



**ANNUAL REPORT**  
**2017**

# VISION

To be known as leader of quality products in the region.

Dedication to quality is a way of life at our Company, so much so that it goes far beyond rhetorical slogans. It is the objective of Shezan International Limited to produce and provide products and services of the highest quality. In its activities the Company will pursue goals aimed at the achievement of quality excellence and succeed as a profitable business. These results will be derived from the dedicated efforts of each employee in conjunction with supportive participation from management at all levels of the Company.

To play its role in the economic development of the country and to enhance quality of life of its people.

# MISSION

Our mission is to provide the highest quality fruit and vegetable related juices and products to retail and food service customers.

We want to be the recognized industry leader in quality and service, providing more than expected for our customers, employees and stakeholders.

We will accomplish this by maintaining a tradition of pride in our products, growth through innovation, integrity in the management of our business, commitment to Team Management and the Quality Improvement Process.





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# Full of Fruit, Naturally Good

Jam, Jelly &  
Marmalade



حلال  
HALAL

# 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	
Mrs. Manahil Shahnawaz	
Mr. Saifi Chaudhry	(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
Mr. Saifi Chaudhry	Member

## Human Resource & Remuneration Committee:

Mr. Muneer Nawaz	Chairman
Mr. M. Naeem	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:

EY Ford Rhodes,  
 Chartered Accountants,  
 96-B-1, 4<sup>th</sup> Floor, Pace Mall Building,  
 M. M. Alam Road, Gulberg II, Lahore.

## Share Registrar:

Corplink (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.







# The Taste that Lasts!

New Easy Peel Cap



حَلَال  
HALAL

An ISO 9001, ISO 22000 & HACCP Certified Company

# NOTICE OF MEETING

The 54<sup>th</sup> Annual General Meeting of the Company will be held on 27 October 2017 at 11:00 a.m. at Avari Hotel, 87-Shahrah-e-Quaid-e-Azam, Lahore, to transact the following businesses:

## ORDINARY BUSINESS

1. To confirm the minutes of the Extraordinary General Meeting of the Company held on 21 June 2017.
2. To receive and adopt the Audited Financial Statements of the Company for the year ended 30 June 2017 together with the Directors' and Independent Auditor's Report thereon.
3. To consider and, if thought fit, approve the cash dividend @ Rs. 13.50/- per share, i.e., 135%, as recommended by the Board of Directors, for the year ended 30 June 2017.
4. To appoint External Auditors of the Company for the financial year ending 2017-18 and to fix their remuneration.

## SPECIAL BUSINESS

5. To consider, and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT the transactions carried out by the Company in the normal course of business with related parties for the period from April 01, 2017 to June 30, 2017 be and hereby ratified, approved and confirmed."

"FURTHER RESOLVED THAT the Chief Executive Officer of the Company be and is hereby authorized to approve all the transactions carried out and to be carried out in the normal course of business with related parties till the next Annual General Meeting of the Company and in this connection the Chief Executive Officer of the Company be and is hereby authorized to take any and all necessary actions and sign/execute any and all such documents/indentures as may be required in this regard on behalf of the Company."

## ANY OTHER BUSINESS

6. To transact any other business with the permission of the Chair.

## STATEMENT OF MATERIAL FACTS

Under section 134(3) of the Companies Act, 2017

A Statement required under this section relating to Special Business of agenda items No. 5 is appended to the Notice of this Meeting being sent to the shareholders of the Company by post.

By Order of the Board



**Faisal Ahmad Nisar**  
Company Secretary

Karachi:  
26 September 2017.

## NOTICE OF MEETING

### Notes:

1. The share transfer books of the Company will be closed from October 21, 2017 to October 27, 2017 (both days inclusive), for determining the entitlement of dividend.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf. Form of proxies, in order to be valid, must be received at the Registered Office of the Company, Shezan International Limited, 56 Bund Road, Lahore, not less than 48 hours before the meeting.
3. No person shall act as proxy unless he/she is a member of the Company, except that a corporation may appoint a person who is not a Member.
4. Signature of the shareholder on proxy form must agree with the specimen signature registered with the Company. For the convenience of the shareholders, a proxy form is attached with this annual report.
5. Shareholders are requested to immediately notify the Company of any change in their address to our Share Registrar, M/s. Corplink (Private) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore and email: corplink786@gmail.com.
6. CDC Account Holders will further have to follow the under mentioned guidelines as laid down by the Securities & Exchange Commission of Pakistan.

### (A) For attending the meeting:

- i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate identity by showing their original National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii. In case of corporate entity, the Board of Directors' Resolution/Power of Attorney with specimen signature of the nominee shall be produced (unless, it has been provided earlier) at the time of attending the meeting.

### (B) For appointing proxies:

- i. In case of individuals, the account holder or sub-account holder and/or the persons whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- ii. Attested copies of CNIC or the Passport of the beneficial owners and the proxy shall be furnished with the Proxy Form.

- iii. The proxy shall produce his/her original CNIC or Passport at the time of the meeting.
- iv. In case of Corporate entity, the Board of Directors' Resolution/ Power of Attorney with Specimen signature of the person nominated to present any vote on behalf of corporate entity, shall be submitted (unless, it has been provided earlier) along with the Proxy Form to the Company.
7. Pursuant to the provisions of the Finance Act, 2017 with regards to deduction of income tax for cash dividend, the rates of deduction of the income tax, under section 150 of the Income Tax Ordinance, 2001 are as follows:
  - i. Rate of tax deduction for filer of income tax returns 15 %
  - ii. Rate of tax deduction for non-filer of income tax returns 20 %

All the shareholders whose names are not entered into the Active Taxpayers List (ATL) provided on the website of the Federal Board of Revenue (FBR), despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date of issuance of dividend warrants, otherwise tax on their dividend will be deducted @ 20% instead of 15%. As per FBR's clarification, the valid Exemption Certificate under Section 159 of the Income Tax Ordinance, 2001 is mandatory to claim exemption of withholding tax under Clause 47B of Part-IV of Second Schedule to the Ordinance. Those who fall in the category mentioned in above clause must provide valid Income Tax Exemption Certificate to our Share Registrar; otherwise income tax will be deducted on dividend amount as per rates prescribed in Section 150 of the Ordinance

In case of joint account, each account holder is to be treated individually as either a filer or a non-filer and income tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing as follows, to the Company by sending following details on the registered address of the Company and the members who have deposited their shares into Central Depository Company of Pakistan Limited (CDC) are requested to send a copy of detail regarding income tax payment status also to the relevant member of stock exchange and CDC, if maintaining CDC investor account, or if no notification, each joint holder shall be assumed to have equal number of shares.



Company Name	Folio / CDS Account No.	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC No.	Shareholding Proportion (No. of Shares)	Name and CNIC No.	Shareholding Proportion (No. of Shares)

The CNIC number / NTN detail is now mandatory and is required for checking the income tax status as per the Active Taxpayers List (ATL) issued by the Federal Board of Revenue (FBR) from time to time.

8. In order to comply with the requirement of Securities & Exchange Commission of Pakistan (SECP) SRO 19(I) / 2014 dated 10 January 2014 & SRO 275(I) / 2016 dated 31 March 2016, those Shareholders who have not yet submitted attested copy of their valid CNIC, are once again requested to provide the same with their folio number to the Company Share Registrar.
9. In accordance with the provisions of Section 242 of the Companies Act, 2017 and Circular No. 18/2017, a listed company, is required to pay cash dividend to the shareholders ONLY through electronic mode directly into the bank account designated by the entitled shareholders. In compliance with the said law, in order to receive your future dividends directly in your Bank account, you are required to provide the information mentioned on the Form placed on the Company's website [www.shezan.com](http://www.shezan.com) and send the same to your brokers/the Central Depository Company. if the shares are held in the electronic form or to the Company's Share Registrar if the shares are held in paper certificate form. The Company's Share Registrar address is: M/s. Corplink (Private) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore and email: [corplink786@gmail.com](mailto:corplink786@gmail.com).
10. The audited financial statements of the Company for the year ended 30 June 2017 have been made available on the Company's website ([www.shezan.com](http://www.shezan.com)) in addition to annual and quarterly financial statements for the current and prior periods.

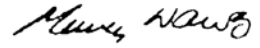
## REVIEW REPORT BY THE CHAIRMAN

As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of Shezan International is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and bench marked against expectations in the context of the objective set for the Company.

For the financial year ended 30 June 2017, the Board's overall performance and effectiveness has been assessed as satisfactory. Improvement is an ongoing process leading to action plans. The overall assessment as satisfactory is based on an evaluation of integral components, monitoring the organization's business activities; monitoring financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's business.

The Board of Directors of your company received agenda and supporting written material including follow-up material in sufficient time prior to the Board and its committee meetings. The Board meets frequently enough to adequately discharge its responsibilities. The non-executive and independent directors are equally involved in important decisions.

Karachi:  
26 September 2017.



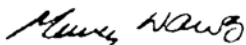
**Muneer Nawaz**  
Chairman

### چیئر مین جائزہ رپورٹ

کارپوریٹ گورننس کے کوڈ کے تحت بورڈ آف ڈائریکٹرز شیزان انٹرنیشنل لمیٹڈ کی سالانہ کارکردگی کا جائزہ لیا گیا۔ اس جائزہ کا مقصد بورڈ کی مجموعی کارکردگی اور افادیت کو یقینی بنانا اور کمپنی کے وضع کردہ مقاصد کے حصول کے مطابق ڈھالنا ہے۔

30 جون 2017ء میں بورڈ کی مجموعی کارکردگی اطمینان بخش رہی۔ بہتری ایک جاری رہنے والا عمل ہے جو کہ عملی منصوبوں کے لئے نہایت ضروری ہے۔ بورڈ کی مجموعی اطمینان بخش کارکردگی کی بنیاد میں کچھ لازمی اجزاء کا جائزہ شامل ہے جن میں کاروبار کی تنظیمی کاروائیوں کی نگرانی، مالی وسائل کی نگرانی اور تمام ملازمین سے مساویانہ سلوک شامل ہیں۔

کمپنی کے بورڈ ممبران کو کمپنی کے ہونے والے تمام اجلاس سے قبل از مقررہ وقت تمام تحریری مواد موصول ہوا۔ اپنی ذمہ داریوں کے حصول کے لئے بورڈ نے متعدد اجلاس منعقد کئے۔ غیر انتظامی اور غیر جانبدار ڈائریکٹرز بھی تمام اہم فیصلوں میں برابر کے شریک رہے۔



منیر نواز  
(چیئر مین)

کراچی:

26 ستمبر 2017ء۔



# DIRECTORS' REPORT

## TO THE MEMBERS

**On behalf of the Board of Directors, we are pleased to present you the Audited Financial Statements of the Company for the year ended 30 June 2017.**

### ECONOMIC OVERVIEW

Economy of Pakistan has continued the growth momentum as the GDP growth reached to 5.28 percent in 2016-17 which is the highest in 10 years, on the back of robust growth in agriculture which registered a growth of 3.46 percent against the growth of 0.27 percent last year. Industrial sector witnessed the growth of 5.02 percent against 5.80 percent last year, large scale manufacturing posted growth of 4.61 percent against 3.29 percent last year.

Keeping in view the macroeconomic stability, SBP kept the policy rate at 5.75 percent in May 2016 and maintained the same in the subsequent monetary policy decisions, which is the lowest rate since early 1970s. This was particularly helpful for private sector credit expansion. The Credit to Private Sector (CPS) witnessed growth of 65 percent during fiscal year 2017. This credit expansion is instrumental in bolstering further productivity growth in the manufacturing sector.

Given these positive developments, the broad based growth is expected to continue. The country's outlook is brightened and looks promising on the back of agricultural recovery, rebound in industrial activities and inflow of investment under China Pakistan Economic Corridor (CPEC). The CPEC will not only further develop Pakistan but also strengthen human ties across both sides of the border. Along the CPEC route, new industrial zones will open opportunities for investment, particularly for small and medium sized auxiliary businesses. Joint ventures between Pakistan and Chinese corporations should promote strategic development and mutual assistance. China is rapidly technologically advancing and therefore business collaboration should bring this know how on our door steps. CPEC is not only a short term economic growth booster, but its impact is far reaching and will trickle down in future. The development of infrastructure, energy and communication will provide much needed impetus to the growth of capital formation, productivity growth and employment.

### BUSINESS OVERVIEW

During the year, the Company concentrated on focusing leadership. In light of resurgent competition, the Company concentrated on fortifying its core competencies i.e. product quality, communication and distribution channel. These efforts resulted towards robust top line and bottom line growth. We grew our volumes by providing quality products and timely delivery to our customers across the country. We have increased our focus on customer relationships and provided them complete range of our products. Customer satisfaction is our main deliverable and we make things happen through active participation of all our business factions including our sales proficiency together with technical and market penetration. We continue our efforts

to create customized products and to become a customer's choice in today's competitive world. We believe in our abilities to respond to ever changing customer requirements and are fully committed to our core values. We are proud of our commitment to excel in safety, product quality excellence to our customers for winning their confidence.

We successfully expanded our penetration in key markets by reducing distribution gaps and tapping potential market segments bringing us closer to achieving our goals. Our domestic sales have shown growth trend during the year. We capitalized on different consumer segments and adopted a channel based approach through wholesale, retail sale and general trade by exploring different new avenues.

During the year, our overall export sales showed an upward trend despite economic slowdown in international markets and stiff competition from the other players. We are aligning our capabilities to expand business in the international markets. The Company is continuously engaged in exploring new possibilities and drive excellence in export markets. Our strategy roams around focusing on innovation, expanding product portfolio, improving quality to sustain growth.

### OPERATIONAL PERFORMANCE

Summarized operating performance of the company for the year was as follows:

Particulars	2017	2016	Increase/ (Decrease)
	Rupees in thousand		%age
Sales	<b>7,159,015</b>	6,816,540	<b>5.02%</b>
Cost of sales	<b>5,083,750</b>	4,931,776	<b>3.08%</b>
Gross profit	<b>2,075,265</b>	1,884,764	<b>10.11%</b>
Expenses	<b>1,715,224</b>	1,680,969	<b>2.04%</b>
Finance costs	<b>36,419</b>	52,178	<b>(30.20%)</b>
Other income	<b>38,321</b>	51,859	<b>(26.11%)</b>
Profit before taxation	<b>361,943</b>	203,476	<b>77.88%</b>
Net profit after taxation	<b>259,318</b>	194,286	<b>33.47%</b>
Earnings per share (Rs.)	<b>32.47</b>	24.33	<b>33.47%</b>

We are pleased to pronounce our strong profitability growth despite all difficult circumstances and intense competition. The business portrayed encouraging results with 33.47% growth in net profit after tax and posted 5.02% growth in net sales. The 30.20% decrease in finance cost was due to efficient use of borrowed capital and low markup rates.

## APPROPRIATIONS

Keeping in view the encouraging financial results, the Board of Directors has pleasure in proposing a cash dividend of 135%, i.e., Rs. 13.50/- per share. Further, the Board has also recommended appropriation of Rs. (thousand) 200,000 from unappropriated profits to General Reserve.

## CONTRIBUTION TO NATIONAL EXCHEQUER

During the year, the contribution to national exchequer has increased and the Company paid Rs. 1.575 billion to the government on account of different levies, including sales tax, excise duty and income tax, reflecting our participation in the national economy.

## FUTURE PROSPECTS

Due to the prevailing economic policies, a stable macro-economic environment, with the development of the CPEC, the Company aims to capitalize favorable market conditions through customer engagement and new business development initiatives. We will continue to focus on cost optimization and improve process efficiencies to ensure business sustainability and will deliver consistent growth results in the coming years.

## FINANCIAL AND CORPORATE REPORTING FRAME WORK

The Directors are pleased to state that the Company is complying with the provisions of the Code of Corporate Governance as required by Securities and Exchange Commission of Pakistan (SECP).

- The financial statements prepared by the management of the Company present its state of affairs fairly, the results of its operations, cash flows and changes in equity.
- The Company has maintained proper books of accounts.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International reporting standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no doubts on the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- Summary of key operational and financial data for the last six years annexed in this annual report.
- Information about taxes and levies is given in the notes to and forming part of financial statements.
- Fair value of investments of provident fund as at 30 June 2017 was Rs. 180.803 million.
- During the year, four Board of Directors meetings were held. Attendance of these meetings was as follows:

Name of Directors	No. of Meetings Attended
Mr. Muneer Nawaz	4
Mr. Mahmood Nawaz	3
Mr. M. Naeem	-
Mr. Rashed Amjad Khalid	2
Mrs. Manahil Shahnawaz	2
Mr. Humayun A. Shahnawaz	4
Mr. Saifi Chaudhry	3
Mr. Etrat Hussain Rizvi	3

Leave of absence was granted to the Directors, who could not attend the board meetings.

During the year, Mr. Munaf Ibrahim (an independent director) resigned from our Board and in his place; the Board co-opted Mr. Saifi Chaudhry as an independent director of the Company. We appreciate the contribution made by Mr. Munaf Ibrahim during his tenure and welcome Mr. Saifi Chaudhry on our Board.

- Pattern of Shareholdings as on 30 June 2017 and its disclosure according to the requirement of Code of Corporate Governance is annexed to this report.
- The Directors, Chief Executive, Chief Financial Officer, Company Secretary and their spouses and minor children shareholding and change therein during the year is disclosed in "Categories of Shareholders".

## RELATED PARTY TRANSACTIONS

The Directors confirm the following regarding related party transactions:

That the transactions undertaken with related parties during the nine month period ended 31 March 2017 have been ratified by the Audit Committee, recommended by the Board of Directors and finally approved by the Shareholders in the EOGM held in June 2017. The transactions with related parties for the fourth quarter ended 30 June 2017 have been ratified by the Audit Committee and recommended by the Board of Directors for consideration and approval by the Shareholders in the upcoming AGM.

- That the amounts or appropriate proportions of outstanding, items pertaining to related parties and receivables/payables from the related parties as on 30 June 2017:

Name of Related Party	Rupees in thousand	
	Payable	Receivable
Shezan Services (Private) Limited	57,430	Nil
Shahnawaz (Private) Limited	81	1
Shahtaj Sugar Mills Limited	Nil	173,032
Shahtaj Textile Mills Limited	Nil	1

- There is no other material information pertaining to related party transactions, which is necessary for an understanding of financial statements.



## AUDIT COMMITTEE

The Audit Committee met four times during the year under review. These meetings were held prior to the approval of interim results of the Company by the Board of Directors and after completion of external audit. Attendance by each director was as follows:

Name of Directors	No. of Meetings Attended
Mr. Muneer Nawaz	4
Mr. M. Naeem	3
Mr. Rashed Amjad Khalid	2
Mr. Saifi Chaudhry	4

Leave of absence was granted to the Directors, who could not attend the Audit Committee meetings.

## HUMAN RESOURCE COMMITTEE

During the year two meetings of the Human Resource & Remuneration Committee were held. Attendance by each director was as follows:

Name of Directors	No. of Meetings Attended
Mr. Muneer Nawaz	2
Mr. M. Naeem	2
Mr. Humayun A. Shahnawaz	1

Leave of absence was granted to the Director, who could not attend the Human Resource Committee meeting.

## EVALUATION OF THE BOARD'S PERFORMANCE

The Board has developed a mechanism of annual performance evaluation. Every member of the board ensures his active participation in the meetings of the Board. Detailed discussions are held on strategic matters and clear directions are provided to the management, which are regularly monitored by the board and its committees. The Board ensures that the Company adopts the best practices of the Code of Corporate Governance. The Board also reviews performance of business segments at each quarter with an aim to improve the low performing segments and at the same time further opportunities of growth are emphasized in all profitable segments. Details of Directors' training programme have been disclosed in the Statement of Compliance with the Code of Corporate Governance.

## ELECTION OF DIRECTORS

During the year, fresh election of Directors of the Company was conducted on 21 June 2017 in pursuance of the requirements of listing regulations of the Stock Exchanges and the new Board has been elected for the next term of three years effective 28 June 2017.

Mr. Muneer Nawaz has been re-appointed as the Chairman of the Board of Directors and Mr. Humayun A. Shahnawaz

has also been re-appointed as the Chief Executive Officer of the Company for the next term of three years in the Board of Directors' meeting held on 05 July 2017.

A statement under section 134(3) of the Companies Act, 2017 regarding payment of remuneration of the Chief Executive and full time working Director as approved by the Board and shareholders has already been circulated to all the shareholders of the Company.

The Chief Executive and Executive Director being the Directors of the company are interested in this matter to the extent of the remuneration payable to them.

## EXTERNAL AUDITORS

Messrs. EY Ford Rhodes, Chartered Accountants have completed their assignment for the year 2016-17 and will retire at the conclusion of the 54th Annual General Meeting. Being eligible, they have offered themselves for re-appointment. The Board of Directors, on recommendations of the Audit Committee, proposes the appointment of Messrs. EY Ford Rhodes, Chartered Accountants, for the year ending 30 June 2018.

## STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES ON TRANSFER PRICING

The Company has fully complied with the best practices on transfer pricing as contained in the listing regulations of the stock exchanges.

## CORPORATE SOCIAL RESPONSIBILITIES

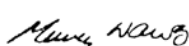
Disclosure as required by the Corporate Social Responsibility General Order, 2009 is annexed and form integral part of this report.

## ACKNOWLEDGEMENT

We, for and on behalf of Directors, would like to take this opportunity to express appreciation of the commitment, loyalty and dedication of our workforce.

Further we would like to acknowledge the professional support and cooperation received from our esteemed customers, vendors, bankers, equity holders and other stakeholders.

For and on behalf of the Board



**Muneer Nawaz**  
Chairman



**Humayun A. Shahnawaz**  
Chief Executive

Karachi  
26 September 2017.

## بورڈ کی کارکردگی اور ڈائریکٹرز کے تربیتی پروگرام:

قیمتوں کی منتقلی (Transfer Pricing) کے بہترین طریقوں کا بیان: کمپنی نے قیمتوں کی منتقلی کے بہترین طریقوں، جو کہ پاکستان اسٹاک ایکسچینج کی لسٹنگ کے ضابطوں میں درج ہیں، پر مکمل عملدرآمد کیا ہے۔

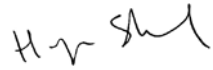
## کارپوریٹ سماجی ذمہ داریاں:

کارپوریٹ سماجی ذمہ داریوں کے متعلق بیان، جنرل آرڈر 2009ء کے تحت اس رپورٹ کا لازمی حصہ بنایا گیا ہے۔

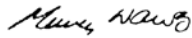
## اظہار تشکر:

ہم بورڈ آف ڈائریکٹرز کی جانب سے اپنے ادارے کی تمام ملازمین کے لگن، وفاداری اور عزم کی تعریف کرتے ہیں۔

مزید برآں ہم پیشہ ورانہ سرپرستی اور تعاون کا بھی شکریہ ادا کرنا چاہیں گے جو ہمیں تمام صارفین، ویبڈرز، حصص داران اور اسٹیک ہولڈرز کی جانب سے ملا۔



ہمایوں اے شاہنواز  
چیف ایگزیکٹو



منیر نواز  
چیئر مین  
کراچی  
26 ستمبر 2017ء

بورڈ نے اپنی سالانہ کارکردگی پر نظر ثانی کا ایک طریقہ کار وضع کیا ہے۔ بورڈ کا ہر رکن بورڈ کے اجلاس میں فعال شرکت کو یقینی بناتا ہے۔ اسٹیٹجک امور پر تفصیلی بات چیت کی جاتی ہے اور مینجمنٹ کو واضح ہدایات دی جاتی ہیں، جن پر عملدرآمد کی نگرانی بورڈ اور اسکی متعین کردہ کمیٹیاں کرتی ہیں۔ بورڈ اس چیز کو یقینی بناتا ہے کہ کارپوریٹ گورننس کے کوڈ پر مکمل عملدرآمد ہو۔ بورڈ ہر سہ ماہی کے بعد کاروبار کے مختلف پہلوؤں کی کارکردگی پر نظر ثانی کرتا ہے تاکہ کم کارکردگی والے پہلوؤں کی کارکردگی کو بہتر بنایا جاسکے اور ساتھ ساتھ منافع بخش حصوں کی کارکردگی کو اور بہتر بنانے کیلئے مواقع تلاش کئے جائیں۔ ڈائریکٹرز کے تربیتی پروگرام کی تفصیلات کارپوریٹ گورننس کے کوڈ کے بیان میں بتادی گئی ہیں۔

## ڈائریکٹرز کا انتخاب:

سال کے دوران اسٹاک ایکسچینج کے قوانین کے مطابق 21 جون 2017ء کو ڈائریکٹرز کا انتخاب کیا گیا۔ جس کے نتیجے میں 28 جون 2017ء سے اگلے تین سال کے لئے ڈائریکٹر منتخب ہو گئے۔

محترم منیر نواز کو دوبارہ بورڈ آف ڈائریکٹرز کا چیئر مین منتخب کیا گیا جبکہ 5 جولائی 2017ء کو بورڈ آف ڈائریکٹرز نے محترم ہمایوں اے شاہنواز کو بھی اگلے تین سال کے لئے چیف ایگزیکٹو مقرر کر لیا۔

کمپنیز ایکٹ کی شق (3) 134 کے مطابق چیف ایگزیکٹو اور تمام کل وقتی ڈائریکٹران کو کی جانے والی ادائیگیوں کے بارے میں جو کہ بورڈ اور حصص داران سے منظور شدہ ہیں، کمپنی کے تمام حصص داران کو پہلے ہی آگاہ کر دیا گیا ہے۔

اس بات میں چیف ایگزیکٹو اور ایگزیکٹو ڈائریکٹر بطور کمپنی کے ڈائریکٹران خود کو کی جانے والی ادائیگیوں کی حد تک ہی دلچسپی رکھتے ہیں۔

## بیرونی آڈیٹرز:

بیرونی آڈیٹرز میسرز ای وائے فورڈ رھوڈز، چارٹرڈ اکاؤنٹنٹس، جو کہ کمپنی کے 54 ویں سالانہ اجلاس عام کے اختتام پر ریٹائر ہو رہے ہیں، نے اپنی اہمیت کی بنیاد پر دوبارہ تقرری کے لئے خود کو پیش کیا ہے اور بورڈ کی آڈٹ کمیٹی نے سال 30 جون 2018ء کے لئے ان کی دوبارہ تقرری کی سفارش کی ہے۔



(روپے "ہزاروں" میں)		متعلقہ پارٹی کا نام:
قابل وصول رقم	قابل ادا رقم	
-	57,430	شیران سروسز (پرائیویٹ) لمیٹڈ
1	81	شاہ نواز (پرائیویٹ) لمیٹڈ
173,032	-	شاہ تاج شوگر ملز لمیٹڈ
1	-	شاہ تاج ٹیکسٹائل ملز لمیٹڈ

2- متعلقہ پارٹیوں سے لین دین سے متعلق کوئی اور ایسی اہم معلومات نہیں ہیں جو کہ مالیاتی گوشواروں کو سمجھنے کیلئے ضروری ہوں۔

### آڈٹ کمیٹی:

اس سال کے دوران آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے۔ یہ اجلاس کمپنی کے عبوری نتائج کی بورڈ آف ڈائریکٹرز سے منظوری سے پہلے اور بیرونی آڈٹ سے قبل اور بعد میں منعقد ہوئے۔

ڈائریکٹر کا نام	اجلاس میں شرکت کی تعداد
جناب منیر نواز	4
جناب ایم نعیم	3
جناب راشد امجد خالد	2
جناب سیفی چوہدری	4

آڈٹ کمیٹی کے اجلاسوں میں شرکت نہ کرنے والے ڈائریکٹرز کو رخصت دے دی گئی۔

### ہیومن ریورس اور معاوضہ کمیٹی:

اس سال کے دوران ہیومن ریورس اور معاوضہ کمیٹی نے دو اجلاس منعقد کئے۔ ہر ڈائریکٹر کی شرکت کی تعداد درج ذیل ہے۔

ڈائریکٹر کا نام	اجلاس میں شرکت کی تعداد
جناب منیر نواز	2
جناب ایم نعیم	2
جناب ہمایوں اے شاہنواز	1

ہیومن ریورس کمیٹی کے اجلاس میں شرکت نہ کرنے والے ڈائریکٹرز کو رخصت دے دی گئی۔

ڈائریکٹر کا نام	اجلاس میں شرکت کی تعداد
جناب منیر نواز	4
جناب محمود نواز	3
جناب ایم نعیم	-
جناب راشد امجد خالد	2
محترمہ منال شاہ نواز	2
جناب ہمایوں اے شاہنواز	4
جناب سیفی چوہدری	3
جناب عزت حسین رضوی	3

بورڈ کے اجلاس میں شرکت نہ کرنے والے ڈائریکٹرز کو رخصت دے دی گئی۔

دوران سال جناب مناف ابراہیم (غیر جانبدار ڈائریکٹر) نے بورڈ سے استعفیٰ دے دیا اور ان کی جگہ بورڈ نے جناب سیفی چوہدری کو غیر جانبدار ڈائریکٹر کے طور پر منتخب کر لیا۔ ہم جناب مناف ابراہیم کی اپنے دور میں کی گئی کاوشوں کو سراہتے ہیں اور جناب سیفی چوہدری کو خوش آمدید کہتے ہیں۔

12- 30 جون 2017ء کو ختم شدہ سال کیلئے حصص داران کی ترتیب اور اسکی تفصیل جو کہ کوڈ آف کارپوریٹ گورننس کی جانب سے درکار ہے، اس رپورٹ میں درج ہے۔

13- ڈائریکٹرز، چیف ایگزیکٹو، چیف فنانشل آفیسر، کمپنی سیکریٹری اور انکی بیویوں اور نابالغ بچوں کے حصص اور دوران سال ان میں تبدیلی کو ”حصص داران کی اقسام“ میں واضح کر دیا گیا ہے۔

### متعلقہ پارٹیوں سے لین دین:

ڈائریکٹرز متعلقہ پارٹیوں کی لین دین کے حوالے سے مندرجہ ذیل کی تصدیق کرتے ہیں۔

31 مارچ 2017ء کو ختم ہونے والے نو ماہ کے دوران متعلقہ پارٹیوں کے ساتھ لین دین کی توثیق آڈٹ کمیٹی نے کی جسکی بورڈ آف ڈائریکٹرز کی سفارش پر جون 2017ء میں منعقد ہونے والی ای او جی ایم (EOGM) میں حصص داران نے منظوری دی۔ چوتھی سہ ماہی کے دوران متعلقہ پارٹیوں کے ساتھ لین دین کی توثیق آڈٹ کمیٹی نے کی ہے جو بورڈ آف ڈائریکٹرز کی سفارش پر منظوری کے لئے آنے والی ای او جی ایم (AGM) میں حصص داران کے سامنے پیش کی جائیں گی۔

1-30 جون 2017ء متعلقہ پارٹیوں کو قابل ادا / قابل وصول رقم درج ذیل ہیں۔

## عملی کارکردگی:

سال کی عملی کارکردگی مختصر اور جدول ہے:

	2016	2017	اضافہ (کمی)
	(روپے ہزاروں میں)		فیصد
مجموعی فروخت	6,816,540	7,159,015	5.02
لاگت فروخت	4,931,776	5,083,750	3.08
مجموعی منافع	1,884,764	2,075,265	10.11
اخراجات	1,680,969	1,715,224	2.04
مالیاتی لاگت	52,178	36,419	(30.20)
دیگر آمدنی	51,859	38,321	(26.11)
منافع قبل از ٹیکس	203,476	361,943	77.88
خاص منافع بعد از ٹیکس	194,286	259,318	33.47
فی حصص آمدنی - روپوں میں	24.33	32.47	33.47

## فنانسنگ اور کارپوریٹ روپورٹنگ فریم ورک:

ڈائریکٹرز انتہائی مسرت کے ساتھ مطلع کرتے ہیں کہ کمپنی، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے تقاضوں کے مطابق کوڈ آف کارپوریٹ گورننس کے ضوابط کی تعمیل کرتی ہے۔

فنانسنگ اور کارپوریٹ روپورٹنگ فریم ورک کی تفصیلات درج ذیل ہیں:

- 1- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارے، اسکے معاملات، اسکی کاروباری سرگرمیوں کے نتائج، کیش فلوز اور ایکویٹی میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
- 2- کمپنی نے باضابطہ طور پر اکاؤنٹس کے کھاتوں کو تیار کر رکھا ہے۔
- 3- ان مالیاتی گوشواروں کی تیاری میں ضروری اور مخصوص اکاؤنٹنگ پالیسیوں کی پیروی کی گئی ہے اور اکاؤنٹنگ کے تخمینے انتہائی منطقی اور محتاط اندازوں پر مبنی ہے۔
- 4- ان مالیاتی گوشواروں کی تیاری میں بین الاقوامی فنانسنگ روپورٹنگ اسٹینڈرڈز کی، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، پیروی کی گئی ہے۔
- 5- اندرونی کنٹرول کا نظام اپنے خدوخال کے اعتبار سے مستحکم ہے اور اس کا موثر اطلاق اور نگرانی کی جاتی ہے۔
- 6- بطور ادارہ، کمپنی کے کام جاری رکھنے کی اہلیت پر کوئی شکوک و شبہات نہیں ہیں۔
- 7- متعین شدہ اصول و ضوابط میں تفصیلاً درج کارپوریٹ گورننس کے رہنما اصولوں سے انحراف نہیں کیا گیا۔
- 8- گذشتہ چھ سال کے اہم کاروباری اور مالیاتی حسابات اس سالانہ رپورٹ میں درج ہیں۔
- 9- ٹیکسوں اور محصولات کے بارے میں تفصیلی معلومات مالیاتی گوشواروں کا حصہ ہیں۔
- 10- پراویڈنٹ فنڈ کی سرمایہ کاری کی جائز مالیت (فیبر و لیبو) 30 جون 2017ء کو 180.803 ملین روپے تھی۔
- 11- اس سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی طرف سے اجلاس میں شرکت کی تعداد درج ذیل ہے۔

ہم نہایت مسرت کے ساتھ مشکل حالات اور سخت مقابلے کے باوجود اپنے بہتر منافع کا اعلان کرتے ہیں۔ کاروبار نے خالص منافع بعد از ٹیکس اور مجموعی فروخت میں بالترتیب 33.47 فیصد اور 5.02 فیصد کے حوصلہ افزا نتائج پیش کئے۔ مالیاتی لاگت میں 30.20 فیصد کمی کی بڑی وجہ قرضوں کا موثر استعمال اور شرح سود میں کمی ہے۔

## منافع کی تقسیم:

تسلی بخش مالی نتائج کو مد نظر رکھتے ہوئے، بورڈ آف ڈائریکٹرز 135 فیصد (یعنی کہ 13.50 روپے فی حصص) منافع برائے تقسیم تجویز کرتا ہے۔ مزید برآں بورڈ غیر منقسم منافع میں سے 200,000 روپے (ہزاروں میں) جنرل ریزرو کے لئے مختص کرنے کی بھی تجویز پیش کرتا ہے۔

## قومی خزانے کو ادائیگی:

مالی سال کے دوران کمپنی کی جانب سے قومی خزانے کو ادائیگی محصولات میں اضافہ ہوا ہے، اور کمپنی نے سیلز ٹیکس، ایکسائز ڈیوٹی، اور انکم ٹیکس کی مد میں 1.575 ارب روپے قومی خزانے میں جمع کروائے، جو کہ قومی معیشت میں ہماری بھرپور شراکت کا آئینہ دار ہے۔

## مستقبل کے امکانات:

موجودہ اقتصادی پالیسیوں، ایک مستحکم سازگار اقتصادی ماحول، اور چین پاکستان اقتصادی



## ڈائریکٹرز رپورٹ برائے ممبران

ہم بورڈ آف ڈائریکٹرز کی جانب سے مالی سال 30 جون 2017ء کے لئے کمپنی کے آڈٹ شدہ مالیاتی نتائج پیش کرتے ہیں۔

### معاشی منظر نامہ:

پاکستان کی معیشت نے نمو کی رفتار جاری رکھی اور مجموعی ملکی پیداوار 5.28 فیصد تک پہنچ گئی جو گزشتہ دس سالوں میں سب سے زیادہ ہے۔ جسکی وجہ زراعت کے شعبہ میں 3.46 فیصد کی نمو تھی جو کہ گزشتہ برس 0.27 فیصد تھی۔ صنعتی شعبہ میں نمو کی رفتار 5.02 فیصد رہی جو کہ گزشتہ برس 5.80 فیصد تھی۔ بڑے پیمانے پر پیداواری صلاحیت میں نمو کی رفتار 4.61 فیصد رہی جو کہ گزشتہ برس 3.29 فیصد تھی۔

### کاروباری منظر نامہ:

اس سال کے دوران کمپنی نے اپنی تمام تر توجہ مارکیٹ میں نمایاں مقام حاصل کرنے کی طرف مرکوز رکھی۔ سخت مقابلہ کی فضا کے باوجود کمپنی نے اپنی تمام تر توجہ بنیادی صلاحیتوں جو کہ معیاری مصنوعات، بہتر مواصلات اور ترسیل کے نظام کو بہتر بنانے کی طرف مرکوز رکھیں۔ یہ کاوشیں سبز کی نمو میں معاون ثابت ہوئیں۔

ہم نے معیاری مصنوعات اور انکی بروقت ترسیل کی بدولت اپنی سیلز کے حجم میں اضافہ کیا، ہم نے اپنی توجہ صارفین کے ساتھ تعلقات بہتر بنانے اور اپنی مصنوعات کی مکمل رینج فراہم کرنے پر مرکوز رکھی۔ صارف کا اطمینان ہمارا اصل مقصد ہے، اور ہم نے اپنی پیداواری اور تجارتی مہارت کو بروئے کار لاتے ہوئے اس مقصد کے حصول کو ممکن بنایا۔ ہم صارفین کی پسند کے مطابق مصنوعات بنانے اور آج کی مسابقتی دنیا میں صارفین کا انتخاب بننے کی کوششوں کو جاری رکھیں گے۔ ہم صارفین کے اعتماد کی معیاری اور محفوظ مصنوعات بنانے کے لئے پُر عزم ہیں۔ ہمیں اپنی صلاحیتوں پر پورا بھروسہ ہے کہ ہم کبھی بھی صارفین کی تبدیل ہوتی ہوئی ضروریات کو پورا کرنے کی صلاحیت رکھتے ہیں۔

مجموعی معاشی استحکام کے مد نظر قومی مالیاتی بینک نے مئی 2016ء میں مقرر کی جانے والی 5.75 فیصد کی شرح سود کو اگلی مالیاتی پالیسیوں میں بھی برقرار رکھا، یہ شرح سود 1970ء کے اوائل سے لے کر آج تک سب سے کم ہے، جو کہ بالخصوص نجی شعبہ میں قرضوں کے پھیلاؤ میں معاون ثابت ہوئی۔ نجی شعبہ میں قرضوں کے پھیلاؤ کی شرح 2017ء میں 65 فیصد رہی۔ قرضوں کے اضافہ کا پیداواری شعبہ کی ترقی میں کلیدی کردار رہا۔

ان مثبت پیش رفتوں کو مد نظر رکھتے ہوئے وسیع بنیاد پر ترقی کی نمو جاری رہنے کی توقع ہے۔ چین پاکستان اقتصادی راہداری سی پیک (CPEC) کی بدولت سرمایہ کاری اور صنعتی سرگرمیوں میں اضافے اور زراعت کے شعبہ کی بحالی کی بدولت ملک کا مستقبل روشن اور تابناک ہے۔ سی پیک (CPEC) نہ صرف پاکستان کی ترقی کا باعث بنے گا بلکہ سرحد کے دونوں اطراف میں لوگوں کے باہمی تعلقات کو بھی مضبوط کرے گا۔ سی پیک (CPEC) کے راستے میں قائم ہونے والے نئے صنعتی زونز چھوٹے اور درمیانی درجے کے کاروبار میں سرمایہ کاری کے مواقع پیدا کریں گے۔ چین اور پاکستان کے صنعتی اداروں کے مشترکہ منصوبوں کی بدولت علاقائی ترقی اور باہمی تعاون کو فروغ ملنا چاہئے۔ چین تکنیکی اعتبار سے تیزی سے آگے بڑھ رہا ہے اسلئے مشترکہ تجارت کی بدولت یہ تکنیکی مہارت ہماری دہلیز تک پہنچنی چاہئے۔ سی پیک (CPEC) نہ صرف مختصر مدتی معاشی ترقی میں اضافے کا باعث ہے بلکہ اسکے مستقبل میں بھی دور رس اثرات مرتب ہوں گے۔ بنیادی ڈھانچے، توانائی اور مواصلات کے نظام میں بہتری، سرمایہ کاری، پیداواری صلاحیت اور روزگار کے مواقع میں اضافہ کا باعث بنے گی۔

ہم نے کامیابی سے کلیدی بازاروں تک رسائی حاصل کی اور اپنے اہداف کے حصول کے لئے ترسیل کے نظام میں نقائص کو دور کیا اور نئی ممکنہ منڈیوں کی نشاندہی کی۔ ہماری مقامی سیلز نے سال کے دوران نمو کا رجحان پیش کیا۔ ہم نے نئی منڈیوں کی تلاش، تھوک فروخت، خوردہ فروخت اور عام تجارت کے ذریعے مختلف صارفین کی منڈیوں تک رسائی حاصل کی۔

اس سال کے دوران بین الاقوامی منڈیوں میں معاشی سست رفتاری اور سخت مقابلے کے باوجود ہماری برآمدی سیلز میں نمو کا رجحان رہا۔ ہم بین الاقوامی منڈیوں میں کاروبار کے پھیلاؤ کے لئے اپنی صلاحیتوں کو بروئے کار لارہے ہیں۔ کمپنی مسلسل نئے ممکنات کی تلاش اور بین الاقوامی منڈیوں میں بہترین پرفارمنس کے لئے کوشاں ہے۔ نمو کی شرح کو برقرار رکھنے کے لئے ہماری حکمت عملی کا محور مصنوعات کی کوالٹی میں بہتری اور مزید درجہ بندی ہے۔

# CORPORATE SOCIAL RESPONSIBILITY

The Company believes that Corporate Social Responsibility is the continuing commitment to behave ethically and contribute to economic development of the workforce and their families as well as of the local community and society at large.



## BUSINESS ETHICS AND ANTI-CORRUPTION MEASURES

Business Ethics which include the practice of honesty and integrity are considered as an essential part in everyday operations of the Company. Since the Company's business is to deal with food and juice products, so it is the policy of the Company to provide not only healthy products to its customers but also ensures clear and coherent view of its product range in all its advertisement campaigns.

Further, Statement of Ethics and Business Practices is circulated among all employees of the Company for compliance purposes. It proved very helpful in maintaining the level of compliance of each employee towards organizational philosophy.

Along with all these, the Company has developed procedure and system regarding all key positions to guard against corruption.

## INDUSTRIAL RELATIONS

Cordial industrial relations and harmonious working environment prevailed at all locations of the Company. The management enjoys good relationship with the employees. CBA elections are held in time and without any hurdles. The basic purpose of this practice is to secure maximum cordiality between the workers and the management and to establish a climate of mutual understanding where-by the workers are able to contribute their best for the growth and development of the Company. The Company has a Hajj Scheme and two workers were sent to perform Hajj at the Company's expense. The Company also has good relations with the suppliers.

## EMPLOYMENT OF SPECIAL PERSONS

To ensure the welfare and rehabilitation of special persons, the Company has especially stressed upon the induction of Disabled Persons in accordance with "Employment and Rehabilitation Ordinance, 1981". The Company has established a policy regarding the hiring of disable persons with assigning a special quota in compliance with the said ordinance to ensure the protection of deserving persons.

## OCCUPATIONAL SAFETY, HEALTH, ENVIRONMENTAL PROTECTION AND ENERGY CONSERVATIONS

Safety and Health protection of our employees as well as protection of environment are the Principal concerns of the Company. We firmly believe that commitment to safety health and environmental protection (SHE) is an indispensable part of our main objective of efficiently producing and distributing quality products. Matters of SHE are integral parts of the business planning processes and decision making. They are handled with the same sense of responsibility and just as other operations like quality, productivity and cost-efficiency. We ensure all technical, organizational and personnel measures for the prevention of potentially hazardous situations and to manage incidents or accidents.

We strive to achieve eco-efficiency by optimizing resource utilization, conserve energy and avoid damage to environment, employees and public.

## CORPORATE PHILANTHROPY

Shezan management is well aware of the fact that corporate philanthropy is a social responsibility, which is performed by donating to various organizations and associations.

## NATIONAL-CAUSE DONATION

The Company is committed towards helping distressed communities as and when required. For this purpose, the Company has made donations to various educational and charitable organizations including Marie Adelaide Leprosy Center, Care Foundation, SOS, Children Village, Chhipa Welfare Association, Shaukat Khanum Memorial Cancer Hospital, LRBT, Edhi Foundation, Fatimid Foundation, WWF Pakistan, Lady Wallington Hospital, Pakistan Association of the Blind, Cancer Care Hospital, Children Hospital, Ansar Burney Trust Hospital, Lahore General Hospital, Aziz Jehan Begum Trust of Blind and Jinnah Hospital.

### COMMUNITY INVESTMENT AND WELFARE SPENDING FOR UNDER-PRIVILEGED CLASSES

The Company has complete focus on the welfare of community as its mandatory role. Since the incorporation of Company in 1964, it has contributed to its maximum in different welfare schemes of the society. Along with all these investments, our management also devoted some area for the community mosque along with the provision of reasonable funds for the construction of said mosque.

### CONSUMER PROTECTION MEASURES

Since the product line of Shezan International Limited mainly consists of Foods & Beverages which are considered among the category of FMCG (Fast Moving Consumer Goods) products, therefore, its key focus is on the healthy products. For this purposes, our Research and Development department is very much active in regular testing of our product range for their quality conformance. Further, the management is very keen regarding the implementation and execution of ISO rules and regulation for the quality maintenance.

### ENVIRONMENTAL PROTECTION MEASURES

The environmental protection is significantly focused by the management of the Company in its policies to protect the environment from any hazards. The management has planted many plants and trees inside the factory area which shows their complete realization of healthy and pollution-free environment.

### CONTRIBUTION TO NATIONAL EXCHEQUER

Our Company is a responsible corporate entity and we strongly believe that it is our duty to pay due taxes with all integrity and national fervor. Our Company contributed Rs. 1,575 billion towards national exchequer in the shape of taxes, duties and levies etc. during the year.

Description	(Rupees in thousand)
Income Tax	64,147
Sales Tax and Excise Duty	1,510,860
Total	1,575,007



# PATTERN OF SHAREHOLDINGS

AS AT 30 JUNE 2017

1. Incorporation Number: 0001883
2. Name of Company: Shezan International Limited.
3. Pattern of holding of the shares held by the shareholders as at 30-06-2017.

No. of Shareholders	Shareholding		Total Shares Held
	From	To	
243	1	100	7,162
166	101	500	42,868
89	501	1,000	70,488
75	1,001	5,000	170,230
10	5,001	10,000	73,203
4	10,001	15,000	48,177
4	15,001	20,000	65,536
2	20,001	25,000	43,027
1	30,001	35,000	33,123
3	35,001	40,000	108,600
2	40,001	45,000	87,179
1	45,001	50,000	48,995
1	65,001	70,000	68,997
1	70,001	75,000	72,350
1	75,001	80,000	79,662
2	100,001	105,000	203,409
1	105,001	110,000	107,600
1	110,001	115,000	114,469
1	130,001	135,000	130,732
1	135,001	140,000	138,232
3	140,001	145,000	424,977
3	145,001	150,000	437,991
1	160,001	165,000	162,650
1	180,001	185,000	182,317
1	185,001	190,000	188,990
1	260,001	265,000	263,628
2	330,001	335,000	669,998
1	345,001	350,000	347,390
1	595,001	600,000	599,327
1	740,001	745,000	742,338
1	755,001	760,000	757,100
1	1,495,001	1,500,000	1,495,255
<b>626</b>			<b>7,986,000</b>

5. Categories of Shareholders	Shares held	Percentage
5.1 Directors, Chief Executive Officer, their Spouses and Minor Children	2,517,890	31.5288%
5.2 Associated Companies, Undertakings and Related Parties	3,493	0.0437%
5.3 NIT and ICP	-	-
5.4 Banks, Development Financial Institutions, Non Banking Financial Institutions	851	0.0107%
5.5 Insurance Companies	195,188	2.4441%
5.6 Modarabas and Mutual Funds	162,600	2.0361%
5.7 Shareholders holding 10% or more of Total Capital	1,495,255	18.7235%
5.8 General Public		
a. Local	3,094,245	38.7459%
b. Foreign	-	-
5.9 Others	5,249	0.0657%
5.9.1 Joint Stock Companies	2,921	0.0366%
5.9.2 Pension Funds	155,032	1.9413%
5.9.3 Foreign Companies	347,390	4.3500%
5.9.4 Government Holding	5,374	0.0673%
5.9.5 Executives	512	0.0064%
<b>Total</b>	<b>7,986,000</b>	<b>100.00%</b>

Shareholders Holding 5% or More of Total Capital	3,627,143	45.4188%
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Sr. No.	Name	Shares Held	Percentage
<b>5.1 Directors, Chief Executive Officer, their Spouses &amp; Minor Children</b>			
1	Mr. Mahmood Nawaz	742,338	9.2955%
	Mr. Mahmood Nawaz (CDC)	33,123	0.4148%
2	Mr. Muneer Nawaz	599,327	7.5047%
3	Mr. M. Naeem	48,995	0.6135%
4	Mr. Rashed Amjad Khalid	145,891	1.8268%
	Mr. Rashed Amjad Khalid	158	0.0020%
5	Mr. Humayun A. Shahnawaz	334,999	4.1948%
6	Mrs. Manahil Shahnawaz	162,650	2.0367%
7	Mr. Saifi Chaudhry (CDC)	700	0.0088%
8	Mr. Syed Etrat Hussain Rizvi (NIT Nominee)	-	-
9	Mrs. Abida Muneer Nawaz W/o Mr. Muneer Nawaz	79,662	0.9975%
10	Mrs. Bushra Mahmood Nawaz W/o Mr. Mahmood Nawaz	5,723	0.0717%
11	Mrs. Amtul Bari Naeem W/o Mr. M. Naeem	263,628	3.3011%
	Mrs. Bari Naeem W/o Mr. M. Naeem	100,696	1.2609%
		2,517,890	31.5288%
<b>5.2 Associated Companies, Undertakings and Related Parties</b>			
	Shezan Services (Private) Limited (CDC)	3,493	0.0437%
<b>5.3 NIT &amp; ICP</b>			
		-	-
<b>5.4 Banks, Developments Financial Institutions, Non Banking Financial Institutions</b>			
	National Bank of Pakistan (CDC)	851	0.0107%
<b>5.5 Insurance Companies</b>			
1	EFU Life Assurance Limited (CDC)	107,600	1.3474%
2	Habib Insurance Company Limited (CDC)	1,193	0.0149%
3	Habib Insurance Company Limited (CDC)	398	0.0050%
4	State Life Insurance Corporation of Pakistan (CDC)	68,997	0.8640%
5	United Insurance Company of Pakistan Limited (CDC)	10,100	0.1265%
6	Dawood Family Takaful Limited (CDC)	2,900	0.0363%
7	Dawood Family Takaful Limited (CDC)	4,000	0.0501%
		195,188	2.4441%
<b>5.6 Modaraba &amp; Mutual Funds</b>			
1	Trustee MCB Pakistan Asset Allocation Fund (CDC)	4,650	0.0582%
2	Trustee NIT Islamic Equity Fund (CDC)	72,350	0.9060%
3	Trustee NIT-Equity Market Opportunity Fund (CDC)	10,700	0.1340%
4	Trustee Pakistan Capital Market Fund (CDC)	2,600	0.0326%
5	Trustee UBL Retirement Savings Fund - Equity Sub Fund (CDC)	37,000	0.4633%
6	Trustee Al-Ameen Islamic Retirement Saving Fund- Equity Sub Fund (CDC)	35,300	0.4420%
		162,600	2.0361%
<b>5.7 Shareholders Holding 10% or more of Total Capital</b>			
	Trustee National Investment (Unit) Trust (CDC)	1,495,255	18.7235%

Sr. No.	Name	Shares Held	Percentage
<b>5.8</b>	<b>General Public</b>		
	a. Local	3,094,245	38.7459%
	b. Foreign	-	-
		3,094,245	38.7459%
<b>5.9</b>	<b>Others</b>		
1	Trustee National Bank of Pakistan Employee Benevolent Fund Trust (CDC)	4,849	0.0607%
2	Descon Chemicals Limited Gratuity Fund (CDC)	50	0.0006%
3	Descon Oxychem Limited Employees Provident Fund (CDC)	100	0.0013%
4	Trustee Inspectest (Private) Limited Employees Provident Fund Trust (CDC)	50	0.0006%
5	Trustee Descon Power Solutions (Private) Limited Employee Provident Fund Trust (CDC)	200	0.0025%
		5,249	0.0657%
<b>5.9.1</b>	<b>Joint Stock Companies</b>		
1	Murree Brewery Company Limited	158	0.0020%
2	Burma Oil Mills Limited (CDC)	665	0.0083%
3	Ismail Abdul Shakoor Securities (Private) Limited (CDC)	264	0.0033%
4	ISPI Corporation (Private) Limited (CDC)	1,700	0.0213%
5	Magnus Investment Advisors Limited (CDC)	132	0.0017%
6	NH Capital Fund Limited (CDC)	2	0.0000%
		2,921	0.0366%
<b>5.9.2</b>	<b>Pension Funds</b>		
1	Trustee National Bank of Pakistan Employees Pension Fund (CDC)	138,232	1.7309%
2	Trustee Pakistan Pension Fund - Equity Sub Fund (CDC)	16,800	0.2104%
		155,032	1.9413%
<b>5.9.3</b>	<b>Foreign Companies</b>		
	Tundra Pakistan Fund (CDC)	347,390	4.3500%
<b>5.9.4</b>	<b>Government Holding</b>		
	Federal Board of Revenue (CDC)	5,374	0.0673%
<b>5.9.5</b>	<b>Executives</b>		
	Mr. Waseem Amjad Mahmood (CDC)	512	0.0064%
		<b>7,986,000</b>	<b>100.00%</b>
	<b>Shareholders Holding 5% or more of Total Capital</b>		
1	Trustee National Investment (Unit) Trust (CDC)	1,495,255	18.7235%
2	Mr. Mahmood Nawaz	775,461	9.7103%
3	Ms. Amina Wadawala (CDC)	757,100	9.4803%
4	Mr. Muneer Nawaz	599,327	7.5047%
		3,627,143	45.4188%

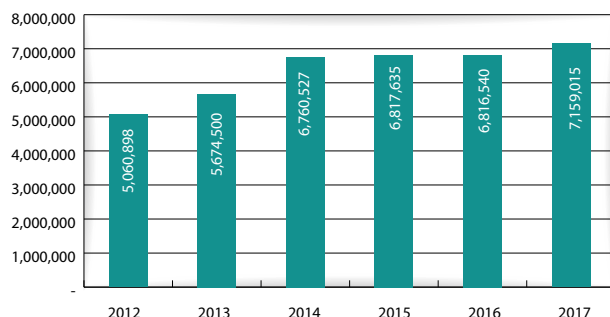
During the financial year there was no trading in shares of the Company by the Directors, CEO, CFO, Company Secretary, their spouses and minor children.

# SIX YEARS REVIEW

## AT A GLANCE

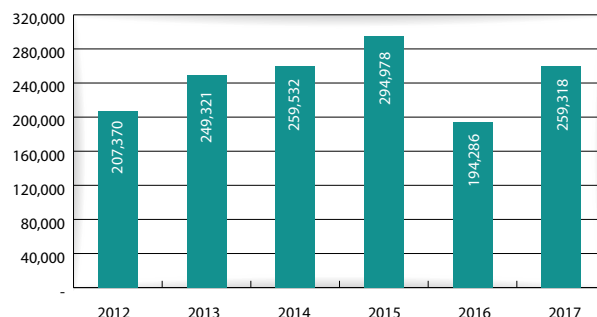
### NET SALES

Rupees in thousand



### PROFIT AFTER TAXATION

Rupees in thousand



Year	Year	Year	Year	Year	Year
2012	2013	2014	2015	2016	2017
Rupees in thousand					

### Income

Sales	5,060,898	5,674,500	6,760,527	6,817,635	6,816,540	<b>7,159,015</b>
Other operating income	37,675	37,257	53,592	59,796	51,859	<b>38,321</b>
	<b>5,098,573</b>	<b>5,711,757</b>	<b>6,814,119</b>	<b>6,877,431</b>	<b>6,868,399</b>	<b>7,197,336</b>

### Expenditure

Cost of sales	3,603,285	3,963,874	4,735,740	4,877,580	4,931,776	<b>5,083,750</b>
Distribution cost and administrative expenses	991,362	1,168,082	1,487,088	1,463,397	1,494,151	<b>1,508,915</b>
Finance cost	53,118	45,756	28,571	60,967	52,178	<b>36,419</b>
Other operating expenses	132,738	139,724	162,188	161,177	186,818	<b>206,309</b>
	<b>4,780,503</b>	<b>5,317,436</b>	<b>6,413,587</b>	<b>6,563,121</b>	<b>6,664,923</b>	<b>6,835,393</b>

Profit before taxation	318,070	394,321	400,532	314,310	203,476	<b>361,943</b>
Taxation	110,700	145,000	141,000	19,332	9,190	<b>102,625</b>
<b>Profit after Taxation</b>	<b>207,370</b>	<b>249,321</b>	<b>259,532</b>	<b>294,978</b>	<b>194,286</b>	<b>259,318</b>

Paid-up capital	60,000	66,000	72,600	79,860	79,860	<b>79,860</b>
Reserves & unappropriated profits	1,055,381	1,244,781	1,431,970	1,647,774	1,754,742	<b>1,942,089</b>
Unrealized gain / (loss) on remeasurement of investments available for sale	79	257	686	528	(237)	<b>756</b>

<b>Share holders equity</b>	<b>1,115,460</b>	<b>1,311,038</b>	<b>1,505,256</b>	<b>1,728,162</b>	<b>1,834,365</b>	<b>2,022,705</b>
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Breakup value per share in Rupees	185.91	198.64	207.34	216.40	229.70	<b>253.28</b>
Earnings per share in Rupees	31.42	34.34*	32.50*	36.94	24.33	<b>32.47</b>
Price Earnings Ratio	6.24	19.13	27.69	24.72	18.56	<b>14.63</b>
Dividend declared per share in Rupees	9.00	10.00	10.00	11.00	9.00	<b>13.50</b>
Bonus per share	10%	10%	10%	-	-	<b>-</b>

\* Figures have been restated.

# REVIEW REPORT TO THE MEMBERS

## ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices (the Statement) contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Shezan International Limited (the Company) for the year ended 30 June, 2017 to comply with the requirements of, Rule Book of Pakistan Stock Exchange Limited Chapter 5, Clause 5.19.24(b) of the Code of Corporate Governance, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement reflects the status of the Company's compliance with the provisions of the Code and report if it does not. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

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

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of approval of related party transactions by the Board of Directors upon recommendation of Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement does not appropriately reflect the status of the Company's compliance, in all material respects, with the best practices contained in the Code, for the year ended 30 June 2017.

Lahore:  
29 September 2017.

*EY Ford Rhodes*

Chartered Accountants  
Engagement Partner  
**Abdullah Fahad Masood**



# STATEMENT OF COMPLIANCE

## WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2017

This statement is being presented to comply with the Code of Corporate Governance (the "Code") contained in Regulation No. 5.19.23 of Listing Regulations of Pakistan Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed Company is managed in compliance with the best practices of corporate governance.

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

- The Company encourages representation of independent non-executive Directors and Directors representing minority interests on its Board of Directors. At present the Board includes:

Category	Names
Independent Director	Mr. Munaf Ibrahim* Mr. Saifi Chaudhry**
Executive Directors	Mr. Mahmood Nawaz Mr. Humayun A. Shahnawaz
Non-Executive Directors	Mr. Muneer Nawaz Mr. M. Naeem Mr. Rashed Amjad Khalid Ms. Manahil Shahnawaz Mr. Syed Etrat Hussain Rizvi

The independent Director meets the criteria of independence under clause 5.19.1. (b) of the CCG.

- The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company.
- All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking Company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
- A casual vacancy occurring on the board on 28 July 2016 was filled up by the Directors within 90 days.
- The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive Directors, have been taken by the Board/shareholders.
- The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
- The Directors are conversant with the relevant laws applicable to the Company, its policies and procedures and provisions of memorandum and articles of association and are aware of their

duties and responsibilities. Three Directors of the Company have minimum 14 years of education and 15 years of experience on the Board of a listed company and therefore are exempted from Director's training program. Three Directors are certified by the Pakistan Institute of Corporate Governance (PICG). The Company however intends to facilitate further training for the remaining director in near future as defined in the Code of Corporate Governance.

- The Board has approved the appointment of the Head of Internal Audit during the year, including his remuneration and terms and condition of employment.
- The Directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
- The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
- The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholdings.
- The Company has complied with all the corporate and financial reporting requirements of the CCG.
- The Board has formed an Audit Committee which comprises three members, all of whom are non-executive Directors. None of these members was an independent Director. The Board has now appointed Mr. Saifi Chaudhry as an independent Director to the Audit Committee, in its meeting held on 28 September 2016.
- The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
- The Board has formed a Human Resource and Remuneration Committee. It comprises three members, of whom two are non-executive Directors and the Chairman of the committee is a non-executive Director.
- The Board has set up an effective internal audit function with suitably qualified and experienced staff conversant with the policies and procedures of the Company.
- The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
- The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to Directors, employees and stock exchange.
- Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
- We confirm that all other material principles enshrined in the CCG have been complied with.

\* Mr. Munaf Ibrahim has resigned from Board with effect from 28 July 2016.

\*\* Mr. Saifi Chaudhry was appointed to the Board with effect from 28 September 2016.

Karachi:  
26 September 2017.

  
**Humayun A. Shahnawaz**  
Chief Executive





# ALL PURE

Our Farmers  
Guarantee Purity!



## ALL PURE



MANGO  
Nectar

Nutrition Facts

Serving Size 1 1/2 cups (375 ml)	
Amount Per Serving	
Total Sugar	15g
Total Fat	0g
Total Protein	0g
Total Fiber	0g
Total Carbohydrate	15g
Sodium	0mg
Calcium	0%
Iron	0%
Vitamin C	100%
Vitamin A	100%
Vitamin E	100%
Vitamin B1	100%
Vitamin B2	100%
Vitamin B3	100%
Vitamin B6	100%
Vitamin B12	100%
Vitamin D	100%
Vitamin K	100%
Vitamin P	100%
Vitamin U	100%
Vitamin X	100%
Vitamin Y	100%
Vitamin Z	100%
Vitamin AA	100%
Vitamin BB	100%
Vitamin CC	100%
Vitamin DD	100%
Vitamin EE	100%
Vitamin FF	100%
Vitamin GG	100%
Vitamin HH	100%
Vitamin II	100%
Vitamin JJ	100%
Vitamin KK	100%
Vitamin LL	100%
Vitamin MM	100%
Vitamin NN	100%
Vitamin OO	100%
Vitamin PP	100%
Vitamin QQ	100%
Vitamin RR	100%
Vitamin SS	100%
Vitamin TT	100%
Vitamin UU	100%
Vitamin VV	100%
Vitamin WW	100%
Vitamin XX	100%
Vitamin YY	100%
Vitamin ZZ	100%
Vitamin AA	100%
Vitamin BB	100%
Vitamin CC	100%
Vitamin DD	100%
Vitamin EE	100%
Vitamin FF	100%
Vitamin GG	100%
Vitamin HH	100%
Vitamin II	100%
Vitamin JJ	100%
Vitamin KK	100%
Vitamin LL	100%
Vitamin MM	100%
Vitamin NN	100%
Vitamin OO	100%
Vitamin PP	100%
Vitamin QQ	100%
Vitamin RR	100%
Vitamin SS	100%
Vitamin TT	100%
Vitamin UU	100%
Vitamin VV	100%
Vitamin WW	100%
Vitamin XX	100%
Vitamin YY	100%
Vitamin ZZ	100%

حلال  
HALAL





# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Shezan International Limited (the Company) as at 30 June 2017 and the related statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion;
  - i. the balance sheet and statement of comprehensive income together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for changes as stated in note 2.3 of these financial statements, with which we concur;
  - ii. the expenditure incurred during the year was for the purpose of the Company's business; and
  - iii. the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company.
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June, 2017 and of the comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the central Zakat fund established under section 7 of the Ordinance.

Lahore:  
29 September 2017.

*E Y Ford Rhodes*  
Chartered Accountants  
Engagement Partner  
**Abdullah Fahad Masood**

# BALANCE SHEET

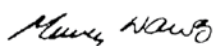
## AS AT 30 JUNE 2017

	Note	Rupees in thousand	
		2017	2016
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	1,175,946	1,187,011
Long-term investment	6	2,877	2,121
Long-term deposits	7	5,183	4,253
		<b>1,184,006</b>	1,193,385
<b>CURRENT ASSETS</b>			
Stores and spares	8	71,178	66,718
Stock-in-trade	9	1,358,515	1,238,081
Trade debts	10	259,853	269,494
Loans and advances	11	185,138	75,312
Trade deposits and short-term prepayments	12	19,920	15,131
Interest accrued	13	338	268
Income tax recoverable		371,221	306,463
Cash and bank balances	14	73,227	102,906
		<b>2,339,390</b>	2,074,373
<b>TOTAL ASSETS</b>		<b>3,523,396</b>	3,267,758
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	15	79,860	79,860
Reserves	16	1,605,502	1,454,606
Unappropriated profits		337,343	299,899
		<b>2,022,705</b>	1,834,365
<b>TOTAL EQUITY</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long-term loan	17	-	90,000
Deferred taxation	18	62,038	69,374
		<b>62,038</b>	159,374
<b>CURRENT LIABILITIES</b>			
Trade and other payables	19	680,750	668,625
Interest accrued on borrowings		1,584	1,454
Current portion of long-term loan	17	90,000	120,000
Short-term borrowings	20	292,525	226,277
Provision for taxation		373,794	257,663
		<b>1,438,653</b>	1,274,019
<b>TOTAL LIABILITIES</b>		<b>1,500,691</b>	1,433,393
<b>CONTINGENCIES AND COMMITMENTS</b>	21		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,523,396</b>	3,267,758

The annexed notes from 1 to 40 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer



# STATEMENT OF COMPREHENSIVE INCOME

## FOR THE YEAR ENDED 30 JUNE 2017

	Note	Rupees in thousand	
		2017	2016
Sales - net	22	7,159,015	6,816,540
Cost of sales	23	5,083,750	4,931,776
Gross profit		2,075,265	1,884,764
Distribution costs	24	1,230,186	1,249,860
Administrative expenses	25	278,729	244,291
Other operating expenses	26	206,309	186,818
Other income	27	(38,321)	(51,859)
		1,676,903	1,629,110
Operating profit		398,362	255,654
Finance costs	28	36,419	52,178
Profit before taxation		361,943	203,476
Taxation	29	102,625	9,190
Net profit for the year		259,318	194,286
<b>Other comprehensive income</b>			
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):			
Unrealized gain / (loss) on remeasurement of investment - available for sale		756	(237)
<b>Total comprehensive income</b>		260,074	194,049
<b>Earnings per share - basic and diluted (Rupees)</b>	30	32.47	24.33

The annexed notes from 1 to 40 form an integral part of these financial statements.

  
Chief Executive

  
Director

  
Chief Financial Officer

# CASH FLOW STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2017

	Note	Rupees in thousand	
		2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operations</b>			
Profit before taxation		361,943	203,476
Adjustments to reconcile profit before tax to net cash:			
Depreciation		218,376	211,394
Interest / markup expense		33,390	49,323
Profit on bank deposits		(1,968)	(1,940)
Foreign exchange loss		341	1,727
Impairment of plant and machinery		-	2,000
Provision for doubtful debts		1,188	-
Loss on disposal of property, plant and equipment		13,173	7,067
		264,500	269,571
<b>Operating profit before working capital changes</b>		<b>626,443</b>	<b>473,047</b>
<b>(Increase) / decrease in current assets</b>			
Stores and spares		(4,460)	(8,751)
Stock-in-trade		(120,434)	215,425
Trade debts		7,987	34,549
Loans and advances		(109,826)	(48,250)
Trade deposits and short-term prepayments		(4,789)	667
		(231,522)	193,640
<b>(Decrease) / increase in current liabilities</b>			
Trade and other payables		17,597	(110,746)
Short-term borrowings - secured		66,248	(53,723)
		83,845	(164,469)
<b>CASH GENERATED FROM OPERATIONS</b>		<b>478,766</b>	<b>502,218</b>
Interest expense paid		(33,260)	(58,546)
Profit on bank deposits received		1,898	1,964
Income tax paid		(64,147)	(99,786)
Long-term deposits paid		(930)	(692)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>		<b>382,327</b>	<b>345,158</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(249,191)	(221,441)
Sale proceeds from disposal of property, plant and equipment		28,707	13,303
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(220,484)</b>	<b>(208,138)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long-term loan		(120,000)	(90,000)
Dividend paid		(71,522)	(87,369)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(191,522)</b>	<b>(177,369)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(29,679)</b>	<b>(40,349)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>102,906</b>	<b>143,255</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	14	<b>73,227</b>	<b>102,906</b>

The annexed notes from 1 to 40 form an integral part of these financial statements.

  
Chief Executive

  
Director

  
Chief Financial Officer

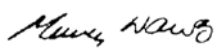
# STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 30 JUNE 2017

	Capital Reserve		Revenue Reserve			Total
	Share Capital	Merger reserve	General reserve	Un realized gain/(loss) on remeasurement of investments available for sale	Unappropriated profits	
Rupees in thousand						
<b>Balance as at 30 June 2015</b>	79,860	5,000	1,250,000	(157)	393,459	1,728,162
Transfer to general reserve	-	-	200,000	-	(200,000)	-
Final dividend @ Rs. 11/- per share for the year ended 30 June 2015	-	-	-	-	(87,846)	(87,846)
Profit for the year	-	-	-	-	194,286	194,286
Other comprehensive income	-	-	-	(237)	-	(237)
Total comprehensive income	-	-	-	(237)	194,286	194,049
<b>Balance as at 30 June 2016</b>	<b>79,860</b>	<b>5,000</b>	<b>1,450,000</b>	<b>(394)</b>	<b>299,899</b>	<b>1,834,365</b>
Transfer to general reserve	-	-	150,000	-	(150,000)	-
Final dividend @ Rs. 9/- per share for the year ended 30 June 2016	-	-	-	-	(71,874)	(71,874)
Profit for the year	-	-	-	-	259,318	259,318
Other comprehensive income	-	-	-	756	-	756
Total comprehensive income	-	-	-	756	259,318	260,074
Deferred tax adjustment on unrealized gain	-	-	-	140	-	140
<b>Balance as at 30 June 2017</b>	<b>79,860</b>	<b>5,000</b>	<b>1,600,000</b>	<b>502</b>	<b>337,343</b>	<b>2,022,705</b>

The annexed notes from 1 to 40 form an integral part of these financial statements.

  
Chief Executive

  
Director

  
Chief Financial Officer

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 1 THE COMPANY AND ITS OPERATIONS

The Company is a Public Limited Company incorporated in Pakistan and is listed on the Pakistan Stock Exchange. 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 fruits and vegetables.

### 2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, (repealed, see below) provisions of and directives issued under the Companies Ordinance, 1984. Wherever, the requirement of the Companies Ordinance, 1984 or directive issued by the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of these standards, the requirements of Companies Ordinance, 1984 or the requirements of the said directives take precedence.

The Securities and Exchange Commission of Pakistan, via its Circular No. 17 of 2017, dated 20 July 2017 read with the related Press Release, has instructed companies to prepare financial statements, for the year ended 30 June 2017, in accordance with the provisions of the repealed Companies Ordinance, 1984. The Company will prepare its annual financial statements for the year ending 30 June 2018 in accordance with the provisions of the Companies Act, 2017.

#### 2.1 Basis of Measurement

These financial statements have been prepared under historical cost convention, except for investments classified as 'available-for-sale' which are stated at fair value.

#### 2.2 Presentation Currency

These financial statements are presented in Pak Rupees, which is the Company's functional currency. Figures have been rounded off to the nearest thousands of Rupees, unless otherwise stated.

#### 2.3 Standards, interpretations and amendments applicable to the financial statements for the year ended 30 June 2017

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

##### New Standards and Amendments

The Company has adopted the following accounting standard and the amendments which became effective for the current year:

IFRS 10	Consolidated Financial Statements – Investment Entities: Applying the Consolidated Exception (Amendment)
IFRS 12	Disclosure of Interest in Other Entities – Investment Entities: Applying the Consolidated Exception (Amendment)
IFRS 11	Joint Arrangements Accounting for Acquisition of Interest in Joint Operation (Amendment)
IAS 1	Presentation of Financial Statements – Disclosure Initiative (Amendment)
IAS 16 & 38	Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Method of Depreciation (Amendment)
IAS 16 & 41	Property, Plant and Equipment and Agriculture – Agriculture: Bearer Plants (Amendment)
IAS 27	Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)

##### Improvements to Accounting Standards Issued by the IASB in September 2014

IFRS 5	Non-current Assets Held for Sale and Discontinued Operations – Changes in methods of disposal
IFRS 7	Financial Instruments: Disclosures – Servicing contracts
IFRS 7	Financial Instruments: Disclosures – Applicability of the offsetting disclosures to condensed interim financial statements
IAS 19	Employee Benefits – Discount rate: regional market issue
IAS 34	Interim Financial Reporting – Disclosure of information 'elsewhere in the interim financial report'



The adoption of the above accounting standards did not have any material effect on the financial statements.

**Standards, Interpretations and amendments to approved accounting standards that are not yet effective:**

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

	<b>Standard or Interpretation</b>	<b>Effective date (annual periods beginning on or after)</b>
IFRS 2	Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	01 January 2018 Not yet finalized
IFRS 10	Consolidated Financial Statements	
IAS 28	Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized 01 January 2017
IAS 7	Financial Instruments: Disclosures – Disclosure Initiative – (Amendment)	
IAS 12	Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	01 January 2017
IFRS 4	Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)	01 January 2018
IAS 40	Investment Property: Transfers of Investment Property (Amendments)	01 January 2018
IFRIC 22	Foreign Currency Transactions and Advance Consideration	01 January 2018
IFRIC 23	Uncertainty over Income Tax Treatments	01 January 2019

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018. The Company expects that such improvements to the standards will not have any impact on the Company's financial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

	<b>Standard or Interpretation</b>	<b>IASB Effective date (annual periods beginning on or after)</b>
IFRS 9	Financial Instruments: Classification and Measurement	01 January 2018
IFRS 14	Regulatory Deferral Accounts	01 January 2016
IFRS 15	Revenue from Contracts with Customers	01 January 2018
IFRS 16	Leases	01 January 2019
IFRS 17	Insurance Contracts	01 January 2021

The Company is in process of determining impact of IFRS 15 and IFRS 16. The Company does not expect any material impact of the application of other standards.

### 3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

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. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to, the financial statements, are as follows:

### 3.1 Provision for taxation

In making the estimate for income tax payable by the Company, the Company takes into account the applicable tax laws and the decisions by appellate authorities on certain issues in the past along-with the risk profile of ongoing litigation and industry related factors.

### 3.2 Provision for doubtful receivables

The Company reviews its doubtful trade debts at each reporting date to assess whether provision should be recorded in the profit and loss account. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on past history of customers, market intelligence, credit ratings, prevalent financial conditions and operating circumstances of the customers.

### 3.3 Useful life and residual values of property, plant and equipment

The Company reviews appropriateness of the rate of depreciation, useful lives and residual values used in the calculation of depreciation. In making these estimates, the Company uses the technical resources available with the Company and its history in relation to actual useful lives and residual values of similar assets disposed in the past. Any change in the estimates in the future might affect the carrying amount of the respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

### 3.4 Impairment of financial assets

The Company assesses whether there is objective evidence that a financial asset is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset, has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include indications that the debtors or group of debtors is experiencing significant financial difficulties, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

### 3.5 Stock-in-trade

Provision is recognized in the financial statements for obsolete and slow moving stock-in-trade based on the management's assessment of age and expected movement of inventory on an item-wise basis.

### 3.6 Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are also tested for impairment when there are indicators that the carrying amounts may not be recoverable. For assets which can generally be sold in the market, the prevailing market price is used as an indicator of current recoverable amount. Technical analysis and market data is used to arrive at the recoverable amount for specialized assets.

### 3.7 Provision for compensated absences

The Company accounts for compensated absences on the basis of the un-availed earned leave balance of each employee at the end of the year.

Other areas requiring estimates and judgments are disclosed in respective notes to the financial statements.

## 4 SIGNIFICANT ACCOUNTING POLICIES

4.1 The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as mentioned in note 2.3.

## 4.2 Property, plant and equipment

### Owned assets

Property, plant and equipment except for freehold land and leasehold land held on 99 years lease, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Free hold and lease hold land are stated at cost.

Depreciation is calculated using the reducing balance method at rates disclosed in note 5, which are considered appropriate to write off the cost of the assets over their useful lives.

Depreciation on additions is charged from the month in which an asset is available for use while no depreciation is charged for the month in which the asset is disposed off.

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment is recognized in the income currently. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted for the future periods to allocate the asset's revised carrying amount over its estimated useful life.

Subsequent costs are included in the asset's carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

The gain or loss on disposal or retirement of an asset represents the difference between the sale proceeds and the carrying amount of the asset and is recognized as an income or expense in the period it relates.

### Capital work-in-progress

This is stated at cost including capitalization of borrowing costs. It consists of expenditures incurred and advances made, in respect of fixed assets, in the course of their construction and installation.

## 4.3 Investments

### Available-for-sale

Available-for-sale investments, after initial recognition, are measured at fair value with gains or losses being recognized as a separate component of equity until the investment is derecognized or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the profit and loss account.

The fair value of investments, which are actively traded in organized financial markets, is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models.

## 4.4 Stores, spares and stock-in-trade

Stocks, stores and spares are valued at lower of cost or net realizable value except those in transit, which are valued at invoice values including other charges, if any, incurred thereon. The basis of determining cost is as follows:

Raw materials	- Monthly average
Packing material	- Monthly average
Finished goods	- Quarterly average
Pulps, concentrates etc.	- Manufacturing cost according to annual average method
Stores and spares	- Monthly average
Stock-in-transit	- Cost

Net realizable value is determined on the basis of estimated selling price of the product in the ordinary course of business, less costs of completion and costs necessary to be incurred for its sale.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 4.5 Trade debts

Trade debts are carried at invoice amounts on the transaction date, less any estimate for doubtful receivables. Known bad debts are written off as and when identified.

### 4.6 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cheques in hand, cash at bank in current, savings and deposit accounts, and other short-term highly liquid instruments that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value.

### 4.7 Trade and other Payables

Liabilities for trade and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

### 4.8 Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instruments. The Company derecognizes a financial asset or a portion of a financial asset, when and only when, the enterprise loses control of the contractual rights that comprise the financial asset or portion of financial asset. While a financial liability or part of a financial liability is derecognized from the balance sheet, when and only when, it is extinguished, i.e., when the obligation specified in the contract is discharged, cancelled or expires.

Financial assets of the Company consist of available-for-sale investments and loans and advances. Loans and advances of the Company include deposits, trade debts, other receivables and cash and bank balances. These are stated at their nominal values as reduced by the appropriate allowances for estimated irrecoverable amounts.

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities are the long-term loan, short-term running finance utilized under mark-up arrangements, creditors, accrued and other liabilities. Mark-up/ interest bearing finances are recorded at the gross proceeds received. These all are carried at amortized cost. Other liabilities are stated at their nominal values and no liability is carried at fair value.

### 4.9 Impairment

The carrying amount of the Company's assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in the profit and loss account. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit and loss account.

### 4.10 Offsetting of financial assets and financial liabilities

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

### 4.11 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognized as a liability in the Company's financial statements in the period in which these are approved.

### 4.12 Taxation

#### Current

Provision for current taxation is based on taxable income at the current rate of tax after taking into account applicable tax credits, rebates and exemptions available, if any. The charge for current tax includes adjustments to charges for prior years, if any.



### Deferred

Deferred tax is provided in full using the balance sheet liability method on all temporary differences arising at the balance sheet date, between the tax bases of the assets and liabilities and their carrying values. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

The carrying amounts of all deferred tax assets are reviewed at each balance sheet date, and reduced to the extent it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

The tax rates enacted at the balance sheet date are used to determine deferred tax.

### 4.13 Revenue recognition

#### Sale of goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with the delivery of goods to customers.

#### Interest income

Return on bank deposits is accrued on a time proportion basis, by reference to the principal outstanding, at the applicable rate of return.

#### Dividend income

Dividend income is recognized when the Company's right to receive the payment is established.

### 4.14 Staff retirement benefits

The Company operates a recognized provident fund scheme (defined contribution plan) for all permanent employees. Equal monthly contributions are made both by the Company and the employees to the fund at the rate of 8.33% (2016: 8.33%).

### 4.15 Compensated absences

The Company accounts for compensated absences on the basis of the un-availed earned leave balance of each employee at the end of the year.

### 4.16 Borrowing costs

Borrowing costs directly attributable to acquisition, construction, or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 4.17 Foreign currency transactions

Foreign currency transactions are converted into rupees at the rates prevailing on the date of the transactions. Monetary assets and liabilities in foreign currencies are translated into rupees at the rates of exchange prevailing at the balance sheet date.

Gains or losses arising on translation are recognized in the profit and loss account.

### 4.18 Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

	Note	Rupees in thousand	
		2017	2016
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	<b>1,088,971</b>	1,109,611
Capital work in progress	5.2	<b>86,975</b>	77,400
		<b>1,175,946</b>	1,187,011

### 5.1 Operating fixed assets

		2017									
		COST				DEPRECIATION				NET BOOK VALUE	
Note		As at 01 July 2016	Additions / Transfers	Disposals	As at 30 June 2017	Accumulated as at 01 July 2016	Disposals	Charge for the year	Accumulated as at 30 June 2017	As at 30 June 2017	Depreciation Rate
Rupees in thousand											%
<b>OWNED ASSETS</b>											
	Freehold land	7,091	-	-	7,091	-	-	-	-	7,091	-
	Leasehold land	2,646	-	-	2,646	-	-	-	-	2,646	-
	Buildings on freehold land	89,985	8,822	-	98,807	39,229	-	5,442	44,671	54,136	10
	Buildings on leasehold land	36,692	-	-	36,692	20,981	-	1,571	22,552	14,140	10
	Plant and machinery	954,787	29,375	(4,994)	979,168	412,101	(3,876)	69,976	478,201	500,967	12.5
	Furniture and fixtures	22,097	822	-	22,919	10,901	-	1,775	12,676	10,243	15
	Motor vehicles	157,172	37,486	(4,815)	189,843	104,165	(3,748)	13,473	113,890	75,953	20
	Electric fittings and tools	5,804	109	-	5,913	4,237	-	179	4,416	1,497	10-25
	Electric equipment	221,435	43,413	-	264,848	112,767	-	36,678	149,445	115,403	15-33.33
	Laboratory equipment	1,791	-	-	1,791	974	-	82	1,056	735	10
	Forklifts	40,925	2,495	-	43,420	25,556	-	3,407	28,963	14,457	20
	Computers and accessories	19,295	1,959	(49)	21,205	15,548	(42)	1,632	17,138	4,067	33.33
	Arms and ammunitions	94	-	-	94	94	-	-	94	-	20
	Empty bottles, shells-pallets and barrels	483,817	115,135	(99,184)	499,768	187,467	(59,496)	84,161	212,132	287,636	25
		<b>2,043,631</b>	<b>239,616</b>	<b>(109,042)</b>	<b>2,174,205</b>	<b>934,020</b>	<b>(67,162)</b>	<b>218,376</b>	<b>1,085,234</b>	<b>1,088,971</b>	

		2016									
		COST				DEPRECIATION				NET BOOK VALUE	
Note		As at 01 July 2015	Additions / Transfers	Disposals	As at 30 June 2016	Accumulated as at 01 July 2015	Disposals	Charge for the year	Accumulated as at 30 June 2016	As at 30 June 2016	Depreciation Rate
Rupees in thousand											%
<b>OWNED ASSETS</b>											
	Freehold land	7,091	-	-	7,091	-	-	-	-	7,091	-
	Leasehold land	1,802	844	-	2,646	-	-	-	-	2,646	-
	Buildings on freehold land	68,960	21,025	-	89,985	35,674	-	3,555	39,229	50,756	10
	Buildings on leasehold land	36,692	-	-	36,692	19,235	-	1,746	20,981	15,711	10
	Plant and machinery	902,907	52,380	(500)	954,787	340,324	(196)	71,973	412,101	542,686	12.5
	Furniture and fixtures	17,064	5,033	-	22,097	9,740	-	1,161	10,901	11,196	15
	Motor vehicles	155,360	6,536	(4,724)	157,172	94,705	(2,884)	12,344	104,165	53,007	20
	Electric fittings and tools	5,804	-	-	5,804	4,063	-	174	4,237	1,567	10-25
	Electric equipment	192,557	28,978	(100)	221,435	83,638	(52)	29,181	112,767	108,668	15-33.33
	Laboratory equipment	1,791	-	-	1,791	883	-	91	974	817	10
	Forklifts	34,659	6,902	(636)	40,925	23,271	(633)	2,918	25,556	15,369	20
	Computers and accessories	17,400	1,895	-	19,295	14,239	-	1,309	15,548	3,747	33.33
	Arms and ammunitions	94	-	-	94	94	-	-	94	-	20
	Empty bottles, shells-pallets and barrels	425,101	108,880	(50,164)	483,817	132,514	(31,989)	86,942	187,467	296,350	25
		<b>1,867,282</b>	<b>232,473</b>	<b>(56,124)</b>	<b>2,043,631</b>	<b>758,380</b>	<b>(35,754)</b>	<b>211,394</b>	<b>934,020</b>	<b>1,109,611</b>	

**5.1.1** Visi coolers costing Rs. (thousand) 127,457 (2016: Rs. (thousand) 97,063), are in the possession of shopkeepers for the sale of Company's products.

**5.1.2** These include bottles and shells costing Rs. (thousand) 185,937 (2016: Rs. (thousand) 170,560) held by distributors of the Company in the normal course of business.

## 5.2 CAPITAL WORK IN PROGRESS

	COST					2017	2016
	Land*	Furniture	Plant & Machinery	Vehicles	Buildings		
	Rupees in thousand						
<b>Balance as at 01 July</b>	70,507	-	2,000	-	4,893	<b>77,400</b>	90,432
Additions during the year	-	1,834	4,733	38,749	16,097	<b>61,413</b>	73,869
Transferred to operating fixed assets	-	(797)	(4,733)	(37,486)	(8,822)	<b>(51,838)</b>	(68,976)
Impairment of plant	-	-	-	-	-	-	(2,000)
Transferred to loans and advances	-	-	-	-	-	-	(15,925)
<b>Balance as at 30 June</b>	70,507	1,037	2,000	1,263	12,168	<b>86,975</b>	77,400

\* This represents amount paid to Punjab Industrial Estate (PIE) for the acquisition of land to be utilized for future construction of processing and storage facilities by the Company. The possession and title will be transferred to the Company in due course.

	Note	Rupees in thousand	
		2017	2016

## 5.3 Depreciation charge for the year has been allocated as follows:

Cost of sales	23.1	<b>123,069</b>	127,310
Distribution costs	24	<b>72,234</b>	65,849
Administrative expenses	25	<b>11,632</b>	10,556
Other operating expenses	26	<b>11,441</b>	7,679
		<b>218,376</b>	211,394

## 6 LONG-TERM INVESTMENT - AVAILABLE FOR SALE

### Quoted Modaraba

BRR Guardian Modaraba - Credit rating - A

305,000 (2016: 305,000) certificates of Rs. 10/- each	6.1	<b>2,375</b>	2,375
Gain / (loss) on remeasurement		<b>502</b>	(254)
		<b>2,877</b>	2,121

**6.1** The above investment represents 0.39% (2016: 0.39%) of the issued certificate capital of the Modaraba.

**6.2** These investments are placed under a shariah permissible agreement.

	Rupees in thousand	
	2017	2016

## 7 LONG-TERM DEPOSITS

### Deposits

- Utility companies	<b>2,518</b>	1,802
- Others	<b>2,665</b>	2,451
	<b>5,183</b>	4,253

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

	Note	Rupees in thousand	
		2017	2016
<b>8 STORES AND SPARES</b>			
Stores		3,538	4,148
Spares		67,640	62,570
		<b>71,178</b>	66,718

<b>9 STOCK-IN-TRADE</b>			
Raw materials		89,203	89,508
Packing materials		339,972	359,714
Finished goods		206,392	197,198
Pulps, concentrates etc.	9.1	689,941	568,789
Goods in transit		33,007	22,872
		<b>1,358,515</b>	1,238,081

**9.1** These include pulps amounting to Rs. (thousand) 243,673 (2016: Rs. (thousand) 158,502), held with third parties in the normal course of business.

	Note	Rupees in thousand	
		2017	2016
<b>10 TRADE DEBTS</b>			
Unsecured - considered good			
Due from related parties	10.1	2	-
Others		259,851	269,494
		<b>259,853</b>	269,494
Considered doubtful - others		1,374	1,350
Less: Provision for doubtful debts	10.2	1,374	1,350
		-	-
		<b>259,853</b>	269,494

**10.1** No amount is receivable from the Chief Executive, Directors and Executives of the Company (2016: Rs. (thousand) Nil).

		Rupees in thousand	
		2017	2016
<b>10.2 Provision for doubtful debts</b>			
Balance as at 01 July		1,350	1,350
Less: Utilized against debts written off		(1,164)	-
Charge for the year			
- Addition		1,374	-
- Reversal		(186)	-
		<b>1,188</b>	-
Balance as at 30 June		<b>1,374</b>	1,350

	Note	Rupees in thousand	
		2017	2016
<b>11 LOANS AND ADVANCES</b>			
Advances to distributors - Secured, considered good		-	3,202
Advances - Unsecured, considered good			
- Staff	11.1	5,626	5,763
- Suppliers	11.2	179,512	66,347
Advances - Unsecured, considered doubtful			
- Suppliers		-	100
Less: Provision for doubtful advances	11.3	-	100
		-	-
		<b>185,138</b>	75,312

**11.1** No advances were given to the Chief Executive, Directors and Executives of the Company (2016: Rs. (thousand) Nil).

**11.2** This includes interest free advance amounting to Rs. (thousand) 173,032 (2016: Rs. (thousand) Nil) paid to Shahtaj Sugar Mills Limited for the purchase of raw material.

	Note	Rupees in thousand	
		2017	2016
<b>11.3 Provision for doubtful advances</b>			
Balance as at 01 July		100	100
Less: Utilized against debts written off		(100)	-
Charge during the year		-	-
Balance as at 30 June		-	100

## 12 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Short-term deposits		11,463	10,698
Short-term prepayments:			
- Rent		6,633	3,243
- Others		1,824	1,190
		<b>19,920</b>	15,131

## 13 INTEREST ACCRUED

Profit receivable on bank deposits		338	268
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## 14 CASH AND BANK BALANCES

Cash in hand		13,333	31,412
Cheques in hand		20,698	18,665
Cash at banks			
- Current accounts	14.1	17,848	31,503
- PLS savings accounts	14.2	21,348	21,326
		<b>73,227</b>	102,906

**14.1** This includes two bank accounts, restricted for dividend payments, aggregating to Rs. (thousand) 928 (2016: Rs. (thousand) 1,550).

**14.2** The balances in the PLS savings accounts carry mark-up @ 3.75% (2016: 3.75% to 4.50%) per annum.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 15 SHARE CAPITAL

	Note	Number of Shares		Rupees in thousand	
		2017	2016	2017	2016
<b>Authorised share capital</b>					
Ordinary shares of Rs. 10/- each		<u>10,000,000</u>	<u>10,000,000</u>	<u>100,000</u>	<u>100,000</u>
<b>Issued, subscribed and paid-up share capital</b>					
Ordinary shares of Rs. 10/- each					
<b>Opening as at 01 July</b>					
- Fully paid in cash		237,500	237,500	2,375	2,375
- Issued as fully paid bonus shares		7,748,500	7,748,500	77,485	77,485
		<u>7,986,000</u>	<u>7,986,000</u>	<u>79,860</u>	<u>79,860</u>
<b>Issued during the year</b>					
- Fully paid bonus shares	15.1	-	-	-	-
<b>Closing as at 30 June</b>					
- Fully paid in cash		237,500	237,500	2,375	2,375
- Issued as fully paid bonus shares		7,748,500	7,748,500	77,485	77,485
		<u>7,986,000</u>	<u>7,986,000</u>	<u>79,860</u>	<u>79,860</u>

#### 15.1 Non-transfer of bonus shares to individual shareholders

During the year ended 30 June 2015, the Company issued 726,000 bonus shares @ 10% of its then paid-up capital on the book closure date of 23 October 2014. In accordance with the provisions of section 236M of the 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 the end price of the first day 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 Honorable Sindh High Court, challenging the levy of tax under the above referred section. Since the matter is subjudice before the Honorable Sindh High Court, the Company has retained 5% of the bonus shares issued to plaintiff shareholders.

	Note	Rupees in thousand	
		2017	2016
<b>16 RESERVES</b>			
<b>Capital</b>			
Merger Reserve	16.1	5,000	5,000
<b>Revenue</b>			
General Reserve			
- At the beginning of the year		1,450,000	1,250,000
- Transferred from unappropriated profits		150,000	200,000
		<u>1,600,000</u>	<u>1,450,000</u>
Unrealized gain on remeasurement of investment - available for sale			
- At the beginning of the year		(394)	(157)
- Additions during the year		896	(237)
		<u>502</u>	<u>(394)</u>
		<u>1,605,502</u>	<u>1,454,606</u>

**16.1** This reserve can be utilized by the Company, only for the purposes specified in section 83(2) of the Companies Ordinance, 1984 (repealed).

		Rupees in thousand	
		2017	2016
<b>17</b>	<b>LONG-TERM LOAN</b>		
	Secured		
	Long-term loan	90,000	210,000
	Less: Current portion	(90,000)	(120,000)
		-	90,000

This represents long term loan obtained from a commercial bank which originally amounted to Rs. (thousand) 300,000 payable in 10 equal quarterly installments with a grace period of six months. The rate of mark-up / interest is 3 months KIBOR plus 0.30%, payable quarterly. The facility is secured against a first exclusive registered charge on the plant and machinery up to Rs. (thousand) 430,000.

		Rupees in thousand	
		2017	2016
<b>18</b>	<b>DEFERRED TAXATION</b>		
	<b>This comprises:</b>		
	<b>Deferred tax liabilities on taxable temporary differences</b>		
	Accelerated tax depreciation	82,494	93,539
	<b>Deferred tax assets on deductible temporary differences</b>		
	Provision for doubtful debts	(402)	(424)
	Provision for employee's compensated absences	(9,682)	(10,104)
	Provision for bonuses to staff and agents	(10,232)	(9,077)
	Carried forward minimum tax credit	-	(4,560)
	Others - deferred tax adjustment on unrealized gain	(140)	-
		(20,456)	(24,165)
		62,038	69,374

<b>19</b>	<b>TRADE AND OTHER PAYABLES</b>			
	Due to related parties	19.1	57,511	26,661
	Creditors		318,507	295,525
	Deposits	19.2	41,964	50,577
	Distributors' credit balances		51,091	64,534
	Accrued expenses		118,631	113,983
	Sales tax payable		32,447	84,192
	Payable to provident fund		1,469	963
	Workers' Profit Participation Fund	19.3	19,472	10,920
	Workers' Welfare Fund	19.4	11,312	7,068
	Unclaimed dividend		1,966	1,614
	Taxes and other payables		23,199	7,908
	Other liabilities	19.5	3,181	4,680
			680,750	668,625

**19.1** The amounts due to related parties are in the normal course of business and relate to:

	Shezan Services (Private) Limited	57,430	26,592
	Shahnawaz (Private) Limited	81	69
		57,511	26,661

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

**19.2** Agreements with the distributors give the Company the right to utilize these deposits in the normal course of business. The deposits are unsecured and repayable on demand.

	Note	Rupees in thousand	
		2017	2016
<b>19.3 Workers' Profit Participation Fund</b>			
Balance as at 01 July		10,920	16,753
Allocation for the year	26	19,472	10,920
		<b>30,392</b>	27,673
Interest on funds utilized in the Company's business	28	273	177
		<b>30,665</b>	27,850
Less: amount paid to the Fund's Trust		11,193	16,930
Balance at 30 June		<b>19,472</b>	10,920

### 19.4 Workers' Welfare Fund

Balance as at 01 July		7,068	4,000
Allocation for the year	26	8,024	4,000
		<b>15,092</b>	8,000
Less: amount paid with annual return		3,780	932
Balance at 30 June		<b>11,312</b>	7,068

**19.5** This includes Rs. (thousand) Nil (2016: Rs. (thousand) Nil) payable to the Chief Executive Officer and Rs. (thousand) 2,079 (2016: Rs. (thousand) 2,539) payable to various executives.

## 20 SHORT-TERM BORROWINGS - SECURED

The aggregate short-term borrowings available from commercial banks under mark-up / interest arrangements are Rs. (thousand) 1,625,000 (2016: Rs. (thousand) 1,875,000). The un-utilized portion of the said facility amounts to Rs. (thousand) 1,332,475 (2016: Rs. (thousand) 1,648,723).

The rate of mark-up / interest on short-term borrowings ranges between 1 month KIBOR minus 0.05% to 1 month KIBOR/ 3 months KIBOR plus 0.25% (2016: 1 month KIBOR plus 0.02% to 1 month KIBOR/ 3 months KIBOR plus 0.25%), payable monthly/quarterly.

The facilities are secured against a first registered joint pari passu hypothecation and ranking charge on current assets of the Company up to Rs. (thousand) 2,314,000 (2016: Rs. (thousand) 2,314,000) and Rs. (thousand) 334,000 (2016: Rs. (thousand) 848,000) respectively.

The un-utilized facility for opening letters of credit and for guarantees amounts to Rs. (thousand) 190,430 (2016: Rs. (thousand) 202,930) and Rs. (thousand) 72,881 (2016: Rs. (thousand) 77,977), respectively.

## 21 CONTINGENCIES AND COMMITMENTS

### 21.1 Contingencies

- i. Claim of Punjab Employees Social Security Institution (P.E.S.S.I.) for Rs. (thousand) 2,379 (2016: Rs. (thousand) 2,379) is not acknowledged as debt by the Company.
- ii. The Company has filed an appeal before the Appellate Tribunal Inland Revenue against the decision of Commissioner of Inland Revenue (Appeals) for an additional amount of Rs. (thousand) 3,465 (2016: Rs. (thousand) 3,465) in respect of the tax year 2003, which is pending adjudication.

- iii. The Commissioner Inland Revenue has filed an appeal pertaining to case of capital gain on merger of wholly owned subsidiary, M/s. Hattar Fruit Products Limited (now merged into the Company) before the Honorable Lahore High Court, against the decision of Appellate Tribunal Inland Revenue for an additional amount of Rs. (thousand) 39,788 (2016: Rs. (thousand) 39,788) in respect of the tax year 2004, which is pending adjudication.
- iv. For tax years 2010 and 2012 to 2016, the Company has filed appeals before the Commissioner Inland Revenue (Appeals) against the orders passed under section 161 of the Income Tax Ordinance, 2001 by the Deputy Commissioner Inland Revenue for payment of additional amount of Rs. (thousand) 5,840 (2016: Rs. (thousand) 4,189), which are pending adjudication.
- v. For tax years 2011 and 2013, the Company has filed appeals before the Commissioner Inland Revenue (Appeals) against the orders passed under section 122(5A) by the Additional Commissioner Inland Revenue wherein the income of the Company has been reassessed and certain expenses have been added back in the income for the above tax years. Tax impact of the above amounts to Rs. (thousand) 115,181 (2016: Rs. (thousand) 115,181). The Commissioner Inland Revenue (Appeals) has granted relief on certain additions made by assessing officer. Being aggrieved the Company has filed the appeals before the Appellate Tribunal Inland Revenue, which are pending adjudication. However, the tax department has also filed the appeals before the Appellate Tribunal Inland Revenue against the decisions decided in favor of the Company, which is also pending adjudication.
- vi. The Company has filed an appeal before the Commissioner Inland Revenue (Appeals) against an order passed under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2014, by Additional Commissioner Inland Revenue wherein the income of the Company has been reassessed and certain expenses have been disallowed and added in the income for the year. Tax impact of the above amounts to Rs. (thousand) 138,670 (2016: Rs. (thousand) 138,670). The Commissioner Inland Revenue (Appeals) decided the appeal in favor of the Company. Federal board of revenue (FBR) has, however, filed an appeal before the Appellate Tribunal Inland Revenue, against this decision, which is pending adjudication.
- vii. The Company has received an order under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2009 passed by the Additional Commissioner Inland Revenue, wherein the income of the Company has been reassessed and certain expenses have been disallowed and added in the income resulting in tax impact of Rs. (thousand) 13,274 (2016: Rs. (thousand) 13,274). The Company has filed an appeal before the Commissioner Inland Revenue (Appeals), which was subsequently decided in favor of the Company. The Commissioner Inland Revenue has filed an appeal before the Appellate Tribunal Inland Revenue against this decision of the Commissioner Inland Revenue (Appeals), which is pending adjudication.
- viii. The Company has received an order under section 122(5A) of the Income Tax Ordinance, 2001 in respect of tax year 2010 passed by the Additional Commissioner Inland Revenue wherein the income of the Company has been reassessed and resulting tax impact of the additions amounting to Rs. (thousand) 1,766 (2016: Rs. (thousand) 1,766) has been added in the tax declared by the Company. Being aggrieved, the Company has filed an appeal before the Commissioner Inland Revenue (Appeals), which is pending adjudication.
- ix. Based on the order passed under section 161 for the tax year 2011, an additional amount of Rs. (thousand) 9,936 (2016: Rs. (thousand) 9,936) was demanded by the Income Tax Department against which the Company filed an appeal before the Commissioner Inland Revenue (Appeals), which was subsequently decided in favor of the Company. The Commissioner Inland Revenue has filed an appeal before the Appellate Tribunal Inland Revenue against this decision of the Commissioner Inland Revenue (Appeals), which is pending adjudication.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 21.2 Commitments

- i. Commitments in respect of letters of credit established for the import of raw and packing materials, amounted to Rs. (thousand) 59,570 (2016: Rs. (thousand) 47,070).
- ii. Counter-guarantees in favor of banks in the ordinary course of business, amounted to Rs. (thousand) 37,119 (2016: Rs. (thousand) 32,023).
- iii. The amount of future payments under operating leases and the period in which these payments will become due are as follows:

	Note	Rupees in thousand	
		2017	2016
Not later than one year		10,223	7,348
Later than one year and not later than five years		27,455	29,776
Later than five years		57,088	33,853
		<b>94,766</b>	70,977

### 22 SALES - NET

Domestic		8,707,579	8,289,642
Export		184,302	168,289
		<b>8,891,881</b>	8,457,931
Less: Discounts and incentives		233,280	222,803
Sales tax		1,498,997	1,418,186
Federal excise duty		589	402
		<b>1,732,866</b>	1,641,391
	22.1	<b>7,159,015</b>	6,816,540

**22.1** This includes sales relating to trading activities amounting to Rs. (thousand) 10,353 (2016: Rs. (thousand) 6,246).

### 23 COST OF SALES

	Note	Rupees in thousand	
		2017	2016
Manufacturing	23.1	5,075,501	4,927,234
Trading	23.2	8,249	4,542
		<b>5,083,750</b>	4,931,776



	Note	Rupees in thousand	
		2017	2016
<b>23.1 Cost of sales - Manufacturing</b>			
<b>Raw materials consumed:</b>			
Opening stock		89,508	109,609
Add: Purchases during the year		1,814,143	1,728,840
Less: Production of pulps, concentrates		551,413	513,643
Closing stock		89,203	89,508
		<b>1,263,035</b>	1,235,298
<b>Pulps, concentrates etc. consumed:</b>			
Opening stock		568,789	700,085
Add: Purchases during the year		491,775	246,898
Production/processing during the year		551,413	513,643
Less: Closing stock		689,941	568,789
		<b>922,036</b>	891,837
<b>Packing materials consumed:</b>			
Opening stock		359,714	434,321
Add: Purchases during the year		2,364,310	2,225,153
Less: Cost transferred to expenses		16,264	18,256
Closing stock		339,972	359,714
		<b>2,367,788</b>	2,281,504
<b>Factory expenses:</b>			
Salaries, wages and amenities		278,000	258,315
Company's contribution to provident fund		1,380	1,375
Stores and spares consumed		59,144	80,051
Travelling and conveyance		3,158	2,995
Repairs and maintenance		131,155	120,563
Insurance		3,161	3,915
Fuel and power		206,391	204,016
Inward freight and loading/unloading		2,682	2,165
Utilities		18,127	14,924
Loss on disposal of empties	27.2	10,402	9,295
General expenses		4,783	7,104
Depreciation	5.3	123,069	127,310
		<b>841,452</b>	832,028
Cost of production		<b>5,394,311</b>	5,240,667
Add: Finished goods - Opening stock		<b>192,609</b>	182,394
		<b>5,586,920</b>	5,423,061
Less: Cost of samples	24.2	<b>240,419</b>	221,699
Cost of wastage and spoilage	26	<b>67,958</b>	81,519
Finished goods - Closing stock		<b>203,042</b>	192,609
		<b>511,419</b>	495,827
		<b>5,075,501</b>	4,927,234

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

	Note	Rupees in thousand	
		2017	2016
<b>23.2 Cost of sales - Trading</b>			
Finished goods - Opening stock		4,589	7,056
Add: Purchases during the year		10,963	4,282
		<b>15,552</b>	11,338
Less: Cost of samples	24.2	399	437
Cost of wastage and spoilage	26	3,554	1,770
Finished goods - Closing stock		3,350	4,589
		<b>7,303</b>	6,796
		<b>8,249</b>	4,542

### 24 DISTRIBUTION COSTS

Salaries, wages and amenities		296,230	253,143
Company's contribution to provident fund		1,815	1,766
Postage and telephone		2,699	2,329
Traveling and conveyance		30,602	33,667
Repairs and maintenance	24.1	51,198	36,903
Insurance		8,613	7,620
Utilities		9,476	7,758
Stationery and printing		1,187	1,684
Rent, rates and taxes		24,952	24,104
Advertising and promotions	24.2	508,953	606,987
Outward freight and distribution		129,123	125,244
Staff sales incentive		15,114	12,544
Petrol, oil and lubricants		72,944	66,709
General expenses		5,046	3,553
Depreciation	5.3	72,234	65,849
		<b>1,230,186</b>	1,249,860

**24.1** This include loss on disposal of shells amounting to Rs. (thousand) 7,461 (2016: Rs. (thousand) 3,749).

**24.2** This include cost of samples amounting to Rs. (thousand) 240,818 (2016: Rs. (thousand) 222,136).

	Note	Rupees in thousand	
		2017	2016
<b>25 ADMINISTRATIVE EXPENSES</b>			
Salaries, wages and amenities		174,772	163,379
Company's contribution to provident fund		2,097	2,041
Postage and telephone		3,222	2,301
Traveling and conveyance		5,218	4,111
Repairs and maintenance		14,741	14,714
Insurance		8,493	9,317
Utilities		6,269	6,265
Stationery and printing		5,315	5,063
Rent, rates and taxes		34,711	13,990
Auditors' remuneration	25.1	3,923	3,706
Legal and professional		1,488	802
Donations	25.2	440	680
General expenses		6,408	7,366
Depreciation	5.3	11,632	10,556
		<b>278,729</b>	244,291

	Rupees in thousand	
	2017	2016
<b>25.1 Auditors' remuneration</b>		
Audit fee	1,200	1,150
Tax consultancy services	771	1,655
Miscellaneous certification and limited review charges etc.	1,550	600
Out of pocket expenses	402	301
	<b>3,923</b>	3,706

## 25.2 Donations

None of the directors or their spouses had any interest in any of the donees.

		Rupees in thousand	
	Note	2017	2016
<b>26 OTHER OPERATING EXPENSES</b>			
Product spoilage		86,352	90,217
Barrel Depreciation	5.3	11,441	7,679
Royalty to related party - Shezan Services (Private) Limited		79,205	71,399
Workers' Profit Participation Fund	19.3	19,472	10,920
Workers' Welfare Fund	19.4	8,024	4,000
Loss on disposal of property, plant and equipment	27.2	627	603
Provision against doubtful debts	10.2	1,188	-
Impairment of plant and machinery		-	2,000
		<b>206,309</b>	186,818

## 27 OTHER INCOME

### Income from financial assets

Profit on bank deposits		1,968	1,940
Dividend income	27.1	82	123
Foreign exchange gain-net		524	3,198
		<b>2,574</b>	5,261

### Income from non-financial assets

Gain on disposal of property, plant and equipment	27.2	5,317	6,580
Sale of scrap		30,430	40,018
		<b>35,747</b>	46,598
		<b>38,321</b>	51,859

**27.1** This represents dividend income earned on sharia permissible arrangement.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 27.2 Gain / (Loss) on disposal of property, plant and equipment

Description	Cost	Book Value	Sale Proceeds	Gain / (loss)	Purchaser / Party	Mode
	Rupees in thousand					
Daihatsu Cuore	709	150	350	200	EFU General Insurance	Insurance Claim
Suzuki Ravi Pickup	539	140	231	91	Mateen Traders, Lahore	Negotiation
Suzuki Swift	1,262	583	556	(27)	Irfan Ahmad, Ex-Employee	Company's Policy
Hyundai Shehzore	708	105	675	570	EFU General Insurance	Insurance Claim
Inkjet Printer	465	214	234	20	Interlink Engineering, Lahore	Negotiation
Air Compressor	1,075	303	400	97	Rastgar Private Limited, Karachi	Negotiation
Straw Applicator	2,301	550	1,966	1,416	Dairy Engineering, Lahore	Negotiation
Empty bottles, shells, pallets and barrels	51,526	21,198	22,252	1,054	Various parties	Negotiation
Other assets with book value less than Rs. (thousand) 50.	2,800	147	2,043	1,896	Various parties	Negotiation
	61,385	23,390	28,707	5,317		
<b>Less: Loss on disposal of empties, shells and pallets transferred to:</b>						
Cost of sales	28,495	10,402	-	(10,402)		
Distribution cost	17,186	7,461	-	(7,461)		
Other operating expenses	1,976	627	-	(627)		
	47,657	18,490	-	(18,490)		
	<b>109,042</b>	<b>41,880</b>	<b>28,707</b>	<b>(13,173)</b>		

	Note	Rupees in thousand	
		2017	2016
<b>28 FINANCE COSTS</b>			
<b>Interest / mark-up on:</b>			
Short-term borrowings	19.3	22,692	29,829
Workers' Profit Participation Fund		273	177
Long-term loan		10,425	19,317
		33,390	49,323
Bank charges		3,029	2,855
		36,419	52,178

### 29 TAXATION

Current tax:			
- Current year		116,131	62,648
- Prior years		(6,309)	(48,334)
		109,822	14,314
<b>Deferred tax:</b>			
- Relating to origination and reversal of temporary differences		(4,959)	(2,866)
- Due to reduction in tax rates		(2,238)	(2,258)
		(7,197)	(5,124)
		102,625	9,190

**29.1** The Finance Act, 2017 introduced a tax on every public company at the rate of 7.5% of its accounting profit before tax that derives profit for a tax year but does not distribute at least 40% of its after tax profit within six months of the end of tax year through cash or bonus shares. The above provision is applicable from tax year 2017 and onwards.



Based on the above, the Board of Directors of the Company has proposed a dividend amounting to Rs. (thousand) 107,811 in their meeting held on 26 September 2017 for the financial and tax year 2017, which met the prescribed minimum dividend requirement as referred above. The Company believes that it would not be liable to pay tax on its undistributed reserves as of 30 June 2017.

	Rupees in thousand	
	2017	2016
<b>29.2 Relationship between income tax expense and accounting profit</b>		
Profit before taxation	<b>361,943</b>	203,476
Tax at the applicable rate of 31%	<b>112,202</b>	65,112
Effect of prior years tax	<b>(6,309)</b>	(48,334)
Tax effect of expenses not allowed for tax purposes	<b>136</b>	843
Tax effect of applicability of lower tax rate on export sales and dividend income	<b>(582)</b>	(771)
Tax effect of rebates and tax credits	<b>(3,323)</b>	(6,131)
Tax effect of change in applicable rates and others	<b>501</b>	(1,529)
Tax charge for the current year	<b>102,625</b>	9,190
	Rupees in thousand	
	2017	2016

### 30 EARNINGS PER SHARE - BASIC AND DILUTED

Net profit after tax	<b>259,318</b>	194,286
	Number of shares	
Weighted average number of ordinary shares at the end of the year (in thousand)	<b>7,986</b>	7,986
	Rupees per share	
Earnings per share - (basic and diluted)	<b>32.47</b>	24.33

**30.1** 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.

### 31 CAPACITY AND PRODUCTION

	Normal Annual Capacity		Actual Production	
			2017	2016
Bottling plant	6,000,000	Crates	<b>5,538,150</b>	5,156,540
Tetra Pak plant	31,100,000	Dozens	<b>31,459,485</b>	30,325,341
Squashes and syrups plant	1,177,500	Dozens	<b>304,717</b>	321,660
Jams and ketchup plant	4,140,660	Dozens	<b>3,066,084</b>	3,639,025
Pickles plant	262,500	Dozens	<b>116,407</b>	98,871
Canning plant	167,200	Dozens	<b>78,296</b>	102,676

The normal annual capacity, as shown above, has been worked out on the basis of 350 working days (2016: 350 working days) except for bottling plant and squashes and syrups plant, which have been worked out on 150 days because of the seasonal nature of the business of the Company.

The variance between normal and actual production is because of the changes in demand and supply conditions along with impact of weather on consumer preferences.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 32 REMUNERATION OF CHIEF EXECUTIVE, PAID DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2017	2016	2017	2016	2017	2016
Total number	1	1	1	1	17	14
Rupees in thousand						
Basic salary	3,000	2,640	3,600	3,360	16,947	15,922
Provident fund contribution	250	220	300	280	1,412	1,327
Allowances and benefits						
House rent	744	744	744	744	5,391	5,301
Dearness	678	678	678	678	9,318	9,152
Special	780	600	780	600	1,093	1,050
Utilities	480	348	480	348	3,008	2,238
Medical	-	7	-	-	1,054	984
Bonus	750	440	900	560	4,200	2,799
Ex-gratia	250	220	300	280	2,719	1,146
	6,932	5,897	7,782	6,850	45,142	39,919

**32.1** Fees paid to six non-executive directors during the year, for attending Board meetings was Rs. (thousand) 350 (2016: Rs. (thousand) 350).

**32.2** Fees paid to four non-executive directors during the year (2016: three non-executive directors) for attending Audit Committee meetings was Rs. (thousand) 300 (2016: Rs. (thousand) 200).

**32.3** Fees paid to two non-executive directors during the year (2016: three non-executive directors), for attending Human Resource Committee meetings was Rs. (thousand) 100 (2016: Rs. (thousand) 75).

**32.4** The Company also provides the Chief Executive, certain directors and executives with Company maintained vehicles, partly for personal and partly for business purposes.

### 33 TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise related group companies, associates, staff provident fund, directors and key management personnel. Transactions with related parties and associated undertakings, other than remuneration and benefits to key management personnel under the terms of their employment are as follows:

2017									
Shahtaj Sugar Mills Limited	Shahtaj Textile Mills Limited	Shahnawaz Engineering (Private) Limited	Shezan Service (Private) Limited	Shezan Ampls	Shahnawaz (Private) Limited	Information System Associates Limited	Nawazabad Farms	Staff Provident Fund	Total
Rupees in thousand									

#### Associated Companies

Purchases of raw materials	537,498	-	-	-	-	-	-	-	537,498
Sales of finished goods	436	200	1	-	21	98	-	2	758
Royalty charged	-	-	-	79,205	-	-	-	-	79,205
Purchases/repairs of electric equipment/vehicles	-	-	-	-	-	355	-	-	355
Services rendered	-	-	-	-	-	-	-	-	-

#### Employee Retirement Fund

Contributions to staff provident fund	-	-	-	-	-	-	-	5,292	5,292
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	537,934	200	1	79,205	21	453	-	2	5,292	623,108
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2016									
Shahtaj Sugar Mills Limited	Shahtaj Textile Mills Limited	Shahnawaz Engineering (Private) Limited	Shezan Service (Private) Limited	Shezan Ampls	Shahnawaz (Private) Limited	Information Systems Associates Limited	Nawazabad Farms	Staff Provident Fund	Total
Rupees in thousand									

#### Associated Companies

Purchases of raw materials	834,009	-	-	-	-	-	-	-	834,009
Sales of finished goods	433	326	4	-	31	102	-	-	896
Royalty charged	-	-	-	71,399	-	-	-	-	71,399
Purchases/repairs of electric equipment/vehicles	-	-	-	-	-	336	9	-	345
Services rendered	-	-	-	-	-	-	500	-	500

#### Employee Retirement Fund

Contributions to staff provident fund	-	-	-	-	-	-	-	-	5,182	5,182
	834,442	326	4	71,399	31	438	509	-	5,182	912,331

### 34 PROVIDENT FUND TRUST

The Company has maintained an employees provident fund trust and investments out of the provident fund has been made in accordance with the provisions of section 227 of the Companies Ordinance, 1984, and the rules formulated for this purpose. The salient information of the fund is as follows:

	Note	Rupees in thousand	
		2017	2016
Size of the fund		<b>182,256</b>	163,303
Percentage of the investments made		<b>99.2%</b>	99.8%
Fair value of Investments	34.1	<b>180,803</b>	163,021
Cost of Investments made		<b>173,599</b>	162,194

Break-up of the investments in terms of amount and percentage of the size of the provident fund are as follows:

	Investment as a % of size of the fund		Investment Rupees in thousand	
	2017	2016	2017	2016
<b>34.1 Breakup of investment</b>				
Listed securities and mutual fund units	<b>15.2%</b>	13.5%	<b>27,775</b>	22,117
Placements/certificates	<b>70.6%</b>	85.4%	<b>128,609</b>	139,419
Cash at PLS saving accounts	<b>13.4%</b>	0.9%	<b>24,419</b>	1,485
	<b>99.2%</b>	99.8%	<b>180,803</b>	163,021

**34.2** Current year figures are based on un-audited financial statements of the Provident Fund Trust.

	No. of Persons	
	2017	2016

### 35 NUMBER OF EMPLOYEES

Number of permanent persons employed are as follows:

Total employees	<b>304</b>	300
Average employees	<b>303</b>	304

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 36 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, foreign currency risk, interest rate risk and equity price risk. The management reviews and agrees policies for managing each of these risks which are summarised below.

#### 36.1 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counter parties and continually assessing the creditworthiness of counter parties. The Company does not believe it is exposed to major concentration of credit risk, however to manage any possible exposure the Company applies approved credit limits to its customers.

The management monitors and limits Company's exposure to credit risk through monitoring of client's credit exposure review and conservative estimates of provisions for doubtful receivables.

The Company is exposed to credit risk on long-term deposits, trade debts, advances, deposits, other receivables and bank balances. The Company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. The maximum exposure to credit risk at the reporting date is:

	Carrying Values Rupees in thousand	
	2017	2016
Long-term deposits	5,183	4,253
Trade debts - unsecured	259,853	269,494
Loans and advances	5,626	5,763
Trade deposits	11,463	10,698
Bank balances	39,196	52,829
Cheques in hand	20,698	18,665
Interest accrued	338	268
	<b>342,357</b>	<b>361,970</b>

The credit quality of financial assets can be assessed by reference to external credit ratings or the historical information about counter party defaults as shown below:

	Rupees in thousand	
	2017	2016
<b>36.1.1 Trade Debts</b>		
Neither past due nor impaired	78,262	100,036
Past due but not impaired		
31 - 60 days	91,760	54,225
61 - 180 days	37,452	41,033
181 - 365 and Above	52,379	74,200
	<b>181,591</b>	<b>169,458</b>
	<b>259,853</b>	<b>269,494</b>
<b>Geographically:</b>		
Pakistan	214,686	201,559
Australia	-	802
North America	-	3,184
Europe	14,165	8,223
Africa	31,002	55,726
	<b>259,853</b>	<b>269,494</b>

As at 30 June 2017, the Company has 5 customers (2016: 5 customers) that owed Rs. (thousand) 174,810 (2016: Rs. (thousand) 162,761) and accounted for 67% (2016: 60%) of all receivables owed.

As at 30 June 2017, trade debts of Rs. (thousand) 1,374 (2016: Rs. (thousand) 1,350) were impaired and provided for.

36.1.2 Cash at Bank	Rating Agency	Rating		Rupees in thousand	
		Short term	Long term	2017	2016
<b>Banks</b>					
United Bank Limited	JCR-VIS	A-1+	AAA	<b>2,634</b>	1,552
The Bank of Khyber	PACRA	A1	A	<b>1,630</b>	1,216
Bank AL-Habib Limited	PACRA	A1+	AA+	<b>18,382</b>	20,256
National Bank of Pakistan	PACRA	A1+	AAA	<b>4,152</b>	251
MCB Bank Limited	PACRA	A1+	AAA	<b>398</b>	6
Bank Islami Pakistan Limited	PACRA	A1	A+	<b>-</b>	48
HBL Pakistan	JCR-VIS	A-1+	AAA	<b>11,180</b>	29,267
Bank Alfalah Limited	PACRA	A1+	AA+	<b>820</b>	233
Cheques in hand				<b>20,698</b>	18,665
				<b>59,894</b>	71,494

### 36.2 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its commitments associated with financial liabilities when they fall due. Liquidity requirements are monitored regularly and management ensures that sufficient liquid funds are available to meet any commitments as they arise.

**Financial liabilities are analysed below, with regard to their remaining contractual maturities.**

	2017		
	Maturity Upto One Year	Maturity After One Year	Total
	Rupees in thousand		
Long-term loan - secured	<b>90,000</b>	-	<b>90,000</b>
Short-term borrowings - secured	<b>292,525</b>	-	<b>292,525</b>
Trade and other payables	<b>541,760</b>	-	<b>541,760</b>
Mark up accrued on borrowings	<b>1,584</b>	-	<b>1,584</b>
	<b>925,869</b>	-	<b>925,869</b>

	2016		
	Maturity Upto One Year	Maturity After One Year	Total
	Rupees in thousand		
Long-term loan - secured	120,000	90,000	210,000
Short-term borrowings - secured	226,277	-	226,277
Trade and other payables	493,040	-	493,040
Mark up accrued on borrowings	1,454	-	1,454
	840,771	90,000	930,771



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 36.3 Market Risk

#### 36.3.1 Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the export of its products and import of some chemicals. The Company does not view hedging as financially viable considering the materiality of transactions.

#### Sensitivity analysis

With all other variables remain constant, a 1% change in the rupee dollar parity existing at 30 June 2017 would have affected the profit and loss account and liabilities and equity by Rs. (thousands) 435 (2016: Rs. (thousands) 679).

#### 36.3.2 Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rate will affect the value of financial instruments. The Company is exposed to interest rate risk for long-term loan, short-term borrowings and bank deposits, which have been disclosed in the relevant note to the financial statements.

#### Sensitivity analysis

If interest rates at the year end, fluctuate by 100 basis points higher / lower, profit for the year would have been Rs. (thousand) 3,612 (2016: Rs. (thousand) 4,150) higher / lower. This analysis is prepared assuming that all other variables held constant and the amounts of liabilities outstanding at the balance sheet dates were outstanding for the whole year.

### 36.4 Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders' value. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. Capital includes ordinary share capital and reserves.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue of new shares.

Consistent with industry norms, the Company monitors its capital on the basis of gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings as shown in the balance sheet less cash and cash equivalent. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt (as defined above).

The Company finances its operations through equity, short-term borrowing and managing working capital.

#### Gearing ratio

	Rupees in thousand	
	2017	2016
<b>Net Debt</b>		
Long-term loan - secured	90,000	210,000
Short-term borrowings	292,525	226,277
Cash and bank balances	(73,227)	(102,906)
	<b>309,298</b>	333,371
Total Equity	2,022,705	1,834,365
Total Capital	2,332,003	2,167,736
<b>Gearing (%)</b>	<b>13%</b>	15%

The Company is not subject to any externally imposed capital requirements.

### 36.5 Fair value of financial instruments

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Fair value is determined on the basis of objective evidence at each reporting date.

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair values are observable either, directly or indirectly.

Level 3: Techniques which uses inputs that have a significant effect on the recorded fair value that are not based on observable market data.

At 30 June, the Company had following financial instruments with respect to their level of fair value modelling.

Fair value is determined on the basis of objective evidence at each reporting date.

	Level 1	Level 2	Level 3
	Rupees in thousand		
<b>2017</b>			
Investment - available for sale	<b>2,877</b>	-	-
2016			
Investment - available for sale	2,121	-	-

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 37 SEGMENTAL ANALYSIS

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive. The Chief Executive considers the business from the product perspective and evaluates performance on the basis of their profit or loss. As at 30 June 2017 the Company is organized into two operating segments based on their products.

#### Juice drinks activities

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

#### Other operating activities

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

#### Segment analysis of profit and loss account for the year ended 30 June 2017:

	Juices and Drinks	Others	Total
Rupees in thousand			
Sales	5,943,728	1,215,287	7,159,015
Cost of sales	(4,128,264)	(955,486)	(5,083,750)
Gross profit	1,815,464	259,801	2,075,265
Unallocated expenses and income			
Corporate expenses			(1,508,915)
Finance costs			(36,419)
Other operating expenses			(206,309)
Other income			38,321
Taxation			(102,625)
<b>Profit after taxation</b>			<b>259,318</b>

#### Segment analysis of assets and liabilities as at 30 June 2017:

	Juices and Drinks	Others	Total
Rupees in thousand			
Segment assets	2,486,147	538,742	3,024,889
Unallocated assets			498,507
<b>Total</b>			<b>3,523,396</b>
Segment liabilities	562,067	180,381	742,448
Unallocated liabilities			758,243
<b>Total</b>			<b>1,500,691</b>

**Segment analysis of profit and loss account for the year ended 30 June 2016:**

	Juices and Drinks	Others	Total
Rupees in thousand			
Sales	5,612,547	1,203,993	6,816,540
Cost of sales	(3,993,092)	(938,684)	(4,931,776)
Gross profit	1,619,455	265,309	1,884,764
Unallocated expenses and income			
Corporate expenses			(1,494,151)
Finance costs			(52,178)
Other operating expenses			(186,818)
Other income			51,859
Taxation			(9,190)
Profit after taxation			194,286

**Segment analysis of assets and liabilities as at 30 June 2016:**

	Juices and Drinks	Others	Total
Rupees in thousand			
Segment assets	2,265,572	504,129	2,769,701
Unallocated assets			498,057
Total			3,267,758
Segment liabilities	588,565	193,981	782,546
Unallocated liabilities			650,847
Total			1,433,393

**38 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue by the Board of Directors on 26 September 2017.

**39 EVENTS AFTER THE BALANCE SHEET DATE**

The Board of Directors have proposed a final dividend of Rs. 13.50/- per share, amounting to Rs. (thousand) 107,811 for the year ended 30 June 2017 (2016: Rs. (thousand) 71,874) along with transfer to general reserve amounting to Rs. (thousand) 200,000 (2016: Rs. (thousand) 150,000) at their meeting held on 26 September 2017 for approval of the members at the Annual General Meeting to be held on 27 October 2017.

**40 GENERAL**

Corresponding figures of stores and spares consumed amounting to Rs. (thousand) 84,777 have been reclassified to repairs and maintenance amounting to Rs. (thousand) 22,549 and fuel and power amounting to Rs. (thousand) 62,228 within factory expenses presented under cost of sales (Note 23.1).

  
Chief Executive

  
Director

  
Chief Financial Officer

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# SHEZAN INTERNATIONAL LIMITED

## PROXY FORM

I/We, \_\_\_\_\_  
of \_\_\_\_\_  
being a Member(s) of Shezan International Limited holding \_\_\_\_\_  
ordinary shares hereby appoint \_\_\_\_\_  
of \_\_\_\_\_  
or failing him \_\_\_\_\_  
of \_\_\_\_\_  
who is also a Member of Shezan International Limited as my/our Proxy in my/our absence to attend and vote for me/  
us and on my/our behalf at the 54<sup>th</sup> Annual General Meeting of the Company to be held on 27 October 2017 and at  
any adjournment thereof.

As witness my/our hand/seal this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

Signed by \_\_\_\_\_

in the presence of \_\_\_\_\_

Folio Number / CDC A/C Number

Signature

Affix Rs. 5/- revenue stamp
--------------------------------

This signature should agree with the specimen registered with the Company.

### Important notes:

- No person shall act as proxy unless he himself is member of the Company, except that a corporation may appoint a person who is not a member.
- If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
- Proxies, in order to be valid must be received at the Registered Office of the Company, Shezan International Limited, 56 Bund Road, Lahore, not less than 48 hours before the meeting.
- CDC Shareholders and their proxies, both are requested to attach an attested photocopy of their Computerised National Identity Card (CNIC) or Passport with the proxy form before submission to the Company (Original CNIC / Passport is required to be produced at the time of the meeting).
- In case of Corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

## شینان انٹرنیشنل لمیٹڈ پراکسی فارم

میں رہم

برائے

بحیثیت حصص یافتگان شینان انٹرنیشنل لمیٹڈ حامل \_\_\_\_\_ حصص مقرر کرتا کرتی ہوں

برائے

یا انکی عدم موجودگی کی صورت میں

برائے

جو کہ شینان انٹرنیشنل لمیٹڈ کا حصص دار بھی ہے بطور پراکسی مقرر کرتا کرتی ہوں تاکہ وہ میری رہماری جگہ 27 اکتوبر 2017ء کو آداری ہوٹل، 87 شاہراہ قائد اعظم، لاہور، میں منعقد ہونے والے 54 ویں سالانہ اجلاس عام میں حق رائے وہی استعمال کر سکے۔

بتاریخ \_\_\_\_\_ بروز \_\_\_\_\_ 2017ء

دستخط کنندہ

گواہان

دستخط

(پانچ روپے کا محصول لکٹ)

یہ دستخط کمپنی میں رجسٹرڈ نمونے سے مطابقت رکھتے ہوئے چاہئے۔

فولیو نمبر اسی ڈی سی اکاؤنٹ نمبر

نوٹس:

- 1- کمپنی کا ممبر نہ ہونے کی صورت میں کسی فرد کو بطور پراکسی مقرر نہیں کیا جاسکتا ماسوائے کارپوریشن کے جو ممبر کے علاوہ کسی دوسرے فرد کو بھی پراکسی نامزد کر سکتی ہے۔
- 2- اگر ایک رکن ایک سے زیادہ پراکسی مقرر کرتا ہے اور کمپنی کے پاس رکن کی طرف سے پراکسی فارم کی ایک سے زیادہ دستاویزات جمع کروائی جاتی ہیں تو پراکسی کی ایسی تمام دستاویزات کا عدم تصور ہوگی۔
- 3- پراکسی فارم کمپنی کے رجسٹرڈ آفس، شینان انٹرنیشنل لمیٹڈ 56- بند روڈ لاہور میں اجلاس کے انعقاد سے کم از کم (48) گھنٹے قبل جمع کروانا لازمی ہے بصورت دیگر قابل قبول نہ ہوگا۔
- 4- سی ڈی سی اکاؤنٹ ہولڈر پراکسی فارم کے ہمراہ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپی بھی منسلک کرنی ہوگی (پراکسی کو اجلاس کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا)۔
- 5- کارپوریٹ ادارہ ہونے کی صورت میں بحیثیت ممبر بورڈ آف ڈائریکٹرز کی منظور شدہ قرارداد پر پورا آف انارنی بمعہ نمونہ دستخط پراکسی فارم کے ہمراہ جمع کرانا ہوں گے۔



Shezan

پٹ پٹ رشتوں جیسا



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