**
- Karachi
 - Lahore
 - Islamabad



Corporate Governance

Stakeholder Interests

Al Shaheer Corporation Ltd. adopts the best corporate governance practices to maintain the proper balance in the allocation of rights, powers, duties and responsibilities among managers, the Board of Directors and share-holders.

The foremost objective of our business is to create economic and social value for our stakeholders. The extended contribution of our stakeholders towards our growth and existence is valuable for the Company. We cannot hold our purpose without input from the stakeholders.



Shareholders

Safeguarding our shareholders' interest is our prime responsibility. Our shareholders' interest revolves around good returns, profitability, growth and regulatory compliances. We respond to our shareholders' expectations through improvement in business mechanics, effective governance and corporate reporting

Investor Relations

The Company has a policy which sets out the principles in providing the shareholders and prospective investors with necessary information to make well informed investment decisions and to ensure a level playing field.

To keep transparency in the relation between the Company and its shareholders, the website of Al Shaheer Corporation Ltd. contains all the major financial information needed for investors' decision making in a separate tab of "Investor Relations" (<http://www.alshaheer.net/investor-relations/>).

Customers and Suppliers

Sustaining and developing long term relationship with our customers and suppliers forms the key of our business success. Our sales and marketing team remain in close contact to our stakeholders to resolve issues on a priority basis. We continue to engage with our customers and suppliers through meetings, market visits and communications.

Our procurement teams are in continuous contact with suppliers and vendors thorough meetings and correspondence to resolve all queries for on time deliveries of livestock and other supplies. Cooperation of our suppliers gives us an extra edge over our competitors.

Banks and Other Lenders

We value our relationship with our financial partners and lenders. Periodic briefings, quarterly financial reporting, head office and factory visits are the main means for our engagement with this category of stakeholders.

Regulators

Our commitment to compliance with laws and regulations is evident from our Corporate team's continued efforts for efficient and effective legal and regulatory obedience. The engagement includes submission of periodic reports, responding to enquiries and meetings as and when required. Active engagement with regulators improves level of compliance.

Employees

Our company has extensive employee engagement schemes in place. The employees' issues revolve around work life balance, training and development and rewards. Employee meetings are on regular intervals in the form of quarterly town hall meetings, celebrating sports day and team building activities. Employee engagement improves the level of dedication and hard work.

Media

Ads and campaigns are launched in media based on marketing requirements. Interaction with media improves the brand image of the Company.

Board of Directors

The Board of Directors consists of qualified individuals possessing knowledge, experience and skills in various professions, with the leadership and vision to provide oversight to the Company. The Board is assisted by three Committees, namely the Audit Committee, Strategy Steering Committee and the Human Resource Committee, to support its decision-making in their respective domains:

Audit Committee

| | |
|--------------------------|----------|
| Mr. Imtiaz Jaleel | Chairman |
| Mr. Muhammad Qaysar Alam | Member |
| Mr. Umair Ahmed Khalili | Member |

The Audit Committee comprised of one Non-Executive Director and two Independent Non-Executive Directors. The members of the audit committee possess relevant financial expertise and experience. The Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Chief Internal Auditor (CIA) and the external auditor attend Audit Committee meetings by invitation. The Audit Committee also separately meets the Chief Internal Auditor (CIA) and external auditors at least once a year without the presence of the Management.

Meetings of the Audit Committee are held at least once every quarter. The Committee reviews the annual financial statements in the presence of external auditors. The recommendations of the Audit Committee are then submitted for approval of financial results of the Company by the Board. During the year 2022-23, the Audit Committee held four (4) meetings. The minutes of the meetings of the Audit Committee are provided to all the members, Directors and the CFO. The CIA attends the Audit Committee meetings regularly and meets the Audit Committee without the presence of the Management, at least once a year, to point out various risks, their intensity and suggestions for mitigating risks and improvement areas. The business risks identified are referred to the respective departments and mitigating actions are then implemented.

Human Resource Committee

| | |
|--------------------------|----------|
| Mr. Zillay A. Nawab | Chairman |
| Mr. Kamran Ahmed Khalili | Member |
| Mr. Muhammad Qaysar Alam | Member |
| Mr. Umair Ahmed Khalili | Member |
| Ms. Sabeen Fazli Alavi | Member |

The HRC comprises three Independent Non-Executive Directors, one Executive Director and one Non Executive Director. The Chairperson of the HRC is an Independent Non-Executive Director. HRC meetings are conducted at such frequency as the Chairperson may determine. The minutes of the meetings are provided to all members and Directors.

Strategy Steering Committee

| | |
|---------------------------------|-------------|
| Ms. Sabeen Fazli Alavi | Chairperson |
| Mr. Kamran Ahmed Khalili | Member |
| Mr. Saiyid Zillay A Nawab Rizvi | Member |
| Mr. Muhammad Qaysar Alam | Member |
| Mr. Babur Sultan | Member |
| Mr. Zubair Haider Shaikh | Member |

The SSC comprises four Independent Non-Executive Directors, one Executive Director and one Non Executive Director. The Chairperson of the SSC is an Independent Non-Executive Director. SSC meetings are conducted at such frequency as the Chairperson may determine.

Offices of the Chairman & CEO

Being a corporate governance compliant company, Al Shaheer Corp. Ltd. designates separate persons for the positions of the Chairman of the Board of Directors and the office of the Chief Executive with clear division of roles and responsibility.

Roles of the Chairman & CEO

The Chairman and the Chief Executive have separate and distinct roles. The Chairman has all the powers vested under the Code of Corporate Governance and presides over Board meetings. The Chief Executive Officer performs his duties under the powers vested by the law and the Board and recommends and implements the business plans and is responsible for overall control and operation of the Company.

Directors' Orientation and Training

The Directors of the Company are well experienced and have diverse backgrounds. At the time of induction of any new director, he or she is given proper orientation about the operations of the Company and his or her fiduciary responsibilities. Five Directors of the Company are also certified under the Directors Training Program offered by Institute of Chartered Accountants of Pakistan (ICAP) and Institute of Business Administration (IBA).

Evaluation of Board Performance

Board Evaluation Mechanism facilitates the Board of Directors to evaluate and assess its performance for providing strategic leadership and oversight to the management. Accordingly, procedure is in place to assist in the self-assessment of individual director and the full Board's performance.

Report of the Audit Committee

Meetings of the Board Audit Committee are held at least once every quarter. Four meetings of the Audit Committee were held during the year 2022-23. Based on reviews and discussions in these meetings, the Audit Committee reports that

- The Company has adhered, without any material departure, with both the mandatory and voluntary provisions of the Pakistan Stock Exchange, Code of Corporate Governance, Company's Code of Conduct and values and the best practices of governance throughout the year
- The Company has issued a Statement of Compliance with the Code of Corporate Governance which has also been reviewed and certified by the external auditors of the Company.
- The Audit Committee reviewed and approved the quarterly, half yearly and annual financial statements of the Company and recommended them for approval of the Board of Directors.
- Appropriate accounting policies have been consistently applied. Applicable International Accounting Standards and International Financial Reporting Standards were followed in preparation of financial statements of the Company on a going concern basis, which present fairly the state of affairs, results of operations, cash flows and changes in equity of the Company.
- Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017 and the external reporting is consistent with management processes and adequate for shareholder needs.
- The financial statements comply with the requirements of the Fourth Schedule to the Companies Act, 2017 and applicable International Accounting Standards and International Financial Reporting Standards notified by SECP.

Imtiaz Jaleel
Chairman - Audit Committee





Statement of Compliance

With the Code of Corporate Governance Regulations, 2019
Al Shaheer Corporation Ltd.
Year ended 30th June 2023

The Company has applied the principles contained in the CCG in the following manner:

1. The total number of directors are 7 as per the following:
 - a. Male: 6
 - b. Female: 1
2. During the year the election of directors was held and following directors were elected for three year term.

Mr. Kamran Ahmed Khalili

Mr. Saiyid Zillay A Nawab Rizvi

Mr. Muhammad Qaysar Alam

Ms. Sabeen Fazli Alavi

Mr. Umair Ahmed Khalili

Mr. Babur Sultan

Mr. Zubair Haider Shaikh

However During the year Mr. Zubair Haider Shaikh resigned and Mr. Imtiaz Jaleel was appointment for the casual vacancy.

The composition of the board is as follows:

| | |
|-------------------------|--|
| Independent Directors | Mr. Imtiaz Jaleel Mr. Saiyid Zillay A Nawab Rizvi Mr. Muhammad Qaysar Alam Ms. Sabeen Fazli Alavi |
| Executive Directors | Mr. Kamran Ahmed Khalili (CEO) |
| Non-Executive Directors | Mr. Umair Ahmed Khalili Mr. Babur Sultan |
| Female Director | Ms. Sabeen Fazli Alavi |

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

ALSHAHEER FOODS

5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors have a formal policy and transparent procedures for the remuneration of directors in accordance with the Act and these Regulations.
9. All directors of the company have completed or are exempted from the requirements of the director training program.
10. The Board had approved appointments of the chief financial officer, company secretary and head of internal audit including their remuneration and terms and conditions of employment and complied with the relevant requirements of Regulations, however, there has been no new appointment during the year.
11. CFO and CEO duly endorsed the financial statements before approval of the board.
12. The board has formed committees comprising of members given below:

| | |
|---|---|
| Audit Committee | Mr. Imtiaz Jaleel (Chairman of the Audit Committee) Mr. Muhammad Qaysar Alam Mr. Umair Ahmed Khalili |
| Human Resource & Remuneration Committee | Mr. Zillay A Nawab (Chairman of the Human Resource and Remuneration Committee) Mr. Kamran Ahmed Khalili Mr. Muhammad Qaysar Alam Ms. Sabeen Fazli Alavi Mr. Umair Ahmed Khalili |

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the committees were as per following:

| Name of Committee | Number of Meetings |
|--------------------------|--------------------|
| Audit Committee | 4 |
| Human Resource Committee | 1 |


15. The Board has outsourced the internal audit function to Parker Russell-A.J.S., who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

ALSHAHEER FOODS

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouses, parent, dependent and non-dependent children) of the CEO, CFO, head of internal audit, company secretary or director of the company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.



Muhammad Qaysar Alam
Chairman – Board of Directors
Dated: November 07, 2023

**Grant Thornton Anjum
Rahman**

1st & 3rd Floor,
Modern Motors House,
Beaumont Road,
Karachi, Pakistan.

INDEPENDENT AUDITOR'S REVIEW REPORT

T +92 21 35672951-56

**TO THE MEMBERS OF AL SHAHEER CORPORATION LIMITED
REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN
LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

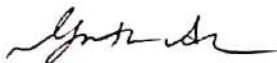
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Al Shaheer Corporation Limited (the Company) for the year ended 30 June 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2023.



Chartered Accountants
Place: Karachi
Date: 07 November 2023
UDIN: CR202310093ciZqRkFUe

The background of the slide is a close-up photograph of a calculator keypad. The keypad is black with several keys visible, including a prominent red 'X' key and a grey '=' key. In the lower-left area, a portion of the calculator's display is visible, showing a grid of numbers. A red rectangular box is overlaid on the center of the image, containing the title text in white. The overall image is slightly blurred, focusing attention on the text.

**Standalone
Financial
Statements
2022-23**

**Grant Thornton Anjum
Rahman**

1st & 3rd Floor,
Modern Motors House,
Beaumont Road,
Karachi, Pakistan.

T +92 21 35672951-56

INDEPENDENT AUDITOR'S REPORT

To the members of Al-Shaheer Corporation Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Al Shaheer Corporation Limited (the Company), which comprise the unconsolidated statement of financial position as at 30 June 2023, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated 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 explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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 30 June 2023 and of the loss, total comprehensive loss, the changes in equity and its cash flows for the year 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 Unconsolidated 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

| S. No | Key audit matter | How the matter was addressed in our audit |
|-------|---|--|
| 1. | <p>Revenue recognition and trade debts</p> <p>Refer notes 13 and 27 to the unconsolidated financial statements.</p> <p>The Company's revenue comprises of both local and export sales. Sales are generated through retail outlets and the corporate customers involving large volume of transactions. Further, trade debts generated through sales are subject to assessment of allowance for expected credit loss (ECL) in accordance with IFRS 9 – "Financial Instruments".</p> <p>We identified revenue recognition and associated trade debts as a key audit matter due to large volume of transactions and use of significant estimates and judgements by the management in respect of ECL.</p> | <p>Our audit procedures among others included</p> <ul style="list-style-type: none"> - We reviewed the terms and conditions of transactions for both sales and assessed the appropriateness of revenue recognition policies and practices followed by the Company. - We tested controls over revenue recognition and reporting process within export and local sales. - We performed analytical review procedures and other test of details for export and local sales including procedures ensure that revenue has been recognized in the appropriate accounting period. - We reviewed the methodology developed and applied by the management to estimate the allowance for ECL against trade debts. - We also assessed the adequacy of the disclosures in accordance with the financial reporting standards. |

Information Other than the Unconsolidated Financial Statements and Auditor's 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 unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated 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 unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise 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 Unconsolidated Financial Statements

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

In preparing the unconsolidated 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.

Board of directors of the Company are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 unconsolidated 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 unconsolidated 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 auditor's report to the related disclosures in the unconsolidated 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 auditor's 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 unconsolidated financial statements, including the disclosures, and whether the unconsolidated 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.

We also provide to the Board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.


From the matters communicated with the Board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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 year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

The engagement partner on the audit resulting in this independent auditor's report is Khurram Jameel.

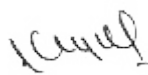


Chartered Accountants
Place: Karachi
Date: 07 November 2023
UDIN: AR202310093ApjPvgHO3

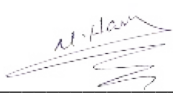
AL SHAHEER CORPORATION LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

| ASSETS | Note | 2023 ----- Rupees in '000' ----- | 2022 ----- |
|--|-------------|--|----------------------|
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 7 | 6,885,450 | 5,463,374 |
| Intangible assets | 8 | 35,305 | 47,073 |
| Long-term investment | 9 | - | 14,940 |
| Long-term loan | 10 | 2,819 | 6,439 |
| Deferred tax asset | 11 | - | 326,678 |
| | | 6,923,574 | 5,858,504 |
| CURRENT ASSETS | | | |
| Stock-in-trade | 12 | 262,572 | 289,061 |
| Trade debts | 13 | 3,044,879 | 3,094,203 |
| Loans and advances | 14 | 266,529 | 340,400 |
| Trade deposits and prepayments | | 13,300 | 13,907 |
| Other receivables | 15 | 332,226 | 364,590 |
| Taxation - net | | 100,840 | 134,947 |
| Cash and bank balances | 16 | 66,266 | 8,286 |
| | | 4,086,612 | 4,245,394 |
| TOTAL ASSETS | | 11,010,186 | 10,103,898 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorised capital 400,000,000 (2022: 300,000,000) ordinary shares of Rs. 10 each | | 4,000,000 | 3,000,000 |
| Issued, subscribed and paid-up capital | 17 | 3,749,236 | 2,999,389 |
| Share premium | | 1,507,705 | 1,507,705 |
| Accumulated (loss) / profit | | (926,059) | 898,634 |
| Revaluation surplus on property, plant and equipment | 18 | 2,497,600 | 750,199 |
| | | 6,828,482 | 6,155,927 |
| NON-CURRENT LIABILITIES | | | |
| Long-term financing | 19 | 582,996 | 731,640 |
| Lease liabilities | 20 | 47,501 | 90,226 |
| Deferred liability | 21 | 110,773 | 102,850 |
| | | 741,270 | 924,716 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 22 | 935,595 | 1,069,545 |
| Short-term borrowings | 23 | 1,855,429 | 1,637,867 |
| Due to a related party | 24 | 3,742 | 4,446 |
| Accrued mark-up | 25 | 223,205 | 117,787 |
| Current portion of long-term financing | 19 | 357,089 | 138,862 |
| Current portion of lease liabilities | 20 | 65,373 | 53,878 |
| Current portion of deferred income - government grant | | - | 870 |
| | | 3,440,433 | 3,023,255 |
| TOTAL EQUITY AND LIABILITIES | | 11,010,186 | 10,103,898 |
| CONTINGENCIES AND COMMITMENTS | 26 | | |

The annexed notes 1 to 42 form an integral part of these unconsolidated financial statements.


 Chief Executive Officer

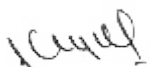

 Director


 Chief Financial Officer

AL SHAHEER CORPORATION LIMITED
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2023

| | | 2023 | 2022 |
|---------------------------------------|------|-----------------------------|------------------|
| | Note | ----- Rupees in '000' ----- | |
| Turnover | 27 | 6,884,918 | 6,043,329 |
| Cost of sales | 28 | (6,286,946) | (5,209,972) |
| Gross profit | | 597,972 | 833,357 |
| Administrative and distribution costs | 29 | (1,348,853) | (1,334,889) |
| Other expenses | 30 | (1,272,869) | (4,109) |
| Other income | 31 | 1,093,370 | 571,211 |
| Operating (loss) / profit | | (930,380) | 65,571 |
| Finance cost | 32 | (518,006) | (296,966) |
| Loss before taxation | | (1,448,386) | (231,395) |
| Taxation | 33 | (378,103) | (7,423) |
| Net loss for the year | | (1,826,489) | (238,818) |
| | | ----- (Rupees) ----- | |
| Loss per share | 34 | (5.54) | (0.80) |

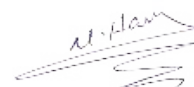
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Chief Executive Officer



Director

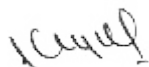


Chief Financial Officer

**AL SHAHEER CORPORATION LIMITED
UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

| | 2023 | 2022 |
|--|-----------------------------|-------------------------|
| | ----- Rupees in '000' ----- | |
| Net loss for the year | (1,826,489) | (238,818) |
| Other comprehensive income | | |
| Items not to be reclassified to statement of profit or loss in subsequent years | | |
| Remeasurement gain / (loss) on defined benefit plan (net of tax) | 21,346 | (3,165) |
| Surplus on revaluation of property, plant and equipment(net of tax) | 1,760,787 | - |
| Total comprehensive loss for the year | <u>(44,356)</u> | <u>(241,982)</u> |

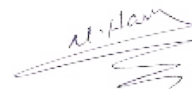
The annexed notes 1 to 42 form an integral part of these unconsolidated financial statements.



Chief Executive Officer



Director

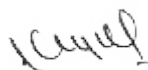


Chief Financial Officer

AL SHAHEER CORPORATION LIMITED
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

| | Issued, subscribed and paid-up capital | Capital reserve | Revenue reserve | Revaluation surplus on property, plant and equipment | Total |
|--|--|--------------------|--------------------------------|---|------------------|
| | | Share premium | Accumulated profit / (loss) | | |
| ----- Rupees in '000' ----- | | | | | |
| Balance as at 30 June 2021 | 2,999,389 | 1,507,705 | 1,122,939 | 767,877 | 6,397,910 |
| Net loss for the year | - | - | (238,818) | - | (238,818) |
| Other comprehensive loss | - | - | (3,165) | - | (3,165) |
| Total comprehensive loss for the year | - | - | (241,983) | - | (241,983) |
| Revaluation surplus on property, plant and equipment realised on account of incremental depreciation -net of tax | - | - | 17,678 | (17,678) | - |
| Balance as at 30 June 2022 | 2,999,389 | 1,507,705 | 898,634 | 750,199 | 6,155,927 |
| Net loss for the year | - | - | (1,826,489) | - | (1,826,489) |
| Other comprehensive income | - | - | 21,346 | 1,761,715 | 1,783,061 |
| Total comprehensive loss for the year | - | - | (1,805,143) | 1,761,715 | (43,428) |
| Issuance of right shares | 749,847 | - | - | - | 749,847 |
| Issuance cost on shares | - | - | (33,864) | - | (33,864) |
| Revaluation surplus on property, plant and equipment realised on account of incremental depreciation -net of tax | - | - | - | - | - |
| | - | - | 14,314 | (14,314) | - |
| Balance as at 30 June 2023 | 3,749,236 | 1,507,705 | (926,059) | 2,497,600 | 6,828,482 |

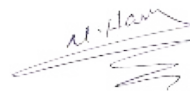
The annexed notes 1 to 42 form an integral part of these unconsolidated financial statements.



Chief Executive Officer



Director

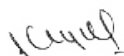


Chief Financial Officer

AL SHAHEER CORPORATION LIMITED
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|---|-----------------------------|------------------|
| | ----- Rupees in '000' ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before taxation | (1,448,386) | (231,395) |
| Adjustments for non-cash items: | | |
| Depreciation on operating fixed assets | 358,615 | 319,995 |
| Depreciation on ROU assets | 56,929 | 55,291 |
| Amortisation | 11,768 | 9,623 |
| Allowance for ECL | 1,245,987 | 10,155 |
| Provision for gratuity | 36,496 | 23,715 |
| Loss / (gain) on disposal of property, plant and equipment | 11,942 | (1,866) |
| Investment in subsidiary written off | 14,941 | 4,109 |
| Finance cost | 518,006 | 296,966 |
| | 2,254,684 | 717,987 |
| Working capital changes | | |
| Stock-in-trade | 26,489 | (39,919) |
| Trade debts | (1,196,662) | (1,053,451) |
| Loans and advances | 73,871 | 32,940 |
| Trade deposits and prepayments | 607 | 1,742 |
| Other receivables | 32,364 | 76,000 |
| Trade and other payables | (133,950) | 288,140 |
| Due to a related party | (704) | 2,264 |
| | (1,197,986) | (692,285) |
| Taxes paid | (20,316) | (39,719) |
| Gratuity paid | (951) | (413) |
| Finance cost paid | (405,589) | (269,947) |
| Net cash used in operating activities | (818,544) | (515,771) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Additions to property, plant and equipment | (64,673) | (246,669) |
| Sale proceeds from disposal of property, plant and equipment | 994 | 5,482 |
| Net cash used in investing activities | (63,679) | (241,187) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Issuance of shares | 715,983 | - |
| Long-term financing - net | 68,713 | (165,663) |
| Lease rentals paid | (73,305) | (70,855) |
| Short term borrowings - net | 228,811 | 926,905 |
| Net cash generated from financing activities | 940,203 | 690,387 |
| Net increase / (decrease) in cash and cash equivalents | 57,980 | (66,571) |
| Cash and cash equivalents at the beginning of the year | 8,286 | 74,857 |
| Cash and cash equivalents at the end of the year | 66,266 | 8,286 |

The annexed notes 1 to 42 form an integral part of these unconsolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

AL SHAHEER CORPORATION LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1 THE COMPANY AND ITS OPERATIONS

- 1.1** Al Shaheer Corporation Limited (the Company) was incorporated on 30 June 2012 and is quoted on Pakistan Stock Exchange. The Company is principally engaged in trading of different kinds of halal meat including goat, cow, chicken and fish, both for export market and local sales through chain of retail stores. Geographical location and address of all the

| Location | Business Unit |
|--|----------------------|
| Suit # G/5/5, 3rd Floor, Mansoor Tower, Block-8, Shahrah-e-Roomi, Clifton, Karachi | Registered office |
| Plot Bearing Survey No. 348, Deh Shah Mureed, Tappo, Songal, Gadap Town, Karachi | Slaughter house |
| 3.5km Manga Road Raiwand, Lahore | Poultry plant |

- 1.2** These are the separate financial statements of the Company in which investment in subsidiary is stated at cost less impairment loss.

2 STATEMENT OF COMPLIANCE

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

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

3 BASIS OF MEASUREMENT

- 3.1** These unconsolidated financial statements have been prepared under the historical cost convention except for:

- a) certain items of property, plant and equipment that are stated at revalued amount; and
- b) defined benefit plan is measured at present value.

- 3.2** These unconsolidated financial statements have been presented in Pakistani rupees, which is the Company's functional and presentation currency.

4 NEW ACCOUNTING STANDARDS

4.1 Accounting standards effective for the year

There are certain new standards and amendments that are mandatory for the Company's accounting period beginning on 01 July 2022, but are considered either to be not relevant or to not have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

4.2 Accounting standards not yet effective

There are certain new standards and amendments to the approved accounting standards that will be mandatory for the Company's accounting periods beginning on / after 01 July 2023. However, the Company expects that these standards will not have any material impact on the future financial statements of the Company.

5 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of unconsolidated financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the unconsolidated financial statements:

Property, plant and equipment

The Company reviews the appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available with the Company. Any change in estimates in future might affect the carrying amount of respective classes of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

Revaluation surplus on property, plant and equipment

The Company reviews the appropriateness of the revaluation of property, plant and equipment (carried at revalued amounts) periodically for the purpose of ensuring that the carrying amount of the same does not differ materially from its fair value. In making this assessment, the Company uses the technical resources available with the Company. The revaluation exercise is carried out by independent professional valuers using various significant assumptions. Any change in assessment in future might affect the carrying amount of respective classes of fixed assets, with corresponding effect on surplus on revaluation of fixed assets.

Determination of the lease term for lease contracts with extension and termination options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate.

Impairment of financial assets

The Company uses a provision matrix to calculate Expected Credit Loss (ECL) for trade debts and other receivables. The provision rates are based on days past due for Company's various customer that have similar loss patterns. The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Taxation

In applying the estimate for income tax payable, the Company takes into account the applicable tax laws and the decision by appellate authorities on certain issues in the past. Instance where the Company's view differs from the view taken by 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 contingency.

Staff retirement benefits

The cost of defined benefit plan is determined using actuarial valuation. The actuarial valuation involves making assumptions about discount rate and future salary increases. Due to long-term nature of the plan, such estimates are subject to significant uncertainty.

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

6.1 Property, plant and equipment

Operating fixed assets

Except for land and computers and accessories, all items of property, plant and equipment are stated at revalued amount less accumulated depreciation and impairment, if any. Land is stated at revalued amount less impairment, if any. Computers and accessories are stated at cost less accumulated depreciation and impairment, if any.

Depreciation is charged to unconsolidated statement of profit or loss applying the reducing balance method. Depreciation is charged from the month in which an asset is available for use, while no depreciation is charged in the month on which an asset is disposed off.

Maintenance and repairs are charged to profit or loss as and when incurred. Major renewals and improvements which increase the asset's remaining useful economic life or the performance beyond the current estimated levels are capitalized and the assets so replaced, if any, are retired.

Gains or losses on disposals of operating assets, if any, are recognized in the unconsolidated statement of profit or loss. The assets residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, at each financial year end.

Increases in the carrying amounts arising on revaluation of certain items of property plant and equipment are recognized, in unconsolidated statement of comprehensive income and accumulated in reserves in unconsolidated statement of changes in equity. To the extent that the increase reverses a decrease previously recognized in unconsolidated statement of profit or loss, the increase is first recognized in unconsolidated statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognized in unconsolidated statement of comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to unconsolidated statement of profit or loss.

The carrying values of property, plant and equipment are reviewed at each unconsolidated statement of financial position date for impairment when events or changes in circumstances indicate that carrying values may not be recoverable. If such indication exists where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amounts.

Right-of-use (RoU) assets and lease liabilities

ROU assets

The Company recognises a ROU asset at the commencement date of the lease (i.e. the date the underlying asset is available for use). These are measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. These assets are depreciated on a straight-line basis over the lease term.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option (if any) reasonably certain to be exercised by the Company. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date. 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 fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company has the option, under its lease arrangements to lease the assets for additional terms. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew. Any change is accounted for change in estimate and applied prospectively with corresponding change in ROU assets and lease liabilities.

Capital work-in-progress

These are stated at cost less impairment, if any, and consist of expenditure incurred and advances made in respect of operating fixed assets and intangible assets in the course of their acquisition, erection, construction and installation. The assets are transferred to relevant category of operating fixed assets or intangible assets when they are available for use.

6.2 Intangible assets

These are stated at cost less accumulated amortization and impairment. Amortization is charged on reducing balance method over the useful lives of the assets. Amortisation is charged from the month the asset is available for use up to the month of derecognition. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

6.3 Investment in subsidiary

These are stated at cost and provision is made for permanent impairment in the value of investment.

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6.4 Stock-in-trade

These are valued at the lower of cost or net realisable value. Cost is determined as follows:

- | | |
|--|---|
| - Livestock, raw and packaging materials | - invoice price of specific items |
| - Stock-in-transit | - at weighted average cost of purchases |
| - Finished Goods (Raw meat) | - at weighted average cost of purchases |

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Provision is recorded for slow moving and expired stock where necessary.

6.5 Cash and cash equivalents

These are stated at cost.

6.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

On initial recognition, a financial asset is classified and measured at : amortised cost, fair value through other comprehensive income or fair value through profit or loss . The classification of financial asset is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

For the purpose of subsequent measurement, all financial assets of the Company are classified at amortised cost, These are measured using effective interest rate method and are subject to impairment on account of Expected Credit Loss (ECL). The Company uses the simplified approach and calculates ECLs based on the lifetime ECLs on its trade debts and other financial assets. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

Financial liabilities

All financial liabilities are recognised initially at fair value. For the purpose of subsequent measurement financial liabilities are recognised at amortised cost.

Derecognition

A financial asset 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.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is only offset and the net amount is reported in the unconsolidated statement of financial position if the Company has legally enforceable right to set off the recognized amount and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses arising from such assets and liabilities are also offset accordingly.

6.7 Staff retirement benefits

The Company operates an un-approved and unfunded defined gratuity scheme for all permanent employees who have completed the minimum qualifying year of service for entitlement of gratuity. The contributions to the scheme are made in accordance with the independent actuarial valuation. The actuarial valuation is carried out as of reporting using Projected Unit Credit method.

6.8 Taxation

Current

Provision for current tax is based on the taxable income in accordance with Income Tax Ordinance, 2001.

Deferred

Deferred income tax is provided using the liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets are recognised for all deductible temporary differences, unused tax losses and tax credits, if any, to the extent that it is probable that taxable profits will be available against which such temporary differences and tax losses can be utilized. Deferred income tax assets and liabilities are measured at the tax rate that is expected to apply to the year when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

6.9 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 resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

6.10 Foreign currency translations

Foreign currency transactions are translated into Pak Rupees (functional currency) using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are retranslated into Pak Rupees using the exchange rate at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are taken to unconsolidated statement of profit or loss.

AL SHAHEER CORPORATION LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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6.11 Revenue recognition

Revenue is recognised at amounts that reflect the consideration that the Company expects to be entitled to in exchange for transferring goods. Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenue at a point in time when control of product is transferred to customer either on dispatch/acceptance of goods for local sales or issuance of the bill of lading in case of export sales. Control, depending on contractual terms, is considered to be transferred either when the product is directly uplifted by customer from Company premises or when it is delivered by the Company at customer premises. The Company generally enters into agreement with its customers for supply of its products including delivery of product. As the transportation of product coincides with actual delivery, sale of product and transportation is considered single performance obligation. The credit limits in contract with customers varies depending on the terms of specific contract.

6.12 Borrowing costs

Borrowing and other related costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

6.13 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

6.14 Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. As the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

| | Note | 2023 ----- (Rupees in '000) ----- | 2022 ----- |
|--|------|--------------------------------------|------------------|
| 7 PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets | 7.1 | 6,316,547 | 4,864,735 |
| Right-of-use assets | 7.6 | 94,405 | 127,164 |
| Capital work-in-progress | 7.5 | 474,498 | 471,474 |
| | | <u>6,885,450</u> | <u>5,463,374</u> |

AL SHAHEER CORPORATION LIMITED
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7.1 Operating fixed assets

| | COST / REVALUED AMOUNT | | | | Rate | ACCUMULATED DEPRECIATION | | | NET BOOK VALUE | |
|---------------------------|------------------------|-----------------------|-----------------|--------------------|----------|--------------------------|---------------------|-----------------|--------------------|--------------------|
| | As at 01 July 2022 | Additions / surplus * | (Disposals) | As at 30 June 2023 | | As at 01 July 2022 | Charge for the year | (On disposals) | As at 30 June 2023 | As at 30 June 2023 |
| | (Rupees in '000) | | | | % | (Rupees in '000) | | | | |
| Freehold land | 572,880 | - 1,282,735 * | - - | 1,855,615 | - | - | - | - | - | 1,855,615 |
| Leasehold land | 494,873 | - 239,737 * | - | 734,610 | - | - | - | - | - | 734,610 |
| Buildings | 1,158,456 | 21,173 127,750 * | - | 1,307,379 | 10% | 114,683 | 62,924 | - - | 177,607 | 1,129,772 |
| Plant and machinery | 2,436,424 | 26,461 28,408 * | - | 2,491,293 | 5% - 20% | 267,094 | 213,873 | - - | 480,967 | 2,010,326 |
| Furniture and fixture | 417,874 | 5,979 22,738 * | (33,264) | 413,327 | 10% | 128,383 | 39,083 | (21,708) | 145,758 | 267,569 |
| Motor vehicles | 140,690 | 5,133 50,968 * | (308) | 196,483 | 15% | 61,691 | 12,355 | (67) | 73,979 | 122,504 |
| Office equipment | 305,484 | 63 9,378 * | (2,306) | 312,620 | 15% | 133,680 | 25,635 | (1,388) | 157,927 | 154,693 |
| Tools and equipment | 27,525 | 121 - | - | 27,646 | 10% | 14,777 | 1,287 | - | 16,064 | 11,582 |
| Computers and accessories | 62,705 | 2,719 | (254) | 65,170 | 10% | 31,868 | 3,458 | (32) | 35,294 | 29,876 |
| 2023 | <u>5,616,911</u> | <u>1,823,364</u> | <u>(36,132)</u> | <u>7,404,143</u> | | <u>752,176</u> | <u>358,615</u> | <u>(23,195)</u> | <u>1,087,596</u> | <u>6,316,547</u> |

AL SHAHEER CORPORATION LIMITED
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7.1 Operating fixed assets

| | COST / REVALUED AMOUNT | | | | Rate | ACCUMULATED DEPRECIATION | | | | NET BOOK VALUE |
|---------------------------|------------------------------|------------------|----------------|--------------------|----------|------------------------------|---------------------|----------------|--------------------|--------------------|
| | As at 01 July 2021 | Additions | (Disposals) | As at 30 June 2022 | | As at 01 July 2021 | Charge for the year | (On disposals) | As at 30 June 2022 | As at 30 June 2022 |
| | ----- (Rupees in '000) ----- | | | | % | ----- (Rupees in '000) ----- | | | | |
| Freehold land | 572,880 | - | - | 572,880 | - | - | - | - | - | 572,880 |
| Leasehold land | 483,829 | 11,044 | - | 494,873 | - | - | - | - | - | 494,873 |
| Buildings | 222,669 | 935,787 | - | 1,158,456 | 10% | 58,770 | 55,913 | - | 114,683 | 1,043,773 |
| Plant and machinery | 241,900 | 2,194,524 | - | 2,436,424 | 5% - 20% | 81,977 | 185,117 | - | 267,094 | 2,169,330 |
| Furniture and fixture | 205,810 | 212,064 | - | 417,874 | 10% | 93,857 | 34,526 | - | 128,383 | 289,491 |
| Motor vehicles | 126,275 | 20,591 | (6,176) | 140,690 | 15% | 49,596 | 13,600 | (1,505) | 61,691 | 78,999 |
| Office equipment | 170,255 | 135,229 | - | 305,484 | 15% | 107,649 | 26,031 | - | 133,680 | 171,804 |
| Tools and equipment | 26,894 | 631 | - | 27,525 | 10% | 13,356 | 1,421 | - | 14,777 | 12,748 |
| Computers and accessories | 55,184 | 7,521 | - | 62,705 | 10% | 28,481 | 3,387 | - | 31,868 | 30,837 |
| 2022 | <u>2,105,696</u> | <u>3,517,391</u> | <u>(6,176)</u> | <u>5,616,911</u> | | <u>433,686</u> | <u>319,995</u> | <u>(1,505)</u> | <u>752,176</u> | <u>4,864,735</u> |

AL SHAHEER CORPORATION LIMITED
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7.1.1 Except for computer and accessories, the company carries its fixed assets at revalued amount. The latest revaluation was carried out on 30 June 2023 which resulted in a surplus of Rs. 1,761 million. The forced sale value as at 30 June 2023 of the revalued assets amounted to Rs. 5,090 million. The above revaluations were carried out by an independent valuer Sadruddin Associates (Private) Limited, using present day valuation method. The fair values were determined with reference to market based evidence, based on active market prices and relevant enquiries and information as considered necessary, and adjusted for any difference in nature, location or condition of specific properties. The fair values fall under level 2 of fair value hierarchy (i.e significant observable inputs) Had there been no revaluation the book value of freehold land, leasehold land, buildings, plant and machinery, furniture and fixtures, office equipment, tools and equipments and motor vehicles would have been Rs.268.682 million, Rs.233 million Rs.885 million, Rs.1745 million, Rs.261 million, Rs.160 million, Rs.14 million and Rs.63 million, respectively.

7.2 Depreciation for the year has been allocated as follows:

| | Note | 2023 | 2022 |
|---------------------------------------|------|-----------------------------|----------------|
| | | ----- Rupees in '000' ----- | |
| Cost of sales | 28 | 161,245 | 151,717 |
| Administrative and distribution costs | 29 | 197,371 | 168,279 |
| | | <u>358,615</u> | <u>319,995</u> |

7.3 Particulars of immovable assets are as follows:

| Location | Addresses | Total Area |
|----------|---|--------------------|
| Karachi | Suite G/5/5, 3rd Floor, Mansoor Tower, Block-8, Clifton. | 5,000 Sq. Fts |
| Karachi | Survey No. 348, Deh Shah Mureed, Tapu Songle. | 18.22 Acres |
| Karachi | Banglow # D-143 KDA Scheme No. 5 Clifton. | 983.33 Sq. Yards |
| Karachi | Plot No.GA-55, 56-A6, 57-A9, Korangi Creek Industrial Park. | 6,780.84 Sq. Yards |
| Lahore | Rohinala Bypass, 3.5KMs Manga Raiwind Road. | 11 Acres |

| | Note | 2023 | 2022 |
|-------------------------------------|------|-----------------------------|----------------|
| | | ----- Rupees in '000' ----- | |
| 7.4 Capital work-in-progress | | | |
| Building | | 156,554 | 156,554 |
| Plant and machinery | | 314,919 | 314,919 |
| Furniture and fixture | | 3,024 | - |
| | | <u>474,498</u> | <u>471,474</u> |

7.5 Right-of-use assets - Outlets

| | | | |
|------------------------|----|---------------|----------------|
| Opening net book value | | 127,164 | 91,433 |
| Additions | | 24,656 | 91,022 |
| Depreciation | 29 | (57,415) | (55,291) |
| Closing net book value | | <u>94,405</u> | <u>127,164</u> |

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8 INTANGIBLE ASSETS

| | COST | | | ACCUMULATED AMORTISATION | | | WRITTEN DOWN VALUE | Rate |
|-------------------|------------------------------|-----------|--------------------|------------------------------|---------------|--------------------|--------------------|------|
| | As at 01 July 2022 | Additions | As at 30 June 2023 | As at 01 July 2022 | For the year | As at 30 June 2023 | As at 30 June 2023 | |
| | ----- (Rupees in '000) ----- | | | ----- (Rupees in '000) ----- | | | | % |
| Computer software | 66,753 | - | 66,753 | 19,680 | 11,768 | 31,448 | 35,305 | 25% |
| 2023 | 66,753 | - | 66,753 | 19,680 | 11,768 | 31,448 | 35,305 | |
| 2022 | 12,281 | 54,472 | 66,753 | 10,057 | 9,623 | 19,680 | 47,073 | 25% |

9 LONG-TERM INVESTMENT

Subsidiary Company - unquoted

Al Shaheer Farms (Private) Limited
5,570,000 ordinary shares of Rs.10 each
Equity held: 51%
At cost
Provision for impairment

Note

2023
----- Rupees in '000' -----
2022

| | | | |
|--|-----|----------|----------|
| | 9.1 | 55,700 | 55,700 |
| | | (55,700) | (40,760) |
| | | - | 14,940 |

9.1 Provision for impairment

| | | | |
|------------------------|----|--------|--------|
| Opening balance | | 40,760 | 36,651 |
| Charge during the year | 30 | 14,940 | 4,109 |
| Closing balance | | 55,700 | 40,760 |

10 LONG-TERM LOAN

| | | | |
|---------------------------------|--|---------|---------|
| Opening balance | | 7,639 | 10,361 |
| Amount received during the year | | (3,620) | (2,722) |
| Less: current maturity | | (1,200) | (1,200) |
| | | 2,819 | (1,200) |

Represents loan extended to an executive secured against his personal property. This loan is recoverable in 200 monthly installments and is interest free.

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| | | 2023 | 2022 |
|---|---|-----------------------------|------------------|
| | | ----- Rupees in '000' ----- | |
| 11 DEFERRED TAX ASSET | | | |
| Deferred tax asset on deductible temporary differences: | | | |
| Unused tax losses / credits | | 197,036 | 460,705 |
| Provisions | | 37,250 | 32,458 |
| | | <u>234,286</u> | <u>493,164</u> |
| Deferred tax liability on taxable temporary differences: | | | |
| Accumulated tax depreciation | | (184,609) | (157,539) |
| Revaluation surplus on property, plant and equipment | | (49,678) | (8,947) |
| | | <u>(234,286)</u> | <u>(166,486)</u> |
| | | <u>-</u> | <u>326,678</u> |
| 11.1 | Movement in deferred tax is as follows: | | |
| | Balance at beginning of the year | 326,678 | 281,377 |
| | - recognised in profit or loss | (319,676) | 44,986 |
| | - recognised in other comprehensive income | (7,001) | 315 |
| | Balance at end of the year | <u>-</u> | <u>326,678</u> |
| 11.2 | The Company has not recognised deferrred tax asset amounting to Rs 313.052 million on unused tax losses / credits aggregating to Rs 1,887.373 million in accordance with accounting policy. | | |
| 12 STOCK-IN-TRADE | Note | 2023 | 2022 |
| | | ----- Rupees in '000' ----- | |
| Livestock | | 160,855 | 143,766 |
| Raw and packaging materials | | 56,706 | 57,562 |
| Stock in transit | | - | 17,036 |
| Finished goods | | 45,011 | 70,697 |
| | | <u>262,572</u> | <u>289,061</u> |
| 13 TRADE DEBTS - unsecured | | | |
| Considered good | | | |
| - Overseas | | 2,584,740 | 2,832,169 |
| - Local | | | |
| - related party - Enrich Foods (Pvt) Limited | | 2,206 | 2,206 |
| - others | | 457,932 | 259,828 |
| | | <u>460,139</u> | <u>262,034</u> |
| | | <u>3,044,879</u> | <u>3,094,203</u> |
| Considered doubtful | | | |
| Allowance for ECL | 13.1 | 1,249,266 | 56,551 |
| | | <u>(1,249,266)</u> | <u>(56,551)</u> |
| | | <u>-</u> | <u>-</u> |
| | | <u>3,044,879</u> | <u>3,094,203</u> |
| 13.1 Allowance for ECL | | | |
| Opening balance | | 56,551 | 46,396 |
| Charge for the year | 30 | 1,192,715 | 10,155 |
| Closing balance | | <u>1,249,266</u> | <u>56,551</u> |

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| | | | 2023 | 2022 |
|-------------|---|--------------------------------|-----------------------------|-----------------------------|
| | | | ----- Rupees in '000' ----- | ----- Rupees in '000' ----- |
| 14 | LOANS AND ADVANCES | Note | | |
| | Loans - secured, considered good | | | |
| | Executives | | - | 5,826 |
| | Other employees | | 7,789 | 4,122 |
| | Current portion of long-term loan | | 1,200 | 1,200 |
| | | | <u>8,989</u> | <u>11,148</u> |
| | Advances - unsecured | | | |
| | Considered good | | | |
| | Suppliers and others | | 257,540 | 329,252 |
| | Considered doubtful | | | |
| | Allowance for ECL | 30 | 53,272 | - |
| | | | <u>(53,272)</u> | <u>-</u> |
| | | | - | - |
| | | | <u>266,529</u> | <u>340,400</u> |
| 15 | OTHER RECEIVABLES | | | |
| | Considered good | | | |
| | Sales tax receivable | | 148,678 | 181,363 |
| | Receivable against export rebate | | 180,708 | 180,708 |
| | Others | | 2,841 | 2,519 |
| | | | <u>332,226</u> | <u>364,590</u> |
| 16 | CASH AND BANK BALANCES | | | |
| | Cash in hand | | 61,570 | 4,828 |
| | With banks: | | | |
| | Saving accounts | # | 99 | 805 |
| | Current accounts | | 4,596 | 2,653 |
| | | | <u>4,695</u> | <u>3,458</u> |
| | | | <u>66,265</u> | <u>8,286</u> |
| 16.1 | These carry profit at the rates ranging between 19.8% to 20.5% (2022: 6.04% to 6.50%) per annum. | | | |
| 17 | ISSUED, SUBSCRIBED AND PAID-UP CAPITAL | Note | 2023 | 2022 |
| | | | ----- Rupees in '000' ----- | ----- Rupees in '000' ----- |
| | 2023 | 2022 | | |
| | Number of shares in thousands | Ordinary shares of Rs. 10 each | | |
| | 262,747 | 187,762 | 2,627,468 | 1,877,621 |
| | 26,000 | 26,000 | 260,000 | 260,000 |
| | 86,177 | 86,177 | 861,768 | 861,768 |
| | <u>374,924</u> | <u>299,939</u> | <u>3,749,236</u> | <u>2,999,389</u> |
| 17.1 | Represents shares issued at a face value of Rs.10 each against transfer of net assets from the amalgamated firms namely, 'Al Shaheer Corporation' and 'MeatOne'. | | | |
| 17.2 | As at 30 June 2023, directors held 89,975,877 number of shares, respectively (2022: 80,105,006). Voting rights, board selection, right of first refusal and block voting are in proportion to their shareholding. | | | |
| 18 | REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT | | 2023 | 2022 |
| | | | ----- Rupees in '000' ----- | ----- Rupees in '000' ----- |
| | Opening balance | | 759,895 | 778,785 |
| | Surplus during the year | | 1,761,715 | - |
| | Transferred to unappropriated profit in respect of incremental depreciation during the year | | (14,314) | (18,366) |
| | Disposal of fixed assets during the year | | (1,212) | (524) |
| | | | <u>2,506,084</u> | <u>759,895</u> |
| | Related deferred tax liability | | | |
| | Balance at the beginning of the year | | (9,696) | (10,908) |
| | Incremental depreciation charged during the year | | 928 | 1,212 |
| | Balance at the end of the year | | (8,768) | (9,696) |
| | Closing balance | | <u>2,497,316</u> | <u>750,199</u> |

AL SHAHEER CORPORATION LIMITED
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FOR THE YEAR ENDED 30 JUNE 2023

| 19 | LONG-TERM FINANCING - secured | Note | 2023 ----- Rupees in '000' ----- | 2022 |
|----|---|------|-------------------------------------|------------------|
| | Diminishing musharaka | | | |
| | Askari Bank Limited | 19.1 | 37,500 | 56,250 |
| | Dubai Islamic Bank Pakistan Limited | 19.2 | 9,272 | 9,272 |
| | Sindh Bank Limited | 19.3 | 110,000 | 165,000 |
| | Faysal Bank Limited | 19.4 | 75,000 | 81,250 |
| | National Bank Limited | 19.5 | 300,000 | 300,000 |
| | Summit Bank Limited | 19.6 | 49,734 | 49,734 |
| | Bank Alfalah Limited | 19.7 | 200,000 | - |
| | From First Habib Modaraba | 19.8 | 34,929 | 44,327 |
| | | | <u>816,435</u> | <u>705,833</u> |
| | SBP Refinance scheme | | - | 41,019 |
| | Islamic Temporary Economic Refinance Facility | 19.9 | 123,650 | 123,650 |
| | | | <u>940,085</u> | <u>870,502</u> |
| | Less: Current maturity | | <u>(357,089)</u> | <u>(138,862)</u> |
| | | | <u>582,996</u> | <u>731,640</u> |

19.1 Represents diminishing musharaka facility amounting to Rs. 100 million for a period of 5 years including 1 year grace period. It carries profit at the rate of 3 month KIBOR + 2% per annum and having maturity till June 2024 . The facility is secured by exclusive and ranking charge over fixed assets of the Company.

19.2 Represents diminishing musharaka facility amounting to Rs.200 million for a period of 4 years including 1 year grace period It carries profit at the rate of 3 months KIBOR + 2.5% per annum and having maturity till June 2024. The facility is secured by exclusive charge over land and building and plant and machinery of the Company.

19.3 Represents diminishing musharika facility amounting to Rs. 220 million for a period of 4 years. It carries profit at the rate of 1 year KIBOR + 5.55% and having maturity till August 2024.The facility is secured by specific charge over plant and machinery and freehold land of the Company.

19.4 Represents diminishing musharakah facility amounting to Rs 100 million for a period of 5 years. It carries profit at the rate of 3 months KIBOR + 4% per annum and havig maturity till June 2025. The facility is secured against hypothecation charge over receivables and exclusive charge over plant and machinery and land of the Company.

19.5 Represents diminishing musharakah facility amounting to Rs. 300 million for a period of 5 years. It carries profit at the rate of 3 months KIBOR + 2.5% per annum and having maturity till September 2026. The facility is secured against first pari passu charge over all present and future plant and machinery of the Company.

19.6 Represents diminishing musharakah facility amounting to Rs. 50 million for the period of 3 years. It carries profit at the rate of KIBOR + 3% per annum and having maturity till November 2024.. The facility is secured against exclusive charge over plant and machinery of the Company

19.7 Represents diminishing musharakah amounting to Rs. 200 million for a period of 3 years. It carries profit at the rate of KIBOR + 2.5% per annum. The facility is secured against exclusive charge over plant and machinery of the Company.

19.8 Represents diminishing musharika facility amounting to Rs 50 million for a period of 5 years. It carries profit at the rate of 1 year KIBOR + 5.55% per annum and having maturity till April 2026. The facility is secured againstspecific charge over plant and machinery and first mortgage charge over freehold land of the Company.

19.9 It carries profit at the rate of 5% per annum and having maturity till 30 November 2027. The facility is secured by exclusive charge over land and building and plant and machinery of Company.

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| | 2023 | 2022 |
|---|-----------------------------|-----------------------|
| | ----- Rupees in '000' ----- | |
| 20 LEASE LIABILITIES | | |
| Opening balance | 144,104 | 110,828 |
| Additions during the year | 24,656 | 89,783 |
| Finance cost | 17,419 | 14,347 |
| Payments made during the year | <u>(73,305)</u> | <u>(70,855)</u> |
| | 112,874 | 144,104 |
| Less : Current portion | <u>(65,373)</u> | <u>(53,878)</u> |
| Closing balance | <u><u>47,501</u></u> | <u><u>90,226</u></u> |
| 20.1 Maturity analysis | | |
| Gross lease liabilities - minimum lease payments: | | |
| Not later than one year | 77,382 | 70,329 |
| Later than one year but not later than five years | <u>53,459</u> | <u>102,737</u> |
| | 130,841 | 173,066 |
| Future finance charge | <u>(17,967)</u> | <u>(28,962)</u> |
| Present value of finance lease liabilities | <u><u>112,874</u></u> | <u><u>144,104</u></u> |
| 21 DEFERRED LIABILITY | | |
| Staff gratuity | <u><u>110,773</u></u> | <u><u>102,850</u></u> |
| 21.1 Liability in statement of financial position | | |
| Present value of defined benefit obligations | <u><u>110,773</u></u> | <u><u>102,850</u></u> |
| 21.2 Movement in liability during the year | | |
| Opening balance | 102,850 | 76,069 |
| Charged to profit or loss | | |
| - current service cost | 27,528 | 18,415 |
| - finance cost | 10,067 | 5,300 |
| Benefits paid during the year | (951) | (413) |
| Charged to OCI - actuarial (gain) / loss | <u>(28,721)</u> | <u>3,479</u> |
| Closing balance | <u><u>110,773</u></u> | <u><u>102,850</u></u> |
| 21.3 The number of employees covered under the defined benefit scheme are: | <u><u>657</u></u> | <u><u>725</u></u> |
| 21.4 Principal actuarial assumptions | | |
| Financial assumptions | 2023 | 2022 |
| - Discount rate (per annum compounded) | 19.75% | 13.25% |
| - Salary increase per annum | 16.25% | 13.25% |
| Demographic assumptions | | |
| - Normal retirement | 60 years | 60 years |
| - Mortality rate | 70% of the EFU | 70% of the EFU |

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21.5 Sensitivity analysis

Sensitivity analysis has been performed by varying one assumption keeping all other assumptions constant and calculating the impact on the present value of the defined benefit obligations on various employee benefit schemes. The increase / (decrease) in the present value of defined benefit obligations as a result of change in each assumption is summarized below:

| | 2023 | 2022 |
|---|-----------------------------|---------|
| | ----- Rupees in '000' ----- | |
| Increase in discount rate by 1% | (1,436) | (2,186) |
| Decrease in discount rate by 1% | 1,506 | 2,331 |
| Increase in expected future increment in salary by 1% | 1,539 | 2,310 |
| Decrease in expected future increment in salary by 1% | (1,491) | (2,205) |

21.6 Comparison for five years

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|-----------------------------|------------------------------|----------------|---------------|---------------|---------------|
| | ----- (Rupees in '000) ----- | | | | |
| Defined benefit obligations | <u>110,773</u> | <u>102,850</u> | <u>76,069</u> | <u>71,924</u> | <u>73,386</u> |

| 21.7 Maturity profile | Note | 2023 | 2022 |
|-----------------------|------|-----------------------------|---------|
| | | ----- Rupees in '000' ----- | |
| Year 1 | | 37,533 | 27,437 |
| Year 2 | | 32,793 | 28,574 |
| Year 3 | | 28,347 | 29,866 |
| Year 4 | | 26,701 | 28,297 |
| Year 5 | | 20,073 | 27,482 |
| Year 6 to year 10 | | 71,424 | 118,652 |

22 TRADE AND OTHER PAYABLES

| | | | |
|------------------------------------|------|----------------|------------------|
| Creditors | | 676,916 | 749,507 |
| Accrued liabilities | | 78,966 | 58,935 |
| Advance from customers | | 46,077 | 150,359 |
| Workers' Profit Participation Fund | 22.1 | 55,566 | 47,182 |
| Workers' Welfare Fund | | 22,842 | 22,842 |
| Retention money | | 2,520 | 2,520 |
| Other payables | | <u>52,708</u> | <u>38,200</u> |
| | | <u>935,595</u> | <u>1,069,545</u> |

22.1 Workers' Profit Participation Fund

| | | | |
|----------------------------------|--|---------------|---------------|
| Opening balance | | 47,182 | 47,182 |
| Interest charged during the year | | <u>8,385</u> | - |
| Closing balance | | <u>55,566</u> | <u>47,182</u> |

23 SHORT-TERM BORROWINGS - secured

| | | | |
|-------------------------------------|------|------------------|------------------|
| Habib Metropolitan Bank Limited | 23.1 | 299,682 | 299,770 |
| Dubai Islamic Bank Pakistan Limited | 23.2 | 1,474,842 | 1,250,937 |
| Askari Bank Limited | 23.3 | 80,905 | 87,160 |
| | | <u>1,855,429</u> | <u>1,637,867</u> |

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- 23.1** Represents murabaha facility amounting to Rs. 300 million . It carries profit at the rate of 3 months KIBOR + 2.5% per annum and having maturity till April 2024. The facility is secured by first pari passu charge over receivables, first exclusive charge over specific plant and machinery of the Company.
- 23.2** Represents murabaha facility amounting to Rs. 1,474.842 million. It carries profit at the rate of 3 months KIBOR + 2% per annum respectively and having maturity till December 2024. The facility is secured by first pari passu hypothecation charge over receivables trade debts receivables and exclusive charge over specific plant and machinery of the Company.
- 23.3** Represents murabaha facility amounting to Rs. 80.905 million.It carries profit at the rate of 3 months KIBOR + 1.75% (2022: KIBOR + 2%) per annum and having maturity till February 2024. The facility is secured against 1st pari passu hypothecation charge over receivables of the Company.

| 24 | DUE TO A RELATED PARTY | 2023 | 2022 |
|----|----------------------------------|-----------------------------|--------------|
| | | ----- Rupees in '000' ----- | |
| | Opening balance | 4,446 | 2,182 |
| | Amount disbursed during the year | - | 2,264 |
| | Amount received during the year | (704) | - |
| | Closing balance | <u>3,742</u> | <u>4,446</u> |

- 24.1** Represents interest free loan obtained from the Chief Executive Officer of the Company. The loan is unsecured and is repayable on demand.

| 25 | ACCRUED MARK-UP | 2023 | 2022 |
|----|------------------------|-----------------------------|----------------|
| | | ----- Rupees in '000' ----- | |
| | Long-term financing | 149,014 | 43,212 |
| | Short-term borrowings | 74,191 | 74,576 |
| | | <u>223,205</u> | <u>117,787</u> |

26 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as of 30 June 2023.

27 TURNOVER - net

| | | |
|----------------|------------------|------------------|
| Sales | 6,998,466 | 6,140,047 |
| Trade discount | (113,548) | (96,718) |
| | <u>6,884,918</u> | <u>6,043,329</u> |

28 COST OF SALES

Live stock and raw material consumed

| | | |
|---------------|------------------|------------------|
| Opening stock | 218,364 | 235,371 |
| Purchases | 5,763,357 | 4,832,288 |
| Closing stock | (217,561) | (218,364) |
| | <u>5,764,160</u> | <u>4,849,295</u> |

Conversion cost

| | | | |
|--|------|----------------|----------------|
| Salaries, wages and other benefits | 28.1 | 109,754 | 95,717 |
| Electricity, diesel and related expenses | | 142,302 | 96,110 |
| Repairs and maintenance | | 14,052 | 8,174 |
| Depreciation on operating fixed assets | 7.2 | 161,245 | 151,717 |
| Clearing and forwarding | | 7,561 | 17,918 |
| Packing material consumed | | 50,442 | 38,703 |
| Marination | | 4,934 | 3,788 |
| Others | | 6,811 | 4,980 |
| | | <u>497,101</u> | <u>417,106</u> |

Cost of goods available for sale

| | | |
|--|------------------|------------------|
| | <u>6,261,261</u> | <u>5,266,401</u> |
|--|------------------|------------------|

Finished goods

| | | |
|---------------|------------------|------------------|
| Opening stock | 70,697 | 14,267 |
| Closing stock | (45,011) | (70,697) |
| | <u>25,686</u> | <u>(56,430)</u> |
| | <u>6,286,946</u> | <u>5,209,972</u> |

- 28.1** Include Rs.37,596 million (2022: Rs.23.715 million) in respect of staff retirement benefits.

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| | | 2023 | 2022 |
|-------------|--|-----------------------------|------------------|
| | | ----- Rupees in '000' ----- | |
| 29 | ADMINISTRATIVE AND DISTRIBUTION COSTS | Note | |
| | Salaries, wages and other benefits | 29.1 | 394,309 |
| | Electricity, diesel and related expenses | | 384,890 |
| | Repair and maintenance | | 94,644 |
| | Fuel and vehicle maintenance | | 53,904 |
| | Travelling and conveyance | | 5,646 |
| | Telephone and communication | | 24,653 |
| | Cargo | | 15,878 |
| | Marketing and advertisement | | 13,949 |
| | Rent, rates and taxes | | 18,921 |
| | Food | | 32,746 |
| | Depreciation on operating fixed assets | 7.2 | 13,562 |
| | Depreciation on RoU assets | 7.5 | 17,383 |
| | Amortization | 8 | 212,895 |
| | Legal and professional | | 271,655 |
| | Software maintenance cost | | 158,325 |
| | Office supplies | | 148,981 |
| | Takaful | | 40,834 |
| | Security | | 26,423 |
| | Cleaning | | 18,003 |
| | Commission on credit card facilities | | 18,475 |
| | Auditors' remuneration | 29.2 | 200,018 |
| | Others | | 168,279 |
| | | | 55,291 |
| | | | 9,623 |
| | | | 21,590 |
| | | | 12,899 |
| | | | 4,768 |
| | | | 4,872 |
| | | | 5,993 |
| | | | 1,916 |
| | | | 12,248 |
| | | | 10,979 |
| | | | 7,197 |
| | | | 5,033 |
| | | | 3,003 |
| | | | 1,952 |
| | | | 7,262 |
| | | | 9,036 |
| | | | 4,078 |
| | | | 4,078 |
| | | | 43,924 |
| | | | 47,716 |
| | | | <u>1,348,853</u> |
| | | | <u>1,324,734</u> |
| 29.1 | Include Rs.37,596 million (2022: Rs.23.715 million) in respect of staff retirement benefits. | | |
| 29.2 | Auditors' remuneration | | |
| | Audit fee | | 2,210 |
| | Half yearly review | | 2,210 |
| | Certifications and other services | | 650 |
| | Out of pocket expenses | | 650 |
| | | | 820 |
| | | | 820 |
| | | | 398 |
| | | | 398 |
| | | | <u>4,078</u> |
| | | | <u>4,078</u> |
| 30 | OTHER EXPENSES | | |
| | Loss on disposal of property, plant and equipment | | 11,942 |
| | Investment in subsidiary written off | 9.1 | - |
| | Allowance for ECL | | 14,941 |
| | - Trade debts | 13.1 | 4,109 |
| | - Loans and advances | 14 | 10,155 |
| | | | 53,272 |
| | | | - |
| | | | <u>1,272,869</u> |
| | | | <u>14,264</u> |
| 31 | OTHER INCOME | | |
| | Income from financial assets | | |
| | Profit on bank accounts | | - |
| | Exchange gain | | 103 |
| | | | 1,087,395 |
| | | | 569,252 |
| | | | <u>1,087,395</u> |
| | | | <u>569,355</u> |
| | Income from non-financial assets | | |
| | Other Income | | 5,975 |
| | | | 1,856 |
| | | | <u>5,975</u> |
| | | | <u>1,856</u> |
| | | | <u>1,093,370</u> |
| | | | <u>571,211</u> |
| 32 | FINANCE COST | | |
| | Interest/mark-up on: | | |
| | Long term financing | | 149,338 |
| | Short term borrowings | | 109,631 |
| | Lease liabilities | | 321,960 |
| | WPPF | | 147,580 |
| | Bank charges | | 17,419 |
| | | | 14,347 |
| | | | 8,385 |
| | | | - |
| | | | 20,904 |
| | | | 25,408 |
| | | | <u>518,006</u> |
| | | | <u>296,966</u> |

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| | 2023 | 2022 |
|--------------------|-----------------------------|-----------------------|
| | ----- Rupees in '000' ----- | |
| 33 TAXATION | | |
| Current | (64,939) | (52,645) |
| Prior | 6,512 | 236 |
| Deferred | <u>(319,676)</u> | <u>44,986</u> |
| | <u>(378,103)</u> | <u>(7,423)</u> |

33.1 As the charge for current year taxation is based on Final Tax Regime in case of export sales and minimum tax in case of local sales, therefore, tax reconciliation is not presented.

33.2 The return of income for the tax year 2022 has been filed which is deemed to be an assessment order in view of the provisions of Section 120 of the Income Tax Ordinance, 2001.

33.3 The Company is contesting the following tax cases:

- The Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the demand created under Section 122 5(A) of the Income Tax Ordinance, 2001 by the Commissioner Inland Revenue Appeals (CIRA) of Rs.362.546 million for the tax year 2016. The ATIR remanded the order back to CIRA who remanded back the case to DCIR. The Company again preferred an appeal before ATIR, against order of CIRA, which is pending for hearing.
- The Company filed appeals against orders passed by income tax and sale tax authorities for aggregate demands of Rs.679.621 million which are pending at CIR and ATIR levels pertaining to tax years 2012-2019.
- The Company's appeal is pending before the Commissioner Inland Revenue (Appeals IV) against order passed by Additional Commissioner under section 122(5A) of ITO for tax year 2018 increasing the tax liability thereby reducing the tax refund by Rs. 28.406 million.

The management, based on tax advice, expects a favorable outcome in respect of the above matters. Accordingly, no provision is made there against.

| | 2023 | 2022 |
|---|---------------------------|------------------|
| 34 LOSS PER SHARE | | |
| Net loss for the year - (Rupees in '000) | <u>(1,826,489)</u> | <u>(238,818)</u> |
| Weighted average ordinary shares of Rs.10/- each - (Number in '000) | <u>329,451</u> | <u>299,939</u> |
| Loss per share (Rupees) – basic and diluted | <u>(5.54)</u> | <u>(0.80)</u> |

35 RELATED PARTY TRANSACTIONS

Related parties of the Company comprise subsidiary, associates, directors and key management personnel. Transactions with related parties are disclosed in the relevant notes of these unconsolidated financial statements, .

36 SEGMENT REPORTING

The Company has two reportable segments - raw meat and processed food items. The management has determined the operating segments based on the information that is presented to the Board of Directors of the Company for allocation of resources and assessment of performance. The results of the reportable segments of the Company are as follows:

| <u>Segment results</u> | 2023 | | | 2022 | | |
|---------------------------------------|---------------------------|-------------------------|---------------------------|-------------|----------------------|-------------|
| | Raw meat | Processed food items | Total | Raw meat | Processed food items | Total |
| | ----- Rupees ----- | | | | | |
| Revenue (note 36.1) | 6,102,103 | 782,815 | 6,884,918 | 5,459,798 | 583,531 | 6,043,329 |
| Cost of sales | (5,393,233) | (893,713) | (6,286,946) | (4,550,638) | (659,334) | (5,209,972) |
| Gross profit / (loss) | <u>708,870</u> | <u>(110,898)</u> | <u>597,972</u> | 909,160 | (75,803) | 833,357 |
| Administrative and distribution costs | (729,436) | (619,417) | (1,348,853) | (771,662) | (563,227) | (1,334,889) |
| Other expenses | (1,272,869) | - | (1,272,869) | (4,109) | - | (4,109) |
| Other income | 1,088,925 | 4,445 | 1,093,370 | 571,211 | - | 571,211 |
| Operating profit / (loss) | <u>(204,511)</u> | <u>(725,870)</u> | <u>(930,381)</u> | 704,601 | (639,031) | 65,571 |
| Finance cost | (443,662) | (74,344) | (518,006) | (218,268) | (78,698) | (296,966) |
| Profit / (loss) before taxation | <u>(648,173)</u> | <u>(800,214)</u> | <u>(1,448,387)</u> | 486,333 | (717,729) | (231,395) |
| Taxation | (370,275) | (7,828) | (378,103) | | | (7,423) |
| Net profit / (loss) for the year | <u>(1,018,447)</u> | <u>(808,042)</u> | <u>(1,826,490)</u> | 486,333 | (717,729) | (238,818) |

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Segment assets and liabilities

| | | | | | | |
|-------------------------|------------------|------------------|-------------------|-----------|-----------|-------------------|
| Segment Assets | <u>5,711,316</u> | <u>4,860,582</u> | <u>10,571,898</u> | 4,898,624 | 4,220,674 | 9,119,298 |
| Unallocable Assets | | | <u>438,286</u> | | | 984,600 |
| Total Assets | | | <u>11,010,184</u> | | | <u>10,103,898</u> |
| Segment Liabilities | <u>1,243,751</u> | <u>584,879</u> | <u>1,828,630</u> | 738,360 | 303,558 | 1,041,918 |
| Unallocable Liabilities | | | <u>2,353,074</u> | | | 2,906,053 |
| Total Liabilities | | | <u>4,181,704</u> | | | <u>3,947,971</u> |

36.1 Includes sales to a customer which constitutes 15% (2022:14.6%) of the total sales of the Company.

37 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks such as market risk, credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company's Board of Directors oversees the management of these risks which are summarized below:

37.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

37.1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future 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 financing and short-term borrowings at floating interest 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 held constant:

| | Increase / decrease in basis points | Effect on loss before tax Rupees in '000 |
|------|---|--|
| 2023 | +100 | 50,962 |
| | -100 | (50,962) |
| 2022 | +100 | (25,721) |
| | -100 | 25,721 |

37.1.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to change in a foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates risk primarily relates to the Company's operating activities i.e. bank accounts and receivables / payables in foreign currencies. The Company manages its foreign currency risk by effective fund management. The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar exchange rate:

| | Increase / decrease in US Dollar to Pak Rupees | Effect on loss before tax Rupees in '000 |
|------|---|--|
| 2023 | 10% | 377,193 |
| | -10% | (377,193) |
| 2022 | 10% | 269,977 |
| | -10% | (269,977) |

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37.2 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Company's management is regularly conducting detailed analysis on sectors.

The Company seeks to minimize the credit risk through having exposures only to customers considered credit worthy and obtaining securities where applicable. As of 30 June 2023, the Company is mainly exposed to credit risk in respect of the following:

| | 2023 | 2022 |
|--------------------|-----------------------------|------------------|
| | ----- Rupees in '000' ----- | |
| Trade debts | 3,044,879 | 3,094,203 |
| Loans and advances | 266,529 | 340,400 |
| Bank balances | 4,695 | 3,458 |
| | <u>3,316,102</u> | <u>3,438,061</u> |

The credit quality of banks can be assessed by reference to external credit ratings or to historical information about counterparty default rates as shown below:

| | 2023 | 2022 |
|----------------------|-----------------------------|--------------|
| | ----- Rupees in '000' ----- | |
| Bank balances | | |
| Ratings | | |
| AAA | 2,449 | 1,598 |
| AA+ | 1,010 | 794 |
| AA | 1,142 | 12 |
| AA- | 36 | 912 |
| A+ | 57 | 67 |
| A | - | - |
| A- | - | - |
| BBB- | - | 75 |
| | <u>4,694</u> | <u>3,458</u> |

The credit quality of other financial assets are disclosed in relevant notes to these unconsolidated financial statements.

37.3 Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations with the financial liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility by maintaining sufficient bank balances and committed credit lines. The table below summarises the maturity profile of the Company's financial liabilities at 30 June 2022 based on contractual undiscounted payment dates and present market interest rates:

| | On demand | Less than 3 months | 3 to 12 months | 1 to 5 Years | Total |
|--------------------------|------------------------------|-----------------------|-------------------|-----------------|------------------|
| 2023 | ----- (Rupees in '000) ----- | | | | |
| Long-term financing | - | 19,688 | 337,401 | 582,996 | 940,085 |
| Lease liabilities | - | 20,055 | 57,326 | 55,548 | 112,874 |
| Short-term borrowings | | - | 1,855,429 | - | 1,855,429 |
| Trade and other payables | 23,454 | 240,882 | 211,923 | 182,957 | 659,215 |
| Accrued mark-up | - | 149,014 | 74,191 | - | 223,205 |
| Due to a related party | 3,742 | - | - | - | 3,742 |
| | <u>27,196</u> | <u>429,639</u> | <u>2,536,270</u> | <u>821,501</u> | <u>3,794,551</u> |

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| | On demand | Less than 3 months | 3 to 12 months | 1 to 5 Years | Total |
|--------------------------|------------------------------|-----------------------|-------------------|------------------|------------------|
| 2022 | ----- (Rupees in '000) ----- | | | | |
| Long-term financing | - | 82,525 | 56,337 | 731,640 | 870,502 |
| Lease liabilities | - | 13,463 | 40,416 | 90,225 | 144,104 |
| Short-term borrowings | - | 409,455 | 1,228,412 | - | 1,637,867 |
| Trade and other payables | 12,075 | 415,508 | 158,548 | 243,841 | 829,972 |
| Accrued mark-up | - | 97,080 | 20,706 | - | 117,786 |
| Due to a related party | 4,446 | - | - | - | 4,446 |
| | <u>16,521</u> | <u>1,018,031</u> | <u>1,504,419</u> | <u>1,065,706</u> | <u>3,604,678</u> |

37.4 Fair value of financial instruments

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 values of all financial assets and liabilities reflected in the unconsolidated financial statements approximate their fair values.

37.5 Capital risk management

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investments projects to support its business sustainability and future development and maximise its shareholders value.

The Company monitors capital using a debt equity ratio, which is net debt divided by total capital plus net debt. Equity comprises of share capital, reserves and revaluation surplus on property, plant and equipment. The gearing ratio as at 30 June 2022 is as follows:

| | 2023 | 2022 |
|--|-----------------------------|------------------|
| | ----- Rupees in '000' ----- | |
| Long-term financing | 940,085 | 870,502 |
| Short-term borrowings | 1,855,429 | 1,637,867 |
| Accrued mark-up | 223,205 | 117,787 |
| Total debt | <u>3,018,719</u> | <u>2,626,156</u> |
| Less: Cash and bank balances | <u>(66,266)</u> | <u>(8,286)</u> |
| Net debt | <u>2,952,453</u> | <u>2,617,870</u> |
| Share capital | 3,749,236 | 2,999,389 |
| Reserves | 581,646 | 2,406,339 |
| Revaluation surplus on property, plant and equipment | 2,497,600 | 750,199 |
| Total equity | <u>6,828,482</u> | <u>6,155,927</u> |
| Equity and net debt | <u>9,780,935</u> | <u>8,773,797</u> |
| Gearing ratio | | |
| Including revaluation surplus on property, plant and equipment | <u>30%</u> | <u>30%</u> |
| Excluding revaluation surplus on property, plant and equipment | <u>41%</u> | <u>33%</u> |

38 REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

| | Chief Executive | | Directors | | Executives | |
|-------------------------|------------------------------|---------------|--------------|--------------|----------------|----------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| | ----- (Rupees in '000) ----- | | | | | |
| Managerial Remuneration | 32,054 | 31,241 | - | - | 98,519 | 122,795 |
| Gratuity | - | - | - | - | - | 4,150 |
| Board Meeting Fees | - | - | 5,180 | 3,840 | - | - |
| Others | - | - | - | - | 64,458 | 10,152 |
| | <u>32,054</u> | <u>31,241</u> | <u>5,180</u> | <u>3,840</u> | <u>162,977</u> | <u>137,097</u> |
| | <u>1</u> | <u>1</u> | <u>6</u> | <u>7</u> | <u>86</u> | <u>47</u> |

**AL SHAHEER CORPORATION LIMITED
 NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2023**

| | 2023 | 2022 |
|-------------------------------|-------------------|-------------|
| 39 PRODUCTION CAPACTIY | ----- In Kgs----- | |
| Installed capacity | 75,187,200 | 75,187,200 |
| Actual capacity | 11,797,703 | 10,776,932 |

39.1 Actual production of the Company was sufficient to meet the customers demand.

40 GENERAL

The Figures have been rounded off to nearest thousand Rupees unless otherwise stated.

| 41 NUMBER OF EMPLOYEES | 2023 | 2022 |
|--|-------------|-------------|
| Total number of employees as at the reporting date | <u>657</u> | <u>725</u> |
| Average number of employees during the year | <u>675</u> | <u>634</u> |

42 DATE OF AUTHORIZATION FOR ISSUE

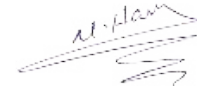
These unconsolidated financial statements were authorised for issue on November 06, 2023 by the Board of Directors of the Company.



Chief Executive Officer



Director



Chief Financial Officer



Consolidated
Financial
Statements
2022-23

**Grant Thornton Anjum
Rahman**

1st & 3rd Floor,
Modern Motors House,
Beaumont Road,
Karachi, Pakistan.

INDEPENDENT AUDITOR'S REPORT

T +92 21 35672951-56

To the members of Al-Shaheer Corporation Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Al Shaheer Corporation Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated 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 explanations given to us, the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated 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 Group's affairs as at 30 June 2023 and of the loss, total comprehensive loss, the changes in equity and its cash flows for the year 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 Consolidated Financial Statements* section of our report. We are independent of the Group 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| S. No. | Key audit matters | How the matter was addressed in our audit |
|--------|---|--|
| 1. | <p>Revenue recognition and trade debts</p> <p>Refer notes 12 and 26 to the consolidated financial statements.</p> <p>The Group's revenue comprises of both local and export sales. Sales are generated through retail outlets and the corporate customers involving large volume of transactions. Further, trade debts generated through sales are subject to assessment of allowance for expected credit loss (ECL) in accordance with IFRS 9 – "Financial Instruments".</p> <p>We identified revenue recognition and associated trade debts as a key audit matter due to large volume of transactions and use of significant estimates and judgements by the management in respect of ECL.</p> | <p>Our audit procedures among others included:</p> <ul style="list-style-type: none"> - We reviewed the terms and conditions of transactions for both sales and assessed the appropriateness of revenue recognition policies and practices followed by the Group. - We tested controls over revenue recognition and reporting process within export and local sales. - We performed analytical review procedures and other test of details for export and local sales including procedures ensure that revenue has been recognized in the appropriate accounting period. - We reviewed the methodology developed and applied by the management to estimate the allowance for ECL against trade debts. - We also assessed the adequacy of the disclosures in accordance with the financial reporting standards. We also assessed the adequacy of the disclosures in accordance with the financial reporting standards. |

Information Other than the Consolidated Financial Statements and Auditor's 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 consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Board of directors of the Group are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.

We also provide to the Board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Khurram Jameel

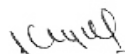


Chartered Accountants
Place Karachi
Date: 07 November 2023
UDIN: AR202310093pKmbvHwyG

AL SHAHEER CORPORATION LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

| ASSETS | Note | 2023 | 2022 |
|--|-------------|-----------------------------|-------------|
| | | ----- Rupees in '000' ----- | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 7 | 6,932,454 | 5,510,389 |
| Intangible assets | 8 | 35,305 | 47,073 |
| Long-term loan | 9 | 2,819 | 6,439 |
| Deferred tax asset | 10 | - | 326,678 |
| | | 6,970,578 | 5,890,579 |
| CURRENT ASSETS | | | |
| Stock-in-trade | 11 | 262,572 | 289,061 |
| Trade debts | 12 | 3,044,879 | 3,094,203 |
| Loans and advances | 13 | 266,589 | 340,460 |
| Trade deposits and prepayments | | 13,300 | 13,907 |
| Other receivables | 14 | 332,226 | 364,590 |
| Taxation - net | | 100,838 | 134,946 |
| Cash and bank balances | 15 | 66,591 | 8,613 |
| | | 4,086,995 | 4,245,780 |
| TOTAL ASSETS | | 11,057,575 | 10,136,359 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorised capital 400,000,000 (2022: 300,000,000) ordinary shares of Rs. 10 each | | 4,000,000 | 3,000,000 |
| Issued, subscribed and paid-up capital | 16 | 3,749,236 | 2,999,389 |
| Share premium | | 1,507,705 | 1,507,705 |
| Accumulated (loss) / profit | | (903,522) | 906,441 |
| Revaluation surplus on property, plant and equipment | 17 | 2,497,600 | 750,199 |
| | | 6,851,019 | 6,163,734 |
| Non-controlling interest | | 6,320 | 6,522 |
| NON-CURRENT LIABILITIES | | | |
| Long-term financing | 18 | 582,996 | 731,640 |
| Lease liabilities | 19 | 47,501 | 90,226 |
| Deferred liability | 20 | 110,773 | 102,850 |
| | | 741,270 | 924,716 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 21 | 936,963 | 1,070,770 |
| Short-term borrowings | 22 | 1,855,429 | 1,637,867 |
| Due to a related party | 23 | 20,906 | 21,355 |
| Accrued mark-up | 24 | 223,205 | 117,787 |
| Current portion of long-term financing | 18 | 357,089 | 138,862 |
| Current portion of lease liabilities | 19 | 65,373 | 53,878 |
| Current portion of deferred income - government grant | | - | 870 |
| | | 3,458,965 | 3,041,388 |
| TOTAL EQUITY AND LIABILITIES | | 11,057,575 | 10,136,360 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 25 | | |

The annexed notes 1 to 41 form an integral part of these consolidated financial statements.



Chief Executive Officer



Director

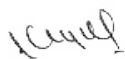


Chief Financial Officer

AL SHAHEER CORPORATION LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2023

| | | 2023 | 2022 |
|---------------------------------------|------|-----------------------------|-------------------------|
| | Note | ----- Rupees in '000' ----- | |
| Turnover | 26 | 6,884,918 | 6,043,329 |
| Cost of sales | 27 | (6,286,946) | (5,209,972) |
| Gross profit | | <u>597,972</u> | <u>833,357</u> |
| Administrative and distribution costs | 28 | (1,349,265) | (1,335,303) |
| Other expenses | 29 | (1,257,929) | - |
| Other income | 30 | 1,093,370 | 571,211 |
| Operating (loss) / profit | | <u>(915,851)</u> | <u>69,265</u> |
| Finance cost | 31 | (518,006) | (296,966) |
| Loss before taxation | | <u>(1,433,857)</u> | <u>(227,701)</u> |
| Taxation | 32 | (378,103) | (7,423) |
| Net loss for the year | | <u><u>(1,811,960)</u></u> | <u><u>(235,124)</u></u> |
| Attributable to | | | |
| Owners of the Holding group | | (1,811,758) | (234,921) |
| Non controlling interest | | (202) | (203) |
| | | <u><u>(1,811,960)</u></u> | <u><u>(235,124)</u></u> |
| | | ----- (Rupees) ----- | |
| Loss per share | 33 | <u>(5.50)</u> | <u>(0.80)</u> |

The annexed notes 1 to 41 form an integral part of these consolidated financial statements.



Chief Executive Officer



Director

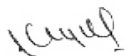


Chief Financial Officer

**AL SHAHEER CORPORATION LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

| | 2023 | 2022 |
|--|-----------------------------|-------------------------|
| | ----- Rupees in '000' ----- | |
| Net loss for the year | (1,811,960) | (235,124) |
| Other comprehensive income | | |
| Items not to be reclassified to statement of profit or loss in subsequent years | | |
| Remeasurement gain / (loss) on defined benefit plan (net of tax) | 21,346 | (3,165) |
| Surplus on revaluation of property, plant and equipment(net of tax) | 1,760,787 | - |
| Total comprehensive loss for the year | <u>(29,828)</u> | <u>(238,288)</u> |
| Attributable to | (29,626) | (238,085) |
| Owners of the Holding Group | <u>(202)</u> | <u>(203)</u> |
| Non controlling interest | <u>(29,828)</u> | <u>(238,288)</u> |

The annexed notes 1 to 41 form an integral part of these consolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer


AL SHAHEER CORPORATION LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

| | Issued, subscribed and paid-up capital | Capital reserve | Revenue reserve | Non-Controlling Interest | Revaluation surplus on property, plant and equipment | Total |
|--|--|--------------------|--------------------------------|-----------------------------|---|------------------|
| | | Share premium | Accumulated profit / (loss) | | | |
| ----- Rupees in '000' ----- | | | | | | |
| Balance as at 30 June 2021 | 2,999,389 | 1,507,705 | 1,126,848 | 6,725 | 767,877 | 6,408,544 |
| Net loss for the year | - | - | (234,921) | (203) | - | (235,124) |
| Other comprehensive loss | - | - | (3,165) | - | - | (3,165) |
| Total comprehensive loss for the year | - | - | (238,085) | (203) | - | (238,288) |
| Revaluation surplus on property, plant and equipment realised on account of incremental depreciation -net of tax | - | - | 17,678 | - | (17,678) | - |
| Balance as at 30 June 2022 | 2,999,389 | 1,507,705 | 906,441 | 6,522 | 750,199 | 6,170,256 |
| Net loss for the year | - | - | (1,811,758) | (202) | - | (1,811,960) |
| Other comprehensive income | - | - | 21,346 | - | 1,761,715 | 1,783,061 |
| Total comprehensive loss for the year | - | - | (1,790,413) | (202) | 1,761,715 | (28,900) |
| Issuance of right shares | 749,847 | - | - | - | - | 749,847 |
| Issuance cost on shares | - | - | (33,864) | - | - | (33,864) |
| Revaluation surplus on property, plant and equipment realised on account of incremental depreciation -net of tax | - | - | - | - | - | - |
| | - | - | 14,314 | - | (14,314) | - |
| Balance as at 30 June 2023 | 3,749,236 | 1,507,705 | (903,522) | 6,320 | 2,497,600 | 6,857,339 |

The annexed notes 1 to 41 form an integral part of these consolidated financial statements.



Chief Executive Officer



Director

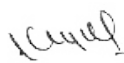


Chief Financial Officer

AL SHAHEER CORPORATION LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|---|-----------------------------|------------------|
| | ----- Rupees in '000' ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before taxation | (1,433,857) | (227,701) |
| Adjustments for non-cash items: | | |
| Depreciation on operating fixed assets | 358,627 | 320,009 |
| Depreciation on ROU assets | 56,929 | 55,291 |
| Amortisation | 11,768 | 9,623 |
| Allowance for ECL | 1,245,987 | 10,155 |
| Provision for gratuity | 36,496 | 23,715 |
| Loss / (gain) on disposal of property, plant and equipment | 11,942 | (1,865) |
| Finance cost | 518,006 | 296,966 |
| | 2,239,755 | 713,894 |
| Working capital changes | | |
| Stock-in-trade | 26,489 | (39,919) |
| Trade debts | (1,196,662) | (1,053,451) |
| Loans and advances | 73,871 | 32,940 |
| Trade deposits and prepayments | 607 | 1,742 |
| Other receivables | 32,364 | 76,000 |
| Trade and other payables | (133,806) | 288,583 |
| Due to a related party | (449) | 2,519 |
| | (1,197,586) | (691,586) |
| Taxes paid | (20,317) | (39,717) |
| Gratuity paid | (951) | (413) |
| Finance cost paid | (405,589) | (269,947) |
| Net cash used in operating activities | (818,546) | (515,470) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Additions to property, plant and equipment | (64,673) | (246,670) |
| Sale proceeds from disposal of property, plant and equipment | 994 | 5,482 |
| Net cash used in investing activities | (63,679) | (241,188) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Issuance of shares | 715,983 | - |
| Long-term financing - net | 68,713 | (165,663) |
| Lease rentals paid | (73,305) | (70,855) |
| Short term borrowings - net | 228,811 | 926,905 |
| Net cash generated from financing activities | 940,203 | 690,387 |
| Net increase / (decrease) in cash and cash equivalents | 57,978 | (66,271) |
| Cash and cash equivalents at the beginning of the year | 8,613 | 74,884 |
| Cash and cash equivalents at the end of the year | 66,591 | 8,613 |

The annexed notes 1 to 41 form an integral part of these consolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

AL SHAHEER CORPORATION LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1 LEGAL STATUS AND OPERATIONS OF THE GROUP

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

Holding group

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

Subsidiary group

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

Geographical location and address of all the business units are as under:

| Location | Business Unit |
|--|----------------------|
| Suit # G/5/5, 3rd Floor, Mansoor Tower, Block-8, Shahrah-e-Roomi, Clifton, Karachi | Registered office |
| Plot Bearing Survey No. 348, Deh Shah Mureed, Tappo, Songal, Gadap Town, Karachi | Slaughter house |
| 3.5km Manga Road Raiwand, Lahore | Poultry plant |

- 1.1 These are consolidated financial statements of the Group. Unconsolidated financial statements of the Holding Group and its Subsidiary have been presented separately.

2 STATEMENT OF COMPLIANCE

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

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

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

3 BASIS OF MEASUREMENT

- 3.1 These consolidated financial statements have been prepared under the historical cost convention except for:

- a) certain items of property, plant and equipment that are stated at revalued amount; and
- b) defined benefit plan is measured at present value.

- 3.2 These consolidated financial statements have been presented in Pakistani rupees, which is the Group's functional and presentation currency.

4 NEW ACCOUNTING STANDARDS

4.1 Accounting standards effective for the year

There are certain new standards and amendments that are mandatory for the Group's accounting period beginning on 01 July 2022, but are considered either to be not relevant or to not have any significant effect on the Group's operations and are, therefore, not detailed in these financial statements.

4.2 Accounting standards not yet effective

There are certain new standards and amendments to the approved accounting standards that will be mandatory for the Group's accounting periods beginning on / after 01 July 2023. However, the Group expects that these standards will not have any material impact on the future financial statements of the Group.

5 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of consolidated financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. In the process of applying the Group's accounting policies, management has made the following estimates and judgments which are significant to the consolidated financial statements:

Property, plant and equipment

The Group reviews the appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Group uses the technical resources available with the Group. Any change in estimates in future might affect the carrying amount of respective classes of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

Revaluation surplus on property, plant and equipment

The Group reviews the appropriateness of the revaluation of property, plant and equipment (carried at revalued amounts) periodically for the purpose of ensuring that the carrying amount of the same does not differ materially from its fair value. In making this assessment, the Group uses the technical resources available with the Group. The revaluation exercise is carried out by independent professional valuers using various significant assumptions. Any change in assessment in future might affect the carrying amount of respective classes of fixed assets, with corresponding effect on surplus on revaluation of fixed assets.

Determination of the lease term for lease contracts with extension and termination options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate.

Impairment of financial assets

The Group uses a provision matrix to calculate Expected Credit Loss (ECL) for trade debts and other receivables. The provision rates are based on days past due for Group's various customer that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Taxation

In applying the estimate for income tax payable, the Group takes into account the applicable tax laws and the decision by appellate authorities on certain issues in the past. Instance where the Group's view differs from the view taken by the income tax department at the assessment stage and where the Group considers that its view on items of material nature is in accordance with law, the amounts are shown as contingency.

Staff retirement benefits

The cost of defined benefit plan is determined using actuarial valuation. The actuarial valuation involves making assumptions about discount rate and future salary increases. Due to long-term nature of the plan, such estimates are subject to significant uncertainty.

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

6.1 Property, plant and equipment

Operating fixed assets

Except for land and computers and accessories, all items of property, plant and equipment are stated at revalued amount less accumulated depreciation and impairment, if any. Land is stated at revalued amount less impairment, if any. Computers and accessories are stated at cost less accumulated depreciation and impairment, if any.

Depreciation is charged to consolidated statement of profit or loss applying the reducing balance method. Depreciation is charged from the month in which an asset is available for use, while no depreciation is charged in the month on which an asset is disposed off.

Maintenance and repairs are charged to profit or loss as and when incurred. Major renewals and improvements which increase the asset's remaining useful economic life or the performance beyond the current estimated levels are capitalized and the assets so replaced, if any, are retired.

Gains or losses on disposals of operating assets, if any, are recognized in the consolidated statement of profit or loss. The assets residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, at each financial year end.

Increases in the carrying amounts arising on revaluation of certain items of property plant and equipment are recognized, in consolidated statement of comprehensive income and accumulated in reserves in consolidated statement of changes in equity. To the extent that the increase reverses a decrease previously recognized in consolidated statement of profit or loss, the increase is first recognized in consolidated statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognized in consolidated statement of comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to consolidated statement of profit or loss.

The carrying values of property, plant and equipment are reviewed at each consolidated statement of financial position date for impairment when events or changes in circumstances indicate that carrying values may not be recoverable. If such indication exists where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amounts.

Right-of-use (RoU) assets and lease liabilities

ROU assets

The Group recognises a ROU asset at the commencement date of the lease (i.e. the date the underlying asset is available for use). These are measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. These assets are depreciated on a straight-line basis over the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option (if any) reasonably certain to be exercised by the Group. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date. 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 fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group has the option, under its lease arrangements to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew. Any change is accounted for change in estimate and applied prospectively with corresponding change in ROU assets and lease liabilities.

Capital work-in-progress

These are stated at cost less impairment, if any, and consist of expenditure incurred and advances made in respect of operating fixed assets and intangible assets in the course of their acquisition, erection, construction and installation. The assets are transferred to relevant category of operating fixed assets or intangible assets when they are available for use.

6.2 Intangible assets

These are stated at cost less accumulated amortization and impairment. Amortization is charged on reducing balance method over the useful lives of the assets. Amortisation is charged from the month the asset is available for use up to the month of derecognition. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

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6.4 Stock-in-trade

These are valued at the lower of cost or net realisable value. Cost is determined as follows:

- | | |
|--|---|
| - Livestock, raw and packaging materials | - invoice price of specific items |
| - Stock-in-transit | - at weighted average cost of purchases |
| - Finished Goods (Raw meat) | - at weighted average cost of purchases |

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Provision is recorded for slow moving and expired stock where necessary.

6.5 Cash and cash equivalents

These are stated at cost.

6.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

On initial recognition, a financial asset is classified and measured at : amortised cost, fair value through other comprehensive income or fair value through profit or loss . The classification of financial asset is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

For the purpose of subsequent measurement, all financial assets of the Group are classified at amortised cost, These are measured using effective interest rate method and are subject to impairment on account of Expected Credit Loss (ECL). The Group uses the simplified approach and calculates ECLs based on the lifetime ECLs on its trade debts and other financial assets. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

Financial liabilities

All financial liabilities are recognised initially at fair value. For the purpose of subsequent measurement financial liabilities are recognised at amortised cost.

Derecognition

A financial asset is derecognised where the rights to receive cash flows from the asset have expired, or the Group 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 Group 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.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is only offset and the net amount is reported in the consolidated statement of financial position if the Group has legally enforceable right to set off the recognized amount and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses arising from such assets and liabilities are also offset accordingly.

6.7 Staff retirement benefits

The Group operates an un-approved and unfunded defined gratuity scheme for all permanent employees who have completed the minimum qualifying year of service for entitlement of gratuity. The contributions to the scheme are made in accordance with the independent actuarial valuation. The actuarial valuation is carried out as of reporting using Projected Unit Credit method.

6.8 Taxation

Current

Provision for current tax is based on the taxable income in accordance with Income Tax Ordinance, 2001.

Deferred

Deferred income tax is provided using the liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets are recognised for all deductible temporary differences, unused tax losses and tax credits, if any, to the extent that it is probable that taxable profits will be available against which such temporary differences and tax losses can be utilized. Deferred income tax assets and liabilities are measured at the tax rate that is expected to apply to the year when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

6.9 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

6.10 Foreign currency translations

Foreign currency transactions are translated into Pak Rupees (functional currency) using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are retranslated into Pak Rupees using the exchange rate at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are taken to consolidated statement of profit or loss.

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6.11 Revenue recognition

Revenue is recognised at amounts that reflect the consideration that the Group expects to be entitled to in exchange for transferring goods. Revenue is measured at the fair value of the consideration received or receivable. The Group recognises revenue at a point in time when control of product is transferred to customer either on dispatch/acceptance of goods for local sales or issuance of the bill of lading in case of export sales. Control, depending on contractual terms, is considered to be transferred either when the product is directly uplifted by customer from Group premises or when it is delivered by the Group at customer premises. The Group generally enters into agreement with its customers for supply of its products including delivery of product. As the transportation of product coincides with actual delivery, sale of product and transportation is considered single performance obligation. The credit limits in contract with customers varies depending on the terms of specific contract.

6.12 Borrowing costs

Borrowing and other related costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

6.13 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

6.14 Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. As the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

| | Note | 2023 ----- (Rupees in '000) ----- | 2022 |
|--|------|--------------------------------------|------------------|
| 7 PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets | 7.1 | 6,316,622 | 4,864,822 |
| Right-of-use assets | 7.6 | 94,405 | 127,164 |
| Capital work-in-progress | 7.5 | 521,428 | 518,403 |
| | | <u>6,932,454</u> | <u>5,510,389</u> |

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7.1 Operating fixed assets

| | COST / REVALUED AMOUNT | | | | Rate | ACCUMULATED DEPRECIATION | | | NET BOOK VALUE | |
|---------------------------|------------------------|-----------------------|-----------------|--------------------|----------|--------------------------|---------------------|-----------------|--------------------|--------------------|
| | As at 01 July 2022 | Additions / surplus * | (Disposals) | As at 30 June 2023 | | As at 01 July 2022 | Charge for the year | (On disposals) | As at 30 June 2023 | As at 30 June 2023 |
| | (Rupees in '000) | | | | % | (Rupees in '000) | | | | |
| Freehold land | 572,880 | - 1,282,735 * | - - | 1,855,615 | - | - | - | - | - | 1,855,615 |
| Leasehold land | 494,873 | - 239,737 * | - | 734,610 | - | - | - | - | - | 734,610 |
| Buildings | 1,158,456 | 21,173 127,750 * | - | 1,307,379 | 10% | 114,683 | 62,924 | - - | 177,607 | 1,129,772 |
| Plant and machinery | 2,436,424 | 26,461 28,408 * | - | 2,491,293 | 5% - 20% | 267,094 | 213,873 | - - | 480,967 | 2,010,326 |
| Furniture and fixture | 417,874 | 5,979 22,738 * | (33,264) | 413,327 | 10% | 128,383 | 39,083 | (21,708) | 145,758 | 267,569 |
| Motor vehicles | 140,690 | 5,133 50,968 * | (308) | 196,483 | 15% | 61,691 | 12,355 | (67) | 73,979 | 122,504 |
| Office equipment | 305,673 | 63 9,378 * | (2,306) | 312,809 | 15% | 133,797 | 25,646 | (1,388) | 158,055 | 154,753 |
| Tools and equipment | 27,525 | 121 - | - | 27,646 | 10% | 14,777 | 1,287 | - | 16,064 | 11,582 |
| Computers and accessories | 62,738 | 2,719 | (254) | 65,203 | 10% | 31,886 | 3,459 | (32) | 35,313 | 29,890 |
| 2023 | 5,617,133 | 1,823,364 | (36,132) | 7,404,365 | | 752,311 | 358,627 | (23,195) | 1,087,744 | 6,316,622 |

AL SHAHEER CORPORATION LIMITED
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7.1 Operating fixed assets

| | COST / REVALUED AMOUNT | | | | Rate | ACCUMULATED DEPRECIATION | | | | NET BOOK VALUE |
|---------------------------|------------------------------|------------------|----------------|--------------------|----------|------------------------------|---------------------|----------------|--------------------|--------------------|
| | As at 01 July 2021 | Additions | (Disposals) | As at 30 June 2022 | | As at 01 July 2021 | Charge for the year | (On disposals) | As at 30 June 2022 | As at 30 June 2022 |
| | ----- (Rupees in '000) ----- | | | | % | ----- (Rupees in '000) ----- | | | | |
| Freehold land | 572,880 | - | - | 572,880 | - | - | - | - | - | 572,880 |
| Leasehold land | 483,829 | 11,044 | - | 494,873 | - | - | - | - | - | 494,873 |
| Buildings | 222,669 | 935,787 | - | 1,158,456 | 10% | 58,770 | 55,913 | - | 114,683 | 1,043,773 |
| Plant and machinery | 241,900 | 2,194,524 | - | 2,436,424 | 5% - 20% | 81,977 | 185,117 | - | 267,094 | 2,169,330 |
| Furniture and fixture | 205,810 | 212,064 | - | 417,874 | 10% | 93,857 | 34,526 | - | 128,383 | 289,491 |
| Motor vehicles | 126,275 | 20,591 | (6,176) | 140,690 | 15% | 49,596 | 13,600 | (1,505) | 61,691 | 78,999 |
| Office equipment | 170,444 | 135,229 | - | 305,673 | 15% | 107,753 | 26,044 | - | 133,797 | 171,876 |
| Tools and equipment | 26,894 | 631 | - | 27,525 | 10% | 13,356 | 1,421 | - | 14,777 | 12,748 |
| Computers and accessories | 55,217 | 7,521 | - | 62,738 | 10% | 28,498 | 3,388 | - | 31,886 | 30,852 |
| 2022 | <u>2,105,918</u> | <u>3,517,391</u> | <u>(6,176)</u> | <u>5,617,133</u> | | <u>433,807</u> | <u>320,009</u> | <u>(1,505)</u> | <u>752,311</u> | <u>4,864,822</u> |

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7.1.1 Except for computer and accessories, the Group carries its fixed assets at revalued amount. The latest revaluation was carried out on 30 June 2023 which resulted in a surplus of Rs. 1,761 million. The forced sale value as at 30 June 2023 of the revalued assets amounted to Rs. 5,090 million. The above revaluations were carried out by an independent valuer Sadruddin Associates (Private) Limited, using present day valuation method. The fair values were determined with reference to market based evidence, based on active market prices and relevant enquiries and information as considered necessary, and adjusted for any difference in nature, location or condition of specific properties. The fair values fall under level 2 of fair value hierarchy (i.e. significant observable inputs) Had there been no revaluation the book value of freehold land, leasehold land, buildings, plant and machinery, furniture and fixtures, office equipment, tools and equipment's and motor vehicles would have been Rs.268.682 million, Rs.233 million Rs.885 million, Rs.1745 million, Rs.261 million, Rs.160 million, Rs.14 million and Rs.63 million, respectively.

7.2 Depreciation for the year has been allocated as follows:

| | Note | 2023 ----- Rupees in '000' | 2022 ----- |
|---------------------------------------|------|-------------------------------|----------------|
| Cost of sales | 27 | 161,245 | 151,717 |
| Administrative and distribution costs | 28 | 197,383 | 168,279 |
| | | <u>358,628</u> | <u>319,995</u> |

7.3 Particulars of immovable assets are as follows:

| Location | Addresses | Total Area |
|----------|---|--------------------|
| Karachi | Suite G/5/5, 3rd Floor, Mansoor Tower, Block-8, Clifton. | 5,000 Sq. Fts |
| Karachi | Survey No. 348, Deh Shah Mureed, Tapu Songle. | 18.22 Acres |
| Karachi | Bangalow # D-143 KDA Scheme No. 5 Clifton. | 983.33 Sq. Yards |
| Karachi | Plot No.GA-55, 56-A6, 57-A9, Korangi Creek Industrial Park. | 6,780.84 Sq. Yards |
| Lahore | Rohinala Bypass, 3.5KMs Manga Raiwind Road. | 11 Acres |

| | Note | 2023 ----- Rupees in '000' | 2022 ----- |
|-------------------------------------|------|-------------------------------|----------------|
| 7.4 Capital work-in-progress | | | |
| Building | | 203,484 | 203,484 |
| Plant and machinery | | 314,919 | 314,919 |
| Furniture and fixture | | 3,024 | - |
| | | <u>521,428</u> | <u>518,403</u> |

7.5 **Right-of-use assets - Outlets**

| | | | |
|------------------------|----|---------------|----------------|
| Opening net book value | | 127,164 | 91,433 |
| Additions | | 24,656 | 91,022 |
| Depreciation | 28 | (57,415) | (55,291) |
| Closing net book value | | <u>94,405</u> | <u>127,164</u> |

AL SHAHEER CORPORATION LIMITED
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 FOR THE YEAR ENDED 30 JUNE 2023

8 INTANGIBLE ASSETS

| | COST | | | ACCUMULATED AMORTISATION | | | WRITTEN DOWN VALUE | Rate |
|-------------------|------------------------------|-----------|-----------------------|------------------------------|-----------------|-----------------------|-----------------------|------|
| | As at 01 July 2022 | Additions | As at 30 June 2023 | As at 01 July 2022 | For the year | As at 30 June 2023 | As at 30 June 2023 | |
| | ----- (Rupees in '000) ----- | | | ----- (Rupees in '000) ----- | | | | % |
| Computer software | 66,753 | - | 66,753 | 19,680 | 11,768 | 31,448 | 35,305 | 25% |
| 2023 | 66,753 | - | 66,753 | 19,680 | 11,768 | 31,448 | 35,305 | |
| 2022 | 12,281 | 54,472 | 66,753 | 10,057 | 9,623 | 19,680 | 47,073 | 25% |

9 LONG-TERM LOAN

| | | |
|---------------------------------|--------------|--------------|
| Opening balance | 7,639 | 10,361 |
| Amount received during the year | (3,620) | (2,722) |
| Less: current maturity | (1,200) | (1,200) |
| | 2,819 | 6,439 |

Represents loan extended to an executive secured against his personal property. This loan is recoverable in 200 monthly installments and is interest free.

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| | | 2023 | 2022 |
|---|--|-----------------------------|------------------|
| | | ----- Rupees in '000' ----- | |
| 10 DEFERRED TAX ASSET | | | |
| Deferred tax asset on deductible temporary differences: | | | |
| Unused tax losses / credits | | 197,036 | 460,705 |
| Provisions | | 37,250 | 32,458 |
| | | <u>234,286</u> | <u>493,164</u> |
| Deferred tax liability on taxable temporary differences: | | | |
| Accumulated tax depreciation | | (184,609) | (157,539) |
| Revaluation surplus on property, plant and equipment | | (49,678) | (8,947) |
| | | <u>(234,286)</u> | <u>(166,486)</u> |
| | | <u>-</u> | <u>326,678</u> |
| 10.1 | Movement in deferred tax is as follows: | | |
| | Balance at beginning of the year | 326,678 | 281,377 |
| | - recognised in profit or loss | (319,676) | 44,986 |
| | - recognised in other comprehensive income | (7,001) | 315 |
| | Balance at end of the year | <u>-</u> | <u>326,678</u> |
| 10.2 | The Group has not recognised deferred tax asset amounting to Rs 313.052 million on unused tax losses / credits aggregating to Rs 1,887.373 million in accordance with accounting policy. | | |
| 11 STOCK-IN-TRADE | Note | 2023 | 2022 |
| | | ----- Rupees in '000' ----- | |
| Livestock | | 160,855 | 143,766 |
| Raw and packaging materials | | 56,706 | 57,562 |
| Stock in transit | | - | 17,036 |
| Finished goods | | 45,011 | 70,697 |
| | | <u>262,572</u> | <u>289,061</u> |
| 12 TRADE DEBTS - unsecured | | | |
| Considered good | | | |
| - Overseas | | 2,584,740 | 2,832,169 |
| - Local | | | |
| - related party - Enrich Foods (Pvt) Limited | | 2,206 | 2,206 |
| - others | | 457,932 | 259,828 |
| | | <u>460,139</u> | <u>262,034</u> |
| | | <u>3,044,879</u> | <u>3,094,203</u> |
| Considered doubtful | | | |
| Allowance for ECL | 12.1 | 1,249,266 | 56,551 |
| | | <u>(1,249,266)</u> | <u>(56,551)</u> |
| | | <u>-</u> | <u>-</u> |
| | | <u>3,044,879</u> | <u>3,094,203</u> |
| 12.1 Allowance for ECL | | | |
| Opening balance | | 56,551 | 46,396 |
| Charge for the year | 29 | 1,192,715 | 10,155 |
| Closing balance | | <u>1,249,266</u> | <u>56,551</u> |

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| | | | 2023 | 2022 |
|-------------|---|---------------------------------------|--|------------------|
| | | | ----- Rupees in '000' ----- | |
| 13 | LOANS AND ADVANCES | Note | | |
| | Loans - secured, considered good | | | |
| | Executives | | - | 5,826 |
| | Other employees | | 7,849 | 4,182 |
| | Current portion of long-term loan | | 1,200 | 1,200 |
| | | | <u>9,049</u> | <u>11,208</u> |
| | Advances - unsecured | | | |
| | Considered good | | | |
| | Suppliers and others | | 257,540 | 329,252 |
| | Considered doubtful | | | |
| | Allowance for ECL | 29 | 53,272 | - |
| | | | <u>(53,272)</u> | <u>-</u> |
| | | | - | - |
| | | | <u>266,589</u> | <u>340,460</u> |
| 14 | OTHER RECEIVABLES | | | |
| | Considered good | | | |
| | Sales tax receivable | | 148,678 | 181,363 |
| | Receivable against export rebate | | 180,708 | 180,708 |
| | Others | | 2,841 | 2,519 |
| | | | <u>332,226</u> | <u>364,590</u> |
| 15 | CASH AND BANK BALANCES | | | |
| | Cash in hand | | 61,572 | 4,829 |
| | With banks: | | | |
| | Saving accounts | # | 99 | 805 |
| | Current accounts | | 4,922 | 2,979 |
| | | | <u>5,020</u> | <u>3,784</u> |
| | | | <u>66,592</u> | <u>8,613</u> |
| 15.1 | These carry profit at the rates ranging between 19.8% to 20.5% (2022: 6.04% to 6.50%) per annum. | | | |
| 16 | ISSUED, SUBSCRIBED AND PAID-UP CAPITAL | Note | 2023 | 2022 |
| | | | ----- Rupees in '000' ----- | |
| | <u>2023</u> | <u>2022</u> | | |
| | Number of shares in thousands | Ordinary shares of Rs. 10 each | | |
| | 262,747 | 187,762 | Issued for cash | 2,627,468 |
| | | | | 1,877,621 |
| | 26,000 | 26,000 | Issued for consideration other than cash | 260,000 |
| | | | 16.1 | |
| | 86,177 | 86,177 | Issued as bonus shares | 861,768 |
| | <u>374,924</u> | <u>299,939</u> | | <u>861,768</u> |
| | | | | <u>3,749,236</u> |
| | | | | <u>2,999,389</u> |
| 16.1 | Represents shares issued at a face value of Rs.10 each against transfer of net assets from the amalgamated firms namely, 'Al Shaheer Corporation' and 'MeatOne'. | | | |
| 16.2 | As at 30 June 2023, directors held 89,975,877 number of shares, respectively (2022: 80,105,006). Voting rights, board selection, right of first refusal and block voting are in proportion to their shareholding. | | | |
| 17 | REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT | | 2023 | 2022 |
| | | | ----- Rupees in '000' ----- | |
| | Opening balance | | 759,895 | 778,785 |
| | Surplus during the year | | 1,761,715 | - |
| | Transferred to unappropriated profit in respect of incremental depreciation during the year | | (14,314) | (18,366) |
| | Disposal of fixed assets during the year | | (928) | (524) |
| | | | <u>2,506,368</u> | <u>759,895</u> |
| | Related deferred tax liability | | | |
| | Balance at the beginning of the year | | (9,696) | (10,908) |
| | Incremental depreciation charged during the year | | 928 | 1,212 |
| | Balance at the end of the year | | (8,768) | (9,696) |
| | Closing balance | | <u>2,497,600</u> | <u>750,199</u> |

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| 18 | LONG-TERM FINANCING - secured | Note | 2023 ----- Rupees in '000' ----- | 2022 |
|------|---|------|-------------------------------------|------------------|
| | Diminishing musharaka | | | |
| | Askari Bank Limited | 18.1 | 37,500 | 56,250 |
| | Dubai Islamic Bank Pakistan Limited | 18.2 | 9,272 | 9,272 |
| | Sindh Bank Limited | 18.3 | 110,000 | 165,000 |
| | Faysal Bank Limited | 18.4 | 75,000 | 81,250 |
| | National Bank Limited | 18.5 | 300,000 | 300,000 |
| | Summit Bank Limited | 18.6 | 49,734 | 49,734 |
| | Bank Alfalah Limited | 18.7 | 200,000 | - |
| | From First Habib Modaraba | 18.8 | 34,929 | 44,327 |
| | | | <u>816,435</u> | <u>705,833</u> |
| | SBP Refinance scheme | | - | 41,019 |
| | Islamic Temporary Economic Refinance Facility | 18.9 | 123,650 | 123,650 |
| | | | <u>940,085</u> | <u>870,502</u> |
| | Less: Current maturity | | <u>(357,089)</u> | <u>(138,862)</u> |
| | | | <u>582,996</u> | <u>731,640</u> |
| 18.1 | Represents diminishing musharaka facility amounting to Rs. 100 million for a period of 5 years including 1 year grace period. It carries profit at the rate of 3 month KIBOR + 2% per annum and having maturity till June 2024 . The facility is secured by exclusive and ranking charge over fixed assets of the Group. | | | |
| 18.2 | Represents diminishing musharaka facility amounting to Rs.200 million for a period of 4 years including 1 year grace period It carries profit at the rate of 3 months KIBOR + 2.5% per annum and having maturity till June 2024. The facility is secured by exclusive charge over land and building and plant and machinery of the Group. | | | |
| 18.3 | Represents diminishing musharakah facility amounting to Rs. 220 million for a period of 4 years. It carries profit at the rate of 1 year KIBOR + 5.55% and having maturity till August 2024.The facility is secured by specific charge over plant and machinery and freehold land of the Group. | | | |
| 18.4 | Represents diminishing musharakah facility amounting to Rs 100 million for a period of 5 years. It carries profit at the rate of 3 months KIBOR + 4% per annum and having maturity till June 2025. The facility is secured against hypothecation charge over receivables and exclusive charge over plant and machinery and land of the Group. | | | |
| 18.5 | Represents diminishing musharakah facility amounting to Rs. 300 million for a period of 5 years. It carries profit at the rate of 3 months KIBOR + 2.5% per annum and having maturity till September 2026. The facility is secured against first pari passu charge over all present and future plant and machinery of the Group. | | | |
| 18.6 | Represents diminishing musharakah facility amounting to Rs. 50 million for the period of 3 years. It carries profit at the rate of KIBOR + 3% per annum and having maturity till November 2024.. The facility is secured against exclusive charge over plant and machinery of the Group | | | |
| 18.7 | Represents diminishing musharakah amounting to Rs. 200 million for a period of 3 years. It carries profit at the rate of KIBOR + 2.5% per annum. The facility is secured against exclusive charge over plant and machinery of the Group. | | | |
| 18.8 | Represents diminishing musharikhah facility amounting to Rs 50 million for a period of 5 years. It carries profit at the rate of 1 year KIBOR + 5.55% per annum and having maturity till April 2026. The facility is secured against specific charge over plant and machinery and first mortgage charge over freehold land of the Group. | | | |
| 18.9 | It carries profit at the rate of 5% per annum and having maturity till 30 November 2027. The facility is secured by exclusive charge over land and building and plant and machinery of Group. | | | |

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| | 2023 | 2022 |
|---|-----------------------------|-----------------------|
| | ----- Rupees in '000' ----- | |
| 19 LEASE LIABILITIES | | |
| Opening balance | 144,104 | 110,828 |
| Additions during the year | 24,656 | 89,783 |
| Finance cost | 17,419 | 14,347 |
| Payments made during the year | <u>(73,305)</u> | <u>(70,855)</u> |
| | 112,874 | 144,104 |
| Less : Current portion | <u>(65,373)</u> | <u>(53,878)</u> |
| Closing balance | <u><u>47,501</u></u> | <u><u>90,226</u></u> |
| 19.1 Maturity analysis | | |
| Gross lease liabilities - minimum lease payments: | | |
| Not later than one year | 77,382 | 70,329 |
| Later than one year but not later than five years | <u>53,459</u> | <u>102,737</u> |
| | 130,841 | 173,066 |
| Future finance charge | <u>(17,967)</u> | <u>(28,962)</u> |
| Present value of finance lease liabilities | <u><u>112,874</u></u> | <u><u>144,104</u></u> |
| 20 DEFERRED LIABILITY | | |
| Staff gratuity | <u><u>110,773</u></u> | <u><u>102,850</u></u> |
| 20.1 Liability in statement of financial position | | |
| Present value of defined benefit obligations | <u><u>110,773</u></u> | <u><u>102,850</u></u> |
| 20.2 Movement in liability during the year | | |
| Opening balance | 102,850 | 76,069 |
| Charged to profit or loss | | |
| - current service cost | 27,528 | 18,415 |
| - finance cost | 10,067 | 5,300 |
| Benefits paid during the year | (951) | (413) |
| Charged to OCI - actuarial (gain) / loss | <u>(28,721)</u> | <u>3,479</u> |
| Closing balance | <u><u>110,773</u></u> | <u><u>102,850</u></u> |
| 20.3 The number of employees covered under the defined benefit scheme are: | <u><u>657</u></u> | <u><u>725</u></u> |
| 20.4 Principal actuarial assumptions | | |
| Financial assumptions | 2023 | 2022 |
| - Discount rate (per annum compounded) | 19.75% | 13.25% |
| - Salary increase per annum | 16.25% | 13.25% |
| Demographic assumptions | | |
| - Normal retirement | 60 years | 60 years |
| - Mortality rate | 70% of the EFU | 70% of the EFU |

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20.5 Sensitivity analysis

Sensitivity analysis has been performed by varying one assumption keeping all other assumptions constant and calculating the impact on the present value of the defined benefit obligations on various employee benefit schemes. The increase / (decrease) in the present value of defined benefit obligations as a result of change in each assumption is summarized below:

| | 2023 | 2022 |
|---|-----------------------------|---------|
| | ----- Rupees in '000' ----- | |
| Increase in discount rate by 1% | (1,436) | (2,186) |
| Decrease in discount rate by 1% | 1,506 | 2,331 |
| Increase in expected future increment in salary by 1% | 1,539 | 2,310 |
| Decrease in expected future increment in salary by 1% | (1,491) | (2,205) |

20.6 Comparison for five years

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|-----------------------------|------------------------------|---------|--------|--------|---------------|
| | ----- (Rupees in '000) ----- | | | | |
| Defined benefit obligations | <u>110,773</u> | 102,850 | 76,069 | 71,924 | <u>73,386</u> |

| 20.7 Maturity profile | Note | 2023 | 2022 |
|------------------------------|------|-----------------------------|---------|
| | | ----- Rupees in '000' ----- | |
| Year 1 | | 37,533 | 27,437 |
| Year 2 | | 32,793 | 28,574 |
| Year 3 | | 28,347 | 29,866 |
| Year 4 | | 26,701 | 28,297 |
| Year 5 | | 20,073 | 27,482 |
| Year 6 to year 10 | | 71,424 | 118,652 |

21 TRADE AND OTHER PAYABLES

| | | | |
|------------------------------------|------|----------------|------------------|
| Creditors | | 676,916 | 749,507 |
| Accrued liabilities | | 80,823 | 59,722 |
| Advance from customers | | 46,077 | 150,359 |
| Workers' Profit Participation Fund | 21.1 | 55,566 | 47,182 |
| Workers' Welfare Fund | | 22,842 | 22,842 |
| Retention money | | 2,520 | 2,520 |
| Other payables | | <u>53,147</u> | <u>38,639</u> |
| | | <u>937,891</u> | <u>1,070,770</u> |

21.1 Workers' Profit Participation Fund

| | | | |
|----------------------------------|--|---------------|---------------|
| Opening balance | | 47,182 | 47,182 |
| Interest charged during the year | | <u>8,385</u> | - |
| Closing balance | | <u>55,566</u> | <u>47,182</u> |

22 SHORT-TERM BORROWINGS - secured

| | | | |
|-------------------------------------|------|------------------|------------------|
| Habib Metropolitan Bank Limited | 22.1 | 299,682 | 299,770 |
| Dubai Islamic Bank Pakistan Limited | 22.2 | 1,474,842 | 1,250,937 |
| Askari Bank Limited | 22.3 | 80,905 | 87,160 |
| | | <u>1,855,429</u> | <u>1,637,867</u> |

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22.1 Represents murabaha facility amounting to Rs. 300 million . It carries profit at the rate of 3 months KIBOR + 2.5% per annum and having maturity till April 2024. The facility is secured by first pari passu charge over receivables, first exclusive charge over specific plant and machinery of the Group.

22.2 Represents murabaha facility amounting to Rs. 1,474.842 million. It carries profit at the rate of 3 months KIBOR + 2% per annum respectively and having maturity till December 2024. The facility is secured by first pari passu hypothecation charge over receivables trade debts receivables and exclusive charge over specific plant and machinery of the Group.

22.3 Represents murabaha facility amounting to Rs. 80.905 million. It carries profit at the rate of 3 months KIBOR + 1.75% (2022: KIBOR + 2%) per annum and having maturity till February 2024. The facility is secured against 1st pari passu hypothecation charge over receivables of the Group.

| | 2023 | 2022 |
|----------------------------------|-----------------------------|---------------|
| | ----- Rupees in '000' ----- | |
| 23 DUE TO A RELATED PARTY | | |
| Opening balance | 21,355 | 18,839 |
| Amount disbursed during the year | - | 2,516 |
| Amount received during the year | (449) | - |
| Closing balance | <u>20,906</u> | <u>21,355</u> |

23.1 Represents interest free loan obtained from the Chief Executive Officer of the Group. The loan is unsecured and is repayable on demand.

| | 2023 | 2022 |
|---------------------------|-----------------------------|----------------|
| | ----- Rupees in '000' ----- | |
| 24 ACCRUED MARK-UP | | |
| Long-term financing | 149,014 | 43,212 |
| Short-term borrowings | 74,191 | 74,576 |
| | <u>223,205</u> | <u>117,787</u> |

25 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as of 30 June 2023.

26 TURNOVER - net

| | | |
|----------------|------------------|------------------|
| Sales | 6,998,466 | 6,140,047 |
| Trade discount | (113,548) | (96,718) |
| | <u>6,884,918</u> | <u>6,043,329</u> |

27 COST OF SALES

Live stock and raw material consumed

| | | |
|---------------|------------------|------------------|
| Opening stock | 218,364 | 235,371 |
| Purchases | 5,763,357 | 4,832,288 |
| Closing stock | (217,561) | (218,364) |
| | <u>5,764,160</u> | <u>4,849,295</u> |

Conversion cost

| | | | |
|--|------|----------------|----------------|
| Salaries, wages and other benefits | 27.1 | 109,754 | 95,717 |
| Electricity, diesel and related expenses | | 142,302 | 96,110 |
| Repairs and maintenance | | 14,052 | 8,174 |
| Depreciation on operating fixed assets | 7.2 | 161,245 | 151,717 |
| Clearing and forwarding | | 7,561 | 17,918 |
| Packing material consumed | | 50,442 | 38,703 |
| Marination | | 4,934 | 3,788 |
| Others | | 6,811 | 4,980 |
| | | <u>497,101</u> | <u>417,106</u> |

Cost of goods available for sale

| | | |
|--|------------------|------------------|
| | <u>6,261,261</u> | <u>5,266,401</u> |
|--|------------------|------------------|

Finished goods

| | | |
|---------------|------------------|------------------|
| Opening stock | 70,697 | 14,267 |
| Closing stock | (45,011) | (70,697) |
| | <u>25,686</u> | <u>(56,430)</u> |
| | <u>6,286,946</u> | <u>5,209,972</u> |

27.1 Include Rs.37,596 million (2022: Rs.23.715 million) in respect of staff retirement benefits.

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| | | 2023 | 2022 |
|---|--|-----------------------------|------------------|
| | Note | ----- Rupees in '000' ----- | |
| 28 ADMINISTRATIVE AND DISTRIBUTION COSTS | | | |
| Salaries, wages and other benefits | 28.1 | 394,489 | 385,070 |
| Electricity, diesel and related expenses | | 94,644 | 53,904 |
| Repair and maintenance | | 5,646 | 24,653 |
| Fuel and vehicle maintenance | | 15,878 | 13,949 |
| Travelling and conveyance | | 18,921 | 32,746 |
| Telephone and communication | | 13,562 | 17,383 |
| Cargo | | 212,895 | 271,655 |
| Marketing and advertisement | | 158,325 | 148,981 |
| Rent, rates and taxes | | 40,834 | 26,423 |
| Food | | 18,003 | 18,475 |
| Depreciation on operating fixed assets | 7.2 | 200,030 | 168,293 |
| Depreciation on RoU assets | 7.5 | 56,929 | 55,291 |
| Amortization | 8 | 8,826 | 9,623 |
| Legal and professional | | 21,590 | 12,899 |
| Software maintenance cost | | 4,768 | 4,872 |
| Office supplies | | 5,993 | 1,916 |
| Takaful | | 12,248 | 10,979 |
| Security | | 7,197 | 5,033 |
| Cleaning | | 3,003 | 1,952 |
| Commission on credit card facilities | | 7,262 | 9,036 |
| Auditors' remuneration | 28.2 | 4,298 | 4,078 |
| Others | | 43,924 | 47,716 |
| | | <u>1,349,265</u> | <u>1,324,928</u> |
| 28.1 | Include Rs.37,596 million (2022: Rs.23.715 million) in respect of staff retirement benefits. | | |
| 28.2 Auditors' remuneration | | | |
| Audit fee | | 2,210 | 2,210 |
| Half yearly review | | 650 | 650 |
| Certifications and other services | | 820 | 820 |
| Out of pocket expenses | | 398 | 398 |
| | | <u>4,078</u> | <u>4,078</u> |
| 29 OTHER EXPENSES | | | |
| Loss on disposal of property, plant and equipment | | 11,942 | - |
| Allowance for ECL | | | |
| - Trade debts | 12.1 | 1,192,715 | 10,155 |
| - Loans and advances | 13 | 53,272 | - |
| | | <u>1,257,929</u> | <u>10,155</u> |
| 30 OTHER INCOME | | | |
| Income from financial assets | | | |
| Profit on bank accounts | | - | 103 |
| Exchange gain | | 1,087,395 | 569,252 |
| | | <u>1,087,395</u> | <u>569,355</u> |
| Income from non-financial assets | | | |
| Other Income | | 5,975 | 1,856 |
| | | <u>1,093,370</u> | <u>571,211</u> |
| 31 FINANCE COST | | | |
| Interest/mark-up on: | | | |
| Long term financing | | 149,338 | 109,631 |
| Short term borrowings | | 321,960 | 147,580 |
| Lease liabilities | | 17,419 | 14,347 |
| WPPF | | 8,385 | - |
| Bank charges | | 20,904 | 25,408 |
| | | <u>518,006</u> | <u>296,966</u> |

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| | 2023 | 2022 |
|--------------------|-----------------------------|-----------------------|
| | ----- Rupees in '000' ----- | |
| 32 TAXATION | | |
| Current | (64,939) | (52,645) |
| Prior | 6,512 | 236 |
| Deferred | <u>(319,676)</u> | <u>44,986</u> |
| | <u>(378,103)</u> | <u>(7,423)</u> |

32.1 As the charge for current year taxation is based on Final Tax Regime in case of export sales and minimum tax in case of local sales, therefore, tax reconciliation is not presented.

32.2 The return of income for the tax year 2022 has been filed which is deemed to be an assessment order in view of the provisions of Section 120 of the Income Tax Ordinance, 2001.

32.3 The Group is contesting the following tax cases:

- The Group filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the demand created under Section 122 5(A) of the Income Tax Ordinance, 2001 by the Commissioner Inland Revenue Appeals (CIRA) of Rs.362.546 million for the tax year 2016. The ATIR remanded the order back to CIRA who remanded back the case to DCIR. The Group again preferred an appeal before ATIR, against order of CIRA, which is pending for hearing.
- The Group filed appeals against orders passed by income tax and sale tax authorities for aggregate demands of Rs.679.621 million which are pending at CIR and ATIR levels pertaining to tax years 2012-2019.
- The Group's appeal is pending before the Commissioner Inland Revenue (Appeals IV) against order passed by Additional Commissioner under section 122(5A) of ITO for tax year 2018 increasing the tax liability thereby reducing the tax refund by Rs. 28.406 million.

The management, based on tax advice, expects a favorable outcome in respect of the above matters. Accordingly, no provision is made there against.

| | 2023 | 2022 |
|---|---------------------------|------------------|
| 33 LOSS PER SHARE | | |
| Net loss for the year - (Rupees in '000) | <u>(1,811,960)</u> | <u>(238,818)</u> |
| Weighted average ordinary shares of Rs.10/- each - (Number in '000) | <u>329,451</u> | <u>299,939</u> |
| Loss per share (Rupees) – basic and diluted | <u>(5.50)</u> | <u>(0.80)</u> |

34 RELATED PARTY TRANSACTIONS

Related parties of the Group comprise subsidiary, associates, directors and key management personnel. Transactions with related parties are disclosed in the relevant notes of these consolidated financial statements, .

35 SEGMENT REPORTING

The Group has two reportable segments - raw meat and processed food items. The management has determined the operating segments based on the information that is presented to the Board of Directors of the Group for allocation of resources and assessment of performance. The results of the reportable segments of the Group are as follows:

| <u>Segment results</u> | 2023 | | | 2022 | | |
|---------------------------------------|---------------------------|-------------------------|---------------------------|-------------|----------------------|-------------|
| | Raw meat | Processed food items | Total | Raw meat | Processed food items | Total |
| | ----- Rupees ----- | | | | | |
| Revenue (note 36.1) | 6,102,103 | 782,815 | 6,884,918 | 5,459,798 | 583,531 | 6,043,329 |
| Cost of sales | (5,393,233) | (893,713) | (6,286,946) | (4,550,638) | (659,334) | (5,209,972) |
| Gross profit / (loss) | <u>708,870</u> | <u>(110,898)</u> | <u>597,972</u> | 909,160 | (75,803) | 833,357 |
| Administrative and distribution costs | (729,848) | (619,417) | (1,349,265) | (771,662) | (563,227) | (1,334,889) |
| Other expenses | (1,257,929) | - | (1,257,929) | (4,109) | - | (4,109) |
| Other income | 1,088,925 | 4,445 | 1,093,370 | 571,211 | - | 571,211 |
| Operating profit / (loss) | <u>(189,982)</u> | <u>(725,870)</u> | <u>(915,852)</u> | 704,601 | (639,031) | 65,571 |
| Finance cost | (443,662) | (74,344) | (518,006) | (218,268) | (78,698) | (296,966) |
| Profit / (loss) before taxation | <u>(633,644)</u> | <u>(800,214)</u> | <u>(1,433,858)</u> | 486,333 | (717,729) | (231,395) |
| Taxation | (370,275) | (7,828) | (378,103) | | | (7,423) |
| Net profit / (loss) for the year | <u>(1,003,919)</u> | <u>(808,042)</u> | <u>(1,811,961)</u> | 486,333 | (717,729) | (238,818) |

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Segment assets and liabilities

| | | | | | | |
|-------------------------|------------------|------------------|-------------------|------------------|------------------|-------------------|
| Segment Assets | <u>5,758,707</u> | <u>4,860,582</u> | <u>10,619,289</u> | <u>4,898,624</u> | <u>4,220,674</u> | <u>9,119,298</u> |
| Unallocable Assets | | | <u>438,286</u> | | | <u>984,600</u> |
| Total Assets | | | <u>11,057,575</u> | | | <u>10,103,898</u> |
| Segment Liabilities | <u>1,263,210</u> | <u>584,879</u> | <u>1,848,089</u> | <u>738,360</u> | <u>303,558</u> | <u>1,041,918</u> |
| Unallocable Liabilities | | | <u>2,353,074</u> | | | <u>2,906,053</u> |
| Total Liabilities | | | <u>4,201,163</u> | | | <u>3,947,971</u> |

35.1 Includes sales to a customer which constitutes 15% (2022:14.6%) of the total sales of the Group.

36 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks such as market risk, credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group's Board of Directors oversees the management of these risks which are summarized below:

36.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

36.1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term financing and short-term borrowings at floating interest 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 held constant:

| | Increase / decrease in basis points | Effect on loss before tax Rupees in '000 |
|------|---|--|
| 2023 | +100 | 50,962 |
| | -100 | (50,962) |
| 2022 | +100 | (25,721) |
| | -100 | 25,721 |

36.1.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to change in a foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates risk primarily relates to the Group's operating activities i.e. bank accounts and receivables / payables in foreign currencies. The Group manages its foreign currency risk by effective fund management. The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar exchange rate:

| | Increase / decrease in US Dollar to Pak Rupees | Effect on loss before tax Rupees in '000 |
|------|---|--|
| 2023 | 10% | 377,193 |
| | -10% | (377,193) |
| 2022 | 10% | 269,977 |
| | -10% | (269,977) |

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36.2 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Group's management is regularly conducting detailed analysis on sectors.

The Group seeks to minimize the credit risk through having exposures only to customers considered credit worthy and obtaining securities where applicable. As of 30 June 2023, the Group is mainly exposed to credit risk in respect of the following:

| | 2023 | 2022 |
|--------------------|-----------------------------|------------------|
| | ----- Rupees in '000' ----- | |
| Trade debts | 3,044,879 | 3,094,203 |
| Loans and advances | 266,589 | 340,460 |
| Bank balances | 5,020 | 3,458 |
| | <u>3,316,488</u> | <u>3,438,121</u> |

The credit quality of banks can be assessed by reference to external credit ratings or to historical information about counterparty default rates as shown below:

| | 2023 | 2022 |
|----------------------|-----------------------------|--------------|
| | ----- Rupees in '000' ----- | |
| Bank balances | | |
| Ratings | | |
| AAA | 2,775 | 1,598 |
| AA+ | 1,010 | 794 |
| AA | 1,142 | 12 |
| AA- | 36 | 912 |
| A+ | 57 | 67 |
| A | - | - |
| A- | - | - |
| BBB- | - | 75 |
| | <u>5,020</u> | <u>3,458</u> |

The credit quality of other financial assets are disclosed in relevant notes to these consolidated financial statements.

36.3 Liquidity risk

Liquidity risk represents the risk that the Group will encounter difficulties in meeting obligations with the financial liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility by maintaining sufficient bank balances and committed credit lines. The table below summarises the maturity profile of the Group's financial liabilities at 30 June 2022 based on contractual undiscounted payment dates and present market interest rates:

| | On demand | Less than 3 months | 3 to 12 months | 1 to 5 Years | Total |
|--------------------------|------------------------------|-----------------------|-------------------|-----------------|------------------|
| 2023 | ----- (Rupees in '000) ----- | | | | |
| Long-term financing | - | 19,688 | 337,401 | 582,996 | 940,085 |
| Lease liabilities | - | 20,055 | 57,326 | 55,548 | 112,874 |
| Short-term borrowings | - | - | 1,855,429 | - | 1,855,429 |
| Trade and other payables | 23,454 | 240,882 | 211,923 | 182,957 | 659,215 |
| Accrued mark-up | - | 149,014 | 74,191 | - | 223,205 |
| Due to a related party | 20,906 | - | - | - | 20,906 |
| | <u>44,360</u> | <u>429,639</u> | <u>2,536,270</u> | <u>821,501</u> | <u>3,811,714</u> |

AL SHAHEER CORPORATION LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | On demand | Less than 3 months | 3 to 12 months | 1 to 5 Years | Total |
|--------------------------|------------------------------|-----------------------|-------------------|------------------|------------------|
| 2022 | ----- (Rupees in '000) ----- | | | | |
| Long-term financing | - | 82,525 | 56,337 | 731,640 | 870,502 |
| Lease liabilities | - | 13,463 | 40,416 | 90,225 | 144,104 |
| Short-term borrowings | - | 409,455 | 1,228,412 | - | 1,637,867 |
| Trade and other payables | 12,075 | 415,508 | 158,548 | 243,841 | 829,972 |
| Accrued mark-up | - | 97,080 | 20,706 | - | 117,786 |
| Due to a related party | 4,446 | - | - | - | 4,446 |
| | <u>16,521</u> | <u>1,018,031</u> | <u>1,504,419</u> | <u>1,065,706</u> | <u>3,604,678</u> |

36.4 Fair value of financial instruments

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 values of all financial assets and liabilities reflected in the consolidated financial statements approximate their fair values.

36.5 Capital risk management

The primary objective of the Group's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investments projects to support its business sustainability and future development and maximise its shareholders value.

The Group monitors capital using a debt equity ratio, which is net debt divided by total capital plus net debt. Equity comprises of share capital, reserves and revaluation surplus on property, plant and equipment. The gearing ratio as at 30 June 2022 is as follows:

| | 2023 | 2022 |
|--|-----------------------------|-----------|
| | ----- Rupees in '000' ----- | |
| Long-term financing | 940,085 | 870,502 |
| Short-term borrowings | 1,855,429 | 1,637,867 |
| Accrued mark-up | 223,205 | 117,787 |
| Total debt | 3,018,719 | 2,626,156 |
| Less: Cash and bank balances | (66,591) | (8,286) |
| Net debt | 2,952,128 | 2,617,870 |
| Share capital | 3,749,236 | 2,999,389 |
| Reserves | 604,183 | 2,406,339 |
| Revaluation surplus on property, plant and equipment | 2,497,600 | 750,199 |
| Total equity | 6,851,019 | 6,155,927 |
| Equity and net debt | 9,803,148 | 8,773,797 |
| Gearing ratio | | |
| Including revaluation surplus on property, plant and equipment | 30% | 30% |
| Excluding revaluation surplus on property, plant and equipment | 40% | 33% |

37 REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

| | Chief Executive | | Directors | | Executives | |
|-------------------------|------------------------------|---------------|---------------------|--------------|-----------------------|----------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| | ----- (Rupees in '000) ----- | | | | | |
| Managerial Remuneration | 32,054 | 31,241 | - | - | 98,519 | 122,795 |
| Gratuity | - | - | - | - | - | 4,150 |
| Board Meeting Fees | - | - | 5,180 | 3,840 | - | - |
| Others | - | - | - | - | 64,458 | 10,152 |
| | <u>32,054</u> | <u>31,241</u> | <u>5,180</u> | <u>3,840</u> | <u>162,977</u> | <u>137,097</u> |
| | <u>1</u> | <u>1</u> | <u>6</u> | <u>7</u> | <u>86</u> | <u>47</u> |

AL SHAHEER CORPORATION LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|-------------------------------|-------------------|-------------|
| 38 PRODUCTION CAPACTIY | ----- In Kgs----- | |
| Installed capacity | 75,187,200 | 75,187,200 |
| Actual capacity | 11,797,703 | 10,776,932 |

38.1 Actual production of the Group was sufficient to meet the customers demand.

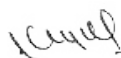
39 GENERAL

The Figures have been rounded off to nearest thousand Rupees unless otherwise stated.

| | 2023 | 2022 |
|--|-------------|-------------|
| 40 NUMBER OF EMPLOYEES | | |
| Total number of employees as at the reporting date | <u>658</u> | <u>725</u> |
| Average number of employees during the year | <u>676</u> | <u>634</u> |

41 DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorised for issue on November 06, 2023 by the Board of Directors of the Group.



Chief Executive Officer



Director



Chief Financial Officer

AL SHAHEER CORPORATION LIMITED

**Pattern of Shareholding
as at June 30, 2023**

| Categories of Shareholders | Shareholders | Shares Held | Percentage | |
|---|--------------|--------------------|---------------|-------|
| Directors, Chief Executive Officer their spouse(s) and minor children | | | | |
| KAMRAN AHMED KHALILI | 2 | 82,731,808 | 22.07 | |
| BABUR SULTAN | 1 | 625 | 0.00 | |
| MR. UMAIR AHMED KHALILI | 2 | 7,236,377 | 1.93 | |
| IMTIAZ JALEEL | 1 | 500 | 0.00 | |
| SABEEN FAZLI ALAVI | 1 | 937 | 0.00 | |
| SYED ZILLAY AHMED NAWAB RIZVI | 1 | 1,317 | 0.00 | |
| QAYSAR ALAM | 1 | 4,313 | 0.00 | |
| Associated Companies, undertakings and related parties | | | | |
| NIL | 0 | - | 0.00 | |
| NIT and ICP | | | | |
| | 0 | - | 0.00 | |
| Banks Development Financial Institutions, Non-Banking Financial Institutions | | | | |
| | 1 | 4,025,000 | 1.07 | |
| Insurance Companies | | | | |
| | 6 | 25,495,000 | 6.80 | |
| Modarabas and Mutual Funds | | | | |
| | 9 | 17,543,968 | 4.68 | |
| General Public | | | | |
| | a. Local | 5656 | 166,140,729 | 44.31 |
| | b. Foreign | 126 | 6,523,559 | 1.74 |
| Foreign Companies | 0 | - | 0.00 | |
| Others | 64 | 65,219,404 | 17.40 | |
| Totals | 5871 | 374,923,537 | 100.00 | |

| Share holders holding 10% or more | Shares Held | Percentage |
|-----------------------------------|-------------|------------|
| KAMRAN AHMED KHALILI | 82,731,808 | 22.07 |



NOTICE OF THE ANNUAL GENERAL MEETING OF ALSHAHEER CORPORATION LIMITED

Notice is hereby given that the 9th Annual General Meeting of AlShaheer Corporation Limited ("Company") will be held on Tuesday, December 05, 2023, at 09:00 a.m. through video-link facility to transact the following business;

Ordinary Business

1. To confirm the minutes of the last Annual General Meeting held on November 28, 2022.
2. To receive, consider and adopt the Stand-alone and Consolidated Audited Financial Statements of the Company for the financial year ended June 30, 2023, together with the Directors' and Auditors' Report thereon.
3. To appoint auditors for the ensuing year ending June 30, 2024, and fix their remuneration. M/s. Grant Thornton Anjum Rahman being eligible, offer themselves for the appointment.

SPECIAL BUSINESS

Approval for Online Transmission of Annual Audited Financial Statements

The Securities and Exchange Commission of Pakistan vide its S.R.O. 389(I)/2023 dated 21st March 2023, while considering technological advancements and obsolescence of old technologies, has allowed listed companies to circulate their annual balance sheet and profit and loss account, auditor's report and directors report, etc. ("annual audited financial statements") to its members through QR enabled code and weblink instead of CD / DVD / USB. Accordingly, consent of the members is sought for transmission of the annual audited financial statements of the Company via QR enabled code and weblink and to pass the following resolutions:

"RESOLVED that the Company may transmit the annual audited financial statements to the members via QR enabled code and weblink, in place of CD / DVD / USB, as allowed by the Securities and Exchange Commission of Pakistan vide its S.R.O. 389(I)/2023 dated 21st March 2023.

RESOLVED FURTHER that the Managing Director / Chief Executive Officer and the Company Secretary be and hereby are jointly and singularly authorized to do all such acts and take all such steps as may be necessary or desirable to give effect to the foregoing resolution."

Sd.

Company Secretary
November 14, 2023

Notes:

1. The individual Members who have not yet submitted photocopy of their valid Computerized National Identity Card (CNIC) to the Company/ Share Registrar, are once again reminded to send the same at the earliest directly to Company's Share Registrar, CDC Share Registrar Services Limited, CDC House, 99-B, Block B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi – 74400.

The Corporate Entities are requested to provide their National Tax Number (NTN). Please give Folio Number with the copy of CNIC/ NTN details. Reference is also made to the Securities and Exchange Commission of Pakistan (SECP) Notifications SRO 779(I) dated August 18, 2011, and SRO 831 (I) 2012 dated July 05, 2012, which mandates that the dividend warrants should bear CNIC number of the registered member or the authorized person, except in case of minor(s) and corporate members.

2. Share Transfer Books will be closed from November 29, 2023 to December 05, 2023 (both days inclusive) when no transfer of shares will be accepted for registration. Transfers in good order, received at the office of Company's Share Registrar, CDC Share Registrar Services Limited, CDC House, 99-B, Block B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi – 74400 on November 28, 2023 by 5:00 p.m. will be considered for entitlement.
3. The Company intends to convene the Annual General Meeting (AGM) through a video link facility managed from the Suit # G/5/5, 3rd Floor, Mansoor Tower, Block 8, Shahrah-e-Roomi, Clifton, Karachi for the safety and well-being of all its stakeholders. This was decided by its Board of Directors in the meeting held on Monday November 06, 2023 in the wake of the prevailing macroeconomic situation of the country and other challenges being faced by the Company, which are affecting its day-to-day operations. The Board was also wary of the conjunctivitis outbreak in Karachi fueled by humid weather conditions with health professionals advising travel curbs to contain the spread of the infectious disease, as reported in national dailies. On account of the foregoing, the AGM shall be convened electronically with participation of a large number of members across the country in a safe, effective and cost-efficient manner. In this regard, special arrangements have been made for the AGM which are as under:
 - a) AGM will be held through the Zoom application – a video link facility.
 - b) The notice will also be uploaded on the website of the Company.
 - c) The Members are requested to attend and participate in the AGM through the video link facility. To attend through video link, Members can download the app/software through <https://zoom.us/download> and log in via video-link to participate in the AGM proceedings.
 - d) Shareholders are requested to get themselves registered at least two working days before the AGM by email at cs@ascfoods.com by providing the following details:

ALSHAHEER FOODS

| Folio/CDC A/c No. | Company | Name of Shareholder | CNIC Number | Cell Number | Email Address |
|----------------------|-------------------------------|------------------------|----------------|----------------|------------------|
| | Al Shaheer Corporation Ltd | | | | |

Video-link for the meeting will be sent to members at their provided email addresses enabling them to attend the meeting on the given date and time.

The login facility will be opened thirty minutes before the meeting time to enable the participants to join the meeting after the identification process. Shareholders will be able to login and participate in the AGM proceedings their devices after completing all the formalities required for their identification and verification of the shareholders.

All members, entitled to attend the meeting, are entitled to appoint another person in writing as their proxy to attend on their behalf. A proxy must be a member of the Company.

- e) Shareholders may send their comments and suggestions relating to the agenda items of the AGM to the Company Secretary's office at least two (2) working days before the AGM at the given email address cs@ascfoods.com. Shareholders are requested to mention their full name, CNIC #, and Folio/ CDC Account # for this purpose.
 - f) Shareholders are encouraged to participate in the AGM to consolidate their attendance and participation through proxies.
4. In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the Regulations shall submit the proxy form as per the above requirements.
 5. Duly completed instrument of the proxy, and the other authority under which it is signed, or a notarially certified copy thereof, must be lodged with the Company Secretary at the Company's Registered Office (Suite # G/5/5, 3rd Floor, Mansoor Tower, Shahrah e Roomi, Block 8, Clifton) at least 48 hours before the time of the meeting.
 6. Members having physical shareholding are requested to notify the change in address if any to the Company's Share Registrars, CDC Share Registrar Services Limited, CDC House, 99-B, Block B, S.M.C.H.S., Main Shakra-e-Faisal, Karachi – 74400.
 7. In case shares are held by CDC, then the request notify the change of address must be submitted directly to the broker/participant / CDC investor account Services.
 8. CDC Account Holders will further have to follow the under-mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

For Appointing Proxies:

1. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in a group account and their registration details are uploaded as per the Regulations, shall submit the proxy form accordingly.
2. The proxy form shall be witnessed by two person whose names, addresses, and CNIC numbers shall be mentioned on the form.
3. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
4. In case of the corporate entity, the Board of Directors resolution/ power of attorney with specimen signature of the person nominated by the corporate entity shall be submitted.

FORM OF PROXY

ANNUAL GENERAL MEETING

I / We _____ of _____ in the district of _____ being a member of "AL SHAHEER CORPORATION LIMITED" and holder of _____ ordinary shares as per Registration Folio No./CDC Participant I.D. No./Sub-Account No. _____ CNIC No./ Passport No. _____ entitled to vote, hereby appoint Mr./Mrs./Miss _____ of (full address) _____ (being member of the Company) as my/our proxy to attend, act and vote for me/us and on behalf at the Annual General Meeting of the Company to be held on 05th day of December, 2023 and/or at any adjournment thereof.

Dated: _____

Signature: _____

Presence of:

1. _____
2. _____

Important Note:

1. This form of proxy, duly completed and signed, must be deposited at the registered office of the company situated at Suite # G/5/5, 3rd Floor, Mansoor Tower, Block 8, Shahrah e Roomi, Clifton, Karachi.
2. This form should be signed by the Member or by his/her attorney duly authorized in writing. If the member is a Corporation, its common seal should be affixed to the instrument.
3. A member entitled to attend and vote at the meeting may appoint any other Member as his/ her proxy to attend and vote on his/her behalf except that a corporation may appoint a person who is a Member.



For CDC Account Holders/Corporate Entities:

In addition to the above, following requirements have to be met:

1. The Proxy form shall be witnessed by two persons whose names, addresses and CNIC Numbers shall be mentioned on the form.
2. Attested copies of CNIC or Passport of the beneficial owners and proxy shall be furnished with the proxy form.
3. The proxy shall produce his/her original CNIC or original Passport at the time of the meeting.
4. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted along with proxy form.



Minutes of 8th Annual General Meeting Al Shaheer Corporation Limited

Monday, November 28, 2022
Karachi

The 8th Annual General Meeting of Al Shaheer Corporation Limited (“Company”) was held through video link facility on Monday, November 28, 2022 at 09:00 a.m.

The proceedings of the meeting started with a welcome note to the shareholders by the Company Secretary.

Recitation

The proceedings began with recitation of verses from the Holy Quran.

Permission from Chair

The Company Secretary informed the Chair that the Quorum is Complete¹ and requested to proceed.

Presentation of Resolutions

The Company Secretary proceeded with the resolutions as per the pre-circulated agenda sent to the members through the notice dated November 07, 2022.

¹ Annexure - A



ALSHAHEER

FOODS

Ordinary Business

1. To confirm the minutes of last Annual General Meeting held on November 25, 2021.

- a. The company secretary read out the minutes of the Annual General Meeting held on November 25, 2021 and requested the members for their approval.
- b. After discussions, the following resolution was unanimously passed by the house,

“Resolved that the minutes of last Annual General Meeting held on November 25, 2021 be and are hereby approved”.

2. To receive, consider and adopt the Stand alone and Consolidated Audited Financial Statements of Al Shaheer Corporation Limited for the financial year ended June 30, 2022 together with the Directors’ and Auditors’ Report thereon.

- a. The Stand alone and Consolidated Audited Financial Statements of the Company were presented and members were invited to discuss.
- b. The members asked various questions on the financial statements and the general functioning of the Company.
- c. The Chairman of the meeting responded to the comments of the members and provided satisfactory and detailed responses.
- d. After due discussion and on receiving satisfactory responses, the following resolution was passed by the house:

“Resolved that the Stand alone and Consolidated Audited Financial Statements of Al Shaheer Corporation Limited for the financial year ended June 30, 2022 together with the Directors’ and Auditors’ Report thereon are duly adopted.”



ALSHAHEER FOODS

3. To elect directors of the Company for a three years term. The Board of Directors in the meeting held on November 04, 2022, fixed the number of Directors at seven (7). The retiring directors of the Company are as follow:

1. Mr. Kamran Ahmed Khalili
2. Mr. Muhammad Qaysar Alam
3. Mr. Babur Sultan
4. Mr. Zillay A. Nawab
5. Mr. Muhammad Zubair Haider Sheikh
6. Ms. Sabeen Fazli
7. Mr. Umair Ahmed Khalili

Following persons presented themselves for the nomination for next tenure:

1. Mr. Kamran Ahmed Khalili
2. Mr. Muhammad Qaysar Alam
3. Mr. Babur Sultan
4. Mr. Zillay A. Nawab
5. Mr. Muhammad Zubair Haider Sheikh
6. Ms. Sabeen Fazli
7. Mr. Umair Ahmed Khalili

“Resolved that the number directors presented themselves for the election was seven (7), hence deemed elected for the next term.”

4. To appoint auditors for the ensuing year ending June 30, 2023 and fix their remuneration. M/s. Grant Thornton Anjum Rahman being eligible have offered themselves for appointment.

The following resolution was unanimously approved by the house:

“Resolved that M/s. Grant Thornton Anjum Rahman, be and are hereby appointed as the statutory auditors of the Company for the year ending June 30, 2023”.



ALSHAHEER FOODS

“Further resolved that CFO & Company Secretary of the Company be and are hereby authorized to sign necessary documents, proposal and engagement letters etc. necessary for appointment of M/s. Grant Thornton Anjum Rahman as auditors for the year ending June 30, 2023”.

Special Business

1. To consider and if thought fit approve an increase in the authorized share capital of the Company and for this purpose pass the following special resolution, with or without any amendments and to approve the consequent amendments in the Memorandum and Articles of Association of the Company, subject to requisite approvals, if any:

“Resolved that the authorized share capital of the company be and is hereby increased from Rs. 3,000,000,000 (Rupees Three Billion Only) divided into 300,000,000 (Three Hundred Million Only) ordinary shares at Rs. 10 (Rupees Ten) each to Rs. 4,000,000,000 (Rupees Four Billion Only) divided into 400,000,000 (Four Hundred Million Only) ordinary shares of Rs. 10 (Rupees Ten) each ranking pari passu in every respect with the existing ordinary shares of the Company.

“Further resolved that, in consequence of the said increase in the Authorized Share Capital of the Company, the existing Clause V of the Memorandum of Association of the Company and Article [4] of the Articles of Association of the Company be and hereby replaced accordingly, to read as follows;

Clause V of the Memorandum of Association

The Authorized capital of the Company is Rs. 4,000,000,000 (Rupees Four Billion Only) divided into 400,000,000 (Four Hundred Million Only) ordinary shares of Rs.10 (Rupees Ten) each with power to increase the capital or any portion thereof and to consolidate, reorganize or alter the share capital of the Company; and to divide and/or sub-divide whole or any part of its share capital into several classes as may be determined by or in accordance with the regulations of the Company or subject to the provisions of the Companies Act, 2017.



Al Shaheer Corporatin Limited
Suite # G/5/5, 3rd Floor, Mansoor Tower,
Block 8, Shahrah-e-Roomi, Clifton, Karachi.

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Web: www.ascfoods.com

ALSHAHEER FOODS

Article [4] of the Article of Association

The Authorized capital of the Company is Rs. 4,000,000,000 (Rupees Four Billion Only) divided into 400,000,000 (Four Hundred Million Only) ordinary shares of Rs.10 (Rupees Ten) each with power to increase the capital or any portion thereof and to consolidate, reorganize or alter the share capital of the Company; and to divide and/or sub-divide whole or any part of its share capital into several classes as may be determined by or in accordance with the regulations of the Company or subject to the provisions of the Companies Act, 2017.

“Further resolved that the Chief Executive Officer and the Chief Financial Officer and the Company Secretary of the Company be and are hereby singly authorized to take all necessary steps and execute documents including legal and corporate formalities and file all requisite documents with Securities & Exchange Commission of Pakistan as may be necessary or expedient for the purpose of giving effect to the spirit and intent of the above resolutions.”

“Resolved that the increase in the authorized share capital of the Company and amendments in the Memorandum and Articles of Association of the Company be and are hereby approved.”

Vote of Thanks

There being no other item on agenda, the meeting concluded with a vote of thanks to the Chair.

Sd.

Chairman

Sd.

Company Secretary



Al Shaheer Corporatin Limited
Suite # G/5/5, 3rd Floor, Mansoor Tower,
Block 8, Shahrah-e-Roomi, Clifton, Karachi.

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Annexure-A

Attendees and Proxy Shareholders in the Annual General Meeting 2022

| | SHAREHOLDERS | REPRESENTING SHARES |
|--|--------------|------------------------|
| TOTAL | 5,945 | 2,99,938,830 |
| PRESENT IN PERSON OR BY PROXY | 11 | 92,104,666 |

Head Office:

Suite # G/5/5, 3rd Floor, Mansoor Tower,
Block 8, Shahrah-e-Roomi, Clifton,
Karachi-Pakistan.

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Email: info@ascfoods.com