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QUARTER 3  
**REPORT**  
31 MARCH, 2023

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# Company Information

## BOARD OF DIRECTORS

Mr. Shazad Ghaffar .....	Chairman
Mr. Najam Aziz Sethi.....	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. 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

## CHIEF FINANCIAL OFFICER

Badar M. Khan, FCA

## COMPANY SECRETARY

Mehboob Ellahi Khan

## AUDITORS

Crowe Hussain Chaudhury & Company  
Chartered Accountants

## LEGAL ADVISORS

Crown 1207 LLP  
258-A, Upper Mall Scheme,  
Opposite Gymkhana, Lahore

## BANKERS

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

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

## REGIONAL SALES OFFICES

### Islamabad

Plot # 102, Street 7  
Main China Road, Sector I-10/3  
Islamabad  
Phones: (051) 2707357  
E-Mail: rson@mitchells.com.pk

### Karachi

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

## Directors' Report

The Directors of the company are pleased to present their report on the condensed interim financial statement (Un-audited) of the Company for the nine-month period ended 31 March 2023.

Key financial highlights for the subject period are as under:

	March 31 2023	March 31 2022
	Rupees in Million	
Sales Revenue	2,050	1,959
Gross Profit	527	394
Net Profit/(Loss) before tax	0.57	(166)
Net (Loss) after tax	(25)	(193)
Loss Per Share	(1.10)	(8.44)

The rebuilding process started in the second quarter successfully continued during the third quarter as well, earning after tax profits of another PKR 32 Million, thus reducing to date losses to PKR 25 Million. We are now in sight of our objective to steer the company into profits once again towards the end of this financial year even though it is challenging in view of ever-increasing cost of all inputs especially electricity, fuel and interest rates. Despite the odds, our focus has been towards maintaining healthy margins and rationalization of all expenses with the help of better utilization of available resources.

After assessing various aspects of debtors & inventory balances, company has made provisions in these accounts for doubtful debts and inventory adjustments amounting to PKR 81.8M. On the other hand, as a result of reconciliation and scrutiny of balances into new ERP, company reversed excess accrued liabilities amounting to PKR 67.85M.

Due to liquidity crunch and very high cost of capital, the company has not been able to carry out any significant strategic buying or capex and is concentrating upon efficient operations especially the supply chain. Delays in imports also affected our operations but import situation seems to offer a better outlook for the remaining months of this financial year.

Going forward, the company foresees continuation of positive seasonal trend on sales and shall be focusing upon boosting its exports as well that remained under pressure throughout the year. At the same time, the management will continue to closely monitor the economic situation and strategize accordingly to ensure sustainable operations.

During the period, the composition of Board remained unchanged as reported in last Annual Report 2022.

For and on behalf of  
the Board of Directors



**Najam Aziz Seethi**  
Chief Executive Officer



**Shazad Ghaffar**  
Chairman

Lahore: April 26, 2023

## ڈائریکٹر رپورٹ

کمپنی کے ڈائریکٹر 31 مارچ 2023 کو ختم ہونے والی نو ماہی کے لیے کمپنی کے کنڈینڈ عبوری مالیاتی حسابات (غیر جانچ شدہ) پر اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔  
مذکورہ بالا مدت کے لیے مختصر مالی تجزیہ زیر نظر ہے:

(روپے ملین میں)

31 مارچ 2022	31 مارچ 2023	
1,959	2,050	بیلن ریویو
394	527	مجموعی منافع
(166)	0.57	ٹیکس سے پہلے خالص منافع (نقصان)
(193)	(25)	ٹیکس کے بعد خالص (نقصان)
(8.44)	(1.10)	فی شیئر (نقصان)

دوسری سہ ماہی میں شروع ہونے والا دوبارہ تعمیر کا عمل تیسری سہ ماہی کے دوران بھی کامیابی کے ساتھ جاری رہا، مزید 32 ملین روپے کا بعد از ٹیکس منافع کمایا، اس طرح آج تک کے نقصانات کو 25 ملین روپے تک کم کیا گیا۔ اب ہم اس مالیاتی سال کے اختتام تک کمپنی کو ایک بار پھر منافع بخش بنانے کے اپنے مقصد میں کامیابی دیکھ رہے ہیں حالانکہ تمام پیداواری اخراجات خاص طور پر بجلی، ایندھن اور شرح سود کی مسلسل بڑھتی ہوئی لاگت کے پیش نظر کافی مشکلات کا سامنا بھی ہے۔ ان مشکلات کے باوجود، ہماری توجہ صحتمند مارجن کو برقرار رکھنے اور دستیاب وسائل کے بہتر استعمال کی مدد سے تمام اخراجات کو معقول بنانے پر مرکوز ہے۔

کمپنی نے اپنے کسٹمرز اور اسٹاکس کے ہیلنسرز کا جائزہ لینے کے بعد Rs. 81.8 ملین روپے کی نئی پرویژن اس مدت کے اکاؤنٹس میں بنائی ہے۔ دوسری جانب نئے ERP سسٹم میں جانے کے وقت تمام ہیلنسرز کا جائزہ لیا گیا جس کے نتیجے میں Rs. 67.85 ملین روپے کی زائد پرویژن واپس کر دی گئی۔

لیکویڈیٹی کی کمی اور سرمائے کی بہت زیادہ لاگت کی وجہ سے، کمپنی کوئی اہم اسٹریٹجک خریداری یا ٹیکس کرنے میں کامیاب نہیں ہو سکی ہے اور موثر آپریشنز خاص طور پر پمپنگ چینز پر توجہ مرکوز کر رہی ہے۔ درآمدات میں تاخیر نے بھی ہمارے آپریشنز کو متاثر کیا لیکن درآمدات کی صورتحال اس مالی سال کے بقیہ مہینوں کے لیے بہتر ہوتی نظر آتی ہے۔

آگے بڑھتے ہوئے، کمپنی فروخت کے حوالے سے مثبت موسمی رجحان کے جاری رہنے کی امید کرتی ہے اور اپنی برآمدات کو بھی بڑھانے پر توجہ مرکوز رکھے گی جو سال بھر دباؤ میں رہی۔ اسی اثناء میں، اس خطا میہ اقتصادی صورتحال پر گہری نظر رکھے گی اور پائیدار آپریشنز کو یقینی بنانے کے لیے اس کے مطابق حکمت عملی بنائے گی۔

اس مدت کے دوران، بورڈ کی تشکیل میں کوئی تبدیلی نہیں کی گئی جیسا کہ گزشتہ سال 2022 میں رپورٹ کیا گیا تھا۔

منجانب

بورڈ آف ڈائریکٹرز

Shahid Khan

شہزادہ خاں

چیئرمین

Shahid Khan

نجم عزیز سیٹھی

چیف ایگزیکٹو آفیسر

26 اپریل 2023ء

# Condensed Interim Statement of Financial Position

As at March 31, 2023 (Un-audited)

	Note	March 31 2023 Rupees Un-audited	June 30 2022 Rupees Audited
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Authorized capital 40,000,000 (June 30, 2022: 40,000,000) ordinary shares of Rs 10 each		400,000,000	400,000,000
Issued, subscribed and paid up capital 22,875,000 (June 30, 2022: 22,875,000) ordinary shares of Rs 10 each		228,750,000	228,750,000
Reserves		(50,971,439)	(25,813,586)
		177,778,561	202,936,414
<b>NON-CURRENT LIABILITIES</b>			
Deferred liabilities		166,653,849	135,741,601
<b>CURRENT LIABILITIES</b>			
Current portion of long term finance		-	14,949,499
Current portion of deferred grant		125,297	125,297
Trade and other payables		541,096,786	707,328,886
Finances under markup arrangements		310,312,883	341,059,804
Loan from shareholders - unsecured	6	316,000,000	225,000,000
Accrued finance cost		33,570,115	12,848,666
Unclaimed dividend		1,912,754	1,912,754
		1,203,017,835	1,303,224,906
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7	-	-
		1,547,450,245	1,641,902,921

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

	Note	March 31 2023 Rupees Un-audited	June 30 2022 Rupees Audited
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	631,558,235	668,093,802
Intangible assets		30,253,315	26,585,558
Biological assets		1,550,000	1,550,000
Long term receivables		1,231,543	1,541,543
		664,593,093	697,770,903
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		59,193,483	45,561,599
Stock in trade		439,477,786	430,965,294
Trade debts		144,521,143	202,059,716
Advances, deposits, prepayments and other receivables		145,121,375	127,526,438
Income tax recoverable		70,912,331	116,394,571
Cash and bank balances		23,631,034	21,624,400
		882,857,152	944,132,018
		1,547,450,245	1,641,902,921



**Badar M. Khan**  
Chief Financial Officer



**Najam Aziz Sethi**  
Chief Executive Officer



**Shazad Gaffar**  
Chairman




# Condensed Interim Statement of Profit or Loss


For the Three Months and Nine Months Period Ended March 31, 2023 (Un-audited)

	Note	Nine months period ended		Quarter year ended	
		March 31 2023 Rupees	March 31 2022 Rupees	March 31 2023 Rupees	March 31 2022 Rupees
Sales	10	2,050,195,736	1,959,301,394	725,168,371	690,528,812
Cost of sales	11	(1,522,369,369)	(1,564,859,957)	(538,855,278)	(555,269,325)
<b>Gross profit</b>		<b>527,826,367</b>	<b>394,441,437</b>	<b>186,313,093</b>	<b>135,259,487</b>
Administration expenses		(154,306,097)	(165,033,676)	(53,414,834)	(53,758,374)
Distribution and marketing expenses	12	(324,554,125)	(414,548,573)	(84,823,505)	(126,982,496)
Other operating expenses	13	(81,806,134)	(63,702)	(63,383,530)	(57,202)
Other operating income	14	89,576,402	44,841,130	78,463,418	4,496,627
Finance cost		(56,162,153)	(25,841,425)	(21,325,005)	(9,938,390)
<b>Profit/(loss) before tax</b>		<b>574,260</b>	<b>(166,204,809)</b>	<b>41,829,637</b>	<b>(50,980,348)</b>
Taxation		(25,732,113)	(26,877,453)	(9,388,805)	(11,524,874)
<b>Profit/(loss) after tax</b>		<b>(25,157,853)</b>	<b>(193,082,262)</b>	<b>32,440,832</b>	<b>(62,505,222)</b>
Profit/(Loss) per share - basic and diluted		1.10	8.44	1.42	2.73

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

  
Badar M. Khan  
Chief Financial Officer

  
Najam Aziz Sethi  
Chief Executive Officer

  
Shazad Gaffar  
Chairman


# Condensed Interim Statement of Comprehensive Income

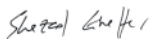
For the Three Months and Nine Months Period Ended March 31, 2023 (Un-audited)

	Nine months period ended		Three months period ended	
	March 31 2022 Rupees	March 31 2021 Rupees	March 31 2022 Rupees	March 31 2021 Rupees
(Loss) / profit after tax for the period	(25,157,853)	(193,082,262)	32,440,832	(62,505,222)
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	(25,157,853)	(193,082,262)	32,440,832	(62,505,222)

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

  
**Badar M. Khan**  
 Chief Financial Officer

  
**Najam Aziz Sethi**  
 Chief Executive Officer

  
**Shazad Gaffar**  
 Chairman


# Condensed Interim Statement of Changes in Equity

For the Three Months and Nine Months Period Ended March 31, 2023 (Un-audited)

	Share capital	Share premium	Reserves		Total
			General reserve Rupees	Unappropriated loss	
Balance as on June 30, 2021 - un-audited	228,750,000	609,335,878	300,000	(1,967,821)	836,418,057
Loss for the period				(193,082,262)	(193,082,262)
Other comprehensive income				-	-
Total comprehensive loss for the period	-	-	-	(193,082,262)	(193,082,262)
Balance as on March 31, 2022 - un-audited	228,750,000	609,335,878	300,000	(195,050,083)	643,335,795
Balance as on June 30, 2022 - audited	228,750,000	609,335,878	300,000	(635,449,464)	202,936,414
Loss for the period	-	-	-	(25,157,853)	(25,157,853)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(25,157,853)	(25,157,853)
Balance as at March 31, 2023 - un-audited	228,750,000	609,335,878	300,000	(660,607,317)	177,778,561

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

  
Badar M. Khan  
Chief Financial Officer

  
Najam Aziz Sethi  
Chief Executive Officer

  
Shazad Gaffar  
Chairman


# Condensed Interim Statement of Cash Flows


For the Nine Months Period Ended March 31, 2023 (Un-audited)

		Nine Months Period Ended	
		March 31 2023 Rupees	March 31 2022 Rupees
	Note		
Cash flows from operating activities			
Cash (used in) / generated from operations	9	(19,412,017)	(169,251,060)
Finance cost paid		(35,440,704)	(19,168,983)
Taxation		19,750,127	(11,688,384)
Retirement benefits paid		(4,696,379)	(16,760,266)
Payment of accumulated compensated absences		(1,778,398)	(6,876,861)
Security deposit - net		-	3,600,000
Net cash used in operating activities		(41,577,371)	(220,145,554)
Cash flows from investing activities			
Fixed capital expenditure		(6,551,818)	(72,977,771)
Purchase of intangible assets		(3,667,757)	(61,864)
Proceeds from sale of biological assets		-	40,126,000
Transfer to CWIP		-	428,225
Proceeds from sale of property, plant and equipment		8,500,000	741,800
Net cash used in investing activities		(1,719,575)	(31,743,610)
Cash flows from financing activities			
Loan obtained from shareholders		111,000,000	75,000,000
Loan repaid to shareholders		(20,000,000)	-
Repayment of long term finances - secured		(14,949,499)	(15,533,364)
Net cash generated from financing activities		76,050,501	59,466,636
Net (decrease) / increase in cash and cash equivalents		32,753,555	(192,422,528)
Cash and cash equivalents at the beginning of the period		(319,435,404)	(121,766,295)
Cash and cash equivalents at the end of the period	14	(286,681,849)	(314,188,823)

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

  
**Badar M. Khan**  
 Chief Financial Officer

  
**Najam Aziz Sethi**  
 Chief Executive Officer

  
**Shazad Gaffar**  
 Chairman

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

For the Nine Months Period Ended March 31, 2023 (Un-audited)

## 1. THE COMPANY AND ITS OPERATIONS

- 1.1 Mitchell's Fruit Farms Limited ("the Company") is a public limited Company incorporated in Pakistan and the shares of the Company are listed on 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 House No. 72-FCC, Gulberg IV, Lahore. The manufacturing facility and the farms are situated in Renala Khurd, Okara, Pakistan. The Company also has one sales office in Islamabad and one in Karachi.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

- 2.1.1 These condensed interim financial statements of the Company have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.1.2 These condensed interim financial statements comprise of the condensed interim statement of financial position of the Company, as at March 31, 2022 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with the notes forming part thereof.
- 2.1.3 These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements for the year ended June 30, 2022.
- 2.1.4 The comparative statement of financial position presented in these condensed interim financial statements has been extracted from the audited annual financial statements of the Company for the year ended June 30, 2022, whereas comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been extracted from the un-audited condensed interim financial statements for the nine months period ended March 31, 2022.

- 2.15 These condensed interim financial statements are unaudited and are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 ("the Act").

## 2.2 Functional and presentation currency

These condensed interim financial statements are presented in Pakistan Rupees which is the Company's functional currency.

## 3. JUDGMENTS AND ESTIMATES

The preparation of these condensed interim financial statements (un-audited) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

## 4. SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting and financial risk management policies and methods of computation adopted in the preparation of these condensed interim financial statements (un-audited) are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2022.

## 5. DEFERRED TAXATION

The Company has not recognized deferred tax asset amounting to Rs. 409.249 million (June 30, 2022: Rs 464.670 million) as sufficient taxable profits may not be available to set off this deferred tax asset.

## 6. LOAN FROM SHAREHOLDERS - UNSECURED

		March 31 2023 Rupees Un-audited	June 30 2022 Rupees Audited
Loan from shareholders - Interest free	6.1	150,000,000	150,000,000
Loan from shareholders - Interest bearing	6.2	166,000,000	75,000,000
		<u>316,000,000</u>	<u>225,000,000</u>

- 6.1 This represents loan amounting to Rs. 75 million each (June 30, 2022: 75 million) payable to Ms. Syeda Maimant Mohsin and Ms. Syeda Matanat Ghaffar. These loans are interest free and repayable on demand.

- 6.2 This represents loan amounting to Rs. 66 million (June 30, 2022: 50 million) borrowed from Mr. Najam Aziz Sethi, Rs. 35 million (June 30, 2022: Nil) borrowed from Ms. Mira Sethi and Rs. 65 million (June 30, 2022: Nil) borrowed from Ms. Syeda Matanat Ghaffar. These loans carry mark-up of 3 month KIBOR plus 1% margin (June 30, 2022: markup rate 7.00% - 8.64% per annum).

## 7. CONTINGENCIES AND COMMITMENTS

### 7.1 Contingencies

There is no material change in the status of contingencies as reported in the financial statements of the Company for the year ended June 30, 2022 except for the following:

#### 7.1.1 Income Tax

- (i) The Additional Commissioner Inland Revenue ('AdCIR') under section 122(9) of ITO 2001 vide order dated August 24, 2022 in respect of tax year 2017, issued a show cause notice through which the Company was required to furnish details of various revenue and capital nature expenditure along with the documentary evidence. The Company submitted reply on due date along with the requisite details and documents, in response to which the AdCIR passed an order dated December 07, 2022 creating alleged principal demand of Rs. 64.89 million. Being aggrieved the Company filed an appeal before the Commissioner Inland Revenue (Appeals) (CIR-A) which is pending adjudication.

#### 7.1.2 Sales Tax

- (i) The Deputy Commissioner Inland Revenue ('DCIR') raised a demand of Rs. 8.03 million on account of short sales tax withheld as withholding agent, excess input claimed and short output tax declaration vide order dated June 30, 2014. The Company filed an appeal before Commissioner Inland Revenue (Appeals) which was partially decided in favor of the Company vide order dated September 11, 2015 resulting in reduction of demand by Rs. 4.17 million.

Furthermore, the CIR(A) remanded back the case to DCIR with directions to pass fresh order after providing an opportunity to the taxpayer. However, the Tax Department has not initiated the remand back proceeding, therefore, the Company's management is of the view point that the remand back proceeding has become barred by time thereby the demand of Rs. 1.14 million has also become decided in favor of Company.

Being aggrieved the Company has filed an appeal before Appellate Tribunal Inland Revenue ('ATIR'), against the demand of Rs. 3.86 million as confirmed by CIR(A), the main appeal has been heard by the ATIR on August 17, 2022 and order on September 30, 2022 through which ATIR has quashed the total demand amounting to Rs. 3.6 million.

- (ii) The Deputy Commissioner Inland Revenue ('DCIR') under Sales Tax Act issued notice dated December 08, 2022 through which intention was shown to recover the penalty and default surcharge on account of late payment of sales tax liability. In response to which the Company submitted the requisite details and documents. Subsequently, the DCIR passed an order dated December 16, 2022, and created an alleged demand of Rs. 0.76 million.

Being aggrieved the Company filed an appeal before the Commissioner Inland Revenue CIR(A). The CIR(A) has passed the order dated March 30, 2023, through which CIR(A) has confirmed the amount of Rs. 0.402 million pertaining to the penalty and refer the remaining amount of Rs. 0.365 million, pertaining to default surcharge, to FBR to recalculate the same at the time of recovery.

### 7.1.3 Others

- (i) Letter of guarantee in favor of Sui Northern Gas Pipelines Limited on account of payment of dues against gas consumption amounting to Rs. 17.20 million (June 30, 2022: Rs. 17.20 million).
- (ii) The Company has issued postdated cheques amounting to Rs 101.16 million (June 30, 2022: Rs 80.59 million) to the Collector of Customs Lahore Dry Port on account of taxable duty which might become payable against Duty and Tax Remission on Export under SRO # 492 (I)/2009 dated June 13, 2009 and SRO # 450 (I)/2001 dated June 30, 2001 under Customs Rules 2001.

### 7.2 Commitment

- (i) Letters of credit for purchase of raw and packing materials amounting to Rs 38.95 million (June 30, 2022: Rs 32.59 million).
- (ii) The Company has entered into operating lease agreements, including Ijara financing agreement with Bank Al Habib Limited in order to obtain vehicles for employees. The amount of future payments under this lease and the period in which these payments will become due are as follows:

		March 31 2023 Rupees Un-audited	June 30 2022 Rupees Audited
Not later than one year		685,375	2,708,050
later than one year and not later than 5 years		-	310,000
		685,375	3,018,050
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	8.1	616,874,465	644,779,914
Capital work in progress		14,683,770	23,313,888
		631,558,235	668,093,802
8.1 Opening written down value		644,779,914	627,417,134
Additions during the period / year		15,181,936	73,052,954
Disposal during the period / year (Net Value)		(1,015,455)	(791,862)
		658,946,395	699,678,226
Depreciation charge for the period / year		(42,071,930)	(54,898,312)
		616,874,465	644,779,914



## 9. CASH GENERATED FROM OPERATIONS

	March 31 2023 Rupees Un-audited	March 31 2022 Rupees Un-audited
(Loss) / profit before tax for the period	574,260	(166,204,809)
Adjustment for:		
Depreciation and amortization	42,071,930	39,322,588
Amortization of deferred income	-	(199,266)
Amortization of deferred grant	-	(1,085,555)
Profit/(Loss) on disposal of assets	(7,484,545)	(3,673,624)
Provision for gratuity and accumulated leaves	37,387,025	20,966,729
Provision for doubtful debts	33,947,889	2,870,007
Provision for obsolete stocks	47,858,245	1,800,631
Provision for trade promotions and incentives	-	115,163,059
Accrued liabilities written off	(67,858,216)	-
Provision for sale returns	-	(14,441,719)
Exchange loss / (gain)	(1,677,201)	760,514
Finance cost	56,162,153	25,841,425
	140,407,280	187,324,789
Profit before working capital changes	140,981,540	21,119,980
Effect on cash flow due to working capital changes:		
Increase in stores, spares and loose tools	(13,631,884)	(10,091,527)
Increase in stock-in-trade	(56,370,737)	(153,388,491)
Decrease/ (increase) in trade debts	23,590,684	(111,621,853)
(Increase)/decrease in advances, deposits & prepayments	(15,607,736)	22,413,064
Increase/(decrease) in creditors, accrued and other liabilities	(98,373,884)	62,317,767
	(160,393,557)	(190,371,040)
Cash used in operations	(19,412,017)	(169,251,060)

	Nine months period ended March 31		Quarter Year Ended March 31	
	2023 Un-audited Rupees	2022 Un-audited Rupees	2023 Un-audited Rupees	2022 Un-audited Rupees
<b>10. SALES</b>				
- Local	2,431,012,873	2,306,327,501	919,411,051	772,409,028
- Export	339,473,581	357,041,870	95,222,572	157,927,469
Gross Sales	2,770,486,454	2,663,369,371	1,014,633,623	930,336,497
Less: Sales tax & FED	(347,322,011)	(305,112,506)	(146,296,718)	(107,337,513)
	2,423,164,443	2,358,256,865	868,336,905	822,998,984
Less: Sales return, trade discounts and trade promotion incentives	(372,968,707)	(398,955,471)	(143,168,534)	(132,470,172)
	2,050,195,736	1,959,301,394	725,168,371	690,528,812
<b>11. COST OF SALES</b>				
Raw and packing material consumed	1,049,004,575	1,220,217,675	383,049,521	448,584,261
Salaries, wages and other benefits	246,344,577	158,974,761	96,692,249	49,299,126
Boiler Expenses	13,428,320	32,497,170	4,107,859	11,657,293
Power, water & Gas	87,198,508	57,509,917	24,457,960	20,043,081
Freight and octroi	5,159,739	1,462,211	189,454	189,678
Travelling and vehicle running	8,017,632	4,028,042	2,329,449	1,216,154
Repairs and maintenance	31,021,720	25,182,072	13,364,855	9,912,002
Rent, rates and taxes	2,904,644	1,869,950	1,351,908	622,467
Depreciation & Amortization	33,838,404	28,807,893	11,361,919	8,696,426
Material write off	34,839,454	1,800,631	124,895	-
Dairy Expenses	-	9,404,605	-	-
Miscellaneous expenses	10,611,796	23,105,030	1,825,209	5,048,837
	1,522,369,369	1,564,859,957	538,855,278	555,269,325
<b>12. DISTRIBUTION AND MARKETING EXPENSES</b>				
Salaries, wages and other benefits	76,214,268	77,518,109	25,113,187	24,305,291
Freight	35,332,819	54,069,482	13,870,344	15,319,158
Advertisement	26,767,020	155,864,734	155,000	41,115,834
Selling & distribution costs	184,123,589	123,854,678	45,107,943	43,785,001
Other expenses	2,116,429	3,241,570	577,031	2,457,212
	324,554,125	414,548,573	84,823,505	126,982,496

	Nine months period ended March 31		Quarter Year Ended March 31	
	2023 Un-audited Rupees	2022 Un-audited Rupees	2023 Un-audited Rupees	2022 Un-audited Rupees
<b>13. OTHER OPERATING EXPENSES</b>				
Provision for doubtful debts	33,947,889	-	15,525,285	-
Provision for inventory adjustments	47,858,245	-	47,858,245	-
Others	-	63,702	-	57,202
	81,806,134	63,702	63,383,530	57,202
<b>14. OTHER OPERATING INCOME</b>				
Excess accrued liabilities written back	67,858,216	22,727,806	67,858,216	-
Exchange gain - net	1,677,201	4,240,950	3,581,222	590,617
Profit/(loss) on disposal of fixed assets	7,392,105	3,836,000	-	(162,376)
Scrap sales	6,613,198	10,115,254	3,160,405	3,693,017
Misc. income	6,035,682	3,921,120	3,863,575	375,369
	89,576,402	44,841,130	78,463,418	4,496,627

## 15. Transactions with related parties

Related parties comprise associated companies, directors of the Company and their close relatives and key management personnel. The Company in the normal course of business carries out transactions with various related parties. These are un-secured amounts due from and due to related parties and are shown under respective notes to these financial statements. Significant transactions with related parties are given below:

Related party	Basis of Relationship	Aggregate Shareholdin	Nature of transaction	March 31 2023 (Un-audited) Rupees	March 31 2022 (Un-audited) Rupees
Mr. Najam Sethi	Chief Executive	0.0063%	Obtained loan Loan repaid	31,000,000 15,000,000	50,000,000 -
Mr. Mehdi Mohsin	Director	20.4147%	Purchase of goods Rent expense Payment made on behalf of related party	1,767,673 2,207,272 858,225	3,242,719 2,603,174 1,518,774
Ms. Syeda Maimanat Mohsin	Spouse of Director	20.4200%	Loan obtained Loan repaid Purchase of goods	5,000,000 5,000,000 -	- - 45,360
Ms. Syeda Matanat Ghaffar	Spouse of Director	20.2062%	Loan obtained Loan repaid	41,320,795 1,320,795	25,000,000
Ms. Mira Sethi	Close relative of Chief Executive	None	Loan obtained	35,000,000	-
Vanguard Books (Private) Limited	Common directorship	None	Rent expense	14,442,351	12,988,237
Key management personnel and others			Remuneration	33,536,215	52,006,617
<b>Loan from directors / close relative - unsecured</b>				<b>March 31 2023 Un-audited Rupees</b>	<b>June 30 2022 Audited Rupees</b>
- Mr. Najam Sethi				66,000,000	50,000,000
- Ms. Syeda Matanat Ghaffar				140,000,000	100,000,000
- Ms. Syeda Maimanat Mohsin				75,000,000	75,000,000
- Ms. Mira Sethi				35,000,000	-

All transactions with related parties have been carried out on mutually agreed terms and conditions. During the period, the Company did not enter into transactions or arrangements with any other related party.

## 16. CASH AND CASH EQUIVALENTS

	March 31 2023 Un-audited Rupees	March 31 2022 Un-audited Rupees
Cash and bank balances	23,631,034	20,172,127
Short term borrowings	(310,312,883)	(334,360,950)
	<u>(286,681,849)</u>	<u>(314,188,823)</u>

## 17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value is determined on the basis of objective evidence at each reporting date. The Company has not made any changes to valuation techniques used to value financial instruments as described in annual audited financial statements for the year ended June 30, 2022.

As of reporting date, there were no Level 1, 2 or 3 financial assets or liabilities.

## 18. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in preceding audited annual financial statements for the year ended June 30, 2022.


## 19. AUTHORIZATION OF INTERIM FINANCIAL INFORMATION


These condensed interim financial statements (un-audited) are approved and authorized for issuance by the Board of Directors of the Company on 26 April, 2023.

## 20. GENERAL

Corresponding figures are rearranged for better presentation and comparison. No material re-arrangements have been made in these condensed interim financial statements (un-audited).

  
Badar M. Khan  
Chief Financial Officer

  
Najam Aziz Sethi  
Chief Executive Officer

  
Shazad Gaffar  
Chairman



# QUARTER 3 **REPORT** 31 MARCH, 2023

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