



# BLEND OF PURITY

INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE SIX MONTH PERIOD ENDED  
**31 DECEMBER 2016**



# The Taste that Lasts!

New Easy Peel Cap



حَلَال  
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	
Ms. 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 and Remuneration Committee:

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

### Registered Office / Head Office:

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

### Factories:

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

### Website:

www.shezan.com

### Auditors:

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 Advisor:

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.  
 NIB Bank Limited.

## **DIRECTORS' REPORT TO THE SHAREHOLDERS**

The Board of Directors of Shezan International Limited is pleased to submit the interim financial information of the Company for the six month period ended 31 December 2016. These results have been in line with our expectations based on the performance in the six month period.

Pakistan economy has shown positive signs during the period with the help of stable currency, improved security situation coupled with continued low inflation, political stability and development of China Pakistan Economic Corridor (CPEC).

For the six month period ended 31 December 2016, total sales were Rs. 3.162 billion against Rs. 2.887 billion in the corresponding period of the last year. The cost of sales was Rs. 2.288 billion against Rs. 2.114 billion in the corresponding period of the last year. Therefore, the Company earned gross profit of Rs. 873.498 million as against Rs. 773.710 million in the corresponding period of the last year. The distribution cost has increased by 13.96% as compared to the corresponding period of the last year mainly because of the increase in salaries and wages and increase in advertisement expenses. Our advertisement activities were increased by 17% because the business environment has become very competitive and we had to increase our publicity campaign to boost our sales and brand in order to get a handsome share in the market. The finance costs were Rs. 19.620 million against Rs. 28.080 million in the corresponding period of the last year. The 30.13% decrease in finance costs was due to the efficient use of borrowed capital and low markup rates. Net profit for the period was Rs. 79.695 million as compared to Rs. 59.497 million and earnings per share were Rs. 9.98 versus Rs. 7.45 in the corresponding period of the last year. The increase in net profit and earnings per share show that the Company has capitalized its brand equity.

Our domestic sales team has shown an encouraging healthy growth trend during the period and achieved the double digit growth of 10.74% in domestic sales.

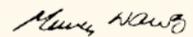
During the period, our overall export sales showed a continuous downward trend due to the financial/economic recession which is followed by sharp decline in crude oil prices in Angola, a Southern African country. However, the exports to other countries have shown a satisfactory trend. Further, our international business team is trying hard to explore new markets to increase export sales.

In the next quarters, Company intends to accelerate volumetric growth and consolidate its market position with the help of additional brand investment in the future countering intense competition and increased commodity prices as our prime season falls in summer months and the take-off starts in end March with a peak from April to June.

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

## ڈائریکٹرز رپورٹ برائے حصص داران

شیراز انٹرنیشنل لمیٹڈ کے بورڈ آف ڈائریکٹرز انتہائی مسرت کے ساتھ، اختتام شدہ ششماہی 31 دسمبر 2016ء کے لئے کمپنی کی غیر آڈٹ شدہ عبوری مالیاتی معلومات پیش کرتے ہیں۔ یہ نتائج ہماری توقعات کے عین مطابق کمپنی کی ششماہی کارکردگی پر مبنی ہیں۔

مستحکم کرنسی، سیکورٹی کی بہتر صورتحال کے ساتھ ساتھ افراط زر میں کمی، سیاسی استحکام اور چین پاکستان اقتصادی راہداری کے قیام کی بدولت پاکستان کی معیشت نے مثبت پیشرفت کی ہے۔

اختتام شدہ ششماہی دسمبر 2016ء میں مجموعی فروخت 3.162 ارب روپے رہی جبکہ گزشتہ برس اسی ششماہی میں یہ رقم 2.887 ارب روپے تھی۔ لاگت فروخت 2.288 ارب رہی جبکہ گزشتہ برس اسی ششماہی میں یہ لاگت 2.114 ارب روپے تھی۔ اس طرح کمپنی نے مجموعی منافع 873.498 ملین روپے کمایا، جبکہ گزشتہ برس اسی ششماہی میں یہ منافع 773.710 ملین روپے تھا۔ ڈسٹری بیوٹن اخراجات میں گزشتہ برس اسی ششماہی کے مقابلے میں 13.96 فیصد اضافہ ہوا، جسکی بڑی وجہ تنخواہوں اور اشتہاری اخراجات میں اضافہ تھا۔ ہمارے اشتہاری اخراجات میں 17 فیصد اضافہ ہوا کیوں کہ سخت مقابلے اور شدید مسابقت کی وجہ سے سیلز اور برانڈ کو فروغ دینے اور مارکیٹ میں خاطر خواہ حصہ لینے کیلئے تشہیری مہم میں اضافہ کرنا پڑا۔ مالیاتی لاگت 19.620 ملین روپے رہی، جبکہ گزشتہ برس اسی ششماہی میں یہ رقم 28.080 ملین روپے تھی۔ مالیاتی لاگت میں 30.13 فیصد کمی کی بڑی وجہ قرضوں کی رقم کا موثر استعمال اور شرح سود میں کمی ہے۔ خالص منافع بعد از ٹیکس 79.695 ملین روپے رہا، جو کہ گزشتہ برس اسی ششماہی میں 59.497 ملین روپے تھا اور فی حصص آمدنی 9.98 روپے رہی جو کہ گزشتہ برس اسی ششماہی میں 7.45 روپے تھی۔ خالص منافع اور فی حصص آمدنی میں اضافہ ظاہر کرتا ہے کہ کمپنی نے اپنے برانڈ جو کہ ایک سرمایہ کی حیثیت رکھتا ہے کا صحیح استعمال کیا۔

اس مدت میں ہماری مقامی سیلز کی ٹیم نے حوصلہ افزا سمجندہ نمونہ کارخانہ پیش کیا اور مقامی سیلز میں دہرے ہندسے 10.74 فیصد کی نمو حاصل کی۔ اس مدت کے دوران مجموعی طور پر ہماری برآمدات میں مسلسل تیزی کارخانہ راجہا جسکی وجہ افریقہ کے جنوب میں واقع ملک انگولا میں خام تیل کی قیمتوں میں تیزی سے تیزی کی وجہ سے پیدا ہونے والا مالیاتی بحران تھا۔ تاہم دیگر ممالک کو کی جانے والی برآمدات میں تسلی بخش رجحان رہا۔ اسکے علاوہ ہماری برآمدی ٹیم کمپنی کی برآمدات کو بڑھانے کی غرض سے نئی منڈیاں تلاش کرنے کے لئے آنٹھک محنت کر رہی ہے۔

اگلی سہ ماہیوں میں کمپنی سخت مقابلے، مسابقت اور اشیاء کی بڑھتی ہوئی قیمتوں کا مقابلہ کرنے کے لئے برانڈ سرمایہ کاری کی مدد سے سیلز کے مقصداری حجم میں نمو اور مارکیٹ پوزیشن کو مزید مستحکم کرنے کا ارادہ رکھتی ہے۔

ہم بورڈ آف ڈائریکٹرز کی جانب سے اپنے ادارے کے تمام ملازمین کی 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، ویبنڈرز، حصص داران اور سٹیک ہولڈرز کی جانب سے ملا۔

منجانب بورڈ آف ڈائریکٹرز

*Muhammad Nawaz*

منیر نواز

چیئرمین

کراچی:

23 فروری 2017ء -



شمرقند تازگی اور فرحت ایک ساتھ



حَلَال  
HALAL



اس Summer میں صرف شمرقند

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS ON REVIEW of Interim Financial Information

## Introduction

We have reviewed the accompanying condensed interim balance sheet of Shezan International Limited ('the Company') as at 31 December 2016 and the related condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and condensed notes to the interim financial information for the six month period then ended (here-in-after referred to as the 'interim financial information'). Management is responsible for the preparation and presentation of this interim financial information in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

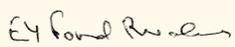
## Scope of review

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

## Conclusion

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

Lahore:  
23 February 2017.

  
Chartered Accountants  
Engagement Partner: **Farooq Hameed**

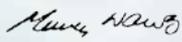
## CONDENSED INTERIM BALANCE SHEET

### AS AT 31 DECEMBER 2016

	Note	(Un-Audited) 31 December 2016	(Audited) 30 June 2016
Rupees in thousand			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	1,217,900	1,187,011
Long term investment	7	2,501	2,121
Long term deposits and prepayments		4,967	4,253
		1,225,368	1,193,385
<b>CURRENT ASSETS</b>			
Stores and spares		71,776	66,718
Stock in trade		1,253,265	1,238,081
Trade debts		251,161	269,494
Loans and advances		28,545	75,312
Trade deposits and short term prepayments		26,997	15,131
Interest accrued		338	268
Income tax recoverable		335,291	306,463
Cash and bank balances		101,780	102,906
		2,069,153	2,074,373
<b>TOTAL ASSETS</b>		<b>3,294,521</b>	<b>3,267,758</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		79,860	79,860
Reserves		1,604,987	1,454,606
Unappropriated profits		157,720	299,899
<b>TOTAL EQUITY</b>		<b>1,842,567</b>	<b>1,834,365</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term loan - secured	8	30,000	90,000
Deferred taxation		67,184	69,374
		97,184	159,374
<b>CURRENT LIABILITIES</b>			
Trade and other payables		493,347	668,625
Interest accrued on borrowings		7,676	1,454
Current portion of long term loan - secured	8	120,000	120,000
Short term borrowings - secured	9	445,315	226,277
Provision for taxation		288,432	257,663
		1,354,770	1,274,019
<b>TOTAL LIABILITIES</b>		<b>1,451,954</b>	<b>1,433,393</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	10		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,294,521</b>	<b>3,267,758</b>

The annexed notes from 1 to 16 form an integral part of this interim financial information.

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

  
Director

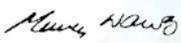
  
Director

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2016

	Note	Six month period ended 31 December		Three month period ended 31 December	
		2016	2015	2016	2015
		Rupees in thousand		Rupees in thousand	
Sales - net		3,161,667	2,887,219	1,219,772	1,184,493
Cost of sales		2,288,169	2,113,509	907,668	884,933
Gross profit		873,498	773,710	312,104	299,560
Distribution costs		567,071	497,615	227,960	205,916
Administrative expenses		118,408	105,408	54,423	51,066
Other operating expenses		83,416	87,286	35,945	36,724
Other income		(23,291)	(24,243)	(8,333)	(10,193)
		745,604	666,066	309,995	283,513
Operating profit		127,894	107,644	2,109	16,047
Finance costs		19,620	28,080	9,395	13,699
Profit/(loss) before taxation		108,274	79,564	(7,286)	2,348
Taxation		28,579	20,067	(13,421)	(533)
<b>Net profit for the period</b>		<b>79,695</b>	<b>59,497</b>	<b>6,135</b>	<b>2,881</b>
<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 investments - available for sale		381	(137)	294	40
<b>Total comprehensive income</b>		<b>80,076</b>	<b>59,360</b>	<b>6,429</b>	<b>2,921</b>
<b>Earnings per share - basic and diluted (Rupees)</b>	11	<b>9.98</b>	<b>7.45</b>	<b>0.77</b>	<b>0.36</b>

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Director

  
Director

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2016

Six month period ended  
31 December  
2016                      2015  
Rupees in thousand

### CASH FLOWS FROM OPERATING ACTIVITIES

Cash generated from operations:

Profit before taxation	108,274	79,564
Adjustments to reconcile profit before tax to net cash:		
Depreciation	102,673	102,070
Interest expense	18,293	26,533
Profit on bank deposits	(974)	(1,173)
Loss on disposal of property, plant and equipment	3,884	4,995
	123,876	132,425
Operating profit before working capital changes	232,150	211,989

(Increase)/decrease in current assets:

Stores and spares	(5,058)	(8,617)
Stock in trade	(15,184)	77,852
Trade debts	18,333	88,101
Loans and advances	46,767	(87,088)
Trade deposits and short term prepayments	(11,866)	(10,779)
	32,992	59,469

Increase/(decrease) in current liabilities:

Trade and other payables	(175,981)	(441,106)
Short term borrowings - secured	219,038	397,017
	43,057	(44,089)

Cash Generated from Operations	308,199	227,369
Interest expense paid	(12,071)	(29,754)
Profit on bank deposits - received	904	1,138
Income tax paid	(28,828)	(46,832)
Long term deposits paid	(714)	(1,241)
Net Cash Generated from Operating Activities	267,490	150,680

### CASH FLOWS FROM INVESTING ACTIVITIES

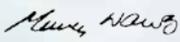
Purchase of property, plant and equipment	(147,137)	(82,818)
Sale proceeds from disposal of property, plant and equipment	9,692	3,332
Net Cash used in Investing Activities	(137,445)	(79,486)

### CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of long term loan	(60,000)	(30,000)
Dividends paid	(71,171)	(85,485)
Net Cash used in Financing Activities	(131,171)	(115,485)
Net Decrease in Cash and Cash Equivalents	(1,126)	(44,291)
Cash and Cash Equivalents at the Beginning of the Period	102,906	143,255
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>101,780</b>	<b>98,964</b>

The annexed notes from 1 to 16 form an integral part of this interim financial information.

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Director

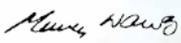
  
Director

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2016

	Capital Reserve		Revenue Reserve			Total
	Share Capital	Merger Reserve	General Reserve	Unrealized (loss) / gain on remeasurement of Investments- available for sale	Unappropriated Profits	
	Rupees in thousand					
<b>Balance as at 01 July 2015</b>	<b>79,860</b>	<b>5,000</b>	<b>1,250,000</b>	<b>(157)</b>	<b>393,459</b>	<b>1,728,162</b>
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 six month period ended 31 December 2015	-	-	-	-	59,497	59,497
Other comprehensive loss	-	-	-	(137)	-	(137)
Total comprehensive income	-	-	-	(137)	59,497	59,360
<b>Balance as at 31 December 2015</b>	<b>79,860</b>	<b>5,000</b>	<b>1,450,000</b>	<b>(294)</b>	<b>165,110</b>	<b>1,699,676</b>
<b>Balance as at 01 July 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 six month period ended 31 December 2016	-	-	-	-	79,695	79,695
Other comprehensive income	-	-	-	381	-	381
Total comprehensive income	-	-	-	381	79,695	80,076
<b>Balance as at 31 December 2016</b>	<b>79,860</b>	<b>5,000</b>	<b>1,600,000</b>	<b>(13)</b>	<b>157,720</b>	<b>1,842,567</b>

The annexed notes from 1 to 16 form an integral part of this interim financial information.

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Director

  
Director

## CONDENSED NOTES TO THE INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2016

### 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 fresh fruits and vegetables.

### 2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

- 2.1** This interim financial information of the Company for the six month period ended 31 December 2016 has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provision of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provision of or directives issued under the Companies Ordinance, 1984 have been followed.
- 2.2** This interim financial information does not include all the information and the disclosures required in the annual audited financial statements and should be read in conjunction with annual audited financial statements of the Company for the year ended 30 June 2016.
- 2.3** This interim financial information is un-audited but subject to limited scope review by the auditors. Three month figures were not subject to limited scope review by the auditors as the scope of the review covered only the cumulative figures for the six month period ended 31 December 2016.

### 3. ACCOUNTING POLICIES

The significant accounting judgments, estimates, assumptions and accounting policies adopted and applied by the Company for the preparation of this interim financial information are the same as were adopted and applied in the preparation of the preceding annual audited financial statements for the year ended 30 June 2016 except as follows:

#### New / Revised Standards, Interpretations and Amendments

The Company has adopted the following standards and amendment to IFRSs which became effective for the current period:

#### Standard or Interpretation

IFRS 10	Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements - Investment Entities: Applying the Consolidation 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	Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)
IAS 16	Property, Plant and Equipment and IAS 41 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'

## CONDENSED NOTES TO THE INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2016

The adoption of the above standards, amendment and improvement to accounting standards did not have any material effect on the interim financial information.

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

Provisions in respect of Workers' Welfare Fund, Workers' Profit Participation Fund and Taxation are estimated based on management judgment and prevailing laws, 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 six month period ended 31 December 2016 are as follows:

	Additions	Deletions/ Transfers
	Rupees in thousand	
<b>Owned assets</b>		
Plant and machinery	17,491	(3,841)
Buildings on freehold land	2,874	-
Motor vehicles	15,086	(1,901)
Electric equipment	38,309	-
Electric fittings and tools	109	-
Furniture and fixtures	675	-
Forklifts	2,425	-
Computers and accessories	1,039	-
Empty bottles, shells, pallets and barrels	64,024	(32,332)
	142,032	(38,074)
<b>Capital work in progress</b>		
Motor vehicles	15,086	(15,086)
Plant and machinery	4,733	(4,733)
Buildings	7,979	(2,874)
	27,798	(22,693)
	169,830	(60,767)
	(Un-Audited)	(Audited)
	31 December	30 June
	2016	2016
Note	Rupees in thousand	

### 7. LONG TERM INVESTMENT - AVAILABLE FOR SALE

Quoted - Modaraba

BRR Guardian Modaraba - Credit rating 'A'

305,000 (30 June 2016: 305,000)

certificates of Rs. 10/- each

7.1

Gain / (loss) on remeasurement

2,375

126

2,375

(254)

2,501

2,121

7.1 The above investment represents 0.39% (30 June 2016: 0.39%) of the issued certificate capital of the Modaraba.

## CONDENSED NOTES TO THE INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2016

	Note	(Un-Audited) 31 December 2016	(Audited) 30 June 2016
Rupees in thousand			
<b>8. LONG TERM LOAN - SECURED</b>			
Long term loan	8.1	150,000	210,000
Less: current portion		(120,000)	(120,000)
		30,000	90,000

**8.1** In 2015, the Company obtained a long-term loan from a commercial bank amounting 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.

### 9. SHORT TERM BORROWINGS - SECURED

The aggregate short-term borrowings available from commercial banks under mark-up arrangements are Rs. (thousand) 1,875,000 (30 June 2016: Rs. (thousand) 1,875,000).

The rate of mark-up / interest on short-term borrowings ranges between 1 month KIBOR minus 0.01% to 1 month KIBOR / 3 months KIBOR plus 0.25% (30 June 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 first registered joint pari passu hypothecation and ranking charge on current assets of the Company up to Rs. (thousand) 2,314,000 (30 June 2016: Rs. (thousand) 2,314,000) and Rs. (thousand) 848,000 (30 June 2016: Rs. (thousand) 848,000) respectively.

The un-utilized facility for opening letters of credit and for guarantees amounts to Rs. (thousand) 214,970 (30 June 2016: Rs. (thousand) 202,930) and Rs. (thousand) 78,440 (30 June 2016: Rs. (thousand) 77,977), respectively.

## 10. CONTINGENCIES AND COMMITMENTS

### 10.1 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 2016 except for an Excise Tax Reference (ETR) filed by the Collector of Sales Tax and Federal Excise, before the Honourable Lahore High Court for additional demand of Rs. (thousand) 11,563 (30 June 2016: Rs. (thousand) 11,563), which was dismissed by the Honourable Lahore High Court during the period.

### 10.2 COMMITMENTS

- (i) Commitments in respect of letters of credit established for the import of raw and packing materials amounted to Rs. (thousand) 35,030 (30 June 2016: Rs. (thousand) 47,070).
- (ii) Counter guarantees in favour of banks in the ordinary course of business amounted to Rs. (thousand) 31,560 (30 June 2016: Rs. (thousand) 32,023).

## CONDENSED NOTES TO THE INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2016

(Un-Audited)

	Six month period ended 31 December		Three month period ended 31 December	
	2016	2015	2016	2015

### 11. EARNINGS PER SHARE - BASIC AND DILUTED

Profit after taxation attributable to ordinary shareholders (Rupees in thousand)	79,695	59,497	6,135	2,881
Weighted average number of ordinary shares at the end of the period (in thousand)	7,986	7,986	7,986	7,986
Earnings per share - Basic and diluted (Rupees)	9.98	7.45	0.77	0.36

11.1 No fully diluted earnings per share has been disclosed as the Company has not issued any 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 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 Honourable Sindh High Court, challenging the levy of tax under the above referred section. Since the matter is subjudice before the Honourable Sindh High Court, accordingly the Company has retained 5% of the bonus shares issued to 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 significant transactions with related parties are as follows:

	(Un-Audited)	
	Six month period ended 31 December	
	2016	2015
	Rupees in thousand	
<b>Transactions during the period:</b>		
<b>Associated undertakings</b>		
Purchases of raw materials	104,222	307,935
Sales of finished goods	21	198
Royalty charged	36,087	28,969
Purchases/repairs of electric equipment/vehicles	146	144
Services received	-	342
Contributions to staff provident fund	2,478	2,509
Remuneration and benefits of Directors, Chief Executive and key management personnel	26,236	23,413

## CONDENSED NOTES TO THE INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2016

	(Un-Audited) 31 December 2016	(Audited) 30 June 2016
	Rupees in thousand	
<b>Period / year end balances:</b>		
Due to associated undertaking	40,710	26,661
Due to staff provident fund	16	963

### 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 evaluate performance on the basis of their gross profit or gross loss. As at 31 December 2016, the Company is organized into following two operating segments based on their products.

#### Juice drinks

Juice drinks segment includes bottled as well as juices in tetra pack packing.

#### Others

Others include pickles, ketchup, sauces, jams etc.

	Juices and Drinks	Others	Total
	Rupees in thousand		
<b>Profit and loss account for the six month period ended 31 December 2016 (Un-Audited):</b>			
Sales	2,721,756	439,911	3,161,667
Cost of sales	(1,920,036)	(368,133)	(2,288,169)
Gross profit	801,720	71,778	873,498
<b>Unallocated expenses and income</b>			
Distribution costs			(567,071)
Administrative expenses			(118,408)
Other operating expenses			(83,416)
Other income			23,291
Finance costs			(19,620)
Taxation			(28,579)
Profit after taxation			79,695
<b>Assets and liabilities as at 31 December 2016 (Un-Audited):</b>			
Segment assets	2,031,466	755,536	2,787,002
Unallocated assets			507,519
Total			3,294,521
Segment liabilities	479,676	124,764	604,440
Unallocated liabilities			847,514
Total			1,451,954

## CONDENSED NOTES TO THE INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2016

	Juices and Drinks	Others Rupees in thousand	Total
<b>Profit and loss account for the six month period ended 31 December 2015 (Un-Audited):</b>			
Sales	2,450,997	436,222	2,887,219
Cost of sales	(1,750,205)	(363,304)	(2,113,509)
Gross profit	700,792	72,918	773,710
<b>Unallocated expenses and income</b>			
Distribution costs			(497,615)
Administrative expenses			(105,408)
Other operating expenses			(87,286)
Other income			24,243
Finance costs			(28,080)
Taxation			(20,067)
Profit after taxation			59,497
<b>Assets and liabilities as at 30 June 2016 (Audited):</b>			
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

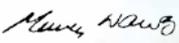
### 15. DATE OF AUTHORIZATION FOR ISSUE

This interim financial information was authorized for issue by the Board of Directors on 23 February 2017.

### 16. GENERAL

Figures in this interim financial information have been rounded off to the nearest thousand of rupees unless otherwise stated.

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

  
Director

  
Director





Ketch-up the real tomato taste  
in every bite...

حَالان  
HALAL



