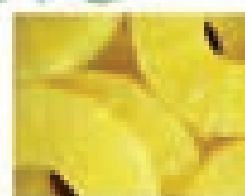
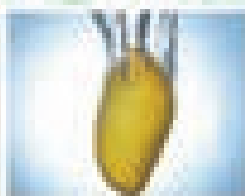




CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE THREE MONTH PERIOD ENDED
30 SEPTEMBER 2015



INGREDIENTS



FOR THE GROWING BRAND

SHAKE
& SIP



Company Information

Board of Directors:

Mr. Muneer Nawaz	Chairman
Mr. Humayun A. Shahnawaz	Chief Executive
Mr. Mahmood Nawaz	
Mr. M. Naeem	
Mr. Rashed Amjad Khalid	
Ms. Manahil Shahnawaz	
Mr. Munaf Ibrahim	(Independent Director)
Mr. Syed Etrat Hussain Rizvi	(N.I.T. Nominee)

Chief Financial Officer & Company Secretary:

Mr. Faisal Ahmad Nisar, FCA

Audit Committee:

Mr. M. Naeem	Chairman
Mr. Muneer Nawaz	Member
Mr. Rashed Amjad Khalid	Member

Human Resource and Remuneration Committee:

Mr. M. Naeem	Chairman
Mr. Muneer Nawaz	Member
Mr. Humayun A. Shahnawaz	Member

Registered Office / Head Office:

56 - Bund Road, Lahore-54500.
Phones: (042) 37466900-04.
Faxes: (042) 37466899 & 37466895.
E-mail: shezan@brain.net.pk

Factories:

- 56 - Bund Road, Lahore - 54500.
Phones: (042) 37466900-04.
Faxes: (042) 37466899 & 37466895.
E-mail: shezan@brain.net.pk
- Plot No. L-9, Block No. 22,
Federal "B", Industrial Area, Karachi-75950.
Phones: (021) 36344722-23.
Fax: (021) 36313790.
E-mail: shezan@cyber.net.pk
- Plot No. 33-34, Phase III,
Hattar Industrial Estate, Hattar.
Phones: (0995) 617158 & 617343.
Fax: (0995) 617342.
E-mail: sil-htr@shezan.com

Website:

www.shezan.com

Auditors:

Ernst & Young Ford Rhodes Sidat Hyder,
Chartered Accountants,
96-B-1, 4th Floor, Pace Mall Building,
M.M. Alam Road, Gulberg II, Lahore.

Share Registrar:

Corp Link (Private) Limited,
Wings Arcade, 1-K, Commercial,
Model Town, Lahore.

Legal Advisors:

Cornelius, Lane & Mufti,
Nawa-e-Waqt Building,
Shahrah-e-Fatima Jinnah, Lahore.

Bankers:

United Bank Limited.
MCB Bank Limited.
National Bank of Pakistan.
The Bank of Khyber.
Bank Al-Habib Limited.
Habib Bank Limited.
Bank Alfalah Limited.
JS Bank Limited.





Directors' Report to the Members

The Board of Directors' takes pleasure in presenting the Condensed Interim Financial Information for the first quarter ended 30 September 2015.

The Company's sales in the first quarter of 2015 amounted to Rs. 1.703 billion, as compared to Rs. 1.910 billion in the corresponding period of the previous year. The growth in sales could not be achieved due to stiff competition and overall decline in beverage sector. Moreover, energy crisis and law and order situation also affected the overall business environment and profit margins. Further increase in the minimum threshold of wages also affected the profit margins. We have incurred huge cost on advertisements and promotional activities and this trend would continue in the coming period due to tough market competition. The business environment has become very competitive and our profits are also affected by high administration and distribution costs. These are the major reasons behind the drop in pre-tax profit to Rs. 77.216 million as compared to Rs. 147.855 million for the corresponding period last year. Earnings per share were Rs. 7.09 per share against Rs. 11.88 per share of the last corresponding quarter.

During the first quarter of the financial year, our export sales showed a continuous downward trend due to sharp decline in the oil and commodity prices during the past few months. Our exports to Africa were mainly affected due to this reason. It will be a big challenge for the Company to regain its market share in that part of the world.

The next quarter falls in our leanest season. In that quarter, we will try to maintain sales of non-seasonal products with aggressive marketing and sales efforts. Due to adverse economic conditions, the next quarter would be challenging and it may be difficult to match the sales and profitability of the second quarter of the last financial year. However, keeping in view the volatile economic conditions we will try to mitigate the adverse economic factors through diversification of products and effective control over input costs.

In closing, we would like to place on record our appreciation for the commitment, devotion and hard work of the officers and workers of all categories.

For and on Behalf of the Board of Directors

Karachi:

22 October 2015.



Muneer Nawaz
Chairman



Condensed Interim Balance Sheet

as at 30 September 2015

	Note	(Un-audited) 30 September 2015	(Audited) 30 June 2015
Rupees in thousand			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,209,991	1,199,334
Long term investment	6	2,181	2,358
Long term deposits and prepayments		5,066	3,561
		1,217,238	1,205,253
CURRENT ASSETS			
Stores and spares		69,646	57,967
Stock in trade		1,375,417	1,453,506
Trade debts		264,111	305,770
Loans and advances		23,314	27,062
Trade deposits and short term prepayments		18,497	15,798
Interest accrued		-	292
Income tax recoverable		234,472	206,677
Cash and bank balances		156,742	143,255
		2,142,199	2,210,327
TOTAL ASSETS		3,359,437	3,415,580
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		79,860	79,860
Reserves		1,254,666	1,254,843
Unappropriated profit		450,075	393,459
TOTAL EQUITY		1,784,601	1,728,162
NON-CURRENT LIABILITIES			
Long term loan - secured	7	180,000	210,000
Deferred taxation		74,498	74,498
		254,498	284,498
CURRENT LIABILITIES			
Trade and other payables		509,156	778,894
Interest accrued on borrowings		13,680	10,677
Current portion of long term loan	7	120,000	90,000
Short term borrowings - secured	8	413,553	280,000
Provision for taxation		263,949	243,349
		1,320,338	1,402,920
TOTAL LIABILITIES		1,574,836	1,687,418
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		3,359,437	3,415,580

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

The Chief Executive is out of Pakistan and in his absence; this condensed interim financial information has been signed by two directors as required under section 241(2) of the Companies Ordinance, 1984.



Director



Director



Condensed Interim Profit and Loss Account (Un-audited)

for the three month period ended 30 September 2015

	Note	30 September	
		2015	2014
		Rupees in thousand	
Sales - net		1,702,726	1,909,639
Cost of sales		1,228,576	1,343,742
Gross profit		474,150	565,897
Distribution cost		291,699	324,028
Administrative expenses		54,342	52,250
Other operating expenses		50,562	46,988
Other income		(14,050)	(16,231)
		382,553	407,035
Operating profit		91,597	158,862
Finance cost		14,381	11,007
Profit before taxation		77,216	147,855
Taxation		20,600	53,000
Net profit for the period		56,616	94,855
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):			
Unrealized loss on remeasurement of investments- available for sale		(177)	(40)
Total comprehensive income		56,439	94,815
			Restated
Earnings per share - basic and diluted (Rupees)	12	7.09	11.88

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

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Director



Director



Condensed Interim Cash Flow Statement (Un-audited)

for the three month period ended 30 September 2015

	30 September	
	2015	2014
	Rupees in thousand	
Cash flow from operating activities:		
Cash generated from operations		
Profit before taxation	77,216	147,855
Adjustments for:		
Depreciation	50,070	41,764
Interest expense	13,680	9,606
Profit on bank deposits	(396)	(704)
Loss on disposal of property, plant and equipment	3,114	3,768
	66,468	54,434
Operating profit before working capital changes	143,684	202,289
(Increase)/decrease in current assets		
Stores and spares	(11,679)	(7,256)
Stock in trade	78,089	(174,914)
Trade debts	41,659	(28,460)
Loans and advances	3,748	1,057
Trade deposits and short term prepayments	(2,699)	(3,805)
	109,118	(213,378)
Increase/(decrease) in current liabilities		
Trade and other payables	(269,738)	(201,482)
Short term borrowings - secured	133,553	281,239
	(136,185)	79,757
Cash generated from operations	116,617	68,668
Interest paid	(10,677)	(5,573)
Profit on bank deposits - received	688	1,220
Income tax paid	(27,795)	(39,762)
Net cash generated from operating activities	78,833	24,553
Cash flow from investing activities		
Purchase of property, plant and equipment	(64,194)	(55,052)
Sale proceeds from disposal of property, plant and equipment	353	1,827
Long term deposits (paid)/ received	(1,505)	860
Net cash used in investing activities	(65,346)	(52,365)
Cash flow from financing activities		
Net cash generated from/ (used in) financing activities	-	-
Net increase/ (decrease) in cash and cash equivalents	13,487	(27,812)
Cash and cash equivalents at the beginning of the period	143,255	153,416
Cash and cash equivalents at the end of the period	156,742	125,604

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

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Director



Director



Condensed Interim Statement of Changes in Equity (Un-audited)

for the three month period ended 30 September 2015

	Capital Reserve			Revenue Reserve			Total
	Share Capital	Merger Reserve	Reserve for Bonus Issue	General Reserve	Unrealized gain/(loss) on remeasurement of Investments-available for sale	Unappropriated Profits	
	Rupees in thousand						
Balance as at 01 July 2014	72,600	5,000	-	1,100,000	(685)	328,341	1,505,256
Profit for the three month period ended 30 September 2014	-	-	-	-	-	94,855	94,855
Other comprehensive income	-	-	-	-	(40)	-	(40)
Total comprehensive income	-	-	-	-	(40)	94,855	94,815
Balance as at 30 September 2014	72,600	5,000	-	1,100,000	(725)	423,196	1,600,071
Transfer to general reserve	-	-	-	150,000	-	(150,000)	-
Dividend @ Rs.10/- per share for the year ended 30 June 2014	-	-	-	-	-	(72,600)	(72,600)
Transfer to reserve for issue of bonus shares	-	-	7,260	-	-	(7,260)	-
Issue of bonus shares @10% for the year ended 30 June 2014	7,260	-	(7,260)	-	-	-	-
Profit for the nine month period ended 30 June 2015	-	-	-	-	-	200,123	200,123
Other comprehensive income	-	-	-	-	568	-	568
Total comprehensive income	-	-	-	-	568	200,123	200,691
Balance as at 30 June 2015	79,860	5,000	-	1,250,000	(157)	393,459	1,728,162
Profit for the three month period ended 30 September 2015	-	-	-	-	-	56,616	56,616
Other comprehensive income	-	-	-	-	(177)	-	(177)
Total comprehensive income	-	-	-	-	(177)	56,616	56,439
Balance as at 30 September 2015	79,860	5,000	-	1,250,000	(334)	450,075	1,784,601

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

The Chief Executive is out of Pakistan and in his absence; this condensed interim financial information has been signed by two directors as required under section 241(2) of the Companies Ordinance, 1984.


Director


Director



Notes to the Condensed Interim Financial Information (Un-audited) for the three month period ended 30 September 2015

1. The Company and its operations

The Company is a Public Limited Company incorporated in Pakistan and is listed on Lahore and Karachi Stock Exchanges. The registered office of the Company is situated at 56 - Bund Road, Lahore, Pakistan. It is engaged in the manufacturing, trading and sale of juices, pickles, jams, ketchups etc., based upon or derived from fresh fruits and vegetables.

2. Statement of compliance and basis of preparation

2.1 This condensed interim financial information of the Company for the three month period ended 30 September 2015 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, as applicable in Pakistan.

2.2 This condensed interim financial information does not include all the information and the disclosures required in the annual audited financial statements and should be read in conjunction with annual audited financial statements of the Company for the year ended 30 June 2015.

2.3 This condensed interim financial information is un-audited.

3. Significant accounting judgments, estimates, assumptions and policies

The significant accounting judgments, estimates, assumptions and accounting policies adopted and applied by the Company for the preparation of this interim condensed financial information are the same as were adopted and applied in the preparation of the preceding annual audited financial statements for the year ended 30 June 2015.

4. Taxation, workers' welfare fund and workers' profit participation fund

Provisions in respect of Workers' Welfare Fund, Workers' Profit Participation Fund and Taxation are estimated and these are subject to final adjustments in the annual audited financial statements.

5. Property, plant and equipment

The additions / (deletions) at cost, made during the three month period ended 30 September 2015 are as follows:

	Additions Rupees in thousand	Deletions Rupees in thousand
Owned assets		
Plant and machinery	4,310	-
Electric equipment	6,471	-
Computers and accessories	102	-
Empty bottles, shells, pallets and barrels	51,475	(8,561)
Total	62,358	(8,561)
Capital work in progress		
Buildings	1,836	-
Total	1,836	-



Notes to the Condensed Interim Financial Information (Un-audited) for the three month period ended 30 September 2015

6. Long term investment available for sale

	Note	(Un-audited) 30 September 2015 Rupees in thousand	(Audited) 30 June 2015
Quoted Modaraba			
BRR Guardian Modaraba - Credit rating 'A' 305,000 (30 June 2015: 305,000) certificates of Rs. 10/- each	6.1	2,375	2,375
Loss on remeasurement		(194)	(17)
		2,181	2,358

6.1 The above investment represents 0.39% (30 June 2015: 0.39%) of the issued certificate capital of the Modaraba.

7. Long term loan - secured

	Note	(Un-audited) 30 September 2015 Rupees in thousand	(Audited) 30 June 2015
Long term loan	7.1	300,000	300,000
Less: current portion		(120,000)	(90,000)
		180,000	210,000

7.1 During last year, the Company had acquired a long term loan from a commercial bank amounting to Rs. (thousand) 300,000 which is payable in 10 equal quarterly installments with a grace period of six months. The rate of mark-up / interest is 3 months KIBOR + 0.30% payable quarterly. The facility is secured against first exclusive registered charge on Plant and Machinery up to Rs. (thousand) 430,000.

8. Short term borrowings - secured

The aggregate short term borrowings available from commercial banks under the mark-up arrangement are Rs. (thousand) 1,175,000 (30 June 2015: Rs. (thousand) 1,175,000).

The rate of mark-up on short term borrowings was 1 month KIBOR / 3 months KIBOR + 0.25% (30 June 2015: 1 month KIBOR / 3 months KIBOR + 0.25% to 1 month KIBOR / 3 months KIBOR + 0.50%), payable quarterly.

The facilities are secured against first registered joint pari passu hypothecation and ranking charge on current assets of the Company up to Rs. (thousand) 1,215,000 (30 June 2015: Rs. (thousand) 1,215,000) and Rs. (thousand) 514,000 (30 June 2015: Rs. (thousand) 514,000) respectively.

The un-utilized facility for opening letters of credit and for guarantees as at 30 September 2015 amounts to Rs. (thousand) 223,950 (30 June 2015: Rs. (thousand) 226,681) and Rs. (thousand) 83,492 (30 June 2015: Rs. (thousand) 84,144), respectively.



Notes to the Condensed Interim Financial Information (Un-audited) for the three month period ended 30 September 2015

9. Contingencies and commitments

a) Contingencies

- i) There has been no change in the status of the contingencies reported in the annual audited financial statements for the year ended 30 June 2015.

b) Commitments

- i) Commitments in respect of letter of credit established for the import of raw and packing materials amounts to Rs. (thousand) 26,050 (30 June 2015: Rs. (thousand) 23,319).
- ii) Counter guarantees in favour of banks in the ordinary course of business amounted to Rs. (thousand) 26,508 (30 June 2015: Rs. (thousand) 25,856).

10. Transactions with related parties

The related parties and associated undertakings comprise related group companies, associates, staff provident fund, directors and key management personnel. Details of transactions with them are as follows:

	Three month period ended 30 September 2015	Three month period ended 30 September 2014
	Rupees in thousand	
Transactions during the period		
Associated undertakings		
Purchases of raw materials	195,065	191,207
Sales of finished goods	180	372
Royalty charged	19,120	17,759
Purchases/repairs of electric equipment/vehicles	40	69
Services received	171	171
Remuneration and benefits of Directors, Chief Executive Officer and key management personnel	16,100	11,871
Contributions to staff provident fund	1,146	1,064
	(Un-audited) 30 September 2015	(Audited) 30 June 2015
	Rupees in thousand	
Period / year end balances		
Due to associated undertakings	66,678	123,701
Due from related parties	15	48
Due to provident fund	749	772

11. Segmental analysis

The Company's activities are broadly categorized into two primary business segments namely Juice Drinks activities and Other Operating activities.

Juice drinks activities

Juice drinks activities include bottled as well as juices in tetra pak packings.



Notes to the Condensed Interim Financial Information (Un-audited) for the three month period ended 30 September 2015

Other operating activities

Other operating activities include pickles, ketchup, sauces, jams etc.

Segment analysis of profit and loss account for the three month period ended 30 September 2015:

	Juices and Drinks	Others Rupees in thousand	Total
Sales - net	1,483,199	219,527	1,702,726
Cost of sales	1,042,035	186,541	1,228,576
Gross profit	441,164	32,986	474,150
Unallocated expenses			
Corporate expenses			(346,041)
Finance cost			(14,381)
Other operating expenses			(50,562)
Other income			14,050
Taxation			(20,600)
Profit after taxation			56,616

Segment analysis of assets and liabilities as at 30 September 2015:

	Juices and Drinks	Others Rupees in thousand	Total
Segment assets	2,360,251	529,142	2,889,393
Unallocated assets			470,044
Total			3,359,437
Segment liabilities	544,750	194,018	738,768
Unallocated liabilities			836,068
Total			1,574,836

Segment analysis of profit and loss account for the three month period ended 30 September 2014:

	Juices and Drinks	Others Rupees in thousand	Total
Sales - net	1,623,719	285,920	1,909,639
Cost of sales	1,117,961	225,781	1,343,742
Gross profit	505,758	60,139	565,897
Unallocated expenses			
Corporate expenses			(376,278)
Finance cost			(11,007)
Other operating expenses			(46,988)
Other operating income			16,231
Taxation			(53,000)
Profit after taxation			94,855



Notes to the Condensed Interim Financial Information (Un-audited) for the three month period ended 30 September 2015

Segment analysis of assets and liabilities as at 30 June 2015:

	Juices and Drinks	Others Rupees in thousand	Total
Segment assets	2,501,386	497,343	2,998,729
Unallocated assets			416,851
Total			3,415,580
Segment liabilities	756,131	241,668	997,799
Unallocated liabilities			689,619
Total			1,687,418

12. Earnings per share - basic and diluted

	Three month period ended 30 September 2015 Rupees in thousand	Three month period ended 30 September 2014 Rupees in thousand
Profit after taxation attributable to ordinary shareholders	56,616	94,855
Weighted average number of ordinary shares at the end of the period (in thousand)	7,986	7,986
Earnings per share - Basic (Rupees)	7.09	11.88

12.1 No fully diluted earnings per share has been disclosed as the Company has not issued an instrument which would have an impact on earnings per share, when exercised.

13. Non transfer of bonus shares to individual shareholders

During the last financial year, the Company had issued 726,000 bonus shares @ 10% of its paid-up capital as on book closure date of 23 October 2014. In accordance with the provisions of section 230M of Income Tax Ordinance, 2001, the Company was required to collect tax from its shareholders @5% on the value of bonus shares determined on the basis of end price of the first date of book closure.

However, a number of shareholders of the Company have filed a suit against the Federation of Pakistan, competent authorities and the Company before the Single Bench of Honorable Sindh High Court, challenging the levy of tax under the above referred section which was decided against the shareholders. Subsequently, the said decision has been challenged before the Divisional Bench of Honorable Sindh High Court, which has suspended the original decision and directed the Company to retain 5% of the bonus shares issued to the plaintiff shareholders for disposal and treatment as the Court may deem appropriate at any subsequent time. Accordingly, the Company has retained 5% of the bonus shares issued to plaintiff shareholders.

14. Date of authorization for issue

This condensed interim financial information was authorized for issue by the Board of Directors on 22 October 2015.

15. Appropriations

The Board of Directors have proposed a final dividend of Rs. 11/- per share, amounting to Rs. (thousand) 87,846 for the year ended 30 June 2015 (2014: Rs. (thousand) 72,600) along with transfer to general reserve amounting to Rs. (thousand) 200,000 (2014: Rs. (thousand) 150,000) at their meeting held on 29 September 2015 for approval of the members at the Annual General Meeting to be held on 30 October 2015.

The Chief Executive is out of Pakistan and in his absence; this condensed interim financial information has been signed by two directors as required under section 241(2) of the Companies Ordinance, 1984.



Director



Director



FLAVORS
& FUN



