

## MITCHELL'S®

**CONTENTS**

Company Information .....	03
Vision and Mission Statement .....	07
Notice of Annual General Meeting .....	08
Chairman's Review .....	14
Directors' Report .....	16
Key Financial Data .....	26
Pattern of Shareholding .....	30
Statement of Compliance with the Code of Corporate Governance .....	33
Independent Auditor's Review Report .....	35
Independent Auditor's Report .....	44
Statement of Financial Position .....	48
Statement of Profit or Loss .....	50
Statement of Comprehensive Income .....	51
Statement of Changes in Equity .....	52
Statement of Cash Flows .....	53
Notes to the Financial Statements .....	54
Proxy Form .....	97



# COMPANY INFORMATION

## BOARD OF DIRECTORS

Mr. Najam Aziz Sethi..... Chairman  
Ms. Naila Bhatti ..... Chief Executive Officer  
Mr. Syed Mohammad Mehdi Mohsin..... Non - Executive Director  
Ms. Umme Kulsum Imam ..... Non - Executive Director  
Mr. Abdul Hamid Dagia ..... Non - Executive Director  
Mr. Shazad Ghaffar ..... Non - Executive Director  
Mr. Aamir Amin ..... Independent Director  
Mr. Syed Manzar Hassan..... Independent Director  
Mr. Rizwan Bashir ..... Independent Director

## AUDIT COMMITTEE

Mr. Rizwan Bashir ..... Chairman  
Mr. Shazad Ghaffar ..... Member  
Mr. Aamir Amin ..... Member

## HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Manzar Hassan..... Chairman  
Ms. Umme Kulsum Imam ..... Member  
Mr. Aamir Amin ..... Member  
Ms. Naila Bhatti ..... Member

## COMPANY SECRETARY

Mehboob Ellahi Khan

## AUDITORS

A.F. Ferguson & Company  
Chartered Accountants

## LEGAL ADVISORS

Cornelius, Lane & Mufti  
Nawa-e-Waqt House,  
4 Shahrah-e-Fatima Jinnah, Lahore 54000  
Phone: 042 36360868

## BANKERS

Habib Bank Limited  
Askari Bank Limited  
Allied Bank Limited  
JS Bank Limited  
Bank Al Habib Limited

## CHIEF FINANCIAL OFFICER

Badar M. Khan, FCA

## SHARE REGISTRAR

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

## CORPORATE OFFICE

72-FCC Gulberg IV, 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  
rsoc@mitchells.com.pk

## REGIONAL SALES OFFICES

### 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

# MITCHELL'S JAMS, JELLIES & MARMALADES





# CONFECTIONERY





## VISION, MISSION AND VALUES

### VISION

While we continue to serve our corporate purpose of providing value to our shareholders, we also recognize our responsibility to other stakeholders. We believe that the development of our employees, the protection of our environment and dealing fairly with our suppliers is essential for the future success of our company, our community and our country.

### MISSION

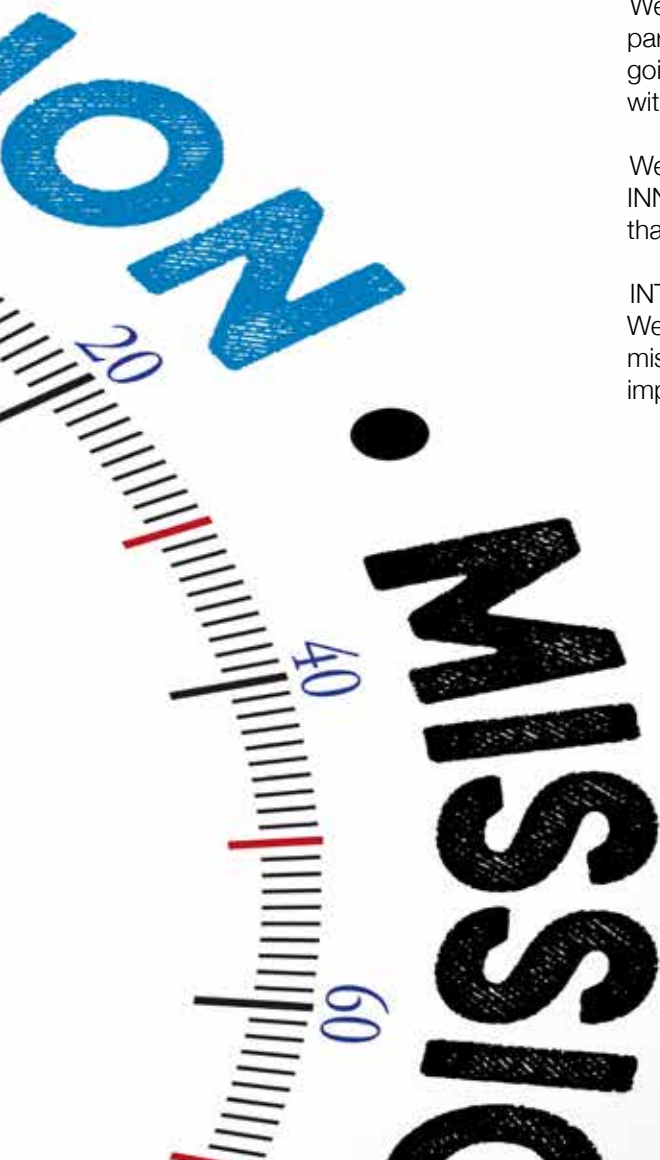
Mitchell's strives to continue to win the hearts and minds of our consumers by delighting them with healthy and delicious products for every occasion, as it has been doing for generations.

### VALUES

We are COMMITED towards bringing success to our people and partners by consistently delivering on expectations of our shareholders, going the extra mile to get the job done and approaching everything with a "can do attitude".

We are open to ideas that challenge the conventional view and drive INNOVATION in order to stay relevant and continuously improve, so that we can cater to the changing needs of our consumers.

INTEGRITY: We are honest, ethical and fair in all our activities. We keep our word, deliver on our promises and acknowledge our mistakes. In all that we do, we believe that our reputation is more important than any other short-term rewards.





## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 89th Annual General Meeting of Mitchell's Fruit Farms Limited will be held on October 28, 2021, on Thursday at 11:00 a.m. at the Registered Office of the Company at 72 – FCC, Gulberg IV, Lahore to transact the following business:

### ORDINARY BUSINESS

1. To confirm the minutes of last Extra Ordinary General Meeting held on April 30, 2021.
2. To receive, consider and adopt the Annual Audited Accounts of the Company for the period ended June 30, 2021 together with the Directors' and Auditors' reports thereon.
3. To appoint auditors for the year ending June 30, 2022 and to fix their remuneration as suggested by the audit committee to the Board of Directors. The retiring auditors namely Messers A. F. Ferguson & Co. Chartered Accountants, being eligible offer themselves for reappointment.

### SPECIAL BUSINESS

1. To alter the Company's Memorandum of Association and Articles of Association through the proposed Special Resolution, as attached herein as Exhibit A.

### OTHER BUSINESS

1. To transact any other business which may be placed before the meeting with the permission of the chair.

BY ORDER OF THE BOARD

  
Mehboob Khan  
(Company Secretary)

LAHORE  
October 1, 2021



## NOTES

1. The Individual Members who have not yet submitted photocopy of their valid Computerized National Identity Card (CNIC) to the Company / Share Registrar, are once again reminded to send the same at the earliest directly to Company's Share Registrar, M/s Corplink (Private) Limited, Wings Arcade, 1-K (Commercial), Model Town, Lahore. The Corporate Entities are requested to provide their National Tax Number (NTN). Please give Folio Number with the copy of CNIC and NTN details. Reference is also made to the Securities and Exchange Commission of Pakistan (SECP) Notifications SRO 779 (I) dated August 18, 2011, and SRO 831 (I) 2012 dated July 05, 2012, which mandates that the dividend warrants should bear CNIC number of the registered member or the authorized person, except in case of minor(s) and corporate members.
2. The share transfer book of the Company will remain closed from 21 October, 2021 to 28 October, 2021 (both days inclusive). Transfers received in order (including deposit requests under CDS) at our Registrar's office Corplink (Private) Limited, Wings Arcade, 1-K (Commercial) Model Town, Lahore up to 01:00 p.m. on 20 October, 2021 will be considered in time.
3. A member eligible to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received by the Company at the Registered Office not later than 48 hours before the time meeting is scheduled for.
4. Duly completed instrument of proxy, and the other authority under which it is signed, or notarially a certified copy thereof, must be lodged with the Company Secretary at the Company's Registered Office (72 - FCC, Gulberg IV, Lahore) at least 48 hours before the time of the meeting.
5. Shareholders are requested to immediately notify the change in their address, if any.

CDC Account Holders will further have to follow the under-mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan:

## A. For Attending the Meeting:

- i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

## B. For Appointing Proxies:

- i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registrations, shall submit the proxy form accordingly.
- ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his/her original CNIC at the time of meeting.
- v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted along with proxy form to the Company.

## 1. Intimation of Changes of Address and declaration for non-deduction of Zakat:

Members who hold shares certificates should notify any changes in their registered address and provide their declarations for non-deduction of zakat, if applicable to the Share Registrar.

Members who hold shares in CDC/participant accounts should update their address and submit their declarations for non-deduction of

zakat, if applicable, to the CDC or their respective participants/stockbrokers.

2. Unclaimed Dividends and Store Certificates:

The Shareholders are hereby informed that in accordance with Section 244 of the Companies Act, 2017 and the Unclaimed Shares, Modaraba Certificate, Dividends,

3. Circulate Annual Reports to shareholders via e-mail:

Pursuant to Notification vide S.R.O.787(1)/2014 dated September 8, 2014 has allowed companies to circulate Annual Financial Statements to shareholders along with notice of Annual General Meeting (AGM) through email. In this respect, members are hereby requested to convey their consent via e-mail on a standard request form which is available at the Company's website i.e. [www.mitchells.com.pk](http://www.mitchells.com.pk). Further it is responsibility of the members to timely update the Company's Shares Registrar of any change in their registered e-mail addresses.

4. Circulate Annual Audited Accounts and Notice of AGM through to shareholders through CD or DVD or USB.

In pursuance of SECP notification S.R.O. No.470(1)/2016 dated May 31, 2016 the companies have been allowed to circulate their annual reports including annual audited accounts, notice of annual general meetings and other information contained therein of the Company to the members for future years through CD or DVD or USB instead of transmitting the same in hard copies. However, the Company will supply the hard copy of the Annual Audited Accounts to the shareholders on

demand at their registered addresses, free of cost, within one week of such demand.

5. Consent for Video Conference:

Pursuant to SECP's Circular No 10 dated May 21, 2014, if the Company receives consent from members holding in aggregate 10% or more shareholding residing at geographical location, to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard please fill the following and submit to registered address of the Company at least 10 days before the date of AGM.

Consent Form for Video Conference Facility

I/We, \_\_\_\_\_ of \_\_\_\_\_ being a member of Mitchell's Fruit Farms Limited, holder of \_\_\_\_\_ Ordinary shares as per Registered Folio No./ CDC Account No. \_\_\_\_\_ hereby opt for video conference facility at \_\_\_\_\_ (geographical location).

\_\_\_\_\_  
Signature of member

6. Annual Accounts

Annual Accounts of the Company for the period ended June 30, 2021 have been placed on the Company's website – <http://www.mitchells.com.pk> in addition to annual and quarterly financial statements for the current and prior periods.

**EXHIBIT A**  
**EXTRACT OF SPECIAL RESOLUTION DATED 28 OCTOBER, 2021**  
**MITCHELL'S FRUIT FARMS LIMITED**  
**72 - FCC, GULBERG IV, LAHORE**

---

**SPECIAL RESOLUTION**

The following resolution is being circulated to the Members of Mitchell's Fruit Farms Limited for approval:

***"RESOLVED THAT*** the consent of the Members of Mitchell's Fruit Farms Limited (***"MFFL"***) is hereby accorded to alter the Articles of Association of MFFL (the ***"Articles"***) and the Memorandum of Association of MFFL (the ***"Memorandum"***) in the following manner:

(a) Clause III.(3) of the Memorandum shall be struck out and replaced with the following clause:

*"(3) To carry on the business and manufacture of jams, pickles, chutneys, ketchup, sauces, pastes, mayonnaise, spreads, seasonings, squashes, juices, nectars, mineral water, carbonated water, sugar confectionary, chocolate confectionary, biscuits, wafers, snacks, sharbats, canned food items, ready-to-cook items, ready-to-eat items and fruit preserves by various processes and manufacture/processing of all kinds of food products, whether finished goods, semi-finished goods or raw materials and to engage in the business of buying and selling the aforementioned products and items from other businesses, body corporates and industrial concerns engaged in the manufacture, sale, purchase or supply of similar or related items and products."*

(b) Clause 52.(1) of the Articles shall be struck out and replaced with the following clause:

*"(1) Only a natural person shall be a director."*

(c) At the end of clause 58.(3) a new clause titled, "58.(4)", shall be inserted that will state the following:

*"(4) The Board may delegate, via a board resolution, any or all of the powers, duties and functions it is afforded through these Articles, to a single director or a group of directors and any such delegation shall continue to be binding and effective until such time that it is explicitly repealed or altered through a validly passed board resolution, later in time."*

***"FURTHER RESOLVED THAT*** MFFL is hereby authorised to issue, enter into, deliver and implement agreements, instruments and documentation, as may be deemed necessary and required from time to time, in relation to this resolution."

***"FURTHER RESOLVED THAT*** Ms. Naila Bhatti, Chief Executive Officer of MFFL, is hereby authorised to make necessary filings with the Securities and Exchange Commission of Pakistan, as may be required by applicable laws."

***"AND FURTHER RESOLVED THAT*** this resolution shall remain valid and bind MFFL until such time that it is explicitly repealed or altered through a validly passed special resolution at a later date than that stated herein."

# اطلاع برائے سالانہ اجلاس عام

مچلر فوٹ فارمز لمیٹڈ

شیر رجسٹر اریمرز کارپلنک (پرائیویٹ) لمیٹڈ کمرشل ماڈل ٹاؤن لاہور کو برائے راست بھجوادیں۔ دیگر کمپنیاں اپنے NTN/ شیر رجسٹر اریمرز کو بھجوادیں۔ قومی شناختی کارڈ NTN/ کے ہمراہ فون نمبر بھی ارسال کریں۔ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے نوٹیفکیشن SRO 779 (I) مورخہ 18 اگست 2011 اور RO 831 (I) مورخہ 5 جولائی 2012 کے مطابق ڈیوڈنڈ وارنٹ پر رجسٹرڈ ممبر کے قومی شناختی کارڈ کا درجہ ہونا ضروری ہے کم سن افراد اور کمپنیاں اس سے مستثنیٰ ہیں۔

کمپنی کی شیرز ٹرانسفر بکس 21 اکتوبر 2021 سے 28 اکتوبر 2021 (بشمول دونوں دن) تک بند رہیں گی۔ انتقال دہندگان کے مذکورہ بالا استحقاق اور اجلاس میں شمولیت کی غرض سے منتقلیاں (بشمول سی ڈی ایس کے تحت ڈیپازٹس درخواستیں) کمپنی کے شیر رجسٹر اریمرز کارپلنک (پرائیویٹ) لمیٹڈ کمرشل ماڈل ٹاؤن لاہور کو مورخہ 20 اکتوبر 2021 کو دوپہر 1 بجے تک موصول کی جائیں گی موصول ہونے والی ٹرانسفرز بروقت تصدیق کی جائیں گی۔

3- ہر ممبر جو مینٹگ میں شرکت اور ووٹ ڈالنے کے اہل ہیں، اپنی جگہ کسی اور ممبر کو پراسی مقرر کر کے مینٹگ میں شرکت اور ووٹ ڈالنے کے لئے نامزد کر سکتا ہے۔ پراسی کے مؤثر ہونے کے لئے ضروری ہے کہ وہ کمپنی کے رجسٹرڈ آفس میں مینٹگ کے طے شدہ وقت سے کم از کم 48 گھنٹے قبل وصول ہو جانے چاہیے۔

4- مکمل شدہ پراسی کے فارم، اور دیگر اٹھارٹی جس کے تحت دستخط شدہ ہے، یا اس کی نوٹریلی سرٹیفیکیشن کاپی کمپنی سیکریٹری کو کمپنی کے رجسٹرڈ آفس (72-FCC گلبرگ IV لاہور) کو مینٹگ سے کم از کم 48 گھنٹے قبل موصول ہو جانے چاہیے۔

5- شیر ہولڈرز سے درخواست کی جاتی ہے کہ اگر ان کے پتے میں کسی قسم کی تبدیلی ہوئی ہے تو وہ اس کی فوری اطلاع دیں۔

سی ڈی سی اکاؤنٹ ہولڈرز کو مزید سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی مندرجہ ذیل ہدایات کی بھی پیروی کرنا ہوگی۔

## اجلاس میں شمولیت کیلئے

I بصورت افراد، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور ایادہ شخص جن کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن تفصیلات قواعد کے مطابق اپ لوڈ کی گئی ہیں مینٹگ میں شرکت کے وقت اپنی شناخت ثابت کرنے کی غرض سے اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ دکھائیں گے۔

II کمپنیز کی صورت میں بورڈ آف ڈائریکٹرز کی طرف سے جاری کردہ منظوری یا ان کی پاور آف اٹارنی جس پر ان کے مخصوص دستخط موجود ہوں مینٹگ میں شرکت کے وقت فراہم کریں گے (اگر پہلے فراہم نہیں کیا گیا)۔

بذریعہ نوٹس ہذا اطلاع دی جاتی ہے کہ مچلر فوٹ فارمز لمیٹڈ کا 89 واں سالانہ اجلاس عام مورخہ 28 اکتوبر 2021 بروز جمعرات بوقت 11:00 بجے دن کمپنی کے رجسٹرڈ آفس، 72-FCC گلبرگ IV لاہور میں منعقد ہوگا، جس میں مندرجہ ذیل امور کی انجام دہی ہوگی۔

## عمومی کارروائی

- 1- 30 اپریل 2021 کو منعقد ہونے والے گزشتہ غیر معمولی اجلاس عام میں طے پائے گئے امور کی منظوری۔
- 2- 30 جون 2021 کو ختم ہونے والے سال کے سالانہ پڑتال شدہ حسابات کی وصولی، غور و خوض اور اختیار کرنا۔ جن کے ساتھ ڈائریکٹرز اور آڈیٹرز کی رپورٹس شامل ہیں۔
- 3- 30 جون 2022 کو اختتام پذیر ہونے والے سال کے لئے آڈیٹرز کا تقرر اور ان کے مشاہرے کو طے کرنا جس کو آڈٹ کمیٹی نے بورڈ آف ڈائریکٹرز کو تجویز کیا۔ ریٹائرڈ ہونے والے آڈیٹرز میسرز اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس اہلیت کی بناء پر خود کو دوبارہ تقرری کے لئے پیش کرتے ہیں۔

## خاص معاملات:

- 1- کمپنی کے میمورنڈم آف ایسوسی ایشن اور آرٹیکل آف ایسوسی ایشن میں ایگزٹ اے (لف ہے) کے تحت ترمیم کرنا۔

## دیگر معاملات:

- 1- جناب صدر کی اجازت سے دوسرے امور کی انجام دہی جو کہ مینٹگ میں سامنے آئیں۔

بحکم بورڈ

محبوب خان

کمپنی سیکریٹری

لاہور یکم اکتوبر 2021ء

## نوٹس

- 1- وہ ممبران جنہوں نے کمپیوٹرائزڈ شناختی کارڈ کمپنی ہذا یا شیر رجسٹر اریمرز کو جمع نہیں کروائے ان کو ایک مرتبہ پھر یاد دہانی کرائی جاتی ہے کہ وہ اپنے مذکورہ شناختی کارڈ کمپنی کے



**B۔** پر کسی کا تقرر

9 شیر ہولڈرز کو سالانہ آڈٹ شدہ اکاؤنٹس اور اے جی ایم نوٹس کی بذریعہ ڈی وی ڈی یا

یو ایس بی ترسیل:

ایس ای سی پی کے نوٹیفیکیشن ایس آر او نمبر 2016/1(470) مورخہ 31 مئی 2016 کے تحت کمپنوں کو اجازت دی گئی ہے کہ وہ آنے والے برسوں میں ممبرز کو اپنی سالانہ رپورٹس بشمول سالانہ آڈٹ شدہ اکاؤنٹس، سالانہ اجلاس عام کا نوٹس اور کمپنی کی دیگر معلومات ہارڈ کاپوں کی بجائے سی ڈی یا ڈی وی ڈی یا یو ایس بی کے ذریعے ارسال کر سکتی ہے۔ تاہم کمپنی شیئر ہولڈرز کے مطالبہ پر انہیں سالانہ آڈٹ شدہ اکاؤنٹس کی ہارڈ کاپی طلب کئے جانے کے ایک ہفتے کے اندر نئے رجسٹرڈ ایڈریس پر بلا معاوضہ فراہم کرے گی۔

10 ویڈیو کا نفرنس کیلئے رضا مندی:

ایس ای سی پی کے سرکولر نمبر 10 مورخہ 21 مئی 2014 کے مطابق اگر کمپنی کو کسی مخصوص جغرافیائی مقام سے مجموعی طور پر 10 فیصد یا زائد حصص کے ساتھ ممبر کی طرف سے اجلاس میں شرکت کے لئے اجلاس سے کم از کم دس دن قبل رضامندی ملتی ہے تو کمپنی اس شہر میں ویڈیو کانفرنس کا انتظام کرے گی۔ بشرطیکہ اس شہر میں ایسی کوئی سہولت ممبر ہو۔ اس کیلئے براہ کرم درج ذیل فارم پر کر کے سالانہ اجلاس عام کی تاریخ سے کم از کم دس دن پہلے کمپنی کے رجسٹرڈ ایڈریس پر جمع کروائیں۔

## ویڈیو کانفرنس کی سہولت کیلئے رضا مندی کا فارم

میں / ہم۔۔۔۔۔ ساکن۔۔۔۔۔ مجڈ فروٹ فارمز لمیٹڈ کا  
شیرز کا حامل ہوں برطانیہ رجسٹرڈ فوئیو نمبر اسی ڈی سی  
کاؤنٹ نمبر۔۔۔۔۔ اپنے شہر۔۔۔۔۔  
(خجرا فیا کی مقام) میں ویڈیو کانفرنس کی سہولت حاصل کرنا چاہتا ہوں۔

## سالانہ اکاؤنٹس

30 ستمبر 2021 کو ختم ہونے والے مالیاتی سال کیلئے سالانہ اکاؤنٹس اور پچھلے سالوں کے سالانہ اکاؤنٹس بمعہ سہ ماہی اکاؤنٹس کمپنی کی ویب سائٹ <http://www.mitchells.com.pk> پر موجود ہے۔

بصورت افراد، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور / یا دہ شخص اس جن کی بیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن تفصیلات قواعد کے مطابق اپ لوڈ کی گئی ہیں وہ اپنے پر کسی فارم جمع کرائیں گے۔

II      پر اکسی فارم پردوگوا هوں کے دستخط جن کے نام، پتے اور CNIC نمبرز فارم پردرج هوں۔

III      پراسکی فارم کیساتھ بنیفیشل اوزر کے کمپیوٹر انڈسٹری کمیونٹی شناختی کارڈ (CNIC) یا پاسپورٹ کی تصدیق شدہ کاپی لف ہونا ضروری ہے۔

IV      پراسی والے افراد میٹنگ کے وقت اپنا اصل شناختی کارڈ CNIC دکھائیں گے۔

V کمپنیز کی صورت میں بورڈ آف ڈائریکٹرز کی طرف سے جاری کردہ منظوری یا ان کی پاور آف اٹارنی جس پر کمپنی کی جانب سے شرکت اور ووٹ دینے کے لئے نامزد فرد کے مخصوص دستخط موجود ہوں پر کسی فارم کے ہمراہ جمع کرائی جائے گی۔

6۔ ایڈریس کی تبدیلی اور زکوٰۃ سے استثنیٰ کے ڈیکلریشن کی اطلاع۔

شیرز سرٹیفکیٹس رکھنے والے ممبران اپنے رجسٹرڈ پتہ میں تبدیلی کے بارے میں شیرز جسر کو آگاہ کریں اور اپنے زکوٰۃ سے استثنیٰ کے ڈیکلریشن فراہم کریں۔

سی ڈی سی / پارٹیپنٹ اکاؤنٹس میں شیئرز ہولڈرز ممبران سے گزارش ہے کہ وہ سی ڈی سی یا اپنے متعلقہ شرکاء / سٹاک بروکر کے ہاں اپنا ایڈریس اپ ڈیٹ کریں اور اپنے زکوٰۃ سے استغنیٰ کے ڈیکلریشنز فراہم کریں۔

7- غیر دعویٰ شدہ منافع اور شیئر سرٹیفکیٹس

شیر ہولڈرز کو مطلع کیا جاتا ہے کہ کنیز ایکٹ 2017 کے سیکشن 244 اور غیر دعویٰ شدہ شیر، مضاربہ، حقوقیت، ڈیونڈز، دیگر انسٹرومنٹس اور ان ڈسٹری بیوڈ اسسٹس ریگولیشنز 2017 کے مطابق پنیز کے لئے ایسے کیش ڈیونڈ فیڈرل گورنمنٹ کے کریڈٹ میں اور شیرز کو کمیشن میں جمع کروانا ضروری ہے۔ جو ادائیگی کی تاریخ سے لیکر تین سال یا زیادہ عرصہ سے غیر دعویٰ شدہ ہیں با وصول نہیں کئے گئے۔

8۔ شیر ہولڈرز کو سالانہ رپورٹس کی بذریعہ ای میل ترسیل:

مورخہ 8 ستمبر 2014 کو جاری ہونے والے نوٹیفکیشن ایس آر او نمبر 787(1)/2014 کے تحت کمپنیوں کو اجازت ہے کہ وہ شیر ہولڈرز کو سالانہ اجلاس عام (اے جی ایم) کے نوٹس کے ہمراہ سالانہ فنانشل سٹیٹمنٹ بذریعہ ای میل ارسال کریں۔ لہذا ممبرز سے درخواست ہے کہ وہ اس کے لئے معیاری درخواست فارم جو کہ کمپنی کی ویب سائٹ [www.mitchells.com.pk](http://www.mitchells.com.pk) پر دستیاب ہے، پر، بذریعہ ای میل اپنی رضامندی ظاہر کریں۔ علاوہ ازیں کمپنی کے شیر رجسٹرار کو اپنے رجسٹری میل ایڈریس میں ہونے والی مکمل تبدیلی کے بارے میں بروقت مطلع کرنا بھی ممبرز کی ذمہ داری ہے۔

## CHAIRMAN'S REVIEW

As we close this financial year 2020-21 I would like to acknowledge the great efforts of the management team for working hard to achieve our targets as this is the first time after 2015 that we are reporting profits. Even though this was a 9-month period due to change in our financial year, we did manage to beat all previous records of Sales.

I know that the challenges were immense but everyone worked extra hard to deliver on targets. There were days that were very frustrating but there were also days that were very satisfying as well, since the team managed to achieve something that was new and exciting and also managed to optimize the available resources to the full extent.

### EVALUATION OF BOARD'S PERFORMANCE

The board fully contributed throughout the year to guide the management for bringing operational improvements. Annual evaluation process as required under the Code of Corporate Governance is in place to assess the performance of its members.

Various committees of the Board also contributed towards their respective areas of the company and made value additions in underlying systems, processes and procedures.

### FUTURE OUTLOOK

As we start the new financial year, I am sure that we shall face many more challenges. However, I have complete faith that we shall overcome them and shall find new and innovative ways to deliver results. The recent abolishment of Federal Excise Duty shall also contribute towards the profitability of the company. Currently we are geared to making progress on all fronts including infrastructure and technology which shall go a long way towards reviving our brand. We also intend to bring further efficiency in all business processes. New investments are also strategically planned to ensure uninterrupted supply of high quality products to the market.



Najam Aziz Sethi  
Chairman  
October 1, 2021

## چیرمین کا جائزہ

جیسا کہ ہم اس مالی سال 2020-21 کا اختتام کر رہے ہیں میں اپنے اہداف کے حصول کے لیے مینجمنٹ ٹیم کی سخت محنت اور عظیم کوششوں کو سراہتا ہوں کیونکہ مالی سال 2015 کے بعد یہ پہلا موقع ہے کہ ہم منافع رپورٹ کر رہے ہیں۔ اگرچہ ہمارے مالی سال میں تبدیلی کی وجہ سے یہ 9 ماہ کی مدت تھی اس کے باوجود ہم نے سب کے تمام سابقہ ریکارڈوں کو شکست دی۔

میں جانتا ہوں کہ چیلنجز بہت زیادہ تھے لیکن ہر ایک نے اہداف حاصل کرنے کے لیے سخت محنت کی۔ کچھ دن بہت مایوس کن تھے لیکن کچھ دن ایسے بھی تھے جو کہ بہت اطمینان بخش رہے۔ اس طرح ہماری ٹیم کچھ نئی اور پُر جوش چیز حاصل کرنے میں کامیاب رہی اور دستیاب وسائل کو مکمل حد تک بروئے کار لانے میں بھی کامیاب رہی۔

### بورڈ کی کارکردگی کا جائزہ

بورڈ نے آپریشنل بہتری لانے کے لیے پورے سال بھر میں مینجمنٹ کی رہنمائی کے لیے مکمل تعاون کیا۔ ممبروں کی کارکردگی کا جائزہ لینے کے لیے کوڈ آف کارپوریٹ گورننس کے تحت مطلوبہ سالانہ تشخیص کا عمل متعین کیا گیا ہے۔

بورڈ کی مختلف کمیٹیوں نے بھی کمپنی کے اپنے متعلقہ شعبوں میں شرکت کی اور بنیادی نظام، عوامل اور طریقہ کار میں اچھا اضافہ کیا۔

### مستقبل کا نقطہ نظر

جیسا کہ ہم نئے مالی سال کا آغاز کر رہے ہیں، مجھے یقین ہے کہ ہمیں مزید کئی چیلنجز کا سامنا کرنا پڑے گا۔ تاہم، مجھے مکمل اعتماد ہے کہ ہم ان پر قابو پالیں گے اور نتائج دینے کے لیے نئے اور جدید طریقے تلاش کریں گے۔ فیڈرل ایکسائز ڈیوٹی کا حالیہ خاتمہ بھی کمپنی کے منافع پر اچھا اثر ڈالے گا۔ فی الحال ہم انفراسٹرکچر اور ٹیکنالوجی سمیت تمام شعبوں پر پیش رفت کے لیے تیار ہیں جو کہ ہمارے برانڈ کو بحال کرنے کی طرف بہت آگے تک جانے گی۔ ہم تمام کاروباری عوامل میں کارکردگی کو مزید بہتر بنانے کا بھی ارادہ رکھتے ہیں۔ مارکیٹ میں اعلیٰ معیار کی مصنوعات کی بلا تعطل فراہمی کو یقینی بنانے کے لیے نئی سرمایہ کاری کا بھی حکمت عملی سے منصوبہ بنایا گیا ہے۔

*Karim H. Khan*

نجم عزیز سیٹھی

چیرمین

یکم اکتوبر 2021ء



## DIRECTORS' REPORT

The directors are pleased to present their report on the Company's performance during the year.

### PRINCIPAL ACTIVITY

The Company is principally engaged in the manufacture and sale of various grocery and confectionery products.

### FINANCIAL POSITION AT A GLANCE

A brief financial analysis is presented as under:

Operating Results	2020-2021 (For the period from October 01, 2020 to June 30, 2021)	2019-2020 (For the period from October 01, 2019 to September 30, 2020)	Increase/Decrease % / Rs
Turnover	2,210,619,831	2,112,492,576	4.65%
Gross Profit	489,339,944	442,422,812	46.9M
Gross Profit %	22.14%	20.94 %	1.20%
Selling & Distribution Costs	311,214,276	253,637,474	22.70%
Administrative Expenses	137,043,348	150,668,678	(9.04%)
Operating Profit	67,426,187	47,016,162	43.41%
Profit/ (Loss) After Tax	10,466,180	(55,445,435)	65.9M
Earnings Per Share-Rupees	0.49	*(3.05)	7.53

\*The comparative Earning per share has been restated on account of right issue of ordinary shares made during the year in accordance with the applicable financial reporting framework.



## FINANCIAL RESULTS AND DEVELOPMENTS

This is the first year since 2015 that the Company has been able to report profits. It is remarkable to note that the Company has achieved a Rs 2.2 Billion sales in only nine months of its operations while the previous year, this was our twelve month's turnover.

During the period under review, the profitability also increased to a Rs 10 million profits after tax. The main factors that contributed towards the profitability were significant decrease in sales returns, increased sales volume, cost economies in variable and fixed costs and sizeable reduction in the financial cost of the Company. Fresh equity injection of Rs 750 million that was carried out this year in the shape of issuance of right shares, went a long way towards paying off the lenders and improving the long-awaited working capital requirements of the Company.

Despite highly inflationary conditions in the country, the Company put its best efforts to make efficient arrangements with its vendors in its endeavour to seek best rates for the raw & packing material despite. The production processes have also been optimized and efforts are being made to remove remaining bottlenecks and bring about further improvements and innovations.

Sales of the Company witnessed a healthy growth but were affected by lockdowns due to COVID restrictions. Our main focus was towards enhancement in the width and depth of sales operations. Even though we have a diversified product portfolio catering to all seasons and target markets, we are exposed to seasonal trends in the market as well, and were not able to fully utilize the sales opportunities available to us in the respective seasons. Exports also remained our main focus which witnessed a significant growth during the period. After many years, we were also able to focus upon various marketing activities for brand recall. This is an investment which shall be rewarded in the years to come and due to this reason, the sales and marketing costs have increased as compared to previous year.

The provision for current taxation for the year represents tax under final tax regime and minimum tax on turnover.

## PRINCIPAL RISKS AND UNCERTAINTIES

The Company is exposed to certain risks and uncertainties. However, we consider the following as key risk areas:

- The uncertainties arising from the continued spread of COVID & resultant lockdowns;
- Significant competition in our product categories;
- Adverse movement in commodity prices and

foreign exchange rates since some of our raw & packing materials is imported; and

- Adverse movement in interest rate leading to increased cost of borrowings

## MANUFACTURING OPERATIONS

The Company faces multiple challenges towards effectively carrying on the manufacturing operations. However, optimal utilization of resources is being ensured but there is a need to carry out major modernizations, improvements and expansions for which, the Company is planning to carry out the same during the next financial year.

## HUMAN RESOURCE DEVELOPMENT

The Company has enhanced its focus towards human resource development by defining policies, procedures and encouraging the employees, especially the managerial staff to be role models and provide exemplary leadership roles. Work is also under progress to bring further gender diversity.

## CORPORATE SOCIAL RESPONSIBILITY

No incident of accident, causing physical injury or misconduct was reported during the year. Employees were issued proper guidelines to prevent spread of COVID and vaccination was made compulsory in line with government directives.

The Company contributed Rs 409 million to the National Exchequer on account of various government levies including customs duty, sales tax, federal excise duty and income tax. Furthermore, foreign exchange of USD 2.3 million was also generated through our exports during the period under review.

## SUBSEQUENT EVENTS

There is no such subsequent event that may have any material impact upon the financial statements under review.

## FUTURE OUTLOOK

After attaining the previous yearly sales figure in just nine months of its operations, the Company looks towards further growth in the next financial year by putting further emphasis upon profitable sales both locally and overseas. We have rejuvenated our sales force to set and achieve new targets. Our recently implemented ERP to monitor secondary sales shall go a long way towards brining visibility and concentrating our efforts where needed. We have also started the process of implementing SAP during the next financial year which shall also bring further efficiencies of processes. Some modernization of existing plant & machinery equipment is also planned that shall bring production efficiencies. Abolishment of FED shall also

favourably impact the profitability of the Company.

The main challenges for the coming financial year shall again be to manage the economic uncertainty and lower buying power of the customers as a result of the pandemic. Expansion of the export market is also dependent upon worldwide reactions to COVID and its aftereffects.

### INTERNAL FINANCIAL CONTROLS

The Directors and management are responsible for the Company's system of internal controls and for reviewing annually its effectiveness in providing shareholders with a return on their investments that is consistent with a responsible assessment and management of risks. This includes reviewing financial, operational and compliance controls and risk management procedures and their effectiveness. The Directors have done their annual review and assessment for the year ended June 30, 2021. The Board and Audit Committee regularly reviews reports pertaining to the robust internal audit function of the Company to satisfy the internal control requirements. The Company's internal audit function performs reviews of the integrity and effectiveness of control activities and provides regular reports to the Audit Committee and the Board.

### CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.

- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- The financial statements have been prepared on a going concern basis.
- A statement regarding key financial data for the last five years is annexed to this report. All trades in the share of Company carried out by its directors, executives and their spouses and minor children are also annexed with this annual report.
- Where any statutory payment on account of taxes, duties, levies and charges is outstanding, the amount with a brief descriptions and reasons for the same is adequately disclosed in the financial statement.

### ENVIRONMENTAL IMPACT

The Company is committed to avoid any adverse impact to the environment caused due to its operations. A significant portion of energy requirements are met from agricultural bi-products (biomass).

### COMPOSITION OF THE BOARD

The Board consists of 7 male directors and 2 female directors with following composition:

- Independent Directors..... 3
- Non-Executive Directors ..... 5
- Executive Directors ..... 1

Director's Name	Designation	Meetings Attended
Mr. Najam Aziz Sethi	Chairman	6
Syed Mohammad Mehdi Mohsin	Non-Executive Director	6
Mr. Shazad Ghaffar	Non-Executive Director	6
Mr. Abdul Hamid Dagia	Non-Executive Director	2
Syeda Umme Kulsum Imam	Non-Executive Director	5
Ms. Naila Bhatti	MD/ Chief Executive Officer	6
Syed Manzar Hassan	Independent Director	6
Mr. Aamir Amin	Independent Director	6
Mr. Rizwan Bashir	Independent Director	5
Mr. Muhammad Mohsin	Non-Executive Director (Retired)	1
Mrs. Sitwat Mohsin	Non-Executive Director (Retired)	3
Mr. Pervez Noon	Non-Executive Director (Retired)	2

## CHANGE IN DIRECTORS OFFICE

Mr. Muhammad Mohsin, Mrs. Sitwat Mohsin and Mr. Pervez Noon retired during the year while Mr. Abdul Hamid Dagia joined the Board. Leave of absence was granted to the directors who could not attend the board meetings.

## AUDIT COMMITTEE

During the year, three (3) meetings of the audit committee were held. Attendance by each Director was as follows: -

Director's Name	Designation	Meetings Attended
Mr. Rizwan Bashir	Independent Director/Chairman	3
Mr. Aamir Amin	Independent Director	3
Mr. Shazad Ghaffar	Non-Executive Director	2

Leave of absence was granted to the directors who could not attend the meetings.

## REMUNERATION OF NON-EXECUTIVE DIRECTORS

Details of aggregate amount of remuneration separately of executive and non-executive directors, including salary/fee, perquisites, benefits, and other allowances are disclosed in the annexed financial statements. The remuneration policy is approved by the Board of Directors and the Board revisits the policy from time to time.

## COMPLIANCE WITH LISTED COMPANIES (Code of Corporate Governness) REGULATIONS

The requirements of the Regulations relevant for the period ended June 30, 2021 have been adopted by the Company and the statement of compliance in this regard is annexed to the Report.

## PATTERN OF SHARE HOLDING

The information under this head is annexed.

## RELATED PARTIES

The transactions between the related parties are made on mutually agreed terms and conditions. Details of all the transactions carried out during the year can be seen in Note 32 to the annexed financial statements.

## EARNINGS PER SHARE

Earnings per share for the year under report is Rs 0.49 as compared to the last year figure of Loss per Share of Rs 3.05 (Restated).

## DIVIDEND

Based on the results no dividend is proposed for the year under review.

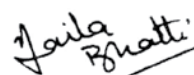
## AUDITORS

The present Auditors, Messrs. A.F. Ferguson & Co., Chartered Accountants retire and offer themselves for re-appointment. The Board of Directors, on recommendation of Audit Committee, proposes the re-appointment of Messrs. A.F. Ferguson & Co., Chartered Accountants, for the year ending June 30, 2022.

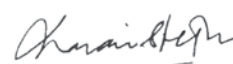
## ACKNOWLEDGEMENTS

The board of directors would like to express their gratitude to all employees for their efforts and commitment in successfully overcoming the challenges faced by the Company during the year.

For and on behalf of Board of Directors



Naila Bhatti  
Chief Executive Officer/MD



Najam Aziz Sethi  
Chairman

Lahore: October 1, 2021

## ڈائریکٹرز رپورٹ

ڈائریکٹرز انتہائی مسرت سے کمپنی کی سالانہ کارکردگی رپورٹ پیش کرتے ہیں۔

### 1- بنیادی کاروبار

کمپنی بنیادی طور پر بہت سے گراسری اور کنفیکشنری مصنوعات کی تیاری میں مصروف ہے۔

### 2- مالی نتائج پر ایک نظر:

کمپنی کا مختصر مالیاتی تجزیہ زیر نظر ہے۔

مالیاتی نتائج	2020-2021 اکتوبر 2020 تا جون 2021 روپے	2019-2020 اکتوبر 2019 تا ستمبر 2020 روپے	اضافہ/(کمی)
کاروبار کی شرح	2,210,619,831	2,112,492,576	4.65 فیصد
کل منافع	489,339,944	442,422,812	46.9 ملین
کل منافع فیصد (%)	22.14 فیصد	20.94 فیصد	1.20 فیصد
اخراجات فروخت و تقسیم کاری	311,214,276	253,637,474	22.70 فیصد
اخراجات انتظامی امور	137,043,348	150,668,678	(9.04) فیصد
آپریٹنگ منافع	67,426,187	47,016,162	43.41 فیصد
ٹیکس کے بعد منافع/(خسارہ)	10,466,180	(55,445,435)	65.9 ملین
فی حصص روپے آمدن (خسارہ)	0.49	(3.05) Restated	7.53

### 3- مالی نتائج اور ترقی

سال 2015 کے بعد یہ پہلا سال ہے کہ کمپنی منافع درج کرنے کے قابل ہوئی ہے۔ یہ بات قابل ذکر ہے کہ کمپنی نے اپنے کاروبار کے صرف نو ماہ میں 2.2 بلین روپے کا منافع حاصل کیا جبکہ گزشتہ سال یہ ہمارا بارہ ماہ کا ٹرن اوور تھا۔

زیر جائزہ مدت کے دوران، ٹیکس کے بعد منافع بھی 10 ملین روپے تک بڑھ گیا۔ منافع بڑھانے میں اہم کردار ادا کرنے والے اہم عوامل سیلز ریٹن میں نمایاں کمی، سیلز حجم میں اضافہ، متغیر اور مقررہ اخراجات میں لاگت کی بچت اور کمپنی کی مالی لاگت میں نمایاں کمی تھی۔ 750 ملین روپے کی نئی ایکویٹی سرمایہ کاری جو گزشتہ سال رائٹ حصص کے اجراء کی شکل میں کی گئی، نے قرض دہندگان کی ادائیگی اور کمپنی کے طویل مدتی ورکنگ کپٹل کی ضروریات کو بہتر بنانے میں اہم کردار ادا کیا ہے۔

کمپنی نے ملک میں انتہائی افراط زر کے حالات کے باوجود خام اور پیکنگ میٹریل کے بہترین نرخ حاصل کرنے کی کوشش میں اپنے وینڈرز کے ساتھ مؤثر انتظامات کئے ہیں۔ پیداوار کے عمل کو بھی بہتر بنایا گیا ہے اور باقی رکاوٹوں کو دور کرنے اور مزید بہتری اور جدت لانے کی کوششیں جاری ہیں۔

کمپنی کی سیلز میں صحت مند نمودیکھی گئی لیکن COVID پابندیوں کی وجہ سے بار بار لاک ڈاؤن سے بری طرح متاثر ہوئی۔ ہماری بنیادی توجہ سیلز آپریشنز کی وسعت اور گہرائی میں اضافہ پر مرکوز رہی۔ اگرچہ ہمارے پاس تمام موسموں اور ٹارگٹ مارکیٹوں کے لیے ایک متنوع پروڈکٹ پورٹ فولیو ہے اور متعلقہ سیزن میں اپنے دستیاب سیلز کے مواقع سے بھرپور فائدہ اٹھانے کے قابل نہیں تھے۔ برآمدات بھی ہماری بنیادی توجہ رہی جس نے اس عرصے کے دوران نمایاں نمودیکھی۔ کئی سالوں کے بعد، ہم دوبارہ برآمد متعارف کروانے کے لیے مختلف مارکیٹنگ سرگرمیوں پر بھی توجہ مرکوز کرنے کے قابل ہوئے۔ یہ ایک ایسی سرمایہ کاری ہے جس کا اثر آئندہ سالوں میں ملتا ہے اور اسی وجہ سے سیلز اور مارکیٹنگ اخراجات میں گزشتہ سال کے مقابلے میں اضافہ ہوا ہے۔

سال کے لیے موجودہ ٹیکس کی فراہمی حتمی ٹیکس نظام کے تحت ٹیکس اور کاروبار پر کم از کم ٹیکس کی نمائندگی کرتی ہے۔



#### 4- بنیادی خدشات اور غیر یقینی صورتحال

- ☆ کمپنی کو چند خدشات اور غیر یقینی صورتحال کا سامنا ہے تاہم مندرجہ ذیل خدشات زیادہ توجہ کے لائق ہیں۔
- ☆ کرونا کے مسلسل پھیلاؤ اور نیچے لاک ڈاؤن کی وجہ سے پیدا ہونے والی غیر یقینی صورتحال۔
- ☆ ہماری مصنوعات کی اقسام میں بڑا مقابلہ۔
- ☆ اشیاء کی قیمتوں اور زر مبادلہ کی شرح میں منفی بدلاؤ چونکہ ہمارے خام اور پیکنگ میٹریل میں سے چند ایک درآمد کیے جاتے ہیں۔
- ☆ شرح سود میں منفی اضافہ جس کی وجہ سے قرضوں کی لاگت میں اضافہ کا ہونا۔

#### 5- مینوفیکچرنگ آپریشنز

- ☆ مینوفیکچرنگ آپریشنز کو موثر طریقے سے آگے بڑھانے کے لیے کمپنی کو کئی چیلنجز کا سامنا ہے۔ تاہم، ذرائع کے زیادہ سے زیادہ وسائل کو یقینی بنایا جا رہا ہے لیکن اہم جدید کاری، بہتری اور توسیع کی ضرورت ہے جس کے لیے، کمپنی اگلے مالی سال کے دوران ایسا ہی کرنے کی منصوبہ بندی کر رہی ہے۔

#### 6- انسانی وسائل کی ترقی

- ☆ کمپنی نے پالیسیوں، طریقہ کار کی وضاحت اور ملازمین بالخصوص انتظامی عملے کو رول ماڈل بننے اور مثالی قائدانہ کردار مہیا کر کے انسانی وسائل کی ترقی کی طرف اپنی توجہ کو بڑھایا ہے۔ مزید تصنیف تنوع لانے کے لیے بھی کام جاری ہے۔

#### 7- کمپنی کی سماجی ذمہ داریاں

- ☆ اس سال کوئی حادثہ، جسمانی زخم اور غیر اخلاقی واقعہ رونما نہیں ہوا۔ ملازمین کو کرنا سے بچاؤ کیلئے اہم ہدایات جاری کی گئیں اور حکومتی ہدایات کے مطابق ویکسینیشن لازمی قرار دی گئی۔
- ☆ کمپنی نے قومی خزانے میں کسٹمز ڈیوٹی، فیڈرل ایکسائز ڈیوٹی (FED)، سیلز ٹیکس، انکم اور دیگر محصولات کی مد میں 409 ملین روپے جمع کروائے۔ مزید برآں زیرِ جائزہ مدت کے دوران ہماری برآمدات کی مد میں 2.3 ملین ڈالر کا خطرہ زرمبادلہ کمایا گیا۔

#### 8- مابعد واقعات

- ☆ ایسا کوئی واقعہ رونما نہیں ہو جو زیرِ جائزہ مالی حسابات پر کوئی مادی اثر رکھتا ہو۔

#### 9- مستقبل کا لائحہ عمل

- ☆ اپنے آپریشن کے صرف نو ماہ میں گزشتہ سال کی سیلز کے اعداد و شمار حاصل کرنے کے بعد، کمپنی مقامی اور بیرون ملک منافع بخش سیلز پر مزید زور دے کر اگلے مالی سال میں مزید نمو دیکھتی ہے۔ ہم نے نئے اہداف طے اور ان کے حصول کے لیے اپنی سیلز فورس کو نئی شکل دی ہے۔ ثانوی فروخت کی نگرانی کے لیے ہماری حال ہی میں نافذ کردہ ERP نمایاں نظر آنے اور جہاں ضرورت ہو ہماری کوششوں پر توجہ مرکوز کرنے کے لیے طویل عرصہ چلے گی۔ ہم نے اگلے مالی سال کے دوران SAP نافذ کرنے کا عمل بھی شروع کر دیا ہے جو کہ افادیت میں مزید اضافہ کرے گا۔ موجودہ پلانٹ اور مشینری کے آلات کی کچھ جدید کاری کی بھی منصوبہ بندی کی گئی ہے جو پیداواری استعداد کار میں بہتری لائے گی۔ FED کا خاتمہ بھی کمپنی کے منافع پر مثبت اثر ڈالے گا۔

- ☆ آئندہ مالی سال کے لیے اہم چیلنجز ایک بار پھر باکے نتیجے میں معاشی غیر یقینی صورتحال اور صارفین کی قوت خرید کا کم ہونا ہوں گے۔ ایکسپورٹ مارکیٹ کی توسیع کا انحصار بھی COVID اور اس کے اثرات پر دنیا بھر کے ردعمل پر ہے۔

#### 10- اندرونی استحکام

- ☆ ڈائریکٹرز اور انتظامیہ کمپنی کے اندرونی کنٹرول کے سالانہ جائزہ کے ذمہ دار ہیں جس کی وجہ سے شیئر ہولڈرز کو ان کی سرمایہ کاری کا بہترین بدل مل سکے۔ یہ ذمہ دارانہ تشخیص اور خطرات کے انتظامات کے مطابق ہے۔ اس میں مالی، آپریشنل اور کمپلائنس کنٹرولز اور رسک مینجمنٹ کے طریقہ کار اور ان کی تاثیر کا جائزہ لینا شامل ہے۔ ڈائریکٹرز نے سال 30 جون 2021 کو ختم ہونے والے مدت کا سالانہ جائزہ مکمل کر لیا ہے۔ بورڈ اور آڈٹ کمیٹی اندرونی کنٹرول کے تقاضوں کو پورا کرنے کے لیے کمپنی کے مضبوط داخلی آڈٹ فنکشن سے متعلق رپورٹوں کا باقاعدگی سے جائزہ لیتی ہے۔ کمپنی کا اندرونی آڈٹ فنکشن کنٹرول کی سرگرمیوں کی سالمیت اور تاثیر کا جائزہ لیتا ہے اور آڈٹ کمیٹی اور بورڈ کو باقاعدہ رپورٹس فراہم کرتا ہے۔

### 11- کارپوریٹ اور مالیاتی رپورٹنگ کا دائرہ کار

کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔ کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔ مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔ مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے اور کسی انحراف کا واضح انکشاف اور وضاحت کی گئی ہے۔ اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔ مالیاتی حسابات کمپنی کے گونگ کنسرن ہونے کی بنیاد پر تیار کئے گئے ہیں۔ گزشتہ چھ سالوں کے کلیدی آپریشننگ اور مالی اعداد و شمار سالانہ رپورٹ میں دئے گئے ہیں۔ کمپنی کے حصص میں اس کے ڈائریکٹرز، ایگزیکٹوز اور ان کے شریک حیات اور نابالغ بچوں کی طرف سے کی گئی تمام تجارت بھی اس سالانہ رپورٹ کے ساتھ لف ہے۔ ٹیکسز، ڈیوٹیز، لیویز اور بقایا چارجز کی مد میں قانونی ادائیگیاں جہاں کہیں ہیں، مفصل تفصیل اور وجوہات کے ساتھ رقم کا مالی حسابات میں بیان کیا گیا ہے۔

### 12- ماحولیات کا اثر

کمپنی نے اپنے آپریشنز کی وجہ سے ماحول پر پڑنے والے بُرے اثرات کو کم کرنے کا تہیہ کر رکھا ہے۔ کمپنی غیر استعمال شدہ زرعی مادے اور اپنے آپریشنل ویسٹ سے کسی حد تک توانائی پیدا کرتی ہے۔

### 13- بورڈ کی تشکیل

بورڈ 7 مرد اور 2 خواتین ڈائریکٹرز پر مشتمل ہے۔

3	انڈپنڈنٹ ڈائریکٹرز
5	نان ایگزیکٹو ڈائریکٹرز
1	ایگزیکٹو ڈائریکٹرز

اس سال بورڈ کے 16 اجلاس منعقد ہوئے جس میں ہر ڈائریکٹر کی حاضری مندرجہ ذیل تھی۔

نام	عہدہ	حاضری
جناب نجم عزیز سیٹھی	چیئر مین	6
سید محمد مہدی محسن	نان ایگزیکٹو ڈائریکٹر	6
جناب شہزاد غفار	نان ایگزیکٹو ڈائریکٹر	6
جناب عبدالحمید الداگیہ	نان ایگزیکٹو ڈائریکٹر	2
سیدہ ام کلثوم امام	نان ایگزیکٹو ڈائریکٹر	5
محترمہ نانکھ بھٹی	ایم ڈی / چیف ایگزیکٹو آفیسر	6
سید منظر حسن	آزاد ڈائریکٹر	6
جناب عامر امین	آزاد ڈائریکٹر	6
جناب رضوان بشیر	آزاد ڈائریکٹر	5
جناب محمد محسن	نان ایگزیکٹو ڈائریکٹر (ریٹائرڈ)	1
محترمہ سلوٹ محسن	نان ایگزیکٹو ڈائریکٹر (ریٹائرڈ)	3
جناب پرویز نون	نان ایگزیکٹو ڈائریکٹر (ریٹائرڈ)	2

### 14- ڈائریکٹرز آفس میں تبدیلی

سال کے دوران جناب محمد محسن، محترمہ سلوٹ محسن اور جناب پرویز نون ریٹائر ہو گئے جبکہ جناب عبدالحمید الداگیہ بورڈ میں شامل ہوئے۔ بورڈ کے اجلاس میں شرکت نہ کر سکنے والے ڈائریکٹرز کو رخصت دی گئی۔

## 15۔ آڈٹ کمیٹی

سال کے دوران آڈٹ کمیٹی کے 3 اجلاس منعقد ہوئے جن میں ڈائریکٹرز کی حاضری مندرجہ ذیل رہی۔

ڈائریکٹرز کے نام	عہدہ	حاضری
جناب رضوان بشیر	انڈیپنڈنٹ ڈائریکٹر / چیئر مین	3
جناب عامر امین	انڈیپنڈنٹ ڈائریکٹر	3
جناب شہزاد غفار	نان ایگزیکٹو ڈائریکٹر	2

بورڈ کے اجلاس میں شرکت نہ کرنے والے ڈائریکٹرز کو رخصت دی گئی۔

## 16۔ نان ایگزیکٹو ڈائریکٹرز کے معاوضہ جات

ایگزاور نان ایگزیکٹو ڈائریکٹرز کے الگ الگ معاوضہ جات بشمول تنخواہ / فیس، تقاضے، سہولیات اور دیگر مراعات منسلک فنانشل سٹیمنس میں شامل ہیں۔ معاوضہ جات کی پالیسی بورڈ کی جانب سے منظور شدہ ہے اور بورڈ وقتاً فوقتاً اس کا جائزہ لیتا ہے۔

## 17۔ لیکویٹیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز کی تعمیل

کمپنی نے 30 جون 2021 کو ختم ہونے والی مدت کے متعلق قوانین کی بہتر انداز سے پیروی اور اس کی مکمل تعمیل کی ہے تعمیل کا بیانیہ رپورٹ کے ساتھ منسلک ہے۔

## 18۔ شیئر ہولڈنگ کا پیٹرن

اس سے متعلق معلومات ساتھ منسلک ہیں۔

## 19۔ متعلقہ پارٹی سے لین دین

متعلقہ پارٹیز کے درمیان لین دین باہمی رضامندی شرائط و ضوابط پر کیا گیا ہے۔ سال کے دوران کئے گئے تمام لین دین کی تفصیلات منسلک مالی حسابات کے نوٹ نمبر 30 میں دیکھی جاسکتی ہیں۔

## 20۔ فی حصص نقصان

اس سال فی حصص آمدنی گزشتہ سال کے 3.05 روپے خسارہ کے مقابل 0.49 روپے ہے۔

## 21۔ ڈیویڈنڈ

نتائج کی بنیاد پر زیر جائزہ سال کے لئے کوئی ڈیویڈنڈ تجویز نہیں کیا گیا۔

## 22۔ آڈیٹر

موجودہ آڈیٹر میسرز اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور انہوں نے خود کو دوبارہ تقرری کیلئے پیش کیا ہے۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی طرف سے تجویز کے طور پر 30 جون 2022 کو ختم ہونے والے سال کے لئے بطور آڈیٹر میسرز اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی سفارش کی ہے۔

## اظہار تشکر

بورڈ آف ڈائریکٹرز سال کے دوران کمپنی کو درپیش چیلنجز پر کامیابی سے قابو پانے میں تمام ملازمین کا ان کی کوششوں اور عزم کے لیے شکریہ ادا کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

*Anila Bhatti*

نانکد بھٹی

مینجنگ ڈائریکٹر / چیف ایگزیکٹو آفیسر

*Karim Khan*

جناب نجم عزیز سیٹھی

چیئر مین

لاہور

یکم اکتوبر 2021

# SAUCES





# TOMATO KETCHUP & CHILLI GARLIC SAUCE



## VERTICAL ANALYSIS OF FINANCIAL STATEMENTS

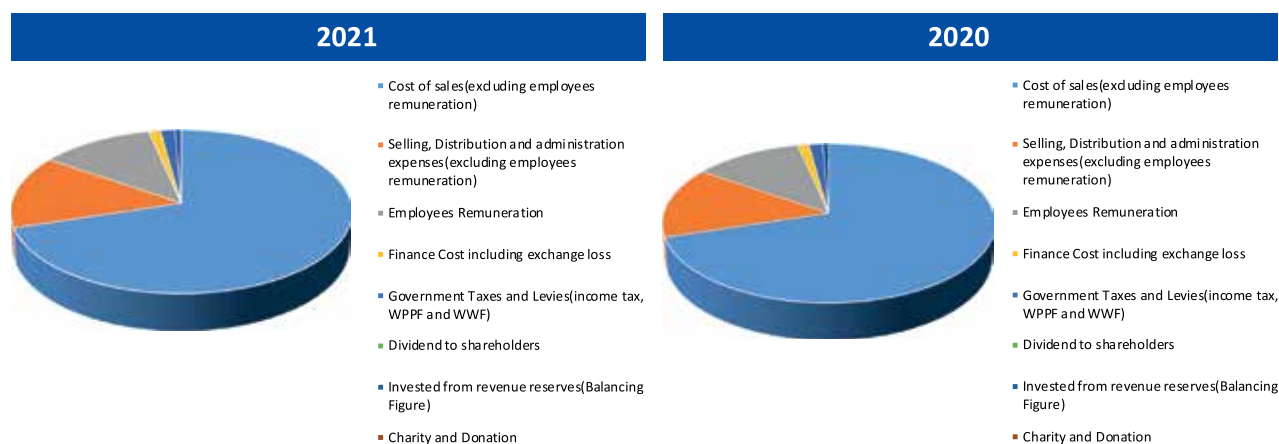
	2021		2020		2019		2018		2017		2016	
	Rs. In '000	%	Rs. In '000	%	Rs. In '000	%	Rs. In '000	%	Rs. In '000	%	Rs. In '000	%
Non-current Assets	694,663	40.66	614,348	44.50	638,792	47.55	696,294	46.63	703,414	44.96	681,248	48.14
Current Assets	1,013,994	59.34	766,271	55.50	704,702	52.45	797,015	53.37	861,160	55.04	733,752	51.86
<b>Total Assets</b>	<b>1,708,657</b>	<b>100.00</b>	<b>1,380,619</b>	<b>100.00</b>	<b>1,343,494</b>	<b>100.00</b>	<b>1,493,309</b>	<b>100.00</b>	<b>1,564,574</b>	<b>100.00</b>	<b>1,415,000</b>	<b>100.00</b>
Equity	836,418	48.95	74,310	5.38	126,445	9.41	209,300	14.02	501,489	32.05	540,922	38.23
Non-current Liabilities	126,384	7.40	134,230	9.72	134,123	9.98	119,730	8.02	161,444	10.32	149,020	10.53
Current Liabilities	745,855	43.65	1,172,079	84.90	1,082,926	80.61	1,164,279	77.97	901,641	57.63	725,058	51.24
<b>Total equity and Liabilities</b>	<b>1,708,657</b>	<b>100.00</b>	<b>1,380,619</b>	<b>100.00</b>	<b>1,343,494</b>	<b>100.00</b>	<b>1,493,309</b>	<b>100.00</b>	<b>1,564,574</b>	<b>100.00</b>	<b>1,415,000</b>	<b>100.00</b>
<b>Profit and Loss Account</b>												
Net Sales	2,210,620	100.00	2,112,493	100.00	1,987,552	100.00	1,628,007	100.00	1,894,406	100.00	1,679,461	100.00
Cost of Sales	(1,721,280)	(77.86)	(1,670,070)	(79.06)	(1,553,139)	(78.14)	(1,375,119)	(84.47)	(1,445,303)	(76.29)	(1,286,380)	(76.59)
Gross Profit	489,340	22.14	442,423	20.94	434,413	21.86	252,888	15.53	449,103	23.71	393,082	23.41
Selling and Distribution expenses	(311,214)	(14.08)	(253,637)	(12.01)	(282,634)	(14.22)	(407,886)	(25.05)	(317,444)	(16.76)	(261,060)	(15.54)
Administrative expenses	(137,043)	(6.20)	(150,669)	(7.13)	(135,252)	(6.80)	(136,106)	(8.36)	(112,698)	(5.95)	(103,908)	(6.19)
Other operating expense	41,082	1.86	38,117	1.80	16,527	0.83	(291,104)	(17.88)	18,961	1.00	28,114	1.67
Other operating income	(8,767)	(0.40)	(3,263)	(0.15)	(5,341)	(0.27)	(2,550)	(0.16)	(1,350)	(0.07)	(2,167)	(0.13)
Financial expenses	35,111	1.59	12,162	0.58	15,592	0.78	25,480	1.57	13,465	0.71	19,067	1.14
(Loss)/Profit before tax	67,426	3.05	47,016	2.23	26,777	1.35	(268,174)	(16.47)	31,076	1.64	45,014	2.68
Taxation	(25,631)	(1.16)	(74,272)	(3.52)	(78,300)	(3.94)	(49,244)	(3.02)	(42,187)	(2.23)	(42,920)	(2.56)
(Loss)/Profit for the year	41,795	1.89	(27,256)	(1.29)	(51,523)	(2.59)	(317,418)	(19.50)	(11,111)	(0.59)	2,094	0.12
	(31,329)	(1.42)	(28,189)	(1.33)	(28,483)	(1.43)	24,799	1.52	(19,772)	(1.04)	(14,202)	(0.85)
	10,466	0.47	(55,445)	(2.62)	(80,006)	(4.03)	(292,619)	(17.97)	(30,883)	(1.63)	(12,108)	(0.72)

## HORIZONTAL ANALYSIS OF FINANCIAL STATEMENTS

	2021	2020	2019	2018	2017	2016
	Rs. In '000	Rs. In '000	Rs. In '000	Rs. In '000	Rs. In '000	Rs. In '000
<b>Balance Sheet</b>						
Non-current Assets	694,663	614,348	638,792	696,294	703,414	681,248
Current Assets	1,013,994	766,271	704,702	797,015	861,160	733,752
Total Assets	1,708,657	1,380,619	1,343,494	1,493,309	1,564,574	1,415,000
Equity	836,418	74,310	126,445	209,299	501,489	540,922
Non-current Liabilities	126,384	134,230	134,123	119,730	161,444	149,020
Current Liabilities	745,855	1,172,079	1,082,926	1,164,280	901,641	725,058
Total equity and Liabilities	1,708,657	1,380,619	1,343,494	1,493,309	1,564,574	1,415,000
<b>Profit and Loss Account</b>						
Net Sales	2,210,620	2,112,493	1,987,552	1,628,008	1,894,406	1,679,462
Cost of Sales	(1,721,280)	(1,670,070)	(1,553,139)	(1,375,118)	(1,445,303)	(1,286,380)
Gross Profit	489,340	442,423	434,413	252,890	449,103	393,082
Administrative expenses	(137,043)	(150,669)	(135,252)	(136,106)	(112,698)	(103,908)
Selling and Distribution expenses	(311,214)	(253,637)	(282,634)	(407,887)	(317,444)	(261,060)
Other operating expenses	41,082	38,117	16,527	(291,103)	18,961	28,114
Other operating income	(8,767)	(3,263)	(5,341)	(2,551)	(1,350)	(2,167)
Financial expenses	67,427	47,017	26,778	(268,174)	31,076	45,013
(Loss)/Profit before tax	41,796	(27,256)	(51,523)	(317,418)	(11,112)	2,094
Taxation	(31,329)	(28,189)	(28,483)	24,799	(19,772)	(14,202)
(Loss)/Profit for the year	10,467	(55,445)	(80,006)	(292,619)	(30,884)	(12,108)
<b>Summary of Cash Flows</b>						
Net cash flows from operating activities	(235,165)	84,352	47,250	(147,501)	(14,974)	(4,732)
Net cash flows from investing activities	(106,378)	(23,031)	5,087	(32,397)	(70,773)	(36,132)
Net cash flows from financing activities	745,000	50,000	(21,333)	107,333	(42,820)	(62,126)
Net change in cash and cash equivalents	403,457	111,321	31,003	(72,565)	(128,567)	(102,990)

## VALUE ADDITION AND ITS DISTRIBUTION

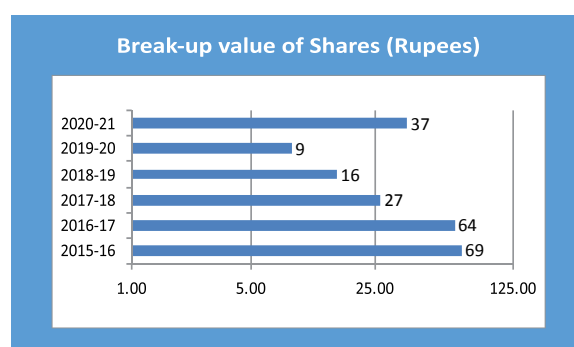
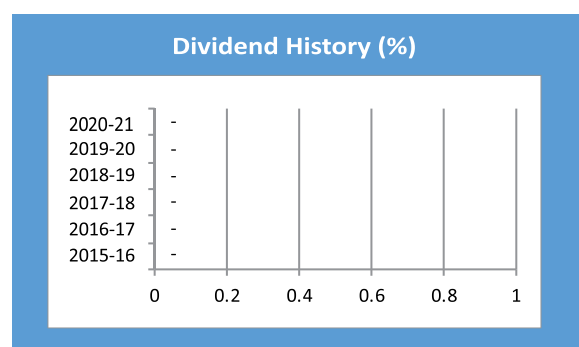
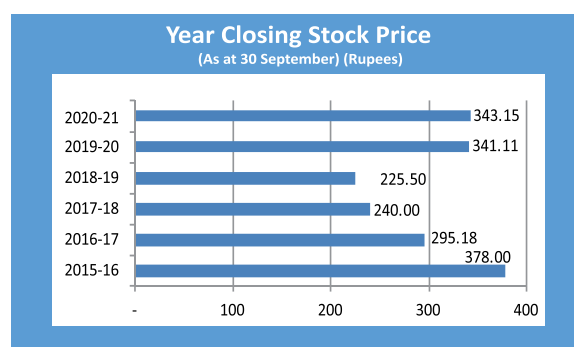
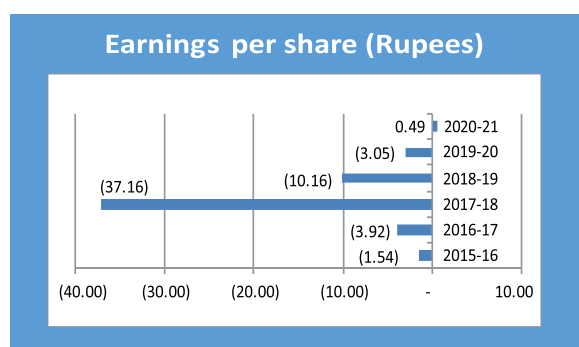
	2021		2020	
	Rs. In '000	%	Rs. In '000	%
<b>Wealth Generated</b>				
Net Sales	2,210,620	98.44	2,112,493	99.43
Other Operating Income	35,111	1.56	12,162	0.57
	2,245,731	100.00	2,124,655	100.00
<b>Distribution of Wealth</b>				
Cost of sales(excluding employees remuneration)	1,575,627	70.16	1,503,626	70.77
Selling, Distribution and administration expenses (excluding employees remuneration)	324,403	14.45	252,996	11.91
Employees Remuneration	269,507	12.00	317,753	14.96
Finance Cost including exchange loss	27,334	1.22	74,272	3.50
Government Taxes and Levies(income tax, WPPF and WWF)	34,372	1.53	31,300	1.47
Dividend to shareholders	-	-	-	-
Invested from revenue reserves(Balancing Figure)	14,438	0.64	(55,445)	-2.61
Charity and Donation	50	0.002	152	0.01
	2,245,731	100.00	2,124,655	100.00



## STAKEHOLDER INFORMATION

	Unit	2021	2020	2019	2018	2017	2016
<b>Rate of return</b>							
Return on assets	%	0.61	(4.02)	(5.96)	(19.60)	(1.97)	(0.86)
Return on equity	%	1.25	(74.61)	(63.27)	(139.81)	6.16	(2.24)
Return on capital employed	%	7.00	22.55	10.28	(81.50)	4.69	6.52
Interest cover	Times	2.63	(63.3)	(34.20)	(5.45)	0.74	1.05
<b>Liquidity</b>							
Current ratio		1.36	0.65	0.65	0.68	0.96	1.01
Quick Ratio		0.77	0.37	0.39	0.29	0.50	0.49
<b>Financial Gearing</b>							
Debt-Equity Ratio	Times	0.25	0.91	0.86	0.80	0.57	0.51
Debt to Assets	%	51.05	94.62	90.59	85.98	67.95	61.77
<b>Capital Efficiency</b>							
Debtor turnover/No. of days in receivables	Days	54	24	24	14	40	26
Inventory turnover/ No. of days in inventory	Days	86	73	65	123	104	107
Creditor turnover/ No. of days in payables	Days	90	87	106	98	67	40
Operating Cycle	Days	50	10	-17	38	77	93
Fixed assets turnover ratio	Times	3.48	3.69	3.34	2.34	2.69	2.47
Total assets turnover	Times	1.29	1.53	1.48	1.09	1.21	1.19

## SHAREHOLDER INFORMATION





## PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2021

No. of Shareholders	From	To	Total Shares Held
348	1	100	12,331
309	101	500	83,948
102	501	1,000	75,573
174	1,001	5,000	375,139
14	5,001	10,000	93,225
4	10,001	15,000	46,312
5	15,001	20,000	83,599
4	20,001	25,000	91,194
3	25,001	30,000	84,875
1	30,001	35,000	30,028
1	40,001	45,000	41,538
1	60,001	65,000	64,248
2	90,001	95,000	186,550
1	100,001	105,000	104,516
1	105,001	110,000	109,659
1	160,001	165,000	162,275
1	195,001	200,000	198,098
1	200,001	205,000	200,500
1	250,001	255,000	252,664
1	490,001	495,000	492,592
1	515,001	520,000	517,715
1	650,001	655,000	651,975
1	690,001	695,000	692,400
1	850,001	855,000	850,334
1	1,795,001	1,800,000	1,800,000
1	2,080,001	2,085,000	2,082,196
3	4,495,001	4,500,000	13,491,516
984			22,875,000

Categories of shareholders	Share held	Percentage
1. Directors, Chief Executive Officer, and their spouse and minor children	13,505,640	59.0410%
2. Associated Companies, undertakings and related parties.	-	0.0000%
3. NIT and ICP	2,218,284	9.6974%
4. Banks Development Financial Institutions, Non Banking Financial Institutions.	17,117	0.0748%
5. Insurance Companies	-	0.0000%
6. Modarabas and Mutual Funds	-	0.0000%
7. Shareholders holding 10% or more	13,491,516	58.9793%
8. General Public		
a. Local	6,177,208	27.0042%
b. Foreign	-	0.0000%
9. Others (to be specified)		
- Joint Stock Companies	890,248	3.8918%
- Pension Funds	64,248	0.2809%
- Others	2,255	0.0099%

## CATEGORIES OF SHAREHOLDERS AS REQUIRED UNDER C.C.G.

AS AT JUNE 30, 2021

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):		-	-
Mutual Funds (Name Wise Detail)		-	-
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MR. SYED MOHAMMAD MEHDI MOHSIN	4,497,172	19.6598%
2	MR. RIZWAN BASHIR	1,501	0.0066%
3	MS. UMME KULSUM IMAM	3,267	0.0143%
4	MR. NAJAM AZIZ SETHI	1,452	0.0063%
5	MR. AAMIR AMIN (NIT NOMINEE)	-	-
6	MR. SYED MANZAR HASSAN (CDC)	1,452	0.0063%
7	MR. SHAZAD GHAFAR	1,452	0.0063%
8	MR. ABDUL HAMID DAGIA (CDC)	5,000	0.0219%
9	MS. SYEDA MATANAT MOHSIN W/O MR. SHAZAD GHAFAR (CDC)	4,497,172	19.6598%
10	MS. SYEDA MAIMANAT MOHSIN W/O MR. NAJAM AZIZ SETHI	4,497,172	19.6598%
Executives:		1,307	0.0057%
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		81,365	0.3557%

Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)

Sr. No.	Name	Holding	Percentage
1	MR. SYED MOHAMMAD MEHDI MOHSIN	4,497,172	19.6598%
2	MS. SYEDA MAIMANAT MOHSIN	4,497,172	19.6598%
3	MS. SYEDA MATANAT MOHSIN (CDC)	4,497,172	19.6598%
4	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST (CDC)	2,082,196	9.1025%
5	MS. AMINA WADALAWALA	1,800,000	7.8689%

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

Sr. No.	Name	Sale	Purchase	Right
1	MR. SYED MOHAMMAD MEHDI MOHSIN			1,770,871
2	MR. RIZWAN BASHIR			984
3	MS. UMME KULSUM IMAM			2,142
4	MR. NAJAM AZIZ SETHI			952
5	MR. SYED MANZAR HASSAN (CDC)			952
6	MR. SHAZAD GHAFAR			952
7	MS. SYEDA MATANAT MOHSIN			3,596,630
8	MS. SYEDA MAIMANAT MOHSIN			3,597,127

# STATEMENT OF COMPLIANCE

## WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

**NAME OF THE COMPANY: MITCHELL'S FRUIT FARMS LIMITED**  
**FOR THE PERIOD FROM OCTOBER 1, 2020 TO JUNE 30, 2021**

The company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ('Regulations') in the following manner:

1. The total number of directors are 9 as per the following,-

- |            |   |
|------------|---|
| a) Male:   | 7 |
| b) Female: | 2 |

2. The composition of the board is as follows:

Category	Names
Independent Directors	Mr.Syed Manzar Hassan
	Mr. Rizwan Bashir
	Mr.Aamir Amin
Non-Executive Directors	Mr.Shazad Ghaffar
	Mr. Abdul Hamid Dagia
	Mr.Najam Aziz Sethi
	Ms. Umme Kulsum Imam
	Mr.Mehdi Mohsin
Executive Director	Ms.Naila Bhatti
Female Directors	Ms.Naila Bhatti
	Ms. Umme Kulsum Imam

- |  |   |
|--|---|
| <p>3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;</p> <p>4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;</p> <p>5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;</p> <p>6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 ('Act') and these Regulations;</p> | <p>7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board;</p> <p>8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;</p> <p>9. No Directors' training program was conducted during the period;</p> <p>10. The board has approved appointment of chief financial officer, company secretary and head of internal audit including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;</p> <p>11. Chief financial officer and chief executive officer</p> |
|--|---|

duly endorsed the financial statements before approval of the board;

12. The Board has formed Committees comprising of members given below:

a) **Audit Committee**

1. Mr. Rizwan Bashir (Independent director) - Chairman
2. Mr. Aamir Amin (Independent director)
3. Mr. Shazad Ghaffar (Non - executive director)

a) **Human Resource and Remuneration Committee**

1. Mr. Manzar Hassan (Independent director) - Chairman
2. Mr. Aamir Amin (Independent director)
3. Ms. Umme Kulsum Imam (Non-executive director)
4. Ms. Naila Bhatti (Executive director)

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly/half yearly/yearly) of the Committees were as per following:

a) **Audit Committee**

Three meetings were held during the period from October 1, 2020 to June 30, 2021.

b) **Human Resource and Remuneration Committee**

No meeting was held during the period from October 1, 2020 to June 30, 2021.

15. The board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with

the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

- (i) The meeting of the HR & Remuneration Committee was supposed to take place after reconstitution of the Board, however, it could not be held during the period due to change in the financial year end of the Company. The said meeting was subsequently held on September 28, 2021;

- (ii) Directors Orientation Program has not been implemented after reconstitution of the Board due to the change in the financial year end of the company, which will be complied with in the next financial year. However, all the directors are highly qualified and experienced;

- (iii) Letter from the Chairman setting out the roles, obligations, powers and responsibilities in accordance with the Act and the company's Articles of Association, their remuneration and entitlement can not be circulated to the newly appointed Directors due to structural changes in the Company and change in financial year end, however, the requirement will be complied with in the next financial year.



Najam Aziz Sethi  
Chairman  
Lahore:  
October 1, 2021





A.F. FERGUSON & CO.

# **INDEPENDENT AUDITOR'S REVIEW REPORT**

## **TO THE MEMBERS OF MITCHELL'S FRUIT FARMS LIMITED**

### **REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Mitchell's Fruit Farms Limited for the period from October 1, 2020 to June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Director's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the period from October 1, 2020 to June 30, 2021.

A.F.Ferguson & Co.  
Chartered Accountants  
Name of engagement partner: Amer Raza Mir  
Lahore  
Date: October 5, 2021

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
23-C, Aziz Avenue, Canal Bank, Gulberg-V, P.O.Box 39, Lahore-54660, Pakistan  
Tel: +92 (42) 3571 5868-71 / 3577 5747-50 Fax: +92 (42) 3577 5754 [www.pwc.com/pk](http://www.pwc.com/pk)

■ KARACHI ■ LAHORE ■ ISLAMABAD

# SPREADS



# READY TO COOK & READY TO EAT



# PASTES & PUREES





# PICKLES





# SEASONINGS



# SQUASHES



# MITCHELL'S JAMS, JELLIES & MARMALADES





# **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2021**





# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF MITCHELL'S FRUIT FARMS LIMITED

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the annexed financial statements of Mitchell's Fruit Farms Limited (the Company), which comprise the statement of financial position as at June 30, 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the period from October 1, 2020 to June 30, 2021, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the profit and other comprehensive income, the changes in equity and its cash flows for the period from October 1, 2020 to June 30, 2021.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Following is the Key audit matter:

S. No	Key audit matter	How the matter was addressed in our audit
(i)	<p><b>Revenue recognition</b></p> <p>(Refer note 24 to the financial statements)</p> <p>Revenue is measured net of returns, trade promotions and incentives earned by the customers on Company's sales.</p> <p>There are multiple arrangements for sales returns, trade promotions and incentives given to the Company's customers which are required to be estimated at the time of revenue recognition. These estimates are made by management based on past historical trends adjusted on the basis of current observable data. This process involves the exercise of significant judgment which may materially affect the amount of revenue recognized in the financial statements.</p> <p>We considered revenue recognition as a key audit matter due to significant management judgement and estimation involved in determining the amount of revenue to be recognized.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Considered the appropriateness of the Company's revenue recognition policies, including those relating to returns, trade promotions and incentives in light of applicable accounting framework;</li> <li>• Checked the effectiveness of the Company's controls over proper recording of sales, trade promotions and incentives in the correct accounting period;</li> <li>• Selected a sample of sale return, trade promotions and incentive transactions and matched the amounts recorded in the general ledger with underlying supporting documents;</li> <li>• Assessed the adequacy of refund liabilities in respect of sales returns, trade promotions and incentives by considering credit notes issued after the year end; and</li> <li>• Assessed the adequacy and appropriateness of the related disclosures in the financial statements.</li> </ul>

#### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and,

in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting



standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were



of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX

of 2017) and are in agreement with the books of account and returns;

- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Amer Raza Mir.

**A.F.Ferguson & Co.**  
**Chartered Accountants**  
**Name of Engagement Partner: Amir Raza Mir**  
**Lahore**  
**Date: October 5, 2021**