



NINE MONTHS PERIOD  
ENDED MARCH 2021



Growing with  
Flavors





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# 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

# Directors' Report

for the nine months period ended March 31, 2021

The Board of Directors of Quice Food Industries Limited "the Company" is pleased to submit the Directors' report along with the condensed unaudited interim financial information of the Company for the nine months period ended March 31, 2021.

## Business Performance Overview

During the period under review, the business activity was bit impacted with pandemic and related lockdowns. However, Company registered a topline growth of 48% and 23% in third quarter and nine months period, compared to same periods last year.

## Financial highlights

The Gross-Profit (GP) for nine months period ended was Rs. 20.592 million -increased by 7% against same period last year.

Below summary of financial performance (compared with same period last year):

	2021 Rupees "000"	2020 Rupees "000"
Net sales	126,108	102,365
Gross profit	20,592	19,319
Depreciation	22,681	19,962
Pre-tax-profit / (loss)	2,735	(5,121)
After-tax-profit / (loss)	1,177	(6,457)
Reserves	(206,695)	(193,541)


## Future Prospects

We are constantly working on new product developments, emerging new markets and cost reductions to cope with this challenging situation. Hopefully with our vast experiences and team work, things can be improved.

The management remains committed to drive business fundamentals and improve / maintainits market leadership position in all major categories and is confident of achieving target for financial year.

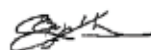
## Acknowledgement

We would like to express our gratitude to shareholders who have always shown their confidence in the Company and for the commitment, dedication and innovative thinkingdemonstrated by each member and areconfident thatthey will continue to do so in the future.



**Chief Executive**

Karachi  
April 23, 2021



**Director**

## ڈائریکٹرز کا جائزہ

کوئٹہ نوڈ انٹرنیشنل لمیٹڈ کے بورڈ آف ڈائریکٹرز ”کمپنی“، 31 مارچ 2021 کو ختم ہونے والی نو ماہ کی مدت کے لئے کمپنی کی کنڈسید غیر عبوری مالی معلومات کے ساتھ ڈائریکٹرز کی رپورٹ پیش کرنے پر راضی ہے۔

کاروباری کارکردگی کا جائزہ

زیر جائزہ مدت کے دوران، وبائی امراض اور اس سے وابستہ لاک ڈاؤن سے کاروباری سرگرمی پر تھوڑا سا اثر پڑا۔ تاہم کمپنی نے تیسری سہ ماہی اور نو ماہ کی مدت میں گزشتہ سال کے اسی عرصے کے مقابلے 48 فیصد اور 23 فیصد کی ٹاپ لائن نمودار کی ہے۔

مالی جھلکیاں

نو ماہ کی مدت کیلئے ختم ہونے والا مجموعی منافع 20,592 ملین روپے تھا جو پچھلے سال کی اسی مدت کے مقابلے میں 7% کا اضافہ ہوا۔ مالی کارکردگی کا خلاصہ ذیل میں (گذشتہ سال اسی عرصے کے مقابلے میں):

مالیاتی جھلکیاں

	2021 Rupees "000"	2020 Rupees "000"
Net sales	126,108	102,365
Gross profit	20,592	19,319
Depreciation	22,681	19,962
Pre-tax-profit / (loss)	2,735	(5,121)
After-tax-profit / (loss)	1,177	(6,457)
Reserves	(206,695)	(193,541)

مستقبل کے امکانات

ہم اس مشکل صورتحال سے نمٹنے کے لئے ابھرتی ہوئی نئی منڈیوں اور قیمتوں میں کمی کے سلسلے میں نئی پروڈکٹ ڈویلپمنٹ، پر مستقل طور پر کام کر رہے ہیں۔ امید ہے کہ ہمارے وسیع تجربات اور ٹیم کے کام سے چیزوں میں بہتری آسکتی ہے۔

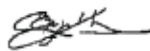
انتظامیہ کاروباری بنیادی اصولوں کو چلانے اور اس کی مارکیٹ کی قیادت کو تمام اہم قسموں میں برقرار رکھنے کیلئے پرعزم ہے اور مالی سال کے ہدف کے حصول کیلئے پراعتماد ہے۔

اعتراف

ہم ان حصص یافتگان کا شکریہ ادا کرنا چاہتے ہیں جنہوں نے کمپنی پر ہمیشہ اعتماد ظاہر کیا ہے اور ہر ممبر کے ذریعہ عزم، لگن اور جدید سوچ کا مظاہرہ کیا ہے اور انہیں یقین ہے کہ وہ آئندہ بھی ایسا کرتے رہیں گے۔



Chief Executive



Director

کراچی

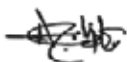
23 اپریل 2021

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION


AS AT MARCH 31, 2021

ASSETS	Note	Unaudited March-31, 2021	Audited June-30, 2020
		---- Rupees ----	
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	334,707,663	356,688,810
Long term deposits		1,935,290	1,869,200
		<u>336,642,953</u>	<u>358,558,010</u>
<b>CURRENT ASSETS</b>			
Stores and spares		17,676,725	5,652,656
Stock-in-trade		331,193,632	324,622,739
Trade debts		56,930,372	20,261,803
Short term investments	6	-	4,187,624
Advances, deposits, prepayments & other receivables		11,047,112	5,111,043
Taxation - net		11,682,471	10,924,324
Cash and bank balances		10,822,166	7,190,668
		<u>439,352,478</u>	<u>377,950,857</u>
		<u>775,995,431</u>	<u>736,508,867</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
105,100,000 (June 2020: 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 2020 : 98,461,828) ordinary shares of Rs.10 each		984,618,280	984,618,280
Reserves		(482,608,343)	(485,286,637)
Surplus on revaluation of property, plant and equipment		22,937,112	24,438,142
<b>Total equity</b>		<u>524,947,049</u>	<u>523,769,785</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Deferred liabilities		5,816,064	4,997,334
Security deposit payables		44,500,000	45,500,000
		<u>50,316,064</u>	<u>50,497,334</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		200,732,318	161,014,248
Short term position of deferred liability		-	1,227,500
		<u>200,732,318</u>	<u>162,241,748</u>
		<u>251,048,382</u>	<u>212,739,082</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	7	<u>775,995,431</u>	<u>736,508,867</u>

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



Chief Executive



Director



Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Unaudited)**  
 NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Quarter Ended		Nine months period ended	
	Mar-31, 2021	Mar-31, 2020	Mar-31, 2021	Mar-31, 2020
	----- Rupees -----			
<b>SALES</b>	74,256,304	50,285,651	126,107,803	102,365,280
Cost of sales	(54,663,725)	(34,218,747)	(105,515,364)	(83,045,909)
<b>GROSS PROFIT</b>	19,592,579	16,066,904	20,592,439	19,319,371
Distribution cost	(918,860)	(3,678,783)	(11,692,717)	(12,271,990)
Administrative expenses	(2,047,746)	(4,578,227)	(10,545,051)	(13,431,849)
Other operating expenses	-	(297,605)	-	(297,605)
	(2,966,606)	(8,554,615)	(22,237,768)	(26,001,444)
Operating loss	16,625,973	7,512,289	(1,645,329)	(6,682,073)
Other operating income	2,121,821	211,029	4,500,460	1,678,893
	18,747,794	7,723,318	2,855,131	(5,003,180)
Finance cost	(9,590)	(43,643)	(120,075)	(118,327)
<b>PROFIT / (LOSS) BEFORE TAXATION</b>	18,738,204	7,679,675	2,735,056	(5,121,507)
Taxation	(780,021)	(719,057)	(1,557,793)	(1,335,235)
<b>PROFIT / (LOSS) AFTER TAXATION</b>	17,958,183	6,960,618	1,177,263	(6,456,742)
<b>EARNING / (LOSS) PER SHARE</b>	0.182	0.071	0.01	(0.066)

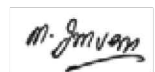
The annexed notes form an integral part of this condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer



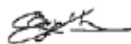
CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (Unaudited)  
 NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Quarter Ended		Nine months period ended	
	Mar-31, 2021	Mar-31, 2020	Mar-31, 2021	Mar-31, 2020
	----- Rupees -----			
<b>PROFIT / (LOSS) AFTER TAXATION</b>	17,958,183	6,960,618	1,177,263	(6,456,742)
Other comprehensive income that cannot be classified through profit and loss	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>	<u>17,958,183</u>	<u>6,960,618</u>	<u>1,177,263</u>	<u>(6,456,742)</u>

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



Chief Executive



Director



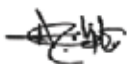
Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF CASH FLOWS (Unaudited)

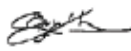
NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Quarter Ended	
	March-31, 2021	March-31, 2020
	---- Rupees ----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit / (loss) before taxation</b>	2,735,056	(5,121,507)
<b>Adjustment for non cash items:</b>		
Depreciation	22,681,147	19,962,259
Provision for gratuity	818,730	1,177,572
(Gain) / loss on sale of shares	(616,840)	297,605
Remeasurement (gain) / loss on investmnt	-	(420,056)
	22,883,037	21,017,380
<b>Net cash flow from operations before working capital changes</b>	25,618,093	15,895,873
<b>Working capital changes</b>		
(Increase) / decrease in current assets		
Stores and spares	(12,024,069)	(2,722,775)
Stock-in-trade	(6,570,893)	(15,629,267)
Trade debts	(36,668,569)	(17,842,482)
Advances, deposits, prepayments & other receivables	(5,936,069)	(2,750,133)
	(61,199,600)	(38,944,657)
Increase / (decrease) in current liabilities		
Trade and other payables	39,718,070	48,996,963
<b>Net working capital changes</b>	(21,481,530)	10,052,305
Income tax paid	(2,315,939)	(768,514)
<b>Net cash flow from operating activities</b>	1,820,624	25,179,664
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipments	(700,000)	(23,891,038)
Proceeds from disposal of short term investments	4,804,464	1,083,605
Security deposit	(66,090)	-
<b>Net cash flow / (used in) from investing activities</b>	4,038,374	(22,807,433)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment - long term deposit	(1,000,000)	(11,150,000)
Payment for gratuity	(1,227,500)	-
<b>Net cash used in financing activities</b>	(2,227,500)	(11,150,000)
<b>Net Increase / (decrease) in cash and cash equivalents</b>	3,631,498	(8,777,769)
<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>	10,822,166	1,908,051

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



Chief Executive



Director



Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Unaudited)

NINE MONTHS PERIOD ENDED MARCH 31, 2021

PARTICULARS	SHARE CAPITAL	RESERVES					TOTAL	SHAR-HOLDERS' EQUITY	
		CAPITAL		Surplus on revaluation of PPE	Subtotal	REVENUE			
		Premium on issue of share capital	Discount on issue of share capital			Accumulated loss			-
***** Rupees *****									
Balance as at June 30, 2019	984,618,280	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)	
<b>Balance as at March 31, 2020</b>	<b>984,618,280</b>	<b>6,875,000</b>	<b>(282,788,556)</b>	<b>25,778,105</b>	<b>(250,135,451)</b>	<b>(193,541,846)</b>	<b>(443,677,297)</b>	<b>540,940,983</b>	
Balance as at June 30, 2020	984,618,280	6,875,000	(282,788,556)	24,438,143	(251,475,413)	(209,373,081)	(460,848,494)	523,769,786	
Incremental depreciation transferred to retained earnings	-	-	-	(1,501,031)	(1,501,031)	1,501,031	-	-	
Net profit for the period ended	-	-	-	-	-	1,177,263	1,177,263	1,177,263	
<b>Balance as at March 31, 2021</b>	<b>984,618,280</b>	<b>6,875,000</b>	<b>(282,788,556)</b>	<b>22,937,112</b>	<b>(252,976,444)</b>	<b>(206,694,787)</b>	<b>(459,671,231)</b>	<b>524,947,049</b>	

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



Chief Executive



Director



Chief Financial Officer

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

NINE MONTHS PERIOD ENDED MARCH 31, 2021

## 1. THE COMPANY AND ITS OPERATIONS

1.1 The Company was initially incorporated in Pakistan on March 12, 1990 as a Private Limited Company and was converted into Public Limited Company on December 13, 1993. The Company is listed on Pakistan Stock Exchange. The registered office of the Company is situated at Madina Palace, FCHS, Dhoraji Colony, Karachi.

The Company is mainly engaged in the manufacturing and sale of Jam, Jelly, Syrups, Custard Powder, Pickles, Essence, Juices and Aerated drinks and its allied products.

## 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting which comprise of International Accounting Standard (IAS) 34 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act) and provisions of and directives issued under the Act.

Where the provisions of and directives issued under the Act differ with the requirements of IAS, the provisions of and directives issued under the Act have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures required in an annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2020.

### 2.3 New standards, amendments to approved accounting standards and new interpretations

#### 2.3.1 Amendments to approved accounting standards which are effective during the year ending June 30, 2021

There are certain amendments to approved accounting standards which are mandatory for accounting periods beginning on or after July 1, 2020 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

#### 2.3.2 New standards and amendments to approved accounting standards that are effective for the Company's accounting periods beginning on or after July 1, 2021

There is a new standard and certain amendments to approved accounting standards that will be mandatory for accounting periods beginning on or after July 1, 2021 but are considered not to be relevant or expected to have any significant effect on the Company's financial reporting.

2.4 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the financial statements for the year ended June 30, 2020.

### 2.5 Basis of measurement

These interim financial statements has been prepared under the historical cost convention except for staff retirement benefits that is determined under actuarial valuation annually and land 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'. These interim financial statements, except statement of cash flow, has been prepared under the accrual basis of accounting.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

NINE MONTHS PERIOD ENDED MARCH 31, 2021

## 2.6 Functional and presentation currency

These interim financial statements 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 these interim financial statements are the same as those applied in preparation of the annual financial statements for the year ended June 30, 2020.

## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are same as those applied to financial statements as at and for the year ended June 30, 2020.

	Note	Unaudited March-31, 2021	Audited June 30, 2020
----- Rupees-----			
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating Assets - note 5.1		315,114,745	337,095,892
Capital Work-in-Progress		19,592,918	19,592,918
		<u>334,707,663</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		700,000	66,673,080
Less: Depreciation charged during the period / year		(22,681,147)	(27,313,634)
		<u>315,114,745</u>	<u>337,095,892</u>

## 6. SHORT TERM INVESTMENTS Units of mutual funds

Investment in Islamic Certificate

Dec 2020                  June 2020  
----- (Units) -----

140,000	140,000	AKD Investment Manag. Ltd	-	<u>4,187,624</u>
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## 7. CONTINGENCIES AND COMMITMENTS

### 7.1 Contingencies

Securities and Exchange Commission of Pakistan (SECP) had 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. 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 2020: Nil).

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Note	Unaudited	Audited
		March-31, 2021	June 30, 2020
----- Rupees-----			
<b>8. TRANSACTIONS WITH RELATED PARTIES</b>			
<b>Nature of relationship</b>	<b>Nature of transactions</b>		
Key management	Managerial remuneration	<u>2,012,762</u>	<u>1,790,448</u>

## 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

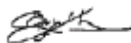
This condensed interim financial information was approved by the Board of Directors and authorized for issue on April 23, 2021.

## 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