



## Fruitfully Yours

CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTH PERIOD ENDED  
30 SEPTEMBER 2019

Shezan



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# 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. Muhammad Khalid	(Independent Director)
Mr. Shahid Hussain Jatoi	(N.I.T. Nominee)

## Chief Financial Officer:

Mr. Faisal Ahmad Nisar, FCA

## Company Secretary:

Mr. Khurram Babar

## Audit Committee:

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

## Human Resource & Remuneration Committee:

Mr. Muhammad 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-22610.  
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.  
The Bank of Khyber.  
Bank Al-Habib Limited.  
Habib Bank Limited.  
Bank Alfalah Limited.

# DIRECTORS' REPORT TO THE MEMBERS

On behalf of the Board of Directors, we present, condensed interim financial statements (un-audited) of the Company for the three month period ended 30 September 2019.

The momentum of tough economic scenario continued even during the period under review and posed significant challenges to the Company. Substantial increase in the prices of major raw materials, minimum wages, markup rates and utilities have adversely affected profitability of the Company. Moreover, in the fiscal budget of 2019-20, a federal excise duty of 5% was imposed on our juices, squashes and syrups, impact of which could not be passed on to our customers completely due to prevailing stiff market competitiveness.

Despite of these challenges, the management remained focused on producing high quality products at affordable prices and was able to achieve an overall rational sales growth. Moreover, on the export side we achieved encouraging double-digit growth as compared to the corresponding period of 2018. We are optimistic that our products have potential to sustain our growth momentum.

Summarized operating performance of the Company for the three month period ended 30 September 2019 is as follows:

Particulars	2019	2018
	Rupees in thousand	
Revenue from contracts with customers-net	<b>2,363,363</b>	2,205,987
Gross profit	<b>412,007</b>	514,326
Net profit after tax	<b>10,209</b>	108,430
Earnings per share (Rs.)	<b>1.16</b>	(Restated) 12.34

## FUTURE OUTLOOK

We will continue to have a positive outlook on the long-term potential growth of the business; however, we do foresee certain challenges in the period ahead, which might have an impact on the future results as well. The management is keen to enhance the market share and for further penetration has decided to launch a new juice drink packaging line of 125ml to strengthen its consumer base.

The quarter ahead falls in the winter season but with the sales of non-seasonal products with sales and distribution efforts, we will strive to achieve satisfactory results.

## CONTINGENCIES

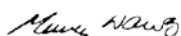
Subsequent to the decision of the Honorable Supreme Court of Pakistan in Suo Moto case no. 26 of 2018 regarding use of ground or surface water by bottling and beverage companies, the Company is subject to a potential water charge of Rs. 1/- per liter on extraction of ground or surface water. The Company is actively contesting this decision of the Honorable Supreme Court of Pakistan and has filed a review petition.

Since this water charge has a very huge impact therefore on the representations of various affected companies, the Honorable Supreme Court of Pakistan has issued an interim order for the payment of 25% of the bills, based on production data of each company. In current quarter's financial statements, the Company has recognized an expense of Rs. 11 million based on 25% of production volume of beverages for the period from July 2019 to September 2019 in line with the Honorable Supreme Court's order. However, remaining potential charge, the amount of which cannot be quantified since the matter is subjudice and has been recognized as a contingency.

## ACKNOWLEDGEMENT

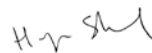
We take this opportunity to gratitude our shareholders for their trust, valued customers for their choice, our employees for their dedication and professionalism. We are thankful to our fellow directors as well for their leadership and continuous guidance at all times.

For and on behalf of the Board



**Muneer Nawaz**  
Chairman

Lahore  
25 October 2019.



**Humayun A. Shah Nawaz**  
Chief Executive Officer





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happiness*



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## ڈائریکٹرز رپورٹ

### برائے ممبران

ہم بورڈ آف ڈائریکٹرز کی جانب سے اختتام شدہ سہ ماہی 30 ستمبر 2019ء کیلئے کمپنی کے غیر آڈٹ شدہ عبوری مالیاتی نتائج پیش کرتے ہیں۔

مشکل معاشی حالات کا تسلسل اس سہ ماہی کے دوران بھی جاری رہا۔ جو کہ کمپنی کے لئے دشواریوں میں اضافے کا باعث بنا۔ خام مال، کم از کم اجرت، شرح سود، بجلی، گیس اور پانی کی لاگت میں بے انتہا اضافے نے ادارے کے منافع کو بری طرح متاثر کیا۔ علاوہ ازیں وفاقی حکومت کے 2019-2020ء کے بجٹ میں ہماری جوس اور شربت کی مصنوعات پر پانچ فی صد فیڈرل ایکسائز ڈیوٹی عائد کر دی گئی ہے۔ جو کہ سخت مسابقتی مقابلے کی فضا کی وجہ سے مکمل طور پر صارفین کو منتقل نہ کی جاسکی۔

ان مسائل کے باوجود، کمپنی کی انتظامیہ کی توجیہ مناسب قیمت کی اعلیٰ معیار کی مصنوعات کی تیاری پر مرکوز رہی اور مجموعی طور پر فروخت میں مناسب نمو حاصل کرنے میں کامیاب رہی۔ علاوہ ازیں، مالی سہ ماہی 2018ء کے مقابلے میں ہم نے برآمدات میں دو ہندسوں کی حوصلہ افزاء نمو حاصل کی۔ ہم پُر امید ہیں کہ ہماری مصنوعات میں نمونہ کی شرح کو برقرار رکھنے کی صلاحیت موجود ہے۔

اختتام شدہ سہ ماہی 30 ستمبر 2019ء کے لئے کمپنی کے عبوری مالیاتی نتائج مختصر اور جیل ہیں۔

2018	2019	
		روپے ہزاروں میں
		مندرجہ ذیل
2,205,987	2,363,363	فروخت
514,326	412,007	مجموعی منافع
108,430	10,209	منافع بعد از محصولات
(Re-stated) 12.34	1.16	فی شخص آمدنی۔ روپوں میں

### مستقبل کے امکانات:

ہم کاروبار کی طویل مدتی مکنہ نمو پر توجہ مرکوز رکھیں گے۔ تاہم، ہم یقینی طور پر آگلی سہ ماہی میں پیش آنے والے خطرات کو دیکھ رہے ہیں۔ جبکہ انٹر مستقبل کے نتائج بھی پرستہ ہے۔ انتظامیہ کی بھرپور توجہ، منڈیوں میں اپنا مارکیٹ شیئر بڑھانے پر مرکوز ہے جس کیلئے انتظامیہ نے جوس ڈرنک کی 125 ml کی نئی پیکنگ متعارف کرانے کا فیصلہ کیا ہے۔ آگلی سہ ماہی موسم سرما میں آتی ہے۔ لیکن ہم اپنی غیر موسمی مصنوعات کی فروخت اور ترسیل میں محنت کے ساتھ تسلی بخش نتائج حاصل کرنے کی کوشش کریں گے۔

### غیر یقینی امکانات:

ادارے کو سپریم کورٹ آف پاکستان کے ازخود نوٹس نمبر 26/2018 کے کیس جو کہ سٹی اور زیر زمین پانی کے استعمال سے متعلق تھا کے فیصلے کے بعد مکمل طور پر ایک روپے فی لیٹر واٹر چارج زیر زمین اور سٹی پانی کے استعمال پر ادا کرنا پڑ سکتا ہے، لیکن ادارہ سپریم کورٹ آف پاکستان کے اس فیصلے کو فعال طور پر دفاع کر رہا ہے اور اس پر نظر ثانی کی درخواست دائر کر دی ہے چونکہ واٹر چارج سے بہت زیادہ مالی اثر پڑتا ہے، اس لیے متاثرہ کیمپنیوں کی گزارشات سپریم کورٹ آف پاکستان نے ہر کمپنی کے پیداواری اعداد و شمار کی بنیاد پر کمپنیوں کی آمدنیوں کا عبوری حکم جاری کیا ہے۔ موجودہ سہ ماہی کے مالیاتی نتائج میں ادارے نے گیارہ ملین روپے کے اخراجات ظاہر کیے ہیں۔ جو کہ سپریم کورٹ آف پاکستان کے عبوری حکم کے مطابق جولائی 2019ء سے ستمبر 2019ء تک کی شروبات کی کمپنیوں کی صد کے پیداواری حکم پر مبنی ہے۔ تاہم ایجا جات کے حکم کا تعین ابھی ممکن نہیں کیونکہ معاملہ ابھی زیر غور ہے۔ لیکن ادارے نے اپنے سہ ماہی مالیاتی نتائج میں غیر یقینی امکان کے طور پر ظاہر کر دیا ہے۔

### اظہار تشکر:

ہم اس موقع پر اپنے چھٹے اداران کے اعتماد و معزز صارفین کے انتخاب، ملازمت کی لگن اور پیشہ ورانہ مہارت پر ان کا شکریہ ادا کرتے ہیں۔ ہم اپنے معزز ساتھی ڈائریکٹرز کا بھی اکی قیادت اور مستقل رہنمائی کرنے پر شکریہ ادا کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی ایماہ پر:

H. S. Shah

ہمایوں اے شاہ نواز

چیف ایگزیکٹو

Muhammad Nawaz

منیر نواز

چیرمین

لاہور

25 اکتوبر 2019ء -

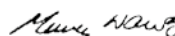


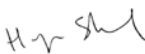
# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

## AS AT 30 SEPTEMBER 2019

	Note	(Un-Audited) 30 September <b>2019</b>	(Audited) 30 June 2019
		Rupees in thousand	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	1,960,601	1,929,317
Long-term investment	7	2,392	2,478
Long-term receivable		31,026	35,340
Long-term deposits		4,838	4,838
Deferred taxation		5,804	3,670
		<b>2,004,661</b>	1,975,643
<b>CURRENT ASSETS</b>			
Stores and spares		144,385	126,326
Stock-in-trade		1,703,469	1,645,062
Right to recover asset		14,207	18,123
Trade debts		263,554	136,615
Loans and advances		51,688	28,032
Trade deposits and short-term prepayments		19,386	11,856
Interest accrued		-	637
Income tax recoverable		662,640	629,126
Cash and bank balances		179,557	233,723
		<b>3,038,886</b>	2,829,500
<b>TOTAL ASSETS</b>		<b>5,043,547</b>	4,805,143
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		87,846	87,846
Reserves		2,005,017	2,005,103
Unappropriated profits		150,840	140,631
<b>TOTAL EQUITY</b>		<b>2,243,703</b>	2,233,580
<b>NON-CURRENT LIABILITIES</b>			
Long term loan	8	317,162	422,882
<b>CURRENT LIABILITIES</b>			
Trade and other payables		830,108	869,963
Contract liabilities		56,460	106,331
Unclaimed dividend		4,015	4,105
Interest accrued on borrowings		24,845	27,724
Current portion of long term loan		211,440	105,720
Short-term borrowings	9	695,398	376,383
Refund liability		84,148	112,539
Provision for taxation		576,268	545,916
		<b>2,482,682</b>	2,148,681
<b>TOTAL LIABILITIES</b>		<b>2,799,844</b>	2,571,563
<b>CONTINGENCIES AND COMMITMENTS</b>	10		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,043,547</b>	4,805,143

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

  
Director

  
Chief Executive

  
Chief Financial Officer

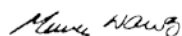


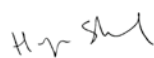
# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

## FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2019

	Note	30 September	
		<b>2019</b>	2018
		Rupees in thousand	
Revenue from contracts with customers-net		2,363,363	2,205,987
Cost of revenue		1,951,356	1,691,661
Gross profit		412,007	514,326
Distribution costs		229,151	236,794
Administrative expenses		88,828	83,452
Other operating expenses		32,381	40,175
Other income		(17,487)	(17,666)
		<b>332,873</b>	342,755
Operating profit		79,134	171,571
Finance costs		40,707	10,214
Profit before taxation		38,427	161,357
Taxation		28,218	52,927
Net profit for the period		10,209	108,430
<b>Other comprehensive income</b>			
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):			
Unrealized loss on remeasurement of investments designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition			
		(86)	(254)
<b>Total comprehensive income</b>		<b>10,123</b>	108,176
		Restated	
Earnings per share - basic and diluted (Rupees)	11	1.16	12.34

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 CASH FLOWS** (UN-AUDITED)  
FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2019

30 September  
**2019**                      2018  
Rupees in thousand

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash generated from operations

Profit before taxation	38,427	161,357
Adjustments to reconcile profit before tax to net cash:		
Depreciation	76,223	55,264
Interest / markup expense	41,284	11,019
Un-winding of interest	(1,790)	(1,475)
Profit on bank deposits	(1,836)	(452)
Loss on disposal of property, plant and equipment	7,099	10,811
	120,980	75,167
<b>Operating profit before working capital changes</b>	<b>159,407</b>	<b>236,524</b>

(Increase)/decrease in current assets

Stores and spares	(18,059)	2,714
Stock-in-trade	(58,407)	86,936
Right to recover asset	3,916	-
Trade debts	(126,939)	(65,360)
Loans and advances	(23,656)	145,851
Trade deposits and short-term prepayments	(7,530)	31,486
	(230,675)	201,627

Increase/(decrease) in current liabilities

Trade and other payables	(39,855)	(40,431)
Contract liabilities	(49,871)	(33,050)
Refund liability	(28,391)	-
Short-term borrowings	319,015	(248,000)
	200,898	(321,481)

Cash generated from operations

	129,630	116,670
Interest expense paid	(44,163)	(4,444)
Profit on bank deposits - received	2,473	806
Income tax paid	(33,514)	(18,926)
Long-term receivable	6,104	1,835
<b>Net cash generated from operating activities</b>	<b>60,530</b>	<b>95,941</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of property, plant and equipment	(117,499)	(77,308)
Sale proceeds from disposal of property, plant and equipment	2,893	4,342
<b>Net cash used in investing activities</b>	<b>(114,606)</b>	<b>(72,966)</b>

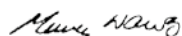
**CASH FLOWS FROM FINANCING ACTIVITIES**


Dividend paid	(90)	-
<b>Net cash used in financing activities</b>	<b>(90)</b>	<b>-</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(54,166)</b>	<b>22,975</b>

Cash and cash equivalents at the beginning of the period	233,723	152,949
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<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>179,557</b>	<b>175,924</b>
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The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

  
Director

  
Chief Executive

  
Chief Financial Officer

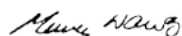
## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2019

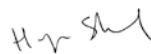
Share Capital	Capital Reserve	Revenue Reserve			Total
	Merger Reserve	General Reserve	Unrealized gain / (loss) on remeasurement of Investments	Unappropriated Profits	

Rupees in thousand

Balance as at 01 July 2018	79,860	5,000	1,800,000	292	424,325	2,309,477
Profit for the three month period ended 30 September 2018	-	-	-	-	108,430	108,430
Other comprehensive income	-	-	-	(254)	-	(254)
Total comprehensive income	-	-	-	(254)	108,430	108,176
<b>Balance as at 30 September 2018</b>	<b>79,860</b>	<b>5,000</b>	<b>1,800,000</b>	<b>38</b>	<b>532,755</b>	<b>2,417,653</b>
Balance as at 01 July 2019	87,846	5,000	2,000,000	103	140,631	2,233,580
Profit for the three month period ended 30 September 2019	-	-	-	-	10,209	10,209
Other comprehensive income	-	-	-	(86)	-	(86)
Total comprehensive income	-	-	-	(86)	10,209	10,123
<b>Balance as at 30 September 2019</b>	<b>87,846</b>	<b>5,000</b>	<b>2,000,000</b>	<b>17</b>	<b>150,840</b>	<b>2,243,703</b>

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 2019

## 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 AND BASIS OF PREPARATION

**2.1** These condensed interim financial statements of the Company for the three month period ended 30 September 2019 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 2019.

**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 2019.

## 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 2019 are as follows:

	Additions	Deletions/ Transfers
	Rupees in thousand	
<b>Owned assets</b>		
Plant and machinery	2,943	-
Furniture and fixture	62	-
Motor vehicles	-	(4,188)
Forklifts	3,658	-
Electric equipment	4,845	-
Computers and accessories	88	-
Empty bottles, shells, pallets and barrels	87,818	(26,224)
	99,414	(30,412)
<b>Capital work in progress</b>		
Plant and machinery	9,800	-
Buildings	8,099	-
Furniture & fixture	186	-
	18,085	-
Additions / (deletions) (at cost), made during the year ended 30 June 2019	903,967	(157,154)

	(Un-Audited) 30 September <b>2019</b>	(Audited) 30 June 2019
	Rupees in thousand	
Note		

## 7 LONG-TERM INVESTMENT

Quoted Modaraba - Fair value through OCI

BRR Guardian Modaraba - Credit rating 'A'			
305,000 (30 June 2019: 305,000) certificates of Rs. 10/- each	7.1	2,375	2,375
Gain on remeasurement		17	103
		2,392	2,478

**7.1** The above investment represents 0.35% (30 June 2019: 0.35%) of the issued certificate capital of the Modaraba.

**7.2** This investment is placed under a shariah permissible agreement.

	(Un-Audited) 30 September <b>2019</b>	(Audited) 30 June 2019
	Rupees in thousand	
Note		

## 8 LONG-TERM LOAN - SECURED

Long term loan	8.1	528,602	528,602
Less: Current maturity shown under current liabilities		(211,440)	(105,720)
		317,162	422,882

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2019

**8.1** This represents long term loan obtained from a commercial bank, payable in five equal semi annual installments with a grace period of six months. The rate of markup is three months KIBOR plus 0.25% per annum payable semi annually. The facility is secured against a first exclusive registered charge on the plant and machinery up to Rs. (thousand) 733,334.

## 9 SHORT-TERM BORROWINGS - SECURED

The aggregate short term borrowings available from commercial banks under mark-up / interest arrangements are Rs. (thousand) 2,125,000 (30 June 2019: Rs. (thousand) 2,125,000). The un-utilized portion of the said facility amounts to Rs. (thousand) 1,429,602 (30 June 2019: Rs. (thousand) 1,748,617).

The rate of mark-up/ interest on short-term borrowings ranges between 1 month KIBOR plus 0.08% to 1 month KIBOR / 3 months KIBOR plus 0.50% (30 June 2019: 1 month KIBOR plus 0.08% to 1 month KIBOR / 3 months KIBOR plus 0.25% ), payable monthly / quarterly.

These 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 (30 June 2019: Rs. (thousand) 2,314,000) and Rs. (thousand) 400,000 (30 June 2019: Rs. (thousand) 400,000) respectively.

The un-utilized facility for opening letters of credit and for guarantees amounts to Rs. (thousand) 214,250 (30 June 2019: Rs. (thousand) 204,544) and Rs. (thousand) 65,877 (30 June 2019: Rs. (thousand) 64,569), 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 2019.

### b) Commitments

- i) Commitments in respect of letters of credit established for the import of raw and packing materials, amounted to Rs. (thousand) 35,750 (30 June 2019: Rs. (thousand) 45,456).
- ii) Counter-guarantees in favor of banks in the ordinary course of business, amounted to Rs. (thousand) 44,123 (30 June 2019: Rs. (thousand) 45,431).

(Un-Audited)  
Three month period ended  
30 September  
**2019**                      2018  
Rupees in thousand

## 11 EARNINGS PER SHARE - BASIC AND DILUTED

Net profit after tax	10,209	108,430
	Number of shares in thousand	
		Restated
Weighted average number of ordinary shares at the end of the period	8,785	8,785
	Rupees per share	
		Restated
Earnings per share - (basic/diluted)	1.16	12.34

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.

## 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 subjudice before the Honorable Sindh High Court, 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 transactions with them are as follows:

Nature of Transactions	Relationship with the Company	(Un-Audited) Three month period ended 30 September	
		2019	2018
		Rupees in thousand	
Purchases of raw materials	Associate	293,264	199,392
Sales of finished goods	Associate	17	-
Royalty charged	Associate	25,157	23,858
Purchases/repairs of electric equipment/vehicles	Associate	-	28
Contributions to staff provident fund	Employees' Fund	1,643	1,505
Remuneration and benefits of Directors, Chief Executive Officer and key management personnel	Key management personnel	13,965	12,577
<b>Period/year end balances</b>		(Un-Audited) 30 September	(Audited) 30 June
		2019	2019
		Rupees in thousand	
Due to related parties	Associate	55,488	47,050
Due from related parties	Associate	24,651	-
Due to staff provident fund	Employees' Fund	-	215

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2019

## 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 2019, 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 2019 (un-audited):

	Juices and Drinks	Others	Total
	Rupees in thousand		
Revenue from contracts with customers - net	2,076,751	286,612	2,363,363
Cost of revenue	1,680,098	271,258	1,951,356
Gross profit	396,653	15,354	412,007
Unallocated expenses and income			
Corporate expenses			(317,979)
Finance costs			(40,707)
Other operating expenses			(32,381)
Other income			17,487
Taxation			(28,218)
<b>Profit after taxation</b>			<b>10,209</b>

### Segment analysis of assets and liabilities as at 30 September 2019 (un-audited):

	Juices and Drinks	Others	Total
	Rupees in thousand		
Segment assets	3,434,112	615,910	4,050,022
Unallocated assets			993,525
<b>Total</b>			<b>5,043,547</b>
Segment liabilities	1,095,621	205,280	1,300,901
Unallocated liabilities			1,498,943
<b>Total</b>			<b>2,799,844</b>



**Segment analysis of profit and loss account for the three month period ended 30 September 2018 (un-audited):**

	Juices and Drinks	Others Rupees in thousand	Total
Revenue from contracts with customers - net	1,977,209	228,778	2,205,987
Cost of revenue	1,448,953	242,708	1,691,661
Gross profit / (loss)	528,256	(13,930)	514,326
Unallocated expenses and income			
Corporate expenses			(320,246)
Finance costs			(10,214)
Other operating expenses			(40,175)
Other operating income			17,666
Taxation			(52,927)
Profit after taxation			108,430

Segment analysis of assets and liabilities as at 30 June 2019 (audited):

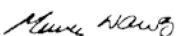
	Juices and Drinks	Others Rupees in thousand	Total
Segment assets	3,305,252	509,424	3,814,676
Unallocated assets			990,467
Total			4,805,143
Segment liabilities	1,334,852	234,922	1,569,774
Unallocated liabilities			1,001,789
Total			2,571,563

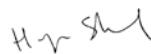
**15 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were authorized for issue by the Board of Directors on 25 October 2019.

**16 APPROPRIATIONS**

The Board of Directors have proposed a final dividend of Rs. 5.50 (30 June 2018: Rs. 15) per share, amounting to Rs. (thousand) 48,315 (30 June 2018: Rs. (thousand) 119,790) for the year ended 30 June 2019 and Nil (30 June 2018: 10%) bonus shares amounting to Rs. (thousand) Nil (30 June 2018: Rs. (thousand) 7,986) along with transfer to general reserve amounting to Rs. (thousand) Nil (30 June 2018: Rs. (thousand) 200,000) at their meeting held on 26 September 2019 for approval of the members at the Annual General Meeting to be held on 26 October 2019. These condensed interim financial statements do not reflect the effect of these appropriations.

  
Director

  
Chief Executive

  
Chief Financial Officer



Shezan

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