



ANNUAL REPORT

30th June 2022



Company Information

Board of Directors

Mr. Muhammad Atif
Mr. Muhammad Siraj
Ms. Hina Faiyaz
Mr. Salman Haroon
Mr. Aamir Altaf
Mr. Muhammad Riaz
Qazi Muhammad Imran

Chief Executive Officer
Director
Independent Director
Independent Director
Director
Director
Director

Company Secretary

Mr. Iqbal Shahid

Audit Committee

Mr. Salman Haroon
Mr. Muhammad Siraj
Ms. Hina Faiyaz

Chairman
Member
Member

HR & Remuneration Committee

Mr. Salman Haroon
Mr. Muhammad Siraj
Mr. Muhammad Riaz

Chairman
Member
Member

Legal advisor

M/s. Ahmed & Qazi
Advocates & Legal Consultants

Bankers

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 (Private) Ltd.
Office No. 1705, 17th Floor, Saima Trade
Tower -A, I.I.Chundrigar Road, Karachi.

Registered Office

WS7, Mezzanine Floor, Madina Palace, Faran
Cooperative Housing Society, Dhoraji Colony,
Karachi.

Quice Food Industries Limited

Vision Statement

We aim to offer high quality Jam, Jelly, Syrups, Custard powder, Pickles, Essence, Juices and Aerated drinks and its Allied products both in Pakistan and abroad by continuously improving our products quality by keeping the most technologically advanced production machinery.

Mission Statement

We strive to achieve market leadership through technological edge, distinguished by quality and customer satisfaction, and emphasis on employees' long-term welfare and ensure adequate return to shareholders.

We further wish to contribute to the development of the economy and the country through harmonized endeavor.

Core Values

Commitment & Determination Keep pursuing our goals even in the toughest times of adversity	Team work Cooperate and work together for the common good of the people we serve and the organization's mission
Leadership Create a vision, inspire others and advance the priorities and mission of the organization	Passion for Service Always understand we are here for the customer, show them service and passion so their experience leaves them feeling better than when they came through the door
Perseverance Pushing through to the end	Integrity Respect customer and co-worker privacy, take pride in every transaction be fair, honest and knowledgeable while building trust in each and every situation
Stewardship Use all resources efficiently and effectively in order to further the organization's mission to serve people	

Code of Ethics & Business Practices

Quice Food Industries Limited (the Company) conducts its operations with strong ethical and moral standards consideration complying with statutory regulations and accepted standards of good corporate citizen. This policy applies to all directors and employees of the Company. The Company's core values are leadership, innovation, value, integrity, people and teamwork. It is towards the end of fostering these core values in the corporate culture that the Company has adopted this Code of Ethics and Business Practices (the Code)

The Code implies as follows:

1. The directors and employees of the Company seek to protect the Company's assets. The Company's assets and services are used solely for legitimate business purposes of the Company. The use of Company's funds for political contributions to any organization or to any candidate for public office is prohibited
2. The directors and employees adhere in letter and spirit to all laws and conform to the accepted standards of good corporate governance and avoid conflict of interest. The conflict of interest, if any must be notified to the Company in writing immediately.
3. The Company respect the interest of all the stakeholders and enters into transparent and fairly negotiated contracts.
4. The Company is an equal opportunity employer.
5. The directors and employees reject corruption in all forms direct, indirect, public or private and do not directly or indirectly engage in bribery, kick-backs, payoffs, or any other corrupt business practices.
6. The Company respects the privacy of data relating to individual persons (whether employees or third parties) which it may hold or handle as part of its information processing activities or otherwise. Employees maintain confidentiality of the Company's and its customers' confidential information which is disclosed to them.
7. The directors and employees shall not place themselves in a position where their loyalty to the Company becomes divided for any reason including their direct or indirect financial interest in a competitor, supplier, and consultant of customer.
8. The directors and employees may not take advantage of the Company information or property, or their position with the Company, to develop inappropriate personal gains or opportunities. They may, however, receive gifts of token value or accept invitations only if such gifts or invitations have no influence on their decision making and are as per Company policy.
9. Employees may offer tips, gratuity or hospitality of a customary amount or value for routine services or courtesies received as per Company policy.

All directors and employees of the Company are responsible for the continuing enforcement of and compliance with this policy, including necessary distribution to ensure employee knowledge and compliance. Non compliance with this policy will result in disciplinary action.

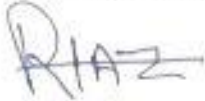
Review Report Chairman

I am pleased to present the Annual Report of Quice Food Industries Limited ("the Company") for the year ended June 30, 2022.

In view of overall economic and political uncertainties, coupled with unprecedented sky-high cost of production and operational costs, the Company managed to excel through investing in quality improvements and human resource development. Your brand marked a historical growth of 124% in overall turnover and 150% increase in Exports. This was possible, besides use of the right strategies, due to the commitment of the Board and the employees towards your organization's goals.

We are not leaving any stone unturned to increase your brand's market share and in the coming days rightfully expecting growth higher than ever.

I would like to thank the Board for its continuous guidance and support, and to the employees for their unshattered trust in and dedication towards your organization's targets and hope for a prosperous future.



Chairman

Directors' Review Report

The Board of Directors of Quice Food Industries Limited has reviewed the performance of the Company and is pleased to submit its audited financial statements for the year ended June 30, 2022.

Year in review

Financial Year Ended 2022 witnessed highest ever inflation and commodity rates which substantially increased the inventory and production costs. However, the Company has kept its rising trend and achieved an exceptionally high performance. The Company's net turnover recorded a historical growth of 124 % as compared to last year's 27%. In particular, the Exports grew by 150% as compared to last year's growth of 60%. This is the evidence of the trust placed in the Company by our domestic and foreign consumers and the constant efforts and commitment by the Company to retain and even improve quality of the product.

Financial performance

	2022 Rupees	2021 Rupees
	"000"	"000"
Net sales	532,238	237,675
Gross profit	58,153	20,148
Depreciation	29,009	30,471
Pre-tax loss	17,916	(25,680)
After-tax loss	(24,040)	(29,372)
Retained earnings	(533,754)	(511,977)

Our populace

We believe that the way towards an upward graph and reduction in losses is to grow our people and shareholders; enabling personal development and ambitious business results.

This investment in our people is what sets us apart in the industry and drives us towards our goals with the right people on board.

Supply chain management (SCM)

SCM, is one of the key functions that not only ensures improvement of operational efficiencies but is also closely aligned with overall Company success.

This year, the SCM team remained aimed at keeping the costs at the lowest and continued to provide unconditional support to all its partners for successfully achieving the targets and also focused on minimizing costs along with strengthening its relationships with all its suppliers, despite historical increase in costs of raw and packing materials, utility costs and other operational costs.

Information technology

We spot that in this rapidly changing business environment, is of utmost importance to establish and maintain an efficient, robust and effective Information technology (IT) infrastructure. IT infrastructure is a combined set of hardware, software, network facilities and the people who are staffed to maintain this. We have all the ingredients in place to claim that our IT infrastructure is second to none. Besides we keep ourselves abreast with the latest trends in the IT in search of the best for a better MIS.

Corporate Governance

Board Committees

Audit Committee

The Audit Committee is performing its duties in line with its terms of reference as determined by the Board of Directors. Composition of the committee is as follows:

Mr. Salman Haroon	Chairman
Mr. Muhammad Siraj	Member
Ms. Hina Faiyaz	Member

Mr. Irfan Mangnejo (Director & member Audit Committee) resigned from the offices in the month of May 2022 and Ms. Hina Faiyaz coopted the offices as independent Director.

HR & Remuneration Committee

The HR & Remuneration committee is performing its duties in line with its terms of reference as determined by the Board of Directors. Composition of the committee is as follows:

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

Meetings of the Board of Directors

During the year under review, 05 meetings of the Board of Directors of the Company were held and the attendance position is as follows:

S.No.	Name of Director	No. of Meetings attended
1.	Mr. Muhammad Atif	05
2.	Mr. Muhammad Siraj	05
3.	Mr. Qazi Muhammad Imran	05
4.	Mr. Salman Haroon	05
5.	Mr. Irfan Mangnejo	05
6.	Mr. Amir Altaf	05
7.	Mr. Muhammad Riaz	05
8.	Ms. Hina Faiyaz	0

Mr. Irfan Mangnejo (Director & member Audit Committee) resigned from the offices in the month of May 2022 and Ms. Hina Faiyaz coopted the offices as independent Director.

Compliance statement


Below is the status of Compliance with the Code of Corporate Governance as enunciated in the Code of Corporate Governance Regulations, 2019:

1. The Financial Statements, prepared by the management of the Company, present fairly its State of Affairs, the Result of its Operations, Cash Flows and Changes in Equity.
2. Proper books of accounts of the Company have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of the Financial Statements and accounting estimates are based on reasonable and prudent judgment.
4. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of Financial Statements and any departure there from has been adequately disclosed.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Company's ability to continue as a Going Concern.
7. There has been no material departure from the best practices of Corporate Governance, as detailed in the Code of Corporate Governance Regulations, 2019.
8. The Company sustained losses and the accumulated losses have prevented the Company from declaring dividend or issuing the bonus shares.
9. Information about taxes and levies is given in the notes to the financial statements.
10. There were no related parties' transactions during the year except those disclosed in the notes to the Financial Statements.
11. The Company operates unfunded Gratuity Scheme for its eligible employees. The carrying value of the liability as at June 30, 2022 was Rs. 5.727 million.

Acknowledgement

The Board is pleased with the continued dedication and efforts of the employees of the Company.

For and on behalf of the Board



Director
Karachi
November 04, 2022

کونسل فوڈ اینڈ سٹریٹجی

کونسل فوڈ اینڈ سٹریٹجی کے بورڈ آف ڈائریکٹرز نے کمپنی کی کارکردگی کا جائزہ لیا ہے اور اسے 30 جون 2022 کو ختم ہونے والے سال کے لیے اپنے آڈٹ شدہ مالیاتی گوشوارے جمع کرانے پر خوشی ہے۔

پچھلے سال کا جائزہ :

2022 کے ختم ہونے والے مالی سال میں اب تک کی سب سے زیادہ افراط زر اور اجناس کی شرحیں دیکھنے میں آئیں جس نے انوینٹری اور پیداواری لاگت میں خاطر خواہ اضافہ کیا۔ تاہم، کمپنی نے اپنے بڑھتے ہوئے رجحان کو برقرار رکھا ہے اور ایک غیر معمولی اعلیٰ کارکردگی حاصل کی ہے۔ کمپنی کے خالص کاروبار میں گزشتہ سال کے 27% کے مقابلے میں 124% کا تاریخی اضافہ ریکارڈ کیا گیا۔ خاص طور پر، برآمدات میں گزشتہ سال کی 60 فیصد اضافے کے مقابلے میں 150 فیصد اضافہ ہوا۔ یہ ہمارے ملکی اور غیر ملکی صارفین کا کمپنی پر اعتماد اور مصنوعات کے معیار کو برقرار رکھنے اور یہاں تک کہ بہتر بنانے کے لیے کمپنی کی مسلسل کوششوں اور عزم کا ثبوت ہے۔

مالیاتی کارکردگی:

2021	2022	
رقم	رقم	
"000"	"000"	
237,675	532,238	خالص فروخت:
20,158	58,153	کل منافع:
30,471	29,009	فرسودگی:
(25,680)	17,916	قبل از ٹیکس کا نقصان:
(29,372)	(24,040)	بعد از ٹیکس کا نقصان:
(511,977)	(533,754)	جمع پونجی:

ہماری آبادی:

ہم سمجھتے ہیں کہ اوپر کی طرف گراف اور نقصانات میں کمی کا راستہ اپنے لوگوں اور شیئر ہولڈرز کو بڑھانا ہے، جس سے ذاتی ترقی اور پر جوش کاروباری نتائج کو ممکن بنایا جاسکتا ہے۔ ہمارے لوگوں میں یہ سرمایہ کاری ہمیں صنعت میں الگ کرتی ہے اور صحیح لوگوں کے ساتھ ہمیں اپنے مقاصد کی طرف لے جاتی ہے۔

سپلائی چین مینجمنٹ (SCM)

ایس سی ایم، ان کلیدی افعال میں سے ایک ہے جو نہ صرف آپریشنل افادیت میں بہتری کو یقینی بناتا ہے بلکہ کمپنی کی مجموعی کامیابی کے ساتھ بھی ہم آہنگ ہے۔

اس سال، SCM ٹیم کا مقصد لاگت کو کم سے کم رکھنے پر رہا اور کامیابی کے ساتھ اہداف کو حاصل کرنے کے لیے اپنے تمام شراکت داروں کو غیر مشروط تعاون فراہم کرنا جاری رکھا اور تاریخی اضافے کے باوجود اپنے تمام سپلائرز کے ساتھ اپنے تعلقات کو مضبوط بنانے کے ساتھ ساتھ لاگت کو کم کرنے پر بھی توجہ مرکوز کی۔ خام اور پیکنگ مواد کے اخراجات، یوٹیلیٹی اخراجات اور دیگر آپریشنل اخراجات۔

انفارمیشن ٹیکنالوجی

ہم دیکھتے ہیں کہ اس تیزی سے بدلتے ہوئے کاروباری ماحول میں، ایک موثر، مضبوط اور موثر انفارمیشن ٹیکنالوجی (IT) انفراسٹرکچر قائم کرنا اور اسے برقرار رکھنا انتہائی اہمیت کا حامل ہے۔ آئی ٹی انفراسٹرکچر ہارڈ ویئر، سافٹ ویئر، نیٹ ورک کی سہولیات اور اس کو برقرار رکھنے کے لیے عملدرکنہ رکھنے والے افراد کا ایک مجموعہ ہے۔ ہمارے پاس یہ دعویٰ کرنے کے لیے تمام اجزاء موجود ہیں کہ ہمارا IT انفراسٹرکچر کسی سے پیچھے نہیں ہے۔ اس کے علاوہ ہم ایک بہتر MIS کے لیے بہترین کی تلاش میں IT کے تازہ ترین رجحانات سے خود کو باخبر رکھتے ہیں۔

کارپوریٹ گورننس

بورڈ کمیٹیوں کی آڈٹ کمیٹی

آڈٹ کمیٹی بورڈ آف ڈائریکٹرز کی طرف سے مقرر کردہ شرائط کے مطابق اپنے فرائض انجام دے رہی ہے۔ کمیٹی کی تشکیل

حسب ذیل ہے:

☆	جناب سلمان ہارون	چیئر مین
☆	جناب محمد سراج	ممبر
☆	محترمہ حنا فیاض	ممبر

بورڈ آف ڈائریکٹرز کے اجلاس۔

جناب عرفان منگنیو (ڈائریکٹر اور ممبر آڈٹ کمیٹی) نے مئی 2022 میں دفاتر سے استعفیٰ دے دیا اور محترمہ حنا فیاض نے آزاد

ڈائریکٹر کے طور پر دفاتر میں تعاون کیا۔

HR اور معاوضہ کمیٹی:

HR اور معاوضہ کمیٹی بورڈ آف ڈائریکٹرز کی طرف سے مقرر کردہ شرائط کے مطابق اپنے فرائض انجام دے رہی ہے۔

کمپنی کی تشکیل حسب ذیل ہے:

☆	جناب سلمان ہارون	چیئر مین
☆	جناب محمد سراج	ممبر
☆	محمد ریاض	ممبر

بورڈ آف ڈائریکٹرز کے اجلاس:

زیر نظر سال کے دوران کمپنی کے بورڈ آف ڈائریکٹرز کی 05 میٹنگیں ہوئیں اور حاضری کی پوزیشن حسب ذیل ہے:

نمبر	ڈائریکٹر کے نام	اجلاس میں شرکت کی تعداد
(1)	جناب محمد عاطف	05
(2)	جناب محمد سراج	05
(3)	جناب محمد قاضی محمد عمران	05
(4)	جناب سلمان ہارون	05
(5)	جناب عرفان مکنیو	05
(6)	جناب عامر الطاف	05
(7)	جناب محمد ریاض	05
(8)	جناب حنا فیاض	00

جناب عرفان مکنیو (ڈائریکٹر اور ممبر آڈٹ کمیٹی) نے مئی 2022 میں دفاتر سے استعفیٰ دے دیا اور محترمہ حنا فیاض نے آزاد

ڈائریکٹر کے طور پر دفاتر میں تعاون کیا۔

تعمیل کا بیان

ذیل میں کارپوریٹ گورننس کے ضابطے کے ساتھ تعمیل کی حیثیت ہے جیسا کہ کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019

میں بیان کیا گیا ہے:

(۱) کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی بیانات، اس کی حالت، اس کے کاموں کے نتائج، کیش فلو اور ایکویٹی میں ہونے والی تبدیلیوں کو کافی حد تک پیش کرتے ہیں۔

(۲) کمپنی کے اکاؤنٹس کی مناسب کتابیں برقرار رکھی گئی ہیں۔

(۳) مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور

دانشندانہ فیصلے پر مبنی ہیں۔

- (۴) بین الاقوامی اکاؤنٹنگ معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالیاتی گوشواروں کی تیاری میں پیروی کی گئی ہے اور وہاں سے کسی بھی روانگی کا مناسب طور پر انکشاف کیا گیا ہے۔
- (۵) اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔
- (۶) گونگ کنسرن کے طور پر جاری رکھنے کی کمپنی کی صلاحیت پر کوئی خاص شک نہیں ہے۔
- (۷) کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی اخراج نہیں ہوا ہے، جیسا کہ کوڈ آف کارپوریٹ گورننس، ریگولیشنز، 2019 میں تفصیل سے بتایا گیا ہے۔
- (۸) کمپنی کو مسلسل نقصان ہوا اور جمع شدہ نقصانات نے کمپنی کو ڈیویڈنڈ کا اعلان کرنے یا بونس شیئرز جاری کرنے سے روک دیا۔
- (۹) ٹیکس اور لیویز کے بارے میں معلومات مالیاتی گوشواروں کے نوٹوں میں دی گئی ہیں۔
- (۱۰) سال کے دوران کوئی متعلقہ فریقوں کا لین دین نہیں ہوا سوائے ان کے جو مالیاتی گوشواروں کے نوٹوں میں ظاہر کیے گئے تھے
- (۱۱) کمپنی اپنے اہل ملازمین کے لیے غیر فنڈ شدہ گریجویٹ اسکیم چلاتی ہے۔ 30 جون 2022 تک ذمہ داری کی لے جانے والی قیمت روپے تھی۔ 5.727 ملین۔

اعتراف:

بورڈ کمپنی کے ملازمین کی مسلسل لگن اور کوششوں سے خوش ہے۔

بورڈ کے لیے اور اس کی جانب سے۔

ڈائریکٹر

کراچی

04 نومبر 2022ء

Financial Highlights

Financial position (Rs. in million)	2022	2021	2020	2019	2018	2017
Property, plant and equipment						
Operating assets	<u>307.329</u>	<u>333.270</u>	<u>337.096</u>	<u>297.736</u>	<u>227.946</u>	<u>239.881</u>
Capital work in progress	<u>42.668</u>	<u>22.740</u>	<u>19.593</u>	<u>55.876</u>	<u>174.368</u>	<u>162.381</u>
	<u>349.996</u>	<u>356.010</u>	<u>356.689</u>	<u>353.612</u>	<u>402.314</u>	<u>402.262</u>
Long term deposits	<u>1.935</u>	<u>1.935</u>	<u>1.869</u>	<u>1.819</u>	<u>1.819</u>	<u>1.819</u>
Current assets	<u>789.338</u>	<u>419.107</u>	<u>377.951</u>	<u>387.361</u>	<u>357.715</u>	<u>344.988</u>
Total assets	1,141.270	777.052	736.509	742.792	761.848	749.069

Financed by

Shareholders' equity	<u>482.775</u>	<u>506.340</u>	<u>523.770</u>	<u>562.318</u>	<u>594.636</u>	<u>628.440</u>
Long term deposits and deferred liabilities	<u>151.841</u>	<u>51.013</u>	<u>50.497</u>	<u>61.203</u>	<u>11.831</u>	<u>15.083</u>
Current liabilities	<u>506.654</u>	<u>219.699</u>	<u>162.242</u>	<u>119.271</u>	<u>155.381</u>	<u>105.546</u>
Total funds invested	1,141.270	777.052	736.509	742.792	761.848	749.069

Turnover & profit

Turnover- net	<u>532.239</u>	<u>237.675</u>	<u>186.668</u>	<u>116.775</u>	<u>127.472</u>	<u>153.492</u>
Gross profit	<u>58.153</u>	<u>20.148</u>	<u>12.933</u>	<u>11.454</u>	<u>8.781</u>	<u>25.047</u>
Operating loss	<u>(18.713)</u>	<u>(28.420)</u>	<u>(38.695)</u>	<u>(43.981)</u>	<u>(41.947)</u>	<u>(43.851)</u>
(Loss) before taxation	<u>(17.916)</u>	<u>(25.681)</u>	<u>(37.248)</u>	<u>(42.994)</u>	<u>(41.182)</u>	<u>(38.173)</u>
(Loss) after taxation	<u>(24.040)</u>	<u>(29.372)</u>	<u>(39.444)</u>	<u>(51.056)</u>	<u>(40.107)</u>	<u>(39.693)</u>
(Loss) per share- Rupees	<u>(0.244)</u>	<u>(0.298)</u>	<u>(0.401)</u>	<u>(0.380)</u>	<u>(0.439)</u>	<u>(0.403)</u>

Cash flow summary

Net cash used in operating activities	<u>(68.292)</u>	<u>7.329</u>	<u>36.635</u>	<u>(81.888)</u>	<u>8.281</u>	<u>61.480</u>
Net cash used in investing activities	<u>(22.996)</u>	<u>(11.361)</u>	<u>(28.980)</u>	<u>34.118</u>	<u>(7.026)</u>	<u>(65.086)</u>
Net cash inflow/ (outflow) from financing activities	<u>100.000</u>	<u>(1.066)</u>	<u>(11.150)</u>	<u>56.600</u>	<u>-</u>	<u>-</u>
Increase/ (decrease) in cash & cash equivalent	<u>8.713</u>	<u>(5.098)</u>	<u>(3.495)</u>	<u>8.830</u>	<u>1.255</u>	<u>(3.606)</u>
Cash and bank balance at the beginning of the year	<u>2.092</u>	<u>7.191</u>	<u>10.686</u>	<u>1.856</u>	<u>0.601</u>	<u>4.207</u>
Cash and cash equivalent at the end of the year	<u>10.805</u>	<u>2.092</u>	<u>7.191</u>	<u>10.686</u>	<u>1.856</u>	<u>0.601</u>

Horizontal and Vertical Analyses

Rs. in million	2022	2021	2020	2019	2018	2017
Non current assets	351.932	357.945	358.558	355.431	404.133	404.081
Current assets	789.338	419.107	377.951	387.361	357.715	344.988
Total assets	1,141.270	777.052	736.509	742.792	761.848	749.069

Shareholders' equity	482.775	506.340	523.770	562.318	594.636	628.440
Non current liabilities	151.841	51.013	50.497	61.203	11.831	15.083
Current liabilities	506.654	219.699	162.242	119.271	155.381	105.546
Total equity & liabilities	1,141.270	777.053	736.509	742.792	761.848	749.069

Vertical analysis- %age	2022	2021	2020	2019	2018	2017
Non current assets	30.84	46.06	48.68	47.85	53.05	53.94
Current assets	69.16	53.94	51.32	52.15	46.95	46.06
Total assets	100	100	100	100	100	100

Shareholders' equity	42.30	65.16	71.12	75.70	78.05	83.90
Non current liabilities	13.30	6.56	6.86	8.24	1.55	2.01
Current liabilities	44.39	28.27	22.03	16.06	20.40	14.09
Total equity & liabilities	100	100	100	100	100	100

Horizontal analysis- %age, Year to year	2022	2021	2020	2019	2018	2017
Non current assets	(1.68)	(0.17)	0.88	(12.05)	0.01	100
Current assets	88.34	10.89	(2.43)	8.29	3.69	100
Total assets	46.87	5.50	(0.85)	(2.50)	1.71	100

Shareholders' equity	(4.65)	(3.33)	(6.86)	(5.43)	(5.38)	100
Non current liabilities	197.65	1.02	(17.49)	417.31	(21.56)	100
Current liabilities	130.61	35.41	36.03	(23.24)	47.22	100
Total equity & liabilities	46.87	5.50	(0.85)	(2.50)	1.71	100

Pattern of shareholding

AS on June 30, 2022

No. of Shareholders	Shareholding		Total Shares held
	From	To	
522	1	100	15,734
1,027	101	500	306,092
1,030	501	1,000	803,228
1,178	1,001	5,000	3,394,861
426	5,001	10,000	3,611,515
620	10,001	100,000	21,262,439
83	100,001	965,000	20,212,381
5	965,001	5,115,000	13,369,500
2	5,115,001	11,265,000	20,474,700
1	11,265,001	15,015,000	15,011,378
4,894	Total		98,461,828

S.No.	Categories of Shareholders	Total Shares held	%age
1	CEO	627	0.001
2	Directors	3,127	0.003
3	Sponsors and Family Members	31,386,578	31.877
4	General public	60,110,239	61.050
5	Insurance companies	77,188	0.078
6	Financial institutions	1,801,169	1.830
7	NIT and ICP	35,400	0.036
8	Modaraba & Mutual fund	5,047,500	5.126
	Total	98,461,828	100

Statement of Compliance with Code of Corporate Governance

The Company has complied with the requirements of the Regulations in the following Manner:

1. Total number of directors as on June 30, 2022 are Seven in the following

Male: 6

Female: 1

* Ms. Hina Faiyaz replaced Mr. Irfan Mangnejo on May 31, 2022. Mr. Irfan Mangnejo resigned to give way for representation of independent and female director on the Board.

2. The composition of the Board is as follows:

Category

Name

Independent directors:

Ms. Hina Faiyaz;
Mr. Salman Haroon

Non-executive directors:

Mr. Muhammad Siraj;
Mr. Aamir Altaf
Mr. Muhammad Riaz; &

Executive director:

Mr. Muhammad Atif (CEO); &
Mr. Qazi Muhammad Imran.

** Ms. Hina Faiyaz replaced Mr. Irfan Mangnejo on May 31, 2022. Mr. Irfan Mangnejo resigned to give way for representation of independent and female director on the Board.

3. The Directors have confirmed that none of them is serving as director on more than seven listed companies. Including this Company (excluding the listed subsidiaries of listed holding companies where applicable.)
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/ mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the power of the Board has been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provision of the Companies Act, 2017 (the Act) and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for the purpose. The board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
8. The Board of Directors have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.
9. The Board of Directors is well aware and acknowledges the need to keep the Directors

abreast of the corporate and business best practices. Therefore, the Board has a policy to get its Directors certified under the Directors' training program as per the Code of Corporate Governance Regulations 2019. The newly appointed independent Director Ms. Hina Faiyaz has acquired the said Certification during the period.

10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and Complied with relevant requirements of the Regulations.
11. CFO and CEO have duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

<u>Committee</u>	<u>Composition</u>	<u>Designation</u>
Audit committee	Mr. Salman Haroon	Chairman
	Ms. Hina Faiyaz	Member
	Mr. Muhammad Siraj	Member
HR & Remuneration Committee	Mr. Salman Haroon	Chairman
	Mr. Muhammad Siraj	Member
	Mr. Muhammad Riaz	Member

* Ms. Hina Faiyaz replaced Mr. Irfan Mangnejo on May 31, 2022. Mr. Irfan Mangnejo resigned to give way for representation of independent and female director on the Board.

13. The terms of reference of the aforesaid committee have been formed, documented and advised to the committee for compliance.
14. The frequency of the meetings of the Committees were as per following:

<u>Committee</u>	<u>Frequency</u>
Audit committee	Quarterly
HR & Remuneration committee	One meeting in the year

15. The Board has setup an effective Internal audit function involved in Internal Audit relating to the Business and other affairs of the company. They considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Directors of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other material principles contained in the CCG have been complied with.

For and on behalf of the Board



Director



Aslam Malik & Co
Chartered Accountants
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INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Quice Food Industries Limited

Review report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Quice Food Industries Limited for the year ended June 30 2022 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks. The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Following instances of Non compliances with the requirements of the code were observed which are not stated in the statement of compliance.

- a) Code requires independent Directors shall not be less than two or one third of the total members of the board, whichever is higher, whereas board include two independent director.
- b) Boards the company has not arranged the directors training program or obtained the exemption from directors training program from the commission as required under clause 19 of the Regulations.

Based on our review, except for the above instances of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2022.

Aslam Malik
Chartered Accountants

Place: Lahore

Date: November 7, 2022

Engagement Partner: Hafiz Muhammad Ahmad

UDIN: CR202210148J71hDCzUT





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INDEPENDENT AUDITOR'S REPORT

To Members of **Quice Food Industries Limited**
Report on the Audit of the **Financial Statements**

Opinion

We have audited the annexed financial statements of **Quice Food Industries Limited** (the Company), which comprise the statement of financial position as at **June 30, 2022**, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at **June 30, 2022** and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key Audit Matters	How the matter was addressed in our audit
<p>Valuation of Stock in Trade. Refer notes 4 to the financial statements and the accounting policy in note 2.5 to the financial statements regarding the Stock in trade.</p> <p>Stock in trade balance constitutes 49% of total assets of the company. The cost of finished goods is determined at average cost including a proportion of production overheads.</p> <p>Stock in trade is carried in the financial statements at the lower of cost or net realizable value.</p> <p>We focused on stock in trade as it is significant portion of the company's total assets and it requires management judgement in determining an appropriate costing basis and assessing its valuation.</p>	<p>Our Audit procedures in respect of this matter amongst others, included the following:</p> <ul style="list-style-type: none"> ➤ Performed recalculation of the net realizable value (NRV) for sample selected in the closing stock-in-trade by comparing the cost with the: <ul style="list-style-type: none"> • Subsequent selling price verified through sales invoices issued after the year end. • Less cost to sell which was based on the actual cost incurred during the year to sell the underlying products. ➤ We also performed list to floor test and floor to list test during physical inventory count procedures and verified the item quantity and its physical condition on sample basis. ➤ We performed a range of audit procedures with respect to inventory items including, Testing valuation methods and their appropriateness in accordance with the applicable accounting standards. We also tested the calculations of per unit cost of finished goods and assessed the appropriateness of management's basis for the allocation of cost and production overheads. ➤ We assessed the percentage write down applied to older inventory with reference to historic inventory write downs. <p>We also assessed the adequacy of the disclosures made in respect of the accounting policies and the details of inventory balances held by the company at the year end.</p>

Information Other Than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so,

consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed, on other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a

going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

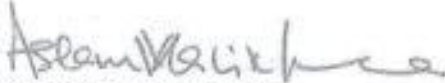
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible under the Zakat and Ushr Ordinance, 1980 (xviii of 1980).

The engagement partner on the audit resulting in this independent auditors' report is **Hafiz Muhammad Ahmad Saleem**.



Chartered Accountants
Place: Lahore
Date: November 7, 2022
UDIN: AR202210148Ja5v9ScMZ



QUICE FOOD INDUSTRIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022	2021
		-----Rupees-----	
NON-CURRENT ASSETS			
Property, plant and equipment	3	349,996,280	356,009,994
Long term deposits		1,935,290	1,935,290
		<u>351,931,570</u>	<u>357,945,284</u>
CURRENT ASSETS			
Stores and spares		52,025,060	10,193,172
Stock-in-trade	4	560,624,975	327,499,477
Trade debts	5	102,587,952	54,039,623
Advances, deposits, prepayments & other receivables	6	52,626,476	13,722,205
Taxation - net	7	10,668,583	11,559,654
Cash and bank balances	8	10,805,222	2,092,425
		<u>789,338,268</u>	<u>419,106,556</u>
		<u>1,141,269,838</u>	<u>777,051,840</u>
SHARE CAPITAL AND RESERVES			
Authorized share capital			
105,100,000 (2021: 105,100,000) ordinary shares of Rupees 10 each		<u>1,051,000,000</u>	<u>1,051,000,000</u>
Issued, subscribed and paid up share capital and reserves			
98,461,828 (2021 : 98,461,828) ordinary shares of Rs.10 each	9	984,618,280	984,618,280
Reserves	10	(250,965,685)	(229,188,981)
Discount on issuance of shares		(282,788,556)	(282,788,556)
Surplus on revaluation of property, plant and equipment	11	31,911,136	33,699,487
		<u>482,775,175</u>	<u>506,340,230</u>
NON-CURRENT LIABILITIES			
Deferred liabilities	12	7,340,593	6,513,119
Security deposit payables	13	144,500,000	44,500,000
		<u>151,840,593</u>	<u>51,013,119</u>
CURRENT LIABILITIES			
Trade and other payables	14	506,654,070	219,698,491
CONTINGENCIES AND COMMITMENTS			
	15	<u>1,141,269,838</u>	<u>777,051,840</u>

The annexed notes from 1 to 32 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

QUICE FOOD INDUSTRIES LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		---- Rupees ----	
Sales	16	532,238,800	237,675,355
Cost of Sales	17	(474,085,793)	(217,527,446)
Gross Profit		58,153,007	20,147,909
Distribution Cost	18	(47,933,730)	(29,113,670)
Administrative Expenses	19	(28,931,995)	(19,453,917)
		(76,865,725)	(48,567,587)
Operating Loss		(18,712,718)	(28,419,678)
Other Operating Income	20	902,145	2,870,378
		(17,810,573)	(25,549,300)
Finance Cost	21	(105,551)	(131,231)
LOSS BEFORE TAXATION		(17,916,124)	(25,680,531)
Taxation	22	(6,124,013)	(3,691,734)
LOSS AFTER TAXATION		(24,040,137)	(29,372,265)
LOSS PER SHARE	23	(0.244)	(0.298)

The annexed notes from 1 to 32 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

QUICE FOOD INDUSTRIES LIMITED
 STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	---- Rupees ----	
LOSS AFTER TAXATION	(24,040,137)	(29,372,265)
<i>Other comprehensive income that cannot be classified through profit and loss</i>		
Revaluation surplus on land	-	10,402,100
Revaluation surplus on building- net of deferred tax	-	4,387,802
Revaluation surplus on plant & machinery- net of deferred tax	-	(3,537,144)
	-	11,252,758
Remeasurement of plan obligation - gratuity scheme - net of tax	582,377	862,841
Related Deferred Tax	(168,889)	(250,224)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(23,626,649)	(17,506,890)

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The annexed notes from 1 to 32 form an integral part of these financial statements.


 Chief Executive Officer


 Director


 Chief Financial Officer

QUICE FOOD INDUSTRIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2022

PARTICULARS	RESERVES					SHAREHOLDERS' EQUITY	
	CAPITAL			REVENUE			TOTAL
	SHARE CAPITAL	Discount on issue of share capital	Surplus on revaluation of PPE	Accumulated loss			
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees		
Balance as at June 30, 2020	984,618,280	6,875,000	(282,788,556)	24,438,142	(209,373,081)	523,769,785	
Surplus on revaluation of property, plant & equipment	-	-	11,252,758	11,252,758	-	11,252,758	
Incremental depreciation transferred to retained earnings	-	-	(1,991,413)	(1,991,413)	2,068,748	77,335	
Comprehensive loss for the period ended	-	-	-	-	(28,759,648)	(28,759,648)	
Balance as at June 30, 2021	984,618,280	6,875,000	33,699,487	(242,214,069)	(236,063,981)	506,340,230	
Surplus on revaluation of property, plant & equipment	-	-	(1,788,351)	(1,788,351)	1,849,945	61,594	
Incremental depreciation transferred to retained earnings	-	-	-	-	(23,626,649)	(23,626,649)	
Comprehensive loss for the period ended	-	-	-	-	(257,840,685)	(257,840,685)	
Balance as at June 30, 2022	984,618,280	6,875,000	31,911,136	(244,002,420)	(257,840,685)	482,775,175	

The annexed notes from 1 to 32 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

QUICE FOOD INDUSTRIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

Note	2022	2021
	---- Rupees ----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(17,916,124)	(25,680,531)
Adjustment for non cash items:		
Depreciation	29,009,381	30,471,237
Provision for gratuity	1,471,445	1,388,246
Provision for slow moving items	5,000,038	-
Impairment loss on leasehold improvement	-	353,120
Gratuity paid	-	(1,227,500)
Remeasurement loss on equity shares	-	(1,659,322)
Loss on sale of equity shares	-	(616,840)
	35,480,864	28,708,941
Net cash inflows from operations before working capital changes	17,564,740	3,028,410
Working capital changes		
<u>(Increase) / decrease in current assets</u>		
Stores and spares	(41,831,888)	(4,540,516)
Stock-in-trade	(238,125,536)	(2,876,738)
Trade debts	(48,548,329)	(33,777,820)
Advances, deposits, prepayments & other receivables	(38,904,271)	(8,611,162)
	(367,410,024)	(49,806,236)
<u>Increase / (decrease) in current liabilities</u>		
Trade and other payables	286,955,579	58,684,242
Net working capital changes	(80,454,445)	8,878,006
Income tax paid	(5,401,831)	(4,577,287)
Net cash used in from operating activities	(68,291,536)	7,329,129
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(22,995,667)	(17,825,068)
Sale proceed against sale of equity shares	-	6,463,786
Net cash inflow / (used in) from investing activities	(22,995,667)	(11,361,282)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term deposits	100,000,000	(1,066,090)
Net cash inflows from financing activities	100,000,000	(1,066,090)
Net (decrease) / increase in cash and cash equivalents	8,712,797	(5,098,243)
Cash and cash equivalents at the beginning of the year	2,092,425	7,190,668
Cash and cash equivalents at the end of the year	10,805,222	2,092,425

The annexed notes from 1 to 32 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

QUICE FOOD INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of Preparation

2.1.1 Statement of compliance

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

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

2.1.2 Changes in accounting standards, interpretations and pronouncements

a) Standards and amendments to approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2021. However, these do not have any significant impact on the Company's financial reporting.

b) Standard and amendments to approved accounting standards that are not yet effective

There is a standard and certain other amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2022. However, these are considered either not to be relevant or to have any significant impact on the Company's annual financial statements and operations and, therefore, have not been disclosed in these financial statements.

2.1.3 Accounting convention

These financial statements have been prepared under the historical cost convention except for staff retirement benefits which have been determined under actuarial valuation calculations.

Critical accounting estimates and judgments

The preparation of financial statements is in conformity with the approved accounting standards and requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

2.1.4 Inventories

These are valued at lower of cost and net realizable value. Cost is determined on weighted average basis.

- * Cost in relation to work-in-process and finished goods represents annual average cost which consist of prime cost and appropriate manufacturing overheads.

Net realizable value of inventories is determined with reference to currently prevailing selling prices less estimated expenditure to make sales.

2.1.5 Taxation

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

2.1.6 Provision for doubtful debts

The Company reviews its receivable against any provision required for any doubtful balances on an ongoing basis. The provision is made while taking into consideration expected recoveries, if any.

2.2 Taxation

2.2.1 Current tax.

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years.

Provision for current tax is based on higher of the taxable income at current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any, or 1.50% of turnover. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an assets.

2.2.2 Deferred Tax

Deferred tax is accounted for using the statement of financial position liability method in respect of all taxable 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 taxable profit. Deferred tax liabilities are 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 assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income tax levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

However, provision for taxation has been made in these financial statement for Hub Unit only, since the Swat Unit is exempt from all taxes.

2.3 Tangible Fixed Assets and Depreciation:

A) Owned

Building, Plant and machinery are stated at revalued amount less accumulated depreciation. Freehold land is carried at revalued amounts. All other operating assets are stated at cost less accumulated depreciation except capital work-in-progress which is stated at cost.

Borrowing costs during the erection period are capitalized as part of historical cost of the related assets.

Gains / (Losses) on disposal of operating assets are included in income currently. Normal maintenance and repairs are charged to income as and when incurred. Major renewals and replacements are capitalized.

Depreciation on property, plant and equipment is charged to profit and loss account applying the reducing balance method on quarterly basis so as to write off the cost / appreciated value of the assets over their estimated useful lives at the rates given in Note 3.1. The Company charges the depreciation on additions from the month in which the asset is available for use and on deletions up to the month in which the asset is de-recognized. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the profit and loss account in the year the asset is de-recognized.

B) Lease

Right of Use Assets

The right-of-use asset is measured at cost, as the amount equal to initially measured lease liability adjusted for lease prepayments made at or before the commencement date, initial direct cost incurred less any lease incentives received.

The right-of-use asset is subsequently depreciated using straight line method from the date of recognition to the earlier of the end of useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by the impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

Lease Liability

The lease liability was measured upon initial recognition at the present value of the future lease payments over the lease term, discounted with the specific incremental borrowing rate.

Subsequently lease liabilities are measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in the rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

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Short-term leases and leases of low-value assets

The company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

2.3.1 Capital Work In Progress

All costs / expenditure connected with specific assets are collected under this head until completion of assets. These are transferred to specific assets as and when assets are available for use. Disposal shall be made on cost if any.

2.4 Impairment

2.4.1 Impairment of Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each financial Position date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in profit and loss account. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit and loss account.

2.5 Inventories

Inventories, except for stock in transit are stated at lower of cost and net realizable value. Cost is determined as follows:

2.5.1 Stock in trade

Cost signifies in relation to raw material and components at average cost. In case of work-in-process and finished goods at average cost comprising prime cost and appropriate manufacturing overheads. Raw material and components in transit are stated at invoice value plus other charges paid thereon.

2.5.2 Stores and spares

Useable stores, spare parts 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 till the reporting date.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make a sale.

2.5.3 Financial Instruments

Financial instruments carried on the balance sheet include investments, deposits, trade debts, loans and advances, other receivables, cash and bank balances, long-term financing, liabilities against assets subject to finance lease, short-term borrowings, accrued mark-up and trade and other payables etc. The fair value of financial assets and financial liabilities are recognized in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement of profit or loss.

a) Financial assets

Classification

Effective July 1, 2018, the Company classifies its financial assets in the following measurement categories:

- i) Amortized cost where the effective interest rate method will apply;
- ii) fair value through profit or loss;
- iii) fair value through other comprehensive income.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

- * For assets measured at fair value, gains and losses will either be recorded in statement of profit or loss or other comprehensive income (OCI). For investment in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Company reclassifies debt investments when and only when its business model for managing those assets changes.

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Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commit to purchase or sell the asset. Further financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statement of profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

a) Amortized cost

Assets that are held for collection of contractual cash flows where the contractual terms of the financial assets give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the profit or loss.

b) Fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the contractual terms of the financial asset give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to statement of profit or loss and recognized in other income. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income and impairment expenses are presented as separate line item in the statement of profit or loss.

c) Fair value through profit and loss (FVTPL)

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognized in the statement of profit or loss and presented in finance income/cost in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Company's right to receive payments is established.

Impairment of financial assets

Effective July 1, 2018, the Company assess on a historical as well as forward-looking basis, the expected credit loss (ECL) as associated with its debt instruments, trade debts, short term investment and deposits and other receivables carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

b) Financial Liabilities

Classification, initial recognition and subsequent measurement

Financial liabilities are classified in the following categories:

- i) fair value through profit or loss;
- ii) other financial liabilities

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in case of other financial liabilities also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

a) Fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

b) Other financial liabilities

After initial recognition, other financial liabilities which are interest bearing subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in profit or loss for the year, when the liabilities are derecognized as well as through effective interest rate amortization process.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when and only when the Company's obligations are discharged, cancelled or expire.

Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognized amount and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.6 Revenue recognition

Revenue is recognized in accordance by applying the following steps:

- i) Identify the contract with a customer;
- ii) Identify the performance obligation in the contract;
- iii) Determine the transaction price of the contract;
- iv) Allocate the transaction price to each of the separate performance obligations in the contract; and
- v) Recognize the revenue when (or as) the entity satisfies a performance obligation

Revenue is recognized at a point in time, when the Company satisfies performance obligations by transferring the promised goods to its customers. Revenue is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company's contracts with customers for the sale of goods generally include a single performance obligation for both local and export sales i.e. delivery of goods to the customers

Export sales

Revenue from export sales is recognized at the point in time when control of the goods is transferred to the customer which depends on the related terms; generally on date of bill of lading or delivery of the product to the port of destination.

Return on Deposits

Profit on bank balances are recognized on a time proportion basis on the on the principal amount outstanding and at the applicable rate.

2.7 Foreign currency transactions

Transactions in foreign currency are initially recorded in Pak rupees at exchange rates prevailing at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated into rupees at the rate of exchange approximating those prevailing at the financial position date except for liabilities covered under forward exchange which are translated at the contracted rates.

2.8 Trade Debts

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

2.9 Trade and other payables

Trade and other payables are recognized initially at fair value net of directly attributable cost, if any.

2.10 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

2.11 Borrowings

Mark-up bearing borrowings are recognized initially at cost, less attributable transaction cost. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

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2.12 Related party transaction

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using uncontrolled price method, as admissible, except in extremely rare circumstances where, subject to the approval of the board of directors, it is in the interest of the Company to do so.

2.13 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events if it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

2.14 Borrowing Costs

Borrowing costs incurred on long term finances directly attributable for the construction / acquisition of qualifying assets are capitalized up to the date, the respective assets are available for the intended use. All other mark-up, interest and other related charges are taken to the profit and loss account currently.

2.15 Share Capital

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax. Share Premium Account can be utilized against the issuance of shares on discount. Further, Shares issued on discount are shown at full face value and discount is shown separately in statement of changes on equity.

2.16 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, cheques in hand and deposit with banks net off short term finances/borrowings maturing within one year from the date of acquisition, if any.

2.17 Employee retirement benefits

The Company operates approved un-funded gratuity scheme for its workers who have completed the minimum qualifying period of service as defined under the respective scheme. Provision is made annually to cover obligations under the scheme on the basis of actuarial valuation and is charged to statement of profit or loss.

The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if, any excluding interest), are recognized immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plan is recognized in statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in statement of profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

2.18 Earnings per share ("EPS")

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit and loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

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2.19 Dividend to ordinary shareholders

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in the statement of changes in equity and as a liability in the Company's financial statements in the year in which the dividends are approved by the Board of Directors or the Company's shareholders as the case may be.

2.20 Operating segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes strategic decisions.

2.21 Functional and presentation currency

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

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3 PROPERTY, PLANT AND EQUIPMENT

Note	2022	2021
	--- Rupees ---	
Operating fixed assets	307,328,730	333,270,011
Capital Work-in-progress	42,667,550	22,739,583
	<u>349,996,280</u>	<u>356,009,594</u>

3.1 Operating assets Owned

Particulars	Free hold land	Building	Leasehold improvement	Plant and machinery	Vehicles	Computers & office equipment's	Furniture and fixtures	Total
--- Rupees ---								
NBV as on June 30, 2020	41,608,400	57,599,897	1,088,949	229,663,608	5,200,066	597,525	1,329,347	337,095,892
Additions	-	-	-	14,678,003	-	-	-	14,678,003
Revaluation Surplus/(Loss)	10,402,100	6,180,003	-	(4,261,630)	-	-	-	12,320,473
Impairment Loss	-	-	(353,120)	-	-	-	-	(353,120)
Depreciation charge	-	(5,767,500)	(100,895)	(22,896,861)	(1,041,585)	(523,526)	(132,870)	(30,471,237)
NBV as on June 30, 2021	<u>52,010,500</u>	<u>58,012,500</u>	<u>626,934</u>	<u>217,183,120</u>	<u>4,166,481</u>	<u>73,999</u>	<u>1,196,477</u>	<u>333,270,011</u>
Gross Carrying Value Basis								
Cost	52,010,500	98,967,600	12,976,372	381,899,737	12,687,940	2,211,807	4,094,289	564,848,245
Accumulated depreciation	-	(40,955,100)	(12,349,438)	(164,716,617)	(8,521,459)	(2,137,808)	(2,897,812)	(231,578,234)
NBV as on June 30, 2021	<u>52,010,500</u>	<u>58,012,500</u>	<u>626,934</u>	<u>217,183,120</u>	<u>4,166,481</u>	<u>73,999</u>	<u>1,196,477</u>	<u>333,270,011</u>
<hr/>								
NBV as on June 30, 2021	52,010,500	58,012,500	626,934	217,183,120	4,166,481	73,999	1,196,477	333,270,011
Additions	-	165,000	-	288,280	2,614,820	-	-	3,068,100
Depreciation charge	-	(5,809,500)	(62,693)	(21,737,356)	(1,757,884)	(22,200)	(119,648)	(29,099,381)
NBV as on June 30, 2022	<u>52,010,500</u>	<u>52,368,000</u>	<u>564,241</u>	<u>195,734,044</u>	<u>5,523,317</u>	<u>51,799</u>	<u>1,076,829</u>	<u>307,328,730</u>
Gross Carrying Value Basis								
Cost	52,010,500	99,132,600	12,976,372	382,188,017	15,302,760	2,211,807	4,094,289	567,916,345
Accumulated depreciation	-	(46,764,600)	(12,412,131)	(186,453,973)	(9,779,443)	(2,160,008)	(3,017,460)	(260,587,615)
NBV as on June 30, 2022	<u>52,010,500</u>	<u>52,368,000</u>	<u>564,241</u>	<u>195,734,044</u>	<u>5,523,317</u>	<u>51,799</u>	<u>1,076,829</u>	<u>307,328,730</u>

** NBV stands for Net Book Value.

3.1.1 Depreciation for the year has been allocated as follow:

	2022	2021
	--- Rupees ---	
Cost of sales	28,014,388	29,380,234
Administrative expenses	994,993	1,091,001
	<u>29,009,381</u>	<u>30,471,237</u>

3.1.2 No asset was sold to Chief Executive, Directors, Executives and Shareholders during the year.

3.1.3 Revaluation was conducted in the year ended 30 June 2021 by Messrs. Sipra & Company (Private) Limited an independent valuer. Previously the revaluation was carried out on 30 June 2019, 30 June 2018, 30 June 2014 and 31 December 2011.

3.1.4 Forced sale value

Asset Class	Forced Sale
Land	46,809,450
Building	53,214,240
Plant and Machinery	<u>186,156,961</u>
Total Value	<u>286,180,651</u>

3.1.5 Had there been no revaluation, the original cost, accumulated depreciation and net book value of land, building and machinery would have been as follows:

	As at June 30, 2022			As at June 30, 2021		
	Cost	Accumulated Depreciation	Written Down Value	Cost	Accumulated Depreciation	Written Down Value
	--- Rupees ---					
Land	36,400,000	-	36,400,000	36,400,000	-	36,400,000
Building	110,049,242	66,845,972	43,203,270	109,884,242	62,054,775	47,829,467
Plant and machinery	344,053,633	259,926,442	184,126,991	343,765,153	139,478,758	204,286,395

3.1.6 Particulars of immovable property (i.e. Land and Building) in the name of Company are as follows:

Location/Address	Usage of Immovable Property	Total Area (in Sq. Mtr)	Approx. Covered Area (in Sq. ft)
Plot Nos F-10, F-11, F-12, F-11 (B) & F-12 (B), Hub Industrial Trading Estate * (HITE), Tobaik Hub, District Lasbela, Balochistan.	Production Unit	20,804	65,000

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	2022	2021
3.2 Capital-work-in-progress		
Plant & Machinery		
Balance as on July 1, 2021	22,739,983	19,592,918
Capital Expenditure Incurred	19,927,567	1,147,065
Year ended June 30, 2022	<u>42,667,550</u>	<u>22,739,983</u>
4 STOCK IN TRADE		
Raw and Packing materials	356,795,488	225,465,466
Fished goods	219,184,246	112,386,732
Provision for slow moving and obsolete stock	(15,354,759)	(10,354,721)
	<u>560,624,975</u>	<u>327,497,477</u>
4.1 Provision for slow moving and obsolete stock		
Balance as at July 1	10,354,721	10,354,721
Provision for the year	5,000,038	-
Balance as at June 30	<u>15,354,759</u>	<u>10,354,721</u>
5 TRADE DEBTS - considered good		
Considered good (Unsecured)	<u>102,587,957</u>	<u>54,039,623</u>
5.1 The aging of trade debts as at 30 June 2022 is as follows:		
Neither past due nor impaired (0-30)	14,029,565	19,173,678
Past due but not impaired (31-60)	-	24,272,522
Past due but not impaired (61 and above)	88,558,386	10,593,423
	<u>102,587,951</u>	<u>54,039,623</u>
5.2 As at June 30, 2022, an amount of Rupees 1,054 million (2021: 8,390 million) refer to foreign debtors.		
5.3 No aggregate outstanding balance of trade debtors due from related parties at the end of any month during the year.		
5.4 As at June 30, 2022, no amount was due from related parties for which impairment needs to be tested (2021: Nil).		
6 ADVANCES DEPOSITS PREPAYMENTS AND OTHER RECEIVABLES		
Advances to employees - considered goods	898,718	53,826
Advances to suppliers - unsecured, considered good	21,359,068	12,132,052
Other Receivables	1,559,941	1,376,495
Sales Tax Receivable	28,808,209	159,872
	<u>32,625,936</u>	<u>13,722,245</u>
7 TAXATION - Net		
Advance income tax	17,680,800	15,433,031
Less : Provision for tax	7,012,217	3,873,377
	<u>10,668,583</u>	<u>11,559,654</u>

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	2022	2021
	---- Rupees ----	
8 CASH AND BANK BALANCES		
Cash in hand	891,208	282,346
With banks:		
- Current accounts	384,741	604
- Saving accounts	9,529,273	1,809,475
	<u>9,914,014</u>	<u>1,810,079</u>
	<u>10,805,222</u>	<u>2,092,425</u>

8.1 Saving accounts earned at weighted average rate of 12.25% per annum (2021: 4.33% per annum).

9 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2022	2021		2022	2021
---- (Units) ----			---- Rupees ----	
18,332,840	18,332,840	Ordinary shares of Rs.10 each fully paid in cash	183,328,400	183,328,400
433,888	433,888	Ordinary shares of Rs.10 each fully paid in cash to NIT and ICP	4,338,880	4,338,880
1,722,822	1,722,822	Ordinary shares of Rs.10 each issued as bonus shares	17,228,220	17,228,220
31,711,000	31,711,000	Ordinary shares of Rs.10 each issued at a discount of Rs. 6 per Share issued to Convert Part of the Directors Loan into fully paid shares	317,110,000	317,110,000
20,000,000	20,000,000	Ordinary shares of Rs.10 each issued at a discount of Rs. 2 per share fully paid in cash issued to general public	200,000,000	200,000,000
26,261,278	26,261,278	Ordinary shares of Rs.10 each issued at a discount of Rs. 2 per share issued against property and machinery	262,612,780	262,612,780
<u>98,461,828</u>	<u>98,461,828</u>		<u>984,618,280</u>	<u>984,618,280</u>

9.1 The ordinary share holders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares, as and when declared by the Company. All shares carry one vote per share without restriction.

9.2 Capital risk management policies and procedures

The Company's objective when managing the capital are:

- to safeguard its ability to continue as a going concern so that it can continue to provide return to shareholders and benefits other stakeholders; and
- to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and to maintain 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 to shareholders, issue new shares and adopt other means commensuration to the circumstances.

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2022

2021

---- Rupees ----

10 RESERVES

Composition of reserves is as follows:

Capital

Premium on issue of share capital

10.1 6,875,000 6,875,000

Revenue

Accumulated loss

(257,840,685) (236,063,981)

(250,965,685) (229,188,981)

10.1 This reserve can be utilized by the Company only for the purpose specified in section 83 of the Act.

2022

2021

---- Rupees ----

11 Revaluation of property Plant & Equipment**Freehold land**

Balance as at July 01

15,610,500 5,208,400

Revaluation for the year

- 10,402,100

15,610,500 15,610,500**Building**

Balances as at July 01

6,180,003 -

Revaluation for the year

- 6,180,003

6,180,003 6,180,003**Plant & Machinery**

Balance as at July 01

13,583,742 19,914,120

Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax

(1,788,351) (1,991,413)

Impairment during the year - Net of Deferred Tax

- (4,261,630)

Related deferred tax liability of incremental depreciation charged during the year

(61,594) (77,335)

11,733,797 13,583,742

Balance as at June 30

33,524,300 35,374,245

Less: related deferred tax liability

Revaluation as at July 01

1,674,758 684,378

Revaluation recognized during the year

- 1,067,715

Incremental depreciation charged during the year

(61,594) (77,335)

1,613,164 1,674,75831,911,136 33,699,487**12 Deferred Liabilities****Deferred Tax**

12.1 1,613,164 1,674,758

Staff gratuity scheme -unfunded

12.2 5,727,429 4,838,361

7,340,593 6,513,119

12.1 The Company has not recognized deferred tax asset arising due to available tax losses and credits (minimum tax) since it is not probable that future taxable profits will be available against which the temporary differences can be utilized. The deferred tax liability reflected in these financial statements relates to the surplus on revaluation of Property, plant and equipment only.

12.2 STAFF RETIREMENT BENEFITS**Staff gratuity scheme -unfunded**

• Present value of defined benefit obligation

5,761,242 4,851,481

Add: Unrecognized actuarial gain / (loss)

(33,813) (13,120)

5,727,429 4,838,361**12.2.1 General Description**

The scheme provides for retirement benefits for all permanent employees who complete qualifying period of services with the company at varying percentages of last drawn salary. The percentage depends on the number of service years with the company. Annual provision is based on actuarial valuation, which was carried out as on June 30, 2022.

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	2022	2021
	---- Rupees ----	
12.2.2 Movement in present value of defined benefit obligation		
Balance at beginning of the year	4,838,361	4,312,956
Current service cost	987,609	1,021,645
Interest cost	483,836	366,601
Experience adjustments	(548,564)	(862,841)
Payable transfer to short term liability	-	-
Balance as at end of the year	<u>5,761,242</u>	<u>4,838,361</u>
12.2.3 Movement in balances		
Balance at beginning of the year	4,838,361	4,312,956
Expense during the year	1,471,445	1,388,246
Remeasurements chargeable in other comprehensive income	(582,377)	(862,841)
	<u>5,727,429</u>	<u>4,838,361</u>
12.2.4 Charge for the year		
Current service cost	987,609	1,021,645
Interest cost	483,836	366,601
	<u>1,471,445</u>	<u>1,388,246</u>
12.2.5 Experience Adjustments		
Experience adjustment arising on plan liabilities (gains) / losses	<u>(548,564)</u>	<u>(862,841)</u>
Present value of defined benefits obligation	<u>5,761,242</u>	<u>4,838,361</u>
12.2.6 Principal actuarial assumption		
Following principal actuarial assumptions were used for the valuation:	2022	2021
Estimated rate of increase in salary of the employees	12.25%	N/A
Discount rate used for year end obligation	13.25%	10.00%
Discount rate used for interest cost in P&L charge	10.00%	8.50%
12.2.7 Sensitivity analysis for Actuarial Assumptions		
The Sensitivity of defined benefit obligation to changes in the weighted principal assumptions is:		
	Change in Assumptions	Increase in Assumptions
	-	Decrease in Assumptions
Discount Rate	+ - 100bps	5,406,903
Salary Increase	+ - 100bps	6,081,797
		6,095,548
		5,414,344
13 SECURITY DEPOSIT PAYABLE	<u>144,500,000</u>	<u>44,500,000</u>
13.1	This represents interest-free deposits received from distributors under distribution contracts and is refundable on cancellation of respective contract or termination of related services.	
14 TRADE AND OTHER PAYABLES		
Creditors	222,175,852	36,581,672
Accrued liabilities	20,122,560	16,424,800
Advances from customers	259,481,156	164,569,188
Others	4,874,502	2,122,831
	<u>506,654,070</u>	<u>219,698,491</u>

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15 CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

15.1.1 Securities and Exchange Commission of Pakistan (SECP) has fined the Company and all the directors for Rupees 0.785 million under sections 155, 233, & 245 and 74 and 476 respectively of the Companies Act, 1984. No provision has made in these financial statements for such penalty. Directors and Company have filed appeal before SECP and expect a favorable outcome.

15.2 Commitments

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

	2022	2021
	---- Rupees ----	
16 SALES - net		
Local	410,932,807	206,047,341
Export	194,351,720	77,699,620
	605,284,527	283,746,961
Federal excise duty	(1,853,914)	(10,356,984)
Sales tax	(71,191,813)	(35,714,622)
	<u>532,238,800</u>	<u>237,675,355</u>

16.1 Export Sales comprise of sale made in USA, UK, Middle East, South Africa and Mauritius regions.

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

17 COST OF SALES

Opening stock of finished goods		109,034,011	117,531,840
Cost of goods manufactured	17.2	580,881,307	209,029,617
		689,915,318	326,561,457
Closing stock of finished goods		215,829,525	109,034,011
		<u>474,085,793</u>	<u>217,527,446</u>

17.1 Closing inventory is charged to cost of sales net of provision for slow moving and obsolete stock.

17.2 Cost of goods manufactured

Raw materials consumed	17.2.1	476,847,706	120,232,444
Stores, spares and loose tools consumed		4,430,198	1,759,497
Salaries, wages and benefits		10,694,468	9,095,909
Conveyance expenses		36,415	49,220
Communication expenses		5,300	8,240
Entertainment expenses		922,103	497,684
Freight and octroi		4,263,000	153,120
Factory rent		-	256,040
Fuel and power		723,389	148,458
Stationary expenses		29,815	-
Repair and maintenance		2,081,591	1,278,618
Utilities		43,478,170	39,413,846
Depreciation	3.1	28,014,388	29,380,234
Security expenses		2,137,033	1,857,489
Travelling expenses		-	43,162
Water charges		4,433,028	3,969,505
Loading / unloading expenses		25,600	-
Miscellaneous expenses		2,759,103	886,151
		<u>580,881,307</u>	<u>209,029,617</u>

17.2.1 Raw materials consumed

Opening stock of raw materials		218,465,466	207,090,899
Add: Purchases - net		603,177,690	131,607,011
		821,643,156	338,697,910
Closing stock of raw materials		344,795,450	218,465,466
		<u>476,847,706</u>	<u>120,232,444</u>

	Note	2022	2021
		---- Rupees ----	
18 DISTRIBUTION COST			
Marketing expenses		12,931,947	11,406,744
Salaries and other benefits		16,345,740	10,478,283
Distribution claim		5,048,573	623,438
Outward freight and handling		13,607,470	6,259,799
Advertisement and publicity		-	345,406
		<u>47,933,730</u>	<u>29,113,670</u>
19 ADMINISTRATIVE EXPENSES			
Directors remuneration	24	2,015,000	2,015,000
Salaries, wages and benefits		17,238,809	10,616,600
Conveyance expense		58,270	13,660
Communication expense		1,491,152	239,399
Entertainment		266,953	82,540
Fee, subscription & professional charges		3,165,729	2,253,183
Fuel & power		6,440	-
Rent expense		791,382	420,000
Printing and stationery		151,313	76,805
Repair and maintenance		310,444	25,912
Utilities		1,511,937	1,500,238
Auditors' remuneration	19.1	600,000	575,000
Depreciation	3.1.1	994,993	1,091,003
Impairment loss on leasehold improvements		-	353,120
Miscellaneous expenses		329,573	191,457
		<u>28,931,995</u>	<u>19,453,917</u>
19.1 Auditors' remuneration			
Audit fee		475,000	450,000
Half yearly review		100,000	100,000
Review report on statement of compliance		25,000	25,000
		<u>600,000</u>	<u>575,000</u>
20 OTHER INCOME			
Income from financial assets			
- Investment Income		-	756
- Remeasurement gain on investment		-	1,659,322
- Capital gain		-	616,840
- Saving accounts		642,367	292,785
		<u>642,367</u>	<u>2,569,703</u>
Income from non-financial assets			
Other Income		259,778	300,675
		<u>902,145</u>	<u>2,870,378</u>
21 FINANCE COST			
Bank charges		<u>105,551</u>	<u>131,231</u>

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	2022	2021
	---- Rupees ----	
22 TAXATION		
Current		
- for the year	7,012,217	3,873,377
- changes in estimates related to prior years	(719,315)	68,581
	<u>6,292,902</u>	<u>3,941,958</u>
Deferred Tax	[168,889]	(250,224)
	<u>6,124,013</u>	<u>3,691,734</u>

- 22.1 Provision for current tax is based on higher of the taxable income at current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any, or 1.5% of turnover of local sales and 1% on export sales.
- 22.2 Tax provision includes effect of prior year adjustments.
- 22.3 The relationship between tax expense and accounting profit has not been presented in these financial statements as the Company has declared accounting loss for the year. Sufficient tax provision has been incorporated in these financial statements.

23 EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share which is based on:

Loss attributable to ordinary shares	(Rupees)	<u>(24,040,137)</u>	<u>(29,372,265)</u>
Weighted average number of ordinary shares	(Numbers)	<u>98,461,828</u>	<u>98,461,828</u>
Loss per share	(Rupees)	<u>(0.244)</u>	<u>(0.298)</u>

24 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2022			2021		
	Chief Executive	Director	Executives	Chief Executive	Director	Executives
	Rupees					
Managerial remuneration	570,000	1,147,500	10,224,583	570,000	1,147,500	10,224,583
House rent, utilities & others	95,000	202,500	-	95,000	202,500	-
	<u>665,000</u>	<u>1,350,000</u>	<u>10,224,583</u>	<u>665,000</u>	<u>1,350,000</u>	<u>10,224,583</u>
No. of Persons	<u>1</u>	<u>1</u>	<u>6</u>	<u>1</u>	<u>1</u>	<u>6</u>

- 24.1 Chief Executive is also provided with Company's owned and maintained car.

25 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of shareholders, directors of the Company, employees benefit funds and key management employees. Remuneration and benefits to key management personnel are disclosed in note 24 to the financial statements. There were no other related parties transactions during the year June 30, 2022 (2021: NIL).

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26 PRODUCTION CAPACITY

In view of varying manufacturing process and multiple products, the annual rated capacity of the plant is mentioned in dozens based on single shift of eight hours a day. The fact for under utilization is due to product demand and normal maintenance.

Rated capacity	2022	2021
- Syrup Liters - 150 day per annum single shift	<u>1,440,000</u>	<u>1,440,000</u>
- Juice Liters - 180 day per annum single shift	<u>13,458,960</u>	<u>13,458,960</u>
- CSD Liters - 180 day per annum single shift	<u>2,700,000</u>	<u>2,700,000</u>
- Water Liters - 180 day per annum single shift	<u>6,912,000</u>	<u>6,912,000</u>
Actual Production		
- Syrup Liters - 150 day per annum single shift	<u>819,291</u>	<u>805,409</u>
- Juice Liters - 180 day per annum single shift	<u>5,962,621</u>	<u>1,387,350</u>
- CSD Liters - 180 day per annum single shift	<u>824,390</u>	<u>105,681</u>
- Water Liters - 180 day per annum single shift	<u>-</u>	<u>240,000</u>

27 FINANCIAL RISK MANAGEMENT

27.1 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 minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Company's finance department evaluates and manages financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, and investment of excess liquidity.

(a) Market risk

(i) Currency risk

Currency risk arises due to fluctuation in foreign exchange rates. The Company has transactional currency exposure. Such exposure arises from sales by the Company in currencies other than Rupee.

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.

Sensitivity analysis

At the year end the Company is not exposed to currency risk since there are no financial instruments, whose fair value or future cash flows will fluctuate because of changes in currency prices.

(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 instrument traded in the market. The Company is not exposed to commodity price risk.

(iii) Interest rate risk

This 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 long term financing. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk. Borrowings obtained at fixed rate expose the Company to fair value interest rate risk. As at reporting date, there were no interest bearing borrowings. Therefore, there was no interest rate risk.

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

	2022	2021
	---- Rupees ----	
Trade debts	102,587,952	54,039,623
Loans and advances	2,458,699	1,376,455
Long Term deposits	1,935,290	1,935,290
Bank balances	9,914,014	1,810,079
	<u>116,895,955</u>	<u>59,161,447</u>

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

	Rating			2022	2021
	Short Term	Long term	Agency	--- Rupees ---	
Banks					
Habib Bank Limited	A-1+	AAA	VIS	384,741	604
Meezan Bank Limited	A-1+	AAA	VIS	8,361,807	1,807,781
United Bank Limited	A-1+	AAA	VIS	1,167,466	1,694
				<u>9,914,014</u>	<u>1,810,079</u>

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 30 June 2022 the Company had Rupees 9.914 million (2021: Rupees 1.810 million) cash and bank balances. The Company is in a very good working capital position at the year end, management believes the liquidity risk to be low considering the nature of individual items in the working capital position. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2022

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Trade and other payables	506,654,070	506,654,070	337,769,380	168,884,690	-	-
Security deposit payable	144,500,000	144,500,000	-	-	-	144,500,000
	<u>651,154,070</u>	<u>651,154,070</u>	<u>337,769,380</u>	<u>168,884,690</u>	<u>-</u>	<u>144,500,000</u>

Contractual maturities of financial liabilities as at 30 June 2021

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Trade and other payables	219,698,491	219,698,491	146,465,661	73,232,830	-	-
Security deposit payable	44,500,000	-	-	-	-	44,500,000
	<u>264,198,491</u>	<u>219,698,491</u>	<u>146,465,661</u>	<u>73,232,830</u>	<u>-</u>	<u>44,500,000</u>

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27.2 Fair values of financial assets and liabilities

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Level 1 : Fair value measurements using quoted (unadjusted) in active markets for identical asset or liability.

Level 2 : Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs)

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

27.3 Financial instruments by category

Financial Assets at Amortized Cost.

Trade debts
Loans and advances
Cash and bank balances

	2022	2021
	----- Rupees -----	
Trade debts	102,587,952	54,039,623
Loans and advances	52,626,476	1,376,455
Cash and bank balances	10,805,222	2,092,425
	<u>166,019,650</u>	<u>57,508,503</u>

Financial Liabilities at Amortized Cost.

Trade and other payables

	2022	2021
Trade and other payables	506,654,070	219,698,491

28 NUMBER OF EMPLOYEES

At year end

- Permanent
- Temporary

	2022	2021
- Permanent	51	37
- Temporary	60	18
	<u>111</u>	<u>55</u>

This included 20 (2021: 07) number of factory employees.

Average employees during the year

- Permanent
- Temporary

	2022	2021
- Permanent	44	32
- Temporary	39	17
	<u>83</u>	<u>49</u>

This included 13 (2021: 24) number of factory employees.

29 GEOGRAPHICAL LOCATION AND ADDRESS OF BUSINESS UNITS

Business Units

Production Unit 1

Production Unit 2

Sales Office

Location

Near Nazar choragi Hub, Balochistan F-10/12.

Sher Zam plaza Near Rahimabad Post Office, GT Road Rahimabad, SWAT Khyber Pakhtunkhwa.

Block-B, Latifabad Unit # 02, Hyderabad.

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30 OPERATING SEGMENT

The Company's chief decision maker reviews the Company's performance on single segment accordingly the financial information has been prepared on basis of single reportable segment.

30.1 Out of Total Sales, 32% of the Sales of the company are Export Sales and Export Sales comprise of sale made in USA, UK, Middle East, South Africa and Mauritius regions.

30.2 All assets of the Company as at 30 June 2022 are located in Pakistan.

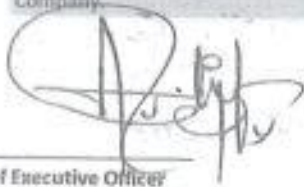
31 Comparative information

No significant reclassification / rearrangement of corresponding figures has been made during the year.

32 Date of Authorization

These financial statements were authorized for issue on 07 NOV 2022 by the Board of Directors of the Company.

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Chief Executive Officer



Director



Chief Financial Officer

Notice of Annual General Meeting

Notice is hereby given that the 32nd Annual General Meeting of the Shareholders of Quice Food Industries Limited will be held at the Registered Office of the Company, situated at WS-7, Madina Palace, Faran CHS, Dhoraji Colony, Karachi on Saturday November 26, 2022 at 10:00 am to transact the following business:

Ordinary Business:

1. To confirm the minutes of Annual General Meeting held on October 28, 2021;
2. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2022 together with Directors' and Auditor's reports thereon; and
3. To appoint Auditor for the year ending June 30, 2023 and their remuneration. M/s. Aslam Malik & Co.; Chartered Accountants will retire and are eligible to offer themselves for reappointment.

Other Business:

4. To transact any other business with permission of the Chair.

By order of the Board
Iqbal Shahid
Company Secretary

Karachi.
November 05, 2022

Book Closure:

The share transfer books of the Company will remain closed from November 20, 2022 to November 26, 2022 (both days inclusive).

Notes:

1. A member entitled to attend and vote at meeting may appoint a proxy. Proxies in order to be effective, must be received at the registered office of the Company duly signed, stamped and witnessed not later than 48 hours before the meeting. A proxy not to be a member of the Company;
2. Shareholders whose shares are deposited with Central Depository Company (CDC) are requested to bring their CNIC along-with their CDC account number for verification;
3. Members are requested to notify the Company change in their addresses, if any; and
4. Annual audited financial statements of the Company for the year ended June 30, 2022 have been placed on the Company's website i.e. www.quice.com.pk

Proxy Form

I/ We _____ of _____ being a member of Quice Food Industries Limited and holder of _____ Ordinary shares as per share Register Folio No. _____ and /or CDC Participant I.D. No. _____ and Sub Account No. _____, hereby appoint _____ of _____ or failing him _____ of _____ as my proxy to vote for me and on my behalf at the annual general meeting of the Company to be held on the 26th day of November 2022 and at any adjournment thereof.

Signed this _____ day of _____ 2022

Witness:

- | | |
|----|--------------------|
| 1. | Signature _____ |
| | Name _____ |
| | Address: _____ |
| | CNIC No. _____ |
| | Or _____ |
| | Passport No. _____ |
| 2. | Signature _____ |
| | Name _____ |
| | Address: _____ |
| | CNIC No. _____ |
| | Or _____ |
| | Passport No. _____ |

Signature (Signature should agree

with the specimen registered with the Company)

Note:

Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting. A proxy need not be a member of the Company.








CDC Shareholders and their proxies are each requested to attach an attested photocopy of their Computerized National ID Card or Passport with this proxy form before submission to the Company.










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