



National Foods Limited

12/CL-6 Claremont Road,
Civil Lines, Karachi.
Contact: +92 21 38402022
Website: www.nfoods.com

Designed by: IAL SAATCHI & SAATCHI

National Foods Limited

Quarterly Report 2022



National Foods Limited

Quarterly Report 2022

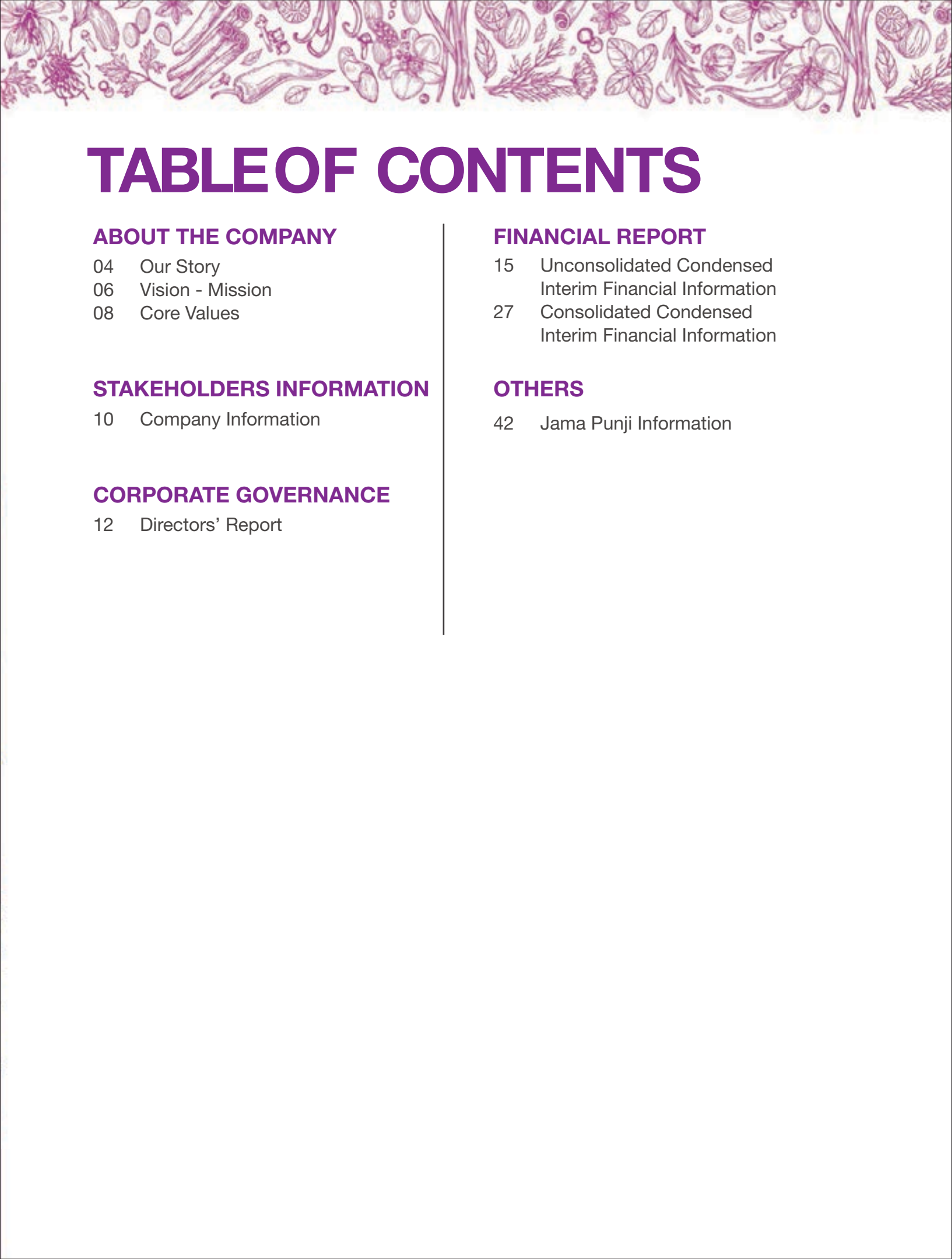


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OUR STORY

National Foods Limited (NFL), founded in 1970, brings families together through unique and special food products which pay respect to Pakistan's cultural heritage. NFL is Pakistan's leading multicategory food company with over 250 different products, across 13 categories. NFL holds ISO 9001, ISO 18001, ISO 22000 and HACCP certifications coupled with SAP Business Technology to drive its strong commitment to quality and management excellence. At NFL we enrich the lives of people around the world to complement Pakistan's rich heritage by bringing together families through food. Our determination to constantly serve our consumers around the world with the best and highest quality products has led to our journey to be recognized as an internationally renowned brand in over 40 countries, across 5 continents worldwide. Our business in Canada through valued partnership with A1 Cash & Carry also enables us to serve customers with varied needs.

At National Foods we create new and innovative products for our consumers to create the most delicious meals to enhance the flavors of their palate. As food is the most important part of our national heritage, we strive to ensure that our products truly encompass the intense and diverse flavors of Pakistan. We aim to improve and simplify our consumers' life by providing them with these complex flavors without undergoing the typically long and tiresome cooking process. NFL is also dedicated to make a positive change through the creation of new initiatives in society with our diverse range of Sustainability & Corporate Social Responsibility programs.

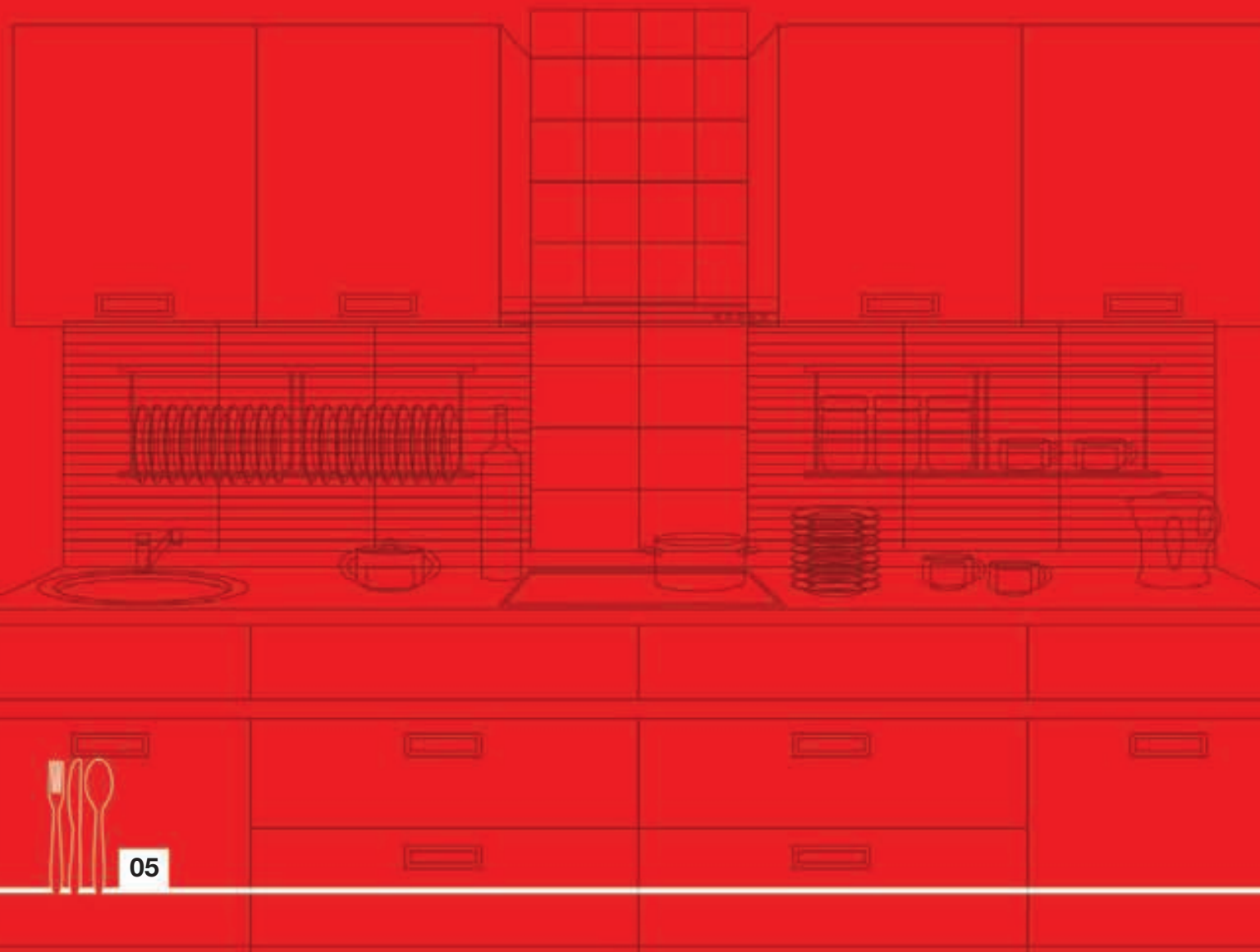
VISION MISSION

VISION

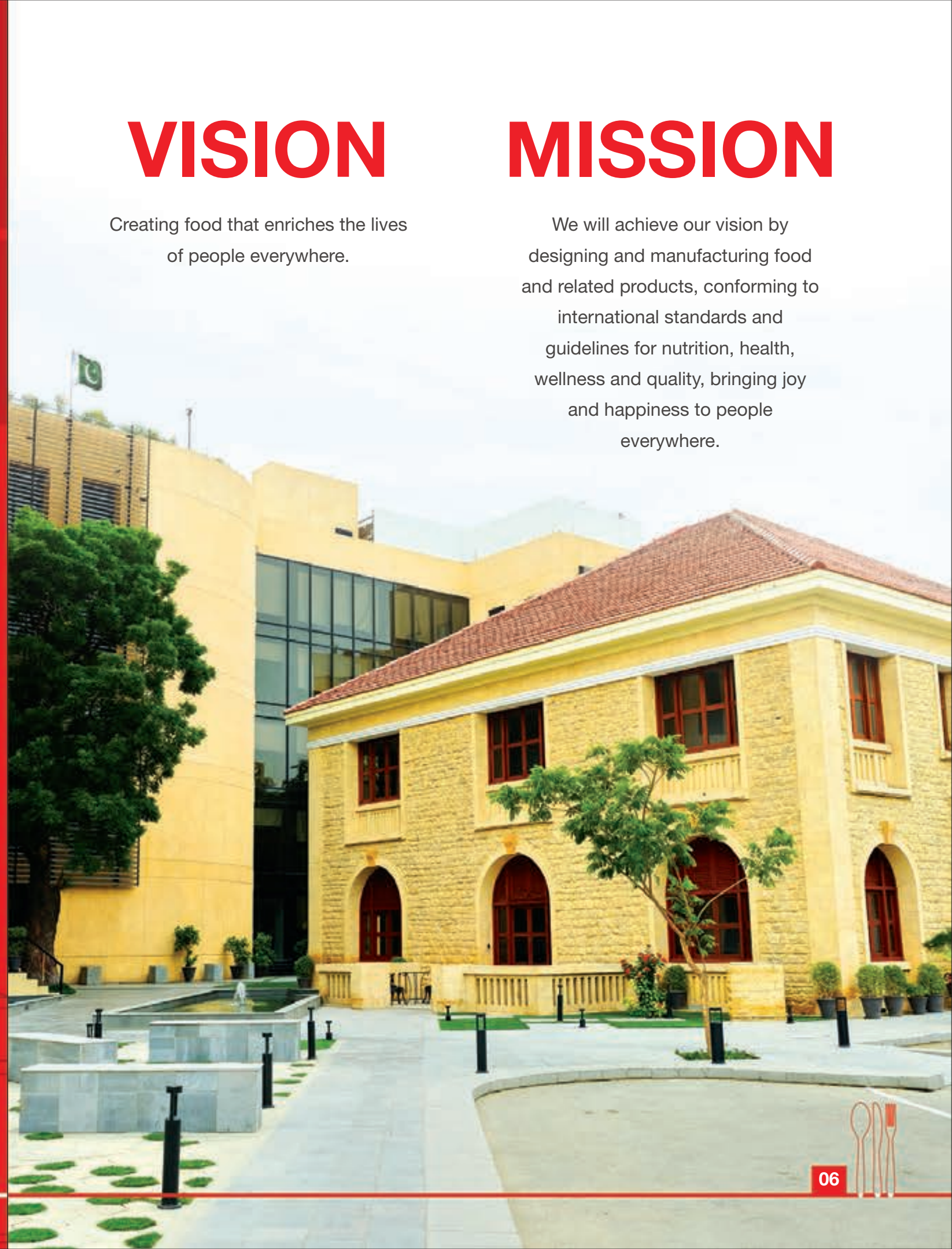
Creating food that enriches the lives
of people everywhere.

MISSION

We will achieve our vision by
designing and manufacturing food
and related products, conforming to
international standards and
guidelines for nutrition, health,
wellness and quality, bringing joy
and happiness to people
everywhere.



05



06

CORE VALUES



CORE VALUES



OWNERSHIP

Own it and deliver it

- We lead by example
- We are responsible for all our actions and decisions
- We empower ourselves and take initiatives to meet business needs
- We own our growth and development
- We are responsible for the safety and well-being of ourselves and our community



EXCELLENCE IN EXECUTION

Lead, commit and deliver the best

- We set a clear direction for our deliverables
- We make decisions which result in increased productivity and efficiencies
- We develop proactive solutions to overcome current or potential challenges
- We work on continuous performance improvement and learning
- We strive to consistently add value to the business and the environment



TEAMWORK

Trust each other and achieve together

- We work collaboratively across organizational boundaries on common objectives
- We respect each other's ideas and opinions
- We give constructive and candid feedback
- We share knowledge and experiences to help each other develop
- We celebrate the wins together



PASSION

Go above and beyond

- We love what we do
- We have the courage to question the status quo
- We think big and create new possibilities
- We bring positive energy to everything we do
- We are driven by new challenges and learning opportunities



CUSTOMER CENTRIC

Prioritize customer experience (Internal & External)

- We continuously seek to understand and identify customer needs
- We focus on providing convenience and value to our customers
- We listen to our customers and treat them with respect
- We are clear and transparent in our communication
- We consider all customer touchpoints to offer the best possible solution

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Abdul Majeed	Chairman
Mr. Abrar Hasan	Chief Executive Officer
Mr. Towfiq H. Chinoy	Director
Mr. Ehsan A. Malik	Director
Ms. Noreen Hasan	Director
Ms. Saadia Naveed	Director
Mr. Zahid Majeed	Director

AUDIT COMMITTEE

Mr. Ehsan A. Malik	Chairman
Ms. Noreen Hasan	Member
Ms. Saadia Naveed	Member
Mr. Zahid Majeed	Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Towfiq H. Chinoy	Chairman
Ms. Noreen Hasan	Member
Mr. Ehsan A. Malik	Member
Mr. Zahid Majeed	Member
Ms. Saira A. Khan	Secretary to HR & RC

DIRECTOR CORPORATE FINANCE / CHIEF FINANCIAL OFFICER

Mr. Syed Farhan Ali Rizvi

COMPANY SECRETARY

Mr. Fazal ur Rehman Hajano

HEAD OF INTERNAL AUDIT AND SECRETARY AUDIT COMMITTEE

Ms. Quratulain Mamsa

INTERNAL AUDITORS

EY Ford Rhodes

COMPANY MANAGEMENT

Mr. Abrar Hasan	Chief Executive Officer
Mr. Aejaaz Abbas Basrai	Director Strategy & Marketing & Chief Operating Officer NF DMCC
Mr. Ahmed Salman	Director Supply Chain
Dr. Fayyaz Ashraf	Director Quality, Research & Development
Mr. Hasan Sarwat	Director Sales
Ms. Saira A. Khan	Director Human Resources
Mr. Saleem Rafi Khilji	General Manager Manufacturing
Mr. Shahid Saeed	Director Information Technology
Mr. Syed Farhan Ali Rizvi	Director Corporate Finance

AUDITORS

Messrs. KPMG Taseer Hadi & Co. Chartered Accountants	Shaikh Sultan Trust Building No. 2 Beaumont Road, Karachi.
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SHARE REGISTRATION OFFICE

CDC Share Registrar Services Limited	CDC House, 99-B, Block B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400. Tel: (92-21) 111-111-500 Fax: (92-21) 34326031
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COMPANY BANKS

Bank Al Habib Limited	United Bank Limited
Bank Alfalah Limited	Habib Bank AG Zurich
(Islamic Banking Group)	MCB Dubai
National Bank of Pakistan	Toronto Dominion Canada Trust Bank
Habib Bank Limited	Bank of Montreal
Habib Metropolitan Bank Limited	Business Development Bank of Canada
MCB Bank Limited	Allied Bank Limited
Meezan Bank Limited	Al Meezan Investments

REGISTERED OFFICE	12/CL-6 Claremont Road, Civil Lines, Karachi-75530 Phone: (92-21) 38402022 & 36490029 Fax: (92-21) 35670996
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SITE PLANT	F-160/C, F-133, S.I.T.E., Karachi. Phone: 021-3257-7707 – 10, Fax: 021-3257-2217 Email Address: info@nfoods.com
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PORT QASIM PLANT	A-13, North Western Industrial Zone, Bin Qasim, Karachi. Phone: 021-3475-0373 – 7
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GUJRANWALA PLANT	53-KM G.T. Road, Chainwala Mord Amanabad, Gujranwala near Gujranwala Kamoki Tool Plaza. Phone: 055-3409560, 3409660
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NOORIABAD PLANT	A 393 Nooriabad Industrial Estate, Nooriabad, Karachi. Phone: 03000335287
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Web Presence: Updated company information and the latest
Annual Report can be accessed at: www.nfoods.com

DIRECTORS' REPORT

FELLOW SHAREHOLDERS,

The Directors of National Foods Limited are pleased to present the unaudited financial results of the Company, which includes both stand-alone and consolidated financial statements, for the three months period ended September 30, 2021.

BUSINESS PERFORMANCE OVERVIEW

Economic environment

Strong closure of FY21 and declined rate of COVID cases, Pakistan has continued its journey to the strong economic recovery. IMF has also backed the growth rate of the economy which further boosts the confidence in the economy. However, inflationary trends on the back of international commodity price increases along with the upward trend of the interest rates does pose certain uncertainties and may impact consumer spending.

OPERATING AND FINANCIAL PERFORMANCE

Core business

Net sales of the core business posted a healthy growth of 10%. The business continued to accelerate the business transformation by focusing on optimizing revenue, cost transformation and driving volume initiatives across all regions through brand and consumer led activities. As a result, the operating profitability grew by 25% in the core business, coupled with aggressive growth in the international segment.

We believe we now have a strong portfolio of brands that will enable a sustainable growth. We will continue to grow these brands through focused execution and targeted innovation where relevant.

A1 Bags & Supplies Inc.

Net sales grew by 48% mainly in Packaging, Food, Protein and Wares category, also supported by the better covid situation and opening of markets. The business continues to grow strong and deliver double-digit bottom-line growth.

Key financial numbers of the Group for the fiscal year are summarized below:

Amounts in PKR Million

	Group			Core Business			A1 Bags & Suppliers Inc.		
	Q1 FY22	Q1 FY21	Change	Q1 FY22	Q1 FY21	Change	Q1 FY22	Q1 FY21	Change
Net sales	9,977	8,091	23%	5,872	5,322	10%	4,105	2,768	48%
Gross profit	2,891	2,331	24%	2,051	1,729	18%	840	600	40%
Operating profit *	1,067	868	23%	756	604	25%	311	262	18%
Net profit after tax **	711	528	35%	599	428	46%	190	171	11%
Earnings per share (Rupees)	3.8	2.8		3.2	2.3		1.0	0.9	
as % of net sales									
Gross profit	28.9%	28.8%	0.2%	34.9%	32.5%	2.4%	20.5%	21.7%	-1.2%
Operating profit	10.7%	10.7%	-0.04%	12.9%	11.4%	1.5%	7.6%	9.5%	-1.9%
Net profit after tax	7.1%	6.5%	0.6%	10.2%	8.1%	2.1%	4.6%	6.2%	-1.5%

* Excludes other income and other expenses.

** This includes amortization of Rs. 6.6 million (2020: RS. 6.6 million) on intangible recognized on consolidation of A1 Bags & Suppliers Inc.



Marketing and Promotion

Recipe Masala

- Immersive integrated marketing initiatives during the season with seasonal initiatives including digital airing, brand collaboration and consumer engagement at the LMTs.
- Strong brand equity scores in the category with gain across all parameters.
- Karachi reflecting a strong funnel with increase in trial and consumption parameters.
- Curry proposition growing strongly gaining market share in the curry segment.

Ketchup

- National Squeezy launched in the category offering convenience to consumer as an attractive table to proposition. The launch was backed by Digital campaign, trade initiatives and sales team connects.
- Eid-ul-Adha consumer promotions with free product on purchase of pouch done in July 2021.

Pickle

- Crushed pickle Eid-ul-Adha digital campaign in July along with portrayal on Made Easy portal and You Tube Channel – with chefs on board to show case the Crushed Pickle as hero ingredient in the recipes.
- E-Commerce integration with bundles launched on Made Easy and E-Commerce platform.

Future outlook

The management recognizes the uncertainty emanating from international commodity & oil inflation, increasing interest rates, current account deficit & resulting impact on exchange rate and cumulatively its impact on economy. The management will continue to closely monitor the situation and strategize accordingly to drive business fundamentals and improve / maintain its market leadership position in all major categories through contingency planning.

Acknowledgement

I would like to express the Board’s sincerest gratitude to all internal and external stakeholders for their continued commitment and trust.

On behalf of Board of Directors

Chief Executive Officer

Director



UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION SEPTEMBER 30, 2021



Condensed Interim Unconsolidated Statement of Financial Position

As at September 30, 2021

	Note	Sep. 30, 2021 (Unaudited)	June 30, 2021 (Audited)
(Rupees in thousand)			
ASSETS			
Non-current assets			
Property, plant and equipment	5	5,105,414	5,032,273
Intangibles		60,891	65,091
Long-term Investments		61,719	61,719
Long-term deposits		94,772	94,772
		<u>5,322,796</u>	<u>5,253,855</u>
Current assets			
Stores, spare parts and loose tools	6	156,875	150,339
Stock in trade		5,043,858	4,945,365
Trade debts		906,990	1,277,125
Advances		310,526	155,982
Trade deposits and prepayments		61,673	50,451
Short term investment		1,660,000	1,001,199
Other receivables		1,575	12,274
Sales tax refundable		174,221	90,076
Cash and bank balances		1,639,351	2,698,926
		<u>9,955,069</u>	<u>10,381,737</u>
		<u>15,277,865</u>	<u>15,635,592</u>
EQUITY AND LIABILITIES			
Share Capital and reserves			
Authorised share capital			
1,000,000,000 (30 June 2019: 1,000,000,000)			
ordinary shares of Rs. 5 each		<u>5,000,000</u>	<u>5,000,000</u>
Share Capital			
Issued, subscribed and paid-up capital		932,461	932,461
Revenue Reserve		<u>5,088,499</u>	<u>4,543,794</u>
Unappropriated profit		<u>6,020,960</u>	<u>5,476,255</u>
Non - current liabilities			
Deferred taxation - net		226,281	215,211
Long-term finance		569,496	699,619
Deferred liabilities		16,643	7,005
		<u>812,420</u>	<u>921,835</u>
Current liabilities			
Trade and other payables		4,549,889	4,381,147
Unclaimed dividends		21,149	21,202
Contract liability		162,128	482,525
Mark-up accrued		1,873	9,138
Short term borrowings	7	1,984,691	2,790,795
Long-term finance classified as current - secured		530,480	529,799
Taxation - net		1,194,275	1,022,895
		<u>8,444,484</u>	<u>9,237,501</u>
		<u>15,277,865</u>	<u>15,635,591</u>
Commitments	8		

The annexed notes 1 to 15 form an integral part of this condensed interim unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

Condensed Interim Unconsolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)

For the three months period ended September 30, 2021

Note		Three months ended	
		Sep. 30, 2021	Sep. 30, 2020
		(Rupees in thousand)	
Sales	9	5,784,847	5,207,551
Cost of sales		(3,817,121)	(3,593,738)
Gross profit		1,967,726	1,613,813
Distribution costs		(942,411)	(797,005)
Impairment loss on trade debts		(21)	-
Administrative expenses		(327,564)	(265,866)
Other expenses		(52,193)	(34,257)
Other income		135,137	12,096
Operating profit		780,674	528,781
Finance costs		(39,430)	(21,855)
Profit before taxation		741,244	506,927
Taxation	10	(196,539)	(125,273)
Profit / (loss) after taxation		544,705	381,654
Other comprehensive income			
Total comprehensive income for the period		544,705	381,654
		(Rupees)	
Earnings per share - basic and diluted	11	2.92	2.05

The annexed notes 1 to 15 form an integral part of this condensed interim unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)

For the three months period ended September 30, 2021

	Issued, subscribed and paid-up capital	Revenue reserve - unappropriated profit	Total
(Rupees in thousand)			
Balance as at 1 July 2020	745,969	4,177,688	4,923,657
Total comprehensive income for the year ended 30 June 2021			
- Profit for the year	-	1,298,567	1,298,567
- Other comprehensive income	-	-	-
	-	1,298,567	1,298,567
Transactions with owners recorded directly in equity - distributions			
- 1 Ordinary shares for each 5 shares held allotted as bonus shares	186,492	(186,492)	-
- Final dividend for the year ended 30 June 2020 at the rate of Rs. 5 per share	-	(745,969)	(745,969)
Balance as at 30 June 2021	932,461	4,543,794	5,476,255
Balance as at 1 July 2021	932,461	4,543,794	5,476,255
Total comprehensive income for the year ended 30 June 2022			
- Profit for the three months ended September 30, 2021	-	544,705	544,705
- Other comprehensive income for the three months ended September 30, 2021	-	-	-
	-	544,705	544,705
Balance as at September 30, 2021	932,461	5,088,499	6,020,960

The annexed notes 1 to 15 form an integral part of this condensed interim unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

Condensed Interim Unconsolidated Statement of Cash Flows

For the three months period ended September 30, 2021

	Note	Period ended	
		Sep. 30, 2021	Sep. 30, 2020
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12	793,634	1,295,772
Finance cost paid		(36,581)	(27,539)
Income taxes paid		(14,089)	(18,441)
Retirement benefits		10,660	(73,459)
Net cash generated from operating activities		753,625	1,176,333
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(215,687)	(173,343)
Purchase of intangible assets		(3,112)	-
Short term investment		(658,801)	-
Proceeds from disposal of operating fixed assets		-	9,486
Net cash used in investing activities		(877,601)	(163,858)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of short-term borrowings-net		200,000	100,000
Proceeds from long term finance		(129,442)	228,758
Dividends paid		(53)	-
Net cash (used in) / generated from financing activities		70,505	328,758
Net increase /(decrease) in cash and cash equivalents		(53,471)	1,341,233
Cash and cash equivalents at beginning of the period		508,131	532,423
Cash and cash equivalents at end of the period	13	454,660	1,873,656

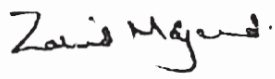
The annexed notes 1 to 15 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Chief Financial Officer



Director

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the three months period ended September 30, 2021

1. THE COMPANY AND ITS OPERATIONS

1.1 National Foods Limited ("the Company") was incorporated in Pakistan on 19 February 1970 as a private limited company under the Companies Act, 1913 and subsequently converted into a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) by special resolution passed in the extra ordinary general meeting held on 30 March 1988. The Company is principally engaged in the manufacture and sale of convenience based food products. The Company is listed on Pakistan Stock Exchange. The registered office of the Company is situated at 12 / CL - 6, Claremont Road, Civil Lines, Karachi.

The ultimate parent entity of the Company is ATC Holdings (Private) Limited based on control model as provided under IFRS 10 - 'Consolidated Financial Statements'.

These financial statements are separate financial statements of the Company in which investment in subsidiary is accounted for on the basis of cost rather than on the basis of reported results. Consolidated financial statements are prepared separately.

The manufacturing facilities and sales offices of the Company are situated at the following locations:

Factories:

- Unit F-160/ C, F- 133, S.I.T.E., Karachi;
- Office A-13, North Western Industrial Zone, Bin Qasim, Karachi;
- 53-KM G.T. Road, Chainwala Mord Amanabad, Gujranwala; and
- A-393, Nooriabad Industrial Estate, Nooriabad.

Sales offices:

- Office No.107, 1st Floor Parsa Tower, Sharah-e-Faisal, Karachi;
- Banglow No. 225, Shahrah-e-Abbasi Akhuwat Nagar Society, Sukkur;
- 2nd Floor, Mall 2 Plaza Main Boulevard Kohinoor City, Jaranwala Road, Faisalabad;
- 18-CCA (Commercial Area), Phase VIII, DHA Lahore, Cantt;
- Plot No. 25, Din Plaza, Canal Road, Main Gate Canal View Housing Society, Gujranwala; and
- 1st Floor, Bilal Complex, Main PWD Road, Sector O-9, Islamabad,

1.2 These condensed interim unconsolidated financial statements are the separate financial statements of th Company in which investment in subsidiary have been accounted for at cost less accumulated impairment losses, if any.

2. BASIS OF PREPARATION

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. The accounting and reporting standards applicable in Pakistan for interim financial reporting 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;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017.

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the three months period ended September 30, 2021

Where the provision of and directives issues under the Companies Act, 2017 differ with the requirements of IAS 34 or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim unconsolidated financial statements do not include all the informations and disclosures required for annual unconsolidated financial statements and should be read in conjunction with the audited annual unconsolidated financial statements of the Company as at and for the year ended 30 June 2021.

2.3 Basis of measurement

These condensed interim unconsolidated financial statementsfinancial statements have been prepared under the historical cost convention except as stated otherwise.

2.4 Functional and presentation currency

These condensed interim unconsolidated financial statements are presented in Pakistan Rupees which is the Company's functional currency. All financial information presented in Pakistan Rupees has been rounded to the nearest thousand of rupees, unless stated otherwise.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended 30 June 2021.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

4.1 The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

4.2 The significant judgements made by management in applying the Company's accounting policies and the key sources of estimating the uncertainty were the same as those that applied to the audited annual financial statements as at and for the year ended 30 June 2021.

4.3 The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the audited annual financial statements as at and for the year ended 30 June 2021.

	Sep. 30, 2021 (Unaudited)	June 30, 2021 (Audited)
	(Rupees in thousand)	
5. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	4,503,042	4,564,852
Capital work in progress	602,372	467,422
	<u>5,105,414</u>	<u>5,032,274</u>

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the three months period ended September 30, 2021

		Three months ended	
		Sep. 30, 2021 (Unaudited)	Sep. 30, 2020 (Unaudited)
		(Rupees in thousand)	
5.1	Following are the additions and disposals of property, plant and equipment during the period:		
	<i>Additions / transfers from CWIP</i>		
	Building on leasehold land	8,882	37,423
	Plant and machinery	26,596	85,290
	Computer equipment	22,867	5,155
	Vehicles	18,194	8,712
	Furniture and fittings	790	2,402
	Others	4,009	3,742
		<u>81,338</u>	<u>142,724</u>
	Additions to operating fixed assets include transfers of Rs 11.06 million (30 September 2020: Rs 48.4 million) from capital work in progress		
	Net (transfer from) / addition to CWIP	<u>83,520</u>	<u>(102,169)</u>
	<i>Disposals - Net book value</i>		
	Vehicles [cost Rs. NIL (30 September 2020: Rs. 7.51 million)]	-	4,934
		<u>-</u>	<u>4,934</u>
	Computer equipments [cost Rs. NIL (30 September 2020: Rs. 1.76 million)]	-	200
		<u>-</u>	<u>200</u>
5.2	All the non-current assets of the Company are located in Pakistan.		
6.	STOCK IN TRADE		
	Stock in trade includes finished goods costing Rs. 117.02 million (30 June 2021: Rs. 124.71 million) valued at net realisable value of Rs. 93.40 million (30 June 2021: Rs. 101.08 million).		
		Sep. 30, 2021 (Unaudited)	June 30, 2021 (Audited)
		(Rupees in thousand)	
7.	SHORT TERM BORROWINGS		
	Secured		
	<i>Conventional</i>		
	Running Finance Under Markup Arrangement	1,179,941	2,103,935
	Export re-finance	800,000	600,000
	<i>Islamic</i>		
	Running finance under Musharakah	4,750	86,860
		<u>1,984,691</u>	<u>2,790,795</u>

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the three months period ended September 30, 2021

- 7.1

The facilities for running finance available from various commercial banks are for the purpose of meeting working capital requirements. The effective rates of mark-up on these finances range from 7.79% to 8.31% (30 June 2021: 7.29% to 7.93%) per annum.
- 7.2

The Company has short term running finance facility under Export Refinance Scheme of the State Bank of Pakistan from a commercial bank. The effective rate of mark-up on this facility is 2.2% to 2.5% (30 June 2021: 2.5%) per annum.
- 7.3

The Company has obtained facilities for short-term finance under Running Musharakah. The effective rate of profit is 8.06% to 8.11% (30 June 2021: 6.73% to 9.43%) per annum. This facility matures within twelve months and is renewable.
- 7.4

The facilities available from various banks amount to Rs. 3.4 billion (30 June 2021: Rs. 3.4 billion). The arrangements are secured by way of pari-passu charge against hypothecation of Company's current and future movable assets having aggregate charge amounting to Rs. 4.7 billion.
- 7.5

As at 30 September 2021, the unavailed facilities from the above borrowings amounted to Rs. 2.4 billion (30 June 2021: Rs. 2.2 billion).

8. COMMITMENTS

- 8.1

Aggregate commitments for capital expenditure as at 30 September 2021 amount to Rs. 1,822 million (30 June 2021: Rs. 467.43 million).
- 8.2

The facilities for opening letters of credit amount to Rs. 2.7 billion (30 June 2021: Rs. 1.84 billion) and for letters of guarantee amount to Rs. 215 million (30 June 2021: Rs. 215 million) as at 30 September 2021 of which the amounts remaining unutilised at period end were Rs. 1.96 billion (30 June 2021: Rs. 1.59 billion) and Rs. 111 million (30 June 2021: Rs. 116 million) respectively.
- 8.3

Aggregate commitments in respect of ujarah payments for ijarah financing of motor vehicles bearing mark up ranging from three months KIBOR + 0.75% to six months KIBOR + 1.25% (30 June 2021: six months KIBOR + 0.75% to six months KIBOR + 1.25%) per annum for rentals payable monthly as at 30 September 2021 amount to:

	Sep. 30, 2021 (Unaudited)	June 30, 2021 (Audited)
	(Rupees in thousand)	
Not later than one year	203,149	199,461
Later than one year but not later than five years	455,430	432,806
	658,579	632,267

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the three months period ended September 30, 2021

		Three months ended	
		Sep. 30, 2021	Sep. 30, 2020
		(Unaudited)	
		(Rupees in thousand)	
9. SALES	Local sales	7,963,581	7,257,323
	Export sales	427,851	583,887
		8,391,432	7,841,209
	Less: Sales tax	(1,077,930)	(1,006,370)
		7,313,502	6,834,839
	Less:		
	Discount, rebates and allowances	(1,392,820)	(1,352,905)
	Sales return	(135,835)	(274,382)
		(1,528,655)	(1,627,287)
		5,784,847	5,207,551
9.1	Exports sales represents sales made to NF DMCC - a wholly owned subsidiary of the Company in United Arab Emirates.		
9.2	Revenue is disaggregated by primary geographical market.		
9.3	Management reviews revenue and other financial results based on product division. During the three months period ended 30 September 2021, revenue of the foods division was Rs. 3,053 million (2020 : Rs. 2,730 million), Kitchen Division was Rs. 5,199 million (2020 : Rs. 4,995 million) and snacks division was Rs. 139 million (2020: 116 million).		
		Three months ended	
		Sep. 30, 2021	Sep. 30, 2020
		(Unaudited)	
		(Rupees in thousand)	
10. TAXATION	- Current	185,469	116,465
	- Deferred	11,070	8,808
		196,539	125,273
11. EARNINGS PER SHARE - BASIC AND DILUTED			
Profit after taxation attributable to ordinary shareholders		544,705	381,654
		(Number of shares)	
		(in thousand)	
Weighted average number of ordinary shares outstanding during the period*		186,492	186,492
		(Rupees)	
Earnings per share - basic and diluted		2.92	2.05

*weighted average number of ordinary shares outstanding during the comparative period has been adjusted for issuance of bonus shares.

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the three months period ended September 30, 2021

12. CASH GENERATED FROM OPERATIONS

	2022	2021
	(Rupees in thousand)	
Profit before taxation	741,244	506,927
<i>Adjustments for non-cash charges and other items</i>		
Depreciation	142,547	128,055
Amortisation	7,312	8,033
Profit on disposal of property, plant and equipment	-	(4,436)
Amortisation of government grant	(10,114)	
Provision for slow moving stock	(85,220)	37,623
Finance costs	39,430	21,855
Retirement benefits expense	1,022	3,914
	94,977	195,044
Profit before working capital changes	836,221	701,971
Working capital changes		
<i>(Increase) / decrease in current assets</i>		
Stores, spare parts and loose tools	(6,536)	1,599
Stock in trade	(98,493)	216,657
Trade debts	455,355	744,489
Advances	(149,325)	(131,464)
Trade deposits and prepayments	(11,222)	(53,120)
Other receivables	10,699	8,099
Sales tax refundable	(84,145)	(8,163)
	116,333	778,097
Increase / (decrease) in current liabilities		
Trade and other payables	168,742	40,466
Markup accrued	(7,265)	(11,586)
Contract Liability	(320,397)	(213,176)
	(158,920)	(184,296)
	793,634	1,295,772
13. CASH AND CASH EQUIVALENTS		
Cash and bank balances	1,639,351	2,698,926
Running finance	(1,184,691)	(2,190,795)
	454,660	508,131

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the three months period ended September 30, 2021

14. TRANSACTIONS WITH RELATED PARTIES

Transaction with related parties, other than disclosed elsewhere are as follows:

14.1 At reporting date the trade debts include Rs. 585.7 million (30 June 2021: Rs. 496.5 million) receivable from National Foods DMCC (subsidiary company).

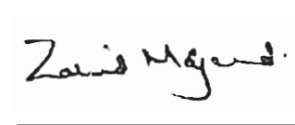
	Three months ended	
	Sep. 30, 2021	Sep. 30, 2020
	(Rupees in thousand)	
Parent Company		
Rental income	910	909
Subsidiary Company		
Sale of goods - net	427,851	579,008
Associated Companies / Undertakings		
Annual Subscription	2,000	2,000
Staff retirement funds		
Expense charged for defined contribution plan	18,996	17,722
Payment against defined contribution plan	25,499	35,959
Key Management Personnel:		
Salaries and other short-term employee benefits	156,622	174,629
Contribution to Provident Fund	9,056	8,870
Post retirement benefits of Executive Directors	1,022	3,912

15. GENERAL

These condensed interim unconsolidated financial statements has been authorised for issue on _____ by the Board of Directors of the Company.


Chief Executive Officer


Chief Financial Officer


Director

CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION SEPTEMBER 30, 2021



Consolidated Balance Sheet

As at September 30, 2021

	Note	Sep. 30, 2021 (Unaudited)	June 30, 2021 (Audited)
(Rupees in thousand)			
ASSETS			
Non - current assets			
Property, plant and equipment	5	5,708,960	5,482,954
Right-of-use assets	6	1,121,340	1,118,423
Intangibles and goodwill		829,638	796,903
Financial Asset		30,000	30,000
Long term deposits		96,524	95,557
		<u>7,786,462</u>	<u>7,523,837</u>
Current assets			
Stores, spare parts and loose tools		156,875	150,339
Stock-in-trade	7	6,961,417	6,463,684
Trade debts		882,520	1,305,828
Advances		378,208	278,046
Trade deposits and prepayments		343,021	344,097
Short term investment		1,660,000	1,001,199
Other receivables		20,659	30,316
Sales tax refundable		171,302	90,076
Cash and bank balances		1,999,927	3,042,473
		<u>12,573,929</u>	<u>12,706,058</u>
TOTAL ASSETS		<u>20,360,390</u>	<u>20,229,895</u>
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital and reserves			
Authorised share capital			
1,000,000,000 (30 June 2019: 1,000,000,000)			
ordinary shares of Rs. 5 each		<u>5,000,000</u>	<u>5,000,000</u>
Share Capital			
Issued, subscribed and paid-up capital		932,461	932,461
Revenue Reserves			
Unappropriated profit		6,413,882	5,703,120
Foreign exchange translation reserve		102,685	2,756
Equity attributable to owners of the Company		<u>7,449,028</u>	<u>6,638,337</u>
Non-controlling interest		709,417	635,103
Total equity		<u>8,158,445</u>	<u>7,273,440</u>
Non - current liabilities			
Long-term finance		741,047	883,076
Lease liabilities		969,903	958,104
Long-term deposits		4,601	4,350
Deferred taxation - net		226,281	208,106
Deferred liabilities		20,610	10,667
		<u>1,962,442</u>	<u>2,064,303</u>
Current liabilities			
Trade and other payables		5,836,502	5,430,104
Unclaimed Dividend		21,149	21,206
Contract liabilities		77,660	529,821
Mark-up accrued		2,902	10,453
Short-term borrowings	8	2,082,173	2,861,444
Current maturity of long term finance		752,956	744,559
Current portion of lease liabilities		208,353	218,022
Taxation - net		1,257,809	1,076,543
Sales tax payable			
		<u>10,239,503</u>	<u>10,892,152</u>
		<u>12,201,945</u>	<u>12,956,455</u>
Commitments	9		
TOTAL EQUITY AND LIABILITIES		<u>20,360,390</u>	<u>20,229,895</u>

The annexed notes 1 to 16 form an integral part of this consolidated interim financial information.

Abul Hasan

Chief Executive Officer

Farhan B.

Chief Financial Officer

Zaini Majeed

Director

Consolidated Profit and Loss Account (Unaudited)

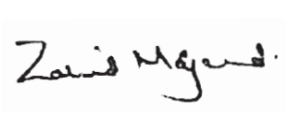
For the three months period ended September 30, 2021

	Note	Three months ended	
		Sep. 30, 2021	Sep. 30, 2020
		(Rupees in thousand)	
Sales	10	9,976,962	8,090,465
Cost of sales		(7,086,677)	(5,761,498)
Gross profit		2,890,285	2,328,967
Distribution costs		(1,404,218)	(1,120,634)
Impairment loss on trade debts		(21)	-
Administrative expenses		(423,077)	(340,374)
Other expenses		(52,193)	(34,320)
Other income		125,027	18,257
Operating profit		1,135,803	851,896
Finance costs		(82,152)	(67,237)
Profit before taxation		1,053,651	784,659
Taxation - net		(268,575)	(189,726)
Profit after tax		785,076	594,933
Other comprehensive income			
Items that will not be reclassified to profit and loss account:			
Foreign operations - foreign currency translation differences		99,929	(206,755)
		99,929	(206,755)
Total comprehensive income for the year		885,005	388,178
Profit attributable to:			
Owners of the Parent Company		710,762	528,144
Non-controlling interest		74,314	66,789
		785,076	594,933
Total comprehensive income attributable to:			
Owners of the Parent Company		817,749	320,485
Non-controlling interest		67,256	67,693
		885,005	388,178
		(Rupees)	
Earnings per share (basic and diluted)	12	3.81	2.83

The annexed notes 1 to 16 form an integral part of this consolidated interim financial information.


Chief Executive Officer


Chief Financial Officer


Director

Consolidated Statement of Changes in Equity

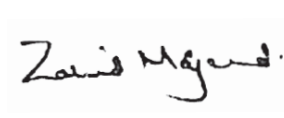
For the three months period ended September 30, 2021

	Attributable to Shareholders of the Parent Company					
	Share capital	Revenue Reserve		Sub-total	Non controlling interest	Total Equity
		Retained earnings	Foreign exhcange translation reserve			
(Rupees in thousand)						
Balance as at 1 July 2020	745,969	4,843,618	(51,502)	5,538,085	525,431	6,063,516
Total comprehensive income for the year ended 30 June 2021						
Profit for the year	-	1,758,588	-	1,758,588	216,086	1,974,674
Other comprehensive income	-	33,375	54,258	87,633	7,351	94,984
	-	1,791,963	54,258	1,846,221	223,437	2,069,658
Transaction with owners in their capacity as owners directly recorded in equity						
Final cash dividend for the year ended 30 June 2020 @ Rs. 5 per Ordinary share	-	(745,969)	-	(745,969)	-	(745,969)
Dividend paid to NCI					(113,765)	(113,765)
1 Ordinary share for each 4 Ordinary shares held - allotted as bonus shares for the year ended 30 June 2020	186,492	(186,492)				
Balance as at 30 June 2021	932,461	5,703,120	2,756	6,638,337	635,103	7,273,440
Balance as at 1 July 2021	932,461	5,703,120	2,756	6,638,337	635,103	7,273,440
Total comprehensive income for the three months ended 30 September 2021						
Profit for the three months ended 30 September 2021	-	710,762	-	710,762	74,314	785,076
Other comprehensive income for the months ended 30 September 2021	-		99,929	99,929	-	99,929
	-	710,762	99,929	810,691	74,314	885,005
Balance as at 30 September 2021	932,461	6,413,882	102,685	7,449,028	709,417	8,158,445

The annexed notes 1 to 16 form an integral part of this consolidated interim financial information.


Chief Executive Officer


Chief Financial Officer


Director

Consolidated Statement of Cash Flows

For the three months period ended September 30, 2021

	Note	Sep. 30, 2021 (Unaudited)	Sep 30, 2020 (Unaudited)
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	13	1,224,322	1,126,686
Finance cost paid		(89,417)	(72,921)
Income tax paid		(74,108)	(145,574)
Retirement benefits obligations paid		10,660	(73,459)
Long term deposits		14	-
Net cash generated from operating activities		1,071,470	834,732
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(371,441)	(178,447)
Purchase of intangible assets		(3,112)	-
Purchase of associate		(658,801)	9,486
Deferred consideration paid		-	(824)
Net cash used in investing activities		(1,033,355)	(169,786)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short term borrowings		200,000	100,000
Proceeds from long term finance		(128,554)	211,170
Repayment of long term finance		(98,154)	(81,637)
Advance against share capital		(152,904)	-
Dividend paid		(2,976)	-
Net cash from / (used in) financing activities		(182,588)	229,533
Net increase / (decrease) in cash and cash equivalents		(144,472)	894,480
Cash and cash equivalents at beginning of the year		786,051	1,195,799
Currency translation difference on cash and cash equivalents		76,184	44,263
Cash and cash equivalents at end of the year	14	717,763	2,134,541

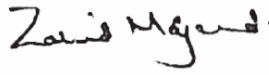
The annexed notes 1 to 16 form an integral part of this consolidated interim financial information.



Chief Executive Officer



Chief Financial Officer



Director

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the three months period ended September 30, 2021

1. THE GROUP AND ITS OPERATIONS

1.1 The group consists of:

- i) Holding Company - National Foods Limited
- ii) Subsidiary Company - National Foods DMCC

National Foods Limited

National Foods Limited ("Parent Company") was incorporated in Pakistan on February 19, 1970 as a private limited company under the Companies Act, 1913 and subsequently converted into a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) by special resolution passed in the extra ordinary general meeting held on 30 March 1988. The Parent Company is principally engaged in the manufacture and sale of convenience based food products. It is listed on Pakistan Stock Exchange. The registered office of the Parent Company is situated at 12 / CL - 6, Claremont Road, Civil Lines, Karachi.

The ultimate parent entity of the National Foods Limited is ATC Holdings (Private) Limited based on control model as provided under IFRS10 - 'Consolidated Financial Statements'.

National Foods DMCC

National Foods DMCC ("NF DMCC") was registered on 7 November 2012 in Dubai Multi Commodities Centre ("DMCC") pursuant to Dubai (DMCC) Law No. 4 of 2001 and operates in the United Arab Emirates ("UAE") under a trade license issued by DMCC. The NF DMCC is a wholly owned subsidiary of National Foods Limited.

Primary objective of NF DMCC is to boost export sales of Parent Company through trading in food stuff and other services. NF DMCC also has following two wholly owned direct subsidiaries and one indirect subsidiary as follows:

National Foods Pakistan (UK) Limited

National Foods Pakistan (UK) Limited was incorporated in United Kingdom on 29 May 2013 as a private company under the UK Companies Act, 2006. The company is a wholly owned subsidiary of National Foods DMCC. The company is principally engaged in the trading of food products.

National Epicure Inc.

National Epicure Inc. ("NEI") was incorporated in Canada on 16 October 2013 under the Canada Business Corporations Act. NEI is a wholly owned subsidiary of National Foods DMCC. NEI is principally engaged in the trading of food products.

A-1 Bags & Supplies Inc.

A 1 Bags & Supplies Inc. was incorporated under the Business Corporations Act of Ontario on March 14, 2001. National Epicure Inc. acquired 60% holding in A-1 Bags and Supplies in the year 2017 and is principally engaged in distribution and wholesale of food products, disposables, janitorial and sanitation products.

1.2 The manufacturing facilities and sales offices of the Group companies are situated at the following

locations:

- Factories:
- Unit F-160/ C, F- 133, S.I.T.E., Karachi.
 - Office A-13, North Western Industrial Zone, Bin Qasim, Karachi.
 - 53-KM G.T. Road, Chainwala Mord Amanabad, Gujranwala.
 - A 393 Nooriabad industrial estate, Nooriabad, Karachi.

- Sales offices:
- Office No.107, 1st Floor Parsa Tower Sharah-e-Faisal, Karachi.
 - Banglow No. 225, Shahrah-e-Abbasi Akhuwat Nagar Society, Sukkur.
 - 2nd Floor Mall 2 Plaza Main Boulevard Kohinoor City Jaranwala Road, Faisalabad.

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the three months period ended September 30, 2021

- 18-CCA (Commercial Area) Phase V111 DHA Lahore, Cantt.
- Plot # 25 Din Plaza Canal Road Main Gate Canal View Housing Society, Gujranwala.
- 1st Floor Bilal Complex Main PWD Road sector O-9, Islamabad.
- Unit No. R30-26, Floor No. 30, R Serviced Offices JLT, Reef Tower, Plot No. 01 Jumeirah Lakes
- Towers Dubai, United Arab Emirates.
- 193 Maxome Avenue, Toronto, Ontario, Canada.
- 27 Second Floor, Gloucester Place, London, United Kingdom.
- 6400 Kennedy Road, Mississauga, Ontario
- 1110 Dearness Dr, Toronto, Ontario

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017 .

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim consolidated financial statements do not include all the informations and disclosures required for annual consolidated financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Company as at and for the year ended 30 June 2021.

2.3 Basis of measurement

These condensed interim consolidated financial statements have been prepared under the historical cost convention except as stated otherwise.

2.4 Functional and presentation currency

These condensed interim consolidated financial statements are presented in Pakistan Rupees which is Group's functional currency. All financial information presented in Pakistan Rupees has been rounded to the nearest thousand of rupees, unless stated otherwise.

3 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed interim consolidated financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimating the uncertainty were the same as those that applied to the audited annual financial statements as at and for the year ended 30 June 2021.

The financial risk management objectives and policies adopted by the Group are consistent with those disclosed in the audited annual financial statements as at and for the year ended 30 June 2021.

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the three months period ended September 30, 2021

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the consolidated financial statements of the Company for the year ended 30 June 2021.

4.2. Basis of consolidation

These consolidated financial statements consists of financial statements of the Parent Company and its subsidiary companies as disclosed in note 1.1 to these condensed interim consolidated financial statements (here in after referred as Group).

The financial statements of the Parent Company and its subsidiary companies are prepared up to the same reporting date and are combined on a line-by-line basis.

Business Combination

The Group accounts for business combination using the acquisition method when control is transferred to the Group. The consideration transferred (including contingent consideration) in the acquisition is measured at fair value, as are the identifiable net assets acquired. Any goodwill acquired is not amortized but tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction cost are expensed as incurred, except if related to the issue of debt or equity securities. When the initial accounting for a business combination is incomplete at the end of a reporting period, provisional amounts are used. During the measurement period, the provisional amounts are retrospectively adjusted and additional assets and liabilities may be recognized, to reflect new information obtained about the facts and circumstances that existed at the acquisition date which would have affected the measurement of the amounts recognized at that date, had they been known. The measurement period does not exceed twelve months from the date of acquisition.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity generally accompanying a shareholding of more than fifty percent of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and up to the date when the control ceases.

Non-controlling interest is that portion of equity in a subsidiary that is not attributable, directly or indirectly, to the Parent Company. Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Non-controlling interests are presented as a separate item in the consolidated financial statements.

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in the equity.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated.

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the three months period ended September 30, 2021

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Capital Work in Progress

Sep. 30, 2021 (Unaudited)	Jun 30, 2021 (Audited)
(Rupees in thousand)	
5,106,588	5,015,533
602,372	467,421
5,708,960	5,482,954

5.1 Following are the additions and disposals of property, plant and equipment:

	Sep. 30, 2021 (Unaudited)	Sep. 30, 2020 (Audited)
(Rupees in thousand)		
Additions/transfer from CWIP		
Building on Leasehold land	57,926	37,423
Plant & machinery	26,596	85,290
Computers	36,563	5,839
Motor vehicles - Owned	42,818	8,712
Furniture & fittings	6,164	2,793
Others	68,417	3,742
	238,484	143,798
 Net (transfer from) / addition to CWIP	83,520	(102,169)
 Disposals - Net book value		
Vehicles [cost Rs. NIL (30 September 2020: Rs. 9.51million)]	-	5,521
 Computer equipments [cost Rs. NIL (30 September 2020: 1.76 million)]	-	200

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the three months period ended September 30, 2021

6. RIGHT-OF-USE ASSETS

Cost

Balance at 1 July 2020

Addition

Balance at 30 June 2021

Accumulated Depreciation

Balance at 1 July 2020

Charge for the year

Balance at 30 June 2021

Effect of movements in exchange rates

Net Book Value

July 01, 2020

June 30, 2021

June 30, 2021			
Properties	Equipment	Vehicles	Total
(Rupees in thousand)			
870,982	8,463	78,221	957,666
494,423	9,054	21,114	524,592
1,365,406	17,517	99,335	1,482,258
170,095	4,894	22,572	197,561
172,766	3,463	17,442	193,671
342,862	8,357	40,014	391,232
25,480	183	1,735	27,398
700,887	3,569	55,649	760,105
1,048,024	9,343	61,056	1,118,423

Cost

Balance at 1 July 2021

Addition

Balance at 30 September 2021

Accumulated Depreciation

Balance at 1 July 2021

Charge for the year

Balance at 30 September 2021

Effect of movements in exchange rates

Net Book Value

September 30, 2021

Sep. 30, 2021			
Properties	Equipment	Vehicles	Total
(Rupees in thousand)			
1,365,406	17,517	99,335	1,482,258
-	-	-	-
1,365,406	17,517	99,335	1,482,258
342,862	8,357	40,014	391,232
54,232	1,048	5,822	61,102
397,094	9,404	45,836	452,334
85,496	712	5,208	91,416
1,053,808	8,825	58,707	1,121,340

7. STOCK IN TRADE

Stock in trade includes finished goods costing Rs. 117.02 million (30 June 2021: Rs. 124.71 million) valued at net realisable value of Rs. 93.40 million (30 June 2021: Rs. 101.08 million).

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the three months period ended September 30, 2021

		Sep. 30, 2021 (Unaudited)	June 30, 2021 (Audited)
		(Rupees in thousand)	
8.	SHORT-TERM BORROWINGS		
	Running finance under mark up arrangements	8.1 1,277,415	2,174,584
	Running finance under Musharika	8.2 4,750	86,860
	Export re-finance	8.3 800,000	600,000
		2,082,165	2,861,444

8.1 The Group has facilities for running finance available from various commercial banks for the purpose of meeting working capital requirements. The effective rates of mark-up on these finances range from 7.79% to 8.31% (30 June 2021: 7.29% to 7.93%) per annum.

The Group also has demand operating loan authorized by Toronto Dominion ("TD") bank to a maximum of Rs. 675 million and bears interest at TD bank's prime lending rate plus 0.3% per annum and is secured by a general security agreement, an assignment of insurance and postponement of related party loans.

8.2 The Group has obtained facilities for short-term finance under Running Musharakah. The effective rate of profit is 8.06% to 8.11% (30 June 2021: 6.73% to 9.43%) per annum. This facility matures within twelve months and is renewable.

8.3 The Group has short term running finance facility under Export Refinance Scheme of the State Bank of Pakistan from a commercial bank. The effective rate of mark-up on this facility is 2.2% to 2.5% (30 June 2021: 2.5%) per annum.

8.4 The facilities available from various banks amount to Rs. 3.4 billion (30 June 2021: Rs. 3.4 billion). The arrangements are secured by way of pari-passu charge against hypothecation of Group's current and future movable assets having aggregate charge amounting to Rs. 4.7 billion.

8.5 As at 30 September 2021, the unavailed facilities from the above borrowings amounted to Rs. 2.76 billion (30 June 2021: Rs. 2.76 billion).

9. COMMITMENTS

9.1 Aggregate commitments for capital expenditure as at 30 September 2021 amount to Rs. 1,822 million (30 June 2021: Rs. 467.43 million).

9.2 The facilities for opening letters of credit amount to Rs.2.7 billion (30 June 2021: Rs. 1.84 billion) and for letters of guarantee amount to Rs. 215 million (30 June 2021: Rs. 215 million) as at 30 September 2021 of which the amount remaining unutilised at year end were Rs. 1.96 billion (30 June 2021: Rs. 1.59 billion) and Rs. 111 million (30 June 2021: Rs. 116 million) respectively.

9.3 Aggregate commitments in respect of ujarah payments for ijarah financing of motor vehicles bearing mark up ranging from three months KIBOR + 0.75% to six months KIBOR + 1.25% (30 June 2021: six months KIBOR + 0.75% to six months KIBOR + 1.25%) per annum for rentals payable monthly as at 30 September 2021 amount to:

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the three months period ended September 30, 2021

		Sep. 30, 2021 (Unaudited)	June 30, 2021 (Audited)
		(Rupees in thousand)	
	Not later than one year	422,000	199,461
	Later than one year but not later than five years	1,587,595	432,806
		2,009,595	632,267

10. SALES - NET

		Sep. 30, 2021	Sep. 30, 2020
		(Rupees in thousand)	
	Gross sales		
	Local sales	7,963,581	7,257,323
	Export sales	4,900,380	3,684,685
		12,863,961	10,942,007
	Sales tax	(1,310,329)	(1,167,837)
		11,553,631	9,774,170
	Less:		
	Discount rebates and allowances	(1,440,834)	(1,409,446)
	Sales return	(135,835)	(274,260)
		(1,576,668)	(1,683,705)
		9,976,963	8,090,465

10.1 Exports sales represents sales made to NF DMCC - a wholly owned subsidiary of the Company and other customers, in United Arab Emirates.

10.2 Revenue is disaggregated by primary geographical market.

10.3 Management reviews revenue and other financial results based on product division. During the three months period ended 30 September 2021, revenue of the foods division was Rs. 3,169.5 million (2020 : Rs. 2,872.7 million), Kitchen Division was Rs. 5446.5 million (2020 : Rs. 5,017.5 million) and snacks division was Rs. 143 million (2020: 116 million). Revenue from A1 amounted to Rs. 4,105 million (2020: 2,931.1 million)

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the three months period ended September 30, 2021

11 . TAXATION

- Current
- Deferred

12. EARNINGS PER SHARE

Profit after taxation attributable to owners of the Parent Company

Weighted average number of ordinary shares outstanding during the period*

Earning per share - basic and diluted

*weighted average number of ordinary shares outstanding during the comparative period has been adjusted for issuance of bonus shares.

Three months ended	
Sep. 30, 2021 (Unaudited)	Sep. 30, 2020 (Unaudited)
(Rupees in thousand)	
257,505	180,918
11,070	8,808
268,575	189,726
Sep. 30, 2021	Sep. 30, 2020
(Rupees in thousand)	
710,762	528,144
(Number of shares)	
(in thousand)	
186,492	186,492
(Rupees)	
3.81	2.83

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the three months period ended September 30, 2021

13. CASH FLOWS FROM OPERATIONS

Profit before taxation

- Adjustments for non-cash charges and other items
 - Depreciation on property, plant and equipment
 - Amortization on intangibles
 - Finance cost
 - Gain on disposal of property, plant and equipment (Reversal against) / provision for slow moving and obsolete stock
 - Retirement benefits expense
 - Working capital changes

Cash generated from operations

13.1 Effect on cash flows due to working capital changes

- (Increase) / Decrease in current assets
 - Stores, spares and loose tools
 - Stock in trade
 - Trade debts
 - Advances
 - Deposits and prepayments
 - Other receivables
 - Sales tax refundable

- (Decrease) / Increase in current liabilities
 - Trade and other payables
 - Sales tax payable
 - Contract Liability

14. CASH AND CASH EQUIVALENTS

- Cash and bank balances
- Short term investment
- Running finance under mark up arrangements

Sep. 30 , 2021 (Unaudited)	Sep 30, 2020 (Unaudited)
(Rupees in thousand)	
1,053,651	784,659
172,547	151,787
10,920	11,433
53,859	67,237
-	(4,436)
(85,220)	37,623
29,316	3,914
(10,751)	74,468
170,671	342,027
1,224,322	1,126,686
(6,536)	1,599
(407,323)	185,178
904,584	1,022,937
66,875	(135,219)
(11,222)	(53,120)
10,699	8,099
(84,145)	(8,163)
472,933	1,021,312
(156,022)	(722,082)
(7,265)	(11,586)
(320,397)	(213,176)
(483,684)	(946,843)
(10,751)	74,468
1,999,927	887,988
-	1,246,553
(1,282,165)	-
717,762	2,134,541

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended 31 March 2021

15. TRANSACTIONS WITH RELATED PARTIES

		Sep. 30, 2021 (Unaudited)	Sep. 30, 2020 (Unaudited)
		(Rupees in thousand)	
Relationship with the Company	Nature of transaction		
Associated Companies / Undertakings	Rental income	910	909
	Subscription	2,000	2,000
Staff retirement funds	Expense charged for defined contribution plan	18,996	17,722
	Payments to retirement contribution plan	25,499	35,959
Long term loan		24,826	22,884
Key management personnel compensation:			
Salaries and other short-term employee benefits		179,262	151,846
Contribution to Provident Fund		9,056	17,722
Post retirement benefits of Executive Directors		1,022	35,959

16. GENERAL

This condensed interim financial information has been authorised for issue on _____, 2021 by the Board of Directors of the Parent Company.

Ahmed

Chief Executive Officer

Zahid

Chief Financial Officer

Zahid

Director

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ڈائریکٹرز رپورٹ

معزز حصص داران!

نیشنل فوڈز لمیٹڈ کے ڈائریکٹرز باسرت 30 ستمبر 2021 کو ختم ہونے والے مالیاتی سال کے غیر جانچ شدہ نتائج پیش کر رہے ہیں جس میں دونوں یعنی علیحدہ اور مشیز کے فنانشل اسٹیٹمنٹس شامل ہیں۔

کاروباری کارکردگی کا جائزہ

معاشی صورتحال

مالیاتی سال 2021 (FY21) کے بہترین اختتام اور کورونا وائرس کے کبسر کی شرح میں نمایاں کمی کے ساتھ پاکستان نے مضبوط معاشی بحالی کی جانب اپنے سفر کو جاری رکھا ہوا ہے۔ آئی ایم ایف (IMF) نے بھی اب معیشت کی شرح نمو کی حمایت کا اعلان کیا ہے جس کی وجہ سے معیشت کے اعتماد میں اضافہ ہوا ہے۔ تاہم، بین الاقوامی اشیائے اجناس کی بڑھتی قیمتوں میں اضافے کی وجہ سے افراط زر کے رجحانات کے ساتھ ساتھ شرح سود کے رجحانات کا عمل کچھ غیر یقینی صورتحال پیدا کرتا ہے اور یہ صارف کے اخراجات پر اثر انداز بھی ہو سکتا ہے۔

عملی اور بنیادی کارکردگی

بنیادی کاروبار

بنیادی کاروبار کی خالص فروخت میں 10 فیصد کا بہترین اضافہ دیکھنے میں آیا ہے۔ کاروبار نے برانڈ اور صارف کی زیر قیادت سرگرمیوں کے ذریعے تمام علاقوں میں آمدنی کو بہتر بنانے، لاگت / اخراجات میں تبدیلی اور حجم کے اقدامات کے بڑھانے کے عمل پر توجہ مرکوز کرتے ہوئے کاروباری تبدیلیوں کو تیزی کے ساتھ جاری رکھا ہوا ہے۔ جس کے نتیجے میں، بنیادی کاروبار کے آپریٹنگ منافع میں 25 فیصد مستحکم اضافے کے ساتھ ساتھ بین الاقوامی سطح / شعبے میں بھی زبردست نمو کا اضافہ ہوا۔

ہمیں یقین ہے کہ اب ہمارے پاس بہترین برانڈز کا ایک مضبوط پورٹ فولیو ہے جو مستحکم ترقی کو اور بھی زیادہ ممکن بنائے گا۔ جہاں موزوں ہوگا وہاں ہم ان برانڈز میں اپنے مرکوز عمل درآمد اور مخصوص جدت کے ذریعے اضافہ کرتے رہیں گے۔

اے ون بیگز اینڈ سلائزز انکارپوریشن

بالخصوص پکچنک، فوڈ، پروٹین اور سامان / ویئرز کی ٹیکسٹری کی خالص فروخت میں 48 فیصد اضافہ ہوا اس کے ساتھ ساتھ کورونا وائرس کی بہتر ہوتی صورتحال اور بازاروں کے کھل جانے کی وجہ سے بھی کافی مدد حاصل ہوئی ہے۔ نیز یہ کہ کاروبار مستحکم پیداوار کے ساتھ مسلسل بڑھ رہا ہے اور ڈبل ڈیجیٹل بوم لائن میں بھی اضافہ کر رہا ہے۔

گروپ کے مالیاتی سال کا گوشوارہ درج ذیل ہیں:

پاکستانی ملین روپے

	گروپ			بنیادی کاروبار			اے ون بیگز اینڈ سلائزز انکارپوریشن		
	Q1 FY22	Q1 FY21	تبدیلی	Q1 FY22	Q1 FY21	تبدیلی	Q1 FY22	Q1 FY21	تبدیلی
خالص فروخت	9,977	8,091	23%	5,872	5,322	10%	4,105	2,768	48%
مجموعی منافع	2,891	2,331	24%	2,051	1,729	18%	840	600	40%
عملی منافع *	1,067	868	23%	756	604	25%	311	262	18%
خالص منافع بعد از ٹیکس **	711	528	35%	599	428	46%	190	171	11%
آمدنی فی حصص (روپے)	3.8	2.8		3.2	2.3		1.0	0.9	
بطور خالص فروخت کی شرح									
مجموعی منافع	28.9%	28.8%	0.2%	34.9%	32.5%	2.4%	20.5%	21.7%	-1.2%
عملی منافع	10.7%	10.7%	-0.04%	12.9%	11.4%	1.5%	7.6%	9.5%	-1.9%
خالص منافع بعد از ٹیکس	7.1%	6.5%	0.6%	10.2%	8.1%	2.1%	4.6%	6.2%	-1.5%

* بشمول دیگر آمدنی اور اخراجات

** اس میں اے ون بیگز اور سلائزز انکارپوریشن کے استحکام کی ناقابل تسلیم بقیہ ادائیگی 6.6 ملین روپے (2020: 6.6 ملین روپے) شامل ہے۔

مارکیٹنگ اور مشیز

رہنمائی مصالحو

- سیزن کے دوران مخصوص مدّت کے لیے مربوط تکمیل شدہ مارکیٹنگ کے اقدامات بشمول ڈیجیٹل ایئرنگ، برانڈ کے ساتھ شراکت اور ایمل ٹیم (LMTs) پر صارف کی مشغولیت کے لیے کیے جانے والے اقدامات کیے گئے۔
- تمام پیرامیٹرز میں ہونے والے منافع کے ساتھ کیٹیگری میں مضبوط برانڈ نے ایکویٹی اسکور کیا۔
- تعارفی طور پر متعارف کروانے اور بڑے پیمانے پر اس پر لاگت لگانے کے بعد کراچی میں اس کے استعمال میں واضح طور پر منافع بخش اضافہ دیکھنے میں آیا۔
- کری سکیمنٹ میں تجویز کردہ کری مارکیٹ شیئرز کو مستحکم انداز میں حاصل کرتے ہوئے آگے بڑھ رہی ہے۔

کپچ

- نیشنل اسکورز کوئینل / میز کے لیے پُرکشش اضافے کے طور پر صارف کو پیش کرتے ہوئے کیٹیگری میں متعارف کروایا گیا ہے۔ اس لانچ کو ڈیجیٹل مہم، تجارتی اقدامات اور سلائیڈ ٹیم کی ٹیکسٹ کی حوصلہ افزائی حاصل تھی۔
- جولائی 2021 میں ایک پاؤچ کی خریداری پر مفت پروڈکٹ کی آفر کے ساتھ عیدالضحیٰ کنزیومر پروموشنز کی گئی۔

پیکل

- جولائی میں کرھڈ پیکل عیدالضحیٰ ڈیجیٹل کمپین کے ساتھ یوٹیوب چینل اور میڈ ایزی پورٹل پر موجودہ شیفٹس کے ذریعے کرھڈ پیکل کوریسیپیژ میں ایک نمایاں اور خاص اجزاء کے طور پر نشر کیا گیا۔
- میڈ ایزی اور ای کامرس پلیٹ فارم پر ای کامرس انٹیگریشن / انتظامیہ بنڈلز کے ساتھ لانچ کیا گیا۔

مستقبل کا نقطہ نظر

انتظامیہ بین الاقوامی اشیائے جنس اور تیل کے افراط زر سے پیدا ہونے والی غیر یقینی صورتحال، شرح سود میں اضافے، موجودہ اکاؤنٹ میں خسارے اور اس کے نتیجے میں شرح تبادلہ پر اور مجموعی طور پر معیشت پر پڑنے والے اثرات کو تسلیم کرتی ہے۔ انتظامیہ صورتحال کی بغور نگرانی کے عمل کو جاری رکھے گی اور اسی کے پیش نظر ہنگامی منصوبہ بندی کے ذریعے تمام شعبوں اور مارکیٹ میں اپنی قیادت کی حیثیت کو بہتر بنانے / برقرار رکھنے میں بنیادی کاروباری اصولوں پر حکمت عملی ترتیب دے گی۔

اعتراف

میں بورڈ کی جانب سے مخلصانہ طور پر اپنے اندرونی اور بیرونی حصص داران کے مسلسل اعتماد اور ہر عزم ساتھ پر اُن کا شکریہ ادا کرنا چاہتا ہوں۔

بورڈ آف ڈائریکٹرز کی جانب سے

فہیمہ نسیم

ڈائریکٹر

احمد

چیف ایگزیکٹو آفیسر