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First Quarterly Report

UNAUDITED ACCOUNTS SEPTEMBER 30, 2016 QUICE FOOD INDUSTRIES LIMITED

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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



Where Taste Begins..



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
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. Muhammad Siraj
Mr. Jawed Yameen
Mr. Salman Haroon

Chairman
Member
Member

Legal Advisor

M/s. Ahmed & Qazi
Advocates & Legal Consultants

Share Registrar

M/s. Technology Trade (Private) Limited
M/s. Technology Trade (Private) Limited
Dagia 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

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**QUICE FOOD INDUSTRIES LIMITED
DIRECTOR'S REVIEW**

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, 2016.

BUSINESS REVIEW

Throughout the period, the Company attained a revenue of Rs. 25.491 million versus Rs. 18.349 million in the same period last year. This viewed increased in consumer demand in market for Juice. However on the other end, the gross margin declined as less margin in Juice product and higher contribution rate of fixed overheads in product cost as well.

The drive in the volume was sustained through aggressive marketing and trade marketing activities piloted during the period. 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-16 Rupees	Un-Audited 30-Sep-15 Rupees
Financial Results		
Net sales	25,491	18,349
Gross profits	1,783	4,534
Depreciation	3,911	2,766
Pre-tax loss	(9,063)	(10,182)
After-tax loss	(9,253)	(10,299)
Earnings per share	(0.09)	(0.13)

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
October 31, 2016

MUHAMMAD ATIF
Chief Executive



**QUICE FOOD INDUSTRIES LIMITED
BALANCE SHEET - (Un-audited)
AS AT 30 SEPTEMBER 2016**

	Note	Un-audited 30-Sep-2016 Rupees	Audited 30-Jun-2016 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Property, plant and equipment	5	359,588,613	362,884,668
Long term deposits		1,994,200	1,994,200
		361,582,813	364,878,868
CURRENT ASSETS			
Stores and spares		2,366,038	2,086,366
Stock-in-trade		173,826,223	159,607,160
Trade debts		43,204,314	105,699,900
Short term investments		16,394,521	18,093,267
Advances, deposits, prepayments & other receivables		66,826,754	69,809,714
Taxation - net		4,386,312	3,254,224
Cash and bank balances		15,920,516	4,206,575
		322,924,678	362,757,206
		684,507,491	727,636,074
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
105,100,000 (June 2016: 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 2016: 98,461,828) ordinary shares of Rupees 10 each		984,618,280	984,618,280
Reserves		(338,197,655)	(329,545,331)
Total equity		646,420,625	655,072,949
Surplus on revaluation of property, plant and equipment		23,432,903	24,033,747
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred liabilities - Provision for gratuity		3,439,570	3,205,570
CURRENT LIABILITIES			
Trade and other payables		11,214,393	45,323,808
		14,653,963	48,529,378
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		684,507,491	727,636,074

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

CHIEF EXECUTIVE OFFICER

DIRECTOR



QUICE FOOD INDUSTRIES LIMITED
 PROFIT AND LOSS ACCOUNT (Un-audited)
 FOR THE PERIOD ENDED 30 SEPTEMBER 2016

	QUARTER ENDED	
	30-Sep-2016	30-Sep-2015
	Rupees	Rupees
SALES	25,491,422	18,348,848
COST OF SALES	<u>(23,708,508)</u>	<u>(13,815,016)</u>
GROSS PROFIT	1,782,914	4,533,832
DISTRIBUTION AND SELLING COST	<u>(8,052,381)</u>	<u>(11,255,867)</u>
ADMINISTRATIVE EXPENSES	<u>(5,106,879)</u>	<u>(4,972,183)</u>
	<u>(13,159,260)</u>	<u>(16,228,050)</u>
OPERATING LOSS	<u>(11,376,346)</u>	<u>(11,694,218)</u>
OTHER OPERATING INCOME	2,325,717	1,518,336
LOSS FROM OPERATIONS	<u>(9,050,629)</u>	<u>(10,175,882)</u>
FINANCE COST	<u>(12,748)</u>	<u>(6,378)</u>
LOSS BEFORE TAXATION	<u>(9,063,377)</u>	<u>(10,182,261)</u>
TAXATION	<u>(189,791)</u>	<u>(116,589)</u>
LOSS AFTER TAXATION	<u>(9,253,168)</u>	<u>(10,298,850)</u>
LOSS PER SHARE- (RUPEES)	<u>(0.094)</u>	<u>(0.131)</u>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR



QUICE FOOD INDUSTRIES LIMITED
 STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
 FOR THE PERIOD ENDED 30 SEPTEMBER 2016

	QUARTER ENDED	
	30-Sep-2016	30-Sep-2015
	Rupees	Rupees
LOSS AFTER TAXATION	(9,253,168)	(10,298,850)
<i>Other comprehensive income that cannot be classified through profit and loss</i>	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(9,253,168)</u>	<u>(10,298,850)</u>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR



**QUICE FOOD INDUSTRIES LIMITED
CASH FLOW STATEMENT (Un-audited)
FOR THE PERIOD ENDED 30 SEPTEMBER 2016**

	QUARTER ENDED	
	30-Sep-2016	30-Sep-2015
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(9,063,377)	(10,182,261)
Adjustment for non cash items:		
Depreciation	3,910,871	2,766,110
Capital gain on sale of fixed asset	(165,227)	-
Capital gain on sale of investments	(280,811)	-
Provision for gratuity	234,000	263,440
	<u>3,698,833</u>	<u>3,029,550</u>
Net cash used in operations before working capital changes	(5,364,544)	(7,152,711)
Working capital changes		
(Increase) / decrease in current assets		
Stores and spares	(279,672)	(124,650)
Stock-in-trade	(14,219,063)	6,944,214
Trade debts	62,495,586	26,606,836
Short term investments	(8,059,804)	-
Advances, deposits, prepayments & other receivables	2,982,959	(10,115,759)
Taxation - net	(1,321,879)	(892,774)
	<u>41,598,127</u>	<u>22,417,866</u>
Increase / (decrease) in current liabilities		
Trade and other payables	(34,109,415)	(5,398,273)
Net working capital changes	<u>7,488,712</u>	<u>17,019,593</u>
Net cash inflows from operating activities	<u>2,124,168</u>	<u>9,866,883</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(971,589)	(4,313,610)
Long term deposits	-	(686,200)
Net cash used in investing activities	<u>(971,589)</u>	<u>(4,999,810)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Sale proceed from sale of fixed asset	522,000	-
Sale proceed from sale of investments	10,039,362	-
Net cash inflows from financing activities	<u>10,561,362</u>	<u>-</u>
Net increase in cash and cash equivalents	<u>11,713,941</u>	<u>4,867,073</u>
Cash and cash equivalents at the beginning of the period	<u>4,206,575</u>	<u>6,526,599</u>
Cash and cash equivalents at the end of the period	<u>15,920,516</u>	<u>11,393,672</u>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

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**QUICE FOOD INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)
FOR THE PERIOD ENDED 30 SEPTEMBER 2016**

	RESERVES				SHAREHOLDER'S EQUITY	
	Premium on issue of capital	Discount on issue of capital	Accumulated loss	Total	SHAREHOLDER'S EQUITY	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 30 June 2015 - (Audited)	984,618,280	6,875,000	(282,788,556)	(52,837,403)	655,867,321	
Incremental depreciation transferred to retained earnings	-	-	-	664,880	664,880	
Comprehensive loss for the period ended	-	-	(10,298,850)	(10,298,850)	(10,298,850)	
Balance as at 30 September 2015 - (Un-audited)	984,618,280	6,875,000	(282,788,556)	(62,471,373)	(338,384,929)	646,233,351
Balance as at 30 June 2016 - (Audited)	984,618,280	6,875,000	(282,788,556)	(53,631,775)	655,072,949	
Incremental depreciation transferred to retained earnings	-	-	-	600,844	600,844	
Comprehensive loss for the period ended	-	-	(9,253,168)	(9,253,168)	(9,253,168)	
Balance as at 30 September 2016 - (Un-audited)	984,618,280	6,875,000	(282,788,556)	(62,284,099)	(338,197,655)	646,420,625

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

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QUICE FOOD INDUSTRIES LIMITED
NOTES TO THE QUARTERLY FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

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 approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

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 2016.

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 2016.

	Un-audited 30-Sep-2016	Audited 30-Jun-2016
	Rupees	Rupees
5. Property, plant and equipment		
Operating Assets - note 5.1	244,520,222	248,401,227
Capital Work-in-Progress	115,068,391	114,483,441
	<u>359,588,613</u>	<u>362,884,668</u>



	Un-audited 30-Sep-2016	Audited 30-Jun-2016
	Rupees	Rupees
5.1 Opening book value	248,401,227	195,745,992
Add:		
Cost of additions during the period / year	386,639	66,562,788
Less:		
Disposal during the period - net	(356,773)	-
Depreciation charged during the period / year	(3,910,871)	(13,907,553)
	<u>244,520,222</u>	<u>248,401,227</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 2016.

6.2 Commitments

There were no capital or other commitments at the balance sheet date (30 June 2016: 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 October 31, 2016.

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.

CHIEF EXECUTIVE OFFICER

DIRECTOR