BARKAT FRISIAN PASTEURIZED EGG COMPANY (PRIVATE) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2024

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BARKAT FRISIAN PASTEURIZED EGG COMPANY (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Barkat Frisian Pasteurized Egg Company (Private) Limited** (the Company), which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit and other comprehensive income, 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 Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the directors' report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.(XVIII of 1980)

The engagement partner on the audit resulting in this independent auditor's report is **Azeem H. Siddiqui – FCA.**

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

Karachi
Dated : November 06, 2024
UDIN : AR202410232oxluUaWji

BARKAT FRISIAN PASTEURIZED EGG COMPANY (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024	2023
		----------Rupees----------	
Equity and Liabilities			
Authorized capital			
1,000,000 (2023: 1,000,000) Ordinary shares of Rs. 100/-		100,000,000	100,000,000
Issued, subscribed and paid up capital	5	90,000,000	90,000,000
Capital reserve			
Revaluation surplus on property, plant and equipment	6	320,711,356	-
Revenue reserve			
Unappropriated profit		696,541,225	308,055,072
		1,107,252,581	398,055,072
Non Current Liabilities			
Long term loans	7	1,875,000	12,259,394
Long term loan from related party	8	138,981,808	71,431,513
		140,856,808	83,690,906
Current Liabilities			
Current portion of long term loan	7	10,384,394	31,359,001
Current portion of long term loan from related party	8	15,790,009	157,744,732
Short term borrowings	9	433,956,414	402,331,445
Loan from related party	10	57,987,364	57,987,364
Trade and other payables	11	243,201,472	199,205,252
Accrued markup		27,803,048	27,079,477
		789,122,702	875,707,271
Total equity and liabilities		2,037,232,091	1,357,453,250
Contingencies and commitments	12	-	-
NON CURRENT ASSETS			
Property, plant and equipment	13	693,777,870	323,011,996
Long term deposits	14	5,633,330	3,023,400
		699,411,200	326,035,396
CURRENT ASSETS			
Stock in trade	15	311,028,794	263,698,771
Trade debts	16	891,085,143	595,157,519
Advances, deposits and prepayments	17	47,065,292	30,999,252
Taxation - net of provision	18	46,018,985	13,136,079
Short term investment		106,075	6,075
Cash and bank balances	19	42,516,602	128,420,157
		1,337,820,891	1,031,417,853
Total assets		2,037,232,091	1,357,453,250

The annexed notes form an integral part of these financial Statement

CHIEF EXECUTIVE **DIRECTOR**

BARKAT FRISIAN PASTEURIZED EGG COMPANY (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		----------Rupees----------	
Sales - net	20	6,068,439,033	4,325,439,454
Cost of sales	21	(5,368,762,965)	(3,877,415,542)
Gross profit		699,676,069	448,023,912
Selling and distribution expenses	22	(102,329,584)	(67,573,949)
Administrative expenses	23	(47,856,333)	(31,943,956)
Operating profit		549,490,153	348,506,008
Other expenses	24	(43,635,752)	(20,168,829)
Un-realized foreign exchange gain		7,985,593	(72,613,584)
Other income	25	29,323,667	9,766,300
Finance costs	26	(122,608,997)	(83,613,242)
		(128,935,489)	(166,629,355)
Profit before income tax and levy (minimum tax)		420,554,664	181,876,652
Minimum tax	27.1	(40,778,019)	(30,568,210)
Profit before income tax		379,776,645	151,308,442
Income tax	27	(14,058)	(3,142,300)
Profit for the year		379,762,587	148,166,142
Basic and diluted earnings per share	28	421.96	164.63

The annexed notes form an integral part of these financial Statement

CHIEF EXECUTIVE **DIRECTOR**

BARKAT FRISIAN PASTEURIZED EGG COMPANY (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
Profit for the year		379,762,587	148,166,142
Other comprehensive (loss) / income:		-	-
Surplus on revaluation of property, plant and equipment	6	329,434,921	-
Deferred tax impact		-	-
Total comprehensive income for the year		709,197,509	148,166,142

The annexed notes form an integral part of these financial Statement

CHIEF EXECUTIVE

DIRECTOR

BARKAT FRISIAN PASTEURIZED EGG COMPANY (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	Share Capital	Revenue Reserve Unappropriated Profit	Capital Reserve Revaluation surplus on property, plant and equipment	Total
	----------	----------	Rupees ----------	
Balance as at July 01, 2022	90,000,000	159,888,930	-	249,888,930
Profit for the year	-	148,166,142	-	148,166,142
Other comprehensive income	-	-	-	-
Total comprehensive income for the year ended June 30, 2022	-	148,166,142	-	148,166,142
Balance as at June 30, 2023	90,000,000	308,055,072	-	398,055,072
Profit for the year	-	379,762,587	-	379,762,587
Other comprehensive income	-	-	-	-
Revaluation surplus on property, plant and equipment	-		329,434,921	329,434,921
Revaluation surplus on property, plant and equipment realized on account of incremental depreciation	-	8,723,565	(8,723,565)	-
Total comprehensive income for the year ended June 30, 2024	-	388,486,152	320,711,356	709,197,509
Balance as at JUNE 30, 2024	90,000,000	696,541,225	320,711,356	1,107,252,581

CHIEF EXECUTIVE

DIRECTOR

BARKAT FRISIAN PASTEURIZED EGG COMPANY (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		----------Rupees----------	
Cash flow from operating activities			
Profit before income tax and levy (minimum tax)		420,554,664	181,876,652
Adjustments for non cash items:			
Depreciation		34,633,931	22,987,004
Finance cost	26	122,608,997	83,613,242
Gain on disposal of vehicle		(117,860)	-
Unrelaized exchange (gain)/loss		(7,985,593)	72,613,584
Allowance for expected credit loss	16.1	6,039,339	6,402,229
Amortization of deferred government grant		-	(64,342)
Operating profit before working capital changes		575,733,478	367,428,369
Changes in working capital			
(Increase) / decrease in current assets:			
Stock in trade		(47,330,023)	(72,122,937)
Trade debts-considerd good		(301,966,962)	(313,420,921)
Advances, deposits and prepayments		(16,066,040)	13,598,440
Increase in current liabilities:			
Trade and other payables		43,996,221	87,607,591
Cash flows from operating activities		254,366,673	83,090,542
Minimum tax,incomt taxes paid		(73,674,983)	(32,718,539)
Finance costs paid		(121,885,426)	(68,035,367)
		(195,560,409)	(100,753,906)
Net cash generated /(used in) operating activities		58,806,264	(17,663,364)
Cash flow from investing activities			
Capital expenditure incurred	13.1	(77,882,023)	(26,728,231)
Proceed from disposal		2,035,000	-
Short term investment		(100,000)	(6,075)
Long term deposits paid		(2,609,930)	(2,400)
Net cash (used in) investing activities		(78,556,953)	(26,736,706)
Cash flow from financing activities			
Repayment of long term loans		(31,359,001)	(33,066,625)
Receipt from SBP Salary Finance		-	-
Repayment to related party		(66,418,835)	(45,374,360)
Short term borrowings - net		31,624,970	210,472,848
Net cash generated from financing activities		(66,152,866)	132,031,863
Net (decrease)/ increase in cash and cash equivalents		(85,903,555)	87,631,793
Cash and cash equivalents at beginning of the year		128,420,157	40,788,363
Cash and cash equivalents at end of the year	19	42,516,602	128,420,157

The annexed notes form an integral part of these financial Statement

CHIEF EXECUTIVE **DIRECTOR**

BARKAT FRISIAN PASTEURIZED EGG COMPANY (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1 COMPANY AND ITS OPERATIONS

Barkat Frisian Pasteurized Egg Company (Private) limited ("the Company") was incorporated on 05 January 2017 as Private Limited Company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The principle activity of the company is poultry egg processing.

The registered office of the Company is situated at H#M 74/1, Khayaban-e-Ittehad, Phase VII, DHA, Karachi, Pakistan.

The factory is situated at Plot # WL 36-37, Bin Qasim Industrial Park, Pakistan Steel Mills, Karachi.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP); 'as notified under the Companies Act, 2017; and

Provisions of

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

2.2 Basis of measurement

These financial statements have been prepared on the basis of historical cost convention except for certain items as disclosed in the relevant accounting policies below.

2.3 Functional and presentation currency

These financial statements have been presented in Pakistan Rupees, which is the functional currency of the Company and rounded off to the nearest rupee.

2.4 Use of estimates and judgments

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

The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about the judgments made by the management in the application of the accounting policies, that have the most significant effect on the amounts recognized in these annual audited financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of asset and liabilities in the next year are described in the following notes:

Property, plant and equipment and depreciation (refer note 4.1)
Stock-in-trade (refer note 4.2)
Government grant (refer note 4.11)
Provisions (refer note 4.9)
Taxation (refer note 4.10)

3 New Standards, Interpretations And Amendments To Published Approved Accounting Standards

3.1 Standards, amendments and interpretations to existing standards that are not yet effective

Following Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

	Description effective for the periods	Effective date (annual reporting periods beginning on or after)
IAS 21	Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'- Lack of	January 1, 2025
IAS 7	Amendments to IAS 7 'Financial Instruments:'- Supplier finance arrangements	January 1, 2024
IAS 7	Amendments to IAS 7 'Statement of Cash owes'- Supplier finance arrangements	January 1, 2024
IAS1	Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 1, 2024
IAS1	Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 1, 2024
IFRS 16 **IFRS 07**	Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee arrangements arrangements subsequently measures sale and leaseback	January 1, 2024
IFRS 9	Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 1, 2026
IFRS 7	Amendments to IFRS 7 'Financial Instruments: Disclosures'-Amendments regarding	January 1, 2026

3.2 The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP as at JUNE 30, 2024:

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRS 17	Insurance Contracts

4 MATRIAL ACCOUNTING POLICY INFORMATION

The summary of significant accounting policies adopted in the preparation of financial statements are set out below. These policies have consistently applied to all years presented unless otherwise stated.

4.1 Property, plant and equipment

4.1.1 Property, plant and equipment are stated at cost less accumulated depreciation except certain fixed assets (Land, building and Plant & machinary) are carried at revalued amounts. Company has a policy of revaluing land, building and Plant & machinary after every five years.

Depreciation is charged to income applying reducing balance method at the rates specified in fixed assets note 13. Depreciation is charged from the month the asset is available for the use up to the month prior to disposal. Gains or losses on disposal of assets, if any, are recognised in statement of profit or loss.

The carrying value of fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value exceeds the estimated recoverable amount, the assets are written down to the recoverable amount.

All expenditures connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these assets are available for use.

4.1.2 Right-of-use asset

The right-of-use asset is initially measured based on the initial measurement of lease liability, plus any initial direct costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently measured at cost model. The right of use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognised as an expense on a straight line basis over the lease term.

4.2 Stock-in-trade

Stock in trade except for stock in transit are valued at lower of cost or net realizable value. Cost in relation to raw material is determined by using first in first out method except for stock in transit.

Stock in transit is valued at cost comprising invoice value plus other charges incurred thereon. Work in process and finished goods consists of direct material costs, labour cost and appropriate proportion of manufacturing overheads.

4.3 Stores and Spares

These are valued at lower of moving average cost and net realizable value, except items in transit, which are stated at cost. Obsolete and used items are recorded at nil value. Value of items is reviewed at each balance sheet date to record provision for any slow moving items.

Net realizable value signifies the selling price in the ordinary course of business less cost necessarily to be incurred in order to make the sale.

4.4 Trade debts and Other receivable

Trade debts and other receivables are recognised and carried at cost, which is the fair value of the consideration to be received less allowance for expected credit losses (ECL). Expected credit loss is based on the management's assessment of customers' outstanding balances and credit worthiness. Bad debts are written-off when identified.

4.5 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost for the purpose of cash flow statements. Cash and cash equivalents comprises of cash in hand with banks on current and deposit accounts and other readily assets that can be realized in cash.

4.6 Share Cpital

'Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4.7 Long term and short term borrowings

These are recorded at the proceeds received. Financial charges are accounted for on accrual basis and are disclosed as accrued interest/mark-up to the extent of the amount remaining unpaid.

4.8 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable costs, if any, and subsequently measured at amortized costs.

4.9 Provisions

Provisions are recognised in the balance sheet when the Company has a legal or constructive obligation as a result of past event and it is probable that the outflow of resources / economic benefit will be required to settle the obligation and reliable estimate can be made to the amount of obligation. However provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

4.10 Taxation

Final and minimum tax

Computation of minimum tax chargeable under various sections of ITO 2001, provisions of such sections require its comparison with amount of tax attributable to income streams taxable at general rate of taxation, such minimum taxes are not fully outside the scope of IAS-12 and a certain portion of them falls in scope of IAS - 12. Based on this, the minimum taxes under ITO 2001 are hybrid taxes which comprise of a component within the scope of IAS - 12 and a component within the scope of IFRIC - 21/IAS-37.

As regards final taxes, its computation is based on revenue or other bases other than taxable income, therefore, final taxes fall under levy within the scope of IFRIC-21/IAS-37, hence treated and classified accordingly, as per the requirements of / and guidelines issued by ICAP.

In identifying and classifying each component of minimum tax being hybrid in nature, company designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS - 12 "Income taxes" and recognize it as current income tax expense. Any excess over the amount designed as income tax, is recognized as a levy falling under the scope of IFRIC-21/IAS-37.

Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit or loss except to the extent that it relates to item recognized directly in other comprehensive income in which case it is recognized in other comprehensive income.

Current tax

Provision for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any.

Prior tax

The charge for prior tax includes adjustments to charge for prior years which arises from assessments / developments made during the year, if any.

Deferred tax

Deferred tax is recognised using statement of financial position method, in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement or the carrying amount of assets and liabilities, using the enacted or substantively enacted rates or taxation.

The Company recognises deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Provision for taxation is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rate. The charge for the figure of provision for tax made in previous years is effected arising from assessment framed during the year for such years.

4.11 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to income, 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 out.

4.12 Revenue recognition

Revenue from the sales of goods is recognized when the significant risk and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods to the customers.

Return on Bank deposits is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

4.13 Foreign currency transactions

Transactions in foreign currencies are converted into functional currency "Rupees" at the rates of exchange prevailing on the dates of transactions. Monetary assets and liabilities in foreign currencies are translated into functional currency at the rates of exchange prevailing at the date of the statement of financial position. Exchange gains and losses are charged in the statement of profit or loss.

4.14 Financial Instruments

(a) Classification and initial measurement

The Company classifies its financial assets in to following three categories;

- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL); and
- Measured at amortized cost.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:

- The determination of business model within which a financial asset is held; and
- The designation and revocation of previous designation of certain financial assets as measured at FVTPL.

Financial assets at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- It is held within business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

For assets measured at fair value, gain or loss will either be recorded in the unconsolidated statement of profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

(b) Subsequent measurement

Financial assets at FVOCI

These assets are measured at fair value, with gain or loss arising from changes in fair value recognized in the Financial statement of other comprehensive income.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gain or loss, including any interest/ mark-up or dividend income, are recognized in the Financial statement of profit or loss.

Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest/ mark-up income, foreign exchange gain or loss and impairment are recognized in the Financial statement of profit or loss.

(c) Financial liabilities

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

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been subsequently modified.

4.15 Impairment

(a) Financial assets

The Company recognizes loss allowances for expected credit loss (ECL) in respect of financial assets measured at amortized cost.

The Company applies the simplified approach to recognize lifetime expected credit loss for trade debts. The Company assesses on a forward looking basis the expected credit loss associated with its financial assets.

The Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit loss. To make the assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Allowances for ECL financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

An entity shall directly reduce the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event of the Company.

(b) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment loss are charged in the Financial statement of profit or loss.

4.16 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realize the assets and settle liabilities simultaneously. Incomes and expenses arising from such assets and liabilities are also offset accordingly.

BARKAT FRISIAN PASTEURIZED EGG COMPANY (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		------------Rupees------------	
5 Issued, subscribed and paid up capital			
900,000 (2023 : 900,000) Ordinary shares of Rupees 100 each fully paid in cash		90,000,000	90,000,000
		90,000,000	90,000,000

Pattern of shareholding

	2024		2023	
	Number of shares	Percentage of Holding	Number of shares	Percentage of Holding
Frisian Egg International B.V.	449,998	50.00%	449,998	50.00%
Muhammad Adil Ali	36,000	4.00%	36,000	4.00%
Waqas Gulzar	90,000	10.00%	90,000	10.00%
Johan Stuiver	1	0.00%	1	0.00%
Paul Ettema	1	0.00%	1	0.00%
Muhammad Ali Ansari	39,010	4.33%	39,010	4.33%
Naheed Ali Ansari	15,000	1.67%	15,000	1.67%
B&Z Enterprises (Pvt.) Ltd.	269,990	30.00%	269,990	30.00%
	900,000	100%	900,000	100%

5.1 The shareholders are entitled to receive all distributions including dividends and other entitlements in the form of cash, bonus and right shares, as the case may be, as and when declared by the Company. All shares carry one vote per share without restriction.The Board of Directors of the Company are elected by majority vote.

	Note	2024	2023
6 Revaluation Surplus On Property, Plant And Equipment			
Balance at the beginning of the year		-	-
Revaluation increase during the year		329,434,921	-
incremental depreciation charged during the year		(8,723,565)	-
		320,711,356	-

6.1 The revaluation of leasehold land, building and plant and machinery were revalued on November 22, 2023, resulting in the net surplus of Rs. 329.434 million. The revaluation was incorporated in books on June 30, 2024. The valuation was conducted by an independent valuer. Land, Building and Plant and Machinery were valued on the basis of fair market value. The company has a policy of revaluing land, building and plant and machinery after every five years.

	Note	2024	2023
7 Long term Loans			
Diminishing Musharka - Meezan Bank	7.1	9,134,394	39,243,395
Less: Current portion		(9,134,394)	(30,109,001)
		-	9,134,394
Diminishing Musharikah - MBL Generator	7.2	3,125,000	4,375,000
Less: Current portion		(1,250,000)	(1,250,000)
		1,875,000	3,125,000
Total		1,875,000	12,259,394

	Note	2024	2023
		-------------Rupees------------	

7.1 The Company has entered into a diminishing musharikah of Rs. 105.38 million for plant and machinery with the Meezan Bank Limited- Islamic Banking. The arrangement carry profit at the rate of three month KIBOR + 3% with quarterly rental repayments. The arrangement is for a tenure of six years from the date of disbursement and are structured in such a way first principal repayment installment after grace period of one year. Arrangement is secured against exclusive equitable mortgage over properties of directors and personal guarantee of all sponsors.

7.2 The Company has entered into a diminishing musharka of Rs. 5 million for Generator with the Meezan Bank Limited-Islamic Banking. The arrangement carry profit at the rate of three month KIBOR + 3% with quarterly rental repayments. The arrangement is for a tenure of six years from the date of disbursement and are structured in such a way first principal repayment installment will commence after grace period of one year. Arrangement is secured against specific charge over plant & machinery.

8 Long term loan from related party

	Note	2024	2023
From related party - Frisian Egg International BV	7.1	**229,176,245**	201,937,021
Repayment during the year		**(66,418,835)**	(45,374,360)
Closing balance as on June 30,		**162,757,410**	156,562,661
Un-realized foreign exchange loss		**(7,985,593)**	72,613,584
		154,771,817	229,176,245
Less: Current maturity		**(15,790,009)**	(157,744,732)
		138,981,808	71,431,513

8.1 This long term loan has been obtained for plant and machinery, from associated company namely Frisian Egg International BV, amounting EURO 275,000, 56,000 and 188,500 (2023: EURO 375,000, 168,000 and 188,500). The company has obtained this loan at different date and carry at different markup rate. Subsequent to the year ended Frisian Egg International BV has decided to convert their outstanding loan amounting Euro 466,500 into equity.

9 Short term borrowings

	Note	2024	2023
Tijarah Financing - Meezan Bank Ltd.	9.1	**204,393,847**	214,660,299
Musawammah Financing - Bank Al Habib Ltd.	9.2	**149,949,174**	146,048,066
Tijarah Financing - Habib Bank Ltd.	9.3	**44,803,394**	41,623,080
Musawammah Financing - Meezan Bank Ltd.	9.1	**34,810,000**	-
		433,956,414	402,331,445

9.1 The Company has entered into a tijarah / Musawammah financing facility with Meezan Bank Limited of Rs. 315 million (2023: 215 million) for meeting day to day operational needs. The arrangement carry profit at the rate of 3M KIBOR + 1.5%. Repayment of loan is subject to the sale of stock against which the financing has been disbursed maximum upto 90 days from the date of disbursement of loan. Arrangement is secured against pari passu equitable mortage on land & building of company's factory at WL 36 & 37, Bin Qasim Industrial Park, Karachi, pari passu hypothecation charge over plant & machinery and specific receivables.

9.2 The Company has entered into a Musawama financing facility with Bank Al-Habib Limited. of Rs. 150 million (2023: 150 million) for meeting day to day operational needs. The arrangement carry profit at the rate of KIBOR + 1.00%. Repayment of loan is subject to the sale of stock against which the financing has been disbursed maximum upto 90 days from the date of disbursement of loan. Arrangement is secured against pari passu hypothecation charge over plant & manchinery, specific receivables and Personal guarantee of all local directors.

9.3 The Company has entered into a Tijarah financing facility with Habib Bank Limited. of Rs. 45 million (2023: 45 million) for meeting day to day operational needs. The arrangement carry profit at the rate of KIBOR + 1.25%. Repayment of loan is subject to the sale of stock against which the financing has been disbursed maximum upto 90 days from the date of disbursement of loan. Arrangement is secured against pari passu hypothecation charge over plant & manchinery, specific receivables and Personal guarantee of all local directors.

		Note	2024	2023
			------------Rupees-----------	
10	**Loan from related party**			
	Opening balance		57,987,364	57,987,364
	Receipts during the year		-	500,000
	Repayments during the year		-	(500,000)
	Closing Balance	10.1	57,987,364	57,987,364
10.1	Loan from associated Company (Unsecured)		38,005,564	38,005,564
	Loan from director (Unsecured)		14,481,800	14,481,800
	Loan from close family member/sponser		5,500,000	5,500,000
			57,987,364	57,987,364

This represents interest free loan taken from local directors, shareholders and associated company for working capital requirement and it was payable on demand. Subsequent to the year ended local directors, shareholders and associated company have decided to convert their outstanding loan amounting PKR 57,987,364 into equity.

11	**TRADE AND OTHER PAYABLES**			
	Creditors	11.1	158,937,546	114,724,836
	Withholding tax payable		1,534,947	762,982
	Other payables		192,640	151,645
	Sales tax payable		45,068,391	62,442,951
	Accrued expenses		5,347,635	6,867,251
	Workers profit particpitant fund	11.2	22,586,180	9,782,163
	Workers welfare fund		8,582,748	3,717,222
	Sale tax withholding		951,385	756,202
			243,201,472	199,205,252

11.1 This include related party balance of Rs. 14,065,272 (2023: Rs 18,780,475)

11.2	Opening balances		9,782,163	7,444,822
	Interest charged during the year		845,442	845,442
	Paid during the year		(10,627,605)	(8,290,263)
	Allocation for the year		22,586,180	9,782,163
	closing		22,586,180	9,782,163

12 Contingencies and commitments

12.1 Contingencies

Barkat Frisian Pasteurized Egg Company (Pvt.) Ltd. is established in Special Economic Zone (SEZ) and has started commercial operations from Financial Year ended June 30, 2019. Hence income of company is exempt from Income Tax and minimum tax for ten years from the date of commencement of operations. The minimum tax u/s 113, which was levied by the Government for tax year 2023 and onwards. The Company is a SEZ entity and together with other SEZ entities challenged it vide petition no. C.P.D-6752/2022 before the Sindh High Court. The aforesaid matter is still pending adjudication and company has good arguable case on the merits with chance of favourable outcome.

12.2 Commitments

The amount of future rentals for Ijarah financing and the period in which these payments will become due are as follows:

	Note	2024	2023
Not later than one year		5,748,480	3,471,742
Later than one year and not later than five years		18,949,422	7,443,714
	12.2.1	24,697,902	10,915,456

12.2.1 The total ijarah rentals due under the ijarah agreements aggregate to amounting Rs. 24.948 million (2023 : 10.915 million) and are payable in equal monthly installments. The Ijarah is partially secured by a personal guarantee of all local sponsors and post dated cheques. The company intend to exercise the option of purchasing the assets under Ijarah at residual value upon completion of Ijarah term.

		Note	2024	2023
			------------Rupees-----------	
13	**Property, plant and equipment**			
	Operating fixed assets	13.1	685,531,846	323,011,996
	Capital Work in Progress - Advance against land		8,246,024	-
			693,777,870	323,011,996

13.1 As at June 30, 2024, First Pari Passu Hypothecation Charge over specific plant & machinery Rs. 274.7 million and mortgage on land and building Rs. 56 million (2023: P&M Rs.280 million and L&B: Nil) Meezan Bank Limited, Bank Al Habib Limited and Habib Bank Limited against Tijarah / Musawammah Facilities.

		Note	2024	2023
14	**Long term advances and deposits**			
	Deposits against Ijarah finance	14.1	3,057,572	901,000
	Others	14.2	2,575,758	2,122,400
			5,633,330	3,023,400

14.1 Deposits for Ijarah finance include a down payment on a vehicle that has been transferred to property, plant, and equipment during the year upon completion of the Ijarah rental.

14.2 This includes deposit given to Pakistan State Oil Company (PSO) amounting to Rs. 1.7 million (June 30, 2023: Rs. 1.7 million) against fuel.

		Note	2024	2023
15	**Stock in trade**			
	Raw material		177,543,230	109,806,201
	Packing material		33,911,269	21,618,930
	Finished good		99,574,295	132,273,640
			311,028,794	263,698,771
16	**Trade debts**			
	Unsecured			
	Considered good		891,085,143	595,157,519
	Considered doubtful		18,185,411	12,146,072
		16.2	909,270,554	607,303,591
	Allowance for expected credit loss	16.1	(18,185,411)	(12,146,072)
			891,085,143	595,157,519
16.1	**Allowance for expected credit loss**			
	Balance as at july 1		12,146,072	5,743,843
	Change for the year		6,039,339	6,402,229
	Balance as at June 30		18,185,411	12,146,072
	The aging of trade debtors at the reporting date is:			
	Past due 1 - 30 days		485,091,487	332,328,306
	Past due 31 - 90 days		283,169,004	225,940,698
	Past due above 90 days		141,010,063	49,034,588
			909,270,554	607,303,591

16.2 As at June 30, 2024, First Pari Passu Hypothecation Charge over specific receivables Rs. 650 million (2023: Rs.536.5 million) with Meezan Bank Limited, Bank Al Habib Limited and Habib Bank Limited against Tijarah / Musawammah Facility.

		Note	2024	2023
17	**Advance, deposits and prepayments**			
	Advance for services and supplies		4,994,698	25,611,275
	ERP License		1,594,586	-
	Advance to employees		1,871,376	1,509,117
	Prepayments		906,716	-
	Advance sales tax		30,000,000	-
	Loan to employees		6,835,168	3,878,860
	Short term Lien to Mark		862,748	-
			47,065,292	30,999,252

	Note	2024	2023
		------------Rupees------------	

18 Taxation - Net of provision tax/levy

Tax receivable as at 01 July		13,136,079	14,128,050
Tax payments / adjustments made during the year		73,674,982	32,718,539
		86,811,062	46,846,589
Less: Provision for tax - current year		(40,792,077)	(33,710,510)
Tax receivable as at 30 June		46,018,985	13,136,079

19 Bank balances

Cash at bank - in current account		7,805,099	128,420,157
Cash at bank - in saving account		34,711,503	
		42,516,602	128,420,157

19.1 During the year range of profit on debt was between 10% to 11% (2023: 6.5% to 10%).

20 Sales - net

Local sales		6,399,734,901	4,779,746,219
Export sales		631,369,896	249,678,067
Less: Sales tax		(962,665,764)	(703,984,831)
		6,068,439,033	4,325,439,454

21 Cost of sales

Raw materials consumed	21.1	5,132,024,140	3,762,558,353
Salaries wages and other benefits - factory		19,937,878	17,155,408
Direct labour		22,535,098	19,151,579
Canteen		-	1,186,444
Certification		448,094	637,855
CIP / Analytical Lab Chemicals		8,950,595	6,307,515
Communication		639,674	718,478
Travelling & Conveyance		-	1,176,362
Depreciation - Factory	13.1.1	32,911,318	22,074,328
Utilities		75,916,221	55,013,960
Repair and maintenance		2,215,120	5,300,779
Insurance		4,881,746	5,303,559
Lab / factory supplies		2,078,872	1,002,052
Pest control		1,433,909	570,220
Printing and stationary		5,617,652	4,065,238
Rent		24,303,485	21,093,802
Security services		1,126,774	973,500
Testing		1,043,044	800,871
Other factory		-	337,220
Waste disposal		-	976,074
		5,336,063,619	3,926,403,596
Add: opening stock of finished goods		132,273,640	83,285,587
Less: closing stock of finished goods	15	(99,574,295)	(132,273,640)
		5,368,762,965	3,877,415,542

21.1 Raw materials consumed

Add: Opening stock		131,425,131	108,290,248
Add: Purchases		5,212,053,508	3,785,693,236
		5,343,478,639	3,893,983,484
Less: Closing stock	15	(211,454,499)	(131,425,131)
		5,132,024,140	3,762,558,353

		Note	2024	2023
			------------Rupees------------	
22	**Selling and distribuation expense**			
	Freight outward		78,052,823	48,077,462
	Marketing and selling		24,276,761	19,496,487
			102,329,584	67,573,949
23	**Administrative expenses**			
	Salaries wages and other benefits		20,427,451	13,837,685
	SESSI & EOBI		2,153,265	1,551,336
	Auditors' remuneration	23.1	858,000	860,000
	Communication		268,702	551,082
	Depreciation	13.1.1	1,722,613	912,676
	Entertainment		121,023	169,231
	Fee and subscription		480,095	55,000
	Utilities		5,108,996	3,480,662
	Ijarah rental		4,224,080	2,863,393
	Insurance		1,355,156	840,846
	Miscellaneous		893,850	652,506
	Repair and maintenance		709,899	1,269,800
	Printing and stationery		193,800	107,095
	Professional charges		3,404,161	1,627,795
	Rent, rates and taxes		790,500	603,195
	Software development and maintenance		965,000	-
	Travelling and conveyance		3,679,741	2,521,654
	Charity and donations	23.2	500,000	40,000
			47,856,333	31,943,956
23.1	Audit fee		810,000	773,000
	Out of pocket expense		48,000	87,000
			858,000	860,000

23.2 During the year, no donations were paid to any donee/ party in which any Director of the company is interested

		Note	2024	2023
24	**Other expense**			
	Allowance for expected credit loss	16.1	6,039,339	6,402,229
	Other expense		5,227,485	-
	Exchange loss		-	267,216
	Workers profit participitant fund		22,586,180	9,782,163
	Workers welfare fund		8,582,748	3,717,222
	Staff Hajj Sponsorhip Scheme		1,200,000	-
			43,635,752	20,168,829
25	**Other Income**			
	Liability written back		21,111,768	-
	Dividend Income		-	770
	Profit on debt		6,320,087	4,086,645
	Amortization of deferred government grant		-	64,342
	Exchange gain realized		1,285,728	-
	Other income		488,224	5,614,543
	Gain on disposal of fixed asset		117,860	
			29,323,667	9,766,300

		Note	2024	2023
			------------Rupees-----------	
26	**Finance cost**			
	Bank charges		3,725,845	2,831,033
	Markup on diminishing musharika		7,139,330	12,702,123
	Markup on SBP salary finance		-	26,442
	Markup on related party loan		3,302,293	9,543,096
	Markup on WPPF		1,554,535	845,442
	Markup on tijarah financing - Meezan		52,524,722	32,376,683
	Markup on muswama - Bank AlHabib		34,156,760	23,875,983
	Markup on tijarah financing - Habib Bank		10,381,196	1,412,441
	Markup on muswama - Meezan		9,824,316	-
			122,608,997	83,613,242
27	**Taxation**			
	Prior year income tax expense			138,406
	Income tax expense	27.1	1,832,825	1,185,127
	Super tax		(1,818,767)	1,818,767
			14,058	3,142,300
27.1	**Minimum tax**		40,778,019	30,568,210

This represents the minimum tax on turnover under section 113 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.

This minimum tax u/s 113, which was levied by the Government for tax year 2023 and onwards. The Company is a SEZ entity and together with other SEZ entities challenged it vide petition no. C.P.D-6752/2022 before the Sindh High Court. The aforesaid matter is still pending adjudication and company has good arguable case on the merits with chance of favourable outcome. However, company has made provision for this minimum tax in the year ended June 30, 2024.

This minimum tax u/s 113, which was levied by the Government for tax year 2023 is now repealed through Finance Act 2024. The aforesaid would be nil in the year ended June 30, 2025.

Barkat Frisian Pasteurized Egg Company (Pvt.) Ltd. Is established in Special Economic Zone and has started commercial operations from Financial Year ended June 30, 2019. Hence income of company is exempt from Income Tax and minimum tax for ten years from the date of commencement of operations.

Reference: Clause (126E) of Part I of The second schedule of Income Tax Ordinance, 2001 (valid till TY 2022)
[(126E) Income derived by a zone enterprise as defined in the Special Economic Zones Act, 2012 (XX of 2012) for a period of ten years starting from the date the developer certifies that the zone enterprise has commenced commercial operation and for a period of ten years to a developer of zone starting from the date of signing of the development agreement in the special economic zone as announced by the Federal Government].

		2024	2023
28	**EARNINGS PER SHARE**		
	Profit after taxation (Rupees)	379,762,587	148,166,142
	Weighted average numbers of ordinary shares	900,000	900,000
	Basic and diluted earnings per share (Rupees)	421.96	164.63
29	**Cash and cash equivalents**		
	Cash in hand	-	-
	Cash and bank balances	42,516,602	128,420,157
		42,516,602	128,420,157

30 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The related parties comprise Parent, associated undertakings, directors of the Company and key management personnel. The Company in the normal course of business carries out transactions with various related parties at arm's length basis, unless otherwise disclosed. Amounts due from and due to related parties are shown under respective notes to the accounts. Other significant transactions and balances with related parties are as follows:

Transactions and balances with related parties

Name of related party	Relationship and %age shsreholding	Transation during the year and year end balances	2024	2023
			-------------(Rupees)-------------	
Adil Poultry Farm	Associate	Purchase of raw material	51,192,054	93,762,447
		Amount advance at the year end	-	-
		Amount due at the year end	6,384,865	5,003,811
Adorn International	Associate	Purchase of raw material	103,174,463	9,792,000
		Sales	-	47,130
		Amount due at the year end	1,010	542,697
Amna Poultry Farm	Associate	Purchase of raw material	27,710,250	35,003,000
		Amount due at the year end	2,610,250	-
B&Z Farms	Associate	Purchase of raw material	1,453,000	7,549,600
		Amount due at the year end	-	7,549,600
Buksh Farms	Associate	Purchase of raw material	-	1,640,000
		Amount due at the year end	3,282,003	3,282,003
Naheed Ali	Associate	Supplier	-	-
Sultan Poultry Farm	Associate	Purchase of raw material	-	3,456,000
		Amount due at the year end	1,787,145	1,787,145
Frisian Eggs International	Associated Company 50% Shareholding	Supplier	-	-
		Amount due at the year end	615,220	615,220
Frisian Eggs International	Associated Company 50% Shareholding	Loan payable to related party	154,771,818	229,176,245
B&Z Enterprises (Pvt.) Ltd.	Shareholder 30%	Loan received during the year	-	-
		Loan payable to related party	38,005,564	38,005,564

Transactions and balances with related parties

Name of related party	Relationship and %age shsreholding	Transation during the year and year end balances	2024	2023
			-------------(Rupees)-------------	
Yasir Ali	Associate person Sibling of CEO holds 0%	Loan paid during the year	-	-
		Loan payable to related party	-	-
Naheed Ali	Associate person lineal Ascendent of CEO holds 1.67%	Loan received during the year	-	-
		Loan paid during the year	-	-
		Loan payable to related party	**1,500,000**	1,500,000
Muhammad Ali	Associate person	Loan paid during the year	-	-
		Loan payable to related party	**4,000,000**	4,000,000
Waqas Gulzar	Director holds 10%	Loan received during the year	-	-
		Loan payable to related party	**13,281,800**	13,281,800
Muhammad Adil Ali	CEO / Director Shareholder 4%	Loan received during the year	-	-
		Loan paid during the year	-	-
		Loan payable to related party	**1,200,000**	1,200,000

30.1 Director Remunration

	Chief Executive	Directors	Executives	Total
		2024		
		(Rupees)		
Managerial remuneration	**2,700,000**	-	**10,386,742**	13,086,742
	2,700,000	-	**10,386,742**	13,086,742
Number of persons	1		4	

	Chief Executive	Directors	Executives	Total
		2023		
		(Rupees)		
Managerial remuneration	2,275,000	-	9,189,072	11,464,072
	2,275,000	-	9,189,072	11,464,072
Number of persons	1		3	

31 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework.

Risk management framework

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their role and obligations.

The Company has exposure to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk

31.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations without considering the fair value of the collateral available there against.

Exposure to credit risk

The carrying amount of respective financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

		2024	2023
		(Rupees)	
Long term deposits		5,633,330	3,023,400
Trade debts	11	891,085,143	595,157,519
Advances and deposits	12	47,065,292	30,999,252
Bank balances	14	42,516,602	128,420,157
		986,300,367	757,600,329

Trade debts

The Company's exposure to credit risk arising from trade debtors is mainly influenced by the individual characteristics of each customer. The Company establishes an allowance for ECL that represents its estimate of incurred losses.

Analysis of gross amounts receivable from trade debtors are as follows:

	2024	2023
	(Rupees)	
Domestic	733,448,227	589,842,064
Foreign	175,822,327	17,544,441
	909,270,554	607,386,505

The aging of trade debts as at the date of the statement of financial position is:

	2024	2023
Past due 1 - 30 days	485,091,487	332,328,306
Past due 31 - 90 days	283,169,004	225,940,698
Past due above 90 days	141,010,062	49,117,501
	909,270,553	607,386,505

Advances and deposits

These represents loan and advances to employees as per company policy and deposits placed with various suppliers as per the terms of securing availability of services. The management does not expect to incur credit loss there against.

Bank balances

The Company kept its surplus funds with banks having good credit rating. Currently the surplus funds are kept with banks having rating from AAA

Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligations to be similarly affected by the changes in economic, political, or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

31.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient cash to meet expected working capital requirements by having credit lines available.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

As at JUNE 30, 2024	Carrying amount	Contractual maturities	Maturity up to one year	Maturity above than 1 year
Non-derivative financial liabilities	----------(Rupees)----------			
Long term loan	12,259,394	12,259,394	10,384,394	1,875,000
Loan from related party	154,771,817	154,771,817	15,790,009	138,981,808
Trade and other payables	243,201,472	243,201,472	243,201,472	-
Accrued mark-up	27,803,048	27,803,048	27,803,048	-
Short term borrowings	433,956,414	433,956,414	433,956,414	-
	871,992,146	871,992,146	731,135,338	140,856,808

As at June 30, 2023	Carrying amount	Contractual maturities	Maturity up to one year	Maturity above than 1 year
Non-derivative financial liabilities	----------(Rupees)----------			
Long term loan	43,618,395	43,618,395	31,359,001	12,259,394
Loan from related party	229,176,245	229,176,245	157,744,732	71,431,513
Trade and other payables	199,205,252	199,205,252	199,205,252	-
Accrued mark-up	27,079,477	27,079,477	27,079,477	-
Short term borrowings	402,331,445	402,331,445	402,331,445	-
	901,410,813	901,410,813	817,719,907	83,690,906

31.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company is exposed to currency risk and interest rate risk only.

31.3.1 Currency risk

Currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

The Company is exposed to currency risk on long term loan that are denominated in a currency other than the respective functional currency of the Company, primarily Euro. The Company's exposure to foreign currency risk is as follows:

	2024		2023	
	Rupees	Euro	Rupees	Euro
Financial liabilities				
Long Term Loan	154,771,817	519,500	229,176,245	731,500

The following significant exchange rates were applicable during the year:

	Reporting date rate	
	Buying / Selling	**Buying / Selling**
Euro to Pakistan Rupee	297.4550 / 297.9247	312.8471 / 313.2963

31.3.2 Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has long term interest bearing financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market interest rates.

31.3.3 Price risk

Price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company has no exposure to price risk except in short term investments held at fair value.

31.3.4 Fair value of financial assets and liabilities

The carrying values of financial assets and financial liabilities reported in the statement of financial position approximate their fair values.

32 INFORMATION FOR ALL SHARES ISLAMIC INDEX SCREENING

Description	2024 Carried Under		2023 Carried Under	
	Non Shariah arrangements	Shariah arrangements	Non Shariah arrangements	Shariah arrangements
Assets				
Long term deposits	-	5,633,330	-	2,023,400
Advance to employees	-	6,835,168	-	3,878,860
Cash at bank - in current account	-	42,516,602	-	128,420,157
Liabilities				
Long term loans	-	12,259,394	-	43,618,395
Long term loan from related party	-	154,771,817	-	229,176,245
Short term borrowings	-	433,956,414	-	402,331,445
Loan from related party	-	57,987,364	-	57,987,364
Profit on debt	-	6,320,087	-	4,086,645

33 CAPITAL RISK MANAGEMENT

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payments to shareholders or issue new shares. The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company's objectives when managing capital are to ensure the Company's ability not only to continue as a going concern but also to meet its requirements for expansion and enhancement of its business, to maximize return of shareholders and to optimize capital structure and to reduce the cost of capital.

34 MEASUREMENT OF FAIR VALUES

Fair value is defined 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.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price.

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

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Fair value measurement using quoted (unadjusted) in active markets for identical asset or liability.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at JUNE 30, 2024, all financial assets and financial liabilities are carried at amortised cost which is approximate to their fair value.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the unconsolidated financial statements at fair value on a recurring basis, the management recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

35 ANNUAL PRODUCTION CAPACITY

	2024	2023
	---------Tons--------	
Installed capacity	17,000	17,000
Actual production	12,680	10,232

36 CORRESPONDING FIGURES

The fifth schedule to the Companies Act, 2017 has introduced certain presentation and classification requirements for the elements of financial statements. Accordingly, the corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of Companies Act, 2017.

37 GENERAL

37.1 Figures have been rounded-off to the nearest rupee unless otherwise stated.

37.2 NUMBER OF EMPLOYEES

	2024	2023
	------------ Number ------------	
Total number of employees at the year end	62	56
Average number of employees during the year	59	51

38 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue in the Board of Directors meeting held on 0 4 OCT 2024.

CHIEF EXECUTIVE

DIRECTOR

13.1 Operating Fixed Assets

	2024												
	Cost						Depreciation						
Owned Assets	As at July 1, 2023	Additions	Transfer	Disposals	Revaluation surplus	As at June 30, 2024	As at July 1, 2023	For the Year	Transfers	On disposal	As at June 30, 2024	Net book value as at June 30, 2024	Rate of depreciation
Lease hold land	46,470,000	-	-	-	153,530,000	200,000,000	-	-	-	-	-	200,000,000	0%
Factory building	134,325,840	-	-	-	52,716,176	187,042,016	24,759,381	7,015,878	-	-	31,775,259	155,266,756	5%
Plant and machinery	216,057,781	65,173,099	-	-	123,188,746	404,419,627	60,312,515	25,675,746	-	-	85,988,261	318,431,366	10%
Furniture and fixture	3,260,062	-	-	-		3,260,062	1,063,125	219,694	-	-	1,282,819	1,977,243	10%
Office Equipment	3,400,991	40,000	-	-		3,440,991	956,817	266,212	-	-	1,223,029	2,217,962	10%
Computer	2,324,489	1,174,900	-	-		3,499,389	891,581	388,624	-	-	1,280,205	2,219,184	20%
Vehicle	6,049,417	3,248,000	-	(2,035,000)		7,262,417	893,165	1,067,777	-	(117,860)	1,843,082	5,419,335	20%
Rupees	411,888,580	69,635,999	-	(2,035,000)	329,434,921	808,924,501	88,876,583	34,633,931	-	(117,860)	123,392,655	685,531,846	

	2023												
	Cost						Depreciation						
Owned Assets	As at July 1, 2022	Additions	Transfer	Disposals	Revaluation surplus	As at June 30, 2023	As at July 1, 2022	For the Year	Transfers	On disposal	As at June 30, 2023	Net book value as at June 30, 2023	Rate of depreciation
Lease hold land	46,470,000	-	-	-		46,470,000	-	-	-	-	-	46,470,000	0%
Factory building	134,281,146	44,694	-	-		134,325,840	18,992,922	5,766,459	-	-	24,759,381	109,566,459	5%
Plant and machinery	194,754,359	21,303,423	-	-		216,057,781	44,245,720	16,066,795	-	-	60,312,515	155,745,266	10%
Furniture and fixture	3,207,462	52,600	-	-		3,260,062	822,051	241,074	-	-	1,063,125	2,196,937	10%
Office Equipment	2,725,991	675,000	-	-		3,400,991	719,806	237,011	-	-	956,817	2,444,174	10%
Computer	1,755,089	569,400	-	-		2,324,489	629,686	261,895	-	-	891,581	1,432,908	20%
Vehicle	1,966,303	4,083,114	-	-		6,049,417	479,395	413,770	-	-	893,165	5,156,252	20%
Rupees	385,160,349	26,728,231	-	-		411,888,580	65,889,579	22,987,004	-	-	88,876,584	323,011,996	

13.2 Allocation of depreciation

	2024	2023
	Rupees	Rupees
Depreciation - Factory	32,911,318	22,074,328
Depreciation - Admin	1,722,613	912,676
	34,633,931	22,987,004

13.3 Particular of immovable property

Location	Usage of immovable property	Total area
Port Qasim, Karachi	Factory and production plant	2.5 Acre

13.4 The Company had last revalued its land, building and plant and machinery on November 22, 2023. The revaluation exercise was carried out by Oceanic Surveyors (Private) Limited, an independent valuer. The valuer is listed on the approved panel of valuers of Pakistan Banks' Association and Leasing Association of Pakistan. The land was revalued on the basis of current market price whereas buildings and plant and machinery were revalued using the Asset Based Valuation Method. The valuation exercise resulted in a net surplus of Rs.329.434 million as on the date of revaluation.

The incremental value of building and plant & machinery so revalued are being depreciated over the remaining useful lives of these assets at the date of revaluation.

Revaluation surplus amounting to Rs. 329.434 million includes revaluation on land which remains undepreciated as at June 30, 2024.

13.5 In current year, estimated forced sales value of revalued assets was Rs. 522 million.

	Focred sales value
	2024
	Rupees
Lease hold land	170,000,000
Factory building	128,000,000
Plant and machinery	224,000,000
	522,000,000

13.6 Had there been no revaluation, the net book value of the specific classes of property, plant & equipment would have been as follows:

	Net book value	
	2024	2023
	Rupees	Rupees
Lease hold land	46,470,000	46,470,000
Factory building	101,013,026	109,566,459
Plant and machinery	188,056,610	155,745,266
	335,539,636	311,781,725

13.7 **Detail of assets disposed off during the year;**

Description of assets	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (Loss)	Particulars of the buyer	Mode of disposal	Relationship of the buyer with the Company or Director, if any
LED-4492 HONDA CITY ASPIRE	2,035,000	117,860	1,917,140	2,035,000	117,860	Muhammad Asif	Negotiation	Procurement manager