



*Real Happiness*

**First Quarter  
Accounts 2021-22**



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# Company Information

## Board of Directors

Mr. Muhammad Atif	Chief Executive
Mr. Muhammad Siraj	Director
Mr. Salman Haroon	Independent Director
Mr. Aamir Altaf	Director
Mr. Muhammad Riaz	Director
Mr. Qazi Muhammad Imran	Director
Mr. Irfan Mangnejo	Director

## Company Secretary

Mr. Iqbal Shahid

## Audit Committee

Mr. Salman Haroon	Chairman
Mr. Muhammad Siraj	Member
Mr. Irfan Mangnejo	Member

## HR & Remuneration Committee

Mr. Salman Haroon	Chairman
Mr. Muhammad Siraj	Member
Mr. Muhammad Riaz	Member

## Legal Advisor

M/s. Ahmed & Qazi  
Advocates & Legal Consultants

## Bankers

Allied Bank Limited  
Habib Bank Limited  
Meezan Bank Limited  
United Bank Limited

## Auditors

M/s. Aslam Malik & Co.  
Chartered Accountants

## Share Registrar

M/s. F.D. Registrar Services  
(SMC-Pvt.) Ltd.  
Office No. 1705, 17th Floor, Saima  
Trade Tower-A, I.I Chundrigar Road,  
Karachi.

## Registered Office

WS7, Mezanine Floor, Madina Palace  
Faran Co-operative Housing Society  
Dhoraji Colony, Karachi

# Directors' Review

for the three months ended September 30, 2021

## Dear Shareholders

The Board of Directors of the Company are pleased to present their review on unaudited financial performance and affairs of the Company for the three months ended September 30, 2021.

## Business Review

The Company posted a drastic growth rate of 232% resulting in an increase in net sale amounting to Rs 54.1 million which ultimately resulted in reduced loss after taxation by Rs 6.8 million.

This improvement was mainly attributable to overall improvement of economic conditions locally, where overall market conditions were normalized as compared to the same period last year where COVID restrictions were enforced. Same conditions were replicated internationally as well, where port restrictions were uplifted and exports showed an overall growth which resulted in increased sales and profits.

Brief review of the Company's financial performance for the period against the corresponding period of the last year is as follows:

	2021 Rupees "000"	2020 Rupees "000"
Net sales	77,426	23,320
Gross profit / (loss)	3,486	(5,710)
Depreciation	7,139	7,633
Pre-tax loss	3,119	10,540
After-tax loss	4,041	10,841

## Acknowledgement

We take pleasure in expressing honest appreciation for the commitment and contribution by all the stakeholders.



Chief Executive



Director

Karachi  
October 27, 2021

## ڈائریکٹرز کا جائزہ

پیارے شیئر ہولڈرز

کمپنی کے بورڈ آف ڈائریکٹرز کو 30 ستمبر 2021 کو ختم ہونے والی سہ ماہی کے لئے کمپنی کی غیر آڈٹ شدہ مالیاتی کارکردگی اور معاملات پر اپنا جائزہ پیش کرنے پر خوشی ہے۔

کاروباری جائزہ

کمپنی نے 232% کی زبردست شرح نمو پوسٹ کی جس کے نتیجے میں خالص فروخت میں 54.1 ملین روپے کا اضافہ ہوا جو بالآخر 6.8 ملین روپے ٹیکس لگانے کے بعد کم نقصان میں تبدیل ہو گیا۔

یہ بہترین بنیادی طور پر مقامی طور پر معاشی حالات کی مجموعی بہتری سے منسوب تھی، جہاں گزشتہ سال کی اسی سہ ماہی کے مقابلے میں مارکیٹ کے مجموعی حالات معمول پر آ گئے تھے جہاں COVID پابندیاں نافذ تھیں۔ اسی طرح کے حالات بین الاقوامی سطح پر بھی نقل کیے گئے، جہاں بندرگاہوں کی پابندیوں کو بڑھایا گیا اور برآمدات میں مجموعی طور پر اضافہ ہوا جس کے نتیجے میں فروخت اور منافع میں اضافہ ہوا۔

گزشتہ سال کی اسی مدت کے مقابلے میں اس مدت کیلئے کمپنی کی مالی کارکردگی کا مختصر جائزہ حسب ذیل ہے۔

2020	2021	
روپے "000"	روپے "000"	
23,320	77,426	خالص فروخت
(5,710)	3,486	مجموعی منافع / (نقصان)
7,633	7,139	فروڈگی
10,540	3,119	قبل از ٹیکس نقصان
10,841	4,041	بعد از ٹیکس نقصان

اعتراف

ہم تمام اسٹیک ہولڈرز کے عزم اور تعاون کیلئے دیا متدار نہ تعریف کے اظہار کرتے ہوئے میں خوشی محسوس کرتے ہیں۔

کراچی

27 اکتوبر 2021



Chief Executive



Director

# Condensed Interim Statement of Financial Position (Unaudited)

As at September 30, 2021

	Note	Unaudited September 30, 2021	Audited June 30, 2021
----- Rupees -----			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	348,870,649	356,009,994
Long term deposits		1,935,290	1,935,290
		<u>350,805,939</u>	<u>357,945,284</u>
<b>CURRENT ASSETS</b>			
Stores and spares		12,065,297	10,193,172
Stock-in-trade	6	320,189,462	327,499,477
Trade debts		34,353,045	54,039,623
Advances, deposits, prepayments & other receivables		13,903,314	13,722,205
Taxation - net		11,086,928	11,559,654
Cash and bank balances		3,108,794	2,092,425
		<u>394,706,840</u>	<u>419,106,556</u>
		<u>745,512,779</u>	<u>777,051,840</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
105,100,000 (June 2021: 105,100,000) ordinary shares of Rs. 10 each		1,051,000,000	1,051,000,000
<b>Issued, subscribed and paid up share capital and reserves</b>			
98,461,828 (June 2021: 98,461,828) ordinary shares of Rs. 10 each		984,618,280	984,618,280
Reserves		(232,735,735)	(229,188,981)
Discount on issuance of shares		(282,788,556)	(282,788,556)
Surplus on revaluation of property, plant and equipment		33,205,393	33,699,487
		<u>502,299,382</u>	<u>506,340,230</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Deferred liabilities		6,859,598	6,513,119
Security deposit payables		44,500,000	44,500,000
		51,359,598	51,013,119
<b>CURRENT LIABILITIES</b>			
Trade and other payables		191,853,799	219,698,491
		<u>243,213,397</u>	<u>270,711,610</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7	-	-
		<u>745,512,779</u>	<u>777,051,840</u>

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



Chief Executive



Director



Chief Financial Officer

## Condensed Interim Profit or Loss Account (Unaudited)

For the three months ended September 30, 2021

	Three Months Ended	
	September 30, 2021	September 30, 2020
	---- Rupees ----	
<b>SALES</b>	77,425,796	23,319,628
Cost of sales	(73,939,236)	(29,029,259)
<b>GROSS PROFIT / (LOSS)</b>	3,486,560	(5,709,631)
Distribution cost	(3,610,034)	(3,223,853)
Administrative expenses	(3,107,767)	(3,056,594)
	(6,717,801)	(6,280,447)
Operating loss	(3,231,241)	(11,990,078)
Other operating income	115,621	1,524,053
	(3,115,620)	(10,466,025)
Finance cost	(3,176)	(73,968)
<b>LOSS BEFORE TAXATION</b>	(3,118,796)	(10,539,993)
Taxation	(922,055)	(301,439)
<b>LOSS AFTER TAXATION</b>	(4,040,851)	(10,841,432)
LOSS PER SHARE	(0.041)	(0.110)

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



Chief Executive



Director



Chief Financial Officer



## Condensed Interim Statement of Comprehensive Income (Unaudited)

For the three months ended September 30, 2021

	Three Months Ended	
	September 30, 2021	September 30, 2020
	----- Rupees -----	
<b>LOSS AFTER TAXATION</b>	(4,040,851)	(10,841,432)
Other comprehensive income that cannot be classified through profit and loss	-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<u>(4,040,851)</u>	<u>(10,841,432)</u>

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



Chief Executive



Director



Chief Financial Officer

# Condensed Interim Cash Flow Statement (Unaudited)

For the three months ended September 30, 2021

	Three Months Ended	
	September 30, 2021	September 30, 2020
	----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Loss before taxation</b>	(3,118,796)	(10,539,993)
<b>Adjustment for non cash items:</b>		
Depreciation	7,139,345	7,633,369
Provision for gratuity	346,479	272,910
Remeasurement gain	-	(1,323,490)
	<u>7,485,824</u>	<u>6,582,789</u>
	4,367,028	(3,957,204)
<b>Working capital changes</b>		
(Increase) / decrease in current assets		
Stores and spares	(1,872,125)	(2,118,657)
Stock-in-trade	7,310,015	9,208,107
Trade debts	19,686,578	(724,903)
Advances, deposits, prepayments & other receivables	(181,109)	(279,651)
	24,943,359	6,084,896
Increase / (decrease) in current liabilities		
Trade and other payables	(27,844,692)	1,972,921
<b>Net working capital changes</b>	(2,901,333)	8,057,816
Income tax paid	(449,326)	(387,522)
<b>Net cash generated from operating activities</b>	<u>1,016,369</u>	<u>3,713,090</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	-	-
<b>Net increase in cash and cash equivalents</b>	1,016,369	3,713,090
Cash and cash equivalents at the beginning of the period	2,092,425	7,190,668
<b>Cash and cash equivalents at the end of the period</b>	<u>3,108,794</u>	<u>10,903,758</u>

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



Chief Executive



Director



Chief Financial Officer

## Condensed Interim Statement of Changes in Equity (Unaudited)

For the three months ended September 30, 2021

PARTICULARS	RESERVES					SHAR- -HOLDERS' EQUITY		
	SHARE CAPITAL		CAPITAL				TOTAL	
	Premium on issue of share capital	Discount on issue of share capital	Surplus on revaluation of PPE	Subtotal	REVENUE Accumulated loss			
<b>Balance as at June 30, 2020</b>	984,618,280	6,875,000	(282,788,556)	24,438,143	(251,475,413)	(209,373,081)	(460,848,494)	523,769,786
Incremental depreciation transferred to retained earnings	-	-	-	(500,344)	(500,344)	500,344	-	-
Net loss for the period ended	-	-	-	-	-	(10,841,432)	(10,841,432)	(10,841,432)
<b>Balance as at September 30, 2020</b>	<u>984,618,280</u>	<u>6,875,000</u>	<u>(282,788,556)</u>	<u>23,937,799</u>	<u>(251,975,757)</u>	<u>(219,714,169)</u>	<u>(471,689,926)</u>	<u>512,928,354</u>
<b>Balance as at June 30, 2021</b>	984,618,280	6,875,000	(282,788,556)	33,699,487	(242,214,069)	(236,063,981)	(478,278,050)	506,340,230
Incremental depreciation transferred to retained earnings	-	-	-	(494,094)	(494,094)	494,094	-	-
Net loss for the period ended	-	-	-	-	-	(4,040,851)	(4,040,851)	(4,040,851)
<b>Balance as at September 30, 2021</b>	<u>984,618,280</u>	<u>6,875,000</u>	<u>(282,788,556)</u>	<u>33,205,393</u>	<u>(242,708,163)</u>	<u>(239,610,738)</u>	<u>(482,318,901)</u>	<u>502,299,379</u>

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



Chief Executive



Director



Chief Financial Officer

# Notes to the Condensed Interim Financial Statements

For the three months ended September 30, 2021

## 1. THE COMPANY AND ITS OPERATIONS

1.1 The Company was incorporated in Pakistan on 12 March 1990 as a Private Limited Company and was converted into Public Limited Company on 13 December 1993. The Company was listed on Pakistan Stock Exchange on 18 July 1995. The Principal activities of the Company are manufacturing and sale of Jam, Jelly, Syrups, Custard powder, Pickles, Essence, Juices and Aerated drinks and its Allied Products. Currently, the Company operates its units in SWAT and HUB. The principle office of the Company is situated at WS7, Madina Palace, Mezzanine Floor, Faran Co-operative Society, Dhoraji Colony, Karachi, Pakistan.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017.

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

### 2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except for staff retirement benefits that is determined under actuarial valuation annually and Land, building improvements and plant and machinery which are stated at revalued amount in accordance with the criteria laid down under International Accounting Standard (IAS) 16 'Property, Plant and Equipment'.

These condensed interim financial statements, except for cash flow information, have been prepared under the accrual basis of accounting.

### 2.3 Functional and presentation currency

These condensed interim financial statements is presented in Pakistan Rupees, which is the Company's functional currency. All financial information presented in Pakistan Rupees has been rounded to the nearest thousand of Rupees.

# Notes to the Condensed Interim Financial Statements

For the three months ended September 30, 2021

## 3 ACCOUNTING POLICIES

The accounting policies and method of computation adopted in preparation of these condensed interim financial statements are the same as those applied in preparation of the financial statements of the Company for the year ended 30 June 2021.

## 4 ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT

Estimates, judgments and risk management objectives and policies are consistent with that disclosed in the audited financial statements for the year ended 30 June 2021.

	<b>Unaudited September 30, 2021</b>	<b>Audited June 30, 2021</b>
	----- Rupees-----	
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating assets - note 5.1	326,130,666	333,270,011
Capital work-in-progress	<u>22,739,983</u>	<u>22,739,983</u>
	<u>348,870,649</u>	<u>356,009,994</u>
<b>5.1</b>		
Opening book value	333,270,011	337,095,892
Add: Cost of additions for the period / year	-	14,678,003
Surplus for the period / year - net	-	11,967,353
Less: Depreciation charged during the period / year	<u>(7,139,345)</u>	<u>(30,471,237)</u>
	<u>326,130,666</u>	<u>333,270,011</u>
<b>5.2</b>		
All the non-current assets of the Company are located in Pakistan.		
<b>6. STOCK IN TRADE</b>		
Raw and packing materials	240,479,818	225,465,466
Finished goods	90,064,365	112,388,732
Provision for slow moving items	<u>(10,354,721)</u>	<u>(10,354,721)</u>
	<u>320,189,462</u>	<u>327,499,477</u>

## 7. CONTINGENCIES AND COMMITMENTS

### 7.1 Contingencies

**7.1.1** Securities and Exchange Commission of Pakistan (SECP) has fined the Company and all the directors for Rupees 0.785 million (June 2021: 0.785 million) under sections 155, 233, & 245 and 74 and 476 respectively of the Companies Act, 2017. No provision has been made in this condensed interim financial statements for such penalty. Directors and Company have filed appeal before SECP and expect the favorable outcome.

# Notes to the Condensed Interim Financial Statements

For the three months ended September 30, 2021

## 7.2 Commitments

There were no capital or other commitments at the balance sheet date (June 2021: Nil).

## 8. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of shareholders, directors of the Company, employees benefit funds and key management employees and carried out in the normal course of business. There were no other related parties transactions during the period September 30, 2021 (September 30, 2020: NIL).

## 9. SEASONALITY

The Company's business is subject to seasonal fluctuation, with demand of its product increasing in the summer season and in the month of Ramadan and other events. Therefore, revenues and profits are not necessary indicative of results to be expected for the full year.

## 10. GENERAL

This condensed interim financial statements was approved by the Board of Directors and authorized for issue on October 27, 2021.



Chief Executive



Director



Chief Financial Officer

**If undelivered, please return to:**

## **Quice Food Industries Limited**

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Faran Co-operative Society, Dhoraji Colony,  
Karachi-74800, Pakistan.

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