



Fruitfully Yours

CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTH PERIOD ENDED
30 SEPTEMBER 2020



Grown with tender,
love and care.



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.
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.
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 2020.

Covid-19 cases in Pakistan are decreasing day by day, thanks to the smart policies of the Government of Pakistan. This is a good omen for the overall economy as well as our Company. The management and the Board of Directors of the Company have continuously been monitoring this evolving situation concerning the pandemic.

Businesses in Pakistan witnessed a sharp decline in all the segments during the pandemic. It was expected in the fiscal budget 2020-21 that the Government would take necessary measures for ease of doing business by reducing various levies, especially the federal excise duty and by controlling the commodity prices. Unfortunately, no such steps were taken. The Company had to revise its price structure aggressively. As a result of the price increase, a major decline in sales volumes was observed during the quarter as compared to the corresponding period. Despite intense competition this decision was taken to improve the profitability of the Company. The management is keeping a close watch on this and will undertake necessary measures to regain the lost volumes in the coming quarters.

OPERATIONAL OVERVIEW

We kept our focus on cost controls, efficient utilization of our plants, and ensuring continuity of supplies to our customers. The Company's performance during the period under review was satisfactory as summarized below:

Particulars	2020	2019
	Rupees in thousand	
Revenue from contracts with customers-net	1,933,107	2,363,363
Gross profit	461,871	412,007
Net profit after tax	108,342	10,209
Earnings per share (Rs.)	12.33	1.16

As a result of Covid-19, lower economic activity, depressed demand, high inflation, and a general decline in buying power of the consumers, the Company could not achieve its sales targets during the quarter under review.

With the efforts of the management and employees, despite the above headwinds, we sailed through this difficult time, very well. During the quarter, the Company showed encouraging results and witnessed growth in the gross profit margin resulting from price rationalization measures coupled with cost-side efficiencies.

The finance cost for the period under review also significantly decreased as compared to the corresponding period because the State Bank of Pakistan reduced the discount rate in aggregate by 6.25%. In addition to that, the Company has obtained a long-term loan against the refinance scheme for salaries and wages introduced by the State Bank of Pakistan at a very marginal rate of 0.45% per annum for a period of two and a half years.

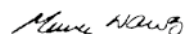
FUTURE PROSPECTS

Despite the increasingly difficult economic situation and inflationary pressures, we believe that the long-term growth potential of our business is intact and unimpaired. The coming quarters will be extremely challenging. The continuity of the pandemic will be one of the biggest challenges for the country and the Company as well. It is expected that the second wave of the Covid-19 will hit the country in the coming quarters as it has already hit the different countries of Europe and the Americas. The next two quarters fall into our leanest season; however, we will try to maintain sales of non-seasonal products with aggressive marketing, sales efforts, and by introducing new product lines in the market.

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



Muneer Nawaz
Chairman

Lahore:
26 October 2020.



Humayun A. Shahnawaz
Chief Executive Officer



From our family
to yours.

حلال
HALAL

An ISO 9001, ISO 22000
& HACCP Certified Company





MAKES YOU



CHATORA



حَلَال
HALAL



ڈائریکٹرز رپورٹ برائے ممبران

ہم شیوران انٹرنیشنل کے بورڈ آف ڈائریکٹرز کی جانب سے ڈائریکٹرز رپورٹ اور اختتام شدہ سہ ماہی 30 ستمبر 2020ء کیلئے کمپنی کے غیر آڈٹ شدہ عبوری مالیاتی نتائج پیش کرتے ہیں۔

حکومت پاکستان کی پالیسیوں کا شکر یہ جن کی بدولت پاکستان میں کوویڈ-19 کے مریضوں کی تعداد میں دن بدن کمی واقع ہو رہی ہے جو کہ ملکی معیشت کے ساتھ ساتھ کمپنی کیلئے بھی ایک اچھا شگون ہے۔ کمپنی کے بورڈ آف ڈائریکٹرز اور انتظامیہ مسلسل، وہاں کی اس بدلتی ہوئی صورتحال کا جائزہ لیتے رہے۔

وہاں کے دوران پاکستان میں کاروباری سرگرمیاں تیزی کا شکار رہیں۔ مالی سال 2020-21ء کے بجٹ میں یہ امید کی جارہی تھی کہ حکومت کاروبار میں آسانی کیلئے مختلف محصولات خصوصاً فیڈرل ایکسائز ڈیوٹی میں کمی اور ایشیا ضروریات کی قیمتوں پر پابو پانے کے لئے اقدامات اٹھائے گی لیکن کوئی پیشرفت نہ ہو سکی۔ کمپنی کو اپنی مصنوعات کی قیمتوں میں واضح اضافہ کرنا پڑا۔ قیمتوں میں اس اضافے کے نتیجے میں رواں سہ ماہی میں گزشتہ سال کی اسی سہ ماہی کے مقابلے میں فروخت کے حجم میں نمایاں کمی دیکھی گئی۔ مقابلے کی سخت فضا کے باوجود کمپنی کے منافع میں بہتری کیلئے یہ قدم اٹھایا گیا۔ انتظامیہ اس صورتحال کا بغور مشاہدہ کر رہی ہے اور آنے والی سہ ماہیوں میں فروخت کے کھوئے ہوئے حجم کو واپس حاصل کرنے کیلئے تمام ضروری اقدامات اٹھانے کا عزم رکھتی ہے۔

عملی جائزہ:

ہماری تمام توجہ اخراجات میں کمی، اپنے پلانٹس کے بھرپور استعمال اور صارفین کو ہماری مصنوعات کی یقینی فراہمی پر مرکوز رہی۔ کمپنی کی اس سہ ماہی کے دوران کارکردگی تسلی بخش رہی جو کہ درج ذیل ہے۔

	2020	2019	تفصیلات
			روپے ہزاروں میں
فروخت	1,933,107	2,363,363	
مجموعی منافع	461,871	412,007	
خالص منافع بعد از محصولات	108,342	10,209	
فی شخص آمدنی - روپوں میں	12.33	1.16	

کوویڈ-19، معاشی سرگرمیوں میں کمی، طلب میں کمی، بڑھتی ہوئی افراط زر اور صارفین کی قوت خرید میں عمومی کمی کے باعث کمپنی زیر نغمہ سہ ماہی میں فروخت کے حجم میں مطلوبہ اہداف حاصل نہ کر سکی۔ انتظامیہ اور ملازمین کی کاوشوں کی بدولت، مندرجہ بالا مشکلات کے باوجود ہم اس مشکل وقت سے بخوبی نبرد آزما ہونے میں کامیاب رہے۔ اس سہ ماہی کے دوران کمپنی نے مصنوعات کی قیمتوں میں منطقی اضافے اور اخراجات میں بھرپور کمی کی بدولت حوصلہ افزاء نتائج حاصل کیے اور مجموعی منافع میں نمو حاصل کی۔ گزشتہ مالی سال کی اسی سہ ماہی کے مقابلے میں سرمائے کی لاگت میں نمایاں کمی واقع ہوئی کیونکہ بینک دولت پاکستان نے شرح سود میں مجموعی طور پر 6.25 فی صد کی کمی کر دی۔ علاوہ ازیں، کمپنی نے بینک دولت پاکستان کی جانب سے تنخواہوں اور اجرت کی ادائیگی کیلئے متعارف کردہ ری فنانس سکیم سے فائدہ اٹھاتے ہوئے 0.45 فی صد کے انتہائی مناسب شرح سود پر اڑھائی سال کیلئے قرضہ حاصل کیا۔

مستقبل کے امکانات:

بڑھتے ہوئے انتہائی مشکل معاشی حالات اور افراط زر کے دباؤ کے باوجود ہمیں یقین ہے کہ کاروبار میں طویل مدتی نمو کی غیر متزلزل صلاحیت موجود ہے۔ آنے والی سہ ماہیاں انتہائی مشکل ہیں۔ وہاں کا تسلسل ملک اور کمپنی کیلئے بڑا مسئلہ ہوگا۔ یہ خبر شکار ہر کیا جا رہا ہے کہ آنے والی سہ ماہیوں میں کوویڈ-19 کی دوسری لہر کا ملک پر وار ہوگا۔ جیسا کہ یورپ اور امریکہ کے مختلف ممالک میں پہلے ہی ہو چکا ہے۔ اگلی دو سہ ماہیاں ہمارے لئے کمزور ترین ہوں گی۔ تاہم، ہم جارحانہ مارکیٹنگ اور فروخت کی بھرپور کاوشوں کے ذریعے غیر معمولی مصنوعات کو فروخت کر کے اور مارکیٹ میں نئی مصنوعات کو متعارف کروا کر اپنی فروخت کے حجم کو برقرار رکھنے کی کوشش جاری رکھیں گے۔

اظہار تشکر:

ہم اس موقع پر اپنے بھروسہ داران کے بھروسے، جہز صارفین کے غیر متزلزل اعتماد، انتظامیہ کی مخلصانہ کاوشوں کا، اپنے ملازمین کی قابل ستائش خدمات کا، بورڈ آف ڈائریکٹرز کی مستقل رہنمائی کا اور تمام متعلقہ ڈیپارٹمنٹس، ڈیلرز، ویڈرز، ایبوسی ایشنس کا شکر یہ ادا کرتے ہیں۔

بورڈ کی جانب سے

H. S. S. S.

ہمایوں اے شاہ نواز

چیف ایگزیکٹو

M. S. S. S.

منیر نواز

چیئر مین

لاہور

12 اکتوبر 2020ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2020

		(Un-Audited) 30 September 2020	(Audited) 30 June 2020
	Note	Rupees in thousand	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	1,798,468	1,863,439
Long-term investment	8	3,196	2,650
Long-term receivables		29,386	27,930
Long-term deposits		4,088	4,388
Deferred taxation		144,933	181,028
		1,980,071	2,079,435
CURRENT ASSETS			
Stores and spares		121,949	119,002
Stock-in-trade		1,589,752	1,527,152
Right to recover asset		15,872	16,162
Trade debts		493,825	156,598
Loans and advances		73,416	125,595
Trade deposits, prepayments and other receivables		14,934	6,823
Interest accrued		-	159
Income tax recoverable		546,890	535,670
Cash and bank balances		103,488	202,541
		2,960,126	2,689,702
TOTAL ASSETS		4,940,197	4,769,137
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		87,846	87,846
Capital reserve		5,000	5,000
Revenue reserve		1,965,695	1,856,807
TOTAL EQUITY		2,058,541	1,949,653
NON-CURRENT LIABILITIES			
Long-term loans	9	289,630	291,300
Lease liabilities		53,443	54,165
Deferred grant		4,660	2,709
		347,733	348,174
CURRENT LIABILITIES			
Trade and other payables		601,646	738,534
Contract liabilities		61,573	108,878
Unclaimed dividend		4,880	4,880
Interest accrued on borrowings		42,050	42,011
Current portion of long-term loans	9	396,601	233,871
Current portion of lease liabilities		6,049	6,049
Current portion of deferred grant		11,750	5,045
Short-term borrowings	10	823,572	744,035
Refund liability		106,165	108,370
Provision for taxation		479,637	479,637
		2,533,923	2,471,310
TOTAL LIABILITIES		2,881,656	2,819,484
CONTINGENCIES AND COMMITMENTS	11		
TOTAL EQUITY AND LIABILITIES		4,940,197	4,769,137

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

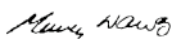


CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2020

	Note	30 September	
		2020	2019
		Rupees in thousand	
Revenue from contracts with customers - net		1,933,107	2,363,363
Cost of revenue		1,471,236	1,951,356
Gross profit		461,871	412,007
Distribution costs		184,912	229,151
Administrative expenses		69,785	88,828
Other operating expenses		45,111	32,381
Other income		(14,359)	(17,487)
		285,449	332,873
Operating profit		176,422	79,134
Finance costs		31,985	40,707
Profit before taxation		144,437	38,427
Taxation		36,095	28,218
Net profit for the period		108,342	10,209
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):			
Unrealized gain/(loss) on remeasurement of investment designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition		546	(86)
Total comprehensive income		108,888	10,123
Earnings per share - basic and diluted (Rupees)	12	12.33	1.16

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 2020

30 September
2020 2019
 Rupees in thousand

CASH FLOWS FROM OPERATING ACTIVITIES

Cash generated from operations

Profit before taxation	144,437	38,427
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation	70,290	76,223
Finance costs	33,441	41,284
Un-winding of financial charges	(1,456)	(1,790)
Profit on bank deposits	(1)	(1,836)
Loss on disposal of property, plant and equipment	10,632	7,099
	112,906	120,980

Operating profit before working capital changes	257,343	159,407
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(Increase) / decrease in current assets

Stores and spares	(2,947)	(18,059)
Stock-in-trade	(62,600)	(58,407)
Right to recover asset	290	3,916
Trade debts	(337,227)	(126,939)
Loans and advances	52,179	(23,656)
Trade deposits and short-term prepayments	(8,111)	(7,530)
	(358,416)	(230,675)

Increase / (decrease) in current liabilities

Trade and other payables	(136,888)	(39,855)
Contract liabilities	(47,305)	(49,871)
Refund liability	(2,205)	(28,391)
	(186,398)	(118,117)

Cash used in operations	(287,471)	(189,385)
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Finance costs paid	(33,402)	(44,163)
Profit on bank deposits received	160	2,473
Income tax paid	(11,220)	(33,514)
Long-term receivables	-	6,104
Long-term deposits refunded / (paid)	300	-

Net cash flows used in operating activities	(331,633)	(258,485)
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CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	(19,734)	(117,499)
Sale proceeds from disposal of property, plant and equipment	3,783	2,893

Net cash flows used in investing activities	(15,951)	(114,606)
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CASH FLOWS FROM FINANCING ACTIVITIES

Dividend paid	-	(90)
Long-term loan obtained	169,716	-
Short-term borrowings obtained	79,537	319,015
Repayment of lease liabilities	(722)	-

Net cash flows generated from financing activities	248,531	318,925
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Net decrease in cash and cash equivalents	(99,053)	(54,166)
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Cash and cash equivalents at the beginning of the period	202,541	233,723
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CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	103,488	179,557
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The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Munir Khan
 Director

Huzefa
 Chief Executive

Fazmi
 Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

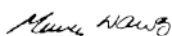
FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2020

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 on 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
Balance as on 30 September 2019	87,846	5,000	2,000,000	17	150,840	2,243,703
Balance as on 01 July 2020	87,846	5,000	2,000,000	275	(143,468)	1,949,653
Profit for the three month period ended 30 September 2020	-	-	-	-	108,342	108,342
Other comprehensive income	-	-	-	546	-	546
Total comprehensive income	-	-	-	546	108,342	108,888
Balance as on 30 September 2020	87,846	5,000	2,000,000	821	(35,126)	2,058,541

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 2020

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:

BUSINESS UNIT	ADDRESS
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 2020 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 2020.

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 2020.

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 RISKS AND UNCERTAINTIES

Although Government has allowed businesses under SOP's and re-opened schools and public places but the country is still exposed to risks associated with second wave of Covid-19 pandemic. The Government is considering to impose smart lock downs once again. The lockdowns severely effect economic activities in the Country. We have already elaborated well in our annual financial statements the impact of first wave of pandemic but at this point of time we cannot calculate its devastating effect on our business in future.

Our focus would remain on relentless marketing strategies and cost-cutting measures to address upcoming risks and uncertainties.

7 PROPERTY, PLANT AND EQUIPMENT

The additions / (deletions) / transfers (at cost), made during the three month period ended 30 September 2020 are as follows:

	Additions	Deletions/ Transfers
	Rupees in thousand	
Owned assets		
Plant and machinery	4,931	–
Motor vehicles	–	(3,302)
Electric equipment	130	–
Computers and accessories	–	(208)
Empty bottles, shells, pallets and barrels	14,502	(28,396)
	19,563	(31,906)
Capital work in progress		
Plant and machinery	4,093	(4,093)
Buildings	171	–
	4,264	(4,093)
Additions / (deletions) / transfers (at cost), made during the year ended 30 June 2020.	332,050	(199,792)
	(Un-Audited) 30 September 2020	(Audited) 30 June 2020
	Rupees in thousand	
Note		

8 LONG-TERM INVESTMENT

Quoted Modaraba - Fair value through OCI

BRR Guardian Modaraba			
305,000 (30 June 2020: 305,000) certificates of Rs. 10/- each	8.1	2,375	2,375
Gain on remeasurement		821	275
		3,196	2,650

8.1 The above investment represents 0.35% (30 June 2020: 0.35%) of the issued certificate capital of the Modaraba.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2020

	Note	(Un-Audited) 30 September 2020	(Audited) 30 June 2020
		Rupees in thousand	
9 LONG-TERM LOANS			
Loans from banking institutions - secured	9.1	686,231	525,171
Less: Current portion shown under current liabilities		(396,601)	(233,871)
		289,630	291,300

9.1 Loans from banking institutions - secured

	Note	Opening	Received/ Accretion of interest	Repaid	Closing
Rupees in thousand					
Loan I	9.2	422,882	–	–	422,882
Loan II	9.3	102,289	58,997	–	161,286
Loan III	9.4	–	102,063	–	102,063
		525,171	161,060	–	686,231

9.2 This represents long term loan of Rs. (thousand) 422,882 obtained from a commercial bank, payable in five equal semiannual installments with a grace period of six months. The rate of markup is three months KIBOR plus 0.25% per annum payable semiannually. The facility is secured against a first exclusive registered charge on the plant and machinery up to Rs. (thousand) 733,334.

9.3 This represents loan obtained from a commercial bank 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 facility has an aggregate sanctioned limit of Rs. 170 million. The rate of markup is SBP plus 1.95% per annum payable quarterly. The facility is secured against initial ranking charge on plant and machinery up to Rs. 227 million. The difference between cash received and present value of cash outflow upon initial recognition has been recognised as deferred grant in accordance with the Circular No. 11 / 2020 dated 17 August 2020 issued by the Institute of Chartered Accountants of Pakistan.

9.4 This represents loan obtained from a commercial bank 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 facility has an aggregate sanctioned limit of Rs. 170 million. The rate of markup is SBP plus 0.45% per annum payable quarterly. The facility is secured against initial ranking charge on plant and machinery upto Rs. 227 million. The difference between cash received and present value of cash outflow upon initial recognition has been recognised as deferred grant in accordance with the Circular No. 11 / 2020 dated 17 August 2020 issued by the Institute of Chartered Accountants of Pakistan.

10 SHORT-TERM BORROWINGS - SECURED

The aggregate short-term borrowings available from commercial banks under mark-up / interest arrangements are Rs. (thousand) 2,625,000 (30 June 2020: Rs. (thousand) 2,625,000). The un-utilized portion of the said facilities amounts to Rs. (thousand) 1,801,428 (30 June 2020: Rs. (thousand) 1,880,965).

The rate of mark-up / interest on short-term borrowings ranges between 1 month KIBOR / 3 months KIBOR plus 0.05% to 1 month KIBOR / 3 months KIBOR plus 0.50% (30 June 2020: 1 month KIBOR / 3 months KIBOR plus 0.05% to 1 month KIBOR / 3 months KIBOR plus 0.50%), payable 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) 3,848,000 (30 June 2020: Rs. (thousand) 3,848,000) and Rs. Nil (30 June 2020: Rs. (thousand) 1,067,000) respectively.

The un-utilized facility for opening letters of credit and for guarantees amounts to Rs. (thousand) 530,076 (30 June 2020: Rs. (thousand) 528,414) and Rs. (thousand) 205,791 (30 June 2020: Rs. (thousand) 80,692), respectively.

11 CONTINGENCIES AND COMMITMENTS

11.1 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 2020.

11.2 Commitments

- i) Commitments in respect of letters of credit established for the import of raw and packing materials, amounted to Rs. (thousand) 19,924 (30 June 2020: Rs. (thousand) 21,586).
- ii) Counter-guarantees in favor of banks in the ordinary course of business, amounted to Rs. (thousand) 54,209 (30 June 2020: Rs. (thousand) 52,089).

(Un-Audited)
30 September
2020 2019
Rupees in thousand

12 EARNINGS PER SHARE - BASIC AND DILUTED

Net profit after tax	108,342	10,209
	Number of shares	
Weighted average number of ordinary shares at the end of the period (in thousand)	8,785	8,785
	Rupees per share	
Earnings per share - (basic / diluted)	12.33	1.16

12.1 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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2020

13 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 plaintiff shareholders.

14 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	
		2020 Rupees in thousand	2019
Purchases of raw materials	Associate	236,432	293,264
Sales of finished goods	Associate	41	17
Royalty charged	Associate	19,539	25,157
Purchases/repairs of electric equipment/vehicles	Associate	25	–
Contributions to staff provident fund	Employees' Fund	1,545	1,643
Remuneration and benefits of Directors, Chief Executive Officer and key management personnel	Key management personnel	14,092	13,965
		(Un-Audited) 30 September	(Audited) 30 June
Period/year end balances	Relationship with the Company	2020 Rupees in thousand	2020
Due to related parties	Associate	48,488	41,578
Due from related parties	Associate	51,402	90,749
Due to / (from) staff provident fund	Employees' Fund	57	(9)

15 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 2020, the Company is organized into two operating segments based on their products.

Juices and drinks

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

Others

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

Segment analysis of profit and loss account for the three month period ended 30 September 2020 (Un-Audited):

	Juices and Drinks	Others	Total
	Rupees in thousand		
Revenue from contracts with customers - net	1,694,358	238,749	1,933,107
Cost of revenue	1,270,187	201,049	1,471,236
Gross profit	424,171	37,700	461,871
Unallocated expenses and income			
Corporate expenses			(254,697)
Finance costs			(31,985)
Other operating expenses			(45,111)
Other income			14,359
Taxation			(36,095)
Profit after taxation			108,342

Segment analysis of assets and liabilities as at 30 September 2020 (Un-Audited):

	Juices and Drinks	Others	Total
	Rupees in thousand		
Segment assets	3,487,423	547,936	4,035,359
Unallocated assets			904,838
Total			4,940,197
Segment liabilities	1,163,499	133,226	1,296,725
Unallocated liabilities			1,584,931
Total			2,881,656

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2020

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 operating income			17,487
Taxation			(28,218)
Profit after taxation			10,209

Segment analysis of assets and liabilities as at 30 June 2020 (Audited):

	Juices and Drinks	Others	Total
	Rupees in thousand		
Segment assets	3,225,830	522,107	3,747,937
Unallocated assets			1,021,200
Total			4,769,137
Segment liabilities	1,109,851	177,994	1,287,845
Unallocated liabilities			1,531,639
Total			2,819,484

16 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were authorized for issue by the Board of Directors on 26 October 2020.



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