



Real Happiness

**NINE MONTHS
ACCOUNTS 2021-22**

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Company Information

Board of Directors

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

Company Secretary

Mr. Iqbal Shahid

Audit Committee

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

HR & Remuneration Committee

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

Legal Advisor

M/s. Ahmed & Qazi
Advocates & Legal Consultants

Bankers

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

Auditors

M/s. Aslam Malik & Co.
Chartered Accountants

Share Registrar

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

Registered Office

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

Directors' Review

NINE MONTHS PERIOD ENDED MARCH 31, 2022

The Directors of Quice Food Industries Limited "the Company" are pleased to submit theun-audited financial report and financial information of the Company for third quarter and nine months period ended March 31, 2022.

Business Performance Overview

During the period endedMarch 31, 2022, the Company, by the Grace of the Almighty, successfully kept an upward trend, posting a revenue of PKR. 308.36 million (March 2021: PKR. 126.11 million), achieving a growth of 145% compared to March 2021, as a result of increase in demand in domestic and international markets. Despite highest ever production costs, Dollar appreciation and political unrest, the Company managed to find its way through by increasing overall sales volumes supported by investments in new brand marketing.

The Company reported a gross margin of PKR. 67.56 million as compared to PKR. 20.59 million in March 2021, posting a growth of 228% which depicts its operational stability despite higher cost of production.

Financial highlights

The summary of financial performance follows (compared with last year):

	2022 Rupees "000"	2021 Rupees "000"
Net sales	308,360	126,108
Gross profit	67,558	20,592
Pre-tax-profit	20,733	2,735
After-tax-profit	17,126	1,177

Future Prospects

Despite expected increase in inflation, higher energy and commodity prices, Dollar and political instability in the Country , we plan to keep accelerating through product innovation, exploring new foreign and domestic avenues, geographical expansion and investment in brand equity, and would strive to keep supplying fresh and hygienic nutritious products to people in Pakistan and abroad.

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



Chief Executive



Director

Karachi
April 28, 2022

ڈائریکٹرز کی رپورٹ

31 مارچ 2022 کو ختم ہونے والی تیسری سہ ماہی اور نو ماہ کے لیے

کوئٹہ فوڈ انڈسٹریز لمیٹڈ کے ڈائریکٹرز "کمپنی" کو 31 مارچ 2022 کو ختم ہونے والی تیسری سہ ماہی اور نو ماہ کی مدت کے لیے کمپنی کی غیر آڈٹ شدہ مالیاتی رپورٹ اور مالی معلومات جمع کرانے پر خوشی ہے۔

کاروباری کارکردگی کا جائزہ

31 مارچ 2022 کو ختم ہونے والی مدت کے دوران، کمپنی نے، اللہ تعالیٰ کے فضل سے، 308.35 ملین PKR (مارچ 2021: 126.11 ملین PKR) کا ریونیو پوسٹ کرتے ہوئے کامیابی کے ساتھ اوپر کی جانب رجحان برقرار رکھا۔ گھریلو اور بین الاقوامی منڈیوں میں مانگ میں اضافے کے نتیجے میں، مارچ 2021 کے مقابلے میں 145% کی نمو حاصل کی ہے۔ اب تک کی سب سے زیادہ پیداواری لاگت، ڈالر کی قدر میں اضافے اور سیاسی بے چینی کے باوجود، کمپنی نئے برانڈ کی مارکیٹنگ میں سرمایہ کاری کے ذریعے فروخت کے مجموعی حجم میں اضافہ کر کے اپنا راستہ تلاش کرنے میں کامیاب رہی ہے۔

کمپنی نے 67.56 ملین PKR کے مجموعی مارجن کی اطلاع دی۔ جو کے مارچ 2021 میں 20.59 ملین PKR تھا، جس میں 228% فیصد اضافہ ہوا جو پیداوار کی زیادہ لاگت کے باوجود اس کے آپریشنل استحکام کو ظاہر کرتا ہے۔

مالیاتی جھلکیاں

مالی کارکردگی کا خلاصہ درج ذیل ہے (گزشتہ سال کے مقابلے):

	March' 2022	March' 2021
	Rupees in 000's	
Net sales	308,360	126,108
Gross profit	67,558	20,592
Pre-tax-profit	20,733	2,735
After-tax-profit	17,126	1,177

مستقبل کے امکانات

منہگائی میں متوقع اضافے، توانائی اور اجناس کی بلند قیمتوں، ڈالر اور ملک میں سیاسی عدم استحکام کے باوجود، ہم مصنوعات کی جدت، نئی غیر ملکی اور ملکی راہیں تلاش کرنے، جغرافیائی توسیع اور برانڈ ایکویٹی میں سرمایہ کاری کے ذریعے پرجوش رہنے کا منصوبہ رکھتے ہیں، اور پاکستان اور بیرون ملک لوگوں کے لیے تازہ اور صحت بخش غذائیت سے بھرپور مصنوعات کی سپلائی جاری رکھنے کی کوشش کریں گے۔

ہم ان حصص یافتگان کا شکریہ ادا کرنا چاہیں گے جنہوں نے ہمیشہ کمپنی پر اپنے اعتماد کا اظہار کیا ہے اور ہر ممبر کی طرف سے عزم، لگن اور جدید سوچ کا مظاہرہ کیا ہے اور انہیں یقین ہے کہ وہ مستقبل میں بھی ایسا کرتے رہیں گے۔

ڈائریکٹر

چیف ایگزیکٹو

کراچی

28 اپریل 2022

Condensed Interim Statement of Financial Position (Unaudited)

AS AT MARCH 31, 2022

	Note	Unaudited March 31, 2022	Audited June 30, 2021
----- Rupees -----			
ASSETS			
NON-CURRENT ASSETS			
Property plant and equipment	5	335,551,506	356,009,994
Long term deposits		2,272,350	1,935,290
		337,823,856	357,945,284
CURRENT ASSETS			
Stores and spares		36,873,603	10,193,172
Stock-in-trade	6	384,365,697	327,499,477
Trade debts		66,297,978	54,039,623
Advances, deposits, prepayments & other receivables		6,096,301	13,722,205
Taxation - net		5,082,876	11,559,654
Cash and bank balances		2,379,670	2,092,425
		501,096,125	419,106,556
TOTAL ASSETS		838,919,981	777,051,840
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
105,100,000 (June 2021: 105,100,000) ordinary shares of Rs 10 each		1,051,000,000	1,051,000,000
Issued, subscribed and paid up share capital and reserves			
98,461,828 (June 2021 : 98,461,828) ordinary shares of Rs.10 each		984,618,280	984,618,280
Reserves		(209,535,853)	(229,188,981)
Discount on issue of shares		(282,788,556)	(282,788,556)
Surplus on revaluation of property, plant and equipment		31,172,025	33,699,487
Total equity		523,465,896	506,340,230
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred liabilities		7,713,119	6,513,119
Security deposit payables		44,500,000	44,500,000
		52,213,119	51,013,119
CURRENT LIABILITIES			
Trade and other payables		263,240,966	219,698,491
Short term position of deferred liability		-	-
		263,240,966	219,698,491
TOTAL LIABILITIES		315,454,085	270,711,610
CONTINGENCIES AND COMMITMENTS	7	-	-
TOTAL EQUITY & LIABILITIES		838,919,981	777,051,840

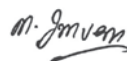
The annexed notes form an integral part of these condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer

Condensed Interim Profit or Loss Account (Unaudited)

NINE MONTHS PERIOD ENDED MARCH 31, 2022

	Quarter ended		Nine months period ended	
	March-31, 2022	March-31, 2021	March-31, 2022	March-31, 2021
----- Rupees -----				
SALES	171,543,888	74,256,304	308,359,625	126,107,803
Cost of sales	(118,741,003)	(54,663,725)	(240,801,342)	(105,515,364)
GROSS PROFIT	52,802,885	19,592,579	67,558,283	20,592,439
Distribution cost	(18,561,808)	(918,860)	(31,765,600)	(11,692,717)
Administrative expenses	(6,493,325)	(2,047,746)	(15,714,657)	(10,545,051)
Operating expenses	(25,055,133)	(2,966,606)	(47,480,257)	(22,237,768)
Operating profit / (loss)	27,747,752	16,625,973	20,078,026	(1,645,329)
Other operating income	412,841	2,121,821	720,363	4,500,460
	28,160,593	18,747,794	20,798,389	2,855,131
Finance cost	(30,980)	(9,590)	(65,123)	(120,075)
PROFIT BEFORE TAXATION	28,129,613	18,738,204	20,733,266	2,735,056
Taxation	(2,012,590)	(780,021)	(3,607,600)	(1,557,793)
PROFIT AFTER TAXATION	26,117,023	17,958,183	17,125,666	1,177,263
EARNING PER SHARE	0.27	0.18	0.17	0.01

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



Chief Executive



Director



Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Unaudited)

NINE MONTHS PERIOD ENDED MARCH 31, 2022

	Quarter ended		Nine months period ended	
	March-31, 2022	March-31, 2021	March-31, 2022	March-31, 2021
	----- Rupees -----			
PROFIT AFTER TAXATION	26,117,023	17,958,183	17,125,666	1,177,263
Other comprehensive income that cannot be classified through profit and loss	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	26,117,023	17,958,183	17,125,666	1,177,263

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



Chief Executive



Director



Chief Financial Officer

Condensed Interim Cash Flow Statement (Unaudited)

NINE MONTHS PERIOD ENDED MARCH 31, 2022

	Nine months ended	
	March 31, 2022	March 31, 2021
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	20,733,266	2,735,056
Adjustment for non cash items:		
Depreciation	20,314,210	22,681,147
Provision for gratuity	1,200,000	818,730
(Gain) on sale of shares	-	(616,840)
	21,514,210	22,883,037
Net cash flow from operations before working capital changes	42,247,476	25,618,093
Working capital changes		
(Increase) / decrease in current assets		
Stores and spares	(26,680,431)	(12,024,069)
Stock-in-trade	(56,866,220)	(6,570,893)
Trade debts	(12,258,355)	(36,668,569)
Advances, deposits, prepayments & other receivables	7,625,904	(5,936,069)
	(88,179,102)	(61,199,600)
Increase / (decrease) in current liabilities		
Trade and other payables	47,532,868	39,718,070
Net working capital changes	(40,646,234)	(21,481,531)
Income tax paid	(1,121,215)	(2,315,939)
Net cash flow from operating activities	480,027	1,820,623
CASH FLOWS FROM INVESTING ACTIVITIES		
Return of advance against CWIP / (acquisition of property, plant and equipments)	144,278	(700,000)
Proceeds from disposal of short term investments	-	4,804,464
Net cash flow from investing activities	144,278	4,104,464
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment - long term deposit	-	(1,000,000)
Security deposit	(337,060)	(66,090)
Payment for gratuity	-	(1,227,500)
Net cash used in financing activities	(337,060)	(2,293,590)
Net increase in cash and cash equivalents	287,245	3,631,497
Cash and cash equivalents at the beginning of the period	2,092,425	7,190,668
Cash and cash equivalents at the end of the period	2,379,670	10,822,165


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



Chief Executive



Director



Chief Financial Officer

Condensed Interim Statement of Changes in Equity (Unaudited)

NINE MONTHS PERIOD ENDED MARCH 31, 2022

PARTICULARS	SHARE CAPITAL	RESERVE				Subtotal	Accumulated loss	TOTAL	SHAR-HOLDERS' EQUITY
		Premium on issue of share capital	Discount on issue of share capital	Surplus on revaluation of PPE	Surplus on revaluation of PPE				
----- Rupees -----									
Balance as at June 30, 2020	984,618,280	6,875,000	(282,788,556)	24,438,143	(251,475,414)	(209,373,081)	(460,848,495)	523,769,786	
Incremental depreciation transferred to retained earnings	-	-	-	(1,501,031)	(1,501,031)	1,501,031	-	-	
Net profit for the period	-	-	-	-	-	1,177,263	1,177,263	1,177,263	1,177,263
Balance as at March 31, 2021	<u>984,618,280</u>	<u>6,875,000</u>	<u>(282,788,556)</u>	<u>22,937,112</u>	<u>(252,976,445)</u>	<u>(206,694,787)</u>	<u>(459,671,232)</u>	<u>524,947,048</u>	
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	
Incremental depreciation transferred to retained earnings	-	-	-	(2,527,462)	(2,527,462)	2,527,462	-	-	
Net profit for the period	-	-	-	-	-	17,125,666	17,125,666	17,125,666	17,125,666
Balance as at March 31, 2022	<u>984,618,280</u>	<u>6,875,000</u>	<u>(282,788,556)</u>	<u>31,172,025</u>	<u>(244,741,531)</u>	<u>(216,410,853)</u>	<u>(461,152,384)</u>	<u>523,465,896</u>	

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



Chief Executive



Director



Chief Financial Officer

Notes to the Condensed Interim Financial Statements

NINE MONTHS PERIOD ENDED MARCH 31, 2022

1. THE COMPANY AND ITS OPERATIONS

1.1 The Company was initially incorporated in Pakistan on March 12, 1990 as a Private Limited Company and was converted into Public Limited Company on December 13, 1993. The Company is listed on Pakistan Stock Exchange. The registered office of the Company is situated at Madina Palace, FCHS, Dhoraji Colony, Karachi.

The Company is mainly engaged in the manufacturing and sale of Jam, Jelly, Syrups, Custard Powder, Pickles, Essence, Juices and Aerated drinks and its allied products."

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting which comprise of International Accounting Standard (IAS) 34 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act) and provisions of and directives issued under the Act.

Where the provisions of and directives issued under the Act differ with the requirements of IAS, the provisions of and directives issued under the Act have been followed.

2.2 Basis of measurement

These interim financial statements has been prepared under the historical cost convention except for staff retirement benefits that is determined under actuarial valuation annually and land and free-hold improvements and plant and machinery that are stated at revalued amount in accordance with the criteria laid down under International Accounting Standard (IAS) 16 'Property, Plant and Equipment'. These interim financial statements, except statement of cash flow, has been prepared under the accrual basis of accounting.

2.3 Functional and presentation currency

These interim financial statements is presented in Pak Rupees, which is the Company's functional and presentation currency.

3. ACCOUNTING POLICIES

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are same as those applied to financial statements as at and for the year ended June 30, 2021.

5. PROPERTY, PLANT AND EQUIPMENT

Operating Assets - note 5.1
Capital Work-in-Progress

Unaudited
March
31, 2022

Audited
June
30, 2021

----- Rupees-----

312,955,801
22,595,705
335,551,506

333,270,011
22,739,983
356,009,994

Notes to the Condensed Interim Financial Statements

NINE MONTHS PERIOD ENDED MARCH 31, 2022

	Unaudited March 31, 2022	Audited June 30, 2021	
	----- Rupees-----		
5.1	Opening book value	333,270,011	337,095,892
	Add: Cost of additions for the period / year	-	14,678,003
	Surplus / (deficit) for the period / year - net	-	11,967,353
	Less: Depreciation charged during the period / year	(20,314,210)	(30,471,237)
		<u>312,955,801</u>	<u>333,270,011</u>

5.2 All the non-current assets of the Company are located in Pakistan.

6. STOCK IN TRADE

Raw and packing materials	308,848,520	225,465,466
Finished goods	85,871,898	112,388,732
Provision for slow moving items.	(10,354,721)	(10,354,721)
	<u>384,365,697</u>	<u>327,499,477</u>

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

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

7.2 Commitments

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

8. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of shareholders, directors of the Company, employees benefit funds and key management employees and carried out in the normal course of business. There were no other related parties transactions during the period March 31, 2022 (2021: NIL).

9. SEASONALITY

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

10. GENERAL

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on April 28, 2022.



Chief Executive



Director



Chief Financial Officer

If undelivered, please return to:

Quice Food Industries Limited

WS7, Madina Palace, Mezzanine Floor,
Faran Co-operative Society, Dhoraji Colony,
Karachi-74800, Pakistan.

Phone: 021-34857177-79