



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. Muhammad Siraj
Mr. Jawed Yameen

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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DIRECTOR'S REPORT

On behalf of the Board of Directors of Quice Food Industries Limited (the Company), we are pleased to submit the report and the condensed interim financial information of the Company for the nine months ended March 30, 2017.

Business Review

The Company continued to focus on volume driven sales growth with the nine months ended attained a revenue of Rs. 49.992 million versus Rs. 74.887 million in the corresponding period last year. Volumes in Juice Segment have grown period on period, but volumetric growth remained under pressure in the Syrup segment due to changes in material prices and intensive competition. During the nine months period ended, volumetric growth in Juice Segment viewed increased in consumer demand in market, however on the other end, the gross margin declined as less margin in Juice segment and higher contribution rate of fixed overheads in product cost as well.

The implementation of a change in purchase costs has resulted in an increase in the cost of doing business. The impact of this has been partly passed on to the consumer in the form of price increases.

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. Different outdoor campaigns and activities were also conducted that has positively impacted the brand.

The financial performance of the Company is presented as:

	Mar-17 <i>PKR"000"</i>	Mar-16 <i>PKR"000"</i>
Financial Results		
Net sales	49,992	74,887
Gross (loss) / profit	(945)	17,355
Depreciation	14,750	8,499
Pre-tax loss	(46,994)	(33,009)
After-tax loss	(47,429)	(33,341)
Earnings per share	(0.48)	(0.34)

FUTURE OUTLOOK

We aim to accelerate volumetric growth and market positions and are positive 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 to 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.

On behalf of the Board

MUHAMMAD ATIF
Chief Executive

Karachi
April 30, 2017

Quarterly Report March 31, 2017 _____ (5)



Condensed Interim Balance Sheet

As at March 31, 2017

Note	(Unaudited)	(Audited)
	March 31, 2017	June 30, 2016
	Rupees	Rupees
ASSETS		
NON-CURRENT ASSETS		
Fixed Assets		
Property, Plant and Equipment	372,021,998	362,884,668
Long term deposits	1,849,200	1,994,200
	373,871,198	364,878,868
CURRENT ASSETS		
Stores and spares	4,819,319	2,086,366
Stock-in-trade	218,940,913	159,607,160
Trade debts	11,357,174	105,699,900
Short term investments	19,749,942	18,093,267
Advances, deposits, prepayments & other receivables	76,478,191	69,809,714
Tax refunds due from government	5,676,776	3,254,224
Cash and bank balances	2,970,332	4,206,575
	339,992,646	362,757,206
	713,863,844	727,636,074
TOTAL ASSETS		
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital		
105,100,000 (30 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 and reserves		
98,461,828 (30 June 2016: 98,461,828) ordinary shares of Rupees 10 each	984,618,280	984,618,280
Reserves	(375,216,626)	(329,545,331)
Total equity	609,401,654	655,072,949
Surplus on revaluation of property, plant and equipment	22,275,903	24,033,747
LIABILITIES		
NON-CURRENT LIABILITIES		
Deferred liabilities - Provision for gratuity	3,907,570	3,205,570
CURRENT LIABILITIES		
Trade and other payables	78,278,717	45,323,808
Total liabilities	82,186,287	48,529,378
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	713,863,844	727,636,074

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

Muhammad Atif
Chief Executive

Muhammad Siraj
Director

Quarterly Report March 31, 2017 _____ (6)

Condensed Interim Profit And Loss Account
For the nine months ended March 31, 2017 - Unaudited

Note	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	Rupees	Rupees	Rupees	Rupees
Sales	49,992,222	74,887,129	15,364,135	48,128,362
Cost of Sales	(50,937,439)	(57,532,104)	(10,174,906)	(30,252,616)
Gross (Loss) / Profit	(945,217)	17,355,026	5,189,230	17,875,747
Distribution Cost	(33,889,332)	(31,430,959)	(6,728,948)	(8,480,651)
Administrative Expenses	(17,488,723)	(18,105,999)	(5,751,472)	(6,653,831)
Operating Loss	(51,378,054)	(49,536,958)	(12,480,420)	(15,134,482)
Other Operating Income / expense	(52,323,271)	(32,181,933)	(7,291,190)	2,741,264
	5,380,873	(771,823)	(921,580)	2,216,961
(Loss) / Profit from Operations	(46,942,399)	(32,953,756)	(8,212,770)	4,958,225
Finance Cost	(51,548)	(55,303)	(26,683)	(15,494)
(Loss) / Profit before Taxation	(46,993,947)	(33,009,059)	(8,239,453)	4,942,731
Taxation #VALUE!	(435,192)	(332,264)	(146,332)	(143,934)
(Loss) / Profit after Taxation	(47,429,139)	(33,341,323)	(8,385,785)	4,798,797
(Loss) / earning Per Share- Basic And Diluted	(0.48)	(0.34)	(0.09)	0.05

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

Muhammad Atif
Chief Executive

Muhammad Siraj
Director

Condensed Interim Statement of Comprehensive Income
For the nine months ended March 31, 2017 - Unaudited

	NINE MONTHS ENDED		QUARTER ENDED	
	March 31 2017	March 31 2016	March 31 2017	March 31 2016
	Rupees	Rupees	Rupees	Rupees
(Loss) / Profit after Taxation	(47,429,139)	(33,341,323)	(8,385,785)	4,798,797
Other Comprehensive Income				
Total Comprehensive (Loss) / Profit for the period	(47,429,139)	(33,341,323)	(8,385,785)	4,798,797

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

Muhammad Atif
Chief Executive

Muhammad Siraj
Director

Condensed Interim Statement of Cash Flows
For the nine months ended March 31, 2017 - Unaudited

Note	NINE MONTHS ENDED	
	March 31 2017 Rupees	March 31 2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(46,993,947)	(33,009,059)
Adjustment for non cash items:		
Depreciation	14,750,619	8,498,739
Provision for gratuity	702,000	727,102
Gain on sale of assets	(165,227)	-
Remeasurement Gain / (Loss) Investment	(2,127,441)	5,069,265
Gain / (Loss) on sale of equity shares	(1,669,262)	26,495
	<u>11,490,689</u>	<u>14,321,601</u>
Net cash used in from operations before working capital changes	(35,503,257)	(18,687,458)
Working capital changes		
(Increase) / decrease in current assets		
Stores and spares	(2,732,953)	(1,139,737)
Stock-in-trade	(59,333,753)	(66,060,925)
Trade debts	94,342,726	72,240,004
Advances, deposits & other receivables	(6,668,477)	(69,000,281)
	<u>25,607,543</u>	<u>(63,960,938)</u>
Increase / (decrease) in current liabilities		
Trade and other payables	32,519,717	421,095
Net working capital changes	58,127,260	(63,539,844)
Income tax paid	(2,422,552)	(1,646,871)
Net cash flow / (used in) from operating activities	20,201,451	(83,874,173)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(24,244,722)	(10,464,628)
Long term deposits	145,000	(694,200)
Short term investments	(49,708,403)	89,648,584
Sale proceed against sale of fixed assets	522,000	-
Sale proceed against sale of equity shares	51,848,431	698,005
Net cash (used in)/ flow from investing activities	(21,437,694)	79,187,761
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash flow from financing activities	-	-
Net decrease in cash and cash equivalents	(1,236,243)	(4,686,412)
Cash and cash equivalents at the beginning of the period	4,206,575	6,526,599
Cash and cash equivalents at the end of the period	2,970,332	1,840,187

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

Muhammad Atif
Chief Executive

Muhammad Siraj
Director

Condensed Interim Statement of Changes in Equity
For the nine months ended March 31, 2017 - Unaudited

	SHARE CAPITAL Rupees	RESERVES			SHAREHOLDER'S EQUITY Rupees
		Premium on issue of capital Rupees	Discount on issue of capital Rupees	Accumulated loss Rupees	
Balance as at June 30, 2015 - Audited	984,618,280	6,875,000	(282,788,556)	(52,837,403)	655,867,322
Incremental depreciation transferred to retained earnings	-	-	-	1,945,189	1,945,189
Comprehensive loss for the period ended	-	-	-	(33,341,323)	(33,341,323)
Balance as at 31 March 2016 - Un-audited	984,618,280	6,875,000	(282,788,556)	(84,233,537)	624,471,187
Incremental depreciation transferred to retained earnings	-	-	-	616,250	616,250
Comprehensive income for the period ended	-	-	-	29,985,511	29,985,511
Balance as at June 30, 2016 - Audited	984,618,280	6,875,000	(282,788,556)	(53,631,775)	655,072,949
Incremental depreciation transferred to retained earnings	-	-	-	1,757,844	1,757,844
Comprehensive loss for the nine months ended March 31, 2017	-	-	-	(47,429,139)	(47,429,139)
Balance as at March 31, 2017 - Unaudited	984,618,280	6,875,000	(282,788,556)	(99,303,070)	609,401,654

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

Muhammad Atif
Chief Executive

Muhammad Siraj
Director

**Selected Notes to and Forming Part of the
Condensed Interim Financial Information**

For the nine months ended March 31, 2017 - Unaudited

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. 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. The production activities are carried out at Swat & Hub units. However, 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 condensed interim financial report of the Company for the half year ended 31 December 2016 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 Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed 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 Ordinance, 1984.

2.2 Basis of measurement

This condensed interim 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 condensed 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 condensed 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 2016.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Judgments and estimates made by the management in preparation of this condensed interim financial information are the same as those applied to the annual financial statements for the year ended 30 June 2016.

5. PROPERTY, PLANT AND EQUIPMENT

Operating Assets - note 5.1
Capital Work-in-Progress

5.1 Opening book value

Add: Cost of additions during the period / year

Less: Depreciation charged during the period / year

Disposal during the period / year

6. SHORT TERM INVESTMENTS

Equity investments

6.1 Equity Investments

Marketable securities - Listed

Cost of listed Shares

Purchased during the year

Disposal during the year

Fair value reserve

Fair Value of listed shares

6.1.1 This includes investments in different listed securities.

	Unaudited	Audited
	March 31, 2016	June 30, 2016
	Rupees	Rupees
Operating Assets - note 5.1	238,441,282	248,401,227
Capital Work-in-Progress	133,580,716	114,483,441
	372,021,998	362,884,668
5.1 Opening book value	248,401,227	195,745,992
Add: Cost of additions during the period / year	5,147,447	66,562,788
Less: Depreciation charged during the period / year	(14,750,619)	(13,907,553)
Disposal during the period / year	(356,773)	-
	(15,107,392)	(13,907,553)
	238,441,282	248,401,227
6. SHORT TERM INVESTMENTS		
Equity investments	6.1 19,749,942	18,093,267
	19,749,942	18,093,267
6.1 Equity Investments		
Marketable securities - Listed		
Cost of listed Shares	18,093,267	24,602,855
Purchased during the year	49,708,403	4,105,002
Disposal during the year	(50,179,169)	(5,923,349)
	17,622,501	22,784,508
Fair value reserve	2,127,441	(4,691,241)
Fair Value of listed shares	19,749,942	18,093,267

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

7.1.1 Securities and Exchange Commission of Pakistan (SECP) has fined the Company and all the directors for Rupees 0.785 million (June 2016: 0.785 million) under sections 155, 233, & 245 and 74 and 476 respectively of the Companies Ordinance, 1984. 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 (30 June 2016: Nil).

8. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise directors, distributor and major supplier.

Nature of relationship	Nature of transactions	Unaudited	Unaudited
		March 31, 2017	March 31, 2016
		Rupees	Rupees
Major customers	Sales	7,895,650	46,628,317
Major suppliers	Purchases	9,793,565	22,780,967

		Unaudited	Audited
		March 31, 2017	June 30, 2016
		Rupees	Rupees
Major customers	Trade debts	-	30,878,803
Key management personnel	Loans and advances	7,218,083	3,906,162

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 26, 2017.

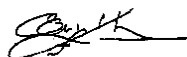
11. GENERAL

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.



Muhammad Atif
Chief Executive



Muhammad Siraj
Director