



# *Real Happiness*

**Half Yearly  
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 PERIOD ENDED DECEMBER 31, 2021

The Directors of Quice Food Industries Limited "the Company" are pleased to submit the unaudited financial report and the condensed interim financial information of the Company for the six months period ended December 31, 2021.

## Business Performance Overview

During the six months period ended, the Company has posted a revenue of Rs. 136.8 million, largely due to increase in exports as new regions were tapped. Further, local distributors were also given additional annual incentives to boost sales.

Strong closure of FY21 and declined rate of COVID cases, Pakistan has continued its journey towards strong economic recovery. IMF has also backed the growth rate of the economy which further boosts the confidence in the economy. Nevertheless, rising rates of inflation compounded with international commodity price increases pose economic uncertainties which may impact consumer spending.

## Financial highlights

The Gross-Profit(GP) for six months period ended was Rs. 14.76 million.

Below summary of financial performance (compared with same period last year):

	2021 Rupees "000"	2020 Rupees "000"
Net sales	136,816	51,851
Gross profit	14,755	999
Depreciation	14,279	15,110
Pre-tax-loss	(7,396)	(16,003)
After-tax-loss	(8,991)	(16,781)
Reserves	(244,067)	(224,864)

## Future Prospects

We are constantly working on new product developments, emerging new markets and cost reductions to cope with this challenging situation. During the tenure, the Company is also planning to upgrade some of the plant and machinery to increase the efficiency of processes and save cost of production. Hopefully with our vast experiences and team work, things can be improved.

The management remains committed to drive business fundamentals and improve / maintain its market leadership position in all major categories and is confident of achieving target for financial year.

## Acknowledgement

We would like to express our gratitude to shareholders who have always shown their confidence in the Company and for the commitment, dedication and innovative thinking demonstrated by each member and are confident that they will continue to do so in the future.



Chief Executive  
Karachi  
February 25, 2022



Director

## ڈائریکٹرز کا جائزہ

کوائس فوڈ انڈسٹریز لمیٹڈ ”کمپنی“ کے ڈائریکٹرز 31 دسمبر 2021 کو ختم ہونے والی چھ ماہ کی مدت کیلئے کمپنی کی غیر متحدہ مالی رپورٹ اور کنڈنسنڈ عبوری مالی معلومات پیش کرنے پر خوش ہیں۔

### کاروباری کارکردگی کا جائزہ

ختم ہونے والی چھ ماہ کی مدت کے دوران، کمپنی نے روپے کی آمدنی پوسٹ کی ہے 136.8 ملین، جس کی بڑی وجہ برآمدات میں اضافہ ہے کیونکہ نئے خطوں کو ٹیپ کیا گیا تھا۔ مزید برآں، مقامی تقسیم کاروں کو بیلز بڑھانے کے لئے اضافی سالانہ مراعات بھی دی گئیں۔

مالی سال 2021 کی مضبوط بندش اور کووڈ کیسز کی گرتی ہوئی شرح، پاکستان نے مضبوط معاشی بحالی کی طرف اپنا سفر جاری رکھا ہے۔ آئی ایم ایف نے بھی معیشت کی شرح نمو کی حمایت کی ہے جس سے معیشت پر اعتماد میں مزید اضافہ ہوا ہے۔ اس کے باوجود، بین الاقوامی اجناس کی قیمتوں میں اضافے کے ساتھ مل کر افراط زر کی بڑھتی ہوئی شرحیں اقتصادی غیر یقینی صورتحال پیدا کرتی ہیں جو صارفین کے اخراجات کو متاثر کر سکتی ہیں۔

### مالی جھلکیاں

چھ ماہ کی مدت کیلئے ختم ہونے والا مجموعی منافع GP Rs.14.76 ملین روپے تھا۔

مالی کارکردگی کا خلاصہ ذیل میں (گذشتہ سال اسی عرصے کے مقابلے میں):

	2021 Rupees "000"	2020 Rupees "000"
Net sales	136,816	51,851
Gross profit	14,755	999
Depreciation	14,279	15,110
Pre-tax-loss	(7,396)	(16,003)
After-tax-loss	(8,991)	(16,781)
Reserves	(244,067)	(224,864)

### مستقبل کے امکانات

ہم نئی مصنوعات کی ترقی، ابھرتی ہوئی نئی منڈیوں اور قیمتوں میں کمی پر مستقل طور پر کام کر رہے ہیں۔

اس مشکل صورتحال سے نمٹنے کے مدت ملازمت کے دوران، کمپنی عمل کیا استعداد کار کو بڑھانے اور پیداوار کی لاگت کو بچانے کیلئے کچھ پلانٹ اور مشینری کو اپ گریڈ کرنے کا بھی منصوبہ بنا رہی ہے۔ امید ہے کہ ہمارے وسیع تجربات اور ٹیم کے کام سے چیزوں میں بہتری آ سکتی ہے۔

انتظامیہ کاروباری بنیادی اصولوں کو چلانے اور اس کی مارکیٹ کی قیادت کو تمام اہم قسموں میں برقرار رکھنے کیلئے پرعزم ہے اور مالی سال کے ہدف کے حصول کیلئے پراعتماد ہے۔

### اعتراف

ہم ان حصص یافتگان سے اظہار تشکر کرنا چاہتے ہیں جنہوں نے ہمیشہ اس پراعتماداً ہر کیا ہے۔

کمپنی اور ممبر کی وابستگی، لگن اور جدوجہد سوج ہے اور یقین ہے کہ وہ آئندہ بھی ایسا ہی کرتے رہیں گے۔



Chief Executive

Karachi

February 25, 2022



Director

# Independent Auditor's Review Report

## To the members of Quice Food Industries Limited Report on Review of Interim Financial Statements

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of Quice Food Industries Limited as at December 31, 2021 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures of the condensed interim statement of profit or loss and other comprehensive loss for the quarters ended December, 31 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2021.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's report is **Hafiz Muhammad Ahmad Saleem - FCA**.

Place: Lahore

Date: February 25, 2022

UDIN: RR20211014882uq4NVY1

(Aslam Malik & Co.)  
Chartered Accountants

# Condensed Interim Statement of Financial Position (Unaudited)

AS AT DECEMBER 31, 2021

	Note	Unaudited December 31, 2021	Audited June 30, 2021
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	341,587,025	356,009,994
Long term deposits		2,272,350	1,935,290
		<u>343,859,375</u>	<u>357,945,284</u>
<b>CURRENT ASSETS</b>			
Stores and spares		12,318,036	10,193,172
Stock-in-trade	6	316,012,107	327,499,477
Trade debts	7	73,319,611	54,039,623
Advances, deposits, prepayments & other receivables		5,291,584	13,722,205
Taxation - net		10,887,765	11,559,654
Cash and bank balances	8	11,191,837	2,092,425
		<u>429,020,940</u>	<u>419,106,556</u>
		<u>772,880,315</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		(237,192,151)	(229,188,981)
Discount on issuance of shares		(282,788,556)	(282,788,556)
Surplus on revaluation of property, plant and equipment		32,711,300	33,699,487
		<u>497,348,873</u>	<u>506,340,230</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Deferred liabilities		7,207,242	6,513,119
Security deposit payables		44,500,000	44,500,000
		51,707,242	51,013,119
<b>CURRENT LIABILITIES</b>			
Trade and other payables		223,824,200	219,698,491
		275,531,442	270,711,610
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7	<u>772,880,315</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 PERIOD ENDED DECEMBER 31, 2021

	Quarter ended		Six months period ended	
	Dec-31, 2021	Dec-31, 2020	Dec-31, 2021	Dec-31, 2020
----- Rupees -----				
<b>SALES</b>	59,389,941	28,531,871	136,815,737	51,851,499
Cost of sales	(48,121,103)	(21,822,380)	(122,060,339)	(50,851,639)
<b>GROSS PROFIT</b>	11,268,838	6,709,491	14,755,398	999,860
Distribution cost	(9,593,758)	(7,550,004)	(13,203,792)	(10,773,857)
Administrative expenses	(6,113,565)	(5,440,711)	(9,221,332)	(8,497,305)
	(15,707,323)	(12,990,715)	(22,425,124)	(19,271,162)
Operating loss	(4,438,485)	(6,281,224)	(7,669,726)	(18,271,302)
Other operating income	191,901	854,586	307,522	2,378,639
	(4,246,584)	(5,426,638)	(7,362,204)	(15,892,663)
Finance cost	(30,967)	(36,517)	(34,143)	(110,485)
<b>LOSS BEFORE TAXATION</b>	(4,277,551)	(5,463,155)	(7,396,347)	(16,003,148)
Taxation	(672,955)	(476,333)	(1,595,010)	(777,772)
<b>LOSS AFTER TAXATION</b>	(4,950,506)	(5,939,488)	(8,991,357)	(16,780,920)
<b>LOSS PER SHARE</b>	(0.05)	(0.06)	(0.09)	(0.17)

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 PERIOD ENDED DECEMBER 31, 2021

	Quarter ended		Six months period ended	
	Dec-31, 2021	Dec-31, 2020	Dec-31, 2021	Dec-31, 2020
	----- Rupees -----			
<b>LOSS AFTER TAXATION</b>	(4,950,506)	(5,939,488)	(8,991,357)	(16,780,920)
Other comprehensive income that cannot be classified through profit and loss	-	-	-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<u>(4,950,506)</u>	<u>(5,939,488)</u>	<u>(8,991,357)</u>	<u>(16,780,920)</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 PERIOD ENDED DECEMBER 31, 2021

	Six months ended	
	December 31, 2021	December 31, 2020
	----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(7,396,347)	(16,003,148)
<b>Adjustment for non cash items:</b>		
Depreciation	14,278,691	15,110,487
Provision for gratuity	694,123	545,820
Remeasurement gain	-	(1,659,322)
	<u>14,972,814</u>	<u>13,996,985</u>
<b>Working capital changes</b>	7,576,467	(2,006,163)
(Increase) / decrease in current assets		
Stores and spares	(2,124,864)	(6,733,910)
Stock-in-trade	11,487,370	(13,434,417)
Trade debts	(19,279,988)	2,823,923
Advances, deposits, prepayments & other receivables	8,430,621	(2,385,229)
	<u>(1,486,861)</u>	<u>(19,729,633)</u>
Increase / (decrease) in current liabilities		
Trade and other payables	4,125,709	17,846,215
<b>Net working capital changes</b>	2,638,848	(1,883,418)
Income tax paid	(923,121)	(1,684,148)
<b>Net cash flows from / (used in) operating activities</b>	<u>9,292,194</u>	<u>(5,573,729)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	144,278	-
Net cash flows from investing activities	<u>144,278</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Security deposit receivable	(337,060)	-
Repayment of security deposit payable	-	(1,000,000)
<b>Net cash used in financing activities</b>	<u>(337,060)</u>	<u>(1,000,000)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<u>9,099,412</u>	<u>(6,573,729)</u>
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>11,191,837</u>	<u>616,939</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 PERIOD ENDED DECEMBER 31, 2021

PARTICULARS	SHARE CAPITAL	RESERVES					SHAR-HOLDERS' EQUITY	
		CAPITAL		Surplus on revaluation of PPE	Subtotal	REVENUE Accumulated loss		TOTAL
		Premium on issue of share capital	Discount on issue of share capital					
----- Rupees -----								
<b>Balance as at June 30, 2020 - Audited</b>	984,618,280	6,875,000	(282,788,556)	24,438,142	(251,475,414)	(209,373,081)	(460,848,495)	523,769,785
Incremental depreciation transferred to retained earnings	-	-	-	(1,256,126)	(1,256,126)	1,290,345	34,219	34,219
Net loss for the period ended	-	-	-	-	-	(16,780,920)	(16,780,920)	(16,780,920)
<b>Balance as at December 31, 2020</b>	<b>984,618,280</b>	<b>6,875,000</b>	<b>(282,788,556)</b>	<b>23,182,016</b>	<b>(252,731,540)</b>	<b>(224,863,656)</b>	<b>(477,595,196)</b>	<b>507,023,084</b>
<b>Balance as at June 30, 2021 - Audited</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	-	-	-	(988,187)	(988,187)	988,187	-	-
Net loss for the period ended	-	-	-	-	-	(8,991,357)	(8,991,357)	(8,991,357)
<b>Balance as at December 31, 2021</b>	<b>984,618,280</b>	<b>6,875,000</b>	<b>(282,788,556)</b>	<b>32,711,300</b>	<b>(243,202,256)</b>	<b>(244,067,151)</b>	<b>(487,269,407)</b>	<b>497,348,873</b>

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 PERIOD ENDED DECEMBER 31, 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 W57, 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
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions 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 are presented in Pakistan Rupees, which is the Company's functional currency. All financial information presented in Pakistan Rupees has been rounded to the nearest Rupee.

## 3. ACCOUNTING POLICIES

The accounting policies and method of computation adopted in preparation of these condensed 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.

	Unaudited December 31, 2021	Audited June 30, 2021
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>		----- Rupees-----
Operating assets - note 5.1	318,991,320	333,270,011
Capital work-in-progress	22,595,705	22,739,983
	<u>341,587,025</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 / (deficit) for the period / year - net	-	11,967,353
Less: Depreciation charged during the period / year	(14,278,691)	(30,471,237)
	<u>318,991,320</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	248,285,346	225,465,466
Finished goods	78,081,482	112,388,732
Provision for slow moving items	(10,354,721)	(10,354,721)
	<u>316,012,107</u>	<u>327,499,477</u>

# Notes to the Condensed Interim Financial Statements

FOR THE PERIOD ENDED DECEMBER 31, 2021

**Unaudited**  
**December**  
**31, 2021**  
 ----- Rupees-----  
**Audited**  
**June**  
**30, 2021**

## 7. TRADE DEBTS - considered good

Considered good (Unsecured)	73,319,611	54,039,623
<b>7.1</b> The aging of trade debts as at December 31, 2021 is as follows:		
Neither past due nor impaired (0-30)	47,861,654	19,173,678
Past due but not impaired (31-60)	12,493,148	24,272,522
Past due but not impaired (61 and above)	12,964,809	10,593,423
	<u>73,319,611</u>	<u>54,039,623</u>

**7.2** As at December 31, 2021, an amount of Rupees 17.108 million (June 2021: 8.390 million) refer to foreign debtors.

**7.3** No aggregate outstanding balance of trade debtors due from related parties at the end of any month during the period.

**7.4** As at December 31, 2021, no amount was due from related parties for which impairment needs to be tested (June 2021: Nil).

## 8. CASH AND BANK BALANCES

Cash in hand	517,435	282,346
With banks:		
- Current accounts	604	604
- Saving accounts	10,673,798	1,809,475
	<u>10,674,402</u>	<u>1,810,079</u>
	<u>11,191,837</u>	<u>2,092,425</u>

## 9. CONTINGENCIES AND COMMITMENTS

### 9.1 Contingencies

**9.1.1** 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, 74 and 476 respectively of the Companies Act, 2017. No provision has been made in this condensed interim financial information for such penalty. Directors and Company have filed appeal before SECP and expect a favorable outcome.

### 9.2 Commitments

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

## 10. SALES - net

Local	110,028,471	39,477,150
Export	46,224,685	21,595,075
	156,253,156	61,072,225
Federal excise duty	(701,264)	(2,287,460)
Sales tax	(18,736,154)	(6,933,266)
	<u>136,815,738</u>	<u>51,851,499</u>

**10.1** Export Sales comprise of sale made in UK, Europe, South Africa, South Asia, Middle East, and Mauritius regions.

**10.2** Revenue has been recognized at a point in time for local sales made during the year.

## 10. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of shareholders, directors of the Company, employees benefit funds and key management employees and are carried out in the normal course of business. There were no other related parties transactions during the period ended December 31, 2021.

## 11. SEASONALITY

The Company's business is subject to seasonal fluctuation, with demand of its products 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.

## 12. GENERAL

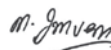
These condensed interim financial statements were approved by the Board of Directors and authorized for issue on February 25, 2022.



Chief Executive



Director



Chief Financial Officer

**If undelivered, please return to:**

## **Quice Food Industries Limited**

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