



**GROW WELL,  
LIVE WELL**

**2nd QUARTER**

**2017**

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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 half year ended March 31, 2017.

The Company registered a growth of 5.6% of sales for the half year ended March 31, 2017. Total sales were Rs.916 million against Rs.868 million in the corresponding period of 2016. The gross profit increased by 11.40% from Rs.201 million to Rs.224 million. This clearly indicates that the initiatives on sales, improvement in procurement and manufacturing efficiencies are beginning to positively impact Company's performance.

During the period, our export sales remained in line with the corresponding period.

Administrative expenses, distribution and marketing expenses increased 16.2% and 6.6% respectively as compared to the corresponding period.

Profit before tax of Rs.11.9 million was marginally better over the previous year despite significant reduction in other operating income which signifies business improvement brought through improved sales and product mix. Excluding the impact of other operating income from the results, reveals significant improvement, i.e. 28.7% in the profit from operations over the last year.

The finance cost remains lower than the last year which indicated overall efficiency in working capital management with efficient use of available resources.

The Company is optimistic and aggressive with regards to its growth prospects. We will continue to follow a focused approach to grow the business by offering products of solid quality to our consumers in the face of rising competition.

For and on behalf of  
the Board of Directors

**Muhammad Zahir**  
Chief Executive Officer

Lahore: May 25, 2017



## ڈائریکٹرز کا عام تبصرہ / نظر ثانی رپورٹ

چلچل فروٹ فارم لمیٹڈ کے ڈائریکٹرز کی جانب سے انتہائی مسرت کے ساتھ 31 مارچ 2017 کو ختم ہونے والے نصف سال کے لیے کمپنی کے مالیاتی گوشواروں / معلومات کا عبوری خلاصہ پیش کیا جا رہا ہے۔

31 مارچ 2017 کو ختم ہونے والے نصف سال میں کمپنی کی فروخت میں ترقی کی شرح 5.6 فیصد رہی۔ 2016 کی مماثل مدت میں ہونے والی 868 ملین روپے فروخت کے مقابلے میں اس بار کل فروخت 916 ملین روپے ہوئی۔ مجموعی منافع 11.40 فیصد اضافہ سے 201 ملین روپے سے بڑھ کر 224 ملین روپے ہو گیا۔ یہ اس حقیقت کی واضح دلیل ہے کہ فروخت کے لیے اٹھائے گئے اقدامات، تحصیل کے عمل میں بہتری اور مال کی تیاری کے عمل کو تسلی بخش بنانے سے کمپنی کے کل کارکردگی میں مثبت تبدیلی آرہی ہے۔

مذکورہ مدت میں ہماری برآمدات کی مد میں ہونے والی فروخت میں گزشتہ مماثل مدت کے مقابلے میں کوئی کمی پیش نہیں ہوئی۔

گزشتہ مماثل مدت کے مقابلے میں انتظامی اخراجات میں 16.2 فیصد جبکہ ڈسٹریبیوشن اور مارکیٹنگ کے اخراجات میں 6.6 فیصد اضافہ دیکھنے میں آیا۔

کاروبار میں نمایاں بہتری لانے والے سلیز اینڈ پراڈکٹس کے طریقہ کار پر عمل درآمد کے لئے بنیادی آمدنی میں نمایاں کٹوتی کے باوجود 11.9 ملین ٹیکس سے قبل منافع گزشتہ سال کے مقابلے میں قدرے بہتر رہا۔ اگر کمپنی کے صافی منافع سے دیگر آمدنی کے اثر کو علیحدہ کر کے دیکھا جائے تو کمپنی کا آپریشنل منافع 28.7 فیصد پچھلے سال کے منافع سے زیادہ ہے۔

فنانس کے اخراجات گزشتہ سال کی نسبت کم رہے یہ کلی طور پر زیر استعمال سرمائے کے بہتر انضباط اور موجودہ وسائل کے بطریق احسن استعمال کی واضح دلیل ہے۔

کمپنی اپنے ترقی کے ضمن میں انتہائی پرامید اور پر جوش ہے۔ اپنے کاروبار میں مزید ترقی کے لیے ہمارا مقصد عمل، مقابلے کی فضا میں اپنے صارفین کو بہترین معیار کی مصنوعات کی فراہمی ہے اور اس کی تکمیل کے لیے ہم اپنی کوششیں یوں ہی جاری رکھیں گے۔

بورڈ آف ڈائریکٹرز کی جانب سے/ کے لیے

محمد ظاہر  
چیف ایگزیکٹو آفیسر

لاہور: 25 مئی 2017

# Auditors' Report to the Members on Review of Interim Financial Information

## Introduction

We have reviewed the accompanying condensed interim balance sheet of Mitchell's Fruit Farm Limited as at March 31, 2017 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity for the half year then ended together with explanatory notes forming part thereof (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended March 31, 2016 and 2017 have not been reviewed, as we are required to review only the cumulative figures for the half year ended March 31, 2017.

## Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended March 31, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Lahore: May 27, 2017  
Name of engagement partner: Asad Aleem Mirza

A. F. Ferguson & Co.  
Chartered Accountants





# Condensed Interim Balance Sheet

As at March 31, 2017 (Un-audited)

	Note	March 31 2017 Un-audited Rupees	September 30 2016 Audited Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
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		459,406,731	452,535,627
		547,792,609	540,921,505
<b>NON-CURRENT LIABILITIES</b>			
Deferred liabilities		98,064,161	95,129,885
Deferred taxation		50,231,033	53,890,464
Long term finance - secured	4	-	-
		148,295,194	149,020,349
<b>CURRENT LIABILITIES</b>			
Current portion of long term finance - secured	4	85,333,333	106,666,665
Finances under markup arrangements - secured		500,747,519	486,101,770
Creditors, accrued and other liabilities		179,428,261	126,610,548
Accrued finance cost		7,065,870	5,679,309
		772,574,983	725,058,292
<b>CONTINGENCIES AND COMMITMENTS</b>			
	5	-	-
		1,468,662,786	1,415,000,146

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

	Note	March 31 2017 Un-audited Rupees	September 30 2016 Audited Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	661,318,575	668,991,855
Intangible assets		3,113,304	2,076,700
Biological assets		17,546,000	8,205,000
Long term receivables		4,420,030	1,974,780
		<u>686,397,909</u>	<u>681,248,335</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		31,281,979	26,879,437
Stock in trade		390,152,432	376,429,996
Trade debts		147,395,939	119,516,939
Advances, deposits, prepayments and other receivables		31,608,877	30,636,203
Income tax recoverable		162,905,641	160,602,743
Cash and bank balances		18,920,009	19,686,493
		<u>782,264,877</u>	<u>733,751,811</u>
		<u><u>1,468,662,786</u></u>	<u><u>1,415,000,146</u></u>

S. M. Mohsin  
Chairman

Muhammad Zahir  
Chief Executive Officer



# Condensed Interim Profit and Loss Account

For the Quarter and Half Year Ended March 31, 2017 (Un-audited)

	Quarter ended		Half year ended	
	March 31 2017 Rupees	March 31 2016 Rupees	March 31 2017 Rupees	March 31 2016 Rupees
Sales	428,076,796	450,886,620	915,939,962	867,521,919
Cost of sales	(333,090,078)	(330,948,103)	(692,179,943)	(666,659,813)
<b>Gross profit</b>	<b>94,986,718</b>	<b>119,938,517</b>	<b>223,760,019</b>	<b>200,862,106</b>
Administrative expenses	(30,129,550)	(22,954,982)	(56,936,923)	(49,013,504)
Distribution and marketing expenses	(57,781,222)	(93,320,276)	(138,456,440)	(129,864,238)
Other operating expenses	(1,261,198)	(156,528)	(1,628,249)	(1,203,206)
Other operating income	3,516,247	9,426,289	5,222,865	12,397,414
<b>Profit from operations</b>	<b>9,330,995</b>	<b>12,933,020</b>	<b>31,961,272</b>	<b>33,178,572</b>
Finance cost	(9,205,208)	(11,925,831)	(20,029,955)	(21,586,940)
<b>Profit before tax</b>	<b>125,787</b>	<b>1,007,189</b>	<b>11,931,317</b>	<b>11,591,632</b>
Taxation	(1,518,554)	(1,679,053)	(5,060,213)	(4,854,386)
<b>(Loss) / profit for the period</b>	<b>(1,392,767)</b>	<b>(671,864)</b>	<b>6,871,104</b>	<b>6,737,246</b>
(Loss)/earnings per share - Basic and diluted	(0.18)	(0.09)	0.87	0.86

The annexed notes 1 to 12 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 Half Year Ended March 31, 2017 (Un-audited)

	Quarter ended		Half year ended	
	March 31 2017 Rupees	March 31 2016 Rupees	March 31 2017 Rupees	March 31 2016 Rupees
(Loss) / profit for the period	(1,392,767)	(671,864)	6,871,104	6,737,246
Other comprehensive income:				
-Items that will not be reclassified to profit or loss	-	-	-	-
-Items that may be reclassified subsequently to profit or loss	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(1,392,767)</u>	<u>(671,864)</u>	<u>6,871,104</u>	<u>6,737,246</u>

The annexed notes 1 to 12 form 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 Half Year Ended March 31, 2017 (Un-audited)

	Note	Half year ended	
		March 31 2017 Rupees	March 31 2016 Rupees
<b>Cash flows from operating activities</b>			
Cash generated from operations	8	76,880,331	48,126,292
Finance cost paid		(18,643,394)	(21,243,501)
Tax paid		(11,022,542)	(25,067,504)
Retirement benefits paid		(5,541,845)	(7,562,006)
<b>Net cash generated from / (used in) operating activities</b>		<b>41,672,550</b>	<b>(5,746,719)</b>
<b>Cash flows from investing activities</b>			
Fixed capital expenditure		(23,357,500)	(14,844,844)
Purchase of intangible assets		(1,352,351)	-
Purchase of biological assets		(12,287,250)	(1,240)
Security deposit paid for purchase of vehicles		(2,445,250)	-
Proceeds from sale of property, plant and equipment		583,053	525,365
Proceeds from sale of livestock		3,261,000	537,000
<b>Net cash used in investing activities</b>		<b>(35,598,298)</b>	<b>(13,783,719)</b>
<b>Cash flows from financing activities</b>			
Dividend paid		(153,153)	(19,342,537)
Repayment of long term loan		(21,333,332)	(10,666,666)
<b>Net cash used in financing activities</b>		<b>(21,486,485)</b>	<b>(30,009,203)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(15,412,233)</b>	<b>(49,539,641)</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>(466,415,277)</b>	<b>(363,425,552)</b>
<b>Cash and cash equivalents at end of the period</b>	9	<b>(481,827,510)</b>	<b>(412,965,193)</b>

The annexed notes 1 to 12 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 Half Year Ended March 31, 2017 (Un-audited)

	Share capital	Capital Reserve	Revenue Reserve		Total
		Share premium	General reserve	Accumulated profit	
			Rupees		
Balance as at September 30, 2015 - audited	78,750,000	9,335,878	300,000	484,201,186	572,587,064
Transactions with owners recognized directly in equity					
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	-	-	-	6,737,246	6,737,246
Balance as at March 31, 2016 - un-audited	78,750,000	9,335,878	300,000	471,250,932	559,636,810
Total comprehensive loss for the period	-	-	-	(18,715,305)	(18,715,305)
Balance as at September 30, 2016 - audited	78,750,000	9,335,878	300,000	452,535,627	540,921,505
Total comprehensive income for the period	-	-	-	6,871,104	6,871,104
Balance as at March 31, 2017 - un-audited	78,750,000	9,335,878	300,000	459,406,731	547,792,609

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

S. M. Mohsin  
Chairman

Muhammad Zahir  
Chief Executive Officer

# Notes to and Forming Part of the Financial Information

For the Quarter and Half Year Ended March 31, 2017 (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

The condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34 'Interim Financial Reporting' and provisions of and the directives issued under the Companies Ordinance, 1984. In case where the requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

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, 2016.

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, 2016. Further, the basis of significant estimates are same as those that were applied to the financial statements for the year ended September 30, 2016.

### 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

- Annual improvements 2014 (effective from annual periods beginning on or after 1 January 2016). These set of amendments impacts IAS 19, 'Employee benefits' regarding discount rates and IAS 34, 'Interim financial reporting regarding disclosure of information.
- Amendments to IAS 16, 'Property, plant and equipment', and IAS 41, 'Agriculture', regarding bearer plant (effective from annual periods beginning on or after 1 January 2016). This amendment states that bearer plants should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing. The application of these amendments has no material impact on these condensed interim financial statements.

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

Certain standards, amendments to the approved accounting standards and interpretations are mandatory for the annual periods beginning on or after April 01, 2017 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in this condensed interim financial information.

Standards or Interpretation	Effective date (accounting periods beginning on or after)
Amendments to IAS 7, 'Statement of cash flows' on disclosure initiative	January 1, 2017
Amendments to IAS 12, 'Income taxes' on Recognition of deferred tax assets for unrealised losses	January 1, 2017
IFRS 15 'Revenue from contracts with customers'	January 1, 2018
Amendment to IFRS 15, 'Revenue from contracts with customers'	January 1, 2018
Annual improvements 2014–2016	January 1, 2018

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.

	Note	March 31 2017 Un-audited Rupees	September 30 2016 Audited Rupees
4. Long term finance - secured			
Long term finance	4.1	85,333,333	106,666,665
Less: current maturity	4.2	(85,333,333)	(106,666,665)
		-	-

- 4.1 The long term finance was obtained from Habib Bank Limited for capital expenditure. Under the arrangement, principal amount of Rs 160 million is repayable in 15 equal quarterly instalments beginning on September 27, 2015. Interest is payable quarterly in arrears at the rate of 3 months KIBOR plus 1 percent per annum. Effective rate of interest ranged from 7.04% to 7.12% (2016: 7.05% to 7.49%) during the period / year.

- 4.2 This includes principal outstanding of Rs 43 million which, as per the repayment plan is not due for repayment within a period of one year from the date of the balance sheet neither has the lender requested an early repayment. However, this amount has been classified as a current liability under the requirements of the applicable accounting framework pursuant to breach of certain covenants contained in the loan agreement.

The loan is secured by first joint pari-passu charge on plant and machinery of the company to the extent of Rs 214 million.



## 5. Contingencies and commitments

### 5.1 Contingencies

- (i) The company has issued guarantees in favour of Sui Northern Gas Pipelines Limited on account of payment of dues against gas consumption amounting to Rs. 17.20 million (September 30, 2016: Rs. 17.20 million)
- (ii) The Company has issued post dated cheques amounting to Rs. 31.72 million (September 30, 2016: Rs. 149.7 million) to Collector of Customs Lahore Dry Port on account of duties and taxes which might become payable against Duty and Tax Remission on Export under SRO # 450 (I)/2001 dated June 30, 2001 under Customs Rules 2001.
- (iii) The Income tax department has issued orders against and raised demands, including default surcharge of Rs.46 million against the Company under section 122 and 161. The Company is contesting all these orders and have filed appeals at CIR (A) and ATIT and is of the view that these demands will eventually be reversed and consequently has not recognized provision against these.

### 5.2 Commitments

The Company has commitments in respect of:

- (i) Letters of credit including capital expenditure are Rs. 23.35 million (September 30, 2016: Rs. 49.5 million).
- (ii) Agreement with Bank Al Habib relating to vehicles obtained under Ijarah arrangement amounting to Rs. 28.3 million.

## 6. Property, plant and equipment

	Note	March 31 2017 Un-audited Rupees	September 30 2016 Audited Rupees
Operating fixed assets	6.1	647,329,241	660,588,986
Capital work-in-progress		13,989,333	8,402,869
		<u>661,318,574</u>	<u>668,991,855</u>

### 6.1 Operating fixed assets at net book value

Opening book value		660,588,985	672,106,828
Add: Additions during the period / year at cost	6.1.1	17,771,036	58,334,986
		<u>678,360,021</u>	<u>730,441,814</u>
Less: Disposals during the period / year at book value	6.1.2	(707,862)	(5,326,871)
Depreciation charged during the period / year		(30,322,918)	(64,525,957)
		<u>(31,030,780)</u>	<u>(69,852,828)</u>
Closing book value		<u>647,329,241</u>	<u>660,588,986</u>

	March 31 2017 Un-audited Rupees	September 30 2016 Audited Rupees
6.1.1 Detail of additions during the period / year		
Building on freehold land	102,200	7,460,577
Building on leasehold land	-	56,000
Plant and machinery	9,049,165	48,256,258
Vehicles	2,563,915	-
Furniture and fittings	3,115,281	116,645
Electric Installations	1,141,652	1,160,795
Computer hardware	1,798,823	1,284,611
	17,771,036	58,334,986

#### 6.1.2 Detail of disposals during the period / year

Plant and machinery	57,205	-
Vehicles	599,130	5,154,849
Furniture and fittings	949	-
Electric installation	23,021	65,582
Computer hardware	27,557	106,440
	707,862	5,326,871

#### 7. Transactions with related parties

Relationship with the Company	Nature of transactions	March 31 2017 Rupees Un-audited	March 31 2016 Rupees Un-audited
Directors and close relatives thereof	Managerial remuneration and benefits	14,556,654	16,139,625
Post employment benefit plan	Gratuity expense	860,973	1,077,106
Others	Donation paid	500,000	500,000
	Purchase of goods	6,657,885	6,348,892
	Rent expense	1,352,829	1,229,845
	Payment made on behalf of related party	2,246,852	-

	March 31 2017 Un-audited Rupees	September 30 2016 Audited Rupees
<b>Period end balances</b>		
Receivable from related parties	766,962	-
Payable to related parties	-	3,009,550

	<b>October to March</b>	
	2017 Un-audited Rupees	2016 Un-audited Rupees
<b>8. Cash generated from operations</b>		
Profit before tax	11,931,317	11,591,632
Adjustment for:		
- Depreciation on property, plant and equipment	30,322,918	31,383,036
- Amortization of intangibles	315,747	225,423
- Unwinding of deferred income	(328,337)	(364,820)
- Loss on disposal of property, plant and equipment	124,809	192,027
- Provision for doubtful debts	528,408	251,934
- Raw material written off	-	95,605
- Provision for gratuity and accumulated leaves	8,804,458	14,112,597
- Profit on revaluation of live stock	(314,750)	(1,545,761)
- Loss on disposal of biological assets	-	98,000
- Exchange gain	-	(245,294)
- Finance cost	20,029,955	21,586,940
<b>Profit before working capital changes</b>	71,414,525	77,381,319
Effect on cash flow due to working capital changes:		
- (Increase) / decrease in stores, spares and loose tools	(4,402,542)	4,933,874
- Increase in stock-in-trade	(13,722,436)	(46,849,642)
- Increase in trade debts	(28,407,408)	(5,716,968)
- Increase in advances, deposits prepayments and other receivables	(972,674)	(9,228,657)
- Increase in creditors, accrued and other liabilities	52,970,866	27,606,366
	5,465,806	(29,255,027)
	76,880,331	48,126,292

	Un-audited March 31 2017 Rupees	Un-audited March 31 2016 Rupees
9. Cash and cash equivalents		
Cash and bank balances	18,920,009	15,891,328
Finances under markup arrangements - secured	(500,747,519)	(428,856,521)
	<u>(481,827,510)</u>	<u>(412,965,193)</u>

#### 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).

As of reporting date, there were no Level 1, 2 or 3 assets or liabilities during prior or current period.

#### 11. Date of authorisation

These condensed interim financial information were authorised for issue on May 25, 2017 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 balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding final year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement 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.

S. M. Mohsin  
Chairman

Muhammad Zahir  
Chief Executive Officer



## INCORPORATED IN 1933

Citrus Fruit growers and makers of premium quality  
Squashes, Syrups, Fruit Drinks, Jellies, Marmalade, Tomato  
Ketchup, Sauces, Pickles, Vinegars, Canned Food, Bottled Water,  
Sugar Confectioneries, Chocolates and  
Sugar-Free Products.

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