



**QUARTERLY REPORT**  
**30 SEPTEMBER 2024**





# Shezan

# سہان



# 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
- Plot No. L-9, Block No. 22,  
Federal "B", Industrial Area, Karachi-75950.  
Phones: (021) 36344722-23.  
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](http://www.shezan.com)

## Auditors:

BDO Ebrahim & Co.  
Chartered Accountants,  
Office No. 4, 6<sup>th</sup> 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.

# DIRECTORS' REPORT

## TO THE MEMBERS

On behalf of the Board of Directors of Shezan International Limited, we are pleased to present the Directors' Report together with condensed Interim Financial Statements (Un-audited) of the Company for the three-month period ended 30 September 2024.

### ECONOMIC OVERVIEW

Pakistan is endowed with a wealth of resources, encompassing human capital, natural assets and a strategically advantageous geographical position within the region. The country has a large youth population, constituting a significant demographic dividend, which presents a unique opportunity for substantial economic growth.

Pakistan's economy has shown significant positive developments going into the fiscal year 2024-25 as recent data reflects a favourable shift in several key economic indicators, providing optimism for the months ahead. In response to decreasing inflationary pressures, the Monetary Policy Committee (MPC) of the State Bank of Pakistan has reduced the policy rate upto 1750 basis points. This adjustment is expected to support sustainable economic recovery. Additionally, the Pakistan Stock Exchange (PSX) exhibited strong performance. Overall, Pakistan's economic landscape has demonstrated promising growth and resilience, setting a positive tone for future developments.

### OPERATIONAL OVERVIEW

The Company's financial performance during the three-month period under review is summarized below:

| Particulars                                     | 2024               | 2023      |
|---|--------------------|-----------|
|   | Rupees in thousand |           |
| Revenue from contracts with customers - net     | <b>2,307,571</b>   | 2,120,314 |
| Gross profit                                    | <b>522,539</b>     | 438,287   |
| Profit/(loss) before tax/levy for the period    | <b>40,233</b>      | (27,253)  |
| Net profit/(loss) after tax/levy for the period | <b>10,283</b>      | (27,657)  |
| Earnings/(loss) per share - Rupees              | <b>1.06</b>        | (2.86)    |

On the operational side, we would like to apprise our shareholders that the Company's total revenue improved during this period as compared to the corresponding period of the last year. Many factors like increase in the minimum wage in the fiscal budget 2024-2025 and the imposition of 20% Federal Excise Duty in the last year on juices, squashes, and syrups, continued to play havoc. After the imposition of 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 has decreased particularly in lower-income segments. 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. A slowdown in consumer spending and increased costs of inputs have collectively contributed to our financial downturn.

The decrease in the policy rates from July 2024 up to 1750 basis points by the State Bank of Pakistan has provided a breathing space for the industry and have a positive impact on the finance costs of the Company. The finance costs were mainly related to the utilization of the working capital. 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.

We upheld our positive momentum in export sales. Our non-returnable bottled juices, juices in tetra packaging, ketchups 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 production wastages and losses.

## FUTURE PROSPECTS

The outlook for the quarters ahead still remains under pressure, with several economic challenges on the horizon. Increase in gas and electricity tariffs, eroded consumer buying power, POL prices, rapidly increasing sugar prices and imposition of FED on sugar (this will increase our production cost and resultantly the prices of our products which are not subject to FED), are the pivotal factors that can increase the production and input costs further and may have an adverse impact on the future financial performance of the Company. However, 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.

The next two quarters fall into our leanest season; however, we are hopeful that we will overcome our deficiencies and will try to maintain sales of non-seasonal products with aggressive marketing and sales efforts. 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. 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 item of life. By leveraging our strong brand portfolio and optimizing our supply chain, we are confident that we can achieve sustainable growth in the quarters ahead.

## 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



**Nauman Khalid**  
Director

Lahore:  
28 October 2024.



**Shahid Hussain Jatoi**  
Director

ہم نے برآمدی فروخت میں مثبت پیش رفت دکھائی۔ ہماری بوتل جوس، کچپ اور تیار شدہ کھانوں کی مصنوعات ہماری برآمدی فروخت میں سرفہرست ہیں۔ ہم نے اپنی پلائی 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۔

## مستقبل کے امکانات:

متعدد اقتصادی چیلنجز آنے والی سہ ماہیوں کے لیے بھی دباؤ کا باعث ہیں۔ گیس اور بجلی کی قیمتوں میں اضافہ، صارفین کی قوت خرید کا ختم ہونا، پی او ایل کی لاگت، تیزی سے بڑھتی ہوئی چینی کی قیمتیں اور ان پر فیڈرل ایکسائز ڈیوٹی کا اطلاق (جو پیداواری لاگت میں اضافہ کرے گی اور نیچے ہماری مصنوعات کی قیمتیں بڑھیں گی خصوصاً ان مصنوعات کی قیمتوں میں خاطر خواہ اضافہ ہوگا جن پر ایف ای ڈی کا نفاذ نہیں ہوتا)، وہ اہم عوامل ہیں جو کہ کمپنی کی مستقبل کی کارکردگی پر منفی اثرات مرتب کریں گے۔ تاہم 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۔

اگلی دوسہ ماہیاں ہماری موسم سرما میں آئیں گی تاہم ہمیں امید ہے کہ ہم اپنی خامیوں پر قابو پالیں گے اور جارحانہ، مارکیٹنگ، فروخت کی کوششوں کے ساتھ غیر موسمی مصنوعات کی فروخت کو برقرار رکھنے کی کوشش کریں گے۔ کمپنی ایک مستحکم مالیاتی نظام بنانے کیلئے سرگرم رہے گی اور اپنی برآمدی فروخت پر توجہ مرکوز کرنے اور اسے بڑھانے کے لیے اپنی کوششیں جاری رکھے گی۔ انتظامیہ کا خیال ہے کہ برآمدات میں مسلسل اضافہ ملک کے ساتھ ساتھ کمپنی کے لیے معاشی بحرانوں پر قابو پانے کے لیے انتہائی ضروری حل میں سے ایک ہے۔ مزید برآں کمپنی آراینڈ 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 کروائے گی جو کہ زندگی کی اہم ضرورت 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۔

## اظہار تشکر:

آخر میں ہم اپنے حصص داران، معزز صارفین، ملازمین اور تمام اسٹیک ہولڈرز ان کے ہمارے اوپر مسلسل اعتماد اور تعاون کا شکریہ ادا کرتے ہیں۔ ہم بڑے 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۔

بورڈ کی ایماہ پر

Mah Sitar

شاہد حسین جتوئی

ڈائریکٹر

نعمان خالد

ڈائریکٹر

لاہور

28 اکتوبر 2024ء

## ڈائریکٹرز رپورٹ برائے ممبران

ہم شیطان انٹرنیشنل لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ڈائریکٹرز رپورٹ اور اختتام شدہ سہ ماہی 30 ستمبر 2024ء کے لئے کمپنی کی غیر آڈٹ شدہ عبوری مالیاتی نتائج پیش کرتے ہیں۔

پاکستان قدرتی اور انسانی وسائل کی دولت سے مالا مال ہے اور خطے میں انتہائی اہم جغرافیائی حیثیت کا حامل ہے۔ ملک کی آبادی کی کثیر تعداد نو جوانوں پر مشتمل ہے جس کا ملک کی دیرپا معاشی ترقی میں اہم کردار ہے۔ پاکستان کی معیشت نے مالی سال 2024-25ء میں اہم مثبت پیش رفت ظاہر کی ہے کیونکہ حالیہ اعداد و شمار کی اہم اقتصادی اشاریوں میں ایک سازگار تبدیلی کی عکاسی کرتے ہیں، جو آنے والے مہینوں کے لیے امید کا باعث ہیں۔ مہنگائی کے دباؤ میں کمی کے نتیجے میں اسٹیٹ بینک آف پاکستان کی مانیٹری پالیسی کمیٹی (MPC) نے پالیسی ریٹ میں 1750 بیسس پوائنٹس تک کمی کر دی ہے۔ اس ایڈجسٹمنٹ سے پائیدار اقتصادی بحالی کی توقع ہے۔ مزید برآں، پاکستان اسٹاک ایکسچینج (PSX) نے بہتر کارکردگی کا مظاہرہ کیا۔ مجموعی طور پر پاکستان کے معاشی منظر نامے میں حوصلہ افزا نتائج سامنے آئے، جو مستقبل میں ہونے والی مثبت پیش رفت ہے۔

### عملی جائزہ:

کمپنی کی اختتام شدہ سہ ماہی کی عملی کارکردگی مختصر ادرج ذیل ہے:

| 2023      | 2024      | تفصیلات                           |
|-----------|-----------|-----------------------------------|
|           |           | روپے ہزاروں میں                   |
| 2,120,314 | 2,307,571 | فروخت                             |
| 438,287   | 522,539   | مجموعی منافع                      |
| (27,253)  | 40,233    | خالص منافع (نقصان) قبل از محصولات |
| (27,657)  | 10,283    | خالص منافع (نقصان) بعد از محصولات |
| (2.86)    | 1.06      | فی حصص آمدنی (نقصان) - روپوں میں  |

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 بہتر ہوئی ہے۔ مالیاتی بجٹ 2024-25ء میں کم از کم اجرت میں بے پناہ اضافے اور جوسر، سکوائش اور شربت پر 20 فیصد فیڈرل ایکسائز ڈیوٹی کا نفاذ جیسے مختلف عوامل زبردست نقصان کا باعث بنے۔ 20 فیصد فیڈرل ایکسائز ڈیوٹی کے نفاذ کے بعد نہ صرف ہماری فروخت کے حجم بلکہ ساری جوس اور بیورج انڈسٹری کی فروخت کے حجم پر نمایاں منفی اثر پڑا۔ کم آمدنی والے طبقات میں مصنوعات کی طلب میں کمی واقع ہوئی۔ 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 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۔

جولائی 2024ء سے اسٹیٹ بینک آف پاکستان کی 1750 بیسس پوائنٹس تک پالیسی ریٹ میں لگا تار کمی سے صنعتوں کو سکھ کا سانس ملا اور کمپنی کی مالیاتی لاگت میں کمی واقع ہوئی۔ مالیاتی اخراجات بنیادی طور پر ورکنگ کپینٹل کے استعمال سے متعلق تھے۔ کاروباری سرمائے کیلئے لیے گئے قرضے موسمی پھولوں، 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۔

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

## AS AT 30 SEPTEMBER 2024

|   | Note | (Un-Audited)<br>30 September<br>2024 | (Audited)<br>30 June<br>2024 |
|---|------|--------------------------------------|------------------------------|
|   |      | Rupees in thousand                   |                              |
| <b>ASSETS</b>                                     |      |                                      |                              |
| <b>NON-CURRENT ASSETS</b>                         |      |                                      |                              |
| Property, plant and equipment                     | 6    | 1,182,455                            | 1,201,455                    |
| Long-term investment                              | 7    | 4,693                                | 4,785                        |
| Long-term receivables and prepayments             |      | 160                                  | 194                          |
| Long-term deposits                                |      | 8,140                                | 7,672                        |
|   |      | <b>1,195,448</b>                     | 1,214,106                    |
| <b>CURRENT ASSETS</b>                             |      |                                      |                              |
| Stores and spares                                 |      | 230,084                              | 222,450                      |
| Stock-in-trade                                    |      | 1,610,416                            | 1,932,114                    |
| Right to recover asset                            |      | 6,461                                | -                            |
| Trade receivables                                 |      | 454,695                              | 627,050                      |
| Loans and advances                                |      | 29,356                               | 18,699                       |
| Trade deposits, prepayments and other receivables |      | 23,008                               | 13,571                       |
| Prepaid levy                                      |      | 99,965                               | 76,895                       |
| Cash and bank balances                            |      | 71,520                               | 104,536                      |
|   |      | <b>2,525,505</b>                     | 2,995,315                    |
| <b>TOTAL ASSETS</b>                               |      | <b>3,720,953</b>                     | 4,209,421                    |
| <b>EQUITY AND LIABILITIES</b>                     |      |                                      |                              |
| <b>SHARE CAPITAL AND RESERVES</b>                 |      |                                      |                              |
| Issued, subscribed and paid up capital            |      | 96,631                               | 96,631                       |
| Capital reserve                                   |      | 5,000                                | 5,000                        |
| Revenue reserve                                   |      | 1,316,843                            | 1,306,652                    |
| <b>TOTAL EQUITY</b>                               |      | <b>1,418,474</b>                     | 1,408,283                    |
| <b>NON-CURRENT LIABILITIES</b>                    |      |                                      |                              |
| Lease liabilities                                 |      | 47,675                               | 51,478                       |
|   |      | <b>47,675</b>                        | 51,478                       |
| <b>CURRENT LIABILITIES</b>                        |      |                                      |                              |
| Trade and other payables                          |      | 1,196,140                            | 1,347,907                    |
| Unclaimed dividend                                |      | 15,471                               | 15,471                       |
| Accrued markup                                    |      | 52,504                               | 77,773                       |
| Current portion of non current liabilities        | 8    | 63,122                               | 86,873                       |
| Short-term borrowings                             | 9    | 864,182                              | 1,159,411                    |
| Refund liability                                  |      | 63,385                               | 62,225                       |
|   |      | <b>2,254,804</b>                     | 2,749,660                    |
| <b>TOTAL LIABILITIES</b>                          |      | <b>2,302,479</b>                     | 2,801,138                    |
| <b>CONTINGENCIES AND COMMITMENTS</b>              | 10   |                                      |                              |
| <b>TOTAL EQUITY AND LIABILITIES</b>               |      | <b>3,720,953</b>                     | 4,209,421                    |

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

The Chief Executive is out of Pakistan and in his absence these quarterly financial statements have been signed by two Directors, as required under section 232(1) of the Companies Act, 2017.



# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2024

|   | Note | 30 September<br>2024 | 2023      |
|---|------|----------------------|-----------|
|   |      | Rupees in thousand   |           |
| Revenue from contracts with customers-net   |      | <b>2,307,571</b>     | 2,120,314 |
| Cost of revenue   |      | <b>1,785,032</b>     | 1,682,027 |
| <b>Gross profit</b>   |      | <b>522,539</b>       | 438,287   |
| Distribution expenses   |      | <b>318,189</b>       | 272,779   |
| Administrative expenses   |      | <b>92,388</b>        | 92,211    |
| Other operating expenses  |      | <b>30,321</b>        | 27,102    |
|   |      | <b>440,898</b>       | 392,092   |
| <b>Operating profit</b>   |      | <b>81,641</b>        | 46,195    |
| Other income  |      | <b>(16,012)</b>      | (11,969)  |
| Finance costs   |      | <b>57,420</b>        | 85,417    |
| <b>Profit / (loss) before levy and taxation</b>   |      | <b>40,233</b>        | (27,253)  |
| Levy / taxation   | 11   | <b>29,950</b>        | 404       |
| <b>Net profit / (loss) for the period</b>   |      | <b>10,283</b>        | (27,657)  |
| <b>Other comprehensive income</b>   |      |                      |           |
| Items that will not be reclassified to profit or loss in subsequent periods:                  |      |                      |           |
| Unrealized (loss) / gain on remeasurement of investment designated at fair value through OCI: |      | <b>(92)</b>          | 335       |
| <b>Total comprehensive income / (loss)</b>  |      | <b>10,191</b>        | (27,322)  |
| <b>Earnings / (loss) per share - basic and diluted (Rupees)</b>                               | 12   | <b>1.06</b>          | (2.86)    |

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

The Chief Executive is out of Pakistan and in his absence these quarterly financial statements have been signed by two Directors, as required under section 232(1) of the Companies Act, 2017.

  
Director

  
Director

  
Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2024

| Share<br>Capital | Capital Reserve   |                    | Revenue Reserve  |                                    |  | Sub total | Total |
|------------------|-------------------|--------------------|--|------------------------------------|--|-----------|-------|
|                  | Merger<br>Reserve | General<br>Reserve | Unrealized<br>gain on<br>remeasurement<br>of Investments -<br>available for sale | Unappropriated<br>(loss) / profits |  |           |       |

Rupees in thousand

|   |        |       |           |       |           |           |           |
|---|--------|-------|-----------|-------|-----------|-----------|-----------|
| Balance as on 30 June 2023 - Re-stated                  | 96,631 | 5,000 | 2,000,000 | 1,323 | (213,813) | 1,787,510 | 1,889,141 |
| Loss for the three month period ended 30 September 2023 | -      | -     | -         | -     | (27,657)  | (27,657)  | (27,657)  |
| Other comprehensive income                              | -      | -     | -         | 335   | -         | 335       | 335       |
| Total comprehensive loss                                | -      | -     | -         | 335   | (27,657)  | (27,322)  | (27,322)  |

|  |               |              |                  |              |                  |                  |                  |
|--|---------------|--------------|------------------|--------------|------------------|------------------|------------------|
| <b>Balance as on 30 September 2023</b> | <b>96,631</b> | <b>5,000</b> | <b>2,000,000</b> | <b>1,658</b> | <b>(241,470)</b> | <b>1,760,188</b> | <b>1,861,819</b> |
|--|---------------|--------------|------------------|--------------|------------------|------------------|------------------|

|                            |        |       |           |       |           |           |           |
|----------------------------|--------|-------|-----------|-------|-----------|-----------|-----------|
| Balance as on 01 July 2024 | 96,631 | 5,000 | 2,000,000 | 2,600 | (695,948) | 1,306,652 | 1,408,283 |
|----------------------------|--------|-------|-----------|-------|-----------|-----------|-----------|

|   |   |   |   |      |        |        |        |
|---|---|---|---|------|--------|--------|--------|
| Profit for the three month period ended 30 September 2024 | - | - | - | -    | 10,283 | 10,283 | 10,283 |
| Other comprehensive loss                                  | - | - | - | (92) | -      | (92)   | (92)   |
| Total comprehensive income                                | - | - | - | (92) | 10,283 | 10,191 | 10,191 |

|  |               |              |                  |              |                  |                  |                  |
|--|---------------|--------------|------------------|--------------|------------------|------------------|------------------|
| <b>Balance as at 30 September 2024</b> | <b>96,631</b> | <b>5,000</b> | <b>2,000,000</b> | <b>2,508</b> | <b>(685,665)</b> | <b>1,316,843</b> | <b>1,418,474</b> |
|--|---------------|--------------|------------------|--------------|------------------|------------------|------------------|

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

The Chief Executive is out of Pakistan and in his absence these quarterly financial statements have been signed by two Directors, as required under section 232(1) of the Companies Act, 2017.



*Mahmood*  
Director

*NKhan*  
Director

*Fazmi*  
Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2024

30 September  
2024 2023  
Rupees in thousand

## Cash flows from operating activities:

### Cash generated from operations

|   |         |          |
|---|---------|----------|
| Profit / (loss) before taxation                             | 40,233  | (27,253) |
| Adjustments to reconcile loss before tax to net cash flows: |         |          |
| Depreciation  | 46,615  | 53,313   |
| Finance costs   | 57,420  | 85,417   |
| Profit on bank deposits                                     | (342)   | (558)    |
| Foreign exchange gain                                       | (251)   | (1,244)  |
| Provision for doubtful debts                                | 2,100   | 2,100    |
| Loss on disposal of property, plant and equipment           | 1,625   | 1,268    |
|   | 107,167 | 140,296  |
| Operating profit before working capital changes             | 147,400 | 113,043  |

### Working capital changes

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

|   |          |           |
|---|----------|-----------|
| Stores and spares   | (7,634)  | 6,818     |
| Stock-in-trade  | 321,698  | (12,249)  |
| Right to recover asset                                    | (6,461)  | (16)      |
| Trade receivables   | 170,506  | (102,395) |
| Loans and advances  | (10,657) | 265,836   |
| Trade deposits, short-term prepayments and other deposits | (9,437)  | (20,996)  |
|   | 458,015  | 136,998   |

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

|                          |           |          |
|--------------------------|-----------|----------|
| Trade and other payables | (151,767) | (47,289) |
| Refund liability         | 1,160     | 150      |
|                          | (150,607) | (47,139) |

|  |         |         |
|--|---------|---------|
| Cash generated from / (used in) operations | 454,808 | 202,902 |
|--|---------|---------|

|                                  |          |          |
|----------------------------------|----------|----------|
| Profit on bank deposits received | 342      | 558      |
| Income tax paid                  | (53,020) | (33,774) |
| Long-term deposits               | (468)    | (106)    |
| Long-term prepayments            | 34       | 1,444    |

|  |         |         |
|--|---------|---------|
| Net cash flows generated from / (used in) operating activities | 401,696 | 171,024 |
|--|---------|---------|

## Cash flows from investing activities

|  |          |          |
|--|----------|----------|
| Purchase of property, plant and equipment                    | (31,470) | (19,349) |
| Sale proceeds from disposal of property, plant and equipment | 2,230    | 3,391    |
| Net cash used in investing activities                        | (29,240) | (15,958) |

## Cash flows from financing activities

|  |           |           |
|--|-----------|-----------|
| Repayment of lease liability                                   | (2,554)   | (11,247)  |
| Short-term borrowings obtained - net                           | (295,229) | (19,927)  |
| Long term loan (re-paid) / obtained                            | (25,000)  | (25,000)  |
| Finance costs paid   | (82,689)  | (95,980)  |
| Net cash flows (used in) / generated from financing activities | (405,472) | (152,154) |

|  |          |       |
|--|----------|-------|
| Net (decrease) / increase in cash and cash equivalents | (33,016) | 2,912 |
|--|----------|-------|

|  |         |         |
|--|---------|---------|
| Cash and cash equivalents at the beginning of the period | 104,536 | 118,637 |
|--|---------|---------|

|  |        |         |
|--|--------|---------|
| Cash and cash equivalents at the end of the period | 71,520 | 121,549 |
|--|--------|---------|

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

The Chief Executive is out of Pakistan and in his absence these quarterly financial statements have been signed by two Directors, as required under section 232(1) of the Companies Act, 2017.

  
Director

  
Director

  
Chief Financial Officer

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2024

## 1 THE COMPANY AND ITS OPERATIONS

The Company is a Public Limited Company incorporated in Pakistan and is listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at 56 - Bund Road, Lahore, Pakistan. It is engaged in the manufacturing, trading and sale of juices, pickles, jams, ketchups etc., based upon or derived from fruits and vegetables. Following are the business units of the Company along with their respective locations:

| BUSINESS UNIT                    | ADDRESS   |
|----------------------------------|---|
| Production Plant and Head Office | 56-Bund Road, Lahore  |
| Production Plant                 | Plot No. 33-34, Phase III, Hattar Industrial Estate, Hattar |
| Production Plant                 | Plot L-9, Block No. 22, Federal B Industrial Area, Karachi  |

## 2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

**2.1** These condensed interim financial statements of the Company for the three month period ended 30 September 2024 have been prepared in accordance with the Accounting and Reporting Standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of :

- International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.2** These condensed interim financial statements do not include all the information and the disclosures required in the annual audited financial statements and should be read in conjunction with annual audited financial statements of the Company for the year ended 30 June 2024.

**2.3** These condensed interim financial statements are un-audited.

## 3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, ASSUMPTIONS AND POLICIES

The significant accounting judgments, estimates, assumptions and accounting policies adopted and applied by the Company for the preparation of these condensed interim financial statements are the same as were adopted and applied in the preparation of the preceding annual audited financial statements for the year ended 30 June 2024. The significant change adopted during the year 2024 was:-

### 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 2024, 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 years have been reversed and relevant adjustments has been made in statement of changes in equity.

|  | As previously reported | Restatement | As restated |
|--|------------------------|-------------|-------------|
| (Rupees in thousands)                                      |                        |             |             |
| <b>The summary of effect on prior years is as follows:</b> |                        |             |             |
| <b>As at June 30, 2022</b>                                 |                        |             |             |
| Effect on statement of financial position :                |                        |             |             |
| Deferred tax asset - Net on June 2022                      | 215,543                | (215,543)   | -           |
| Revenue reserves   | 2,003,250              | (215,543)   | 1,787,707   |
| <b>As at June 30, 2023</b>                                 |                        |             |             |
| Effect on statement of financial position :                |                        |             |             |
| Deferred tax asset - Net                                   | 206,466                | (206,466)   | -           |
| Revenue reserves   | 1,993,976              | (206,466)   | 1,787,510   |



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

Provisions in respect of Taxation, Workers' Welfare Fund and Workers' Profit Participation Fund are estimated and these are subject to final adjustments in the annual audited financial statements.

#### 5 SEASONALITY OF OPERATIONS

The quarterly results of the Company are subject to seasonal fluctuations due to variation in demand of the main products (Juices, squashes and syrups).

#### 6 PROPERTY, PLANT AND EQUIPMENT

6.1 The additions / (deletions) / transfers (at cost), made during the three month period ended 30 September 2024 are as follows:

|  | Additions          | Deletions / Transfers |
|--|--------------------|-----------------------|
|  | Rupees in thousand |                       |
| <b>Owned assets</b>  |                    |                       |
| Plant and machinery  | 80                 | -                     |
| Electric equipment   | 200                | -                     |
| Computers and accessories  | -                  | (100)                 |
| Empty bottles, shells, pallets and barrels   | 25,689             | (16,234)              |
|  | 25,969             | (16,334)              |
| <b>Capital work in progress</b>  |                    |                       |
| Buildings  | 270                | -                     |
| Plant and machinery  | 5,230              | -                     |
|  | 5,500              | -                     |
| Additions / (deletions) / transfers (at cost), made during the year ended 30 June 2024 | 67,181             | (62,761)              |

6.2 An advance amounting to Rs.70.508 million was 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.

|   | Note | (Un-Audited)<br>30 September<br>2024 | (Audited)<br>30 June<br>2024 |
|---|------|--------------------------------------|------------------------------|
|   |      | Rupees in thousand                   |                              |
| <b>7 LONG-TERM INVESTMENT</b>                                   |      |                                      |                              |
| <b>Investment in listed securities - fair value through OCI</b> |      |                                      |                              |
| BRR Guardian Limited - Credit rating - A                        |      |                                      |                              |
| 305,000 (30 June 2024: 305,000) certificates having             |      |                                      |                              |
| face value of Rs. 10/- each                                     |      |                                      |                              |
|   | 7.1  | 2,375                                | 2,375                        |
| Gain on remeasurement   |      |                                      |                              |
|   |      | 2,318                                | 2,410                        |
|   |      | 4,693                                | 4,785                        |

7.1 The above investment represents 0.32% (30 June 2024: 0.32%) of the issued share capital of the company.

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2024

|  | Note | (Un-Audited)<br>30 September<br>2024 | (Audited)<br>30 June<br>2024 |
|--|------|--------------------------------------|------------------------------|
| Rupees in thousand                                     |      |                                      |                              |
| <b>8 LONG-TERM LOANS</b>                               |      |                                      |                              |
| Loans from banking institutions - secured              | 8.1  | <b>75,000</b>                        | 175,000                      |
| Less: Repayment  |      | <b>(25,000)</b>                      | (100,000)                    |
|  |      | <b>50,000</b>                        | 75,000                       |
| Less: Current maturity shown under current liabilities |      | <b>(50,000)</b>                      | (86,873)                     |
|  |      | <b>-</b>                             | (11,873)                     |

**8.1** This represents loan obtained from a 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. Principal is repayable in 8 equal quarterly instalments commencing from 30 April 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.

## 9 SHORT-TERM BORROWINGS - SECURED

The aggregate short-term borrowings available from commercial banks under mark-up / interest arrangements are Rs. (thousand) 2,300,000 (30 June 2024: Rs. (thousand) 2,300,000). The un-utilized portion of the said facility amounts to Rs. (thousand) 1,435,818 (30 June 2024: Rs. (thousand) 1,159,411).

The rate of mark-up / interest on short-term borrowings ranges between 1 month / 3 months KIBOR plus 0.05% to 1 month / 3 months KIBOR plus 0.25% per annum (30 June 2024: 1 month / 3 months KIBOR plus 0.05% to 1 month / 3 months KIBOR plus 0.25% per annum) per annum.

The facilities are secured against first registered joint pari passu hypothecation on current assets of the Company up to Rs. (thousand) 3,282,000 (30 June 2024: Rs. (thousand) 3,282,000).

The un-utilized facility for opening letters of credit and for guarantees amounts to Rs. (thousand) 290,071 (30 June 2024: Rs. (thousand) 300,000) and Rs. (thousand) 49,717 (30 June 2024: Rs. (thousand) 31,424), respectively.

## 10 CONTINGENCIES AND COMMITMENTS

### a) Contingencies

There has been no change in the status of the contingencies reported in the annual audited financial statements for the year ended 30 June 2024.

### b) Commitments

1. Commitments in respect of letters of credit established for the import of raw, packing materials and plant and machinery amounted to Rs. (thousand) 9,929 (30 June 2024: Rs. (thousand) Nil).
2. Guarantees issued by the banks in favor of the Company in the ordinary course of business, amounted to Rs. (thousand) 130,283 (30 June 2024: Rs. (thousand) 128,576).

|                           |  | (Un-Audited)<br>Three month period ended<br>30 September<br>2024 | 30 September<br>2023 |
|---------------------------|--|--|----------------------|
| Rupees in thousand        |  |  |                      |
| <b>11 Levy / Taxation</b> |  |  |                      |
| Final tax                 |  | <b>2,863</b>   | 2,174                |
| Minimum tax               |  | <b>27,087</b>  | 25,181               |
| Deferred tax              |  | <b>-</b>   | (26,951)             |
|                           |  | <b>29,950</b>  | 404                  |

(Un-Audited)  
Three month period ended  
30 September 2024      30 September 2023

## 12 EARNINGS PER SHARE - BASIC AND DILUTED

|   |               |          |
|---|---------------|----------|
| Net profit / (loss) after tax (Rupees in thousand)  | <b>10,283</b> | (27,657) |
| Weighted average number of ordinary shares at the end of the period (No. of shares in thousand) | <b>9,663</b>  | 9,663    |
| Earnings / (loss) per share - (basic / diluted) ( Rupees per share)                             | <b>1.06</b>   | (2.86)   |

**12.1** Diluted earnings per share has not been disclosed, as the Company has not issued an instrument which would have an impact on earnings per share, when exercised.

## 13 NON TRANSFER OF BONUS SHARES TO INDIVIDUAL SHAREHOLDERS

During the year ended 30 June 2015, the Company issued 726,000 bonus shares @ 10% of its then paid-up capital on the book closure date of 23 October 2014. In accordance with the provisions of section 236M of the Income Tax Ordinance, 2001, the Company was required to collect tax from its shareholders @5% on the value of bonus shares, determined on the basis of the end price of the first day of book closure.

However, a number of shareholders of the Company have filed a suit against the Federation of Pakistan, competent authorities and the Company, before the Honorable Sindh High Court, challenging the levy of tax under the above referred section. Since the matter is sub-judice before the Honorable Sindh High Court, the Company has retained 5% of the bonus shares issued to the plaintiff shareholders.

## 14 TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise related group companies, associates, staff provident fund, directors and key management personnel. Details of transactions with them are as follows:

| Nature of Transactions   | Relationship with the Company | (Un-Audited)<br>30 September |         |
|--|-------------------------------|------------------------------|---------|
|  |                               | <b>2024</b>                  | 2023    |
|  |                               | Rupees in thousand           |         |
| Purchases of raw materials   | Associate                     | <b>46,827</b>                | 253,390 |
| Sales of finished goods  | Associate                     | <b>364</b>                   | 300     |
| Royalty charged  | Associate                     | <b>22,769</b>                | 20,998  |
| Purchases/repairs of electric equipment/vehicles   | Associate                     | <b>176</b>                   | -       |
| Contributions to staff provident fund  | Employees' Fund               | <b>1,600</b>                 | 1,411   |
| Remuneration and benefits of Directors, Chief Executive Officer and key management personnel | Key management personnel      | <b>8,845</b>                 | 7,381   |
|  |                               | (Un-Audited)      (Audited)  |         |
|  |                               | 30 September                 | 30 June |
|  |                               | <b>2024</b>                  | 2024    |
|  |                               | Rupees in thousand           |         |
| <b>Period/year end balances</b>  |                               |                              |         |
| Due to related parties   | Associate                     | <b>72,493</b>                | 23,875  |
| Due from related parties   | Associate                     | <b>75</b>                    | 105,086 |

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2024

## 15 SEGMENTAL ANALYSIS

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive. The Chief Executive considers the business from the product perspective and evaluates performance on the basis of their profit or loss. As at 30 September 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 three month period ended 30 September 2024 (Un-Audited):

|   | Juices and Drinks  | Others  | Total          |
|---|--------------------|---------|----------------|
|   | Rupees in thousand |         |                |
| Revenue from contracts with customers - net | 1,909,421          | 398,150 | 2,307,571      |
| Cost of revenue                             | 1,485,806          | 299,226 | 1,785,032      |
| Gross profit                                | 423,615            | 98,924  | <b>522,539</b> |
| Unallocated expenses and income             |                    |         |                |
| Corporate expenses                          |                    |         | (410,577)      |
| Finance costs                               |                    |         | (57,420)       |
| Other operating expenses                    |                    |         | (30,321)       |
| Other income                                |                    |         | 16,012         |
| Levy  |                    |         | (29,950)       |
| <b>Profit after taxation</b>                |                    |         | <b>10,283</b>  |

### Segment analysis of assets and liabilities as at 30 September 2024 (Un-Audited):

|                         | Juices and Drinks  | Others  | Total            |
|-------------------------|--------------------|---------|------------------|
|                         | Rupees in thousand |         |                  |
| Segment assets          | 2,882,206          | 576,480 | 3,458,686        |
| Unallocated assets      |                    |         | 262,267          |
| <b>Total</b>            |                    |         | <b>3,720,953</b> |
| Segment liabilities     | 746,879            | 203,655 | 950,534          |
| Unallocated liabilities |                    |         | 1,304,270        |
| <b>Total</b>            |                    |         | <b>2,254,804</b> |



**Segment analysis of profit and loss account for the three month period ended 30 September 2023 (Un-Audited):**

|   | Juices and Drinks  | Others  | Total     |
|---|--------------------|---------|-----------|
|   | Rupees in thousand |         |           |
| Revenue from contracts with customers - net | 1,728,379          | 391,935 | 2,120,314 |
| Cost of revenue                             | 1,378,701          | 303,326 | 1,682,027 |
| Gross profit                                | 349,678            | 88,609  | 438,287   |
| Unallocated expenses and income             |                    |         |           |
| Corporate expenses                          |                    |         | (364,990) |
| Finance costs                               |                    |         | (85,417)  |
| Other operating expenses                    |                    |         | (27,102)  |
| Other income                                |                    |         | 11,969    |
| Levy/ taxation                              |                    |         | (404)     |
| Loss after taxation                         |                    |         | (27,657)  |

**Segment analysis of assets and liabilities as at 30 June 2024 (Audited):**

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

**16 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial information were authorized for issue by the Board of Directors on 28 October 2024.

The Chief Executive is out of Pakistan and in his absence these quarterly financial statements have been signed by two Directors, as required under section 232(1) of the Companies Act, 2017.

  
Director

  
Director

  
Chief Financial Officer





Happiness  
kay Flavors





Shezan International Limited  
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