



**QUARTERLY REPORT**  
**31 MARCH 2024**



The Shezan logo is a red, cloud-like shape with a yellow border. Inside, the word "Shezan" is written in a yellow, stylized font.

Shezan

*Discover the exotic*



# COMPANY INFORMATION

## Board of Directors :

Mr. Muneer Nawaz	Chairman
Mr. Humayun A. Shahnawaz	Chief Executive
Mr. M. Naeem	
Mr. Abid Nawaz	
Mr. Rashed Amjad Khalid	
Ms. Manahil Shahnawaz	
Mr. Shahid Hussain Jatoi	(Independent Director)
Mr. 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

## 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 nine-month period ended 31 March 2024.

### ECONOMIC OVERVIEW

Pakistan's economic outlook presents a complex picture. While improvements in fiscal discipline are commendable, the slowdown in real GDP growth and high inflation pose significant challenges. Addressing these imbalances, attracting foreign investment, and promoting export-oriented growth will be crucial for achieving long-term sustainable economic development. The coming months will be critical in navigating these challenges and ensuring a more robust and resilient economy.

### OPERATIONAL OVERVIEW

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

Particulars	2024	2023
	Rupees in thousand	
Revenue from contracts with customers – net	<b>5,321,046</b>	6,394,478
Gross profit	<b>938,496</b>	1,484,868
(Loss)/profit after taxation	<b>(433,578)</b>	85,770
(Loss)/earnings per share – Rupees	<b>(44.87)</b>	8.88

On the operational side, we would like to apprise our shareholders that the Company's total revenue dropped during this period as compared to the corresponding period of the last year and resultantly Company has reported a loss during the period under review. Numerous factors like huge increase in the minimum wage in the fiscal budget 2023-2024 and the imposition of unprecedented 20% Federal Excise Duty on juices, squashes and syrups, played a havoc. Our main product tetra pak juices are an impulse buy, consumer acceptance of our juices was growing reasonably and 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. 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 period under review. 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.

The finance cost continues 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 as compared to the 2100 basis points of the same period last year. The average utilization of working capital limits during the period 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.

## FUTURE PROSPECTS

Although April to June is our prime business quarter and we are hopeful that we can overcome our deficiencies on the side of revenue but the economic canvas does not appear to be very favourable. Increase in gas and electricity tariffs, ever high inflation, deteriorating consumer buying power, higher finance costs, mounting POL prices, rapidly increasing sugar prices, are the key factors which may increase the production and input costs tremendously and may 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.

The Company will strive to secure a stable financial footing and will continue its efforts to focus and uplift its export sales in the prime quarter to gain reasonable financial results. The management contemplates that a continuous increase in the 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 to attain volumetric growth from its existing customers and will continue to explore new local markets. The Company will remain committed in maintaining high standards of quality and food safety and will continue to invest in initiatives to improve efficiency and reduce wastages in its production processes.

## VOTE OF THANKS

In the end, we take this opportunity to acknowledge and appreciate the devoted and sincere services of all associates and staff of all cadres of the Company.

For and on behalf of the Board



**Muneer Nawaz**  
Chairman

Lahore:  
27 April 2024.



**Humayun A. Shahnawaz**  
Chief Executive

## مستقبل کے امکانات:

اگرچہ اپریل تا جون ہماری اہم کاروباری سہ ماہی ہے اور ہم پر امید ہیں کہ ہم فروخت کے حوالے سے اپنی خامیوں پر قابو پالیں گے لیکن معاشی حالات زیادہ سازگار دکھائی نہیں دیتے۔ گیس اور بجلی کی قیمتوں میں اضافہ، بلند ترین افراط زر، صارفین کی قوت خرید میں کمی، مالیاتی لاگت میں اضافہ، تیزی سے بڑھتی ہوئی پمپنی کی قیمتیں، پی او ایل کے اخراجات میں اضافہ، وہ اہم عوامل ہیں جو پیداواری لاگت میں زبردست اضافہ کریں گے اور 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 کا انتظام، آمدنی کے نئے سلسلوں کی تلاش کرنا اور اپنے آپریٹس کو بدلتے ہوئے معاشی منظر نامے کے مطابق ڈھالنا شامل ہیں۔

کمپنی ایک مستحکم مالیاتی نظام بنانے کیلئے سرگرم رہے گی اور آنے والی اہم سہ ماہی میں اپنی برآمدی فروخت پر توجہ مرکوز کرنے اور اسے بڑھانے کیلئے اپنی کوشش جاری رکھے گی تاکہ مناسب منافع حاصل کیا جاسکے۔ 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۔ 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 کے لیے پرعزم رہے گی اور کارکردگی کو بہتر بنانے اور اپنے پیداواری عمل میں ہونے والے ضیاع کو کم کرنے کے لیے اقدامات میں سرمایہ کاری جاری رکھے گی۔

## اظہار تشکر:

آخر میں، ہم اس موقع کا فائدہ اٹھاتے ہوئے کمپنی کے ملازمین اور ایسوسی ایٹس کی کمپنی کیلئے کی گئی مخلصانہ خدمات کو سراہتے ہیں۔

پورڈی کی ایماء پر

H. S. S.

ہمایوں اے شاہنواز

چیف ایگزیکٹو

Munir Nawaz

منیر نواز

چیرمین

لاہور

27 اپریل 2024ء۔

## ڈائریکٹرز رپورٹ برائے ممبران

ہم شیطان انٹرنیشنل لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ڈائریکٹرز رپورٹ اور اختتام شدہ نو ماہی 31 مارچ 2024ء کے لئے کمپنی کے غیر آڈٹ شدہ عبوری مالیاتی نتائج پیش کرتے ہیں۔

### معاشی جائزہ:

پاکستان کی معاشی صورت حال پیچیدگی کی عکاسی کرتی ہے۔ اگرچہ مالیاتی صورت حال میں قدرے بہتری قابل ستائش ہے لیکن حقیقی جی ڈی پی نمو میں سست روی اور بلند افراط زر اہم چیلنجز رہے۔ اس عدم توازن سے نمٹنا، غیر ملکی سرمایہ کاری کو راغب کرنا اور برآمدات پر مبنی نمو کو فروغ دینا، طویل مدتی پائیدار اقتصادی ترقی کے حصول کیلئے اہم ہوگا۔ آنے والے مہینے ان چیلنجز سے نمٹنے اور مضبوط، پائیدار معیشت کو یقینی بنانے کیلئے اہم ہوں گے۔

### عملی جائزہ:

کمپنی کی اختتام شدہ نو ماہی کی عملی کارکردگی مختصر اوجہ ذیل ہے:

2023	2024	تفصیلات
(روپے ہزاروں میں)		
6,394,478	5,321,046	فروخت
1,484,868	938,496	مجموعی منافع
85,770	(433,578)	(نقصان) / منافع بعد از محصولات
8.88	(44.87)	فی حصص (نقصان) / آمدنی۔ 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 کم ہوئی ہے جسکے 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 جوہر، سکواش اور شربت پر 20 فیصد فیڈرل ایکسائز ڈیوٹی کے نفاذ جیسے عوامل اس زبردست نقصان کا باعث بنے۔ ہماری اہم پروڈکٹ جس پیک جو کہ ہر دل عزیز تسلسل سے خرید جانے والا پروڈکٹ ہے، کی 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 بیورنگ انڈسٹری کی فروخت کے حجم پر نمایاں منفی اثر پڑا۔ بلند افراط زر کو مد نظر 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 ہے۔ ایک بہتر مالیاتی حکمت عملی کے باوجود بھی ہم ان بیرونی عوامل کے اثرات کو کم نہ کر سکے۔

بڑھتی ہوئی مالیاتی لاگت ایک اہم مسئلہ بنی ہوئی ہے۔ مجموعی شرح سود اب 2200 پیسے پوائنٹ پر پہنچ چکی ہے جو کہ پچھلے سال کے اسی عرصے میں 2100 پیسے پوائنٹ تھی۔ اس مدت کے دوران کاروباری سرمائے کیلئے لیئے گئے قرضوں کا اوسط استعمال زیادہ رہا۔ کاروباری سرمائے کیلئے لیئے گئے قرضے موسمی پھلوں، ہیلپ، چینیاں اور پیکنگ 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 31 MARCH 2024

		(Un-Audited) March 31, <b>2024</b>	(Audited) June 30, 2023
	Note	Rupees in thousand	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	<b>1,225,176</b>	1,371,951
Long-term investment	7	<b>4,419</b>	3,508
Long-term receivable		<b>15,995</b>	16,608
Long-term prepayments		<b>1,142</b>	2,064
Long-term deposits		<b>7,422</b>	7,315
Deferred tax assets-net		<b>320,432</b>	206,466
		<b>1,574,586</b>	1,607,912
<b>CURRENT ASSETS</b>			
Stores and spares		<b>194,271</b>	245,584
Stock-in-trade		<b>1,855,935</b>	1,986,933
Right to recover asset		<b>3,397</b>	4,586
Trade debts		<b>624,657</b>	476,824
Loans and advances		<b>318,292</b>	391,392
Trade deposits, prepayments and other receivables		<b>31,547</b>	5,331
Tax refunds due from the Government		<b>100,837</b>	78,625
Cash and bank balances		<b>81,092</b>	118,637
		<b>3,210,028</b>	3,307,912
<b>TOTAL ASSETS</b>		<b>4,784,614</b>	4,915,824
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital			
10,000,000 (30 June 2023: 10,000,000) ordinary shares of Rs.10/- each		<b>100,000</b>	100,000
<b>Capital reserve</b>			
Issued, subscribed and paid up capital			
9,663,060 (30 June 2023: 9,663,060) ordinary shares of Rs.10/- each		<b>96,631</b>	96,631
Merger reserves		<b>5,000</b>	5,000
<b>Revenue reserves</b>			
General reserves		<b>2,000,000</b>	2,000,000
Unrealized gain on remeasurement of investment		<b>2,107</b>	1,196
Accumulated losses		<b>(460,124)</b>	(7,220)
<b>TOTAL EQUITY</b>		<b>1,643,614</b>	2,095,607
<b>NON-CURRENT LIABILITIES</b>			
Long-term loans	8	<b>-</b>	75,000
Lease liability		<b>59,870</b>	57,117
		<b>59,870</b>	132,117
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<b>1,242,314</b>	1,001,044
Contract liabilities		<b>49,975</b>	55,889
Unclaimed dividend		<b>15,471</b>	13,928
Accrued markup		<b>80,796</b>	91,601
Current portion of long-term loans	8	<b>100,000</b>	100,000
Current portion of lease liability		<b>4,674</b>	17,546
Short-term borrowings	9	<b>1,461,216</b>	1,262,658
Refund liability		<b>72,793</b>	79,282
Provision for taxation		<b>53,891</b>	66,152
		<b>3,081,130</b>	2,688,100
<b>TOTAL LIABILITIES</b>		<b>3,141,000</b>	2,820,217
<b>CONTINGENCIES AND COMMITMENTS</b>	10		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,784,614</b>	4,915,824

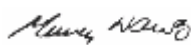
The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



# CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE NINE-MONTH PERIOD ENDED 31 MARCH 2024

	Note	Nine-month period ended March 31,		Three-month period ended March 31,	
		2024	2023	2024	2023
		Rupees in thousand		Rupees in thousand	
Revenue from contracts with customers-net		<b>5,321,046</b>	6,394,478	<b>1,816,197</b>	2,288,798
Cost of revenue		<b>4,382,550</b>	4,909,610	<b>1,542,017</b>	1,720,748
<b>Gross profit</b>		<b>938,496</b>	1,484,868	<b>274,180</b>	568,050
Distribution costs		<b>830,779</b>	898,305	<b>275,666</b>	302,823
Administrative expenses		<b>289,369</b>	269,664	<b>95,851</b>	93,800
Other operating expenses		<b>70,513</b>	97,265	<b>23,261</b>	38,045
		<b>1,190,661</b>	1,265,234	<b>394,778</b>	434,668
<b>Operating (loss) / profit</b>		<b>(252,165)</b>	219,634	<b>(120,598)</b>	133,382
Other income		<b>(22,757)</b>	(87,616)	<b>(6,119)</b>	(36,486)
Finance costs		<b>251,772</b>	181,856	<b>86,245</b>	62,744
<b>(Loss) / profit before taxation</b>		<b>(481,180)</b>	125,394	<b>(200,724)</b>	107,124
Taxation		<b>(47,602)</b>	39,624	<b>333</b>	31,816
<b>(Loss) / profit after taxation</b>		<b>(433,578)</b>	85,770	<b>(201,057)</b>	75,308
<b>Other comprehensive income</b>					
Items that will not be reclassified to profit or loss in subsequent periods:					
Unrealized gain / (loss) on remeasurement of investments designated at fair value through OCI - net of deferred tax					
		<b>911</b>	514	<b>(271)</b>	109
<b>Total comprehensive (loss) / income for the period</b>		<b>(432,667)</b>	86,284	<b>(201,328)</b>	75,417
<b>(Loss) / earnings per share - basic and diluted (Rupees)</b>	11	<b>(44.87)</b>	8.88	<b>(20.81)</b>	7.79

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

  
Director

  
Chief Executive

  
Chief Financial Officer

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE-MONTH PERIOD ENDED 31 MARCH 2024

	Capital Reserve		Revenue Reserves			Sub Total	Total
	Share Capital	Merger Reserve	General Reserve	Unrealized gain / (loss) on remeasurement of Investments	Unappropriated profits / (loss)		
Rupees in thousand							
Balance as at 01 July 2022	96,631	5,000	2,000,000	920	2,330	2,003,250	2,104,881
Final dividend @ Rs. 5/- per share for the year ended 30 June 2022	-	-	-	-	(48,315)	(48,315)	(48,315)
Profit for the nine-month period ended 31 March 2023	-	-	-	-	85,770	85,770	85,770
Other comprehensive	-	-	-	514	-	514	514
Total comprehensive income	-	-	-	514	85,770	86,284	86,284
<b>Balance as at 31 March 2023</b>	<b>96,631</b>	<b>5,000</b>	<b>2,000,000</b>	<b>1,434</b>	<b>39,785</b>	<b>2,041,219</b>	<b>2,142,850</b>
Balance as at 01 July 2023	96,631	5,000	2,000,000	1,196	(7,220)	1,993,976	2,095,607
Final dividend @ Rs. 2/- per share for the year ended 30 June 2023	-	-	-	-	(19,326)	(19,326)	(19,326)
Loss for the nine-month period ended 31 March 2024	-	-	-	-	(433,578)	(433,578)	(433,578)
Other comprehensive income	-	-	-	911	-	911	911
Total comprehensive loss	-	-	-	911	(433,578)	(432,667)	(432,667)
<b>Balance as at 31 March 2024</b>	<b>96,631</b>	<b>5,000</b>	<b>2,000,000</b>	<b>2,107</b>	<b>(460,124)</b>	<b>1,541,983</b>	<b>1,643,614</b>

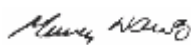
The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

# CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE-MONTH PERIOD ENDED 31 MARCH 2024

Nine-month period ended  
31 March  
**2024** 2023  
Rupees in thousand

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / profit before taxation	<b>(481,180)</b>	125,394
Adjustments to reconcile (loss) / profit before tax to net cash:		
Depreciation	<b>160,602</b>	172,815
Finance costs	<b>247,261</b>	176,959
Profit on bank deposits	<b>(708)</b>	(282)
Un-winding of interest on long-term receivable	<b>-</b>	(1,144)
Provision for expected credit losses	<b>6,300</b>	11,785
Gain on disposal of property, plant and equipment	<b>(542)</b>	(8,280)
	<b>412,913</b>	351,853
<b>Operating (loss) / profit before working capital changes</b>	<b>(68,267)</b>	477,247
<b>Decrease / (Increase) in current assets</b>		
Stores and spares	<b>51,313</b>	(43,929)
Stock-in-trade	<b>130,998</b>	(181,455)
Right to recover asset	<b>1,189</b>	119
Trade debts	<b>(154,133)</b>	(233,017)
Loans and advances	<b>73,100</b>	(358,934)
Trade deposits, prepayments and other receivables	<b>(26,216)</b>	8,117
	<b>76,251</b>	(809,099)
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	<b>241,270</b>	(59,759)
Contract liabilities	<b>(5,914)</b>	(61,673)
Refund liability	<b>(6,489)</b>	5,406
	<b>228,867</b>	(116,026)
<b>Cash flows generated from / (used in) operations</b>	<b>236,851</b>	(447,878)
Profit on bank deposits received	<b>708</b>	447
Income tax paid	<b>(100,837)</b>	(98,600)
Long-term receivable	<b>613</b>	1,606
Long-term prepayments	<b>922</b>	-
Long-term deposits	<b>(107)</b>	(6,414)
<b>Net cash flow generated from / (used in) operating activities</b>	<b>138,150</b>	(550,839)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment - net	<b>(23,520)</b>	(131,852)
Sale proceeds from disposal of property, plant and equipment	<b>10,235</b>	31,932
<b>Net cash used in investing activities</b>	<b>(13,285)</b>	(99,920)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long-term loan	<b>(75,000)</b>	(96,992)
Long-term loan obtained	<b>-</b>	200,000
Repayment of lease liability	<b>(10,119)</b>	(5,960)
Short-term borrowings - net	<b>198,558</b>	685,251
Interest expense paid	<b>(258,066)</b>	(138,300)
Dividends paid	<b>(17,783)</b>	(44,183)
<b>Net cash (used in) / generated from financing activities</b>	<b>(162,410)</b>	599,816
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(37,545)</b>	(50,943)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>118,637</b>	84,116
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>81,092</b>	33,173

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

  
Director

  
Chief Executive

  
Chief Financial Officer

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED 31 MARCH 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 nine month period ended 31 March 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 2023.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended 30 June 2023.

### 3.1 New standards, interpretations, amendments and improvements effective during current period

There are certain standards, amendments and interpretations to approved accounting standards that are effective or mandatory for the Company's accounting periods beginning on or after 01 July 2023 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

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

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

## 5. SEASONALITY OF OPERATIONS

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

## 6. PROPERTY, PLANT AND EQUIPMENT

The additions / (disposals) / transfers (at cost), made during the nine-month period ended 31 March 2024 (un-audited) are as follows:

	Additions	Disposals/ Transfers
	Rupees in thousand	
<b>Owned assets</b>		
Plant and machinery	23,157	(1,355)
Motor vehicles	-	(2,105)
Electric equipment	380	(514)
Furniture and fixtures	52	-
Computers and accessories	767	(153)
Empty bottles, shells, pallets and barrels	12,455	(29,152)
	36,811	(33,279)
<b>Capital work in progress</b>		
Plant and machinery	3,041	(16,332)
	39,852	(49,611)
	(Un-Audited) 31 March <b>2024</b>	(Audited) 30 June 2023
Note	Rupees in thousand	

## 7. LONG-TERM INVESTMENT

Investment in listed securities - fair value through OCI

BRR Guardian Limited			
305,000 (30 June 2023: 305,000) certificates of Rs. 10/- each	7.1	<b>2,375</b>	2,375
Gain on remeasurement		<b>2,044</b>	1,133
		<b>4,419</b>	3,508

**7.1** The above investment represents 0.32% (30 June 2023: 0.32%) of the issued certificate capital of the Modaraba.

**7.2** The above investment represents bargain purchase gain of Rs.0.675 million (30 June 2023: Rs. 0.675 million) on initial recognition.

	(Un-Audited) 31 March <b>2024</b>	(Audited) 30 June 2023
	Rupees in thousand	
Note		

## 8. LONG-TERM LOANS - SECURED

Long-term loan	8.1	<b>100,000</b>	175,000
Mark up accrued		<b>22,403</b>	6,605
		<b>122,403</b>	181,605
Less: Current maturity shown under current liabilities		<b>(100,000)</b>	(100,000)
Mark up accrued shown in finance cost		<b>(22,403)</b>	(6,605)
		-	75,000

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED 31 MARCH 2024

**8.1** This represents loan obtained from a commercial bank 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 2023: Rs. (thousand) 2,400,000). The un-utilized portion of the said facility amounts to Rs. (thousand) 838,784 (30 June 2023: Rs. (thousand) 1,137,342).

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 2023: 1 month / 3 months KIBOR plus 0.05% to 1 month / 3 months KIBOR plus 0.25% per annum), payable monthly / quarterly.

The facilities are secured against first registered joint pari passu hypothecation on current assets of the Company up to Rs. (thousand) 3,949,000 (30 June 2023: Rs. (thousand) 3,415,000).

The un-utilized facility for opening letters of credit and for guarantees amounts to Rs. (thousand) 397,495 (30 June 2023: Rs. (thousand) 356,568) and Rs. (thousand) 32,534 (30 June 2023: Rs. (thousand) 41,146), respectively.

## 10. CONTINGENCIES AND COMMITMENTS

### 10.1 Contingencies

There has been no change in the status of the contingencies reported in the annual audited financial statements for the year ended 30 June 2023 and half year ended 31 December 2023.

### 10.2 Commitments

- (i) Commitments in respect of letters of credit established for the import of raw, packing materials and plant and machinery amounted to Rs. (thousand) 2,505 (30 June 2023: Rs. (thousand) 43,432).
- (ii) Guarantees issued by the banks in favor of the Company in the ordinary course of business, amounted to Rs. (thousand) 127,466 (30 June 2023: Rs. (thousand) 118,854).

	(Un-Audited)			
	Nine-month period ended		Three-month period ended	
	31 March 2024	2023	31 March 2024	2023
<b>11. (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED</b>				
(Loss) / profit after taxation attributable to ordinary shareholders (Rupees in thousand)	<b>(433,578)</b>	85,770	<b>(201,057)</b>	75,308
Weighted average number of ordinary shares at the end of the period (in thousand)	<b>9,663</b>	9,663	<b>9,663</b>	9,663
(Loss) / earnings per share-basic and diluted (Rupees)	<b>(44.87)</b>	8.88	<b>(20.81)</b>	7.79

**11.1** No fully diluted earnings per share has been disclosed as the Company has not issued any instrument which would have an impact on earnings per share, when exercised.

## 12. NON TRANSFER OF BONUS SHARES TO INDIVIDUAL SHAREHOLDERS

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

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

## 13. TRANSACTIONS WITH RELATED PARTIES

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

	Relationship with the Company	(Un-Audited) Nine-month period ended 31 March	
		2024	2023
		Rupees in thousand	
<b>Transactions during the period:</b>			
<b>Associated undertakings</b>			
Purchases of raw materials	Associate	450,864	549,377
Sales of finished goods	Associate	40,445	1,367
Royalty charged	Associate	52,856	63,807
Purchases / repairs of electric equipment / vehicles	Associate	45	154
Contributions to staff provident fund	Employees' fund	4,850	4,187
Remuneration and benefits of Directors, Chief Executive and key management personnel	Key management personnel	22,303	21,755
		(Un-Audited) 31 March	(Audited) 30 June
		2024	2023
		Rupees in thousand	
<b>Period / year end balances:</b>			
Due to related parties	Associate	163,671	49,536
Due from related parties	Associate	321	350,696



# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED 31 MARCH 2024

## 14. SEGMENTAL ANALYSIS

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive. The Chief Executive considers the business from the product perspective and evaluates performance on the basis of their profit or loss. As at 31 March 2024, the Company is organized into two operating segments based on their products.

### JUICE DRINKS

Juice drinks segment includes bottled as well as juices in tetra pack packing.

### OTHERS

Others include pickles, ketchup, sauces, jams etc.

	Juices and Drinks	Others	Total
	Rupees in thousand		
<b>Statement of Profit and loss account for the nine-month period ended 31 March 2024(Un-Audited):</b>			
Revenue from contracts with customers - net	3,933,204	1,387,842	5,321,046
Cost of revenue	(3,338,668)	(1,043,882)	(4,382,550)
Gross profit	594,536	343,960	938,496
<b>Unallocated expenses and income</b>			
Distribution costs			(830,779)
Administrative expenses			(289,369)
Other operating expenses			(70,513)
Other income			22,757
Finance costs			(251,772)
Taxation			47,602
<b>Loss after taxation</b>			<b>(433,578)</b>
<b>Assets and liabilities as at 31 March 2024 (Un-Audited):</b>			
Segment assets	3,502,701	670,166	4,172,867
Unallocated assets			611,747
<b>Total</b>			<b>4,784,614</b>
Segment liabilities	834,251	301,407	1,135,658
Unallocated liabilities			2,005,342
<b>Total</b>			<b>3,141,000</b>


	Juices and Drinks	Others	Total
	Rupees in thousand		
<b>Statement of Profit and loss account for the nine-month period ended 31 March 2023 (Un-Audited):</b>			
Revenue from contracts with customers - net	5,085,110	1,309,368	6,394,478
Cost of revenue	(3,913,279)	(996,331)	(4,909,610)
Gross profit	1,171,831	313,037	1,484,868
<b>Unallocated expenses and income</b>			
Distribution costs			(898,305)
Administrative expenses			(269,664)
Other operating expenses			(97,265)
Other income			87,616
Finance costs			(181,856)
Taxation			(39,624)
<b>Profit after taxation</b>			<b>85,770</b>
<b>Assets and liabilities as at 30 June 2023 (Audited):</b>			
Segment assets	3,682,704	740,734	4,423,438
Unallocated assets			492,386
<b>Total</b>			<b>4,915,824</b>
Segment liabilities	833,425	256,279	1,089,704
Unallocated liabilities			1,730,513
<b>Total</b>			<b>2,820,217</b>


## 15. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue by the Board of Directors on 27 April 2024.

## 16. GENERAL

Figures in these condensed interim financial statements have been rounded off to the nearest thousand of rupees unless otherwise stated.

  
Director

  
Chief Executive

  
Chief Financial Officer



Shezan



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