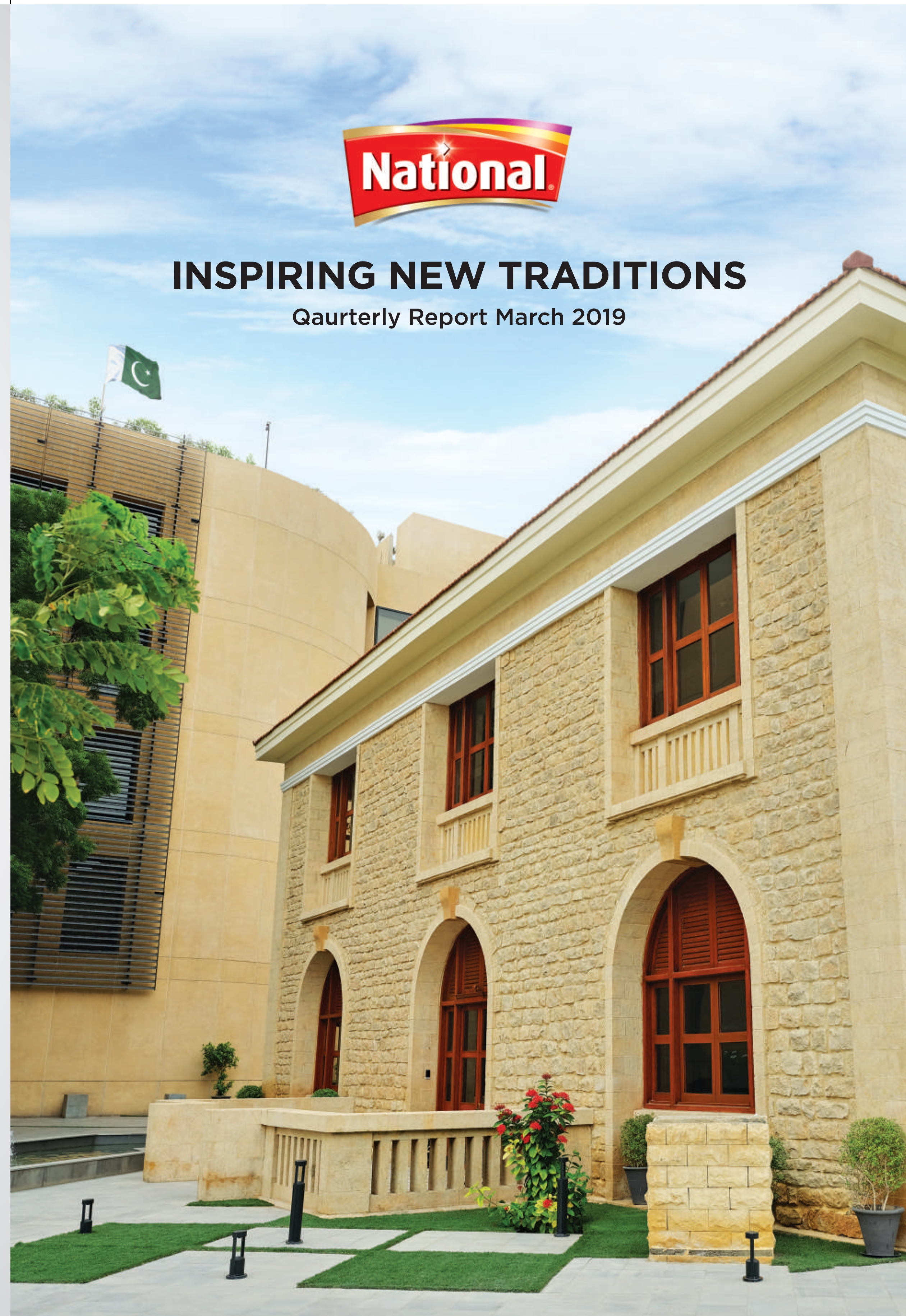
National Foods Limited

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



INSPIRING NEW TRADITIONS

Qaurterly Report March 2019

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Our Story

National Foods Limited (NFL), founded in 1970, 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.

In alignment with NFL's Vision of becoming a Rs. 50 billion company, we constantly Inspire New Traditions and are already on our way to be recognized as an internationally renowned brand in over 37 countries across 5 continents worldwide. This has been facilitated with the aim of keeping traditions through new methods.

NFL is dedicated to improving the well-being of our society through continuous development of innovative food products and changing the way in which the modern household cooks food. We are also dedicated to infusing new initiatives into the society through our wide range of Corporate Social Responsibility programs.

Vision & Mission

To be a Rs. 50 billion food company in the convenience food segment by launching products and services in the domestic and international markets that enhance lifestyle and create value for our customers through management excellence at all levels.

Company Information

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Ehsan A. Malik	Chairman
Mr. Abrar Hassan	Member
Mrs. Saadia Naveed	Member
Mr. Zahid Majeed	Member

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

Mr. Shahid Hussain

INTERNAL AUDITORS

Messrs EY Ford Rhodes & Co. Chartered Accountant

COMPANY MANAGEMENT

Mr. Abrar Hasan	Chief Executive Officer
Mr. Syed Farhan Ali Rizvi	Director Corporate Finance
Ms. Saira A. Khan	Director HR, Admin, IR & Security
Mr. Shakaib Arif	Director Integrated Supply Chain
Mr. Aejaz Abbas Basrai	Director Strategy & Marketing & Chief Operating Officer NF DMCC
Mr. Hasan Sarwat	Director Sales
Dr. Fayyaz Ashraf	Head of Innovations, Research & Development
Mr. Syed Zeeshan Ali	Head of Information Technology

AUDITORS

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

SHARE REGISTRATION OFFICE

Central Depository Company of Pakistan 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

COMPANY BANKS

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

REGISTERED OFFICE	12/CL-6 Claremont Road, Civil Lines, Karachi-75530 P.O. Box No. 15509. Phone: (92-21) 35662687, 35670540, 35670585, 35670793 & 35672268 Fax: (92-21) 35684870
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
PORT QASIM PLANT	A-13, North Western Industrial Zone, Bin Qasim, Karachi. Phone: 021-3475-0373 – 7
MURIDKE PLANT	5-A/1, New Muslim Town, Lahore. Factory Address: G.T. Road, Manooabad Meer Muridke. Phone: 042-798-1427, 798-0808 Fax: 042-798-1427, 798-0808
GUJRANWALA PLANT	53-KM G.T. Road, Chainwala Mord Amanabad, Gujranwala near Gujranwala Kamoki Tool Plaza. Phone: 055-3409560, 3409660
NOORIABAD PLANT	A 393 Nooriabad Industrial Estate, Nooriabad, Karachi. Phone: 03000335287

Web Presence: Updated company information and the latest Annual Report can be accessed at: www.nfoods.com

Director **Report**

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 nine months period ended March 31, 2019.

Business Performance Overview

Operating and financial performance

The Company delivered strong topline and bottom-line. Net sales of the Group has continued its growth momentum posting a steady growth of 17% with core business posting growth of 9% (excluding the reclassification impacts mentioned below). This has been mainly a result of brand and consumer led initiatives carried forward with increased momentum in the current year in the Pakistan operations and partly due to the currency devaluation, which has positively impacted the results of International Division and A1 Cash & Carry.

Ignoring the impact of IFRS 15 mentioned in detail below, gross margins of the group and core business improved by 0.4% and 1.1% respectively. Improvement have been a result of improved product mixes and price increases taken on the backdrop of inflationary & currency devaluation impacts on the cost to produce and sell.

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

Amounts in PKR Million

Financial numbers without IFRS 15 reclassification *	Group			Core Business			A1 Bags & Suppliers Inc.	
	FY19	FY18	Change	FY19	FY18	Change	FY19	FY18
Net sales	**17,819**	15,224	17%	**12,711**	11,658	9%	**5,108**	3,566
Gross profit	**5,680**	4,790	19%	**4,674**	4,164	12%	**1,006**	626
as % of net sales	**31.9%**	31.5%	0.4%	**36.8%**	35.7%	1.1%	**19.7%**	17.6%

Reported numbers (FY 18 not reclassified) *	Group			Core Business			A1 Bags & Suppliers Inc.	
	FY19	FY18	Change	FY19	FY18	Change	FY19	FY18
Net sales	**17,225**	15,224	13%	**12,118**	11,658	4%	**5,108**	3,566
Gross profit	**5,066**	4,790	6%	**4,061**	4,164	-2%	**1,006**	626
as % of net sales	**29.4%**	31.5%	-2.1%	**33.5%**	35.7%	-2.2%	**19.7%**	17.6%
Operating profit	**1,428**	1,029	39%	**1,192**	914	30%	**236**	115
as % of net sales	**8.3%**	6.8%	1.5%	**9.8%**	7.8%	2.0%	**4.6%**	3.2%
Net profit after tax**	**991**	580	71%	**880**	528	67%	**120**	60
as % of net sales	**5.8%**	3.8%	1.9%	**7.3%**	4.5%	2.7%	**2.3%**	1.7%
Earnings per share (Rupees)	**7.6**	4.5		**6.7**	4.1			

*Net sales for the current period incorporate the impact of prospective application of IFRS 15 "Revenue from Contracts with Customers" resulting in reclassification of trade spend from distribution costs to net sales.

** This includes amortization of Rs. 8 million (2018: RS. 8 million) on intangible recognized on consolidation of A1 Bags & Suppliers Inc.

Marketing and Promotion

- With evolving gender roles and modernization and changing consumer behaviors, our traditional brand image for Recipe Mixes was leveraged with the thematic campaign – "Nayi Soch Ke Naye Zaiqay".

- The 'Always On' model with Recipe Mixes via TV and Digital platforms creating brand following and volumes for season specific variants which was followed by Haleem campaign and Fish masala airing.

- Overwhelming responses were received for consumer and trade engagements for Recipe Mixes piloting geography specific initiatives; Karachi and KPK Attack Plan which will further build up in next year.

- In Snacks Category, a new marketing campaign for Scene On was launched with a new anthem and video executed through TV airing, radio and digital. This was simultaneously supported by platinum sponsorship of Karachi Kings in PSL'19 and various BTL activities of match screenings and sampling.

- Three popular jam variants were launched – Pineapple, Black Currant & Strawberry – in smaller 200g jars to encourage trials in lower price proposition and to increase consumption across variants.

- Made Easy platform was launched to bring ease and convenience in our consumers' lives in creating food fusions of dishes by integrating our products.

- New packaging of National Tomato Ketchup was rolled out in the market in Feb'19 with contemporary look and feel which not only stood out on the shelf but also helped in image upliftment giving it more youthful personality. Along with this, superior formulation of Chilli Garlic Sauce versus competition was launched in Feb'19.

- In the Sauces portfolio, we launched a new variant, Garlic Mayo, in Oct'18. The launch will be followed by a well-integrated marketing campaign including TV airing, planned to go live in Jan'19.

- Furthermore, our Chinese range was converted to 800 ml PET bottles following the launch of same by the competition. Two of our variants, Chili Sauce and Soya Sauce were also introduced in 800 ml bottles, which were initially only available in smaller SKUs.

Other key accomplishments

- National Foods Limited was awarded the 'Recognizing Gender Diversity at Workplace: Special Recognition, Local Industry' award by the CFA Society Pakistan for working actively to build an inclusive workforce at all levels of their organization, based on the UN SDG of Gender Equality.

- The Company has been running initiatives such as Project HOPE, Elevate and Aagahi Adult Literacy Program, through which over 80,000 women have been trained so far.

- A recent case study, 'Retaining Top Talent Through Family Friendly Policies' published by International Finance Corporation, a member of the World Bank Group, has identified National Foods Limited as having family friendly policies for their employees.

- A Corporate Documentary has been made to highlight the state-of-the-art manufacturing and quality standards of our products. Besides this, our Company values and culture are also depicted along with sustainability efforts for the society.

Future outlook

The management anticipates an impact of currency devaluation and inflationary pressure on its cost to produce in the last quarter of the fiscal year. However, adequate measures have already been taken and implemented to mitigate inflationary pressures – both in terms of pricing and cost control measures. The Company remains committed to drive business fundamentals and improve / maintain its market leadership position in all major categories in the last quarter of the fiscal year as well and is confident of achieving target for financial year 2019.

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
March 31, 2019

Condensed Interim Unconsolidated Statement of Financial Position (Unaudited)

As at 31 March 2019

	Note	31 March 2019 (Unaudited)	30 June 2018 (Audited)
		(Rupees in '000)	
ASSETS			
Non - current assets			
Property, plant and equipment	*5*	**4,497,687**	4,150,606
Intangibles		**88,232**	85,652
Long-term investment - subsidiary		**31,719**	31,719
Long-term deposits		**39,611**	40,473
		4,657,249	4,308,450
Current assets			
Stores, spare parts and loose tools		**70,625**	41,880
Stock in trade	*6*	**3,860,739**	3,072,291
Trade debts		**1,382,060**	889,385
Advances		**227,791**	102,144
Trade deposits and prepayments		**65,434**	36,863
Other receivables		**7,485**	5,764
Sales tax refundable		**95,120**	121,424
Cash and bank balances		**416,881**	229,728
		6,126,135	4,499,479
		10,783,384	8,807,929
EQUITY AND LIABILITIES			
Share Capital and reserves			
Authorised share capital			
1,000,000,000 (30 June 2018: 200,000,000) ordinary shares of Rs. 5 each		**5,000,000**	1,000,000
Share Capital			
Issued, subscribed and paid-up capital		**621,644**	518,034
Revenue Reserve			
Unappropriated profit		**3,467,881**	3,140,259
		4,089,525	3,658,293
Non - current liabilities			
Deferred taxation - net		**207,381**	117,010
Long-term finance		**439,008**	-
Deferred liabilities		**6,240**	42,366
		652,629	159,376
Current liabilities			
Trade and other payables		**3,035,528**	2,330,786
Unclaimed dividend		**23,115**	18,323
Contract liability		**133,677**	-
Mark-up accrued		**39,249**	14,766
Short term borrowings	*7*	**2,493,790**	2,148,720
Long-term finance classified as current - secured		**54,144**	193,152
Taxation - net		**261,727**	284,513
Sales tax payable		**-**	-
		6,041,230	4,990,260
		10,783,384	8,807,929
Commitments	*8*		

The annexed notes 1 to 16 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 nine months period ended 31 March 2019

	Note	Quarter ended 31 March 2019	Quarter ended 31 March 2018	Nine months ended 31 March 2019	Nine months ended 31 March 2018
		(Rupees in '000)			
Sales	*9*	**4,071,658**	3,807,944	**11,985,659**	11,438,202
Cost of sales		**(2,775,125)**	(2,431,837)	**(8,073,613)**	(7,449,234)
Gross profit		**1,296,533**	1,376,107	**3,912,046**	3,988,968
Distribution costs		**(836,126)**	(895,526)	**(2,116,053)**	(2,500,796)
Impairment loss on trade debts		**-**	-	**(5,400)**	-
Administrative expenses		**(271,151)**	(149,713)	**(774,551)**	(556,990)
Other expenses		**3,058**	(16,686)	**(57,304)**	(63,466)
Other income		**2,777**	14,250	**151,191**	27,514
Operating profit		**195,092**	328,431	**1,109,928**	895,229
Finance costs		**(59,839)**	(39,844)	**(116,941)**	(89,008)
Profit before taxation		**135,253**	288,587	**992,987**	806,221
Taxation	*10*	**16,227**	(102,597)	**(173,229)**	(281,629)
Profit / (loss) after taxation		**151,480**	185,990	**819,758**	524,592
Other comprehensive income		**-**	-	**-**	-
Total comprehensive income for the period		**151,480**	**185,990**	**819,758**	**524,592**
		(Rupees)			
Earnings per share - basic and diluted	*11*	**1.22**	**1.50**	**6.59**	**4.22**

The annexed notes 1 to 16 form an integral part of this condensed interim unconsolidated financial statements.

Chief Executive Officer | **Chief Financial Officer** | **Director**

Consolidated Interim Unconsolidated Statement of Changes in Equity (Unaudited)

For the nine months period ended 31 March 2019

	Issued, subscribed and paid-up capital	Revenue reserve - unappropriated profit	Total
	(Rupees in '000)		
Balance as at 1 July 2017	518,034	2,661,655	3,179,689
Total comprehensive income for the nine months period ended 31 March 2018			
- Profit for the nine months period ended 31 March 2018	-	524,592	524,592
- Other comprehensive income for the nine months period ended 31 March 2018	-		-
	-	524,592	524,592
Transactions with owners recorded directly in equity - distributions			
- Final dividend for the year ended 30 June 2017 at the rate of Rs. 4.25 per share	-	(440,329)	(440,329)
Balance as at 31 March 2018	518,034	2,745,918	3,263,952
Balance as at 1 July 2018	**518,034**	**3,140,259**	**3,658,293**
Total comprehensive income for the nine months period ended 31 March 2019			
- Profit for the nine months ended 31 March 2019	**-**	**819,758**	**819,758**
- Other comprehensive income for the nine months ended 31 March 2019	**-**		**-**
	-	**819,758**	**819,758**
Transactions with owners recorded directly in equity - distributions			
- 1 Ordinary shares for each 5 shares held alloted as bonus shares	**103,610**	**(103,610)**	**-**
- Final dividend for the year ended 30 June 2018 at the rate of Rs. 3.75 per share	**-**	**(388,526)**	**(388,526)**
Balance as at 31 March 2019	**621,644**	**3,467,881**	**4,089,525**

The annexed notes 1 to 16 form an integral part of this condensed interim unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

Condensed Interim Unconsolidated Cash Flow Statement (Unaudited)

For the nine months period ended 31 March 2019

	Note	Period ended 31 March 2019	31 March 2018
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12	**825,514**	1,278,356
Finance cost paid		**(92,458)**	(72,440)
Income taxes paid		**(105,644)**	(280,181)
Retirement bene ts obligations paid		**(42,366)**	-
Long term deposits - net		**862**	(7,669)
Net cash generated from operating activities		**585,908**	918,066
CASH FLOWS FROM INVESTING ACTIVITES			
Purchase of property, plant and equipment		**(681,598)**	(1,232,479)
Purchase of intangible assets		**(38,474)**	(41,082)
Proceeds from disposal of property, plant and equipment		**59,976**	7,834
Net cash used in investing activities		**(660,095)**	(1,265,727)
CASH FLOWS FROM FINANCING ACTIVITES			
Short term borrowings obtained		**-**	888,000
Proceeds from long term finance		**300,000**	-
Repayment of short term borrowings		**(350,000)**	(100,000)
Dividends paid		**(383,731)**	(432,216)
Net cash (used in) / generated from financing activities		**(433,731)**	355,784
Net increase in cash and cash equivalents		**(507,918)**	8,123
Cash and cash equivalents at beginning of the period		**(1,068,991)**	(897,240)
Cash and cash equivalents at end of the period	13	**(1,576,909)**	(889,117)

The annexed notes 1 to 16 form an integral part of this condensed interim unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

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 by special resolution passed in the extraordinary general meeting held on 30 March 1988. The 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 Company is situated at 12 / CL - 6, Claremont Road, Civil Lines, Karachi.

The parent entity of the Company is Associated Textile Consultants (Private) Limited based on control model as provided under International Financial Reporting Standards 10 - 'Consolidated Financial Statements'.

The Company has a wholly owned subsidiary named National Foods DMCC ("NF 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 registered address of the Company is Unit No. R30-26, Floor No. 30, R Serviced Offices JLT, Reef Tower, Plot No. 01 Jumeirah Lakes Towers Dubai, United Arab Emirates.

The primary objective of NF DMCC is to boost export sales of its parent company through trading in food stuff and other services.

NF DMCC also has following two wholly owned subsidiaries:

a) **National Epicure Inc.**

National Epicure Inc. ("NEI") was incorporated in Canada on 16 October 2013 under the Canada Business Corporations Act. The company is principally engaged in the trading of food products. The registered office of the company is situated at 193 Maxome Avenue, Toronto, Ontario, Canada. The company is a wholly owned subsidiary of National Foods DMCC.

In February 2017, NF DMCC through its further subsidiary NEI acquired 60% shares in A-1 Bags & Supplies Inc. ("A-1 Bags"), based in Canada. A-1 Bags is principally engaged in distribution and wholesale of food products, disposables, janitorial and sanitation products. Its registered office is situated at 6400 Kennedy Road, Mississauga, Ontario, Canada.

b) **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 Companies Act, 2006. The company is principally engaged in the trading of food products. The registered office of the company is situated at 27 Second Floor, Gloucester Place, London, United Kingdom. The company is a wholly owned subsidiary of National Foods DMCC.

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

2. **BASIS OF PREPARATION**

2.1 **Statement of compliance**

These condensed interim unconsolidated 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 Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, 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 2018.

2.3 **Basis of measurement**

These condensed interim consolidated financial statements have been prepared under the historical cost convention, except for the Company's liability under its defined benefit plan which is reported on the basis of present value of defined benefit obligations as determined by an independent actuary.

2.4 **Functional and presentation currency**

The condensed interim unconsolidated financial statements is presented in Pakistan Rupees which is also the Company's functional currency. All financial information presented in Pakistan Rupees has been rounded off to the nearest thousand Rupee except where 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 these condensed interim unconsolidated financial statements for the year ended 30 June 2018 except for the adoption of new standards effective as of 1 July 2018 as referred to in note 3.4 to these condensed interim unconsolidated financial statements.

3.2 **NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE COMPANY**

The Company has initially adopted IFRS 15 ‘Revenue from Contracts with Customers’ and IFRS 9 ‘Financial Instruments’ from 1 July 2018. The impact of the adoption of these standards and the new accounting policies are disclosed in note 3.4 below.

A number of other pronouncements are effective from 1 July 2018 as detailed in Company's annual audited unconsolidated financial statements as at and for the year ended 30 June 2018, but they do not have a material effect on these financial statements and therefore have not been detailed.

3.3 **STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE**

There are certain new standards, interpretations and amendments to the approved accounting standards that will be mandatory for the Company's annual accounting periods beginning on or after 1 July 2019.

However, currently management considers that these pronouncements will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim unconsolidated financial statements.

3.4 CHANGES IN ACCOUNTING POLICIES

The below explains the impact of the adoption of IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' on the Company's condensed interim unconsolidated financial statements and also discloses the new accounting policies that have been applied from 1 July 2018, where they are different to those applied in prior periods.

IFRS 15 'REVENUE FROM CONTRACTS WITH CUSTOMERS'

IFRS 15 replaced IAS 18 'Revenue', IAS 11 'Construction Contracts' and related interpretations. The Company has applied the modified retrospective method upon adoption of IFRS 15 as allowed under the Standard. This method requires the recognition of the cumulative effect (without practical expedients) of initially applying IFRS 15 to retained earnings. Accordingly, the information presented for comparative period in these condensed interim unconsolidated financial statements have not been restated i.e. it is presented, as previously reported under IAS 18 and related interpretations.

Under IFRS 15, revenue is recognized when a contractual promise to a customer (performance obligation) has been fulfilled by transferring control over the promised goods and services to the customer. It also specifies the accounting for the costs directly related to fulfilling a contract. Management has concluded that revenue from sale of goods be recognised at the point in time when control of the product has transferred, being when the products are delivered to the customer. Invoices are generated and revenue is recognised on delivery of goods. Delivery occurs when the products have been shipped to / or and delivered to the customer's destination / specific location, the risks of loss have been transferred to the customer and the customer has accepted the product.

The consideration which the Company receives in exchange for its goods or services may be fixed or variable. Variable consideration is only recognized when it is highly probable that a significant reversal will not occur. Revenue is measured based on the consideration specified in a contract with a customer, net of returns, amounts collected on behalf of third parties (sales taxes etc), pricing allowances, other trade discounts, volume rebates and couponing, price promotions to consumers / customers and any other consideration payable to customers. The level of discounts, allowances and promotional rebates are recognized, on estimated basis using historical experience and the specific terms of the arrangement, as a deduction from revenue at the time that the related sales are recognized or when such incentives are offered to the customer or consumer. Sales return provisions are recognized as deduction from revenue based on terms of the arrangements with the customer and are included in trade and other payables. No asset is recognized for returns as they are not anticipated to be resold.

The Company provides retrospective commission to its customers on all products purchased by the customer once the quantity of products purchased during the period exceeds a threshold specified in the contract. A contract liability is recognised for expected sales commission payable to customers in relation to sales made until the end of the reporting period. Further the Company receives short term advances

from its customers. Prior to adoption of IFRS 15, a provision for sales commission and advance consideration received from customers was included in 'Trade and other payables' which now is reclassified in 'Contract liabilities' presented separately on statement of financial position. In addition, reclassification has been made from 'Trade and other payables' to 'Contract liabilities' for outstanding balance of advance from customers and sales commission payable for prior year to provide comparison. Advances from customers amounting to Rs.65.254m at the beginning of the period have been recognised as revenue for nine months period ended 31 March 2019. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The above is generally consistent with the timing of revenue the Company recognised in accordance with the previous standard, IAS 18 and related interpretations. Therefore, the adoption of IFRS 15 did not have an impact on the timing of revenue recognition of the Company. However, the amount of revenue to be recognized was affected as it changes the way Company accounts for consideration payable to customers, cost of fulfilling the service (performance obligation) to customer and certain payments to customers or consumers, all of which were previously shown as distribution expenses, to be shown as deductions from revenue or included in cost of sales.

The impact of adoption of IFRS 15 on the condensed interim unconsolidated statement of profit or loss and other comprehensive income for the nine months period ended 31 March 2019 is as follows:

	As reported	Adjustments	Amounts without adoption of IFRS 15
	------------------ (Rupees in '000)		----------------
Revenue	11,985,659	531,030	12,516,689
Cost of Sales	-8,073,613	19,799	-8,053,814
Distribution Costs	-2,116,053	-550,829	-2,666,883

Had the Company applied IFRS 15 retrospectively, the impact on the condensed interim unconsolidated statement of profit or loss and other comprehensive income for the nine months period ended 31 March 2018 would have been as follows:*

	As reported under IAS 18 and related interpretations	Adjustments	Amounts with adoption of IFRS 15
	------------------ (Rupees in '000)		----------------
Revenue	11,438,202	(294,584)	11,143,618
Cost of Sales	(7,449,234)	(40,951)	(7,490,185)
Distribution Costs	(2,500,796)	335,535	(2,165,261)

*The above information has been disclosed for the purpose of comparison.

Further contract liability as at 30 June 2018 amounting to Rs. 70 million would have been separately reported on statement of financial position which is included in trade and other payables. Apart from these changes, the application of IFRS 15 has not had a significant impact on the financial position and / or financial performance of the Company for the reasons described above. Accordingly there was no adjustment to retained earnings on application of IFRS 15 at 1 July 2018.

IFRS 9 FINANCIAL INSTRUMENTS

IFRS 9 replaces the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. IFRS 9 largely retainsthe existing requirements in IAS 39 for classification and measurement of financial liabilities. The IFRS 9 has been adopted without restating comparative information as allowed under the standard.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below:

Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

Under IFRS 9, on initial recognition, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other Comprehensive Income (OCI), or through profit or loss); and

- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it is held within business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at

fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Trade and other receivables and cash and cash equivalents that were classified as loans and receivables under IAS 39 are now classified at amortised cost. The classification and measurement under IFRS 9 does not have any impact on Company's accounting policy.

Trade receivable is initially measured at transaction price and are subsequently measured at amortised cost using the effective interest method, net of impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Impairment

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The financial assets at amortised cost consist of trade receivables, cash and cash equivalents, and other receivables.

For trade receivables, the Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Majority of debtors are regular customers of the Company and management uses actual historical credit loss experience, based on payment profile of credit sales over past year, adjusted for forward-looking factors specific to the debtors and the economic environment to determine lifetime expected loss allowance.

Trade receivables are written off when there is no resonable expectation of recovery. There is no significant impact from the new expected credit loss (ECL) impairment model under IFRS 9 on allowances and provisions for trade receivables.

Impairment losses related to trade and other receivables are presented separately in the statement of profit or loss and other comprehensive income.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

4.1 The preparation of condensed interim unconsolidated financial statements require the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. 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 2018.

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 2018.

5. PROPERTY, PLANT AND EQUIPMENT

	31 March 2019 (Unaudited)	30 June 2018 (Audited)
	(Rupees in '000)	
Operating fixed assets	3,941,596	3,355,740
Capital work in progress	556,091	794,866
	4,497,687	4,150,606

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

	Nine months ended 31 March 2019	31 March 2018
	(Rupees in '000)	
Additions / transfers from CWIP		
Building on leasehold land	262,099	205,887
Plant and machinery	334,104	97,908
Computer equipment	32,662	18,400
Vehicles	30,203	6,473
Furniture and fittings	8,091	14,322
Others	16,206	17,619
	683,365	360,608

Additions to operating fixed assets include transfers of Rs 703.27 million (31 March 2018: Rs. 1,047.80 million) from capital work in progress

Net (transfer from) / addition to CWIP	(238,775)	(175,449)
Disposals - Net book value		
Vehicles [cost Rs. 66.70 million (31 March 2018: Rs. 5.63 million)]	34,618	2,815
Computer equipments [cost Rs. 43.43 million (31 March 2018: Rs. 0.12 million)]	376	-
Furniture and fittings [cost Rs. 0.028 million (31 March 2018: Rs. 2.81 million)]	-	-
Others [cost Rs. 3.42 million (31 March 2018: Rs. 0.12 million)]	292	30

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. 40.89 million (30 June 2018: Rs. 43.69 million) valued at net realisable value of Rs. 29.22 million (30 June 2018: Rs. 32.10 million).

7. SHORT TERM BORROWINGS

	31 March 2019 (Unaudited)	30 June 2018 (Audited)
	(Rupees in '000)	
Running finance under mark-up arrangements	1,569,709	935,671
Running finance under Musharakah	424,081	363,049
Export re-finance	500,000	400,000
Money market loan	-	450,000
	2,493,790	2,148,720

7.1 This includes running finance balance maintained with Islamic banks having balance of Rs. 424.081 million (30 June 2018: Rs. 363.049 million).

7.2 The facilities available from various banks amounts to Rs. 3.19 billion (30 June 2018: Rs. 3.19 billion). The arrangements are secured by way of pari-passu charge against hypothecation of Company's stock in trade, movables and trade debts. The facilities expiring within one year are annual facilities subject to review at various dates during 2019.

7.3 The rates of mark up range from one month KIBOR plus 0.05% to three months KIBOR plus 1.00% per annum (30 June 2018: one month KIBOR plus 0.04% to three months KIBOR plus 0.5% per annum).

8. COMMITMENTS

8.1 Aggregate commitments for capital expenditure as at 31 March amount to Rs. 200.47 million (30 June 2018: Rs. 94.18 million).

8.2 The facilities for opening letters of credit amount to Rs. 1.6 billion (30 June 2018: Rs. 1.6 billion) and for letters of guarantee amount to Rs. 141 million (30 June 2018: Rs. 141 million) as at 31 March 2019 of which the amount remaining unutilised at period end were Rs. 1.47 billion (30 June 2018: Rs. 1.34 billion) and Rs. 101.26 million (30 June 2018: Rs. 104.26 million) respectively.

8.3 Aggregate commitments in respect of ujrah payments for ijarah financing of motor vehicles bearing mark up ranging from six months KIBOR + 0.6% to six months KIBOR + 2.00% (30 June 2018: six months KIBOR + 0.6% to six months KIBOR + 0.9%) per annum for rentals payable monthly as at 31 March 2019 amount to:

	31 March 2019 (Unaudited)	30 June 2018 (Audited)
	(Rupees in '000)	
Not later than one year	**84,517**	73,447
Later than one year but not later than five years	**138,913**	114,997
	223,430	188,444

Notes to the Condensed Interim Unconsolidated
Financial Information (unaudited)

For the nine months period ended 31 March 2019

9. SALES

	Nine months ended 31 March 2019	31 March 2018
	(Unaudited)	
	(Rupees in '000)	
Local sales	**17,089,972**	15,293,246
Export sales	**971,608**	859,224
	18,061,580	16,152,470
Less: Sales tax	**(2,378,732)**	(2,064,336)
	15,682,848	14,088,134
Less:		
Discount, rebates and allowances	**(3,388,328)**	(2,527,281)
Sales return	**(308,860)**	(122,652)
	(3,697,188)	(2,649,932)
	11,985,659	11,438,202

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

9.2 Revenue is disaggregated by primary geographical market.

9.3 Management reviews revenue and other financial results based on product division. During the nine months period ended 31 March 2019, revenue of the foods division was Rs. 6,394.34 million (2018 : Rs. 6,082.09 million), Kitchen Division was Rs. 11,640.99 million (2018 : Rs. 10,008.42 million) and snacks division was Rs. 25.50 million (2018: 61.89 million)

10. TAXATION

	Nine months ended 31 March 2019	31 March 2018
	(Unaudited)	
	(Rupees in '000)	
- Current	**82,859**	150,875
- Deferred	**90,370**	130,754
- Prior	**-**	-
	173,229	281,629

Under section 5A of the Income Tax Ordinance, 2001 (as amended by the Finance Act, 2017), a tax shall be imposed at the rate of 5% of the accounting profit before tax on every public company, other than schedule bank or modaraba, that drives profit for a tax year but does not distribute at least 20% of its profits within six months of the end of the tax year through cash. The Board of Directors of the Company will consider this matter before the authorization of annual financial statements for the year ending 30 June 2019. Hence, no tax consequences applicable on undistributed profit are recognised in these condensed interim unconsolidated financial statements.

11. EARNINGS PER SHARE - BASIC AND DILUTED

	Nine months ended 31 March 2019	31 March 2018
	(Rupees in '000)	
Profit after taxation attributable to ordinary shareholders	**819,758**	524,592

8.3 Aggregate commitments in respect of ujrah payments for ijarah financing of motor vehicles bearing mark up ranging from six months KIBOR + 0.6% to six months KIBOR + 2.00% (30 June 2018: six months KIBOR + 0.6% to six months KIBOR + 0.9%) per annum for rentals payable monthly as at 31 March 2019 amount to:

	31 March 2019 (Unaudited)	30 June 2018 (Audited)
	(Rupees in '000)	
Not later than one year	**84,517**	73,447
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Notes to the Condensed Interim Unconsolidated
Financial Information (unaudited)

For the nine months period ended 31 March 2019

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	173,229	281,629

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11. EARNINGS PER SHARE - BASIC AND DILUTED

	Nine months ended 31 March 2019	31 March 2018
	(Rupees in '000)	
Profit after taxation attributable to ordinary shareholders	**819,758**	524,592

For the nine months period ended 31 March 2019

	(Number of shares) (In '000')	
Weighted average number of ordinary shares outstanding during the period*	**124,328**	124,328
	(Rupees)	
Earnings per share - basic and diluted	**6.59**	4.22

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

12. CASH GENERATED FROM OPERATIONS

The facilities available from various banks amounts to Rs. 3.19 billion (30 June 2018: Rs. 3.19 billion).

	Note	Nine months ended 31 March 2019	31 March 2018
		(Unaudited)	
		(Rupees in '000)	
Profit before taxation		**992,987**	806,221
Adjustment for non-cash charges and other items			
Depreciation		**299,230**	233,108
Amortization		**35,894**	30,839
Retirement benefit expense		**6,240**	3,478
Gain on disposal of property, plant and equipment		**-24,688**	-4,989
Provision for doubtful debts		**5,400**	
(Reversal against) / provision for slow moving and obsolete stock		**-59,436**	-3,719
Exchange loss		**-**	0
Finance cost		**116,941**	89,008
Working capital changes	*12.1*	**-547,053**	124,410
		825,514	1,278,356

12.1 Working capital changes

	Nine months ended 31 March 2019	31 March 2018
	(Unaudited)	
	(Rupees in '000)	
Decrease / (increase) in current assets		
Stores, spare parts and loose tools	**(28,745)**	(30,245)
Stock in trade	**(729,012)**	(346,000)
Trade debts	**(498,075)**	167,825
Advances	**(125,647)**	12,947
Trade deposits and prepayments	**(28,571)**	(39,394)
Other receivables	**(1,721)**	69,924
Sales tax refundable	**26,304**	40,633
	-1,385,467	(124,310)
Increase / (decrease) in current liabilities		
Trade and other payables	**704,737**	113,159
Contract Liability	**133,677**	-
Sales tax payable	**0**	135,561
	838,414	248,720
	-547,053	124,410

Notes to the Condensed Interim Unconsolidated
Financial Information (unaudited)

For the nine months period ended 31 March 2019

13. CASH AND CASH EQUIVALENTS

	Nine months ended 31 March 2019 (Unaudited)	31 March 2018 (Unaudited)
	(Rupees in '000)	
Cash and bank balances	**416,881**	143,625
Running finance under mark-up arrangement	**-1,993,790**	-1,032,742
Cash and cash equivalents at end of the period	**-1,576,909**	-889,117

14. TRANSACTIONS WITH RELATED PARTIES

	Nine months ended 31 March 2019	31 March 2018
Parent Company		
Rent payment	**-**	2,262
Rental income	**6,825**	5,074
Subsidiary Company		
Sale of goods - net	**971,608**	891,591
Associated Companies / Undertakings		
Sale of goods	**344,845**	1,168,783
Commission expense	**5,835**	36,684
Staff retirement funds		
Expense charged for defined contribution plan	**39,459**	33,141
Payment to defined contribution plan	**68,797**	66,944

	Nine months ended 31 March 2019	31 March 2018
	(Rupees in '000)	
Key Management Personnel:		
Salaries and other short-term employee benefits	**397,698**	284,579
Contribution to Provident Fund	**17,766**	13,816
Post retirement benefits of Executive Directors	**6,240**	3,478

15. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified for better presentation, where ever considered necessary, the effect of which is not material.

16. GENERAL

These condensed interim unconsolidated financial statements has been authorised for issue on April 29, 2019 by the Board of Directors of the Company.

Chief Executive Officer	Chief Financial Officer	Director

Consolidated Condensed Interim
Financial Information
March 31, 2019

Condensed Interim Consolidated Statement of Financial Position

As at 31 March 2019

	Note	(Unaudited) 31 March 2019	(Audited) 30 June 2018
		(Rupees in '000)	
ASSETS			
Non - current assets			
Property, plant and equipment	5	**4,900,194**	4,531,638
Intangibles and goodwill		**706,208**	659,555
Long term deposits		**40,716**	41,409
		5,647,118	5,232,602
Current assets			
Stores, spare parts and loose tools		**70,625**	41,880
Stock-in-trade	6	**4,690,177**	3,682,064
Trade debts		**1,190,242**	1,164,931
Advances		**274,129**	176,735
Trade deposits and prepayments		**117,294**	112,347
Other receivables		**-**	23,315
Sales tax refundable		**95,120**	121,424
Cash and bank balances		**586,671**	376,794
		7,024,258	5,699,490
TOTAL ASSETS		**12,671,376**	10,932,092
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital and reserves			
Authorised share capital			
1,000,000,000 ordinary shares of Rs. 5 each		**5,000,000**	1,000,000
Share Capital			
Issued, subscribed and paid-up capital		**621,644**	518,034
Revenue Reserves			
Unappropriated profit		**3,688,945**	3,233,729
Foreign exchange translation reserve		**66,467**	56,176
Equity attributable to owners of the Company		**4,377,056**	3,807,939
Non-controlling interest		**240,757**	196,293
Total equity		**4,617,813**	4,004,232
Non - current liabilities			
Long term finance		**926,713**	199,259
Liabilities against assets subject to finance lease		**43,678**	34,470
Long term deposits		**3,531**	3,235
Deferred taxation - net		**207,381**	111,913
Deferred liabilities		**9,427**	45,065
Deferred rent		**36,097**	25,003
		1,226,827	418,945
Current liabilities			
Trade and other payables		**3,378,318**	3,232,678
Unclaimed Dividend		**23,115**	18,323
Contract Liability		**161,028**	-
Mark-up accrued		**42,013**	17,605
Short-term borrowings - secured	7	**2,643,917**	2,204,869
Long-term finance classified as current - secured		**54,144**	193,152
Current maturity of long term finance - secured		**211,889**	333,750
Current maturity of deferred consideration		**-**	188,128
Current maturity of liabilities against assets subject to finance lease		**7,210**	6,604
Taxation - net		**305,103**	313,806
		6,826,737	6,508,915
		8,053,564	6,927,860
Commitments	8		
TOTAL EQUITY AND LIABILITIES		**12,671,376**	10,932,092

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

Chief Executive Officer **Chief Financial Officer** **Director**

Condensed Interim Consolidated Profit and Loss Account (Unaudited)

For the nine months period ended 31 March 2019

	Note	Quarter ended 31 March 2019	Quarter ended 31 March 2018	Nine months ended 31 March 2019	Nine months ended 31 March 2018
		(Rupees in '000)		(Rupees in '000)	
Sales	9	**5,713,735**	5,112,695	**17,225,380**	15,224,657
Cost of sales		**(4,085,922)**	(3,468,879)	**(12,158,567)**	(10,434,000)
Gross profit		**1,627,813**	1,643,816	**5,066,813**	4,790,657
Distribution costs		**(1,068,630)**	(1,089,802)	**(2,839,713)**	(3,073,800)
Impairment loss on trade debts		**-**	-	**(5,400)**	-
Administrative expenses		**(273,369)**	(169,978)	**(869,039)**	(652,800)
Other expenses		**(13,873)**	5,456	**(68,790)**	(57,808)
Other income		**988**	4,801	**144,588**	22,318
Operating profit		**272,929**	394,293	**1,428,459**	1,028,567
Finance costs		**(92,273)**	(60,793)	**(204,954)**	(146,510)
Profit before taxation		**180,656**	333,500	**1,223,505**	882,057
Taxation - net		**2,587**	(104,594)	**(231,690)**	(302,000)
Profit after tax		**183,243**	228,906	**991,815**	580,057
Other comprehensive income					
Items that are or may be reclassified subsequently to profit and loss account:					
Foreign operations - foreign currency transalation differences		**(36,220)**	(4,433)	**10,291**	8,207
Total comprehensive income for the year		**147,023**	224,473	**1,002,106**	588,264
Profit attributable to:					
Owners of the Parent Company		**173,787**	227,520	**947,351**	556,391
Non-controlling interest		**9,456**	1,386	**44,464**	23,666
		183,243	228,906	**991,815**	580,057
Total comprehensive income attributable to:					
Owners of the Parent Company		**140,361**	223,188	**971,001**	561,524
Non-controlling interest		**6,662**	1,285	**31,105**	26,741
		147,023	224,473	**1,002,106**	588,264
		(Rupees)		**(Rupees)**	
Earnings per share (basic and diluted)	11	**1.40**	1.83	**7.62**	4.48

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

Chief Executive Officer **Chief Financial Officer** **Director**

Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)

For the nine months period ended 31 March 2019

	Attributable to shareholders of the Parent Company				Non controlling interest	Total equity
	Share capital	Retained earnings	Foreign currency translation reserve	Sub-total		
	(Rupees in '000)					
Balance as at 1 July 2017	518,034	2,686,892	7,283	3,212,209	179,196	3,391,405
Total comprehensive income for the nine months period ended 31 March 2018						
Profit for the nine months ended 31 March 2018	-	556,391	-	556,391	23,666	580,057
Other comprehensive income for the nine months ended 31 March 2018	-		8,207	8,207	-	8,207
	-	556,391	8,207	564,598	23,666	588,264
Transaction with owners in their capacity as owners directly recorded in equity						
Final dividend for the year ended 30 June 2018 @ Rs. 4.25 per share	-	(440,329)	-	(440,329)	-	(440,329)
Balance as at 31 March 2018	518,034	2,802,954	15,490	3,336,478	202,862	3,539,340
Balance as at 1 July 2018	**518,034**	**3,233,729**	**56,176**	**3,807,939**	**196,293**	**4,004,232**
Total comprehensive income for the nine months period ended 31 March 2019						
Profit for the nine months ended 31 March 2019	**-**	**947,351**	**-**	**947,351**	**44,464**	**991,815**
Other comprehensive income for the nine months ended 31 March 2019	**-**	**-**	**10,291**	**10,291**	**-**	**10,291**
	-	**947,351**	**10,291**	**957,642**	**44,464**	**1,002,106**
Transaction with owners in their capacity as owners directly recorded in equity						
Final dividend for the year ended 30 June 2017 @ Rs. 4.25 per share		**(388,526)**	**-**	**(388,526)**	**-**	**(388,526)**
1 Ordinary shares for each 5 shares held alloted as bonus shares	**103,610**	**(103,610)**	**-**	**-**	**-**	**-**
Balance as at 31 March 2019	**621,644**	**3,688,945**	**66,467**	**4,377,054**	**240,757**	**4,617,813**

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

Chief Executive Officer | **Chief Financial Officer** | **Director**

Consolidated Condensed Interim Cash Flow Statement (Unaudited)

For the nine months period ended 31 March 2019

	Note	(Unaudited) 31 March 2019	(Unaudited) 31 March 2018
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12	**1,041,727**	1,306,415
Finance cost paid		**(180,471)**	(124,438)
Income tax paid		**(147,585)**	(296,150)
Deferred rent		**8,568**	10,924
Retirement benefits obligations paid		**(42,366)**	-
Long term deposits		**862**	(7,876)
Net cash generated from operating activities		**680,735**	888,875
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(729,008)**	(1,389,072)
Sale proceeds from disposal of property, plant and equipment		**59,976**	7,834
Purchase of intangible assets		**(38,474)**	(41,082)
Deferred consideration paid		**(199,704)**	(182,404)
Net cash used in investing activities		**(907,209)**	(1,604,724)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short term borrowings		**-**	888,000
Proceeds from long term finance		**507,198**	247,463
Repayment of long term finance		**(132,606)**	(26,645)
Repayment of short term borrowings		**(350,000)**	(100,000)
Dividend paid		**(383,731)**	(432,216)
Net cash from / (used in) financing activities		**(359,139)**	576,601
Net increase / (decrease) in cash and cash equivalents		**(585,613)**	(139,246)
Cash and cash equivalents at beginning of the year		**(978,074)**	(623,506)
Currency translation difference on cash and cash equivalents		**6,440**	32,908
Cash and cash equivalents at end of the year	*13*	**(1,557,246)**	(729,845)

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

Chief Executive Officer | **Chief Financial Officer** | **Director**

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 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 Companies Ordinance, 1984 by special resolution passed in the extraordinary general meeting held on March 30, 1988. The 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 Company is situated at 12 / CL - 6, Claremont Road, Civil Lines, Karachi.

The parent entity of the Company is Associated Textile Consultants (Private) Limited based on control model as provided under International Financial Reporting Standards 10 - 'Consolidated Financial Statements'.

National Foods DMCC

National Foods 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 registered address of the Company is Unit No. R30-26, Floor No. 30, R Serviced Offices JLT, Reef Tower, Plot No. 01 Jumeirah Lakes Towers Dubai, United Arab Emirates.

The primary objective of NF DMCC is to boost export sales of its parent company through trading in food stuff and other services.

NF DMCC also has following two wholly owned subsidiaries:

a) 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 Companies Act, 2006. The company is principally engaged in the trading of food products. The registered office of the company is situated at 27 Second Floor, Gloucester Place, London, United Kingdom. The company is a wholly owned subsidiary of National Foods DMCC.

b) National Epicure Inc.

National Epicure Inc. (NEI) was incorporated in Canada on 16 October 2013 under the Canada Business Corporations Act. The company is principally engaged in the trading of food products. The registered office of the company is situated at 193 Maxome Avenue, Toronto, Ontario, Canada. The company is a wholly owned subsidiary of National Foods DMCC.

NEI also has the following subsidiary:

c) A-1 Bags & Supplies Inc.

A-1 Bags & Supplies Inc., is incorporated in Canada on 14 March 2001, under the Canada Business Corporations Act. The company is principally engaged in distribution and wholesale of food products,

disposables, janitorial and sanitation products. The registered office of the company is situated at 6400 Kennedy Road, Mississauga, Ontario, Canada.

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 Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, 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 2018.

2.3 Basis of measurement

These condensed interim consolidated financial statements have been prepared under the historical cost convention, except for the Company's liability under its defined benefit plan which is reported on the basis of present value of defined benefit obligations as determined by an independent actuary.

2.4 Functional and presentation currency

The condensed interim financial information is presented in Pakistan Rupees which is also the Group's functional currency. All financial information presented in Pakistan Rupees has been rounded off to the nearest thousand Rupee except where 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 these condensed interim unconsolidated financial statements for the year ended 30 June 2018 except for the adoption of new standards effective as of 1 July 2018 as referred to in note 3.4 to these condensed interim unconsolidated financial statements.

3.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE COMPANY

The Company has initially adopted IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' from 1 July 2018. The impact of the adoption of these standards and the new accounting policies are disclosed in note 3.4 below.

A number of other pronouncements are effective from 1 July 2018 as detailed in Company's annual audited unconsolidated financial statements as at and for the year ended 30 June 2018, but they do not have a material effect on these financial statements and therefore have not been detailed.

3.3 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

There are certain new standards, interpretations and amendments to the approved accounting standards that will be mandatory for the Company's annual accounting periods beginning on or after 1 July 2019. However, currently management considers that these pronouncements will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim unconsolidated financial statements.

3.4 CHANGES IN ACCOUNTING POLICIES

The below explains the impact of the adoption of IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' on the Company's condensed interim unconsolidated financial statements and also discloses the new accounting policies that have been applied from 1 July 2018, where they are different to those applied in prior periods.

IFRS 15 'REVENUE FROM CONTRACTS WITH CUSTOMERS'

IFRS 15 replaced IAS 18 'Revenue', IAS 11 'Construction Contracts' and related interpretations. The Company has applied the modified retrospective method upon adoption of IFRS 15 as allowed under the Standard. This method requires the recognition of the cumulative effect (without practical expedients) of initially applying IFRS 15 to retained earnings. Accordingly, the information presented for comparative period in these condensed interim unconsolidated financial statements have not been restated i.e. it is presented, as previously reported under IAS 18 and related interpretations.

Under IFRS 15, revenue is recognized when a contractual promise to a customer (performance obligation) has been fulfilled by transferring control over the promised goods and services to the customer. It also specifies the accounting for the costs directly related to fulfilling a contract. Management has concluded that revenue from sale of goods be recognised at the point in time when control of the product has transferred, being when the products are delivered to the customer. Invoices are generated and revenue is recognised on delivery of goods. Delivery occurs when the products have been shipped to / or and delivered to the customer's destination / specific location, the risks of loss have been transferred to the customer and the customer has accepted the product.

The consideration which the Company receives in exchange for its goods or services may be fixed or variable. Variable consideration is only recognized when it is highly probable that a significant reversal will not occur. Revenue is measured based on the consideration specified in a contract with a customer, net of returns, amounts collected on behalf of third parties (sales taxes etc), pricing allowances, other trade discounts, volume rebates and couponing, price promotions to consumers / customers and any other consideration payable to customers. The level of discounts, allowances and promotional rebates are recognized, on estimated basis using historical experience and the specific terms of the arrangement, as a deduction from revenue at the time that the related sales are recognized or when such incentives are offered to the customer or consumer. Sales return provisions are recognized as deduction from revenue based on terms of the arrangements with the customer and are included in trade and other payables. No asset is recognized for returns as they are not anticipated to be resold.

The Company provides retrospective commission to its customers on all products purchased by the customer once the quantity of products purchased during the period exceeds a threshold specified in the contract. A contract liability is recognised for expected sales commission payable to customers in relation to sales made until the end of the reporting period. Further the Company receives short term advances from its customers. Prior to adoption of IFRS 15, a provision for sales commission and advance consideration received from customers was included in 'Trade and other payables' which now is reclassified in 'Contract liabilities' presented separately on statement of financial position. In addition, reclassification has been made from 'Trade and other payables' to 'Contract liabilities' for outstanding balance of advance from customers and sales commission payable for prior year to provide comparison. Advances from customers amounting to Rs.65.254m at the beginning of the period have been recognised as revenue for nine months period ended 31 March 2019. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The above is generally consistent with the timing of revenue the Company recognised in accordance with the previous standard, IAS 18 and related interpretations. Therefore, the adoption of IFRS 15 did not have an impact on the timing of revenue recognition of the Company. However, the amount of revenue to be recognized was affected as it changes the way Company accounts for consideration payable to customers, cost of fulfilling the service (performance obligation) to customer and certain payments to customers or consumers, all of which were previously shown as distribution expenses, to be shown as deductions from revenue or included in cost of sales.

The impact of adoption of IFRS 15 on the condensed interim unconsolidated statement of profit or loss and other comprehensive income for the nine months period ended 31 March 2019 is as follows:

	As reported	**Adjustments**	**Amounts without adoption of IFRS 15**
Revenue	17,225,380	593,607	17,818,987
Cost of Sales	- 12,158,567	19,800	- 12,138,767
Distribution Costs	- 2,839,713	- 613,407	- 3,453,120

Had the Company applied IFRS 15 retrospectively, the impact on the condensed interim unconsolidated statement of profit or loss and other comprehensive income for the nine months period ended 31 March 2018 would have been as follows:*

	As reported under IAS 18 and related interpretations	**Adjustments**	**Amounts with adoption of IFRS 15**
Revenue	15,224,657	- 508,481	14,716,176
Cost of Sales	- 10,434,000	- 54,951	- 10,488,951
Distribution Costs	- 3,073,800	563,432	- 2,510,368

*The above information has been disclosed for the purpose of comparison.

Further contract liability as at 30 June 2018 amounting to Rs. 70 million would have been separately reported on statement of financial position which is included in trade and other payables. Apart from these changes, the application of IFRS 15 has not had a significant impact on the financial position and / or financial performance of the Company for the reasons described above. Accordingly there was no adjustment to retained earnings on application of IFRS 15 at 1 July 2018.

IFRS 9 FINANCIAL INSTRUMENTS

IFRS 9 replaces the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. IFRS 9 largely retainsthe existing requirements in IAS 39 for classification and measurement of financial liabilities. The IFRS 9 has been adopted without restating comparative information as allowed under the standard.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below:

Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

Under IFRS 9, on initial recognition, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other Comprehensive Income (OCI), or through profit or loss); and

- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it is held within business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For

investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Trade and other receivables and cash and cash equivalents that were classified as loans and receivables under IAS 39 are now classified at amortised cost. The classification and measurement under IFRS 9 does not have any impact on Company's accounting policy.

Trade receivable is initially measured at transaction price and are subsequently measured at amortised cost using the effective interest method, net of impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Impairment

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The financial assets at amortised cost consist of trade receivables, cash and cash equivalents, and other receivables.

For trade receivables, the Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Majority of debtors are regular customers of the Company and management uses actual historical credit loss experience, based on payment profile of credit sales over past year, adjusted for forward-looking factors specific to the debtors and the economic environment to determine lifetime expected loss allowance.

Trade receivables are written off when there is no resonable expectation of recovery. There is no significant impact from the new expected credit loss (ECL) impairment model under IFRS 9 on allowances and provisions for trade receivables.

Impairment losses related to trade and other receivables are presented separately in the statement of profit or loss and other comprehensive income.

Basis of consolidation

The consolidated 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.

Non-controlling interests

Non-controlling interest (NCI) is measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition, as adjusted for proportionate share in profit and loss of the acquiree after the acquisition date.

ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this consolidated condensed interim financial information requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. 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 2018.

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 2018.

	(Unaudited) 31 March 2019	(Audited) 30 June 2018
	(Rupees in '000)	
5. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	**4,344,103**	3,736,772
Capital Work in Progress	**556,091**	794,866
	4,900,194	4,531,638

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

	31 March 2019	31 March 2018
	(Rupees in '000)	
Additions/ transfer from CWIP		
Leasehold Land	**-**	-
Building on Leasehold land	**272,465**	205,887
Plant & machinery	**334,104**	97,908
Computers	**43,808**	18,400
Motor vehicles - Owned	**35,969**	6,473
Furniture & fittings	**35,303**	14,322
Others	**21,266**	17,619
	742,915	360,609
Net (transfer from) / addition to CWIP	**(238,775)**	(175,449)
Disposals - Net book value		
Vehicles [cost Rs. 66.70 million (31 March 2018: Rs. 5.63 million)]	**34,618**	2,815
Computer equipments [cost Rs. 43.43 million (31 March 2018: Rs. 0.12 million)]	**376**	-
Furniture and fittings [cost Rs. 0.028 million (31 March 2018: Rs. 2.81 million)]	**-**	-
Others [cost Rs. 3.42 million (31 March 2018: Rs. 0.12 million)]	**292**	30

6. STOCK IN TRADE

Stock in trade includes finished goods costing Rs. 40.89 million (30 June 2018: Rs. 43.69 million) valued at net realisable value of Rs. 29.22 million (30 June 2018: Rs. 32.10 million).

7. SHORT TERM BORROWINGS

	(Unaudited) 31 March 2018	(Audited) June 30, 2018
	(Rupees in '000)	
Running finance under mark up arrangements	**1,719,836**	991,820
Running finance under Musharika	**424,081**	363,049
Export re-finance	**500,000**	400,000
Money Market Loan	**-**	450,000
	2,643,917	2,204,869

7.1. This includes running finance balance maintained with Islamic banks having balance of Rs. 424.081 million (30 June 2018: Rs. 363.049 million).

7.2 The facilities available from various banks amounts to Rs. 3.19 billion (30 June 2018: Rs. 3.19 billion). The arrangements are secured by way of pari-passu charge against hypothecation of Company's stock in trade, movables and trade debts. The facilities expiring within one year are annual facilities subject to review at various dates during 2019.

7.3 The rates of mark up range from one month KIBOR plus 0.05% to three months KIBOR plus 1.00% per annum (30 June 2018: one month KIBOR plus 0.04% to three months KIBOR plus 0.5% per annum).

7.4 This includes facilities obtained by A-1 Bags and Supplies Inc. from commercial bank amounting to CAD 2.50 million. This facility is secured by a general security agreement, an assignment of insurance and postponement of related party loans, and is guaranteed by shareholders. It bears interest rates at the bank's prime lending rate plus 1.0% per annum.

8. COMMITMENTS

8.1 Aggregate commitments for capital expenditure as at 31 March amount to Rs. 200.47 million (30 June 2018: Rs. 94.18 million).

8.2 The facilities for opening letters of credit amount to Rs. 1.6 billion (30 June 2018: Rs. 1.6 billion) and for letters of guarantee amount to Rs. 141 million (30 June 2018: Rs. 141 million) as at 31 March 2019 of which the amount remaining unutilised at period end were Rs. 1.47 billion (30 June 2018: Rs. 1.34 billion) and Rs. 101.26 million (30 June 2018: Rs. 104.26 million) respectively.

8.3 Aggregate commitments in respect of ujrah payments for ijarah financing of motor vehicles bearing mark up ranging from six months KIBOR + 0.6% to six months KIBOR + 0.9% (30 June 2018: six months KIBOR + 0.6% to six months KIBOR + 0.9%) per annum for rentals payable monthly as at 31 December 2018 amount to:

	(Unaudited) 31 March 2018	(Audited) 30 June 2018
	(Rupees in '000)	
Payable within one year	**250,316**	239,246
Payable over one to five years	**666,011**	642,095
Payable after five years	**264,357**	264,357
	1,180,684	1,145,698

9. SALES

	31 March 2019	31 March 2018
	(Rupees in '000)	
Gross sales		
Local sales	**17,089,972**	15,293,246
Export sales	**6,597,073**	4,892,604
	23,687,045	20,185,850
Sales tax	**(2,634,797)**	(2,240,566)
	21,052,247	17,945,284
Less:		
Discount rebates and allowances	**3,517,232**	2,570,013
Sales return	**309,635**	150,614
	3,826,867	2,720,627
	17,225,380	15,224,657

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

9.2 Revenue is disaggregated by primary geographical market.

9.3 Management reviews revenue and other financial results based on product division. During the nine months period ended 31 March 2019, revenue of the foods division was Rs. 6,472.41 million (2018 : Rs. 6,166.50 million), Kitchen Division was Rs. 11,824.28 (2018 : Rs. 10,214.81 million) and snacks division was Rs. 25.50 million (2018: 61.89 million). Revenue from A1 amounted to Rs. 5,363.50 million (2018: 3,741.65 million)

10. TAXATION

	Nine months ended 31 March 2019	31 March 2018
	(Unaudited) (Rupees in '000)	
- Current	**141,320**	171,246
- Deferred	**90,370**	130,754
	231,690	302,000

Under section 5A of the Income Tax Ordinance, 2001 (as amended by the Finance Act, 2017), a tax shall be imposed at the rate of 5% of the accounting profit before tax on every public company, other than schedule bank or modaraba, that drives profit for a tax year but does not distribute at least 20% of its profits within six months of the end of the tax year through cash. The Board of Directors of the Company will consider this matter before the authorization of annual financial statements for the year ending 30 June 2019. Hence, no tax consequences applicable on undistributed profit are recognised in these condensed interim unconsolidated financial statements.

11. EARNINGS PER SHARE

	Nine months ended 31 March 2019	31 March 2018
	(Rupees in '000)	
Profit after taxation attributable to owners of the Parent Company	**947,351**	556,391
	Number of shares	
Weighted average number of ordinary shares outstanding during the period*	**124,328,227**	124,328,227
	Rupees	
Earning per share - basic and diluted	**7.62**	4.48

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

	Note	31 March 2019	31 March 2018
		(Rupees in '000)	
12. CASH FLOWS FROM OPERATIONS			
Profit before taxation		**1,223,505**	882,057
Adjustments for non-cash charges and other items			
Depreciation on property, plant and equipment		**359,636**	261,305
Amortization on intangibles		**44,046**	37,815
Finance cost		**204,954**	146,510
Gain on disposal of property, plant and equipment		**(24,688)**	(4,989)
(Reversal against) / provision for slow moving and obsolete stock		**(59,436)**	(3,719)
Unrealised foreign exchange gains - net		**-**	-
Retirement benefits expense		**6,240**	3,478
Provision for doubtful debts		**5,400**	
Working capital changes	12.1	**(717,930)**	(16,042)
		(181,779)	424,358
Cash generated from operations		**1,041,727**	1,306,415
12.1 Effect on cash flows due to working capital changes			
(Increase) / Decrease in current assets			
Stores, spares and loose tools		**(28,745)**	(30,245)
Stock in trade		**(888,334)**	(492,392)
Trade debts		**635,377**	730,078
Advances		**(87,260)**	(53,711)
Deposits and prepayments		**(28,571)**	(39,394)
Other receivables		**51,706**	22,481
Sales tax refundable		**26,304**	40,633
		(319,523)	177,450
(Decrease) / Increase in current liabilities			
Trade and other payables		**(532,084)**	(329,054)
Sales tax payable		**-**	135,561
Contract Liability		**133,677**	-
		(398,407)	(193,493)
		(717,930)	(16,042)
13. CASH AND CASH EQUIVALENTS			
Cash and bank balances		**586,671**	417,975
Running finance under mark up arrangements		**(2,143,917)**	(1,147,820)
		(1,557,246)	(729,845)

14. TRANSACTIONS WITH RELATED PARTIES

Relationship with the Company	Nature of transaction	(Unaudited) 31 March 2019	(Unaudited) 31 March 2018
		(Rupees in '000)	
Associated Companies / Undertakings	Sale of goods	**344,845**	1,168,783
	Rent payment	**-**	2,262
	Rental income	**6,825**	5,074
	Commission expense	**5,835**	36,684
Staff retirement funds	Expense charged for defined contribution plan	**39,459**	33,141
	Payments to retirement contribution plan	**68,797**	66,944
Long term loan		**19,055**	35,081
Key management personnel compensation:			
Salaries and other short-term employee benefits		**420,415**	302,171
Retirement benefits		**17,766**	13,816
Post retirement benefits of Executive Directors		**6,240**	3,478
Eligible dividend		**11,486**	9,829

15. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified for better presentation, where ever considered necessary, the effect of which is not material.

16. GENERAL

This condensed interim financial information has been authorised for issue on April 29, 2019 by the Board of Directors of the Parent Company.

Chief Executive Officer	Chief Financial Officer	Director

مارکیٹنگ اور فروغ

- صنفی کردار کے ارتقائی مراحل، جدیدیت اور صارفین کے بدلتے رویوں کو مدِنظر رکھتے ہوئے ہمارے روایتی برانڈ ریسپی مکسز نے ایک موضوعاتی سماجی مہم ''نئی سوچ کے نئے ذائقے'' کے ذریعے لوگوں میں متعارف کروائی گئی جس نے بہت مقبولیت حاصل کی۔
- ٹی اور ڈیجیٹل پلیٹ فارمز کے ذریعے برانڈ فولونگ (following) بناتے ہوئے اور مخصوص ومتعدد سلسلے (seasons) میں ریسپی مکسز کے ساتھ اس کے ماڈل پر ہمیشہ کی طرح عمل کیا گیا ہے۔ یہ موضوعاتی مہم حلیم مہم اور فش مصالحہ کی سورت میں نشر کی گئیں۔
- ریسپی مکسز کی مخصوص جغرافیائی پائلٹنگ کے آغاز پر صارف اور تجارتی معاہدوں کے لیے زبردست ردِعمل موصول ہُوا ہے۔ کراچی اور خیبر پختونخواہ میں اٹیک پلان کو اگلے سال مزید مضبوط کیا جائے گا۔
- اسنیکس کیٹیگری میں ایک نئی تشہیری مہم 'سین آن' کو شروع کیا گیا جس کے نئے اینتھم اور ویڈیو کو ٹی وی، ریڈیو اور ڈیجیٹل کے ذریعے نشر کیا گیا۔ اس کے ساتھ ہی پی ایس ایل 19 میں کراچی کنگز کی پلاٹینم اسپانسر شپ اور میچ اسکریننگ اور سیمپلنگ کی مختلف پی ٹی ایل سرگرمیوں کو بیک وقت جاری کیا گیا۔
- تین مشہور مختلف جیم پائن ایپل، بلیک کرنٹ اور اسٹرابیری کو 200 گرام کے چھوٹے جارز میں متعارف کروایا گیا، تاکہ کم قیمتی ٹرائل پیکس کو متعارف کروا کے مختلف فلیورز کے استعمال کو زیادہ یقینی بنایا جا سکے۔
- ہم نے اپنی مکمل پروڈکٹس کے ساتھ مختلف کھانوں کے ذریعے اپنے صارفین کی زندگی میں آسانی لانے کے لیے میڈ ایزی پلیٹ فارم متعارف کروایا۔
- نیشنل ٹماٹو کیچپ کی نئی پیکجنگ کو فروری 2019 میں جدید انداز کے ساتھ مارکیٹ میں لایا گیا جو نہ صرف شیلف پر برتری حاصل میں کرنے میں کامیاب ہوا بلکہ پہلے سے زیادہ جدت کے ساتھ اس کو نمایاں طور پر اُجاگر کیا گیا۔ اس کے ساتھ ہی فروری 2019 میں سُپیریئر فارمولیشن سے بنے چلی گارلک سوس مقابلہ کا شاندار انداز میں لانچ بھی کیا گیا۔
- اکتوبر 2018 میں، سوسز پورٹ فولیو کے تناظر میں، ہم نے منفرد ذائقے والا 'گارلک میو (Garlic mayo)'' متعارف کروایا۔ یہ لانچ ایک مربوط مارکیٹنگ مہم بشمول ٹی وی نشریات کے جنوری 2019 میں براہِ راست نشریات کی منصوبہ بندی کے ساتھ کی گئی۔
- مزید یہ کہ مارکیٹ میں مقابلپ روڈکٹس کی وجہ سے ہماری چائینز رینج کی PET بوٹلز 800 ملی لیٹر کی پیکجنگ میں متعارف کروائی گئیں ہیں۔ ہمارے دو مختلف چلی سوس اور سویا سوس بھی 800 ملی لیٹر کی بوتل میں متعارف کروائے گئے ہیں جو کہ پہلے صرف SKUs میں دستیاب تھے۔

دیگر اہم کامیابیاں

- CFA سوسائٹی پاکستان کی جانب سے نیشنل فوڈز لمیٹڈ کو UN SDG کے جینڈر ایکویٹی کی بنیاد پر تمام سطحوں پر مضبوط اور باضابطہ افرادی قوت کو تعمیر کرتے ہوئے فعال طور پر کام کرنے پر "Recognizing Gender Diversity at workplace: Special Recognition, local industry" ایوارڈ سے نوازا گیا ہے۔
- کمپنی کامیابی کے ساتھ Hope, Elevate اور آگہی پروجیکٹس کے ذریعے تعلیمِ بالغاں پروگرامز کو جاری رکھے ہوئے ہے، جس کے ذریعے 80,000 سے زائد خواتین اب تک تربیت حاصل کر چکی ہیں۔
- ایک تازہ تحقیق کے مطابق، جو ورلڈ بینک گروپ کے ایک ممبر نے "Retaining Top talent through family friends policies" کے نام سے شائع کی ہے جس میں انہوں نے نیشنل فوڈز لمیٹڈ کی اپنے ملازمین کے لیے خاندانی دوستانہ پالیسیز رکھنے والے ایک مضبوط اور کامیاب ادارے کے طور پر نشاندہی کی ہے۔

مستقبل کا نقطۂ نظر

یہ انتظام مالیاتی سال کے آخری حصے میں پیدا ہونے والی قیمت اور افراطِ زر کے دباؤ پر اثر انداز ہوتا ہے۔ تاہم، قیمتوں کے تعین اور افراطِ زر کے دباؤ کو کم کرنے کے لیے دونوں طرح یعنی قیمتوں کے تعین اور کنٹرول کے ذریعے پہلے ہی سے مناسب اقدامات کر لیے گئے ہیں۔ کمپنی کاروبار کو بنیادی اصولوں کے مطابق چلانے اور مالی سال کے آخری حصے میں تمام اہم شعبوں اور مارکیٹ میں اپنی قیادت کی حیثیت کو بہتر بنانے اور برقرار رکھنے کے لیے بھی پُرعزم ہے اور مالیاتی سال 2019 میں اپنا ہدف کامیابی سے حاصل کرنے کے لیے پُرعزم ہے۔

اعتراف

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

بورڈ آف ڈائریکٹرز کی جانب سے

Zain Maqsud

چیف ایگزیکیٹو آفیسر

ڈائریکٹرز

معزز حصص داران!

نیشنل فوڈز لمیٹڈ کے ڈائریکٹرز بامسرت 31 مارچ 2019 کو ختم ہونے والے مالیاتی سال کے نو ماہ کے غیر جانچ شدہ (unaudited) کے نتائج پیش کر رہے ہیں، جس میں دونوں یعنی علیحدہ اور مشترکہ فنانشنل اسٹیٹمنٹس شامل ہیں۔

کاروباری کارکردگی کا جائزہ

عملی اور مالیاتی کارکردگی

کمپنی نے ٹاپ لائن اور بوٹم لائن کو مضبوط انداز میں فراہم کیا ہے۔ گروپ نے 9 فیصد بنیادی کاروبار سے ترقی کرتے ہوئے 17 فیصد کے ساتھ (مندرجہ ذیل دی گئی نئی درجہ بندی کے تاثر کے علاوہ) ترقی کے سفر کو مسلسل جاری رکھا ہُوا ہے۔ موجودہ سال پاکستان میں ہونے والی ابتدائی عملی سرگرمیوں میں اضافہ اور جُزوی طور پر قیمت کے کم ہونے کی وجہ برانڈ اور صارفین کے مابین باہمی تعاون کا نتیجہ ہے جس نے بین الاقوامی سطح پر AI کیش اینڈ کیری (cash and carry) کے نتائج کو مثبت طریقے سے متاثر کیا ہے۔

ذیل میں دی گئی IFRS 15 کے اثر کی تفصیلات سے قطع نظر، 0.4% اور 1.1 کی شرح کے ساتھ گروپ کے مجموعی مارجنز اور بنیادی کاروبار میں بہتری آئی ہے۔ قیمت میں کمی اور افراطِ زر کی شرح کے پس منظر پر بہتر ملی ہوئی مصنوعات اور قیمت میں اضافہ مصنوعات کے فروغ میں بہتری کا نتیجہ ہے۔

گروپ کے مالیاتی سال کا گوشوارہ درج ذیل ہے:

پاکستانی ملین

IFRS 15 کی بحالی کے بغیر فنانشنل نمبرز*	گروپ			بنیادی کاروبار			A1 بیگز اور سپلائرز انکارپوریشن	
	FY19	FY18	تبدیلی	**FY19**	FY18	تبدیلی	**FY19**	FY18
خالص فروخت	**17,819**	15,224	17%	**12,711**	11,658	9%	**5,108**	3,566
مجموعی منافع	**5,680**	4,790	19%	**4,674**	4,164	12%	**1,006**	626
بطور خالص فروخت کی شرح	**31.9%**	31.5%	0.4%	**36.8%**	35.7%	1.1%	**19.7%**	17.6%

رپورٹڈ نمبرز (FY 18 کی بحالی کے بغیر)*	گروپ			بنیادی کاروبار			A1 بیگز اور سپلائرز انکارپوریشن	
	FY19	FY18	تبدیلی	**FY19**	FY18	تبدیلی	**FY19**	FY18
خالص فروخت	**17,225**	15,224	13%	**12,118**	11,658	4%	**5,108**	3,566
مجموعی منافع	**5,066**	4,790	6%	**4,061**	4,164	-2%	**1,006**	626
بطور خالص فروخت کی شرح	**29.4%**	31.5%	-2.1%	**33.5%**	35.7%	-2.2%	**19.7%**	17.6%
عملی منافع	**1,428**	1,029	39%	**1,192**	914	30%	**236**	115
بطور خالص فروخت کی شرح	**8.3%**	6.8%	1.5%	**9.8%**	7.8%	2.0%	4.6%	3.2%
خالص منافع بعد از ٹیکس**	**991**	580	71%	**880**	528	67%	**120**	60
بطور خالص فروخت کی شرح	**5.8%**	3.8%	1.9%	**7.3%**	4.5%	2.7%	**2.3%**	1.7%
آمدنی فی حصص	**7.6**	4.5		**6.7**	4.1			

*موجودہ دور میں IFRS 15 کے اثر سے ممکنہ درخواست میں شامل خالص فروخت کو "کسٹمرز کے ساتھ معاہدے سے حاصل ہونے والی فی آمدنی" کے نتیجہ میں خالص فروخت سے تقسیم شدہ تجارت کی بحالی کی جاتی ہے۔

**اس میں شامل 8 ملین روپے کی بقیہ ادائیگی (8 ملین روپے :2018) A1 بیگز اور سپلائرز انکارپوریشن کے استحکام کو مضبوط کرنے پر تسلیم شدہ ہیں۔