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Where Taste Begins..

3 Quarterly Report

UNAUDITED ACCOUNTS
March 31, 2015



QUICE FOOD INDUSTRIES LIMITED

If undelivered, please return to:

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. Munawwar Ali Bhatti
Mr. Muhammad Riaz
Mr. Qazi Imran
Mr. Sardar Iftikhar Ahmed

Chief Executive

Director
Director
Director
Director
Director

Company Secretary

Mr. Iqbal Shahid

Bankers

Allied Bank Limited
Habib Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
United Bank Limited

Auditors

M/s. Aslam Malik & Co.
Chartered Accountants,
Suit # 18-19, 1st Floor, Central Plaza,
Civic Centre, New Garden Town,
Lahore, Pakistan.

Audit Committee

Mr. Sardar Iftikhar Ahmed
Mr. Muhammad Siraj
Mr. Salman Haroon

Chairman
Member
Member

Legal Advisor

M/s. Ahmed & Qazi
Advocates & Legal Consultants
403,404 Clifton Centre, Clifton,
Karachi.

Share Registrar

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, Mezzanine Floor, Madina Palace,
Faran Co-operative Housing Society,
Dhorajee Colony, KARACHI.

Factory

Sher Zaman Plaza, Near Rahimabad Post Office
G.T. Road, Rahimabad, SWAT.

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Directors' Review

The Directors of your Company have the pleasure in presenting to you the financial results of your Company which include un-audited financial statements for the third quarter ended March 31, 2015.

Overview

Your Company registered an overall growth of 29.86% to 72.504 million during nine months compared to 55.833 million sold in the same period last year. Sales volume registered a growth of 42.18% to 0.060 million cartons during the nine months compared to 0.042 million cartons during the same period last year.

Financial Performance

Nine months 14-15		Nine months 13-14		% changes	
- Revenue	72.504	- Revenue	55.833	- Revenue	30%
- GP	13.156	- GP	19.356	- GP	(32%)
- Depreciation	8.504	- Depreciation	6.686	- Depreciation	27%
- OL	26.246	- OL	4.833	- OL	443%
- Taxation	0.247	- OL	-	- OL	100%
- NL	22.664	- Taxation	2.570	- Taxation	782%
- EPS	0.43	- NL	0.49	- NL	100%
		- EPS		- EPS	(12%)

During the quarter under review, your Company achieved an overall net revenue growth of 29.86% contributed by increase in volume and market share.

Your Company achieved a gross profit of Rupees 13.156 million during the quarter under review compared to 19.356 million reported in the same period last year.

The Sales Volume boost by 42.18% as compared to same period last year refers to accomplishment in capturing the market share. However, the decreasing trend in gross profit depict inflation, energy shortages and high overhead rate.

We continue to operate in a difficult business environment where deteriorating law and order situation, high inflation, weakening rupee and counterfeits test the resilience of the business and its people. We continue to apply a rigorous approach to supply chain costs and savings. Cost rationalization initiatives across the entire spectrum of business will continue to remain our priority.

We are confident that brand building and activation measures will deliver better results and our future growth is contingent upon such investments.

Outlook:

Your Company is quite optimistic about its volumetric growth in the current reporting year. Your Company's strong financial position and free cash flow generating ability would also help investing in the projects and avenues which would continue to bring in further efficiencies and increase shareholder value.

However, the business is fully equipped to deal with challenges and will continue to invest, innovate and stand committed to creating value for you.

Acknowledgement:

Your directors take this opportunity to express their deep sense of gratitude to all the stakeholders for their encouragement and support.

The management will continue to focus on key growth parameters of; innovation, brand differentiation and continuous business expansion including expansion in new categories.

We would like to place on record our sincere appreciation for the commitment, dedication and hard work put in by every member of the Quice family.

May Allah give us the courage to face the challenges ahead. A'meen

On behalf of the Board



MUHAMMAD ATIF
Chief Executive Officer

Karachi

April 27, 2015

condensed interim balance sheet as at March 31, 2015

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment
Operating assets
Capital work in progress

CURRENT ASSETS

Stores and spares
Stock-in-trade
Trade debts
Short term investments
Advances, deposits & other receivables
Accrued profit
Advance income tax
Sales tax receivable
Cash and bank balances

TOTAL ASSETS

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Authorized share capital

105,100,000 (30 June 2014: 105,100,000) ordinary shares of Rupees 10 each

Issued, subscribed and paid up share capital

98,461,827 (30 June 2014: 52,200,550) ordinary shares of Rupees 10 each

Reserves

Total equity

Surplus on revaluation of property, plant and equipment

LIABILITIES

NON-CURRENT LIABILITIES

Deferred liabilities - Provision for gratuity

CURRENT LIABILITIES

Trade and other payables
Income tax payable

Total liabilities

CONTINGENCIES AND COMMITMENTS

TOTAL EQUITY AND LIABILITIES

Note	Un-audited 31 March 2015 Rupees	Audited 30 June 2014 Rupees
	357,534,749	139,369,437
	2,490	-
	42,854,532	43,057,387
	67,723,180	134,109,012
6	135,070,279	-
	57,678,287	10,891,032
	181,047	5,503
	646,113	250,740
	1,467,586	2,281,100
	8,550,040	1,974,023
	314,173,554	192,568,797
	671,708,303	331,938,234
	1,051,000,000	1,051,000,000
	984,618,280	522,005,500
	(357,120,979)	(242,149,750)
	627,497,301	279,855,750
	27,277,114	29,346,315
	3,474,115	2,803,861
	13,057,971	19,527,535
	401,802	404,773
	13,459,773	19,932,308
	16,933,888	22,736,169
7	-	-
	671,708,303	331,938,234

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

Muhammad Atif
Chief Executive Officer

Muhammad Siraj
Director



condensed interim
profit and loss account - (Unaudited)
for the period ended March 31, 2015

	Nine Months Ended		Quarter Ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Rupees	Rupees	Rupees	Rupees
SALES	72,504,343	55,832,963	40,696,367	18,224,467
COST OF SALES	(59,348,547)	(36,476,759)	(25,127,450)	(11,200,736)
GROSS PROFIT	13,155,796	19,356,204	15,568,917	7,023,731
DISTRIBUTION AND SELLING COST	(19,460,809)	(14,000,479)	(6,661,125)	(4,269,046)
ADMINISTRATIVE EXPENSES	(19,941,205)	(10,188,883)	(7,659,070)	(5,110,102)
	(39,402,014)	(24,189,362)	(14,320,195)	(9,379,148)
OPERATING PROFIT / (LOSS)	(26,246,218)	(4,833,158)	1,248,722	(2,355,417)
OTHER OPERATING INCOME	3,807,780	2,205,606	1,493,649	47,173
PROFIT / (LOSS) FROM OPERATIONS	(22,438,437)	(2,627,552)	2,742,372	(2,308,244)
FINANCE COST	(13,715)	(27,965)	(2,676)	(10,749)
EXCHANGE GAIN ON CURRENCY REVALUATION	35,018	85,650	14,007	(99,661)
PROFIT / (LOSS) BEFORE TAXATION	(22,417,134)	(2,569,867)	2,753,703	(2,418,654)
TAXATION	(247,029)	-	(125,888)	-
PROFIT / (LOSS) AFTER TAXATION	(22,664,163)	(2,569,867)	2,627,815	(2,418,654)
EARNINGS / (LOSS) PER SHARE- BASIC AND DILUTED (RUPEES)	(0.43)	(0.05)	0.05	(0.05)

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

Muhammad Atif
Chief Executive Officer

Muhammad Siraj
Director



condensed interim statement of
comprehensive income - (unaudited)
for the period ended March 31, 2015

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Rupees	Rupees	Rupees	Rupees
PROFIT / (LOSS) AFTER TAXATION	(22,664,163)	(2,569,867)	2,627,815	(2,418,654)
Other comprehensive income				
Remeasurment loss on short term investments	(1,937,010)	-	(1,459,815)	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	(24,601,173)	(2,569,867)	1,168,000	(2,418,654)

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

Muhammad Atif
Chief Executive Officer

Muhammad Siraj
Director

condensed interim statement of
cash flows - (Unaudited)
for the period ended March 31, 2015

	NINE MONTHS ENDED	
	31 March 2015 Rupees	31 March 2014 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(22,417,134)	(2,569,867)
Adjustment for non cash items:		
Depreciation	8,503,508	6,685,739
Provision for gratuity	670,254	376,490
Gain on sale of equity shares	(584,304)	-
Net cash (used in)/inflows from operations before working capital changes	(13,827,676)	4,492,362
Working capital changes (Increase) / decrease in current assets		
Store & spares	(2,490)	-
Stock-in-trade	202,855	(21,106,810)
Trade debts	66,385,832	41,566,496
Short term investments	(138,947,205)	-
Advances, deposits & other receivables	(46,787,255)	(52,149,551)
Accrued profit	(175,544)	-
Advance tax	(395,373)	20,185
Sales tax receivable	813,514	(1,104,310)
	(118,905,666)	(32,773,990)
Increase / (decrease) in current liabilities		
Trade and other payables	(6,469,564)	2,851,159
Income tax payable	-	1,840,848
Net working capital changes	(125,375,230)	(28,081,983)
Income tax paid	(250,000)	-
Net cash used in operating activities	(139,452,906)	(23,589,622)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(226,585,521)	(5,578,081)
Sale proceed against sale of equity shares	2,524,220	-
Net cash used in investing activities	(224,061,301)	(5,578,081)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share issue other than right	262,612,780	-
Share issue - right	200,000,000	-
Discount on issue of shares	(92,522,556)	-
Net cash inflows from financing activities	370,090,224	-
Net increase / (decrease) in cash and cash equivalents	6,576,017	(29,167,703)
Cash and cash equivalents at the beginning of the period	1,974,023	29,559,881
Cash and cash equivalents at the end of the period	8,550,040	392,178

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

Muhammad Atif
Chief Executive Officer

Muhammad Siraj
Director

condensed interim statement of
changes in equity - (Unaudited)
for the period ended March 31, 2015

	RESERVES		SHAREHOLDERS' EQUITY	
	Premium on issue of capital	Discount on issue of capital	Accumulated loss	Total
	Rupees	Rupees	Rupees	Rupees
SHARE CAPITAL				
	Rupees	Rupees	Rupees	Rupees
Balance as at 30 June 2013 - (Audited) restated	522,005,500	6,875,000	(84,838,866)	253,775,634
Incremental depreciation transferred to retained earnings	-	-	2,400,585	2,400,585
Comprehensive income for the period ended	-	-	2,569,867	2,569,867
Balance as at 31 March 2014 - (Un-audited)	522,005,500	6,875,000	(79,868,414)	258,746,086
Comprehensive income for the period ended	-	-	21,109,664	21,109,664
Balance as at 30 June 2014 - (Audited)	522,005,500	6,875,000	(58,758,750)	279,855,750
Issue of shares - Other than right	262,612,780	-	-	262,612,780
Issue of shares - right	200,000,000	-	-	200,000,000
Discount on issue of shares - Other than right	-	(40,000,000)	-	(40,000,000)
Discount on issue of shares - right	-	(52,522,556)	-	(52,522,556)
Incremental depreciation transferred to retained earnings	-	-	2,152,500	2,152,500
Comprehensive income for the period ended	-	-	(24,601,173)	(24,601,173)
Balance as at 31 March 2015 - (Un-audited)	984,618,280	6,875,000	(81,207,424)	627,495,301

Balance as at 30 June 2013 - (Audited) restated
Incremental depreciation transferred to retained earnings
Comprehensive income for the period ended

Balance as at 31 March 2014 - (Un-audited)
Comprehensive income for the period ended
Balance as at 30 June 2014 - (Audited)
Issue of shares - Other than right
Issue of shares - right
Discount on issue of shares - Other than right
Discount on issue of shares - right
Incremental depreciation transferred to retained earnings
Comprehensive income for the period ended
Balance as at 31 March 2015 - (Un-audited)

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

Muhammad Atif
Chief Executive Officer

Muhammad Siraj
Director



notes to the condensed interim
financial information - (Unaudited)
for the period ended March 31, 2015

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 nine months period ended 31 March 2015 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.

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 quarterly financial information, except for cash flow information, has been prepared under the accrual basis of accounting.

2.3 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 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 2014.

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 2014.

5. PROPERTY, PLANT AND EQUIPMENT

	Un-audited 31 March 2015	Audited 30 June 2014
	Rupees	Rupees
Opening book value	83,823,939	88,442,880
Add:		
Cost of additions during the period / year	211,118,447	5,356,764
Less:		
Depreciation charged during the period / year	(8,503,508)	(8,901,105)
Deficit on revaluation	-	(1,074,600)
	(8,503,508)	(9,975,705)
	<u>286,438,878</u>	<u>83,823,939</u>



6. INVESTMENTS

	Un-audited 31 March 2015	Audited 30 June 2014
	Rupees	Rupees
Equity investments (available-for-sale)	6.1 23,070,279	-
Certificates	6.2 112,000,000	-
	<u>135,070,279</u>	<u>-</u>
6.1 Equity Investments: Available-for-sale		
Marketable securities - Listed	25,007,289	-
Less: Provision for impairment in value of investments	6.1.1 (1,937,010)	-
	<u>23,070,279</u>	<u>-</u>
6.1.1 Reconciliation of provision for impairment in Value of investments		
Opening provision	-	-
Provision made during the period	1,937,010	-
Closing provision	<u>1,937,010</u>	<u>-</u>
6.2 Certificates		
Investment in Islamic Certificates	<u>112,000,000</u>	<u>-</u>

6.2.1 This includes monthly modaraba certificates and premium certificates carry interest rate from 6.5% to 7% per annum.

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 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 2014: Nil).

8. 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.

9. DATE OF AUTHORIZATION

This condensed interim financial information was approved by the Board of Directors and authorized for issue on April 27, 2015.

10. 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