



**QUARTERLY REPORT**  
30 SEPTEMBER **2022**



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# COMPANY INFORMATION

## Board of Directors:

Mr. Muneer Nawaz	Chairman
Mr. Humayun A. Shahnawaz	Chief Executive
Mr. M. Naeem	
Mr. Abid Nawaz	
Mr. Rashed Amjad Khalid	
Ms. Manahil Shahnawaz	
Mr. Shahid Hussain Jatoi	(Independent Director)
Mr. Abdul Hamid Ahmed Dagia	(Independent Director)
Mr. Nauman Khalid	(Independent Director)

## Chief Financial Officer:

Mr. Faisal Ahmad Nisar, FCA

## Company Secretary:

Mr. Khurram Babar

## Audit Committee:

Mr. Shahid Hussain Jatoi	Chairman
Mr. Muneer Nawaz	Member
Mr. M. Naeem	Member
Mr. Rashed Amjad Khalid	Member

## Human Resource & Remuneration Committee:

Mr. Nauman Khalid	Chairman
Mr. Muneer Nawaz	Member
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 - 66210  
Phones: (0995) 617158 & 617343.  
Fax: (0995) 617342.  
E-mail: sil-htr@shezan.com

## Website:

www.shezan.pk

## Auditors:

EY Ford Rhodes,  
Chartered Accountants,  
96-B-1, 4th 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.  
Bank Al-Habib Limited.  
Habib Bank Limited.  
Bank Alfalah Limited.  
Allied Bank Limited.  
Habib Metropolitan Bank Limited.

# DIRECTORS' REPORT

## TO THE MEMBERS

On behalf of the Board of Directors of Shezan International Limited, we are pleased to present the Directors' Report together with condensed Interim Financial Statements (Un-audited) of the Company for the three-month period ended 30 September 2022.

The quarter ended appears to be a challenging quarter for the businesses in the country as the economic environment was not favourable due to severe energy crises, spiraling inflation rate, the unprecedented disaster of floods causing massive damage to crops, livestock, infrastructure, supply chain disruptions and the overall ongoing political instability in the country. Pak Rupee devaluation is also another big challenge for the struggling national economy.

### OPERATIONAL OVERVIEW

The Company's performance during the three-month period under review is summarized below:

Particulars	2022	2021
	Rupees in thousand	
Revenue from contracts with customers-net	<b>2,433,632</b>	2,078,769
Gross profit	<b>553,193</b>	440,664
Profit before taxation	<b>57,496</b>	80,111
Net profit after tax for the period	<b>33,697</b>	54,499
		(Re-stated)
Earnings per share (Rs.)	<b>3.49</b>	5.64

On the operational side, we will like to apprise our shareholders that commodity costs remained high in the quarter ended due to high inflation. Some factors like record increase in the prices of mango pulp and Tetrapak paper (a major raw and packing material for our products), high payroll expenses because of increase in minimum wages in the fiscal budget 2022-2023, heavy urban and rural flood turmoil in the country, shortage of various crops of fruits and vegetables due to flood disaster, continuous increase in the prices of oil, gas, and electricity, inflated cost of locally available raw and packaging materials and sky-high import cost due to decline in the Pak Rupee value against the U.S dollar, have adversely affected the profitability of the Company.

Despite this hostile economic environment our Company, however, depicted satisfactory financial performance by achieving a reasonable growth of 17% in the turnover. Our main product juices (in tetra packaging) are an impulse buy, have shown positive sales trends. Consumer acceptance of our juice products is growing reasonably and contribution from these products to the sales has made a substantial impact in the profitability. However, keeping in view the inflationary trends, we had to enforce the price rationalization of our products to offset the impact of higher input costs. Still, we had to absorb a big component of hiked input costs as we could not pass on the full impact to end consumers due to the intense competitive environment. We upheld our growth momentum in exports and achieved reasonable growth during the quarter under review. Our cooked food range, Juicepak, bottled juices, squashes, and ketchup are the main contributors to export sales.

The finance cost of the working capital component has increased significantly due to the upward revision of 125 basis points in policy rates by the State Bank of Pakistan during the quarter bringing it to a cumulative of 1500 basis points. These working capital borrowings were made to stock the seasonal fruits, pulps, and packaging materials to fulfill the annual sales demand of our products.

## **FUTURE PROSPECTS**

The quarters ahead again will be challenging for the Company as the economic conditions do not appear to be favourable. The urban and rural flooding in the country, the devastation of agricultural crops resulting in a shortage of the availability of fruits and vegetables, upside risks from potential food-price shocks, adverse future agriculture conditions due to flood water, supply chain disruption, gas and electricity load shedding in winter, inflation, declining consumer's buying power, devaluation of Pak Rupee, continuous rising interest rates and political instability are the key factors which can adversely affect the future performance and profitability of the Company. The oil prices are further expected to mount as the oil-producing countries have announced to reduce the production of oil, this will further exacerbate the energy/oil crises in the country and resultantly for the Company.

Despite the above challenges the Company's prospects are promising as the management will utilize its best potential towards increasing the Company's market share in all its sales segments. The Company will also try to uplift the sales of its off-season products in our next two thinnest quarters. The Company will strive to attain volumetric growth from its existing customers and will continue to explore local and foreign markets. The Company's focus on R&D and product management will further strengthen its product portfolio, enabling sustainable growth in the future.

## **VOTE OF THANKS**

We take this opportunity to thank our shareholders for their confidence, valued customers for the trust they continue to place in us, the management team for its sincere efforts, the employees for their commendable services, the Board of Directors for their continuous guidance and all stakeholders - Bankers, Dealers, Vendors, Associates.

For and on behalf of the Board



**Nauman Khalid**  
Director



**Humayun A. Shahnawaz**  
Chief Executive Officer

Lahore:  
25 October 2022.



سرمائے کی لاگت میں اضافہ ہوا اور زریٹنر سہ ماہی کے دوران بینک دولت پاکستان کی جانب سے پالیسی ریٹ میں 125 بیس پوائنٹ کا اضافہ ہوا۔ مجموعی پالیسی ریٹ اب 1500 بیس پوائنٹ ہے۔ کاروباری سرمایہ کیلئے لینے گئے قرضے، موسمی پھلوں، پلپز اور پیکنگ مال کو ذخیرہ کرنے کیلئے تھے تاکہ ہماری مصنوعات کی سالانہ فروخت کی طلب کو پورا کیا جاسکے۔

### مستقبل کے امکانات:

اگلے آنے والی سہ ماہیاں کمپنی کے لئے مشکل ثابت ہوگی کیونکہ معاشی ملکی حالات میں فوری بہتری کے آثار نظر نہیں آرہے۔ دیہی اور شہری سیلاب، فصلوں کی تباہی کے نتیجے میں پھلوں اور سبز یوں کی دستیابی میں کمی، نامساعد حالات کی وجہ سے خوراک کی قیمتوں کے بڑھنے کے خطرات، سیلابی پانی کی وجہ سے مستقبل میں زراعت کی کاشت پر منفی اثرات، پلائی سچین میں رکاوٹ، سردیوں میں گیس اور بجلی کی لوڈ شیڈنگ، افراط زر، صارفین کی کم ہوتی ہوئی قوت خرید، روپے کی قدر میں کمی، تسلسل سے بڑھتی ہوئی شرح سود اور سیاسی عدم استحکام جیسے عوامل کمپنی کی مستقبل کی کارکردگی اور منافع پر منفی اثر ڈال سکتے ہیں۔ تیل پیدا کرنے والے ممالک کی جانب سے تیل کی پیداوار میں کمی کے اعلان کے بعد تیل کی قیمتوں میں نمایاں اضافہ متوقع ہے جس کی وجہ سے ملک میں توانائی / تیل کے بحران میں سنگینی پیدا ہو سکتی ہے جو کہ کمپنی کیلئے باعث تشویش ہوگی۔

ان مسائل کے باوجود کمپنی کا عزم مستحکم ہے کیونکہ انتظامیہ اپنی کمپنی کی مصنوعات کی مارکیٹ میں حصہ داری کو بڑھانے کیلئے بہترین اقدامات اٹھائے گی۔ چونکہ اگلی دوسرے ماہیاں موسم سرما میں آئیں گی لہذا کمپنی اپنی غیر موسمی مصنوعات کی فروخت میں اضافے کیلئے بھرپور کوشش کرے گی۔ کمپنی اپنے موجودہ گاہکوں سے حجم میں اضافے کیلئے کوشاں ہے اور مقامی اور غیر ملکی منڈیوں کی تلاش جاری رکھے گی۔ آرائینڈ ڈی اور پروڈکٹ میجمنٹ پر کمپنی کی توجہ اس کے پروڈکٹ پورٹ فولیو کو مضبوط کرے گی جو مستقبل میں پائیدار ترقی کو مستحکم کرنے کا باعث ہوگی۔

### اظہار تشکر:

ہم اس موقع پر اپنے حصص داران کے بھروسے کا، معزز صارفین کے غیر متزلزل اعتماد کا، انتظامیہ کی مخلصانہ کاوشوں کا، اپنے ملازمین کی قابل ستائش خدمات کا، بورڈ آف ڈائریکٹرز کی مسلسل رہنمائی کا اور تمام متعلقہ بینکرز، ڈیلرز، ویڈرز، ایسوسی ایٹس کا شکریہ ادا کرتے ہیں۔

بورڈ کی ایما پر

H. S. S. S.

ہمایوں اے شاہ نواز

چیف ایگزیکٹو

نعمان خالد

ڈائریکٹر

لاہور

25 اکتوبر 2022ء۔

## ڈائریکٹرز رپورٹ برائے ممبران

ہم شیزان انٹرنیشنل لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ڈائریکٹرز رپورٹ اور اختتام شدہ ماہی 30 ستمبر 2022ء کیلئے کمپنی کے غیر آڈٹ شدہ عبوری مالیاتی نتائج پیش کرتے ہیں۔

اختتام شدہ ماہی میں ملک میں کاروباری ماحول توانائی کے سنگین بحران، تیزی سے بڑھتی ہوئی افراط زر، سیلاب کی تباہ کاریوں کی وجہ سے فصلوں کے نقصان، مویشیوں کی اموات، انفراسٹرکچر کی تباہی، سپلائی چین میں رکاوٹ اور بڑھتے ہوئے سیاسی عدم استحکام جیسی وجوہات کی بنا پر ناسازگار رہا۔ روپے کی قدر میں کمی بھی ڈگمگاتی ہوئی معیشت کیلئے ایک بڑا امتحان رہی۔

### عملی جائزہ:

کمپنی کی اختتام شدہ ماہی کی عملی کارکردگی مختصر درج ذیل ہے:

2021	2022	تفصیلات
روپے ہزاروں میں		
2,078,769	2,433,632	فروخت
440,664	553,193	مجموعی منافع
80,111	57,496	خالص منافع قبل از محصولات
54,499	33,697	خالص منافع بعد از محصولات
(ریسیڈیو ڈ)		فی شخص آمدنی۔ روپوں میں
5.64	3.49	

کمپنی کی عملی کارکردگی کے متعلق، ہم اپنے حصص داران کو مطلع کرنا چاہتے ہیں کہ اشیاء کی قیمتوں میں ہوش ربا افراط زر کی وجہ سے بے پناہ اضافہ ہوا۔ یوگوسلاویا اور میٹر اپیک پیپر کی قیمتوں میں ریکارڈ اضافے جو ہماری مصنوعات کے لئے اہم خام اور پیکنگ مال ہیں، مالی سال 2022-23ء میں کئے گئے اعلان کے مطابق کم از کم اجرت کے اخراجات میں بے پناہ اضافے، ملک بھر کے دیہی اور شہری علاقوں میں سیلاب کی تباہ کاریوں، پھلوں اور سبزیوں کی پیداوار کی کمی، آئل، گیس اور بجلی کی مسلسل بڑھتی ہوئی قیمتوں، مقامی طور پر دستیاب خام اور پیکنگ مال کی قیمتوں میں اضافے اور امریکی ڈالر کے مقابلے میں روپے کی قدر میں مسلسل کمی کی وجہ سے درآمدی لاگت میں بے پناہ اضافے جیسے عوامل نے کمپنی کے منافع کو بڑی طرح متاثر کیا۔

اس معاشی اتاری کی کیفیت کے باوجود ہماری کمپنی نے کسی حد تک تسلی بخش کارکردگی کا مظاہرہ کیا اور فروخت میں 17 فیصد کی مناسب نمو حاصل کی۔ ہماری اہم پروڈکٹس جوں جو کہ ایک تسلسل سے خرید جانے والا پروڈکٹ ہے نے فروخت میں مثبت رجحان دکھایا۔ صارفین میں ہماری جوں مصنوعات کی فروخت بڑھی اور منافع میں ان مصنوعات کی سہل کا ایک بڑا واضح حصہ ہے۔ تاہم افراط زر کو مد نظر رکھتے ہوئے ہمیں اپنی مصنوعات کی قیمتوں میں اضافہ کرنا پڑا تاکہ بڑھتی ہوئی پیداواری لاگت کے اثر کو دور کیا جاسکے۔ اس کے باوجود ہمیں اس لاگت کا ایک بڑا حصہ خود برداشت کرنا پڑا کیونکہ ہم انتہائی مسابقتی ماحول کی وجہ سے اس کا مکمل بوجھ صارفین کو منتقل نہیں کر سکے۔ برآمدات میں حوصلہ افزا نتائج دکھائے اور زیر نظر ماہی کے دوران مناسب نمو حاصل کی۔ ہمارے تیار شدہ کھانے، جوس پیک، بوتل جوس، اسکوائش اور کچپ برآمدی فروخت میں اہم شراکت دار ہیں۔

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

## AS AT 30 SEPTEMBER 2022

	Note	(Un-Audited) 30 September <b>2022</b>	(Audited) 30 June 2022
Rupees in thousand			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	<b>1,447,941</b>	1,439,189
Long-term investment	7	<b>3,599</b>	3,200
Long-term receivable		<b>22,555</b>	22,179
Long-term prepayments		<b>1,223</b>	2,832
Long-term deposits		<b>10,512</b>	7,881
Deferred tax asset - net		<b>216,489</b>	215,543
		<b>1,702,319</b>	1,690,824
<b>CURRENT ASSETS</b>			
Stores and spares		<b>198,066</b>	167,387
Stock-in-trade		<b>2,381,492</b>	2,147,005
Right to recover asset		<b>4,015</b>	4,400
Trade receivables		<b>437,790</b>	285,999
Loans and advances		<b>26,530</b>	121,929
Trade deposits, prepayments and other receivables		<b>14,098</b>	10,877
Tax refunds due from the Government		<b>146,175</b>	119,984
Cash and bank balances		<b>73,321</b>	84,116
		<b>3,281,487</b>	2,941,697
<b>TOTAL ASSETS</b>		<b>4,983,806</b>	4,632,521
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Issued, subscribed and paid up capital		<b>96,631</b>	96,631
Capital reserve		<b>5,000</b>	5,000
Revenue reserves		<b>2,037,347</b>	2,003,250
<b>TOTAL EQUITY</b>		<b>2,138,978</b>	2,104,881
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		<b>55,285</b>	62,463
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<b>896,086</b>	968,190
Contract liabilities		<b>115,711</b>	132,890
Unclaimed dividend		<b>9,778</b>	9,796
Accrued markup		<b>57,508</b>	20,805
Current portion of long-term loans	8	<b>55,292</b>	95,924
Current portion of lease liabilities		<b>13,122</b>	7,770
Current portion of deferred grant		<b>-</b>	1,098
Short-term borrowings	9	<b>1,423,692</b>	1,035,442
Refund liability		<b>92,025</b>	91,583
Provision for taxation		<b>126,329</b>	101,679
		<b>2,789,543</b>	2,465,177
<b>TOTAL LIABILITIES</b>		<b>2,844,828</b>	2,527,640
<b>CONTINGENCIES AND COMMITMENTS</b>	10		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,983,806</b>	4,632,521

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2022

	Note	30 September	
		2022	2021
		Rupees in thousand	
Revenue from contracts with customers-net		2,433,632	2,078,769
Cost of revenue		1,880,439	1,638,105
<b>Gross profit</b>		<b>553,193</b>	440,664
Distribution expenses		346,679	244,036
Administrative expenses		90,938	76,724
		<b>437,617</b>	320,760
		<b>115,576</b>	119,904
Other operating expenses		33,528	29,122
Other income		(36,262)	(16,450)
Finance costs		60,814	27,121
<b>Profit before taxation</b>		<b>57,496</b>	80,111
Taxation		23,799	25,612
<b>Net profit for the period</b>		<b>33,697</b>	54,499
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss in subsequent periods:			
Unrealized gain on remeasurement of investment designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition		400	805
<b>Total comprehensive income</b>		<b>34,097</b>	55,304
			Re-stated
<b>Earnings per share - basic and diluted (Rupees)</b>	11	<b>3.49</b>	5.64

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

  
Director

  
Chief Executive

  
Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2022

	Capital Reserve		Revenue Reserves			Sub Total	Total
	Share Capital	Merger Reserve	General Reserve	Unrealized gain on remeasurement of Investments available for sale	Unappropriated profits / (loss)		
Rupees in thousand							

Balance as on 01 July 2021	87,846	5,000	2,000,000	1,661	(20,489)	1,981,172	2,074,018
Profit for the three month period ended 30 September 2021	-	-	-	-	54,499	54,499	54,499
Other comprehensive income	-	-	-	805	-	805	805
Total comprehensive income	-	-	-	805	54,499	55,304	55,304
<b>Balance as on 30 September 2021</b>	<b>87,846</b>	<b>5,000</b>	<b>2,000,000</b>	<b>2,466</b>	<b>34,010</b>	<b>2,036,476</b>	<b>2,129,322</b>
<b>Balance as on 01 July 2022</b>	<b>96,631</b>	<b>5,000</b>	<b>2,000,000</b>	<b>920</b>	<b>2,330</b>	<b>2,003,250</b>	<b>2,104,881</b>
Profit for the three month period ended 30 September 2022	-	-	-	-	33,697	33,697	33,697
Other comprehensive income	-	-	-	400	-	400	400
Total comprehensive income	-	-	-	400	33,697	34,097	34,097
<b>Balance as at 30 September 2022</b>	<b>96,631</b>	<b>5,000</b>	<b>2,000,000</b>	<b>1,320</b>	<b>36,027</b>	<b>2,037,347</b>	<b>2,138,978</b>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

# CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2022

30 September  
**2022** 2021  
Rupees in thousand

## CASH FLOWS FROM OPERATING ACTIVITIES

### Cash generated from operations

Profit before taxation	<b>57,496</b>	80,111
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation	<b>55,669</b>	60,836
Finance costs	<b>60,814</b>	27,121
Un-winding of financial charges	<b>(376)</b>	(357)
Profit on bank deposits	<b>(41)</b>	(130)
Provision for doubtful debts	<b>900</b>	-
Loss on disposal of property, plant and equipment	<b>1,769</b>	7,630
	<b>118,735</b>	95,100

Operating profit before working capital changes **176,231** 175,211

### Working capital changes

#### (Increase) / decrease in current assets

Stores and spares	<b>(30,679)</b>	8,506
Stock-in-trade	<b>(234,487)</b>	69,933
Right to recover asset	<b>385</b>	(8)
Trade receivables	<b>(152,691)</b>	(258,104)
Loans and advances	<b>95,399</b>	224,933
Trade deposits, short-term prepayments and other deposits	<b>(3,221)</b>	(12,527)
	<b>(325,294)</b>	32,733

#### Increase / (decrease) in current liabilities

Trade and other payables	<b>(72,104)</b>	55,413
Contract liabilities	<b>(17,179)</b>	54,491
Refund liability	<b>442</b>	130
	<b>(88,841)</b>	110,034

Cash (used in) / generated from operations **(237,904)** 317,978

Profit on bank deposits received	<b>41</b>	130
Income tax paid	<b>(26,191)</b>	(8,226)
Long-term deposits	<b>(2,631)</b>	(401)
Long-term prepayments	<b>1,609</b>	-

Net cash flows (used in) / generated from operating activities **(265,076)** 309,481

## CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	<b>(70,775)</b>	(20,763)
Sale proceeds from disposal of property, plant and equipment	<b>4,585</b>	268

Net cash used in investing activities **(66,190)** (20,495)

## CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of lease liability	<b>(1,289)</b>	(1,786)
Short-term borrowings obtained - net	<b>388,250</b>	(194,870)
Long-term loan (re-paid) / obtained	<b>(41,730)</b>	(147,450)
Dividend paid	<b>(18)</b>	(74)
Finance costs paid	<b>(24,742)</b>	(21,419)

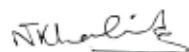
Net cash flows generated from / (used in) financing activities **320,471** (365,599)

Net decrease in cash and cash equivalents **(10,795)** (76,613)

Cash and cash equivalents at the beginning of the period **84,116** 154,955

**CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD** **73,321** 78,342

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Director



Chief Executive



Chief Financial Officer

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2022

## 1 THE COMPANY AND ITS OPERATIONS

The Company is a Public Limited Company incorporated in Pakistan and is listed on the Pakistan Stock Exchange Limited. 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. Following are the business units of the Company along with their respective locations:

<b>BUSINESS UNIT</b>	<b>ADDRESS</b>
Production Plant and Head Office	56-Bund Road, Lahore
Production Plant	Plot No. 33-34, Phase III, Hattar Industrial Estate, Hattar
Production Plant	Plot L-9, Block No. 22, Federal B Industrial Area, Karachi

## 2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

**2.1** These condensed interim financial statements of the Company for the three month period ended 30 September 2022 have been prepared in accordance with the Accounting and Reporting Standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of :

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

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

**2.2** These condensed interim financial statements do not include all the information and the disclosures required in the annual audited financial statements and should be read in conjunction with annual audited financial statements of the Company for the year ended 30 June 2022.

**2.3** These condensed interim financial statements are un-audited.

## 3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, ASSUMPTIONS AND POLICIES

The significant accounting judgments, estimates, assumptions and accounting policies adopted and applied by the Company for the preparation of these condensed interim financial statements are the same as were adopted and applied in the preparation of the preceding annual audited financial statements for the year ended 30 June 2022.

## 4 TAXATION, WORKERS' WELFARE FUND AND WORKERS' PROFIT PARTICIPATION FUND

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

## 5 SEASONALITY OF OPERATIONS

The quarterly results of the Company are subject to seasonal fluctuations due to variation in demand of the main products (Juices, squashes and syrups).

## 6 PROPERTY, PLANT AND EQUIPMENT

The additions / (deletions) / transfers (at cost), made during the three month period ended 30 September 2022 are as follows:

	Additions	Deletions/ Transfers
	Rupees in thousand	
<b>Owned assets</b>		
Furniture and fixture	75	–
Motor vehicles	–	(3,777)
Electric equipment	1,519	–
Empty bottles, shells, pallets and barrels	65,381	(17,120)
	66,975	(20,897)
<b>Capital work in progress</b>		
Plant and machinery	3,800	–
	3,800	–
Additions / (deletions) / transfers (at cost), made during the year ended 30 June 2022.	178,304	(163,607)
	(Un-Audited) 30 September <b>2022</b>	(Audited) 30 June 2022
Note	Rupees in thousand	

## 7 LONG-TERM INVESTMENT

### Quoted modaraba - fair value through OCI

Modaraba			
BRR Guardian Modaraba			
305,000 (30 June 2022: 305,000) certificates of Rs. 10/- each	7.1	<b>2,375</b>	2,375
Gain on remeasurement		<b>1,224</b>	825
		<b>3,599</b>	3,200

**7.1** The above investment represents 0.32% (30 June 2022: 0.32%) of the issued certificate capital of the Modaraba.

		(Un-Audited) 30 September <b>2022</b>	(Audited) 30 June 2022
	Note	Rupees in thousand	
<b>8 LONG-TERM LOANS</b>			
Loans from banking institutions - secured	8.1	<b>55,292</b>	95,924
Less: Current maturity shown under current liabilities		<b>(55,292)</b>	(95,924)
		–	–

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2022

## 8.1 Loans from banking institutions - secured

Particulars	Note	Limits	Opening	Accretion of interest	Repaid	Closing
			Rupees in thousand			
Loan I	8.1.1	170,000	42,125	375	21,250	21,250
Loan II	8.1.1	170,000	53,799	723	20,480	34,042
			<b>95,924</b>	<b>1,098</b>	<b>41,730</b>	<b>55,292</b>
30 June 2022			451,722	8,579	364,377	95,924

**8.1.1** These represent loans obtained under Refinance Scheme for Payment of Wages and Salaries to Workers and Employees of Business Concerns (the Scheme) offered by State Bank of Pakistan to mitigate the effect of COVID-19 on employment in Pakistan. The facilities have an aggregate sanctioned limit of Rs. 170 million each and are repayable in eight quarterly installments with a grace period of six months each. The rates of markup are SBP plus 1.95% and 0.45% per annum payable quarterly, respectively. The facilities are secured against pari passu charge on plant and machinery up to Rs. 227 million each. The difference between cash received and present value of cash outflow upon initial recognition has been recognized as deferred grant in accordance with the Circular No. 11 / 2020 dated 17 August 2020 issued by the Institute of Chartered Accountants of Pakistan.

## 9 SHORT-TERM BORROWINGS - secured

The aggregate short-term borrowings available from commercial banks under mark-up / interest arrangements are Rs. (thousand) 2,000,000 (30 June 2022: Rs. (thousand) 2,000,000). The un-utilized portion of the said facility amounts to Rs. (thousand) 576,308 (30 June 2022: Rs. (thousand) 964,558).

The rate of mark-up / interest on short-term borrowings ranges between 1 month / 3 months KIBOR plus 0.05% to 1 month / 3 months KIBOR plus 0.25% per annum (30 June 2022: 1 month / 3 months KIBOR plus 0.05% to 1 month / 3 months KIBOR plus 0.25% per annum), payable monthly / quarterly.

The facilities are secured against first registered joint pari passu hypothecation on current assets of the Company up to Rs. (thousand) 3,848,000 (30 June 2022: Rs. (thousand) 3,848,000).

The un-utilized facility for opening letters of credit and for guarantees amounts to Rs. (thousand) 486,654 (30 June 2022: Rs. (thousand) 388,724) and Rs. (thousand) 36,969 (30 June 2022: Rs. (thousand) 42,577), respectively.

## 10 CONTINGENCIES AND COMMITMENTS

### a) Contingencies

There has been no change in the status of the contingencies reported in the annual audited financial statements for the year ended 30 June 2022.

### b) Commitments

- i) Commitments in respect of letters of credit established for the import of raw, packing materials and plant and machinery amounted to Rs. (thousand) 13,346 (30 June 2022: Rs. (thousand) 11,276).
- ii) Guarantees issued by the banks in favor of the Company in the ordinary course of business, amounted to Rs. (thousand) 123,031 (30 June 2022: Rs. (thousand) 117,423).



(Un-Audited)  
Three month period ended  
30 September  
**2022** 2021

## 11 EARNINGS PER SHARE - BASIC AND DILUTED

Net profit after tax (Rupees in thousand)	<b>33,697</b>	54,499
Weighted average number of ordinary shares at the end of the period (Number of shares in thousand)	<b>9,663</b>	Re-stated 9,663
Earnings per share (Rupees) - (basic / diluted)	<b>3.49</b>	Re-stated 5.64

**11.1** Diluted earnings per share has not been disclosed, as the Company has not issued an instrument which would have an impact on earnings per share, when exercised.

## 12 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 sub-judice before the Honorable Sindh High Court, the Company has retained 5% of the bonus shares issued to the plaintiff shareholders.

## 13 TRANSACTIONS WITH RELATED PARTIES

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

Nature of Transactions	Relationship with the Company	(Un-Audited) 30 September	
		<b>2022</b>	2021
		Rupees in thousand	
Purchases of raw materials	Associate	<b>201,967</b>	103,897
Sales of finished goods	Associate	<b>375</b>	16
Royalty charged	Associate	<b>24,311</b>	20,854
Purchases/repairs of electric equipment/vehicles	Associate	<b>73</b>	-
Contributions to staff provident fund	Employees' Fund	<b>1,417</b>	1,384
Remuneration and benefits of Directors, Chief Executive Officer and key management personnel	Key management personnel	<b>6,471</b>	7,330

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2022

Period/year end balances	Relationship with the Company	(Un-Audited)	(Audited)
		30 September <b>2022</b>	30 June 2022
Rupees in thousand			
Due to related parties	Associate	<b>106,620</b>	55,647

## 14 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 September 2022, 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 three month period ended 30 September 2022 (Un-Audited):

	Juices and Drinks	Others	Total
Rupees in thousand			
Revenue from contracts with customers - net	2,073,633	359,999	2,433,632
Cost of revenue	1,561,062	319,377	1,880,439
Gross profit	512,571	40,622	553,193
Unallocated expenses and income			
Corporate expenses			(437,617)
Finance costs			(60,814)
Other operating expenses			(33,528)
Other income			36,262
Taxation			(23,799)
<b>Profit after taxation</b>			<b>33,697</b>

### Segment analysis of assets and liabilities as at 30 September 2022 (Un-Audited):

	Juices and Drinks	Others	Total
Rupees in thousand			
Segment assets	3,866,631	585,811	4,452,442
Unallocated assets			531,364
<b>Total</b>			<b>4,983,806</b>
Segment liabilities	788,462	157,980	946,442
Unallocated liabilities			1,898,386
<b>Total</b>			<b>2,844,828</b>

**Segment analysis of profit and loss account for the three month period ended 30 September 2021 (Un-Audited):**

	Juices and Drinks	Others	Total
	Rupees in thousand		
Revenue from contracts with customers - net	1,832,482	246,287	2,078,769
Cost of revenue	1,406,733	231,372	1,638,105
Gross profit	425,749	14,915	440,664
Unallocated expenses and income			
Corporate expenses			(320,760)
Finance costs			(27,121)
Other operating expenses			(29,122)
Other operating income			16,450
Taxation			(25,612)
Profit after taxation			54,499

**Segment analysis of assets and liabilities as at 30 June 2022 (Audited):**

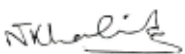
	Juices and Drinks	Others	Total
	Rupees in thousand		
Segment assets	3,499,286	611,986	4,111,272
Unallocated assets			521,249
Total			4,632,521
Segment liabilities	884,182	176,525	1,060,707
Unallocated liabilities			1,466,933
Total			2,527,640

**15 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial information were authorized for issue by the Board of Directors on 25 October 2022.

**16 APPROPRIATIONS**

The Shareholders of the Company have approved at the Annual General Meeting held on 24 October 2022, final cash dividend of Rs. 5 (2021: Rs. 5.50) per share, amounting to Rs. (thousand) 48,315 (2021: Rs. (thousand) 48,315) for the year ended 30 June 2022 which was earlier proposed by Board of Directors in their meeting held on 26 September 2022. These financial statements do not reflect the effect of these appropriations.

  
Director

  
Chief Executive

  
Chief Financial Officer



Shezan



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کی لذت  
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