



MITCHELL'S®

**ANNUAL
REPORT
2024**

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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. Aamir Amin	Independent Director
Mr. Syed Manzar Hassan	Independent Director
Mr. Mujeeb Rashid	Independent Director

AUDIT COMMITTEE

Mr. Syed Manzar Hassan	Chairman
Mr. Shazad Ghafar	Member
Mr. Aamir Amin	Member

HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Mujeeb Rashid	Chairman
Ms. Umme Kulsum Imam	Member
Mr. Najam Aziz Sethi	Member

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) 3587239
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

COMPANY SECRETARY

Anum Ali

AUDITORS

Crowe Hussain Chaudhury & Co.
Chartered Accountants

LEGAL ADVISORS

Alliance Legal Services
Office No.7, L.G. Floor, Lahore Palace
Building, 14-B, Temple Road, Lahore.

BANKERS

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

CHIEF FINANCIAL OFFICER

Badar M. Khan, FCA

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

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1933

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to Eat**

— AND —

**Ready
to Cook**



**Farm
Fresh
since
1933**



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 COMMITTED 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 92nd Annual General Meeting of Mitchell's Fruit Farms Limited ("Company") will be held at 10:00 AM on Monday, October 28, 2024 at the Company's Registered Office 72-FCC, Gulberg IV, Lahore, to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the Extra Ordinary General Meeting held on 30th April, 2024.
2. To receive, consider, and adopt the Annual Audited Accounts of the Company for the year ended June 30, 2024, together with the Directors' and Auditors' reports thereon.

In accordance with Section 223 of the Companies Act, 2017 and pursuant to the S.R.O. 389(I)2023 dated March 21, 2023, the Annual Report of the Company, including the annual audited Financial Statements, Auditor's Report, Directors' Report, Chairman's Review Report and other reports contained therein, can be accessed and downloaded from the following link and QR enabled code.



<https://www.mitchells.com.pk/wp-content/uploads/2024/10/Mitchells-AR-2024-Final.pdf>

3. To appoint statutory Auditors for the year ending June 30, 2025, and to fix their remuneration as suggested by the Audit Committee to the Board of Directors.

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

Anum Ali
Company Secretary

Lahore,
Dated: October 7, 2024

NOTES

1. Share transfer books of Mitchell's Fruit Farms Limited ("Company") will remain closed from October 21, 2024 to October 28, 2024 (both days inclusive) and no transfer will be registered during that time. Share transfer deeds received in order (including deposit requests under CDS) with the Share Registrar of the Company, i.e. Corplink (Private) Limited, Wings Arcade, 1-K (Commercial) Model Town, Lahore, up to 01:00 PM on October 19, 2024, will be considered in time for the purpose of entitlement of shareholders to attend and vote at the Annual General Meeting ("Meeting").

Participation in the Annual General meeting

2. A member entitled to attend and vote at the Meeting is entitled to appoint another member as a proxy to attend the Meeting and vote on his/her behalf. In the case of a corporate entity, being a member, may appoint as its proxy any of its officials or any other person whether a member of the Company or not through Board Resolution/Power of Attorney.

2. The instrument appointing proxies duly stamped/signed and witnessed, in order to be effective must be received at the Company's Registered Office at 72-FCC, Gulberg IV, Lahore, not less than 48 hours before the Meeting. CDC account holders will further have to follow the below mentioned guidelines as laid down in circular No.1 dated January 26, 2000 issued 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 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 entities, the Board of Directors Resolution for appointment of Attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of 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 registration details are uploaded as per Regulations, shall submit the proxy form as per the above requirement.
- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned in the form.
- iii. Attested copies of CNIC of Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his/her original CNIC or original Passport at the time of the meeting.
- v. In case of corporate entities, the Board of Directors Resolution/Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

3. Change in Address:

The Shareholders are requested to immediately inform any change in their address to Company's Share Registrar or CDC Participant/Investor Account Services, as the case may be.

4. Deposit of Physical Shares in the CDC Account:

As per section 72 of the Companies Act, 2017 every listed Company is required to replace its physical shares with book-entry form. Therefore, the shareholders having physical shares are requested to convert the shares into book entry.

5. Availability of Financial Statements and Reports on the Website:

The Annual Report of the Company for the year ended June 30, 2024 has been placed on the Company's Official website www.mitchells.com.pk The Annual Reports and Quarterly Financial Statements of prior periods are also available at www.mitchells.com.pk/investor-relationship/financial-reports.

The Securities and Exchange Commission of Pakistan (SECP) vide SRO 389 (I)/2023 dated March 21, 2023 has provided an option for shareholders to receive Annual Report along with the notice of the Annual General Meeting electronically through e-mail and in hard copy. Hence, members who are interested in receiving the Annual Reports and notice of Annual General Meeting electronically in future are requested to send their request on the prescribed form placed on the Company's website

6. Attendance of Meeting via Video Link:

In case of members holding ten percent (10%) of the total paid up Capital reside in a remote city; such members may demand the Company to provide them the facility of video-link for attending the Meeting. If you wish to take benefit of this facility, please fill the form appearing below and submit it to the Company at its registered office at 72-FCC, Gulberg IV, Lahore, at least (7) days prior to the date of the meeting:

“I/We, _____ of _____, being a member of Mitchell’s fruit Farms Limited, holder of _____ ordinary share(s) as per Registered Folio/CDC Account No. _____ hereby opt of video link facility at _____.

_____ Signature of Member”

The Company will intimate the members the venue of the video-link facility at least five (5) days before the date of the meeting along all the information necessary to enable them to access the facility.

Further, in compliance of the circular No.4 of the 2021 dated February 15, 2021, members can opt to attend the AGM through Video-Link. Members who are willing to attend and participate at the AGM through video link are required to register their particulars by sending an email at anum.ali@mitchells.com.pk Such members are requested to register by providing their credentials as follows with subject “Registration for MFFL AGM 2024”:

Name of Shareholder	No. of Shares held	Folio No./CDC Acct. No.	CNIC No. with scanned copy (both sides)	Cell No.	Email Address

Video-link and log in will be shared with only those members whose emails, containing all the required particulars are received at the given email address at least 48 hours before the time of the AGM.

7. E-Voting and Postal Ballot

Members can exercise their right to vote through e-voting or postal ballot, subject to meeting the requirements of sections 143-145 of the Companies Act, 2017 and applicable clauses of the Companies (E-Voting) Regulations, 2016 or Companies (Postal Ballot) regulations, 2018 (as the case may be).

اطلاع برائے سالانہ اجلاس عام

مچلر فروٹ فارمز لمیٹڈ

بذریعہ نوٹس ہذا اطلاع دی جاتی ہے کہ مچلر فروٹ فارمز لمیٹڈ کا 92 واں سالانہ اجلاس عام مورخہ 28 اکتوبر 2024 بروز سوموار بوقت 10:00 بجے دن چینی کے رجسٹرڈ آفس، FCC-72 گلبرگ IV ہور میں منعقد ہوگا، جس میں مندرجہ ذیل امور کی انجام دہی ہوگی۔

عمومی کارروائی

- 1- 30 اپریل 2024 کو ہونے والی غیر معمولی جنرل میٹنگ کے منٹس کی تصدیق کے لیے۔
- 2- 30 جون 2024 کو ختم ہونے والے سال کے سالانہ پڑتال شدہ حسابات معائنہ پر ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خوض اور اختیار کرنا۔
- کمپنیز ایکٹ 2017 کی دفعہ 223 کے مطابق اور S.R.O. 389(I) 2023 بتاریخ 21 مارچ 2023 کے مطابق کمپنی کی سالانہ رپورٹ بشمول سالانہ پڑتال شدہ مالیاتی گوشوارے، آڈیٹرز کی رپورٹ، ڈائریکٹرز کی رپورٹ، چیئرمین کی جائزہ رپورٹ اور اس میں موجود دیگر رپورٹس درج ذیل لنک اور کیو آر کد سے حاصل اور ڈاؤن لوڈ کی جاسکتی ہیں۔



<https://www.mitchells.com.pk/wp-content/uploads/2024/10/Mitchells-AR-2024-Final.pdf>

- 3- 30 جون 2025 کو ختم ہونے والے سال کے لئے آڈیٹرز کا تقرر اور بورڈ آف ڈائریکٹرز کو آڈٹ کمیٹی کی تجویز کے مطابق ان کے مشاہرے کا تعین کرنا۔

دیگر امور:

- 1- صدر کی اجازت سے دیگر امور کی انجام دہی جو اجلاس کے روبرو رکھے جائیں۔

بحکم بورڈ

انعم علی
کمپنی سیکریٹری

لاہور

7 اکتوبر 2024ء

نوٹس

- 1- کمپنی کی شیئرز ٹرانسفر بکس 21 اکتوبر 2024 سے 28 اکتوبر 2024 (بشمول دونوں دن) تک بند رہیں گی اور اس دوران کوئی منتقلی رجسٹرڈ نہیں ہوگی۔
- 2- شیئرز منتقلیاں (بشمول سی ڈی ایس کے تحت ڈیپازٹس درخواستیں) کمپنی کے شیئرز رجسٹر اری میسرز کارپ لنک (پرائیویٹ) لمیٹڈ، وگنز آرکیڈ، K-1 (کمرشل) ماڈل ٹاؤن، لاہور کو مورخہ 19 اکتوبر 2024 کو دوپہر 1:00 بجے تک موصول ہونے والی سالانہ اجلاس عام (اجلاس) میں شرکت اور حق رائے دہی کے لئے لائحہ عمل داران کے استحقاق کے مقصد کے لئے بروقت تصوری جائیں گی۔
- 3- اجلاس ہذا میں شرکت اور ووٹ ڈالنے کا اہل رکن، اپنی جگہ اجلاس میں شرکت اور ووٹ ڈالنے کے لئے کسی دیگر رکن کو اپنا/اپنی پر کسی مقرر کر سکتا/سکتی ہے۔ کارپوریٹ ادارہ کی صورت میں، بحیثیت رکن، اپنے کسی آفیشل یا کسی دیگر شخص آیا کہ وہ کمپنی کا رکن ہو یا کوئی دیگر بورڈ کی قرارداد/مختار نامہ کے ذریعے اپنا پر کسی مقرر کر سکتا ہے۔
- 3- باقاعدہ مہر/دستخط اور گواہی شدہ پر کسی تقرری کے آلات، مؤثر ہونے کے لئے کمپنی کے رجسٹرڈ آفس FCC-72 گلبرگ IV ہور کو اجلاس سے کم از کم 48 گھنٹے قبل لازماً موصول ہو جانے چاہیے۔ سی ڈی ایس اکاؤنٹ ہولڈرز کو مزید برآں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جاری کردہ سرکلر نمبر 1 مورخہ 26 جنوری 2000 میں دی گئی مندرجہ ذیل ہدایات کی بھی پیروی کرنا ہوگی۔

A۔ اجلاس میں شمولیت کیلئے

- i- بصورت افراد، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا وہ اشخاص جن کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن تفصیلات قواعد کے مطابق اپ لوڈ کی گئی ہیں اجلاس میں شرکت کے وقت اپنی شناخت ثابت کرنے کی غرض سے اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ دکھائیں گے۔
- ii- کارپوریٹ ادارہ کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی جس پر نامزدہ کے مخصوص دستخط موجود ہوں اجلاس میں شرکت کے وقت فراہم کریں گے (اگر پہلے فراہم نہیں کیا گیا)۔

B۔ پراسی کے تقرر کے لئے

- i۔ بصورت افراد، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا وہ اشخاص جن کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن تفصیلات قواعد کے مطابق اپ لوڈ کی گئی ہیں وہ اس کے مطابق پراسی فارم جمع کرائیں گے۔
- ii۔ پراسی فارم پر دو گواہوں کے دستخط ہونے چاہئیں جن کے نام، پتے اور CNIC نمبرز فارم پر درج ہوں۔
- iii۔ پراسی فارم کیساتھ بیفیشل اونرز اور پراسی کے کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا پاسپورٹ کی تصدیق شدہ کاپی لف ہونا ضروری ہے۔
- iv۔ پراسی اجلاس کے وقت اپنا اصل شناختی کارڈ CNIC دکھائیں گے۔
- v۔ کارپوریٹ ادارہ کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی جس پر نامزدہ فرد کے مخصوص دستخط موجود ہوں پراسی فارم کے ہمراہ جمع کرائی جائے گی۔

3۔ ایڈریس کی تبدیلی

شیرز ہولڈرز سے درخواست ہے کہ اپنے پتوں میں کسی تبدیلی کے بارے کمپنی کے شیرز رجسٹرار کو یا سی ڈی سی پارٹنرس/ انویسٹر اکاؤنٹ سروسز کو فی الفور مطلع کریں، جو بھی صورت ہو۔

1۔ سی ڈی سی اکاؤنٹ میں مادی حصص جمع کرانا:

کمپنیز ایکٹ 2017 کی دفعہ 72 کے مطابق ہر لٹڈ کمپنی کو اپنے فزیکل شیرز کو بک انٹری فارم سے تبدیل کرنا ہوگا۔ لہذا، مادی حصص رکھنے والے شیرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ حصص کو بک انٹری میں تبدیل کرائیں۔

2۔ ویب سائٹ پر مالی گوشواروں اور رپورٹس کی دستیابی:

30 جون 2024ء کو ختم ہونے والے سال کے لیے کمپنی کی سالانہ رپورٹ کمپنی کی آفیشل ویب سائٹ www.mitchells.com.pk پر رکھی گئی ہے گزشتہ ادوار کی سالانہ رپورٹس اور سہ ماہی مالی گوشوارے بھی www.mitchells.com.pk/investor-relationship/financial-reports پر دستیاب ہیں۔

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) نے SRO 389 (I)/2023 بتاریخ 21 مارچ 2023 کے تحت شیرز ہولڈرز کو سالانہ اجلاس عام کے نوٹس کے ساتھ سالانہ رپورٹ ای میل اور ہارڈ کاپی میں وصول کرنے کا آپشن فراہم کیا ہے۔ لہذا، وہ ممبران جو مستقبل میں الیکٹرانک طور پر سالانہ اجلاس عام کی سالانہ رپورٹس اور نوٹس وصول کرنے میں دلچسپی رکھتے ہیں، ان سے درخواست کی جاتی ہے کہ وہ کمپنی کی ویب سائٹ پر رکھے گئے مقررہ فارم پر اپنی درخواست بھیجیں۔

ویڈیولنک کے ذریعے اجلاس میں شرکت:

ارکان جوکل ادا شدہ سرمائے کے دس فیصد (10 فیصد) کے حامل، دور دراز شہر میں سکونت ہیں۔ ایسے ارکان کمپنی سے انہیں اجلاس میں شرکت کے لئے ویڈیولنک کی سہولت فراہم کرنے کا مطالبہ کر سکتے ہیں۔

اگر آپ اس سہولت سے فائدہ اٹھانا چاہتے ہیں تو براہ مہربانی نیچے دیئے گئے فارم کو پُر کریں اور اسے اجلاس کی تاریخ سے کم از کم (7) دن پہلے 72- ایف سی سی بگلبرگ 4، لاہور میں کمپنی کے رجسٹرڈ دفتر میں جمع کروائیں:

"میں/ہم، _____ ساکن، بحیثیت رکن مچل کے فروٹ فارمز لمیٹڈ، مالک
عام حصص بمطابق رجسٹرڈ فولیو/سی ڈی سی اکاؤنٹ نمبر _____ بذریعہ ہذا
میں ویڈیولنک کی سہولت کا انتخاب کرتے ہیں۔

رکن کے دستخط"

کمپنی ارکان کو اجلاس کی تاریخ سے کم از کم پانچ (5) دن پہلے ویڈیو لنک سہولت کے مقام کے بارے میں تمام ضروری معلومات کے ساتھ مطلع کرے گی تاکہ وہ اس سہولت تک رسائی حاصل کر سکیں۔

مزید برآں، سرکلر نمبر 4 آف 2021 بتاریخ 15 فروری، 2021 کی تعمیل میں، ممبران ویڈیو لنک کے ذریعے اے جی ایم میں شرکت کا انتخاب کر سکتے ہیں۔ جو اراکین ویڈیو لنک کے ذریعے اے جی ایم میں حاضر اور شرکت کرنے کے خواہشمند ہیں انہیں anum.ali@mitchells.com.pk پر ای میل بھیج کر اپنی تفصیلات رجسٹر کرنا ضروری ہے، ایسے ممبروں سے درخواست کی جاتی ہے کہ وہ "رجسٹریشن برائے MFFL AGM 2024" عنوان کے ساتھ اپنی اسناد فراہم کر کے اندراج کریں:

شیر ہولڈر کا نام	ملکیتی حصص کی تعداد	فولیو نمبر/سی ڈی سی اکاؤنٹ نمبر	CNIC نمبر مع اسکیمن شدہ سیل نمبر کا پی (دونوں اطراف)	ای میل ایڈریس

ویڈیو لنک اور لاگ ان صرف ان ممبروں کے ساتھ شیر کیا جائے گا جن کی ای میلز، جس میں تمام مطلوبہ تفصیلات شامل ہیں، اے جی ایم کے وقت سے کم از کم 48 گھنٹے پہلے دیئے گئے ای میل ایڈریس پر موصول ہوئی ہیں۔

4۔ ای ووٹنگ اور پوسٹل بیلٹ:

ممبران ای ووٹنگ یا پوسٹل بیلٹ کے ذریعے اپنے حق رائے دہی کا استعمال کر سکتے ہیں، کمپنیز ایکٹ، 2017 کی دفعہ 143-145 اور کمپنیز (ای ووٹنگ) ریگولیشنز، 2016 یا کمپنیز (پوسٹل بیلٹ) ریگولیشنز، 2018 (جیسا بھی معاملہ ہو) کی قابل اطلاق شقوں کو پورا کرنے سے مشروط ہے۔

CHAIRMAN'S REVIEW

I am pleased to report that Mitchell's Fruit Farms Limited has made significant progress this year. While our sales remained consistent with the previous year, we achieved a remarkable turnaround in profitability, posting a profit after tax of PKR 456 million compared to a loss of PKR 59 million last year. This improvement reflects our continued focus on enhancing profitability and operational efficiency.

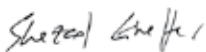
A key factor in this growth was the strategic sale of non-core land assets, which provided necessary funds for reinvestment in the business. This allowed us to capitalize on growth opportunities without compromising our financial stability. By streamlining operations and concentrating on core areas such as export sales and B2B ventures, we strengthened our market position.

We started the financial year with cautious optimism, focusing on consolidating the gains made in the previous year. Under the leadership of our CEO, Mr. Najam Sethi, the efforts of our Executive Advisor, Farhan Bedar Malik and with the support of the Board, we navigated the challenges of a volatile macroeconomic environment. Our strategic initiatives, including dynamic pricing and strict cost controls, were crucial in maintaining our competitive edge and driving profitability.

Our investment in advanced technologies, particularly the successful implementation of SAP, has given us real-time data and insights, leading to more informed decision-making. This, combined with our commitment to operational excellence, played a significant role in achieving the strong financial performance reported today.

I would like to extend my sincere thanks to the Board for their support and guidance throughout the year. The Audit Committee has been instrumental in ensuring that our internal controls remain robust and effective. Our Annual Board Performance Evaluation Mechanism continues to hold each member accountable, ensuring the highest standards are met.

Looking ahead, we aim to build on this year's successes by continuing to drive profitability while focusing on sustainable growth. We plan to reinvest profits into high-potential areas of the business, ensuring Mitchell's Fruit Farms Limited remains a leader in the industry. With the dedication of our management team and the support of our shareholders, we are confident of achieving even greater success in the coming year.



Shazad Ghaffar

Chairman
September 27, 2024

چیرمین جائزہ رپورٹ

مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ مجلہ فروٹ فارمز لمیٹڈ نے اس سال اہم پیش رفت کی ہے۔ کیونکہ ہماری فروخت گزشتہ سال کے مقابلے میں مستحکم رہی، ہم نے منافع میں نمایاں تبدیلی حاصل کی اور گزشتہ سال 59 ملین روپے کے نقصان کے مقابلے میں 456 ملین روپے کا بعد از ٹیکس منافع حاصل کیا۔ یہ بہتری منافع اور آپریشنل کارکردگی کو بڑھانے پر ہماری مسلسل توجہ کی عکاسی کرتی ہے۔

اس نمونہ کا ایک اہم عنصر کمپنی کی زمین کے ایک چھوٹے حصے کی فروخت تھی، جس نے کاروبار میں سرمایہ کاری کے لئے ضروری فنڈز فراہم کیے۔ اس نے ہمیں اپنے مالی استحکام پر سمجھوتہ کیے بغیر نمونے کے مواقع سے فائدہ اٹھانے کی اجازت دی۔ آپریشنز کو ہموار اور برآمدی فروخت اور بی بی منصوبوں جیسے بنیادی شعبوں پر توجہ مرکوز کر کے، ہم نے اپنی مارکیٹ پوزیشن کو مستحکم کیا۔

ہم نے مالی سال کا آغاز محتاط اُمید کے ساتھ کیا، پچھلے سال میں حاصل ہونے والے فوائد کو مستحکم کرنے پر توجہ مرکوز رکھی۔ ہمارے سی ای او جناب نجم سیٹھی کی قیادت میں، ہمارے ایگزیکٹو ایڈوائزر فرحان بیدار ملک کی کوششوں اور بورڈ کے تعاون سے ہم نے غیر مستحکم میکرو اکنامک ماحول کی مشکلات پر قابو پایا۔ ہمارے اسٹریٹجک اقدامات، بشمول متحرک قیمتوں اور سخت لاگت کنٹرول، ہماری مسابقتی برتری کو برقرار رکھے اور منافع کو بڑھانے میں اہم تھے۔

جدید ٹیکنالوجی میں ہماری سرمایہ کاری، خاص طور پر ایس اے پی (SAP) کے کامیاب نفاذ نے ہمیں کم از کم وقت میں اعداد و شمار کی بصیرت فراہم کی ہے، جس سے زیادہ باخبر فیصلہ سازی ہوئی ہے۔ آپریشنل عہدگی کے لئے ہمارے عزم کے ساتھ ساتھ، اس نے رپورٹ کردہ مضبوط مالی کارکردگی کے حصول میں اہم کردار ادا کیا۔

میں سال بھر ان کی رہنمائی کے لئے بورڈ کا تہہ دل سے شکر گزار ہوں۔ آڈٹ کمیٹی نے اس بات کو یقینی بنانے میں اہم کردار ادا کیا ہے کہ ہمارے داخلی کنٹرول مضبوط اور موثر رہیں۔ ہمارا سالانہ بورڈ کی کارکردگی کی تشخیص کا طریقہ کار ہر کن کو جوابدہ ٹھہرانا، اس بات کو یقینی بنانا ہے کہ اعلیٰ ترین معیارات کو پورا کیا جائے۔

مستقبل کی طرف بڑھتے ہوئے، ہمارا مقصد پائیدار نمونہ پر توجہ مرکوز کرتے ہوئے منافع کو بھی بڑھاتے ہوئے اس سال کی کامیابیوں کو سمیٹنا ہے۔ ہم کاروبار کے اعلیٰ ممکنہ علاقوں میں منافع کی دوبارہ سرمایہ کاری کرنے کا ارادہ رکھتے ہیں، اس بات کو یقینی بناتے ہوئے کہ چل فروٹ فارمز لمیٹڈ صنعت میں قائد رہے۔ ہماری ٹیم جمنٹ ٹیم کی لگن اور ہمارے شیئر ہولڈرز کی حمایت کے ساتھ، ہم آئندہ سال میں اور بھی زیادہ کامیابی حاصل کرنے کے لئے پُر اعتماد ہیں۔

Sheal Gheffar

شیرادغفار

چیرمین

27 ستمبر 2024ء

MITCHELL'S®

Paste and Puree



Farm
Fresh
since
1933

MITCHELL'S®

Ketchup & Sauce



Farm Fresh since 1933



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		2023-24	2022-23	Inc/(Dec)
Turnover – Gross	PKR '000	3,597,053	3,704,244	-2.89%
Turnover – Net	PKR '000	2,642,164	2,724,931	-3.04%
Gross Profit	PKR '000	789,167	648,116	21.76%
Gross Profit %	% Age	29.87%	23.78%	25.60%
Selling & Distribution Expenses	PKR '000	343,695	444,879	-22.74%
Administrative Expenses	PKR '000	174,944	187,798	-6.84%
Operating Profit	PKR '000	270,528	15,439	1652.24%
Profit / (Loss) After Tax	PKR '000	456,242	-59,197	870.72%
Earnings / (Loss) Per Share	PKR	19.95	-2.59	870.27%

FINANCIAL RESULTS AND DEVELOPMENTS

We are delighted to report a significant turnaround for the company during the financial year 2023-24, following on from the challenges of the last several years.

Driven by a strategy to improve profitability, the company experienced slight declines in both gross and net turnover during the year. Similarly, rationalization of distributor stocks and an impact of significant price increases on underlying volumes, gross and net turnover decreased by 2.89% and 3.04% respectively whilst exports grew by 27.33%. Despite a slight reduction in overall turnover, our gross profit margin saw a remarkable increase of 21.76%, rising to 29.87% from the previous years 23.78%.

Cost control measures were effective, with selling and distribution expenses and administrative expenses reduced by 22.74% and 6.84%, respectively. This led to a remarkable turnaround in operating profit, which surged to PKR 270.5M compared to PKR 15.43 Million last year. This year's operating profit include profit from sale of fixed assets as the transaction of sale of land under board approval was completed in April 2024. The induction of the money from this sale has proved useful for the company's cash flows and towards reducing various costs and ensuring a smooth flow of sales.

Furthermore, the company achieved a notable profit after tax of PKR 456.24 Million, a significant improvement from the prior year's loss of PKR 59.19 Million. Consequently, earnings per share rose to PKR 19.95 from a loss per share of PKR 2.59 last year, reflecting a substantial turnaround in overall financial performance.

Our approach towards this turnaround has evolved from focusing solely upon increasing volume to prioritizing profitable operations and operational efficiencies. Key initiatives, that have been central to our strategy, include revival of original recipes, reducing waste & improving efficiency, better inventory management & cleanup of secondary stocks and improved gross margins with the help of price rationalization and product cost optimization. These efforts have resulted in a notable increase in profit margins, a reduction in Administrative and Selling & Distribution costs.

The high cost of financing in the current economic environment has led to a marked rise in finance costs. Additionally, due to cash flow constraints, we have been unable to undertake significant marketing and advertising campaigns, which are eventually essential for driving volume growth.

It is also important to note that the emphasis of matter paragraph related to the Company's material uncertainty related to going concern has been removed. This reflects our strengthened financial position and ongoing commitment to maintaining operational stability and growth.

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 due to consistent inflation in the country;
- Significant competition in our product categories making upward price revision a challenge;
- Adverse movement in commodity prices and foreign exchange rates since some of our raw & packing materials are either directly or indirectly imported; and
- Adverse movement in interest rates leading to increased borrowing costs

MANUFACTURING OPERATIONS

During the current year, the Company has continued to address the challenges inherent in our manufacturing operations with a focus on optimizing resource utilization. Despite operating below full capacity, we have successfully enhanced our manufacturing efficiency through significant improvements and cost savings in manufacturing, administrative, and distribution areas.

Looking ahead, we recognize the necessity for major modernization and improvements to further elevate our manufacturing capabilities. Achieving profitable operations in the upcoming year, coupled with the infusion of new financing, will be crucial to driving these enhancements and sustaining our efficiency gains.

HUMAN RESOURCE DEVELOPMENT

It is a challenge to maintain a good talent base within the company in the existing inflationary conditions but the management is committed towards taking care of its employees by defining such policies and procedures that should add to their productivity.

CORPORATE SOCIAL RESPONSIBILITY

No incident of accident, causing physical injury or misconduct was reported during the year.

The Company contributed Rs 356 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 2.2 million was also generated through exports during the period under review.

In line with our commitment to responsible corporate governance and sustainable growth, the Board has constituted a Sustainability Committee. This committee will oversee and ensure adherence to environmental regulations, social responsibilities, and gender security standards, reinforcing our dedication to fostering a more sustainable and inclusive corporate environment.

SUBSEQUENT EVENTS

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

FUTURE OUTLOOK

Mitchell's is now positioned to seize exciting growth opportunities both locally and internationally towards pulping business & B2B expansion, ethnic food market expansion globally, relaunch of confectionery and chocolate category, growth in the local market distribution network including HORECA segment.

Our focus remains steadfast on enhancing production efficiencies, improving product quality, and driving innovation. The management team is dedicated to advancing operations in a more efficient and robust manner.

In addition to these operational improvements, we are placing a strategic emphasis on expanding our export sales and increasing the sales of high-margin products. This dual focus is expected to contribute to sustained profitability and a positive financial trajectory.

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 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 six 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 dedicated to minimizing any adverse effects on the environment resulting from its operations. A significant portion of our energy needs is sustainably sourced from agricultural by-products (biomass), reflecting our commitment to environmentally responsible practices and reducing our reliance on non-renewable energy sources.

COMPOSITION OF THE BOARD

The Board consists of 7 directors including one female director, with the following composition:

- Independent Directors 3
- Non-Executive Directors 3
- Executive Directors 1

The Board held four (4) meetings during the year. Attendance by each Director is as follows:

Director's Name	Designation	Meetings Attended
Mr. Shazad Ghaffar	Chairman & Non-Executive Director	4
Mr. Najam Aziz Sethi	Chief Executive Officer	4
Syed Mohammad Mehdi Mohsin	Non-Executive Director	4
Syeda Umme Kulsum Imam	Non-Executive Director	3
Syed Manzar Hassan	Independent Director	3
Mr. Aamir Amin	Independent Director	4
Mr. Rizwan Bashir	Independent Director	3

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

CHANGE IN DIRECTORS OFFICE

Mr. Rizwan Bashir retired during the year while Mr. Mujeeb Rashid joined the Board.

AUDIT COMMITTEE

During the year, four (4) 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	2
Mr. Shazad Ghaffar	Non-Executive Director	4
Mr. Aamir Amin	Non-Executive Director	4

HUMAN RESOURCE & REMUNERATION COMMITTEE

During the year, one (1) meeting of the HR & Remuneration Committee was held. Attendance by each Director was as follows:

Director's Name	Designation	Meetings Attended
Mr. Manzar Hassan	Independent Director	1
Mr. Amir Amin	Independent Director	1

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 Governance) REGULATIONS

The requirements of the Regulations relevant for the year ended June 30, 2024 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 39 to the annexed financial statements.

EARNINGS PER SHARE

Earnings per share for the year under report is Rs. 19.95 as compared to the last year figure of Rs. (2.59).

DIVIDEND

Despite our ongoing commitment to enhancing shareholders' wealth and delivering sustainable returns over the long term, we have decided not to declare a dividend for the current financial year. This decision has been driven by our focus on reinvesting resources to strengthen our financial position and support strategic initiatives. By prioritizing investments in operational efficiencies, cost optimization, and growth opportunities, we aim to position the Company for robust performance and greater shareholder value in the future. We remain dedicated to our goal of providing meaningful returns and will continue to assess our dividend policy in alignment with our long-term strategic objectives and financial health.

AUDITORS

The present Auditors, Messrs. Crowe Hussain Chaudhury & Co. Chartered Accountants retire and offer themselves for reappointment. The Board of Directors, on recommendation of Audit Committee, proposes the reappointment of Messrs. Crowe Hussain Chaudhury & Co. Chartered Accountants, for the year ending June 30, 2025.

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



Najam Aziz Sethi
Chief Executive Officer



Shazad Ghaffar
Chairman

Lahore: September 27, 2024

ڈائریکٹرز کی رپورٹ

ڈائریکٹرز سال کے دوران کمپنی کی کارکردگی پر اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

بنیادی سرگرمی

کمپنی بنیادی طور پر مختلف گروسری اور کنفیوژنری مصنوعات کی تیاری اور فروخت میں مشغول ہے۔

مالی پوزیشن ایک نظر میں

حسب ذیل میں مختصر مالی تجزیہ پیش کیا گیا ہے:

آپریٹنگ کے نتائج	2023-24	2022-23	اضافہ/ (کمی)	
ٹرن اور - مجموعی	PKR 000	3,597,053	3,704,244	-2.89%
ٹرن اور - خالص	PKR 000	2,642,164	2,724,931	-3.04%
مجموعی منافع	PKR 000	789,167	648,116	21.76%
مجموعی منافع فی صد	% Age	29.87%	23.78%	25.60%
فروخت اور تقسیم کے اخراجات	PKR 000	343,695	444,879	22.74%
انتظامی اخراجات	PKR 000	174,944	187,798	-6.84%
آپریٹنگ منافع	PKR 000	270,528	15,439	1652.24%
منافع/ (نقصان) بعد از ٹیکس	PKR 000	456,242	(-59,197)	870.72%
آمدنی/ (نقصان) فی حصص	PKR	19.95	(-2.59)	870.27%

مالی نتائج اور پیش رفت

گزشتہ کئی سالوں کی مشکلات کے بعد ہمیں مالی سال 2023-24 کے دوران کمپنی کے لئے ایک اہم تبدیلی بیان کرتے ہوئے خوشی ہو رہی ہے۔ منافع کو بہتر بنانے کی حکمت عملی کی وجہ سے، کمپنی کو سال کے دوران دونوں مجموعی اور خالص کاروبار میں معمولی کمی کا سامنا کرنا پڑا۔ اسی طرح ڈسٹری بیوٹر اسٹاک کو معقول بنانے اور بنیادی حجم پر قیمتوں میں نمایاں اضافے کے اثرات، مجموعی اور خالص کاروبار میں بالترتیب 2.89 فیصد اور 3.04 فیصد کمی واقع ہوئی جبکہ برآمدات میں 27.33 فیصد کا اضافہ ہوا۔ مجموعی ٹرن اور میں معمولی کمی کے باوجود، ہمارے مجموعی منافع مارجن میں 21.76 فیصد کا قابل ذکر اضافہ دیکھا گیا، جو پچھلے سال کے 23.78 فیصد سے بڑھ کر 29.87 فیصد ہو گیا۔

لاگت کنٹرول کے مؤثر اقدامات کئے گئے، فروخت اور تقسیم کے اخراجات اور انتظامی اخراجات میں بالترتیب 22.74 فیصد اور 6.84 فیصد کمی واقع ہوئی۔ اس کے نتیجے میں آپریٹنگ منافع میں نمایاں تبدیلی آئی جو گزشتہ سال کے 15.43 ملین روپے کے مقابلے میں بڑھ کر 270.5 ملین روپے ہو گئی۔ اس سال کے آپریٹنگ منافع میں قسٹڈ اٹاٹوں کی فروخت سے حاصل ہونے والا منافع بھی شامل ہے کیونکہ بورڈ کی منظوری کے تحت زمین کی فروخت کا لین دین اپریل 2024 میں مکمل ہو گیا۔ اس فروخت سے حاصل ہونے والی رقم کمپنی کے نقد بہاؤ اور مختلف اخراجات کو کم کرنے اور فروخت کے ہموار بہاؤ کو یقینی بنانے کے لئے مفید ثابت ہوئی ہے۔

مزید برآں، کمپنی نے 456.24 ملین روپے کا بعد از ٹیکس منافع حاصل کیا، جو گزشتہ سال کے 59.19 ملین روپے کے نقصان سے نمایاں بہتری ہے۔ نتیجتاً فی حصص آمدنی گزشتہ سال کے 2.59 روپے کے نقصان سے بڑھ کر 19.95 روپے ہو گئی جو مجموعی مالی کارکردگی میں نمایاں تبدیلی کی عکاسی کرتی ہے۔

اس تبدیلی کے بارے میں ہمارا نقطہ نظر صرف حجم میں اضافے پر توجہ مرکوز کرنے سے منافع بخش آپریٹرز اور آپریٹنگ کارکردگی کو ترجیح دینے سے بہتر ہوا ہے۔ اہم اقدامات، جو ہماری حکمت عملی کا مرکز رہے ہیں، ان میں اصل ترکیبوں کی بحالی، ویسٹ کو کم کرنا اور کارکردگی کو بہتر بنانا، انوینٹری کی بہتر مینجمنٹ اور ثانوی اسٹاک کی صفائی اور قیمتوں کو معقول بنانے اور مصنوعات کی لاگت کو بہتر بنانے کی مدد سے بہتر مجموعی مارجن شامل ہیں۔ ان کوششوں کے نتیجے میں منافع مارجن میں قابل ذکر اضافہ ہوا ہے، انتظامی اور فروخت اور تقسیم کے

اخراجات میں کمی واقع ہوئی ہے۔

موجودہ معاشی ماحول میں فنانسنگ کی زیادہ لاگت کی وجہ سے فنانس اخراجات میں نمایاں اضافہ ہوا ہے۔ مزید برآں، نقد بہاؤ کی رکاوٹوں کی وجہ سے، ہم اہم مارکیٹنگ اور اشتہاری مہمات شروع کرنے سے قاصر رہے ہیں، جو حجم میں اضافے کے لئے ضروری ہیں۔

یہ بھی ذکر کرنا ضروری ہے کہ کمپنی کی غیر یقینی صورتحال سے متعلق جاری تشریح کے معاملہ کا پیرا گراف ختم ہو گیا ہے۔ یہ ہماری مضبوط مالی پوزیشن اور آپریشنل استحکام اور نمو کو برقرار رکھنے کے لئے جاری عزم کی عکاسی کرتا ہے۔

سال کے لئے موجودہ ٹیکس کی شرح حتمی ٹیکس نظام کے تحت ٹیکس اور ٹرن اوور پر کم سے کم ٹیکس کی نمائندگی کرتی ہے۔

اہم خطرات اور غیر یقینی صورتحال

کمپنی کو چند خطرات اور غیر یقینی صورتحال کا سامنا ہے۔ تاہم، ہم مندرجہ ذیل کو کلیدی خطرے خیال کرتے ہیں:

- ملک میں مسلسل افراط زر کی وجہ سے پیدا ہونے والی غیر یقینی صورتحال؛
- ہماری مصنوعات کی اقسام میں نمایاں مسابقت قیمت میں اضافے کو ایک چیلنج بنا رہی ہے۔
- اجناس کی قیمتوں اور غیر ملکی زرمبادلہ کی شرحوں میں منفی تبدیلی کیونکہ ہمارے کچھ خام اور پیکنگ مواد براہ راست یا بالواسطہ طور پر درآمد کیے جاتے ہیں۔ اور
- شرح سود میں منفی اتار چڑھاؤ کی وجہ سے قرضوں کی لاگت میں اضافہ

میانوسٹریٹجک آپریشنز

موجودہ سال کے دوران، کمپنی نے وسائل کے استعمال کو بہتر بنانے پر توجہ مرکوز کرنے کے ساتھ ہمارے میانوسٹریٹجک آپریشنز میں موجود مشکلات پر قابو پانے کا سلسلہ جاری رکھا ہے۔ مکمل صلاحیت سے کم کام کرنے کے باوجود، ہم نے میانوسٹریٹجک، انتظامی اور تقسیم کے شعبوں میں نمایاں بہتری اور لاگت کی بچت کے ذریعے کامیابی سے اپنی میانوسٹریٹجک کی کارکردگی میں اضافہ کیا ہے۔

مستقبل کی طرف بڑھتی ہوئی، ہم اپنی میانوسٹریٹجک صلاحیتوں کو مزید وسعت دینے کے لئے اہم جدید کاری اور بہتری کی ضرورت کو تسلیم کرتے ہیں۔ آئندہ سال میں منافع بخش آپریشنز کا حصول، نئی فنانسنگ کے ساتھ، ان بہتریوں کو آگے بڑھانے اور ہماری کارکردگی کے فوائد کو برقرار رکھنے کے لئے اہم ہوگا۔

انسانی وسائل کی ترقی

افراط زر کے موجودہ حالات میں کمپنی کے اندر ایک اچھا ٹیلنٹ بیس برقرار رکھنا ایک چیلنج ہے لیکن انتظامی ایسی پالیسیوں اور طریقہ کار وضع کر کے اپنے ملازمین کی دیکھ بھال کرنے کے لئے پُر عزم ہے جو ان کی پیداواری صلاحیت میں اضافہ کرتی ہے۔

کارپوریٹ سماجی ذمہ داری

سال کے دوران کسی حادثے، جسمانی چوٹ یا بدسلوکی کا کوئی واقعہ درج نہیں ہوا۔

کمپنی نے کسٹم ڈیوٹی، سیلز ٹیکس، فیڈرل ایکسائز ڈیوٹی اور انکم ٹیکس سمیت مختلف حکومتی لیویز کی مد میں قومی خزانے میں 356 ملین روپے کا حصہ ڈالا۔ مزید برآں اس عرصے کے دوران برآمدات کے ذریعے 2.2 ملین امریکی ڈالر کا زرمبادلہ بھی حاصل کیا ہے۔

ذمہ دارانہ کارپوریٹ گورننس اور پائیدار نمو کے لئے ہمارے عزم کے مطابق، بورڈ نے ایک سسٹیمیٹیٹی (Sustainability) کمیٹی تشکیل دی ہے۔ یہ کمیٹی ماحولیاتی قواعد و ضوابط، سماجی ذمہ داریوں اور صنفی تحفظ کے معیارات کی پاسداری کی نگرانی کرے گی اور ان کی پاسداری کو یقینی بنائے گی، جس سے زیادہ پائیدار اور جامع کارپوریٹ ماحول کو فروغ دینے کے لئے ہمارے لگن کو تقویت ملے گی۔

بعد کے واقعات

مابعد ایسا کوئی واقعہ پیش نہیں آیا ہے جس کا زیر جائزہ مالی گوشواروں پر کوئی مادی اثر پڑ سکتا ہے۔

مستقبل کا نقطہ نظر

مچلزاب مقامی اور بین الاقوامی سطح پر پبلنگ بزنس اور بی ٹی بی کی توسیع، عالمی سطح پر ثقافتی نوڈ مارکیٹ کی توسیع، کنفییکشنری اور چاکلیٹ کیٹیگری کی دوبارہ شروعات،

HORECA سیکمنٹ سمیت مقامی مارکیٹ ڈسٹری بیوشن نیٹ ورک میں ترقی کے مواقع سے فائدہ اٹھانے کے لئے تیار ہے۔ ہماری توجہ پیداوار کی کارکردگی کو بڑھانے، مصنوعات کے معیار کو بہتر بنانے اور جدت طرازی کو وسعت دینے پر ثابت قدم ہے۔ مینجمنٹ ٹیم زیادہ مؤثر اور مضبوط انداز میں آپریشنز کو آگے بڑھانے کے لئے کوشاں ہے۔

ان آپریشنل پیش رفتوں کے علاوہ، ہم اپنی برآمدی فروخت کو بڑھانے اور زیادہ مارجن کی مصنوعات کی فروخت میں اضافے پر اسٹریٹجک زور دے رہے ہیں۔ توقع ہے کہ یہ دوہری توجہ پائیدار منافع اور مثبت مالیاتی راہ میں اہم کردار ادا کرے گی۔

داخلی مالیاتی کنٹرول

ڈائریکٹرز اور مینجمنٹ کمپنی کے داخلی کنٹرول کے نظام کے ذمہ دار ہیں اور شیئر ہولڈرز کو ان کی سرمایہ کاری پر منافع فراہم کرنے میں اس کی تاثیر کا سالانہ جائزہ لینے کے ذمہ دار ہیں جو ذمہ دارانہ تشخیص اور خطرات کے انتظام کے مطابق ہے۔ اس میں مالی، آپریشنل اور قیمتی کنٹرول اور رسک مینجمنٹ کے طریقہ کار اور ان کی تاثیر کا جائزہ لینا شامل ہے۔ بورڈ اور آڈٹ کمیٹی باقاعدگی سے اندرونی کنٹرول کے تقاضوں کو پورا کرنے کے لئے کمپنی کے مضبوط اندرونی آڈٹ فنکشن سے متعلق رپورٹس کا جائزہ لیتی ہے۔ کمپنی کا انٹرنل آڈٹ فنکشن کنٹرول سرگرمیوں کی سالمیت اور تاثیر کا جائزہ لیتا ہے اور آڈٹ کمیٹی اور بورڈ کو باقاعدگی سے رپورٹ فراہم کرتا ہے۔

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 دیئے 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۔

ماحولیات کا اثر

کمپنی نے اپنے آپریشنز کی وجہ سے ماحول پر پڑنے والے بُرے اثرات کو کم کرنے کا تہیہ کر رکھا ہے۔ ہماری توانائی کی ضروریات کا ایک اہم حصہ پائیدار طور پر زرعی ذیلی مصنوعات (بایوماس) سے حاصل کیا جاتا ہے، جو ماحولیاتی طور پر ذمہ دار طریقوں کے لئے ہمارے عزم کی عکاسی اور غیر قابل تجدید توانائی کے ذرائع پر ہمارے انحصار کو کم کرتا ہے۔

بورڈ کی تشکیل

ایک خاتون ڈائریکٹر سمیت بورڈ 7 ڈائریکٹرز پر مشتمل ہے۔

3	آزاد ڈائریکٹرز
3	نان ایگزیکٹو ڈائریکٹرز
1	ایگزیکٹو ڈائریکٹرز

سال کے دوران بورڈ کے چار (4) اجلاس منعقد ہوئے۔ ہر ایک ڈائریکٹر کی حاضری حسب ذیل ہے:

ڈائریکٹر کے نام	عہدہ	اجلاسوں میں حاضری
جناب شہزاد غفار	چیئر مین اور نان ایگزیکٹو ڈائریکٹر	4
جناب نجم عزیز سیٹھی	چیف ایگزیکٹو	4
سید محمد مہدی محسن	نان ایگزیکٹو ڈائریکٹر	4
سیدہ ام کلثوم امام	نان ایگزیکٹو ڈائریکٹر	3
سید منظر حسن	آزاد ڈائریکٹر	3
جناب عامر امین	آزاد ڈائریکٹر	4
جناب رضوان بشیر	آزاد ڈائریکٹر	3

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

ڈائریکٹرز میں تبدیلی

سال کے دوران جناب رضوان بشیر مستعفی ہو گئے جبکہ جناب مجیب رشید بورڈ میں شریک ہوئے۔

آڈٹ کمیٹی

سال کے دوران آڈٹ کمیٹی کے چار (4) اجلاس منعقد ہوئے۔ ہر ایک ڈائریکٹر کی حاضری حسب ذیل ہے:

ڈائریکٹر کے نام	عہدہ	اجلاسوں میں حاضری
جناب رضوان بشیر	آزاد ڈائریکٹر / چیئر مین	2
جناب شہزاد غفار	نان ایگزیکٹو ڈائریکٹر	4
جناب عامر امین	نان ایگزیکٹو ڈائریکٹر	4

ہیومن ریسورس اینڈ ریویریٹیشن کمیٹی

سال کے دوران ایچ آر اینڈ ریویریٹیشن کمیٹی کا ایک (1) اجلاس منعقد ہوا۔ ہر ایک ڈائریکٹر کی حاضری حسب ذیل ہے:

ڈائریکٹر کے نام	عہدہ	اجلاسوں میں حاضری
جناب منظر حسن	آزاد ڈائریکٹر	1
جناب عامر امین	آزاد ڈائریکٹر	1

نان ایگزیکٹو ڈائریکٹرز کے معاوضہ جات

ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے الگ الگ معاوضہ جات بشمول تنخواہ / فیس، مراعات، سہولیات اور دیگر الاؤنسز منسلک فنانشل سٹیٹمنٹس میں وضاحت سے بیان کئے گئے ہیں۔

معاوضہ جات کی پالیسی بورڈ آف ڈائریکٹرز کی جانب سے منظور شدہ ہے اور بورڈ وقتاً فوقتاً پالیسی کا جائزہ لیتا ہے۔

کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز کی تعمیل

کمپنی نے 30 جون 2024 کو ختم ہونے والے سال کے متعلقہ قوانین کی بہتر انداز سے پیروی اور اس کی مکمل پیروی کی ہے اور اس سلسلہ میں پیروی کی رپورٹ منسلک ہے۔

حصص داری کی تفصیل

اس سے متعلق معلومات ساتھ منسلک ہیں۔

متعلقہ پارٹی سے لین دین

متعلقہ پارٹیز کے درمیان لین دین باہمی رضا مندی شرائط و ضوابط پر کیا گیا ہے۔ سال کے دوران کئے گئے تمام لین دین کی تفصیلات منسلک مالی حسابات کے نوٹ نمبر 39 میں ملاحظہ کی جاسکتی ہیں۔

فی حصص آمدنی

زیر جائزہ سال میں 19.95 روپے فی حصص آمدنی ہو چکا ہے گزشتہ سال (2.59) روپے فی حصص نقصان تھا۔

ڈیویڈنڈ

شیرز ہولڈرز کی قدر بڑھانے اور طویل مدتی پائیدار منافع فراہم کرنے کے ہمارے مسلسل عزم کے باوجود، ہم نے رواں مالی سال کے لئے منافع کا اعلان نہ کرنے کا فیصلہ کیا ہے۔ یہ فیصلہ ہماری مالی پوزیشن کو مضبوط بنانے اور اسٹریٹجک اقدامات کی حمایت کے لئے وسائل کی دوبارہ سرمایہ کاری پر ہماری توجہ کی وجہ سے کیا گیا ہے۔ آپریشنل کارکردگی، لاگت کو بہتر بنانے، اور ترقی کے مواقع میں سرمایہ کاری کو ترجیح دیتے ہوئے، ہمارا مقصد کمپنی کو مستقبل میں مضبوط کارکردگی اور شیرز ہولڈرز کی قدر زیادہ سے زیادہ کرنے کی پوزیشن میں آنا ہے۔ ہم موزوں منافع فراہم کرنے کے اپنے مقصد کے لئے کوشاں ہیں اور اپنے طویل مدتی اسٹریٹجک مقاصد اور مالی صحت کے مطابق اپنی منافع کی پالیسی کا جائزہ لیتے رہیں گے۔

آڈیٹر

موجودہ آڈیٹر میسرز کرو حسین چوہدری اینڈ کو، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور انہوں نے خود کو دوبارہ تقرر کیلئے پیش کیا ہے۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی سفارش پر 30 جون 2025 کو ختم ہونے والے سال کے لئے بطور آڈیٹر میسرز کرو حسین چوہدری اینڈ کو، چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرر کی تجویز دی 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۔

منجانب بورڈ آف ڈائریکٹرز

Shahid Khan

شہزاد غفار

چیئرمین

Shahid Khan

محمد عزیز سیٹھی

چیف ایگزیکٹو آفیسر

لاہور

27 ستمبر 2024ء



MITCHELL'S®

Chocolate



Farm
Fresh
since
1933

MITCHELL'S®

Jam, Jelly & Marmalade



Farm
Fresh
since
1933

VERTICAL ANALYSIS OF FINANCIAL STATEMENTS

(Rupees in '000)

	2024		2023		2022		2021		2020		2019	
	Rs	%	Rs	%	Rs	%	Rs	%	Rs	%	Rs	%
Balance Sheet												
Non-current Assets	606,678	35.44	656,320	40.5	697,771	42.4	694,663	40.66	614,348	44.50	638,792	47.55
Current Assets	1,104,969	64.56	964,214	59.5	946,244	57.6	1,013,994	59.34	766,271	55.50	704,702	52.45
Total Assets	1,711,647	100	1,620,534	100	1,644,015	100	1,708,657	100	1,380,619	100	1,343,494	100
Equity	592,659	35.63	143,746	8.87	202,936	12.34	836,418	48.95	74,310	5.38	126,445	9.41
Non-current Liabilities	151,865	8.87	141,008	8.70	135,742	8.26	126,384	7.40	134,230	9.72	134,123	9.98
Current Liabilities	967,123	56.50	1,335,780	82.43	1,305,337	79.40	745,855	43.65	1,172,079	84.90	1,082,926	80.61
Total equity & Liabilities	1,711,647	100	1,620,534	100	1,644,015	100	1,708,657	100	1,380,619	100	1,343,494	100
Profit and Loss Account												
Net Sales	2,642,164	100.00	2,724,931	100.00	2,489,291	100.00	2,210,620	100.00	2,112,493	100.00	1,987,552	100.00
Cost of Sales	(1,852,997)	(70.13)	(2,076,815)	(76.22)	(2,295,471)	(92.21)	(1,721,280)	(77.86)	(1,670,070)	(79.06)	(1,553,139)	(78.14)
Gross Profit	789,167	29.87	648,116	23.78	193,820	7.79	489,340	22.14	442,423	20.94	434,413	21.86
Selling and Distribution expenses	(343,695)	(13.01)	(444,879)	(16.33)	(546,250)	(21.94)	(311,214)	(14.08)	(253,637)	(12.01)	(282,634)	(14.22)
Administrative expenses	(174,944)	(6.62)	(187,798)	(6.89)	(227,878)	(9.15)	(137,043)	(6.20)	(150,669)	(7.13)	(135,252)	(6.80)
	270,528	10.24	15,439	0.57	(580,308)	(23.31)	41,082	1.86	38,117	1.80	16,527	0.83
Other operating expense	(53,834)	(2.04)	(63,954)	(2.35)	(16,885)	(0.68)	(8,767)	(0.40)	(3,263)	(0.15)	(5,341)	(0.27)
Other operating income	371,674	14.07	107,685	3.95	47,995	1.93	35,111	1.59	12,162	0.58	15,592	0.78
	588,368	22.27	59,171	2.17	(549,197)	(22.06)	67,426	3.05	47,016	2.23	26,777	1.35
Financial expenses	(96,187)	(3.64)	(85,083)	(3.12)	(36,981)	(1.49)	(25,631)	(1.16)	(74,272)	(3.52)	(78,300)	(3.94)
(Loss)/Profit before tax	492,181	18.63	(25,912)	(0.95)	(586,178)	(23.55)	41,795	1.89	(27,256)	(1.29)	(51,523)	(2.59)
Taxation	(35,939)	(1.36)	(33,285)	(1.22)	(35,799)	(1.44)	(31,329)	(1.42)	(28,189)	(1.33)	(28,483)	(1.43)
(Loss)/Profit for the year	456,242	17.27	(59,197)	(2)	(621,977)	(25)	10,466	0.5	(55,445)	(3)	(80,006)	(4)

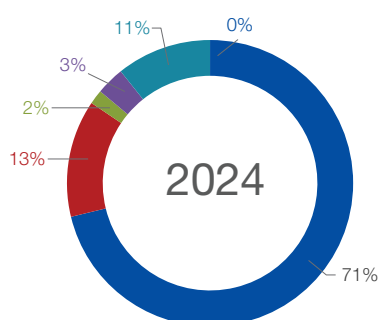
HORIZONTAL ANALYSIS OF FINANCIAL STATEMENTS

(Rupees in '000)

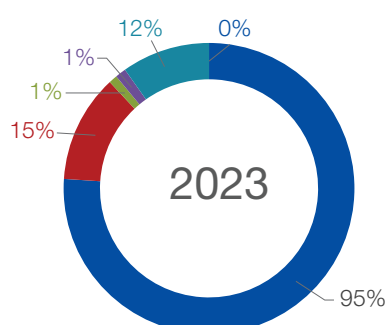
	2024	2023	2022	2021	2020	2019
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance Sheet						
Non-current Assets	606,678	656,320	697,771	694,663	614,348	638,792
Current Assets	1,104,969	964,214	944,132	1,013,994	766,271	704,702
Total Assets	1,711,647	1,620,534	1,641,903	1,708,657	1,380,619	1,343,494
Equity	592,659	143,746	202,936	836,418	74,310	126,445
Non-current Liabilities	151,865	141,008	135,742	126,384	134,230	134,123
Current Liabilities	967,123	1,335,780	1,303,225	745,855	1,172,079	1,082,926
Total equity and Liabilities	1,711,647	1,620,534	1,641,903	1,708,657	1,380,619	1,343,494
Profit and Loss Account						
Net Sales	2,642,164	2,724,931	2,489,291	2,210,620	2,112,493	1,987,552
Cost of Sales	(1,852,997)	(2,076,815)	(2,295,471)	(1,721,280)	(1,670,070)	(1,553,139)
Gross Profit	789,167	648,116	193,820	489,340	442,423	434,418
Administrative expenses	(174,944)	(187,798)	(546,250)	(137,043)	(150,669)	(135,252)
Selling and Distribution expenses	(343,695)	(444,879)	(227,878)	(311,214)	(253,637)	(282,634)
	270,528	15,439	(580,308)	41,082	38,117	16,527
Other operating expenses	(53,834)	(63,954)	(16,885)	(8,767)	(3,263)	(5,341)
Other operating income	371,674	107,685	47,995	35,111	12,162	15,592
	588,369	59,172	(549,196)	67,427	47,017	26,778
Financial expenses	(96,187)	(85,083)	(36,981)	(25,631)	(74,272)	(78,300)
(Loss)/Profit before tax	492,183	(25,911)	(586,177)	41,796	(27,256)	(51,523)
Taxation	(35,939)	(33,285)	(35,799)	(31,329)	(28,189)	(28,483)
(Loss)/Profit for the year	456,244	(59,196)	(621,976)	10,467	(55,445)	(80,006)
Summary of Cash Flows						
Net cash flows from operating activities	(110,633)	(28,102)	(181,985)	(235,165)	84,352	47,250
Net cash flows from investing activities	349,033	(9,150)	(60,684)	(106,378)	(23,031)	5,087
Net cash flows from financing activities	(201,417)	36,942	251,667	745,000	50,000	(21,333)
Net change in cash and cash equivalents	36,983	(309)	8,997	403,457	111,321	31,003

VALUE ADDED & ITS DISTRIBUTION

	2024		2023	
	(Rupees in Thousand)			
WEALTH GENERATED				
Sales	2,642,164		2,724,931	
Other Income	371,674		107,685	
	3,013,838	100.00	2,832,616	100.00
DISTRIBUTION OF WEALTH				
Bought-In-Materials & Services	2,146,308	71.22%	2,679,704	94.60%
To Employee:				
Remuneration, Benefit and Facilities	399,109	13.24%	423,017	14.93%
To Government:				
Income tax, WPPF and WWF	48,799	1.62%	33,285	1.18%
To Providers of Capital				
Dividend to shareholders	-	-	-	-
Finance Cost including exchange loss	96,187	3.19%	42,384	1.50%
Growth / (Utilized from Reserves)	323,385	10.73%	(345,773)	-12.21%
Charity and Donation	50	0%	-	0.00%
	3,013,838	100.00	2,832,616	100.00



2024 - Wealth Distribution Rs. Millions		%
Bought-In-Materials & Services	2,146	71%
Employees	399.11	13%
Government	48.80	2%
Finance Costs	96.19	3%
Utilized from Reserves	323.39	11%
Charity and Donation	0	0%
	3,014	100%



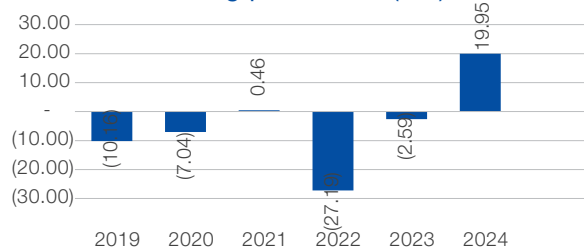
2023 - Wealth Distribution Rs. Millions		%
Bought-In-Materials & Services	2,679.70	95%
Employees	423.02	15%
Government	33.29	1%
Finance Costs	42.38	1%
Utilized from Reserves	(345.77)	-12%
Charity and Donation	-	0%
	2,833	100%

STAKEHOLDER INFORMATION

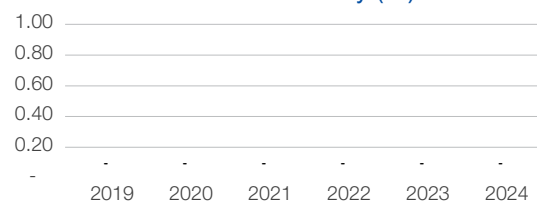
FINANCIAL RATIOS

	2024	2023	2022	2021	2020	2019
Rate of return						
Return on assets (%)	28.8	(3.7)	(37.9)	0.6	(4.0)	(6.0)
Return on equity (%)	77	(41.2)	(306.5)	1.3	(74.6)	(63.3)
Return on capital employed (%)	66.1	20.8	(162.0)	7.0	22.5	10.3
Interest cover ratio	5.1	0.7	(14.9)	2.6	(0.6)	(34.2)
Gross profit Margin (%)						
Gross profit Margin (%)	29.9	23.8	7.8	22.1	20.9	21.9
Net profit to sales (%)						
Net profit to sales (%)	17.3	(2.2)	(25.0)	0.5	(2.6)	(4.0)
EBITDA (Rs.'000)						
EBITDA (Rs.'000)	645,801	116,894	(494,017)	100,976	90,321	74,859
EBITDA margin to sales (%)						
EBITDA margin to sales (%)	24.4	4.3	(19.8)	4.6	4.3	3.8
Liquidity						
Current ratio	1.1	0.7	0.7	1.4	0.7	0.7
Quick Ratio	0.6	0.3	0.4	0.8	0.4	0.4
Financial Gearing						
Debt-Equity Ratio	0.7	10.3	7.1	0.2	0.9	0.9
Debt to Assets %	0.2	91.1	87.6	51.0	94.6	90.6
Capital Efficiency						
Debtor turnover Days	37	27	39	54	24	24
Inventory turnover Days	98	76	67	86	73	65
Creditor turnover Days	61	125	90	90	87	106
Operating Cycle	74	(22)	15	50	10	(17)
Fixed assets turnover ratio	2.6	4.2	3.6	3.5	3.7	3.3
Total assets turnover Ratio	2.6	1.7	1.5	1.3	1.5	1.5

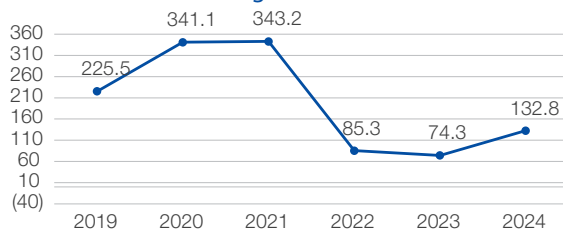
Earning per Shares (Rs.)



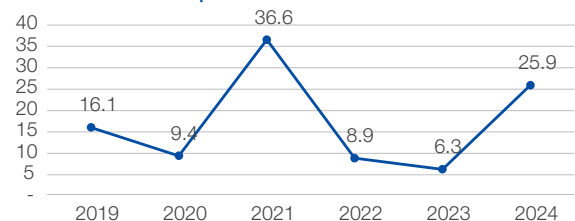
Dividend History (%)



Year Closing Stock Price Rs.



Break-up Value of Shares Rs.



PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2024

No. of Shareholders	From	To	Total Shares Held
550	1	100	20,696
515	101	500	160,675
257	501	1,000	219,310
364	1,001	5,000	891,820
67	5,001	10,000	502,820
15	10,001	15,000	185,958
11	15,001	20,000	194,769
10	20,001	25,000	230,982
8	25,001	30,000	229,353
3	30,001	35,000	97,700
7	35,001	40,000	268,118
3	40,001	45,000	128,411
1	45,001	50,000	50,000
1	50,001	55,000	54,000
1	55,001	60,000	60,000
1	60,001	65,000	64,248
1	70,001	75,000	70,272
1	75,001	80,000	75,613
1	80,001	85,000	82,550
2	100,001	105,000	205,516
2	105,001	110,000	214,834
1	160,001	165,000	162,275
2	170,001	175,000	346,600
1	250,001	255,000	252,664
1	490,001	495,000	492,592
1	515,001	520,000	517,715
1	555,001	560,000	556,463
1	850,001	855,000	850,334
1	2,070,001	2,075,000	2,072,196
2	4,495,001	4,500,000	8,994,344
1	4,620,001	4,625,000	4,622,172
1,833			22,875,000

5.	Categories of shareholders	Share held	Percentage
5.1	Directors, Chief Executive Officer, and their spouse and minor children	13,971,239	61.0765%
5.2	Associated Companies, undertakings and related parties.	-	0.0000%
5.3	NIT and ICP	2,196,284	9.6012%
5.4	Banks Development Financial Institutions, Non Banking Financial Institutions.	17,117	0.0748%
5.5	Insurance Companies	0	0.0000%
5.6	Modarabas and Mutual Funds	0	0.0000%
5.7	Shareholders holding 10% or more	13,963,116	61.0409%
5.8	General Public		
	a. Local	5,352,888	23.4006%
	b. Foreign	108,350	0.4737%
5.9	Others (to be specified)		
	- Joint Stock Companies	1,161,619	5.0781%
	- Pension Funds	64,248	0.2809%
	- Others	3,255	0.0142%

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

AS AT JUNE 30, 2024

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	Syed Mohammad Mehdi Mohsin	4,669,872	20.4147%
2	Mr. Mujeeb Rashid (Cdc)	500	0.0022%
3	Ms. Umme Kulsum Imam	3,267	0.0143%
4	Mr. Najam Aziz Sethi	1,452	0.0063%
5	Mr. Aamir Amin	--	--
6	Syed Manzar Hassan (Cdc)	1,452	0.0063%
7	Mr. Shazad Ghaffar	1,452	0.0063%
8	Syeda Matanat Ghaffar W/O Mr. Shazad Ghaffar (Cdc)	4,622,172	20.2062%
9	Syeda Maimanat Mohsin W/O Mr. Najam Aziz Sethi (Cdc)	4,671,072	20.4200%
Executives:		-	-
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	Syed Mohammad Mehdi Mohsin	4,669,872	20.4147%
2	Syeda Matanat Ghaffar (Cdc)	4,671,072	20.4200%
3	Syeda Matanat Mohsin (Cdc)	4,622,172	20.2062%
4	Cdc - Trustee National Investment (Unit) Trust (Cdc)	2,072,196	9.0588%

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:

STATEMENT OF COMPLIANCE

WITH LISTED COMPANIES

(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

MITCHELL'S FRUIT FARMS LIMITED

FOR THE YEAR ENDED JUNE 30, 2024

Name of Company: Mitchell's Fruit Farms Limited
Year Ended: June 30, 2024

*Explained in SOC 19

The company has complied with the requirements of the Regulations in the following manner:-

1. The total number of directors are 07 as per the following:

- a) Male: 06
- b) Female: 01

2. The composition of Board is as follows:

Category	Names
Independent Directors	Syed Manzar Hassan Mujeeb Rashid Aamir Amin
Executive Director	Najam Aziz Sethi
Non-Executive Directors	Shazad Ghaffar Syed Muhammad Mehdi Mohsin Syeda Umme Kulsoom Imam
Female Director	Syeda Umme Kulsoom Imam

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;

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;

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;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;

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 the Board.

8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. Three out of seven directors have acquired prescribed certification under Directors' Training Program while the Company shall facilitate further training for the remaining Directors in near future as defined in these regulations.

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;

11. Chief Financial Officer and Chief Executive Officer 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. Syed Manzar Hassan
(Independent Director) - Chairman
- 3. Aamir Amin
Independent Director) - Member
- 4. Shazad Ghaffar
(Non-Executive Director) - Member
- 5. Mr. Tauseef Abbas
Secretary

b) HR and Remuneration Committee

- 1. Mujeeb Rashid
(Independent Director) - Chairman
- 2. Syeda Umme Kulsoom Imam
(Non-Executive Director) - Member
- 3. Najam Aziz Sethi
(Executive Director) - Member
- 4. Colonel Muhammad Arshad
Secretary

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 committee were as per following:
- a. Audit Committee: 04*
 - b. HR and Remuneration Committee: 01

*Explained in SOC 18

15. The Board has set up an effective internal audit function that 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 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 except 27(2)(i) to hold first quarter meeting of the Audit Committee due to extension in Annual General Meeting and extension in submission of first quarterly accounts.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr. No.	Reference	Description	Explanation
1	SOC 07 and Section 176 of the Companies Act, 2017.	Board shall meet at least once in each quarter of a year.	Quarterly meeting required in first quarter was not held due to extension in holding Annual General Meeting and extension in submission of first quarterly accounts.
2	Reg. 19 of Listed Companies (Code of Corporate Governance) Regulations, 2019	By June 30, 2022, all directors shall acquire certification under director training program.	Directors in need of DTP are in line to receive the training in the following year. They are aligned and enrolled for such training and soon would be receiving it.



NAJAM AZIZ SETHI
Chief Executive Officer



SHAZAD GHAFFAR
Chairman

Date: September 30, 2024

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 ("the Company") for the year ended June 30, 2024 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 Directors' 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 year ended June 30, 2024.

Further, we highlight below instance of non-compliance with the requirement of the Regulations as reflected in the paragraph reference where it is stated in the Statement of Compliance:

Sr. No	Paragraph Reference	Description
1	18 & 19	The Board of Directors & Audit Committee of the Company did not hold their meetings during the first quarter of the financial year, due to extension in Annual General Meeting and extension in submission of first quarterly accounts.
2	19	Four Directors out of Seven Directors have not acquired the prescribed certification under the Directors' Training Program as required under regulation 19 of the Regulations.

Lahore
 Dated: September 30, 2024
 UDIN: CR202410051JnHNaP1zY



CROWE HUSSAIN CHAUDHURY & CO.
 Chartered Accountants

MITCHELL'S®

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1933

Financial Statements

For the Year Ended June 30, 2024

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, 2024 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 year then ended, and notes to the financial statements, including a summary of material 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, 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, 2024 and of the profit, its comprehensive income, the changes in equity and its cash flows for the year then ended.

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 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 are the key audit matters:

Key Audit Matters	How the matter was addressed in our audit
<p>1. Revenue</p> <p>Refer to note 23 to the financial statements, the Company has earned revenue amounting to Rs. 2,642.1 million for the year ending June 30, 2024.</p> <p>The Company is primarily engaged in the manufacturing and sales of various confectionery and grocery products. We identified recognition of revenue as a key audit matter due to revenue being one of the key performance indicators of the Company.</p>	<p>Our key audit procedures included:</p> <ul style="list-style-type: none"> Obtaining an understanding of the Company's processes and related internal controls for revenue recognition and on a sample basis, testing the operating effectiveness of those controls. Assessing the appropriateness of the Company's revenue recognition policies and their compliance with applicable accounting and reporting standards.

Key Audit Matters	How the matter was addressed in our audit
	<ul style="list-style-type: none"> • Comparing a sample of revenue transactions recorded during the year with customers' orders, sales invoices, delivery orders and other relevant underlying documents. • Obtaining an understanding of the types of contracts with the Company's customers and comparing a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery challans and other relevant underlying documents to assess whether the revenue was recorded in accordance with the Company's revenue accounting policy and applicable financial reporting framework. • Performing cut-off procedures on sales to ensure revenue has been recorded in the correct period. • Checking receipts from customers to whom sales were made on sample basis. • Considering adequacy of the related disclosures and assessed whether these are in accordance with the applicable accounting and reporting standards.

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 auditors' 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 Amin Ali.



Lahore
Dated: September 30, 2024
UDIN: AR2024100516zq2r3GxP

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

As at June 30, 2024

	Note	2024 Rupees	2023 Rupees
ASSETS			
Non Current Assets			
Property, plant and equipment	5	578,599,878	622,300,506
Intangible assets	6	24,275,170	30,350,731
Biological assets	7	2,578,452	2,444,402
Long term deposits	8	1,224,780	1,224,780
		606,678,280	656,320,419
Current Assets			
Stores and spares	9	59,104,872	57,571,705
Stock in trade	10	497,158,148	520,738,674
Trade debts	11	267,440,260	191,854,393
Advances, deposits, prepayments and other receivable	12	111,882,599	64,123,643
Income tax recoverable - net	13	111,088,598	108,613,307
Cash and bank balances	14	58,294,718	21,312,106
		1,104,969,195	964,213,828
Total Assets		<u>1,711,647,475</u>	<u>1,620,534,247</u>
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital 40,000,000 (2023: 40,000,000) ordinary shares of Rs. 10 each		400,000,000	400,000,000
Issued, subscribed and paid up capital	15	228,750,000	228,750,000
Reserves	16	363,909,406	(85,003,937)
		592,659,406	143,746,063
Non Current Liabilities			
Deferred liabilities	17	151,865,360	141,008,335
Deferred taxation	18	-	-
		151,865,360	141,008,335
Current Liabilities			
Trade and other payables	19	534,520,896	668,555,256
Finances under markup arrangements	20	212,585,223	302,002,267
Loan from related parties - unsecured	21	204,000,000	316,000,000
Accrued finance cost		14,103,836	47,309,572
Unclaimed dividend		1,912,754	1,912,754
		967,122,709	1,335,779,849
Total Equity and Liabilities		<u>1,711,647,475</u>	<u>1,620,534,247</u>
Contingencies and commitments	22	-	-

The annexed notes from 1 to 43 form an integral part of these financial statements.



Badar M. Khan
Chief Financial Officer



Najam Aziz Sethi
Chief Executive Officer




Shazad Ghaffar
Chairman / Director

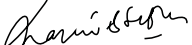
STATEMENT OF PROFIT OR LOSS


For the Year ended June 30, 2024

	Note	2024 Rupees	2023 Rupees
Revenue	23	2,642,163,811	2,724,930,890
Cost of sales	24	(1,852,996,860)	(2,076,814,684)
Gross profit		789,166,951	648,116,206
Administrative expenses	25	(174,944,300)	(187,798,148)
Selling and distribution expenses	26	(343,694,696)	(444,878,650)
		(518,638,996)	(632,676,798)
Operating Profit		270,527,955	15,439,408
Other operating expenses	27	(53,833,786)	(63,953,923)
Finance cost	28	(96,186,801)	(85,083,157)
Other income	29	371,674,246	107,685,416
Profit / (Loss) before Levy and Taxation		492,181,614	(25,912,256)
Levy / final taxation	30	(32,945,915)	(33,287,877)
Profit / (Loss) before Taxation		459,235,699	(59,200,133)
Taxation	31	(2,993,483)	2,837
Net Profit / (Loss) for the Year		456,242,216	(59,197,296)
Earning / (Loss) per Share - Basic and Diluted	32	19.95	(2.59)

The annexed notes from 1 to 43 form an integral part of these financial statements.


Badar M. Khan
Chief Financial Officer


Najam Aziz Sethi
Chief Executive Officer


Shazad Ghaffar
Chairman / Director

STATEMENT OF COMPREHENSIVE INCOME

For the Year ended June 30, 2024

	2024 Rupees	2023 Rupees
Net Profit / (Loss) for the Year	456,242,216	(59,197,296)
Other comprehensive income		
<i>Items that will not be re-classified subsequently to profit or loss</i>		
Remeasurement (loss) / gain on defined benefit plan - net of deferred tax	(7,328,873)	6,945
<i>Items that may be re-classified subsequently to profit or loss</i>	-	-
Other comprehensive (loss) / income for the year	(7,328,873)	6,945
Total Comprehensive Income / (Loss) for the Year	448,913,343	(59,190,351)

The annexed notes from 1 to 43 form an integral part of these financial statements.



Badar M. Khan
Chief Financial Officer



Najam Aziz Sethi
Chief Executive Officer



Shazad Ghaffar
Chairman / Director

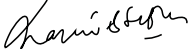
STATEMENT OF CHANGES IN EQUITY


For the Year ended June 30, 2024

Particulars	Share Capital	Reserves				Total Reserves	Total
		Capital Reserve	Revenue Reserves		Share Premium		
		Share Premium	General Reserves	Accumulated Loss			
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
Balance as at June 30, 2022	228,750,000	609,335,878	300,000	(635,449,464)	(25,813,586)	202,936,414	
Net loss for the year	-	-	-	(59,197,296)	(59,197,296)	(59,197,296)	
Other comprehensive income for the year	-	-	-	6,945	6,945	6,945	
Total comprehensive loss for the year	-	-	-	(59,190,351)	(59,190,351)	(59,190,351)	
Balance as at June 30, 2023	228,750,000	609,335,878	300,000	(694,639,815)	(85,003,937)	143,746,063	
Net profit for the year	-	-	-	456,242,216	456,242,216	456,242,216	
Other comprehensive loss	-	-	-	(7,328,873)	(7,328,873)	(7,328,873)	
Total comprehensive income for the year	-	-	-	448,913,343	448,913,343	448,913,343	
Balance as at June 30, 2024	228,750,000	609,335,878	300,000	(245,726,472)	363,909,406	592,659,406	

The annexed notes from 1 to 43 form an integral part of these financial statements.


Badar M. Khan
 Chief Financial Officer


Najam Aziz Sethi
 Chief Executive Officer


Shazad Ghaffar
 Chairman / Director


STATEMENT OF CASH FLOWS

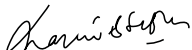
For the Year ended June 30, 2024

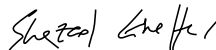
		2024 Rupees	2023 Rupees
Profit / (loss) before levy and taxation		492,181,614	(25,912,256)
Adjustments for:			
- Depreciation of property, plant and equipment	5.1	51,357,019	55,179,100
- Amortization of intangible assets	6.1	6,075,561	2,543,577
- Provision for gratuity	17.1.1.1	38,424,972	33,863,078
- Provision for leave absences	17.1.2	(94,242)	8,153,201
- Capital work in progress charged to profit or loss		-	845,844
- Government grant recognized		-	(125,297)
- Amortization of deferred grant	17.2	(322,812)	(358,679)
- Gain on disposal of property, plant and equipment	29	(356,689,211)	(7,390,884)
- Finance cost	28	96,186,801	85,083,157
- Excess liabilities written back	29	-	(80,853,444)
- Allowance for expected credit losses	11.2	-	28,814,501
- Provision for obsolete stock	10.2	10,362,145	23,465,231
- Material written off		-	55,482,107
- Sales tax receivables written off		11,737,556	25,061,668
- Provision for advances		3,082,939	4,675,095
- Provision for refund liabilities	19	52,673,416	72,052,355
- Gain on revaluation of biological assets		(134,050)	(894,402)
- Exchange loss	27	2,943,420	5,402,659
- Provision for workers' welfare fund		3,541,273	-
- Provision for workers' (profit) participation fund		9,319,139	-
- Provision for duty and tax remission for imports		17,991,812	-
		(53,544,262)	310,998,867
Operating profit before working capital changes		438,637,352	285,086,611
(Increase) / decrease in current assets			
- Stores and spares		(1,533,167)	(12,010,106)
- Stock in trade		13,218,381	(168,720,718)
- Trade debts		(78,529,287)	(24,011,837)
- Advances, deposits, prepayments and other receivable		(62,579,451)	33,982,795
(Decrease) / increase in current liabilities			
- Trade and other payables		(235,382,177)	(50,717,100)
		(364,805,701)	(221,476,966)
Cash Generated from Operations		73,831,651	63,609,645
Finance cost paid	28	(129,392,536)	(50,571,750)
Employee defined benefits - gratuity paid	17.1.1.1	(14,736,008)	(14,145,107)
Employee defined benefits - accumulated absences paid	17.1.2	(4,915,065)	(3,603,322)
Income tax paid / deducted		(35,421,206)	(23,394,709)
		(184,464,815)	(91,714,888)
Net Cash Used in Operating Activities		(110,633,164)	(28,105,243)

	2024 Rupees	2023 Rupees
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for acquisition of property, plant and equipment	(15,684,642)	(11,337,098)
Proceeds from disposal of property, plant and equipment	364,717,462	8,496,334
Payment for acquisition of Intangible assets	-	(6,308,750)
Investment in term deposits receipts	180,000,000	-
Redemption of term deposits receipts	(180,000,000)	-
Net Cash Generated from / (Used in) Investing Activities	349,032,820	(9,149,514)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan obtained from related parties	38,000,000	111,000,000
Loan repaid to related parties	(150,000,000)	(20,000,000)
Finances under markup arrangements - net	(89,417,044)	(39,057,537)
Repayment of long term finances	-	(15,000,000)
Net Cash (Used in) / Generated from Financing Activities	(201,417,044)	36,942,463
Net Increase / (Decrease) in Cash and Cash Equivalents	36,982,612	(312,294)
Cash and cash equivalents at the beginning of the year	21,312,106	21,624,400
Cash and Cash Equivalents at the End of the Year	58,294,718	21,312,106

The annexed notes from 1 to 43 form an integral part of these financial statements.


Badar M. Khan
 Chief Financial Officer


Najam Aziz Sethi
 Chief Executive Officer


Shazad Ghaffar
 Chairman / Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

1. THE COMPANY AND ITS OPERATIONS

Mitchell's Fruit Farms Limited ("the Company") is a public limited Company incorporated in Pakistan. The shares of the Company are listed on Pakistan Stock Exchange. The Company is domiciled in Pakistan and is principally engaged in the manufacture and sale of various confectionery and grocery products.

The geographical location and address of Company's business units, including manufacturing facility are as under:

Business Unit	Geographical Location
Head Office / Registered Office	72 - FCC Gulberg IV, Lahore
Manufacturing Facility	Renala Khurd, District Okara, Pakistan
Regional Sales office	Plot # 102, Street 7, Main China Road, Sector I-10/3, Islamabad
Regional Sales office	Mehran VIP II, Ground Floor, House No. 18/3, Dr. Dawood Pota Road, Karachi

2. BASIS FOR PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS), 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared using the historical cost convention, except for certain items, which are disclosed in the relevant policies below.

2.3 Functional and presentation currency

These financial statements are prepared and presented in Pak Rupees (Rs.) which is the Company's functional and presentation currency. All the figures have been rounded off to the nearest rupee, unless otherwise stated.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which such revisions are made. Significant management estimates in these financial statements primarily relate to:

- Useful lives, residual values, depreciation method of property, plant and equipment – Note 3.1 & 5
- Useful lives, residual values and amortization method of intangible assets – Note 3.3, 3.4 & 6
- Fair value of biological assets - Note 4.8 & 7
- Revenue from contracts with customers - Note 3.14 & 23
- Provision for impairment of inventories - Note 3.6, 9 and 10
- Impairment loss of non-financial assets other than inventories – Note 3.4, 5 & 6
- Provision for expected credit losses – Note 3.10, 11
- Defined benefit obligation – Note 3.11.1 & 17.1
- Estimation of provisions - Note 3.10
- Estimation of contingent liabilities - Note 3.10 & 22
- Current income tax expense, provision for current tax and recognition of deferred tax asset (for carried forward tax losses and credits) - Note 3.16, 30 and 31

However, the management believes that the change in outcome of estimates would not have a material effect on the amounts disclosed in these financial statements.

2.5 Changes in accounting standards, interpretations and pronouncements

2.5.1 Standards, interpretations and amendments to approved accounting standards that are effective in the current year

The following standards, amendments, and interpretations are effective for the year ended June 30, 2024. These standards, amendments and interpretations are either irrelevant to the Company's operations or are not expected to significantly impact the Company's financial statements other than certain additional disclosures.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

Effective Date - Annual Periods Beginning on or After

IAS 01	Classification of liabilities as current or non-current and non-current liabilities with covenants — (Amendments)	January 01, 2023
IAS 08	Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors - Definition of accounting estimates	January 01, 2023
IAS 12	Amendments to IAS 12 'Income taxes' - International Tax Reform — Pillar Two Model Rules	January 01, 2023
IFRS 7	Lack of exchangeability - (Amendments)	

2.5.2 New and amended standards and interpretations

Standards, interpretations and amendments to published approved accounting standards that are not yet effective and have not been adopted early by the Company:

IFRS 16	Amendments to IFRS 16 "Leases" - Clarification on how seller-lessee subsequently measures sale and lease back transaction	January 01, 2024
IAS 12	Income Taxes (Amendments)	January 01, 2024
IAS 1	Presentation of Financial Statements (Amendments)	January 01, 2024
IAS 7	Amendments to IAS 7 "Statement of Cash Flows"	January 01, 2024
IFRS 7	Amendments to IFRS 7 "Financial Instruments Disclosures"- Supplier Finance Arrangements	January 01, 2024
IAS 21	The Effects of Changes in Foreign Exchange Rates (Amendments)	January 01, 2025
IFRS 7 & 9	Amendments to Classification and Measurement of Financial Instruments - Amendments to IFRS 7 and IFRS 9	January 01, 2026
IFRS 17	Insurance Contracts	January 01, 2026

Other than the aforementioned standards, interpretations, and amendments, IASB has also issued the following standards, which have not been notified locally, in relation to the Company, by Securities and Exchange Commission of Pakistan (SECP) as at January 31, 2024:

IFRS 1	First Time Adoption of IFRS
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S2	Climate-Related Disclosures

The Company is in the process of assessing of the impact of these amendments on financials statement.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

3.1 Property, plant and equipment

Items of property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and identified impairment losses, if any. Freehold land is stated at cost less identified impairment loss, if any.

Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and includes other costs directly attributable to acquisition or construction including expenditures on material, labour and overheads directly relating to construction, erection and installation of items of property, plant and equipment. Cost in relation to certain assets may also include cost of borrowing during construction period in respect of loans taken for specific projects.

Depreciation is charged using the reducing balance method, except for the Pulping Plant, Steam Boiler, and ancillaries, which are depreciated using the straight-line method. This approach is used to write off the depreciable amount of an asset over its estimated useful life at the rate mentioned in Note 4, considering their residual values. Depreciation on additions is charged starting from the month they are capitalized, while no depreciation is charged in the month an asset is disposed of.

The depreciation method and useful lives of each part of property, plant and equipment, that are significant in relation to the total cost of the asset, are reviewed, and adjusted if appropriate, at each reporting date.

Normal repairs are charged to profit or loss as and when incurred. Gains or losses on disposal of property, plant and equipment are included in the statement of profit or loss. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

3.2 Capital work-in-progress

Capital work-in-progress is stated at cost less identified impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to property plant and equipments as and when these are available for use. All other repairs and maintenance are charged to profit or loss during the period in which these are incurred.

3.3 Intangibles assets

An intangible asset is recognized as an asset if it is probable that future economic benefits attributable to the asset will flow to the Company and the cost of such asset can be measured reliably. Cost of intangible assets i.e. software includes purchase cost and directly attributable expenses incidental to bring the software to its intended use.

Costs that are directly associated with identifiable software and have probable economic benefits beyond one year are recognized as intangible assets. However, costs associated with the maintenance of software are recognized as an expense.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

All intangibles are measured initially at cost and subsequently stated at cost less accumulated amortization and identified impairment losses, if any. Amortization is charged to profit or loss using the reducing method so as to write off the cost of an asset over its estimated useful life at the rate mentioned on note 5. The amortization period and the amortization method for intangible assets are reviewed, at each reporting date, and adjusted if impact on amortization is significant.

Amortization on additions is charged from the day an asset is put into use until the day the asset is disposed of.

3.4 Impairment of non-financial assets

Assets that have an indefinite useful life - for example, goodwill or intangible assets not ready to use - are not subject to amortization and are tested annually for impairment. Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date. Where impairment loss is recognized, the depreciation / amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value, over its remaining useful life.

3.5 Stores and spare parts

These are valued at lower of moving average cost and net realizable value while items considered obsolete, if any, are carried at nil value. Cost is determined using the weighted average method. Items in transit are valued at cost comprising invoice value plus other charges paid thereon. Provision is made for obsolete and slow moving stores and spares based on management's best estimate.

3.6 Stock in trade

These are stated at lower of cost and net realizable value.

Cost comprises all costs of purchase, cost of conversion and other costs incurred in bringing inventories to their present location and condition, the valuation has been determined as follows:

Raw materials and packing materials	Weighted average cost
Work-in-process and finished goods	Cost of direct materials, labour and appropriate manufacturing overhead

Stock in transit is valued at cost, comprising invoice value plus other charges invoiced thereon.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale (selling expenses). If the net realizable value is lower than the carrying amount, a write-down is recognized for the amount by which the carrying amount exceeds its net realizable value. Provision is made in the financial statements for obsolete and slow moving stock in trade based on management estimate.

3.7 Trade debts

Trade debts are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such trade debts are recognized at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortized cost using the effective interest rate method. Trade receivables are carried at original invoice amount less expected credit loss based on a review of all outstanding amounts at the reporting date. Bad debts are written off when identified

3.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.8.1 Financial assets - Classification and measurement

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

3.8.1.1 Classification

Financial assets are classified in either of the three categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. This classification is based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The management determines the classification of its financial assets at the time of initial recognition.

3.8.1.2 Initial recognition and measurement

All financial assets are initially measured at fair value plus transaction costs that are directly attributable to its acquisition except for trade receivable. Trade receivables are initially measured at the transaction price.

3.8.1.3 Subsequent measurement

Financial assets measured at amortized cost are subsequently measured using the Effective Interest Rate (EIR) method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

3.8.1.4 Derecognition

Financial assets are derecognized when the contractual rights to receive cash flows from assets have expired. The difference between the carrying amount and the consideration received is recognized in profit or loss.

3.8.1.5 Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all financial assets which are measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

3.8.2 Financial liabilities

3.8.2.1 Initial recognition and measurement

Financial liabilities are initially classified at amortized cost. Such liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

3.8.2.2 Subsequent measurement

The Company measures its financial liabilities subsequently at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in profit or loss. Difference between carrying amount and consideration paid is recognized in profit or loss when the liabilities are derecognized.

3.8.3 Offsetting

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

3.9 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of statement of cash flows, these comprise cash in hand and cash at bank.

3.10 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources shall be required to settle the obligation and the amount has been reliably estimated. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are not recognized for future operating losses.

3.11 Employee benefits

The main features of the schemes operated by the Company for its employees are as follows:

3.11.1 Gratuity Scheme

The Company operates an unfunded gratuity scheme for all employees according to the terms of employment subject to a minimum qualifying period of service. Employees are eligible for benefits under the gratuity scheme after completion of six months of continuous service. Annual provision is made on the basis of actuarial valuation to cover obligations under the scheme for all employees eligible to gratuity benefits irrespective of the qualifying period. The amount recognized in the statement of financial position represents the present value of defined benefit obligation adjusted for unrecognized actuarial gains and losses.

Actuarial gains and losses arising from experience adjustments, demographic assumptions and changes in actuarial assumptions are charged to other comprehensive income in the period in which they arise.

Provisions are made in the financial statements to cover obligations on the basis of actuarial valuation carried out at each reporting date.

3.11.2 Accumulating compensated absences

The Company also operates an unfunded accumulating compensated absences scheme and provides for the expected cost of accumulating compensated absences, when the employees render service that increase their entitlement to future compensated absences. These are treated as other long term employee benefits since these can be encashed at the time of final settlement. These benefits are provided to executives only.

Provisions are made annually to cover the obligation for accumulating compensated absences for executives based on actuarial valuation and are charged to profit or loss. The amount recognized in the statement of financial position represents the present value of defined benefit obligation. Actuarial gains / losses are recognized immediately under IAS 19 "Employee benefits" in the statement of profit or loss.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

The Company also provides accumulated compensated absences to its non-executive employees. These are treated as short term benefits since these can be encashed annually.

3.12 Taxation

Income tax expense comprises current and deferred tax. Income tax is recognized in the statement of profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in the statement of changes in equity, or other comprehensive income, as the case may be.

3.12.1 Current

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the year end of the reporting date.

The charge for current tax is higher of corporate tax (higher of tax based on taxable income and minimum tax) and alternative corporate tax. Super tax applicable on the Company is also as per the applicable rates as per the Income Tax Ordinance, 2001. However, in case of loss for the year, income tax expense is recognized as minimum tax liability on turnover of the Company in accordance with the provisions of the Income Tax Ordinance, 2001.

Corporate tax is based on taxable income for the year determined in accordance with the prevailing laws of taxation. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Alternative corporate tax is calculated at 17% of accounting profit, after taking into account the required adjustments.

Current tax for current and prior periods, to the extent unpaid is recognized as a liability. If the amount already paid irrespective of current and prior period exceeds the amount due to those periods the excess recognized as an asset.

The Company offsets current tax assets and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The management periodically evaluates positions taken in the tax returns with respect to situation in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

When minimum tax is higher than tax calculated on taxable profits, excess amount is recognized as levy under IFRIC 21. Further, the Company shall also charged tax expense under levy when tax is calculated under final tax regime.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

3.12.2 Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary timing differences arising from the difference between the carrying amount of the assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss.

Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred tax assets are recognized for all major deductible temporary differences to the extent that it is probable that taxable profit will be available against which deductible temporary differences, unused tax losses and tax credits can be utilized.

The carrying amount of the deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent of probable future taxable profit available that will allow deferred tax asset to be recovered.

Deferred tax is calculated at rates that are expected to apply to the period when the differences reverse based on the tax rates and tax laws that have been enacted or have been notified for subsequent enactment by the reporting date.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average rates that are expected to apply to the taxable profit (tax loss) of the periods in which temporary differences are expected to reverse.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.13 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within short period. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

3.14 Revenue recognition

Revenue is recognized by applying the following steps:

- i) Identifying contract with a customer
- ii) Identifying performance obligation in the contract
- iii) Determining transaction price of the contract
- iv) Allocating transaction price to each of the separate performance obligations in the contract
- v) Recognizing the revenue when (or as) the Company satisfies a performance obligation

Revenue is recognized when or as performance obligations are satisfied by transferring control of a promised good or service to a customer and the control transfers at a point in time at an amount that reflects the consideration to which the Company expects to be entitled to in exchange for those goods. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and other considerations payable to customers, is recognised when goods are dispatched from the factory to customer whereas revenue of export sales is recognized on date of issue of bill of lading.

3.15 Balances from contracts with customers

Refund liability

Certain contracts allow customers to return goods within a specified period. Therefore, a refund liability (included in trade and other payables) is recognized for products expected to be returned and for estimated discounts (such as trade promotions and incentives) payable to certain customers. These estimates are made by management based on historical trends and adjusted using current observable data, which involves significant management judgment. This makes it highly likely that a significant reversal of cumulative revenue recognized will not occur. The validity of this assumption and the estimated amounts for returns and discounts are reassessed at each reporting date.

Contract asset

A contract asset is recognized for the Company's right to consideration in exchange for goods or services transferred to a customer. If the Company transfers goods or services before the customer pays or before payment is due, the amount is presented as a contract asset, excluding receivables. This represents the right to receive payment for goods transferred without an invoice being raised.

Contract liability

'A contract liability is recognized for the Company's obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration, or the Company has a right to an amount of consideration that is unconditional (i.e. a receivable), before the Company transfers a good or service to the customer, the Company shall present the contract as a contract liability when the payment is made or the payment is due (whichever is earlier).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

Trade Receivable

Trade receivables represent the Company's right to an amount of consideration that is unconditional. Trade receivables are carried at original invoice amount less expected credit loss based on review of all outstanding amounts at the reporting date. Bad debts are written off when identified.

3.16 Borrowings cost

General and specific borrowing costs directly attributable to acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognized in profit or loss as incurred.

3.17 Earnings per share

The Company presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

3.18 Related party transactions

Transactions with related parties are based on the transfer pricing policy that all transactions between the Company and the related party or between two or more segments of the Company are at arm's length basis determined using the comparable uncontrolled price method except in circumstances where it is not in the interest of the Company to do so.

4 OTHER ACCOUNTING POLICY INFORMATION

The other accounting policies used in preparing these financial statements are outlined below. These policies have been consistently applied to all periods presented unless stated otherwise.

4.1 Ijarah contracts

The Company has entered into Ijarah contracts under which it obtains usufruct of an asset for an agreed period for an agreed consideration. Ijarah contracts are undertaken in compliance with the Shariah essentials for such contracts prescribed by the State Bank of Pakistan.

The Company accounts for its Ijarah contracts in accordance with the requirements of IFAS 2 'Ijarah'. Accordingly, the Company as a Mustaj'ir (lessee) in the Ijarah contract recognises the Ujrah (lease) payments as an expense in the profit or loss on straight line basis over the Ijarah term.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

4.2 Leases

For contracts entered into, or modified, on or after January 1, 2019, the Company assesses whether a contract contains a lease or not at the inception of a contract. The Company reassesses whether a contract is, or contains, a lease further when the terms and conditions of the contract are modified.

The Company determines the lease term as non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain to not to exercise that option.

The Company reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the Company and affects whether the Company is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in the determination of the lease term.

The Company revises the lease term if there is a change in the non-cancellable period of a lease.

4.2.1 Company as a lessee

4.2.1.1 Recognition

The Company recognizes a right-of-use asset and a lease liability at the commencement date. A commencement date is the date on which the lessor makes an underlying asset available for use by the lessee (the Company).

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of all underlying assets that have a lease term of 12 months or less and leases for which the underlying asset, when new, is of low-value. The Company recognizes the lease payments associated with these leases as an expense on straight-line basis over the lease term.

4.2.1.2 Initial measurement

Lease liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid. The lease payments are discounted using the interest rate implicit in the lease, or the Company's incremental borrowing rate if the implicit rate is not readily available. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments comprise fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

Right-of-use asset

The Company initially measures the right-of-use asset at cost. This cost comprises the amount of lease liability as initially measured, plus any lease payments made on or before the commencement date, less lease incentives received, initial direct costs and estimated terminal costs (i.e. dismantling or other site restoration costs required by the terms and conditions of the lease contract).

4.2.1.3 Subsequent measurement

Lease liability

After the commencement date, the Company re-measures the lease liability to reflect the affect of interest on outstanding lease liability, lease payments made, reassessments and lease modifications etc. Variable lease payments not included in the measurement of the lease liability and interest on lease liability are recognized in profit or loss, unless these are included in the carrying amount of another asset.

Lease payments are apportioned between finance charges and reduction of lease liability using the incremental borrowing rate to achieve a constant rate of interest on the remaining balance of the liability.

Lease liability payable in foreign currency is translated to local currency of the Company i.e. Pak Rupees at the reporting date. Any foreign exchange differences arising on translation of lease liability are recognized in profit or loss.

Right-of-use asset

After the commencement date, the Company measures the right-of-use asset at cost less accumulated depreciation and accumulated identified impairment losses, if any, adjusted for any remeasurement of the lease liability.

The Company depreciates the cost of right-of-use asset, net of residual value, from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. However, if the lease contract transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of right-of-use asset reflects that the Company will exercise the purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

4.3 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

4.4 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

4.5 Foreign currency transactions and balances

Transactions in foreign currencies are translated into Pak Rupees by applying the foreign exchange rate ruling on the date of transaction. Monetary assets and liabilities denominated in foreign currencies as at the reporting date are translated into Pak Rupees at the exchange rate prevailing at that date. Monetary translation differences are recognized in of profit or loss.

4.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (the Chief Executive Officer of the Company). Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets.

4.7 Dividend distribution

Dividend distribution to Company's shareholders is recognized as a liability in the period in which the dividends are approved and other appropriations are recognised in the period in which these are approved by the Board of Directors of the Company ('BOD')

4.8 Biological assets

Biological assets consist of trees, measured at fair value less estimated costs to sell. The fair value of trees is determined based on market prices of similar items in local areas. Costs to sell include all necessary costs to sell the assets, excluding costs to get the assets to the market. Gains or losses from changes in fair value less costs to sell are recognized in profit or loss.

	Note	2024 Rupees	2023 Rupees
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	572,168,335	622,300,506
Capital work in progress	5.6	6,431,543	-
		<u>578,599,878</u>	<u>622,300,506</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

5.1 Operating fixed assets

	Freehold Land	Buildings on Freehold Land	Leasehold Improvements	Plant and Machinery	Vehicles	Furniture and Fittings	Electric Installations	Computer Hardware	Total
-----Rupees-----									
Cost									
Balance as at July 01, 2022	15,547	197,261,554	22,577,104	1,094,035,367	9,981,952	15,774,276	76,213,822	22,013,241	1,437,872,863
Additions	-	11,327,653	-	8,234,058	-	6,652,433	2,500,608	5,090,390	33,805,142
Write off	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(9,703,432)	-	-	-	-	(9,703,432)
Balance as at June 30, 2023	15,547	208,589,207	22,577,104	1,092,565,993	9,981,952	22,426,709	78,714,430	27,103,631	1,461,974,573
Additions	-	610,000	-	4,588,000	137,500	2,190,000	1,338,446	389,153	9,253,099
Write off	-	-	(11,569,298)	-	-	-	-	-	(11,569,298)
Disposals	(2,332)	(4,325,993)	0	(1,600,000)	(225,597)	-	(80,952)	(156,500)	(6,391,374)
Balance as at June 30, 2024	13,215	204,873,214	11,007,806	1,095,553,993	9,893,855	24,616,709	79,971,924	27,336,284	1,453,267,000
Rate of depreciation - %	-	10%	20%	2.5% to 10%	20%	20%	20% to 33%	20%	
Accumulated depreciation									
Balance as at July 01, 2022	-	125,634,217	4,962,348	580,293,423	5,211,138	8,335,213	56,953,516	11,703,094	793,092,949
Depreciation charged for the year	-	7,540,310	3,522,951	34,772,258	433,563	1,698,583	4,071,089	3,140,346	55,179,100
Write off	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	(8,597,982)	-	-	-	-	(8,597,982)
Balance at June 30, 2023	-	133,174,527	8,485,299	606,467,699	5,644,701	10,033,796	61,024,605	14,843,440	839,674,067
Depreciation charged for the year	-	7,578,530	2,114,947	32,930,579	344,380	2,591,329	3,662,025	2,135,229	51,357,019
Write off	-	-	(5,140,293)	-	-	-	-	-	(5,140,293)
Disposals	-	(4,019,898)	-	(610,243)	(27,756)	-	(65,579)	(68,652)	(4,792,128)
Balance at June 30, 2024	-	136,733,159	5,459,953	638,788,035	5,961,325	12,625,125	64,621,051	16,910,017	881,098,665
Carrying amount									
As at June 30, 2023	15,547	75,414,680	14,091,805	486,098,294	4,337,251	12,392,913	17,689,825	12,260,191	622,300,506
As at June 30, 2024	13,215	68,140,055	5,547,853	456,765,958	3,932,530	11,991,584	15,350,873	10,426,267	572,168,335

	Note	2024 Rupees	2023 Rupees
5.1.1 Depreciation charge for the year has been allocated as follows:			
Cost of sales	24	44,276,829	45,465,538
Administrative expenses	25	6,271,421	8,700,263
Selling and distribution expenses	26	808,769	1,013,299
		51,357,019	55,179,100

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

5.2 Detail of disposals of property, plant & equipment

The details of property, plant and equipment disposed off during the year having individual book value exceeding Rs. 500,000 or more as follow:

Asset Particular	Cost	Carrying Value	Sale Price	Loss on Disposal	Particulars of Buyer	Mode of Disposal	Relationship with the Purchaser
	Rupees	Rupees	Rupees	Rupees			
Plant and Machinery	1,600,000	989,757	700,000	(289,757)	Mr. Muhammad Nawaz	Negotiation	Third Party

5.3 Particulars of immovable property (land and building) of the Company are as follow:

Location	Usage of immovable property	Total area
Renala Khurd, Okara, Pakistan	Production plant and warehouse	39.263 acres (2023: 46.263 acres)

5.3.1 During the year, the Company sold 7 acres of land in Renala Khurd, which had a book value of Rs. 2,332, to a third party for Rs. 350 million (2023: Nil).

5.4 The cost of fully depreciated assets that are still in use as at the reporting date is Rs. 38.14 million (2023: Rs. 40.96 million).

5.5 Security Charge on Property, Plant, and Equipment

The property, plant and equipment of the Company are subject to first and joint pari passu charge as security for certain financing by banks (Note 19).

5.6 Capital work in progress

	Civil works		Others		Total	
	2024	2023	2024	2023	2024	2023
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Opening balance	-	17,376,186	-	5,937,702	-	23,313,888
Additions during the year	-	-	6,431,543	3,773,184	6,431,543	3,773,184
	-	17,376,186	6,431,543	9,710,886	6,431,543	27,087,072
Transferred to property, plant and equipment	-	(17,376,186)	-	(8,865,042)	-	(26,241,228)
Charged to profit or loss	-	-	-	(845,844)	-	(845,844)
	-	-	6,431,543	-	6,431,543	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

	Note	2024 Rupees	2023 Rupees
6 INTANGIBLE ASSETS			
Computer softwares	6.1	<u>24,275,170</u>	<u>30,350,731</u>
6.1 Computer softwares			
Net Carrying Value			
Net carrying value - opening balance		30,350,731	4,191,050
Additions during the year		-	28,703,258
Amortization during the year	6.1.1	(6,075,561)	(2,543,577)
Net carrying value as at June 30		<u>24,275,170</u>	<u>30,350,731</u>
Gross Carrying Value			
Cost		41,921,983	41,921,983
Accumulated amortization		(17,646,813)	(11,571,252)
Net book value		<u>24,275,170</u>	<u>30,350,731</u>
Amortization rate		<u>20%</u>	<u>20%</u>
6.1.1 Amortization for the year has been charged to Administrative expenses.			
7 BIOLOGICAL ASSETS			
Trees	7.1	<u>2,578,452</u>	<u>2,444,402</u>
7.1 Reconciliation of carrying amounts of biological assets-Trees			
Carrying amount at the beginning of the year		2,444,402	1,550,000
Changes in fair value		134,050	894,402
Carrying amount at the end of the year which approximates the fair value less cost to sell		<u>2,578,452</u>	<u>2,444,402</u>
7.2 As at the reporting date, the Company beneficially owns 322 (2023: 487) trees of various kinds including Guava, Lemon and Mangoes etc.			
7.3 The fair value of these assets is determined by an independent valuer. The latest valuation of these assets was carried out as on June 30, 2024. Level 2 fair value of biological assets has been determined using market value approach.			

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

	Note	2024 Rupees	2023 Rupees
8 LONG TERM DEPOSITS			
Lahore Electric Supply Company		<u>1,224,780</u>	<u>1,224,780</u>
9 STORES AND SPARES			
General stores		15,671,277	12,744,891
Engineering stores		43,433,595	44,826,814
		<u>59,104,872</u>	<u>57,571,705</u>
9.1	Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.		
10 STOCK IN TRADE			
Raw materials		46,743,821	68,870,835
Packing materials		179,650,216	149,252,054
Work-in-process		165,035,401	180,241,135
Finished goods	10.1	135,581,652	148,706,888
		527,011,090	547,070,912
Less: Provision for obsolete stock	10.2	(29,852,942)	(26,332,238)
		<u>497,158,148</u>	<u>520,738,674</u>
10.1	The Company's stocks are hypothecated against short-term borrowings from various banks (Refer to Note 20).		
10.2 Provision for slow moving stock			
Opening balance		26,332,238	2,867,007
Provision for the year		10,362,145	23,465,231
Written off during the year		(6,841,441)	-
		<u>29,852,942</u>	<u>26,332,238</u>
11 TRADE DEBTS			
Local debtors (Unsecured - considered good)		203,265,814	125,792,879
Local debtors (Unsecured - considered doubtful)		10,028,597	57,908,180
Foreign debtors (Considered good)	11.1	64,174,446	66,061,514
		277,468,857	249,762,573
Less: Allowance for expected credit losses (ECL)	11.2	(10,028,597)	(57,908,180)
		<u>267,440,260</u>	<u>191,854,393</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

11.1 Detail of trade receivables from export sales

Jurisdiction	Export Sales During the Year	Gross Receivables at Year End	Default Amount	Names of Defaulting Parties	Legal Action Taken
	Rupees	Rupees	Rupees		
United States of America	95,043,405	-	-	No default	N/A
Europe	92,274,265	7,788,424	-	No default	N/A
Middle East	5,527,431	-	-	No default	N/A
Kingdom of Saudi Arabia	23,261,606	-	-	No default	N/A
Australia	14,432,260	-	-	No default	N/A
United Arab Emirates	134,092,988	-	-	No default	N/A
South Africa	12,183,470	-	-	No default	N/A
Canada	269,313,145	56,386,022	-	No default	N/A
Others	8,736,814	-	-	No default	N/A
Total	654,865,384	64,174,446	-		

	Note	2024 Rupees	2023 Rupees
11.2 Allowance for expected credit losses (ECL)			
Opening balance		57,908,180	29,093,679
Add: Allowance for impairment for the year		-	28,814,501
Less: Trade debts written off		(47,879,583)	-
Closing balance		10,028,597	57,908,180

11.3 The Company has received security deposit amounting to Rs. 7.9 million (2023: Rs. 7.9 million) from various customers against receivables.

12 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLE

Advances to (Unsecured)			
- Employees (Considered good)		8,996,189	6,778,570
- Suppliers and others		27,720,799	18,260,047
- Considered good		7,758,034	4,675,095
- Considered doubtful		44,475,022	29,713,712
Sales tax recoverable - net		67,468,645	29,806,089
Security deposits	12.1	4,186,500	5,524,000
Prepayments		2,510,466	2,469,058
Other receivables (Unsecured- considered good)	12.2	1,000,000	1,285,879
		119,640,633	68,798,738
Less: Loss allowance against doubtful advances and other receivables		(7,758,034)	(4,675,095)
		111,882,599	64,123,643

12.1 This includes an amount of Rs. 2.4 million (2023: Rs. 3.6 million) paid as a security deposit to Vanguard Books (Private) Limited, an associated Company, against the rented head office building at reporting date. The maximum amount outstanding during the year was Rs. 3.6 million (2023: Rs.3.6 million).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

12.2 This includes receivable from Mr. Syed Muhammad Mehdi Mohsin amounting to Rs. Nil (2023: Rs. 0.35 million), a related party. The maximum aggregate amount outstanding at the end of any month during the year amounted to Rs. 1.14 million (2023: Rs. 1.39 million).

	Note	2024 Rupees	2023 Rupees
13 INCOME TAX RECOVERABLE - NET			
Opening balance		108,613,307	118,506,475
Add: Payments / adjustments		37,859,225	23,394,709
Less: Charge for the year		(31,578,097)	(33,091,451)
Less: Appeal orders		(2,438,018)	-
Prior year adjustment		(1,367,818)	(196,426)
		111,088,598	108,613,307
14 CASH AND BANK BALANCES			
Cash in hand		1,441	-
Cash at bank in current accounts		13,672,694	2,836,041
Cash at Bank in saving accounts	14.1	42,707,829	16,563,311
Special account related to dividend payable	14.2	1,912,754	1,912,754
		58,294,718	21,312,106

14.1 The saving account earns markup at floating rates based on daily bank deposit rates ranging from 19.00% to 21.50% (2023: 13.00% to 20.51%) per annum approximately.

14.2 This represents unclaimed dividend amount.

14.3 The above figure of cash and bank balances reconcile to the amount of cash and cash equivalents shown in the statement of cash flows at the end of financial year.

15 Issued, Subscribed and Paid up Capital

2024	2023		2024 Rupees	2023 Rupees
Number of Shares				
16,417,990	16,417,990	Ordinary shares of Rs. 10 each fully paid in cash	164,179,900	164,179,900
6,412,990	6,412,990	Ordinary shares of Rs. 10 each allotted as bonus shares	64,129,900	64,129,900
44,020	44,020	Ordinary shares of Rs. 10 each issued for consideration other than cash	440,200	440,200
22,875,000	22,875,000		228,750,000	228,750,000

15.1 All ordinary shares rank equally with regard to residual assets of the Company. Ordinary shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. Voting and other rights are in proportion to the shareholding.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

15.2 Shares held by related parties are as follows:

	2024	2023	2024	2023
	(Percentage)		(Number of Shares)	
Mr. Syed Mohammad Mehdi Mohsin	20.415%	20.415%	4,669,872	4,669,872
Ms. Syeda Matanat Ghaffar	20.206%	20.206%	4,622,172	4,622,172
Ms. Syeda Maimanat Mohsin	20.420%	20.420%	4,671,072	4,671,072
Mr. Rizwan Bashir	0.0000%	0.0066%	-	1,501
Ms. Umme Kulsum Imam	0.0143%	0.0143%	3,267	3,267
Mr. Abdul Hamid Ahmad Dagia	0.0000%	0.0219%	-	5,000
Mr. Shazad Ghaffar	0.0063%	0.0063%	1,452	1,452
Mr. Syed Manzar Hassan	0.0063%	0.0063%	1,452	1,452
Mr. Najam Aziz Sethi	0.0063%	0.0063%	1,452	1,452
Mr. Mujeeb Rashid	0.0022%	0.0000%	500	-
			13,971,239	13,977,240

15.3 No shares were issued, repurchased, or cancelled during the year.

	Note	2024	2023
		Rupees	Rupees
16 RESERVES			
Capital reserve			
- Share premium		609,335,878	609,335,878
Revenue reserves			
- General reserve		300,000	300,000
- Accumulated loss		(245,726,472)	(694,639,815)
		363,909,406	(85,003,937)
17 DEFERRED LIABILITIES			
Retirement and other benefits	17.1	148,960,061	137,780,224
Deferred income	17.2	2,905,299	3,228,111
		151,865,360	141,008,335
17.1 Retirement and other benefits			
Staff gratuity	17.1.1	139,115,300	124,007,195
Accumulated compensated absences - Executive	17.1.2	7,902,930	12,427,444
Other employment benefit - Non executive		1,941,831	1,345,585
		148,960,061	137,780,224

17.1.1 Staff gratuity - unfunded

The Company operates an unfunded gratuity scheme covering its permanent employees subject to completion of minimum prescribed period of service. Actuarial valuation of the scheme is carried out annually by an independent actuary. Latest actuarial valuation was carried out as at June 30, 2024. Following key information was included in that actuarial report:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

	Note	2024 Rupees	2023 Rupees
17.1.1.1 Movement in liability for staff gratuity			
Opening balance		124,007,195	109,859,964
Charge for the year			
- Current service cost		21,006,990	20,612,160
- Interest cost		17,417,982	13,250,918
	17.1.1.3	38,424,972	33,863,078
Benefits due but not paid		(18,307,489)	(5,560,958)
Benefits paid		(15,331,734)	(14,145,107)
Remeasurements recorded in other comprehensive income			
- Actuarial gains from changes in financial assumptions		(481,743)	-
- Actuarial losses from changes in demographic assumptions		2,679,672	484,684
- Experience adjustments		8,124,427	(494,466)
		10,322,356	(9,782)
Closing balance		139,115,300	124,007,195
17.1.1.2 Actuarial assumptions			
Discount rate - per annum		14.75%	16.25%
Expected rate of increase in salary level - per annum		13.75%	15.25%
Average duration of liability		6 years	9 years
Expected mortality rate		SLIC 2001-2005 Setback 1 Year	
Actuarial valuation method		Projected unit credit method	
17.1.1.3 The charge for the year has been allocated as under:			
Cost of revenue	24	18,059,738	15,915,648
Administrative expenses	25	10,374,742	9,143,030
Selling and distribution expenses	26	9,990,492	8,804,400
		38,424,972	33,863,078
17.1.1.4 Estimated expenses to be Charged for the year 2024-2025			
			2025 Rupees
Current service cost			18,969,649
Interest cost			19,034,380
			38,004,029

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

	Note	2024 Rupees	2023 Rupees
17.1.1.5 Year end sensitivity analysis on defined benefit obligation			
Period end sensitivity analysis on present value of defined benefit obligation:			
Discount rate + 100 bps		130,936,006	113,750,231
Discount rate - 100 bps		148,397,313	135,966,193
Increase in salary level + 100 bps		148,654,535	136,060,800
Increase in salary level - 100 bps		130,564,409	113,502,086

The Company faces the following risks on account of staff gratuity scheme:

- **Final Salary Risk** – the risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary, which will closely reflect inflation and other macroeconomic factors, the benefit amount increases as salary increases.

- **Mortality Risk** - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

- **Withdrawal Risk** - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

17.1.1.6 The comparative statement of present value of defined benefit obligations is as under:

	2024 Rupees	2023 Rupees	2022 Rupees	2021 Rupees	2020 Rupees
Present value of defined benefit obligation	139,115,300	124,007,195	109,859,964	94,379,592	114,561,553
Fair value of plan asset	-	-	-	-	-
Net liability	139,115,300	124,007,195	109,859,964	94,379,592	114,561,553

	Note	2024 Rupees	2023 Rupees
17.1.2 Accumulated compensated absences			
Opening liability		12,427,444	11,454,178
Charge for the year	17.1.2.1	(94,242)	7,362,904
Payments made during the period		(4,915,065)	(2,938,369)
Current portion shown under current liability		7,418,137	15,878,713
Liability as at period end		485,313	(3,451,269)
		7,902,930	12,427,444

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

	Note	2024 Rupees	2023 Rupees
17.1.2.1 The charge for the year has been allocated as under:			
Cost of revenue		(35,755)	2,793,486
Administrative expenses		(20,224)	1,580,079
Selling and distribution expenses		(38,262)	2,989,339
		(94,242)	7,362,904
17.1.2.2 Actuarial assumptions			
Discount rate - per annum		16.25%	16.25%
Expected rate of increase in salary level - per annum		14.75%	15.25%
Average duration of liability		9 years	9 years
Expected mortality rate		SLIC 2001-2005 Setback 1 Year	
Actuarial valuation method		Projected unit credit method	
17.1.2.3 Period end sensitivity analysis on present value of defined benefit obligation:			
Discount rate + 100 bps		7,463,351	11,353,478
Discount rate - 100 bps		8,403,939	13,683,427
Increase in salary level + 100 bps		8,386,939	13,663,873
Increase in salary level - 100 bps		7,471,860	11,353,748
17.2 Deferred income			
This represent assets donated to the Company by World Health Organization, recognized and amortized in accordance with the Company's policy. The movement in the deferred income during the year is as follows:			
Opening balance		3,228,111	3,586,790
Amortization during the year		(322,812)	(358,679)
Closing balance		2,905,299	3,228,111

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

	Note	2024 Rupees	2023 Rupees
18 DEFERRED TAXATION			
The asset for deferred taxation comprises temporary differences relating to:			
- Accelerated tax depreciation & amortization		91,508,884	86,112,328
- Employee retirement benefits		(43,198,418)	(33,830,970)
- Provisions		(40,539,106)	(46,916,003)
- Deferred income		(842,537)	(792,640)
- Unabsorbed depreciation and amortization		(133,926,276)	(120,209,318)
- Business losses		(251,503,606)	(253,716,795)
- Unused tax credits available / minimum tax		(82,197,096)	(140,261,633)
- Deferred tax asset		(460,698,155)	(509,615,031)
- Unrecognized deferred tax asset		460,698,155	509,615,031
		-	-

18.1 Business tax losses and unused tax credits available against which deferred tax asset has not been recognized, will expire as follows:

Serial Number	Business Losses	Unused Tax Available	Tax Year in Which Loss Will Expire
1	274,816,721	28,067,601	2025
2	22,586,644	21,183,580	2026
3	55,628,938	32,945,915	2027
4	514,221,511	-	2028
	<u>867,253,814</u>	<u>82,197,096</u>	

	Note	2024 Rupees	2023 Rupees
19 TRADE AND OTHER PAYABLES			
Trade creditors		309,310,389	409,923,783
Accrued liabilities		60,904,441	50,545,829
Contract liabilities	19.1	10,767,512	40,458,853
Refund liabilities / provision against sales return		52,673,416	72,052,355
Security deposits	19.2	10,018,486	9,518,486
Workers' welfare fund		4,968,143	1,437,860
Workers' Profit Participation Fund		9,319,139	-
Provision for duties payables		22,925,050	13,560,527
Payable to employees		19,254,007	30,429,537
Withholding sales tax payable		10,519,879	13,937,046
Withholding income tax		22,894,871	25,445,031
Others		965,563	1,245,949
		<u>534,520,896</u>	<u>668,555,256</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

19.1 This represents balances relating to customers for sales to be recognized after the year-end. Revenue recognized during the year, which was included in the contract liabilities balance as at the beginning of the period, amounts to Rs. 40.45 million (2023: Rs. 35.87 million).

19.2 These security deposits are received from various customers. As per signed agreement, the Company has the right to utilize the amounts of these security deposits for the purpose of business; hence the amounts are not required to be kept in a separate bank account maintained in a scheduled bank.

	Note	2024 Rupees	2023 Rupees
20 FINANCES UNDER MARKUP ARRANGEMENTS			
Finances under mark up arrangements - secured	20.1	<u>212,585,223</u>	<u>302,002,267</u>

20.1 This represents running finance and export refinance facilities availed from various banks to meet the working capital requirements of the Company with a cumulative sanctioned limit amounting to Rs. 277.784 million (2023: Rs. 360 million). Mark up on these facilities ranges from 1 to 3 months KIBOR plus 0.5% to 2.5% margin per annum (2023: 1 to 3 months KIBOR plus 0.5% to 3.5% margin per annum) and is payable on quarterly basis. The aggregate short term facilities are secured by a first and joint pari passu charge on the present and future fixed assets (excluding freehold land) of the Company, stores and spares, stock in trade and trade debts -unsecured of the Company. The subordination of related parties loans has been waived off by bank subsequent to reporting date.

20.1.1 The Credit Facilities Available to the Company:

	2024			2023		
	Available limit	Utilised credit	Unavailed credit	Available limit	Utilised credit	Unavailed credit
	-----Rupees in million-----			-----Rupees in million-----		
Funded facilities						
Short term borrowings						
Conventional mode of finance	278	213	65	360	302	58
Islamic financing	-	-	-	-	-	-
	<u>278</u>	<u>213</u>	<u>65</u>	<u>360</u>	<u>302</u>	<u>58</u>
Unfunded facilities						
Letters of credits	100	1	99	100	32	68
Letter of guarantees	30	17	13	30	25	5
	<u>130</u>	<u>18</u>	<u>112</u>	<u>130</u>	<u>56</u>	<u>74</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

	Note	2024 Rupees	2023 Rupees
21 LOAN FROM RELATED PARTIES - UNSECURED			
Loan from related parties - Interest free	21.1	150,000,000	150,000,000
Loan from related parties - Interest bearing	21.2	54,000,000	166,000,000
		204,000,000	316,000,000
21.1 Loan from related parties - Interest free			
Ms. Syeda Maimanat Mohsin		75,000,000	75,000,000
Ms. Syeda Matanat Ghaffar		75,000,000	75,000,000
		150,000,000	150,000,000
21.2 Loan from related parties - Interest bearing			
Mr. Najam Aziz Sethi		27,000,000	66,000,000
Ms. Mira Sethi		-	35,000,000
Ms. Syeda Matanat Ghaffar		27,000,000	65,000,000
Ms. Syeda Matanat Ghaffar		54,000,000	166,000,000

21.3 These loans carry mark-up @ 3 months KIBOR plus 1% margin (2023: 1%) per annum.

21.4 These loans are repayable on demand.

22 CONTINGENCIES AND COMMITMENTS

22.1 Contingencies

22.1.1 Income tax

Following are the various contingencies relating to Income tax matters:

- (i) The Additional Commissioner Inland Revenue ['AdCIR'] has passed an order under section 122(5A) of the Income Tax Ordinance 2001 ['ITO, 2001'] vide order dated June 06, 2011 in respect of tax year 2005 through which the AdCIR has added back the amount of Rs. 15,576,026/- under various heads.

The Company has preferred an appeal before the Commissioner Inland Revenue Appeals ['CIR(A)']. On the date of hearing the Company submitted all the supporting documents in support of its stance that the additions made by the AdCIR was against the fact of the case. The CIR(A) through its order dated March 01, 2012 has decided partial amount in favor of the Company while an addition of Rs. 3,441,333/- has been confirmed.

Further, the Company preferred an appeal before Appellate Tribunal Inland Revenue ['ATIR'] against the confirmed additions. The honorable ATIR has remanded back the case to AdCIR through order dated September 20, 2016 and AdCIR has not initiated remanded back proceedings. As a result, remanded back case has been time barred as per the provision of section 124 of the ITO, 2001. The Company has filed an application to issue appeal effect order in favor of the Company. The appeal effect order is currently pending. In the opinion of the legal advisor, there is no contingency regarding this matter.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

- (ii) The Additional Commissioner Inland Revenue ('AdCIR') under section 122 of ITO 2001 vide order dated May 28, 2013 in respect of tax year 2011, raised a demand of Rs. 27.62 million on account of disallowance of certain expenditures and adjustment of minimum tax of prior years. The Company paid the said demand and under protest preferred an appeal before the Commissioner Inland Revenue (Appeals) which was partially decided in Company's favor resulting in a refund of Rs. 18.93 million vide order dated October 23, 2013. For further refund, the Company filed an appeal before the Appellate Tribunal Inland Revenue ('ATIR') which was decided against the Company vide order dated March 18, 2021. Being aggrieved, the Company filed an appeal in Honorable Lahore High Court, which is pending adjudication. The Company on the basis of opinion of the tax advisor is hopeful of favorable outcome of the case.
- (iii) The Deputy Commissioner of Inland Revenue (DCIR) raised demands amounting to Rs. 16.2 million including default surcharge against the Company vide various orders issued relating to tax year 2011, 2012, and 2016 under section 161 and 205 of ITO 2001 on account of non-withholding of taxes while making certain payments. The Company filed appeals with the Commissioner Inland Revenue ['CIR(A)'], which were partially decided against the Company.

The Company being aggrieved with the order of CIR(A) filed an appeal before the The Appellate Tribunal Inland Revenue ('ATIR'). ATIR through its appellate order dated December 18, 2023 quashed the principal demand to the extent of verified payments of Rs. 178,469,972 related to tax year 2011, 2012, and 2016 respectively and confirmed the demand to the extent of unverified payments amounting to Rs. 28,817,673 related to tax year 2011, 2012, and 2016 respectively. As a result of this appellate order, the demand created by the DCIR through their order in original of Rs. 16,193,281 were reduced to Rs. 1,425,043 related to tax year 2011, 2012, and 2016 respectively.

The DCIR has issued the appeal effect order related to tax year 2011 on June 03, 2024 and has given effect by reducing refundable tax of amounting to Rs. 440,636 for tax year 2011, however the Appeal effect orders related to tax year 2012 and 2016 are still pending.

- (iv) The Additional Commissioner Inland Revenue ('AdCIR') under section 122 of ITO 2001 vide order dated March 28, 2014 in respect of tax year 2013, raised a demand of Rs 39.47 million on account of disallowance of certain expenditures under section 21 (l) and 21 (m) of Income Tax Ordinance 2001. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) which was partially decided in favor of the Company vide order dated July 14, 2014 resulting in reduction of demand to Rs 8.57 million. Being aggrieved, the Company filed an appeal before Appellate Tribunal Inland Revenue ('ATIR') on August 18, 2014 for the remaining grounds relating to proration of expenses in respect of export sales, which has been remanded back for fresh proceedings vide order dated March 31, 2022 which are still pending and remand back proceedings are not initiated as per section 124 of the Income Tax Ordinance, 2001 which makes the proceeding under consideration time barred. In the opinion of the legal advisor, there is no contingency regarding this matter.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

- (v) The Additional Commissioner Inland Revenue ('AdCIR') under section 122 of ITO 2001 vide order dated November 30, 2015 in respect of tax year 2014, raised a demand of Rs 27.27 million on account of proration of expenses and disallowance of certain expenditures under section 21 (c), 24 of ITO 2001. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) which was partially decided in favor of the Company vide order dated January 25, 2016 resulting in reduction of demand to Rs 0.698 million. Being aggrieved with the order of CIR(A) the Company preferred to file an appeal before Appellate Tribunal Inland Revenue ['ATIR'] and AdCIR being aggrieved with the order of the CIR(A) filed a cross appeal before ATIR. The cross appeal filed by AdCIR was heard on February 21, 2023 and ATIR remanded back the proceedings to the CIR(A) through order dated April 26, 2023.

Further, the Company has approached the AdCIR for availing the appeal effect order in light of the order of the CIR(A), in response to which the AdCIR passed the order under section 124 read with section 129 of ITO, 2001, dated June 24, 2017, which has resulted in refund of Rs. 997,512. However while issuing the appeal effect order the AdCIR failed to allow deduction against the amount "Provision for gratuity" which was against the directions of CIR(A). Therefore, the Company decided to file a rectification application before the AdCIR. The rectified order dated June 21, 2019 was passed by AdCIR, through which the total income assessed through the previous appeal effect order dated June 24, 2017, has been reduced by amount of Rs. 4,315,196

The CIR(A) has not initiated the remand back proceedings and pending for adjudication. The Company on the basis of opinion of the tax advisor is hopeful of favorable outcome of the case.

- (vi) The Additional Commissioner Inland Revenue ('AdCIR') under section 122 of ITO 2001 vide order dated 2022 in respect of tax year 2015, raised a demand of Rs 36.44 million on account of disallowance of certain expenditures under section 21 of the ITO 2001. The Company filed appeal before the Commissioner Inland Revenue (Appeals), which has been decided against the Company vide order dated October 14, 2021. Being aggrieved, the Company filed an appeal before the Appellate Tribunal Inland Revenue ['ATIR'], which is pending adjudication. The Company on the basis of opinion of the tax advisor is hopeful of favorable outcome of the case.
- (vii) 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, 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 ['CIR(A)']. The appeal before CIR (A) has been heard and an order vide dated May 23, 2023 remanded back the case to AdCIR. The AdCIR has not initiated the remand back proceedings yet. The Company on the basis of opinion of the tax advisor is hopeful of favorable outcome of the case.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

- (viii) Deputy Commissioner Inland Revenue (DCIR) has passed an order under section 161 and 205 of the ITO, 2001 on June 19, 2023 generated principle default of Rs. 1,602,030 including default surcharge. Consequent to the default amount, the Company has paid the default demand of Rs. 1,602,030/- and preferred to file an appeal before Commissioner Inland Revenue ['CIR(A)'] which is heard dated January 01, 2024.

CIR(A) vide its order dated February 07, 2024 upheld the order passed by DCIR to the extent of principal default and remanded back the default surcharge to the DCIR to verify whether the Company has realized refunds available with the FBR in the year under consideration. Further, the Company has preferred, not to file an appeal before the ATIR in respect of the confirmed demand of Rs. 909,667.

- (ix) Deputy Commissioner Inland Revenue (DCIR) has passed an order under section 161 and 205 of the ITO, 2001 on May 30, 2024 create principle default of Rs. 2,501,480 including default surcharge. Consequent to the default, the company has paid the default demand of Rs. 2,501,480

The Company preferred an appeal before the Commissioner Inland Revenue ['CIR(A)'] dated June 12, 2024, which is not fixed for hearing yet. However, The Company on the basis of opinion of the tax advisor is hopeful of favorable outcome of the case.

- (x) The Company received the notice under rule 44 of the Income Tax Rules, 2002 dated May 18, 2023 through which the Company was required to furnish detail of payments made under various heads along with documentary evidence. Reply to the notice is submitted on September 01, 2023 and show cause notice under section 161 is not received yet. The Company on the basis of opinion of the tax advisor is hopeful of favorable outcome of the case.

22.1.2 Sales tax

Following are the various contingencies relating to Sales Tax matters:

- (i) The Additional Commissioner Punjab Revenue Authority ('AdC') passed an order dated May 06, 2021 created a demand of Rs. 38.28 million on issues on account of short deducted / deposited withholding sales tax. The Company filed an appeal before Commissioner Appeals PRA[C(AP)], which vide his appellate order dated May 06, 2024 remanded back the case to AdC. Further, Adc has not yet initiated proceedings. However, the Company on the basis of opinion of the tax advisor is hopeful of favorable outcome of the case.
- (ii) Deputy Commissioner Inland Revenue ('DCIR') passed an order dated December 16, 2022, created an alleged demand of Rs. 0.77 million. 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. 0.40 million pertaining to the penalty and refer the remaining amount of Rs. 0.36 million, pertaining to default surcharge, to FBR to recalculate the same at the time of recovery. Being aggrieved with the order of the CIR(A), Company has filed an appeal before ATIR which is pending for adjudication. However, as per the tax advisor of the Company, any financial exposure in this respect cannot be commented at this stage.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

- (iii) The Deputy Commissioner Inland Revenue (DCIR) raised a demand of Rs. 16.47 million along with a penalty of Rs. 16.37 million on account of input tax claimed on invoices issued by blacklisted vendors, inadmissible input tax claimed, and non-payment of further tax, vide order dated July 30, 2019. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) CIR(A), which was partially decided in favor of the Company, vide order dated November 11, 2019, resulting in the reduction of the demand to Rs. 2.03 million, with the penalty to be recalculated at the time of the appeal effect, and certain matters were remanded back. Being aggrieved, the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR). The Honorable ATIR has remanded back the case to DCIR through an order dated May 17, 2022.

Furthermore, DCIR initiated the remand back proceedings and issued an order on June 30, 2021, creating a demand of Rs. 2.68 million, including default surcharge. The Company filed an appeal before the Commissioner Inland Revenue (Appeals), which was partially decided in favor of the Company, vide order dated October 11, 2021. Being aggrieved, the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the remaining amount of Rs. 1.51 million, which was remanded back for fresh proceedings, vide order dated May 17, 2022, which are still pending. However, as per the tax advisor of the Company, the remand back proceeding is not concluded within a period of one year as guided in section 11B of the Sales Tax Act, 1990. Hence, the proceeding under S.R.O. 490 is time barred. In the opinion of the legal advisor, there is no contingency regarding this matter.

- (iv) The Deputy Commissioner Inland Revenue (DCIR) vide its order dated July 31, 2023 raised principle demand of 11.12 million. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) CIR(A), who vide its order dated September 25, 2023 deleted the penalty of Rs. 3.9 million and upheld the order of DCIR to the extent of Rs. 7.2 million. Being Aggrieved with the order of CIR(A), the Company filed an appeal before ATIR which is pending for hearing. However, as per the tax advisor of the Company, any financial exposure in this respect cannot be commented at this stage.
- (v) The Additional Commissioner [AdC] has issued a notice dated October 16, 2023 through which intention was shown by the AdC to recover the alleged short deducted/ deposited withholding sales tax of Rs. 40,435,618 on grounds that the Company failed to fulfill its obligation, as a withholding obligation as per the provisions of Punjab Sales Tax on Services (Withholding) rules 2015.

In response, the Company filed a writ petition against such unlawful show cause notices in Lahore High Court ['LHC']. The LHC, through its order sheet dated March 12, 2024 has decided the matter in favor of the Company and has allowed the petition. Due to favorable decision of LHC, show cause notices are not in field. In light of the directions of the honorable LHC, and as per opinion of the tax advisor of the Company, there is no financial burden upon the Company until any further action by the department.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

- (vi) The Additional Commissioner [AdC] has issued a notice dated October 16, 2023 through which intention was shown by the AdC to recover the alleged short deducted/ deposited withholding sales tax of Rs. 50,999,366/- on grounds that the Company failed to fulfill its obligation, as a withholding obligation as per the provisions of Punjab Sales Tax on Services (Withholding) rules 2015.

In response, the Company filed a written petition against such unlawful show cause notices in LHC. The LHC, through its order sheet dated March 12, 2024 has decided the matter in favor of the Company and has allowed the petition. Due to favorable decision of LHC, show cause notices are not in field. In light of the directions of the honorable LHC, and as per the opinion of tax advisor of the Company, there is no financial burden on the Company until any further notice by the department.

- (vii) Assistant Commissioner Sindh Revenue Board [AC] has issued a notice for non-payment of Sindh sale tax amount under section 47 of the Sindh Sales Tax on Services Act, 2011 dated September 19, 2023 through which intention was shown by AC to recover the alleged non-deposited withholding sales tax of Rs. 9,544,384 on grounds that the Company failed to fulfill its obligation, as a withholding agent as per the provisions of Sindh Sales Tax Special Procedure Withholding Rules, 2014. The requisite detail and documentary evidence has been submitted to the AC. As per opinion of tax advisor of the Company any financial exposure in this respect cannot be commented at this stage.

22.1.3 Others

- (i) The Dohler Pakistan (plaintiff) has filed a petition on January 02, 2023 before Senior Civil Court, Lahore against the 110 Traders (Private) Limited (Defendants) and the Company that they have failed to manufacture / produce tomato pulp to the required demand and have been unable to hand over the produced tomato pulp to the plaintiff, therefore, the plaintiff should be compensated for their loss in the form of damages. The Company has submitted in the Court that Dohler Pakistan never executed any agreement or Contract with the Company, any contract between Dohler Pakistan and 110 Traders (Private) limited was a bilateral contract which doesn't bind or enforce any rights on the Company. The suit is pending for adjudication. The Company on the basis of opinion of the legal advisor is hopeful of favorable outcome of the case.
- (ii) Dr. Abdul Rauf s/o Muhammad Yaqoob (plaintiff), has filed a petition before Senior Civil Court on December 09, 2023 against the Company (defendant) that his grandfather had vast land properties that currently occupied by the defendant. The suit is pending for adjudication. The Company on the basis of opinion of the legal advisor is hopeful of favorable outcome of the case.
- (iii) During the year 2023, one of the ex employee filed suit before Sindh High Court, Karachi against the Company on his termination from services. He has claimed damages of Rs 25 million with 15% markup from the date of his termination. The suit is pending for adjudication. The Company on the basis of opinion of the legal advisor is hopeful of favorable outcome of the case.
- (iv) During the year 2024, one of the ex-employee, has filed an application before the Payment of Wages Authority for the recovery of Rs. 2,043,723 under the head of gratuity. The Company on the basis of opinion of the legal advisor is hopeful of favorable outcome of the case.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

- (v) Phreakin Digital has filed an application under Section 20 of the Arbitration Act for appointment of arbitration to adjudicate on their claim of unpaid invoices to the tune of Rs. 7,030,345. As per legal Advisor of the Company, there is likelihood that the question of maintainability will be decided in the favor Company and the case will be dismissed.
- (vi) Letter of guarantee in favor of Sui Northern Gas Pipelines Limited on account of payment of dues against gas consumption amounting to Rs. 17.21 million (2023: Rs. 17.21 million).
- (vii) The Company has issued postdated cheques amounting to Rs 126.14 million (2023: Rs 126.14 million) to 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.

22.2 Commitments

- (i) Letters of credit for purchase of raw and packing materials Rs 0.74 million (2023: Rs. 31.59 million).
- (ii) The Company has entered into operating lease agreements, including Ijarah financing agreement with Bank Al Habib Limited in order to obtain vehicles for employees. The amount of future payments under ijarah and the period in which these payments will become due are as follows:

	Note	2024 Rupees	2023 Rupees
Not later than one year		-	354,251
Later than one year and not later than five years		-	-
		<u>-</u>	<u>354,251</u>

- (iii) The Company's commitments in respect of capital commitments are Rs. 1.6 million (2023: Rs. Nil) as at the reporting date. (Refer Note 5.6)

23 REVENUE

Local	2,942,187,486	3,189,920,803
Export	654,865,384	514,323,111
	3,597,052,870	3,704,243,914
Less: Sales tax - on local sales	456,485,304	431,594,892
Sales returns, trade discounts and incentives	498,403,755	547,718,132
	(954,889,059)	(979,313,024)
	2,642,163,811	2,724,930,890

- 23.1 All the revenue is recognized at a point in time.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

	Note	2024 Rupees	2023 Rupees
23.2	The Company's revenue based on geographical location is given as under:		
	Pakistan	1,987,298,427	2,210,607,779
	United States of America	95,043,405	80,541,155
	Europe	92,274,265	66,243,688
	Middle East	5,527,430	14,489,375
	Kingdom of Saudi Arabia	23,261,606	72,528,555
	Australia	14,432,260	-
	United Arab Emirates	134,092,988	102,181,718
	South Africa	12,183,470	4,853,032
	Canada	269,313,145	168,586,135
	Others	8,736,815	4,899,454
		2,642,163,811	2,724,930,890
24	COST OF SALES		
	Raw and packing materials consumed	1,391,495,326	1,656,181,975
	Salaries, wages and other benefits	225,328,187	226,402,498
	Ijarah rentals	47,105	812,456
	Boiler expenses	37,501,146	30,663,235
	Freight and octroi	124,270	1,224,588
	Travelling and vehicle running	5,864,483	5,639,901
	Repairs and maintenance	4,927,350	4,986,506
	Power, water and gas	90,152,035	89,479,397
	Insurance	2,734,342	2,670,862
	Rent, rates and taxes	4,305,795	3,990,451
	Finished goods written off	-	55,482,107
	Provision for slow moving raw materials of goods	10,362,145	23,465,231
	Depreciation on property, plant and equipment	44,276,829	45,465,538
	Amortization of intangible assets	-	63,960
	Other expenses	7,546,877	9,958,391
		1,824,665,890	2,156,487,096
	Work in process		
	Opening stock	180,241,135	92,569,218
	Closing stock	(165,035,401)	(180,241,135)
		15,205,734	(87,671,917)
	Cost of goods manufactured	1,839,871,624	2,068,815,179
	Finished goods		
	Opening stock	148,706,888	156,706,393
	Closing stock	(135,581,652)	(148,706,888)
		13,125,236	7,999,505
		1,852,996,860	2,076,814,684

24.1 This includes Rs. 18.023 million (2023: Rs. 18.71 million) in respect of staff retirement benefits.

24.2 This represents lease rentals recognised on leases classified as short term.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

	Note	2024 Rupees	2023 Rupees
25 ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits	25.1	88,058,957	94,891,761
Lease rentals		295,860	759,535
Travelling and vehicle running		10,160,307	10,270,769
Entertainment		2,357,547	3,724,516
Repairs and maintenance		2,062,171	2,531,295
Insurance		5,130,875	7,900,656
Rent, rates and taxes	25.2	15,049,412	20,471,926
Power, water and gas		5,104,542	6,130,367
Printing and stationery		1,351,461	2,217,584
Postage and telephone expenses		1,470,617	2,343,164
Legal and professional services	25.3	28,602,770	23,634,758
Depreciation on property, plant and equipment	5.1.1	6,271,421	8,700,263
Amortization of intangible assets	6.1.1	6,075,561	2,019,379
Other expenses		2,952,799	2,202,175
		174,944,300	187,798,148

25.1 This includes Rs. 10.35 million (2023: Rs. 10.72 million) in respect of staff retirement benefits.

25.2 This represents lease rentals recognised on leases classified as short term.

25.3 Auditors' remuneration

Audit fee	1,925,000	1,903,330
Half yearly review fee	786,500	786,500
Out of pocket expenses	-	150,000
	2,711,500	2,839,830
Certification fee	125,000	330,000
	2,836,500	3,169,830

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

	Note	2024 Rupees	2023 Rupees
26 SELLING AND DISTRIBUTION EXPENSES			
Salaries, wages and other benefits	26.1	85,722,146	101,722,986
Ijarah rentals		360,504	1,731,089
Travelling and vehicle running		25,739,392	31,247,299
Entertainment		1,832,894	1,491,323
Freight expenses			
- Local		34,506,605	28,286,701
- Export		11,518,601	11,142,616
Advertisement		1,902,336	33,416,934
Selling and related expenses		162,783,218	219,029,555
Legal and professional services		9,856,559	7,619,850
Repairs and maintenance		683,291	284,715
Insurance		717,070	1,097,293
Rent, rates and taxes	26.2	3,875,683	3,523,348
Power, water and gas		1,934,415	545,693
Printing and stationery		177,557	230,199
Postage and telephone		1,275,656	2,035,512
Depreciation on property, plant and equipment	5.1.1	808,769	1,013,299
Amortization of intangible assets		-	460,238
		343,694,696	444,878,650
26.1		This includes 9.95 million (2023: Rs. 11.79 million) in respect of staff retirement benefits.	
26.2		This represents lease rentals recognised on leases classified as short term.	
27 OTHER OPERATING EXPENSES			
Allowance for doubtful debts		-	28,814,501
Provision for doubtful advances		3,082,939	4,675,095
Sales tax receivable written off		11,737,556	25,061,668
Exchange loss		2,943,420	5,402,659
Provision for duty and tax remission for imports		17,991,812	-
Fines and penalties		5,217,647	-
Workers' profit participation fund		9,319,139	-
Workers' welfare fund		3,541,273	-
		53,833,786	63,953,923
28 FINANCE COST			
Long term finances secured		-	324,404
Finances under markup arrangements secured		61,722,432	52,289,110
Loan from related parties unsecured		29,472,165	26,305,287
Bank and other charges		4,992,204	6,164,356
		96,186,801	85,083,157

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

	Note	2024 Rupees	2023 Rupees
29 OTHER INCOME			
Scrap sales		10,454,448	13,292,470
Gain on disposal of fixed assets	5.3.1	356,689,211	7,390,884
Excess liabilities written back		-	80,853,444
Gain on revaluation of biological assets		134,050	894,402
Amortization of deferred income	17.2	322,812	358,679
Amortization of deferred grant		-	125,297
Income on saving bank accounts / TDR's		3,931,692	1,309,191
Others		142,033	3,461,049
		371,674,246	107,685,416
30 LEVY / FINAL TAXATION			
Levy:			
- For the year		31,578,097	33,091,451
- Prior period adjustment		1,367,818	196,426
		32,945,915	33,287,877
30.1	Levy represents tax under final tax regime and minimum tax on turnover under section 113 of the Income Tax Ordinance, 2001. Minimum tax under section 113 is available for set off for three years against normal tax liability arising in future years, whereas tax under final tax regime is not available for set off against normal tax liability arising in future years.		
30.2	The Company has recognized minimum tax at 1.25% and in case of export at 1% of export proceeds therefor no tax reconciliation is given.		
31 CURRENT TAX			
Current tax	31.1	-	-
Deferred tax		2,993,483	(2,837)
		2,993,483	(2,837)
31.1 Reconciliation of Levy and Income tax under IAS-12			
Current tax liability as per applicable tax laws		32,945,915	33,287,877
Portion of current tax liability representing income tax as per IAS -12		-	-
Portion of current tax liability representing levy as per IFRIC 21 / IAS 37		(32,945,915)	(33,287,877)
Difference		-	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

		2024	2023
32	EARNING / (LOSS) PER SHARE - BASIC AND DILUTED		
	Net earning / (loss) for the year attributable to ordinary shareholders	Rupees <u>456,242,216</u>	<u>(59,197,296)</u>
	Weighted average number of ordinary shares outstanding during the year	Number <u>22,875,000</u>	<u>22,875,000</u>
	Earning / (loss) per share - Basic	Rupees <u>19.95</u>	<u>(2.59)</u>

32.1 Diluted Earning / (loss) per share

There is no dilutive effect on the basic earnings per share of the Company as the Company has no such commitments that would result in dilution of earnings of the Company.

33 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks:

- Credit risk
- Liquidity risk
- Market risk (including currency risk, interest rate risk and other price risk)

The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

33.1 Risk management framework

The Board of Directors has overall responsibility for establishment and oversight of the Company's risk management framework. The audit committee is responsible for developing and monitoring the Company's risk management policies. The committee regularly meets and any changes and compliance issues are reported to the Board of Directors.

Risk management systems are reviewed regularly by the audit committee to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees compliance by management with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

33.2 Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from amounts receivable from customers of the Company, deposits with banks and other receivables.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

The management has a credit policy in place and exposure to credit risk is monitored on a continuous basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Company does not require collateral in respect of financial assets. The Company does not have significant exposure to any individual counterparty. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2024 Rupees	2023 Rupees
Trade debts	277,468,857	249,762,573
Less: Allowance for expected credit losses (ECL)	(10,028,597)	(57,908,180)
	267,440,260	191,854,393
Bank balances	58,293,277	21,312,106
	325,733,537	213,166,499

Credit quality of financial assets

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers, have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical defaults rates and present ages.

Not due	75,387,243	50,029,396
Past due 1 - 30 days	104,181,719	56,468,795
Past due 31 - 60 days	49,684,317	11,060,265
Past due 61 - 90 days	19,952,229	8,350,371
Past due 91 - 180 days	18,098,953	33,634,140
Past due 181 - 365 days	2,846,210	45,875,955
More than 366 days	7,318,186	44,343,651
	277,468,857	249,762,573

The Company's exposure relating to credit risk relating to trade debt is disclosed in relevant notes to the financial statement. There are no significant trade debts that are past due as at the reporting date.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Credit ratings			2024	2023
	Short term	Long term	Agency	Rupees	Rupees
National Bank of Pakistan	A1+	AAA	PACRA	1,739,244	1,739,244
MCB Bank Limited	A1	A	PACRA	787,333	1,859,352
Habib Bank Limited	A1+	AAA	JCR-VIS	33,035,487	17,694,685
Bank Al Habib	A1+	AAA	PACRA	21,659,194	18,825
Meezan Bank Limited	A1+	AAA	JCR-VIS	1,072,019	-
				58,293,277	21,312,106

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, the management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

33.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. As at reporting date, the Company had Rs. 278 million (2023: Rs. 360 million) available borrowing limits from financial institutions [unutilized: Rs. 65 million (2023: Rs. 58 million)] and Rs. 58.29 million (2023 Rs. 21.31 million) cash and bank balances. Following are the contractual maturities of financial liabilities:

Contractual maturities of financial liabilities as at June 30, 2024:

	Carrying Amount	Contractual cash flows	Within 1 year	1-2 Year	2-5 Years	More than 5 years
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Finances under markup arrangements - secured	212,585,223	212,585,223	212,585,223	-	-	-
Trade and other payables	476,051,352	476,051,352	476,051,352	-	-	-
Unclaimed dividend	1,912,754	1,912,754	1,912,754	-	-	-
Accrued finance cost	14,103,836	14,103,836	14,103,836	-	-	-
Loan from related parties - unsecured	204,000,000	204,000,000	204,000,000	-	-	-
	908,653,165	908,653,165	908,653,165	-	-	-

Contractual maturities of financial liabilities as at June 30, 2023:

	Carrying Amount	Contractual cash flows	Within 1 year	1-2 Year	2-5 Years	More than 5 years
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Finances under markup arrangements - secured	302,002,267	302,002,267	302,002,267	-	-	-
Trade and other payables	587,276,466	587,276,466	587,276,466	-	-	-
Unclaimed dividend	1,912,754	1,912,754	1,912,754	-	-	-
Accrued finance cost	47,309,572	47,309,572	47,309,572	-	-	-
Loan from related parties - unsecured	316,000,000	316,000,000	316,000,000	-	-	-
	1,254,501,059	1,269,501,059	1,269,501,059	-	-	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at the reporting date. The rates of interest / mark up have been disclosed in relevant notes to these financial statements.

33.4 Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD). Currently, the Company's foreign exchange risk exposure is restricted to the amounts receivable/payable from/to the foreign entities. The Company's exposure to currency risk at the reporting date is as follows:

	2024 Rupees	2023 Rupees
Trade debts - unsecured	<u>64,174,446</u>	<u>66,061,514</u>
The following significant exchange rates were applied during the year:		
Rupees per USD		
Average rate	282.97	246.38
Reporting date rate	278.04	287.90

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 1% against the USD with all other variables held constant, the impact on profit before taxation for the year would have been Rs. 0.641 million (2023: Rs. 0.661 million) respectively lower / higher, mainly as a result of exchange losses / gains on translation of foreign exchange denominated financial instruments. This sensitivity analysis reflects exposure as at the reporting date and is unrepresentative of the exposure during the year.

(ii) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity price risk.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

(iii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises from short term borrowings. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

	2024 Rupees	2023 Rupees
<i>Floating rate instruments - Financial assets</i>		
Bank balances - savings account	42,707,829	16,563,311
<i>Floating rate instruments - Financial liabilities</i>		
Loan from shareholders - interest bearing	54,000,000	166,000,000
Finances under markup arrangements	130,585,223	211,161,044
<i>Fixed rate instruments - Financial liabilities</i>		
Finances under markup arrangements	82,000,000	90,841,223

Cash flow sensitivity analysis for variable rate instruments

If interest rates on floating rate instruments, at the reporting date, fluctuate by 1% higher / lower with all other variables held constant, profit before taxation for the year would have been Rs. 1.41 million (2023: Rs 3.6 million) lower / higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

33.5 Fair values

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

As at the reporting date, the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying values.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The fair values of all other financial assets and liabilities are not considered to be significantly different from their carrying values.

The Company classifies the financial instruments measured in the statement of financial position at fair value in accordance with the following fair value measurement hierarchy:

Level 1	Quoted market prices
Level 2	Valuation techniques (market observable)
Level 3	Valuation techniques (non market observable)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

The Company is not exposed to any significant fair value risk at reporting date.

33.6 Financial instruments by categories

Financial assets as at June 30, 2024

	At amortized cost	Fair value through profit or loss	At fair value through other comprehensive income	Total
	Rupees	Rupees	Rupees	Rupees
Trade debts - unsecured	267,440,260	-	-	267,440,260
Cash and bank balances	58,294,718	-	-	58,294,718
	325,734,978	-	-	325,734,978

Financial assets as at June 30, 2023

	At amortized cost	Fair value through profit or loss	At fair value through other comprehensive income	Total
	Rupees	Rupees	Rupees	Rupees
Trade debts - unsecured	191,854,393	-	-	191,854,393
Cash and bank balances	21,312,106	-	-	21,312,106
	213,166,499	-	-	213,166,499

	2024 Rupees	2023 Rupees
Financial liabilities at amortized cost		
Trade and other payables	476,051,352	587,276,466
Finances under markup arrangements	212,585,223	302,002,267
Loan from related parties - unsecured	204,000,000	316,000,000
Accrued finance cost	14,103,836	47,309,572
Unclaimed dividends	1,912,754	1,912,754
	908,653,165	1,254,501,059

33.6.1 Fair values of financial assets and liabilities

Carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

34 CAPITAL RISK MANAGEMENT

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares or sell assets to reduce debt.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

In line with the norms of the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity as shown in the statement of financial position plus net debt. As at the reporting date, the gearing ratio of the Company was worked out as under:

	2024	2023
	Rupees	Rupees
Loan from related parties - unsecured	204,000,000	316,000,000
Finances under markup arrangements	212,585,223	302,002,267
Cash and bank balances	(58,294,718)	(21,312,106)
Net debt	358,290,505	596,690,161
Total equity	592,659,406	143,746,063
Total capital employed	950,949,911	740,436,224
Gearing ratio	38%	81%

35 OPERATING SEGMENTS

The financial information has been prepared on the basis of a single reportable segment.

35.1 The Company's revenue from external customers by geographical location is given as under:

	2024	2023
	Percentage	
Pakistan	75.21%	81.13%
United States of America	3.60%	2.96%
Europe	3.49%	2.43%
Middle East	0.21%	0.53%
Kingdom of Saudi Arabia	0.88%	2.66%
Australia	0.55%	0.00%
United Arab Emirates	5.08%	3.75%
South Africa	0.46%	0.18%
Canada	10.19%	6.19%
Others	0.33%	0.18%
	100%	100%

35.2 Revenues from one customer of the Company's grocery & confectionary business segment represents approximately 13%, Rs. 318,509,175 (2023: Rs. 334,314,146) of the Company's total revenues.

35.3 All non-current assets of the Company as at June 30, 2024 are located in Pakistan.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

	2024 Cartons	2023 Cartons
36 PLANT CAPACITY AND ACTUAL PRODUCTION		
The capacity of the plant is not determinable as it is a multi product plant capable of producing several interchangeable products.		
Actual production:		
Groceries & Confectioneries	892,089	1,212,880

37 Remuneration of Chief Executive Officer, Directors and Executives

	Chief Executive		Directors		Executives		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	Rupees		Rupees		Rupees		Rupees	
Managerial remuneration	-	2,283,870	-	-	57,890,837	54,201,260	57,890,837	56,485,130
Retirement benefits	-	-	-	-	17,481,894	18,027,283	17,481,894	18,027,283
House rent allowance	-	1,027,740	-	-	17,947,746	24,390,555	17,947,746	25,418,295
Utilities	-	228,390	-	100,206	3,986,518	5,420,036	3,986,518	5,748,632
Car allowance	-	459	-	-	5,647,000	6,670,339	5,647,000	6,670,798
Meeting fee	125,000	-	675,000	850,000	-	-	800,000	850,000
	125,000	3,540,459	675,000	950,206	102,953,995	108,709,473	103,753,995	113,200,138
Number of persons	1	1	8	8	24	22	33	31

37.1 An Executive is defined as an employee, other than the Chief Executive and Directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

37.2 The Chief Executive and employees are entitled to reimbursement of medical expenses as per the limits defined in the Company's policy.

37.3 The Company also provides certain employees with free use of Company maintained cars.

38 Reconciliation of Movements of Liabilities to Cash Flows arising from Financing Activities

	As at June 30, 2023	Non-cash changes	Cash flows - net	As at June 30, 2024
	Rupees	Rupees	Rupees	Rupees
Loan from related parties - unsecured	316,000,000	-	(112,000,000)	204,000,000
Finances under markup -arrangements	302,002,267	-	(89,417,044)	212,585,223
Total liabilities from -financing activities	618,002,267	-	(201,417,044)	416,585,223

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

	As at June 30, 2022	Non-cash changes	Cash flows - net	As at June 30, 2023
	Rupees	Rupees	Rupees	Rupees
Long term finances - secured	14,949,499	50,501	(15,000,000)	-
Loan from related parties	225,000,000	-	91,000,000	316,000,000
- unsecured				
Finances under markup	341,059,804	-	(39,057,537)	302,002,267
-arrangements				
Total liabilities from				
-financing activities	581,009,303	50,501	36,942,463	618,002,267

39 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise associated company due to common directorship, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. The Company enters into transactions with related parties on the basis of mutually agreed terms. Significant balances and transactions with related parties are as follows:

Transactions during the year				2024	2023
				Rupees	Rupees
Related party	Basis of Relationship	Aggregate Shareholding	Nature of transaction		
Mr. Najam Aziz Sethi	Chief Executive	0.0063%	Obtained loan	25,000,000	31,000,000
			Loan repaid	64,000,000	15,000,000
			Finance cost	12,420,591	11,948,152
Mr. S.M. Mehdi Mohsin	Director	20.4147%	Purchase of goods	15,984	3,318,091
			Rent paid	4,305,795	3,498,014
			Expenses incurred on their behalf	4,237,923	1,565,627
Ms. Syeda Maimanat Mohsin	Spouse of Director	20.4200%	Purchase of goods	-	45,360
			Loan obtained	-	5,000,000
			Loan repaid	-	5,000,000
Ms. Syeda Matanat Ghaffar	Spouse of Director	20.2062%	Loan obtained	13,000,000	25,000,000
			Loan repaid	51,000,000	-
			Finance cost	12,276,911	9,275,596
Ms. Mira Sethi	Close relative of Chief Executive	N/A	Loan obtained	-	35,000,000
			Loan repaid	35,000,000	-
			Finance cost	5,249,252	5,081,539
M/s. Vanguard Books (Private) Limited	Associated Company due to common directorship	N/A	Rent expense	15,049,412	20,032,941
			Rent paid	16,156,234	20,032,941
			Security repaid	1,200,000	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

	2024 Rupees	2023 Rupees
Balances outstanding as at June 30,		
Loans from directors / close relative - unsecured		
Mr. Najam Aziz Sethi	27,000,000	66,000,000
Ms. Mira Sethi	-	35,000,000
Ms. Syeda Matanat Ghaffar	102,000,000	140,000,000
Ms. Syeda Maimant Mohsin	75,000,000	75,000,000
Accrued finance cost		
Mr. Najam Aziz Sethi	510,190	15,752,192
Ms. Mira Sethi	-	5,081,539
Ms. Syeda Matanat Ghaffar	510,189	9,953,733
Other receivable - Mr. S.M. Mehdi Mohsin	-	347,101
Security deposit - M/s. Vanguard Books (Private) Limited	2,400,000	3,600,000

39.1 There were no transactions with key management personnel other than those undertaken as per terms of their employment that have been disclosed in Note 38.

39.2 Sales and purchase transactions have been carried out on commercial terms and conditions under comparable uncontrolled price method.

40 SHARIAH SCREENING

Loans and advances as per Islamic mode		-	-
Interest or mark up accrued on any conventional loan or advances		14,103,836	47,309,572
Shariah compliant bank deposits / bank balances / overdrawn	40.1	18,244,074	-
Profit earned from shariah compliant bank deposits / bank balances	40.1	1,504,714	-
Revenue earned from a shariah compliant business segment	23	2,642,163,811	2,724,930,890
Gain / loss or dividend earned from shariah compliant investments		-	-
Gain earned from Shariah compliant investments		-	-
Exchange loss earned from actual currency	29	(2,943,420)	(5,402,659)
Mark up paid on Islamic mode of financing		-	-
Profits earned on any conventional loan or advance		2,426,978	1,309,191
Interest paid on any conventional loan or advance	28	129,392,536	50,571,750

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

		2024 Rupees	2023 Rupees
40.1	Relationship with shariah compliant banks		
	Bank		
	Nature of Transaction		
	Bank Al Habib Limited	18,244,074	-
	Bank balance		
	Profit earned on bank deposit	1,504,714	-
		2024 Number	2023 Number
41	NUMBER OF EMPLOYEES		
	Number of employees as at June 30,	284	292
	Average number of employees during the year	288	294

42 CORRESPONDING FIGURES

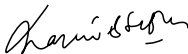
Corresponding figures are rearranged / reclassified for better presentation and comparison. The following re-arrangements have been made in these financial statements, which do not impact the statement of financial position or the profitability of the Company:

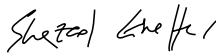
Nature	From	To	2023 Rupees
Statement of financial position			
Current portion of defined benefit obligation	Accrued liabilities (Note 19)	Payable to employees (Note 19)	24,281,390
Statement of profit or loss			
Consultancy fee	IT and related services (Note 25)	Legal and professional services (Note 25)	9,985,145
Consultancy fee	IT and related services (Note 26)	Legal and professional services (Note 26)	4,181,534
Freight expenses	Freight expenses (Note 26)	Selling and related expenses (Note 26)	30,014,622
Auditors' remuneration	Auditors' remuneration (Note 25)	Legal and professional services (Note 25)	3,169,830
Levy	Taxation (Note 31)	Levy (Note 30)	33,287,877

43 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized by the Board of Directors of the Company for issue on September 27, 2024.


Badar M. Khan
Chief Financial Officer


Najam Aziz Sethi
Chief Executive Officer


Shazad Ghaffar
Chairman / Director

FORM OF PROXY

Mitchell's Fruit Farms Limited

92nd Annual General Meeting

I/We _____

of _____

being a member of Mitchell's Fruit Farms Limited, hereby appoint

(Name)

of _____

or failing him/her

(Name)

of _____

another member of the Company, as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 92 Annual General Meeting of the Company to be held on _____ at _____ a.m. at the Registered Office of the Company located at 72-FCC, Gulberg IV, Lahore.

Signed this _____ day of _____ 2024

Please affix
revenue stamp

Please quote folio number

Signature of Member

IMPORTANT:

This instrument, appointing a proxy, duly completed, must be received at the Registered Office of the Company located at 72-FCC, Gulberg IV, Lahore not later than 48 hours before the scheduled time of the meeting.

AFFIX
CORRECT
POSTAGE

The Company Secretary

Mitchell's Fruit Farms Limited
72-FCC, Gulberg IV, Lahore.

-  Mitchell'sFruitFarms
-  Mitchell'sChocolates&Sweets
-  Mitchell'sfruitjams
-  Mitchell'sfruitfarmsofficial
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