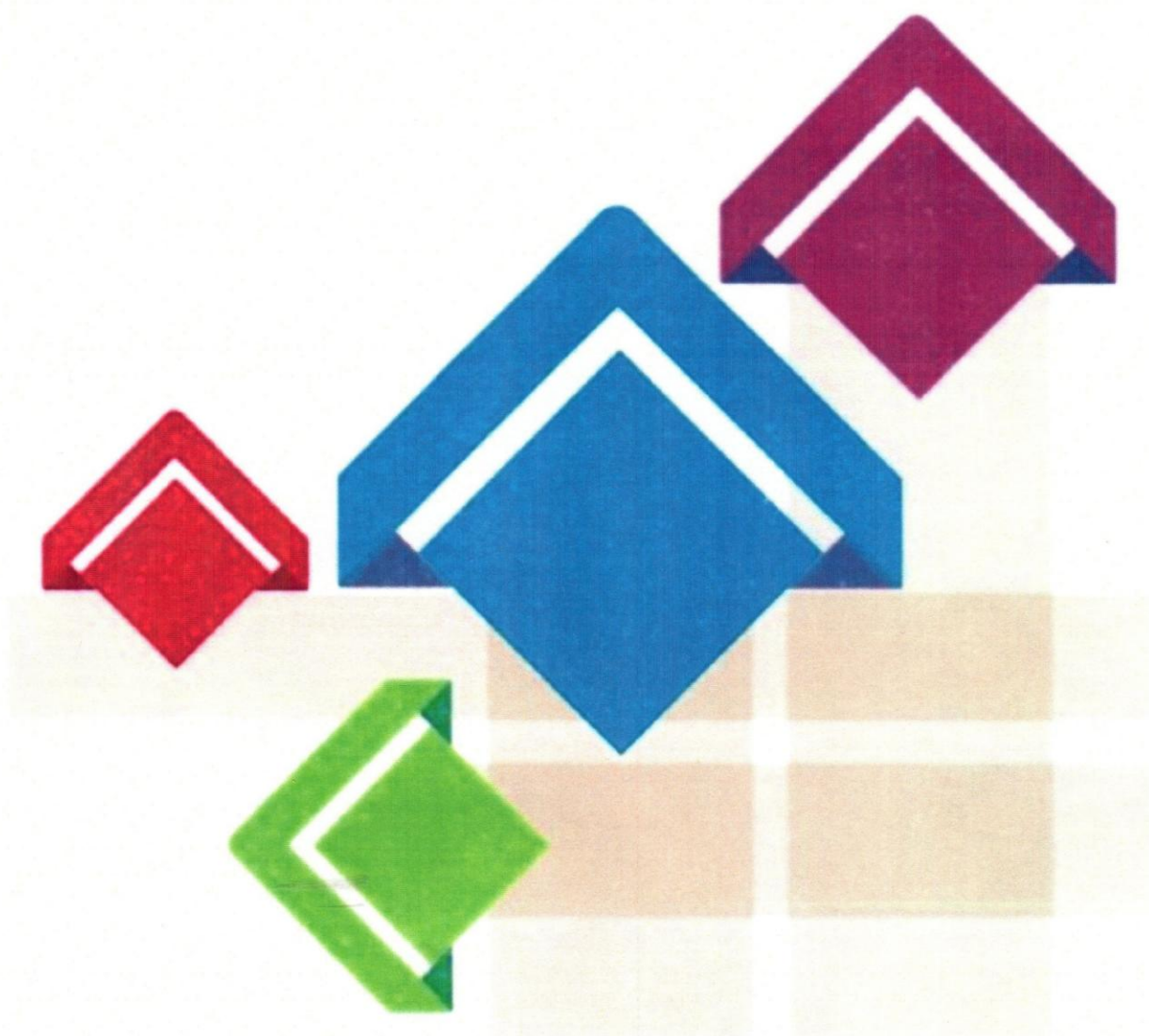


Condensed interim financial statements and independent  
auditor's review report to the members

**The Organic Meat Company Limited**

*For the half year ended December 31, 2019*



**The Organic Meat Company Limited**  
**Independent auditor's review report**  
*For the half year ended December 31, 2019*



# Grant Thornton

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## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF THE ORGANIC MEAT COMPANY LIMITED

### Report on review of Condensed Interim Financial Statements

**GRANT THORNTON ANJUM RAHMAN**

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Modern Motors House  
Beaumont Road,  
Karachi 75530

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#### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **The Organic Meat Company Limited** (the Company) as at December 31, 2019 and the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the financial statements for the six month period ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

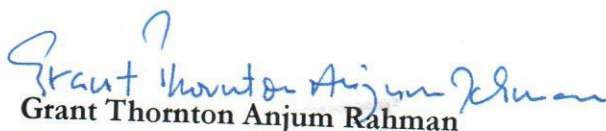
#### Scope of Review

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

#### Conclusion

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

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Shaukat Naseeb**.

  
**Grant Thornton Anjum Rahman**

Chartered Accountants

Karachi

Date: February 6, 2020


**The Organic Meat Company Limited**  
**Condensed interim financial Statements**  
*For the half year ended December 31, 2019*

**THE ORGANIC MEAT COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2019**

		December 31, 2019 (Un-audited)	June 30, 2019 (Audited)
Note		Rupees	
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Share Capital and Reserves</b>			
	Authorized share capital 135,000,000 (June 30, 2019: 135,000,000) Ordinary shares of Rs.10 each	<u>1,350,000,000</u>	<u>1,350,000,000</u>
	Issued, subscribed and paid-up share capital 71,817,777 (June 30, 2019: 71,817,777) Ordinary shares of Rs.10 each fully paid in cash	718,177,770	718,177,770
6	Reserves	483,497,135	309,880,645
	Revaluation surplus on property, plant and equipment - net	561,324,573	593,055,398
	<b>Total shareholder's equity</b>	<u>1,762,999,478</u>	<u>1,621,113,813</u>
<b><u>NON-CURRENT LIABILITIES</u></b>			
	Long term loans	-	4,136,029
	Deferred taxation - net	4,283,396	10,998,401
	<b>Total non-current liabilities</b>	<u>4,283,396</u>	<u>15,134,430</u>
<b><u>CURRENT LIABILITIES</u></b>			
7	Trade and other payables	191,320,675	138,992,773
	Current maturity of long term loans	26,850,129	47,388,916
	Accrued mark-up	19,024,154	21,855,385
8	Short term borrowings	705,509,758	718,659,230
	Taxation - net	541,995	5,415,297
	<b>Total current liabilities</b>	<u>943,246,711</u>	<u>932,311,601</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>2,710,529,585</u>	<u>2,568,559,844</u>
<b><u>CONTINGENCIES AND COMMITMENTS</u></b>			
9			
<b><u>ASSETS</u></b>			
<b><u>NON-CURRENT ASSETS</u></b>			
10	Property, plant and equipment	1,223,031,894	1,245,400,693
	<b>Total non-current assets</b>	<u>1,223,031,894</u>	<u>1,245,400,693</u>
<b><u>CURRENT ASSETS</u></b>			
11	Stock-in-trade	162,023,031	201,047,228
12	Trade debtors	854,871,402	823,862,397
13	Loans, advances and other receivables	462,669,364	293,076,254
	Cash and bank balances	7,933,894	5,173,272
	<b>Total current assets</b>	<u>1,487,497,691</u>	<u>1,323,159,151</u>
	<b>TOTAL ASSETS</b>	<u>2,710,529,585</u>	<u>2,568,559,844</u>

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

  
Chief Executive Officer

  
Director

THE ORGANIC MEAT COMPANY LIMITED  
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

		December 31, 2019 (Un-audited)	December 31, 2018 (Un-audited)
	Note	-----Rupees-----	
Sales - net	14	1,719,832,317	964,650,031
Cost of sales	15	(1,345,539,985)	(766,840,297)
<b>Gross profit</b>		<b>374,292,332</b>	<b>197,809,734</b>
Administrative expenses	16	(32,168,989)	(35,423,449)
Selling expenses	17	(70,420,067)	(53,040,936)
		(102,589,056)	(88,464,385)
<b>Operating profit</b>		<b>271,703,276</b>	<b>109,345,349</b>
Finance costs		(46,393,001)	(29,339,856)
Other (expense) / income	18	(79,435,367)	86,167,957
<b>Profit before taxation</b>		<b>145,874,908</b>	<b>166,173,450</b>
Taxation		(3,989,243)	(14,813,692)
<b>Profit for the period</b>		<b>141,885,665</b>	<b>151,359,758</b>
			<i>Restated</i>
<b>Earnings per share (EPS) - Basic and diluted</b>		<b>1.98</b>	<b>2.24</b>

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements. *Sim*

*M. A. Khan*

Chief Executive Officer

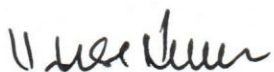
*M. A. Khan*

Director

THE ORGANIC MEAT COMPANY LIMITED  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	December 31, 2019	December 31, 2018
	-----Rupees-----	
	(Un-audited)	(Un-audited)
Profit for the period	141,885,665	151,359,758
Other comprehensive income:		
Items that will not be reclassified to statement of profit or loss in subsequent periods	-	-
Total comprehensive income	<u>141,885,665</u>	<u>151,359,758</u>

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements. 9.12 ✓



Chief Executive Officer

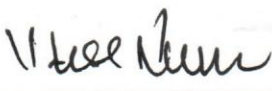


Director

**THE ORGANIC MEAT COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

		December 31, 2019	December 31, 2018
	Note	-----Rupees----- (Un-audited)	(Un-audited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation for the period		145,874,908	166,173,450
Adjustment for non cash items:			
Depreciation on property, plant and equipment		54,027,098	61,291,876
Finance costs		46,393,001	29,339,856
Reversal of provision against trade debtors	18	-	(63,071,848)
Unrealized exchange loss/(gain) on trade debtors		3,421,636	(35,679,152)
Provision for bad debts	18	27,905,998	-
Loss on disposal of property, plant and equipment		550,381	-
Provision for Worker's Profit Participation Fund	18	9,181,216	20,893,181
Provision for Worker's Welfare Fund	18	112,205	3,103,324
		<u>287,466,443</u>	<u>182,050,687</u>
Working capital changes			
Stock-in-trade		39,024,197	(82,859,675)
Trade debts		(56,831,759)	(76,185,083)
Loans and advances		(167,547,614)	(4,907,788)
Trade and other payables		43,034,481	131,555,664
		<u>(142,320,695)</u>	<u>(32,396,882)</u>
Cash generated from operating activities		145,145,748	149,653,805
Income taxes paid		(10,727,511)	(16,816,866)
Finance costs paid		(49,224,232)	(30,612,665)
Net cash generated from operating activities		<u>85,194,005</u>	<u>102,224,274</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment - net		(34,609,095)	(73,450,127)
Net cash used in investing activities		<u>(34,609,095)</u>	<u>(73,450,127)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of loan from financial institutions - net		(24,674,816)	(30,594,519)
Short term loan (repaid) / obtained - net		(13,149,472)	60,223,548
Repayment of advance against issue of shares		-	(24,834,000)
Net cash (used in) / generated from financing activities		<u>(37,824,288)</u>	<u>4,795,029</u>
Net increase in cash and cash equivalent		12,760,622	33,569,176
Cash and cash equivalent at beginning of the period		(554,826,728)	(544,318,170)
Cash and cash equivalent at end of the period	19	<u>(542,066,106)</u>	<u>(510,748,994)</u>

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements. 572

  
 Chief Executive Officer

  
 Director

Director

**THE ORGANIC MEAT COMPANY LIMITED**  
**CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

---

**1. NATURE OF THE BUSINESS**

- 1.1 The Company was incorporated on July 14, 2010. The principal office of the Company and the plant is situated at Survey # 310, Deh Shah Mureed, Gadap, Karachi, Pakistan. The Company is principally engaged in the business of sale and purchase of livestock, slaughtering animal by Halal means and processing and packaging of meat and allied products.
- 1.2 The Board of Directors of the Company in its meeting held on September 08, 2018 decided to initiate the proceedings for enlisting of the Company on the Pakistan Stock Exchange Limited. The Company is currently in process of completing the necessary corporate/legal requirements in this respect.

**2. BASIS OF PREPERATION**

**2.1 Statement of compliance**

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

- International Accounting Standard (IAS) 34, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017.

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

The comparative condensed interim statement of financial position presented has been extracted from annual financial statements for the year ended June 30, 2019, whereas the comparative condensed interim profit or loss and condensed interim statement of other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity have been extracted from the unaudited condensed interim financial statements for the six months ended December 31, 2018.

**2.2 Basis of measurement**

These condensed interim financial statements have been prepared under the historical cost convention using accrual basis of accounting, except for condensed interim statement of cash flows.

**2.3 Functional and presentation currency**

Items included in the condensed interim financial statements are measured using the currency of the primary economic environment in which the Company operates. The condensed interim financial statements are presented in Pakistani Rupee which is the Company's functional and presentation currency.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2019.

**3.1 Standards, amendments and interpretations to existing standards not yet effective and not applicable/relevant to the Company**

There are certain new International Financial Reporting Standards (standards), amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2019. These considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in this condensed interim financial information.

**THE ORGANIC MEAT COMPANY LIMITED**  
**CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

**3.2 Standards, interpretations and amendments to published approved accounting standards that are effective and relevant**

IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance lease is removed.

Since there is no lease property, management has concluded that the adoption of IFRS 16 does not have any significant impact on these condensed interim financial statements.

IFRS 9 'Financial instruments' - This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit loss model that replaces the current incurred loss impairment model.

IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations on revenue recognition.

The changes laid down by these standards do not have any significant impact on these condensed interim financial statements of the Company.

**4. ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements for the year ended June 30, 2019.

<b>December 31,</b>	<b>June 30,</b>
<b>2019</b>	<b>2019</b>
<b>(Unaudited)</b>	<b>(Audited)</b>
<b>-----Rupees-----</b>	

**5. REVALUATION SURPLUS ON  
PROPERTY, PLANT AND EQUIPMENT - NET**

Opening balance	602,113,077	666,154,085
Less: Transferred to unappropriated profit on account of incremental depreciation for the period/year - net	(32,020,504)	(64,041,009)
Closing balance	570,092,573	602,113,077
<b>Related deferred tax liability</b>		
Opening balance	(9,057,679)	(29,878,758)
Reversal of deferred tax liability	-	19,526,006
Incremental depreciation for the period/year	289,680	1,274,568
Effect of change in tax rates	-	20,505
Closing balance	(8,768,000)	(9,057,679)
	<b>561,324,573</b>	<b>593,055,398</b>

THE ORGANIC MEAT COMPANY LIMITED  
CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

		December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
		-----Rupees-----	
<b>6. RESERVES</b>			
Capital			
Share premium		922,216	922,216
Revenue			
Retained earnings		482,574,919	308,958,429
		<u>483,497,135</u>	<u>309,880,645</u>
<b>7. TRADE AND OTHER PAYABLES</b>			
Trade creditors		115,416,865	94,852,420
Worker's profit participation fund payable		30,478,343	21,297,127
Accrued expenses and other liabilities		28,668,020	12,826,052
Salaries, benefits and allowances payable		8,368,640	-
Advance from customers		6,163,592	7,254,167
Worker's welfare fund payable		1,515,051	1,402,846
Audit fee payable		550,000	949,376
Staff provident fund		160,164	106,776
Due to director		-	304,009
		<u>191,320,675</u>	<u>138,992,773</u>
<b>8. SHORT TERM BORROWINGS</b>			
Financial institutions - secured		550,000,000	560,000,000
From related party - unsecured		155,509,758	158,659,230
		<u>705,509,758</u>	<u>718,659,230</u>
<b>9. CONTINGENCIES AND COMMITMENTS</b>			
There are no contingencies or commitments as on December 31, 2019 (June 30, 2019: Nil).			
		December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
		-----Rupees-----	
<b>10. PROPERTY, PLANT AND EQUIPMENT</b>	Note		
Operating fixed assets - at net book value	10.1	1,144,252,662	1,199,126,256
Capital work-in-progress - at cost		78,779,232	46,274,437
		<u>1,223,031,894</u>	<u>1,245,400,693</u>
<b>10.1 Operating fixed assets</b>			
Opening written down value as at July 1, 2019		1,199,126,256	1,257,005,562
Additions during the period/year	10.2	2,754,300	65,005,043
Disposals during the period/year		(3,600,796)	-
		(846,496)	65,005,043
Depreciation charged for the period/year		(54,027,098)	(122,884,349)
Closing written down value		<u>1,144,252,662</u>	<u>1,199,126,256</u>

THE ORGANIC MEAT COMPANY LIMITED  
CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
	-----Rupees-----	
<b>10.2 Details of additions during the period/year are as follows:</b>		
Factory building on leasehold land	-	51,806,700
Office equipment	58,800	430,910
Plant and machinery	195,500	11,342,433
Generators	1,300,000	525,000
Motor vehicles	1,200,000	900,000
	<u>2,754,300</u>	<u>65,005,043</u>
<b>11. STOCK IN TRADE</b>		
Finished goods	122,297,070	106,319,991
Livestock	22,607,600	76,833,180
Work in process	15,934,090	14,485,530
Packing material	1,184,271	3,408,527
	<u>162,023,031</u>	<u>201,047,228</u>
<b>12. TRADE DEBTS - unsecured</b>		
Considered good		
- foreign debtors	762,054,085	650,089,708
- local debtors	92,817,317	173,772,689
	854,871,402	823,862,397
Considered doubtful	255,219,825	227,313,827
Trade receivables - gross	1,110,091,227	1,051,176,224
Less: provision against doubtful debts	12.1 (255,219,825)	(227,313,827)
Trade receivables - net	<u>854,871,402</u>	<u>823,862,397</u>
<b>12.1 Movement in provision against doubtful debts</b>		
Balance at the beginning of the period/year	227,313,827	216,281,651
Balances written-off	-	(10,459,083)
Charge for the period/year	27,905,998	84,563,107
Reversal during the period/year	-	(63,071,848)
Balance at the end of the period/year	<u>255,219,825</u>	<u>227,313,827</u>
<b>13. LOANS, ADVANCES AND OTHER RECEIVABLES</b>		
Advance to suppliers	315,160,364	210,983,244
Loans to employees	1,300,913	987,053
Sales tax refundable	6,416,479	2,399,776
Duty drawback	139,791,608	78,706,181
	<u>462,669,364</u>	<u>293,076,254</u>

**THE ORGANIC MEAT COMPANY LIMITED**  
**CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

	Half year ended	
	December 31, 2019 (Unaudited)	December 31, 2018 (Unaudited)
	-----Rupees-----	
<b>14. SALES - NET</b>		
Export sales		
Direct exports	1,607,001,450	839,006,928
Duty drawback	61,085,427	-
	1,668,086,877	839,006,928
Other sales	51,745,440	125,643,103
	<u>1,719,832,317</u>	<u>964,650,031</u>
<b>15. COST OF SALES</b>		
<b>Livestock and meat cost</b>		
Opening stock	91,318,710	49,746,000
Purchases	1,178,534,522	757,570,187
Closing stock	(38,541,690)	(96,816,860)
	<u>1,231,311,542</u>	<u>710,499,327</u>
<b>Conversion cost</b>		
Depreciation- Factory	50,719,260	49,033,501
Salaries, wages and other benefits	19,598,062	12,500,322
Packing materials consumed	17,449,517	11,545,821
Fuel and power	15,377,364	9,351,899
Cutting and deboning	14,823,939	3,001,770
Repairs and maintenance	5,216,218	3,099,978
Animal feed and other consumables	1,481,910	970,865
Transportation	1,260,100	1,305,660
Janitorial expense	1,141,212	524,948
Insurances	538,400	452,875
Communication expense	216,101	249,708
Printing and stationary	159,183	92,438
	<u>127,981,266</u>	<u>92,129,785</u>
<b>Finished goods</b>		
Opening stock	106,319,991	78,211,710
Closing stock	(122,297,070)	(113,317,402)
	<u>(15,977,079)</u>	<u>(35,105,692)</u>
<b>Packing material</b>		
Opening stock	3,408,527	2,731,847
Closing stock	(1,184,271)	(3,414,970)
	<u>2,224,256</u>	<u>(683,123)</u>
	<u>1,345,539,985</u>	<u>766,840,297</u>

THE ORGANIC MEAT COMPANY LIMITED  
CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half year ended	
	December 31, 2019 (Unaudited)	December 31, 2018 (Unaudited)
	-----Rupees-----	
<b>16. ADMINISTRATIVE EXPENSES</b>		
Salaries, benefits and other allowances	18,276,988	11,670,684
Depreciation	5,635,473	12,258,375
Food and entertainment	3,596,739	2,000,095
Fee and subscription	2,322,017	435,000
Legal and professional	1,721,500	5,661,000
Insurances	220,000	500,864
Repair and maintenance	218,589	137,350
Vehicle running and maintenances	162,033	1,442,500
Printing and stationery	15,650	51,571
Miscellaneous	-	191,010
Staff training	-	510,000
Travelling	-	565,000
	<u>32,168,989</u>	<u>35,423,449</u>
<b>17. SELLING EXPENSES</b>		
Clearing and forwarding charges	39,583,359	31,939,839
Business development	18,268,428	14,492,214
Export duties	6,770,655	4,162,534
Quarantine charges	5,797,625	2,446,349
	<u>70,420,067</u>	<u>53,040,936</u>
<b>18. OTHER (EXPENSE)/INCOME</b>		
Exchange (loss)/gain	(39,077,517)	49,030,403
Reversal of provision against trade debts	-	63,071,847
Provision for bad debts	(27,905,998)	-
Worker' profit participation fund	(9,181,216)	(20,893,181)
Donation and charity	(2,058,050)	(1,454,500)
Worker's Welfare Fund	(112,205)	(3,103,324)
Auditor's remuneration	(550,000)	(483,288)
Other income	(550,381)	-
	<u>(79,435,367)</u>	<u>86,167,957</u>
<b>19. CASH AND CASH EQUIVALENTS</b>		
Short term borrowings - banking companies	(550,000,000)	(545,000,000)
Cash and bank balances	7,933,894	34,251,006
	<u>(542,066,106)</u>	<u>(510,748,994)</u>

**THE ORGANIC MEAT COMPANY LIMITED**  
**CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

**20. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

The related parties comprise principal shareholders and their affiliates, directors, companies with common directorships, staff provident fund and key management personnel.

Details of transactions and balances at period end with related parties, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

			Half year ended	
			December 31, 2019 (Unaudited)	December 31, 2018 (Unaudited)
			-----Rupees-----	
<b>20.1 Transactions for the period</b>				
Name of related party	Nature	Relationship		
Mr. Ali Hussain	Loan obtained	Director	316,558	-
Mr. Ali Hussain	Loan repaid	Director	621,300	-
Mr. Faisal Hussain	Loan obtained	CEO	15,821,617	141,781,869
Mr. Faisal Hussain	Loan repaid	CEO	18,971,090	81,558,321
M/s M. Saeed M. Hussain	Sales	Associated Company	4,142,250	-
Mr. Faisal Hussain	Salary	CEO	3,000,000	-
Mr. Ali Hussain	Salary	Director	6,263,220	-
			December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
			-----Rupees-----	
<b>20.2 Balance as at period/year end</b>				
Name of related party	Nature	Relationship		
Mr. Faisal Hussain	Short term borrowings	CEO	55,509,758	58,659,230
M/s Safeway Fund Limited	Short term borrowings	Associated Company	100,000,000	100,000,000
M/s M. Saeed M. Hussain	Trade receivables	Associated Company	107,511	-
Staff provident fund	Payable to fund	Retirement Contribution Plan	160,164	106,776

**21. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES**

**21.1 Financial risk management information and disclosures**

These condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2019. There have been no change in any risk management policies since the year end.

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**21.2 Fair value of financial instruments**

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

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

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

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

	Rupees				
	Carrying value	Level 1	Level 2	Level 3	Total
December 31, 2019					
Factory land	85,000,000	-	-	85,000,000	85,000,000
Factory building	281,018,091	-	-	281,018,091	281,018,091
Plant and machinery	745,502,856	-	-	745,502,856	745,502,856
	<u>1,111,520,947</u>	<u>-</u>	<u>-</u>	<u>1,111,520,947</u>	<u>1,111,520,947</u>
June 30, 2019					
Factory land	85,000,000	-	-	85,000,000	85,000,000
Factory building	295,808,517	-	-	295,808,517	295,808,517
Plant and machinery	784,534,059	-	-	784,534,059	784,534,059
	<u>1,165,342,576</u>	<u>-</u>	<u>-</u>	<u>1,165,342,576</u>	<u>1,165,342,576</u>

**22. CORRESPONDING FIGURES**

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of audited annual financial statements of the Company for the year ended June 30, 2019, whereas, the condensed interim statement of profit or loss account and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of comparable period of condensed interim financial statements of the Company for the period ended December 31, 2018. Corresponding figures as at December 31, 2018 have been rearranged and reclassified for better presentation wherever considered necessary as shown below:

	As previously reported	Reclassification	Currently reported
	Rupees		
Cost of sales	806,786,469	(39,946,172)	766,840,297
Administrative expenses	44,286,163	(8,862,714)	35,423,449
Selling expenses	6,169,838	46,871,098	53,040,936
Other income	(88,105,745)	1,937,788	(86,167,957)
	<u>769,136,725</u>	<u>-</u>	<u>769,136,725</u>

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23. GENERAL

The figures have been rounded off to the nearest rupee.

24. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on \_\_\_\_\_ by the Board of Directors of the Company.

G.M.



Chief Executive Officer



Director