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Company Information

Board of Directors

S.M.Mohsin	Chairman- Non Executive Director
Muhammad Zahir	Chief Executive Officer
Sitwat Mohsin	Non Executive Director
Mehdi Mohsin	Executive Director
Rizwan Bashir	Non Executive Director
Moaz Mohiuddin	Independent - Non Executive Director
Umme Kulsum Imam	Non Executive Director
Syeda Maimanat Mohsin	Non Executive Director
Shazad Ghaffar	Non Executive Director
Pervez Hayat Noon	Non Executive Director
Jamal Nasim	Non Executive Director (NIT Nominee)

Audit Committee

Pervez Hayat Noon	Chairman
S.M.Mohsin	Member
Jamal Nasim	Member

Company Secretary/CFO

Nauman Munawar

Auditors

A.F. Ferguson & Company
Chartered Accountants

Legal Advisors

Minto & Mirza
78-Mozang Road, Lahore
Phone: (042) 36315469-70
Fax: (042) 36361531

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



Share Registrar

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

Corporate Office

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

Factory & Farms

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

Regional Sales Offices:

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

Gujranwala

Office # 4, 1st Floor Usman Plaza Citi Housing
Scheme Phase 2, Main G.T. Road- Gujranwala

Faisalabad

Malik Plaza, College Road, Behind Hockey
Stadium, Madina Town- Faisalabad

Peshawar

House # 2C/1 Main Abdara Road University
Town- Peshawar

Multan

71/A1 Gulgashat Colony - Multan

Sukkar

Bungalow # 181 Sukkur Co-Operative Housing
Society - Sukkur

Hyderabad

Banglow # 80/B, Unit # 02 Latifabad-
Hyderabad

Directors' Review

The Directors of Mitchell's Fruit Farms Limited are pleased to present the condensed interim financial information of the Company for the third quarter ended June 30, 2017.

The Company registered an aggregate growth of 8.20% in Net Sales at the end of the third quarter June 30, 2017. Total Net Sales stood at Rs.1,435 million against Rs.1,326 million in the corresponding period of 2016. The gross profit increased by 5.80% at the end of this quarter over last year. Profit from Operations however declined by 32.90% compared to last year. This was as a consequence of consumer and trade promotion activities carried out during the third quarter compared to last year in order to expand the retail network.

During the nine months, our export sales grew by 7.6% compared to the corresponding period.

Administration expenses, distribution and marketing expenses increased 14.3% and 11.7% respectively as compared to the corresponding period. This was mainly due to induction of new talent and further strengthening the regional sales team in the newly opened regions across the country in order to drive numeric increase.

The finance cost remained lower than the last year which underscores an overall efficiency in working capital management.

As the result of above measures the profit before tax was below the corresponding year 2016.

The company faced challenges as it has embarked on a growth strategy on the one hand and in competing with higher discounts resulting in higher cost of selling on the other. These were particularly focused on Modern Trade due to increasing footfall of the consumers in this segment and to counter aggressive price offers by competitors, particularly in the month of Ramadan. The Company is optimistic and aggressive about its growth prospects as the new expansion

strategy rolls out in the second half of the year. We will continue to follow a focused approach to grow the business by offering products distinguished on the basis of quality opposite our competitors as competition heats up.

For and on behalf of
the Board of Directors

Lahore: July 27, 2017

Muhammad Zahir
Chief Executive Officer



ڈائریکٹر کی جانب سے جائزہ

چلڈرفروٹ فارمز لمیٹڈ کے ڈائریکٹر 30 جون 2017 کو کمپنی کے تیسرے کوارٹر کی عبوری مالیاتی معلومات بخوشی پیش کر رہے ہیں۔

30 جون 2017 کے تیسرے کوارٹر کے آخر میں کمپنی کی نیٹ سیلز میں %8.20 کا اضافہ ہوا ہے۔ 2016 کے تقابلی دورانہ کی 1,326 ملین روپے کے مقابلے میں 1,435 ملین روپے ہے۔ گزشتہ سال کے مقابلے اس کوارٹر کے مجموعی منافع میں %5.80 کا اضافہ ہوا ہے۔ تاہم گزشتہ سال کے مقابلے آپریشنز سے حاصل ہونے والے منافع میں %32.90 کمی آئی ہے۔ یہ درحقیقت گزشتہ سال کے مقابلے تیسرے کوارٹر کے دوران ریٹیل نیٹ ورک کو بڑھانے کے لئے صارفین اور ٹریڈ پروموشن کے لئے منعقد کی جانے والی سرگرمیوں کا نتیجہ ہے۔

نو مہینوں کے دوران، تقابلی دورانہ کے مقابلے ہماری برآمدی سیلز میں %7.6 کا اضافہ ہوا ہے۔ ایڈمنسٹریشن کے اخراجات، ڈسٹری بیوشن اور مارکیٹنگ کے اخراجات میں تقابلی عرصہ کے مقابلے با ترتیب %14.3 اور %11.7 کا اضافہ ہوا ہے۔ یہ بنیادی طور پر سیلز بڑھانے کے لئے نئے ملازمین کی تفرری اور ملک بھر میں نئے ریجن / علاقوں میں ریجنل سیلز ٹیم کو مضبوط کرنے کے باعث ہوا ہے۔

مالیاتی لاگت گزشتہ سال کے مقابلے کم رہی ہے جس نے ورکنگ کیپیٹل مینجمنٹ کی مجموعی کارکردگی کو نمایاں کیا ہے۔

درج بالا تدابیر کی بدولت ٹیکس کے برعکس منافع تقابلی سال 2016 کے مقابلے کم ہے۔

کمپنی نے بڑھوتری کے لائحہ عمل کی پیروی کرتے ہوئے ایک طرف بہت سے چیلنجز اور دوسری طرف رعایتی قیمت کے نتیجے میں فروخت کی زیادہ لاگت جیسے عوامل کا سامنا کیا ہے۔ یہ چیلنجز خاص طور پر ماڈرن ٹریڈ میں سامنے آئے کیونکہ اس سیکمنٹ میں صارفین کی زیادہ تعداد آتی ہے اور حریفین کی جانب سے بالخصوص ماہ رمضان میں قیمتوں میں کمی کا مقابلہ بھی کیا

گیا۔ کمپنی اس سال کے دوسرے سیکمٹ میں اپنی لائحہ عملی میں ہونے والی نئی توسیع کے باعث اپنی ترقی کے بارے میں خاصی مثبت ہے۔ ہم صارفین کو حریفین کے مقابلے، بہترین اور معیاری پراڈکٹس کی فراہمی سے کاروبار کے فروغ کے لئے ایک فوکسڈ اپروچ کی پیروی کرتے رہیں گے۔

محکم بورڈ آف ڈائریکٹرز

محمد ظاہر

چیف ایگزیکٹو آفیسر

لاہور: 27 جولائی، 2017

Condensed Interim Balance Sheet

As at June 30, 2017 (Un-audited)

	Note	June 30 2017 Un-audited Rupees	September 30 2016 Audited Rupees
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital 20,000,000 (September 30, 2016: 20,000,000) ordinary shares of Rs. 10 each		200,000,000	200,000,000
Issued, subscribed and paid up capital 7,875,000 (September 30, 2016: 7,875,000) ordinary shares of Rs. 10 each		78,750,000	78,750,000
Reserves		9,635,878	9,635,878
Unappropriated profit		457,425,615	452,535,627
		545,811,493	540,921,505
NON-CURRENT LIABILITIES			
Deferred Taxation		50,231,033	53,890,464
Deferred liabilities		101,288,551	95,129,885
Long term finance		-	-
		151,519,584	149,020,349
CURRENT LIABILITIES			
Current Portion of long term finance		85,333,333	106,666,665
Short term running finances		613,583,853	486,101,770
Creditors, accrued and other liabilities		187,318,319	126,610,548
Accrued finance cost on short term running finances		3,270,065	5,679,309
		889,505,570	725,058,292
CONTINGENCIES AND COMMITMENTS			
	7	1,586,836,647	1,415,000,146

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

	Note	June 30 2017 Un-audited Rupees	September 30 2016 Audited Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		668,334,125	668,991,855
Intangible assets		2,763,711	2,076,700
Biological assets		17,457,000	8,205,000
Long term receivables		5,369,330	1,974,780
		693,924,166	681,248,335
CURRENT ASSETS			
Stores, spares and loose tools		29,821,634	26,879,437
Stock in trade		402,162,765	376,429,996
Trade debts		194,990,238	119,516,939
Advances, deposits, prepayments and other receivables		87,500,732	30,636,203
Income tax recoverable		165,280,105	160,602,743
Cash and bank balances		13,157,008	19,686,493
		892,912,480	733,751,811
		1,586,836,647	1,415,000,146

S. M. Mohsin
Chairman

Muhammad Zahir
Chief Executive Officer



Condensed Interim Profit and Loss Account

For the Quarter and Nine Months Ended June 30, 2017 (Un-audited)

	April to June		October to June	
	2017 Rupees	2016 Rupees	2017 Rupees	2016 Rupees
Sales	519,906,935	463,076,593	1,435,846,897	1,326,888,861
Cost of sales	(399,154,991)	(334,625,533)	(1,091,334,934)	(1,001,285,346)
Gross profit	120,751,944	128,451,060	344,511,963	325,603,515
Administration expenses	(28,898,442)	(26,066,034)	(85,835,365)	(75,079,538)
Distribution and marketing expenses	(83,897,203)	(72,931,667)	(222,353,643)	(199,086,254)
Other operating expenses	(22,524)	(2,089,120)	(1,650,773)	(3,292,326)
Other operating income	1,311,954	913,839	6,534,819	13,311,253
Profit from operations	9,245,728	28,278,078	41,207,000	61,456,650
Finance cost	(10,249,698)	(11,984,184)	(30,279,653)	(33,571,124)
Profit before tax	(1,003,970)	16,293,894	10,927,347	27,885,526
Taxation	(977,146)	(9,021,607)	(6,037,359)	(13,875,993)
Profit for the period	(1,981,116)	7,272,287	4,889,988	14,009,533
Earnings per share - Basic and diluted	(0.25)	0.92	0.62	1.78

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

S. M. Mohsin
Chairman

Muhammad Zahir
Chief Executive Officer

Condensed Interim Statement of Comprehensive Income

For the Quarter and Nine months Ended June 30, 2017 (Un-audited)

	April to June		October to June	
	2017 Rupees	2016 Rupees	2017 Rupees	2016 Rupees
Profit for the period	(1,981,116)	7,272,287	4,889,988	14,009,533
- Items that will not be reclassified to profit or loss	-	-	-	-
- Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	(1,981,116)	7,272,287	4,889,988	14,009,533

The annexed notes 1 to 9 from an integral part of this condensed interim financial information.

S. M. Mohsin
Chairman

Muhammad Zahir
Chief Executive Officer

Condensed Interim Cash Flow Statement

For the Quarter and Nine months Ended June 30, 2017 (Un-audited)

	Note	October to June	
		2017 Rupees	2016 Rupees
Cash flows from operating activities			
Cash generated from operations	5	2,203,141	(10,387,323)
Finance cost paid		(32,688,897)	(31,789,982)
Tax paid		(14,374,152)	(38,996,175)
Retirement and other benefits paid		(15,728,093)	(13,445,506)
Net cash (used in) / generated from operating activities		(60,588,001)	(94,618,986)
Cash flows from investing activities			
Purchase of property, plant and equipment		(40,867,356)	(20,948,132)
Purchase of intangible assets		(1,352,291)	-
Purchase of biological assets		(12,602,000)	(1,240)
Security deposit paid of for purchase of vehicles		(3,394,550)	-
Sale proceeds of property, plant and equipment		2,929,114	3,366,881
Sale proceeds of livestock		3,350,000	552,000
Net cash used in investing activities		(51,937,083)	(17,030,491)
Cash flows from financing activities			
Dividend paid		(153,153)	(19,687,496)
Repayment of long term loans		(21,333,332)	(32,000,000)
Net cash used in financing activities		(21,486,485)	(51,687,496)
Net decrease in cash and cash equivalents		(134,011,568)	(163,336,973)
Cash and cash equivalents at beginning of the period		(466,415,277)	(363,425,552)
Cash and cash equivalents at end of the period		(600,426,845)	(526,762,525)

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

S. M. Mohsin
Chairman

Muhammad Zahir
Chief Executive Officer

Condensed Interim Statement of Changes in Equity

For the Quarter and Nine months Ended June 30, 2017 (Un-audited)

	Share capital	Share premium	General reserve Rupees	Accumulated profit	Total
Balance as at September 30, 2015	78,750,000	9,335,878	300,000	484,201,186	572,587,064
Final dividend for the year ended September 30, 2015 Rs. 2.5 per share	-	-	-	(19,687,500)	(19,687,500)
Total Comprehensive Income for the period	-	-	-	14,009,533	14,009,533
Balance as at June 30, 2016	78,750,000	9,335,878	300,000	478,523,219	566,909,097
Total Comprehensive Income for the period	-	-	-	(25,987,592)	(25,987,592)
Balance as at September 30, 2016	78,750,000	9,335,878	300,000	452,535,627	540,921,505
Final dividend for the year ended September 30, 2016 Rs. Nil per share	-	-	-	-	-
Total Comprehensive Income for the period	-	-	-	4,889,988	4,889,988
Balance as at June 30, 2017	78,750,000	9,335,878	300,000	457,425,615	545,811,493

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

S. M. Mohsin
Chairman

Muhammad Zahir
Chief Executive Officer

Selected Notes to the Condensed Financial Information

For the Quarter and Nine months Ended June 30, 2017 (Un-audited)

1. Mitchell's Fruit Farms Limited is a public company incorporated in Pakistan and listed on Pakistan Stock Exchanges. Its primary objective is to manufacture and sell various Farm and Confectionery products.
2. This unaudited condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan.

The Company Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017. However, as allowed by the Securities and Exchange Commission of Pakistan (SECP) vide Circular No. CLD/CCD/PR (11)/2017 dated July 20, 2017 and further clarified through its press release dated July 20, 2017, companies whose financial year, including quarterly and other interim period, closes on or before June 30, 2017, shall prepare financial statements in accordance with the provisions of Companies Ordinance, 1984.

Accordingly approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, and the directives issued by the Securities and Commission of Pakistan (SECP) Wherever the requirement of provisions and directives issued under the Companies Ordinance, 1984, IFRS notified under the Companies Ordinance, 1984 or the directives issued by the SECP differ from the requirements of IFRSs, the provisions and directives issued under the Companies Ordinance, 1984, IFASs notified under the Companies Ordinance, 1984 and the directives issued by SECP shall prevail.

3. Provision in respect of taxation is based on estimated average annual effective income tax rate consistent with the annual assessment of taxes.
4. Provision in respect of Workers' Welfare Fund and Workers' Profit Participation Fund are estimated and these are subject to adjustment in the annual audited financial statements.

	June 30 2017 Rupees	June 30 2016 Rupees
5. Cash generated from operations		
Profit before tax	10,927,347	27,885,526
Adjustment for:		
- Depreciation on property, plant and equipment	45,871,399	48,767,864
- Amortization on intangibles	665,280	559,799
- Unwinding of deferred income	(1,057,978)	-
- Loss on disposal of property, plant and equipment	124,809	460,160
- Provision for doubtful debts	528,408	
- Material write off	-	95,605
- Retirement and other benefits accrued	14,512,403	17,559,724
- Profit on revaluation of live stock	(314,750)	(700,000)
- Exchange (Gain)/loss	166,919	(16,745)
- Finance cost	30,279,653	33,571,124
Profit before working capital changes	101,703,489	128,183,057
Effect on cash flow due to working capital changes:		
- Decrease/(Increase) in stores, spares and loose tools	(2,942,197)	3,960,729
- Decrease/(Increase) in stock-in-trade	(25,732,769)	(115,615,841)
- Decrease/(Increase) in trade debts	(74,668,625)	7,622,222
- (Increase)in advances, deposits prepayments and other receivables	(56,864,529)	(37,111,983)
- (Increase)in Income Tax Recoverable		
- Increase/(Decrease) in creditors, accrued and other liabilities	60,707,771	2,574,493
	(99,500,348)	(138,570,380)
Cash generated from operations	2,203,141	(10,387,323)
6. Cash in cash equivalents		
Cash & cash bank balances	13,157,008	13,434,376
Short term running finance	(613,583,853)	(540,196,901)
	(600,426,845)	(526,762,525)

7. Contingencies & commitments

7.1 Contingencies

7.2 There has been no significant change in contingencies since March 31, 2017.

7.3 Commitments

The Company has commitments in respect of:

- (i) Letter of credit including capital expenditure are Rs.25.00 million (September 30, 2016: Rs.49.5 million).
 - (ii) Agreement with Bank Al Habib relating to vehicles obtained under Ijarah arrangement amounting to Rs.48.00 million.
8. Transaction with related parties amounting to Rs.35.28 during the period ended June 30, 2017.
9. Previous period's figures have been restated, wherever necessary, for the purpose of comparison.

S. M. Mohsin
Chairman

Muhammad Zahir
Chief Executive Officer