



# QUARTERLY REPORT 30 SEPTEMBER 2021





*Discover the exotic*



# 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.  
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 2021.

The increase in vaccination rates throughout the country has returned life to a new normal, and the opening up of many sectors of public life. Our main products (juices) are an impulse buy and with the resumption of education, recreation and transport sectors we were successfully able to maintain the growth momentum.

### OPERATIONAL OVERVIEW

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

Particulars	2021	2020
	Rupees in thousand	
Revenue from contracts with customers-net	<b>2,078,769</b>	1,933,107
Gross profit	<b>440,664</b>	461,871
Profit before taxation	<b>80,111</b>	144,437
Net profit after tax for the period	<b>54,499</b>	108,342
Earnings per share – (Rupees)	<b>6.20</b>	12.33

Net revenue grew by 7.5% during the period as compared to the corresponding period of the last year. We upheld our growth momentum in exports and achieved a healthy 39% growth during the quarter under review.

Record increase in the prices of our major raw materials including sugar, petroleum products, utilities and minimum wages have adversely affected profitability of the Company. However, some factors like withdrawal of Federal Excise Duty, decrease in finance cost and cost efficiency measures by the management contributed positively in the profit margins.

### FUTURE PROSPECTS

US Dollar has become more volatile due to the disruption in its supply/ demand, commodity prices have increased globally specially palm oil, coal, petrol and LNG. Electricity, gas and POL prices are also expected to increase further. The record breaking inflation will increase the cost of locally available raw and packaging materials and will lead to increased cost of production.

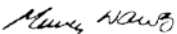
Despite the above challenges, the Company's prospects are promising as the management will utilize its best potential towards increasing the Company's market share in all its sales segments. The Company is striving to attain volumetric growth from its existing customers and will continue to explore local and foreign markets. The Company is confident that it has the ability and trained professional workforce to mitigate the impact of these risks.

The Company intends to include new products in its existing product line. Shezan is currently working on launching mayonnaise family of sauces in the upcoming months. The Company's focus on R&D and product management will strengthen its product portfolio, enabling sustainable growth in the future.

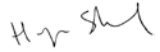
### VOTE OF THANKS

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

For and on behalf of the Board



**Muneer Nawaz**  
Chairman



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

Lahore:  
26 October 2021.





Burger tonight?





دهوان دار مزه



## ڈائریکٹرز رپورٹ برائے ممبران

ہم شیران انٹرنیشنل کے بورڈ آف ڈائریکٹرز کی جانب سے ڈائریکٹرز رپورٹ اور اختتام شدہ سہ ماہی 30 ستمبر 2021ء کیلئے کمپنی کے غیر آڈٹ شدہ عبوری مالیاتی نتائج پیش کرتے ہیں۔ ملک بھر میں ویکٹینیشن کی شرح میں اضافے کی بدولت اور مختلف عوامی شعبہ جات کے کھلنے سے زندگی معمول پر لوٹ آئی ہے۔ ہماری اہم مصنوعات، جوس، ایک تسلسل سے خرید جانے والا پروڈکٹ ہے اور تعلیمی اداروں اور تفریحی مقامات اور ٹرانسپورٹ کی بحالی کی وجہ سے ہم اپنے نمونے کے تسلسل کو برقرار رکھنے میں کامیاب رہے۔

### عملی جائزہ:

کمپنی کی زیرِ غور اختتام شدہ سہ ماہی کے دوران عملی کارکردگی اطمینان بخش رہی اور اسکی تفصیل مختصر ادرج ذیل ہے۔

2020	2021	تفصیلات
		روپے ہزاروں میں
1,933,107	2,078,769	مجموعی فروخت
461,871	440,664	مجموعی منافع
144,437	80,111	خالص منافع قبل از محصولات
108,342	54,499	خالص منافع بعد از محصولات
12.33	6.20	فی شخص آمدنی - روپوں میں

گزشتہ مالی سال کی اسی سہ ماہی کے مقابلے میں اس سہ ماہی کے دوران مجموعی فروخت کی شرح میں 5.7 فیصد کمی ہوئی۔ ہم برآمدات میں نمونے کے تسلسل کو برقرار رکھنے میں کامیاب رہے اور زیرِ غور سہ ماہی کے دوران 39 فیصد کمی شرح نمو حاصل کی۔ خام مال اور چینی، کم از کم اجرت، تیل اور بجلی، گیس کی لاگت میں بے انتہا اضافے نے ادارے کے منافع کو بُری طرح متاثر کیا ہے۔ تاہم کچھ عوامل جیسا کہ فیڈرل ایکسائز ڈیوٹی کا خاتمہ، سرمائے کی لاگت میں کمی اور لاگت کو کنٹرول کرنے کے لئے انتظامیہ کے اقدامات نے منافع میں مثبت کردار ادا کیا۔

### مستقبل کے امکانات:

امریکی ڈالر کی قدر غیر متوازن طلب اور سد کی وجہ سے انتہائی غیر مستحکم ہو چکی ہے۔ ایشیاء کی قیمتوں میں عالمی سطح پر اضافہ ہوا ہے خاص طور پر پام آئل، کونکڈ، پٹرول اور ایل این جی، بجلی، گیس اور پی او ایل کی قیمتوں میں مزید اضافہ متوقع ہے۔ افراط زر میں بڑھتا ہوا رجحان مقامی طور پر دستیاب خام اور پیکینجنگ مواد کی قیمت اور پیداواری لاگت میں اضافہ کرے گا۔

انتہائی نامناسب حالات کے باوجود کمپنی کا عظیم مستحکم ہے، کیونکہ انتظامیہ اپنی کمپنی کی مصنوعات کی مارکیٹ میں حصہ داری کو بڑھانے کے لئے بہترین اقدامات اٹھائے گی۔ کمپنی اپنے موجودہ گاہکوں سے حجم میں اضافے کے لئے کوشاں ہے اور مقامی اور غیر ملکی منڈیوں کی تلاش جاری رکھے گی۔ کمپنی پُر اعتماد ہے کہ کمپنی کے پاس ان خطرات کے اثرات کو کم کرنے کے لئے صلاحیت اور تربیت یافتہ پیشہ ورانہ افرادی قوت موجود ہے۔ کمپنی کی اعلیٰ معیار کی تحقیق اور ترقی کو بڑھا کر اپنی موجودہ پروڈکٹ لائن میں نئی مصنوعات شامل کرنے کا ارادہ رکھتی ہے۔ شیزان فی الحال آنے والے مہینوں میں یو این سی کی مصنوعات متعارف کرنے پر کام کر رہا ہے۔ آراینڈ ڈی اور پروڈکٹ مینجمنٹ پر کمپنی کی توجہ اس کے پروڈکٹ پورٹ فولیو کو مضبوط کرے گی۔ جو مستقبل میں پائیدار ترقی کو مستحکم کرے گی۔

### اظہار تشکر:

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

بورڈ کی جانب سے

H. S. Shah

ہمایوں اے شاہ نواز

چیف ایگزیکٹو

Muhammad Nawaz

منیر نواز

چیرمین

لاہور

26 اکتوبر 2021ء



# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

## AS AT 30 SEPTEMBER 2021

		(Un-Audited) 30 September <b>2021</b>	(Audited) 30 June 2021
	Note	Rupees in thousand	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	<b>1,570,953</b>	1,618,924
Long-term investment	8	<b>4,840</b>	4,036
Long-term receivable		<b>26,786</b>	26,429
Long-term deposits		<b>3,732</b>	3,331
Deferred tax asset		<b>194,641</b>	220,253
		<b>1,800,952</b>	1,872,973
<b>CURRENT ASSETS</b>			
Stores and spares		<b>132,489</b>	140,995
Stock-in-trade		<b>1,575,042</b>	1,644,975
Right to recover asset		<b>4,904</b>	4,896
Trade receivables		<b>567,223</b>	309,119
Loans and advances		<b>22,289</b>	247,222
Trade deposits, prepayments and other receivables		<b>21,567</b>	9,040
Tax refunds due from the Government		<b>155,050</b>	146,824
Cash and bank balances		<b>78,342</b>	154,955
		<b>2,556,906</b>	2,658,026
<b>TOTAL ASSETS</b>		<b>4,357,858</b>	4,530,999
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Issued, subscribed and paid up capital		<b>87,846</b>	87,846
Capital reserve		<b>5,000</b>	5,000
Revenue reserve		<b>2,036,476</b>	1,981,172
<b>TOTAL EQUITY</b>		<b>2,129,322</b>	2,074,018
<b>NON-CURRENT LIABILITIES</b>			
Long-term loans	9	<b>41,434</b>	42,052
Lease liabilities		<b>47,942</b>	50,037
Deferred grant		<b>298</b>	1,071
		<b>89,674</b>	93,160
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<b>788,773</b>	733,360
Contract liabilities		<b>117,401</b>	62,910
Unclaimed dividend		<b>4,771</b>	4,845
Interest accrued on borrowings		<b>26,886</b>	21,185
Current portion of long-term loans	9	<b>265,810</b>	409,670
Current portion of lease liabilities		<b>8,636</b>	8,327
Current portion of deferred grant		<b>6,827</b>	9,026
Short-term borrowings	10	<b>734,745</b>	929,615
Refund liability		<b>87,862</b>	87,732
Provision for taxation		<b>97,151</b>	97,151
		<b>2,138,862</b>	2,363,821
<b>TOTAL LIABILITIES</b>		<b>2,228,536</b>	2,456,981
<b>CONTINGENCIES AND COMMITMENTS</b>	11		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,357,858</b>	4,530,999

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

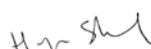



# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2021

	Note	30 September	
		2021	2020
		Rupees in thousand	
Revenue from contracts with customers-net		<b>2,078,769</b>	1,933,107
Cost of revenue		<b>1,638,105</b>	1,471,236
<b>Gross profit</b>		<b>440,664</b>	461,871
Distribution expenses		<b>244,036</b>	184,912
Administrative expenses		<b>76,724</b>	69,785
		<b>320,760</b>	254,697
<b>Operating profit</b>		<b>119,904</b>	207,174
Other operating expenses		<b>29,122</b>	45,111
Other income		<b>(16,450)</b>	(14,359)
Finance costs		<b>27,121</b>	31,985
<b>Profit before taxation</b>		<b>80,111</b>	144,437
Taxation		<b>25,612</b>	36,095
<b>Net profit for the period</b>		<b>54,499</b>	108,342
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss in subsequent periods:			
Unrealized gain on remeasurement of investment designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition-net of deferred tax		<b>805</b>	546
<b>Total comprehensive income</b>		<b>55,304</b>	108,888
Earnings per share - basic and diluted (Rupees)	12	<b>6.20</b>	12.33

The annexed notes from 1 to 17 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 2021

30 September  
**2021**                      2020  
Rupees in thousand

## CASH FLOWS FROM OPERATING ACTIVITIES

### Cash generated from operations

Profit before taxation	<b>80,111</b>	144,437
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation	<b>60,836</b>	70,290
Finance costs	<b>27,121</b>	33,441
Un-winding of financial charges	<b>(357)</b>	(1,456)
Profit on bank deposits	<b>(130)</b>	(1)
Loss on disposal of property, plant and equipment	<b>7,630</b>	10,632
	<b>95,100</b>	112,906

Operating profit before working capital changes	<b>175,211</b>	257,343
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### Working capital changes

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

Stores and spares	<b>8,506</b>	(2,947)
Stock-in-trade	<b>69,933</b>	(62,600)
Right to recover asset	<b>(8)</b>	290
Trade receivables	<b>(258,104)</b>	(337,227)
Loans and advances	<b>224,933</b>	52,179
Trade deposits, short-term prepayments and other deposits	<b>(12,527)</b>	(8,111)
	<b>32,733</b>	(358,416)

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

Trade and other payables	<b>55,413</b>	(136,888)
Contract liabilities	<b>54,491</b>	(47,305)
Refund liability	<b>130</b>	(2,205)
	<b>110,034</b>	(186,398)

Cash generated from / (used in ) operations	<b>317,978</b>	(287,471)
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Profit on bank deposits received	<b>130</b>	160
Income tax paid	<b>(8,226)</b>	(11,220)
Long-term deposits	<b>(401)</b>	300

Net cash flows generated from / (used in) operating activities	<b>309,481</b>	(298,231)
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## CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	<b>(20,763)</b>	(19,734)
Sale proceeds from disposal of property, plant and equipment	<b>268</b>	3,783

Net cash used in investing activities	<b>(20,495)</b>	(15,951)
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## CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of lease liability	<b>(1,786)</b>	(722)
Short-term borrowings obtained - net	<b>(194,870)</b>	79,537
Long term loan (re-paid) / obtained	<b>(147,450)</b>	169,716
Dividend paid	<b>(74)</b>	-
Finance costs paid	<b>(21,419)</b>	(33,402)

Net cash flows (used in) / generated from financing activities	<b>(365,599)</b>	215,129
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Net decrease in cash and cash equivalents	<b>(76,613)</b>	(99,053)
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Cash and cash equivalents at the beginning of the period	<b>154,955</b>	202,541
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<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>78,342</b>	103,488
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The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



*Manoj Kumar*  
Director

*H. V. Shukla*  
Chief Executive

*Jami*  
Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2021

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

Rupees in thousand

Balance as on 01 July 2020	87,846	5,000	2,000,000	275	(143,468)	1,856,807	1,949,653
Profit for the three month period ended 30 September 2020	-	-	-	-	108,342	108,342	108,342
Other comprehensive income	-	-	-	546	-	546	546
Total comprehensive income	-	-	-	546	108,342	108,888	108,888
<b>Balance as on 30 September 2020</b>	<b>87,846</b>	<b>5,000</b>	<b>2,000,000</b>	<b>821</b>	<b>(35,126)</b>	<b>1,965,695</b>	<b>2,058,541</b>
Balance as on 01 July 2021	87,846	5,000	2,000,000	1,661	(20,489)	1,981,172	2,074,018
Profit for the three month period ended 30 September 2021	-	-	-	-	54,499	54,499	54,499
Other comprehensive income	-	-	-	805	-	805	805
Total comprehensive income	-	-	-	805	54,499	55,304	55,304
<b>Balance as at 30 September 2021</b>	<b>87,846</b>	<b>5,000</b>	<b>2,000,000</b>	<b>2,466</b>	<b>34,010</b>	<b>2,036,476</b>	<b>2,129,322</b>

The annexed notes from 1 to 17 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 2021

## 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

### 1.1 Impact of COVID-19 on the financial statements

The World Health Organization declared COVID-19 a global pandemic on 11 March 2020. Accordingly, on 20 March 2020, the Government of Pakistan announced temporary lock down as a measure to reduce the spread of COVID-19. The outbreak of COVID-19 has had a distressing impact on overall demand in the global economy with notable downgrade in growth forecast.

The Company's management is fully cognizant of the business challenges posed by the COVID-19 outbreak and closely monitoring the possible impacts on the Company's operations and liquidity positions and believes that its current policies for managing credit, liquidity and market risk are adequate in response to current situation.

Further, subsequent to year end, the situation has improved with the easing of lock down and re-opening of the businesses, however, the third and fourth wave has also impacted the businesses in the country.

The management has assessed the impact of the COVID-19 on the condensed interim financial statements and believes that the revenue of the Company has been affected due to COVID-19. Accordingly, the management has taken measures to reduce the expenses during the period.

A part from the above, the management believes that there is no significant financial impact of COVID-19 on the carrying amounts of assets, liabilities, income or expenses which may require specific disclosures.

## 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 2021 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 2021.

**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 2021.

### 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 COVID-19 pandemic. The lockdowns severely effect economic activities in the Country. We have already elaborated well in our annual financial statements the impact of pandemic but at this point of time we cannot calculate its impact 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 2021 are as follows:

	Additions	Deletions/ Transfers
	Rupees in thousand	
<b>Owned assets</b>		
Buildings on freehold land	51,136	–
Plant and machinery	14,987	–
Furniture and fixture	308	–
Electric equipment	1,462	–
Computers and accessories	–	(208)
Empty bottles, shells, pallets and barrels	15,378	(20,195)
	83,271	(20,403)
<b>Capital work in progress</b>		
Plant and machinery	–	(11,372)
Buildings	–	(51,136)
	–	(62,508)
Additions / (deletions) / transfers (at cost), made during the year ended 30 June 2021	91,278	(130,257)

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2021

	Note	(Un-Audited) 30 September 2021	(Audited) 30 June 2021
Rupees in thousand			
<b>8 LONG-TERM INVESTMENT - AVAILABLE FOR SALE</b>			
<b>Quoted modaraba - fair value through OCI</b>			
Modaraba			
BRR Guardian Modaraba			
305,000 (30 June 2021 : 305,000) certificates of Rs. 10/- each	8.1	<b>2,375</b>	2,375
Gain on remeasurement		<b>2,465</b>	1,661
		<b>4,840</b>	4,036

**8.1** The above investment represents 0.35% (30 June 2021 : 0.35%) of the issued certificate capital of the Modaraba.

	Note	(Un-Audited) 30 September 2021	(Audited) 30 June 2021
Rupees in thousand			
<b>9 LONG-TERM LOANS</b>			
Loans from banking institutions - secured	9.1	<b>307,244</b>	451,722
Less: Current maturity shown under current liabilities		<b>(265,810)</b>	(409,670)
		<b>41,434</b>	42,052

## 9.1 Loans from banking institutions - secured

Particular	Note	Opening	Received/ Accretion of interest Rupees in thousand	Repaid	Closing
Loan I	9.1.1	211,440	–	(105,720)	105,720
Loan II	9.1.2	123,144	1,301	(21,250)	103,195
Loan III	9.1.2	117,138	1,671	(20,480)	98,329
		451,722	2,972	(147,450)	307,244

**9.1.1** 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 mark-up is 3 months KIBOR + 0.25% per annum payable semi-annual. The facility is secured against a first exclusive registered charge on the plant and machinery up to Rs. (thousand) 733,334.

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

## 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 2021: Rs. (thousand) 2,625,000). The un-utilized portion of the said facility amounts to Rs. (thousand) 1,890,255 (30 June 2021: Rs. (thousand) 1,699,228).

The rate of mark-up / interest on short-term borrowings ranges between 1 month / 3 months KIBOR plus 0.05% to 1 month / 3 months KIBOR plus 0.50% (30 June 2021: 1 month / 3 months KIBOR plus 0.05% to 1 month / 3 months KIBOR plus 0.50%), payable quarterly.

The facilities are secured against first registered joint pari passu hypothecation on current assets of the Company up to Rs. (thousand) 3,848,000 (30 June 2021: Rs. (thousand) 3,848,000).

The un-utilized facility for opening letters of credit and for guarantees amounts to Rs. (thousand) 548,506 (30 June 2021: Rs. (thousand) 541,392) and Rs. (thousand) 188,755 (30 June 2021: Rs. (thousand) 190,732), respectively.

## 11 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 2021.

### b) Commitments

- i) Commitments in respect of letters of credit established for the import of raw, packing materials and plant and machinery amounted to Rs. (thousand) 1,494 (30 June 2021: Rs. (thousand) 8,608).
- ii) Guarantees issued by the banks in favor of the Company in the ordinary course of business, amounted to Rs. (thousand) 71,245 (30 June 2021: Rs. (thousand) 69,268).

	(Un-Audited) 30 September 2021	2020
<b>12 EARNINGS PER SHARE - BASIC AND DILUTED</b>		
Net profit after tax (Rupees in thousand)	<b>54,499</b>	108,342
Weighted average number of ordinary shares at the end of the period (No. of shares in thousand)	<b>8,785</b>	8,785
Earnings per share (Rupees) - (basic / diluted)	<b>6.20</b>	12.33

**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 2021

## 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 the 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	
		2021 Rupees in thousand	2020
Purchases of raw materials	Associate	103,897	236,432
Sales of finished goods	Associate	16	41
Royalty charged	Associate	20,854	19,539
Purchases/repairs of electric equipment/vehicles	Associate	–	25
Contributions to staff provident fund	Employees' Fund	1,384	1,545
Remuneration and benefits of Directors, Chief Executive Officer and key management personnel	Key management personnel	7,330	14,092
		(Un-Audited) 30 September	(Audited) 30 June
<b>Period/year end balances</b>	Relationship with the Company	<b>2021</b> Rupees in thousand	2021
Due to related parties	Associate	75,494	57,744
Due from related parties	Associate	16	80,128



## 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 2021, 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 2021 (Un-Audited):

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

### Segment analysis of assets and liabilities as at 30 September 2021 (Un-Audited):

	Juices and Drinks	Others	Total
	Rupees in thousand		
Segment assets	3,281,706	542,082	3,823,788
Unallocated assets			534,070
<b>Total</b>			<b>4,357,858</b>
Segment liabilities	975,679	208,757	1,184,436
Unallocated liabilities			1,044,100
<b>Total</b>			<b>2,228,536</b>

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2021

## 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 operating income			14,359
Taxation			(36,095)
Profit after taxation			108,342

## Segment analysis of assets and liabilities as at 30 June 2021 (Audited):

	Juices and Drinks	Others	Total
	Rupees in thousand		
Segment assets	3,358,736	545,605	3,904,341
Unallocated assets			626,658
Total			4,530,999
Segment liabilities	1,027,491	113,732	1,141,223
Unallocated liabilities			1,315,758
Total			2,456,981

## 16 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were authorized for issue by the Board of Directors on 26 October 2021.

## 17 APPROPRIATIONS

The Shareholders of the Company have approved at the Annual General Meeting held on 25 October 2021, final cash dividend of Rs. 5.50 (2020: Rs. Nil) per share, amounting to Rs. (thousand) 48,315 (2020: Rs. (thousand) Nil) for the year ended 30 June 2021 along with 10% bonus shares (2020: Nil) which was earlier proposed by Board of Directors in their meeting held on 27 September 2021. These condensed interim financial statements do not reflect the effect of these appropriations.

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