



FOR THE TASTE OF NATURAL GOODNESS

1st QUARTER

2021

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# Company Information

## Board of Directors

Mr. Najam Aziz Sethi	Chairman - Non Executive Director
Mr. S.M.Mohsin	Non Executive Director
Naila Bhatti	Chief Executive Officer
Syeda Sitwat Mohsin	Non Executive Director
Syed Mohammad Mehdi Mohsin	Non Executive Director
Mr. Rizwan Bashir	Independent Director
Mr. Manzar Hassan	Non Executive Director
Ms. Umme Kulsum Imam	Non Executive Director
Mr. Shazad Ghaffar	Non Executive Director
Mr. Pervez Hayat Noon	Non Executive Director
Mr. Aamer Amin	Non Executive Director (NIT Nominee)

## Audit Committee

Mr. Rizwan Bashir	Chairman
Mr. S.M.Mohsin	Member
Mr. Aamer Amin	Member

## Chief Financial Officer

Mr. Nauman Munawar FCA

## Company Secretary

Mr. Rashid Butt ACMA

## Auditors

A.F. Ferguson & Company  
Chartered Accountants

## Legal Advisors

Lashari & Co.  
Tariq Rahim Manzil,  
7-Turner Road, Lahore  
Tel: 042-37324296

## Bankers

Habib Bank Limited  
Askari Bank Limited  
Allied Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
MCB Bank Limited  
National Bank of Pakistan  
Bank Al Habib Limited  
JS Bank Limited  
Meezan Bank Limited

## Share Registrar

Corplink (Private) Limited,  
Wings Arcade, 1-K (Commercial)  
Model Town, Lahore  
Phone : (042) 35839182, 35887262,  
Fax: (042) 35869037

## Corporate Office

Old Address:  
40-A, Zafar Ali Road, Gulberg V, Lahore  
Phones: (042) 35872392-96,  
Fax: (042) 35872398  
E-Mail: ho@mitchells.com.pk  
Website: www.mitchells.com.pk  
New Address: 72-FCC Gulberg IV, Lahore

## FACTORY & FARMS

Renala Khurd, District Okara, Pakistan  
Phones: (044) 2635907-8, 2622908  
Fax: (044) 2621416  
E-Mail: rnk@mitchells.com.pk  
rsoc@mitchells.com.pk

## REGIONAL SALES OFFICE

### Lahore

40-A, Zafar Ali Road, Gulberg V, Lahore  
Phones: (042) 35872392-96  
Fax: (042) 35872398  
E-Mail: rsoc@mitchells.com.pk

### Islamabad

Office # 43, 3rd Floor,  
Rose-1 Plaza, I-8 Markaz- Islamabad  
Phones: (051) 4443824-6  
Fax: (051) 4443827  
E-Mail: rson@mitchells.com.pk

### Karachi

Mehran VIP II, Ground Floor, Plot 18/3  
Dr. Dawood Pota Road- Karachi  
Phones: (021) 35212112, 35212712  
& 35219675  
Fax: (021) 35673588  
E-Mail: rsos@mitchells.com.pk

# Directors' Review

The directors of the company are pleased to present their report together with condensed Interim financial statements (unaudited) for the first quarter 01 September-December 31, 2020.

Despite severe second wave of COVID- 2019 and depressed economic conditions, Sales revenue of the company posted a healthy growth of 33.6% and closed the net sales at Rs.702.44 million compared to Rs.525.85 million of corresponding first quarter period in last fiscal year. Although, all the channels performed well, major growth was recorded in General Trade due to increased footprint and better distribution methods. The overall growth in revenues reflects the continuing trust of end-consumers in our high quality branded products, despite various adverse management and production issues at MFFL in the past.

Key financial highlights are provided below:

Pareiculars	2021	2020
	Rupees in Million	
Sales Revenue	702.44	525.86
Gross Profit	177.52	117.58
Net Profit/ (Loss) after tax	32.99	(7.59)
Profit/ (Loss) after tax	22.64	(15.19)

Gross profit stood at Rs.177.5 million compared to 117.58 million for same period of last year, indicating an absolute increase of Rs.60 million in value contributed largely due to efficient production planning and cost control measures.

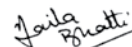
Profit from operation gained decent growth by Rs.31.84 million.

Management continued close monitoring of expenses. Increase in administrative expenses were largely contributed by expenses incurred for purposes of raising further capital through Rights Issue. The company conducted various researches in order to determine the position of brand in different categories. New and financially sound distributors were inducted in order to increase the distribution network. These were all one-time expenses.

Revision in KIBOR rates has contributed in major reduction in financial cost.

Profit after tax stood at Rs. 22.64 million compared to a loss of Rs.15.2 million showing a prominent improvement over the corresponding period last year.

For and on behalf of  
the Board of Directors



Naila Bhatti

Managing Director/  
Chief Executive Officer

Lahore: January 27, 2021

## ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز انتہائی خوشی سے 31 دسمبر 2020 کو ختم ہونے والی سہ ماہی کی رپورٹ بمعہ عبوری مالی تفصیلات (غیر آڈٹ شدہ) پیش کرتے ہیں۔

Covid-19 کی شدید تر دوسری لہر اور مایوس کن معاشی حالات کے باوجود کمپنی کی سیلز میں 33.6 فیصد نمو (گروتھ) ہوئی اور نیٹ سیلز 702.44 ملین پر بند ہوئیں جو کہ متعلقہ عرصے کے مقابلے میں 525.85 ملین تھیں۔ اگرچہ تمام شعبہ جات نے ہی بہت خوب کارکردگی دکھائی مگر خاطر خواہ نمو (گروتھ) جنرل ٹریڈ میں نظر آئی جو کہ foot prints میں اضافے کے باعث ہوئی۔ مکمل آمدن میں واضح بہتری صارفین کے ہم پراعتاد کا منہ بولتا ثبوت ہے۔

اہم مالی تفصیلات مندرجہ ذیل ہیں

تفصیلات	2021 رقم ملین میں	2020 رقم ملین میں
سیلز ریونیو	702.44	535.86
کل منافع	177.52	117.58
نیٹ منافع (نقصان) (ٹیکس کے بعد)	32.99	(7.59)
منافع (نقصان) (ٹیکس کے بعد)	22.64	(15.19)

کل منافع 177.5 ملین رہا جو کہ گزشتہ سال اسی عرصے میں 117.58 تھا۔ 60 ملین کا خاطر خواہ اضافہ اس بات کی نشاندہی کرتا ہے کہ پراڈکشن کی موثر منصوبہ بندی اور قیمتوں کو کنٹرول کرنے کے احسن اقدامات نے کمپنی کی بہتری میں کلیدی کردار ادا کیا ہے۔

آپریٹنرز کے منافع میں 31.84 ملین کی قابل ذکر بہتری ہے۔

انتظامیہ نے اخراجات کی کڑی نگرانی کی۔ انتظامی اخراجات میں اضافے کا بڑا حصہ کمپنی کے سرمائے کو بڑھانے کی غرض سے حقوق جاری کرنے کی مد میں ہوا۔ کمپنی نے مختلف کیلنگریز میں اپنے برانڈ کی پوزیشن کا تعین کرنے کیلئے ریسرچر منعقد کروائیں۔ نئے اور مالی طور پر مستحکم ڈسٹری بیوٹرز کو ڈسٹری بیوٹن نیٹ ورک کا دائرہ کار وسیع کرنے کیلئے شامل کیا گیا۔

KIBOR ریٹ میں تبدیلی سے مالی لاگت میں واضح کمی آئی۔

ٹیکس کے بعد منافع 22.64 ملین رہا جو کہ پچھلے سال کے مقابلے میں 15.2 ملین تھا۔ یہ فرق اس بات کی طرف اشارہ کرتا ہے کہ گزشتہ سال کی نسبت کمپنی کے منافع میں واضح اضافہ ہوا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

*Munir Ahmad*

نانائے بھٹی

مینجنگ ڈائریکٹر / چیف ایگزیکٹو آفیسر

27 جنوری 2021

# Condensed Interim Statement of Financial Position

As at December 31, 2020

	Note	Un-audited December 31 2020 Rupees	Audited September 30 2020 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Authorised capital 40,000,000 (September 30, 2020: 20,000,000) ordinary shares of Rs. 10 each		400,000,000	200,000,000
<b>Issued, subscribed and paid up capital</b> 7,875,000 (September 30, 2020: 7,875,000) ordinary shares of Rs. 10 each		78,750,000	78,750,000
Share Deposit Money		552,219,470	-
Reserves		9,635,878	9,635,878
Unappropriated profit		8,561,164	(14,076,101)
		649,166,512	74,309,777
<b>NON-CURRENT LIABILITIES</b>			
Deferred Taxation		-	-
Deferred liabilities		138,155,830	134,230,460
Long term finance		30,000,000	-
		168,155,830	134,230,460
<b>CURRENT LIABILITIES</b>			
Current Portion of long term finance		30,000,000	-
Finances under markup arrangements		374,373,527	560,615,531
Short term loan- Secured		100,000,000	-
Creditors, accrued and other liabilities		361,412,390	399,806,286
Loan from Shareholders		200,000,000	200,000,000
Accrued finance cost		10,676,932	9,653,040
Unclaimed dividends		2,004,183	2,004,183
		1,078,467,033	1,172,079,040
<b>CONTINGENCIES AND COMMITMENTS</b>			
	4	1,895,789,374	1,380,619,277

The annexed notes 1 to 13 form a integral part of this condensed interim financial statement.

	Note	Un-audited December 31 2020 Rupees	Audited September 30 2020 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		573,116,926	572,845,202
Intangible assets		3,713,054	3,843,833
Biological assets		31,879,123	31,954,123
Long term receivables		5,654,930	5,705,010
		614,364,033	614,348,168
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		39,718,435	37,342,809
Stock in trade		290,139,109	335,418,696
Trade debts		164,147,867	138,824,036
Advances, deposits, prepayments and other receivables		58,848,280	66,878,401
Income tax recoverable		144,384,361	152,414,931
Cash and bank balances		584,187,285	35,392,236
		1,281,425,341	766,271,109
		1,895,789,374	1,380,619,277

The annexed notes 1 to 13 form a integral part of this condensed interim financial statement.

  
Najam Aziz Sethi  
Chairman

  
Nauman Munawar  
Chief Financial Officer

  
Naila Bhatti  
Chief Executive Officer



# Condensed Interim Statement of Profit or Loss

For the First Quarter Ended December 31, 2020 (Un-audited)

	December 31 2020 Rupees	December 31 2019 Rupees
Sales	702,444,268	525,857,394
Cost of sales	(524,928,768)	(408,274,422)
<b>Gross profit</b>	<b>177,515,500</b>	<b>117,582,972</b>
Administration expenses	(55,114,124)	(42,289,297)
Distribution and marketing expenses	(77,230,680)	(61,359,974)
Other operating expenses	(2,482,885)	(50,000)
Other operating income	4,030,516	996,357
<b>Profit from operations</b>	<b>46,718,326</b>	<b>14,880,058</b>
Finance cost	(13,731,423)	(22,471,151)
<b>Profit (Loss) before tax</b>	<b>32,986,902</b>	<b>(7,591,093)</b>
Taxation	(10,349,637)	(7,601,992)
<b>Profit (Loss) after tax</b>	<b>22,637,265</b>	<b>(15,193,085)</b>
<b>Earning / (Loss) per share</b> - Basic and diluted	<b>2.87</b>	<b>(1.93)</b>

The annexed notes 1 to 13 form an integral part of this condensed interim financial statement.

  
Najam Aziz Sethi  
Chairman

  
Nauman Munawar  
Chief Financial Officer

  
Naila Bhatti  
Chief Executive Officer

# Condensed Interim Statement of Comprehensive Income

For the Period Ended December 31, 2020 (Un-audited)

	December 31 2020 Rupees	December 31 2019 Rupees
Profit / (Loss) for the period	22,637,265	(15,193,085)
Other Comprehensive Income:		
-Items that will not be reclassified to profit or (loss)	-	-
-Items that may be reclassified subsequently to profit or (loss)	-	-
<b>Total comprehensive income/ (loss) for the period</b>	<b>22,637,265</b>	<b>(15,193,085)</b>

The annexed notes 1 to 13 form an integral part of this condensed interim financial statement.

  
Najam Aziz Sethi  
Chairman

  
Nauman Munawar  
Chief Financial Officer

  
Naila Bhatti  
Chief Executive Officer

# Condensed Interim Statement of Changes in Equity

For the Period Ended December 31, 2020 (Un-audited)

	Share capital	Share premium	General reserve	Share Deposit money	Accumulated profit	Total
	----- Rupees -----					
Balance as at September 30, 2016	78,750,000	9,335,878	300,000	-	452,535,627	993,457,132
Final dividend for the year ended September 30, 2016 Rs. Nil pe share	-	-	-	-	-	-
Total Comprehensive Income for the period	-	-	-	-	(39,432,805)	(78,865,610)
Balance as at September 30, 2019	78,750,000	9,335,878	300,000	-	38,058,691	126,444,569
Profit / (Loss) for the period	-	-	-	-	(15,193,084)	(15,193,084)
Other Comprehensive income	-	-	-	-	-	-
Total Comprehensive Income for the period	-	-	-	-	(15,193,084)	(15,193,084)
Balance as at December 31, 2019 - un-audited	78,750,000	9,335,878	300,000	-	22,865,607	111,251,485
Balance as at September 30, 2020	78,750,000	9,335,878	300,000	-	(14,076,101)	74,309,777
Profit / (Loss) for the period	-	-	-	-	22,637,265	22,637,265
Share deposit money	-	-	-	552,219,470	-	552,219,470
Other Comprehensive income	-	-	-	-	-	-
Total Comprehensive Income for the period	-	-	-	552,219,470	22,637,265	574,856,735
Balance as at December 31, 2020 - un-audited	78,750,000	9,335,878	300,000	552,219,470	8,561,164	649,166,512

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

  
Najam Aziz Sethi  
Chairman

  
Nauman Munawar  
Chief Financial Officer

  
Naila Bhatti  
Chief Executive Officer

# Condensed Interim Statement of Cash Flows

For the First Quarter Ended December 31, 2020 (Un-audited)

Note	December 31 2020 Rupees	December 31 2019 Rupees
<b>Cash flows from operating activities</b>		
Cash generated from operations	54,842,430	29,802,596
Finance cost paid	(12,707,531)	(22,218,340)
Tax paid	(2,319,068)	(8,969,397)
Payments for accumulated compensated absences	-	-
Retirement and other benefits paid	(4,572,025)	(5,886,992)
<b>Net cash generated / (used in) from operating activities</b>	<b>35,243,806</b>	<b>(7,272,133)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(12,506,851)	(8,484,005)
Purchase of intangible assets	5,631	9,612
Purchase of biological assets	-	-
Security deposit paid for purchase of vehicles	-	65,500
Increase in long term deposit	-	-
Sale proceeds of property, plant and equipment	-	-
Sale proceeds of livestock	75,000	247,000
<b>Net cash used in investing activities</b>	<b>(12,426,220)</b>	<b>(8,161,893)</b>
<b>Cash flows from financing activities</b>		
Advance against Rights Issue	552,219,470	-
Repayment of long term loans	-	-
<b>Net decrease in cash and cash equivalents</b>	<b>575,037,057</b>	<b>(15,434,026)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>(525,223,295)</b>	<b>(636,544,521)</b>
<b>Cash and cash equivalents at end of the period</b>	<b>49,813,762</b>	<b>(651,978,547)</b>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

  
Najam Aziz Sethi  
Chairman

  
Nauman Munawar  
Chief Financial Officer

  
Naila Bhatti  
Chief Executive Officer

# Notes to and Forming Part of the Condensed Interim Financial Information

For the Quarter Ended December 31, 2020 (Un-audited)

## 1. Legal Status and nature of business

Mitchell's Fruit Farms Limited ("the Company") was incorporated in Pakistan and is listed on the Pakistan Stock Exchange. It is principally engaged in the manufacture and sale of various farm and confectionery products. The registered office of the Company is situated at 40-A Zafar Ali Road, Gulberg V, Lahore. The manufacturing facility and the farms are situated in Renala Khurd, Okara, Pakistan.

## 2. Basis of preparation

These condensed interim financial statements 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;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) 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.

This condensed interim financial information in un-audited and is being submitted to the members of the Company as required by Section 237 of the Companies Act, 2017 (the "Act").

The condensed interim financial information does not include all the information required for annual financial statements including financial risk management information and therefore should be read in conjunction with the annual financial statements for the year ended September 30, 2020.

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the company for the year ended September 30, 2020 except for the adoption of the standard as set out in note 2.2.1. Furthermore, the basis of significant estimates are same as those that were applied to the financial statements for the year ended September 30, 2020.

## 2.1 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards and interpretations have been published that are applicable to this condensed interim financial information covering annual periods, beginning on or after the following dates:

### 2.1.1 Amendments to published standards effective in current year

Certain standard amendments and interpretations to approved accounting standards are effective for the accounting periods beginning on or after October 1, 2018 but are considered not to be relevant or to have any significant effect on the Company operations and are, therefore, not detailed in this condensed interim financial information, except for the following:

### 2.1.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

The following amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after October 01, 2020 or later periods, but the Company has not early adopted them:

Standards or Interpretation	Effective date (accounting periods beginning on or after)
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	January 1, 2022
Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16	January 1, 2022
Reference to the Conceptual Framework – Amendments to IFRS 3	January 1, 2022
Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37	January 1, 2022
Annual Improvements to IFRS Standards 2018–2020	January 1, 2022

The above standards, amendments and interpretations are not expected to have a material impact on the Company's financial statements when they become effective.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in previous years. Such improvements are generally effective for accounting periods beginning on or after January 01, 2020. The Company expects that such improvements to the standards will not have any significant impact on the Company's financial statements in the period of initial application.

## 2.2 Summary of significant events and transactions

The company obtained loan under Re-finance scheme for payment of wages & salaries to workers and employees offered by State Bank of Pskistan to facilitate to meet obligations post COVID. Total facility obtained amounting to Rs.60.0 million. This facility is secured against ranking charge of current & fixed assets. This loan is repayable in eight (8) equal installments.

The registered office of the company was shifted to House No.72 F.C.C Gulberg IV, Lahore with effect from January 18, 2021.

Rs.552.21 million on account of Rights Issue Subscription money has been received in the non- checking account of the company as on December 31, 2020.

3. Income tax expense is recognized based on management's best estimate of the weighted average income tax rate expected for the full financial year.

#### 4. Contingencies and commitments

##### 4.1 Contingencies

Letter of guarantee in favor of Sui Northern Gas Pipelines Limited on account of payment of dues against gas consumption amounting to Rs 17.2 million (2020: Rs 17.2 million).

- (i) The Deputy Commissioner Inland Revenue ('DCIR') has issued various orders relating to tax year 2007, 2008, 2010, 2011, 2012, 2013, 2014 and 2015 and raised demands, including default surcharge aggregating to Rs 38.61 million against the Company under sections 161 of Income Tax Ordinance 2001 ('ITO 2001') on account of non-withholding of taxes while making certain payments. Being aggrieved the Company filed appeals in the Appellate Tribunal Inland Revenue ('ATIR') which are pending adjudication. Based on legal advisor's opinion, the Company's management expects a favorable outcome due to which no provision has been recorded in these financial statements.
- (ii) The Additional Commissioner Inland Revenue ('AdCIR') under section 122 of ITO 2001 vide order dated May 28, 2013 in respect of tax year 2011, raised a demand of Rs 27.62 million on account of disallowance of certain expenditures and adjustment of minimum tax of prior years. The Company paid the said demand under protest and preferred an appeal before the Commissioner Inland Revenue (Appeals) which was partially decided in Company's favour resulting in a refund of Rs 18.93 million vide order dated September 5, 2013. The Company contested the decision of the Commissioner Inland Revenue (Appeals) and filed an appeal before the Appellate Tribunal Inland Revenue ('ATIR') on September 09, 2013 which was decided against the Company vide order dated March 18, 2020. Being aggrieved, the Company filed an appeal in Lahore High Court which is pending adjudication. Based on legal advisor's opinion, the Company's management expects a favorable outcome due to which no provision has been recorded in these financial statements.
- (iii) The Additional Commissioner Inland Revenue ('AdCIR') under section 122 of ITO 2001 vide order dated March 28, 2014 in respect of tax year 2013, raised a demand of Rs 39.47 million on account of disallowance of certain expenditures under section 21 (l) and 21 (m) of Income Tax Ordinance 2001. The Company preferred an appeal before the Commissioner Inland Revenue (Appeals) which was partially decided in favor of the Company vide order dated July 14, 2014 resulting in reduction of demand to Rs 8.57

million. Being aggrieved, the Company filed an appeal before Appellate Tribunal Inland Revenue ('ATIR') on August 18, 2014 for the remaining grounds relating to proration of expenses in respect of export sales which is pending adjudication. Based on legal advisor's opinion, the Company's management expects a favorable outcome due to which no provision has been recorded in these financial statements.

- (iv) The Deputy Commissioner Inland Revenue ('DCIR') raised a demand of Rs 8.03 million on account of short sales tax withheld as withholding agent, excess input claimed and short output tax declaration vide order dated June 30, 2014. The Company filed an appeal before Commissioner Inland Revenue (Appeals) which was partially decided in favour of the Company vide order dated September 11, 2015 resulting in reduction of demand by Rs 4.17 million. Being aggrieved the Company has filed an appeal before Appellate Tribunal Inland Revenue ('ATIR') which is pending adjudication. Based on legal advisor's opinion, the Company's management expects a favorable outcome due to which no provision has been recorded in these financial statements.
- (v) The Deputy Commissioner Inland Revenue ('DCIR') raised a demand of Rs 16.47 million along with a penalty of Rs 16.37 million on account of input tax claimed on invoices issued by blacklisted vendors, inadmissible input tax claimed and non payment of further tax vide order dated July 30, 2019. The Company filed an appeal before Commissioner Inland Revenue (Appeals) which was partially decided in favor of the Company vide order dated November 11, 2019 resulting in reduction of demand to Rs 2.03 million with the penalty being recalculated at the time of the appeal effect. Being aggrieved the Company has filed an appeal before Appellate Tribunal Inland Revenue ('ATIR') which is pending adjudication. Based on legal advisor's opinion, the Company's management expects a favorable outcome due to which no provision has been recorded in these financial statements.

## 4.2 Commitments

The Company has commitments in respect of:

- (i) Letters of credit including capital expenditure are Rs 26.60 million (September 30, 2020: Rs 26.5 million).
- (ii) Agreement with Bank Al Habib relating to vehicles obtained under Ijarah arrangement amounting to Rs 36.73 million (September 30, 2020: Rs 38.20 million).



	Un-audited December 31 2020 Rupees	Audited September 30 2020 Rupees
<b>5. Property, plant and equipment</b>		
Operating fixed assets	573,116,926	572,288,167
Capital work-in-progress	-	557,035
	<u>573,116,926</u>	<u>572,845,202</u>
<b>5.1 Operating fixed assets at net book value</b>		
Opening book value	585,352,053	596,010,028
Add: Additions during the period / year at cost	510,710	20,678,953
	585,862,763	616,688,981
Less: Disposals during the period / year at book value	(1,094,857)	(958,861)
Depreciation charged during the period / year	(11,650,980)	(42,884,918)
	(12,745,837)	(43,843,779)
Closing book value	<u>573,116,926</u>	<u>572,845,202</u>
<b>5.1.1 Detail of additions during the period / year</b>		
Building on freehold land	-	-
Plant and machinery	-	16,014,315
Vehicles	-	3,855,670
Furniture and fittings	-	-
Electric installations	188,210	507,825
Computer hardware	322,500	30,143
	<u>510,710</u>	<u>20,407,953</u>
<b>5.1.2 Detail of disposals during the period / year</b>		
Building on freehold land	-	-
Plant and machinery	-	-
Vehicles	(1,094,857)	(156,711)
Furniture and fittings	-	(2,879)
Electric installation	-	(556,244)
Computer hardware	-	(243,027)
	<u>(1,094,857)</u>	<u>(958,861)</u>

	Un-audited December 31 2020 Rupees	Audited September 30 2020 Rupees
<b>Period end balances</b>		
Receivable from related parties	-	-
Payable to related parties	260,693	2,337,356

	First Quarter ended December 31	
	2020	2019
	Un-audited Rupees	Un-audited Rupees
<b>6. Sales</b>		
Gross sales - local	702,994,213	519,704,883
Less: Sales returns	7,452,468	10,884,553
Rebates	76,390,174	59,985,487
Trade promotion and incentives	22,943,690	15,962,462
	106,786,332	86,832,502
Net sales - Local	596,207,881	432,872,381
- Export sales	106,236,387	92,985,013
	702,444,268	525,857,394

## 7. Transactions with related parties

Relationship with the Company	Nature of transactions		
Post employment benefit plan	Gratuity expense	1,064,415	709,610
Others	Donation paid	Nil	Nil
	Purchase of goods	1,772,973	857,000
	Rent expense	1,424,381	819,921
	Payment made on behalf of related party	1,355,680	1,084,544
	Key management personnel	3,328,669	3,170,161
		8,946,118	6,641,236

		First Quarter ended December 31	
		2020	2019
		Un-audited Rupees	Un-audited Rupees
<b>8.</b>	<b>Cash generated from operations</b>		
	Profit / (loss) before tax	32,986,902	(7,591,093)
	Adjustment for:		
	- Depreciation on property, plant and equipment	11,650,980	11,700,980
	- Amortization of intangibles	125,148	121,167
	- Unwinding of deferred income	-	-
	- Profit on disposal of property, plant and equipment	-	-
	- Material write off	-	-
	- Provision for sales return	-	-
	- Provision for gratuity and accumulated leaves	8,497,394	8,368,362
	- Loss / (gain) on revaluation and disposal of live stock	-	-
	- Provision for slow moving stock	-	-
	- Exchange gain	438,763	671,009
	- Finance cost	14,365,650	22,471,151
		<u>35,077,936</u>	<u>-</u>
	<b>Profit before working capital changes</b>	68,064,838	35,741,576
	Effect on cash flow due to working capital changes:		
	- Increase in stores, spares and loose tools	(2,375,626)	2,574,348
	- Decrease in stock-in-trade	45,279,587	77,919,738
	- Increase in trade debts	(25,762,594)	22,074,922
	- Increase in advances, deposits, prepayments and other receivables	8,030,121	(59,534,686)
	- (Decrease) / increase in creditors, accrued and other liabilities	(38,393,896)	(48,973,302)
		<u>(13,222,408)</u>	<u>(5,938,980)</u>
	Cash generated from operations	<u>54,842,430</u>	<u>29,802,596</u>
<b>9.</b>	<b>Cash &amp; cash equivalents</b>		
	Cash and bank balances	584,187,289	11,481,712
	Finances under markup arrangements - secured	(534,373,527)	(663,460,260)
		<u>49,813,762</u>	<u>(651,978,547)</u>

- 9.1 Included in it, is an amount of Rs.552.2 million which is received on account of the Rights Issue announced by the company in its designated non-checking account. As of the reporting date, the amount in the bank account is not utilizeable for the purpose of the company till the receipt of full subscription money Rs.750.0 million. Subsequently, the amount of Rs.750.0 million has been transferred to the regular account of the company on January 20, 2021 upon completion of the regularity requirements.

## 10. Fair values of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. The carrying values of all financial assets and liabilities reflected in this condensed interim financial information approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Specific valuation techniques used to value financial instruments include:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Company's non financial asset that are measured at fair value at December 31, 2020:

	Level 1	Level 2 Rupees	Level 3	Total
<b>Assets</b>				
Recurring fair value measurements of biological assets				
Livestock	-	32138667	-	32,138,667
	-	32138667	-	32138667

The following table presents the Company's non financial asset that are measured at fair value at December 31, 2019:

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Recurring fair value measurements of biological assets				
Livestock	-	38931667	-	38,931,667
	-	38931667	-	38931667

There were no transfers between Levels 1 and 2 & Levels 2 and 3 during the period and there were no changes in valuation techniques during the periods.

Valuation techniques used to measure level 2 assets

The fair value of these assets is determined by an independent professionally qualified valuer. Latest valuation of these assets was carried out on September 30, 2020. Level 2 fair value of biological assets has been determined using a replacement cost approach, whereby, current cost of similar livestock in the international market has been adjusted for transportation costs to arrive at fair value.

## 11. Date of authorisation

These condensed interim financial information were authorised for issue on January 27, 2021 by the board of directors of the company.

## 12. Corresponding figures

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim financial position has been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year. Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison. However, no significant re-arrangements have been made.

## 13. Events after the date of statement of financial position

No significant events have occurred subsequent to December 31, 2020, other than those mentioned elsewhere in these financial statements.

  
Najam Aziz Sethi  
Chairman

  
Nauman Munawar  
Chief Financial Officer

  
Naila Bhatti  
Chief Executive Officer



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**Factory & Farms:**

Mitchell's Fruit Farms, Ltd.  
Renala Khurd, District Okara, Pakistan. P: (+92) (44) 2622908, 2635907-8  
F: (+92)(44) 2621416 | E: [rnk@mitchells.com.pk](mailto:rnk@mitchells.com.pk)

**Head Office:**

40-A, Zafar Ali Road, Gulberg V, Lahore, Pakistan. P: (+92) (42) 35872393-96,  
F: (+92) (42) 35872398 | E: [ho@mitchells.com.pk](mailto:ho@mitchells.com.pk)



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