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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



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Third Quarterly Report - 31 March 2020

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Company Information

Board of Directors

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

Audit Committee

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

HR & Remuneration Committee

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

Company Secretary

Mr. Iqbal Shahid

Share Registrar

M/s. F.D Registrar Services (SMC-Pvt) Limited
Saima Trade Tower A, I.I. Chundrigar Road,
Karachi

Auditors

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

Legal Advisor

M/s. Ahmed & Qazi
Advocates & Legal Consultants

Bankers

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

Registered Office

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

Review of the Directors

The Board of Directors of Quice Food Industries Limited (the Company) takes pleasure in presenting their review on financial performance and affairs of the Company financial statements for the nine months ended March 31st 2020.

Overview

Gross turnover - nine months at PKR 102.365 million is 56% higher than the same period last year (SPLY). Operating result for the quarter at PKR 50.286 million is 67% higher as compared to the SPLY on account of higher operating results due to improved performance in Juice Segment and invites customers for co-filling purpose to absorbed factory cost. The improved performance achieved was mainly due to mark new distributions and discover the new markets / shops in the Karachi regions. A review of the Company's performance for the nine months period as compared to the SPLY is as follows:

Financial highlights

	2020 Rupees "000"	2019 Rupees "000"
Net sales	102,365	65,723
Gross profit / (loss)	19,319	(22,737)
Depreciation	19,962	14,616
Pre-tax loss	(5,121)	(49,351)
After-tax loss	(6,457)	(50,216)

Provision for tax is accounted for on minimum tax on turnover basis for business results delivered during the reported period.

Future Prospects

We believe that there is only way up from here. We are keeping a watchful eye on how the events unfold.

The thing which is constant is change. We believe in change - in growing. It is because of this strong commitment to growth, will be investing in new food categories. We will remain devoted towards converting challenges into opportunities and developing crucial internal strengths to surpass them.

We believe that its sturdy financial position and free cash flow generating ability can continue to support investments in projects and avenues which can bring in further operational efficiencies and enhance shareholders' value.

Acknowledgement

We take this opportunity to thank our valued shareholders and consumers who have trust in our products and continue to provide sustained support in ensuring the progress of the Company.



Chief Executive Office

Karachi
April 22, 2020



Director

ڈائریکٹرز کا جائزہ

کوئس فوڈ انڈسٹریز لمیٹڈ (کمپنی) کا بورڈ آف ڈائریکٹرز گذشتہ نو (9) ماہ، جو 31 مارچ 2020ء کو اختتام پذیر ہوئے، کی مالیاتی کارکردگی و معاملات اور مالیاتی گوشوارہ پیش کرتے ہوئے مسرت محسوس کرتا ہے۔ نو (9) ماہ میں ہونے والی 102.365 ملین روپے کی مجموعی فروخت سے 56% زائد ہے۔ موجودہ سہ ماہی کی مالیاتی سرگرمیوں کا نتیجہ 50.286 ملین روپے کی شکل میں گذشتہ سال کے اسی عرصہ کے نتائج سے 67% زیادہ ہے۔ جس کا سبب جس کے شعبے میں بڑھتی ہوئی کارکردگی ہے جو صارفین کی رغبت کی وجہ سے پیداواری لاگت کا سامنا کرنے میں معاون ہوتی ہے۔ پہلے سے بہتر کارکردگی کا حصول خاص طور پر نئی تقسیم کاری اور نئی منڈیوں / دوکانوں کی کراچی کے علاقوں میں دریافت کا مرہون منت ہے۔ نو (9) ماہ کے عرصے میں کمپنی کی کارکردگی کا جائزہ گذشتہ سال کے اسی عرصے کی کارکردگی کے تقابل میں مندرجہ ذیل ہے:

مالیاتی جھلکیاں:	2020 روپے "000"	2019 روپے "000"
خالص فروخت	102,365	65,723
مجموعی منافع / (نقصان)	(19,319)	(22,737)
فرسودگی	19,962	14,616
قبل از ٹیکس نقصان	(5,121)	(49,351)
بعد از ٹیکس نقصان	(6,457)	(50,216)

”فروخت پر کم از کم ٹیکس“ کی بنیاد پر مذکورہ عرصے کے دوران کئے گئے کاروبار پر ٹیکس کا حساب لگایا گیا ہے تاکہ مالیاتی نتائج مرتب ہو سکیں۔

مستقبل کے امکانات:

ہم نگاہ بلند رکھنے پر یقین رکھتے ہیں۔ اور وقوع پذیر ہونے والے معاملات پر عقلمانی نظر رکھتے ہیں۔ تبدیلی ہی وہ شے ہے جو مستقبل ہوتی ہے۔ ہم تبدیلی پر اور افزودگی پر یقین رکھتے ہیں اور یہ اسی مضبوط وابستگی کی وجہ سے ہے کہ ہم نوڈ کی نئی تقسیم میں سرمایہ کاری کرنے جارہے ہیں۔ ہم ہمیشہ مشکلات کو مواقع ڈھالنے کے لئے پرعزم رہیں گے اور اپنی پنہاں قوتوں کو مشکلات پر حاوی ہونے کے کیلئے آب دیں گے۔

ہم اس پر یقین رکھتے ہیں کہ مضبوط مالی حیثیت اور آمدنی کی رواں پیداواری صلاحیت اس عمل میں معاون ثابت ہوتی ہے کہ مختلف منصوبوں میں سرمایہ کاری کی جائے جس سے پیداواری کارکردگی اور حصص یافتگان کی قدر میں اضافہ ہوتا ہے۔

اعتراف:

اس موقع سے فائدہ اٹھاتے ہوئے ہم اپنے قابل قدر حصص یافتگان اور صارفین کا شکریہ ادا کرتے ہیں جنہوں نے ہماری مصنوعات پر اعتماد کیا اور اپنے تعاون سے نوازا جاری رکھا، جس سے کمپنی کی ترقی یقینی ثابت ہوئی۔



Chief Executive Office



Director

کراچی
22 اپریل 2020



Condensed Interim Balance Sheet
As At March 31, 2020

	Note	Unaudited	Audited
		Mar-31, 2020	June-30, 2019
---- Rupees ----			
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Property, plant and equipments	5	357,541,152	353,612,373
Long term deposits		1,869,200	1,819,200
		359,410,352	355,431,573
CURRENT ASSETS			
Stores and spares		7,388,807	4,666,032
Stock-in-trade		344,902,694	329,273,427
Trade debts		27,728,378	9,885,896
Short term investments	6	5,292,238	6,253,392
Advances, deposits, prepayments & other receivables		18,099,814	15,349,681
Taxation - net		10,679,684	11,246,404
Cash and bank balances		1,908,051	10,685,820
		415,999,666	387,360,652
TOTAL ASSETS		775,410,018	742,792,225
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
105,100,000 (June 2019: 105,100,000) ordinary shares of Rs 10 each		1,051,000,000	1,051,000,000
Issued, subscribed and paid up share capital and reserves			
98,461,828 (June 2019 : 98,461,828) ordinary shares of Rs.10 each		984,618,280	984,618,280
Reserves		(469,455,402)	(464,666,474)
Surplus on revaluation of property, plant and equipments		25,778,105	27,445,919
Total equity		540,940,983	547,397,725
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred liabilities		20,701,439	19,523,867
Security deposit payable		45,500,000	56,600,000
		66,201,439	76,123,867
CURRENT LIABILITIES			
Trade and other payables		167,040,096	118,043,133
Short term position of deferred liability		1,227,500	1,227,500
		168,267,596	119,270,633
Total liabilities		234,469,035	195,394,500
CONTINGENCIES AND COMMITMENTS			
	7	-	-
TOTAL EQUITY AND LIABILITIES		775,410,018	742,792,225

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

Chief Executive Officer

Director

Chief Financial Officer



Condensed Interim Profit And Loss Account (Unaudited)
For The Nine Months Ended March 31, 2020

	Note	Nine Months Ended		Quarter Ended	
		Mar-31, 2020	Mar-31, 2019	Mar-31, 2020	Mar-31, 2019
---- Rupees ----					
SALES					
		102,365,280	65,723,431	50,285,651	30,064,754
Cost of Sales		(83,045,909)	(88,460,660)	(34,218,747)	(35,847,148)
GROSS PROFIT / (LOSS)		19,319,371	(22,737,229)	16,066,904	(5,782,394)
Distribution Cost		(12,271,990)	(11,235,881)	(3,678,783)	(1,739,701)
Administrative Expenses		(13,431,849)	(14,398,138)	(4,578,227)	(2,688,454)
Other Operating Expenses		(297,605)	(1,239,895)	(297,605)	44,100
		(26,001,444)	(26,873,914)	(8,554,615)	(4,384,055)
Operating Profit / (Loss)		(6,682,073)	(49,611,143)	7,512,289	(10,166,449)
Other Operating Income		1,678,893	352,164	211,029	131,194
		(5,003,180)	(49,258,979)	7,723,318	(10,035,255)
Finance Cost		(118,327)	(91,885)	(43,643)	(12,250)
PROFIT / (LOSS) BEFORE TAXATION		(5,121,507)	(49,350,864)	7,679,675	(10,047,505)
Taxation		(1,335,235)	(864,949)	(719,057)	(377,101)
PROFIT / (LOSS) AFTER TAXATION		(6,456,742)	(50,215,813)	6,960,618	(10,424,606)
EARNING / (LOSS) PER SHARE		(0.066)	(0.51)	0.071	(0.11)

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

Chief Executive Officer

Director

Chief Financial Officer

**Condensed Interim Statement Of Comprehensive Income (Unaudited)**

For The Nine Months Ended March 31, 2020

	Nine Months Ended		Quarter Ended	
	Mar-31, 2020	Mar-31, 2019	Mar-31, 2020	Mar-31, 2019
	---- Rupees ----		---- Rupees ----	
PROFIT / (LOSS) AFTER TAXATION	(6,456,742)	(50,215,813)	6,960,618	(10,424,606)
<i>Other comprehensive income that cannot be classified through profit and loss</i>	-	-	-	-
TOTAL COMPREHENSIVE PROFIT / (LOSS)	(6,456,742)	(50,215,813)	6,960,618	(10,424,606)

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

Chief Executive Officer

Director

Chief Financial Officer

**Condensed Interim Cash Flow Statement (Unaudited)**

For The Nine Months Ended March 31, 2020

	Nine Months Ended	
	Mar-31, 2020	Mar-31, 2019
	---- Rupees ----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(5,121,507)	(49,350,864)
Adjustment for non cash items:		
Depreciation	19,962,259	14,616,110
Provision for gratuity	1,177,572	628,500
Loss on disposal of investment	297,605	36,945
Remeasurement (Gain) / Loss on Investment	(420,056)	1,202,950
	21,017,380	16,484,505
Net cash (used in) / from operations before working capital changes	15,895,873	(32,866,359)
Working capital changes		
(Increase) / decrease in current assets		
Stores and spares	(2,722,775)	4,199,804
Stock-in-trade	(15,629,267)	7,526,359
Trade debts	(17,842,482)	6,818,995
Advances, deposits, prepayments & other receivables	(2,750,133)	5,000,406
	(38,944,657)	23,545,564
Increase / (decrease) in current liabilities		
Trade and other payables	48,996,963	19,630,976
Net working capital changes	10,052,306	43,176,539
Income tax paid	(768,515)	(2,980,024)
Net cash flow from operating activities	25,179,664	7,330,156
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipments	(23,891,038)	(8,100,248)
Proceeds from disposal of short term investment	1,083,605	4,486,223
Net cash used in investing activities	(22,807,433)	(3,614,025)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment - security deposit	(11,150,000)	-
Net cash used in financing activities	(11,150,000)	-
Net decrease in cash and cash equivalents	(8,777,769)	3,716,131
Cash and cash equivalents at the beginning of the period	10,685,820	1,855,717
Cash and cash equivalents at the end of the period	1,908,051	5,571,848

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

Chief Executive Officer

Director

Chief Financial Officer

PARTICULARS	SHARE CAPITAL		RESERVES				SHAREHOLDERS' EQUITY	
	Rupees		CAPITAL		REVENUE		Rupees	
	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, 2018 - (Audited)	6,875,000	(282,788,556)	24,626,998	(251,286,558)	(139,755,623)	(391,042,181)	593,576,099	
Incremental depreciation transferred to retained earnings	-	-	(1,465,948)	(1,465,948)	1,465,948	-	-	
Net loss for the period ended	-	-	-	-	(50,215,813)	(50,215,813)	(50,215,813)	
Balance as at March 31, 2019	6,875,000	(282,788,556)	23,161,050	(252,752,506)	(188,505,488)	(441,257,994)	543,360,286	
Surplus on revaluation of Land	-	-	5,208,400	5,208,400	-	5,208,400	5,208,400	
Incremental depreciation transferred to retained earnings	-	-	(923,531)	(923,531)	923,531	-	-	
Remeasurement of plan obligation - gratuity scheme	-	-	-	-	(330,717)	(330,717)	(330,717)	
Net loss for the period ended	-	-	-	-	(840,244)	(840,244)	(840,244)	
Balance as at June 30, 2019	6,875,000	(282,788,556)	27,445,919	(248,467,637)	(188,752,918)	(437,220,555)	547,397,725	
Incremental depreciation transferred to retained earnings	-	-	(1,667,814)	(1,667,814)	1,667,814	-	-	
Net loss for the period ended	-	-	-	-	(6,456,742)	(6,456,742)	(6,456,742)	
Balance as at March 31, 2020	6,875,000	(282,788,556)	25,778,105	(250,135,451)	(193,541,846)	(443,677,297)	540,940,983	

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

Chief Executive Officer

Director

Chief Financial Officer

Notes to the Condensed Interim Financial Information (Unaudited)
For The Nine Months Ended March 31, 2020

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

This interim financial report of the Company for the period ended 31 March 2020 has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

This interim financial report is unaudited but subject to the limited scope review by the statutory auditors and is being submitted to the shareholders as required by section 245 of the Companies Act, 2017.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

This condensed interim 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 interim financial information are the same as those applied in preparation of the annual financial statements of the Company for the year ended 30 June 2019.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Judgments and estimates made by the management in preparation of this interim financial information are the same as those applied to the annual financial statements for the year ended 30 June 2019.

5. PROPERTY, PLANT AND EQUIPMENT

Operating Assets - note 5.1
Capital Work-in-Progress

Unaudited Mar-31, 2020	Audited June 30, 2019
----- Rupees -----	
281,214,187	297,736,446
76,326,965	55,875,927
357,541,152	353,612,373

	Unaudited Mar-31, 2020	Audited June 30, 2019
----- Rupees-----		
5.1 Opening book value	297,736,446	227,946,342
Add: Cost of additions during the period / year	3,440,000	89,128,257
Surplus on revaluation	-	1,527,022
Less: Depreciation charged during the period / year	(19,962,259)	(20,865,175)
Disposal during the period / year	-	-
	(19,962,259)	(20,865,175)
	281,214,187	297,736,446
6. SHORT TERM INVESTMENTS		
Fair value through profit or loss	6.1 -	1,381,210
Units of mutual funds	6.2 5,292,238	4,872,182
	5,292,238	6,253,392
6.1 Fair value through profit or loss		
Cost of listed shares	1,381,210	6,582,207
Purchased during the year	-	-
Disposal during the year	(1,381,210)	(4,523,168)
	-	2,059,039
Fair value reserve	-	(677,829)
Fair Value of listed shares	-	1,381,210
6.1.1 This includes investments in different listed securities.		
6.2 Units of mutual funds		
Investment in Islamic Certificate	5,292,238	4,872,182

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

7.1.1 Securities and Exchange Commission of Pakistan (SECP) has fined the Company and all the directors for Rupees 0.785million (June 2019:0.785million) under sections 155,233, & 245 and 74 and 476 respectively of the Companies Act, 2017. No provision has been made in this condensed interim financial information for such penalty. Directors and Company have filed appeal before SECP and expect the favorable outcome.

7.2 Commitments

There were no capital or other commitments at the balance sheet date (June 2019: Nil).

8. TRANSACTIONS WITH RELATED PARTIES

There were no related parties during the period ended March 31, 2020 (June 2019: Nil).

9. SEASONALITY

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

10. DATE OF AUTHORIZATION

This condensed interim financial information was approved by the Board of Directors and authorized for issue on April 22, 2020.

11. GENERAL

Certain prior period figures have been reclassified for the purpose of comparison. There were no major reclassifications to report.

Figures have been rounded off to the nearest Rupee.



Chief Executive Officer



Director



Chief Financial Officer