



Quarterly Report  
September 2020



Growing with  
Flavors





# Table of Contents

Company Information	02
Directors' Review	03
Directors' Review - Urdu	04
Balance Sheet	05
Profit & Loss Account	06
Statement of Comprehensive Income	07
Cash Flow Statement	08
Statement of Changes in Equity	09
Notes to the interim financial information	10

# Company Information

## Board of Directors

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

## Company Secretary

Mr. Iqbal Shahid

## 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

## Legal Advisor

M/s. Ahmed & Qazi  
Advocates & Legal Consultants

## Bankers

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

## Auditors

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

## Share Registrar

M/s. F.D. Registrar Services (SMC-Pvt.) Ltd.  
Office No. 1705, 17th Floor, Saima Trade  
Tower-A, I.I Chundrigar Road, Karachi.

## Registered Office

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

# Review of the Board

for the quarter ended September 30, 2020

The Board of Directors are pleased to present their review on financial performance and affairs of the Company's financial statements for the quarter ended September 30<sup>th</sup> 2020.

The Company posted a net sale of Rs 23.320 million vs. Rs 27.104 million in the corresponding period last year. A brief review of the Company's financial performance for the period against the corresponding period of the last year is as follows:

## Financial highlights

	2020 Rupees "000"	2019 Rupees "000"
Net sales	23,320	27,104
Gross loss	5,710	4,546
Depreciation	7,633	6,603
Pre-tax loss	10,540	14,244
After-tax loss	10,841	14,583

As the economic challenges are mounting and posing a bigger threat to the economy, the Company remains focused on minimizing the possible impact of COVID-19 on its performance.

Further, the rupee devaluation per US dollar had a cumulative effect on the cost of purchases which contributed mainly to the increase in product cost.

## Future Prospects

We do foresee certain headwinds in the short term in the form of Rupee depreciation, higher inflation and input costs which might have a negative impact on the future results.

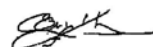
The financial position and free cash flow generating ability are anticipated to further support to improve operational efficiencies and new investments as well, which can bring in further improvement in efficiencies and enhance shareholders' value.

## Acknowledgement

We take pleasure in expressing honest appreciation for the commitment and contribution by all the stakeholders.



Chief Executive



Director

Karachi  
November 26, 2020

## ڈائریکٹرز کا جائزہ

بورڈ آف ڈائریکٹرز 30 ستمبر 2020 کو ختم ہونے والی سہ ماہی کے لئے کمپنی کی مالی بیانات اور مالی معاملات کے بارے میں اپنا جائزہ پیش کرنے پر راضی ہیں۔

گذشتہ سال کے اسی عرصے میں کمپنی نے 27.104 ملین بمقابلہ 23.320 ملین روپے کی خالص فروخت پوسٹ کی تھی۔ گذشتہ سال کے اسی عرصے کے مقابلے میں کمپنی کی مالی کارکردگی کا ایک مختصر جائزہ مندرجہ ذیل ہے۔

مالیاتی جھلکیاں	2020 روپے "000"	2019 روپے "000"
خالص فروخت	23,320	27,104
مجموعی نقصان	5,710	4,546
فروڈگی	7,633	6,603
قبل از ٹیکس نقصان	10,540	14,244
بعد از ٹیکس نقصان	10,841	14,583

چونکہ معاشی چیلنجز بڑھ رہے ہیں اور معیشت کو ایک بڑا خطرہ لاحق ہے، تاہم کمپنی اپنی کارکردگی پر COVID-19 کے ممکنہ اثرات کو کم کرنے پر توجہ مرکوز رکھے ہوئے ہے۔

مزید یہ کہ امریکی ڈالر کے مطابق روپے کی قدر میں خریداری کی لاگت بنیادی طور پر مصنوعات کی لاگت میں اضافے میں اہم کردار ادا کرتی ہے۔

### مستقبل کے امکانات

ہم مختصر مدت میں روپے کی قدر میں کمی، زیادہ افراط زر واران پٹ لاگت کی شکل میں کچھ خاص پیشیاں دیکھتے ہیں جس کا اثر مستقبل کے نتائج پر پڑ سکتا ہے۔

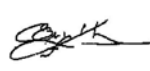
مالی پوزیشن اور مفت نقد بہاؤ پیدا کرنے کی صلاحیت سے توقع کی جاتی ہے کہ وہ آپریشنل اہلیت اور نئی سرمایہ کاری کو بہتر بنانے کیلئے مزید مدد فراہم کر سکیں، جو استعداد کار میں مزید بہتری لائیں اور شیئر ہولڈرز کی قدر کو بڑھا سکیں۔

### اعتراف

ہم تمام اسٹیک ہولڈرز کے عزم اور شراکت کیلئے دیانت دار نہ تعریف کے اظہار میں خوشی محسوس کرتے ہیں۔



Chief Executive



Director

کراچی

26 نومبر 2020

# BALANCE SHEET - Unaudited

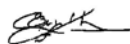
AS AT SEPTEMBER 30, 2020

	Note	Unaudited Sep-30, 2020	Audited June-30, 2020
----- Rupees -----			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>Fixed Assets</b>			
Property, plant and equipment	5	349,055,441	356,688,810
Long term deposits		1,869,200	1,869,200
		<u>350,924,641</u>	<u>358,558,010</u>
<b>CURRENT ASSETS</b>			
Stores and spares		7,771,313	5,652,656
Stock-in-trade		315,414,632	324,622,739
Trade debts		20,986,706	20,261,803
Short term investments	6	5,511,114	4,187,624
Advances, deposits, prepayments & other receivables		5,390,694	5,111,043
Taxation - net		11,010,409	10,924,324
Cash and bank balances		10,903,758	7,190,668
		<u>376,988,626</u>	<u>377,950,857</u>
		<u>727,913,267</u>	<u>736,508,867</u>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
105,100,000 (30 June 2019: 105,100,000)			
ordinary shares of Rs 10 each		1,051,000,000	1,051,000,000
<b>Issued, subscribed and paid up share capital and reserves</b>			
98,461,828 (June 2019 : 98,461,828)			
ordinary shares of Rs.10 each		984,618,280	984,618,280
Reserves		(495,627,725)	(485,286,637)
Surplus on revaluation of property, plant and equipment		23,937,799	24,438,142
<b>Total equity</b>		<u>512,928,354</u>	<u>523,769,785</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Deferred liabilities		5,270,244	4,997,334
Security deposit payables		45,500,000	45,500,000
		<u>50,770,244</u>	<u>50,497,334</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		162,987,169	161,014,248
Short term position of deferred liability		1,227,500	1,227,500
		<u>164,214,669</u>	<u>162,241,748</u>
<b>Total liabilities</b>		<u>214,984,913</u>	<u>212,739,082</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>727,913,267</u>	<u>736,508,867</u>

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



Chief Executive



Director



Chief Financial Officer

# PROFIT AND LOSS ACCOUNT - Unaudited

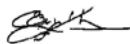
FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	Quarter Ended	
	Sep-30, 2020	Sep-30, 2019
	---- Rupees ----	
<b>SALES</b>	23,319,628	27,103,755
Cost of sales	(29,029,259)	(31,649,752)
<b>GROSS LOSS</b>	(5,709,631)	(4,545,997)
Distribution cost	(3,223,853)	(5,266,318)
Administrative expenses	(3,056,594)	(3,973,293)
Other operating expenses	-	(653,572)
	(6,280,447)	(9,893,183)
Operating loss	(11,990,078)	(14,439,180)
Other operating income	1,524,053	238,239
	(10,466,025)	(14,200,941)
Finance cost	(73,968)	(43,474)
<b>LOSS BEFORE TAXATION</b>	(10,539,993)	(14,244,415)
Taxation	(301,439)	(338,797)
<b>LOSS AFTER TAXATION</b>	(10,841,432)	(14,583,212)
<b>LOSS PER SHARE</b>	(0.110)	(0.148)

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



Chief Executive



Director



Chief Financial Officer



# STATEMENT OF COMPREHENSIVE INCOME - Unaudited

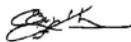
FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	Quarter Ended	
	Sep-30, 2020	Sep-30, 2019
	---- Rupees ----	
<b>LOSS AFTER TAXATION</b>	(10,841,432)	(14,583,212)
Other comprehensive income that cannot be classified through profit and loss	-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<u>(10,841,432)</u>	<u>(14,583,212)</u>

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



Chief Executive



Director



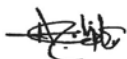
Chief Financial Officer

# CASH FLOW STATEMENT - Unaudited


FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	Quarter Ended	
	Sep-30, 2020	Sep-30, 2019
	----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Loss before taxation</b>	(10,539,993)	(14,244,415)
<b>Adjustment for non cash items:</b>		
Depreciation	7,633,369	6,603,421
Provision for gratuity	272,910	392,524
Remeasurement loss on investmnt	(1,323,490)	653,572
	6,582,789	7,649,517
<b>Net cash used in operations before working capital changes</b>	(3,957,204)	(6,594,898)
<b>Working capital changes</b>		
(Increase) / decrease in current assets		
Stores and spares	(2,118,657)	230,352
Stock-in-trade	9,208,107	18,689,203
Trade debts	(724,903)	5,815,638
Advances, deposits, prepayments & other receivables	(279,651)	(20,279,556)
	6,084,896	4,455,637
Increase / (decrease) in current liabilities		
Trade and other payables	1,972,921	(4,891,528)
<b>Net working capital changes</b>	8,057,817	(435,892)
Income tax paid	(387,523)	(165,612)
<b>Net cash flows from / (used in) operating activities</b>	3,713,090	(7,196,402)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	-	-
<b>Net decrease in cash and cash equivalents</b>	3,713,090	(7,196,402)
<b>Cash and cash equivalents at the beginning of the period</b>	7,190,668	10,685,820
<b>Cash and cash equivalents at the end of the period</b>	10,903,758	3,489,418

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



Chief Executive



Director



Chief Financial Officer

# STATEMENT OF CHANGES IN EQUITY - Unaudited

FOR THE PERIOD ENDED SEPTEMBER 30, 2020

PARTICULARS	SHARE CAPITAL	RESERVES					SHAR-HOLDERS' EQUITY
		CAPITAL		REVENUE			
		Premium on issue of share capital	Discount on issue of share capital	Surplus on revaluation of PPE	Subtotal	Accumulated loss	
----- Rupees -----							
<b>Balance as at June 30, 2019 - Restated</b>	984,618,280	6,875,000	(282,788,556)	26,574,780	(249,338,776)	(172,961,135)	562,318,369
Incremental depreciation transferred to retained earnings	-	-	-	(555,938)	(555,938)	555,938	-
Net loss for the period ended	-	-	-	-	-	(14,583,212)	(14,583,212)
<b>Balance as at September 30, 2019</b>	<u>984,618,280</u>	<u>6,875,000</u>	<u>(282,788,556)</u>	<u>26,018,842</u>	<u>(249,894,714)</u>	<u>(186,988,409)</u>	<u>(436,883,123)</u>
<b>Balance as at June 30, 2020</b>	984,618,280	6,875,000	(282,788,556)	24,438,143	(251,475,413)	(209,373,081)	523,769,786
Incremental depreciation transferred to retained earnings	-	-	-	(500,344)	(500,344)	500,344	-
Net loss for the period ended	-	-	-	-	-	(10,841,432)	(10,841,432)
<b>Balance as at September 30, 2020</b>	<u>984,618,280</u>	<u>6,875,000</u>	<u>(282,788,556)</u>	<u>23,937,799</u>	<u>(251,975,757)</u>	<u>(219,714,169)</u>	<u>(471,689,926)</u>

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



Chief Executive



Director



Chief Financial Officer

# NOTES TO THE QUARTERLY FINANCIAL INFORMATION

FOR THE PERIOD ENDED SEPTEMBER 30, 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. 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 30 September 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 2020.

## 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 2020.

# NOTES TO THE QUARTERLY FINANCIAL INFORMATION

FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	Unaudited Sep-30, 2020	Audited June 30, 2020
	----- Rupees-----	
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating Assets - note 5.1	329,462,523	337,095,892
Capital Work-in-Progress	19,592,918	19,592,918
	<u>349,055,441</u>	<u>356,688,810</u>
<b>5.1</b>		
Opening book value	337,095,892	297,736,446
Add: Cost of additions during the period / year	-	66,673,080
Less: Depreciation charged during the period / year	(7,633,369)	(27,313,634)
Disposal during the period / year	-	-
	<u>(7,633,369)</u>	<u>(27,313,634)</u>
	<u>329,462,523</u>	<u>337,095,892</u>

## 6. SHORT TERM INVESTMENTS

Investment in Islamic stock fund	5,511,114	4,187,624
----------------------------------	-----------	-----------

## 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 2020: 0.785 million) 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 (30 June 2020: Nil).

## 8. TRANSACTIONS WITH RELATED PARTIES

There were no related parties during the period September 30, 2020 (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.

# NOTES TO THE QUARTERLY FINANCIAL INFORMATION

FOR THE PERIOD ENDED SEPTEMBER 30, 2020

## 10. DATE OF AUTHORIZATION

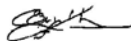
This condensed interim financial information was approved by the Board of Directors and authorized for issue on November 26, 2020.

## 11. GENERAL

- There were no major reclassifications to report.
- Figures have been rounded off to the nearest Rupee.



Chief Executive



Director



Chief Financial Officer

**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