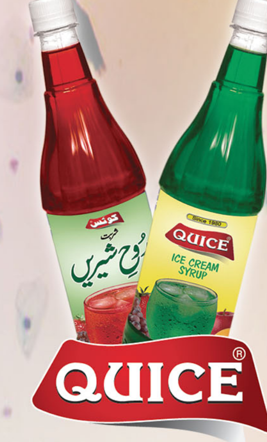
QUICE®

WHERE TASTE BEGINS....

QUICE FOODS INDUSTRIES LIMITED



25th Annual Report
2015

www.quice.com.pk

Contents

Company Information

Board of Directors

Mr. Muhammad Atif	Chief Executive
Mr. Muhammad Siraj	Director
Mr. Salman Haroon	Director
Mr. Aamir Altaf	Director
Mr. Muhammad Riaz	Director
Mr. Qazi Muhammad Imran	Director
Mr. Sardar Iftikhar Ahmed	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. Sardar Iftikhar Ahmed	Chairman
Mr. Muhammad Siraj	Member
Mr. Salman Haroon	Member

Legal Advisor

M/s. Ahmed & Qazi
Advocates & Legal Consultants

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

Business Profile

Quice has been a prominent name in the world of Food Products for the last three decades. The Company was established on 12 March 1990 as a Private Limited Company. Later on 13 December, 1993 it was converted into a Public Limited Company. The company was listed with Karachi STOCK EXCHANGE on August, 1994 and with Islamabad Stock Exchange on July, 1995.

It owns two manufacturing units in Hub – Baluchistan and Mingora – Swat and continued efforts to lift up consumer delight.

Vision

We aim to offer high quality Jam, Jelly, Syrups, Custard Powder, Pickles, Essence, Juices and Aerated drinks and its Allied Products both in Pakistan and abroad by continuously improving our products quality by keeping the most technologically advanced production machinery.

Mission

We strive to achieve market leadership through technological edge, distinguished by quality and customer satisfaction, and emphasis on employees long term welfare and ensure adequate return to shareholders.

We further wish to contribute to the development of the economy and the country through harmonized endeavor.

Core Values

Integrity	Behaving ethically, safely, honesty and lawfully.
Accountability	Working to clear and mutually accepted responsibilities; Hand-on Management and decision making; Accepted appropriate rewards and consequences.
Performance	Consistently meeting or exceeding expectations; Focus on continuous improvement.
Valuing People	Treating people with respect and dignity; Communication with clarity and honesty; Providing opportunities for people to reach their potential.
Teamwork	Working collaboratively towards common goals.
Entrepreneurial	Growing by taking on responsibility and risk.

Directors' Report

Directors of Quice Food Industries Limited ("the Company") are pleased to present the annual report of the Company for the year ended June 30, 2015 along with the financial statements and auditors' report thereon.

Business Overview

Quice Food Industries Limited has successfully finished this year with admirable results based on its growth and earnings. These results have been in line with the stakeholders prospects based on the performance throughout the year.

Company's net sale in this year has been increased by Rs 19.429 million as compared to the last year as the Company successfully captures the market share in South region.

While, gross profit of the Company reported a decline of Rs. 2.887 million.
Frequent load-shedding of electricity and gas has forced us to generate electricity on furnace oil, diesel and LPG which is 2 to 3 times more expensive than generating from gas. Directly, it results in increase in the cost of production, which shows itself in the form of decline in Gross Profit Percentage.

Advertising and promotion spending has increased by Rs. 12.083 million, reinforcing our commitment to build brands for the long term.

To accomplish the desired goal, the management was involved in establishment of new Unit but unfortunately they failed to arrive its sited goals. This leads mainly declined in the current year's sales as compared to the corresponding year owing to reduction in gross margins. Raw and packing material prices were sky high in the second half of the year.

Quice Food reaped the benefit of timely buying at low prices which resulted in average consumption rates as against sales rates. However, Distribution expenses have increased by 35.75% owing to substantial amount incurred on marketing of the Company's product in Hub region.

Financial highlights

	2015 Rupees "000"	2014 Rupees "000"
Net sales	290,616	190,187
Gross profit	68,224	71,111
Depreciation	11,223	8,901
Pre-tax profit	2,752	23,775
After-tax profit	1,934	23,371
Retained earnings	(328,751)	(242,150)

Our Populace

We deem that the way to rise as a business is to grow our people, enabling personal development and ambitious business results.
This speculation in our people is what sets us apart in the industry and drives us towards our goals with the right people on board.
The people and upbringing carry at Quice Food Industries Limited is extensive through Company initiatives, for its people. Our employees contribute skill and volunteer support through multiple activities and programmes held in the Company.
Employees also participated in Family Festivals & Exhibitions with their family through activities aimed at teaching children the importance of healthy drinks.

Working Capital Management

Efficient working capital management shows itself in our current ratio and quick ratio which respectively stand at 12.893 time and 10.361 times.

Information Technology

We at Quice Food, recognize that in this rapidly changing business environment, it is of utmost importance to establish and maintain an efficient, robust and effective Information Technology (IT) Infrastructure. IT infrastructure is a combined set of hardware, software, network facilities and the people who are staffed to maintain this. We have all the ingredients in place to claim that our IT infrastructure is second to none.

Corporate Governance

Best Corporate Practices

On promulgation of Code of Corporate Governance (COCG), at the instructions from the Audit Committee and the Board of Directors of the Company, a detailed exercise was carried out to determine the following:

1. Changes in requirements of the COCG.

2. Company's status of compliance with the requirements of the COCG.

3. Identification of gaps in the compliance and action plan to fill the gaps.

Board Committees

Audit Committee

The audit committee is performing its duties in line with its terms of reference as determined by the Board of Directors. Composition of the committee is as follows:

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

Meetings of the Board of Directors

During the year under review, 09 meetings of the Board of Directors of the Company were held and the attendance position is as follows:

Sr. No.	Name of Director	No. of Meetings Attended
1.	Mr. Muhamamd Atif Chief Executive Officer)	09
2.	Mr. Muhammad Siraj	09
3.	Mr. Jawed Yameen	01
4.	Mr. Munawwar Ali Bhatti	03
5.	Mr. Muhammad Riaz	05
6.	Mr. Qazi Muhammad Imran	09
7.	Mr. Sardar Iftilhar Ahmed	08
8.	Mr. Salman Haroon	06
9.	Mr. Amir Altaf	02

Compliance Statement

In compliance of the Code of Corporate Governance, statements on Corporate and Financial Reporting framework:

1. The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

2. Proper books of account of the Company have been maintained.

3. Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.

4. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.

5. The system of internal control is sound in design and has been effectively implemented and monitored.

6. There are no significant doubts upon the Company's ability to continue as a going concern.

7. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

8. Although the company is in profit for the year under review, the accumulated losses have prevented the company from declaring dividend or issuing the bonus shares.

9. Information about taxes and levies is given in the notes to the financial statements.

10. Transactions with Related Parties have been approved by the Audit Committee and the Board of Directors.

11. The company operates unfunded gratuity scheme for its eligible employees. The carrying value of liability as at June 30, 2015 was Rs. 2.704 million

Future Prospects

We believe that there is only way up from here. We are keeping a watchful eye on how the events unfold.

Our strength lies in our strategic planning and marketing capabilities along with our vertically integrated production facilities that can turn raw material to a final finished consumer product which has always attracted customers' attention all across the Country.

Our strategy is to expand and diversify our product range by increasing the value added products and systems and enhanced production capacity.

Acknowledgement

The Board is pleased with the continued dedication and efforts of the employees of the Company.

For and on behalf of the Board of Director

Muhammad Atif

Chief Executive Officer

Karachi

October 05, 2015

Statement of Ethics and Business Practices

Quice Food Industries Limited conducts its operations in accordance with highest business ethical consideration complying with all statutory regulations and best accepted standards of good corporate citizen. This policy applies to all directors and employees of the Company. The Company's core values are Merit, Integrity, Teamwork, Safety, Dedication and Innovation. It is towards the end of fostering these core values in the corporate culture of Quice Food Industries Limited that the Company has adopted this Code of Ethics and Business Practices (the Code).

The Code implies as follows:

1. The directors and employees of the Company seek to protect the Company's assets. The Company's assets and services are used solely for legitimate business purposes of the Company. The use of Company's funds for political contributions to any organization or to any candidate for public office is prohibited.

2. The directors and employees adhere in letter and spirit to all laws and conform to the accepted standards of good corporate governance and avoid conflict of interest. The conflict of interest, if any must be notified to the Company in writing immediately.

3. The Company respects the interests of all the stakeholders and enters into transparent and fairly negotiated contracts.

4. The Company is an equal opportunity employer.

5. The directors and employees reject corruption in all forms direct, indirect, public or private and do not directly or indirectly engage in bribery, kick-backs, payoffs, or any other corrupt business practices.

6. Quice Food Industries Limited respects the privacy of data relating to individual persons (whether employees or third parties) which it may hold or handle as part of its information processing activities or otherwise. Employees maintain confidentiality of the Company's and its customers' confidential information which is disclosed to them.

7. The directors and employees shall not place themselves in a position where their loyalty to the Company becomes divided for any reason including their direct or indirect financial interest in a competitor, supplier, and consultant of customer.

8. The directors and employees may not take advantage of the Company information or property, or their position with the Company, to develop inappropriate personal gains or opportunities. They may, however, receive gifts of token value or accept invitations only if such gifts or invitations have no influence on their decision making and are as per Company policy.

9. Employees may offer tips, gratuity or hospitality of a customary amount or value for routine services or courtesies received as per Company policy.

All directors and employees of Quice Food Industries Limited and its subsidiaries are responsible for the continuing enforcement of and compliance with this policy, including necessary distribution to ensure employee knowledge and compliance. Non-compliance with this policy will result in disciplinary action.

Statement of Compliance with Code of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation 35 of the Listing Regulation of the Karachi Stock Exchange (Guarantee) Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. As at June 30, 2015 the board included the following members:

Category	Name
Executive Directors:	Mr. Muhammad Atif (Chief Executive)
	Mr. Qazi Muhammad Imran
	Mr. Sardar Iftikhar Ahmed
	Mr. Aamir Altaf
Non – Executive Directors:	Mr. Muhammad Siraj
	Mr. Salman Haroon
	Mr. Muhammad Riaz

   At present the Board includes at least three independent and four non-executive directors and no directors representing minority shareholders.

2. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.

3. All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancy occurred due to resignation of existing directors of the Company.

5. The Company has prepared a 'Code of Conduct' comprising of Ethics and Business Practices policies and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

6. The Company has prepared a 'Statement of Ethics and Business Practices' which has been signed by all the Director's and Employees of the Company.

7. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

8. All the powers of the Board have been duly exercised and decision on material transaction, including appointments and determinations of remuneration and term and conditions of employment of the CEO, and meeting fee payable to other executive and non-executive directors, have been taken by the Board.

9. All the meetings of the Board were presided over by the Chief Executive and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notice of the Board meeting, along with agenda and working papers were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

10. The Board has not so far arranged any orientation courses for its directors during the year to apprise them of their duties and responsibilities.

11. There has been no new appointment at CEO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, as determined by the CEO during the year.

12. The CFO and Head of Internal Audit are duly qualified in terms of clause xiii and xiv of the Code of Corporate Governance, for the purpose of holding the positions in the Company.

13. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

14. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

15. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of the shareholding.

16. The Company has complied with all the corporate and financial reporting requirements of the CCG.

17. The Board has formed an Audit Committee. It comprises three members, of whom one is executive director and two are non-executive directors.

18. The meetings of the audit committee were held at least once in every quarter prior to approval of interim and final result of the Company and as required by the CCG. The term of reference of the committee have been framed and advised to the committee for compliance.

19. The Board has set up an effective internal audit function manned by suitably qualified and experienced personnel that are involved in the internal audit function on a full time basis

20. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

21. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regards.

22. The 'close period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).

23. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).

24. The related party transactions have been placed before the audit committee and approved by the Board of Directors along with pricing methods for transactions carried out on terms equivalent to those that prevail in the arm's length transactions.

25. We confirm that all other material principles contained in the CCG have been complied with.

For and on behalf of the Board

Muhammad Atif
Chief Executive Officer

Karachi
Date: October 05, 2015

Auditors' Report to the Members

We have audited the annexed balance sheet of QUICE FOOD INDUSTRIES LIMITED as at June 30, 2015 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper book of accounts have been kept by the Company as required by the Companies Ordinance, 1984.

(b) in our opinion

  (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied

  (ii) the expenditure incurred during the year was for the purpose of the Company's business; and

  (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respect vely give a true and fair view of the state of the Company's affairs as at June 30, 2015 and of the profit, its cash flows and changes in equity for the year then ended, and

(d) in our opinion no Zakat was deductible at source under the Zakat and Usher Ordinance, 1980(XVIII of 1980)

Chartered Accountants
Karachi.
Dated: October 05, 2015

Engagement Partner: Mohammad Aslam Malik

Review Report to the Members on Statement of Compliance with Best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Quice Food Industries Limited to comply with the Listing Regulation of respective stock exchanges where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before, the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the audit Committee. We have not carried out any procedures to determine' whether the related party transactions were undertaken at arm's length price or not.

Based on our review we report that

a) The professional standards and corporate values have not been put in place in the form of 'code of conduct' by the Board of Directors of the Company

We hereby conclude that except for the matters referred in paragraph (a) above, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2015.

Chartered Accountants
Karachi.
Dated: October 05, 2015

Engagement Partner: Mohammad Aslam Malik

Balance Sheet

AS AT JUNE 30, 2015

	Note	June 30 , 2015	June 30, 2014
		-------- Rupees --------	
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Property , plant and equipment	3	361,564,572	139,369,437
Long term deposits		1,099,000	1,099,000
		362,663,572	140,468,437
CURRENT ASSETS			
Stores and spares		29,433	-
Stock-in-trade	4	68,637,956	43,057,387
Trade debts	5	119,860,066	134,109,012
Short term investments	6	114,602,855	-
Advances, deposits, prepaymets & other receivables	7	38,873,688	12,078,635
Taxation - net	8	1,090,460	-
Cash and bank balances	9	6,526,599	1,974,023
		349,621,057	191,219,057
		712,284,629	331,687,494
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		1,051,000,000	1,051,000,000
Issued, subscribed and paid up share capital and reserves			
98,461,828 (2014 : 52,200,550) ordinary shares of Rs.10 each	10	984,618,280	522,005,500
Reserves	11	(328,750,959)	(242,149,750)
Total equity		655,867,321	279,855,750
Surplus on revaluation of property, plant and equipment		26,595,186	29,346,315
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred liabilities - Provision for gratuity	12	2,704,421	2,803,861
CURRENT LIABILITIES			
Trade and other payables	13	27,117,701	19,545,447
Taxation - net	8	-	136,121
		27,117,701	19,681,568
CONTINGENCIES AND COMMITMENTS	14		
		712,284,629	331,687,494

The annexed notes 1 to 30 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

Profit and Loss Account

FOR THE YEAR ENDED JUNE 30, 2015

	Note	June 30 , 2015	June 30, 2014
		-------- Rupees --------	
SALES	15	209,615,825	190,186,735
COST OF SALES	16	(141,391,374)	(119,075,268)
GROSS PROFIT		68,224,451	71,111,467
DISTRIBUTION COST	17	(45,886,728)	(33,803,335)
ADMINISTRATIVE EXPENSES	18	(26,009,214)	(15,285,118)
OTHER OPERATING EXPENSES		(782,934)	(662,900)
		(72,678,876)	(49,751,353)
OPERATING (LOSS) / PROFIT		(4,454,425)	21,360,114
OTHER OPERATING INCOME	19	7,247,396	2,457,251
		2,792,971	23,817,365
FINANCE COST	20	(40,552)	(42,074)
PROFIT BEFORE TAXATION		2,752,419	23,775,291
PROVISION FOR TAXATION	21	**(818,700)**	(404,773)
PROFIT AFTER TAXATION		1,933,719	23,370,518
EARNINGS PER SHARE	22	0.023	0.448

The annexed notes 1 to 30 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

Statement of Comprehensive Income

FOR THE YEAR ENDED JUNE 30, 2015

	June 30 , 2015	June 30, 2014
	-------- Rupees --------	
PROFIT AFTER TAXATION	1,933,719	23,370,518
Other comprehensive income that cannot be clasified through profit and loss		
Remeasurment of plan obligation - gratuity scheme	1,153,200	309,013
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	3,086,919	23,679,531

The annexed notes 1 to 30 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

Statement of Changes In Equity

FOR THE YEAR ENDED JUNE 30, 2015

PARTICULARS	SHARE CAPITAL	RESERVES				SHAREHOLDERS' EQUITY
		CAPITAL		REVENUE	TOTAL	
		Premium on issue of share capital	Discount on issue of share capital	Accumulated loss		
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2012 - restated	326,735,000	6,875,000	(131,916,000)	(88,113,879)	(213,154,879)	113,580,121
Issue of right shares	98,020,500	-	-	-	-	98,020,500
Issue of shares - other than right	97,250,000	-	-	-	-	97,250,000
Incremental depreciation transferred to retained earnings	-	-	-	3,646,833	3,646,833	3,646,833
Discount on Issue of right shares	-	-	(58,350,000)	-	(58,350,000)	(58,350,000)
Comprehensive income for the year ended June 30, 2013	-	-	-	(371,820)	(371,820)	(371,820)
Balance as at June 30, 2013 - restated	522,005,500	6,875,000	(190,266,000)	(84,838,866)	(268,229,866)	253,775,634
Incremental depreciation transferred to retained earnings	-	-	-	2,400,585	2,400,585	2,400,585
Comprehensive income for the year ended June 30, 2014	-	-	-	23,679,531	23,679,531	23,679,531
Balance as at June 30, 2014	522,005,500	6,875,000	(190,266,000)	(58,758,750)	(242,149,750)	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	-	-	(52,522,556)	-	(52,522,556)	(52,522,556)
Discount on Issue of shares - right	-	-	(40,000,000)	-	(40,000,000)	(40,000,000)
Incremental depreciation transferred to retained earnings	-	-	-	2,834,428	2,834,428	2,834,428
Comprehensive income for the period ended	-	-	-	3,086,919	3,086,919	3,086,919
Balance as at June 30, 2015	984,618,280	6,875,000	(282,788,556)	(52,837,403)	(328,750,959)	655,867,321

The annexed notes 1 to 30 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

Cash Flow Statement

FOR THE YEAR ENDED JUNE 30, 2015

	Note	June 30 , 2015	June 30, 2014
		-------- Rupees --------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		2,752,419	23,775,291
Adjustment for non cash items:			
Depreciation		11,223,276	8,901,105
Assets written off		-	662,900
Provision for gratuity		1,053,760	893,671
Gain on sale of fixed assets		(26,236)	-
Fair value gain on short term investments		(900,606)	-
Loss on sale of equity shares		782,934	-
		12,133,128	10,457,676
Net cash inflows from operations before working capital changes		14,885,547	34,232,967
Working capital changes			
(Increase) / decrease in current assets			
Stores & spares		(29,433)	-
Stock-in-trade		(25,580,569)	(18,148,302)
Trade debts		14,248,946	(32,983,744)
Advances, deposits, prepayments & other receivables		(26,795,053)	(9,875,570)
Advance income tax		(1,795,281)	(230,555)
Sales tax receivable		-	(2,281,100)
		(39,951,390)	(63,519,271)
Increase / (decrease) in current liabilities			
Trade and other payables		7,572,254	16,838,772
Net working capital changes		(32,379,136)	(46,680,499)
Income tax paid		(250,000)	-
Net cash outflow from operating activities		(17,743,589)	(12,447,532)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(24,218,651)	(15,138,326)
Short term investments		(128,862,929)	-
Sale proceed against sale of fixed assets		1,000,000	-
Sale proceed against sale of equity shares		14,377,745	-
Net cash outflow from investing activities		(137,703,835)	(15,138,326)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share issue - right		160,000,000	-
Net cash inflow from financing activities		160,000,000	-
Net increase in cash and cash equivalents		4,552,576	(27,585,858)
Cash and cash equivalents at the beginning of the year		1,974,023	29,559,881
Cash and cash equivalents at the end of the year	23	6,526,599	1,974,023

The annexed notes 1 to 30 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

Notes to the Financial Statements

FOR THE YEAR ENDED JUNE 30, 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. 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. The Company discontinued its Hattar unit from August 2001.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

2.1 Basis of Preparation

2.1.1 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.

2.1.2 Adoption of new and revised standards and interpretations

The following standards, interpretations and improvements became effective but are either not relevant or do not have any material effect on the financial statements of the Company.

IFRS 2	Share-based Payments (Amendments)
IFRS 3	Business Combinations (Amendments)
IFRS 8	Operating Segments (Amendments)
IAS 19	Employee Benefits (Amendment) - Defined Benefit Plans: Employee Contribu ions
IAS 24	Related Party Disclosures (Amendments)
IAS 32	Financial Instruments - Presentation - (Amendment) - Offsetting Financial Assets and Financial Liabilities
IAS 36	Impairment of assets (Amendments) - Recoverable Amount Disclosures for Non-Financial Assets
IAS 39	Financial instruments: Recognition and Measurement (Amendments) - Novation of Derivatives and Continuation of Hedge Accounting
IAS 40	Investment Property (Amendments)
IFRIC 21	Levies

2.1.3 Improvements to Accounting Standards Issued by the IASB

IFRS 2	Share-based Payment - Definitions of vesting conditions
IFRS 3	Business Combinations - Accounting for contingent consideration in a business combination
IFRS 3	Business Combinations - Scope exceptions for joint ventures
IFRS 8	Operating Segments - Aggregations of operating segments
IFRS 8	Operating Segments - Reconciliation of the total of the reportable segments' assets to the entity's assets
IFRS 13	Fair Value Measurement - Scope of paragraph 52 (portfolio exception)
IAS 16	Property, Plant and Equipment and IAS 38 Intangible Assets - Revaluation method - proportionate restatement of accumulated depreciation / amortisation
IAS 24	Related Party Disclosures - Key management personnel
IAS 40	Investment Property - Interrelationship between IFRS 3 and IAS 40 (ancillary services)

2.1.4 Standards, amendments and interpretations issued but not yet effective for the current financial year

The following are the standards, amendments & interpretations which have been issued but are not yet effective for the current financial year and have not been early adopted by the Company.

Description		Effective for periods beginning on or after
IAS 1	Disclosure Initiative (Amendment)	January 01, 2016
IAS 16 & 38	Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	January 01, 2016
IAS 16 & 41	Agriculture Bearer Plants (Amendment)	January 01, 2016

The following are the standards, amendments & interpretations which have been issued but are not relevant and not yet effective.

Description		Effective for periods beginning on or after
IFRS 10	Consolidated Financial Statements	January 01, 2015
IFRS 10, 12 & IAS 27	Investment Entities (Amendment)	January 01, 2015
IFRS 10, 12 & IAS 27	Investment Entities: Applying the Consolidation Exception (Amendment)	January 01, 2016
IFRS 10 & IAS 28	Sale or Contribution of Assets between an investor and its Associate or Joint Venture (Amendment)	January 01, 2016
IFRS 11	Joint Arrangements	January 01, 2015
IFRS 11	Accounting for Acquisition of Interest in Joint Operation (Amendment)	January 01, 2015
IFRS 12	Disclosure of Interests in Other Entities	January 01, 2015
IFRS 13	Fair Value Measurement	January 01, 2015
IAS 27	Equity Method in Separate Financial Statements (Amendment)	January 01, 2016

The management an icipates that adop ion of above standards, amendments and interpreta ions in future periods will have no material impact on the Company's financial statements other than in presentation / disclosures.

Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been notified up to June 30, 2015 by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 9	Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14	Regulatory Deferral Accounts	January 01, 2016
IFRS 15	Revenue from Contracts with Customers	January 01, 2018

The following interpretations issued by the IASB have been waived off by SECP:

IFRIC 4	Determining whether an arrangement contains lease
IFRIC 12	Service concession arrangements

2.1.5 **Accounting convention**

These financial statements have been prepared under the historical cost convention except for staff retirement benefits which have been determined under actuarial valuation calculations.

Critical accounting estimates and judgments

The preparation of financial statements is in conformity with the approved accounting standards and requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

2.1.7 **Financial instruments**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on conditions existing at balance sheet date.

2.1.8 **Useful lives, patterns of economic benefits and impairments**

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

2.1.9 **Inventories**

Net realizable value of inventories is determined with reference to currently prevailing selling prices less estimated expenditure to make sales.

2.1.10 **Taxation**

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

2.1.11 **Provision for doubtful debts**

The Company reviews its receivable against any provision required for any doubtful balances on an ongoing basis. The provision is made while taking into consideration expected recoveries, if any.

2.2 **Taxation**

2.2.1 Current

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years.

Provision for current tax is based on higher of the taxable income at current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any, or 1% of turnover. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

2.2.2 **Deferred**

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date. Deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which these can be utilized.

However, provision for taxation has been made in these financial statements for Hub Unit only, since the Swat Unit is exempt from all taxes (Note 21).

2.3 **Property, plant and equipment**

Building, Plant and machinery are stated at revalued amount less accumulated depreciation. Freehold land is carried at revalued amounts. All other operating assets are stated at cost less accumulated deprecation except capital work-in-progress which is stated at cost.

Borrowing costs during the erection period are capitalized as part of historical cost of the related assets.

Gains / (Losses) on disposal of operating assets are included in income currently. Normal maintenance and repairs are charged to income as and when incurred. Major renewals and replacements are capitalized.

Depreciation on property, plant and equipment is charged to profit and loss account applying the reducing balance method so as to write off the cost / appreciated value of the assets over their estimated useful lives at the rates given in Note 3. The Company charges the depreciation on additions from the month in which the asset is available for use and on deletions up to the month in which the asset is de-recognized. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the profit and loss account in the year the asset is de-recognized.

2.3.1 **Capital work in progress**

All costs / expenditure connected with specific assets are collected under this head until completion of assets. These are transferred to specific assets as and when assets are available for use.

2.4 **Impairment**

2.4.1 **Financial assets**

A financial asset is considered to be impaired if objective evidence indicates that one or more events had a negative effect on the estimated future cash flow of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available for sale financial asset is calculated with reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

2.4.2 **Non-financial assets**

The carrying amounts of the Company's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in profit and loss account. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit and loss account.

2.5 **Inventories**

Inventories, except for stock in transit are stated at lower of cost and net realizable value. Cost is determined as follows:

2.5.1 **Stock in trade**

Cost signifies in relation to raw material and components at average cost. In case of work-in-process and finished goods at average cost comprising prime cost and appropriate manufacturing overheads. Raw material and components in transit are stated at invoice value plus other charges paid thereon.

2.5.2 **Stores and spares**

Useable stores, spare parts and loose tools are valued principally at moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon till the reporting date.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make a sale.

2.6 **Revenue recognition**

Revenue from sales is recognized when significant risks and rewards of ownership are transferred to the buyer.

2.7 **Foreign currency transactions**

Transactions in foreign currency are initially recorded in Pak rupees at exchange rates prevailing at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated into rupees at the rate of exchange approximating those prevailing at the balance sheet date except for liabilities covered under forward exchange which are translated at the contracted rates.

2.8 **Financial instruments**

Financial instruments carried on the balance sheet include investments, deposits, trade debts, loans and advances, other receivables, cash and bank balances, long-term financing, liabilities against assets subject to finance lease, short-term borrowings, accrued mark-up and trade and other payables etc. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for “financial instrument at fair value through profit or loss” which is measured initially at fair value.

Financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial asset. The Company loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Company surrenders those rights. Financial liabilities are de-recognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement and de-recognition is charged to the profit or loss currently.

a) **Trade debts**

Trade debts are recognized at invoice value less provision for uncollectible amount. Provision for doubtful debts is based on management assessment of customers outstanding and credit worthiness. Bad debts are written off when there is no realistic prospects of recovery.

b) **Trade and other payables**

Creditors, accrued and other liabilities for trade and other amounts payable are measured at cost which is the fair value of the consideration to be paid in the future for goods and services.

c) **Borrowings**

Mark-up bearing borrowings are recognized initially at cost, less attributable transaction cost. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

2.9 **Related party transaction**

All transaction with related parties are entered into arm's length basis determined in accordance with "Comparable Uncontrolled Price Method".

2.10 **Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events if it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

2.11 **Borrowing**

Borrowing costs incurred on long term finances directly attributable for the construction / acquisition of qualifying assets are capitalized up to the date, the respective assets are available for the intended use. All other mark-up, interest and other related charges are taken to the profit and loss account currently.

2.12 **Offsetting of financial instruments**

Financial assets and financial liabilities are set off and only the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognized amount and the Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.13 **Share capital**

Ordinary shares are classified as equity.

2.14 **Cash and cash equivalents**

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, cheques in hand and deposit with banks net off short term finances/borrowings maturing within one year from the date of acquisition, if any.

	June 30 , 2015	June 30, 2014
	-------- Rupees --------	

3. PROPERTY PLANT AND EQUIPMENT

Operating Assets - note 3.1	195,745,992	83,823,939
Capital Work-in-Progress - note 3.2	165,818,580	55,545,498
	361,564,572	139,369,437

3.1 PROPERTY PLANT AND EQUIPMENT - OPERATING ASSETS

	Owned						
	Lease hold land	Building	Plant and machinery	Vehicles	Computers & office equipments	Furniture and fixtures	Total
	-- Rupees						--
NBV as on June 30 , 2013	-	2,223,000	83,216,534	2,214,590	236,312	552,444	88,442,880
Additions / adjustments	-	-	84,000	4,745,000	174,950	352,814	5,356,764
(Deficit) on revaluation	-	-	(1,074,600)	-	-	-	(1,074,600)
Depreciation charge	-	(214,102)	(8,015,460)	(518,360)	(89,458)	(63,725)	(8,901,105)
NBV as on June 30 , 2014	-	2,008,898	74,210,474	6,441,230	321,804	841,533	83,823,939
Gross Carrying Value Basis							
Cost	-	13,329,492	147,745,072	7,385,000	477,869	2,755,634	171,693,067
Accumulated depreciation	-	(11,320,594)	(73,534,598)	(943,770)	(156,065)	(1,914,101)	(87,869,128)
NBV as on June 30 , 2014	-	2,008,898	74,210,474	6,441,230	321,804	841,533	83,823,939
NBV as on June 30 , 2014	-	2,008,898	74,210,474	6,441,230	321,804	841,533	83,823,939
Additions / adjustments	36,400,000	83,690,221	2,986,224	315,190	339,728	387,730	124,119,093
Disposals (at NBV)							
Cost	-	-	-	1,155,000	-	-	1,155,000
Accumulated depreciation	-	-	-	181,236	-	-	181,236
	-	-	-	(973,764)	-	-	(973,764)
Depreciation charge	-	(2,607,948)	(7,186,412)	(1,204,585)	(124,612)	(99,719)	(11,223,276)
NBV as on June 30 , 2015	36,400,000	83,091,171	70,010,286	4,578,071	536,920	1,129,544	195,745,992
Gross Carrying Value Basis							
Cost	36,400,000	97,019,713	150,731,296	6,545,190	817,597	3,143,364	294,657,160
Accumulated depreciation	-	(13,928,542)	(80,721,010)	(1,967,119)	(280,677)	(2,013,820)	(98,911,168)
NBV as on June 30 , 2015	36,400,000	83,091,171	70,010,286	4,578,071	536,920	1,129,544	195,745,992
	-	10%	10%	20%	30%	10%	

** NBV stands for Net Book Value.

3.1.1 Depreciation for the year has been allocated as follow:

	June 30 , 2015	June 30, 2014
	-------- Rupees --------	
Cost of sales	10,753,099	8,430,928
Administrative expenses	470,177	470,177
	11,223,276	8,901,105

3.1.2 No asset was sold to Chief Executive, Directors, Executives and Shareholders during the year.

Detail of Asset disposed durin the year

Paerticulars	Cost	Depriciation	Book Value	Sale Proceed	Profit	Mode of disposal	Buyers Name & Address
Hiace	1,155,000	(181,236)	973,764	1,000,000	26,236	Negotiation	Mr. Riaz (Karachi)

3.1.3 During the year, the Company acquired property in Lasbella Industrial Estate measuring 6 acres (approximately) , against the issuance of Ordinary shares at discounted price of Rs.08 each after taking clearence from SECP. (Property 15,011,280 Ordinary Shares and Machinery 11,250,000 Ordinary Shares).

The title of the property is in the process of being transferred to the Company. The property was acquired by a shareholder of the Company from an auction purchaser who had earlier paid the full amount of consideration to the Nazir High Court and was eligible to transfer the property in his own name or to his authorized nominee. Subsequently, as a result of an agreement the auction purchaser sold the property to the Company's shareholder by executing all required documents and has already submitted an application in the High Court for issuance a certificate of sale of the subject property in the name of Quice Foods Industries Limited and the title of the said property shall stand transferred to the name of the Company as soon as the certificate is issued by the Court. As required by issue of share capital rules property and machinery was valued by the independent valuer Messrs Surval on December 27, 2013.

DESCRIPTION	VALUE OF THE PROPERTY	OWNERSHIP IN THE NAME	POSSESSION & CONTROL
Purchase of land and building	120,090,221	Mr. Amin	Quice Food Industries Limited

3.1.4 Opening balances represents surplus resulting from revaluation of plant and machinery carried out on June 30 2014 by Messrs Sipra & Company (Private) Limited an independent valuer on prevaling market prices. Previous revaluation of plant & machinery was carried out on December 31 , 2011.

3.2 Capital Work -in-progress

	June 30, 2015	June 30, 2014
	-------- Rupees --------	
CWIP - plant & machinary	51,808,256	45,763,936
Hub Construction	10,492,938	6,810,842
Tetra	103,517,386	2,970,720
	165,818,580	55,545,498

3.2.1 Reconciliation of the carrying amount of Capital-work-in-progress.

	CWIP - plant & machinary	Hub Construction	Tetra	
	RUPEES			
Balance as on July 1, 2013	45,763,936	-	-	45,763,936
Capital Expenditure Incurred	-	6,810,842	2,970,720	9,781,562
Adjustments / Transfers	-	-	-	
Balance as on June 30, 2014	45,763,936	6,810,842	2,970,720	55,545,498
Balance as on July 1, 2014	45,763,936	6,810,842	2,970,720	55,545,498
Capital Expenditure Incurred	6,044,320	3,682,096	100,546,666	110,273,082
Adjustments / Transfers	-	-	-	
Balance as on June 30, 2015	51,808,256	10,492,938	103,517,386	165,818,580

> For the year additon in tetra is against the issuance of 11,250,000 ordinary shares of Rs.08 each to Mr. Javed Pervez Khan. As required by issue of share capital rules tetra machinery was valued by the independent valuer Messrs Surval on December 27, 2013.

			June 30 , 2015	June 30, 2014
			-------- Rupees --------	
4.	**STOCK IN TRADE**			
	Raw and Packing materials		42,546,350	14,802,895
	Finished goods		26,091,606	28,254,492
			68,637,956	43,057,387
5.	**TRADE DEBTS - UNSECURED**			
	Considered good		119,860,066	134,109,012
			119,860,066	134,109,012
6.	**SHORT TERM INVESTMENTS**			
	Equity investments (available-for-sale)	6.1	24,602,855	-
	Term deposit certificates	6.2	90,000,000	-
			114,602,855	-

6.1 Equity Investments: Available-for-sale
Marketable securities - Listed

Cost of listed Shares	23,702,249	-
Upward fair value reserve	900,606	
Fair Value of listed shares	24,602,855	-

6.1.1 This includes investmensts in different listed securities.

6.1.2 Company business model is trading, and no future contractual cash flows will associate hence the investment is classified at fairvalue through profit and loss account.

6.2 Term Deposits Certificate

Investment in Islamic Certificates	90,000,000	-

6.2.1 This includes monthly modaraba certificates and premium certificates carry interest rate from 5.5% to 6.5% per annum.

7.	**ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**		
	Advances and Deposits	5,076,211	1,845,416
	Advances to Suppliers	30,084,958	7,946,616
	Other Receivables	3,611,761	-
	Sales Tax Receivable	-	2,281,100
	Accrued Profit	100,758	5,503
		38,873,688	12,078,635
8.	**TAXATION - NET**		
	Advance income tax	2,063,933	268,652
	Less : Provision for tax	973,473	404,773
		1,090,460	(136,121)
9.	**CASH AND BANK BALANCES**		
	Cash in hand	28,705	24,131
	Cash at bank-current accounts	1,785,096	518,800
	-saving accounts	4,712,798	1,431,092
		6,526,599	1,974,023

10. **ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**

2015	2014			
(NUMBER OF SHARES)				
4,954,366	4,954,366	Ordinary shares of Rs.10 each fully paid in cash	49,543,660	49,543,660
433,888	433,888	Ordinary shares of Rs.10 each fully paid in cash to NIT and ICP	4,338,880	4,338,880

2015	2014		June 30 , 2015	June 30, 2014
(NUMBER OF SHARES)			-------- Rupees --------	
3,576,424	3,576,424	Ordinary shares of Rs.10 each fully paid in cash to general public.	35,764,240	35,764,240
1,722,822	1,722,822	Ordinary shares of Rs.10 each issued as bonus shares.	17,228,220	17,228,220
21,986,000	21,986,000	Ordinary shares of Rs.10 each issued at a discount of Rs. 4 per Share issued to Convert Part of the Directors Loan into fully paid shares.	219,860,000	219,860,000
9,802,050	9,802,050	Ordinary shares of Rs.10 each fully paid in cash to general public.	98,020,500	98,020,500
9,725,000	9,725,000	Ordinary shares of Rs.10 each issued at a discount of Rs. 4 per Share issued to Convert Part of the Directors Loan into fully paid shares.	97,250,000	97,250,000
20,000,000	-	Ordinary shares of Rs.10 each issued at a discount of Rs. 2 per share fully paid in cash issued to general public.	200,000,000	-
26,261,278	-	Ordinary shares of Rs.10 each issued at a discount of Rs. 2 per share issued against property (15,011,280 shares) to Sponsor and against machinery (11,250,000 shares) to Mr. Javed Pervez Khan.	262,612,780	-
98,461,828	52,200,550		984,618,280	522,005,500

However, SECP approved an issue of 15,011,278 shares to Mr. Furqan Hussain (Sponsor) against property of Rupees 120,090,221 and issue of 11,250,000 shares to Mr. Javed Pervez Khan against machinery of Rupees 90,000,000 at the discounted price of Rupees 8 each on July 01, 2014.

10.2 Capital risk management policies and procedures

The Company's objective when managing the capital are:

-to safeguard its ability to continue as a going concern so that it can continue to provide return to shareholders and benefits to other stakeholders; and
- to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and to maintain optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends to shareholders, issue new shares and adopt other means commensuration to the circumstances.

11 RESERVES

	June 30 , 2015	June 30, 2014
Composition of reserves is as follows:	-------- Rupees --------	
Capital		
Premium on issue of share capital	6,875,000	6,875,000
Discount on issue of share capital	(282,788,556)	(190,266,000)
Revenue		
Accumulated losses	(52,837,403)	(58,758,750)
	(328,750,959)	(242,149,750)

This reserve can be utilized by the Company only for the purposes specified in section 83(2) of the Companies Ordinance, 1984.

		June 30 , 2015	June 30, 2014
		-------- Rupees --------	
12	**STAFF RETIREMENT BENEFITS**		
	Staff gratuity scheme -unfunded		
	Present value of defined benefit obligation	2,704,421	2,803,861
	Add: Unrecognized actuarial gain / (loss)	-	-
		2,704,421	2,803,861

12.1 General description

The scheme provides for retirement benefits for all permanent employees who complete qualifying period of services with the company at varying percentages of last drawn salary. The percentage depends on the number of service years with the Company. Annual provision is based on actuarial valuation, which was carried out as on June 30, 2015.

		June 30 , 2015	June 30, 2014
12.2	**Movement in present value of defined benefit obligation**		
	Balance at beginning of the year	2,803,861	2,219,203
	Current service cost	675,239	660,655
	Interest cost	378,521	233,016
	Actuarial (gain) / loss	(1,153,200)	(309,013)
	Balance as at end of the year	2,704,421	2,803,861
12.3	**Movement in balances**		
	Balance at beginning of the year	2,439,431	1,545,760
	Expense during the year	1,053,760	893,671
		3,493,191	2,439,431
12.4	**Charge for the year**		
	Current service cost	675,239	660,655
	Interest cost	378,521	233,016
	Actuarial (gain) / loss	-	-
		1,053,760	893,671
12.5	**Experience Adjustments**		
	Experience adjustment arising on plan liabilities (gains) / losses	(1,153,200)	(309,013)
	Present value of defined benefits obligation	2,704,421	2,803,861
12.6	**Principal actuarial assumption**		
	Following principal actuarial assumptions were used for the valuation:		
	Estimated rate of increase in salary of the employees	NA	12.5% p.a
	Discount rate used for year end obligation	10.5% p.a	13.5% p.a
	Discount rate used for interest cost in P&L charge	13.5% p.a	10.5% p.a
13.	**TRADE AND OTHER PAYABLES**		
	Trade creditors	4,008,711	4,535,091
	Accrued liabilities	8,406,253	7,765,544
	Other liabilities	12,126,244	7,244,812
	Sales tax payable	2,576,493	-
		27,117,701	19,545,447

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

14.1.1 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 made in these financial statements for such penalty. Directors and Company have filed appeal before SECP and expect a favorable outcome.

14.1.2 During the year the Company has purchased land and building which was initially in the title of Mr. Muhammad Amin (who is Auction Purchaser), and then, subsequently an application has been filed in the Court, in the Execution No. 61/1998, to execute and register the Sale Deed in favour of Quice Food Industries Limited. As per Legal advisor (Ahmed & Qazi) opinion, the instant case is simple purchase transfer case, therefore, favourable outcome is expected here.

14.2 Commitments

There were no capital or other commitments at the balance sheet date (2014: Nil).

			June 30 , 2015	June 30, 2014
			-------- Rupees --------	
15.	**SALES**			
	Sales - Swat (net of sales return)		130,816,765	149,709,413
	Sales - Karachi (net of sales tax)		78,799,060	40,477,322
			209,615,825	190,186,735
16.	**COST OF SALES**			
	Finished goods - opening		28,254,492	16,566,350
	Add: Cost of goods manufactured	16.1	139,228,488	130,763,410
			167,482,980	147,329,760
	Less: Finished goods - closing		26,091,606	28,254,492
			141,391,374	119,075,268
16.1	**Cost of goods manufactured**			
	Raw and Packing material consumed (Note 16.1.1)		101,218,667	106,295,882
	Salaries, wages and other benefits		18,345,287	10,671,534
	Conveyance expenses		751,950	194,572
	Communication expenses		25,727	21,012
	Entertainment		653,499	250,271
	Freight and octroi		1,206,110	1,721,870
	Factory rent		390,000	180,000
	Fuel and power		502,100	835,649
	Stat onary expenses		57,526	14,411
	Repair and maintenance		688,821	355,712
	Ut lit es		2,429,119	1,007,902
	Depreciat on (Note 3.1)		10,197,273	8,430,928
	Security expenses		822,291	189,000
	Travelling expenses		249,712	-
	Water charges		765,670	12,180
	Loading / unloading expenses		236,312	135,490
	Miscellaneous expenses		688,424	446,997
			139,228,488	130,763,410
16.1.1	**Raw and Packing material consumed**			
	Opening stock		14,802,895	8,342,735
	Add: Purchased during the year		128,962,122	112,756,042
			143,765,017	121,098,777
	Less: Closing stock		42,546,350	14,802,895
			101,218,667	106,295,882
17.	**DISTRIBUTION COST**			
	Marketing expenses		12,398,332	10,129,823
	Salaries and other benefits		16,695,525	12,932,206
	Outward freight and handling		13,463,372	7,270,025
	Advertisement and publicity		3,329,499	3,471,281
			45,886,728	33,803,335
18.	**ADMINISTRATIVE EXPENSES**			
	Directors remunerat on (Note 28)		2,688,250	2,584,500
	Salaries and other benefits		5,356,030	2,517,154
	Conveyance expenses		512,897	188,503
	Communicat on expenses		317,319	209,716
	Commission expenses		3,043,805	-
	Entertainment		515,001	286,940
	Fee, subscript on & professional charges		4,536,549	2,701,004
	Fuel & power		25,920	70,047

	June 30 , 2015	June 30, 2014
	-------- Rupees --------	
Legal expenses	450,000	200,000
Rent expenses	2,136,230	1,095,000
Printing and stationery	271,961	347,737
Repair and maintenance	589,671	725,133
Utilities	1,212,973	785,705
Insurance expenses	-	270,966
Auditors' remuneration (Note 18.1)	450,000	450,000
Depreciation (Note 3.1)	1,025,902	470,177
Miscellaneous expenses	1,140,402	1,203,716
Advertisement and publicity	52,260	-
Traveling expenses	1,684,044	1,178,820
	26,009,214	15,285,118

18.1 **Auditors' remuneration**

Audit fee	375,000	375,000
Half yearly review	75,000	75,000
	450,000	450,000

19. **OTHER OPERATING INCOME**

Other Income	611,309	330,260
Dividend Income	1,071,450	-
Bank Profit	935,872	1,918,814
Scrape Sales	446,594	112,085
Exchange Gain	29,273	96,092
Gain / (Loss) on disposal of assets	26,236	-
Investment Income	3,226,056	-
	6,346,790	2,457,251
Upward fair value gain on short term investments	900,606	-
	7,247,396	2,457,251

20. **FINANCE COST**

Bank charges and commission	40,552	42,074

21. **TAXATION**

Current		
for the year	798,570	404,773
for prior year	20,130	-
	818,700	404,773
Deferred Tax	-	-
	818,700	404,773

The Company has started production at Hub Unit. Provision for current tax is based on higher of the taxable income at current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any, or turnover tax.

However, the operat ons of the Company are in Swat. Under sect on 247 of the Const tut on of Pakistan, Swat area is exempted from all taxes. Accordingly, no provision for current and deferred tax has been made.

22. **EARNINGS PER SHARE**

There is no dilutive effect on the basic earnings per share which is based on:

Profit attributable to ordinary shares	(Rupees)	1,933,719	23,370,518
Weighted average number of ordinary shares	(Numbers)	85,475,527	52,200,550
Earnings per share	(Rupees)	0.023	0.448

	June 30, 2015	June 30, 2014
	-------- Rupees --------	

23. CASH AND CASH EQUIVALENTS

Cash and bank balances	6,526,599	1,974,023
	6,526,599	1,974,023

24. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise directors, sales distributor and major suppliers..

Sales	130,816,765	149,709,413
Purchases	67,247,140	15,905,853
Trade debts	65,551,983	90,657,507
Loans and advances	15,815,325	8,244,515

25. CAPACITY AND PRODUCTION

In view of varying manufacturing process and multiple products, the annual capacity of the plant is 176,000 dozens bottles based on double shift of sixteen hours a day. Working days for syrup and HHP are in 300 days. The fact for under utilization is due to lack of sufficient funds and normal maintenance.

<u>Capacity</u>		
Rated capacity		
Syrup		
Dozen bottles of 800 ml each-150 days per annum single shift	120,000	120,000
HHP		
Dozen bottles of 440 gm each-300 days per annum double shift	56,000	56,000
<u>Actual Production</u>		
Syrup		
Dozen bottles - 800 ml	78,350	78,350
HHP		
Dozen bottles - 440 gm	-	3,350

26. FINANCIAL RISK MANAGEMENT

26.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Company's finance department evaluates and manages financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, and investment of excess liquidity.

(a) Market risk

(i) Currency risk

Currency risk arises due to fluctuation in foreign exchange rates. The Company has transactional currency exposure. Such exposure arises from sales by the Company in currencies other than Rupee.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the USD exchange rate. If Pakistani Rupee (Pak Rupee) had weakened / strengthened by 5% against the USD, with all other variables held constant, the effect on the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities) at June 30, 2015 and 2014 would have been as follows:

	Increase / (Decrease) US Dollar to Pak Rupee	Effect on profit before tax
		Rupees
2015		
Pak Rupee	+5%	45,594
Pak Rupee	-5%	(45,594)
2014		
Pak Rupee	+5%	62,874
Pak Rupee	-5%	(62,874)

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to commodity price risk.

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no significant long-term interest-bearing assets. The Company's interest rate risk arises from long term financing. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk. Borrowings obtained at fixed rate expose the Company to fair value interest rate risk. As at reporting date, there were no interest bearing borrowings. Therefore, there was no interest rate risk.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	June 30 , 2015	June 30 , 2014
	-------- Rupees --------	
Trade debts	119,860,066	134,109,012
Loans and advances	38,873,688	12,078,635
Bank balances	6,497,894	1,949,892
	165,231,648	148,137,539

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate:

	Rating			June 30 , 2015	June 30 , 2014
	Short Term	Long term	Agency	-------- Rupees --------	
Banks					
MCB Bank Limited	A1+	AAA	PACRA	-	24,420
Allied Bank Limited	A1+	AA	PACRA	1,773,190	515,082
Habib Bank Limited	A-1+	AAA	JCR-VIS	205,023	743,037
Meezan Bank Limited	A-1+	AA	JCR-VIS	3,390,009	420,785
National Bank of Pakistan	A1+	AAA	PACRA	5,000	5,000
United Bank Limited	A-1+	AA+	JCR-VIS	1,124,672	241,568
				6,497,894	1,949,892

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly the credit risk is minimal.

(c) **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2015 the Company had Rupees 6.527 million (2014: Rupees 1.974 million) cash and bank balances. The Company is in a very good working capital position at the year end, management believes the liquidity risk to be low considering the nature of individual items in the working capital position. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2015

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	-------------------- Rupees --------------------					
Trade and other payables	27,117,701	27,117,701	18,078,467	9,039,234	-	-
	27,117,701	27,117,701	18,078,467	9,039,234	-	-

Contractual maturities of financial liabilities as at 30 June 2014

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	-------------------- Rupees --------------------					
Trade and other payables	19,545,447	19,545,447	13,030,298	6,515,149	-	-
	19,545,447	19,545,447	13,030,298	6,515,149	-	-

26.2 **Fair values of financial assets and liabilities**

Fair value is an amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and fair value estimates.

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

26.3 **Financial instruments by categories**

As at 30 June 2015

Assets as per balance sheet	Loans and receivables Rupees	Total Rupees
Trade debts	119,860,066	119,860,066
Short Term Investments	114,602,855	114,602,855
Loans and advances	38,873,688	38,873,688
Cash and bank balances	6,526,599	6,526,599
	279,863,208	279,863,208

Liabilities as per balance sheet	Financial liabilities at amortized cost Rupees
Trade and other payables	27,117,701
	27,117,701

As at 30 June 2014

Assets as per balance sheet	Loans and receivables Rupees	Total Rupees
Trade debts	134,109,012	134,109,012
Loans and advances	12,078,635	12,078,635
Cash and bank balances	1,974,023	1,974,023
	148,161,670	148,161,670

Liabilities as per balance sheet	Financial liabilities at amortized cost Rupees
Trade and other payables	19,681,568
	19,681,568

27. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 05, 2015 by the Board of Directors of the Company.

28. CHIEF EXECUTIVE OFFICER'S, DIRECTORS' AND EXECUTIVES' REMUNERATION

	June 30 , 2015	June 30 , 2014
	-------- Rupees --------	
Chief Executive Officer		
Managerial remuneration and other benefits	570,000	570,000
House rent and utilities	95,000	95,000
	665,000	665,000
Number	1	1
Directors		
Managerial remuneration	1,536,000	1,468,000
Housing and utilities	487,250	451,500
	2,023,250	1,919,500
Number	2	2

28.1 The chief executive officer is provided with free use of Company maintained car. Two (2014: Two) other directors are also provided with the Company maintained car.

29. **CORRESPONDING FIGURES**

Corresponding figures have been reclasified for the purpose of better presentation and comparison. Changes made during the year are as follow.

	Reclassification from the captioned component	Note	Reclassification to the captioned component	Note	Rupees
1.	Capital-work-in-progress	-	Property Plant & Equipment	3	55,545,498
2.	Advances deposits and other receivables	7	Long term Deposits	-	1,099,000
3.	Sales Tax Receivable	-	Advances Deposits Prepayments & Other Receivables	7	2,281,100
4.	Accrued Profit	-	Advances Deposits Prepayments & Other Receivables	7	5,503
5.	Advance Income Tax	-	Taxation-net	8	268,652
6.	Provision for Tax	-	Taxation-net	8	404,773
7.	Exchange Gain	-	Other Income	19	96,092

30. **GENERAL**

- Actual number of employees during the year 228 (2014: 206)
- Average Number of Employees during the year 197 (2014: 176)
- Figures have been rounded off to the nearest Rupee unless otherwise stated.

CHIEF EXECUTIVE OFFICER

Director

Notice of Annual General Meeting

Notice is hereby given that the 25th Annual General Meeting of the shareholders of Quice Food Industries Limited will be held at the Registered Office of the Company: WS-7, Madina Palace, Faran CHS, Dhoraji Colony, Karachi on Saturday, October 31, 2015 at 07:30 PM to transact the following business:

Ordinary business:

1) To confirm the minutes of Annual General Meeting held on October 31, 2014.

2) To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2015 together with Directors' and Auditors' Reports thereon.

3) To appoint Auditors for the year ending June 30, 2016 and fix their remuneration.

Other business:

1) To transact any other business with permission of the Chair.

By order of the Board

Karachi:
October 05, 2015

Iqbal Shahid
Company Secretary

Book closure

The Share Transfer Books of the Company will remain closed from 24.10.2015 to 31.10.2015 (both days included)

Notes:

1) A member entitled to attend and vote at meeting may appoint a proxy. Proxies in order to be effective must be received at the Registered Office of the Company duly signed, stamped and witnessed not later than 48 hours before the Meeting. A proxy not to be a member of the company.

2) Members are requested to communicate to the Company any change in their addresses.

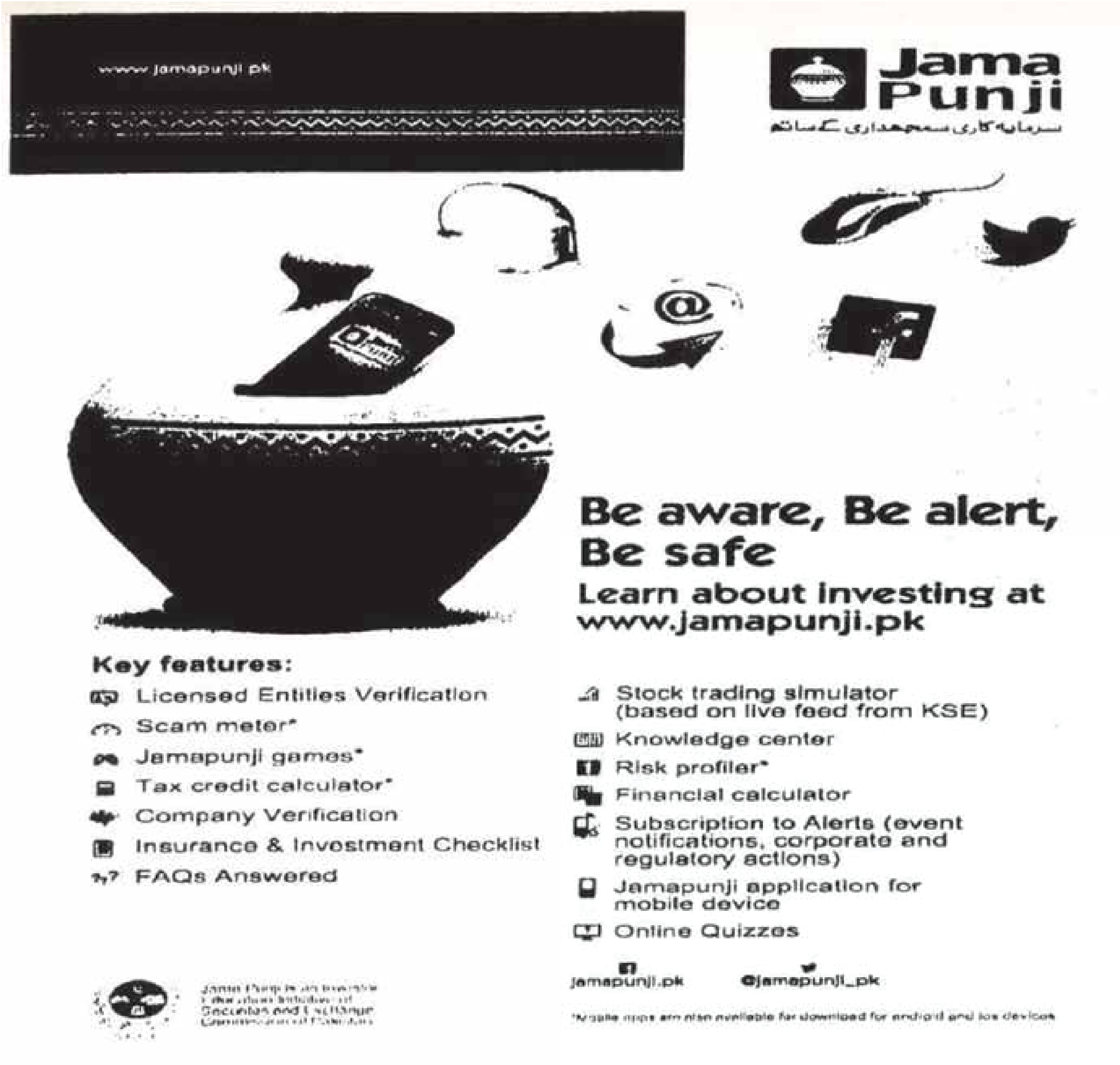
Pattern of Shareholding

As At June 30, 2015

No. of Share Holders	Shareholding From	Shareholding To	Total Shares Held
520	1	100	16,274
927	101	500	252,025
922	501	1,000	682,908
799	1,001	5,000	2,180,367
260	5,001	10,000	2,251,950
393	10,001	100,000	13,408,099
76	100,001	1,000,000	23,206,959
2	1,000,001	4,900,000	6,647,000
4	4,900,001	7,135,000	23,543,668
2	7,135,001	15,015,000	26,272,578
3,905	Total		98,461,828

S.No.	Categories Of Shareholders	No. of Shareholders	Total Shares Held	%
1	CEO	1	627	0.00
2	Directors	4	2,508	0.00
3	Foreign Investor	1	200,000	0.20
4	General Public	3,846	42,950,787	43.62
5	Investment Companies	31	20,014,289	20.33
6	Insurance Companies	1	77,188	0.08
7	Modarabas and Mutual Funds	1	61,000	0.06
8	NIT and ICP	2	61,350	0.06
9	Sponsors And Family Members	2	31,386,578	31.88
10	Others	16	3,707,501	3.77
	Total	3,905	98,461,828	100.00

Jama Punji Information



Proxy Form

I/We ____ of

____being a member of QUICE FOOD INDUSTRIES LIMITED

and holder of ____ Ordinary shares as

per share Register Folio No. ____ and/or CDC

Participant I.D. No. ___________________________ and Sub Account No. ________________________,

hereby appoint ________________________________of ____________________________________or

failing him ___________________________________of _______________________________________

as my proxy to vote for me and on my behalf at the annual general meeting of the Company to be held on the 31st day of October, 2015 and at any adjournment thereof.

Signed this ______________ day of ______________ 2015.

WITNESSES:

1) Signature : ______________________________

Name : ______________________________

Address : ______________________________

____

CNIC or : ______________________________

Passport No. : ______________________________

____

Signature

Signature should agree with the specimen registered with the Company

2) Signature : ______________________________

Name : ______________________________

Address : ______________________________

____

CNIC or : ______________________________

Passport No. : ______________________________

Note:

Proxies in order to be effective must be deposited at the Registered Office WS-7, Madina Palace, Mezzanine Floor, Faran Co-operative Society, Behind Jamal Noor Hospital, Dhorajee Colony, Karachi-74800, Pakistan.

CDC Shareholders and their proxies are each requested to attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the Company.