

QUICE®

Annual Report

2024



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Company Information

Board of Directors

Mr. Muhammad Riaz *	:	Chairman
Mr. Muhammad Atif	:	Chief Executive
Mr. Muhammad Siraj	:	Director
Mr. Salman Haroon	:	Director
Mr. Qazi Muhammad Imran	:	Director
Ms. Hina Faiyaz	:	Independent Director
Ms. Saba Irfan	:	Independent Director

Audit Committee

Ms. Hina Faiyaz	:	Chairperson
Mr. Muhammad Siraj	:	Member
Ms. Saba Irfan	:	Member

HR & Remuneration Committee

Ms. Saba Irfan	:	Chairperson
Ms. Hina Faiyaz	:	Member
Mr. Muhammad Riaz	:	Member

Company Secretary

: Mr. Iqbal Shahid

Bankers

: United Bank Limited
: Habib Bank Limited
: Meezan Bank Limited
: Bank Alfalah Limited
: MCB Bank Limited
: Habib Metropolitan Bank Limited
: BankIslami Pakistan Limited

Auditor

: Aslam Malik & Co.
Chartered Accountants

Legal Advisor

: Ahmed & Qazi
Advocates & Legal Consultants

Share Registrar

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

Registered Office

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

* Mr. Muhammad Riaz resigned as Chairman on August 09, 2024 and Mr. Fakhir Ahmed was appointed as Chairman and member on HR&R Committee.



PROFILE OF THE COMPANY

Successfully established it-self as a prominent name in Food & Beverages Sector. The Company was established on March 12, 1990 as a private Limited Company and was subsequently converted into Public Limited Company on December 13, 1993. The Company is Listed on the Pakistan Stock Exchange (PSX).

The Stock symbol for dealing in equity shares of the Company is **QUICE**.

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.



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 AND BUSINESS PRACTICES

Quice Food Industries Limited (“the Company”) conducts its operations with strong ethical and moral standards, meticulously 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.

Chairman's Review Report

Dear Shareholders,

I am pleased to address you on behalf of the Board of Directors ("the Board") of Quice Foods Industries Limited.

Financial year 2023-24, was another challenging year for the Country and FMCG industries, primarily due to significant geopolitical and macroeconomic uncertainty. Apart from these challenges, the rising cost of doing business is adversely impacting business competitiveness.

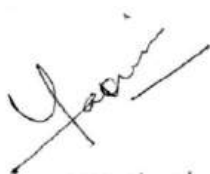
During the financial year 2023-24 the Board met five (5) times. The Board has complied with all the regulatory requirements and acted in accordance with applicable laws and best practices.

Regarding the composition of Board of Directors of Quice, I would like to apprise you that the Board members bring diversity to the Board and constitutes a mix of independent and non-executive directors. The non-executive and independent directors were equally involved in important board decisions. The Board has diligently fulfilled its commitment to the Company and to the stakeholders.

The Board collectively contributes a wide range of skills and experience from which the Company's management has greatly benefited in preceding year.

The information about the financial results is explained in detail in the attached Directors' Report and Financial Statements which give a comprehensive overview of the performance of Company during the year ended June 30, 2024.

Finally, I extend my gratitude to all the stakeholder for their continued trust and confidence in the Company and, above all, our dedicated employees for their efforts and focused implementation of effective cost controls.



Fakhir Ahmed

Chairman

Karachi: September 27, 2024

چیرمین کی جائزہ رپورٹ

مجھے کونسل فوڈز انڈسٹریز لمیٹڈ کے بورڈ آف ڈائریکٹرز ("بورڈ") کی جانب سے آپ سے خطاب کرتے ہوئے خوشی ہو رہی ہے۔

مالی سال 2023-24، ملک اور ایف ایم سی جی صنعتوں کے لئے ایک اور چیلنجنگ سال تھا، جس کی بنیادی وجہ اہم جغرافیائی اور میکرو اکنامک غیر یقینی صورتحال تھی۔ ان چیلنجوں کے علاوہ، کاروبار کرنے کی بڑھتی ہوئی لاگت کاروباری مسابقت پر منفی اثر ڈال رہی ہے۔

مالی سال 2023-24 کے دوران بورڈ کے پانچ (5) بار اجلاس ہوئے۔ بورڈ نے تمام ریگولیٹری تقاضوں کی تعمیل کی ہے اور قابل اطلاق قوانین اور بہترین طریقوں کے مطابق کام کیا ہے۔

کونسل کے بورڈ آف ڈائریکٹرز کی تشکیل کے بارے میں، میں آپ کو بتانا چاہتا ہوں کہ بورڈ کے ممبران بورڈ میں تنوع لاتے ہیں اور آزاد اور غیر ایگزیکٹو ڈائریکٹرز کا مرکب تشکیل دیتے ہیں۔ بورڈ کے اہم فیصلوں میں نان ایگزیکٹو اور انڈیپینڈنٹ ڈائریکٹرز برابر کے شریک تھے۔ بورڈ نے کمپنی اور اسٹیک ہولڈرز کے ساتھ اپنے وعدے کو پوری تندی سے پورا کیا ہے۔ بورڈ اجتماعی طور پر مہارت اور تجربے کی ایک وسیع رینج فراہم کرتا ہے جس سے کمپنی کی انتظامیہ نے پچھلے سال میں بہت فائدہ اٹھایا ہے۔

مالی نتائج کے بارے میں معلومات منسلک ڈائریکٹرز کی رپورٹ اور مالیاتی بیانات میں تفصیل سے بیان کی گئی ہے جو 30 جون 2024 کو ختم ہونے والے سال کے دوران کمپنی کی کارکردگی کا جامع جائزہ دیتے ہیں۔

آخر میں، میں کمپنی پر مسلسل اعتماد اور اعتماد کے لئے تمام اسٹیک ہولڈرز کا شکریہ ادا کرتا ہوں اور سب سے بڑھ کر ہمارے مخلص ملازمین کو ان کی کوششوں اور مؤثر لاگت کنٹرول کے مرکوز نفاذ کے لئے



چیرمین
فخر احمد

تاریخ ستمبر 27، 2024

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of the Quice Food Industries Limited (the "Company") are pleased to submit the Annual Report along with Audited financial statements of Your Company for the year ended June 30, 2024.

Financial Highlights during the Year

Description	June 30, 2024	June 30, 2023
	-----Rupees in `000`-----	
Sales - Net	903,255	838,449
Gross profit	125,997	123,883
Loss after taxation	(27,145)	(12,330)
Loss per share - (RS)	(0.28)	(0.13)

The Financial Year 2023-24 was marked with numerous challenges and uncertainties, which was characterized by unprecedented financial turmoil and political unrest.

Record high inflation, energy tariff and discount rate and dwindling foreign exchange reserves have all played its part in hampering the economy.

However, after the successful completion of Stand by Agreement (SBA) and negotiations for a new program with the International Monetary Fund (IMF), these developments, although, modest have led to revival in Country's overall economic sentiment.

Hence, adherence to IMF program will be paramount for restoring macroeconomic stability and growth in coming year and beyond.

During the period under review, Your Company achieved sales of Rs. 903.255 million as compared to Rs 838.449 million over the same corresponding period last year, resulting in a positive variance of 7.73%. This increase in sale was supported by healthy trend of export sales, which accounts for 67.13% of total sales.

The Company's domestic sales have shrunk by 28% due to record high inflation and discount rate where consumer income has been eroded and significant income is spent on basic necessities and on staple food items. Moreover, which had severely dented our domestic sales in the current year.

The Gross profit for the year under review amounted to Rs. 125.997 million as compared to gross profit Rs. 123.883 million in the previous year, a minor increase of 1.71%.

The Loss after taxation for the year is Rs. (27.145) million compared to a loss of Rs. (12.330) million, reflecting a loss which has soared by 120.15 %, mainly on account of cost push inflation and rising energy cost, freight charges, direct and indirect taxes, which had significantly impacted our business.

To exacerbate matters, with meager barriers to entry in the market, influx of unscrupulous and illicit juices in the market and due to stiff competition in already saturated market, our margins therefore, are on the downward trend.

Conversely, your management is expediting efforts to implement operational and supply chain efficiencies to alleviate costs and generate better operating results.

As a result of the above factors, Loss per share for current year is Re. (0.28) as compared to Re. (0.13) in the same period last year.

OUR POPULACE

We believe that the way towards an upward graph and reduction in losses is to grow our people and shareholders enabling personal development and ambitious business results. This Investment in our people is what set us apart in the industry and drives us towards our goals with the right people on board.

SUPPLY CHAIN MANAGEMENT (SCM)

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

The SCM team remains focused and vigilant at keeping the costs to the minimum and pledge to provide unconditional support to all its partners for successfully achieving the targets, set by the management. And also strengthening its relationship with its suppliers, despite extraordinary increase in costs of raw and packing materials utilities and other operational costs.

INFORMATION TECHNOLOGY (IT)

A well-defined Information Technology Policy is place to help achieve efficient and effective use of I.T resources for the Company so as to establish priorities, strategy delivery, increase productivity and deliver right services to users.

The Policy on Information Technology is focused upon information security, human resource security, access control, information system acquisition development and maintenance, business continuity management, incident management, website and ERP.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

At Quice, we take CSR seriously and are fully committed to advancing our policies and systems across the Company to ensure that we address and meticulously monitor all spheres of CSR that are relevant to our business.

The Board takes ultimate responsibility for CSR and is fully committed to develop and implement appropriate policies across the Company.

Moreover, Your Company is also contributing towards the noble cause by Joining hands with NGO / Civil Society Organization namely JDC Foundation Pakistan, Human Rights Council of Pakistan (HRC) and Shaffaf Welfare Trust by helping the deprived section of the Society.

During the Holy month of Ramadan, our CSR team was also part of Sehri and Iftari arrangements with various NGOs. And At Eid-ul-Fitar, gift hampers were distributed among the poor children and the less privileged individuals.

PROTECTION OF THE ENVIRONMENT

The Company's dedication and commitment towards protecting the environment is evident from its safe operation. To fulfil our undertaking the Company's policy is to meet or exceed all applicable regulatory requirements, regulations and standards.

Further, the Company is fully cognizant of its responsibility towards environment.

DIRECTORS' REMUNERATION PACKAGE

As per Policy of Director's Remuneration, the Board of Directors shall, from time to time, fix remuneration of the Directors including Chief Executive Officer and Executives after its due process of appraisal against approved key performance indicators.

AUDITORS

The retiring Auditors M/s Aslam Malik & Co. Chartered Accountants, being eligible, have offered themselves for re-appointment. The Audit Committee has recommended their re-appointment as auditors of the Company for the year 2024-25.

INTERNAL FINANCIAL CONTROLS

Internal financial controls of the Company have been formulated and implemented by the Board of Directors through various policies. We have developed effective policies and procedures over period of time in all areas of our activities. These controls are also periodically monitored by the Internal Audit Function.

PATTERN OF SHAREHOLDING

The pattern of shareholding of the Company as at June 30, 2024, is annexed with the Annual Report.

SUBSEQUENT EVENTS

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which these financial statements relate and the date of Directors' report.

DIVIDENDS

The Board of Directors has not recommended any dividends and/or bonus for the financial year 2024 considering the operational and financial performance of the Company.

COMPOSITION OF THE BOARD OF DIRECTORS

The Board comprises of two independent Directors (females), two executive and three non-executive Directors. (males)

COMMITTEES OF THE BOARD

The Board has constituted two sub committees namely Audit Committee and Human Resource & Remuneration Committee. The role and responsibilities of the Committees are clearly defined in their respective Terms of Reference.

The composition of both these committees are disclosed as follows:

- **Audit Committee**

Ms. Hina Faiyaz (Chairperson)

Mr. Muhammad Siraj (Member)

Ms. Saba Irfan (Member)

- **Human Resources and Remuneration Committee (HR&R)**

Ms. Saba Irfan (Chairperson)

Mr. Hina Faiyaz (Member)

Mr. Muhammad Riaz (Member)

DETAIL OF BOARD AND ITS COMMITTEE MEETINGS:

During the year under review, Five Board of Directors Meetings, Four Audit Committee Meetings and One Human Resource & Remuneration committee meeting were held. The attendance of the directors is as follows:

Name of Director	Number of Meeting Attended		
	Board Meeting	Audit Committee	Human Resource & Remuneration Committee
Mr. Muhammad Atif	05	N/A	N/A
Mr. Muhammad Siraj	05	04	N/A
Mr. Qazi Muhammad Imran	05	N/A	N/A
Mr. Salman Haroon	05	N/A	N/A
Mr. Muhammad Riaz	05	N/A	01
Ms. Hina Faiyaz	05	04	01
Ms. Saba Irfan	05	04	01

TRADING IN COMPANY'S SHARE BY DIRECTORS AND EXECUTIVES

There has been no trading in Company's shares by CEO, CFO, Head of Internal Audit, Company Secretary and other executive, during the period.

ELECTION OF DIRECTORS

During the Fiscal year 2024, Election of Directors was held and the following members were re-elected unopposed:

01. Mr. Muhammad Atif
02. Mr. Qazi Muhammad Imran
03. Mr. Muhammad Siraj
04. Mr. Muhammad Riaz (Chairman) *
05. Mr. Salman Haroon
06. Ms. Hina Faiyaz
07. Ms. Saba Irfan

* Mr. Muahammad Riaz resigned on August 09, 2024. We would like to place on record that under his guidance and leadership, Quice gained recognition both at home and abroad and he also made valuable contribution during his tenure as a Chairman of the Board.

Further, Mr. Fakhir Ahmed was appointed as Chairman on the same date.

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

Living up to its standards, the Board of Directors has, throughout the year 2023-24, complied with the Code of Corporate Governance, the Listing requirements of the PSX and other regulators namely SECP. The Directors confirm that that the following has been complied with:

1. The Financial Statements, prepared by the management of the Company, present fairly Its State of Affairs, the Result of its Operations, Cash Flows and Changes in Equity.
2. Proper books of accounts of the Company have been maintained.
3. Appropriate accounting policies have been consistently applied in the preparation of the Financial Statements and accounting estimates are based on reasonable and prudent judgment.
4. International Accounting Standards, as applicable in Pakistan. have been followed in preparation of Financial Statements and any departure there from has been adequately disclosed.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
- 6 There are no significant doubts upon the Company's ability to continue as a Going Concern.
7. There has been no material departure from the best practices of Corporate Governance, as detailed in the Code of Corporate Governance Regulations, 2019.
8. Information about taxes and levies is given in the notes to the financial statements.
9. There were no related parties' transactions during the year except those disclosed in the notes to the Financial Statements.
10. The Company operates unfunded Gratuity Scheme for its eligible employees. The carrying value of the liability as at June 30, 2024 was Rs. 10.760 million.

FUTURE OUTLOOK

The path ahead is filled with challenges, inspite of General elections in February 2024, Pakistan is still in the midst of serious economic and political turmoil.

Moreover, the uncertain economic outlook in Pakistan will keep the domestic market under pressure. Regardless of all these challenges your Company remains cognizant and will improve performance through findings new markets, curtailing cost through cost saving opportunities and meticulously monitoring economic trends.

ACKNOWLEDGEMENTS

Your directors take this opportunity to express their deep appreciation for the commitment and contribution made by the employees. The Board would like to further extend its appreciation to all external stakeholders such as shareholders, consumers, suppliers, banks, etc, for their continued support and their trust and confidence in us.

FOR AND ON BEHALF OF THE BOARD



Muhammad Atif
Chief Executive Officer



Saba Irfan
Director

Dated: September 27, 2024

Place: Karachi

شیئر ہولڈرز کو ڈائریکٹرز کی رپورٹ

کوئس فوڈ انڈسٹریز لمیٹڈ ("کمپنی") کے ڈائریکٹرز 30 جون، 2024 کو ختم ہونے والے سال کے لئے آپ کی کمپنی کے آڈٹ شدہ مالی بیانات کے ساتھ سالانہ رپورٹ پیش کرنے پر خوش ہیں۔

سال کے دوران مالیاتی جھلکیاں

تفصیل	30 جون 2023	30 جون 2024
	روپے ہزاروں میں	
سیلز - نیٹ	838,449	903,255
مجموعی منافع	123,883	125,997
ٹیکس کے بعد نقصان	(12,330)	(27,145)
فی شیئر نقصان	(0.13)	(0.28)

مالی سال 2023-24 بے شمار چیلنجوں اور غیر یقینی صورتحال کے ساتھ نشان زد تھا، جس کی خصوصیت غیر معمولی مالیاتی بحران اور سیاسی بے چینی تھی۔

ریکارڈ بلند افراط زر، توانائی کے ٹیرف اور ڈسکاؤنٹ ریٹ اور گرتے ہوئے زرمبادلہ کے ذخائر نے معیشت کو متاثر کرنے میں اپنا کردار ادا کیا ہے۔

تاہم، اسٹینڈ بائی ایگریمنٹ (SBA) کی کامیاب تکمیل اور بین الاقوامی مالیاتی فنڈ (IMF) کے ساتھ ایک نئے پروگرام کے لیے مذاکرات کے بعد، یہ پیش رفت، اگرچہ معمولی، ملک کے مجموعی اقتصادی جذبات میں بحالی کا باعث بنی ہے۔

لہذا، آئی ایم ایف پروگرام کی پابندی آئندہ سال اور اس کے بعد معاشی استحکام اور ترقی کی بحالی کے لیے اہم ہوگی۔

زیر جائزہ مدت کے دوران، آپ کی کمپنی نے روپے کی فروخت حاصل کی۔ 903.255 ملین روپے کے مقابلے میں گزشتہ سال اسی مدت کے دوران 838.449 ملین روپے، جس کے نتیجے میں 7.73 فیصد کا مثبت فرق ہے۔ فروخت میں اس اضافے کی حمایت برآمدی فروخت کے صحت مند رجحان سے ہوئی، جو کل فروخت کا 67.13 فیصد ہے۔

ریکارڈ بلند افراط زر اور ڈسکاؤنٹ ریٹ کی وجہ سے کمپنی کی گھریلو فروخت 28 فیصد تک سکڑ گئی ہے جہاں صارفین کی آمدنی میں کمی واقع ہوئی ہے اور اہم آمدنی بنیادی ضروریات اور غذائی اشیاء پر خرچ ہو رہی ہے۔ مزید یہ کہ، جس نے موجودہ سال میں ہماری گھریلو فروخت کو شدید نقصان پہنچایا تھا۔

زیر جائزہ سال کے لیے مجموعی منافع کی رقم روپے تھی۔ مجموعی منافع کے مقابلے میں 125.997 ملین روپے پچھلے سال میں 123.883 ملین، 1.71 فیصد کا معمولی اضافہ۔

سال کے لیے ٹیکس کے بعد کا نقصان روپے ہے۔ (27.145) ملین روپے کے نقصان کے مقابلے (12.330) ملین، نقصان کی عکاسی کرتا ہے جس میں 120.15 فیصد اضافہ ہوا ہے، بنیادی طور پر لاگت کو بڑھانے اور توانائی کی بڑھتی ہوئی لاگت، فریٹ چارجز، براہ راست اور بالواسطہ ٹیکسوں کی وجہ سے، جس نے ہمارے کاروبار کو نمایاں طور پر متاثر کیا تھا۔

معاملات کو بڑھاوا دینے کے لیے، مارکیٹ میں داخلے میں معمولی رکاوٹوں کے ساتھ، مارکیٹ میں بے ایمان اور غیر قانونی جوس کی آمد اور پہلے سے سیر شدہ مارکیٹ میں سخت مسابقت کی وجہ سے، اس لیے ہمارا مارجن نیچے کی طرف جا رہا ہے

اس کے برعکس، آپ کی انتظامیہ اخراجات کو کم کرنے اور بہتر آپریٹنگ نتائج پیدا کرنے کے لیے آپریشنل اور سپلائی چین کی افادیت کو نافذ کرنے کی کوششوں کو تیز کر رہی ہے۔

مندرجہ بالا عوامل کے نتیجے میں، موجودہ سال کے لیے فی حصص کا نقصان ری ہے۔ (0.28) ری کے مقابلے میں۔ (0.13) پچھلے سال کی اسی مدت میں۔

ماری آبادی

ہمیں یقین ہے کہ اوپر کی طرف گراف اور نقصانات میں کمی کا راستہ یہ ہے کہ ہم اپنے لوگوں اور شیئر ہولڈرز کو ذاتی ترقی اور پرجوش کاروباری نتائج کو ممکن بنائیں۔ ہمارے لوگوں میں یہ سرمایہ کاری ہمیں صنعت میں الگ کرتی ہے اور ہمیں صحیح لوگوں کے ساتھ اپنی مقاصد کی طرف لے جاتی ہے۔

سپلائی چین مینجمنٹ

ایس سی ایم، کلیدی افعال میں سے ایک ہے جو نہ صرف آپریشنل کارکردگی کی بہتری کو یقینی بناتا ہے بلکہ مجموعی طور پر کمپنی کی کامیابی کے ساتھ بھی قریبی طور پر منسلک ہے۔ ایس سی ایم کی ٹیم اخراجات کو کم سے کم رکھنے پر توجہ مرکوز اور چوکس ہے اور انتظامیہ کی طرف سے مقرر کردہ اہداف کو کامیابی سے حاصل کرنے اور اپنے سپلائرز کے ساتھ اپنے تعلقات کو مضبوط بنانے کے لئے اپنے تمام شراکت داروں کو غیر مشروط مدد فراہم کرنے کا عہد کرتی ہے، باوجود اس کے کہ خام اور پیکنگ مواد کی یوٹیلیٹیز اور دیگر آپریشنل اخراجات میں غیر معمولی اضافہ ہوا ہے۔

انفارمیشن ٹیکنالوجی

ایک اچھی طرح سے متعین انفارمیشن ٹیکنالوجی پالیسی کمپنی کے لئے آئی ٹی وسائل کے موثر اور مؤثر استعمال کو حاصل کرنے میں مدد کرنے کے لئے موجود ہے تاکہ ترجیحات قائم کرنے، حکمت عملی کی فراہمی، پیداواری صلاحیت میں اضافہ اور صارفین کو صحیح خدمات کی فراہمی ممکن ہو سکے۔

انفارمیشن ٹیکنالوجی کی پالیسی انفارمیشن سیکورٹی، انسانی وسائل کی حفاظت، رسائی کنٹرول، انفارمیشن سسٹم کے حصول کی ترقی اور دیکھ بھال، کاروباری تسلسل کے انتظام، واقعات کے انتظام، ویب سائٹ اور ای آر پی پر مرکوز ہے۔

کارپوریٹ سماجی ذمہ داری

کوئٹہ میں، ہم سی ایس آر کو سنجیدگی سے لیتے ہیں اور کمپنی بھر میں اپنی پالیسیوں اور نظاموں کو آگے بڑھانے کے لئے مکمل طور پر پرعزم ہیں تاکہ اس بات کو یقینی بنایا جاسکے کہ ہم سی ایس آر کے ان تمام شعبوں کو حل کریں اور احتیاط سے نگرانی کریں جو ہمارے کاروبار سے متعلق ہیں۔

بورڈ سی ایس آر کی حتمی ذمہ داری لیتا ہے اور کمپنی بھر میں مناسب پالیسیوں کو تیار کرنے اور نافذ کرنے کے لئے پوری طرح پرعزم ہے۔

مزید برآں، آپ کی کمپنی NGO/سول سوسائٹی آرگنائزیشن یعنی JDC فاؤنڈیشن پاکستان، ہیومن رائٹس کونسل آف پاکستان (HRC) اور شفاف ویلفیئر ٹرسٹ کے ساتھ مل کر سوسائٹی کے محروم طبقے کی مدد کر کے نیک مقصد میں اپنا حصہ ڈال رہی ہے۔

رمضان المبارک کے مقدس مہینے میں ہماری CSR ٹیم بھی مختلف NGOs کے ساتھ سحری اور افطاری کے انتظامات کا حصہ تھی۔ اور عید الفطر کے موقع پر غریب بچوں اور کم مراعات یافتہ افراد میں گفٹ ہیمپرز تقسیم کیے گئے۔

ماحولیات کا تحفظ

ماحولیات کے تحفظ کے لئے کمپنی کی لگن اور عزم اس کے محفوظ آپریشن سے ظاہر ہوتا ہے۔ ہمارے عہد کو پورا کرنے کے لئے کمپنی کی پالیسی تمام قابل اطلاق ریگولیٹری ضروریات، ضوابط اور معیارات کو پورا کرنا یا اس سے تجاوز کرنا ہے

مزید یہ کہ کمپنی ماحولیات کے تئیں اپنی ذمہ داری سے پوری طرح باخبر ہے۔

ڈائریکٹرز کا معاوضہ پیکج

ڈائریکٹرز کے معاوضے کی پالیسی کے مطابق بورڈ آف ڈائریکٹرز وقتاً فوقتاً چیف ایگزیکٹو آفیسر اور ایگزیکٹوز سمیت ڈائریکٹرز کا معاوضہ منظور شدہ کلیدی کارکردگی اشاریوں کے مقابلے میں جائزے کے عمل کے بعد طے کرے گا۔

آڈیٹرز

ریٹائر ہونے والے آڈیٹرز اسلم ملک اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے اہل ہونے کی وجہ سے دوبارہ تقرری کے لیے خود کو پیش کیا۔ آڈٹ کمیٹی نے سال 2024-25 کے لئے کمپنی کے آڈیٹر کے طور پر ان کی دوبارہ تقرری کی سفارش کی ہے۔

اندرونی مالیاتی کنٹرول

کمپنی کے اندرونی مالیاتی کنٹرول مختلف پالیسیوں کے ذریعے بورڈ آف ڈائریکٹرز کے ذریعہ تشکیل اور نافذ کیے گئے ہیں۔ ہم نے اپنی سرگرمیوں کے تمام شعبوں میں وقت کے ساتھ ساتھ موثر پالیسیاں اور طریقہ کار تیار کیا ہے۔ اندرونی آڈٹ فنکشن کے ذریعہ ان کنٹرولوں کی وقتاً فوقتاً نگرانی بھی کی جاتی ہے۔

حصص کا نمونہ

30 جون 2024 تک شیئر ہولڈنگ کا پیٹرن سالانہ رپورٹ کے ساتھ منسلک ہے۔

بعد کے واقعات

مالی سال کے اختتام جس سے یہ مالیاتی بیانات متعلقہ ہیں اور ڈائریکٹرز کی رپورٹ کی تاریخ کے درمیان کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی مادی تبدیلیاں اور وعدے نہیں ہوئے ہیں۔

منافع

بورڈ آف ڈائریکٹرز نے کمپنی کی آپریشنل اور مالی کارکردگی کو مدنظر رکھتے ہوئے مالی سال کے لئے کسی بھی منافع اور / یا بونس کی سفارش نہیں کی ہے۔ 2024

بورڈ آف ڈائریکٹرز کی تشکیل

بورڈ میں دو آزاد ڈائریکٹرز (خواتین)، دو ایگزیکٹو اور تین نان ایگزیکٹو ڈائریکٹرز شامل ہیں (مرد)۔

بورڈ کی کمیٹیاں

بورڈ نے آڈٹ کمیٹی اور ہیومن ریسورس اینڈ ریمونیشن کمیٹی کے نام سے دو ذیلی کمیٹیاں تشکیل دی ہیں۔ کمیٹیوں کے کردار اور ذمہ داریوں کو ان کے متعلقہ ٹرمز آف ریفرنس میں واضح طور پر بیان کیا گیا ہے۔

ان دونوں کمیٹیوں کی تشکیل مندرجہ ذیل ہے

آڈٹ کمیٹی

محترمہ حنا فیاض (چینرپرسن)

جناب محمد سراج (ممبر)

محترمہ صبا عرفان (ممبر)

انسانی اور معاوضہ (ایچ آر اینڈ آر) کمیٹی

محترمہ صبا عرفان (چیئر پرسن)

محترمہ حنا فیاض (ممبر)

جناب محمد ریاض (ممبر)

بورڈ اور اس کی کمیٹی کے اجلاسوں کی تفصیل

سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس، آڈٹ کمیٹی کے چار اجلاس اور انسانی وسائل اور معاوضہ

کمیٹی کا ایک اجلاس منعقد ہوا۔ ڈائریکٹرز کی حاضری درج ذیل ہے:

میٹنگ میں شرکت کی تعداد			ڈائریکٹر کا نام
انسانی وسائل اور معاوضہ کمیٹی	آڈٹ کمیٹی	بورڈ کے اجلاس	
قابل اطلاق نہیں	قابل اطلاق نہیں	پانچ	جناب محمد عاطف
قابل اطلاق نہیں	چار	پانچ	جناب محمد سراج
قابل اطلاق نہیں	قابل اطلاق نہیں	پانچ	جناب قاضی محمد عمران
قابل اطلاق نہیں	قابل اطلاق نہیں	پانچ	جناب سلمان ہارون صاحب
ایک	قابل اطلاق نہیں	پانچ	جناب محمد ریاض
ایک	چار	پانچ	محترمہ حنا فیاض
ایک	چار	پانچ	محترمہ صبا عرفان

ڈائریکٹرز اور ایگزیکٹوز کے ذریعہ کمپنی کے حصص میں ٹریڈنگ

اس مدت کے دوران سی ای او، سی ایف او، انٹرنل آڈٹ کے سربراہ، کمپنی سیکریٹری اور دیگر ایگزیکٹو کی جانب سے کمپنی کے حصص میں کوئی ٹریڈنگ نہیں ہوئی۔

ڈائریکٹرز کا انتخاب

:مالی سال 2024ء کے دوران ڈائریکٹرز کا انتخاب ہوا اور مندرجہ ذیل اراکین بلا مقابلہ دوبارہ منتخب ہوئے

1. جناب محمد عاطف

2. جناب قاضی محمد عمران

3. جناب محمد سراج

4. جناب محمد ریاض - چیئرمین

5. جناب سلمان ہارون

6. محترمہ حنا فیاض

7. محترمہ صبا عرفان

جناب محمد ریاض نے 09 اگست 2024 کو استعفیٰ دے دیا۔ ہم یہ بات ریکارڈ پر رکھنا چاہتے ہیں کہ ان کی رہنمائی اور قیادت میں کوئٹہ اور بیرون ملک پہچان ملی اور انہوں نے بورڈ کے چیئرمین کی حیثیت سے اپنے دور میں قابل قدر خدمات بھی انجام دیں۔

مزید برآں، اسی تاریخ کو جناب فخر احمد کو چیئرمین مقرر کیا گیا۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کے بارے میں بیان

بورڈ آف ڈائریکٹرز نے اپنے معیار ات پر پورا اترتے ہوئے سال 2023-24 کے دوران سی سی جی، پی ایس ایکس اور دیگر ریگولیٹرز یعنی ایس ای سی پی کی لسٹنگ کی ضروریات پر عمل کیا ہے۔ ڈائریکٹرز اس بات کی تصدیق کرتے ہیں کہ مندرجہ ذیل کی تعمیل کی گئی ہے

1. کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی بیانات اس کی صورتحال، اس کے آپریشنز کے نتائج، نقد بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔
2. کمپنی کے اکاؤنٹس کی مناسب کتابیں برقرار رکھی گئی ہیں۔
3. مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
4. بین الاقوامی اکاؤنٹنگ اسٹینڈرڈز، جیسا کہ پاکستان میں لاگو ہوتا ہے۔ مالی گوشواروں کی تیاری میں اس پر عمل کیا گیا ہے اور وہاں سے کسی بھی روانگی کو کافی حد تک ظاہر کیا گیا ہے
5. اندرونی کنٹرول کا نظام ڈیزائن میں مضبوط ہے اور مؤثر طریقے سے نافذ اور نگرانی کی گئی ہے
6. کمپنی کی جاری تشویش کے طور پر جاری رکھنے کی صلاحیت پر کوئی اہم شک نہیں ہے۔
7. کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی انحراف نہیں ہوا ہے، جیسا کہ کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 میں تفصیل سے بیان کیا گیا ہے۔

8. ٹیکسوں اور لیویز کے بارے میں معلومات نوٹوں میں مالی بیانات میں دی جاتی ہے۔
9. سال کے دوران متعلقہ فریقوں کا کوئی لین دین نہیں ہوا سوائے ان لین دین کے جو مالیاتی بیانات میں نوٹوں میں ظاہر کیے گئے تھے۔

10. کمپنی اپنے اہل ملازمین کے لیے بغیر فنڈڈ گریجویٹی اسکیم چلاتی ہے 30 جون 2024 تک ذمہ داری کی۔ لے جانے والی قیمت روپے تھی۔ 10.760 ملین

مستقبل کا آؤٹ لک

فروری 2024 میں ہونے والے عام انتخابات کے باوجود آگے کا راستہ چیلنجوں سے بھرا ہوا ہے۔ پاکستان ابھی تک سنگین معاشی اور سیاسی بحرانوں کا شکار ہے۔ مزید برآں، پاکستان میں غیر یقینی اقتصادی نقطہ نظر مقامی مارکیٹ کو دباؤ میں رکھے گا۔ ان تمام چیلنجوں سے قطع نظر، آپ کی کمپنی باخبر رہتی ہے اور نئی منڈیوں کی تلاش، لاگت کو بچانے کے مواقع کے ذریعے لاگت کو کم کرنے اور معاشی رجحانات کی محتاط نگرانی کے ذریعے کارکردگی کو بہتر بنائے گی۔

اعترافات

آپ کے ڈائریکٹرز اس موقع کا فائدہ اٹھاتے ہوئے ملازمین کے عزم اور تعاون کے لیے اپنی گہری تعریف کا اظہار کرتے ہیں۔ بورڈ تمام بیرونی اسٹیک ہولڈرز جیسے شیئر ہولڈرز، صارفین، سپلائرز، بینکوں کی مسلسل حمایت اور ہم پر ان کے اعتماد اور بھروسہ کے لیے مزید تعریف کرنا چاہتا ہے۔

بورڈ کے لیے اور اس کی جانب سے

چیف ایگزیکٹو

ڈائریکٹر

تاریخ: ستمبر 27 2024

مقام: کراچی

Six Years at a glance

	2024	2023	2022	2021	2020	2019
	Rupees					
Operating results						
Sales	903,254,935	838,449,449	532,238,800	237,675,355	186,688,206	116,775,397
Cost of sales	777,258,658	714,566,051	474,085,793	217,527,446	173,755,022	105,320,927
Gross profit	125,996,277	123,883,398	58,153,007	20,147,909	12,933,184	11,454,470
Loss before Taxation	(27,144,988)	(12,329,721)	(17,916,124)	(25,680,531)	(37,248,282)	(42,994,217)
Loss after taxation	(27,144,988)	(12,329,721)	(24,040,137)	(29,372,265)	(39,444,068)	(51,056,057)
Shareholders' Equity						
Paid-up capital	984,618,280	984,618,280	984,618,280	984,618,280	984,618,280	984,618,280
Reserves	(282,573,536)	(259,264,823)	(250,965,685)	(229,188,981)	(202,498,081)	(464,666,474)
Shareholders' equity	446,713,803	471,338,861	482,775,175	506,340,230	523,769,785	547,397,725
Break-up value per share (with revaluation of Fixed assets)	4.54	4.79	4.90	5.14	5.32	5.56
Loss per share	(0.28)	(0.13)	(0.24)	(0.30)	(0.40)	(0.52)
Return on equity	(6.08)	(2.62)	(4.98)	(5.80)	(7.53)	(9.33)
Financial position - Assets						
Fixed assets	328,594,122	322,573,099	349,996,280	356,009,994	356,688,810	353,612,373
Long-term deposits	6,603,800	1,935,290	1,935,290	1,935,290	1,869,200	1,819,200
Current assets	938,990,230	1,081,074,212	789,338,268	419,106,556	377,950,857	387,360,652
Total assets	1,274,188,152	1,405,582,601	1,141,269,838	777,051,840	736,508,867	742,792,225
Financial Position - Liabilities						
Non-current liabilities	156,884,567	155,631,468	151,840,593	51,013,119	50,497,334	76,123,867
Current liabilities	670,589,782	778,612,272	506,654,070	219,698,491	162,241,748	119,270,633
Total liabilities	827,474,349	934,243,740	658,494,663	270,711,610	212,739,082	195,394,500
Ratios						
Gross Profit to sales - %	13.95	14.78	10.93	8.48	6.93	9.81
Net Profit to Sales - %	(3.01)	(1.47)	(4.52)	(12.36)	(21.13)	(43.72)
Current ratio - Times	1.40	1.39	1.56	1.91	2.33	3.25

QUICE FOOD INDUSTRIES LIMITED
Pattern Of Shareholding
As at June 30, 2024

Number of Share Holders	Share Holding			Total Shares Held
	From		To	
525	1	-	100	15,802
983	101	-	500	282,090
932	501	-	1000	706,215
983	1001	-	5000	2,774,825
313	5001	-	10000	2,629,149
464	10001	-	100000	15,760,677
68	100001	-	905000	17,117,602
6	905001	-	5115000	13,287,390
3	5115001	-	11265000	30,876,700
1	11265001	-	15015000	15,011,378
4278				98,461,828

Sr. No.	Shareholders Category	No .of Shareholder	Total Shares held	Percentage
1	CEO	1	627	0.001
2	Directors	6	3,127	0.003
3	Sponsors and family	2	31,386,578	31.877
4	General Public	4239	64,587,624	65.597
5	Insurance Company Banks, Development	1	77,188	0.078
6	Financial Institutions, and Non Banking Financial Institutions	26	1,130,284	1.148
7	NIT and ICP	1	34,900	0.035
8	Modarabas & Mutual Funds	2	1,241,500	1.261
Total		4278	98,461,828	100

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company: **Quice Food Industries Limited**

Year ended : **June 30, 2024**

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

1. The total number of Directors are Seven (07) as per the following:
 - a) Male : Five (5)
 - b) Female : Two (2)

2. The composition of Board is as follows:

Category	Number	Name of Directors
*Independent / Female Directors	Two (2)	<ul style="list-style-type: none"> • Ms. Hina Faiyaz • Ms. Saba Irfan
Non-Executive Directors	Three (3)	<ul style="list-style-type: none"> • Mr. Muhammad Siraj • Mr. Muhammad Riaz (Chairman) • Mr. Salman Haroon
Executive Directors	Two (2)	<ul style="list-style-type: none"> • Mr. Muhammad Atif (CEO) • Mr. Qazi Mohammed Imran

* In a Board comprising of 7 Directors, one third would equate to 2.33 (independent director), which is rounded to 2, in observance of general mathematic principle. Further, the existing two independent directors have requisite competencies, skills, knowledge, and experience to discharge and execute their duties competently, as per applicable laws and regulations;

3. The Directors have confirmed that none of them is serving as a director on more than seven Listed companies, including Quice Food Industries;

4. The company has prepared 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. The Board has ensured that complete record of particulars of the significant policies along with their dates of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by board/shareholders as empowered by the relevant provisions of 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. Two directors of the Company have obtained Certificate of the Directors` Training Program (DTP) from authorized Institution. However, the remaining directors are expected to enroll for DTP in near future as per requirement of the Regulations;
10. The Board has approved the appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit including their remuneration and terms of conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

a) Audit Committee

Ms. Hina Faiyaz (Chairperson)
Mr. Muhammad Siraj (Member)
Ms. Saba Irfan (Member)

b) Human Resource and Remuneration (HR&R) Committee

Ms. Saba Irfan (Chairperson)
Ms. Hina Faiyaz (Member)
Mr. Muhammad Riaz (Member)

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
14. The frequency of meetings the committees were as per following:
 - a) **Audit Committee** – Quarterly meetings
 - b) **Human Resource and Remuneration Committee** – Once in a year
15. The Board has set up an effective internal audit function who are 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 (ICAP) 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 ICAP 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 the mandatory requirements of the CCG Regulations i.e 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 is mentioned in Note No. 9, above.



Muhammad Atif
Chief Executive Officer
Karachi: September 27,2024



Fakhir Ahmed
Chairman



Aslam Malik & Co. Chartered Accountants



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Quice Food Industries Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Quice Food Industries Limited** for the year ended June 30, 2024 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.

Based on our review, 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 June 30, 2024.

Further, we highlight below instance of non-compliance with the requirement of the Regulations as reflected in the paragraph reference where it is stated in the statement of Compliance.

Paragraph Reference	Description
9	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.

The engagement partner on the review resulting in this independent auditors' review report is **Muhammad Kamran Aslam**.

Muhammad Kamran Aslam

Chartered Accountants
September 27, 2024
Lahore
UDIN: CR202410827yVwG1v493



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Aslam Malik & Co.
Chartered Accountants



INDEPENDENT AUDITOR'S REPORT

To the members of Quice Food Industries Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Quice Food Industries Limited** (the Company), which comprise the statement of financial position as at **June 30, 2024**, and the statement of profit or loss, the statement of 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, the statement of profit or loss, the statement of 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, 2024 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.

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Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1.	<p>Valuation of stock-in-trade</p> <p>Refer to notes 2.5.1 and 4 to the financial statements.</p> <p>As at June 30, 2024, the company held stock-in-trade of Rs. 666.42 million, which is 52% of total assets and against which provision for unusable materials of Rs. 70.64 million has been recorded.</p> <p>We focused on stock-in-trade as it is a significant portion of Company's total assets and it requires management judgement with respect to the determination of net realisable value (NRV) and obsolescence of stock as well as the determination of an appropriate costing basis and assessing its valuation.</p>	<p>Our key audit procedures in this area amongst others included the following:</p> <ul style="list-style-type: none"> ➤ Obtained an understanding of policies and procedures followed by the Company with respect to the valuation of stock-in-trade; ➤ On a sample basis, verified supporting documents for purchases of stock-in-trade and the production costs; ➤ Obtained an understanding and assessed the reasonableness of management's process for determination of net realisable value (NRV) and the key estimates adopted, including future selling prices, future costs to complete and costs necessary to make the sales and their basis; ➤ Evaluated the adequacy of calculation of NRV as at the year-end; ➤ Tested cost of goods with underlying invoices and expenses accounted for in accordance with stock valuation method; ➤ Tested provision recorded for obsolete stock-in-trade to ensure whether it was as per the policy of the Company; ➤ Assessed the adequacy of related financial statement disclosures in accordance with the applicable financial reporting framework.

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 of the Company for the year ended June 30, 2024, but does not include the financial statements, our auditor's report thereon, and the review report issued on statement of compliance with Code of Corporate Governance.

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, 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 other 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 at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is **Muhammad Kamran Aslam**.


 Chartered Accountants
 Lahore



Date: September 27, 2024

UDIN: AR202410827cYX580TbA

QUICE FOOD INDUSTRIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024	2023
		-----Rupees-----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	328,594,122	322,573,099
Long term deposits		6,603,800	1,935,290
		<u>335,197,922</u>	<u>324,508,389</u>
CURRENT ASSETS			
Stores and spares		50,317,272	54,140,041
Stock-in-trade	4	666,424,912	843,106,802
Trade debts	5	54,647,587	53,763,859
Advances, deposits, prepayments & other receivables	6	147,337,700	116,719,830
Taxation - net	7	18,146,998	10,200,662
Cash and bank balances	8	2,115,761	3,143,018
		<u>938,990,230</u>	<u>1,081,074,212</u>
TOTAL ASSETS		<u>1,274,188,152</u>	<u>1,405,582,601</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
105,100,000 (2023: 105,100,000) ordinary shares of Rs. 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 (2023 : 98,461,828) ordinary shares of Rs.10 each	9	984,618,280	984,618,280
Reserves	10	(282,573,536)	(259,264,823)
Discount on issuance of shares		(282,788,556)	(282,788,556)
Surplus on revaluation of property, plant and equipment	11	27,457,615	28,773,960
		<u>446,713,803</u>	<u>471,338,861</u>
NON-CURRENT LIABILITIES			
Deferred liabilities	12	12,384,567	11,131,468
Security deposit payables	13	144,500,000	144,500,000
		<u>156,884,567</u>	<u>155,631,468</u>
CURRENT LIABILITIES			
Trade and other payables	14	670,589,782	778,612,272
CONTINGENCIES AND COMMITMENTS			
	15		
TOTAL EQUITY AND LIABILITIES		<u>1,274,188,152</u>	<u>1,405,582,601</u>

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


Chief Executive Officer


Director


Chief Financial Officer

QUICE FOOD INDUSTRIES LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 -----Rupees-----	Restated 2023
SALES	16	903,254,935	838,449,449
Cost of Sales	17	<u>(777,258,658)</u>	<u>(714,566,051)</u>
GROSS PROFIT		125,996,277	123,883,398
Distribution Cost	18	<u>(108,368,605)</u>	<u>(96,093,223)</u>
Administrative Expenses	19	<u>(40,566,291)</u>	<u>(35,606,584)</u>
		<u>(148,934,896)</u>	<u>(131,699,807)</u>
OPERATING LOSS		(22,938,619)	(7,816,409)
Other Income	20	4,032,335	3,689,338
Finance Cost	21	<u>(128,223)</u>	<u>(401,782)</u>
LOSS BEFORE LEVIES AND TAXATION		(19,034,507)	(4,528,853)
Levies	22	<u>(8,110,481)</u>	<u>(7,800,868)</u>
LOSS BEFORE TAXATION		(27,144,988)	(12,329,721)
Taxation	22	<u>-</u>	<u>-</u>
LOSS AFTER TAXATION		<u>(27,144,988)</u>	<u>(12,329,721)</u>
LOSS PER SHARE	23	<u>(0.276)</u>	<u>(0.125)</u>

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



Chief Executive Officer



Director



Chief Financial Officer

QUICE FOOD INDUSTRIES LIMITED
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	-----Rupees-----	
LOSS AFTER TAXATION	(27,144,988)	(12,329,721)
<i>Items that will not be subsequently reclassified in profit or loss:</i>		
Remeasurement of plan obligation - gratuity scheme	2,339,387	692,804
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(24,805,601)	(11,636,917)

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



Chief Executive Officer



Director



Chief Financial Officer

QUICE FOOD INDUSTRIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

PARTICULARS	SHARE CAPITAL	RESERVES						SHAREHOLDERS' EQUITY
		CAPITAL				REVENUE		
		Premium on issue of share capital	Discount on issue of share capital	Surplus on revaluation of PPE	Subtotal	Accumulated loss	TOTAL	
-----Rupees-----								
Balance as at June 30, 2022	984,618,280	6,875,000	(282,788,556)	31,911,136	(244,002,420)	(257,840,685)	(501,843,105)	482,775,175
Surplus on revaluation of property, plant & equipment	-	-	-	-	-	-	-	-
Incremental depreciation transferred to retained earnings	-	-	-	(3,137,176)	(3,137,176)	3,337,779	200,603	200,603
Total comprehensive loss for the year	-	-	-	-	-	(11,636,917)	(11,636,917)	(11,636,917)
Balance as at June 30, 2023	984,618,280	6,875,000	(282,788,556)	28,773,960	(247,139,596)	(266,139,823)	(513,279,419)	471,338,861
Surplus on revaluation of property, plant & equipment	-	-	-	-	-	-	-	-
Incremental depreciation transferred to retained earnings	-	-	-	(1,316,345)	(1,316,345)	1,496,888	180,543	180,543
Total comprehensive loss for the year	-	-	-	-	-	(24,805,601)	(24,805,601)	(24,805,601)
Balance as at June 30, 2024	984,618,280	6,875,000	(282,788,556)	27,457,615	(248,455,941)	(289,448,536)	(537,904,477)	446,713,803

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



Chief Executive Officer



Director



Chief Financial Officer

QUICE FOOD INDUSTRIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	Restated 2023
-----Rupees-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
LOSS BEFORE TAXATION		(27,144,988)	(12,329,721)
Adjustment for non cash items:			
Depreciation	3	29,145,813	28,199,829
Levies	22	8,110,481	7,800,868
Provision for gratuity	12.2.4	3,773,029	4,574,393
Provision for slow moving items	4.1	24,996,745	30,288,377
		<u>66,026,068</u>	<u>70,863,467</u>
Net cash inflows from operations before working capital changes		38,881,080	58,533,746
Working capital changes			
(Increase) / decrease in current assets			
Stores and spares		3,822,769	(2,114,981)
Stock-in-trade		151,685,145	(312,660,315)
Trade debts		(883,728)	48,824,093
Advances, deposits, prepayments & other receivables		(30,617,870)	(64,093,354)
Increase / (decrease) in current liabilities			
Trade and other payables		(108,022,490)	271,958,202
Net working capital changes		15,983,826	(58,086,355)
Levies paid		(16,056,817)	(7,332,947)
Long term deposits paid		(4,668,510)	-
Net cash generated from / (used in) from operating activities	A	34,139,579	(6,885,556)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(35,166,836)	(776,648)
Net cash used in investing activities	B	(35,166,836)	(776,648)
Net decrease in cash and cash equivalents	A + B	(1,027,257)	(7,662,204)
Cash and cash equivalents at the beginning of the year		3,143,018	10,805,222
Cash and cash equivalents at the end of the year		2,115,761	3,143,018

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



Chief Executive Officer



Director



Chief Financial Officer

QUICE FOOD INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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 MATERIAL ACCOUNTING POLICIES

The material 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) 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, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.2 Initial application of a standard, amendment or an interpretation to an existing standard

a) Amendments to published accounting and reporting standards which are effective for the year ended June 30, 2024

There were certain amendments that became applicable for the Company during the year but are not considered to be relevant or did not have any significant effect on the Company's operations and have, therefore, not been disclosed in these financial statements except that during the year certain amendments to IAS 1 Presentation of Financial Statements have become applicable to the Company which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies.

During the year the Institute of Chartered Accountants of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires taxes paid under final tax regime and minimum tax under section 113 to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) - 'Accounting Policies, Change in Accounting Estimates and Errors'.

Effect on statement of profit or loss	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
-----Rupees-----			
For the year ended June 30, 2024			
Tax on export sales and minimum tax under section 113 classified as levy	-	8,110,481	8,110,481
Loss before taxation	19,034,507	8,110,481	27,144,988
Taxation	8,110,481	(8,110,481)	-
Loss after taxation	27,144,988	-	27,144,988
For the year ended June 30, 2023			
Tax on export sales and minimum tax under section 113 classified as levy	-	7,800,868	7,800,868
Loss before taxation	4,528,853	7,800,868	12,329,721
Taxation	7,800,868	(7,800,868)	-
Loss after taxation	12,329,721	-	12,329,721

The related changes to the statement of cash flows with respect to the amount of profit before taxation have been made as well. There is no impact on profit after tax and earnings per share, basic and diluted.

b) Standard, amendments to published accounting and reporting standards and interpretations that are not yet effective and have not been early adopted by the Company

There are certain new standards and certain amendments to the accounting and reporting standards that will become mandatory for the Company's annual accounting periods beginning on or after July 1, 2024. However, these will not have any significant impact on the financial reporting of the Company 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 in conformity with the accounting and reporting standards requires the use of certain critical accounting estimates. It also requires 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 historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the process of applying the Company's accounting policies, the management has made the following estimates and judgments which are significant to the financial statements:

	Note
- assumptions and estimates used in determining the recoverable amount, residual values and useful lives of operating fixed assets	3
- assumptions and estimates used in revaluation of land	11
- assumptions and estimates used in calculating the provision for impairment for trade debts	2.1.6
- assumptions used in determination of current and deferred taxation	2.2
- assumptions and estimates used for valuation of present value of defined benefit obligation	2.18
- assumptions and estimates used in determining current taxation	2.1.5

2.1.4 Inventories

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

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

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

2.1.5 Taxation

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

2.1.6 Provision for doubtful debts

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

2.2 Taxation

2.2.1 Current tax.

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

Provision for current tax is based on higher of the taxable income at current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any, or 1.25% of turnover. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an assets.

2.2.2 Deferred Tax

Deferred tax is accounted for using the statement of financial position liability method in respect of all taxable temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income tax levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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

2.3 Tangible Fixed Assets and Depreciation:

A) Owned

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

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

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

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

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

B) Lease

Right of Use Assets

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

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

Lease Liability

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

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

Short-term leases and leases of low-value assets

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

2.3.1 Capital Work In Progress

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

2.4 Impairment

2.4.1 Impairment of Non-financial assets

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

2.5 Inventories

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

2.5.1 Stock in trade

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

2.5.2 Stores and spares

Useable stores, spare parts and loose tools are valued principally at moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon till the reporting date.

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

2.6 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.

Recognition and derecognition

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

Measurement

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

Debt instruments

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

a) Amortized cost

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

b) Fair value through other comprehensive income (FVTOCI)

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

c) Fair value through profit and loss (FVTPL)

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

Equity instruments

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

Impairment of financial assets

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

b) Financial Liabilities

Classification, initial recognition and subsequent measurement

Financial liabilities are classified in the following categories:

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

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

a) Fair value through profit or loss

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

b) Other financial liabilities

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

Derecognition of financial liabilities

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

Offsetting financial assets and financial liabilities

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

2.7 Revenue recognition

Revenue is recognized in accordance by applying the following steps:

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

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

Export sales

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

Return on Deposits

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

2.8 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.

2.9 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.

2.10 Trade and other payables

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

2.11 Contract liabilities

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

2.12 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.

2.13 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.

2.14 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.

2.15 Borrowing Costs

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

2.16 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.

2.17 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.

2.18 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.

2.19 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.

2.20 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.

2.21 Operating segment

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

2.22 Functional and presentation currency

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

Note 2024 2023
----- Rupees -----

3 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	3.1	328,594,122	318,174,034
Capital Work-in-progress	3.2	-	4,399,065
		<u>328,594,122</u>	<u>322,573,099</u>

3.1

	Operating assets							Total
	Owned							
	Free hold land	Building	Leasehold Improvement	Plant and machinery	Vehicles	Computers & office equipment's	Furniture and fixtures	
	----- Rupees -----							
NBV as on June 30, 2022	52,010,500	52,368,000	564,241	195,734,044	5,523,317	51,799	1,076,829	307,328,730
Additions	-	19,601,818	-	18,666,667	-	676,648	100,000	39,045,133
Revaluation Surplus/(Loss)	-	-	-	-	-	-	-	-
Disposals (at NBV)	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-
Depreciation charge	-	(6,216,892)	(56,424)	(20,506,663)	(1,104,634)	(197,744)	(117,472)	(28,199,829)
NBV as on June 30, 2023	<u>52,010,500</u>	<u>65,752,926</u>	<u>507,817</u>	<u>193,894,048</u>	<u>4,418,683</u>	<u>530,703</u>	<u>1,059,357</u>	<u>318,174,034</u>
Gross Carrying Value Basis								
Cost	52,010,500	118,734,418	12,976,372	400,854,684	15,302,760	2,888,455	4,194,289	606,961,478
Accumulated depreciation	-	(52,981,492)	(12,468,555)	(206,960,636)	(10,884,077)	(2,357,752)	(3,134,932)	(288,787,444)
NBV as on June 30, 2023	<u>52,010,500</u>	<u>65,752,926</u>	<u>507,817</u>	<u>193,894,048</u>	<u>4,418,683</u>	<u>530,703</u>	<u>1,059,357</u>	<u>318,174,034</u>
NBV as on June 30, 2023	52,010,500	65,752,926	507,817	193,894,048	4,418,683	530,703	1,059,357	318,174,034
Additions	-	8,128,735	-	31,272,166	165,000	-	-	39,565,901
Revaluation Surplus/(Loss)	-	-	-	-	-	-	-	-
Disposals (at NBV)	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-
Depreciation charge	-	(6,984,884)	(50,782)	(20,953,013)	(891,987)	(159,211)	(105,936)	(29,145,813)
NBV as on June 30, 2024	<u>52,010,500</u>	<u>66,896,777</u>	<u>457,035</u>	<u>204,213,201</u>	<u>3,691,696</u>	<u>371,492</u>	<u>953,421</u>	<u>328,594,122</u>
Gross Carrying Value Basis								
Cost	52,010,500	126,863,153	12,976,372	432,126,850	15,467,760	2,888,455	4,194,289	646,527,379
Accumulated depreciation	-	(59,966,376)	(12,519,337)	(227,913,649)	(11,776,064)	(2,516,963)	(3,240,868)	(317,933,257)
NBV as on June 30, 2024	<u>52,010,500</u>	<u>66,896,777</u>	<u>457,035</u>	<u>204,213,201</u>	<u>3,691,696</u>	<u>371,492</u>	<u>953,421</u>	<u>328,594,122</u>
	-	10%	10%	10%	20%	30%	10%	

** NBV stands for Net Book Value.

3.1.1 Depreciation for the year has been allocated as follows:

	2024	2023
	---- Rupees ----	
Cost of sales	28,260,202	27,109,378
Administrative expenses	885,611	1,090,451
	<u>29,145,813</u>	<u>28,199,829</u>

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

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

3.1.4 Forced sale value

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

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

	As at June 30, 2024			As at June 30, 2023		
	Cost	Accumulated Depreciation	Written Down Value	Cost	Accumulated Depreciation	Written Down Value
	----- Rupees -----					
Land	36,400,000	-	36,400,000	36,400,000	-	36,400,000
Building	137,779,795	79,591,813	58,187,982	129,651,060	73,126,481	56,524,579
Plant and machinery	393,992,266	201,584,454	192,407,812	362,720,100	180,205,808	182,514,292

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FOR THE YEAR ENDED JUNE 30, 2024

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

Location/Address	Usage of immovable Property	Total Area (In Sq. Mtr)	Approx. Covered Area (in Sq. ft)
Plot Nos F-10, F-11, F-12, F-11 (B) & F-12 (B), Hub Industrial Trading Estate (HITE), Tehsil Hub, District Lasbella, Balochistan.	Production Unit	20,804	65,000
3.2 Capital-work-in-progress Plant & Machinery		2024	2023
		---- Rupees ----	
Balance at start of the year		4,399,065	42,667,550
Capital Expenditure Incurred		26,873,101	-
Transfer to fixed assets		(31,272,166)	(38,268,485)
Balance at end of the year		<u>-</u>	<u>4,399,065</u>
4 STOCK IN TRADE			
Raw and Packing materials		561,154,418	543,293,684
Finished goods		175,910,375	345,456,254
Less: Provision for unusable materials	4.1	<u>(70,639,881)</u>	<u>(45,643,136)</u>
		<u>666,424,912</u>	<u>843,106,802</u>
4.1 Less: Provision for unusable materials			
Balance as at July 1		45,643,136	15,354,759
Provision for the year		24,996,745	30,288,377
Written off / adjusted during the year		-	-
Balance as at June 30		<u>70,639,881</u>	<u>45,643,136</u>
5 TRADE DEBTS - considered good			
Considered good (Unsecured)		<u>54,647,587</u>	<u>53,763,859</u>
5.1 The aging of trade debts as at 30 June 2024 is as follows:			
Neither past due nor impaired (0-30)		8,991,637	7,570,866
Past due but not impaired (31-60)		20,969,545	19,489,906
Past due but not impaired (61 and above)		24,686,405	26,703,088
		<u>54,647,587</u>	<u>53,763,860</u>
5.2 As at June 30, 2024, an amount of Rupees 7.067 million (2023: 8.797 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, 2024, no amount was due from related parties for which impairment needs to be tested (2023: Nil).			
6 ADVANCES DEPOSITS PREPAYMENTS AND OTHER RECEIVABLES			
Advances to employees - considered goods		1,067,443	1,474,717
Advances to suppliers - unsecured, considered good		42,868,435	13,595,802
Other Receivables		3,866,589	1,022,159
Sales Tax Receivable		99,535,233	100,627,152
		<u>147,337,700</u>	<u>116,719,830</u>
7 TAXATION - Net			
Advance income tax		27,921,804	20,831,156
Less: Provision for tax / levies		9,774,806	10,630,494
		<u>18,146,998</u>	<u>10,200,662</u>

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NOTES TO THE FINANCIAL STATEMENTS
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	2024	2023
	-----Rupees-----	
8 CASH AND BANK BALANCES		
Cash in hand	105,978	193,661
With banks:		
- Current accounts	514,419	2,065
- Saving accounts	1,495,364	2,947,292
	2,009,783	2,949,357
	2,115,761	3,143,018

8.1 The Rate of Return on Saving Accounts is Ranging from 16.50%% to 20.10% (2023: 19.5% per annum).

9 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2024	2023		2024	2023
----- (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
98,461,828	98,461,828		984,618,280	984,618,280

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

9.2 Capital risk management policies and procedures

The Company's objective when managing the capital are:

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

The Company manages its capital structure by monitoring return on net assets and to maintain optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends to shareholders, issue new shares and adopt other means commensuration to the circumstances.

10 RESERVES

Composition of reserves is as follows:

Capital			
Premium on issue of share capital	10.1	6,875,000	6,875,000
Revenue			
Accumulated loss		(289,448,536)	(266,139,823)
		(282,573,536)	(259,264,823)

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

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		2024	2023
		-----Rupees-----	
11	Revaluation of property Plant & Equipment		
	Freehold land		
	Opening Balance	15,610,500	15,610,500
	Revaluation for the year	-	-
		<u>15,610,500</u>	<u>15,610,500</u>
	Building		
	Opening Balance	4,505,222	6,180,003
	Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	-	-
		<u>(450,522)</u>	<u>(1,674,781)</u>
		<u>4,054,700</u>	<u>4,505,222</u>
	Plant & Machinery		
	Opening Balance	10,463,664	11,733,797
	Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	-	-
	Impairment during the year - Net of Deferred Tax	-	-
	Related deferred tax liability of incremental depreciation	-	(200,603)
		<u>9,417,298</u>	<u>10,463,664</u>
		<u>29,082,498</u>	<u>30,579,386</u>
	Less: related deferred tax liability		
	Opening Balance	1,805,426	1,613,164
	Add: Adjustment	-	392,865
	Revaluation recognized during the year	-	-
	Incremental depreciation charged during the year	(180,543)	(200,603)
		<u>1,624,883</u>	<u>1,805,426</u>
		<u>27,457,615</u>	<u>28,773,960</u>
12	Deferred Liabilities		
	Deferred Tax	1,624,883	1,805,426
	Staff gratuity scheme -unfunded	10,759,684	9,326,042
		<u>12,384,567</u>	<u>11,131,468</u>

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

12.2 STAFF RETIREMENT BENEFITS
Staff gratuity scheme -unfunded

Present value of defined benefit obligation	11,391,928	9,378,825
Add: Unrecognized actuarial gain / (loss)	(632,244)	(52,783)
	<u>10,759,684</u>	<u>9,326,042</u>

12.2.1 General Description

The scheme provides for retirement benefits for all permanent employees who complete qualifying period of services with the company at varying percentages of last drawn salary. The percentage depends on the number of service years with the company. Annual provision is based on actuarial valuation, which was carried out as on June 30, 2024.

QUICE FOOD INDUSTRIES LIMITED
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	2024	2023	
	-----Rupees-----		
12.2.2 Movement in present value of defined benefit obligation			
Balance at beginning of the year	9,326,042	5,727,429	
Current service cost	2,257,547	1,833,873	
Past service cost (credit)	-	1,981,636	
Interest cost	1,515,482	758,884	
Experience adjustments	(1,707,143)	(922,997)	
Balance as at end of the year	<u>11,391,928</u>	<u>9,378,825</u>	
12.2.3 Movement in balances			
Balance at beginning of the year	9,326,042	5,727,429	
Expense during the year	3,773,029	4,574,393	
Remeasurements chargeable in other comprehensive income	(2,339,387)	(975,780)	
	<u>10,759,684</u>	<u>9,326,042</u>	
12.2.4 Charge for the year			
Current service cost	2,257,547	1,833,873	
Past service cost (credit)	-	1,981,636	
Interest cost	1,515,482	758,884	
	<u>3,773,029</u>	<u>4,574,393</u>	
12.2.5 Experience Adjustments			
Experience adjustment arising on plan liabilities (gains) / losses	<u>(1,707,143)</u>	<u>(922,997)</u>	
Present value of defined benefits obligation	<u>11,391,928</u>	<u>9,378,825</u>	
12.2.6 Principal actuarial assumption			
Following principal actuarial assumptions were used for the valuation:	2024	2023	
Estimated rate of increase in salary of the employees	N/A	N/A	
Discount rate used for year end obligation	14.75%	16.25%	
Discount rate used for interest cost in P&L charge	16.25%	13.25%	
12.2.7 Sensitivity analysis for Actuarial Assumptions			
The Sensitivity of defined benefit obligation to changes in the weighted principal assumptions is:			
	<u>Change in Assumption</u>	<u>Increase in Assumptions</u>	<u>Decrease in Assumptions</u>
Discount Rate	+ - 100bps	10,162,289	11,441,750
Salary Increase	+ - 100bps	11,421,654	10,172,059
13 SECURITY DEPOSIT PAYABLE	<u>144,500,000</u>	<u>144,500,000</u>	
13.1 This represents interest-free deposits received from distributors under distribution contracts and is refundable on cancellation of respective contract or termination of related services.			
14 TRADE AND OTHER PAYABLES			
Creditors	306,583,777	371,155,784	
Accrued liabilities	29,433,794	15,243,575	
Advances from customers	332,339,394	385,963,038	
Others	2,232,817	6,249,875	
	<u>670,589,782</u>	<u>778,612,272</u>	
15 CONTINGENCIES AND COMMITMENTS			
15.1 Contingencies			
15.1.1 There are no known material contingencies as at year-end (2023: Nil).			
15.2 Commitments			
There were no capital or other commitments at the balance sheet date (2023: Nil).			

QUICE FOOD INDUSTRIES LIMITED
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		2024	2023
		-----Rupees-----	
16 SALES - net			
Local		436,261,057	510,565,178
Export		606,352,473	424,842,906
		1,042,613,530	935,408,084
Federal excise duty		(57,232,802)	(8,162,252)
Sales tax		(82,125,793)	(88,796,383)
		903,254,935	838,449,449
16.1	Export Sales comprise of sale made in USA, UK , Middle East, South Africa and Mauritius regions.		
16.2	Revenue has been recognized at a point in time for local sales made during the year.		
17 COST OF SALES			
Opening stock of finished goods		337,101,532	215,829,525
Cost of goods manufactured	17.2	607,712,742	835,838,058
		944,814,274	1,051,667,583
Closing stock of finished goods		167,555,616	337,101,532
		777,258,658	714,566,051
17.1	Closing inventory is charged to cost of sales net of provision for slow moving and obsolete stock.		
17.2 Cost of goods manufactured			
Raw materials consumed	17.2.1	439,844,703	695,453,974
Stores, spares and loose tools consumed		8,809,765	8,357,364
Salaries, wages and benefits		25,365,318	24,426,139
Conveyance expenses		233,790	327,670
Communication expenses		85,375	25,380
Entertainment expenses		5,063,741	4,987,748
Freight and octroi		8,706,353	9,888,895
Fuel and power		292,170	226,300
Stationary expenses		32,740	33,725
Repair and maintenance		185,000	283,800
Utilities		81,393,534	55,366,928
Depreciation	3.1.1	28,260,202	27,109,378
Security expenses		2,028,000	1,776,000
Travelling expenses		128,530	442,530
Water charges		5,423,231	3,391,558
Loading / unloading expenses		1,270,640	1,716,400
Miscellaneous expenses		589,650	2,024,269
		607,712,742	835,838,058
17.2.1 Raw materials consumed			
Opening stock of raw materials		506,005,269	344,795,450
Add: Purchases - net		432,708,730	856,663,793
		938,713,999	1,201,459,243
Closing stock of raw materials		498,869,296	506,005,269
		439,844,703	695,453,974

QUICE FOOD INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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	Note	2024	2023
		-----Rupees-----	
18 DISTRIBUTION COST			
Marketing expenses		16,994,569	15,252,013
Salaries and other benefits		49,987,530	43,977,574
Distribution claim		9,740,240	7,821,886
Outward freight and handling		31,646,266	29,041,750
		<u>108,368,605</u>	<u>96,093,223</u>
19 ADMINISTRATIVE EXPENSES			
Directors remuneration	24	2,015,000	2,015,000
Salaries, wages and benefits		23,890,167	20,435,932
Traveling expenses		2,351,352	2,043,080
Conveyance expense		203,219	58,400
Communication expense		1,654,157	2,068,831
Entertainment		378,135	216,838
Fee, subscription & professional charges		1,639,123	3,443,842
Fuel & power		79,340	116,800
Rent expense		-	212,960
Printing and stationery		137,325	36,456
Repair and maintenance		133,450	120,614
Advertisement		-	36,375
Utilities		3,847,921	2,419,083
Auditors' remuneration	19.1	1,425,000	960,000
Depreciation	3.1.1	885,611	1,090,451
Miscellaneous expenses		1,926,491	331,922
		<u>40,566,291</u>	<u>35,606,584</u>
19.1 Auditors' remuneration			
Audit fee		900,000	725,000
Half yearly review		250,000	210,000
Other certifications		275,000	25,000
		<u>1,425,000</u>	<u>960,000</u>
20 OTHER INCOME			
Income from financial assets			
- Saving accounts		2,000,867	1,448,553
Income from non-financial assets			
Other Income		2,031,468	2,240,785
		<u>4,032,335</u>	<u>3,689,338</u>
21 FINANCE COST			
Bank charges		128,223	401,782

QUICE FOOD INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

		2024	Restated 2023
		-----Rupees-----	
22 LEVIES AND TAXATION			
Levies	22.1		
Final tax		6,063,525	4,248,429
Minimum tax		3,711,281	6,382,065
Prior year reversal		(1,664,325)	(2,829,626)
		8,110,481	7,800,868
Taxation	22.2		
Current tax		-	-
Deferred Tax		-	-
		3,711,281	6,382,065

22.1 This represents final tax under section 154 and minimum tax under section 113 of the Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.

22.2 Reconciliation of current tax charged as per tax laws for the year, with current tax recognised in the statement of profit or loss, is as follows:

Current tax liability for the year as per applicable tax laws	9,774,806	10,630,494
Portion of current tax liability as per tax laws, representing income tax under IAS 12	-	-
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(9,774,806)	(10,630,494)
Difference	-	-

22.2 The Company is not presenting the tax charge reconciliation because the Company has incurred tax loss during the year and the company has recognised levy for the year which represents minimum tax at the rate of 1.25% of turnover (2023: 1.25% of turnover) under section 113 of the Income Tax Ordinance, 2001 (the Ordinance).

23 EARNINGS PER SHARE - BASIC AND DILUTED

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

Loss attributable to ordinary shares	(Rupees)	(27,144,988)	(12,329,721)
Weighted average number of ordinary shares	(Numbers)	98,461,828	98,461,828
Loss per share	(Rupees)	(0.276)	(0.125)

24 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2024			2023		
	Chief Executive	Director	Executives	Chief Executive	Director	Executives
Managerial remuneration	570,000	1,147,500	10,224,583	570,000	1,147,500	10,224,583
House rent, utilities & others	95,000	202,500	-	95,000	202,500	-
	665,000	1,350,000	10,224,583	665,000	1,350,000	10,224,583
No. of Persons	1	1	6	1	1	6

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

25 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of shareholders, directors of the Company, employees benefit funds and key management employees. Remuneration and benefits to key management personnel are disclosed in note 24 to the financial statements. There were no other related parties transactions during the year June 30, 2024 (2023: Nil).

26 PRODUCTION CAPACITY

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

	2024	2023
Rated capacity		
- Syrup		
Liters - 150 day per annum single shift	1,440,000	1,440,000
- Juice		
Liters - 180 day per annum single shift	13,458,960	13,458,960
- CSD		
Liters - 180 day per annum single shift	2,700,000	2,700,000
- Water		
Liters - 180 day per annum single shift	6,912,000	6,912,000
- Spices		
Kilograms - 180 day per annum single shift	142,000	-

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Actual Production

- Syrup		
Liters - 150 day per annum single shift	<u>179,284</u>	<u>1,399,630</u>
- Juice		
Liters - 180 day per annum single shift	<u>3,238,815</u>	<u>5,409,806</u>
- CSD		
Liters - 180 day per annum single shift	<u>557,798</u>	<u>469,479</u>
- Water		
Liters - 180 day per annum single shift	<u>1,120,458</u>	<u>-</u>
- Spices		
Kilograms - 180 day per annum single shift	<u>29,533</u>	<u>-</u>

27 FINANCIAL RISK MANAGEMENT

27.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

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

(a) Market risk

(i) Currency risk

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

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

Sensitivity analysis

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

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to commodity price risk.

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no significant long-term interest-bearing assets. The Company's interest rate risk arises from long term financing. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk. Borrowings obtained at fixed rate expose the Company to fair value interest rate risk. As at reporting date, there were no interest bearing borrowings. Therefore, there was no interest rate risk.

(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:

	2024	2023
	-----Rupees-----	
Trade debts	54,647,587	53,763,859
Loans and advances	4,934,032	2,496,876
Long Term deposits	4,668,510	1,935,290
Bank balances	<u>2,009,783</u>	<u>2,949,357</u>
	<u>66,259,912</u>	<u>61,145,382</u>

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

	Rating		
	Short Term	Long term	Agency
Banks			
Habib Bank Limited	A-1+	AAA	VIS
Meezan Bank Limited	A-1+	AAA	VIS
Habib Metropolitan Limited	A-1+	AA+	PACRA
MCB Bank Limited	A-1+	AAA	PACRA
Bank Alfalah Limited	A-1+	AA+	PACRA
United Bank Limited	A-1+	AA+	VIS

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Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2024 the Company had Rupees 2.795 million (2023: Rupees 3.143 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 2024

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Trade and other payables	670,589,782	670,589,782	379,480,098	291,109,684	-	-
Security deposit payable	144,500,000	144,500,000	-	-	-	144,500,000
	<u>815,089,782</u>	<u>815,089,782</u>	<u>379,480,098</u>	<u>291,109,684</u>	<u>-</u>	<u>144,500,000</u>

Contractual maturities of financial liabilities as at 30 June 2023.

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Trade and other payables	779,852,806	779,852,806	519,901,871	259,950,935	-	-
Security deposit payable	144,500,000	144,500,000	-	-	-	144,500,000
	<u>924,352,806</u>	<u>924,352,806</u>	<u>519,901,871</u>	<u>259,950,935</u>	<u>-</u>	<u>144,500,000</u>

27.2 Fair values of financial assets and liabilities

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

Fair value hierarchy

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

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

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

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

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

27.3 Financial instruments by category

	2024	2023
	-----Rupees-----	
Financial Assets at Amortized Cost.		
Trade debts	54,647,587	53,763,859
Loans and advances	147,337,700	116,719,830
Cash and bank balances	2,115,761	3,143,018
	<u>204,101,048</u>	<u>173,626,707</u>
Financial Liabilities at Amortized Cost.		
Trade and other payables	<u>670,589,782</u>	<u>778,612,272</u>

28 NUMBER OF EMPLOYEES

	2024	2023
	-----Numbers-----	
Number of employees at year end	166	189
Average number of employees during the year	158	150

This included 34 permanent employees.

29 GEOGRAPHICAL LOCATION AND ADDRESS OF BUSINESS UNITS

Business Units	Location
Production Unit 1	Near Nazar choragi Hub, Balochistan F-10/12.
Sales Office	Block-B, Latifabad Unit # 02, Hyderabad.

30 OPERATING SEGMENT

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

30.1 Out of Total Sales, 67.13% of the Sales of the company are Export Sales and Export Sales comprise of sale made in USA,UK, Middle East, South Africa and Mauritius regions.

30.2 All assets of the Company as at 30 June 2024 are located in Pakistan.

31 Comparative information

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

32 Date of Authorization

These financial statements were authorized for issue on September 27, 2024 by the Board of Directors of the Company.



Chief Executive Officer



Director



Chief Financial Officer

QUICE FOOD INDUSTRIES LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 34th Annual General Meeting (“AGM”) of Quice Food Industries Limited (the Company) will be held at WS7, Madina Palace, Faran Co-operative Society, Dhoraji Colony, Karachi, on Monday, October 28, 2024 at 11:00 am to transact the following businesses:

ORDINARY BUSINESS

1. To confirm the minutes of Annual General Meeting held on October 26, 2023.
2. To receive, consider and adopt the Annual Audited Financial Statements for the year ended June 30, 2024 together with the Reports of the Board and the Auditors thereon and Chairman`s review report.
3. To appoint Auditors of the Company and fix their remuneration for the year ending June 30 ,2025. The Audit Committee and the Board of Directors have recommended the re-appointment of the retiring auditors, M/s Aslam Malik & Co. Chartered Accountants, who being eligible have offered themselves for re-appointment.

OTHER BUSINESS

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

By Order of the Board

Karachi

October 05, 2024

Company Secretary

IQBAL SHAHID

NOTES:

1. CLOSURE OF SHARE TRANSFER BOOKS:

The Share Transfer Books of the Company will remain closed from 22-10-2024 to 28-10-2024 (both days inclusive). No transfer will be accepted for registration during this period. Transfer request received in order at the office of the Company's Share registrar, M/s. F.D Registrar Services (Pvt) Ltd, Office No. 1705, 17th Floor, Saima Tower - A, II Chundrigar Road, Karachi upto the close of business on 21-10-2024 will be treated in time for the purpose of attending and voting at the AGM.

2. PARTICIPATION IN THE ANNUAL GENERAL MEETING:

Any member entitled to attend and vote at this meeting shall be entitled to appoint any other member as his/her proxy to attend and vote in respect of him/her and the proxy instrument shall be received by the Company not later than 48 hours before the meeting.

CDC Account Holders Will Have to Follow Further Under Mentioned Guidelines as Laid Down by The Securities and Exchange Commission of Pakistan.

- a) For attending the meeting:
 - i) In case of individuals, the account holders or sub-account holders and their registration details are uploaded as per the regulations, shall authenticate their identity by showing their original Computerized National Identity Card (CNIC), or Original Passport at the time of attending the meeting.
 - ii) In case of Corporate Entities, the Board of Directors' resolution/power of attorney with specimen signature of the nominees shall be produced (unless it has been provided earlier) at the time of the meeting.
- b) For appointing proxies:
 - i) In case of individuals, the account holders or sub account holders and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirements. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form. Attested copies of CNIC or the passport of the beneficial owners and

the proxy shall be furnished with the proxy form.

- ii) In case of corporate entities, the Board of Directors' resolution/power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted (unless it has been provided earlier) along with proxy form to the company's registrar.

Form of Proxy

The Company Secretary

Quice Food Industries Ltd.
WS7, Mezzanine Floor
Madina Palace, Faran Co-operative Housing Society
Dhoraji Colony
Karachi

I / We hereby _____ of _____ being member (s) of Quice Food industries Ltd. and holder of _____ Ordinary Shares as per Share Registrar Folio _____ and / or CDC Account No _____ Hereby appoint Mr./ Ms. _____ S/O , W/O _____ or falling him / her _____ of as my / our 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, 2024** at 11:00 a.m at WS7, Madina Palace, Faran Co-operative Society, Dhoraji Colony, Karachi and/or at any adjournment thereof.

Signed _____ this day of _____ 2024.

WITNESSES:

1) Signature : _____
Name : _____
Address : _____
CNIC or : _____
Passport No. : _____

2) Signature : _____
Name : _____
Address : _____
CNIC or : _____
Passport No. : _____

Signature
(Signature should agree with the Specimen Signature with the Company)

Note:

- ❖ Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
- ❖ 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.
- ❖ In case of corporate entity, the Board of Directors' resolution /power of attorney with specimen signature of the nominee should be attached with the proxy form.