

A large circular image showing a close-up of oranges on a tree with green leaves. The oranges are bright orange and some are still green. The image is framed by a blue circular border.

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1933

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**QUARTER 1
RESULTS
JUL-SEP 2023**

MITCHELL'S®

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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. Rizwan Bashir Independent Director

AUDIT COMMITTEE

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

HUMAN RESOURCES & REMUNERATION COMMITTEE

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

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

CHIEF FINANCIAL OFFICER

Badar M. Khan, FCA

SHARE REGISTRAR

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

CORPORATE OFFICE

72-FCC Gulberg IV, Lahore
 Phones: (042) 35872392-96,
 Fax: (042) 35872398
 E-Mail: ho@mitchells.com.pk
 Website: www.mitchells.com.pk

FACTORY & FARMS

Renala Khurd, District Okara, Pakistan
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DIRECTORS' REPORT

The Directors of the company are pleased to present their report on the condensed interim financial statement (Un-audited) of the Company for the first quarter ended 30 September 2023.

Key financial highlights for the subject period are as under:

	September 30 2023	September 30 2022
	Rupees in Million	
Sales revenue	698.36	468.98
Gross profit	173.87	101.47
Net Profit/(Loss) before tax	19.80	(92.29)
Net Profit/(Loss) after tax	11.10	(98.07)
Profit (Loss) Per Share	0.49	(4.29)

Despite non-conducive economic and political conditions, company has started the new financial year 2023-24 on a positive note by posting a net profit of PKR 11.10M for the first quarter, that is a big improvement from last year's first quarter loss of PKR 98M. The rebuilding process started last year in the second quarter is continuing with enhanced focus on profitability and cost optimization. Inflationary conditions have resulted in frequent increases in all input costs especially power and transportation due to which, the company was compelled to adjust prices frequently. The ever-increasing interest rates in the country have made it very difficult to carry out profitable operations.

In the absence of any sizeable marketing activity, we focused upon enhancing our secondary sales and eventually recorded a 6% increase in volumetric terms as compared to similar period last year, with an increased focus upon exports that grew by 58% in dollar terms. We have a focus on localization of raw and packing material which should improve the overall profitability. At the same time, other options like enhancing our B2B activities are also being considered.

Going forward, the company foresees positive business developments coupled with increasing political & financial stability in the country. Also, we have geared up for the seasonal sales during the second & third quarter in specific categories and are focusing upon boosting exports by exploring new markets and customers. At the same time, the management will continue to cautiously monitor the economic situation and will adjust strategies reflecting developments to ensure sustainable operations. We remain committed to further enhancing operational efficiencies and continuing the turnaround efforts by delivering a positive outcome for shareholders.

During the period, the composition of Board sustained a change as one of our Directors, Mr. Abdul Hameed Dajia resigned.

For and on behalf of
the Board of Directors



Najam Aziz Sethi
Chief Executive Officer
Lahore
November 29, 2023



Shazad Ghaffar
Chairman

ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز 30 ستمبر 2023 کو ختم ہونے والی پہلی سہ ماہی کے لیے کمپنی کے کنڈینسڈ عبوری مالیاتی حسابات پر اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مذکورہ بالا مدت کے لیے اہم مالی جھلکیاں حسب ذیل ہیں:

تفصیل	30 ستمبر 2023 پاکستانی روپے ملین میں	30 ستمبر 2022 پاکستانی روپے ملین میں
بیلرز ریونیو	698.36	468.98
مجموعی منافع	173.87	101.47
ٹیکس سے پہلے خالص نقصان	19.80	(92.29)
ٹیکس کے بعد خالص نقصان	11.10	(98.07)
فی شیئر نقصان	0.49	(4.29)

ناسازگار اقتصادی اور سیاسی حالات کے باوجود، کمپنی نے پہلی سہ ماہی کے لیے 11.10 ملین پاکستانی روپے کا خالص منافع درج کر کے نئے مالیاتی سال 2023-24 کا آغاز مثبت انداز میں کیا ہے، جو کہ گزشتہ سال کی پہلی سہ ماہی کے 98 ملین پاکستانی روپے کے نقصان سے ایک بڑی بہتری ہے۔ دوسری سہ ماہی میں پچھلے سال شروع کیا گیا تعمیر نو کا عمل منافع اور لاگت کی اصلاح پر بہتر توجہ کے ساتھ جاری ہے۔ افراتفر کی صورتحال کے نتیجے میں تمام پیداواری الاگت خاص طور پر بجلی اور نقل و حمل میں متواتر اضافہ ہوا ہے جس کی وجہ سے کمپنی قیمتوں کو بار بار ایڈجسٹ کرنے پر مجبور تھی۔ ملک میں مسلسل بڑھتی ہوئی شرح سود نے منافع بخش آپریشنز کو سزاوارتہ دینا نہایت مشکل بنا دیا ہے۔

مارکیٹنگ کی کسی بھی قابل ذکر سرگرمی کی عدم موجودگی میں، ہم نے اپنی ثانوی فروخت کو بڑھانے پر توجہ مرکوز کی اور آخر کار حجم کے لحاظ سے پچھلے سال کی اسی مدت کے مقابلے میں 16% اضافہ حاصل کیا، برآمدات پر توجہ مرکوز کی جس سے ذریعہ مبادلہ میں 58% اضافہ ہوا۔ ہماری توجہ ختام اور پیکنگ میٹریل کی لوکارائزیشن پر ہے جس سے مجموعی منافع کو بہتر بنانا چاہیے۔ اسی اثناء میں، ہماری B2B سرگرمیوں کو بڑھانے جیسے دیگر اختیارات پر بھی غور کیا جا رہا ہے۔

آگے بڑھتے ہوئے، کمپنی ملک میں بڑھتے ہوئے سیاسی اور مالی استحکام کے ساتھ مثبت کاروباری پیش رفت کی پیشین گوئی کرتی ہے۔ نیز، ہم نے اس زمرے میں دوسری اور تیسری سہ ماہی کے دوران موسمی فروخت کے لیے تیاریاں کی ہیں اور نئی منڈیوں اور صارفین کی تلاش کے ذریعے برآمدات کو بڑھانے پر توجہ مرکوز کر رہے ہیں۔ اس کے علاوہ، انتظامیہ اقتصادی صورتحال کی مینڈاٹگری جاری رکھے گی اور پائیدار آپریشنز کو یقینی بنانے کے لیے پیش رفت کی عکاسی کرنے والی حکمت عملیوں کو ایڈجسٹ کرے گی۔ ہم آپریشنل افادیت کو مزید بڑھانے اور شیئر ہولڈرز کے لیے مثبت نتائج کی فراہمی کے ذریعے تبدیلی کی کوششوں کو جاری رکھنے کے لیے پرعزم ہیں۔

اس مدت کے دوران، بورڈ کی تشکیل میں تبدیلی ہوئی ہے کیونکہ ہمارے ایک ڈائریکٹر جناب عبدالعزیز ڈاگیر مستعفی ہو گئے۔

منجانب

بورڈ آف ڈائریکٹرز

Sheela Khatke

شیئر ڈائریکٹر
چیئر مین

Shamir Bhatti

شیم عزیز بھٹی
چیئر مین
ایگزیکٹو آفیسر

29 نومبر 2023ء

لاہور


CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION


AS AT SEPTEMBER 30, 2023

	Note	Un-audited September 30 2023 Rupees	Audited June 30 2023 Rupees
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized capital 40,000,000 (June 30, 2023: 40,000,000) ordinary shares of Rs 10 each		400,000,000	400,000,000
Issued, subscribed and paid up capital 22,875,000 (June 30, 2023: 22,875,000) ordinary shares of Rs 10 each Reserves		228,750,000 (73,896,049)	228,750,000 (85,003,937)
		154,853,951	143,746,063
NON-CURRENT LIABILITIES			
Deferred liabilities		143,901,570	141,008,335
CURRENT LIABILITIES			
Trade and other payables		697,277,921	668,555,256
Finances under markup arrangements		286,793,308	302,002,267
Loan from related parties - unsecured	6	345,463,629	316,000,000
Accrued finance cost		18,482,720	47,309,572
Unclaimed dividend		1,912,754	1,912,754
		1,349,930,332	1,335,779,849
CONTINGENCIES AND COMMITMENTS			
	7	-	-
		1,648,685,853	1,620,534,247

The annexed notes 1 to 15 form a integral part of this condensed interim financial statements.


Badar M. Khan
Chief Financial Officer



Najam Aziz Sethi
Chief Executive Officer



Shazad Ghaffar
Chairman

	Note	Un-audited September 30 2023 Rupees	Audited June 30 2023 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	611,260,462	622,300,506
Intangible assets		28,858,576	30,350,731
Biological assets		2,444,402	2,444,402
Long term deposits		1,224,780	1,224,780
		643,788,220	656,320,419
CURRENT ASSETS			
Stores, spares and loose tools		58,443,001	57,571,705
Stock in trade		467,564,363	520,738,674
Trade debts		254,215,067	191,854,393
Advances, deposits, prepayments and other receivables		108,032,581	64,123,643
Income tax recoverable- net		108,703,914	108,613,307
Cash and bank balances		7,938,707	21,312,106
		1,004,897,633	964,213,828
		1,648,685,853	1,620,534,247

The annexed notes 1 to 15 form an integral part of this condensed interim financial statements.


Badar M. Khan
 Chief Financial Officer


Najam Aziz Seethi
 Chief Executive Officer


Shazad Ghaffar
 Chairman

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

		September 30 2023 Rupees	September 30 2022 Rupees
Sales	10	698,360,028	468,989,225
Cost of sales		(524,488,786)	(367,517,619)
Gross profit		173,871,242	101,471,606
Administration expenses		(48,974,352)	(43,428,897)
Distribution and marketing expenses		(81,308,090)	(138,925,494)
Other operating expenses		(1,789,262)	(200,261)
Other income		7,914,073	4,440,427
Finance cost		(29,908,066)	(15,656,402)
Profit/(loss) before tax		19,805,545	(92,299,021)
Taxation		(8,697,657)	(5,777,795)
Profit/(loss) after tax		11,107,888	(98,076,816)
Profit/(Loss) per share - basic and diluted		0.49	(4.29)

The annexed notes 1 to 15 form an integral part of this condensed interim financial statements.

Badar M. Khan
Chief Financial Officer

Najam Aziz Seethi
Chief Executive Officer

Shazad Ghaffar
Chairman


CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME


FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

	September 30 2023 Rupees	September 30 2022 Rupees
Profit/(Loss) after tax for the period	11,107,888	(98,076,816)
Other Comprehensive Income:		
-Items that will not be reclassified to profit or loss	-	-
-Items that may be reclassified subsequently to profit or loss	-	-
Total comprehensive income/(loss) for the period	11,107,888	(98,076,816)

The annexed notes 1 to 15 form an integral part of this condensed interim financial statements.


Badar M. Khan
Chief Financial Officer


Najam Aziz Seethi
Chief Executive Officer


Shazad Ghaffar
Chairman

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

	Capital Reserve		Revenue Reserves		Total
	Share capital	Share premium	General reserve	Accumulated Loss	
	----- Rupees -----				
Balance as at June 30, 2022- audited	228,750,000	609,335,878	300,000	(635,449,464)	202,936,414
Net loss for the quarter				(98,076,816)	(98,076,816)
Other comprehensive income				-	-
Total comprehensive loss for the period	-	-	-	(98,076,816)	(98,076,816)
Balance as at September 30, 2022 (Un-audited)	228,750,000	609,335,878	300,000	(733,526,280)	104,859,598
Balance as on July 01, 2023 - audited	228,750,000	609,335,878	300,000	(694,639,815)	143,746,063
Net profit for the period	-	-	-	11,107,888	11,107,888
Other comprehensive income	-	-	-	-	-
Total comprehensive profit for the period	-	-	-	11,107,888	11,107,888
Balance as at September 30, 2023 (Un-audited)	228,750,000	609,335,878	300,000	(683,531,927)	154,853,951

The annexed notes 1 to 15 form an integral part of this condensed interim financial statements.

Badar M. Khan
Chief Financial Officer

Najam Aziz Seethi
Chief Executive Officer

Shazad Ghaffar
Chairman

CONDENSED INTERIM STATEMENT OF CASH FLOWS


FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

		September 30 2023 Rupees	September 30 2022 Rupees
Cash flows from operating activities			
Cash generated from/(used in) operations	9	43,291,137	(2,790,281)
Finance cost paid		(58,734,918)	(15,752,812)
Taxation Paid		(8,788,264)	12,924,760
Retirement benefits paid		(277,673)	(510,752)
Security deposit-net		-	310,000
Net cash generated from/(used in) operating activities		(24,509,718)	(5,819,085)
Cash flows from investing activities			
Fixed capital expenditure including CWIP		(3,118,351)	(7,750,743)
Purchase of Intangible assets		-	(3,278,394)
Net cash used in investing activities		(3,118,351)	(11,029,137)
Cash flows from financing activities			
Loan from related parties - Markup capitalized		29,463,629	40,000,000
Finances under markup arrangements- net		(15,208,959)	(27,035,340)
Repayment of long term finances - secured		-	(7,500,000)
Net cash generated from financing activities		14,254,670	5,464,660
Net increase in cash and cash equivalents		(13,373,399)	(11,383,562)
Cash and cash equivalents at the beginning of the period		21,312,106	21,624,400
Cash and cash equivalents at the end of the period		7,938,707	10,240,838

The annexed notes 1 to 15 form an integral part of this condensed interim financial statements.


Badar M. Khan
Chief Financial Officer


Najam Aziz Seethi
Chief Executive Officer


Shazad Ghafter
Chairman

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

1. THE COMPANY AND ITS OPERATIONS

- 1.1 Mitchell's Fruit Farms Limited ("the Company") is a public limited Company incorporated in Pakistan and the shares of the Company are listed on Pakistan Stock Exchange.

It is principally engaged in the manufacture and sale of various farm and confectionery products. The registered office of the Company is situated at House No. 72-FCC, Gulberg IV, Lahore. The manufacturing facility and the farms are situated in Renala Khurd, Okara, Pakistan. The Company also has one sales office in Islamabad and one in Karachi.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

- 2.1.2 These condensed interim financial statements comprise of the condensed interim statement of financial position of the Company, as at September 30, 2023 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with the notes forming part thereof.

- 2.1.3 These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements for the year ended June 30, 2023.

- 2.1.4 The comparative statement of financial position presented in these condensed interim financial statements has been extracted from the audited annual financial statements of the Company for the year ended June 30, 2023, whereas comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been extracted from the un-audited condensed interim financial statements for the three months period ended September 30, 2022.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

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

2.2 Functional and presentation currency

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

3. JUDGMENTS AND ESTIMATES

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

4. SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting and financial risk management policies and methods of computation adopted in the preparation of these condensed interim financial statements (un-audited) are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2023.

5. TAXATION

Provision in respect of Taxation is estimated and is subject to final adjustment in the annual audited financial statements.

	Note	Un-audited September 30 2023 Rupees	Audited June 30 2023 Rupees
6. LOAN FROM RELATED PARTIES - UNSECURED			
Loan from related parties - Interest free	6.1	150,000,000	150,000,000
Loan from related parties - Interest bearing	6.2 & 6.3	195,463,629	166,000,000
		345,463,629	316,000,000
6.1 Loan from related parties - Interest free			
(Repayable on demand)			
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

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

	Note	Un-audited September 30 2023 Rupees	Audited June 30 2023 Rupees
6.2	Loan from related parties - Interest bearing (Repayable on demand)		
	Mr. Najam Aziz Sethi	80,413,364	66,000,000
	Ms. Mira Sethi	39,889,057	35,000,000
	Ms. Syeda Matanat Ghaffar	75,161,208	65,000,000
		<u>195,463,629</u>	<u>166,000,000</u>

6.3 These loans carry mark-up @ 1 to 3 months KIBOR plus 1% to 1.5% margin per annum.

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

There is no material change in the status of contingencies as reported in the financial statements of the Company for the year ended June 30, 2023 except for the following:

7.1.1 Income Tax

- (i) The Deputy Commissioner Inland Revenue ('DCIR') raised demands amounting to Rs. 6.18 million including default surcharge against the Company vide various orders issued relating to tax year 2007 and 2008 under section 161 of Income Tax Ordinance 2001 ('ITO 2001') on account of non-withholding of taxes while making certain payments. The Company filed appeals with the Commissioner Inland Revenue (Appeals) CIR(A), which were partially decided against the Company. Being aggrieved with orders of CIR(A), Company filed appeals before the Appellate Tribunal Inland Revenue ('ATIR'). The ATIR has decided the appeals vide order dated July 18, 2023. Through the ATIR order tax demand in tax year 2007 has been deleted. However, in relation to tax year 2008 tax demand of Rs. 2,685,815 has been deleted and remaining tax demand of Rs. 823,310/- has been remanded back to Assessing Officer.

The Management and taxation expert of the Company believes that there are meritorious grounds to defend the above mentioned demands relating to the respective cases, consequently, no provision has been recorded in these interim financial statements with respect to the above matters.

7.1.2 Sales Tax

There is no material change in the status of contingencies as reported in the financial statements of the Company for the year ended June 30, 2023 except for the following:

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

The Company received a show cause notice dated May 02, 2023 through which the DCIR has shown intention to recover penalty amounting to Rs. 12.64 million- under section 33(5) & 33(21) and default of Rs. 0.69 million under section 34(1)(a) of the Sales Tax Act, 1990. In response, the Company submitted the requisite details and documents. The DCIR has passed an order by creating the tax demand of Rs. 11.12 million. Being aggrieved with the order of the DCIR, company preferred an appeal before CIR(A). In response to the appeal, CIR(A) has decided the case vide order dated September 25, 2023 by deduction in tax demand to Rs. 7.13 million. Further, being aggrieved with the order of the CIR(A), company filed an appeal before ATIR. However, any financial exposure in this respect cannot be commented at this stage.

The Management and taxation expert of the Company believes that there are meritorious grounds to defend the above mentioned demands relating to the respective cases, consequently, no provision has been recorded in these interim financial statements with respect to the above matters.

7.1.3 Others

- (i) Letter of guarantee in favour of Sui Northern Gas Pipelines Limited on account of payment of dues against gas consumption amounting to Rs. 17.20 million (June 30, 2023: Rs. 17.20 million).
- (ii) The Company has issued post-dated cheques amounting to Rs 126.14 million (June 30, 2023: Rs 126.14 million) to the Collector of Customs Lahore Dry Port on account of taxable duty which might become payable against Duty and Tax Remission on Export under SRO # 492 (I)/2009 dated June 13, 2009 and SRO # 450 (I)/2001 dated June 30, 2001 under Customs Rules 2001.

7.2 Commitments

- (i) Letters of credit for purchase of raw and packing materials amounting to Rs. 11.50 million (June 30, 2023: Rs. 31.59 million).
- (ii) The Company has entered into operating lease agreements, including Ijara financing agreement with Bank Al Habib Limited in order to obtain vehicles for employees. The amount of future payments under this lease and the period in which these payments will become due are as follows:

	Un-audited September 30 2023 Rupees	Audited June 30 2023 Rupees
Not later than one year	282,548	354,251
later than one year and not later than 5 years	-	-
	282,548	354,251

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

	Note	Un-audited September 30 2023 Rupees	Audited June 30 2023 Rupees
8	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	609,360,462	622,300,506
	Capital work in progress	1,900,000	-
		<u>611,260,462</u>	<u>622,300,506</u>
8.1	OPERATING FIXED ASSETS		
	Opening written down value	622,300,506	644,779,914
	Additions during the period / year	1,218,351	33,805,142
	Adjustment / Disposals during the period / year (Net Value)	-	(9,703,432)
		<u>623,518,857</u>	<u>668,881,624</u>
	Depreciation charge for the period / year	(14,158,395)	(46,581,118)
		<u>609,360,462</u>	<u>622,300,506</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

9. CASH GENERATED FROM OPERATIONS

Note	Un-audited September 30 2023 Rupees	Un-audited September 30 2022 Rupees
Profit/(loss) before tax for the period	19,805,545	(92,299,021)
Adjustment for:		
Depreciation and amortization	15,650,550	13,592,286
Provision for gratuity and accumulated leaves	3,170,908	4,303,382
Provision for trade promotions and incentives	5,101,816	20,767,830
Exchange loss / (gain)	-	(2,229,485)
Finance cost	29,908,066	15,656,402
	<u>53,831,340</u>	<u>52,090,415</u>
Profit/(loss) before working capital changes	73,636,885	(40,208,606)
Effect on cash flow due to working capital changes:		
(Increase) in stores, spares and loose tools	(871,296)	(2,119,798)
Decrease in stock-in-trade	53,174,311	47,225,235
Decrease/ (increase) in trade debts	(62,360,674)	22,214,233
(Increase) in advances, deposits & prepayments	(43,908,938)	(30,063,674)
Increase in creditors, accrued and other liabilities	23,620,849	162,329
	<u>(30,345,748)</u>	<u>37,418,325</u>
Cash generated / (used) in operations	<u>43,291,137</u>	<u>(2,790,281)</u>

10. SALES

- Local	796,816,048	555,585,221
- Export	137,927,628	72,834,198
Gross Sales	934,743,676	628,419,419
Less: Sales tax & FED	(108,816,344)	(73,820,012)
	<u>825,927,332</u>	<u>554,599,407</u>
Less: Sales return, trade discounts and trade promotion incentives	(127,567,304)	(85,610,182)
	<u>698,360,028</u>	<u>468,989,225</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

11. TRANSACTIONS WITH RELATED PARTIES

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

Related party	Basic of Relationship	Aggregate Shareholding	Nature of transaction	Quarter ended 2023 Un-audited Rupees	September 30 2022 Un-audited Rupees
Lessee Mr. Mehdi Mohsin	Director	20.415%	Purchase of goods	-	350,000
			Rent expense	984,323	919,840
			Payment made on behalf of related party on reimbursement basis	628,236	247,639
Ms. Syeda Maimanat Mohsin	Spouse of Director	20.42%	Loan obtained	-	5,000,000
Mr. Najam Aziz Sethi	Chief Executive	.0063%	Markup Capitalized	14,413,364	-
Ms. Syeda Matanat Ghaffar	Spouse of Director	20.2060%	Markup Capitalized	10,161,208	-
Ms. Mira Sethi	Close relative of Chief Executive	None	Loan obtained	-	35,000,000
			Markup Capitalized	4,889,057	-
Vanguard Books (Private) Limited	Common directorship	None	Rent expense	5,124,705	4,658,823
				36,200,893	46,176,302

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

- 11.1 During the period, the Company did not enter into transactions or arrangements with any other related party.
- 11.2 Sales and purchase transactions have been carried out on commercial terms and conditions under comparable uncontrolled price method.

12. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value is determined on the basis of objective evidence at each reporting date. The Company has not made any changes to valuation techniques used to value financial instruments as described in annual audited financial statements for the year ended June 30, 2023.

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

13. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in preceding audited annual financial statements for the year ended June 30, 2023.

14. AUTHORIZATION OF INTERIM FINANCIAL INFORMATION


These condensed interim financial statements (un-audited) are approved and authorized for issuance by the Board of Directors of the Company on November 29, 2023.

15. GENERAL

Corresponding figures have been rearranged/reclassified, where necessary, for better presentation and disclosure.


Badar M. Khan
Chief Financial Officer


Najam Aziz Seethi
Chief Executive Officer


Shazad Ghaffar
Chairman

The logo features the text "Farm Fresh since 1933" in a white serif font, with "1933" being significantly larger and bolder. The text is enclosed within a thin white circular border. The entire logo is centered on a dark blue circular background that is part of a larger graphic of hands holding a basket of fruit.

Farm
Fresh
since
1933

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Mitchell'sChocolates&Sweets 

Mitchellsfruitjams 

Mitchellsfruitfarmsofficial 

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