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First Quarterly
Report
30 September 2018



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QUICE FOOD INDUSTRIES LIMITED

WS7, Madina Palace, Mezzanine Floor,
Faran Co-operative Society, Dhoraji Colony,
Karachi-74800, Pakistan.
Phone : 021-34857177-79



Company information

Board of Directors

Mr. Muhammad Atif
Mr. Muhammad Siraj
Mr. Salman Haroon
Mr. Aamir Altaf
Mr. Muhammad Riaz
Mr. Qazi Muhammad Imran
Mr. Jawed Yameen

Chief Executive
Director
Independent Director
Director
Director
Director
Director

Company Secretary

Mr. Iqbal Shahid

Bankers

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

Auditors

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

Audit Committee

Mr. Salman Haroon
Mr. Jawed Yameen
Mr. Muhammad Siraj

Chairman
Member
Member

HR & Remuneration Committee

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

Chairman
Member
Member

Legal Advisor

M/s. Ahmed & Qazi
Advocates & Legal Consultants

Share Registrar

M/s. Technology Trade (Private) Limited
Dagja House, 241-C, Block-2, P.E.C.H.S.
Off: Shahrah-e-Quaideen, Karachi

Registered Office

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

QUICE FOOD INDUSTRIES LIMITED
DIRECTOR'S REPORT

Fellow shareholders

On behalf of the Board of Directors of Quice Food Industries Limited, we are pleased to submit the reviewed condensed interim financial information of the Company for the quarter ended September 30, 2018.

BUSINESS REVIEW

Throughout the period, the Company attained a revenue of Rs. 13.462 million versus Rs. 24.724 million in the same period last year. This viewed decreased in consumer demand in market for Juice but weakening sales of syrup in reporting period. However on the other end, the gross loss reflected due to less margin in Juice product and higher contribution rate of fixed overheads in product cost as well.

The decrease in the volume was because the decline in the purchasing power of the public. Although, various activations, airing and promotions were steered for the key categories of the business that focused on the spirit of brand and its relationship with the consumer.

	Un-Audited 30-Sep-18 Rupees in "000"	Un-Audited 30-Sep-17 Rupees in "000"
Financial Results		
Net sales	13,462	24,724
Gross (Loss)/Profit	(16,057)	(5,859)
Depreciation	4,892	5,271
Pre-tax loss	(23,146)	(18,870)
After-tax loss	(23,314)	(18,982)
Loss per share	(0.24)	(0.19)

FUTURE OUTLOOK

We endure to follow a focused approach to bellicosely grow the operations by driving volumes and reaping the benefits of high scale evidently show the success of the same enabling a volume growth.

We are assertive that the Company will be able to progress on the growth arc in the upcoming years as well and we consistently putting in efforts to discover new markets that can add-on the growth spirits.

In closing, we would like to place on record our appreciation for the commitment, devotion to duty and hard work of the officers and workers of all categories.

May Allah give us the pluck to face the encounters ahead. A'meen

Karachi
November 01, 2018



MUHAMMAD ATIF
Chief Executive

ڈائریکٹرز رپورٹ

شیر ہولڈر ساتھیو!

کوئس فوڈ انڈسٹریز لمیٹڈ کے ڈائریکٹرز کمپنی کی نظر ثانی شدہ عبوری فنانشل معلومات برائے 3 ماہ اختتام شدہ 30 ستمبر 2018 پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

کاروباری جائزہ

کمپنی نے زیر نظر مدت کے دوران سیلز کے حجم کو بڑھانے پر اپنی توجہ مرکوز رکھنا جاری رکھا چنانچہ گذشتہ سال کے اسی عرصے میں حاصل شدہ سیلز روپیہ 13.462 ملین روپے کے مقابلے میں اس مرتبہ یہ رقم 24.724 ملین روپے رہی۔ یہ اضافہ مارکیٹ میں صارفین کی جوس کے لئے طلب میں اضافے کی وجہ سے ہوا۔ جبکہ دوسری جانب جوس میں کم شرح منافع بمقابلہ پیداواری لاگت کی مستحکم شرح زیادہ ہونے کی وجہ سے مجموعی منافع پھر بھی کم رہا۔

اس 3 ماہ کے دورانیے میں سیلز کے حجم میں اضافے کی وجہ حوصلہ مند انداز طور پر سیلز اور مارکیٹنگ سرگرمیوں کو انجام دینا تھا۔ کاروبار کے اہم شعبوں میں مصنوعات کو نشر و اشاعت کی مدد سے مقبول بنانے کے لئے سرگرمیاں کی گئیں۔ جن میں خاص توجہ براڈ اور اس کے صارفین کے درمیان تعلق قائم کرنے پر دی گئی۔ مختلف بیرونی سرگرمیوں کی مہم چلائی گئی جس کا براڈ کی مقبولیت پر مثبت اثر پڑا۔

کمپنی کی فنانشل کارکردگی مندرجہ ذیل ہے۔

28 ستمبر PKR "000"	17 ستمبر PKR "000"	مالی نتیجہ
13,462	24,724	خالص سیلز
(16,057)	(5,859)	مجموعی نقصان
4,892	5,271	فرسودگی
(23,146)	(18,870)	قبل از ٹیکس نقصان
(23,314)	(18,982)	بعد از ٹیکس نقصان
(0.24)	(0.19)	فی شیر نقصان

مستقبل کا منظر نامہ

ہم اپنے اس عزم پر قائم ہیں کہ سیلز کے سلسلے میں اپنی مکمل توجہ اس بات پر مرکوز رکھیں کہ کس طرح کاروباری سرگرمیوں میں اضافہ کر کے سیلز کے حجم کو بڑھایا جائے اور اس کے ثمرات کامیابی سے حاصل کئے جائیں۔

ہم پر عزم ہیں کہ آنے والے سالوں میں کمپنی اپنے مثبت لائحہ عمل سے مزید ترقی کرے گی اور پیداواری حجم میں اضافے کے ساتھ ساتھ نئی نئی منڈیاں بھی تلاش کرے گی۔

اس رپورٹ کے اختتام پر ہم کمپنی کے ہر شعبے سے تعلق رکھنے والے آفیسرز اور کارکنان کی محنت، کام سے لگن اور ان کے مخلصانہ جذبے کو سراہتے ہیں اور ان کی قدر کرتے ہیں۔

اللہ تعالیٰ ہمیں آنے والے دور میں پر حوصلہ انداز میں حالات سے نبرد آزما ہونے کی توفیق عطا فرمائے۔ آمین



Muhammad Atif
Chief Executive Office

کراچی

یکم نومبر 2018



QUICE FOOD INDUSTRIES LIMITED
BALANCE SHEET - (Un-audited)
AS AT 30 SEPTEMBER 2018

	Note	Un-audited 30-Sep-2018 Rupees	Audited 30-Jun-2018 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Property, plant and equipment	5	397,460,761	402,314,103
Long term deposits		1,819,200	1,819,200
		399,279,961	404,133,303
CURRENT ASSETS			
Stores and spares		8,258,900	7,419,631
Stock-in-trade		302,929,888	288,152,301
Trade debts		6,036,427	9,310,190
Short term investments		12,735,335	13,166,533
Advances, deposits, prepayments & other receivables		28,526,930	27,413,047
Taxation - net		10,484,215	10,397,422
Cash and bank balances		1,031,294	1,855,717
		370,002,988	357,714,841
TOTAL ASSETS		769,282,949	761,848,144
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
105,100,000 (June 2018: 105,100,000) ordinary shares of Rupees 10 each		1,051,000,000	1,051,000,000
Issued, subscribed and paid up share capital			
98,461,828 (June 2018: 98,461,828) ordinary shares of Rupees 10 each		984,618,280	984,618,280
Reserves		(429,238,264)	(406,539,644)
Total equity		555,380,016	578,078,636
Surplus on revaluation of property, plant and equipment		24,011,323	24,626,998
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred liabilities - Provision for gratuity		3,971,195	3,761,695
CURRENT LIABILITIES			
Trade and other payables		185,920,415	155,380,815
		189,891,610	159,142,510
CONTINGENCIES AND COMMITMENTS			
	6		
TOTAL EQUITY AND LIABILITIES		769,282,949	761,848,144

The annexed notes form an integral part of this condensed interim financial information.

Muhammad Atif
Chief Executive Officer

Muhammad Siraj
Director

Muhammad Imran
Chief Financial Officer



QUICE FOOD INDUSTRIES LIMITED
PROFIT AND LOSS ACCOUNT (Un-audited)
FOR THE PERIOD ENDED 30 SEPTEMBER 2018

	QUARTER ENDED	
	30-Sep-2018	30-Sep-2017
	Rupees	Rupees
SALES	13,461,662	24,723,929
COST OF SALES	(29,518,321)	(30,582,503)
GROSS PROFIT / (LOSS)	(16,056,659)	(5,858,574)
DISTRIBUTION AND SELLING COST	(2,106,046)	(8,042,783)
ADMINISTRATIVE EXPENSES	(4,503,047)	(5,019,355)
	(6,609,093)	(13,062,138)
OPERATING LOSS	(22,665,752)	(18,920,712)
OTHER OPERATING INCOME	(440,430)	94,655
LOSS FROM OPERATIONS	(23,106,182)	(18,826,057)
FINANCE COST	(39,842)	(44,483)
LOSS BEFORE TAXATION	(23,146,024)	(18,870,540)
TAXATION	(168,271)	(111,199)
LOSS AFTER TAXATION	(23,314,295)	(18,981,739)
LOSS PER SHARE- (RUPEES)	(0.237)	(0.189)

The annexed notes form an integral part of this condensed interim financial information.

Muhammad Atif
Chief Executive Officer

Muhammad Siraj
Director


Muhammad Imran
Chief Financial Officer

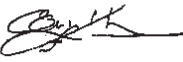


QUICE FOOD INDUSTRIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
FOR THE PERIOD ENDED 30 SEPTEMBER 2018

	QUARTER ENDED	
	30-Sep-2018	30-Sep-2017
	Rupees	Rupees
LOSS AFTER TAXATION	(23,314,295)	(18,981,739)
<i>Other comprehensive income that cannot be classified through profit and loss</i>	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(23,314,295)</u>	<u>(18,981,739)</u>

The annexed notes form an integral part of this condensed interim financial information.


Muhammad Atif
 Chief Executive Officer


Muhammad Siraj
 Director



Muhammad Imran
 Chief Financial Officer



QUICE FOOD INDUSTRIES LIMITED
CASH FLOW STATEMENT (Un-audited)
FOR THE PERIOD ENDED 30 SEPTEMBER 2018

	QUARTER ENDED	
	30-Sep-2018	30-Sep-2017
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(23,146,024)	(18,870,540)
Adjustment for non cash items:		
Depreciation	4,892,344	5,270,514
Capital gain on sale of investments	431,198	-
Provision for gratuity	209,500	226,069
	<u>5,533,042</u>	<u>5,496,583</u>
Net cash used in operations before working capital changes	(17,612,982)	(13,373,957)
Working capital changes		
(Increase) / decrease in current assets		
Stores and spares	(839,269)	(131,213)
Stock-in-trade	(14,777,587)	13,985,156
Trade debts	3,273,763	1,987,885
Advances, deposits, prepayments & other receivables	(1,113,883)	(2,874,927)
Taxation - net	(255,064)	(837,084)
	<u>(13,712,039)</u>	<u>12,129,817</u>
Increase / (decrease) in current liabilities		
Trade and other payables	30,539,600	1,946,288
	<u>16,827,561</u>	<u>14,076,105</u>
Net working capital changes	(785,421)	702,148
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(39,002)	(526,607)
Long term deposits	-	-
Net cash used in investing activities	(39,002)	(526,607)
CASH FLOWS FROM FINANCING ACTIVITIES		
Sale proceed from sale of fixed asset	-	-
Sale proceed from sale of investments	-	-
Net cash inflows from financing activities	-	-
Net increase in cash and cash equivalents	(824,423)	175,541
Cash and cash equivalents at the beginning of the period	<u>1,855,717</u>	<u>601,070</u>
Cash and cash equivalents at the end of the period	<u>1,031,294</u>	<u>776,611</u>

The annexed notes form an integral part of this condensed interim financial information.


Muhammad Atif
 Chief Executive Officer


Muhammad Siraj
 Director


Muhammad Imran
 Chief Financial Officer

QUICE FOOD INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018

	RESERVES				SHAREHOLDER'S EQUITY
	SHARE CAPITAL	Premium on issue of capital	Discount on issue of capital	Accumulated loss	
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 30 June 2017 - (Audited)	984,618,280	6,875,000	(282,788,556)	(90,623,963)	618,080,761
Incremental depreciation transferred to retained earnings	-	-	-	1,099,873	1,099,873
Comprehensive loss for the period ended	-	-	-	(18,981,739)	(18,981,739)
Balance as at 30 September 2017 - (Un-audited)	984,618,280	6,875,000	(282,788,556)	(108,505,829)	600,198,895
Balance as at 30 June 2018 - (Audited)	984,618,280	6,875,000	(282,788,556)	(130,626,088)	578,078,636
Incremental depreciation transferred to retained earnings	-	-	-	615,675	615,675
Comprehensive loss for the period ended	-	-	-	(23,314,295)	(23,314,295)
Balance as at 30 September 2018 - (Un-audited)	984,618,280	6,875,000	(282,788,556)	(153,324,708)	555,380,016

The annexed notes form an integral part of this condensed interim financial information.

Muhammad Atif
Chief Executive Officer

Muhammad Siraj
Director

Muhammad Imran
Chief Financial Officer

QUICE FOOD INDUSTRIES LIMITED
NOTES TO THE QUARTERLY FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 SEPTEMBER 2018

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 Karachi and Islamabad Stock Exchange(s) on 02 August 1994 and on 18 July 1995 respectively. Its registered office has been transferred to Karachi with effect from 15 November 2011. 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. Under section 247 of the constitution of Pakistan Swat area is exempted from all taxes.

2. Basis of preparation

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

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

2.3 This financial information is presented in Pak Rupees, which is the Company's functional and presentation currency.

3. Accounting policies

The accounting policies and method of computation adopted in preparation of this quarterly financial information are the same as those applied in preparation of the annual financial statements of the Company for the year ended 30 June 2018

4. Critical accounting estimates and judgments

Judgments and estimates made by the management in preparation of this quarterly financial information are the same as those applied to the annual financial statements for the year ended 30 June 2018.

5. Property, plant and equipment

Operating Assets - note 5.1
 Capital Work-in-Progress

	Un-audited 30-Sep-2018	Audited 30-Jun-2018
	Rupees	Rupees
Operating Assets - note 5.1	223,093,000	227,946,342
Capital Work-in-Progress	174,367,761	174,367,761
	397,460,761	402,314,103

	Un-audited	Audited
	30-Sep-2018	30-Jun-2018
	Rupees	Rupees
5.1 Opening book value	227,946,342	239,880,816
Surplus/(Deficit) on revaluation		4,999,796
Add:		
Cost of additions during the period / year	39,002	3,379,535
Less:		
Disposal during the period - net	-	-
Depreciation charged during the period / year	<u>(4,892,344)</u>	<u>(20,313,805)</u>
	<u>223,093,000</u>	<u>227,946,342</u>

6. Contingencies and Commitments

6.1 Contingencies

6.1.1 The contingencies in this quarterly financial information are the same as those existed in preparation of the annual financial statements of the Company for the year ended 30 June 2018.

6.2 Commitments

There were no capital or other commitments at the balance sheet date (30 June 2018: Nil).

7. Seasonality

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

8. Date of Authorization


This condensed interim financial information was approved by the Board of Directors and authorized for issue on November 01, 2018.

9. General

- No significant reclassification / rearrangement of corresponding figures has been made in this condensed interim financial information.
- Figures have been rounded off to the nearest Rupee.



Muhammad Atif
Chief Executive Officer



Muhammad Siraj
Director



Muhammad Imran
Chief Financial Officer