



ANNUAL REPORT 2024



OUR VISION

To be known as leader of quality products in the region.

Dedication to quality is a way of life at our Company, so much so that it goes far beyond rhetorical slogans. It is the objective of Shezan International Limited to produce and provide products and services of the highest quality. In its activities the Company will pursue goals aimed at the achievement of quality excellence and succeed as a profitable business. These results will be derived from the dedicated efforts of each employee in conjunction with supportive participation from management at all levels of the Company.

To play its role in the economic development of the country and to enhance quality of life of its people.

OUR MISSION

Our mission is to provide the highest quality fruit and vegetable related juices and products to retail and food service customers.

We want to be the recognized industry leader in quality and service, providing more than expected for our customers, employees and stakeholders.

We will accomplish this by maintaining a tradition of pride in our products, growth through innovation, integrity in the management of our business, commitment to Team Management and the Quality Improvement Process.



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An ISO 9001, ISO 22000
& HACCP Certified Company

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	(Independent Director)
Mr. Shahid Hussain Jatoi	(Independent Director)
Mr. Nauman Khalid	(Independent Director)
Mr. Ahsan Ali Malik	(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: sil-lhr@shezan.com

Factories:

- 56 - Bund Road, Lahore - 54500.
Phones: (042) 37466900-04.
Faxes: (042) 37466899 & 37466895.
E-mail: sil-lhr@shezan.com
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Fax: (021) 36313790.
E-mail: sil-khi@shezan.com
- Plot No. 33-34, Phase III,
Hattar Industrial Estate, Hattar - 66210
Phones: (0995) 617158 & 617343.
Fax: (0995) 617342.
E-mail: sil-htr@shezan.com

Website:

www.shezan.com

Auditors:

BDO Ebrahim & Co.
Chartered Accountants,
Office No. 4, 6th Floor,
Askari Corporate Tower, 75/ 76 D-1,
Main Boulevard, Gulberg III, 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.

NOTICE OF ANNUAL GENERAL MEETING

The 61st Annual General Meeting of the Company will be held on 26 October 2024 at 11:00 a.m., at Company's Registered Office, 56-Bund Road, Lahore and virtually (via video-link "Zoom"). Instructions with regard to participation appear in the notes below. The AGM is being held to transact the following businesses:

A. ORDINARY BUSINESS

1. To confirm the minutes of the Annual General Meeting of the Company held on 24 October 2023.
2. To receive and adopt the Audited Financial Statements of the Company for the year ended 30 June 2024 together with the Directors' and Independent Auditors' Report thereon.
3. To appoint External Auditors of the Company for the financial year ending 2024-25 and to fix their remuneration.

B. SPECIAL BUSINESS

4. To ratify the transactions carried out by the Company with related parties disclosed in the Financial Statements for the year ended 30 June 2024 by passing the following resolution with or without modification as a special resolution:
"RESOLVED THAT all related parties' transactions carried out by the Company as disclosed in Note No. 42 of the Financial Statements of the Company for the year ended 30 June 2024 be and are hereby noted, ratified and approved."
5. To approve potential transactions with related parties intended to be carried out in the financial year 2024-25 and to authorize the Board of Directors of the Company to carry out such related parties' transactions at its discretion from time to time, irrespective of the composition of the Board of Directors.

The resolutions to be passed in this respect (with or without modification) as special resolutions are as under:

"RESOLVED THAT in accordance with the policy approved by the Board and subject to such conditions as may be specified from time to time, the Company be and is hereby authorized to carry out transactions with the related parties for the fiscal year 2024-25."

"FURTHER RESOLVED THAT the Board of Directors of the Company may, at its discretion, approve specific related party/parties transaction(s) from time to time, irrespective of the composition of the Board, and in accordance with the provisions of related laws/regulations and Company's policy pertaining to related parties' transactions till the next Annual General Meeting."

"FURTHER RESOLVED THAT all such transactions shall be placed before the shareholders in the next Annual General Meeting for their noting/ratification/approval."

C. ANY OTHER BUSINESS

6. To transact any other business with the permission of the Chair

STATEMENT OF MATERIAL FACTS

Under section 134(3) of the Companies Act, 2017

A Statement required under this section relating to Special Business of agenda items No.4 to No.5 is appended to the Notice of this Meeting being sent to the shareholders of the Company.

By order of the Board



Khurram Babar
Company Secretary

Lahore:
28 September 2024.

Notes:

1. BOOK CLOSURE

The share transfer books of the Company will remain closed from 20 October 2024 to 26 October 2024 (both days inclusive). Physical/CDC transfers received in order at the Shares Registrar, M/s. Corplink (Private) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore and email: Corplink786@gmail.com by the close of business on 19 October 2024 will be treated in time for determining the transferees to attend, speak and vote at the meeting.

2. PARTICIPATION THROUGH VIDEO CONFERENCE FACILITY

Shareholders interested in attending the Annual General Meeting (AGM) through video link facility ("Zoom" which can be downloaded from Google Play or Apple App Store) are requested to get themselves registered with the Company Secretary office at least two (02) working days before the holding of the time of AGM at meetings@shezan.com by providing the following details:

Name of Shareholder	CNIC No.	Folio No.	Cell No.	Email Address

- Upon receipt of the above information from interested shareholders, the Company will send the login details at their email addresses.
- On the AGM day, the shareholders will be able to login and participate in the AGM proceedings through their smartphone or computer devices from their any convenient location.
- The login facility will be opened thirty (30) minutes before the meeting time to enable the participants to join the meeting after the identification process and verification process.

3. APPOINT PROXY

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf. Form of proxies, in order to be valid, must be received at the Registered Office of the Company, Shezan International Limited, 56-Bund Road, Lahore, not less than forty eight (48) hours before the meeting.

No person shall act as proxy unless he/she is a member of the Company, except that a corporation may appoint a person who is not a Member. Signature of the shareholder on the proxy form must agree with the specimen signature registered with the Company.

4. INFORMATION REQUIRED FROM SHAREHOLDERS

Shareholders are requested to immediately notify the Company of any change in their address to our Share Registrar, M/s. Corplink (Private) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore and email: Corplink786@gmail.com

In order to comply with the requirement of Securities & Exchange Commission of Pakistan (SECP) SRO 19(I) / 2014 dated 10 January 2014 & SRO 275(I) / 2016 dated 31 March 2016, those Shareholders who have not yet submitted attested copy of their valid CNIC, are once again requested to provide the same with their folio number to the Company Share Registrar.

5. GUIDELINES TO GENERAL MEETING FOR CDC ACCOUNT HOLDERS

CDC Account Holders will further have to follow the under-mentioned guidelines as laid down by the Securities & Exchange Commission of Pakistan.

(A) For attending the meeting:

- In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate identity by showing their original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature of the nominee shall be produced (unless, it has been provided earlier) at the time of attending the meeting.

(B) For appointing proxies:

- In case of individuals, the account holder or sub-account holder and / or the persons whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be furnished with the Proxy Form.
- The proxy shall produce his/her original CNIC or Passport at the time of the meeting.
- In case of Corporate entity, the Board of Directors' Resolution / Power of Attorney with Specimen signature of the person nominated to present any vote on behalf of corporate entity, shall be submitted (unless, it has been provided earlier) along with the Proxy Form to the Company.

6. UNPAID DIVIDEND

An update list of unclaimed dividend / shares of the Company is available on the Company's website. These are unclaimed dividend / shares which have remained unclaimed or unpaid for a period of three (3) years from the date these have become due and payable. Claims can be lodged by shareholders on claim forms as these are available on the Company's website. Claims forms must be submitted to the Company's Share Registrar, M/s. Corplink (Private) Limited for receipt of dividends / shares.

7. CONVERSION OF PHYSICAL SHARES INTO BOOK ENTRY FORM

The SECP through its letter No. CSD/ED/Misc/2016- 639-640 dated March 26, 2021 has advised listed companies to adhere to provisions of Section 72 of the Companies Act, 2017 by replacing physical shares issued by them into book entry form.


The shareholders of Shezan International Limited having physical folios / share certificates are requested to convert their shares from physical form into book-entry form as soon as possible. The shareholders may contact their Broker, CDC Participant or CDC Investor Account Service Provider for assistance in opening a CDS Account and subsequent conversion of the physical shares into book-entry form. It would facilitate the shareholders in many ways including safe custody of shares, avoidance of formalities required for the issuance of duplicate shares, etc. For further information and assistance, the shareholders may contact our Share Registrar, M/s. Corplink (Private) Limited.

8. POSTAL BALLOT/E-VOTING

Pursuant to Companies (Postal Ballot) Regulations, 2018 for the purpose of approval of any agenda item at the General Meeting(s), shareholders will be allowed to exercise their right to vote through postal ballot that is voting by post, or e-voting, in the manner and subject to conditions contained in the Companies (Postal Ballot) Regulations, 2018.

9. TRANSMISSION OF ANNUAL REPORT

Pursuant to SECP's notification no. SRO 389(1)/2023 dated 21 March 2023, the Annual Report for the financial year ended 30 June 2024 of the Company containing inter alia the audited financial statements, auditor's report, Directors and chairman's report thereon may be viewed and downloaded by following the QR code and Weblink as given under:

WEBLINK	QR CODE
https://shezan.com/investor-information/	

- The Annual Report has also been emailed to those shareholders who have provided their valid email address to the Company.
 - The shareholders who wish to receive a hard copy of the Annual Report may send to the Company Secretary / Share Registrar, the Standard Request Form available on the website of the Company www.shezan.com. The Company then will provide a free-of-cost hard copy of the Annual Report to the shareholders within one week of the request.
- 10.** The notice of the Annual General Meeting along with the statement of material facts under section 134(3) of the Companies Act, 2017 has been placed on the website of the Company www.shezan.com in addition to its dispatch to the shareholders.



Shezan

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& HACCP Certified Company

www.shezan.com

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REVIEW REPORT BY THE CHAIRMAN

Dear Shareholders, I am honored to present the annual review of your Company for the fiscal year ended 30 June 2024. The year was marked by unprecedented challenges in the broader economic landscape of Pakistan, and I deeply appreciate the continued trust and support of our shareholders.

New fiscal measures under the Finance Act 2023, had substantial impacts on our industry. Most notably, the imposition of the 20% Federal Excise Duty (FED) on our juices, has severely affected the purchasing power of consumers. This led to a noticeable contraction in the sales volume of juices not only of our Company but also of the entire juice and beverage industry as the consumer demand decreased particularly in lower-income segments, where the purchasing power was drastically eroded. The rise in costs associated with higher input prices, coupled with elevated energy tariffs and persistent inflation, further exacerbated our operational difficulties.

In addition to the Federal Excise Duty, the higher interest rates throughout the year, have made financing costs unsustainably high. This year our working capital costs surged due to the necessity of maintaining adequate stock levels to meet market demand. As borrowing costs remain elevated, we are now operating in an environment where both profitability and growth are increasingly under threat. However, after July 2024 the State Bank of Pakistan has decreased the policy rates, which will provide some breathing space for the industry as well as for the Company.

Despite these headwinds, our team worked tirelessly to drive operational efficiencies and sustain our market share. We adopted measures to streamline costs without compromising on product quality or service delivery, and we explored new export market opportunities to mitigate the impact of reduced consumer spending. However, the cumulative pressure of the external factors led to a downturn in our financial performance, and the Company recorded a loss for the year. If the current regulatory and economic challenges persist, we may need to reevaluate our long-term strategies.

During this fiscal year, the Company contributed Rs. 3.44 billion to the national exchequer through taxes, federal excise duty, and levies, showcasing our commitment to supporting the economy in these challenging times.

Our Board remained engaged and proactive in navigating this period of volatility. The Board comprises of directors with varied backgrounds having rich experience in the fields of business, finance, and investment. The Board sets the overall strategy and direction for the management of the Company. The Board oversees the conduct of the business and takes on the role of governance to make decisions about the direction of the Company, oversight of the business, strategic planning, decision-making, risk and control framework, regulatory compliance, and financial planning to protect and enhance Company's long-term and strategic goals. The Board meets frequently enough to adequately discharge its responsibilities. The non-executive and Independent Directors are equally involved in important decisions.

The Board has an evaluation process to assess its performance as well as governance areas as required under the Code of Corporate Governance. The strategic insights and governance provided by the Board, supported by various committees such as the Audit and Human Resource Committees, have been invaluable in guiding the Company through these turbulent times.

Looking ahead, while the economic outlook remains uncertain, we are committed to exploring new avenues for growth and driving innovation to adapt to the changing market dynamics. We remain hopeful that with sound fiscal management and potential economic stabilization in the future, we can rebuild momentum and continue delivering value to our shareholders.

In conclusion, I want to express my deepest gratitude to the Board of Directors, the management team, and all employees for their relentless dedication during this difficult year. I would also like to thank our shareholders for their unwavering support. As always, we will strive to safeguard the Company's future and look forward to a more stable and prosperous year ahead.



Muneer Nawaz

Chairman

Lahore:

28 September 2024.

چیئر مین جائزہ رپورٹ

عزیز بڑھص کنندگان میں 30 جون 2024ء کو ختم ہونے والے مالی سال کیلئے آپ کی کمپنی کا سالانہ جائزہ پیش کر رہا ہوں۔ یہ سال پاکستان کے معاشی منظر نامے میں بے مثال چیلنجی کی آکاسی کرتا ہے اور میں اپنے بڑھص کنندگان کے مسلسل اعتماد اور حمایت کی دل کی گہرائیوں سے شکرگزار ہوں۔

فنانس ایکٹ 2023ء کے تحت نئے مالیاتی اقدامات نے ہماری صنعت پر گہرے اثرات مرتب کئے ہیں خاص طور پر ہمارے جو سز پر 20 فیصد فیڈرل ایکسائز ڈیوٹی (ایف ای ڈی) کے نفاذ نے صارفین کی قوت خرید کو شدید متاثر کیا ہے۔ اسکی وجہ سے نہ صرف ہماری کمپنی بلکہ پوری جوس اور مشروبات کی صنعت میں جوس کی فروخت کے حجم میں نمایاں کمی واقع ہوئی ہے کیونکہ صارفین کی طلب میں نمایاں کمی ہوئی خاص طور پر کم آمدنی والے طبقات پر جن کی قوت خرید ختم ہو چکی ہے۔ بلند پیداواری لاگت، توانائی کے نرخوں میں اضافے اور بلند فراڈ زرنے ہماری آپریشنل مشکلات کو مزید بڑھا دیا ہے۔

فیڈرل ایکسائز ڈیوٹی کے علاوہ سال بھر میں بلند شرح سود کی وجہ سے مالیاتی لاگت زیادہ رہی۔ مارکیٹ کی طلب کو پورا کرنے اور مناسب اسٹاک کی سطح کو برقرار رکھنے کی وجہ سے اس سال ہمارے ورکنگ کپٹل کی لاگت میں اضافہ ہوا۔ چونکہ قرض لینے کے اخراجات بڑھے ہیں، اب ہم ایسے ماحول میں کام کر رہے ہیں جہاں منافع اور نمودوں خطرے سے دوچار ہیں۔ تاہم جولائی 2024ء کے بعد بینک دولت پاکستان نے پالیسی ریٹ میں کمی کی ہے جو تمام انڈسٹری کے ساتھ ساتھ کمپنی کے لیے بھی خوش آئندہ بات ہے۔

ان مسائل کے باوجود، ہماری ٹیم نے آپریشنل آفادیت کو بڑھانے اور ہماری مارکیٹ میں حصہ داری کو برقرار رکھنے کیلئے انتھک محنت کی۔ ہم نے مصنوعات کے معیار اور خدمات کی فراہمی پر سمجھوتہ کئے بغیر مناسب لاگت کو برقرار رکھنے کیلئے اقدامات کیے اور ہم نے صارفین کے کم اخراجات کے اثرات کو کم کرنے کیلئے برآمدی منڈیوں میں نئے مواقع تلاش کئے۔ تاہم بیرونی عوامل کے مجموعی باؤ کی وجہ سے ہماری مالی کارکردگی میں کمی واقع ہوئی اور کمپنی نے زیر جائزہ سال میں نقصان برداشت کیا اگر موجودہ ریگولیٹری اور معاشی چیلنجز برقرار رہتے ہیں تو ہمیں اپنی طویل مدتی حکمت عملیوں کا ازسرنو جائزہ لینے کی ضرورت پڑ سکتی ہے۔

اس مالی سال کے دوران کمپنی نے نیکسوں، فیڈرل ایکسائز ڈیوٹی اور لیویز کے عوض قومی خزانے کو 3.44 ارب روپے جمع کروائے جو کہ اس مشکل وقت میں معیشت کو سہارا دینے کیلئے ہمارے عزم کو ظاہر کرتا ہے۔

ہمارا بورڈ اس غیر مستحکم دور سے نیشنل میں مصروف اور فعال رہا۔ ہمارے بورڈ آف ڈائریکٹرز میں نہایت تجربہ کار ڈائریکٹرز شامل ہیں جو کاروباری، مالیاتی اور سرمایہ کاری کے میدان میں وسیع مہارت رکھتے ہیں۔ بورڈ کمپنی کو چلانے کے لئے انتظامیہ کی مجموعی حکمت عملی اور سمت کا تعین کرتا ہے۔ بورڈ کاروبار کے امور کی نگرانی کرتا ہے اور کمپنی کی سمت، کاروباری نگرانی، منصوبہ بندی، فیصلہ سازی، رسک اور کنٹرول فریم ورک، قانونی تقاضوں کی تکمیل اور مالی منصوبہ بندی کے لئے سرپرست اعلیٰ کا کردار ادا کرتا ہے۔ بورڈ اپنی ذمہ داریوں کو مناسب طریقے سے انجام دینے کیلئے توازن سے میٹنگ کرتا ہے، انہم فیصلوں میں نان ایگزیکٹو اور آزاد ڈائریکٹرز برابر کے شریک ہوتے ہیں۔

کوڈ آف کارپوریشن گورننس کے تحت بورڈ نے اپنی کارکردگی کا جائزہ لینے کے لئے ایک مربوط نظام وضع کیا ہوا ہے۔ بورڈ نے سٹریٹیجک بصیرت، گورننس اور مختلف کمیٹیوں جیسے کہ آڈٹ اور ایومن ریورس کے تعاون سے اس مشکل وقت میں کمپنی کی بے پناہ رہنمائی کی۔

جب کہ اقتصادی منظر نامہ غیر یقینی ہے ان حالات میں ہم ترقی کی نئی راہیں تلاش کرنے اور جدت کو اپنانے کیلئے پر عزم ہیں۔ ہم امید رکھتے ہیں کہ مستقبل میں مالیاتی نظام اور معاشی استحکام کے ساتھ ہم بھرپور موزو حاصل کر سکتے ہیں اور اپنے بڑھص کنندگان کو بہتر مصنوعات کی فراہمی جاری رکھ سکتے ہیں۔

آخر میں بورڈ آف ڈائریکٹرز، انتظامی ٹیم اور تمام ملازمین کا اس مشکل سال کے دوران انتھک لگن کیلئے تہ دل سے شکر یہ ادا کرنا چاہتا ہوں۔ میں اپنے بڑھص کنندگان کا ان کی غیر متزلزل حمایت کے لئے بھی شکر یہ ادا کرنا چاہتا ہوں گا۔ ہمیشہ کی طرح ہم کمپنی کے مستقبل کو مضبوط بنانے کی کوشش کریں گے اور آنے والے ایک مزید مستحکم اور خوشحال سال کے منتظر ہوں گے۔

Muhammad Nawaz

منیر نواز

چیئر مین

لاہور۔

28 ستمبر 2024ء

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 the Audited Financial Statements of the Company for the year ended 30 June 2024.

ECONOMIC OVERVIEW

The macroeconomic environment in Pakistan remained strained throughout 2024, with the country facing inflationary pressures and ongoing fiscal challenges. The inflation rate for the year averaged at 26%, primarily driven by escalating food and energy prices. This resulted in a significant erosion of consumer purchasing power and posed immense challenges for businesses, including the FMCG sector.

The current account deficit, which had narrowed in previous years due to stringent import controls, saw some stabilization, albeit at the cost of lower imports. Exports, however, failed to gain momentum due to the global economic downturn, and remittances—historically a key pillar of Pakistan's foreign exchange reserves—remained subdued. As a result, foreign exchange reserves hovered around USD 6 billion, putting further pressure on the exchange rate.

The State Bank of Pakistan maintained its benchmark interest rate at 2200 basis points throughout the fiscal year, which was reduced to 2050 basis points in June 2024 in a bid to curb inflation and prevent further currency depreciation. However, this high-interest environment curtailed borrowing and investment in the private sector, further slowing down economic activity.

On the fiscal front, the government introduced several new taxes and increased existing levies through the Finance Act 2024. These measures, although necessary to shore up revenue collection, placed additional burdens on businesses and consumers alike. The government's GDP growth projection for 2024 was revised down to 2.5%, reflecting the challenging economic conditions and the impact of ongoing global economic instability.

Energy shortages continued to plague the economy, with both electricity and gas supply disruptions significantly affecting manufacturing sectors, including FMCG. The government's initiatives to support the agriculture sector through the Kissan package and its focus on the IT and export sectors are expected to yield benefits in the coming years, but immediate economic recovery remains uncertain.

BUSINESS OVERVIEW

Despite the challenging economic environment, our company was able to sustain its operations and maintain its market presence through strategic management and by focusing on operational efficiencies. The company's business strategy revolved around product innovation, export growth, optimizing production costs, improving product quality, penetrating into new markets, and managing our supply chain effectively.

The domestic market remained sluggish, with reduced consumer spending due to inflationary pressures. However, the Company was able to leverage its export potential, focusing on key international markets such as Germany,

Canada, the United Kingdom, UAE, and Saudi Arabia. Our export department played a pivotal role in identifying growth opportunities in these regions, ensuring that our products reached a wider audience despite global economic challenges.

Our product portfolio also saw significant expansion, with the introduction of new premium lines. This diversification strategy allowed us to offset some of the losses incurred in the domestic market and maintain a stable revenue base. In particular, our juices in Tetra packaging and non-returnable bottles, ketchups, and ready-to-eat food products gained traction in international markets, contributing to our exports.

The company's ability to optimize production processes and improve efficiency was a key factor in maintaining profitability. We continued to invest in modernizing our production facilities, reducing waste, and enhancing the overall quality of our products. These efforts helped us manage rising input costs, particularly for raw materials such as fruit pulps, packaging materials, and energy.

OPERATIONAL OVERVIEW

On the operational side, we would like to apprise our shareholders that the Company's total revenue dropped during this year as compared to the corresponding last year and resultantly the Company has reported a loss during the year. Numerous factors like huge increase in the minimum wage in the fiscal budget 2023-2024 and the imposition of an unprecedented 20% Federal Excise Duty on juices, squashes, and syrups, played havoc. Our main product tetra pak juices is an impulse buy, consumer acceptance of our juices was growing reasonably and the contribution from these products to sales had a reasonable impact on the profitability but after the imposition of 20% Federal Excise Duty, sales volumes of juices dropped significantly not only of the Company but also of the entire juice and beverage industry. Consumer demand was decreased particularly in lower-income segments, where the purchasing power was drastically eroded. Keeping in view the inflationary trends, we had to enforce the price rationalization of our products from time to time to offset the impacts of higher input costs and federal excise duty, which eventually had a negative impact on the sales volumes and the Company could not achieve its sales targets during the year. A slowdown in consumer spending and increased costs of inputs have collectively contributed to our financial downturn. Despite prudent financial management, we could not mitigate these external factors.

Finance costs continue to be a pressing issue. The cost of the working capital component has increased significantly due to the ever-high policy rate at 2200 basis points. The average utilization of working capital limits during the year remained on the higher side. These working capital borrowings were made to stock the seasonal fruits, pulps, sugar, and packaging materials to fulfill the sales demand and to meet the day-to-day expenses of the Company.

Despite these challenges, the company was able to maintain its export sales momentum. Our bottled juices, ketchup, and

cooked food products remained the top contributors to our export sales. We focused on improving the efficiency of our supply chain, particularly in the procurement and storage of raw materials, to mitigate the impact of rising input costs. By negotiating better terms with suppliers and optimizing our production schedules, we were able to reduce wastages and losses.

The Company's financial performance during the year is summarized below:

Particulars	2024	2023
	Rupees in thousand	
Revenue from contracts with customers - net	8,154,971	8,745,424
Gross profit	1,610,428	2,080,251
(Loss)/profit before taxation/Levy	(365,983)	171,803
Net (loss)/profit after taxation/Levy	(462,809)	47,810
(Loss)/ earnings per share (Rs.)	(47.89)	4.95

APPROPRIATIONS

Due to a loss in the current year, the Board has not declared a dividend for FY-2024.

CONTRIBUTION TO NATIONAL EXCHEQUER

Shezan International Limited is proud to have contributed Rs. 3.44 billion to the national exchequer in 2024 through various taxes and levies, including sales tax, federal excise duty, and income tax. Our company remains fully compliant with all applicable tax laws and continues to support the government's efforts to strengthen the country's fiscal framework.

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes or commitments affecting the company's financial position since the end of the financial year. The company continues to operate smoothly, with no significant disruptions expected in the near term.

FUTURE PROSPECTS

The outlook for 2024 remains uncertain, with several economic challenges on the horizon. Economic canvas does not appear to be very favourable ahead. Increase in gas and electricity tariffs, high inflation, eroded consumer buying power, mounting POL prices, rapidly increasing sugar prices, and imposition of FED on sugar, are the key factors that will increase the production and input costs further and will have an adverse impact on the future financial performance of the Company. Our management is actively engaged in formulating strategies to navigate these economic challenges. These include rigorous cost management, exploring new revenue streams, and adapting our operations to align with the evolving economic landscape.

Despite these challenges, Shezan remains optimistic about its future growth prospects. The company's focus on exports,

product innovation, and operational efficiency will allow it to navigate the economic headwinds. We plan to further expand our presence in international markets, particularly in the Middle East and North America, where demand for our products remains strong.

The continued decrease in the policy rates from July 2024 up to 1750 basis points by the State Bank of Pakistan will provide a breathing space for the industry and will have a positive impact on the finance cost factor of the Company.

The Company will strive to secure a stable financial footing and will continue its efforts to focus and uplift its export sales. The management contemplates that a continuous increase in exports is one of the much-needed solutions to overcome the economic crises for the country as well as the Company.

The Company will focus on attaining volumetric growth from its existing customers and will continue to explore new local markets. The Company will remain committed to maintaining high standards of quality and food safety and will continue to invest in initiatives to improve efficiency and reduce wastage in its production processes.

In addition, the company will continue to invest in research and development to introduce new products that cater to the evolving needs of consumers. The Company will soon step into the mineral water segment of the market as well, which is a necessity of life item. The Company has plans to introduce more new products into the market. By leveraging our strong brand portfolio and optimizing our supply chain, we are confident that we can achieve sustainable growth in the years ahead.

RISKS AND UNCERTAINTIES

Shezan International Limited is exposed to a number of risks and uncertainties, which may have a significant impact on its operations and profitability in future. The following outlines the key risks and uncertainties that could influence the company's performance in future:

- INFLATION AND CONSUMER BUYING POWER**
 Inflationary pressures continue to pose a serious threat to the company's operational performance. If the current economic situation in Pakistan persists, inflation could increase further, leading to a continued decline in the purchasing power of consumers. With inflation averaging 26% during the year, and essential goods becoming more expensive, consumer spending on non-essential items, including FMCG products, may decline.
- RISING COST OF LOCALLY SOURCED RAW AND PACKAGING MATERIALS**
 In addition to imported goods, the ever-high inflation in Pakistan has also led to an increase in the cost of locally sourced raw and packaging materials. As inflation continues to push prices upward, the cost of key raw materials such as sugar, fruit pulps, Tetrapak paper, and other packaging essentials has surged. This increase in production costs is expected to continue, further squeezing margins.
 The price of essential packaging material such as

Tetrapak paper—a critical component in our packaging process—has seen unprecedented increases. These price hikes, compounded by currency fluctuations and global supply chain disruptions, have added considerable pressure on the company's profitability. Managing these rising costs while maintaining product quality and consumer affordability remains a challenge for the company.

- **FEDERAL EXCISE DUTY ON JUICES**

The imposition of a 20% Federal Excise Duty (FED) on juices will continue to have an adverse impact on the company's future sales. During the fiscal year 2024 the Company paid a significant amount of Rs. 1.569 billion as Federal Excise Duty to the government exchequer.

- **FEDERAL EXCISE DUTY ON SUGAR**

Sugar is our one of the major raw materials and we purchase sugar in heavy quantities every year. The imposition of Rs. 15/- per kg Federal Excise Duty on sugar in the Finance Act 2024 has made it more expensive. This will definitely increase our production cost and resultantly the prices of our products which are not subject to FED, resultantly affecting the consumption quantities of our products further due to the already eroded purchasing power of the customers.

- **WATER USAGE REGULATIONS**

Potential water charge of Rs. 1/- per liter on the extraction of ground or use of surface water:

Subsequent to the decision of the Honorable Supreme Court of Pakistan in Suo Moto case no. 26 of 2018 regarding the 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 the 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 huge impact therefore on the representations of various affected companies, the Supreme Court of Pakistan has issued an interim order for the payment of 25% of the bills, based on the production data of each company. In the current year's financial statements, the Company has recognized an expense of Rs. 16.60 million based on 25% of the production volume of beverages for the period from July 2023 to June 2024 in line with the Honorable Supreme Court's order. However, the remaining potential charge, the amount of which cannot be quantified since the matter is subjudice, has been recognized as a contingency.

- **REGULATORY AND COMPLIANCE RISKS**

The company is also subject to a range of other regulatory risks, including potential changes in tax policies, import restrictions, and environmental regulations. Any unfavorable changes in these areas could impact the company's ability to operate efficiently and profitably. The company continues to monitor these developments closely and works to ensure compliance with all relevant laws and regulations.

MANAGEMENT STRATEGIES FOR RISK MANAGEMENT

Risk Management Methodology is the key component of the Risk Management Framework, which is mainly distributed into three segments.

1. Identify the potential risks associated with the Company.
2. Assess for each identified risk its potential impact, severity, and likelihood
3. Control over-reactive measures that can be put in place to mitigate disruption

The management is committed to following the international standard of risk management methodology to mitigate or minimize the risks at an acceptable level. The Company takes these risks and uncertainties as a challenge with the confidence that it has the ability and trained professional workforce to deal with the impact of these risks and uncertainties.

Shezan International has developed a comprehensive risk management framework to mitigate the impact of these risks. This includes:

- Pricing strategies to absorb or share rising costs with consumers in a way that minimizes the impact on demand.
- Supply chain optimizations, including locking in favorable contract terms with suppliers and diversifying our sourcing options to manage rising input costs.
- Focus on exports, which allows us to offset domestic demand fluctuations by targeting high-growth international markets.
- Efforts to comply with evolving environmental regulations, while continuing to contest unfavorable rulings through legal channels.

INTERNAL FINANCIAL CONTROLS

The Company has a robust system of internal financial controls in place to ensure the accuracy and reliability of its financial reporting. These controls are designed to safeguard the company's assets, ensure compliance with all relevant laws and regulations, and mitigate financial risks. Our internal audit function plays a key role in monitoring the effectiveness of these controls, and we are committed to continuously improving our systems to meet the evolving needs of the business.

FINANCIAL AND CORPORATE REPORTING FRAMEWORK

The Directors are pleased to state that the Company is complying with the provisions of the Code of Corporate Governance as required by the Securities and Exchange Commission of Pakistan (SECP).

- The financial statements prepared by the management of the Company present its state of affairs fairly, the results of its operations, cash flows, and changes in equity.

- The Company has maintained proper books of accounts.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International reporting standards, as applicable in Pakistan, have been followed in the preparation of financial statements.
- There are no doubts about the Company's ability to continue as a going concern.
- Summary of key operational and financial data for the last six years is annexed in this annual report.
- Information about taxes and levies is given in the notes to and forms part of the financial statements.
- The fair value of investments of provident fund as at 30 June 2024 was Rs. 290 million.
- The Directors, Chief Executive, Chief Financial Officer, Company Secretary, and their spouses and minor children shareholding, and changes therein during the year are disclosed in "Categories of Shareholders".

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

The terms of reference for both the Audit Committee and the Human Resource & Remuneration Committee were approved by the Board in accordance with the requirements of the Code of Corporate Governance. The committees are actively involved in overseeing the company's financial reporting, human resources policies, and compliance efforts.

- Following the Election of Directors held on 22 June 2023, the Board, in its meeting on 05 July 2023, reconstituted the Audit Committee, reaffirming the appointment of Mr. Shahid Hussain Jatoi, an Independent Director, as the Chairman of the committee.
- Similarly, the Board reconstituted the Human Resource and Remuneration Committee, reaffirming the appointment of Mr. Nauman Khalid, an Independent Director, as Chairman.

CORPORATE INFORMATION

Composition of the Board

The Board of Directors for Shezan International Limited comprises a total of nine members, with eight male Directors and one female Director, as outlined below:

a) Male:	Eight (08)
b) Female:	One (01)

The composition of the Board as of 30 June 2024 is as follows:

Independent Directors	Mr. Shahid Hussain Jatoi Mr. Nauman Khalid Mr. Ahsan Ali Malik
Non - Executive Directors	Mr. Muneer Nawaz Mr. M. Naeem Mr. Abid Nawaz Mr. Rashed Amjad Khalid
Executive Directors	Mr. Humayun A. Shahnawaz Ms. Manahil Shahnawaz
Female Director	Ms. Manahil Shahnawaz

Composition of the Committees

The Board has constituted the following committees to ensure effective corporate governance and compliance with the SECP's Code of Corporate Governance:

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
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Changes in the Board

During the Board meeting on 05 July 2023, Mr. Muneer Nawaz was re-elected as Chairman of the Board, and Mr. Humayun A. Shahnawaz was re-appointed as Chief Executive for a term of three years, commencing from 05 July 2023.

Frequency of the Meetings

During the fiscal year ended 30 June 2024, five (05) Board of Directors meetings were held. Attendance at these meetings is outlined below:

Name of Director	Number of Meetings Attended
Mr. Muneer Nawaz	5
Mr. Humayun A. Shahnawaz	4
Mr. M. Naeem	4
Mr. Abid Nawaz	4
Mr. Rashed Amjad Khalid	2
Ms. Manahil Shahnawaz	5
Mr. Shahid Hussain Jatoi	5
Mr. Nauman Khalid	5
Mr. Ahsan Ali Malik	3

Leave of absence was granted to the Directors who could not attend the Board meetings.

AUDIT COMMITTEE MEETINGS

During the year, the Audit Committee held four (04) meetings. These meetings were conducted prior to the approval of interim results by the Board of Directors and before and after the completion of the external audit. Attendance is outlined as follows:

Name of Director	Number of Meetings Attended
Mr. Shahid Hussain Jatoi	4
Mr. Muneer Nawaz	4
Mr. M. Naeem	1
Mr. Rashed Amjad Khalid	2

Leave of absence was granted to the Directors who could not attend the Audit Committee meetings.

HUMAN RESOURCE AND REMUNERATION COMMITTEE MEETINGS

The Human Resource and Remuneration Committee convened one (01) meeting during the year. The attendance was as follows:

Name of Director	Number of Meetings Attended
Mr. Nauman Khalid	1
Mr. Muneer Nawaz	1
Mr. Humayun A. Shah Nawaz	1
Mr. M. Naeem	-

Leave of absence was granted to the Director who could not attend.

RELATED PARTY TRANSACTIONS

The Directors confirm that all related party transactions for the year ended 30 June 2024 were reviewed by the Audit Committee and approved by the Board of Directors. These transactions will be presented to shareholders for approval at the Annual General Meeting (AGM).

- The amounts outstanding as of 30 June 2024, for related party transactions are detailed below:

Name of Related Party	Payable	Receivable
	Rupees in thousand	
Shezan Services (Private) Limited	32,039/-	Nil

- The Company purchases sugar from M/s. Shahtaj Sugar Mills Limited (Shahtaj) in the normal course of business. These supplies are delivered based on purchase orders. Sugar is one of the main ingredients of our finished products and our whole production schedule revolves around the availability of high-quality sugar.

The management of the Company has evaluated that it would be more appropriate to buy the sugar from Shahtaj based on a binding purchase agreement to ensure smooth and reliable supply; delivery as per a pre-determined schedule; consistent quality and proper production scheduling.

Accordingly, the Company has entered into the following contracts with the related party:

Particulars	Original Agreement	Changes Through 1st Addendum	Changes Through 2nd Addendum
Time Period	29 March 2023 to 28 June 2023	Extended to 26 September 2023	Extended to 26 December 2023
Quantity	6,000 Metric Ton	No change	No change
Total Price	Rs. 508,476,000/-	No change	No change
Advance	Rs. 508,476,000/-	No change	No change
Per KG Price	Rs. 84.746/kg (excl. tax)	No change	No change
Payment Terms	100% advance payment	No change	No change
Delivery Terms	As and when required	No change	No change

- The company has a five-year royalty agreement with M/s. Shezan Services (Private) Limited, effective from 01 January 2021 to 31 December 2025. The agreement stipulates a royalty of 1% on net sales, payable on a quarterly basis.

FINANCIAL STATEMENTS

An Independent Auditor's Report has been issued by Messrs. BDO Ebrahim & Co., Chartered Accountants, following the due audit of the company's financial statements for the year ended 30 June 2024. The auditors' report is annexed to this annual report.

EVALUATION OF BOARD'S PERFORMANCE

The Board has developed a mechanism of annual performance evaluation. Every member of the Board ensures his active participation in the meetings of the Board. Detailed discussions are held on strategic matters and clear directions are provided to the management, which is regularly monitored by the Board and its committees. The Board ensures that the Company adopts the best practices of the Code of Corporate Governance. The Board also reviews the performance of business segments at each quarter to improve the low-performing segments and at the same time, further opportunities for growth are emphasized in all profitable segments. Details of the Directors' training program have been disclosed in the Statement of Compliance with the Code of Corporate Governance.

PATTERN OF SHAREHOLDING

The Pattern of Shareholding as of 30 June 2024 and its disclosure, in accordance with the Code of Corporate Governance, is annexed to this report.

EXTERNAL AUDITORS

Messrs. BDO Ebrahim & Co. Chartered Accountants, having completed their audit for the year ended 30 June 2024, will retire at the conclusion of the upcoming 61st Annual General Meeting. Messrs. BDO Ebrahim & Co. Chartered Accountants, being eligible, have offered themselves for reappointment as auditors for the year ending 30 June 2025. The Audit Committee has recommended their reappointment, and the Board endorses this recommendation for approval by the shareholders at the AGM.

REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS

The Board from time to time reviews and determines the fee of non-executive and independent directors for attending the Board and different committees' meetings, which are subsequently presented before the shareholders in the annual general meeting for approval.

REMUNERATION OF EXECUTIVE DIRECTORS

Details of the remuneration paid to the Chief Executive Officer and Directors for the year ended 30 June 2024 are disclosed

in Note 41 of the financial statements.

CORPORATE SOCIAL RESPONSIBILITIES

Disclosure, as required by the Corporate Social Responsibility General Order, 2009 is annexed and forms an integral part of this report.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) DISCLOSURE

In compliance with the Securities and Exchange Commission of Pakistan's (SECP) regulations on Environmental, Social, and Governance (ESG) disclosures are annexed and form an integral part of this report. Shezan International Limited is committed to integrating ESG principles into its business operations.

- **ENVIRONMENTAL INITIATIVES**

The company has taken several steps to minimize its environmental impact. We have implemented energy-efficient technologies at our manufacturing plants, significantly reducing our carbon footprint. In addition, we have invested in water conservation initiatives, reducing our overall water usage. Waste reduction remains a key focus area, with the company adopting sustainable packaging solutions and recycling programs to minimize waste production.

- **SOCIAL RESPONSIBILITY**

Shezan is committed to the well-being of its employees

- **VOTE OF THANKS**

In closing, we would like to express our gratitude to our shareholders, customers, employees, and all other stakeholders for their continued trust and support. We are confident that with their continued backing, we will be able to overcome the challenges ahead and deliver sustained growth and value for all.

For and on behalf of the board



Muneer Nawaz

Chairman

Lahore:

28 September 2024.

and the communities in which it operates. We have implemented several programs aimed at improving the health, education, and livelihoods of our workers and their families

- **GOVERNANCE**

The company is dedicated in maintaining the highest standards of corporate governance. We have established a comprehensive framework to ensure transparency, accountability, and ethical business practices. Our Board of Directors regularly reviews the company's governance policies to ensure compliance with SECP regulations and international best practices.

HEALTH, SAFETY, AND ENVIRONMENT

Shezan places strong emphasis on Health, Safety, and Environment (HSE) policies, ensuring strict compliance across all its plants. Following the post COVID-19 period, the company continues to prioritize employee well-being and business continuity. Proactive health and safety measures have been maintained to secure the product supply chain and reduce operational disruptions.

The company complies with all applicable regulations related to the formulation, manufacture, labeling, and marketing of its products. Additionally, environmental stewardship remains a core value, with the company actively reducing hazardous waste discharge and promoting energy-efficient practices.



Humayun A. Shahnawaz

Chief Executive

حصص داران کی تفصیل:

اس رپورٹ کے ساتھ 30 جون 2024ء کی تاریخ پر حصص داران کی تفصیلات بھی کوڈ آف کارپوریٹ گورننس کے مطابق منسلک کی گئی ہے۔

بیرونی آڈیٹرز:

میسرز بی ڈی اوبرائیہ اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس 61 ویں سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے۔ میسرز بی ڈی اوبرائیہ اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے اپنے آپ کو انتخاب کے لئے پیش کیا ہے۔ بورڈ آف ڈائریکٹرز آڈٹ کمیٹی کی سفارشات پر میسرز بی ڈی اوبرائیہ اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی تقرری برائے سال 30 جون 2025ء کیلئے تجویز کرتے ہیں۔

نان ایگزیکٹو ڈائریکٹرز کے معاوضہ کی پالیسی:

بورڈ نان ایگزیکٹو ڈائریکٹرز کی بورڈ اور کمیٹیوں میں شمولیت کرنے پر ادا کی جانے والی فیس کا وقتاً فوقتاً جائزہ لیتا اور تعین کرتا ہے۔ جو کہ بعد میں منظوری کے لئے سالانہ اجلاس عام میں حصص داران کے سامنے پیش کیا جاتا ہے۔

ایگزیکٹو ڈائریکٹرز کے معاوضے:

کمپنی کے چیف ایگزیکٹو ڈائریکٹرز کے معاوضے کی تفصیل 30 جون 2024ء کے مالیاتی گوشواروں کے نوٹ نمبر 41 میں بیان کی گئی ہے۔

سماجی ذمہ داریاں:

جزل آرڈر 2009ء کے مطابق تمام تفصیلات کو اس رپورٹ کا لازمی حصہ بنایا گیا ہے۔

ماحولیاتی، سماجی اور گورننس (ESG):

سیکوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے ماحولیاتی، سماجی، اور گورننس (ESG) کے ضوابط کی پالیسی اس رپورٹ کا ایک لازمی حصہ ہیں۔ شیڈول انٹرنیشنل لمیٹڈ اپنے کاروباری آپریشنز میں ESG اصولوں کو ضم کرنے کے لیے پرعزم ہے۔

ماحولیاتی اقدامات:

کمپنی نے اپنے ماحولیاتی اثرات کو کم کرنے کے لیے کئی اقدامات کیے ہیں۔ ہم نے اپنے مینوفیکچرنگ پلانٹس میں توانائی کی بچت والی ٹیکنالوجیز کو لاگو کیا ہے، جس سے ہمارے کاربن کے اخراج کو نمایاں طور پر کم کیا گیا ہے۔ اس کے علاوہ، ہم نے پانی کے تحفظ کے اقدامات میں سرمایہ کاری کی ہے، جس سے پانی کے مجموعی استعمال کو کم کیا گیا ہے۔ فاسد مواد میں کمی کی توجہ کامرکز رہی۔ کمپنی پائیدار پیکجنگ اور ری سائیکلنگ کے پروگراموں کو اپناتی ہے تاکہ فاسد مواد کی پیداوار کو کم سے کم کیا جاسکے۔

سماجی ذمہ داری:

شیڈول اپنے ملازمین اور ان کی فیملیوں کی فلاح و بہبود کے لئے پرعزم ہے جن میں یہ کام کرتی ہے۔ ہم نے اپنے کارکنوں اور ان کے خاندانوں کی صحت، تعلیم، اور معاش کو بہتر بنانے کے لئے کئی پروگرام ترتیب دیتے ہیں۔

گورننس:

کمپنی کارپوریٹ گورننس کے اعلیٰ ترین معیار کو برقرار رکھنے کے لیے کوشاں ہے۔ ہم نے شفافیت، جو ابدی اور اخلاقی کاروباری طریقوں کو یقینی بنانے کے لیے ایک جامع فریم ورک قائم کیا ہے۔ ہمارے بورڈ آف ڈائریکٹرز کمپنی کی گورننس پالیسیوں کا باقاعدگی سے جائزہ لیتا ہے تاکہ SECP کے ضوابط اور بین الاقوامی بہترین طریقوں کی تعمیل کو یقینی بنایا جاسکے۔

صحت، تحفظ اور ماحول:

شیڈول صحت، حفاظت اور ماحولیات (ایچ ایس ای) پر خصوصی زور دیتا ہے اور ہمارے تمام کارخانے ہماری (ایچ ایس ای) پالیسیوں کے ساتھ مکمل تعمیل کو یقینی بنانے کی کوشش کرتے ہیں۔

ایک ضروری خدمت کے طور پر کمپنی کی توجہ اپنے لوگوں کی صحت اور فلاح و بہبود کے تحفظ، کاروباری تسلسل کو برقرار رکھنے اور اپنی سماجی رسانی کو وسیع کرنے پر مرکوز ہے، ہماری مصنوعات کی فراہمی کی حفاظت کی یقینی بناتے ہوئے ہمارے لوگوں کی صحت اور حفاظت بہت اہم ہے۔ مجموعی طور پر، کمپنی کا خیال ہے کہ اس کی فعال اور جامع کوششوں کو آپریشنل اثرات کو کم کرنا چاہیے جیسا کہ کوویڈ-19 کی صورتحال میں ہوتی ہے، شیڈول اپنے ملازمین کی صحت اور حفاظت اور مصنوعات کی فراہمی کے استحکام کو ترجیح دینے والے بہترین طریقوں کو اپناتا رہے گا۔

ادارہ اپنی مصنوعات کی تشکیل، تیاری، لمبائیگ اور مارکیٹنگ میں تمام قابل اطلاق تمام قوانین کی تعمیل کرتا ہے اور فضا میں مضر فضلہ کے اخراج کو کم سے کم کرنے کیلئے بھرپور اقدامات کرتا ہے کمپنی اپنے ملازمین کو ممکنہ طور پر خطرناک حالات کی نشاندہی کرنے کی ترغیب دیتی ہے اس کے ساتھ (اپنے ملازمین) کو روزمرہ کی سرگرمیوں میں حفظان صحت پر توجہ دینے کی بھی ترغیب دیتی ہے، اور اپنے ملازمین کی کام کے دوران حفاظت اور ماحولیاتی طریقوں سے متعلق تربیت فراہم کرتی ہے۔

اظہار تشکر:

آخر میں ہم اپنے حصص داران، صارفین، ملازمین اور تمام اسٹیک ہولڈرز ان کے ہمارے اوپر مسلسل اعتماد اور تعاون کا شکریہ ادا کرتے ہیں۔ ہم ہر اعتماد ہیں کہ ان کی مسلسل حمایت اور تعاون کی بدولت ہم تمام درپیش چیلنجز پر قابو پانے اور پائیدار نمو حاصل کرنے میں کامیاب ہو جائیں گے۔

Harish

ہمایوں اے شاہ نواز
چیف ایگزیکٹو

Muhammad

منیر نواز

چیئرمین

لاہور۔

28 ستمبر 2024ء۔

بورڈ کے اجلاس میں شرکت نہ کرنے والے ڈائریکٹرز کو رخصت دے دی گئی۔

موجودگی کے گرد گھومتا ہے۔

آڈٹ کمیٹی میٹنگ:

انتظامیہ نے نتیجہ اخذ کیا کہ چینگی کی مسلسل اور قابل بھروسہ ترسیل کے لئے شاہ تاج شوگر ملز کے ساتھ خریداری معاہدہ کر لینا مناسب ہے اور اسی وجہ سے مندرجہ ذیل معاہدہ کیا ہے۔

اس سال کے دوران آڈٹ کمیٹی کے چار (04) اجلاس ہوئے۔ یہ اجلاس وسط مدتی نتائج کی تصدیق بورڈ آف ڈائریکٹرز کی طرف سے اور بیرونی آڈٹ کے مکمل ہونے سے پہلے اور بعد میں منعقد ہوئے حاضرین کی اجلاس میں شرکت کی تفصیل درج ذیل ہے:

تفصیلات	اصل معاہدہ	ضمیمہ کے مطابق تبدیلیاں	ضمیمہ کے مطابق تبدیلیاں
دورانیہ:	29 مارچ 2023ء 28 جون 2023ء تک	26 ستمبر 2023ء تک توسیع	26 ستمبر 2023ء تک سے 26 دسمبر 2023ء تک
مقدار:	6,000 میٹرک ٹن	کوئی تبدیلی نہیں	کوئی تبدیلی نہیں
مکمل مالیت:	508,476,000 روپے قبل از بیلنگس	کوئی تبدیلی نہیں	کوئی تبدیلی نہیں
پیشگی ادائیگی:	508,476,000 روپے قبل از بیلنگس	کوئی تبدیلی نہیں	کوئی تبدیلی نہیں
فی کلو قیمت:	84.746 روپے فی ٹنل از بیلنگس 84 روپے فی کلو بعد از بیلنگس	کوئی تبدیلی نہیں	کوئی تبدیلی نہیں
ادائیگی کی شرائط:	100% پیشگی ادائیگی	کوئی تبدیلی نہیں	کوئی تبدیلی نہیں
ترسیل کی شرائط:	جب اور جیسے چاہیے	کوئی تبدیلی نہیں	کوئی تبدیلی نہیں

ڈائریکٹر کا نام

ڈائریکٹر کا نام	اجلاس میں شرکت کی تعداد
جناب شاہد حسین جتوئی	4
جناب میر نواز	4
جناب ایم نعیم	1
جناب راشد امجد خالد	2

آڈٹ کمیٹی کے اجلاس میں شرکت نہ کرنے والے ڈائریکٹرز کو رخصت دے دی گئی۔

ہیومن ریسورس اور معاوضہ کمیٹی:

اس سال کے دوران ہیومن ریسورس اور معاوضہ کمیٹی کے ایک (01) اجلاس منعقد ہوئے، جس میں حاضری کی تفصیل درج ذیل ہے۔

ڈائریکٹر کا نام

ڈائریکٹر کا نام	اجلاس میں شرکت کی تعداد
جناب نعمان خالد	1
جناب میر نواز	1
جناب ہمایوں اے شاہ نواز	1
جناب ایم نعیم	-

ہیومن ریسورس اور معاوضہ کمیٹی کے اجلاس میں شرکت نہ کرنے والے ڈائریکٹرز کو رخصت دے دی گئی۔

متعلقہ پارٹیوں سے لین دین:

ڈائریکٹرز نے متعلقہ پارٹیوں سے متعلق لین دین کے درج ذیل معاملات کی توثیق کی۔

30 جون 2024ء کو ختم ہونے والے مالی سال کے دوران متعلقہ پارٹیوں کے ساتھ لین دین کے معاملات کی آڈٹ کمیٹی نے توثیق کی جو بورڈ آف ڈائریکٹرز کی سفارش پر منظوری کے لئے آنے والے سالانہ اجلاس عام (AGM) میں حصص داران کے سامنے پیش کی جائے گی۔

1- 30 جون 2024ء کو متعلقہ پارٹیوں کو قابل ادا / قابل وصول رقوم درج ذیل ہیں۔

متعلقہ پارٹی کا نام	قابل ادا رقم	قابل وصول رقم
شیراز سرموز (پرائیویٹ) لمیٹڈ	32,039/-	-

2- کمپنی عام کاروباری حالات میں شاہ تاج شوگر ملز لمیٹڈ سے چینگی خریدتی ہے۔ چینگی کی ترسیل آرڈر کی بنیاد پر ہوتی ہے۔ چینگی ہماری مصنوعات کا اہم جزو ہے۔ اور پیداوار کا تمام جدول اعلیٰ معیار کی چینگی کی

3- کمپنی نے شیراز سرموز (پرائیویٹ) لمیٹڈ کے ساتھ رابٹلٹی کی مد میں پانچ سال کا معاہدہ کیا ہے جو کہ یکم جنوری 2021ء سے شروع ہو کر 31 دسمبر 2025ء میں ختم ہوگا۔ یہ رابٹلٹی خالص فروخت کا ایک فیصد ہوگی اور ہر تین ماہ بعد قابل ادا ہوگی۔

مالیاتی گوشوارے:

کمپنی کے مالیاتی نتائج غیر جانبدار آڈٹ جو کہ بیرونی آڈیٹرز میسرز بی ڈی او ابراہیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے غیر جانبدار آڈیٹرز رپورٹ حصص داران کے لئے جاری کی ہے جو کہ سالانہ رپورٹ کے ساتھ منسلک ہیں۔

بورڈ کی کارکردگی کا جائزہ:

بورڈ نے سالانہ کارکردگی کے جائزہ کے لئے ایک طریقہ کار بنایا ہوا ہے۔ بورڈ کا ہر عہدیدار بورڈ میٹنگز میں فعال شمولیت کو یقینی بناتا ہے۔ اسٹریٹجک معاملات پر تفصیلی بات چیت ہوتی ہے اور انتظامیہ کو واضح ہدایات دی جاتی ہیں۔ جن کی بورڈ اور اس کی کمیٹیاں تسلسل کے ساتھ نگرانی کرتی ہیں۔ بورڈ اس بات کو یقینی بناتا ہے کہ کمپنی کارپوریٹ گورننس کے بہترین اصول اپنائے۔ بورڈ ہر سہ ماہی پر اس مقصد کے ساتھ کہ کم کارکردگی دکھانے والے کاروباری شعبوں کو بہتر کیا جاسکے، تمام کاروباری شعبوں کی کارکردگی کا جائزہ لیتا ہے۔ اس کے ساتھ ساتھ تمام منافع بخش (کاروباری) شعبوں میں مزید نمو کے مواقع تلاش کرنے پر زور دیتا ہے۔ کوڈ آف کارپوریٹ گورننس کی وضع کردہ سٹیٹ میٹ آف کمپلائنس میں ڈائریکٹرز کی تربیت کی تفصیلات دی گئی ہیں۔

انچ آر اور معاوضہ کمیٹی:

جناب نعمان خالد	چیئر مین
جناب منیر نواز	ممبر
جناب ایم نعیم	ممبر
جناب ہمایوں اے شاہ نواز	ممبر

آڈٹ کمیٹی اور ہیومن ریسورس اینڈ ریمونڈیشن کمیٹی کی شرائط کو بورڈ نے کوڈ آف کارپوریٹ گورننس کی ضرورت کے مطابق منظور کیا ہے، کمیٹیاں کمیٹی کی مالیاتی رپورٹنگ انسانی وسائل کی پالیسیوں اور تعمیل کی نگرانی میں سرگرم عمل ہیں۔

- 22 جون 2023ء کو ہونے والے ڈائریکٹرز کے انتخاب کے نتیجے میں، بورڈ آف ڈائریکٹرز نے 05 جولائی 2023ء کو ہونے والے اپنے اجلاس میں آڈٹ کمیٹی کی تشکیل نو کی ہے، جس میں ایک آزاد ڈائریکٹر جناب شاہد حسین جتوئی کو دوبارہ آڈٹ کمیٹی کا چیئر مین مقرر کیا گیا ہے۔
- اسی طرح بورڈ آف ڈائریکٹرز نے اپنے اجلاس میں ہیومن ریسورس اینڈ ریمونڈیشن کمیٹی کی تشکیل نو کی ہے، جس میں ایک آزاد ڈائریکٹر جناب نعمان خالد کو دوبارہ ہیومن ریسورس اینڈ ریمونڈیشن کمیٹی کا چیئر مین مقرر کیا گیا ہے۔

بورڈ میں تبدیلیاں:

05 جولائی 2023ء کو بورڈ کے اجلاس میں جناب منیر نواز کو دوبارہ بورڈ کا چیئر مین منتخب کیا گیا اور جناب ہمایوں اے شاہ نواز کو 05 جولائی 2023ء سے شروع ہونے والی تین سال کی مدت کے لیے چیف ایگزیکٹو کے طور پر دوبارہ مقرر کیا ہے۔

اجلاس کی تفصیل:

اس سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ (05) اجلاس منعقد ہوئے۔ اجلاس میں حاضرین کی تفصیل درج ذیل ہے۔

ڈائریکٹر کا نام	اجلاس میں شرکت کی تعداد
جناب منیر نواز	5
جناب ہمایوں اے شاہ نواز	4
جناب ایم نعیم	4
جناب عابد نواز	4
جناب راشد امجد خالد	2
محترمہ منال شاہ نواز	5
جناب شاہد حسین جتوئی	5
جناب نعمان خالد	5
جناب احسن علی ملک	3

- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے، اسکے معاملات، اسکی کاروباری سرگرمیوں کے نتائج، ترسیلات زر اور ایکویٹی میں تبدیلی کی منصفانہ عکاسی کرتی ہے۔
- کمپنی نے باضابطہ طور پر اکاؤنٹس کے کھاتوں کو تیار کر رکھا ہے۔
- ان مالیاتی گوشواروں کی تیاری میں ضروری اور مخصوص اکاؤنٹنگ پالیسیوں کی پیروی کی گئی ہے اور اکاؤنٹنگ کے تخمینے انتہائی منطقی اور محتاط اندازوں پر مبنی ہیں۔
- مالیاتی گوشواروں کی تیاری میں پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ کے اسٹینڈرڈز کی پیروی کی گئی ہے۔
- بطور ادارہ کمپنی کے کام جاری رکھنے کی اہلیت میں کوئی شکوک و شبہات نہیں ہیں۔
- گزشتہ چھ سال کے اہم کاروباری اور مالیاتی حسابات اس سالانہ رپورٹ میں درج ہیں۔
- محصولات سے متعلق معلومات اس سالانہ رپورٹ کا حصہ ہیں۔
- پراویڈنٹ فنڈ کی سرمایہ کاری کی جائزہ مالیت (فیئر ویلیو) 30 جون 2024ء کو 290 ملین روپے ہے۔
- ڈائریکٹرز، چیف ایگزیکٹو، چیف فنانشل آفیسر، کمپنی سیکریٹری اور انکے اہل و عیال کی شیئرز ہولڈنگ اور اس میں تبدیلی کی تفصیل کو شیئرز ہولڈرز کی مدد میں ظاہر کیا گیا ہے۔

کارپوریٹ معلومات:

بورڈ کی ترتیب:

بورڈ کے ڈائریکٹرز کی کل تعداد درج ذیل ہے۔

مرد	آٹھ (08)
خواتین	ایک (01)

بورڈ کی تفصیل درج ذیل ہے:

غیر جانبدار ڈائریکٹر	جناب شاہد حسین جتوئی
	جناب نعمان خالد
	جناب احسن علی ملک
دیگر نان ایگزیکٹو ڈائریکٹرز	جناب منیر نواز
	جناب ایم نعیم
	جناب عابد نواز
	جناب راشد امجد خالد
ایگزیکٹو ڈائریکٹرز	جناب ہمایوں اے شاہ نواز
	محترمہ منال شاہ نواز
	محترمہ منال شاہ نواز

کمیٹیوں کی ترتیب:

بورڈ نے درج ذیل ممبران پر مشتمل کمیٹیوں کی تشکیل دی ہے۔

آڈٹ کمیٹی:

جناب شاہد حسین جتوئی	چیئر مین
جناب منیر نواز	ممبر
جناب ایم نعیم	ممبر
جناب راشد امجد خالد	ممبر

مقامی طور پر حاصل کردہ خام مال اور پیکنگ مال کی بڑھتی ہوئی قیمتیں:

درآمدی اشیاء کے علاوہ پاکستان میں مسلسل بلند افراط زر نے مقامی طور پر حاصل کردہ خام مال اور پیکنگ مواد کی قیمتوں میں بھی اضافہ کیا ہے۔ اہم خام مال جیسے چینی پھل کے گودے، ٹیڑا پیک کاغذ اور دیگر پیکنگ مال کی قیمتوں میں اضافہ ہوا ہے۔ پیداواری لاگت مزید بڑھنے کا امکان ہے جس سے مارجنز کی شرح مزید کم ہو جائے گی۔

ٹیڑا پیک پیپر جیسی ضروری پیکنگ مواد کی قیمت جو ہمارے پیکنگ عمل میں ایک اہم جز ہے، میں بے مثال اضافہ دیکھنے کو ملا ہے۔ قیمتوں میں اضافہ، کرنسی کا اتار چڑھاؤ اور عالمی سپلائی چین کے خلل نے کمپنی کے منافع پر دباؤ ڈالا ہے ان بڑھتی ہوئی قیمتوں سے نبرد آزما ہونے مصنوعات کے معیار اور صارف کی خریداری کی استطاعت کو برقرار رکھنا کمپنی کیلئے ایک چیلنج بن چکا ہے۔

جوز پر فیڈرل ایکسائز ڈیوٹی:

جس پر 20 فیصد فیڈرل ایکسائز ڈیوٹی کے نفاذ کا کمپنی کی مستقبل کی فروخت پر منفی اثر جاری رہے گا۔ مالی سال 2024ء میں کمپنی نے فیڈرل ایکسائز ڈیوٹی کی مد میں 1.569 ارب روپے کی خفیہ رقم سرکاری خزانے میں جمع کرائی۔

چینی پر فیڈرل ایکسائز ڈیوٹی:

چینی ہمارے اہم خام مال کا ایک اہم جز ہے اور ہم ہر سال بڑی مقدار میں چینی خریدتے ہیں مالیاتی ایکٹ 2024ء میں چینی پر 15 روپے فی کلو فیڈرل ایکسائز ڈیوٹی کے نفاذ نے اسے مزید مہنگا بنا دیا ہے۔ یہ یقیناً ہماری پیداواری لاگت میں اضافہ کرے گی اور نتیجتاً ہماری مصنوعات کی قیمتیں بڑھیں گی خصوصاً ان مصنوعات کی قیمتوں میں خاطر خواہ اضافہ ہو گا جن پر ایف ای ڈی کا نفاذ نہیں ہوتا۔ جو گاہکوں کی قوت خرید میں کمی کے باعث ہماری مصنوعات کی کھپت کی مقدار پر مزید اثر ڈالے گا۔

پانی کے استعمال کے قوانین:

زیر زمین یا سطحی پانی کے استعمال پر حکم پانی چارج ایک روپے فی لیٹر:

ادارے کو سپریم کورٹ آف پاکستان کے ازخود نوٹس نمبر 26/2018 کے کیس جو کہ سطحی اور زیر زمین پانی کے استعمال سے متعلق تھا کے فیصلے کے بعد ممکنہ طور پر 1 روپے فی لیٹر کے حساب سے زیر زمین اور سطحی 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 کمپنیوں کی گزارشات پر سپریم کورٹ آف پاکستان نے ہر کمپنی کے پیداواری اعداد و شمار کی بنیاد پر 25 فی صد بلوں کی ادائیگی کا عبوری حکم جاری کیا ہے۔ موجودہ مالیاتی نتائج میں ادارے نے 16.6 ملین روپے کے اخراجات ظاہر کیے ہیں جو کہ سپریم کورٹ آف پاکستان کے عبوری حکم کے مطابق جولائی 2023ء سے جون 2024ء تک کی مشروبات کی 25 فی صد کے پیداواری حجم پر مبنی ہے۔ تاہم بقایا جات جن کے حجم کا تعین ابھی ممکن نہیں کیونکہ معاملہ ابھی زیر غور ہے۔

ریگولیری اور تعمیلی چیلنج:

کمپنی دیگر ریگولیری چیلنجز کا سامنا بھی کر رہی ہے جن میں ممکنہ ٹیکس پالیسیوں میں تبدیلیاں، درآمدی پابندیاں اور موخولیاقتی قواعد و ضوابط شامل ہیں۔ ان میں کوئی بھی ناموافق تبدیلی کمپنی کی کام کرنے کی صلاحیت اور مالی پوزیشن کو متاثر کر سکتی ہے۔ کمپنی ان کا تفصیلی جائزہ لیتی ہے اور تمام متعلقہ قوانین اور ضوابط کی تعمیل کو یقینی بنانے کے لئے کام کرتی ہے۔

خطرات سے نبرد آزما ہونے کیلئے انتظامیہ کی حکمت عملی:

ریسک مینجمنٹ کا طریقہ کار ریسک مینجمنٹ فریم ورک کا ایک اہم جز ہے جو بنیادی طور پر تین حصوں میں تقسیم کیا گیا ہے۔

- کمپنی سے وابستہ ممکنہ خطرات کی شناخت کرنا۔
- ہر شناخت کردہ خطرے کا امکان، شدت اور اثر کا اندازہ لگانا۔
- زیادہ رد عمل والے خطرات کو کنٹرول کرنا جو عمل کو کم کرنے کیلئے کیے جاسکتے ہیں۔
- انتظامیہ ان خطرات سے نمٹنے کے لئے بین الاقوامی معیار کے اقدامات کرنے کے لئے پرعزم ہے تاکہ خطرات کو ایک قابل قبول سطح تک کم کیا جائے یا انکی شدت کو کم کیا جائے کمپنی ان خطرات اور غیر یقینی صورت حال کو ایک چیلنج کے طور پر لیتی ہے اس اعتماد کے ساتھ کہ اس کے پاس ان خطرات اور غیر یقینی صورت حال کے اثرات کا سامنا کرنے کی صلاحیت اور تربیت یافتہ پیشہ ورانہ افرادی قوت موجود ہے۔ شیئران انٹرنیشنل لمیٹڈ نے ان خطرات کے اثرات کو کم کرنے کیلئے ایک نظام کا فریم ورک تیار کیا ہے جس میں مندرجہ ذیل شامل ہیں:
- قیمتوں کے تعین کی ایسی حکمت عملی وضع کی جائے جس سے صارفین پر کم سے کم بوجھ پڑے۔
- سپلائی چین کی بہتری جس میں سپلائر کے ساتھ موزوں شرائط سے معاہدے اور مختلف ذرائع سے لاگت کو کم کرنا شامل ہے
- برآمدات پر توجہ دینا۔ اس میں مقامی طلب کے اتار چڑھاؤ سے نمٹنے کیلئے بین الاقوامی منڈیوں کو ہدف بنانا ہے۔
- ماحولیاتی قواعد کی پاسداری کرنا اور ناموافق قواعد کے خلاف قانونی چارہ جوئی کرنا۔

اندرونی مالیاتی کنٹرول:

کمپنی کے پاس اندرونی مالیاتی کنٹرول کا ایک مضبوط نظام موجود ہے تاکہ اسکی مالی رپورٹنگ کی درستگی اور قابل اعتماد ہونے کو یقینی بنایا جاسکے۔ یہ کنٹرول کمپنی کے اثاثوں کی حفاظت کرنے، تمام متعلقہ قوانین اور ضوابط کی تعمیل کو یقینی بنانے اور مالی خطرات کو کم کرنے کیلئے بنائے گئے ہیں۔ ہمارے انٹرنل آڈٹ کی سرگرمی اس نظام کے موثر بنانے میں اہم کردار ادا کرتی ہے اور اہم کاروباری تبدیلی ہوتی ہوئی ضروریات کو پورا کرنے کیلئے اپنے نظام کو مسلسل بہتر بنانے کے لئے پرعزم ہیں۔

مالیاتی اور کارپوریٹ رپورٹنگ فریم ورک:

ڈائریکٹرز کو انتہائی مسرت کے ساتھ مطلع کرتے ہیں کہ کمپنی، بیکریوٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے تقاضوں کے مطابق کوڈ آف کارپوریٹ گورننس کے ضوابط کی تعمیل کرتی ہے۔

کا اطلاق، پی او ایل کے اخراجات میں اضافہ وہ اہم عوامل میں جو کہ کمپنی کی مستقبل کی کارکردگی پر منفی اثرات مرتب کریں گے۔ ہماری انتظامیہ ان اقتصادی چیلنجز سے نمٹنے کیلئے حکمت عملی بنانے میں سرگرم عمل ہے ان میں پیداواری لاگت میں کفایت اشعاری، آمدنی کے نئے سلسلوں کی تلاش کرنا اور اپنے کام کے انداز کو معاشی منظر نامے کے مطابق ڈھالنا شامل ہے۔

ان تمام تر چیلنجز کے باوجود شیران انٹرنیشنل اپنے مستقبل کیلئے پرامید ہے۔ کمپنی کی برآمدات پر توجہ، مصنوعات میں جدت اور ماہرانہ کارکردگی کی اس اقتصادی صورت حال سے نمٹنے میں مدد کرے گی۔ ہماری کوشش ہے کہ ہم اپنی مصنوعات کی بین الاقوامی منڈیوں میں اپنی موجودگی کو مزید بڑھائیں خصوصاً متحدہ عرب امارت اور شمالی امریکہ میں جہاں پر ہماری مصنوعات کی طلب زیادہ ہے۔ جولائی 2024ء سے اسٹیٹ بینک آف پاکستان کی 1750 بیسیس پوائنٹس تک پالیسی ریٹ میں لگاتاری سے مصنوعات کو سکھ کا سانس ملے گا اور اس کمپنی کی مالیاتی لاگت کم ہونے کی امید ہے۔

کمپنی ایک مستحکم مالیاتی نظام بنانے کیلئے سرگرم رہے گی اور اپنی برآمدی فروخت پر توجہ مرکوز کرنے اور اسے بڑھانے کے لئے اپنی کوشش جاری رکھے گی۔ انتظامیہ کا خیال ہے کہ برآمدات میں مسلسل اضافہ ملک کے ساتھ ساتھ کمپنی کیلئے معاشی بحرانوں پر قابو پانے کیلئے انتہائی ضروری حل میں سے ایک ہے۔ کمپنی اپنے موجودہ گاہکوں سے فروخت کے حجم کو بڑھانے پر توجہ دے گی اور نئی مقامی منڈیوں کی تلاش جاری رکھے گی، کمپنی اپنے معیار اور فوڈ سٹیفٹی کے اعلیٰ معیار کو برقرار رکھنے کیلئے پرعزم رہے گی اور کارکردگی کو بہتر بنانے اور اپنے پیداواری عمل میں ہونے والا ضیاع کو کم کرنے کیلئے اقدامات میں سرمایہ کاری جاری رکھے گی۔

مزید برآں کمپنی آر اینڈ ڈی میں اپنی سرمایہ کاری کو جاری رکھتے ہوئے صارفین کی بڑھتی ہوئی ضروریات پورا کرنے کیلئے نئی مصنوعات لاتی رہے گی۔ کمپنی جلد ہی منرل واٹر بھی مارکیٹ میں متعارف کرائے گی جو کہ زندگی کی اہم ضرورت ہے۔ کمپنی مارکیٹ میں مزید نئی مصنوعات متعارف کرانے کا بھی ارادہ رکھتی ہے۔ اپنے مضبوط برانڈ کی بنیاد اور سپلائی چین میں بہتری لاکر ہم امید کرتے ہیں کہ ہم آنے والے سالوں میں ایک مستقل شرح نمو حاصل کر سکتے ہیں۔

خطرات اور غیر یقینی حالات:

شیران انٹرنیشنل لمیٹڈ متعدد خطرات اور غیر یقینی حالات کا سامنا کر رہی ہے جو کہ مستقبل میں اسکی کارکردگی اور منافع پر ایک اہم اثر مرتب کر سکتی ہے۔ مندرجہ ذیل نکات ایسے خطرات اور غیر یقینی صورت حال کے بارے میں بتاتے ہیں جو کہ مستقبل میں کمپنی کی کارکردگی کو متاثر کر سکتے ہیں۔

مہنگائی اور صارف کی قوت خرید:

مہنگائی کا دباؤ کمپنی کی عملی کارکردگی کیلئے سنگین خطرہ بنے ہوئے ہیں اگر پاکستان کی موجودہ اقتصادی صورت حال برقرار رہی تو مہنگائی مزید بڑھ سکتی ہے جس کے نتیجے میں صارفین کی قوت خرید میں مزید کمی آسکتی ہے۔ سال کے دوران افراط زر اوسط 26 فیصد رہنے اور ضروری اشیاء کی قیمتوں میں اضافہ ہونے کی وجہ سے اشیاء ضرورت کے علاوہ تمام مصنوعات بشمول FMCG مصنوعات پر صارفین کے خرچ میں کمی آسکتی ہے۔

بڑھتی ہوئی مالیاتی لاگت ایک اہم مسئلہ بنی رہی۔ مجموعی شرح سود اب 2200 بیسیس پوائنٹ پر پہنچ چکی ہے۔ اس مدت کے دوران کاروباری سرمائے کیلئے لیے گئے قرضوں کا اوسطاً استعمال زیادہ رہا۔ کاروباری سرمائے کیلئے لیے گئے قرضے موسمی پھلوں، پلپ، چینی اور بیکنگ مال کو خریدنے کیلئے تھے تاکہ ہماری مصنوعات کی فروخت کی طلب اور کمپنی کے روزمرہ کے اخراجات کو پورا کیا جاسکے۔

ان چیلنجز کے باوجود، کمپنی اپنی برآمدی فروخت کی رفتار کو برقرار رکھنے میں کامیاب رہی۔ ہماری بٹل جوس، کچپ اور تیار شدہ کھانوں کی مصنوعات ہماری برآمدی فروخت میں سرفہرست ہیں۔ ہم نے اپنی سپلائی چین کی کارکردگی کو بہتر بنانے پر توجہ مرکوز رکھی، خاص طور پر خام مال کے خریدنے اور ذخیرہ کرنے تاکہ بڑھتی ہوئی پیداواری لاگت کے اثرات کو کم کیا جاسکے۔ سپلائرز کے ساتھ بہتر شرائط پر گفت و شنید کر کے اور اپنے پیداواری نظام کو بہتر بنا کر، ہم ضیاع اور نقصانات کو کم کرنے میں کامیاب رہے۔ مالی سال 2024ء کی عملی کارکردگی مختصر اُدجہ ذیل ہے:

تفصیلات	2024	2023
	روپے ہزاروں میں	ریٹینڈ
فروخت	8,154,971	8,745,424
مجموعی منافع	1,610,428	2,080,251
خالص (نقصان) / منافع قبل از محصولات	(365,983)	171,803
خالص (نقصان) / منافع بعد از محصولات	(462,809)	47,810
فی شخص (نقصان) / آمدنی۔ روپوں میں	(47.89)	4.95

منافع کی تقسیم:

موجودہ سال میں نقصان کی وجہ سے بورڈ نے سال 2024ء کا منافع نہ دینے کا اعلان کیا ہے۔

قومی خزانے کو ادائیگی:

شیران انٹرنیشنل لمیٹڈ کو فخر ہے کہ کمپنی نے محصولات کی مدد میں 3.44 ارب روپے قومی خزانے میں ادا کئے جن میں مختلف ٹیکسز یعنی سلز ٹیکس، فیڈرل ایکسائز ڈیوٹی اور انکم ٹیکس شامل ہیں۔ ہماری کمپنی تمام قابل اطلاق ٹیکس قوانین کی پوری طرح تعمیل کرتی ہے اور ملک کے مالیاتی ڈھانچے کو مضبوط کرنے کیلئے حکومت کی کوششوں کی حمایت کرتی ہے۔

نمایاں تبدیلیاں اور کاروباری ذمہ داریاں:

مالیاتی سال کے اختتام اور رپورٹ کی تاریخ کے دوران کوئی بڑی تبدیلی اور معاہدے نہیں ہوئے جن کا کمپنی کی مالیاتی پوزیشن پر اثر ہوا ہو۔ کمپنی آسانی سے کام جاری رکھے ہوئے ہے اور مستقبل قریب میں کسی خاص رکاوٹ کی توقع نہیں ہے۔

مستقبل کے امکانات:

متعدد اقتصادی چیلنجز کے باعث سال 2024ء کی صورت حال غیر یقینی رہے گی۔ معاشی حالات زیادہ سازگار دکھائی نہیں دیتے ہیں۔ گیس اور بجلی کی قیمتوں میں اضافہ بلند ترین افراط زر صارفین کی قوت خرید کا ختم ہونا، مالیاتی لاگت میں اضافہ، تیزی سے بڑھتی ہوئی چینی کی قیمتیں اور ان پر FED

ڈائریکٹرز رپورٹ برائے ممبران

ہم شیزان انٹرنیشنل لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ڈائریکٹرز رپورٹ اور مالی سال 30 جون 2024ء کیلئے کمپنی کے آڈٹ شدہ مالیاتی نتائج پیش کرتے ہیں۔

اقتصادی جائزہ:

2024ء کے دوران پاکستان میں نیکرو اکنامک حالات کشیدہ رہے جس میں ملک کو افراط زر کے دباؤ اور جاری مالیاتی چیلنجز کا سامنا رہا۔ بنیادی طور پر خوراک اور توانائی کی قیمتوں میں اضافے کی وجہ سے دوران سال میں مہنگائی کی شرح اوسطاً 20 فیصد رہی۔ اس کے نتیجے میں صارفین کی قوت خرید میں نمایاں کمی واقع ہوئی اور ایف ایم سی جی بلیکٹریسمت کاروباری اداروں کے لئے بے پناہ چیلنجز پیدا ہوئے۔ کرنٹ اکاؤنٹ خسارہ، جو پچھلے سالوں میں سخت درآمدی پابندیوں کی وجہ سے کم ہو گیا تھا، کم درآمدات کے باوجود کچھ استحکام دیکھنے میں آیا۔ تاہم، برآمدات عالمی اقتصادی زبوں حالی کی وجہ سے متوقع اہداف حاصل کرنے میں ناکام رہی اور ترسیلات زر جو کہ تاریخی طور پر پاکستان کے زرمبادلہ کے ذخائر کا ایک اہم ذریعہ ہے، کم رہے۔ اس کے نتیجے میں زرمبادلہ کے ذخائر تقریباً 6 بلین امریکی ڈالر ہو گئے، جس سے ایکٹیو ریٹ پر مزید دباؤ پڑا۔

اسٹیٹ بینک آف پاکستان نے اس مالی سال میں اپنی بیچ مارک شرح سود کو 2200 پیس پوائنٹس پر برقرار رکھا، جسے جون 2024ء میں مہنگائی اور ملکی کرنسی کی کم ہوتی قدر کو روکنے کے لیے کم کر کے 2050 پیس پوائنٹس کر دیا گیا۔ تاہم، اس بلند شرح سود کے نتیجے میں نجی شعبے میں سرمایہ کاری کم رہی، جس سے معاشی سرگرمیاں سست رہیں۔

حکومت نے اس مالیاتی سال میں فننس ایکٹ 2024ء کے ذریعے کئی نئے ٹیکس متعارف کروائے اور موجودہ محصولات میں اضافہ کیا۔ یہ اقدامات اگر محصولات کی وصولی کو بڑھانے کے لئے ضروری تھے لیکن یہ کاروبار اور صارفین پر یکساں طور پر اضافی بوجھ کا باعث بنی ہیں۔ 2024ء کے لیے حکومت نے جی ڈی پی کی نمو کے تخمینے پر نظر ثانی کر کے 2.5 فیصد کر دیا، جو کہ چیلنجنگ معاشی حالات اور جاری عالمی اقتصادی عدم استحکام کے اثرات کی عکاسی کرتا ہے۔

توانائی کی قلت معیشت کو بدستور متاثر کرتی رہی، بجلی اور گیس دونوں کی سپلائی میں رکاوٹوں نے FMCG سمیت مینوفیکچرنگ سیکٹر کو نمایاں طور پر متاثر کیا۔ کسان چیک کے ذریعے زرعی شعبے کو سپورٹ کرنے کے لیے حکومت کے اقدامات، آئی ٹی اور برآمدی شعبوں پر اس کی توجہ سے آنے والے برسوں میں فوائد حاصل ہونے کی امید ہے لیکن فوری معاشی بحالی غیر یقینی ہے۔

کاروباری جائزہ:

مشکل معاشی ماحول کے باوجود، ہماری کمپنی اپنے آپریشنز کو جاری رکھنے اور اسٹریٹیجک مینجمنٹ کے ذریعے مارکیٹ میں اپنی موجودگی کو برقرار رکھنے اور آپریشنل کارکردگی پر توجہ مرکوز رکھنے میں کامیاب رہی۔ کمپنی کی کاروباری حکمت عملی مصنوعات کی جدت، برآمدی ترقی، پیداواری لاگت کو بہتر کرنے، مصنوعات کے معیار کو بہتر بنانے، نئی منڈیوں تک رسائی اور ہماری سپلائی کو موثر طریقے سے منظم کرنے کے کردار کو ہمتی ہے۔

مہنگائی کے دباؤ کی وجہ سے صارفین کے اخراجات میں کمی آئی اور مارکیٹ سست رہی۔ تاہم، کمپنی جرمی، کینیڈا، برطانیہ، متحدہ عرب امارات اور سعودی عرب جیسی اہم بین الاقوامی منڈیوں پر توجہ مرکوز کرتے ہوئے اپنی برآمدی صلاحیت سے فائدہ اٹھانے میں کامیاب رہی۔ ہمارے ایکسپورٹ ڈیپارٹمنٹ نے ان خطوں میں نئی منڈیوں کی نشاندہی کرنے میں اہم کردار ادا کیا اور اس بات کو یقینی بنایا کہ عالمی اقتصادی چیلنجز کے باوجود ہماری مصنوعات ان ممالک تک پہنچیں۔

ہمارے پروڈکٹ پورٹ فولیو میں بھی نئی مصنوعات کے اضافے سے توسیع دیکھنے میں آئی۔ اس حکمت عملی نے ہمیں مقامی مارکیٹ میں ہونے والے کچھ نقصانات کو پورا کرنے اور مستحکم فروخت کی بنیاد کو برقرار رکھا۔ خاص طور پر ٹیڑا بیکنگ میں ہمارے جوسز، ناقابل واپسی بوتلیں، کچھس اور تیار شدہ کھانوں جیسی مصنوعات نے بین الاقوامی منڈیوں میں مقبولیت حاصل کی، جس سے ہماری برآمدات میں حصہ ڈالا۔ پیداواری عمل اور کارکردگی کو بہتر بنانے کیلئے کمپنی کی کوشش ایک اہم عنصر تھا۔ ہم نے اپنی پیداواری سہولیات کو جدید بنانے، پیداواری نقصان کو کم کرنے اور اپنی مصنوعات کے مجموعی معیار کو بڑھانے میں سرمایہ کاری جاری رکھی۔ ان کاوشوں نے ہمیں بڑھتی ہوئی پیداواری لاگت کو سنبھالنے میں مدد کی جن میں پھلوں کے گودے، بیکنگ مواد اور توانائی جیسے خام مال شامل ہیں۔

عملی جائزہ:

کمپنی کی عملی کارکردگی کے متعلق ہم اپنے حصص کنندگان کو آگاہ کریں گے کہ کمپنی کی کل آمدنی اس مدت کے دوران گذشتہ سال کی اسی مدت کے مقابلے میں کم ہوئی ہے جس کے نتیجے میں کمپنی نے زیر جائزہ مدت میں نقصان اٹھایا ہے۔ مالیاتی بجٹ 2023-24 میں کم از کم اجرت میں بے پناہ اضافے اور جوسز، سکواش اور شربت پر 20 فیصد فیڈرل ایکسائز ڈیوٹی کے نفاذ جیسے عوامل اس زبردست نقصان کا باعث بنے۔ ہماری اہم پروڈکٹ جوس بیک جو کہ ہر دل عزیز تسلسل سے خرید جانے والا پروڈکٹ ہے، کا صارفین میں مقبولیت معقول حد تک بڑھ رہی تھی اور ان مصنوعات کی فروخت کا منافع پر مثبت اثر پڑ رہا تھا لیکن 20 فیصد فیڈرل ایکسائز ڈیوٹی کے نفاذ کے بعد نہ صرف ہماری فروخت کے حجم بلکہ ساری جوس اور بیورٹن انڈسٹری کی فروخت کے حجم پر نمایاں منفی اثر پڑا۔ مصنوعات کی طلب میں کمی واقع ہوئی خصوصاً آمدنی والے طبقے میں کیونکہ ان کی قوت خرید بالکل ختم ہو چکی ہے، بلند افراط زر کو مدنظر رکھتے ہوئے، ہمیں اپنی مصنوعات کی قیمتوں میں معقول اضافہ کرنا پڑا تاکہ بڑھتی ہوئی پیداواری لاگت اور فیڈرل ایکسائز ڈیوٹی کے اثرات کو کم کیا جاسکے جس کے نتیجے میں ہماری فروخت کے حجم پر نمایاں منفی اثر پڑا اور کمپنی زیر جائزہ مدت کے دوران اپنی فروخت کے اہداف حاصل نہیں کر سکی۔ صارفین کے اخراجات میں سست روی اور پیداواری لاگت کے بڑھتے ہوئے اخراجات مجموعی طور پر کمپنی کی مالی زبوں حالی کا باعث بنے۔ ایک بہتر مالیاتی حکمت عملی کے باوجود بھی ہم ان بیرونی عوامل کے اثرات کو کم نہ کر سکے۔

CORPORATE SOCIAL RESPONSIBILITY & ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

The Company believes that Corporate Social Responsibility is the continuing commitment to behave ethically and contribute to the economic development of the workforce and their families as well as of the local community and society at large.

BUSINESS ETHICS AND ANTI-CORRUPTION MEASURES

Business Ethics, which include the practice of honesty and integrity, are considered an essential part of the everyday operations of the Company. Since the Company's business deals with food and juice products, it is the policy of the Company to provide not only healthy products to its customers but also ensure a clear and coherent view of its product range in all its advertisement campaigns.

Further, the Statement of Ethics and Business Practices is circulated among all employees of the Company for compliance purposes. It proved very helpful in maintaining the level of credibility of each employee in the organization. Along with all these, the Company has developed a procedure and system regarding all key positions to avoid the impact of any corruption and bribery.

INDUSTRIAL RELATIONS

Cordial industrial relations and a harmonious working environment prevailed at all locations of the Company. The management enjoys a good relationship with the employees. CBA elections are held on time and without any hurdles. The basic purpose of this practice is to secure maximum cordiality between the workers and the management and to establish a climate of mutual understanding where the workers may be able to contribute their best for the growth and development of the Company. The Company has a Hajj Scheme and sent three workers to perform Hajj at the Company's expense. The Company also has good relations with its suppliers.

EMPLOYMENT OF SPECIAL PERSONS

To ensure the welfare and rehabilitation of special persons, the Company has especially stressed the induction of differently-abled under the "Employment and Rehabilitation Ordinance, 1981". The Company has established a policy regarding the hiring of differently-abled persons with assigning a special quota in compliance with the said ordinance to ensure the protection of deserving persons.

OCCUPATIONAL SAFETY, HEALTH, ENVIRONMENTAL PROTECTION AND ENERGY CONSERVATIONS

Safety and health protection of our employees, as well as the protection of the environment, are the principal concerns of the Company. We firmly believe that commitment to safety health and environmental protection (SHE) is an indispensable part of our main objective of efficiently producing and distributing quality products. Matters of SHE are integral parts of the

business planning processes and decision-making. They are handled with the same sense of responsibility and just as other operations like quality, productivity, and cost-efficiency.

We ensure all technical, organizational, and personnel measures for the prevention of potentially hazardous situations and to manage incidents or accidents that might occur nevertheless.

We strive to achieve eco-efficiency by optimizing resource utilization, conserve energy, and avoid damage to the environment, employees, and public.

CORPORATE PHILANTHROPY

Shezan management is well aware of the fact that corporate philanthropy is a social responsibility, which is performed by donating to various organizations and associations

COMMUNITY INVESTMENT AND WELFARE SPENDING FOR UNDER-PRIVILEGED CLASSES

The Company has a complete focus on the welfare of the community as its mandatory role. Since the incorporation of the Company in 1964, it has contributed to its maximum in different welfare schemes of the society.

CONSUMER PROTECTION MEASURES

Since the product line of Shezan International Limited mainly consists of Foods & Beverages which are considered among the category of FMCG (Fast Moving Consumer Goods) products, therefore, its key focus is on healthy products. For this purpose, our Research and Development department is very much active in regular testing of our product range for their quality conformance. Further, the management is very keen on the implementation and execution of ISO rules and regulations for quality maintenance.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

In compliance with the Securities and Exchange Commission of Pakistan's (SECP) regulations, Shezan International Limited has integrated Environmental, Social, and Governance (ESG) principles into its operations. This new disclosure requirement enhances transparency and accountability, building upon our long-standing commitment to Corporate Social Responsibility.

Our ESG strategy ensures that the company adheres to sustainable practices, social well-being, and governance excellence while continuing to contribute positively to society.

ENVIRONMENTAL (E)

As part of our ongoing efforts to reduce our

environmental impact, Shezan has implemented several initiatives aimed at conserving natural resources, optimizing energy use, and minimizing waste.

- **ENERGY CONSERVATION:**

The company has introduced energy-efficient technologies across its production facilities to reduce electricity consumption. In 2024, Shezan continued to upgrade its production lines, further improving resource utilization and reducing emissions.

- **RENEWABLE ENERGY PROGRAMME:**

Sourcing carbon-free renewable electricity is a central element of our plan to reduce electricity consumption in our operations. Our plan is to gradually shift our manufacturing facilities completely to solar energy.

- **WATER STEWARDSHIP & CONSERVATION:**

Shezan is actively engaged in water conservation practices. We have reduced water usage across all facilities and are closely monitoring future water regulations to ensure compliance. This is particularly important given the potential for new water extraction charges.

- **SUSTAINABLE PACKAGING:**

In line with our commitment to reducing plastic waste, Shezan has adopted recyclable and biodegradable packaging materials for many of its products. By moving toward sustainable packaging, we aim to significantly decrease the environmental footprint of our products.

- **PLANTATION DRIVE:**

Shezan regularly participates in various environment uplift programme including tree plantation drives. This year the Company contributed to this drive and planted six thousand trees at different locations.

SOCIAL (S)

Social Responsibility remains central to Shezan's philosophy. We continue to engage in initiatives that support the welfare of our employees, communities, and consumers. As part of our integrated ESG framework, we strive to make a lasting positive impact on society.

Shezan remains committed to supporting national causes and charitable organizations. These donations reflect our ongoing commitment to improving healthcare, education, and social welfare in Pakistan.

Shezan continues its focus on employee well-being, offering benefits such as the Hajj Scheme, which sponsored three employees to perform Hajj in 2024 at the company's expense. We are also committed to

employing differently-abled individuals, in compliance with the Employment and Rehabilitation Ordinance, 1981, ensuring a diverse and inclusive workforce.

Employee safety is a top priority at Shezan. We have implemented stringent Occupational Safety and Health (OSH) policies across all operations, providing regular safety training to employees and conducting frequent audits to ensure a safe working environment. Our OSH measures meet international safety standards and help minimize workplace hazards.

As a leading FMCG company, Shezan prioritizes consumer health and safety. Our Research and Development (R&D) department regularly tests our product range to ensure compliance with international safety standards. The company adheres to ISO regulations to guarantee that our products meet the highest quality standards, protecting the health and well-being of our customers.

GOVERNANCE (G)

At Shezan, Governance is a critical pillar of our ESG framework. We are committed to maintaining high standards of corporate governance, ensuring that our operations remain transparent, ethical, and in full compliance with regulatory requirements.

- **BUSINESS ETHICS AND PRACTICES:**

We uphold strict business ethics, ensuring that honesty and integrity are integral to all business dealings. The company's Statement of Ethics and Business Practices is regularly communicated to employees, reinforcing our commitment to ethical behavior. Shezan maintains a zero-tolerance policy toward corruption and bribery, with robust internal controls to mitigate any risks through strong Internal Audit.

- **BOARD GOVERNANCE AND OVERSIGHT:**

The Board of Directors plays a central role in overseeing the company's governance. Independent directors chair our Audit Committee and Human Resource and Remuneration Committee, ensuring transparent oversight of management's performance. In July 2023, the Board reconstituted these committees in compliance with SECP's Code of Corporate Governance.

- **REGULATORY COMPLIANCE:**

Shezan adheres to the Code of Corporate Governance as mandated by SECP. The company ensures compliance with all legal and regulatory requirements, including financial reporting standards and environmental laws. Regular audits are conducted to ensure continued compliance and the highest levels of transparency in all business activities.

PATTERN OF SHAREHOLDING

AS AT 30 JUNE 2024

- 1 Incorporation Number: 0001883
- 2 Name of Company: Shezan International Limited.
- 3 Pattern of holding of the shares held by the shareholders as at 30 June 2024

No. of Shareholders	Shareholdings		Total Shares Held
	From	To	
343	1	100	9,279
225	101	500	66,294
135	501	1,000	111,167
160	1,001	5,000	379,439
28	5,001	10,000	209,467
11	10,001	15,000	145,948
3	15,001	20,000	54,120
6	20,001	25,000	136,359
4	25,001	30,000	108,679
1	35,001	40,000	35,830
1	40,001	45,000	40,078
5	45,001	50,000	238,399
2	50,001	55,000	105,485
2	65,001	70,000	118,970
2	80,001	85,000	128,530
1	90,001	95,000	68,097
1	95,001	100,000	93,593
2	110,001	115,000	196,390
2	120,001	125,000	222,780
1	125,001	130,000	121,782
1	130,001	135,000	126,477
1	135,001	140,000	138,506
1	155,001	160,000	158,185
2	165,001	170,000	337,087
2	170,001	175,000	344,392
3	175,001	180,000	529,968
1	180,001	185,000	181,489
1	190,001	195,000	196,806
1	195,001	200,000	263,500
1	210,001	215,000	274,000
1	260,001	265,000	278,600
2	405,001	410,000	810,694
1	725,001	730,000	725,184
1	895,001	900,000	898,228
1	1,805,001	1,810,000	1,809,258

955

9,663,060

4 Categories of shareholders	Share held	Percentage
4.1 Directors, Chief Executive Officer, their spouses and minor children	2,445,195	25.3046%
4.2 Associated Companies, undertakings and related parties	28,426	0.2942%
4.3 NIT and ICP	1,926,248	19.9341%
4.4 Banks, Development Financial Institutions, Non Banking Financial Institutions	1,029	0.0106%
4.5 Modarabas and Mutual Funds	133,370	1.3802%
4.6 Insurance Companies	1,443	0.0149%
4.7 General Public		
a. Local	4,686,887	48.5031%
b. Foreign	861	0.0089%
4.8 Others		
4.8.1 Joint Stock Companies	132,906	1.3754%
4.8.2 Pension Funds	294,327	3.0459%
4.8.3 Government Holding	6,502	0.0673%
4.8.4 Others	5,866	0.0607%
	9,663,060	100.00%
Share holders holding 10% or more	1,809,258	18.7234%
Share holders holding 5% or more	3,472,748	35.9384%

CATEGORIES OF SHAREHOLDERS

AS AT 30 JUNE 2024

Sr. No.	Name	Shares Held	Percentage
4.1	Directors, Chief Executive Officer, their spouses and minor children		
1	Mr. Muneer Nawaz	725,184	7.5047%
2	Mrs. Abida Muneer Nawaz W/o Mr. Muneer Nawaz	96,390	0.9975%
3	Mr. Humayun A. Shahnawaz	405,347	4.1948%
4	Mr. M. Naeem	109,283	1.1309%
5	Mrs. Amtul Bari Naeem W/o Mr. M. Naeem	490,830	5.0794%
6	Mr. Rashed Amjad Khalid	176,718	1.8288%
7	Mrs. Sajda Amjad Khalid W/o Mr. Rashed Amjad Khalid	2,499	0.0259%
8	Mr. Abid Nawaz	133,243	1.3789%
9	Ms. Manahil Shahnawaz	296,806	3.0716%
10	Mr. Ahsan Ali Malik	1,000	0.0103%
11	Mr. Nauman Khalid	7,875	0.0815%
12	Mrs. Ayesha Khalid W/o Mr. Nauman Khalid	20	0.0002%
13	Mr. Shahid Hussain Jatoi	-	0.0000%
		2,445,195	25.3046%
4.2	Associated Companies, undertakings and related parties		
1	Shezan Services (Private) Limited	28,426	0.2942%
		28,426	0.2942%
4.3	NIT and ICP		
1	CDC - Trustee National Investment (UNIT) Trust	1,809,258	18.7234%
2	CDC - Trustee NIT Islamic Equity Fund	93,593	0.9686%
3	CDC - Trustee NIT - Equity Market Opportunity Fund	23,397	0.2421%
		1,926,248	19.9341%
4.4	Banks Development Financial Institutions, Non Banking Financial Institutions		
1	National Bank Of Pakistan	1,029	0.0106%
		1,029	0.0106%
4.5	Modarabas and Mutual Funds		
1	CDC - Trustee NBP Balanced Fund	64,430	0.6668%
2	CDC - Trustee NBP Islamic Stock Fund	27,060	0.2800%
3	CDC - Trustee NBP Sarmaya Izafa Fund	6,050	0.0626%
4	CDC - Trustee NBP Stock Fund	35,830	0.3708%
		133,370	1.3802%
4.6	Insurance Companies		
1	Habib Insurance Company Limited	1,443	0.0149%
		1,443	0.0149%
4.7	General Public		
	Local	4,686,887	48.5031%
	Foreign	861	0.0089%
		4,687,748	48.5120%

CATEGORIES OF SHAREHOLDERS

AS AT 30 JUNE 2024

Sr. No.	Name	Shares Held	Percentage
4.8	Others		
4.8.1	Joint Stock Companies		
1	Burma Oil Mills Limited	804	0.0083%
2	Insight Securities (Private) Limited	110,910	1.1478%
3	Memon Securities (Private) Limited	11,000	0.1138%
4	Murree Brewery Company Limited	190	0.0020%
5	Muhammad Ashfaq Hussain Securities (Private) Limited	10,000	0.1035%
6	NH Capital Fund Limited	2	0.0000%
		132,906	1.3754%

4.8.2	Pension Funds		
1	CDC - Trustee National Bank Of Pakistan Employees Pension Fund	167,260	1.7309%
2	CDC - Trustee Nafa Islamic Pension Fund Equity Account	68,097	0.7047%
3	CDC - Trustee Nafa Pension Fund Equity Sub-Fund Account	58,970	0.6103%
		294,327	3.0459%

4.8.3	Government Holding		
1	Federal Board of Revenue	6,502	0.0673%
		6,502	0.0673%

4.8.4	Others		
1	CDC - Trustee National Bank Of Pakistan - Employees Benevolent Fund Trust	5,866	0.0607%
		5,866	0.0607%

SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL

1	CDC - Trustee National Investment (UNIT) Trust	1,809,258	18.7234%
		1,809,258	18.7234%

SHAREHOLDERS HOLDING 5% OR MORE OF TOTAL CAPITAL

1	CDC - Trustee National Investment (UNIT) Trust	1,809,258	18.7234%
2	Mr. Mahmood Nawaz (Late)	938,306	9.7102%
3	Mr. Muneer Nawaz	725,184	7.5047%
		3,472,748	35.9384%

During the financial year the trading in shares of the company by its Directors, Executives, their spouses and minor children is as follows:

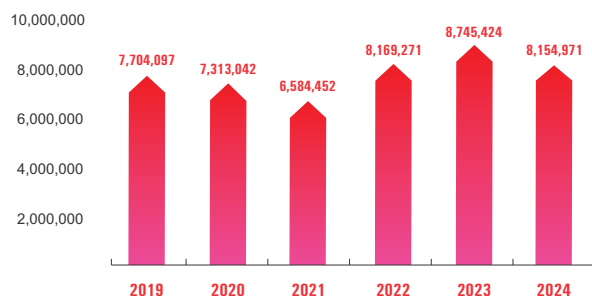
S. No.	Name	Sale	Purchase
1	Mr. M. Naeem	-	50,000
2	Mr. Abid Nawaz	-	4,000
3	Mr. Ahsan Ali Malik	2,200	-
4	Mr. Nauman Khalid	-	680
5	Mrs. Amtul Bari Naeem W/o Mr. M. Naeem	-	50,000
6	Mrs. Ayesha Khalid W/o Mr. Nauman Khalid	170	-

SIX YEARS REVIEW

AT A GLANCE

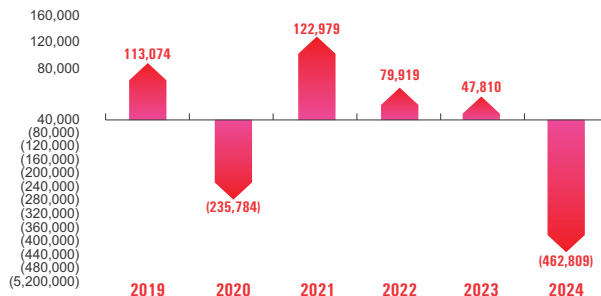
NET SALES

Rupees in thousand



PROFIT/(LOSS) AFTER TAX

Rupees in thousand



	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024
----- (RUPEES IN THOUSAND) -----						
	Restated					
Incomes						
Sales	7,704,097	7,313,042	6,584,452	8,169,271	8,745,424	8,154,971
Other operating income	91,264	59,501	51,590	94,804	118,139	39,636
	7,795,361	7,372,543	6,636,042	8,264,075	8,863,563	8,194,607
Expenditure						
Cost of sales	6,172,758	6,213,833	5,186,645	6,395,873	6,665,173	6,544,543
Distribution cost and administrative expenses	1,282,210	1,133,360	1,052,423	1,434,970	1,619,844	1,560,340
Finance cost	68,195	206,986	124,320	119,192	279,654	332,072
Other operating expenses	120,264	121,034	91,749	127,637	127,089	123,635
	7,643,427	7,675,213	6,455,137	8,077,672	8,691,760	8,560,590
Profit / (Loss) before taxation / Levy	151,934	(302,670)	180,905	186,403	171,803	(365,983)
Taxation / Levy	38,860	(66,886)	57,926	106,484	123,993	96,826
Profit / (Loss) after taxation / Levy	113,074	(235,784)	122,979	79,919	47,810	(462,809)
Paid-up capital	87,846	87,846	87,846	96,631	96,631	96,631
Reserves & unappropriated profits	2,145,923	1,861,635	1,984,786	1,792,612	1,792,202	1,310,375
Unrealized gain / (loss) on remeasurement of investments available for sale	(189)	172	1,386	95	308	1,277
Share holders equity	2,233,580	1,949,653	2,074,018	1,889,338	1,889,141	1,408,283
Break up value per share in Rupees	254.25	221.93	214.63	217.83	195.50	145.74
Earnings / (loss) per share in Rupees	12.87	(26.84)	12.73	8.27*	4.95*	(47.89)
Price Earning Ratio	32.82	(8.34)	26.04	20.55*	21.32*	(1.95)
Dividend declared	5.50	-	5.50	5.00	2.00	-
Bonus per share	-	-	10%	-	-	-

* Figures have been restated.



yummy 😊



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& HACCP Certified Company

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF SHEZAN INTERNATIONAL LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Shezan International Limited (the Company) for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

Lahore:
01 October 2024.
UDIN: CR202410087qR2sZf8zV

BDO Ebrahim & Co
CHARTED ACCOUNTANTS
Engagement Partner: Sajjad Hussain Gill

BDO Ebrahim & Co. Chartered Accountants

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STATEMENT OF COMPLIANCE

WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

FOR THE YEAR ENDED 30 JUNE 2024

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of Directors are Nine (09) as per the following detail:

- a. Male: Eight (08)
- b. Female: One (01)

2. The composition of Board is as follows:

Independent Directors	Mr. Shahid Hussain Jatoi Mr. Nauman Khalid Mr. Ahsan Ali Malik
Non-Executive Directors	Mr. Muneer Nawaz * Mr. M. Naeem Mr. Rashed Amjad Khalid Mr. Abid Nawaz
Executive Directors	Mr. Humayun A. Shahnawaz ** Ms. Manahil Shahnawaz
Female Director	Ms. Manahil Shahnawaz

* Mr. Muneer Nawaz has been re-elected as the Chairman of the Board by the Board of Directors in their meeting held on 05 July 2023 for the current term of the Board.

** Mr. Humayun A. Shahnawaz has been re-appointed as Chief Executive of the Company by the Board of Directors in their meeting held on 05 July 2023 for a period of three years.

3. The Directors have confirmed that none of them is serving as a Director on more than seven (07) listed companies, including Shezan International Limited;

4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board;

8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;

9. Four (04) Directors of the Company have minimum fifteen

(15) years of education and sixteen (16) years of experience on the Board of a listed Company and they are exempt from Directors' Training Page 2 of 3 Program. Three (03) Directors have acquired certification under the Directors' Training Program. The Company, however, intends to facilitate further training for the remaining Directors in near future as defined in these Regulations;

10. Head of Internal Audit has resigned during the year and new appointment was made thereafter. However, there were no new appointments of Chief Financial Officer and Company Secretary during the year, however, all such appointments including their remuneration and terms and conditions of employment are duly approved by the Board;

11. Chief Financial Officer and Chief Executive duly endorsed the financial statements before approval of the Board;

12. The Board has formed the following committees comprising of the members given below:

Audit Committee

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

Human Resource and Remuneration Committee

Director	Designation
Mr. Nauman Khalid	Chairman
Mr. Muneer Nawaz	Member
Mr. M. Naeem	Member
Mr. Humayun A. Shahnawaz	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings of the committee were as per following:

Committee	Frequency of Meeting
Audit Committee	At least quarterly/required basis
HR and Remuneration Committee	At least once a year/required basis

15. The Board has set up an effective internal audit function with suitably qualified and experienced staff conversant with the policies and procedures of the Company;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of


Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive, Chief Financial Officer, Head of Internal Audit, Company Secretary or Directors of the Company;

17. The statutory auditors or the persons associated with them, have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have

confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all other requirements of the regulations 3, 6, 7, 8, 27, 32, 33, and 36 of the Regulations have been complied with;
19. Explanation for non-compliance with requirements, other than 3, 6, 7, 8, 27, 32, 33, and 36, are mentioned below, which are non-mandatory:

S. No.	Requirement	Explanation	Reg. No.
1	Constitution of Nomination Committee: The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Human Resource and Remuneration Committee.	29(1)
2	Constitution of Risk Management Committee: The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted a Risk Management Committee and the Company's Risk Manager performs the requisite functions and apprise the Board accordingly.	30(1)
3	Role of the Board and its members to address Sustainability Risks and Opportunities: The Board is responsible for setting the Company's sustainability strategies, priorities, and targets to create long term corporate value. The Board may establish a dedicated sustainability committee.	Currently, the Board has not constituted a separate Sustainability Committee and the functions will be performed by the Audit Committee. However, The Board will ensure that the Company has addressed sustainability-related risk and opportunities. Also, it will ensure that Company's sustainability and DE&I related strategies are periodically reviewed and monitored in future.	10A



Muneer Nawaz
Chairman



Humayun A. Shahnawaz
Chief Executive

Lahore:
28 September 2024.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHEZAN INTERNATIONAL LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of Shezan International Limited (the Company), which comprise the statement of financial position as at 30 June 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2024 and of the loss, the comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr No.	Key audit matters	How the matter was address in our audit.
1	Tax contingencies As disclosed in Note 29 of the financial statements, the Company has certain tax matters under dispute, which are pending adjudication at various levels with taxation authorities and other legal forums. These disputes and uncertain tax positions necessitate that management apply significant judgment and estimation in interpreting applicable laws, regulations, and statutory rules. Management is also required to assess the probability of outcomes and determine the potential financial impact on the Company, specifically regarding the recognition, measurement, and disclosure of provisions that may be required to address such contingencies. Due to significance of the amounts involved, inherent uncertainties with respect to outcome of the matters and use of significant management judgments and estimates to assess the same including related financial impacts, we have considered tax contingencies, a key audit matter.	 Our audit procedures amongst others included the following: <ul style="list-style-type: none">• Obtaining and reviewing the details of pending tax matters, including discussions with management to understand the basis of their assessments and judgments.• Analyzing material changes from the prior period, specifically focusing on the implications of these changes on the Company's tax positions.• Circularized confirmations to tax consultants to verify the assessments made by the managements.• Assessing key technical tax issues and recent legislative developments, with particular emphasis on management's assumptions and estimates used to quantify exposures and determine liabilities. Our assessment focused on the potential impact of recent tax rulings and the status of ongoing inspections by local tax authorities.• Reviewing management's explanations and corroborative evidence, including communications with local tax authorities, to evaluate the current status of tax assessments, ongoing disputes, and inspections.

Sr No.	Key audit matters	How the matter was address in our audit.
		<ul style="list-style-type: none"> Challenging the key assumptions made by management in cases where significant developments had occurred, drawing on our experience and understanding of the application of tax laws by local authorities and judicial bodies. Reviewing the appropriateness of financial statement disclosures regarding contingent liabilities and uncertain tax positions, ensuring they complied with applicable accounting and reporting standards.
2	Revenue Recognition	
	<p>During the year ended June 30, 2024, the Company reported net revenue of Rs. 8.155 billion, compared to Rs. 8.754 billion in the previous year, as disclosed in note 30 and in accordance with the accounting policy described in Note 6.14 to the financial statements.</p> <p>Given the significance of revenue as a key performance indicator and the attention required to ensure the accurate recognition of revenue, we identified revenue recognition as a key audit matter.</p>	<p>Our audit procedures in relation to the matter, amongst others, included the following:</p> <ul style="list-style-type: none"> Gained an understanding of the Company's revenue recognition processes and internal controls, and tested their efficacy on a sample basis, including timing; Evaluated the appropriateness of the Company's revenue recognition policies and procedures to ensure compliance with International Financial Reporting Standards (IFRS) as applicable in Pakistan; Conducted sequence testing of sales invoices to ensure the completeness and accuracy of recorded revenue. This included reviewing the numerical sequence of invoices to identify any gaps or duplicates, investigating any irregularities, and ensuring that all invoices were properly accounted for within the correct financial period. We also assessed whether the recorded revenue aligned with the Company's revenue recognition policies and IFRS requirements; Performed substantive analytical procedures using disaggregated data to gain assurance over the recognized revenue, with a focus on outliers and unusual trends in light of the external economic environment; Performed testing on sales returns to assess the accuracy of the recognized refund liability. This included conducting inquiries with management to understand the reasons for returns, reviewing supporting documentation, verifying the accuracy of credit notes issued, and ensuring the correct application of revised rates on updated invoices. Reviewed year-end manual adjustments impacting revenue to identify significant or unusual items, and examined the underlying documentation; Tested supporting evidence for a sample of sales transactions, including sales orders, invoices, goods dispatch notes, gate passes, proof of delivery (customer acknowledgment), and other

Sr No.	Key audit matters	How the matter was address in our audit.
		<p>detailed procedures;</p> <ul style="list-style-type: none"> • Ensured that revenue items are correctly classified according to the guidance in IFRS 15; and • Assessed the appropriateness and adequacy of the disclosures provided in Note 30 to the financial statements in accordance with relevant accounting standards.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes there on have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Other matter

The financial statements of Shezan International Limited for the year ended June 30, 2023 were audited by another firm of chartered accountants who had expressed an unmodified opinion thereon vide their report dated October 02, 2023.

The engagement partner on the audit resulting in this independent auditor's audit report is Sajjad Hussain Gill.

Lahore:
01 October 2024.
UDIN: AR202410087RtrQzkeqc

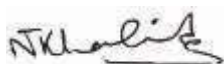
BDO Ebrahim & Co
BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	2024	2023	2022
		Rupees in thousand		
			Restated	Restated
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	8	1,201,455	1,371,951	1,439,189
Long term investment	9	4,785	3,508	3,200
Long term receivable and prepayments	10	194	18,672	25,011
Long term deposits	11	7,672	7,315	7,881
Deferred tax asset - net	12	-	-	-
		1,214,106	1,401,446	1,475,281
CURRENT ASSETS				
Stores and spares	13	222,450	245,584	167,387
Stock in trade	14	1,932,114	1,986,933	2,147,005
Right to recover asset		-	4,586	4,400
Trade receivables	15	627,050	476,824	285,999
Loans and advances	16	18,699	391,392	121,929
Trade deposits, prepayments and other receivables	17	13,571	5,331	10,877
Prepaid levy	18	76,895	12,473	18,305
Cash and bank balances	19	104,536	118,637	84,116
		2,995,314	3,241,760	2,840,018
TOTAL ASSETS		4,209,421	4,643,206	4,315,299
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorized share capital (10 million shares of Rs. 10 each)		100,000	100,000	100,000
Issued, subscribed and paid up capital	20	96,631	96,631	96,631
Capital reserve - merger reserve	21	5,000	5,000	5,000
Revenue reserves		1,306,652	1,787,510	1,787,707
TOTAL EQUITY		1,408,283	1,889,141	1,889,338
NON-CURRENT LIABILITIES				
Long-term loans	22	-	75,000	-
Lease liabilities	23	51,478	57,117	62,463
		51,478	132,117	62,463
CURRENT LIABILITIES				
Current portion of non current liabilities	24	86,873	117,546	104,792
Trade and other payables	25	1,347,908	1,056,933	1,101,080
Short-term borrowings	26	1,159,411	1,262,658	1,035,442
Unclaimed dividend	27	15,471	13,928	9,796
Accrued markup	28	77,773	91,601	20,805
Refund liability	31	62,225	79,282	91,583
		2,749,660	2,621,948	2,363,498
TOTAL EQUITY AND LIABILITIES		4,209,421	4,643,206	4,315,299
CONTINGENCIES AND COMMITMENTS				
	29			

The annexed notes from 1 to 52 form an integral part of these financial statements.


Director


Chief Executive


Chief Financial Officer

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE 2024

	Note	Rupees in thousand 2024	2023
			Restated
Revenue from contracts with customers - net	30	8,154,971	8,745,424
Cost of revenue	31	(6,544,543)	(6,665,173)
Gross profit		1,610,428	2,080,251
Distribution expenses	32	(1,179,091)	(1,242,770)
Administrative expenses	33	(381,249)	(377,074)
Other operating expenses	34	(123,635)	(127,089)
		(1,683,975)	(1,746,933)
Operating (loss) / profit		(73,547)	333,318
Other income	35	39,636	118,139
Finance costs	36	(332,072)	(279,654)
(Loss) / profit before levy and income tax		(365,983)	171,803
Levy	37	(101,106)	(113,177)
(Loss) / Profit before income tax		(467,089)	58,626
Income tax	38	4,280	(10,816)
(Loss) / Profit for the year		(462,809)	47,810
(Loss) / Earnings per share - basic and diluted (Rupees)	39	(47.89)	4.95

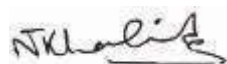
The annexed notes from 1 to 52 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

	Note	Rupees in thousand 2024	2023
			Restated
(Loss) / profit for the year		(462,809)	47,810
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent years:			
Unrealized gain on remeasurement of investment designated at fair value through OCI	9	1,277	308
Total comprehensive (loss) / income		(461,532)	48,118

The annexed notes from 1 to 52 form an integral part of these financial statements.


Director


Chief Executive


Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

Note	Share capital	Capital reserve	Revenue reserves			Subtotal	Total		
		Merger reserve	General reserve	Unrealized gain on remeasurement of investments	Accumulated profit / (loss)				
----- Rupees in thousand -----									
	Balance as at July 01, 2022 as previously reported	96,631	5,000	2,000,000	920	2,330	2,003,250	2,104,881	
	Effect of restatement on adoption of IAS-12/37 and IFRIC 21	7	-	-	-	95	(215,638)	(215,543)	(215,543)
	Balance as at July 01, 2022 - restated	96,631	5,000	2,000,000	1,015	(213,308)	1,787,707	1,889,338	
	Final dividend @ Rs.5/- per share for the year June 30, 2022	-	-	-	-	(48,315)	(48,315)	(48,315)	
	Profit for the year ended June 30, 2023	-	-	-	-	47,810	47,810	47,810	
	Other comprehensive income	-	-	-	308	-	308	308	
		96,631	5,000	2,000,000	1,323	(213,813)	1,787,510	1,889,141	
	Balance as at June 30, 2023	96,631	5,000	2,000,000	1,323	(213,813)	1,787,510	1,889,141	
	Final dividend @ Rs.2/- per share for the year June 30, 2023	-	-	-	-	(19,326)	(19,326)	(19,326)	
	Loss for the year ended June 30, 2024	-	-	-	-	(462,809)	(462,809)	(462,809)	
	Other comprehensive income	-	-	-	1,277	-	1,277	1,277	
		-	-	-	1,277	(462,809)	(461,532)	(461,532)	
	Balance as at June 30, 2024	96,631	5,000	2,000,000	2,600	(695,948)	1,306,652	1,408,283	

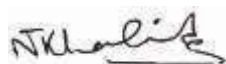
The annexed notes from 1 to 52 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024	2023
Rupees in thousand			
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before taxation		(365,983)	171,803
Adjustments for:			
Depreciation	8.4	211,762	234,543
Finance costs	36	325,868	273,509
Profit on savings accounts	35	(960)	(497)
Provision for compensated absences	25.3	6,048	23,619
Un-winding of interest on long term receivable	10	-	(1,535)
Unrealized foreign exchange gain	35	-	(11,386)
Un-winding of deferred grant		-	(1,098)
Allowance of expected credit losses	34	23,110	11,785
Gain on termination of lease	35	534	-
Workers' Profit Participation Fund	34	-	9,152
Workers' Welfare Fund	34	1,988	3,701
Gain on disposal of property, plant and equipment		(5,243)	(5,959)
		563,107	535,834
Operating profit before working capital changes		197,125	707,637
Decrease / (increase) in current assets			
Stores and spares		23,134	(78,197)
Stock in trade		54,819	160,072
Right to recover asset		4,586	(186)
Trade receivables		(150,226)	(191,224)
Loans and advances		372,693	(269,463)
Trade deposits, prepayments and other receivable		(8,240)	5,638
(Decrease) / increase in current liabilities			
Trade and other payables		290,975	(85,156)
Refund liability		(17,057)	(12,301)
		570,684	(470,817)
Cash generated from operations		767,808	236,819
Profit on bank deposits received	35	895	405
Tax and levy paid	18	(161,248)	(118,161)
Finance costs paid		(345,900)	(196,426)
Compensated absences paid	25	(13,512)	(8,316)
Workers' Profit Participation Fund	25.4	(9,152)	9,152
Workers' Welfare Fund	25.5	(4,069)	3,701
Long-term receivables		20,348	7,874
Long-term deposits		(357)	566
Net cash generated from / (used in) from operations		254,813	(64,385)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in property, plant and equipment		(50,230)	(190,696)
Sale proceeds from disposal of property, plant and equipment		17,863	34,891
Net cash used in investing activities		(32,367)	(155,806)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liabilities - net	23	(15,517)	(7,397)
Short term borrowings - net		(103,246)	227,216
Long term loans - net		(100,000)	79,076
Dividend paid	27	(17,783)	(44,183)
Net cash (used in) / generated from investing activities		(236,546)	254,712
Net (decrease) / increase in cash and cash equivalents		(14,101)	34,521
Cash and cash equivalents at the beginning of the year		118,637	84,116
Cash and cash equivalents at the end of the year		104,536	118,637

The annexed notes from 1 to 52 form an integral part of these financial statements.


Director


Chief Executive


Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

1. THE COMPANY AND ITS OPERATIONS

1.1 The Company is a Public Limited Company incorporated on May 30, 1964 in Pakistan and is listed on the Pakistan Stock Exchange Limited in 1989. 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:

1.2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is situated at 56 - Bund Road, near chowk yateem khana, Multan road, Lahore, 54500. Other business units detail is as follows:

Business unit	Address
Production Plant - I	56-Bund Road, Lahore
Production Plant - II	Plot No. 33-34, Phase III, Hattar Industrial Estate, Hattar
Production Plant - III	Plot L-9, Block No. 22, Federal B Industrial Area, Karachi

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. BASIS OF PREPARATION

3.1 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except that long term investments are recognized on the basis mentioned in Note 6.6.1 to these financial statements.

3.2 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pak Rupees, which is the Company's functional currency.

3.3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these financial statements, the significant estimates, assumptions and judgements made by the management in applying accounting policies include:

	Note
Useful life and residual values of property, plant and equipment	6.1.2
Impairment of non financial assets	6.1.4
Lease term	6.2.4
Allowance for expected credit losses	6.4.1
Refund Liability and right to recover assets	(ii)
Provision for compensated absences	6.16
Taxation	6.11

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

4. CHANGE IN ACCOUNTING POLICY

During the year, the Company changed its accounting policy of recognizing the portion of income tax paid or payable for the year under the Ordinance, not based on the taxable profits of the Company, as a Levy under IFRIC-21/IAS-37 instead of the current income tax for the year under IAS-12.

The management believes that the new policy provides reliable and more relevant information to the users of the financial statements.

The change in accounting policy has been applied retrospectively.

5. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

5.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2024

The following standards, amendments and interpretations are effective for the year ended June 30, 2024. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	EFFECTIVE DATE (ANNUAL PERIODS BEGINNING ON OR AFTER)
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements- Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after January 01, 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in note 6 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

5.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

'Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
'Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

'Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
'Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
'Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
'IFRS 17 Insurance Contracts	January 01, 2026

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

6. MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently for all periods presented, unless otherwise stated.

6.1 Property, plant and equipment

6.1.1 Owned assets

Property, plant and equipment except for freehold and leasehold land held on 99 years lease, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold and leasehold land are stated at cost. Depreciation is calculated using the reducing balance method at rates disclosed in Note 8, which are considered appropriate to write off the cost of the assets over their useful lives.

Depreciation on additions is charged from the month in which an asset is available for use while no depreciation is charged for the month in which the asset is disposed off.

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment is recognized in the statement of profit or loss. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted for the future periods to allocate the asset's revised carrying amount over its estimated useful life.

Subsequent costs are included in the asset's carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss during the period in which they are incurred.

The gain or loss on disposal or retirement of an asset represents the difference between the sale proceeds and the carrying amount of the asset and is recognized as an income or expense in the period it relates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

6.1.2 Useful life and residual values of property, plant and equipment

The Company reviews appropriateness of the rate of depreciation, useful lives and residual values used in the calculation of depreciation. In making these estimates, the Company uses the technical resources available with the Company and its history in relation to actual useful lives and residual values of similar assets disposed in the past. Any change in the estimates in the future might affect the carrying amount of the respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

6.1.3 Capital work in progress

This is stated at cost including capitalization of borrowing costs less any identified impairment loss. It consists of expenditures incurred and advances made, in respect of fixed assets, in the course of their construction and installation. Transfers are made to relevant category of property, plant and equipment as and when assets are available for use.

6.1.4 Impairment of non financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non financial assets are also tested for impairment when there are indicators that the carrying amounts may not be recoverable. For assets which can generally be sold in the market, the prevailing market price is used as an indicator of current recoverable amount. Technical analysis and market data is used to arrive at the recoverable amount for specialized assets.

6.2 Leases

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets, if any. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

6.2.1 Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

6.2.2 Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which these are incurred.

In calculating the present value of lease payments, the Company uses implicit rates available in the lease agreements, however, in case the interest rate implicit in the lease is not readily determinable, the Company uses incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

6.2.3 Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of retail shops, if any (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are of low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

6.2.4 Lease term

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

6.2.5 Incremental borrowing rate

The Company uses incremental borrowing rate at the lease commencement date to calculate the present value of lease payments if the interest rate implicit in the lease is not readily determinable. The rate used to discount future lease payments is practically unlikely to be the rate implicit in the lease, because this information is often commercially sensitive and the information is not provided by the lessor. Therefore, the Company has to determine an incremental borrowing rate. The Company applies judgement in evaluating the incremental borrowing rate because the determination of rate will ultimately have an impact on the lease liability and finance cost.

6.3 Stores, spares and stock-in-trade and packing material

Useable stores and spares except for those in-transit, are valued principally at moving weighted average cost basis, while items considered obsolete are carried at nil value. slow moving or obsolete stores and spares are identified on systematic basis and write off when identified.

Value in relation to raw materials, packing materials and pulps and concentrates etc., except for those in-transit, is arrived at using moving weighted average cost basis. Unusable raw and packing material are identified on systematic basis and write off when required.

Value of finished goods and work in process both manufactured and purchased, is determined on weighted average cost basis, except for in-transit goods. In-transit goods and materials are valued at cost comprising invoice value plus other charges thereon. Cost in relation to work-in-process and finished goods includes an appropriate portion of production overheads. Finished goods are valued at cost or net realizable value, whichever is lower.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and cost necessary to be incurred in order to make a sale.

6.4 Trade receivables

Trade receivables represent the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

6.4.1 Impairment of financial assets - expected credit losses

The Company assesses the impairment of its financial assets based on the Expected Credit Loss (“ECL”) model. Under the expected credit loss model, the Company accounts for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since initial recognition of the financial assets. The Company measures the loss allowance at an amount equal to lifetime ECL for its financial instruments.

The Company measures the expected credit losses of a financial instrument in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes the time value of money, if applicable; and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Expected credit losses are measured for the maximum contractual period over which the entity is exposed to credit risk. The significant estimates relating to the measurement of ECL relates to provision matrix for trade receivables, separate assessment of certain defaulted balances with differing credit risk and assessment of ECL viz a viz time value for balances due from government related entities.

6.5 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cheques in hand, cash at bank in current, savings and deposit accounts, and other short-term highly liquid instruments that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value.

6.6 Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

6.6.1 Financial assets

Financial assets - initial recognition

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables and bank balance that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policy in revenue recognition in Note 6.14 to these financial statements.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include cash, long-term and short-term deposits, long term investment, long term receivables, trade receivables, loans and advances, other receivables and bank balances.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Financial assets - subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- a) Financial assets at fair value through profit or loss
- b) Financial assets at amortized cost (debt instruments)
- c) Financial assets designated at fair value through OCI with no recycling of cumulative gains (equity instruments)
- d) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognized as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

The Company does not have any financial assets designated at fair value through profit or loss.

b) Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized costs includes long-term receivables, trade receivables, other receivables, deposits, loans and advances.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

c) **Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)**

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company's financial assets designated at fair value through OCI includes long-term investment.

d) **Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)**

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Company does not have debt instruments recorded at fair value through OCI with recycling of cumulative gains and losses.

Financial assets - Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial assets - Impairment

The Company recognizes an allowance for expected credit losses ("ECL") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

NOTES TO THE FINANCIAL STATEMENTS

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ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows excluding those due from government related entities and certain long outstanding receivable with different credit risk.

For trade receivables, the Company applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected credit losses are recognized in the statement of profit or loss.

For bank balances, the Company assesses an allowance based on 12-month expected credit losses. The Company reviews internal and external information available for each bank balance to assess expected credit loss and the likelihood to receive the outstanding contractual amount. The expected credit losses are recognized in the statement of profit or loss.

6.6.2 Financial liabilities

Financial liabilities - initial recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include long term loans, short term borrowings utilized under mark-up arrangements, creditors, liabilities against assets subject to finance lease, accrued and other liabilities.

Financial liabilities - subsequent measurement

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

This category applies to long term loans, short term borrowings utilized under mark-up arrangements, creditors, deposits, accrued and other liabilities.

Financial liabilities - derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

6.7 Offsetting of financial assets and financial liabilities

A financial asset and financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

6.8 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

6.9 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

6.10 Contingencies and provisions

Management of the Company reviews status of all pending litigations and claims against the Company. Based on its judgment and the advice of the legal and tax advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the reporting date.

6.11 Taxation

a) Current

Provision for the current tax is based on the taxable income for the year determined in accordance with the provisions of the Income Tax Ordinance, 2001. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

b) Deferred

Deferred tax is provided using the financial position method for all temporary differences at the reporting date between tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liability is recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, if any, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the effective tax rates that are expected to apply to the period when the liability is settled based on tax rates that have been enacted or substantially enacted at the reporting date.

6.12 Levy

The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the year in statement of profit or loss. Any excess of expected income tax paid or payable for the year under the Ordinance over the amount designated as current income tax for the year, is then recognized as a levy.

6.13 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract. These advance deposits are non-interest bearing and payable on the completion / termination of order.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

6.14 Revenue recognition

The Company is in the business of selling Fast Moving Consumer Goods (FMCG) (i.e. juices, pickles, jams, ketchups etc.). Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Specific revenue recognition details are as follows:

6.14.1 Sale of goods

Revenue from the sale of goods is recognized upon the transfer of control of the goods to the buyer when performance obligation is satisfied. The Company's contracts with customers for the sale of goods generally include one performance obligation for both local and export sales i.e. provision of goods to the customers.

(i) Local sales

The Company recognizes that revenue from sale of goods at the point in time when control of the goods is transferred to the customer, generally on dispatch of products from the factory (ex-factory).

Amount of revenue recognized is impacted due to expected returns as follows:

- a) A refund liability is recognized for the received consideration from a customer against the products that are expected to be returned;
- b) A right to recover asset is recognized (with the corresponding adjustment in cost of sales) for Company's right to recover; and
- c) No revenue for the expected returned goods is recognized in the financial statements.

(ii) Refund Liability and right to recover assets

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Right to recover assets represented the Company's right to recover the goods expected to be returned by customers. The asset was measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company used to updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

(iii) Export sales

The Company recognizes revenue from sale of goods at the point in time when control of the goods is transferred to the customer, i.e. on the related receipt of shipping documents.

(iv) Interest income

Return on bank deposits is recognized using effective interest rate method.

(v) Dividend income

Dividend income is recognized when the Company's right to receive the payment is established.

6.15 Staff retirement benefits

The Company operates a recognized provident fund scheme (defined contribution plan) for all permanent employees. Equal monthly contributions are made both by the Company and the employees to the fund at the rate of 8.33% (2023: 8.33%).

6.16 Compensated absences

The Company accounts for compensated absences on the basis of the un-availed earned leave balance of each employee at the end of the year. The employees have the option to encash their leave balance at any time during the year.

6.17 Foreign currency translation

Foreign currency transactions are converted into rupees at the rates prevailing on the date of the transactions. Monetary assets and liabilities in foreign currencies are translated into rupees at the rates of exchange prevailing at reporting date.

Gain or loss arising on translation are recognized in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

6.18 Borrowing costs

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use. Such borrowing costs are capitalized as part of the cost of the qualifying asset.

6.19 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognized as a liability in the Company's financial statements in the period in which these are approved.

6.20 Operating segments

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.

6.21 Earnings per share

The Company presents earnings per share (EPS) for its ordinary shares which is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares (if any).

7. RESTATEMENT - ON ADOPTION OF IAS 12 – APPLICATION GUIDANCE ON ACCOUNTING FOR MINIMUM AND FINAL TAXES

During the year 2023, the company recorded a net deferred tax asset of Rs. 206.466 million. During the year, the Company incurred a loss before taxation of Rs. 365.983 million and adopted approach one as falling under the scope of IFRIC 21/IAS 37/IAS 12. Following the adoption of approach one, any previously recorded deferred tax would require reassessment, and necessary adjustments would be made through retained earnings in accordance with IAS 08 'Accounting Policies, Changes in Accounting Estimates, and Errors'. Following the above guidance and management assessment, the Company will remain in minimum tax and deductible temporary difference cannot be utilized, the deferred tax asset recorded in prior year has been reversed and relevant adjustments has been made in statement of changes in equity.

The summary of effect on prior periods is presented below:

	As previously reported	Restatement	As restated
Rupees in thousand			
As at June 30, 2022			
Effect on statement of financial position :			
Deferred tax asset - Net	215,543	(215,543)	-
Revenue reserves	2,003,250	(215,543)	1,787,707
As at June 30, 2023			
Effect on statement of financial position :			
Deferred tax asset - Net	206,466	(206,466)	-
Revenue reserves	1,993,976	(206,466)	1,787,510
Effect on statement of profit and loss :			
Income tax - deferred tax	9,045	(9,045)	-
Effect on other comprehensive income :			
Unrealized gain on remeasurement of investment	276	32	308

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

	Note	Rupees in thousand 2024	2023
8 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	8.1	1,123,601	1,283,112
Capital work in progress	8.5	77,854	88,839
		1,201,455	1,371,951

8.1 Operating fixed assets

	2024									
	COST				DEPRECIATION				NET BOOK VALUE	Depreciation Rate
	As at 01 July 2023	Additions / Transfers	Disposals	As at 30 June 2024	Accumulated as at 01 July 2023	Disposals	Charge for the year	Accumulated as at 30 June 2024	As at 30 June 2024	
	Rupees in thousand									%
Owned assets										
Freehold land	7,091	-	-	7,091	-	-	-	-	7,091	-
Leasehold land	2,646	-	-	2,646	-	-	-	-	2,646	-
Buildings on freehold land*	177,081	-	-	177,081	88,448	-	8,863	97,311	79,770	10
Buildings on leasehold land	40,287	-	-	40,287	30,474	-	981	31,455	8,832	10
Plant and machinery*	1,720,038	23,762	(2,135)	1,741,665	1,032,448	(1,382)	88,457	1,119,523	622,142	12.5
Furniture and fixtures	34,592	51	-	34,643	24,971	-	1,450	26,421	8,222	15
Motor vehicles	183,213	-	(2,105)	181,108	153,833	(1,936)	5,863	157,760	23,348	20
Electric fittings and tools	6,563	-	-	6,563	5,354	-	157	5,511	1,052	10-25
Electric equipment	363,982	991	(513)	364,460	294,298	(507)	13,514	307,305	57,155	15-33.33
Laboratory equipment	7,271	-	-	7,271	3,374	-	390	3,764	3,507	10
Forklifts	59,256	-	-	59,256	49,854	-	1,881	51,735	7,521	20
Computers and accessories	26,916	1,162	(153)	27,925	24,926	(85)	856	25,697	2,228	33.33
Arms and ammunitions	94	-	-	94	94	-	-	94	-	20
Empty bottles, shells- pallets and barrels	625,478	35,868	(41,523)	619,823	322,165	(29,899)	77,559	369,825	249,998	25
	3,254,508	61,834	(46,429)	3,269,913	2,030,239	(33,809)	199,971	2,196,401	1,073,512	
Right of use assets – buildings	91,371	6,420	(9,185)	88,606	32,530	(5,804)	11,791	38,517	50,089	10-52
	3,345,879	68,254	(55,614)	3,358,519	2,062,769	(39,613)	211,762	2,234,918	1,123,601	

8.1.1 Electric Equipment includes visi coolers having Rs.180.847 million (2023: Rs. 181.361 million), are in the possession of shopkeepers for the sale of Company's products.

8.1.2 Empty bottles, shells-pallets and barrels include bottles and shells costing Rs.126.104 million (2023: Rs.149.303 million) held by distributors of the Company in the normal course of business.

8.1.3 Arms and ammunitions having cost of Rs. 0.94 million (2023: Rs. 0.94 million) have been fully depreciated but still in use.

8.1.4 There is no lien on the Company's operating fixed assets except those disclosed in Note 22.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2023										
COST				DEPRECIATION				NET BOOK VALUE		
As at 01 July 2022	Additions / Transfers	Disposals	As at 30 June 2023	Accumulated as at 01 July 2022	Disposals	Charge for the year	Accumulated as at 30 June 2023	As at 30 June 2023	Depreciation Rate	

	Rupees in thousand										%
Owned assets											
Freehold land	7,091	-	-	7,091	-	-	-	-	7,091	-	
Leasehold land	2,646	-	-	2,646	-	-	-	-	2,646	-	
Buildings on freehold land*	177,081	-	-	177,081	78,600	-	9,848	88,448	88,633	10	
Buildings on leasehold land	40,287	-	-	40,287	29,383	-	1,091	30,474	9,813	10	
Plant and machinery*	1,716,818	6,220	(3,000)	1,720,038	937,250	(2,671)	97,869	1,032,448	687,590	12.5	
Furniture and fixtures	34,297	295	-	34,592	23,291	-	1,680	24,971	9,621	15	
Motor vehicles	188,984	-	(5,771)	183,213	151,421	(4,992)	7,404	153,833	29,380	20	
Electric fittings and tools	6,502	61	-	6,563	5,178	-	176	5,354	1,209	10-25	
Electric equipment	352,539	13,226	(1,783)	363,982	279,767	(1,324)	15,855	294,298	69,684	15-33.33	
Laboratory equipment	7,239	32	-	7,271	2,942	-	432	3,374	3,897	10	
Forklifts	59,256	-	-	59,256	47,502	-	2,352	49,854	9,402	20	
Computers and accessories	26,033	883	-	26,916	24,153	-	773	24,926	1,990	33.33	
Arms and ammunitions	94	-	-	94	94	-	-	94	-	20	
Empty bottles, shells- pallets and barrels	548,107	165,252	(87,881)	625,478	297,217	(60,516)	85,464	322,165	303,313	25	
	3,166,974	185,969	(98,435)	3,254,508	1,876,798	(69,503)	222,944	2,030,239	1,224,269		
Right of use assets – buildings	90,149	5,541	(4,319)	91,371	25,248	(4,319)	11,600	32,530	58,843	10-52	
	3,257,123	191,510	(102,754)	3,345,879	1,902,046	(73,822)	234,544	2,062,769	1,283,112		

8.2 Particulars of disposals

Note	2024								
	Cost	Acc. Dep.	Book Value	Sales Proceeds	Gain / (Loss)	Mode of Disposal	Name of Party	Relationship with Company	
	(Rupees in thousand)								
Empty bottles, shells, pallets and barrels	8.2.1	41,523	29,899	11,624	9,466	(2,158)	Negotiation	Various parties	None
Domino A1501 inkjet printer with touch screen		1,355	709	646	673	27	Negotiation	Various parties	None
Balance as at 30 June 2024		46,429	33,798	12,631	11,061	(1,570)			

8.2.1 This includes loss on disposal of empties, shells and pallets transferred to:

		Rupees in thousand
Cost of revenue	31	(3,909)
Distribution cost	32	(2,894)
		(6,803)

NOTES TO THE FINANCIAL STATEMENTS

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	2024	2023
	Total Area (Square ft.)	Total Area (Square ft.)
8.3 Particulars of immoveable properties are as follows:		
Location		
56 - Bund Road, Lahore	330,570	330,570
Plot L-9, Block Number 22, Federal 'B' Area, Karachi	90,000	90,000
Plot number 33, 34 phase III Hattar Industrial Estate, Hattar KPK (Property on leasehold land)	175,790	175,790

	Note	Rupees in thousand 2024	2023
8.4 Depreciation for the year has been allocated as under:			
Cost of revenue		139,477	154,431
Distribution expense	32	53,905	57,383
Administrative expense	33	7,509	8,169
Other operating expense	34	10,871	14,561
		211,762	234,544

8.5 CAPITAL WORK IN PROGRESS			
Land	8.5.1	70,508	70,508
Plant and machinery		2,000	18,331
Building		5,347	-
		77,854	88,839

	COST				Total 2023
	Land*	Plant and machinery	Building	Total 2024	
Rupees in thousand					
Balance as at 01 July	70,508	18,332	-	88,840	84,111
Additions during the year	-	-	5,347	5,347	4,728
Transferred to owned assets	-	(16,332)	-	(16,332)	-
Balance as at 30 June	70,508	2,000	5,347	77,854	88,839

8.5.1 This represents the advance paid to Punjab Industrial Estate Development and Management Company (PIEDMC) for the acquisition of plot no. 700 situated in Sundar Industrial Estate measuring 9.4 acre land. The allotment of industrial plot has been cancelled by PIEDMC on May 17, 2024. However, the Company has filed an appeal against this cancellation in the Civil Court and a stay against the cancellation has been granted by the Civil Court. The Company based on the opinion of its legal counsel is hopeful that the allotment of plot will be restored.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

	Note	Rupees in thousand	
		2024	2023
9 LONG-TERM INVESTMENT			
Quoted Modaraba - Fair value through OCI			
BRR Guardian Limited - Credit rating - A			
305,000 (2023: 305,000) certificates having face value of Rs. 10/- each	9.1 & 9.2	2,375	2,375
Cumulative gain on remeasurement		2,410	1,133
		4,785	3,508

9.1 The above investment represents 0.32% (2023:0.32%) of the issued certificate capital of the Modaraba.

9.2 The above investment includes bargain purchase gain of Rs. 0.675 million (June 30, 2023: Rs. 0.675 million) on initial recognition.

9.3 These investments are placed under a shariah permissible agreement.

	Note	Rupees in thousand	
		2024	2023
10. LONG-TERM RECEIVABLES AND PREPAYMENTS			
Long term receivables	10.1	-	16,608
Long term prepayments		194	2,064
		194	18,672

10.1 Movement in long term receivables is as follows:

Balance as at July 01,	10.2	29,419	27,884
Un-winding of financial charges		-	1,535
Allowance for expected credit loss	34	(29,419)	(7,311)
		-	22,108
Less: Current portion shown under current assets		-	(5,500)
		-	16,608

10.2 This represents receivable from Utility Stores Corporation against sales made in prior years which has been classified as long term and is fully provided.

11. LONG-TERM DEPOSITS

Utility companies	11.1	4,858	4,858
Others		2,814	2,457
		7,672	7,315

11.1 These represents the security deposits to utility companies, these have not been discounted as per IFRS 9 - Financial Instruments as the useful life of these deposits is undeterminable as at reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

	Note	Rupees in thousand 2024	2023 (Restated)
12. DEFERRED TAXATION			
Deferred tax on deductible / taxable temporary differences	12.1	-	-

12.1 The deferred tax asset - net recorded in prior period has been written off in accordance with the guidance of IAS 12/27 -IFRIC 21 as explained in note 7.

		Rupees in thousand 2024	2023
13. STORES AND SPARES			
Stores		14,569	20,073
Spares		207,881	225,511
		222,450	245,584

14. STOCK-IN-TRADE			
Raw materials		310,777	123,994
Packing materials		543,276	639,974
Finished goods		336,854	305,651
Pulps, concentrates etc.		631,469	915,553
Goods in transit		109,738	1,761
		1,932,114	1,986,933

14.1 These include pulps amounting to Rs. 114.060 million (2023: Rs. 254.246 million), held with third parties in the normal course of business.

	Note	Rupees in thousand 2024	2023
15. TRADE RECEIVABLES			
Due from customers - considered good	15.1	669,416	518,188
Allowance for expected credit losses	15.2	(42,366)	(41,364)
		627,050	476,824

15.1 Maximum aggregate amount due from associated undertakings at the end of any month in the year was Rs. 16.899 million (2023: Rs. 0.01 million).

		Rupees in thousand 2024	2023
15.2 Allowance for expected credit losses			
Balance as at 01 July		41,364	31,185
Charge for the year		1,002	10,179
Balance as at 30 June		42,366	41,364

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

	Note	Rupees in thousand	
		2024	2023
16. LOANS AND ADVANCES			
Advances - unsecured, considered good			
- Staff		1,436	9,847
- Suppliers		17,263	30,849
- Related party	16.1	-	350,696
		18,699	391,392

16.1 This represents advance amounting to Rs. Nil (2023: Rs. 350.696 million) paid to Shahtaj Sugar Mills Limited, associated company, for the purchase of raw material in the normal course of business.

	Note	Rupees in thousand	
		2024	2023
17. TRADE DEPOSIT, PREPAYMENTS AND OTHER RECEIVABLES			
Short-term deposits		6,248	4,050
Short-term prepayments:			
Others		7,166	1,189
Interest accrued		157	92
		13,571	5,331

18. PREPAID LEVY			
Prepaid levy- net	18.1	76,895	12,473
18.1 Balance as at July 01,		12,473	49,673
Paid during the year		161,248	74,486
Prior year adjustment		4,280	1,491
Provision for levy	38	(101,106)	(113,177)
Balance as at June 30,		76,895	12,473

19. CASH AND BANK BALANCES			
Cash in hand		48,057	31,247
Cheques in hand		18,286	22,507
Cash at banks			
- Current accounts		34,145	21,311
- PLS savings accounts	19.1	2,205	41,093
- Foreign Currency - Current account		1,843	2,479
		104,536	118,637

19.1 The balances in the PLS savings accounts carrying mark-up from 19.25% to 20.50% (2023: 12.25% to 19.5%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

20. SHARE CAPITAL

	Note	Number of Shares		Rupees in thousand	
		2024	2023	2024	2023
20.1 Authorized share capital:					
Ordinary shares of Rs. 10/- each, fully paid in cash		10,000,000	10,000,000	100,000	100,000
20.2 Issued, subscribed and paid up share capital					
Ordinary shares of Rs. 10/- each					
- Fully paid in cash		237,500	237,500	2,375	2,375
- Issued as fully paid bonus shares	20.3	9,425,560	9,425,560	94,256	94,256
		9,663,060	9,663,060	96,631	96,631

20.3 Non-transfer of bonus shares to individual shareholders

During the year ended June 30, 2015, the Company issued 726,000 bonus shares at 10% of its paid-up capital on the book closure date of October 23, 2014. In accordance with the provisions of section 236-M of the Income Tax Ordinance, 2001, the Company was required to collect tax from its shareholders at 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.

- 20.4** The shareholders are entitled to receive dividend as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets

	Note	Rupees in thousand	
		2024	2023
21. CAPITAL RESERVE			
Merger reserve	21.1	5,000	5,000

- 21.1** This reserve can be utilized by the Company, only for the purposes specified in the Companies Act, 2017.

	Note	Rupees in thousand	
		2024	2023
22. LONG-TERM LOANS - SECURED			
Balance as at July 01,	22.1	175,000	200,000
Add: Accrued markup	28	2,775	6,605
Less: Paid during the year		(100,000)	(25,000)
Less: Current maturity shown under current liabilities		(75,000)	(100,000)
Less: Accrued markup shown under current liabilities		(2,775)	(6,605)
		-	75,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

22.1 This represents loan obtained from commercial bank during the year of an aggregate amount of Rs. 200 million to meet the working capital requirements of the Company for the tenor of 2 years and carries markup at the rate of 3 months KIBOR plus 0.15% per annum payable quarterly. The Principal is repayable in 8 equal quarterly instalments commencing from April 30, 2023 with no grace period. The loan is secured against hypothecation charge on plant and machinery up to Rs. 227 million and fresh ranking hypothecation charge over plant and machinery up to Rs. 40 million.

23. LEASE LIABILITIES

The interest rates used as the discounting factor (i.e. implicit in the lease) 8.03% to 22.50% (2023: 8.03% to 22.50%) per annum and lease period 3 to 9 years (2023: 3 to 10 years). The amount of future payments and the period during which they will become due are:

	Note	Rupees in thousand	
		2024	2023
Balance as at July 01,		74,663	70,233
Add: additions during the year		6,420	5,541
	8.1	81,083	75,774
Less: termination during the year		(4,924)	-
Add: accretion of interest	36	4,298	6,287
Less: payments during the year		(17,107)	(7,397)
Balance as at June 30,		63,351	74,663
Present value of lease payments		63,351	74,663
Less: Current portion shown under current liabilities	23.1	11,873	17,546
		51,478	57,117

23.1 Following is the maturity analysis;

	2024		
	Lease Payments	Future finance Cost	Present value of lease payment
	Rupees in thousand		
Not later than one year	17,200	5,328	11,873
Later than one year but not later than five years	55,936	12,873	43,063
Later than five years	8,862	446	8,416
	81,998	18,647	63,351

	2023		
	Lease Payments	Future finance Cost	Present value of lease payment
	Rupees in thousand		
Not later than one year	24,423	6,877	17,546
Later than one year but not later than five years	58,432	15,375	43,057
Later than five years	15,402	1,342	14,060
	98,257	23,594	74,663

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

24. CURRENT PORTION OF NON CURRENT LIABILITIES

	Note	Rupees in thousand	
		2024	2023
Long term loans	22	75,000	100,000
Lease liability	23	11,873	17,546
		86,873	117,546

25. TRADE AND OTHER PAYABLES

Due to related parties	25.1	32,039	49,536
Creditors		648,512	391,621
Deposits	25.2	48,350	44,074
Accrued expense		72,610	131,738
Provision for compensated absences	25.3	87,754	95,218
Sales tax / federal excise duty payable		219,032	178,426
Workers' Profit Participation Fund	25.4	-	9,152
Workers' Welfare Fund	25.5	-	2,081
Taxes and other payables		12,633	11,356
Other liabilities		129,594	87,842
Contract liabilities	30.5	97,383	55,889
		1,347,908	1,056,933

25.1 This represents the royalty payable amounting to Shezan Services (Private) Limited (an associated undertaking on the basis of common directorship) having registered office at 19, West Wharf, Dockyard Road, Karachi, Pakistan.

25.2 These represents deposits from distributors under agreements by virtue of which the Company has right to utilize these deposits in the normal course of business. The deposits are unsecured and repayable on demand.

	Note	Rupees in thousand	
		2024	2023
25.3 Provision for compensated absences			
Balance as at July 01,		95,218	79,915
Provision for the year		6,048	23,619
Payments during the year		(13,512)	(8,316)
Balance as at June 30,		87,754	95,218

25.4 Workers' profit participation fund

Balance as at July 01,		9,152	10,063
Provision for the year	34	-	9,152
		9,152	19,215
Less: amount paid to the Fund's trust		(9,152)	(10,063)
Balance as at June 30,		-	9,152

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

	Note	Rupees in thousand	
		2024	2023
25.5 Workers' Welfare fund			
Balance as at July 01,		2,081	4,800
Prior year adjustment / Provision for the year	34	1,988	3,701
		4,069	8,501
Less: amount paid during the year		(4,069)	(6,420)
Balance as at June 30,		-	2,081

26 SHORT-TERM BORROWINGS

Short term borrowings - net	1,159,411	1,262,658
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26.1 The aggregate borrowings available from commercial bank under mark-up / interest arrangements is Rs. 500 million (2023: Rs. 500 million). The markup rate is 1 month KIBOR plus 0.05% spread. The said facility is secured against joint pari passu charges amounting to Rs. 707 million on current assets of the Company registered with SECP (2023: Rs. 707 million). The unavailed portion of said facility is Rs. 117.959 million.

26.2 The aggregate borrowings available from commercial bank under mark-up / interest arrangements is Rs. 500 million (2023: Rs. 500 million). The markup rate is 3 month KIBOR plus 0.25% spread. The said facility is secured against joint pari passu charges amounting to Rs. 707 million on current assets of the Company registered with SECP (2023: Rs. 707 million). The unavailed portion of said facility is Rs. 320.762 million.

26.3 The aggregate borrowings available from commercial bank under mark-up / interest arrangements is Rs.1,000 million (2023: Rs.1,000 million). The markup rate is 1 month KIBOR plus 0.10% spread. The said facility is secured against joint pari passu charges amounting to Rs. 1,334 million on current assets of the Company registered with SECP (2023: Rs.1,334 million). The unavailed portion of said facility is Rs.692.157 million.

26.4 The aggregate borrowings available from commercial bank under mark-up / interest arrangements is Rs.300 million (2023: Rs.500 million). The markup rate is 3 month KIBOR plus 0.05% spread. The said facility is secured against joint pari passu charges amounting to Rs. 534 million on current assets of the Company registered with SECP (2023: Rs.534 million). The unavailed portion is Rs.11.187 million.

26.5 The un-utilized facility for opening letters of credit and for guarantees amounts to Rs. 300 million (2023: Rs. 356.568 million) and Rs. 31.424 million (2023: Rs.41.146 million), respectively.

	Rupees in thousand	
	2024	2023
27. UNCLAIMED DIVIDEND		
Balance as at July 01,	13,928	9,796
Dividend declared during the year	19,326	48,315
Payment during the year	(17,783)	(44,183)
Balance as at June 30,	15,471	13,928

27.1 This amount relating to unclaimed dividend has been kept in a separate bank account by the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

	Note	Rupees in thousand	
		2024	2023
28. ACCRUED MARKUP			
Long term financing - secured	22	2,775	6,603
Short term borrowings - secured	26	74,998	84,998
		77,773	91,601

29. CONTINGENCIES AND COMMITMENTS

29.1 Contingencies

The Company has following contingencies outstanding as at year end. No provision has been made in these financial statements, since management of the Company based on its advisors' opinion, is confident that the outcome of the cases will be in the favor of the Company.

Tax matters

Aggregate exposure of the following tax cases amounts to Rs. 581.777 million (June 30, 2023: Rs. 561.801 million).

- a) The Company filed its income tax return by claiming income tax refund of Rs. 9.737 (million) for the tax year 2003. The Deputy Commissioner Inland Revenue ("the DCIR"), vide order dated May 31, 2007, reduced income tax refunds to Rs. 6.062 million. Commissioner Inland Revenue (Appeals) ["the CIR(A)"], vide the appellate order dated January 31, 2008, confirmed the amended order of the DCIR. The Company contested it before the Appellate Tribunal Inland Revenue ("ATIR"); who, vide the appellate order dated September 25, 2017, has deleted and confirmed certain additions. The Company has filed a reference application before the Lahore High Court, (LHC), which is pending adjudication.
- b) The Company filed income tax return by claiming tax refunds of Rs. 19.319 million for the tax year 2010. The ADCIR, vide amended assessment order dated June 30, 2016 under section 122(5A) of the Income Tax Ordinance, created income tax demand of Rs. 12.392 million. The Company challenged the said order before the CIR(A); who, vide appellate order dated March 19, 2020, deleted and confirmed certain additions. Being aggrieved, the Company filed an application before ATIR on June 02, 2020 which is pending adjudication.
- c) The Company filed income tax return by claiming tax refunds of Rs. 5.879 million for the tax year 2012. The ADCIR, vide amended assessment order dated February 28, 2018 passed under section 122(5A) of the Ordinance, created income tax demand of Rs. 28.129 million. CIR(A) vide appellate order dated November 05, 2021 deleted all the additions made by the ADCIR. However, the department has challenged the said appellate order before the ATIR on January 17, 2022, which is pending adjudication.
- d) The Company filed income tax return by claiming tax refunds of Rs. 33.173 million for the tax year 2013. The ADCIR vide amended assessment order dated June 10, 2014 passed under section 122(5A) of the Ordinance, created income tax demand of Rs. 97.646 million. CIR(A) vide appellate order dated October 20, 2014 confirmed and deleted certain additions made by ADCIR and created tax demand of Rs 7.217 million. The Company on December 18, 2014 as well as the tax department contested the appellate order before the ATIR, which is pending adjudication.
- e) The Company filed income tax return by claiming tax refunds of Rs. 44.672 million for the tax year 2014. The ADCIR vide amended assessment order dated November 18, 2015 passed under section 122(5A) of the Ordinance, created income tax demand of Rs. 157.387 million. CIR(A), vide appellate order dated April 12, 2016 deleted and confirmed certain additions made by the ADCIR and on certain points has been remanded back to the ADCIR for reconsideration. The Company as well as tax department contested the appellate order before the ATIR, which are pending adjudication. The Company filed application for issuance of appeal effect order. The ADCIR vide order dated April 29, 2016 has issued the appeal effect order by making certain additions by creating refund of Rs. 46.492 million. Being aggrieved the Company filed appeal before CIR(A) who vide appellate order dated December 29, 2019 confirmed certain additions made by ADCIR. Being still aggrieved, the Company and tax department filed an appeal before ATIR on June 15, 2016, which is pending adjudication.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

- f)** The Company filed income tax return by claiming tax refunds of Rs. 71.211 million for the tax year 2015. The DCIR, vide amended assessment order dated November 30, 2018 under section 122(5) of the Ordinance, reduced the income tax refunds to Rs. 19.975 million. CIR(A), vide order dated January 23, 2020, deleted and confirmed the addition on certain heads by creating tax refund of Rs 19.975 million. The Company filed appeal before the ATIR on March 17, 2020, which is pending adjudication.
- g)** The Company filed income tax return by claiming tax refunds of Rs. 17.330 million for the tax year 2016. The ADCIR, vide amended assessment order dated December 29, 2017 under section 122(5A) of the Ordinance, created income tax demand of Rs. 5.785 million. CIR(A), vide appellate order dated December 30, 2020, deleted and confirmed certain additions made by the ADCIR and on certain points has been remanded back to the ADCIR for reconsideration. Being aggrieved, the Company as well as the tax department contested the appellate order before the ATIR, which are pending adjudication. Further, the ADCIR, vide order dated June 30, 2022 finalized the remanded back proceedings by making certain additions. Being aggrieved with the said order, the Company filed appeal before CIR(A); who vide appellate order dated April 28, 2023, confirmed certain additions made by ADCIR and certain points has been remanded back to the ADCIR to follow the instructions as given vide appellate order dated April 28, 2023 by creating refund of Rs 21.618 million. The Company filed an appeal before ATIR on July 13, 2023, which is pending adjudication.
- h)** The Company filed income tax return for the tax year 2017. The ADCIR, vide amended assessment order dated December 05, 2022 under section 122(4A) of the Ordinance, created income tax demand of Rs. 10.005 million. Being aggrieved with the said order, the Company filed appeal before the CIR(A) on December 26, 2022. The CIR(A) issued order on September 05, 2023 by confirming some adjustments while some other were deleted and also remanded back the same on some of the adjustments. The Company filed an appeal before the ATIR which is pending adjudication.
- i)** The Company filed income tax return by claiming tax refunds of Rs. 4.591 million for the tax year 2018. The ADCIR, vide amended assessment order dated February 11, 2020 under section 122(5A) of the Ordinance, created income tax demand of Rs. 141.357 million. CIR(A), vide appellate Order dated June 08, 2020, deleted and confirmed the certain additions made by the ADCIR and reduced tax exposure to Rs 21.948 million. Being still aggrieved, the Company on June 17, 2020 as well as the tax department contested the said appellate order before the ATIR, which are pending adjudication.
- j)** The Company filed income tax return by creating tax payable amounting to Rs. 14.716 million for the tax year 2021. The ADCIR, vide amended assessment order dated June 22, 2022 under section 122(5A) of the Ordinance, created income tax demand of Rs. 67.381 million. CIR(A), vide appellate order dated April 27, 2023, deleted, confirmed and remanded back certain additions made by ADCIR and reduced tax exposure to Rs. 10.980 million. Being aggrieved, the Company, contested the said appellate order before the ATIR on June 13, 2023, which is pending adjudication.
- k)** The Company filed income tax return by claiming tax refund of Rs. 17.670 million for the tax year 2022. The DCIR, vide order dated June 01, 2023 passed under section 4C of the Ordinance, created income tax demand of Rs. 33.733 million by applying super tax at rate of 10% instead of 4% on the income computed under section 4C of the Ordinance. Being aggrieved with the said order, the Company filed appeal before the CIR(A) on July 13, 2023, which is pending adjudication.
- l)** The Company received demand orders under section 161/205 of the Ordinance for tax year 2010, 2012 and 2013 creating total demand of Rs 3.133 million. These cases are pending before different appellate forums within the tax department.
- m)** The DCIR, vide order dated June 30, 2024 passed under section 161/205 of the Ordinance, created income tax demand of Rs. 17.851 million for the tax year 2018. Being aggrieved with said order, the Company filed an appeal before the CIR(A); hearing of the case is completed however, the appellate order is awaited.
- n)** The ADCIR, vide order dated April 11, 2018 under section 14 and 19 of Punjab Sales Tax on Services Act, 2012, created tax demand of Rs. 229.838 million for tax year 2018. The Company has filed appeal before Commissioner Appeals, Punjab Revenue Authority, which is pending adjudication. Further, the Company has deposited Rs. 15 million under protest. The Company approached the Lahore High Court, (LHC) by filing writ petition to challenge the constitution of Punjab Revenue Authority, however, the LHC decided writ petition against the Company. Against the said decision, the Company has filed intra court appeal before the Division Bench of Lahore High court, which is pending adjudication.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

- o)** DCIR, vide show cause notice dated April 27, 2022 under section 11(2) of the Sales Tax Act, 1990 for the tax periods from July 2018 to June 2019, required the Company to pay sales tax amounting to Rs. 95.718 million along with penalty and default surcharge. The Company, vide letter dated June 17, 2022, furnished its explanation along with documentary evidence. The proceedings have not been finalized till to date.
- p)** The ADC, vide order dated April 11, 2018, finalized the withholding proceedings under section 52 of the Punjab Sales Tax (PST) Act by creating tax demand of Rs. 218.894 million on account of non fulfilment of withholding obligations for the tax periods from July 2014 to June 2016. Being aggrieved, the Company filed an appeal before the Commissioner Appeals PRA, who, vide order dated November 22, 2021, marked an inquiry to the ADC. The Company has provided all requisite information to the ADC. However, the inquiry proceedings have not yet been finalized.
- q)** The ADC vide show cause notice dated November 18, 2020 under section 52 of the PST Act for the tax periods from July 2016 to June 2017, confronted that the Company had not withheld Punjab sales tax on its purchases and required to pay an amount of Rs. 159.730 million. The Company, vide letters dated February 08, 2021 and February 22, 2021 furnished its explanation along with complete documentary evidences in support of its stance. The proceedings have not been finalized till to date.

Other matters

Subsequent to the decision of the 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 litre on extraction of ground or surface water. The Company is actively contesting this decision of the Supreme Court of Pakistan and has filed a review petition.

Meanwhile, the implementation bench of the Supreme Court of Pakistan in the above Suo moto case has conducted various hearings. Since this water charge has a significant impact therefore on the representations of various affected companies, the Supreme Court of Pakistan has issued an interim order for the payment of 25% of the bills, based on production data of each company, issued by various Government agencies in this regard till the installation of water flow meters by the respective Government agencies and also framing of legislation by all the federal and provincial authorities. The Company has recognized expense of Rs. 16.6 million based on 25% of production volume of beverages for the period from July 2023 to June 2024 in line with the order of Supreme Court.

However, remaining potential charge, the amount of which cannot be quantified since the matter is subjudice, has been recognized as a contingency.

Commitments

- a)** Commitments in respect of letters of credit established for the import of raw, packing materials and plant and machinery amounted to Rs. Nil. (2023: Rs. 43.432 million).
- b)** Guarantees issued by the banks in favour of the Company in the ordinary course of business, amounted to Rs. 128.576 million (2023: Rs. 118.854 million).

	Rupees in thousand	
	2024	2023
30. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET		
Domestic	10,836,670	10,259,467
Export	940,640	933,434
	11,777,310	11,192,901
Less: Trade discount	215,603	215,238
Other discounts and incentives	137,628	127,240
Sales tax	1,700,172	1,754,215
Federal excise duty	1,568,935	350,784
	8,154,971	8,745,424

30.1 This includes sales relating to trading activities amounting to Rs. 13.062 million (2023: Rs. 4.726 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

30.2 All the revenue is recognized at a point in time.

		Rupees in thousand	
		2024	2023
30.3	The Company's net revenue disaggregated by major product lines is as follows:		
	Juices and drinks	6,206,614	6,970,837
	Others	1,948,357	1,774,587
		8,154,971	8,745,424
30.4	The Company's continent wise export sales are as follows:		
	Europe	598,770	565,734
	America and canada	176,423	249,088
	Asia	72,971	65,044
	Australia	92,476	53,568
		940,640	933,434
30.5	Contract balances		
	Trade receivables	627,050	476,824
	Contract liabilities	97,383	55,889

Trade receivables are non-interest bearing and are generally on terms of thirty to sixty days. Trade receivables have increased due to increase in prices of products.

Contract liabilities represents short term advances received from customers against delivery of goods in future. Revenue recognized during the reporting period which was included in the contract liabilities at the beginning of the year amounted to Rs.55.88 million (2023: Rs.132.89 million).

		Rupees in thousand	
		2024	2023
30.6	Right to recover asset and refund liability		
	Right to recover asset	-	4,586
	Refund liability-Arising from right to recover asset	62,225	79,282

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

	Note	Rupees in thousand	
		2024	2023
31. COST OF REVENUE			
Raw material consumed	31.1	1,240,826	1,255,694
Pulps, concentrates consumed	31.2	818,416	1,022,525
Packing materials consumed	31.3	3,176,139	3,060,770
Salaries, wages and amenities	31.5	362,255	362,966
Stores and spares consumed		61,713	75,601
Travelling and conveyance		1,935	2,971
Repairs and maintenance		166,232	164,981
Insurance		5,223	4,067
Fuel and power		523,810	501,667
Inward freight and loading/unloading		8,098	6,284
Utilities		42,043	51,646
Loss on disposal of empties	8.2	3,909	7,495
General expense		18,807	10,126
Depreciation		139,477	154,431
Cost of goods produced		6,568,883	6,681,224
Add: Finished goods - Opening stock		303,614	284,758
Less: Finished goods - Closing stock		336,632	303,614
Cost of revenue - manufacturing		6,535,865	6,662,368
Cost of revenue - trading	31.4	8,678	2,805
Total cost of revenue		6,544,543	6,665,173
31.1 Raw material consumed			
Opening stock		123,994	187,294
Add: Purchases during the year		1,804,459	1,806,387
Less: Production of pulps, concentrates		(376,850)	(613,993)
		1,551,603	1,379,688
Closing stock		(310,777)	(123,994)
		1,240,826	1,255,694
31.2 Pulps, concentrates consumed			
Opening stock		915,553	1,147,716
Add: Purchases during the year		157,602	176,395
Production / processing during the year		376,850	613,993
Less: transferred to spoilages		(121)	(26)
		1,449,884	1,938,078
Closing stock		(631,468)	(915,553)
		818,416	1,022,525

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

	Note	Rupees in thousand	
		2024	2023
31.3 Packing material consumed:			
Opening stock		639,974	487,952
Add: Purchases during the year		3,083,799	3,216,079
Less: Production of pulps, concentrates		(4,358)	(3,287)
		3,719,415	3,700,744
Closing stock		(543,276)	(639,974)
		3,176,139	3,060,770
31.4 Cost of revenue - trading :			
Finished goods - opening stock		2,037	978
Add: purchases during the year		6,861	3,864
		8,898	4,842
Less: Finished goods - closing stock		(220)	(2,037)
		8,678	2,805

31.5 This include Company's contribution to provident fund amounting to Rs. 1.945 million (2023: Rs. 1.671 million).

	Note	Rupees in thousand	
		2024	2023
32 DISTRIBUTION COSTS			
Salaries, wages and amenities	32.1	458,369	444,448
Postage and telephone		4,592	5,134
Traveling and conveyance		94,081	94,143
Repairs and maintenance	32.2	47,521	54,576
Insurance		7,911	6,846
Utilities		10,971	15,017
Stationery and printing		1,418	1,940
Rent, rates and taxes		6,959	6,845
Advertising and promotions		7,970	22,251
Outward freight and distribution		261,351	318,909
Staff sales incentive		9,677	10,988
Consultancy charges		5,000	-
Petrol, oil and lubricants		199,557	198,304
General expense		9,809	5,986
Depreciation		53,905	57,383
		1,179,091	1,242,770

32.1 This include Company's contribution to provident fund amounting to Rs. 1.989 million (2023: Rs. 1.831 million).

32.2 This include loss on disposal of empty, shells and pallets amounting to Rs. 2.894 million (2023: Rs. 5.029 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

	Note	Rupees in thousand	
		2024	2023
33. ADMINISTRATIVE EXPENSES			
Salaries, wages and amenities	33.1	292,185	293,862
Postage and telephone		3,828	4,227
Traveling and conveyance		7,703	8,247
Repairs and maintenance		10,457	9,797
Insurance		12,860	11,516
Utilities		5,467	4,932
Stationery and printing		3,553	4,094
Rent, rates and taxes		19,351	18,521
Auditors' remuneration	33.2	2,425	3,230
Legal and professional		6,625	1,846
Donations		-	425
General expense		9,285	8,208
Depreciation		7,509	8,169
		381,249	377,074

33.1 This include provident fund contribution amounting to Rs. 2.706 million (2023: Rs. 2.434 million)

		Rupees in thousand	
		2024	2023
33.2 Auditor's remuneration			
Audit fee		1,500	1,500
Tax consultancy services		-	325
Miscellaneous certification and limited review charges etc.		700	1,180
Out of pocket expenses		225	225
		2,425	3,230

33.3 None of the directors or their spouses had any interest in any of the donees.

	Note	Rupees in thousand	
		2024	2023
34. OTHER OPERATING EXPENSES			
Miscellaneous spoilage		1,245	524
Barrels depreciation	8.1	10,871	14,561
Royalty to related party - Shezan Services (Private) Limited		81,057	87,145
Workers' Profit Participation Fund	25.4	-	9,152
Workers' Welfare Fund	25.5	1,988	3,701
Loss on disposal of property, plant and equipment		-	221
Realised foreign exchange loss		5,364	-
Allowance for expected credit losses	10 and 15	23,110	11,785
		123,635	127,089

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

	Note	Rupees in thousand	
		2024	2023
35. OTHER INCOME			
<i>Income from financial assets</i>			
Profit on bank deposits		960	497
Dividend income	35.1	153	-
Export rebate		-	154
Realised foreign exchange gain - net		-	43,421
Un-realised foreign exchange gain-net		-	11,174
Gain on termination of lease liability		534	-
		1,646	55,246
<i>Income from non-financial assets</i>			
Gain on disposal of property, plant and equipment		5,243	18,704
Un-winding of interest on long term receivables		-	1,535
Un-winding of deferred grant		-	1,098
Sale of scrap		32,747	41,556
		37,990	62,893
		39,636	118,139
35.1	This represents dividend income earned on sharia permissible arrangement.		
36. FINANCE COSTS			
Markup on short-term borrowings		294,742	250,801
Markup on long term loan		26,828	15,323
Deferred grant		-	1,098
Markup on lease liability		4,298	6,287
Bank charges		6,204	6,145
		332,072	279,654
37. LEVY			
Final Tax		9,193	8,844
Minimum tax		91,913	104,333
		101,106	113,177
38. TAXATION			
<i>Current tax</i>			
Current year		-	-
Prior year		(4,280)	10,816
		(4,280)	10,816
<i>Deferred tax</i>			
		-	-
		(4,280)	10,816

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

38.1 This represents final tax paid under section 154 (1) of Income Tax Ordinance, 2001 ("the Ordinance"), representing levy in terms of requirements of IFRIC 21/IAS 37.

Reconciliation of tax charge

Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the profit and loss is as follows:

Current tax liability for the year as per applicable tax laws	(4,280)	10,816
Portion of current tax liability as per tax laws, representing income tax under IAS 12	-	-
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	4,280	(10,816)
Difference	-	-

	Note	2024	2023
39. EARNINGS PER SHARE - BASIC AND DILUTED			Restated
Net (loss)/profit after tax (Rupees in thousand)		(462,809)	47,810
Weighted average number of ordinary shares at the end of the year (Number of shares in thousand)	20	9,663	9,663
(Loss)/earnings per share - (basic / diluted) (Rupees per share)		(47.89)	4.95

There is no diluted earnings per share, as the Company has not issued any instrument which would have an impact on earnings per share, when exercised.

40. CAPACITY AND PRODUCTION

	Normal Capacity	Unit	Actual production	
			2024	2023
Bottling plant	7,800,000	Crates	2,853,638	3,190,529
Tetra Pak plant	70,350,000	Dozens	19,286,360	23,100,690
Squashes and syrups plant	770,000	Dozens	188,188	187,633
Jams and ketchup plant	5,275,000	Dozens	1,789,605	1,734,050
Pickles plant	145,000	Dozens	129,269	107,518
Canning plant	250,000	Dozens	120,674	39,901

The normal annual capacity, as shown above, has been worked out on the basis of 350 working days (2023: 350 working days) except for bottling plant and squashes and syrups plant, which have been worked out on 150 days because of the seasonal nature of the business of the Company.

The variance between normal and actual production is because of the changes in demand and supply conditions along with impact of weather on consumer preferences.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

41. REMUNERATION OF CHIEF EXECUTIVE, PAID DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2024	2023	2024	2023	2024	2023
	Rupees in thousand					
Basic salary	5,400	4,866	2,700	2,466	7,646	7,769
Provident fund contribution	450	406	-	-	637	647
Allowances and benefits						
House rent	1,140	1,140	-	-	1,368	1,368
Dearness	1,716	1,716	-	-	4,806	4,806
Special	1,440	1,440	-	-	1,050	840
Utilities	996	996	-	-	1,392	1,392
Medical	57	144	-	-	329	269
Bonus	-	833	-	-	-	1,752
Ex-gratia	989	800	-	-	1,220	1,202
	12,188	12,341	2,700	2,466	18,448	20,045
Total number	1	1	1	1	3	3

41.1 Fees amounting to Rs. 1.4 million, Rs. 0.550 million and Rs. 0.1 million (2023: Rs. 0.960 million, Rs. 0.480 million, and Rs. 0.160 million) have been paid to non-executive directors for attending Board meetings (No. of directors: 7 (2023: 7)), Audit Committee meetings (No. of directors: 4 (2023: 4)), and Human Resource Committee meeting (No. of directors: 3 (2023: 3)), respectively.

41.2 The Company also provides the Chief Executive, certain directors and executives with Company maintained vehicles, partly for personal and partly for business purposes and has also provided rent free accommodation to an Executive.

42. TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise related group companies, associates, staff provident fund, directors and key management personnel. Transactions with related parties and associated undertakings, other than remuneration and benefits to key management personnel under the terms of their of employment are as follows (For remuneration and benefits to key management personnel please refer to Note 41):

Name of Related Party	Nature of Transaction	Rupees in thousand	
		2024	2023
Associates			
Shahtaj Sugar Mills Limited	Purchases of raw materials	567,814	699,377
	Sales of finished goods	504	394
Shahtaj Textile Mills Limited	Sales of finished goods	657	429
Shahnawaz Engineering (Private) Limited	Sales of finished goods	19	26
Shezan Services (Private) Limited	Royalty charged	81,057	87,145
Shahnawaz (Private) Limited	Sales of finished goods	924	926
	Purchases/repairs of electric equipment/vehicles	92	154
Shezan Ampis Restaurant	Sales of finished goods	162	36
MNG Incorporation Canada	Sales of finished goods	38,880	-
Staff Provident Fund Trust	Contributions paid	6,640	5,937

42.1 Outstanding balances of the related parties are disclosed in relevant notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

43. NATURE OF RELATIONSHIP WITH RELATED PARTIES

Following are the details of related parties with whom the Company has entered into transactions or have arrangements / agreements in place during the year:

Name of Related Party	Relationship	Percentage of Shareholding	
		2024	2023
Shahtaj Sugar Mills Limited	Common Directorship	-	-
Shahtaj Textile Mills Limited	Common Directorship	-	-
Shahnawaz Engineering (Private) Limited	Common Directorship	-	-
Shezan Services (Private) Limited	Common Directorship	0.2942%	0.2942%
Shahnawaz (Private) Limited	Common Directorship	-	-
MNG Incorporation Canada	Common Directorship	-	-
Mr. Muneer Nawaz	Chairman	7.5047%	7.5047%
Mr. M. Naeem	Director	1.1309%	0.6135%
Mr. Humayun A. Shahnawaz	Chief Executive	4.1948%	4.1948%
Mr. Rashed Amjad Khalid	Director	1.8288%	1.8288%
Ms. Manahil Shahnawaz	Director	3.0716%	3.0716%
Mr. Abid Nawaz	Director	1.3789%	1.3375%
Mr. Nauman Khalid	Independent Director	0.0815%	0.0745%
Mr. Shahid Hussain Jatoi	N.I.T. Nominee Director	-	-
Mr. Abdul Hamid Ahmed Dagia	Independent Director	-	0.0057%
Mr. Ahsan Ali Malik	Independent Director	0.0103%	-
Mr. Hamid Ijaz	Key Management Personnel	-	-
Mr. Faisal Ahmad Nisar	Key Management Personnel	-	-
Mr. Atta ul Noor	Key Management Personnel	-	-
			No. of persons
		2024	2023

44. NUMBER OF EMPLOYEES

Number of permanent persons employed are as follows:

Total employees	230	227
Average employees	234	238

45. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, market risk, foreign currency risk, interest rate risk and equity price risk. The management reviews and agrees policies for managing each of these risks which are summarized below;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

45.1 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties. The Company does not believe it is exposed to major concentration of credit risk, however to manage any possible exposure the Company applies approved credit limits to its customers.

The management monitors and limits Company's exposure to credit risk through monitoring of client's credit exposure review and conservative estimates of allowance for expected credit loss.

The Company is exposed to credit risk on long-term receivables, trade debts, deposits, loans and advances and interest accrued. The Company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. The maximum exposure to credit risk at the reporting date is:

Particulars	Note	Carrying Values Rupees in thousand	
		2024	2023
Long-term receivables	10	-	16,608
Long-term deposits	11	7,672	7,315
Trade receivables	15	669,416	518,188
Loans and advances	16	1,436	9,847
Trade deposits and other receivables	17	6,405	4,142
Bank balances	19	38,193	64,883
		723,122	620,983

The credit quality of financial assets can be assessed by reference to external credit ratings or the historical information about counter party defaults as shown below:

45.1.1 Trade receivables

Geographically:	Rupees in thousand	
	2024	2023
Pakistan	405,087	277,966
Australia	5,395	7,561
America and Canada	31,460	22,385
Europe	159,483	147,212
Asia	50,024	45,097
Africa	17,967	17,967
	669,416	518,188

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix:

	1-30 days	31-60 days	61-90 days	91 Above	Total
As at 30 June 2024					
Expected credit loss rate	2%	4.70%	12.27%	25.74%	
Estimated total gross carrying amount at default	397,485	155,041	28,377	88,512	669,416
Expected credit loss	8,969	7,282	3,329	22,786	42,366
As at 30 June 2023					
Expected credit loss rate	1.00%	3.92%	17.56%	38.02%	
Estimated total gross carrying amount at default	363,687	53,835	12,912	87,754	518,188
Expected credit loss	3,621	2,113	2,267	33,363	41,364

45.1.2 Bank balances

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Audit Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Company has not recorded any expected credit loss on the balances with the below detailed financial institutions considering that the credit risk is minimal due to loss standing relationships with these financial institutions.

Banks	Rating Agency	Category		Rupees in thousand	
		Short term	Long term	2024	2023
United Bank Limited	JCR-VIS	A1+	AAA	13,290	3,414
Bank AL-Habib Limited	PACRA	A1+	AAA	13,680	54,300
National Bank of Pakistan	JCR-VIS	A-1+	AAA	2,205	742
HBL Pakistan	JCR-VIS	A1+	AAA	8,173	5,000
Bank Alfalah Limited	PACRA	A1+	AA+	814	1,417
Habib Metropolitan Bank Limited	PACRA	A1+	AA+	31	11
				38,193	64,883

45.1.3 With respect to credit risk arising from other financial assets of the Company, the Company's management assesses exposure to such risk to be minimal based on past experience and is restricted to the carrying amount of those assets.

45.2 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its commitments associated with financial liabilities when they fall due. Liquidity requirements are monitored regularly and management ensures that sufficient liquid funds are available to meet any commitments as they arise.

Financial liabilities are analyzed below, with regard to their remaining contractual maturities.

	Note	2024				
		Carrying amount	Contractual cash flows	Less than one year	One to five years	Over five years
Rupees in thousand						
Long-term loans	22	75,000	75,000	75,000	-	-
Short-term borrowings	26	1,159,411	1,157,934	1,157,934	-	-
Lease liabilities	23	63,351	81,998	17,200	55,936	8,862
Trade and other payables	25	297,738	297,737	297,737	-	-
Unclaimed dividend	27	15,471	15,471	15,471	-	-
Accrued markup	28	77,773	77,773	77,773	-	-
		1,688,743	1,705,913	1,641,115	55,936	8,862

	Note	2023				
		Carrying amount	Contractual cash flows	Less than one year	One to five years	Over five years
Rupees in thousand						
Long-term loans	22	175,000	207,356	126,836	80,520	-
Short-term borrowings	26	1,262,658	1,262,658	1,262,658	-	-
Lease liabilities	23	74,663	98,257	24,423	58,432	15,402
Trade and other payables	25	711,454	655,275	655,275	-	-
Unclaimed dividend	27	13,928	13,928	13,928	-	-
Accrued markup	28	91,601	91,601	91,601	-	-
		2,329,304	2,329,075	2,174,721	138,952	15,402

45.3 Market risk

45.3.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the export of its products and import of some chemicals. The Company does not view hedging as financially viable considering the materiality of transactions. The Company does not have any obligation that is due to be settled in foreign currency as at June 30, 2024.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

	Note	(USD in thousand)	
		2024	2023
Trade receivables	15	1,041	945
Cash and bank balances	19	7	9
Net exposure		1,048	954

Following significant exchange rates were used:

	Reporting date rate		Average rate	
	2024	2023	2024	2023
	Rupees		Rupees	
USD to PKR	278.80	285.90	283.60	286.18

The following analysis demonstrates the sensitivity to a 1% possible change in exchange rates, with all other variables held constant, of the Company's profit before taxation.

	Change in rate	(Rupees in thousand)	
		2024	2023
		Effect on profit before taxation	
	+1%	2,921	2,727
	-1%	(2,921)	(2,727)

45.3.2 Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

As the Company does not have any significant floating interest rate assets, the Company's income is independent of changes in market interest rate. The Company's interest rate risk mainly arises from long term financing and short term borrowings obtained at variable interest rates from various financial institutions. Long term financing and short term borrowings obtained at variable rates expose the Company to cash flow interest rate risk. The Company analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Company calculates the impact on statement of profit or loss and other comprehensive income of a defined interest rate shift.

At the reporting date, the interest rate profile of the Company's significant interest bearing financial instruments is:

	Note	2024	2023
		(Rupees in thousand)	
Fixed rate			
Lease liabilities	23	63,351	74,663
Variable rate instruments:			
Financial assets			
Bank balance	19	2,205	41,093
Financial liabilities			
Long term financing - secured	22	75,000	175,000
Short term borrowings - secured	26	1,159,411	1,262,658
		1,234,411	1,437,658
Sensitivity analysis		(1,295,557)	(1,471,228)

If interest rates at the year end, fluctuate by 100 basis points higher / lower, (loss) / profit before taxation would have been Rs. 1.295 million (2023: Rs. 1.496 million) higher / lower. This analysis is prepared assuming that all other variables held constant and the amounts of liabilities outstanding at the financial position dates were outstanding for the whole year.

45.4 Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders' value. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. Capital includes ordinary share capital and reserves.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue of new shares.

Consistent with industry norms, the Company monitors its capital on the basis of gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings as shown in the statement of financial position less cash and cash equivalent. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt (as defined above).

The Company finances its operations through equity, short-term borrowings and managing working capital.

	Note	Rupees in thousand	
		2024	2023
Gearing ratio			
Long-term loans	22	75,000	175,000
Short-term borrowings	26	1,159,411	1,262,658
Net debt		1,234,411	1,437,658
Equity		1,408,283	Restated 1,889,141
Total capital		2,642,694	3,326,799
Gearing		47%	43%

The Company is not subject to any externally imposed capital requirements.

45.5 Fair value of financial instruments

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Fair value is determined on the basis of objective evidence at each reporting date.

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair values are observable either, directly or indirectly.

Level 3: Techniques which uses inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at June 30, the Company had following financial instruments with respect to their level of fair value modelling:

Fair value is determined on the basis of objective evidence at each reporting date.

	Level 1	Level 2	Level 3
	Rupees in thousand		
2024			
Long term investment	4,785	–	–
2023			
Long term investment	3,508	–	–

During the year, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurement. The carrying values of all financial assets and liabilities reflected in the financial statements approximate fair values

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

45.6 Financial instruments by categories

	At fair value through OCI	At fair value through profit or loss	At amortized cost	Total
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2024

Financial assets

Debt instruments

Long-term receivables and prepayments	-	-	194	194
Long-term deposits	-	-	7,672	7,672
Trade receivables	-	-	627,050	627,050
Loans and advances	-	-	18,699	18,699
Trade deposits, prepayments and other receivables	-	-	13,571	13,571
Bank balances	-	-	104,536	104,536

Debt instruments at fair value through OCI

Long term investment	4,785	-	-	4,785
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Financial liabilities

Debt instruments

Long term loans	-	-	75,000	75,000
Trade and other payables	-	-	816,656	816,656
Short term borrowings	-	-	1,159,411	1,159,411

	At fair value through OCI	At fair value through profit or loss	At amortized cost	Total
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2023

Financial assets

Debt instruments

Long-term receivables and prepayments	-	-	18,672	18,672
Long-term deposits	-	-	7,315	7,315
Trade receivables	-	-	476,824	476,824
Loans and advances	-	-	391,392	391,392
Trade deposits, prepayments and other receivables	-	-	5,331	5,331
Bank balances	-	-	118,637	118,637

Debt instruments at fair value through OCI

Long term investment	3,508	-	-	3,508
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Financial liabilities

Debt instruments

Long term loans	-	-	175,000	175,000
Trade and other payables	-	-	580,449	580,449
Short term borrowings	-	-	1,262,658	1,262,658

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

45.7 Reconciliation of cash flows arising from financing activities

	As at July 01,	Cashflows	Additions	Others	As at June 30,
2024					
Long term loans	175,000	(100,000)	-	-	75,000
Lease liabilities	74,663	(15,517)	6,420	(2,214)	63,352
Short term borrowings	1,262,658	(537,588)	434,342	-	1,159,411
Accrued markup	91,601	(13,828)	-	-	77,773
	1,603,922	(666,934)	440,762	(2,214)	1,375,536
2023					
Long term loans	-	175,000	-	-	175,000
Lease liabilities	58,364	(16,201)	14,643	17,857	74,663
Short term borrowings	1,035,442	227,216	-	-	1,262,658
Accrued markup	20,805	70,796	-	-	91,601
	1,114,611	456,811	14,643	17,857	1,603,922

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

46. 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 June 30, 2024, 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 year ended 30 June 2024:

	Juices and Drinks	Others	Total
Rupees in thousand			
Revenue from contracts with customers - net	6,206,614	1,948,357	8,154,971
Cost of revenue	5,120,028	1,424,515	6,544,543
Gross profit	1,086,586	523,842	1,610,428
Unallocated expenses and income			
Corporate expenses			(1,560,340)
Finance costs			(332,072)
Other operating expenses			(123,635)
Other income			39,636
Levy			(101,106)
Income tax			4,280
Loss after levy and income tax			(462,809)

Segment analysis of assets and liabilities as at 30 June 2024:

	Juices and Drinks	Others	Total
Rupees in thousand			
Segment assets	3,147,581	838,439	3,986,020
Unallocated assets			223,401
Total			4,209,421
Segment liabilities	901,875	295,704	1,197,579
Unallocated liabilities			1,552,081
Total			2,749,660

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Segment analysis of profit and loss account for the year ended 30 June 2023:

	Juices and Drinks	Others	Total
Rupees in thousand			
Revenue from contracts with customers - net	6,970,836	1,774,588	8,745,424
Cost of revenue	(5,352,985)	(1,312,188)	(6,665,173)
Gross profit	1,617,851	462,400	2,080,251
Unallocated expenses and income			Restated
Corporate expenses			(1,619,844)
Finance costs			(279,654)
Other operating expenses			(127,089)
Other income			118,139
Levy			(113,177)
Income tax			(10,816)
Profit after levy and income tax			47,810

Segment analysis of assets and liabilities as at 30 June 2023:

	Juices and Drinks	Others	Total
Rupees in thousand			
Segment assets	3,682,704	740,734	4,423,438
Unallocated assets			219,768
Total			4,643,206
Segment liabilities	833,425	256,279	1,089,704
Unallocated liabilities			1,532,244
Total			2,621,948

47. PROVIDENT FUND TRUST

The Company has maintained an employees provident fund trust and investments out of the provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017, and the rules formulated for this purpose.

48. SHARIAH COMPLIANCE DISCLOSURE

Following information has been disclosed with the reference to disclosure requirements of fourth schedule of the Companies Act, 2017 relating to all shares Islamic index.

Description	Explanation	Rupees in thousand	
		2024	2023
Quoted Modarba	Non interest bearing	4,785	3,508

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

49. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and for better presentation. However, no significant reclassification has been made during the year except as follows for better presentation;

Reclassified from:	Reclassified to:	Rupees in thousand
Statement of financial position		
Tax refund due from government	Taxation net	12,473
Statement of profit or loss		
Taxation expense	Levy	113,177

The adjustments for the above reclassification has also been made in the corresponding figures of the statement of cash flows.

50. EVENTS AFTER THE REPORTING DATE

The Board of Directors have proposed a final dividend of Rs. Nil (2023: Rs. 2) per share, amounting to Rs. Nil (2023: Rs. 19.326 million) for the year ended June 30, 2024 in their meeting held on 28 September 2024 for approval of the members at the Annual General Meeting to be held on 26 October 2024. These financial statements do not reflect the effect of these appropriations.

51. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors on 28 September 2024.

52. GENERAL

The figures in the financial statements are rounded off to the nearest thousand rupees unless otherwise stated.




Director


Chief Executive


Chief Financial Officer

SHEZAN INTERNATIONAL LIMITED

PROXY FORM

I/We, _____
of _____
being a Member(s) of Shezan International Limited holding _____
ordinary shares hereby appoint _____
of _____
or failing him _____
of _____

who is also a Member of Shezan International Limited as my/our Proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 61st Annual General Meeting of the Company to be held on 26 October 2024 at 56- Bund Road, Lahore and at any adjournment thereof.

As witness my/our hand/seal this _____ day of _____ 2024.

Signed by _____

in the presence of _____

Folio Number / CDC A/C Number

Signature

Affix Rs. 50/- revenue stamp

This signature should agree with the specimen registered with the Company.

Important notes:

1. No person shall act as proxy unless he himself is member of the Company, except that a corporation may appoint a person who is not a member.
2. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
3. Proxies, in order to be valid must be received at the Registered Office of the Company, Shezan International Limited, 56 Bund Road, Lahore, not less than forty eight (48) hours before the meeting.
4. CDC Shareholders and their proxies, both are requested to attach an attested photocopy of their Computerized National Identity Card (CNIC) or Passport with the proxy form before submission to the Company (Original CNIC / Passport is required to be produced at the time of the meeting).
5. In case of Corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

شینان انٹرنیشنل لمیٹڈ پراکسی فارم

میں رہم _____
برائے _____
بحیثیت حصص یافتگان شینان انٹرنیشنل لمیٹڈ حاصل _____ حصص مقرر کرتا کرتی ہوں _____
برائے _____
یا انکی عدم موجودگی کی صورت میں _____
برائے _____

جو کہ شینان انٹرنیشنل لمیٹڈ کا حصص دار بھی ہے بطور پراکسی مقرر کرتا کرتی ہوں تاکہ وہ میری رہماری جگہ 26 اکتوبر 2024ء کو 56 بند روڈ، لاہور، میں منعقد ہونے والے 61 ویں سالانہ اجلاس عام میں حق رائے دہی استعمال کر سکے۔

بتاریخ _____ بروز _____ 2024ء

دستخط کنندہ

گواہان

دستخط

(پچاس روپے کا محصول لکٹ)

فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر

یہ دستخط کمپنی میں رجسٹرڈ نمونے سے مطابقت رکھتے ہوئے چاہئے۔

نوٹس:

- 1- کمپنی کا ممبر نہ ہونے کی صورت میں کسی فرد کو بطور پراکسی مقرر نہیں کیا جاسکتا ماسوائے کارپوریشن کے جو ممبر کے علاوہ کسی دوسرے فرد کو بھی پراکسی نامزد کر سکتی ہے۔
- 2- اگر ایک رکن ایک سے زیادہ پراکسی مقرر کرتا ہے اور کمپنی کے پاس رکن کی طرف سے پراکسی فارم کی ایک سے زیادہ دستاویزات جمع کروائی جاتی ہیں تو پراکسی کی ایسی تمام دستاویزات کا عدم تصور ہوگی۔
- 3- پراکسی فارم کمپنی کے رجسٹرڈ آفس، شینان انٹرنیشنل لمیٹڈ 56-بند روڈ لاہور میں اجلاس کے انعقاد سے کم از کم اٹالیس (48) گھنٹے قبل جمع کروانا لازمی ہے بصورت دیگر قابل قبول نہ ہوگا۔
- 4- سی ڈی سی اکاؤنٹ ہولڈر پراکسی فارم کے ہمراہ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپی بھی منسلک کرنی ہوگی (پراکسی کو اجلاس کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا)۔
- 5- کارپورٹ ہٹ ادارہ ہونے کی صورت میں بحیثیت ممبر بورڈ آف ڈائریکٹرز کی منظور شدہ قرارداد پر آف انارنی بمعہ نمونہ دستخط پراکسی فارم کے ہمراہ جمع کرانا ہوں گے۔

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
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