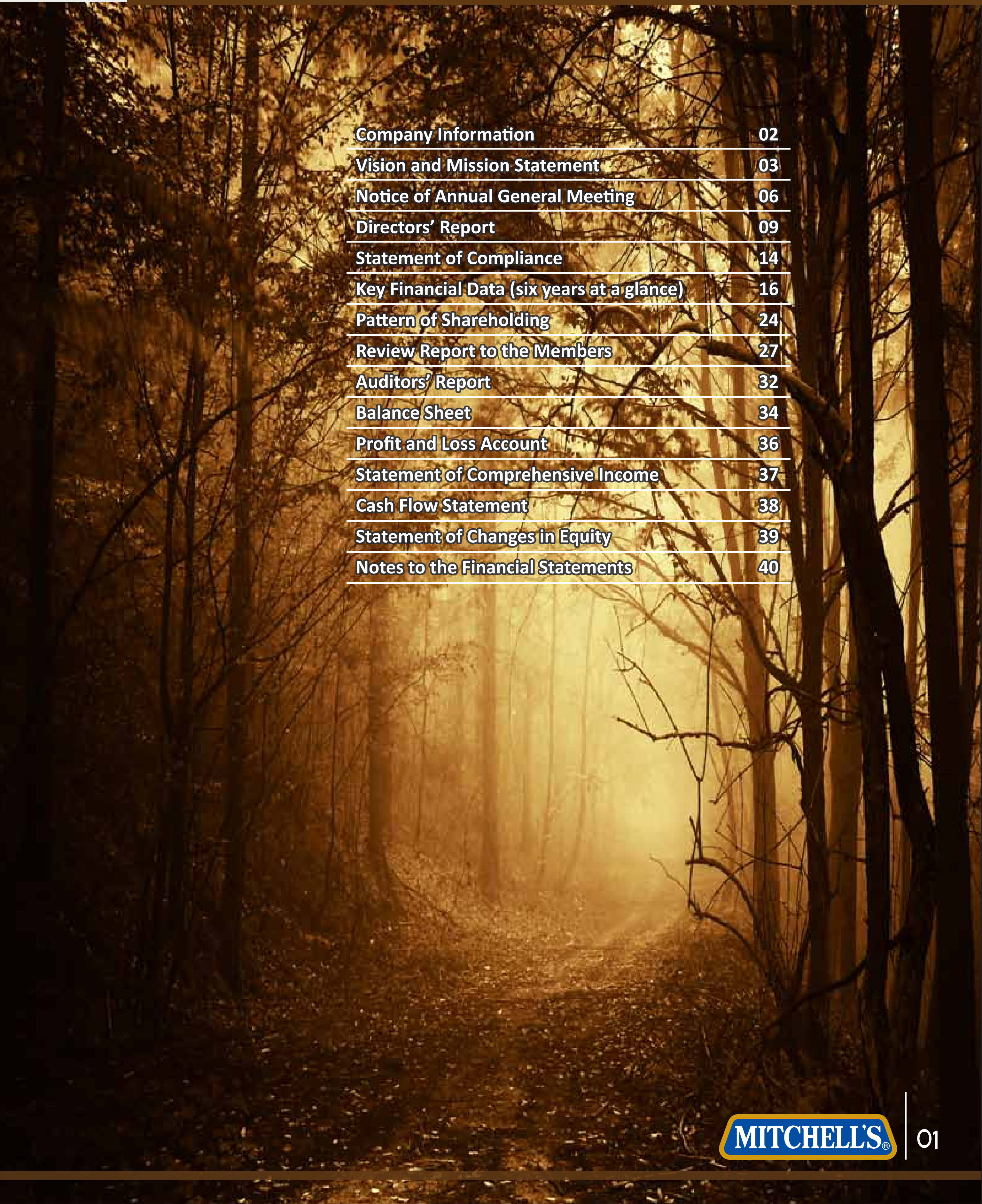
ANNUAL REPORT
2012

Quality of Life

MITCHELL'S®

CONTENTS



COMPANY INFORMATION

Board of Director

S. M. Mohsin	Chairman Non Executive Director
Mr. Mujeeb Rashid	Chief Executive Officer & Managing Director
Mrs. Sitwast Mohsin	Non Executive Director
Mr. Mehdi Mohsin	Executive Director
Mr. Moaz Mohiuddin	Independent, Non Executive Director
Syed Faisal Imam	Non Executive Director
Ms. Umme Kulsum Imam	Non Executive Director
Mr. Jamal Nasim	Non Executive Director (NIT Nominee)

Audit Committee

Mr. Moaz Mohiuddin	Chairman
S. M. Mohsin	Member
Syed Faisal Imam	Member

Company Secretary/CFO
Mr. Atif Fayyaz

Auditors
A.F. Ferguson & Company
Chartered Accountants

Legal Advisors
Minto & Mirza
78-Mozang Road, Lahore
Phone: (042) 36315469-70
Fax: (042) 36361531

Bankers
Habib Bank Limited
Askari Commercial Bank Limited
Standard Chartered Bank (Pakistan) Limited
MCB Bank Limited
National Bank of Pakistan

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

Corporate Office
39-A, D-1, Gulberg III Lahore
Phones: (042) 35872392-96,
Fax: (042) 35872398
E-Mail: ho@mitchells.com.pk
Website: www.mitchells.com.pk

Factory, Regional Sales Office (Central) & Farms
Renala Khurd, District Okara, Pakistan
Phones: (044) 2635907-8, 2622908
Fax: (044) 2621416
E-Mail: rnk@mitchells.com.pk,
rsoc@mitchells.com.pk

Regional Sales Office (North)
Plot No. 110, Street No. 10, I - 9/2,
Industrial Area, Islamabad
Phones: 051-4443824-6
Fax : (051) 4443827
E-Mail: rson@mitchells.com.pk

Regional Sales Office (South)
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

VISION AND MISSION STATEMENT

1. To be a leader in the markets we serve by providing quality products to our consumers while learning from their feedback to set even higher standards.

2. To be a company that continuously enhances its superior technological skills to remain internationally competitive in this day and age of increasing challenges.

3. To be a company that attracts and retains competent people by creating a culture that fosters innovation, promotes individual growth and rewards initiative and performance.

4. To be a company which optimally combines its people, technology, management systems, and market opportunities to achieve profitable growth while providing fair returns to its shareholders.

5. To be a company that endeavours to set the highest standards in corporate ethics.

6. To be a company that fulfills its social responsibility.

INDULGENCE

Give in to your sweet cravings and gratify your senses with Mitchell's chocolates. Whether it's Pakistan's favourite Jubilee chocolate or golden hearts, Mitchell's has been making your life sweet for 3 generations. So treat yourself with Mitchell's chocolates that just melt in your mouth.

- Craving Indulgence

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 80th Annual General Meeting of Mitchell's Fruit Farms Limited will be held on January 31, 2013 on Thursday at 11:00 a.m. at the Registered Office of the Company at 39-A, D-1, Gulberg III, Lahore to transact the following business:

Ordinary Business

1. To confirm the minutes of last General Meeting held on April 30, 2012.

2. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended September 30, 2012 together with the Directors' and Auditors' reports thereon.

3. To approve payment of cash dividend @ 75% as recommended by the Directors.

4. To appoint auditors for the year ending September 30, 2013 and to fix their remuneration as suggested by the audit committee to the Board of Directors. The retiring auditors namely Messers A. F. Ferguson & Co. Chartered Accountants, being eligible, offer themselves for re-appointment.

Special Business

5. To approve the issue of Bonus Shares in the ratio of 25 shares for every 100 shares held (i.e. 25%) as declared and recommended by the Board of Directors, and if thought fit, pass the following Resolutions as Ordinary Resolutions:

   "Resolved that a sum of PKR 12.600 million out of reserves of the Company available for appropriation as at September 30, 2012 be capitalized and applied for issue of 1,260,000 Ordinary Shares of PKR 10/- each allotted as fully paid bonus shares to the members of the Company whose names appear on the register of members as at close of business on January 22, 2013 in the proportion of 25 shares for every 100 shares held (i.e. 25%) and that such shares shall rank pari passu in every respect with the existing ordinary shares of the Company."

   "Further resolved that the bonus shares so allotted shall not be entitled for final cash dividend for the year 2012."

"Also resolved that fractional entitlement of the members shall be consolidated into whole shares and sold on the Stock Exchange and the Company Secretary is authorized to pay the proceeds of sale when realized to any recognized charitable institution."

"Further Resolved that the Company Secretary be and is hereby authorized and empowered to give effect to this ordinary resolution and to do or cause to do all acts, deeds and things that may be necessary or required for issue, allotment and distribution of bonus shares."

6. To increase the Authorized Share Capital of the Company from Rs. 100 million to Rs. 200 million and pass the following Special Resolutions, with or without modification:

"Resolved that the Authorized share capital of the company be increased from Rs. 100 million (Rupees One Hundred Million) divided into 10,000,000 (Ten Million) ordinary shares of Rs. 10/-(Rupees Ten each) to Rs. 200,000,000 (Rupees Two Hundred Million) divided into 20,000,000 (Twenty Million) ordinary shares of Rs. 10/- (Rupees Ten each). The new shares shall rank pari passu in all respect with the existing shares when issued."

"Further resolved that clause "V" of the Memorandum of Association be altered to reflect the above changes and read as under:

The Capital of the Company is Rs. 200,000,000 (Rupees Two Hundred Million) divided into 20,000,000 (Twenty Million) ordinary shares of Rs. 10/- (Rupees Ten each). The Company shall have the power to increase, reduce or re-organize the capital for the time being into several classes in accordance with the provisions of the Companies Ordinance, 1984."

"Also resolved that article 7 of the Articles of Association of the company be altered to reflect the above changes and read as under:

The authorized share capital of the Company is Rs. 200,000,000 (Rupees Two Hundred Million) divided into 20,000,000 (Twenty Million) ordinary shares of Rs 10/- (Rupees 10 each)."

Other Business

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

A Statement under Section 160(1) (b) of Companies Ordinance, 1984 setting forth all material facts pertaining to the Special Business referred above is annexed to this Notice.

BY ORDER OF THE BOARD

Atif Fayyaz
Company Secretary

Lahore, January 09, 2013

NOTES

1. The share transfer book of the Company will remain closed from January 23, 2013 to January 31, 2013 (both days inclusive) for entitlement of final cash dividend and bonus shares for the accounting period ended September 30, 2012. Transfers received in order (including deposit requests under CDS) at our Registrar's office Corplink (Private) Limited, Wings Arcade, 1-K (Commercial) Model Town, Lahore up to 01:00 p.m. on January 22, 2013 will be considered in time.

2. A member eligible to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received by the Company at the Registered Office not later than 48 hours before the time meeting is scheduled for.

3. Shareholders are requested to immediately notify the change in their address, if any.

4. The Beneficial Owners of Central Depository Company, entitled to attend and vote at this meeting, must bring his/her NIC or Passport to prove his/her identity. In case of Proxy, an attested copy of his/her NIC or Passport must be enclosed. Representatives of corporate numbers should bring the usual documents required for such purpose.

Statement under Section 160 (1) (n) of the Companies Ordinance, 1984 pertaining to Special Business:

This Statement sets out the material facts pertaining to the Special Business to be transacted at the 80th Annual General Meeting of the Company.

Agenda No.5- Issue of Bonus Shares:

The Directors are of the view that the reserves/profits are adequate for capitalization of a sum of PKR 12.600 million for issue of the proposed 25% bonus shares; and in this regard compliance has been made under Rule 6 of the Companies (Issue of Capital) Rules, 1996. External Auditors' Certificate in respect of adequacy of reserves has also been obtained. The Directors are interested in this business to the extent of their entitlement to the bonus shares as shareholders.

Agenda No.6- Increase of Authorized Share Capital:

It is proposed to increase the Authorized Share Capital of the Company from Rs. 100 million divided into 10,000,000 ordinary shares of Rs. 10/- each to Rs. 200 million divided into 20,000,000 ordinary shares of Rs. 10/- each to facilitate further issue of capital from time to time according to the requirements of the Company.

In the wake of stagnant macro economic conditions marked by low growth of GDP, high inflation, high fiscal deficit and the rapidly depreciating value of the Rupee your Company's sales increased to Rs. 1885 million during the year ending 30th September, 2012 from Rs. 1794 million in the corresponding period last year.

Despite the uneasy business environment Sales volume of Mitchells' popular brands increased by over 15 % including moderate to high growth across most of the product categories and a double digit evolution in our exports.

Growth of Sales during the year under review was supported by higher Operating Margins in our major product categories that resulted from improved Distribution and Communication of our brands as well as continuing efforts towards rationalizing of our product mix and supply chain efficiencies.

Profit from Operations Rs. 175 millions represents a 20% growth over last year. Judicious management of funds and supply chain efficiencies helped in reducing financial cost by 40% and as a result Profit Before Tax increased 41% to Rs. 152 million compared to last year's Rs. 108 million.

After Tax Profit for the year increased to Rs. 108 million from Rs. 73 million last year representing a growth of 48% in the EPS over the corresponding period.

Modernizing of Plant and Processes

In order to continue improving our productivity and operating efficiencies adequate funds were invested in modernizing and automating some of our equipment and processes that also contributed much to improving our margins and consumer experience.

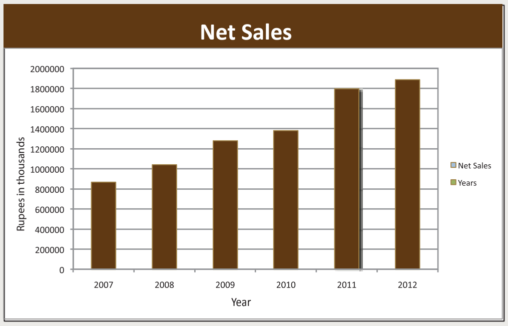
Human Resource Development

Focused training to our staff in Sales, Supply Chain, Quality Assurance and Productivity played a strong role in enhancing our overall operational performance. Selected functional managers were sent to executive training courses both within the country and abroad.

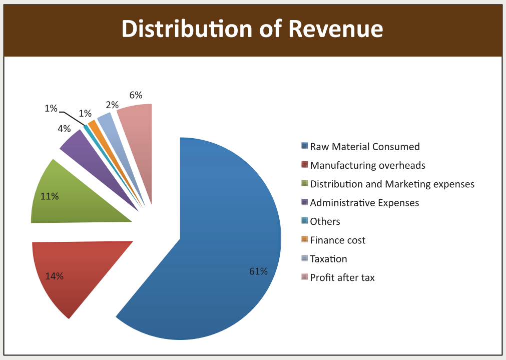
Corporate Social Responsibility

The operations of our Effluent Treatment Plant were optimized during the year to ensure that our factory effluents will remain within the limits allowed by the law.

Business ethics are an integral part of our policies and procedures. We have strict measures in place to avoid any corruption.



While continuing with our efforts towards promotion of high quality education during the year we have contributed Rs. 0.945 million to AKRA and Rs. 0.20 million to Pak Turk International Cag Foundation.



Corporate and financial reporting framework

In compliance with the code of corporate governance, we give below statements on 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 prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the company's ability to continue as going concern.
- There has no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- A statement regarding key financial data for the last six years is annexed to this report.

Board of Directors

During the last business year four meetings of the Board of Directors were held. Attendance by each Director was as follows:-

Name of Director	Attendance
S.M.Mohsin	4
Mr.Mujeeb Rashid	4
Mrs.Sitwat Mohsin	2
Mr.Moaz Mohiuddin	3
Mr.Jamal Nasim	4
Mr.Mehdi Mohsin	3
Syed Faisal Imam	2
Ms.Umme Kulsum Imam	3

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

Board Audit Committee

During the last business year four meetings of the audit committee were held. Attendance by each Director was as follows: -

Name of Director	Attendance
S.M.Mohsin	4
Mr.Moaz Mohiuddin	4
Syed Faisal Imam	2

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

Human Resource & Remuneration Committee

The company has formed an HR&R committee, which comprises three directors; two are non-executive directors and one member is executive director, whereas its chairman is a non-executive director.

During the last business year one meeting of the HR and Remuneration committee was held. Attendance by each Director was as follows: -

Name of Director	Attendance
Mrs.Sitwat Mohsin	1
Mr.Mujeeb Rashid	1
Ms.Umm-e-Kulsum	0

Leave of absence was granted to director who could not attend the HR and Remuneration committee meeting.

Corporate Governance

The statement of compliance with the best practices of Code of Corporate Governance is annexed.

Pattern of Shareholding and Information Under Clause XIX (I) and (J) of the Code of Corporate Governance.

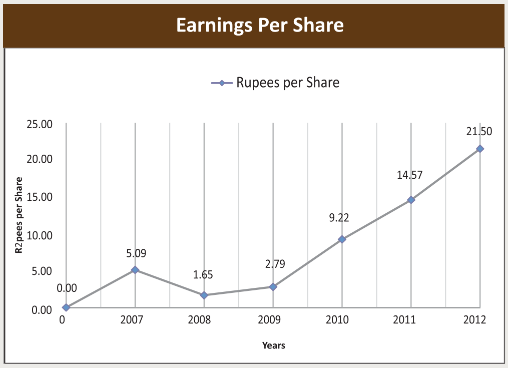
The information under this head as on September 30, 2012 is annexed.

Related Parties

The transactions between the related parties were made at arm's length prices, determined in accordance with the comparable uncontrolled prices method. The company has fully complied with the best practices on Transfer Pricing as contained in the Listing Regulations of Stock Exchange in Pakistan.

Earnings Per Share

Basic and diluted earning per share for the year under report is Rs. 21.50 as compared to the last year figure of Rs. 14.57



Auditors

M/s A.F. Ferguson & Company, Chartered Accountants, Lahore, retire, and being eligible have offered themselves for re-appointment. The Audit Committee has also recommended their re-appointment.

Future Outlook

With our continuing efforts towards building and improving both Technical and Managerial Competencies that will drive value, we are very optimistic about our future business evolution in Pakistan's fast growing Food Industry.

While good growth is foreseen in all product categories we plan in the future to focus and concentrate on the higher value added segments in line with the changing consumer habits and lifestyles.

It goes without saying that macro economic and political developments in the coming years will have a strong influence on our prospects.

Acknowledgements

The board of directors would like to express their gratitude to all employees for their strong contribution in successfully overcoming adverse circumstances faced by the company during the year.

For and on behalf of
the Board of Directors

Mujeeb Rashid
Managing Director &
Chief Executive Officer

Lahore
December 31, 2012

TASTEFUL

Our vivacious ketchup and sauces are made from farm fresh ripe tomatoes, freshly plucked and processed for quality. Richer than any other ketchup, it's something that everyone enjoys. Mitchell's has been adding life to your snacks since 1933. So delight yourself with Mitchell's ketchup and sauces that spice up every occasion.

- Tantalizing Sauciness

STATEMENT OF COMPLIANCE
with the Code of Corporate Governance

The statement is being presented to comply with the Code of Corporate Governance contained in Regulation No.35 of listing regulations of Karachi, Lahore and Islamabad Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

Category	Names
Independent Director	Mr. Moaz Mohiuddin
Executive Directors	Mr. Mujeeb Rashid and Mr. Mehdi Mohsin
Non-Executive Directors	Syed Mohammad Mohsin, Mrs. Sitwat Mohsin, Syed Faisal Imam, Ms. Umm-e-Kulsum Imam and Mr. Jamal Nasim

The independent director meets the criteria of independence under clause I (b) of the CCG.

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

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancy occurred on the Board during the year.

5. 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.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board.

8. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers were circulated at least seven days before the meeting. The minutes of the meetings were appropriately recorded and circulated.

9. No training programs for its directors were arranged by the Board during the year.

10. No new appointment of Chief Financial Ofiicer, Company Secretary and Head of Internal Audit were made during the year, however remunerations including terms and conditions have been approved by the Board.

11. The Directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer prior to approval by the Board of Directors.

13. The Directors, Chief Executive Officer and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the CCG.

15. The Board has formed an audit committee. The committee consists of three members of whom all are non-executive directors and the chairman of the committee is an independent director.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board has formed an HR and Remuneration Committee. It comprises of three members, of whom two are non-executive directors and the chairman of the committee is a non-executive director.

18. The Board has set-up an effective internal audit function, members of which are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

19. 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, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its 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.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The ‘closed period’, prior to the announcement of final results and business decisions which may materially affect the market price of company’s securities, was determined and intimated to directors, employees and stock exchanges.

22. Material/price sensitive information has been disseminated among all the market participants at once through stock exchanges.

23. We confirm that all other material principles enshrined in the CCG have been complied with.

Mujeeb Rashid
Chief Executive Officer &
Managing Director

Vertical Analysis of Financial Statements

Statement of Financial Position

Balance Sheet	2012 Rs. In '000	%	2011 Rs. In '000	%
Non-current Assets	375,503	46.13	332,169	43.51
Current Assets	438,583	53.87	431,253	56.49
Total Assets	814,086	100.00	763,421	100.00
Equity	432,565	53.14	359,495	47.09
Non-current Liabilities	93,013	11.43	79,710	10.44
Current Liabilities	288,508	35.44	324,216	42.47
Total equity and Liabilities	814,086	100.00	763,421	100.00

Profit and Loss Account	2012 Rs. In '000	%	2011 Rs. In '000	%
Net Sales	1,884,503	100.00	1,794,248	100.00
Cost of Sales	(1,421,736)	(75.44)	(1,400,132)	(78.03)
Gross Profit	462,768	24.56	394,117	21.97
Selling and Distribution expenses	(84,568)	(4.49)	(66,739)	(3.72)
Administrative expenses	(206,796)	(10.97)	(183,404)	(10.22)
	171,404	9.10	143,974	8.02
Other operating expense	(12,104)	(0.64)	(8,374)	(0.47)
Other operating income	16,024	0.85	10,907	0.61
Profit from operations	175,324	9.30	146,507	8.17
Finance Cost	(22,964)	(1.22)	(38,360)	(2.14)
Profit before tax	152,359	8.08	108,146	6.03
Taxation	(44,009)	(2.34)	(34,721)	(1.94)
Profit for the year	108,350	5.75	73,425	4.09

2010		2009		2008		2007	
Rs. In '000	%	Rs. In '000	%	Rs. In '000	%	Rs. In '000	%
312,945	47.68	329,522	45.27	329,788	45.72	272,725	47.15
343,442	52.32	398,386	54.73	391,584	54.28	305,663	52.85
656,387	100.00	727,908	100.00	721,372	100.00	578,389	100.00
306,230	46.65	269,842	37.07	260,830	36.16	262,573	45.40
75,820	11.55	50,479	6.93	56,976	7.90	62,791	10.86
274,337	41.80	407,587	55.99	403,565	55.94	253,025	43.75
656,387	100.00	727,908	100.00	721,372	100.00	578,389	100.00

2010		2009		2008		2007	
Rs. In '000	%	Rs. In '000	%	Rs. In '000	%	Rs. In '000	%
1,376,861	100.00	1,255,064	100.00	1,038,637	100.00	866,619	100.00
(1,073,514)	(77.97)	(1,020,067)	(81.28)	(848,824)	(81.72)	(706,266)	(81.50)
303,348	22.03	234,997	18.72	189,814	18.28	160,353	18.50
(60,991)	(4.43)	(49,421)	(3.94)	(40,780)	(3.93)	(33,478)	(3.86)
(135,993)	(9.88)	(124,570)	(9.93)	(108,185)	(10.42)	(67,199)	(7.75)
106,364	7.73	61,006	4.86	40,849	3.93	59,677	6.89
(7,057)	(0.51)	(1,948)	(0.16)	(1,535)	(0.15)	(2,655)	(0.31)
7,513	0.55	12,963	1.03	6,123	0.59	4,012	0.46
106,820	7.76	72,021	5.74	45,437	4.37	61,033	7.04
(37,613)	(2.73)	(53,487)	(4.26)	(32,323)	(3.11)	(21,268)	(2.45)
69,208	5.03	18,534	1.48	13,113	1.26	39,766	4.59
(22,740)	(1.65)	(4,482)	(0.36)	(4,776)	(0.46)	(14,100)	(1.63)
46,468	3.37	14,052	1.12	8,338	0.80	25,666	2.96

Horizontal Analysis of Financial Statements

Statement of Financial Position

Balance Sheet	2012 Rs. In '000	2011 Rs. In '000	2010 Rs. In '000	2009 Rs. In '000
Non-current Assets	375,503	332,169	312,945	329,522
Current Assets	438,583	431,253	343,442	398,386
Total Assets	814,086	763,421	656,387	727,908
Equity	432,565	359,495	306,230	269,842
Non-current Liabilities	93,013	79,710	75,820	50,479
Current Liabilities	288,508	324,216	274,337	407,587
Total equity and Liabilities	814,086	763,421	656,387	727,908
Profit and Loss Account				
Net Sales	1,884,503	1,794,248	1,376,861	1,255,064
Cost of Sales	(1,421,736)	(1,400,132)	(1,073,514)	(1,020,067)
Gross Profit	462,768	394,117	303,348	234,997
Administrative expenses	(84,568)	(66,739)	(60,991)	(49,421)
Selling and Distribution expenses	(206,796)	(183,404)	(135,993)	(124,570)
	171,404	143,974	106,364	61,006
Other operating expenses	(12,104)	(8,374)	(7,057)	(1,948)
Other operating expense	16,024	10,907	7,513	12,963
Profit from operations	175,324	146,507	106,820	72,021
Finance Cost	(22,964)	(38,360)	(37,613)	(53,487)
Profit before tax	152,359	108,146	69,208	18,534
Taxation	(44,009)	(34,721)	(22,740)	(4,482)
Profit for the year	108,350	73,425	46,468	14,052

Summary of Cash Flows	2012 Rs. In '000	2011 Rs. In '000	2010 Rs. In '000	2009 Rs. In '000
Net cash flows from operating activities	120,891	85,407	156,022	36,674
Net cash flows from investing activities	(73,851)	(47,951)	(10,042)	(26,466)
Net cash flows from financing activities	(34,457)	(20,183)	(10,014)	(26,861)
Net change in cash and cash equivalents	12,582	17,273	135,966	(16,653)

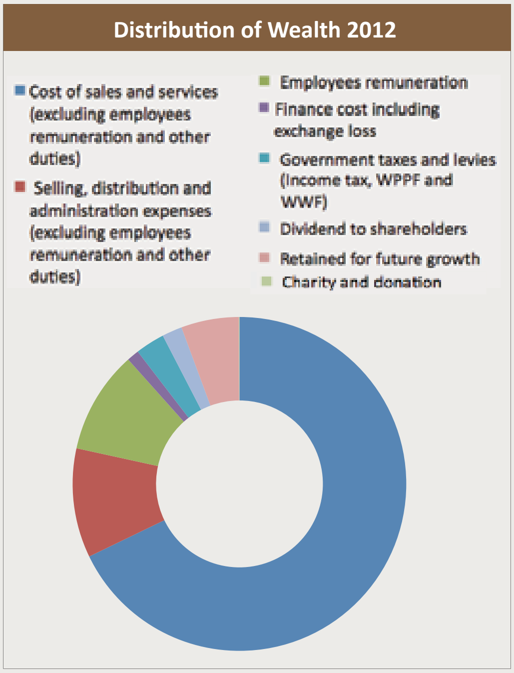
2008 Rs. In '000	2007 Rs. In '000	2012	% increase/ (decrease) over preceding year 2011	2010	2009	2008	2007
329,788	272,725	0.13	0.06	(0.05)	(0.00)	0.21	0.14
391,584	305,663	0.02	0.26	(0.14)	0.02	0.28	0.25
721,372	578,389	0.07	0.16	(0.10)	0.01	0.25	0.20
260,830	262,573	0.20	0.17	0.13	0.03	(0.01)	0.11
56,976	62,791	0.17	0.05	0.50	(0.11)	(0.09)	(0.06)
403,565	253,025	(0.11)	0.18	(0.33)	0.01	0.59	0.41
721,372	578,389	0.07	0.16	(0.10)	0.01	0.25	0.20
1,038,637	866,619	0.05	0.30	0.10	0.21	0.20	0.15
(848,824)	(706,266)	0.02	0.30	0.05	0.20	0.20	0.09
189,814	160,353	0.17	0.30	0.29	0.24	0.18	0.53
(40,780)	(33,478)	0.27	0.09	0.23	0.21	0.22	0.18
(108,185)	(67,199)	0.13	0.35	0.09	0.15	0.61	(0.08)
40,849	59,677	0.19	0.35	0.74	0.49	(0.32)	16.01
(1,535)	(2,655)	0.45	0.19	2.62	0.27	(0.42)	3.62
6,123	4,012	0.47	0.45	(0.42)	1.12	0.53	(0.69)
45,437	61,033	0.20	0.37	0.48	0.59	(0.26)	2.85
(32,323)	(21,268)	(0.40)	0.02	(0.30)	0.65	0.52	0.10
13,113	39,766	0.41	0.56	2.73	0.41	(0.67)	(12.43)
(4,776)	(14,100)	0.27	0.53	4.07	(0.06)	(0.66)	(6.09)
8,338	25,666	0.48	0.58	2.31	0.69	(0.68)	(37.26)

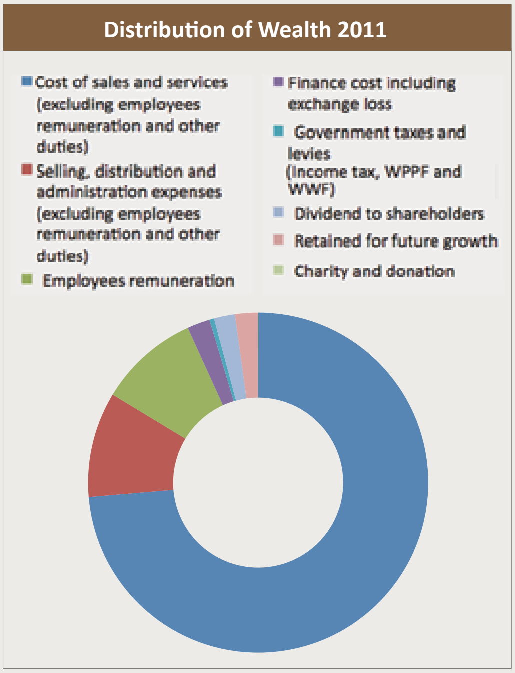
2008 Rs. In '000	2007 Rs. In '000	2012	% increase/ (decrease) over preceding year 2011	2010	2009	2008	2007
(51,013)	38,011	0.42	(0.45)	3.25	(1.72)	(2.34)	3.95
(82,776)	(54,667)	0.54	3.78	(0.62)	(0.68)	0.51	1.63
(24,817)	(14,940)	0.71	1.02	(0.63)	0.08	0.66	(0.39)
(158,606)	(31,596)	(0.27)	(0.87)	(9.16)	(0.90)	4.02	(0.16)

Statement of Value Additions

Statement of Financial Position

	2012		2011	
	Rs. In '000	%	Rs. In '000	%
Wealth Generated				
Net sales	1,884,503	99.16	1,794,248	99.40
Other operating income	16,024	0.84	10,907	0.60
	1,900,527	100.00	1,805,155	100.00
Distribution of Wealth				
Cost of sales and services (excluding employees remuneration and other duties)	1,314,977	67.84	1,303,884	73.65
Selling, distribution and administration expenses (excluding employees remuneration and other duties)	205,231	10.59	177,302	10.01
Employees remuneration	192,891	9.95	169,088	9.55
Finance cost including exchange loss	22,964	1.18	38,360	2.17
Government taxes and levies (Income tax, WPPF and WWF)	54,968	2.84	7,816	0.44
Dividend to shareholders	37,800	1.95	35,280	1.99
Retained for future growth	108,350	5.59	38,145	2.15
Charity and donation	1,145	0.06	592	0.03
	1,938,327	100	1,770,469	100

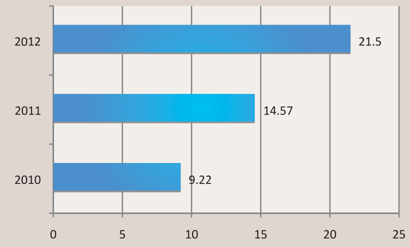




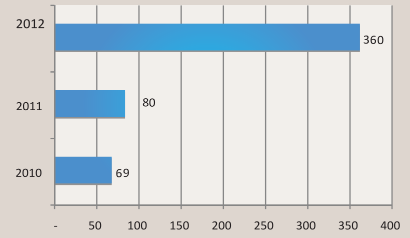
	Unit	2012	2011	2010	2009	2008	2007
Rate of return							
Return on assets	%	13.31	9.62	7.08	1.93	1.16	4.44
Return on equity	%	25.05	20.42	15.17	5.21	3.20	9.77
Return on capital employed	%	33.36	33.36	27.96	22.48	14.30	18.76
Interest cover	Times	7.63	3.82	2.84	1.35	1.41	2.87
Gross profit Margin	%	24.56	21.97	22.03	18.72	18.28	18.50
Net profit to sales	%	5.75	4.09	3.37	1.12	0.80	2.96
EBITDA	Rs	210,578	177,648	136,364	102,231	71,939	83,722
EBITDA margin to sales	%	11.17	9.90	9.90	8.15	6.93	9.66
Liquidity							
Current ratio		1.52	1.33	1.25	0.98	0.97	1.21
Quick Ratio		0.33	0.37	0.41	0.34	0.25	0.48
Financial Gearing							
Debt-Equity Ratio	Times	0.88	1.12	1.14	1.70	1.77	1.20
Debt to Assets	%	46.86	52.91	53.35	62.93	63.84	54.60
Capital Efficiency							
Debtor turnover/No. of days in receivables	Days	12	13	11	17	14	19
Inventory turnover/ No. of days in inventory	Days	88	81	79	93	124	96
Creditor turnover/ No.of days in payables	Days	38	44	35	31	39	46
Operating Cycle	Days	62	51	54	79	99	69
Fixed assets turnover ratio	Times	5.36	5.81	4.55	3.97	3.41	3.29
Total assets turnover	Times	2.31	2.35	2.10	1.72	1.44	1.50

Shareholder Information

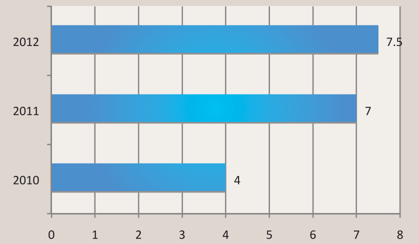
Earning per share (Rupees)



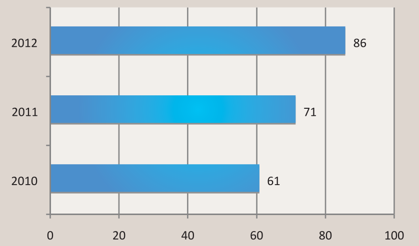
Year Closing Stock Price (As at 30th September) (Rupees)



Dividend History (%)



Break-up value of Shares (Rupees)



JOYFUL

Mitchell's vibrant sugar confectioneries bring a sparkle to every child's eye. Our chewy Milk Toffees, crunchy Fruit Yums and minty Fresh n Cool are a favourite not just amongst children but also desired by adults. Mitchell's has been adding happiness to your life for over 3 generations. So just have some candy and put a smile on your face.

- Pure Joy

PATTERN OF SHAREHOLDING

AS AT SEPTEMBER 30, 2012

Form 34

1. Incorporation Number: **MR11603**

2. Name of the Company: **MITCHELL'S FRUIT FARMS LIMITED.**

3. Pattern of holding of the shares held by the shareholders as at **30-09-2012**

CDC	PHY	No. of Shareholders	Shareholding From	Shareholding To	Total Shares Held	CDC	PHY
171	56	227	1	100	8,361	6,184	2,177
95	160	255	101	500	57,539	28,366	29,173
47	49	96	501	1,000	69,029	34,547	34,482
30	13	43	1,001	5,000	92,649	65,857	26,792
7	2	9	5,001	10,000	66,848	53,912	12,936
3	1	4	10,001	15,000	48,156	37,086	11,070
1	1	2	15,001	20,000	34,512	16,800	17,712
2	1	3	20,001	25,000	67,544	44,182	23,362
1		1	30,001	35,000	30,749	30,749	
	1	1	40,001	45,000	41,776		41,776
	1	1	45,001	50,000	48,715		48,715
1		1	50,001	55,000	53,518	53,518	
	1	1	55,001	60,000	55,670		55,670
	2	2	80,001	85,000	161,712		161,712
	2	2	105,001	110,000	218,177		218,177
1		1	185,001	190,000	187,353	187,353	
1		1	270,001	275,000	271,849	271,849	
1		1	405,001	410,000	410,000	410,000	
1		1	560,001	565,000	562,203	562,203	
	1	1	645,001	650,000	646,790		646,790
	1	1	810,001	815,000	812,561		812,561
	1	1	1,090,001	1,095,000	1,094,289		1,094,289
362	293	655			5,040,000	1,802,606	3,237,394

5. Categories of shareholders	Share held	Percentage
5.1 Directors, Chief Executive Officers, and their spouse and minor childern	2,911,217	57.7622%
5.2 Associated Companies, undertakings and related parties.	-	-
5.3 NIT and ICP	576,681	11.4421%
5.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	53,718	1.0658%
5.5 Insurance Companies	187,853	3.7272%
5.6 Modarabas and Mutual Funds	22,200	0.4405%
5.7 Share holders holding 10%	3,391,492	67.2915%
5.8 General Public		
a. Local	1,259,490	24.9899%
b. Foreign		
5.9 Others (to be specified)		
Joint Stock Companies	28,841	0.5722%

Categories of Shareholders as required under C.C.G.

AS AT SEPTEMBER 30, 2012

SR. NO.	NAME	HOLDING	%AGE
Associated Companies, Undertakings and Related Parties (Name Wise Detail):			
Mutual Funds (Name Wise Detail)			
1	CDC - TRUSTEE JS PENSION SAVINGS FUND - EQUITY (CDC)	5,300	0.1052%
2	MC FSL - TRUSTEE JS GROWTH FUND (CDC)	16,800	0.3333%
Directors and their Spouse and Minor Chidren (Name Wise Detail):			
1	SYED MOHAMMAD MOHSIN	1,094,289	21.7121%
2	SYED MOHAMMAD MEHDI MOHSIN	650,590	12.9085%
3	SYED FAISAL IMAM	80,208	1.5914%
4	MST. UMME KULSUM IMAM	720	0.0143%
5	MR. MOAZ MOHIUDDIN	500	0.0099%
6	MR.JAMAL NASIM (NIT NOMINEE)	--	--
7	MR. MUJEEB RASHID (CDC)	500	0.0099%
8	SYEDA SITWAT MOHSIN W/O SYED MOHAMMAD MOHSIN	1,084,410	21.5161%
Executives:		288	0.0057%
Public Sector Companies & Corporations:			-
-			
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		241,671	5.2336%

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

S. No.	Name	Holding	Percentage
1	SYED MOHAMMAD MOHSIN	1,094,289	21.7121%
2	SYEDA SITWAT MOHSIN W/O SYED MOHAMMAD MOHSIN	1,084,410	21.5161%
3	SYED MOHAMMAD MEHDI MOHSIN	650,590	12.9085%
4	NATIONAL BANK OF PAKISTAN TRUSTEE DEPTT. (CDC)	562,203	11.1548%

During the current year, the trading in shares of the company by the Directors, Executives and theirs spouses and minor children is as follows.

spouses and minor children shall also be disclosed:

S.No	NAME	SALE	PURCHASE
1	SYED MOHAMMAD MOHSIN	--	1,689

REVIEW REPORT TO THE MEMBERS
on Statement of Compliance with Best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Mitchell's Fruit Farms Limited to comply with the Listing Regulation No. 35 of the Karachi, Lahore and Islamabad Stock Exchanges, where the company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the company personnel and review of various documents prepared by the company to comply with the Code.

As part of our audit of 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 have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Further, Sub-Regulation (xiii a) of Listing Regulation 35 notified by the Karachi, Lahore and Islamabad Stock Exchanges requires the company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price, recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the Audit Committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the Audit Committee.

We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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 best practices contained in the Code of Corporate Governance as applicable to the company for the year ended September 30, 2012.

A. F. Ferguson & Co.
Chartered Accountants
Name of Engagement Partner: Amer Raza Mir

Lahore,
December 31, 2012

WHOLESOME

WE PREPARE OUR JAMS & JELLIES VERY METICULOUSLY. FULL OF NUTRITIOUS AND NOURISHING FRUITS, YOU CAN ENJOY THEM AT ANY TIME OF THE DAY; WITH SUCH A WIDE VARIETY TO CHOOSE FROM, YOU CAN ENLIVEN YOUR TASTE BUDS WITH A RANGE OF FLAVOURS. MITCHELL'S HAS BEEN BRINGING FAMILIES TOGETHER FOR OVER 3 GENERATIONS. SO SPREAD THE GOODNESS OF FRUIT ON YOUR TOAST.

- Deliciously Wholesome

REFRESHING

Mitchell's energizing pure fruit squashes come in a variety of flavours, from mango & orange to tangy lemon; we vitalize your palette with these exciting tastes. Mitchell's has been refreshing your life for more than 80 years with these beverages that contain natural vitamins and the goodness of real fruits.

- Refreshingly Vital

"Squashes"

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Mitchell`s Fruit Farms Limited as at September 30, 2012 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conduct our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) In our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;

(b) in our opinion:

   (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

   (ii) the expenditure incurred during the year was for the purpose of the company's business; and

   (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at September 30, 2012 and of the profit, total comprehensive income, its cash flows and changes in equity for the year then ended; and

(d) in our opinion, zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

Lahore Dated: December 31, 2012
Name of Engagement Partner: Amer Raza Mir

A. F. Ferguson & Co.
Chartered Accountants

MITCHELL'S

Financial Statements

2012

BALANCE SHEET
AS AT SEPTEMBER 30, 2012

	Note	2012 Rupees	2011 Rupees
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
10,000,000 (2011: 10,000,000) ordinary shares of Rs. 10 each		100,000,000	100,000,000
Issued, subscribed and paid up capital	5	50,400,000	50,400,000
5,040,000 (2011: 5,040,000) ordinary shares of Rs. 10 each			
Reserves	6	9,635,878	9,635,878
Unappropriated profit		372,529,248	299,459,093
		432,565,126	359,494,971
NON-CURRENT LIABILITIES			
Deferred liabilities	7	93,012,838	79,710,060
CURRENT LIABILITIES			
Short term running finances-Secured	8	140,987,776	154,794,581
Creditors, accrued and other liabilities	9	146,322,898	166,533,908
Accrued finance cost on short term running finances		1,197,065	2,887,659
		288,507,739	324,216,148
CONTINGENCIES AND COMMITMENTS	10		
		814,085,703	763,421,179

The annexed notes 1 to 36 form an integral part of these financial statements.

	Note	2012 Rupees	2011 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	364,711,648	323,428,822
Intangible Assets	12	1,285,370	1,606,712
Biological assets	13	9,505,667	7,133,000
		375,502,685	332,168,534
CURRENT ASSETS			
Stores, spares and loose tools	14	12,491,433	9,293,902
Stock in trade	15	342,532,608	312,065,976
Trade debts	16	59,816,430	63,244,881
Advances, deposits, prepayments and other receivables	17	11,387,684	33,068,115
Cash and bank balances	18	12,354,863	13,579,771
		438,583,018	431,252,645
		814,085,703	763,421,179

S. M. Mohsin
Chairman

Mujeeb Rashid
Chief Executive Officer & Managing Director

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Note	**2012 Rupees**	2011 Rupees
Sales	19	1,884,503,125	1,794,248,317
Cost of sales	20	(1,421,735,606)	(1,400,131,599)
Gross profit		462,767,519	394,116,718
Administration expenses	21	(84,567,766)	(66,738,991)
Distribution and marketing expenses	22	(206,795,747)	(183,404,182)
Other operating expenses	23	(12,104,042)	(8,373,794)
Other operating income	24	16,023,676	10,906,983
Profit from operations		175,323,640	146,506,734
Finance cost	25	(22,964,482)	(38,360,468)
Profit before tax		152,359,158	108,146,266
Taxation	26	(44,009,003)	(34,721,057)
Profit for the year		108,350,155	73,425,209
Earnings per share - Basic and diluted	32	21.50	14.57

The annexed notes 1 to 36 form an integral part of these financial statements.

S. M. Mohsin
Chairman

Mujeeb Rashid
Chief Executive Officer & Managing Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	2012 Rupees	2011 Rupees
Profit for the period	108,350,155	73,425,209
Other comprehensive income for the year	-	-
Total comprehensive income for the year	108,350,155	73,425,209

The annexed notes 1 to 36 form an integral part of these financial statements.

S. M. Mohsin
Chairman

Mujeeb Rashid
Chief Executive Officer & Managing Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Note	2012 Rupees	2011 Rupees
Cash flows from operating activities			
Cash generated from operations	30	172,661,924	139,308,511
Finance cost paid		(24,655,076)	(36,163,467)
Net income tax paid		(21,569,887)	(11,037,932)
Retirement benefits paid		(5,546,349)	(6,699,859)
Net cash from operating activities		120,890,612	85,407,253
Cash flows from investing activities			
Fixed capital expenditure		(79,145,933)	(52,780,647)
Purchase of intangible assets		-	(626,009)
Sale proceeds of property, plant and equipment		4,447,236	3,079,703
Net decrease in long term security deposits		-	751,753
Proceeds from sale of biological assets		847,300	1,624,100
Net cash used in investing activities		(73,851,397)	(47,951,100)
Cash flows from financing activities			
Dividend paid		(34,457,318)	(20,182,832)
Net cash used in financing activities		(34,457,318)	(20,182,832)
Net increase in cash and cash equivalents		12,581,897	17,273,321
Cash and cash equivalents at beginning of the year		(141,214,810)	(158,488,131)
Cash and cash equivalents at end of the year	31	(128,632,913)	(141,214,810)

The annexed notes 1 to 36 form an integral part of these financial statements.

S. M. Mohsin
Chairman

Mujeeb Rashid
Chief Executive Officer & Managing Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Share capital	Share premium	General reserve	Accumulated profit	Total
Balance as at September 30, 2010	50,400,000	9,335,878	300,000	246,193,884	306,229,762
Final dividend for the year ended September 30, 2010 Rs. 4 per share	-	-	-	(20,160,000)	(20,160,000)
Profit for the year ended September 30, 2011	-	-	-	73,425,209	73,425,209
Balance as at September 30, 2011	50,400,000	9,335,878	300,000	299,459,093	359,494,971
Final dividend for the year ended September 30, 2011 Rs. 7 per share	-	-	-	(35,280,000)	(35,280,000)
Profit for the year ended September 30, 2012	-	-	-	108,350,155	108,350,155
Balance as at September 30, 2012	**50,400,000**	**9,335,878**	**300,000**	**372,529,248**	**432,565,126**

The annexed notes 1 to 36 form an integral part of these financial statements.

S. M. Mohsin
Chairman

Mujeeb Rashid
Chief Executive Officer & Managing Director

1. Legal status and nature of business

The Company is incorporated in Pakistan and is listed on Karachi, Lahore and Islamabad Stock Exchanges. It is principally engaged in the manufacture and sale of various farm and confectionery products.

2. Basis of preparation

2.1 These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of IFRS or IFAS, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives prevail.

2.2 Standards, interpretations and amendments to published approved accounting standards

2.2.1 Amendments and interpretations to published standards effective in current year

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

- IAS 24 (Revised), 'Related Party Disclosures', is effective for annual periods beginning on or after January 1, 2011. The definition of a related party has been clarified to simplify the identification of related party relationships, particularly in relation to significant influence and joint control. This is not expected to have a material impact on the company's financial statements.

- IFRS1 (Amendment) (effective 1 July 2011). These amendments include two changes to IFRS 1, 'First-time adoption of IFRS'. The first replaces references to a fixed date of 1 January 2004 with 'the date of transition to IFRSs', thus eliminating the need for entities adopting IFRSs for the first time to restate derecognition transactions that occurred before the date of transition to IFRSs. The second amendment provides guidance on how an entity should resume presenting financial statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation. The Company has determined that there is no material impact of the above amendment on the financial information.

- IFRS 7, 'Disclosures on transfers of financial assets' (Amendment), issued in October 2010. The new disclosure requirements apply to transferred financial assets. An entity transfers a financial asset when it transfers the contractual rights to receive cash flows of the asset to another party. These amendments are as part the IASBs comprehensive review of off balance sheet activities. The amendments will promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitization of financial asset. The Company has determined that there is no significant transfer of financial assets that require disclosure under the guidance above.

- Annual improvements to IFRSs 2010 (effective 1 January 2011). This set of amendments includes changes to six standards and one IFRIC: IFRS 1, 'First time adoption'. IFRS 3, 'Business combinations'. IFRS 7, 'Financial instruments; Disclosures'. IAS 1, 'Presentation of financial statements'. IAS 27, 'Separate financial statements'. IAS 34, 'Interim financial reporting'. IFRIC 13, 'Customer loyalty programmes'. The improvements are as follows:

-IFRS 7	Financial instruments; Disclosures	Clarification for disclosures (Interaction between qualitative and quantitative disclosures)
-IAS 1	Presentation of financial statements	Presentation changes to statement of changes in equity.
-IAS 27	Separate financial statements	Transition requirements for amendments arising as a result of IAS 27 Consolidated and Separate Financial Statements
-IAS 34	Interim financial reporting	Disclosures for Significant events and transactions reported in the previous audited financial information
-IFRIC 13	Customer loyalty programmes	Fair value award of credits

2.2.2 Standards, amendments and interpretations to existing standards effective in current year but not applicable/relevant to the Company's operations

The other new standards amendments and interpretations that are mandatory for accounting period beginning on or after October 01,2011 are considered not to be relevant or to have any significant impact on company's financial reporting and operations.

2.2.3 Standards, amendments and interpretations to existing standards that are not yet effective

Standards and interpretations	**Effective date (accounting periods beginning on or after)**
IAS 1, 'Financial statement presentation'	January 1, 2012
IAS 19, 'Employee benefits'	January 1, 2012
IAS 32, 'Financial instruments : Presentation'	January 1, 2012
IAS 27, 'Separate financial statements'	January 1, 2013
IAS 28, 'Associates and joint ventures'	January 1, 2013
IFRS 1, 'First time adoption', on government loans'	January 1, 2013
IFRS 7, 'Financial instruments: Disclosures'	January 1, 2013
IFRS 9, 'Financial instruments'	January 1, 2013
IFRS 10, 'Consolidated financial statements'	January 1, 2013
IFRS 11, 'Joint arrangements'	January 1, 2013
IFRS 12, 'Disclosure of interests in other entities'	January 1, 2013
IFRS 13, 'Fair value measurement'	January 1, 2013
IAS 32, 'Financial instruments: Presentntation', on offsetting financial assets and financial liabilities'	January 1, 2014
IFRS 9, 'Financial instruments'	January 1, 2015

3. Basis of measurement

3.1 These financial statements have been prepared under the historical cost convention except for revaluation of certain financial instruments, biological assets and agricultural produce at fair values as referred to in notes 4.5 and recognition of certain employee retirement benefits at present value as referred to in note 4.2.

The company's significant accounting policies are stated in note 4. Not all of these significant policies require the management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies the management considers critical because of their complexity, judgment of estimation involved in their application and their impact on these financial statements. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

a) Retirement benefits

The Company uses the valuation performed by an independent actuary as the present value of its retirement benefit obligations. The valuation is based on assumptions as mentioned in note 4.2.

b) Provision for taxation

The Company takes into account the current income tax law and the decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

c) Useful lives and residual values of property, plant and equipment

The Company reviews the useful lives of property, plant and equipment on regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with the corresponding effect on the depreciation charge and impairment.

d) Biological assets

The Company bases its valuation upon yield assessment performed by an independent agricultural expert and computes fair value less estimated point of sales cost to arrive at its valuation. The fair value less estimated point of sales cost is based on factors mentioned in note 4.5.

4. Significant accounting policies

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

4.1 Taxation

Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. 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. 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.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

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

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the income statement, except in the case of items credited or charged to equity in which case it is included in equity.

4.2 Employee retirement benefits

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

(a) Defined benefit plans

The Company operates an unfunded gratuity scheme for all employees according to the terms of employment subject to a minimum qualifying period of 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 latest actuarial valuation for gratuity scheme was carried out as at September 30, 2012. Projected Unit Credit Method, using the following significant assumptions is used for valuation of the scheme:

- Discount rate 11.5 percent per annum (2011: 12.5 percent per annum).
- Expected rate of increase in salary level 10.5 percent per annum (2011: 11.5 percent per annum).
- Average expected remaining working life time of employees 10 years.

The Company's policy with regard to actuarial gains/losses is based on the "minimum 10% corridor" approach mentioned under paragraph 92 of IAS - 19 (Employee Benefits).

(b) Accumulating compensated absences

The Company provides accumulating compensated absences, when the employees render services that increase their entitlement to future compensated absences.

Provisions are made annually to cover the obligation for accumulating compensated absences for executives based on actuarial valuation and are charged to profit.

The latest actuarial valuation was carried out as at September 30, 2012. Projected Unit Credit Method, using the following significant assumptions is used for valuation of accumulating compensated absences.

- Discount rate 11.5 percent per annum (2011: 12.5 percent per annum).
- Expected rate of increase in salary level 10.5 percent per annum (2011: 11.5 percent per annum).
- Average expected remaining working life time of employees 14 years.

Actuarial gains and losses arising during the year are recognised immediately in accordance with the provisions of IAS 19 "Employee benefits".

Retirement benefits are payable to staff on completion of prescribed qualifying period of service under these schemes.

4.3 Property, plant and equipment

4.3.1 Operating fixed assets

Operating fixed assets except freehold land are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at cost less any identified impairment loss. Cost in relation to certain property, plant and equipment signifies historical cost and borrowing cost as referred to in note 4.15.

Depreciation on all operating fixed assets is charged to profit on the reducing balance method so as to write off the depreciable amount of an asset over its estimated useful life at the annual rates mentioned in note 11.1, after taking into account the impact of their residual values, if considered significant.

The assets' residual values and useful lives are reviewed, at each financial year end, and adjusted if the impact on depreciation is significant. The Company's estimate of the residual value of its operating fixed assets as at September 30, 2012 has not required any adjustment as its impact is considered insignificant.

Depreciation on additions to operating fixed assets is charged from the month in which an asset is acquired or capitalised while no depreciation is charged for the month in which the asset is disposed off.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount as mentioned in note 4.6.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognised as an income or expense.

4.3.2 Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

4.4 Intangible assets

Intangible assets represents the cost of computer software acquired and stated at cost less accumulated amortisation and any identified impairment loss. Intangible assets are amortised using the reducing balance method at the rate of 20% so as to write off the cost of an asset over its estimated useful life.

Amortization on additions is charged from the month in which an asset is acquired or capitalized while no amortization is charged for the month in which the asset is disposed off. Amortization is being charged as mentioned in note 12.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount as mentioned in note 4.6.

4.5 Biological assets and agriculture produce

Biological assets comprise of livestock and trees. These are measured at fair value less estimated point-of-sale costs with any resultant gain/loss being recognised in the profit and loss account. Fair value of livestock is determined on the basis of market prices of livestock of similar age, breed and genetic merit. Fair value of trees is determined on the basis of market prices of similar items in local areas. Point-of-sale costs include all costs that are necessary to sell the assets, excluding costs necessary to get the assets to the market.

The Company held 132 animals (2011: 127) including cows, calves, horses and sheep and estimates to beneficially own 836 (2011: 839) trees of various kinds including mango, jamboline, kachnar, ceruse, amla, spikenard, borh and sheesham etc as on September 30, 2012.

4.6 Impairment of non-financial assets

Assets that have an indefinite useful life, for example land, are not subject to depreciation/ amortisation and are tested annually for impairment. Assets that are subject to depreciation/ amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised 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 to sell 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). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

4.7 Leases

4.7.1 Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit on a straight line basis over the lease term.

4.8 Stores, spares and loose tools

Usable stores, spares and loose tools are valued principally at moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

4.9 Stock-in-trade

Stock of raw materials, except for those in transit, and finished goods are valued principally at the lower of moving average cost and net realizable value.

Cost of raw material signifies average direct material cost.

Finished goods comprise cost of direct materials, labour and appropriate manufacturing overheads.

Materials in transit are stated at cost comprising invoice value plus other charges paid thereon.

Net realisable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make a sale.

4.10 Financial instruments

4.10.1 Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise loans, advances, deposits and other receivables and cash and cash equivalents in the balance sheet.

c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investments within twelve months from the balance sheet date.

d) **Held to maturity**

Financial assets with fixed or determinable payments and fixed maturity, where management has the intention and ability to hold till maturity are classified as held to maturity and are stated at amortised cost.

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognised on trade-date – the date on which the Company commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit and loss account.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest rate method.

Gains or losses arising from changes in the fair value of the ‘financial assets at fair value through profit or loss’ category are presented in the profit and loss account in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit and loss account as part of other income when the Company’s right to receive payments is established.

Changes in the fair value of securities classified as available-for-sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the profit and loss account as gains and losses from investment securities. Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit and loss account. Dividends on available-for-sale equity instruments are recognised in the profit and loss account when the Company’s right to receive payments is established.

The fair values of quoted investments are based on current prices. If the market for a financial asset is not active (and for unlisted securities), the Company measures the investments at cost less impairment in value, if any.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss is removed from equity and recognised in the profit and loss account. Impairment losses recognised in the profit and loss account on equity instruments are not reversed through the profit and loss account. Impairment testing of trade debts and other receivables is described in note 4.11.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

4.10.2 Financial liabilities

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

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit and loss account.

4.10.3 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4.11 Trade debts and other receivables

Trade debts and other receivables are recognised initially at invoice value, which approximates fair value, and subsequently measured at amortised cost using the effective interest method, less provision for doubtful debts. A provision for doubtful debts is established when there is objective evidence that the Company will not be able to collect all the amount due according to the original terms of the receivable. Significant financial difficulties of the debtors, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade debt is impaired. The provision is recognised in the profit and loss account. When a trade debt is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the profit and loss account.

4.12 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities as finances under markup arrangement on the balance sheet.

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement cash and cash equivalents comprise cash in hand, demand deposits, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and finances under mark-up arrangements. In the balance sheet, finances under mark-up arrangements are included in current liabilities.

4.13 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

4.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method. Finance costs are accounted for on an accrual basis and are reported under accrued finance costs to the extent of the amount remaining unpaid.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

4.15 Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed in the profit and loss account in the period in which they arise.

4.16 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

4.17 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4.18 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company does not designate derivatives as cash flow hedges.

4.19 Revenue recognition

Revenue from sales is recognised on dispatch of goods to customers.

Return on deposits is recognised on a time proportion basis taking into account the amounts outstanding and the rates applicable thereon.

4.20 Foreign currency transactions and translation

a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account. All non-monetary items are translated into rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

4.21 Dividend

Dividend distribution to the Company's members is recognised as a liability in the period in which the dividends are approved.

5. Issued, subscribed and paid up capital

2012 (Number of Shares)	2011 (Number of Shares)		2012 Rupees	2011 Rupees
1,417,990	1,417,990	Ordinary shares of Rs. 10 each fully paid in cash	**14,179,900**	14,179,900
44,020	44,020	Ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash	**440,200**	440,200
3,577,990	3,577,990	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	**35,779,900**	35,779,900
5,040,000	5,040,000		**50,400,000**	50,400,000

	Note	2012 Rupees	20101 Rupees
6. Reserves			
Movement in and composition of reserves is as follows:			
Capital Reserve			
- Share premium	6.1	9,335,878	9,335,878
Revenue			
- General reserve		300,000	300,000
		9,635,878	9,635,878

6.1 This reserve can be utilised by the company only for the purposes specified in section 83(2) of the Companies Ordinance, 1984.

	Note	2012 Rupees	20101 Rupees
7. Deferred liabilities			
These are composed of:			
Deferred taxation	7.1	45,360,346	43,565,335
Retirement and other benefits	7.2	47,652,492	36,144,725
		93,012,838	79,710,060

7.1 Deferred taxation

The liability for deferred taxation comprises temporary differences relating to:

		2012	20101
Accelerated tax depreciation & amortization		67,353,310	59,162,432
Retirement benefits		(15,440,837)	(11,715,041)
Other provisions		(6,552,127)	(3,882,056)
		45,360,346	43,565,335

7.2 Retirement and other benefits

		2012	20101
Staff gratuity	7.2.1	42,450,472	33,293,652
Accumulating compensated absences		5,202,020	2,851,073
		47,652,492	36,144,725

	2012 Rupees	2011 Rupees
7.2.1 Staff gratuity		
Present value of defined benefit obligation as at September 30, 2012	47,653,965	39,977,668
Unrecognised actuarial loss	(5,203,493)	(6,684,016)
Liability as at September 30, 2012	42,450,472	33,293,652
Liability as at October 1, 2011	33,293,652	25,862,946
Charge to profit and loss account	13,268,252	12,564,891
Contributions by the company	(4,111,432)	(5,134,185)
Liability as at September 30, 2012	42,450,472	33,293,652
The movement in the present value of defined benefit obligation is as follows:		
Present value of defined benefit obligation as at October 1	39,977,668	31,865,145
Service cost	8,134,544	8,300,180
Interest cost	4,853,594	3,983,143
Benefits paid	(4,111,432)	(5,134,185)
Actuarial loss	(1,200,409)	963,385
Present value of defined benefit obligation as at September 30	47,653,965	39,977,668

As at September 30	2012	2011	2010	2009	2008
		(Rupees in thousands)			

The present value of defined benefit obligation and the experience adjustment on obligation is as follows:

Present value of defined benefit obligation	47,654	39,978	31,865	26,098	27,672
Experience adjustment on obligation	(1,200)	963	958	(4,110)	4,182

8. Short term running finances - secured

Short term running finances, available from commercial banks under mark-up arrangements amount to Rs. 385 million (2011: Rs. 390 million). The rates of mark-up range from 13.44% to 13.49% per annum on the balance outstanding and is payable quarterly.

Of the aggregate facility of Rs. 145 million (2011: Rs. 140 million) for opening letter of credits and Rs. 32 million (2011: Rs. 32 million) for guarantees, the amount utilised at September 30, 2012 was Rs. 35 million (2011: Rs. 7.82 million) and Rs. 17.20 million (2011: Rs. 20 million) respectively. The guarantees of Rs. 32 million are a sub-facility of the running finance facility obtained i.e Rs. 385 million.

The aggregate short term facilities are secured by a hypothecation of stores and spares, stock in trade, trade debts and a charge on the present and future fixed assets of the company.

	Note	2012 Rupees	20101 Rupees
9. Creditors, accrued and other liabilities			
Trade creditors		56,191,791	111,016,432
Accrued liabilities		28,321,045	31,719,769
Advances from customers		20,404,799	8,853,828
Interest free deposits repayable on demand		175,000	75,000
Due to related parties	9.1	142,828	173,151
Income tax payable		10,638,266	-
Sales tax payable		-	967,865
Workers' profit participation fund	9.2	8,015,261	5,619,197
Workers' welfare fund		5,894,947	4,513,411
Unclaimed dividends		1,150,052	327,370
Others		15,388,909	3,267,885
		146,322,898	166,533,908

9.1 These relate to normal business of the company and are interest free.

9.2 Workers' profit participation fund

	Note	2012 Rupees	20101 Rupees
Opening balance		5,619,197	3,857,767
Provision for the year	23	7,998,857	5,406,500
Interest for the year	25	150,204	406,171
		13,768,258	9,670,438
Less: Payments made during the year		(5,752,997)	(4,051,241)
Closing balance		8,015,261	5,619,197

10. Contingencies and commitments

10.1 Contingencies

The company has issued a guarantee in favour of Sui Northern Gas Pipelines Limited on account of payment of dues against gas consumption amounting to Rs. 17.200 million (2011: Rs. 17.200 million).

The company has issued post dated cheques amounting to Rs. 60 million (2011: Rs. 53 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 # 450 (I)/2001 dated June 30, 2001 under customs Rules 2001.

10.2 Commitments

Letters of credit other than capital expenditure are Rs. 35 million (2011: Rs. 7.282 million).

	Note	2012 Rupees	2011 Rupees
11. Property, plant and equipment			
Operating fixed assets	11.1	351,429,726	308,925,643
Capital work-in-progress	11.2	13,281,922	14,503,179
		364,711,648	323,428,822

11.1 Property, plant and equipment

	Land	Buildings		Plant and machinery	Vehicles	Furniture and Fittings	Electric Installations	Computer Hardware	Total
	Freehold	On freehold land	On leasehold land						
					(Rupees)				
Net carrying value basis									
Year ended September 30, 2012									
Opening net book value (NBV)	15,547	26,995,586	1,013,660	236,030,239	19,602,332	893,460	22,785,884	1,588,935	308,925,643
Additions (at cost)	-	1,391,187	-	70,567,922	6,002,845	385,998	1,284,359	734,880	80,367,191
Disposals (at NBV)	-	-	-	(425,305)	(2,496,255)	-	-	(8,200)	(2,929,760)
Adjustments	-	(75,509)	75,509	-	-	-	-	-	-
Depreciation charge	-	(2,796,347)	(108,917)	(21,365,685)	(2,934,921)	(218,015)	(7,119,430)	(390,033)	(34,933,348)
Closing net book value (NBV)	15,547	25,514,917	980,252	284,807,171	20,174,001	1,061,443	16,950,813	1,925,582	351,429,726
Gross carrying value basis									
As at September 30, 2012									
Cost	15,547	67,284,091	4,166,846	545,845,186	30,472,894	3,826,731	39,534,864	7,588,796	698,734,955
Accumulated depreciation	-	(41,769,174)	(3,186,594)	(261,038,015)	(10,298,893)	(2,765,288)	(22,584,051)	(5,663,214)	(347,305,229)
Net book value (NBV)	15,547	25,514,917	980,252	284,807,171	20,174,001	1,061,443	16,950,813	1,925,582	351,429,726
Depreciation rate % per annum	-	10	10	10	20	20	20-33.33	20	
Net carrying value basis									
Year ended September 30, 2011									
Opening net book value (NBV)	15,547	29,911,899	1,126,289	245,530,630	18,210,191	748,207	5,733,982	1,647,823	302,924,568
Additions (at cost)	-	75,510	-	12,407,826	4,852,350	337,400	21,419,934	516,540	39,609,560
Disposals (at NBV)	-	-	-	(1,291,688)	(1,255,788)	-	-	-	(2,547,476)
Adjustments	-	-	-	(872,525)	-	-	872,525	(252,945)	(252,945)
Depreciation charge	-	(2,991,823)	(112,629)	(19,744,004)	(2,204,421)	(192,147)	(5,240,557)	(322,483)	(30,808,064)
Closing net book value (NBV)	15,547	26,995,586	1,013,660	236,030,239	19,602,332	893,460	22,785,884	1,588,935	308,925,643
Gross carrying value basis									
As at September 30, 2011									
Cost	15,547	65,968,413	4,091,337	475,832,264	29,341,146	3,440,733	38,250,505	6,947,427	623,887,372
Accumulated depreciation	-	(38,972,827)	(3,077,677)	(239,802,025)	(9,738,814)	(2,547,273)	(15,464,621)	(5,358,492)	(314,961,729)
Net book value (NBV)	15,547	26,995,586	1,013,660	236,030,239	19,602,332	893,460	22,785,884	1,588,935	308,925,643
Depreciation rate % per annum	-	10	10	10	20	20	20-33.33	20	

11.1.1 The cost of fully depreciated assets which are still in use as at September 30, 2012 is Rs. 46.323 million (2011: Rs. 42.64 million).

11.1.2 The depreciation charge for the year has been allocated as follows:

	Note	2012 Rupees	2011 Rupees
Cost of sales	20	24,270,949	22,847,827
Administration expenses	21	1,695,498	1,708,100
Distribution and marketing expenses	22	8,966,901	6,252,137
		34,933,348	30,808,064

11.1.3 Disposal of operating fixed assets

Detail of operating fixed assets sold during the year is as follows:

Particulars of assets	Sold to	2012 Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposals
Vehicles						
	Employee					
	Mr. Atif Fayyaz	837,290	409,277	428,013	428,013	Company policy
	Outsiders					
	Bismillah Auto	457,530	152,307	305,223	450,000	Negotiation
	Mr. Anwar Maqsood	723,634	263,973	459,661	765,000	Negotiation
	Mr. Mukhtar Ahmed	914,000	722,321	191,679	857,786	Negotiation
	Mr. Irfan Khan	872,000	338,243	533,757	924,000	Negotiation
	Mr. Maaz Saleem	630,000	310,693	319,307	540,000	Negotiation
	IGI Insurance	66,956	13,019	53,937	57,500	Claim against stolen bike
Plant and Machinery						
	Mr. Nazar Hussain	555,000	129,694	425,306	225,000	Negotiation
Other assets with book value less than Rs. 50,000		463,199	250,322	212,877	199,937	
		5,519,609	2,589,849	2,929,760	4,447,236	

Detail of operating fixed assets sold during the year is as follows:

Particulars of assets	Sold to	2011 Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposals
Vehicles						
	Employee					
	Mr. G.A Zaidi	690,900	346,850	344,050	230,478	Company policy
	Outsiders					
	Mr. M. Gulfaraz Khan	775,040	409,196	365,844	1,001,000	Negotiation
	IGI Insurance	64,729	8,307	56,422	58,000	Claim against stolen bike
Plant and Machinery						
	Mr. M. Amjad	1,569,235	1,430,155	139,080	122,999	Negotiation
	Mr. M. Amjad	1,347,106	1,227,713	119,393	89,000	Negotiation
	Mr. M Ghazanfar	364,400	261,593	102,807	7,688	Negotiation
	Mr. M. Amjad	1,035,357	948,462	86,895	89,000	Negotiation
	Mr. M. Amjad	2,334,909	2,073,653	261,256	89,000	Negotiation
	Sheikh Zahid	590,150	222,913	367,237	513,450	Negotiation
Other assets with book value less than Rs. 50,000		2,681,346	1,976,854	704,492	879,088	
		11,453,172	8,905,696	2,547,476	3,079,703	

		2012 Rupees	2011 Rupees
11.2 Capital work-in-progress			
Civil Works		13,221,922	12,620,680
Plant and machinery		60,000	1,882,499
		13,281,922	14,503,179

12. Intangible Assets

		2012 Rupees	2011 Rupees
Net carrying value basis			
Year ended September 30, 2012			
Opening net book value (NBV)		1,606,712	1,060,580
Additions at cost		-	626,009
Adjustment		-	252,945
Deletions at NBV		-	-
Amortisation charge		(321,342)	(332,822)
Closing net book value (NBV)		1,285,370	1,606,712
Gross Carrying Value basis			
Cost		5,168,677	5,168,677
Accumulated Amortization		(3,883,307)	(3,561,965)
Net book value (NBV)		1,285,370	1,606,712
Amortization rate % per annum		20	20

12.1 The amortization charge for the year has been allocated as follows:

Cost of sales	20	106,168	165,888
Administration expenses	21	215,174	166,934
		321,342	332,822

13. Biological assets

Livestock		7,470,667	5,308,000
Trees		2,035,000	1,825,000
		9,505,667	7,133,000

		Note	2012 Rupees	2011 Rupees
14.	**Stores, spares and loose tools**			
	General Stores		3,752,627	3,063,015
	Engineering Stores		13,623,831	11,783,742
			17,376,458	14,846,757
	Less: Provision for obsolete items			
	- Engineering Store	14.1	(4,885,025)	(5,552,855)
			12,491,433	9,293,902
	14.1 Provision for obsolete items - Engineering Store			
	Opening Balance		5,552,855	748,329
	Add: Provision for the year	20	(667,830)	4,804,526
	Closing balance		4,885,025	5,552,855
15.	**Stock in trade**			
	Raw materials [including in transit Rs. 7.565 million (2011: Rs. 5.154 million)]		139,488,187	134,850,876
	Packing materials [including in transit Rs. 7.184 million (2011: Nil)]		123,513,945	91,672,779
	Finished goods		87,265,109	92,744,149
			350,267,241	319,267,804
	Less: Provision for obsolete items			
	- Raw Material	15.1	(7,734,633)	(7,201,828)
			342,532,608	312,065,976
	15.1 Provision for obsolete items - Raw material			
	Opening balance		7,201,828	2,000,000
	Add: Provision for obsolete items	20	532,805	5,201,828
	Closing balance		7,734,633	7,201,828
16.	**Trade debts**			
	Considered good		59,816,430	63,244,881
	Considered doubtful		2,442,918	3,938,305
			62,259,348	67,183,186
	Less: Provision for doubtful debts	16.1	(2,442,918)	(3,938,305)
			59,816,430	63,244,881

	Note	2012 Rupees	2011 Rupees
16.1 Provision for doubtful debts			
Opening balance		3,938,305	1,967,249
Add: Provision for the year	22	(1,495,387)	1,971,056
		2,442,918	3,938,305
Less: Bad debts written off against provision		-	-
Closing balance		2,442,918	3,938,305

17. Advances, deposits, prepayments and other receivables

	Note	2012 Rupees	2011 Rupees
Advances - considered good			
- To employees	17.1	2,641,328	2,576,281
- To suppliers		3,260,941	10,676,307
Prepayments		166,375	1,062,545
Letters of credit - margins, deposits, opening charges, etc.		629,413	50,653
Claims recoverable from the government			
- Income tax refundable		-	10,005,839
- Sales tax		2,543,938	3,311,898
		2,543,938	13,317,737
Customs deposit receivable		-	69,876
Due from related parties	17.2	598,914	2,373,385
Other receivables		1,546,775	2,941,331
		11,387,684	33,068,115

17.1 Included in advances to employees are amounts due from the Chief Executive Rs. Nil (2011: Rs. Nil) and Directors Rs. 14,125 (2011: Rs. Nil).

The maximum aggregate amount at the end of any month during the year due from the Chief Executive is Rs. 122,936 (2011: Rs. Nil) and Directors Rs. 861,808(2011: Rs. 474,971).

	2012 Rupees	2011 Rupees
17.2 Due from related parties		
Haider Fruit Growers (Private) Limited	102,535	95,035
Anjuman-e-Khuddam-e-Rasool Allah	87,911	-
Lessee	300,725	2,197,107
Punjab Fruit Growers (Private) Limited	107,743	81,243
	598,914	2,373,385

These relate to normal business of the company and are interest free.

		Note	2012 Rupees	2011 Rupees
18.	**Cash and bank balances**			
	Balances at banks on current accounts		10,959,935	12,982,315
	Special account related to dividend payable		1,034,715	207,339
	Cash in hand		360,213	390,117
			12,354,863	13,579,771

		Note	2012 Rupees	2011 Rupees
19.	**Sales**			
	Gross sales			
	- Local		2,032,329,349	1,874,324,156
	- Export		162,937,878	149,691,435
			2,195,267,227	2,024,015,591
	Less: Sales returns		48,500,582	31,112,041
	Rebates		230,186,483	174,457,030
	Trade promotion		32,077,037	24,198,203
			310,764,102	229,767,274
			1,884,503,125	1,794,248,317

Local sales are exclusive of sales tax of Rs. 288.868 million (2011: Rs. 255.413 million).

		Note	2012 Rupees	2011 Rupees
20.	**Cost of sales**			
	Raw and packing material consumed		1,158,998,250	1,205,497,986
	Salaries, wages and other benefits	20.1	106,758,790	96,247,430
	Furnace oil consumed		23,392,659	13,455,330
	Freight and octroi		277,293	7,400,245
	Travelling and vehicle running		2,625,068	2,921,939
	Repairs and maintenance		20,246,658	13,592,284
	Power, Water and Gas		54,138,704	38,005,950
	Insurance		3,467,012	3,673,009
	Rent, rates and taxes		329,365	1,124,507
	Depreciation on property, plant and equipment	11.1	24,270,949	22,847,827
	Amortization of intangible assets	12.1	106,168	165,888
	Provision for obsolete stock	15.1	532,805	5,201,828
	Provision for obsolete stores and spares	14.1	(667,830)	4,804,526
	Other expenses		21,780,675	17,659,252
	Cost of goods manufactured		1,416,256,566	1,432,598,001
	Opening finished goods		92,744,149	60,277,747
	Closing finished goods		(87,265,109)	(92,744,149)
			5,479,040	(32,466,402)
			1,421,735,606	1,400,131,599

20.1 Salaries, wages and other benefits include the following in respect of gratuity:

	2012 Rupees	2011 Rupees
Current service cost	3,888,871	4,278,766
Interest cost for the year	2,461,359	2,223,224
Experience Loss	142,052	157,159
	6,492,282	6,659,149

In addition to above Rs. 2.088 million (2011: Rs. 1.091 million) have been charged in respect of company's contribution towards staff compensated absences.

	Note	**2012 Rupees**	2011 Rupees
21. Administration expenses			
Salaries, wages and other benefits	21.1	39,800,382	37,149,552
Travelling and vehicle running		4,005,666	4,032,206
Entertainment		820,485	906,941
Repairs and maintenance		1,469,747	1,372,073
Insurance		631,064	507,247
Rent, rates and taxes		2,378,496	2,387,879
Power, Water and Gas		1,942,800	1,558,865
Printing and stationery		1,131,524	1,166,015
Postage and telephone expenses		1,773,572	1,527,267
Professional services	21.2	9,372,284	6,747,100
Depreciation on property, plant and equipment	11.1	1,695,498	1,708,100
Amortization of intangible assets	12.1	215,174	166,934
Dairy expenses		8,532,150	4,105,249
Other expenses		10,798,924	3,403,563
		84,567,766	66,738,991

21.1 Salaries, wages and other benefits include the following in respect of gratuity:

Current service cost	1,912,598	1,439,797
Interest cost for the year	977,413	481,981
Experience Loss	56,409	34,071
	2,946,420	1,955,849

In addition to above Rs. 0.721 million (2011: Rs. 0.154 million) have been charged in respect of company's contribution towards staff compensated absences.

21.2 Professional services

The charges for professional services include the following in respect of auditors' services for:

	Note	2012 Rupees	2011 Rupees
Statutory audit		650,000	600,000
Half yearly review		275,000	275,000
Workers' profit participation and provident funds' audit and sundry services		30,000	85,000
Out of pocket expenses		102,749	95,850
		1,057,749	1,055,850

22. Distribution and marketing expenses

	Note	2012 Rupees	2011 Rupees
Salaries, wages and other benefits	22.1	46,331,874	35,691,362
Travelling and vehicle running		14,751,251	11,281,326
Entertainment		361,449	434,549
Freight expenses		60,596,247	42,896,639
Export expenses		5,898,662	1,823,867
Advertisement		48,142,829	50,908,570
Repairs and maintenance		90,239	144,013
Insurance		1,661,104	1,381,539
Rent, rates and taxes		337,340	207,340
Power, Water and Gas		398,089	411,177
Printing and stationery		174,776	161,286
Postage and telephone		1,668,246	1,327,097
Depreciation on property, plant and equipment	11.1	8,966,901	6,252,137
Services charges to distributors		2,646,579	15,732,864
Provision for doubtful debts	16.1	(1,495,387)	1,971,056
Other expenses		16,265,548	12,779,360
		206,795,747	183,404,182

22.1 Salaries, wages and other benefits include the following in respect of gratuity:

	2012 Rupees	2011 Rupees
Current service cost	2,333,075	2,581,617
Interest cost for the year	1,414,822	1,277,939
Experience Loss	81,653	90,337
	3,829,550	3,949,893

In addition to above Rs. 0.976 million (2011: Rs. 0.468 million) have been charged in respect of company's contribution towards staff compensated absences.

	Note	2012 Rupees	2011 Rupees
23. Other operating expenses			
Workers' profit participation fund		7,998,857	5,406,500
Workers welfare fund		2,959,705	2,375,014
Donations - Anjuman-e-Khuddam-e-Rasool Allah, Shergarh, District Okara (S. M Mohsin, Chairman of the company is the founder member of the Anjuman)		945,480	562,280
Donations - Others		200,000	30,000
		12,104,042	8,373,794
24. Other operating income			
Profit on sale of property, plant and equipment		1,525,677	532,227
Profit on sale and revaluation of live stock		2,958,167	1,679,367
Profit on sale and revaluation of trees		261,800	201,800
Exchange gain		1,029,427	374,565
Scrap sales		6,612,449	6,907,217
Others		3,636,156	1,211,807
		16,023,676	10,906,983
25. Finance cost			
Interest and mark up on			
- Short term running finances- Secured		20,247,442	34,584,206
- Workers' profit participation fund		150,204	406,171
Bank and other charges		2,566,836	3,370,091
		22,964,482	38,360,468
26. Provision for taxation			
For the year			
- Current		42,213,992	38,699,060
- Deferred		1,795,011	(3,688,571)
		44,009,003	35,010,489
Prior years			
- Current		-	(289,432)
		-	(289,432)
		44,009,003	34,721,057

	2012 %	2011 %
26.1 Tax charge reconciliation		
Numerical reconciliation between the average effective tax rate and the applicable tax rate.		
Applicable tax rate	35.00	35.00
Tax effect of amounts that are:		
- Exempt for tax purposes	(0.74)	(0.60)
- Tax credits	(4.85)	1.39
Tax effect under presumptive tax regime and others	(0.52)	(3.94)
Effect of change in prior tax year	-	0.26
	(6.11)	(2.89)
Average effective tax rate charged to profit and loss account	28.89	32.11

27. Transactions with related parties

The related parties comprise associated undertakings and key management personnel. The company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables and remuneration of the key management personnel is disclosed in note 28. Other significant transactions with related parties are as follows:

Description	**2012 Rupees**	2011 Rupees
Purchase of goods	7,199,187	4,315,883
Donations	945,480	562,280
Rent	1,680,000	-
Scrap Sales	9,464	-
	9,834,131	4,878,163

All transactions with related parties have been carried out on commercial terms and conditions.

28. Remuneration of Chairman, Chief Executive and Executives

28.1 The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits, to the Chairman, Chief Executive and Executives of the Company is as follows:

	Chief Executive		Directors				Executive	
	2012	2011	2012		2011		2012	2011
			Non Executive Directors	Executive Directors	Non Executive Directors	Executive Directors		
	Rupees							
Managerial remuneration	8,971,286	7,829,182	-	2,482,764	-	2,715,343	11,180,036	10,089,404
Retirement Benefits	2,582,235	1,148,916	-	-	-	-	7,946,915	6,218,000
House rent allowance	3,205,474	2,718,358	-	1,117,236	-	1,110,822	5,393,081	4,540,232
Utilities	712,330	604,082	-	475,837	-	339,209	1,404,197	1,008,940
Club expenses	21,164	18,549	-	198,843	-	254,805	-	-
Bonus	-	-	-	713,794	-	685,675	6,217,727	5,732,366
	15,492,489	12,319,087	-	4,988,474	-	5,105,854	32,141,956	27,588,942
Number of persons	1	1	6	1	5	1	15	13

The Company also provides the Chief Executive, Directors and certain employees with free use of Company maintained cars.

The Chief Executive and employees are entitled to reimbursement of medical expenses upto an amount equal to three basic salaries.

During the year, Mrs. Sitwat Mohsin was appointed as Non-Executive Directors with effect from May 01,2012.

28.2 Remuneration to other directors

Aggregate amount charged in the financial statements for the year for fee to 8 Directors (2011: 7 Directors) is Rs. 160,000 (2011: Rs. 130,000).

29. Capacity and production

The capacity of the plant is not determinable as it is a multi product plant capable of producing several interchangeable products.

	Actual production in cartons	
	2012	2011
Groceries	1,339,922	1,271,104
Confectioneries	581,034	395,638

30. Cash generated from operations

	Note	2012 Rupees	2011 Rupees
Profit before tax		152,359,158	108,146,266
Adjustments for:			
Depreciation on operating fixed assets		34,933,348	30,808,064
Amortization on intangibles		321,342	332,822
Profit on sale of property, plant and equipment		(1,525,677)	(532,227)
Loss on donation of Property, plant and equipment		8,200	-
Retirement benefits		17,054,116	14,278,619
Profit on revaluation of livestock		(3,219,967)	(1,881,167)
Advances written off		258,460	-
Duties written off		1,082,210	-
Provision for doubtful debts - trade		1,495,387	1,971,056
Provision for obsolete stock		532,805	5,201,828
Stock in trade written off		3,411,026	-
Provision for obsolete stores and spares		(667,830)	4,804,526
Finance cost		22,964,482	34,584,206
Profit before working capital changes		229,007,060	197,713,993
Effect on cash flow due to working capital changes			
- Increase in stores, spares and loose tools		(2,529,701)	(1,671,579)
- Increase in stock in trade		(34,410,463)	(86,349,884)
- Decrease / (Increase) in trade debts		1,933,064	(24,499,271)
- Decrease / (Increase) in advances, deposits prepayments and other receivables		10,333,922	(10,156,368)
- Increase/(Decrease) in creditors, accrued and other liabilities		(31,671,958)	64,271,620
		(56,345,136)	(58,405,482)
Cash generated from operations		172,661,924	139,308,511

31. Cash and cash equivalents

	Note	2012 Rupees	2011 Rupees
Cash and bank balances	18	12,354,863	13,579,771
Short term running finances		(140,987,776)	(154,794,581)
		(128,632,913)	(141,214,810)

32. Earnings per share

32.1 Basic earnings per share

		2012	2011
Net profit for the year	**Rupees**	108,350,155	73,425,209
Weighted average number of ordinary shares	**Number**	5,040,000	5,040,000
Basic earnings per share	**Rupees**	21.50	14.57

32.2 Diluted earnings per share

There is no dilution effect on the basic earnings per share of the company as the company has no such commitments.

33. Financial risk management

33.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of these policies.

(a) 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:

	2012	2011
Trade debts - USD	178,298	131,771
Short term Finance - USD	(249,463)	-
Net exposure-USD	(71,165)	131,771

The following significant exchange rates were applied during the year:

Rupees per USD		
Average rate	93.68	85.75
Reporting date rate	94.60	87.40

If the functional currency, at reporting date, had fluctuated by 5% against the USD with all other variables held constant, the impact on profit before taxation for the year would have been Rs. 336,610 (2011: Rs. 575,839) higher / lower, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis.

(ii) Other price risk

Other 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 since there are no investments in equity securities. The Company is also not exposed to commodity price risk since it has a diverse portfolio of commodity suppliers.

(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 has no significant long-term interest-bearing assets. 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 balance sheet date, the interest rate profile of the Company's interest bearing financial instruments was:

	2012 Rupees	2011 Rupees
Floating rate instruments		
Financial liabilities		
Short term running finances - secured	(140,987,776)	(154,794,581)
Net exposure	(140,987,776)	(154,794,581)

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates on long term finances and short term running finance, at the year end 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 (2011: Rs. 1.55 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

(b) 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 deposits with banks and other receivables.

(i) 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 as follows:

	2012 Rupees	2011 Rupees
Trade debts	62,259,348	67,183,186
Loans, advances, deposits, prepayments and other receivables	5,416,430	8,910,940
Cash and bank balances	11,994,650	13,189,654
	79,670,428	89,283,780

The age of trade receivables and related impairment loss at balance sheet date is as follows:

The age of trade receivables
Past Due but not impaired

- Not past due	50,378,417	56,930,405
- Past due 0 - 180 days	9,438,012	6,314,475
- Past due 181 - 365 days	147,497	152,667
- Over 365 days	2,295,422	3,785,639
	62,259,348	67,183,186

(ii) Credit quality of major financial assets

The credit quality of major 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:

	Rating Short term	Long term	Rating Agency	2012 (Rupees)	2011 (Rupees)
National Bank of Pakistan	A-1+	AAA	JCR-VIS	2,043,823	1,589,126
MCB Bank Limited	A1+	AA+	PACRA	956,345	442,425
Allied Bank Limited	A1+	AA	PACRA	-	-
Standard Chartered	A1+	AA	PACRA	-	1,212,443
Habib Bank Limited	A-1+	AA+	JCR-VIS	8,994,482	9,945,660
				11,994,650	13,189,654

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

(c) 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. At September 30, 2012, the Company had Rs. 385 million available borrowing limits from financial institutions and Rs. 12.355 million cash and bank balances.

The following are the contractual maturities of financial liabilities as at September 30, 2012:

	Carrying amount Rupees	Less than one year	One to five years	More than five years
Trade and other payables	132,412,690	132,412,690	-	-
Accrued finance cost	1,197,065	1,197,065	-	-
	133,609,755	133,609,755	-	-

The following are the contractual maturities of financial liabilities as at September 30, 2011:

	Carrying amount Rupees	Less than one year	One to five years	More than five years
Trade and other payables	156,402,724	156,402,724	-	-
Accrued finance cost	2,887,660	2,887,660	-	-
	159,290,384	159,290,384	-	-

33.2 Fair values of financial assets and liabilities

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

33.3 Financial instruments by categories

	Loans and receivables	
	2012 Rupees	2011 Rupees
Assets as per balance sheet		
Long term loans and deposits		-
Trade debts	62,259,348	67,183,186
Loans, advances, deposits, prepayments and other receivables	5,416,430	8,910,940
Cash and bank balances	11,994,650	13,189,654
	79,670,428	89,283,780

	Financial liabilities at	
	2012 Rupees	2011 Rupees
Liabilities as per balance sheet		
Trade and other payables	132,412,690	156,402,724
Accrued finance cost	1,197,065	2,887,660
	133,609,755	159,290,384

33.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders through repurchase of shares, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings including current and non-current borrowings, as disclosed in note 8, less cash and cash equivalents as disclosed in note 31.Total capital is calculated as 'equity' as shown in the balance sheet plus net debt. The gearing ratio as at September 30, 2012 and September 30, 2011 is as follows:

	Note	**2012 Rupees**	2011 Rupees
Cash and cash equivalents	31	(128,632,913)	(141,214,810)
Net debt		128,632,913	141,214,810
Total equity		432,565,126	359,494,971
Total capital		561,198,039	500,709,781
Gearing ratio	**Percentage**	23%	28%

34. Date of authorisation

These financial statements were authorised for issue on December 31,2012 by the board of directors of the company.

35. Events after the balance sheet date

The Board of Directors have proposed a final dividend for the year ended September 30, 2012 of Rs 7.5 per share (2011: Rs 7.0 per share), amounting to Rs. 37,800,000 (2011: Rs 35,280,000) and bonus shares of 25% (2011: Nil) at their meeting held on December 31, 2012 for approval of the members at the Annual General Meeting to be held on January 31, 2013. These financial statements for the year ended September 30, 2012 do not include the effect of these appropriations which will be accounted for subsequent to the year end.

36. Corresponding figures

Corresponding figure have been re-arranged, wherever necessary, for the purposes of comparison. However, no significant re-arrangements have been made.

S. M. Mohsin
Chairman

Mujeeb Rashid
Chief Executive Officer & Managing Director

PROXY FORM MITCHELL'S FRUIT FARMS LIMITED
80th 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 80th Annual General Meeting of the Company to be held on January 31, 2013 at 11:00 a.m. at the Registered Office of the Company located at 39-A, D-1, Gulberg III, Lahore.

Signed this ____________________ day of __________ 2013

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 39-A, D-1, Gulberg III, Lahore not later than 48 hours before the scheduled time of the meeting.

AFFIX
CORRECT
POSTAGE

The Company Secretary

Mitchell's Fruit Farms Limited
39-A, D-1, Gulberg III,
Lahore.

MITCHELL'S®

For the Taste of Natural Goodness

INCORPORATED IN 1933

Citrus fruit growers and makers of premium quality Squashes, Syrups, Jam, Jellies, Marmalade, Tomato Ketchup, Sauces, Pickels, Vinegars, Canned Food, Sugar Confectioneries, Chocolates and Sugar-free products.