



Fruity
Refreshment



Annual Report 2021

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Company Information

Board of Directors

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

Company Secretary

Mr. Iqbal Shahid

Audit Committee

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

HR & Remuneration Committee

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

Legal Advisor

M/s. Ahmed & Qazi
Advocates & Legal Consultants

Bankers

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

Auditors

M/s. Aslam Malik & Co.
Chartered Accountants,

Share Registrar

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

Registered Office

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



Vision

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

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

Teamwork

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 respects the interests 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, 2021.

In view of overall economic uncertainties, the Company ensured its availability for its customers and in line with the measures taken by government, immediately took the necessary measures in field to protect the health of our employees, their families and our consumer in the COVID threat.

2021 was the growing momentum being achieved through a spiked market strategy nation-wide and a significant surge in global market with posted growth of 37%.

In conclusion, it is clear that after the pandemic has lifted, business life will not be the same as before. Like the rest, its imperative that we adapt to the new situation in the most efficient way possible. I believe that we can overcome this pandemic by continuing efforts and taking the necessary precautions.

In the end, I would like to thank the Board for their positive contribution and commitments to maintaining transparency and strict compliance of the Code. And I would like to take this opportunity to also thank our shareholders for their appreciation and support.



Chairman

چیرمین کا پیغام

مجھے 30 جون 2021 کو ختم ہونے والے سال کیلئے کوئس فوڈ انڈسٹریز لمیٹڈ ("کمپنی") کی سالانہ رپورٹ پیش کرنے پر خوشی ہے۔

مجموعی معاشی غیر یقینی صورتحال کے پیش نظر، کمپنی نے اپنے صارفین کیلئے اپنی دستیابی کو یقینی بنایا اور حکومت کی جانب سے اٹھائے گئے اقدامات کے مطابق، فوراً ان ضروری اقدامات کیے تاکہ ہمارے ملازمین، ان کے خاندانوں اور ہمارے صارفین کی صحت کو ویڈ کے خطرے میں محفوظ رہے۔

2021 بڑھتی ہوئی رفتار تھی جو ملک بھر میں مارکیٹ کی تیز حکمت عملی کے ذریعے حاصل کی جا رہی تھی اور عالمی مارکیٹ میں نمایاں اضافے کے ساتھ 37 فیصد اضافہ ہوا۔

یہ واضح ہے کہ وبائی امراض ختم ہونے کے بعد، کاروباری زندگی پہلے جیسی نہیں رہی گی۔ باقیوں کی طرح، یہ بھی ضروری ہے کہ ہم نئی صورتحال کو ممکنہ حد تک موثر انداز میں اپنائیں۔ مجھے یقین ہے کہ ہم کوشش جاری رکھنے اور ضروری احتیاطی تدابیر اختیار کر کے اس وبائی مرض پر قابو پاسکتے ہیں۔

آخر میں، میں بورڈ کی مثبت شراکت اور شفافیت کو برقرار رکھنے اور ضابطہ اخلاق کی سختی سے تعمیل کیلئے شکر یہ ادا کرنا چاہتا ہوں۔ اور میں اس موقع کو اپنے حصص یافتگان کی تعریف اور حمایت کیلئے شکر یہ ادا کرنا چاہتا ہوں۔

RIAZ
چیرمین

Review Report Directors

The Board of Directors of **Quice Food Industries Limited** has reviewed the performance of the Company and are pleased to submit its audited financial statements for the year ended June 30, 2021.

Year in Review

2021, the year with unexpected challenges, however, the Company has kept its rising trajectory and sustained exceptional performance. The Company's net turnover recorded a substantial growth of 27% as compared to last year. In particular, the Syrup segment delivered a historic growth of 62%, due to induction in Modern Trade Markets. This is evidence of the trust placed in the Company by our consumers and the constant efforts and commitment of our people.

Financial performance

	2021 Rupees "000"	2020 Rupees "000"
Net sales	237,675	186,688
Gross profit	20,148	12,933
Depreciation	30,471	27,314
Pre-tax loss	(25,680)	(37,248)
After-tax loss	(29,372)	(39,444)
Retained earnings	(511,977)	(485,287)

Our Populace

We deem that the way to rise as a business is to grow our people, enabling personal development and ambitious business results.

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

Working Capital Management

Efficient working capital management shows itself in our current ratio and quick ratio which respectively stands at 1.91 times and 0.42 times.

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 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.

Information Technology

We spot that in this rapidly changing business environment, it 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.

Corporate Governance

Best Corporate Practices

On promulgation of Code of Corporate Governance (CCG), at the instructions from the Audit Committee and the Board of Directors of the Company, a detailed exercise was carried out to determine the following:

1. Changes in requirements of the CCG.
2. Company's status of compliance with the requirements of the CCG.
3. Identification of gaps in the compliance and action plan to fill the gaps.

Director's Report (Contd.)

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
Mr. Irfan Mangnejo	Member

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:

Sr No.	Name of Director	No. of Meetings Attended
1.	Mr. Muhamamd Atif	05
2.	Mr. Muhammad Siraj	05
3.	Mr. Qazi Muhammad Imran	05
4.	Mr. Salman Haroon	05
5.	Mr. Irfan Mangnajo	05
6.	Mr. Amir Altaf	05
7.	Mr. Muhammad Riaz	05

Compliance Statement

In compliance of the Code of Corporate Governance, statements on Corporate and Financial Reporting framework:

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 account 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 listing regulations.

Director's Report (Contd.)

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' transaction during the year.
11. The Company operates unfunded gratuity scheme for its eligible employees. The carrying value of liability as at June 30, 2021 was Rs. 4.838 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 of Director



Muhammad Atif
Chief Executive

Karachi
October 07, 2021

- (4) بین الاقوامی اکاؤنٹنگ سٹینڈرڈز، جیسا کہ پاکستان میں لاگو ہوتا ہے۔ مالی بیانات کی تیاری میں پیروی کی گئی ہے۔ اور وہاں سے کوئی بھی روانگی مناسب طریقے سے ظاہر کی گئی ہے۔
- (5) اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے موثر طریقے سے نافذ اور مانیٹر کیا گیا ہے۔
- (6) کمپنی کی قابلیت پر کوئی تشویش نہیں ہے کہ وہ ایک تشویش کے طور پر جاری رہے۔
- (7) کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی روانگی نہیں ہوئی، جیسا کہ فہرست سازی کے قواعد و ضوابط میں تفصیلی ہے۔
- (8) کمپنی کو نقصانات کا سامنا کرنا پڑا اور جمع شدہ نقصانات نے کمپنی کو منافع کا اعلان کرنے یا بونس شیئر جاری کرنے سے روک دیا۔
- (9) ٹیکس اور لیوی کے بارے میں معلومات نوٹ میں مالی بیانات کو دی گئی ہیں۔
- (10) سال کے دوران متعلقہ فریقوں کے لین دین نہیں ہوا۔
- (11) کمپنی اپنے اہل ملازمین کے لئے غیر معاوضہ گریجویٹ اسکیم چلاتی ہے۔ 30 جون 2021 تک ذمہ داری کی اٹھانے والی قیمت روپے تھی۔ 4.838 ملین۔

اعتراف

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

For and on behalf of the Board of Director



Muhammad Atif
Chief Executive

Karachi
October 07, 2021

کارپوریٹ گورننس بہترین کارپوریٹ پریکٹس

کوڈ آف کارپوریٹ گورننس (سی سی جی) کے اجراء پر، آڈٹ کمیٹی اور کمپنی کے بورڈ آف ڈائریکٹرز کی ہدایت پر، مندرجہ ذیل کا تعین کرنے کیلئے ایک تفصیلی مشق کی گئی۔

- (1) CCG کی ضروریات میں تبدیلیاں۔
- (2) کمپنی کی CCG کی ضروریات کے تعین کی حیثیت۔
- (3) تعین میں خالی جگہوں کی شناخت اور خلاء کو پر کرنے کیلئے ایکشن پلان۔

بورڈ کمیٹیاں

حساب کتاب کا گروہ یا لوگ
آڈٹ کمیٹی اپنے فرائض اپنی شرائط کے مطابق انجام دے رہی ہے جیسا کہ بورڈ آف ڈائریکٹرز نے طے کیا ہے۔ کمیٹی کی تشکیل مندرجہ ذیل ہے۔

جناب سلمان ہارون (چیئرمین)
جناب محمد سراج (ممبر)
جناب عرفان منگنا جو (ممبر)

HR اور معاوضہ کمیٹی

HR اور اجرت کمیٹی اپنے ڈائریکٹر بورڈ کی طرف سے مقرر کردہ حوالہ کی شرائط کے مطابق اپنے فرائض انجام دے رہی ہے کمیٹی کی تشکیل مندرجہ ذیل ہے۔

جناب سلمان ہارون (چیئرمین)
جناب محمد سراج (ممبر)
جناب محمد ریاض (ممبر)

بورڈ آف ڈائریکٹرز کی میٹنگز

زیر نظر سال کے دوران، کمپنی کے بورڈ آف ڈائریکٹرز کی 05 میٹنگز منعقد کی گئیں اور حاضری کی پوزیشن مندرجہ ذیل ہے۔

نمبر ڈائریکٹرز کے نام میٹنگ میں حاضری

05	(1) جناب محمد عاطف (سی ای او)
05	(2) جناب محمد سراج
05	(3) جناب قاضی محمد عمران
05	(4) جناب سلمان ہارون
05	(5) جناب عرفان منگنا جو
05	(6) جناب امیر الطاف
05	(7) جناب محمد ریاض

تعمیل کا بیان

- کارپوریٹ گورننس کے ضابطے میں، کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک پر بیانات:
- (1) کمپنی کے انتظام کے ذریعہ تیار کردہ مالی بیانات، اس کے معاملات کی منصفانہ حالت، اس کے کام کا نتیجہ، نقد بہاؤ اور ایکویٹی میں تبدیلیوں پیش کرتے ہیں۔
 - (2) کمپنی کے اکاؤنٹ کی مناسب کتابیں برقرار رکھی گئیں
 - (3) مناسب حساب کتاب کی پالیسیوں کو مالی بیانات کی تیاری میں مستقل طور پر لاگو کیا گیا ہے اور اکاؤنٹنگ کا تخمینہ معقول اور سمجھدار فیصلے پر مبنی ہے۔

ڈائریکٹرز کی جائزہ رپورٹ:

کوئس فوڈ انڈسٹریز کے بورڈ آف ڈائریکٹرز نے کمپنی کی کارکردگی کا جائزہ لیا ہے اور 30 جون 2021 کو ختم ہونے والے سال کے آڈٹ شدہ مالی بیانات جمع کرانے پر خوش ہیں۔

جائزہ میں سال

2021، غیر متوقع چیلنجوں کا سال، تاہم، کمپنی نے اپنی بڑھتی ہوئی رفتار کو برقرار رکھا اور غیر معمولی کارکردگی کو برقرار رکھا۔ کمپنی کے خالص کاروبار میں گزشتہ سال کے مقابلے میں 27 فیصد کا نمایاں اضافہ ریکارڈ کیا گیا۔ خاص طور پر، شریعت طبقہ نے جدید تجارتی منڈیوں میں شمولیت کی وجہ سے 62 فیصد کی تاریخی ترقی کی۔ یہ ہمارے صارفین کی جانب سے کمپنی پر رکھے گئے اعتماد اور ہمارے لوگوں کی مسلسل کوششوں اور عزیمت کا ثبوت ہے۔

مالیاتی جائزہ	2021 روپے "000"	2020 روپے "000"
خالص فروخت	237,675	186,688
مجموعی منافع	20,148	12,933
فروسدگی	30,471	27,314
قبل از ٹیکس نقصان	(25,680)	(37,248)
بعد از ٹیکس نقصان	(29,372)	(39,444)
جاری نقصان	(511,977)	(485,287)

ہماری آبادی

ہم سمجھتے ہیں کہ ایک کاروبار کے طور پر ابھرے کا طریقہ یہ ہے کہ ہم اپنے لوگوں کو ترقی دیں، ذاتی ترقی اور کاروبار کے پرجوش نتائج کو چالو کریں۔ ہمارے لوگوں میں یہ قیاس آ رہی ہے جو ہمیں انڈسٹری میں الگ کرتی ہے اور جہاز میں صحیح لوگوں کے ساتھ ہمیں اپنے اہداف کی طرف لے جاتی ہے۔

ورکنگ کیپٹل مینجمنٹ

موثر ورکنگ کیپٹل مینجمنٹ خود کو ہمارے موجود تناسب اور فوری تناسب سے ظاہر کرتی ہے جو بالترتیب 1.91 گنا اور 0.42 گنا ہے۔

سپلائی چین مینجمنٹ (SCM Supply Chain Management)

ایس سی ایم، کلیدی افعال میں سے ایک ہے جو نہ صرف آپریشنل استعداد کار میں بہتری کو یقینی بناتا ہے بلکہ کمپنی کی مجموعی کامیابی کے ساتھ قریب سے جڑا ہوا ہے۔

اس سال، ایس سی ایم ٹیم نے اپنے تمام شراکت داروں کو کامیابی سے اہداف کے حصول کیلئے غیر مشروط مدد فراہم کی اور اپنے تمام سپلائرز کے ساتھ تعلقات کو مضبوط بنانے کے ساتھ ساتھ اخراجات کو کم کرنے پر بھی توجہ دی۔

انفارمیشن ٹیکنالوجی

ہم دیکھتے ہیں کہ اس تیزی سے بدلتے ہوئے کاروباری ماحول میں، ایک موثر، مضبوط اور موثر انفارمیشن ٹیکنالوجی (آئی ٹی) انفراسٹرکچر کے قائم اور برقرار رکھنا انتہائی اہمیت ہے۔ آئی ٹی انفراسٹرکچر ہارڈ ویئر، سافٹ ویئر، نیٹ ورک کی سہولیات اور اس کو برقرار رکھنے کیلئے کام کرنے والے افراد کا ایک مشترکہ مجموعہ ہے۔ ہمارے پاس یہ دعویٰ کرنے کیلئے تمام اجزاء موجود ہیں کہ ہمارا آئی ٹی انفراسٹرکچر کسی سے پیچھے نہیں ہے۔

Financial Highlights

Financial position (Rs in million)	2021	2020	2019	2018	2017	2016
Assets Employed						
Property, plant and equipment						
Operating assets	333.270	337.096	297.736	227.946	239.881	248.401
Capital work in progress	22.740	19.593	55.876	174.368	162.381	114.484
	<u>356.010</u>	<u>356.689</u>	<u>353.612</u>	<u>402.314</u>	<u>402.262</u>	<u>362.885</u>
Long term deposits	1.935	1.869	1.819	1.819	1.819	1.994
Current assets	419.107	377.951	387.361	357.715	344.988	362.757
Total Assets	<u><u>777.052</u></u>	<u><u>736.509</u></u>	<u><u>742.792</u></u>	<u><u>761.848</u></u>	<u><u>749.069</u></u>	<u><u>727.636</u></u>

Financed by						
Shareholders' Equity	506.340	523.770	562.318	594.636	628.440	679.107
Long term deposits and deferred liabilities	51.013	50.497	61.203	11.831	15.083	3.205
Current liabilities	219.699	162.242	119.271	155.381	105.546	45.324
Total Funds Invested	<u><u>777.052</u></u>	<u><u>736.509</u></u>	<u><u>742.792</u></u>	<u><u>761.848</u></u>	<u><u>749.069</u></u>	<u><u>727.636</u></u>

Turnover & Profit						
Turnover - net	237.675	186.688	116.775	127.472	153.492	231.402
Gross profit	20.148	12.933	11.454	8.781	25.047	79.530
Operating loss	(28.420)	(38.695)	(43.981)	(41.947)	(43.851)	(8.048)
(Loss)/profit before taxation	(25.681)	(37.248)	(42.994)	(41.182)	(38.173)	2.532
Loss after taxation	(29.372)	(39.444)	(51.056)	(40.107)	(39.693)	(3.850)
Loss per share (Rupees)	(0.298)	(0.401)	(0.380)	(0.439)	(0.403)	(0.039)

Cash Flow Summary						
Net Cash from Operating Activities	7.329	36.635	(81.888)	8.281	61.480	(78.419)
Net Cash used in Investing Activities	(11.361)	(28.980)	34.118	(7.026)	(65.086)	76.099
Net Cash Outflow from Financing Activities	(1.066)	(11.150)	56.600	-	-	-
(Decrease) /Increase in Cash and Bank Balance	(5.098)	(3.495)	8.830	1.255	(3.606)	(2.320)
Cash and Bank Balance at beginning of the Year	7.191	10.686	1.856	0.601	4.207	6.527
Cash and Bank Balance at end of the Year	2.092	7.191	10.686	1.856	0.601	4.207

Analysis Horizontal & Vertical

Rs in million	2021	2020	2019	2018	2017	2016
Non current assets	357.945	358.558	355.431	404.133	404.081	364.879
Current assets	419.107	377.951	387.361	357.715	344.988	362.757
Total Assets	777.052	736.509	742.792	761.848	749.069	727.636
Shareholders' equity	506.340	523.77	547.398	593.576	628.440	679.107
Non current liabilities	51.013	50.497	76.124	12.891	15.083	3.205
Current liabilities	219.699	162.242	119.27	155.381	105.546	45.324
Total Equity & Liabilities	777.052	736.509	742.792	761.848	749.069	727.636
Vertical Analysis - %age	2021	2020	2019	2018	2017	2016
Non current assets	46.06	48.68	47.85	53.05	53.94	50.15
Current assets	53.94	51.32	52.15	46.95	46.06	49.85
Total Assets	100.00	100.00	100.00	100.00	100.00	100.00
Shareholders' equity	65.16	71.12	73.69	77.91	83.90	93.33
Non current liabilities	6.56	6.86	10.25	1.69	2.01	0.44
Current liabilities	28.27	22.03	16.06	20.40	14.09	6.23
Total Equity & Liabilities	100.00	100.00	100.00	100.00	100.00	100.00
Horizontal Analysis - %age	2021	2020	2019	2018	2017	2016
**Year to Year						
Non current assets	(0.00)	0.01	(0.12)	0.00	0.11	100.00
Current assets	0.11	(0.02)	0.08	0.04	(0.05)	100.00
Total Assets	0.11	(0.02)	(0.04)	0.04	0.06	200.00
Shareholders' equity	(0.03)	(0.04)	(0.08)	(0.06)	(0.07)	100.00
Non current liabilities	0.01	(0.34)	4.91	(0.15)	3.71	100.00
Current liabilities	0.35	0.36	(0.23)	0.47	1.33	100.00
Total Equity & Liabilities	0.33	(0.02)	4.60	0.27	4.96	100.00

Pattern of Shareholding

No. of Share Holders	Shareholding		Total Shares Held
	From	To	
533	1	100	16,203
1052	101	500	319,762
1098	501	1,000	870,688
1279	1,001	5,000	3,794,951
450	5,001	10,000	3,813,405
697	10,001	100,000	23,909,860
93	100,001	965,000	23,344,881
3	965,001	5,115,000	10,741,500
2	5,115,001	11,265,000	16,639,200
1	11,265,001	15,015,000	15,011,378
5,208	Total		98,461,828

S.No.	Categories of Shareholders	No. of Shareholders	Total Shares Held	%
1	CEO	1	627	0.00
2	Directors	6	3,127	0.00
3	Sponsors and Family Members	2	31,386,578	31.88
4	General Public	5,160	57,583,613	58.48
5	Insurance Companies	1	77,188	0.08
6	Financial Institutions	33	3,340,295	3.39
7	NIT and ICP	1	35,400	0.04
8	Modaraba & Mutual Fund	4	6,035,000	6.13
	Total	5,208	98,461,828	100.00

Statement of Compliance with Code of Corporate Governance

Name of Company: Quice Food Industries Limited
Year End: 30 June 2021

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

1. The total number of directors are as per the following:

Gender	Number
Male	07
Female	-

2. The composition of board is as follows:

Category	Name
Independent Director:	Mr. Salman Haroon
Executive Directors:	Mr. Muhammad Atif (Chief Executive) Mr. Qazi Muhammad Imran
Non – Executive Directors:	Mr. Muhammad Siraj Mr. Aamir Altaf Mr. Muhammad Riaz Mr. Irfan Mangnejo

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 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 this purpose. The board has complied with the requirements of 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. In term of Regulation 20 of the 2017 Code, the Companies are required to ensure that all the directors on their board have acquired the prescribed certification under Director Training Program by June 30, 2021.
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 duly endorsed the financial statements before approval of the board.
12. The board has formed committees comprising of members given below:

Committee	Composition	
Audit Committee	Mr. Salman Haroon Mr. Muhammad Siraj Mr. Irfan Mangnajo	Chairman Member Member
HR & Remuneration Committee	Mr. Salman Haroon Mr. Muhammad Siraj Mr. Muhammad Riaz	Chairman Member Member

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

Committee	Frequency
Audit Committee	Quarterly meetings were held
HR & Remuneration Committee	One meeting was conducted

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 director 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



Chief Executive



Director

Review Report to the Members on Statement of Compliance with Best Practices of CCG

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 30 June 2021 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 only one independent director.
- b. Subject to section 154 of the Act, it is mandatory that the Board shall have at least one female director, whereas board include no female Director.
- c. 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 2021.



Chartered Accountants
Karachi.
Dated: October 07, 2021

Engagement Partner: Hafiz Mohammad Ahmad

Independant Auditors Report to the Members

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, 2021, 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, 2021 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:

S.No.	Key Audit Matters	How the matter was addressed in our Audit
1	<p>Valuation of Stock in Trade.</p> <p>Refer notes 5 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 42% 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>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:• 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.

S.No.	Key Audit Matters	How the matter was addressed in Audit
	<p>We focused on stock in trade as it is significant portion of the Company's total assets and it requires management judgment in determining an appropriate costing basis and assessing its valuation.</p>	<ul style="list-style-type: none"> • 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 skepticism 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.



Chartered Accountants

Place: Karachi

Date: October 07, 2021

BALANCE SHEET

As at June 30, 2021

	Note	June 30, 2021	June 30, 2020
(Rupees)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	356,009,994	356,688,810
Long term deposits		1,935,290	1,869,200
		<u>357,945,284</u>	<u>358,558,010</u>
CURRENT ASSETS			
Stores and spares		10,193,172	5,652,656
Stock-in-trade	4	327,499,477	324,622,739
Trade debts	5	54,039,623	20,261,803
Short term investments	6	-	4,187,624
Advances, deposits, prepayments & other receivables	7	13,722,205	5,111,043
Taxation - net	8	11,559,654	10,924,324
Cash and bank balances	9	2,092,425	7,190,668
		<u>419,106,556</u>	<u>377,950,857</u>
		<u>777,051,840</u>	<u>736,508,867</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
105,100,000 (2020: 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 (2020 : 98,461,828) ordinary shares of Rs.10 each	10	984,618,280	984,618,280
Reserves	11	(229,188,981)	(202,498,081)
Discount on issuance of shares		(282,788,556)	(282,788,556)
Surplus on revaluation of property, plant and equipment	12	33,699,487	24,438,142
Total equity		<u>506,340,230</u>	<u>523,769,785</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred liabilities	13	6,513,119	4,997,334
Security deposit payables	14	44,500,000	45,500,000
		<u>51,013,119</u>	<u>50,497,334</u>
CURRENT LIABILITIES			
Trade and other payables	15	219,698,491	161,014,248
Short term position of deferred liability		-	1,227,500
		<u>219,698,491</u>	<u>162,241,748</u>
CONTINGENCIES AND COMMITMENTS			
	16	-	-
		<u>777,051,840</u>	<u>736,508,867</u>

The annexed notes 1 to 34 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

PROFIT AND LOSS ACCOUNT

For The Year Ended June 30, 2021

	Note	June 30, 2021	June 30, 2020
(Rupees)			
SALES	17	237,675,355	186,688,206
Cost of Sales	18	(217,527,446)	(173,755,022)
GROSS PROFIT		20,147,909	12,933,184
Distribution Cost	19	(29,113,670)	(31,482,338)
Administrative Expenses	20	(19,453,917)	(19,490,334)
Other Operating Expenses	21	-	(655,433)
		(48,567,587)	(51,628,105)
Operating Loss		(28,419,678)	(38,694,921)
Other Operating Income	22	2,870,378	1,655,180
		(25,549,300)	(37,039,741)
Finance cost	23	(131,231)	(208,541)
LOSS BEFORE TAXATION		(25,680,531)	(37,248,282)
Taxation	24	(3,691,734)	(2,195,786)
LOSS AFTER TAXATION		(29,372,265)	(39,444,068)
LOSS PER SHARE	25	(0.298)	(0.401)

The annexed notes 1 to 34 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

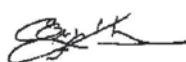
For The Year Ended June 30, 2021

	June 30, 2021	June 30, 2020
	(Rupees)	
LOSS AFTER TAXATION	(29,372,265)	(39,444,068)
<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 loss on plant and machinery- net of deferred tax	(3,537,144)	-
	11,252,758	-
Remeasurement of plan obligation - gratuity scheme - net of tax	862,841	1,154,143
Related deferred tax	(250,224)	(334,701)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>(17,506,890)</u>	<u>(38,624,626)</u>

The annexed notes 1 to 34 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

Statement of Changes in Equity

For The Year Ended June 30, 2021

PARTICULARS	SHARE CAPITAL	RESERVES					TOTAL	SHARE HOLDERS' EQUITY
		Capital		Surplus on revaluation of PPE	Revenue			
		Premium on issue of share capital	Discount on issue of share capital		Accumulated loss			
Balance as at July 01, 2019	984,618,280	6,875,000	(282,788,556)	26,574,780	(249,338,776)	(172,961,135)	(422,299,911)	562,318,369
Transferred from surplus on revaluation of fixed assets-net of deferred tax	-	-	-	(2,136,638)	(2,136,638)	2,212,680	76,042	76,042
Total comprehensive loss for the year ended	-	-	-	-	-	(38,624,626)	(38,624,626)	(38,624,626)
Balance as at June 30, 2020	984,618,280	6,875,000	(282,788,556)	24,438,142	(251,475,414)	(209,373,081)	(460,848,495)	523,769,785
Surplus on revaluation of property, plant & equipment	-	-	-	11,252,758	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	77,335
Comprehensive loss for the period ended	-	-	-	-	-	(28,759,648)	(28,759,648)	(28,759,648)
Balance as at June 30, 2021	984,618,280	6,875,000	(282,788,556)	33,699,487	(242,214,069)	(236,063,981)	(478,278,050)	506,340,230

-----Rupees-----

The annexed notes 1 to 34 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

Cash Flow Statement

For The Year Ended June 30, 2021

	Note	June 30, 2021	June 30, 2020
(Rupees)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(25,680,531)	(37,248,282)
Adjustment for non cash items:			
Depreciation		30,471,237	27,313,634
Provision for gratuity		1,388,246	1,624,296
Provision for slow moving items		-	10,354,721
Impairment loss on leasehold improvement		353,120	-
Gratuity paid		(1,227,500)	-
Remeasurment (gain) / loss on equity shares		(1,659,322)	684,558
Capital (gain) on sale of equity shares		(616,840)	(29,125)
		<u>28,708,941</u>	<u>39,948,084</u>
Net cash inflows from operations before working capital changes		3,028,410	2,699,802
Working capital changes			
(Increase) / decrease in current assets			
Stores and spares		(4,540,516)	(986,624)
Stock-in-trade		(2,876,738)	(5,704,033)
Trade debts		(33,777,820)	(10,375,907)
Advances, deposits, prepayments & other receivables		(8,611,162)	10,238,638
		<u>(49,806,236)</u>	<u>(6,827,926)</u>
Increase / (decrease) in current liabilities			
Trade and other payables		58,684,242	42,971,115
Net working capital changes		8,878,007	36,143,189
Income tax paid		(4,577,287)	(2,208,407)
Net cash used in from operating activities		7,329,130	36,634,584
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(17,825,068)	(30,390,071)
Sale proceed against sale of investment		6,463,786	1,410,335
Net cash used in from investing activities		(11,361,282)	(28,979,736)
CASH FLOWS FROM FINANCING ACTIVITIES			
Reayment of long term deposits		(1,066,090)	(11,150,000)
Net cash used in financing activities		(1,066,090)	(11,150,000)
Net (decrease) in cash and cash equivalents		(5,098,243)	(3,495,152)
Cash and cash equivalents at the beginning of the year		7,190,668	10,685,820
Cash and cash equivalents at the end of the year		<u>2,092,425</u>	<u>7,190,668</u>

The annexed notes 1 to 34 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

Notes to the Financial Statements

For The Year Ended June 30, 2021

1. THE COMPANY AND ITS OPERATIONS

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

2. 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, 2020. 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, 2021. 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:

Notes to the Financial Statements

For The Year Ended June 30, 2021

2.1.4 Inventories

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 provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the of financial position. Deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which these can be utilized.

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 and 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.

Notes to the Financial Statements

For The Year Ended June 30, 2021

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.

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 recognised 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.

Notes to the Financial Statements

For The Year Ended June 30, 2021

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.

Notes to the Financial Statements

For The Year Ended June 30, 2021

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commit to purchase or sell the asset. Further financial assets are derecognised 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) Amortised 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 amortised 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 recognised 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 recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised 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 amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised 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 recognised in profit or loss as other income when the Company's right to receive payments is established.

Notes to the Financial Statements

For The Year Ended June 30, 2021

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 amortised 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-fortrading 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 amortisation process.

Derecognition of financial liabilities

The Company derecognises 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 recognised amount and there is an intention to settle on a net basis, or realise 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.

Notes to the Financial Statements

For The Year Ended June 30, 2021

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 recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised 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.

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.

Notes to the Financial Statements

For The Year Ended June 30, 2021

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.

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.

Notes to the Financial Statements

For The Year Ended June 30, 2021

	Note	2021	2020
		(Rupees)	
3. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	3.1	333,270,011	337,095,892
Capital Work-in-progress	3.2	22,739,983	19,592,918
		<u>356,009,994</u>	<u>356,688,810</u>

3.1

	2021							
	Owned							
	Free hold land	Building	Leasehold Improvement	Plant and machinery	Vehicles	Computers & office equipment's	Furniture and fixtures	Total
	-----Rupees-----							
NBV as on June 30 , 2019	41,608,400	63,999,998	1,209,943	182,181,647	6,510,049	749,429	1,476,980	297,736,446
Additions	-	-	-	66,594,080	-	79,000	-	66,673,080
Revaluation surplus/(loss)	-	-	-	-	-	-	-	-
Disposal (at NBV)	-	-	-	-	-	-	-	-
Depreciation charge	-	(6,400,001)	(120,994)	(19,112,119)	(1,301,983)	(230,904)	(147,633)	(27,313,634)
NBV as on June 30 , 2020	<u>41,608,400</u>	<u>57,599,997</u>	<u>1,088,949</u>	<u>229,663,608</u>	<u>5,208,066</u>	<u>597,525</u>	<u>1,329,347</u>	<u>337,095,892</u>
Gross carrying value basis								
Cost	41,608,400	92,787,597	13,329,492	371,483,364	12,687,940	2,211,807	4,094,289	538,202,889
Accumulated depreciation	-	(35,187,600)	(12,240,543)	(141,819,756)	(7,479,874)	(1,614,282)	(2,764,942)	(201,106,997)
NBV as on June 30 , 2020	<u>41,608,400</u>	<u>57,599,997</u>	<u>1,088,949</u>	<u>229,663,608</u>	<u>5,208,066</u>	<u>597,525</u>	<u>1,329,347</u>	<u>337,095,892</u>
NBV as on June 30 , 2020	41,608,400	57,599,997	1,088,949	229,663,608	5,208,066	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)
Disposals (at NBV)	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-
Depreciation charge	-	(5,767,500)	(108,895)	(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	13,329,492	381,899,737	12,687,940	2,211,807	4,094,289	565,201,365
Accumulated depreciation	-	(40,955,100)	(12,702,558)	(164,716,617)	(8,521,459)	(2,137,808)	(2,897,812)	(231,931,354)
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>
	-	10%	10%	10%	20%	30%	10%	

** NBV stands for Net Book Value.

	2021	2020
	(Rupees)	

3.1.1 Depreciation for the year has been allocated as follow:

Cost of sales	29,380,234	26,293,768
Administrative expenses	1,091,003	1,019,866
	<u>30,471,237</u>	<u>27,313,634</u>

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

Notes to the Financial Statements

For The Year Ended June 30, 2021

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

3.1.4 **Forced sale value**
Asset Class

Forced Sale Value

Land	46,809,450
Building	53,214,240
Plant and Machinery	186,156,961
Total Value	286,180,651

3.1.5 revaluation, the original cost, accumulated depreciation and net book value of land, building and machinery would have been as follows:

	As at June 30, 2021			As at June 30, 2020		
	Cost	Accumulated Depreciation	Written Down Value	Cost	Accumulated Depreciation	Written Down Value
	-----Rupees-----			-----Rupees-----		
Land	36,400,000	-	36,400,000	36,400,000	-	36,400,000
Building	109,884,242	62,054,775	47,829,467	109,884,242	56,740,390	53,143,852
Plant and machinery	343,765,153	139,478,758	204,286,395	329,087,150	118,165,977	210,921,173

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

Location	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), Tehsil Hub, District Lasbella, Balochistan.	Production Unit	20,804.20	65,000
		Plant & Machinery	Total
		(Rupees)	

3.2 **Capital work-in-progress**

Balance as on July 1, 2019	19,592,918	19,592,918
Capital expenditure incurred	-	-
Transfer to fixed assets	-	-
Year ended June 30, 2020	19,592,918	19,592,918
Balance as on July 1, 2020	19,592,918	19,592,918
Capital expenditure incurred	3,147,065	3,147,065
Transfer to fixed assets	-	-
Year ended June 30, 2021	22,739,983	22,739,983
	2021	2020
	(Rupees)	

4. **STOCK IN TRADE**

Raw and Packing materials	225,465,466	214,090,899
Finished goods	112,388,732	120,886,561
Provision for slow moving items	(10,354,721)	(10,354,721)
	327,499,477	324,622,739

Notes to the Financial Statements

For The Year Ended June 30, 2021

	2021	2020			
	(Rupees)				
5. TRADE DEBTS - considered good					
Considered good (Unsecured)	54,039,623	20,261,803			
5.1 The aging of trade debts as at 30 June 2021 is as follows:					
Neither past due nor impaired (0-30)	19,173,678	2,512,858			
Past due but not impaired (31-60)	24,272,522	17,748,945			
Past due but not impaired (61 and above)	10,593,423	-			
	<u>54,039,623</u>	<u>20,261,803</u>			
5.2 As at June 30, 2021, an amount of Rupees 8.390 million (2020: 5.716 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, 2021, no amount was due from related parties for which impairment needs to be tested (2020: Nil).					
6. INVESTMENTS					
	2021	2020	Name of Investee Company	2021	2020
	Units			Rupees	
	-	140,000	AKD Investment Manag. Ltd	-	4,187,624
7. ADVANCES DEPOSITS PREPAYMENTS AND OTHER RECEIVABLES					
Advances to employees - considered goods	53,826	708,694			
Advances to suppliers - unsecured, considered good	12,132,052	2,980,595			
Other receivables	1,376,455	1,036,950			
Sales tax receivable	159,872	384,804			
	<u>13,722,205</u>	<u>5,111,043</u>			
8. TAXATION - net					
Advance income tax	15,433,031	13,437,861			
Less : Provision for tax	3,873,377	2,513,537			
	<u>11,559,654</u>	<u>10,924,324</u>			
9. CASH AND BANK BALANCES					
Cash in hand	282,346	56,453			
With banks:					
- Current accounts	604	-			
- Saving accounts	1,809,475	7,184,215			
	<u>1,810,079</u>	<u>7,184,215</u>			
	<u>2,092,425</u>	<u>7,190,668</u>			
9.1 Saving accounts earned at weighted average rate of 4.33 % per annum (2020: 7.09% per annum).					

Notes to the Financial Statements

For The Year Ended June 30, 2021

10. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2021		2020			
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>	

10.1 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.

10.2 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.

Notes to the Financial Statements

For The Year Ended June 30, 2021

	Note	2021	2020
		(Rupees)	
11. RESERVES			
Composition of reserves is as follows:			
Capital			
Premium on issue of share capital	11.1	6,875,000	6,875,000
Revenue			
Accumulated loss		<u>(236,063,981)</u>	<u>(209,373,081)</u>
		<u>(229,188,981)</u>	<u>(202,498,081)</u>

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

	Note	2021	2020
		(Rupees)	
12 REVALUATION OF PROPERTY PLANT & EQUIPMENT			
Freehold land			
Balance as at July 01		5,208,400	5,208,400
Revaluation for the year		10,402,100	-
		<u>15,610,500</u>	<u>5,208,400</u>
Building			
Balance as at July 01		-	-
Revaluation for the Year		6,180,003	-
		<u>6,180,003</u>	<u>-</u>
Plant & Machinery			
Balance as at July 01		19,914,120	22,126,800
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		(1,991,413)	(2,136,638)
Impairment during the year- net of deferred tax		(4,261,630)	-
Related deferred tax liability of incremental depreciation charged during the year		(77,335)	(76,042)
		<u>13,583,742</u>	<u>19,914,120</u>
		<u>35,374,245</u>	<u>25,122,520</u>
Less: related deferred tax liability			
Balance as at July 01		684,378	760,420
Deferred tax liability recognised during the year		1,067,715	-
Deferred tax liability reversed during the year		(77,335)	(76,042)
		<u>1,674,758</u>	<u>684,378</u>
Balance as at June 30		<u>33,699,487</u>	<u>24,438,142</u>

13. DEFERRED LIABILITIES

Deferred tax	13.1	1,674,758	684,378
Staff gratuity scheme -unfunded	13.2	4,838,361	4,312,956
		<u>6,513,119</u>	<u>4,997,334</u>

13.1 The Company has not recognized deferred tax asset arising due to available tax losses and credits 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.

Notes to the Financial Statements

For The Year Ended June 30, 2021

	2021	2020
	(Rupees)	
13.2 STAFF RETIREMENT BENEFITS		
Staff gratuity scheme -unfunded		
Present value of defined benefit obligation	4,851,481	4,112,983
Add: Unrecognized actuarial gain / (loss)	(13,120)	199,973
	<u>4,838,361</u>	<u>4,312,956</u>

13.2.1 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, 2021.

	2021	2020
	(Rupees)	
13.2.2 Movement in present value of defined benefit obligation		
Balance at beginning of the year	4,312,956	3,842,803
Current service cost	1,021,645	1,067,090
Interest cost	366,601	557,206
Experience adjustments	(862,841)	(1,154,143)
Payable transfer to short term liability	-	-
Balance as at end of the year	<u>4,838,361</u>	<u>4,312,956</u>

13.2.3 Movement in balances

Balance at beginning of the year	4,312,956	3,842,803
Expense during the year	1,388,246	1,624,296
Remeasurements chargeable in other comprehensive income	(862,841)	(1,154,143)
	<u>4,838,361</u>	<u>4,312,956</u>

13.2.4 Charge for the year

Current service cost	1,021,645	1,067,090
Interest cost	366,601	557,206
	<u>1,388,246</u>	<u>1,624,296</u>

13.2.5 Experience Adjustments

Experience adjustment arising on plan liabilities (gains)	(862,841)	(1,154,143)
Present value of defined benefits obligation	<u>4,838,361</u>	<u>4,312,956</u>

13.2.6 Principal actuarial assumption

Following principal actuarial assumptions were used for the valuation:

Estimated rate of increase in salary of the employees	N/A	7.50%
Discount rate used for year end obligation	10.00% p.a	8.50% p.a
Discount rate used for interest cost in P&L charge	8.50% p.a	14.50% p.a

Notes to the Financial Statements

For The Year Ended June 30, 2021

13.2.7 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	4,559,460	5,162,784
Salary increase	+ - 100bps	5,150,897	4,565,674

	2021	2020
	(Rupees)	

14. SECURITY DEPOSIT PAYABLE	44,500,000	45,500,000
------------------------------	------------	------------

14.1 This represent interest free deposits received from distributors under distribution contracts and is refundable on cancellation of respective contract or termination of related services.

	2021	2020
	(Rupees)	

15. TRADE AND OTHER PAYABLES

Creditors	36,581,672	15,752,513
Accrued liabilities	16,424,800	10,369,415
Contract liabilities	164,569,188	133,787,204
Others	2,122,831	1,105,116
	<u>219,698,491</u>	<u>161,014,248</u>

15.1 During the year an amount of Rupees NIL was adjusted against contract liabilities (2020: 72.545 million).

16. CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

16.1.1 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 , 2017. No provision has made in these financial statements for such penalty. Directors and Company have filed appeal before SECP and expect a favorable outcome.

16.2 Commitments

There were no capital or other commitments at the balance sheet date (2020: Nil).

	2021	2020
	(Rupees)	

17. SALES - net

Local	206,047,341	174,065,552
Export	77,699,620	48,606,652
	283,746,961	222,672,204
Federal exise duty	(10,356,984)	(6,226,525)
Sales tax	(35,714,622)	(29,757,473)
	<u>237,675,355</u>	<u>186,688,206</u>

Notes to the Financial Statements

For The Year Ended June 30, 2021

17.1 Export sales comprise of sale made in UK , South Africa and Mauritius regions.

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

	Note	2021	2020
		(Rupees)	
18. COST OF SALES			
Opening stock of finished goods		117,531,840	108,174,448
Cost of goods manufactured	18.1	209,029,617	183,112,414
		<u>326,561,457</u>	<u>291,286,862</u>
Closing stock of finished goods		109,034,011	117,531,840
		<u>217,527,446</u>	<u>173,755,022</u>
18.1 Cost of goods manufactured			
Raw materials consumed	18.1.1	120,232,444	118,344,982
Stores, spares and loose tools consumed		1,759,497	676,081
Salaries, wages and benefits		9,095,909	9,128,728
Conveyance expenses		49,220	32,000
Communication expenses		8,240	9,510
Entertainment expenses		497,684	1,027,683
Freight and octroy		153,120	82,740
Factory rent		256,040	256,042
Fuel and power		148,458	72,924
Stationary expenses		-	7,480
Repair and maintenance		1,278,618	544,955
Utilities		39,413,846	22,288,805
Depreciation	3.1.1	29,380,234	26,293,768
Security expenses		1,857,489	1,576,360
Travelling expenses		43,162	97,431
Water charges		3,969,505	1,385,218
Loading / unloading expenses		-	12,110
Miscellaneous expenses		886,151	1,275,597
		<u>209,029,617</u>	<u>183,112,414</u>
18.1.1 Raw & packing materials consumed			
Opening stock of raw and packing materials		207,090,899	221,098,979
Add: Purchases - net		131,607,011	104,336,902
		<u>338,697,910</u>	<u>325,435,881</u>
Closing stock of raw and paking materials		218,465,466	207,090,899
		<u>120,232,444</u>	<u>118,344,982</u>
19. DISTRIBUTION COST			
Marketing expenses		11,406,744	12,478,506
Salaries and other benefits		10,478,283	12,027,913
Outward freight and handling		6,259,799	6,153,895
Distribution claims		623,438	-
Advertisement and publicity		345,406	822,024
		<u>29,113,670</u>	<u>31,482,338</u>

Notes to the Financial Statements

For The Year Ended June 30, 2021

	Note	2021	2020
		(Rupees)	
20. ADMINISTRATIVE EXPENSES			
Directors remuneration	26	2,015,000	2,912,774
Salaries, wages and benefits		10,616,600	8,741,691
Conveyance expense		13,660	18,470
Communication expense		239,399	51,014
Entertainment		82,540	56,040
Fee, subscription & professional charges		2,253,183	3,228,065
Fuel & power		-	6,200
Rent expense		420,000	420,000
Printing and stationery		76,805	31,563
Repair and maintenance		25,912	18,400
Utilities		1,500,238	698,335
Auditors' remuneration	20.1	575,000	575,000
Depreciation	3.1.1	1,091,003	1,019,866
Impairment loss on leasehold improvements		353,120	-
Miscellaneous expenses		191,457	1,546,256
Traveling expenses		-	166,660
		<u>19,453,917</u>	<u>19,490,334</u>
20.1 Auditors' remuneration			
Audit fee		450,000	450,000
Half yearly review		100,000	100,000
Review report on statement of compliance		25,000	25,000
		<u>575,000</u>	<u>575,000</u>
21. OTHER OPERATING EXPENSES			
Remeasurement loss - investmnt		-	684,558
Capital loss on sale of equity shares		-	(29,125)
		<u>-</u>	<u>655,433</u>
22. OTHER INCOME			
Income from financial assets			
- Investment Income		756	80,903
- Remeasurment gain on investment		1,659,322	-
- Capital gain		616,840	-
- Saving accounts		292,785	607,178
		<u>2,569,703</u>	<u>688,081</u>
Income from non-financial assets			
Other Income		300,675	967,099
		<u>2,870,378</u>	<u>1,655,180</u>
23. FINANCE COST			
Bank charges		131,231	208,541

Notes to the Financial Statements

For The Year Ended June 30, 2021

	2021	2020
	(Rupees)	
24. TAXATION		
Current		
- for the year	3,873,377	2,513,537
- changes in estimates related to prior years	68,581	16,950
	3,941,958	2,530,487
Deferred Tax	(250,224)	(334,701)
	<u>3,691,734</u>	<u>2,195,786</u>

24.1 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.

24.2 Tax provision includes effect of prior year adjustments.

24.3 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. Therefore minimum tax @ 1.5% has been provided in these financial statements. Sufficient tax provision has been incorporated in these financial statements.

		2021	2020
		(Rupees)	
25. 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)	(29,372,265)	(39,444,068)
Weighted average number of ordinary shares	(Numbers)	98,461,828	98,461,828
Loss per share	(Rupees)	(0.298)	(0.401)

26. 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:

	2021			2020		
	Chief Executive	Director	Executives	Chief Executive	Director	Executives
	-----Rupees-----					
Managerial remuneration	570,000	1,147,500	10,224,583	570,000	1,236,276	8,034,866
House rent, utilities & others	95,000	202,500	-	95,000	1,011,498	-
	<u>665,000</u>	<u>1,350,000</u>	<u>10,224,583</u>	<u>665,000</u>	<u>2,247,774</u>	<u>8,034,866</u>
No. of Persons	<u>1</u>	<u>1</u>	<u>6</u>	<u>1</u>	<u>2</u>	<u>5</u>

26.1 Chief Executive provided with Company's owned and maintained car.

27. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of shareholders, directors of the Company, employees benefit funds and key management employees. The Company carries out transactions with its related parties are mentioned in note no 26 that is in the normal course of business. There were no other related parties transactions during the year June 30, 2021 (2020: NIL).

Notes to the Financial Statements

For The Year Ended June 30, 2021

28. PRODUCTION CAPACITY

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

	2021	2020
Rated capacity		
- 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>805,409</u>	<u>506,573</u>
- Juice		
Liters - 180 day per annum single shift	<u>1,387,350</u>	<u>1,379,700</u>
- CSD		
Liters - 180 day per annum single shift	<u>105,681</u>	<u>94,500</u>
- Water		
Liters - 180 day per annum single shift	<u>240,000</u>	<u>1,240,200</u>

29. FINANCIAL RISK MANAGEMENT

29.1 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.

Notes to the Financial Statements

For The Year Ended June 30, 2021

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.

(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:

	Note	2021	2020
		(Rupees)	
Trade debts		54,039,623	20,261,803
Other receivables		1,376,455	1,036,950
Short term investment		-	4,187,624
Long term deposits		1,935,290	1,869,200
Bank balances		1,810,079	7,134,215
		<u>59,161,447</u>	<u>34,489,792</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:

Notes to the Financial Statements

For The Year Ended June 30, 2021

Banks	Short Term	Rating		2021	2020
		Long term	Agency	---- Rupees ----	
Habib Bank Limited	A-1+	AAA	JCR-VIS	604	1,635,200
Meezan Bank Limited	A-1+	AA	JCR-VIS	1,807,781	1,786,863
United Bank Limited	A-1+	AAA	JCR-VIS	1,694	3,712,152
				<u>1,810,079</u>	<u>7,134,215</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 advances. At 30 June 2021 the Company had Rupees 1.810 million (2020: Rupees 7.134 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 2021.

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	----- Rupees -----					
Trade and other payables	219,698,491	219,698,491	146,465,661	73,232,830	-	-
Accrued mark-up	-	-	-	-	-	-
Security deposit payables	44,500,000	-	-	-	-	44,500,000
	<u>265,198,491</u>	<u>219,698,491</u>	<u>146,465,661</u>	<u>73,232,830</u>	<u>-</u>	<u>44,500,000</u>

Contractual maturities of financial liabilities as at 30 June 2020.

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	----- Rupees -----					
Trade and other payables	161,014,247	161,014,247	107,342,831	53,671,416	-	-
Security deposit payables	45,500,000	-	-	-	-	45,500,000
	<u>161,014,247</u>	<u>161,014,247</u>	<u>107,342,831</u>	<u>53,671,416</u>	<u>-</u>	<u>45,500,000</u>

29.2 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.

Notes to the Financial Statements

For The Year Ended June 30, 2021

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.

	2021	2020
	(Rupees)	
29.3 Financial instruments by categories as at 30 June 2021		
Financial Assets at Amorised Cost.		
Trade debts	54,039,623	20,261,803
Other receivables	1,376,455	1,036,950
Cash and bank balances	2,092,425	7,190,668
	<u>57,508,503</u>	<u>28,489,421</u>
Financial Assets at Fair Value through Profit or Loss Account.		
Short term investment	-	4,187,624
	<u>-</u>	<u>4,187,624</u>
Financial Liabilities at Amorised Cost.		
Trade and other payables	219,698,491	161,014,247
	<u>219,698,491</u>	<u>161,014,247</u>

29.4 The Fair value hierarchy of financial assets measured at fair value as follows:

	2021			
	Level 1	Level 2	Level 3	Total
Short term investment	-	-	-	-
	2020			
	Level 1	Level 2	Level 3	Total
Short term investment	4,187,624	-	-	4,187,624

Notes to the Financial Statements

For The Year Ended June 30, 2021

	2021	2020
	(Rupees)	

30 NUMBER OF EMPLOYEES

At year end

- Permanent
- Temporary

37	30
18	15
55	45

This included 07 (2020: 15) number of factory employees.

Average employees during the year

- Permanent
- Temporary

32	35
17	21
49	56

This included 24 (2020: 35) number of factory employees.

31 GEOGRAPHICAL LOCATION AND ADDRESS OF BUSINESS UNITS

Business Unite

Location

Production Unit 1

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

Production Unit 2

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

Sales Office

Block-B, Latifabad Unit # 02, Hyderabad.

32 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.

32.1 Out of total sales, 27% of the sales of the Company are export sales and export sales comprise of sale made in UK, South Africa and Mauritius regions.

32.2 All assets of the Company as at 30 June 2021 are located in Pakistan.

33 Comparative information

No significant reclassification / rearrangement of corresponding figures has been made during the year except reclassification of leasehold improvements from building in property, plant & equipment.

34 Date of Authorization

These financial statements were authorized for issue on October 07, 2021 by the Board of Directors of the Company.



Chief Executive



Director



Chief Financial Officer

Notice of Annual General Meeting

Notice is hereby given that the 31st Annual General Meeting of the shareholders of **Quice Food Industries Limited** will be held at the Registered Office of the Company: WS-7, Madina Palace, Faran CHS, Dhorajee Colony, Karachi on Thursday, October 28, 2021 at 15:00 PM to transact the following business:

Ordinary business:

1. To confirm the minutes of Annual General Meeting held on November 27, 2020;
2. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2021 together with Directors' and Auditor's reports thereon; and
3. To appoint Auditors for the year ending June 30, 2022 and fix their remuneration. M/s. Aslam Malik & Co., Chartered Accountants will retire and are eligible to offer themselves for reappointment.

Other business:

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

By Order of the Board

Karachi
October 07, 2021

Iqbal Shahid
Company Secretary

Book Closure:

The share transfer books of the Company will remain closed from October 22, 2021 to October 28, 2021 (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, 2021 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 28th day of October, 2021 and at any adjournment thereof.

Signed this _____ day of _____ 2021.

WITNESSES:

- 1) Signature : _____
Name : _____
Address : _____
CNIC or : _____
Passport No. : _____
- 2) Signature : _____
Name : _____
Address : _____
CNIC 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 Identity Card or Passport with this proxy form before submission to the Company.










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