



## National Foods Limited

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

Designed by: IAL SAATCHI & SAATCHI

National Foods Limited

Half Yearly Report 2022



# National Foods Limited

Half Yearly 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 flavours of Pakistan. We aim to improve and simplify our consumers' life by providing them with these complex flavours 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.





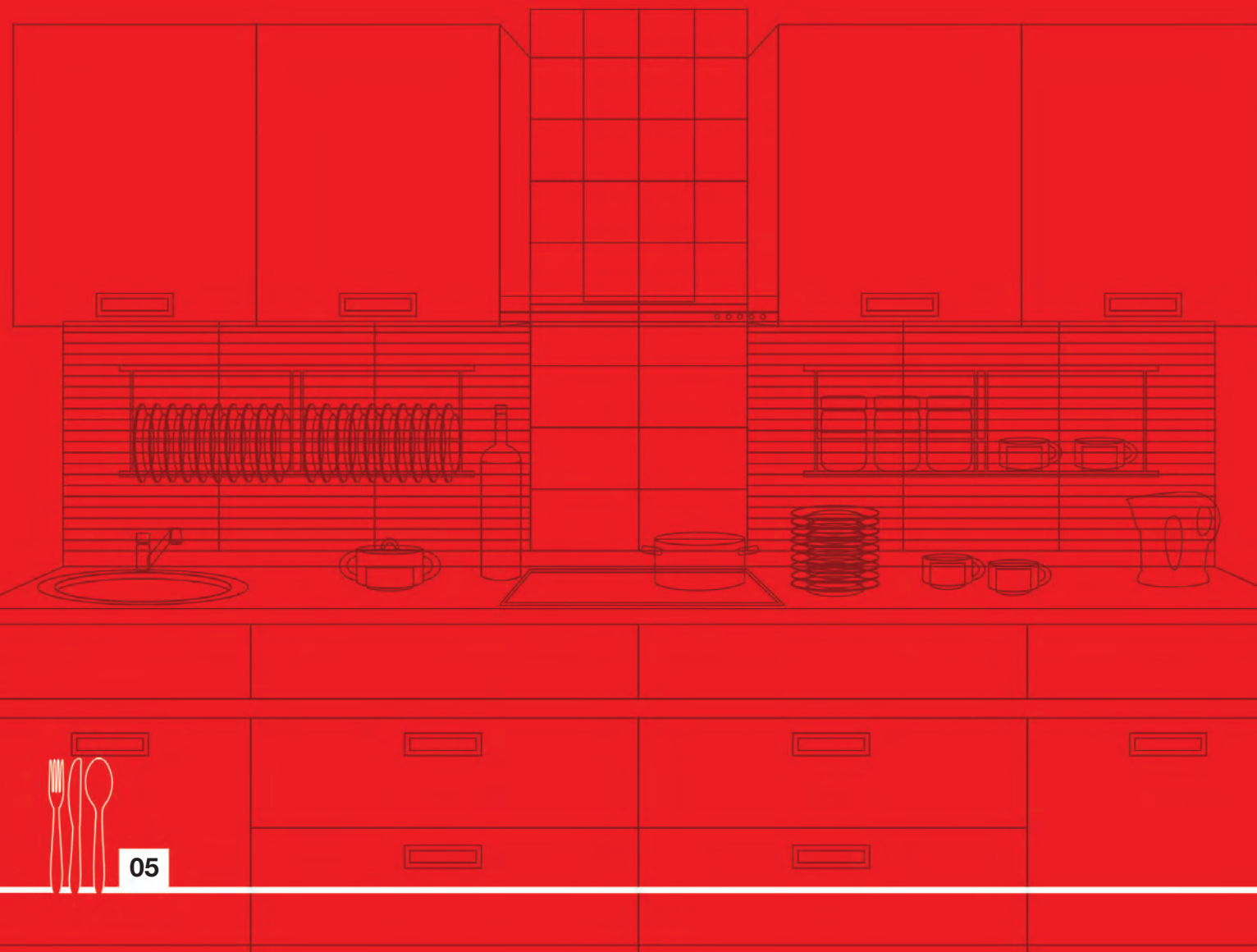
# VISION MISSION

## VISION

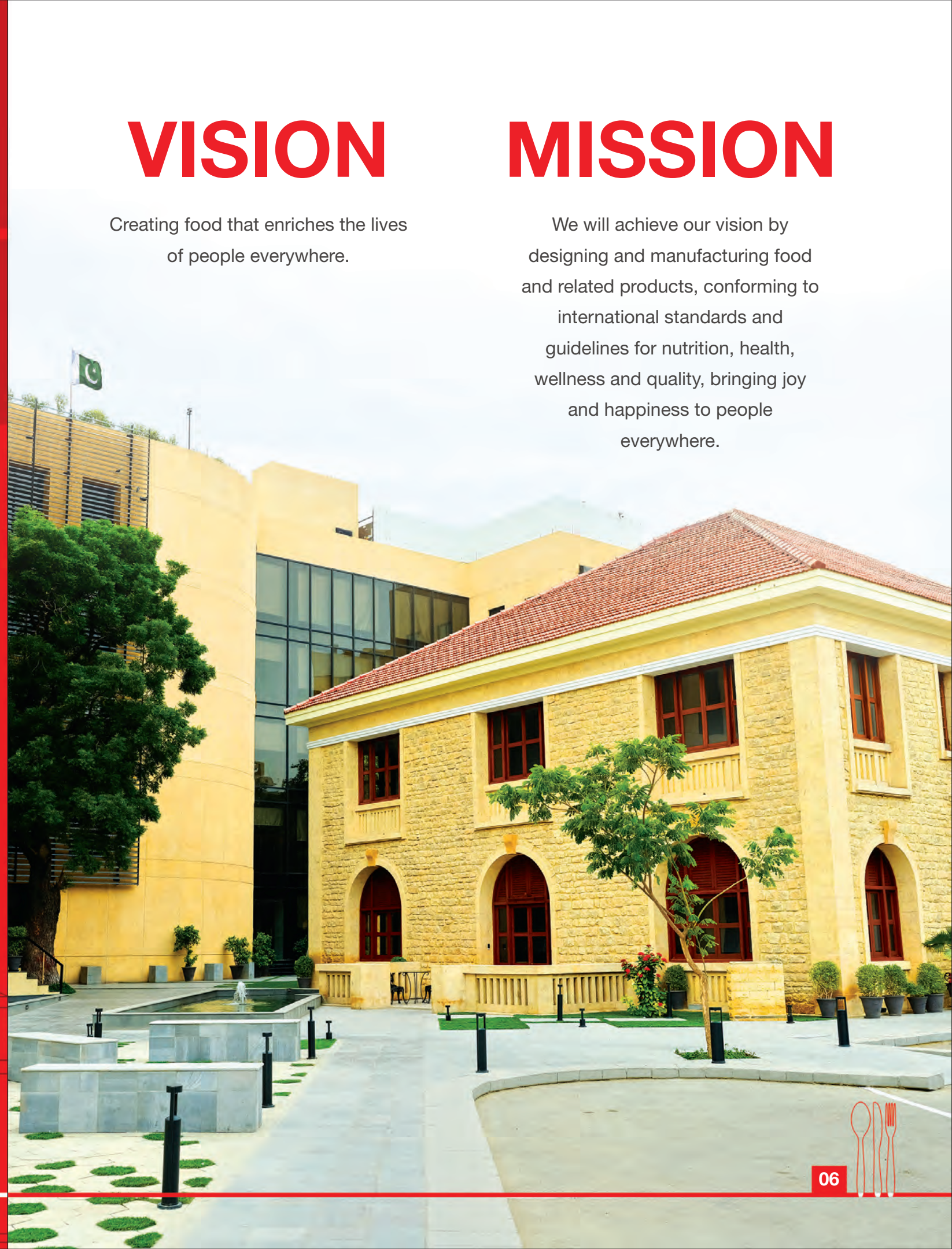
Creating food that enriches the lives  
of people everywhere.

## 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.



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06





## 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. Ali H. Shirazi	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. Ali H. Shirazi	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	

## REGISTERED OFFICE

12/CL-6 Claremont Road, Civil Lines, Karachi-75530  
Phone: (92-21) 38402022 & 36490029  
Fax: (92-21) 35670996

## 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

## 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](http://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 include both stand-alone and consolidated financial statements, for the six months period ended December 31, 2021.

### BUSINESS PERFORMANCE OVERVIEW

#### Economic Environment

Pakistan's economy showed recovery during the last one year mainly due to improved domestic demand and push from growth in large scale manufacturing. The economic outlook seems encouraging vis-à-vis growth in local and exports markets. However, at the same time things seem to be tightening in the last quarter due to hike in utility prices, increase in current account deficit and inflationary pressures.

### OPERATING AND FINANCIAL PERFORMANCE

#### Core Business

Net sales of the core business posted a healthy double digit growth of 11%. The business continued focus 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 significantly in the core business. Innovations in our categories along with focused selling strategies enabled company deliver strong results in H1.

We believe we 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 56%. North York expansion growing fast and high double-digit growth witnessed in packaging and grocery categories. New space additions will continue to drive strong growth in Canada.

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

Amounts in PKR Million

	Group			Core Business			A1 Bags & Suppliers Inc.		
	H1 FY22	H1 FY21	Change	H1 FY22	H1 FY21	Change	H1 FY22	H1 FY21	Change
Net sales	20,334	16,071	26%	11,825	10,642	11%	8,509	5,438	56%
Gross profit	5,785	4,560	27%	4,056	3,370	20%	1,729	1,190	45%
Operating profit *	1,793	1,402	28%	1,223	905	35%	570	498	14%
Net profit after tax **	1,310	944	39%	976	627	54%	334	317	5%
Earnings per share (Rupees)	5.0	3.5		3.6	2.2		3.34	3.17	
as % of net sales									
Gross profit	28.5%	28.4%	0.1%	34.3%	31.7%	2.6%	20.3%	21.9%	-1.6%
Operating profit	8.8%	8.7%	0.1%	10.3%	8.5%	1.8%	6.7%	9.2%	-2.5%
Net profit after tax	6.4%	5.9%	0.5%	8.3%	6.0%	2.3%	3.9%	5.8%	-1.9%

\* Excludes other income and other expenses

\*\* This includes amortization of Rs. 7.2 million (2021: RS. 6.6 million) on intangible recognized on consolidation of A1 Bags & Suppliers Inc.





## Marketing and Promotion

### Recipe Masala

- Seasonal burst of integrated marketing initiatives at start of year including digital airing, brand collaboration and consumer engagement at the LMTs.
- Strong brand equity scores in the category with gain in TOM awareness and consumption.
- Curry proposition growing strongly gaining market share in the curry segment.

### Ketchup

- National Squeezy launched, aiming to preimmunize the category and offer convenience to consumer as an attractive table-top proposition, backed by digital campaign, trade initiatives and sales team connects.
- Winter Consumer Promotion in October'21, bundle CPs through POSM & Digital engagement.
- E-commerce Integrations, Squeezy Trio Bundle with a free Bowl/Recipe Card on E-commerce platforms.

### Pickle

- Crushed pickle Eid-ul-Adha digital campaign in July, building relevance with seasonal recipes, and reinforcing idea of product versatility along with portrayal on Made Easy portal and You Tube Channel – with chefs on board for campaign amplification.
- TV and Digital Campaign for Crushed Pickle focusing on 'Life ka Chatkhara' sentiment and targeting various genres including Food, Entertainment, Music & Fashion via content personalization.
- Crushed Pickle achieved double digit market share in just over a year since launch.

### International Business

- First half of the year has been impacted by the global shipping crisis restricting our growth plans
- New distribution changes in Europe posted high double digit growth numbers for the company
- Masala seasonings in 4 variants being launched for North American market.

## Future outlook

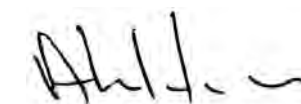
The management acknowledges the uncertainty emanating from Covid 19 and its impact on economy. Unprecedented increase in material prices coupled with rising cost of utilities and weakening PKR can seriously impact our margins balance of this year and going into 2022. Our focus shall remain on driving volumes, tight cost control, process optimization, price rationalization and efficient working capital management. The management of the Company is also aggressively working and investing in cost-saving initiatives to make itself more competitive.

## Acknowledgement

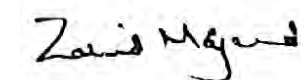
I would like to express the Board's sincerest gratitude to all internal and external stakeholders for their continued commitment and trust.

On behalf of Board of Directors

23<sup>rd</sup> February, 2022.



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## Independent Auditors' Review Report to the Members of National Foods Limited

### Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of **National Foods Limited** as at 31 December 2021 and the related condensed unconsolidated interim statement of profit or loss and other comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows, and notes to the condensed interim unconsolidated financial statements for the six-month period then ended (here-in-after referred to as the “interim financial statements”). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other matter

The figures for the quarter ended 31 December 2021 and 31 December 2020 in the interim financial statements have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent reviewer’s report is **Amyr Pirani**.

Date: 25 February 2022

Karachi

UDIN: RR202110201riXP3EHVG



KPMG Taseer Hadi & Co.  
Chartered Accountants





# UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION DECEMBER 31, 2021



## Condensed Interim Unconsolidated Statement of Financial Position (Unaudited)

As at December 31, 2021

	Note	Dec. 31, 2021 (Unaudited)	June 30, 2021 (Audited)
(Rupees in thousand)			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	5,346,757	5,032,273
Intangibles		58,197	65,091
Long-term Investments		61,719	61,719
Long-term deposits		51,469	47,956
Deferred assets		46,816	46,816
		<u>5,564,958</u>	<u>5,253,855</u>
<b>Current assets</b>			
Stores, spare parts and loose tools		160,155	150,339
Stock in trade	6	5,889,089	4,945,364
Trade debts		1,273,040	1,277,125
Advances (to the suppliers)		995,878	155,982
Trade deposits and prepayments		105,782	50,451
Other receivables		1,575	12,274
Sales tax refundable		51,078	90,076
Short term investments	7	716,653	1,001,199
Cash and bank balances		1,925,195	2,698,926
		<u>11,118,445</u>	<u>10,381,736</u>
		<u>16,683,403</u>	<u>15,635,591</u>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and reserves</b>			
Authorised share capital		5,000,000	5,000,000
1,000,000,000 (30 June 2021: 1,000,000,000) ordinary shares of Rs. 5 each			
Share Capital			
Issued, subscribed and paid-up capital		1,165,576	932,461
Revenue Reserve			
Unappropriated profit		4,194,965	4,543,794
		<u>5,360,541</u>	<u>5,476,255</u>
<b>Non - current liabilities</b>			
Long-term finance	8	436,885	699,619
Deferred liability for defined benefit plan		2,045	7,005
Deferred taxation - net		218,347	215,211
		<u>657,277</u>	<u>921,835</u>
<b>Current liabilities</b>			
Trade and other payables		4,985,668	4,381,147
Contract liability		220,484	482,525
Short term borrowings	9	3,779,367	2,790,795
Unclaimed dividends		24,048	21,202
Long-term finance classified as current - secured	8	530,480	529,799
Mark-up accrued		10,733	9,138
Taxation - net		1,114,804	1,022,895
		<u>10,665,584</u>	<u>9,237,501</u>
		<u>16,683,403</u>	<u>15,635,591</u>
<b>TOTAL EQUITY AND LIABILITIES</b>			
<b>Contingencies and Commitments</b>			
	10		

The annexed notes 1 to 19 form an integral part of these 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)

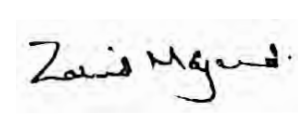
For the six months period ended December 31, 2021

	Note	Quarter ended		Six months ended	
		Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
		(Rupees in thousand)		(Rupees in thousand)	
Sales	11	5,624,346	5,192,817	11,409,193	10,400,368
Cost of sales		(3,951,020)	(3,677,567)	(7,768,141)	(7,271,305)
Gross profit		1,673,326	1,515,250	3,641,052	3,129,063
Distribution costs		(1,036,231)	(1,045,374)	(1,978,642)	(1,842,379)
Administrative expenses		(298,066)	(300,263)	(625,651)	(566,129)
Other expenses		(28,127)	(14,500)	(80,320)	(48,757)
Other income	12	72,652	7,007	207,789	19,103
		383,554	162,120	1,164,228	690,901
Finance costs		(28,954)	(50,591)	(68,384)	(72,446)
Profit before taxation		354,600	111,529	1,095,844	618,455
Taxation	13	(82,557)	(34,836)	(279,096)	(160,109)
Profit for the period		272,043	76,693	816,748	458,346
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		272,043	76,693	816,748	458,346
(Rupees)					
Earnings per share - basic and diluted	14	1.17	0.33	3.50	1.97

The annexed notes 1 to 19 form an integral part of these condensed interim unconsolidated financial statements.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

# Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)

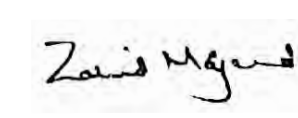
For the six months period ended December 31, 2021

	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 six months ended 31 December 2020			
- Profit for the six months period	-	458,346	458,346
- Other comprehensive income for the six months period	-	-	-
Transactions with owners		458,346	458,346
- 1 ordinary share for each 4 shares held - allotted as bonus shares for the year ended 30 June 2020	186,492	(186,492)	-
- Final dividend for the year ended 30 June 2020 @ Rs. 5 per share	-	(745,969)	(745,969)
Balance as at 31 December 2020	932,461	3,703,573	4,636,034
Balance as at 1 July 2021	932,461	4,543,794	5,476,255
Total comprehensive income for the six months period ended 31 December 2021			
- Profit for the six months period	-	816,748	816,748
- Other comprehensive income for the six months period	-	-	-
Transactions with owners recorded directly in equity - distributions		816,748	816,748
- 1 Ordinary shares for each 4 shares held allotted as bonus shares	233,115	(233,115)	-
- Final dividend for the year ended 30 June 2021 @ Rs. 5 per share	-	(932,462)	(932,462)
Balance as at 31 December 2021	1,165,576	4,194,965	5,360,541

The annexed notes 1 to 19 form an integral part of these condensed interim unconsolidated financial statements.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

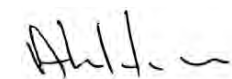


# Condensed Interim Unconsolidated Statement of Cash Flows (Unaudited)

For the six months period ended December 31, 2021

		Six months ended	
		Dec. 31, 2021	Dec. 31, 2020
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	15	60,204	1,232,709
Finance cost paid		(66,789)	(50,248)
Income taxes paid		(187,187)	(37,732)
Retirement benefits		(48,805)	(76,916)
Long term deposits - net		(4,653)	(1,579)
Net cash flows from operating activities		(247,230)	1,066,234
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(612,622)	(378,698)
Purchase of intangible assets		(7,410)	(38,869)
Short term investment		284,546	-
Proceeds from disposal of operating fixed assets		12,080	15,685
Net cash flows from investing activities		(323,406)	(401,882)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceed from short term borrowings		1,000,000	100,000
Proceeds from long term finance		-	422,745
Repayment of long-term finance		(262,053)	-
Dividends paid		(929,616)	
(746,198)			
Net cash flows from financing activities		(191,669)	(223,453)
Net (decrease) / increase in cash and cash equivalents		(762,304)	440,899
Cash and cash equivalents at beginning of the period		508,132	532,423
Cash and cash equivalents at end of the period	16	(254,172)	973,322

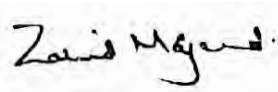
The annexed notes 1 to 19 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Chief Financial Officer



Director

# Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the six months period ended December 31, 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 by a 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 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 Group, under National Foods Limited, as the holding Company, comprise the following:

National Foods Dubai Multi Commodities Centre (" **NF-DMCC** ")

The Company has a wholly owned (100%) subsidiary which was set up in United Arab Emirates in 2012 and is carried at cost. The subsidiary was formed as a limited liability company and commenced operations from March 2013. 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 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 direct subsidiaries, one indirect subsidiary and one newly incorporated group Company 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 and 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 Inc. in the year 2017 and is principally engaged in distribution and wholesale of food products, disposables, janitorial and sanitation products.

National Epicure USA Inc.

National Epicure USA Inc. was incorporated in USA on 1 December 2021 under the General Corporation Law of the State of Delaware, USA with an authorized share capital of 5000 shares with a par value of \$0.0001 per share. Shares have not yet been issued by this entity and has not commenced its operations.

# Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the six months period ended December 31, 2021

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 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 as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provision of and directives issued 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 financial statements have been subjected to limited scope review by the auditors, as required under section 237 of Companies Act, 2017 and should be read in conjunction with audited annual financial statements of the Company for the year ended June 30, 2021.

### 2.3 Basis of measurement

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

### 2.4 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is 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.

3.2 A number of other pronouncements are effective from 1 July 2021, but they do not have a material effect on these condensed interim unconsolidated financial statements.

3.3 The International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after July 2022, but they do not have a material effect on these condensed interim unconsolidated financial statements.

# Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the six months period ended December 31, 2021

## 4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

4.1 The significant estimates and 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.

4.2 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.

## 5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	5.1
Capital work in progress	5.2

Dec. 31, 2021 (Unaudited)	June 30, 2021 (Audited)
(Rupees in thousand)	
4,791,526	4,564,852
555,231	467,421
5,346,757	5,032,273

Six months ended

Dec. 31, 2021 (Unaudited)	Dec. 31, 2020 (Unaudited)
(Rupees in thousand)	
207,015	-
70,076	112,802
157,055	145,162
26,341	19,032
52,398	30,571
8,641	4,583
6,150	7,903
527,676	320,053

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

Additions / transfers from CWIP
Freehold land
Building on leasehold land
Plant and machinery
Computer equipment
Vehicles
Furniture and fittings
Others

Additions to operating fixed assets include transfers of Rs. 292.565 million (31 December 2020: Rs. 125.9 million) from capital work in progress balance as at 30 June 2021.

Six months ended

Dec. 31, 2021 (Unaudited)	Dec. 31, 2020 (Unaudited)
(Rupees in thousand)	
8,816	8,592
-	116

Disposals - Net book value  
Vehicles [cost Rs. 10.6 million  
(31 December 2020: Rs. 12.61 million)]

Computer equipments [cost Rs. 0.157 million  
(31 December 2020: 1.76 million )]

5.2 This includes civil works of Rs. 327 million (30 June 2021: 49 million) and Plant and Machinery and Other Equipments of Rs. 228 million (30 June 2021: Rs. 418 million).

5.3 All the non-current assets of the Company are located in Pakistan.



# Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the six months period ended December 31, 2021

6. STOCK IN TRADE

	Dec. 31, 2021 (Unaudited)	June 30, 2021 (Audited)
	(Rupees in thousand)	
Raw materials	2,294,340	1,940,112
Provision for obsolescence	(59,534)	(58,725)
	2,234,806	1,881,387
Packing materials	890,609	742,879
Provision for obsolescence	(65,459)	(41,595)
	825,150	701,284
Work in process	1,422,919	1,165,369
Provision for obsolescence	(51,419)	(73,219)
	1,371,500	1,092,150
Finished goods	1,533,312	1,396,183
Provision for obsolescence	(75,679)	(125,640)
	1,457,633	1,270,543
	5,889,089	4,945,364

6.1 During the year, the Company has reversed provision / (2021: charged) for obsolescence of Rs. 47.088 million (2021: Rs. 235.43 million).

	Dec. 31, 2021 (Unaudited)	June 30, 2021 (Audited)
	(Rupees in thousand)	
Investments in Mutual Funds at fair value through profit or loss	716,653	1,001,199
7. SHORT-TERM INVESTMENTS		
Secured long-term finances utilised under mark-up arrangements	967,365	1,199,952
Classified under current liability	(530,480)	(502,370)
	436,885	697,582
Deferred income - government grant	11,865	29,466
Current portion of deferred income - government grant	(11,865)	(27,429)
	-	2,037
	436,885	699,619

# Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the six months period ended December 31, 2021

8.1 This represents long-term finance facility of Rs. 128.9 million for ten years, long-term loan of Rs. 170.8 million for six years, long term loan of Rs. 267.2 million for ten years and salary refinance loan of Rs. 400 million obtained from commercial bank having mark-up at the rate of State Bank of Pakistan (SBP) base rate + 0.3% (effective 'rate: 3.3%), 3 months Kibor + 0.1%, 3 months Kibor + 0.4% and SBP base rate + 1% - 2% (effective rate: 1% - 2%) respectively. The loans are secured by way of hypothecation of the Company's present and future fixed assets and hypothecation of the Company's present and future stocks and receivables.

8.2 Due to the effects of pandemic, State Bank of Pakistan took various steps to support the economy. SBP introduced a refinance scheme for payment of salaries and wages at subsidized rate of borrowing.

The above deferred income relates to the refinance borrowing of Rs. 400 million mentioned above at subsidized rate of SBP base rate + 1% - 2% repayable by October 2022 in 8 quarterly installments to a Bank under the SBP scheme.

	Dec. 31, 2021 (Unaudited)	June 30, 2021 (Audited)
	(Rupees in thousand)	
9. SHORT TERM BORROWINGS		
Conventional		
Running finance under mark-up arrangements	1,876,588	2,103,935
Export re-finance	800,000	600,000
Money market loan	800,000	-
Islamic		
Running finance under Musharakah	302,779	86,860
	3,779,367	2,790,795

9.1 The facilities for running finance available from various commercial banks amount to Rs. 3.66 billion (30 June 2021: 3.4 billion) are for the purpose of meeting working capital requirements. The effective rates of mark-up on these finances range from 7.79% to 9.62% (30 June 2021: 7.29% to 7.93%) per annum. 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. 5.59 billion. As at 31 December 2021, the unavailed facilities from the above borrowings amounted to Rs. 1.79 billion (30 June 2021: Rs. 1.3 billion).

9.2 The Company has short term running finance facility under Export Refinance Scheme of the State Bank of Pakistan from a commercial bank amounting to Rs. 1.55 billion. The effective rate of mark-up on this facility is 2.2% to 2.5% (30 June 2021: 2.5%) per annum.

9.3 The Company has obtained Money Market Loan facility of Rs. 1.25 billion. Effective rate of profit is 7.81% to 9.52% (30 June 2021: 6.73% to 9.43%) per annum. This facility matures within twelve months and is renewable. The arrangements are secured by way of pari-passu charge against hypothecation of Company's current and future stock and receivables having aggregate charge amounting to Rs. 2.54 billion.

9.4 The Company has obtained facilities for short-term finance under Running Musharakah amounting to Rs. 0.65 billion. 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.

# Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the six months period ended December 31, 2021

## 10. CONTINGENCIES AND COMMITMENTS

- 10.1** There were no contingencies as at 31 December 2021.
- 10.2** Aggregate commitments for capital expenditure as at 31 December 2021 amount to Rs. 2,228 million (30 June 2021: Rs. 467.43 million).
- 10.3** The facilities for opening letters of credit amounting to Rs. 2.74 billion (30 June 2021: Rs. 2.74 billion) and for letters of guarantee amounting to Rs. 225 million (30 June 2021: Rs. 215 million) as at 31 December 2021 of which the amounts remaining unutilised at period end were Rs. 1.74 billion (30 June 2021: Rs. 1.59 billion) and Rs. 126 million (30 June 2021: Rs. 116 million) respectively.
- 10.4** 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 31 December 2021 amounted to the following:

		Dec. 31, 2021 (Unaudited)	June 30, 2021 (Audited)
		(Rupees in thousand)	
Not later than one year Later than one year but not later than five years		201,878	199,461
		399,733	432,806
		601,611	632,267

		Six months ended	
		Dec. 31, 2021 (Unaudited)	Dec. 31, 2020 (Unaudited)
		(Rupees in thousand)	
<b>11. SALES</b>			
	Local sales	15,278,989	14,006,715
	Export sales	1,119,585	1,064,325
		16,398,574	15,071,040
	Less: Sales tax	(2,087,694)	(1,969,162)
		14,310,880	13,101,878
	Less: Discount, rebates and allowances	(2,901,687)	(2,701,510)
		11,409,193	10,400,368

# Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the six months period ended December 31, 2021

- 11.1** Exports sales represents sales made to NF DMCC Dubai - a wholly owned subsidiary of the Company.
- 11.2** Revenue is disaggregated by primary geographical market.
- 11.3** Management reviews revenue and other financial results based on product division. During the six months period ended 31 December 2021, revenue of the Foods division was Rs. 5,993 million (2020: Rs. 5,660 million), Kitchen division was Rs. 9,231 million (2020: Rs. 9,498 million) and Snacks division was Rs. 342 million (2020: Rs. 301 million).
- 11.4** The Company's customer base is diverse with no single customer accounting for more than 10% of net sales. Sales to domestic customers in Pakistan are 93.29% (2020: 93.12%) and to customer outside Pakistan are 6.71% (2020: 6.88%) of the revenue.

## 12. OTHER INCOME

This includes gain on foreign currency translation relating to export sales amounting to Rs. 144 million (2021: loss of Rs. 22.7 million).

## 13. TAXATION

Current	Current Year Tax
Deferred	Deffered Tax

## 14. EARNINGS PER SHARE - BASIC AND DILUTED

Profit after taxation attributable to ordinary shareholders

Weighted average number of ordinary shares outstanding during the period\*

Earnings per share - basic and diluted

Six months ended	
Dec. 31, 2021 (Unaudited)	Dec. 31, 2020 (Unaudited)
(Rupees in thousand)	
275,959	206,598
3,137	(46,489)
279,096	160,109

Six months ended	
Dec. 31, 2021 (Unaudited)	Dec. 31, 2020 (Unaudited)
(Rupees in thousand)	
816,748	458,346

(Number of shares)	
(in thousand)	
233,115	233,115

(Rupees)	
3.50	1.97

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



# Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the six months period ended December 31, 2021

		Six months ended	
Note		Dec. 31, 2021	Dec. 31, 2020
		(Unaudited)	
		(Rupees in thousand)	
15.	CASH GENERATED FROM OPERATIONS		
	Profit before taxation	1,095,844	618,455
	Adjustment for non-cash charges and other items		
	Depreciation	292,186	260,004
	Amortization	14,303	16,996
	Retirement benefit expense	2,045	7,829
	Gain on disposal of property, plant and equipment (Reversal against) / provision for slow moving and obsolete stock	(3,264)	(6,977)
	Income on short term investments	47,088	28,513
	Finance cost	(37,291)	-
	Working capital changes	68,384	48,321
15.1		(1,419,090)	259,568
		60,204	1,232,709
15.1	Working capital changes		
	Decrease / (increase) in current assets		
	Stores, spare parts and loose tools	(9,816)	(5,230)
	Stock in trade	(943,725)	165,024
	Trade debts	4,085	722,145
	Advances	(839,896)	(351,815)
	Trade deposits and prepayments	(55,331)	(56,310)
	Other receivables	10,699	7,356
	Sales tax refundable	38,998	-
		(1,794,986)	481,170
	Increase / (decrease) in current liabilities		
	Trade and other payables	637,937	(322,168)
	Contract Liability	(262,041)	62,328
	Sales tax payable	-	38,238
		375,896	(221,602)
		(1,419,090)	259,568
		Six months ended	
		Dec. 31, 2021	Dec. 31, 2020
		(Unaudited)	
		(Rupees in thousand)	
16.	CASH AND CASH EQUIVALENTS		
	Cash and bank balances	1,925,195	1,115,987
	Running finance under mark-up arrangement	(2,179,367)	(142,665)
	Cash and cash equivalents at end of the period	(254,172)	973,322

16.1 Cash and bank balances includes TDR amounting to Rs. 500 million (30 June 2021: Rs. Nil) carrying profit of 16% per annum and will mature on 3 January 2022

# Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the six months period ended December 31, 2021

## 17. TRANSACTIONS WITH RELATED PARTIES

- 17.1 Transactions with related parties, other than disclosed elsewhere, are as follows:
- 17.2 At reporting date the trade debts include Rs. 950.9 million (30 June 2021: Rs. 496.5 million) receivable from National Foods DMCC (subsidiary company).
- 17.3 Other transactions are as follows:

		Dec. 31, 2021	Dec. 31, 2020
		(Unaudited)	
		(Rupees in thousand)	
Parent Company			
	Rental income	1,516	1,819
	Dividend paid	312,375	250,398
	Bonus share issued (at face value)	19,523	12,520
Subsidiary Company			
	Sale of goods - net	1,119,585	1,064,325
Associated Companies / Undertakings			
	Annual Subscription	2,000	2,000
	Dividend paid	363,218	137,027
	Bonus shares issued (at face value)	22,701	6,851
Staff retirement funds			
	Expense charged for defined contribution plan	38,033	35,534
	Payment to defined contribution plan	72,375	106,395
	Amount payable to the defined contribution plan	58,037	32,697
	Balance payable to the defined benefit plan	2,045	14,893
	Charge during the period for the amount payable to the defined benefit plan	2,045	10,913
	Payment during the period to the defined benefit plan	15,621	80,000
Key Management Personnel:			
	Salaries and other short-term employee benefits	480,340	524,175
	Contribution to the Provident Fund	16,812	17,722
	Charge for Post retirement defined benefit plan relating to the of Executive Directors	2,045	7,829

## 18. OPERATING SEGMENT

- 18.1 These financial statements have been prepared on the basis of a single reportable segment.
- 18.2 All non current assets of the Company as of reporting date are located in Pakistan.

## 19. GENERAL

These condensed interim unconsolidated financial statements were authorised for issue by the Board of Directors in their meeting held on 23<sup>rd</sup> February, 2022.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

# CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION DECEMBER 31, 2021



## Consolidated Balance Sheet

As at December 31, 2021

	Note	Dec. 31, 2021 (Unaudited)	June 30, 2021 (Audited)
(Rupees in thousand)			
<b>ASSETS</b>			
<b>Non - current assets</b>			
Property, plant and equipment	5	6,007,518	5,482,954
Right-of-use assets	6	1,532,974	1,118,423
Intangibles and goodwill		850,686	796,903
Long-term investment	7	30,000	30,000
Long term deposits		53,313	48,741
Deferred assets		46,816	46,816
		<u>8,521,307</u>	<u>7,523,837</u>
<b>Current assets</b>			
Stores, spare parts and loose tools		160,155	150,339
Stock-in-trade	8	7,797,896	6,463,684
Trade debts		1,410,020	1,305,828
Advances		1,113,088	278,046
Trade deposits and prepayments		488,891	344,097
Other receivables		21,342	30,316
Sales tax refundable		51,078	90,076
Short term investment	9	716,653	1,001,199
Cash and bank balances		2,369,594	3,042,473
		<u>14,128,717</u>	<u>12,706,058</u>
		<u>22,650,024</u>	<u>20,229,895</u>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
<b>Share capital and reserves</b>			
Authorised share capital 1,000,000,000 (30 June 2020: 1,000,000,000) ordinary shares of Rs. 5 each		5,000,000	5,000,000
Share Capital Issued, subscribed and paid-up capital		1,165,576	932,461
Revenue Reserves Unappropriated profit		5,710,792	5,703,120
Foreign exchange translation reserve		181,416	2,756
<b>Equity attributable to owners of the Company</b>		<u>7,057,784</u>	<u>6,638,337</u>
Non-controlling interest		772,253	635,103
<b>Total equity</b>		<u>7,830,037</u>	<u>7,273,440</u>
<b>Non - current liabilities</b>			
Long-term finance	10	708,389	883,076
Lease liabilities		1,376,055	958,104
Long-term deposits		4,765	4,350
Deferred taxation - net		218,347	208,106
Deferred liabilities		6,187	10,667
		<u>2,313,743</u>	<u>2,064,303</u>
<b>Current liabilities</b>			
Trade and other payables		6,265,479	5,430,104
Contract liabilities		220,484	529,821
Short-term borrowings	11	3,905,183	2,861,444
Current maturity of long term finance		745,601	744,559
Current portion of lease liabilities		215,809	218,022
Mark-up accrued		12,912	10,453
Unclaimed Dividend		24,048	21,206
Taxation - net		1,116,728	1,076,543
		<u>12,506,244</u>	<u>10,892,152</u>
		<u>14,819,987</u>	<u>12,956,455</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>22,650,024</u>	<u>20,229,895</u>
<b>Contingencies and commitments</b>			
	12		

The annexed notes 1 to 19 form an integral part of this consolidated interim financial information.

*Abul Hasan*

Chief Executive Officer

*Farhan B.*

Chief Financial Officer

*Zain M.*

Director



# Consolidated Profit and Loss Account (Unaudited)

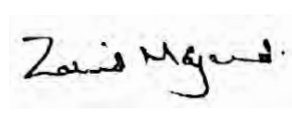
For the quarter and six months period ended 31 December 2021

	Note	Quarter ended		Six months ended	
		Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
		(Rupees in thousand)		(Rupees in thousand)	
Sales	13	10,357,137	7,980,308	20,334,099	16,070,773
Cost of sales		(7,461,999)	(5,749,372)	(14,548,676)	(11,510,870)
Gross profit		2,895,138	2,230,936	5,785,423	4,559,903
Distribution costs		(1,755,390)	(1,316,004)	(3,159,608)	(2,436,638)
Administrative expenses		(424,742)	(381,168)	(847,840)	(721,542)
Other expenses		(29,593)	(14,499)	(81,786)	(48,819)
Other income		82,596	12,713	207,623	30,970
Operating profit		768,009	531,978	1,903,812	1,383,874
Finance costs		(105,267)	(92,336)	(187,419)	(159,573)
Profit before taxation		662,742	439,642	1,716,393	1,224,301
Taxation - net	14	(137,727)	(90,567)	(406,302)	(280,293)
Profit after tax		525,015	349,075	1,310,091	944,008
Other comprehensive income					
Items that will not be reclassified to profit and loss account:					
Foreign operations - foreign currency translation differences		87,545	288,825	187,474	82,070
		87,545	288,825	187,474	82,070
Total comprehensive income for the year		612,560	637,900	1,497,565	1,026,078
Profit attributable to:					
Owners of the Parent Company		462,487	291,796	1,173,249	819,940
Non-controlling interest		62,528	57,279	136,842	124,068
		525,015	349,075	1,310,091	944,008
Total comprehensive income attributable to:					
Owners of the Parent Company		534,160	561,119	1,351,909	881,604
Non-controlling interest		78,400	76,781	145,656	144,474
		612,560	637,900	1,497,565	1,026,078
Earnings per share (basic and diluted)	15	(Rupees)			
		1.24	1.85	5.03	3.52

The annexed notes 1 to 19 form an integral part of this consolidated interim financial information.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

# Consolidated Statement of Changes in Equity

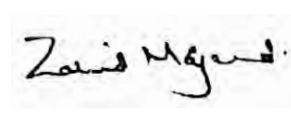
For the six months period ended 31 December 2021

	Attributable to Shareholders of the Parent Company					
	Share capital	Retained earnings	Foreign exchange translation reserve	Sub-total	Non controlling interest	Total Equity
	(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 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 six months period ended 31 December 2021						
Profit for the six months period	-	1,173,249	-	1,173,249	136,842	1,310,091
Other comprehensive income for the six months period	-	-	178,660	178,660	8,814	187,474
	-	1,173,249	178,660	1,351,909	145,656	1,497,565
Transaction with owners in their capacity as owners directly recorded in equity						
Final dividend for the year ended 30 June 2021 @ Rs. 5 per share	233,115	(233,115)	-	-	(8,506)	(8,506)
1 ordinary share for each 4 shares held - allotted as bonus shares for the year ended 30 June 2021	-	(932,462)	-	(932,462)	-	(932,462)
Balance as at 31 December 2021	1,165,576	5,710,792	181,416	7,057,784	772,253	7,830,037

The annexed notes 1 to 19 form an integral part of this consolidated interim financial information.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

# Consolidated Statement of Cash Flows

For the six months period ended 31 December 2021

	Note	Dec. 31, 2021 (Unaudited)	Dec 31, 2020
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	16	718,737	1,001,179
Finance cost paid		(190,582)	(140,782)
Income tax paid		(371,662)	(209,022)
Retirement benefits obligations paid		(48,805)	(76,916)
Long term deposits		(5,609)	(2,511)
Net cash generated from operating activities		102,080	571,949
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,310,384)	(403,461)
Sale proceeds from disposal of property, plant and equipment		12,080	15,685
Purchase of intangible assets		(7,410)	(38,869)
Deferred consideration paid		-	(819)
Short term investment		284,546	-
Net cash used in investing activities		(1,021,168)	(427,464)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short term borrowings		1,000,000	100,000
Proceeds from long term finance		-	330,883
Repayment of long term finance		90,877	(104,702)
Dividend paid		(938,122)	(749,371)
Net cash from / (used in) financing activities		152,756	(423,191)
Net increase / (decrease) in cash and cash equivalents		(766,332)	(278,707)
Cash and cash equivalents at beginning of the year		834,861	1,192,577
Currency translation difference on cash and cash equivalents		(4,119)	68,528
Cash and cash equivalents at end of the year	17	64,410	982,399

The annexed notes 1 to 19 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 six months period ended 31 December 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 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:

#### i) 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.



# Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the six months period ended 31 December 2021

**ii) National Epicure USA Inc.**

National Epicure USA Inc. was incorporated in USA on 1 December 2021 under the General Corporation Law of the State of Delaware, USA with an authorized share capital of 5,000 shares with a par value of \$0.0001 per share. Shares have not yet been issued by this entity and has not commenced its operations.

**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.
- 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.
- 1st Floor, JB Tower, University Road, Peshawar
- 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 consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan 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.

# Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the six months period ended 31 December 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 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.

**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.

**4.3 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

# Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the six months period ended 31 December 2021

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 six months period ended 31 December 2021

	Note	Dec. 31, 2021 (Unaudited)	Jun 30, 2021 (Audited)
(Rupees in thousand)			
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	5,452,288	5,015,533
Capital Work in Progress	5.2	555,231	467,421
		6,007,518	5,482,954

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

		Six months ended	
		Dec. 31, 2021 (Unaudited)	Dec. 31, 2020 (Unaudited)
(Rupees in thousand)			
Additions/transfer from CWIP			
Freehold Land		207,015	-
Building on Leasehold land		89,639	112,802
Plant & machinery		157,055	145,162
Computers		26,407	19,999
Motor vehicles - Owned		53,718	37,474
Furniture & fittings		33,420	11,916
Others		6,150	7,903
		573,405	335,256

Additions to operating fixed assets include transfers of Rs. 338.3 million (31 December 2020: Rs. 125.9 million) from capital work in progress balance as at 30 June 2021.

		Six months ended	
		Dec. 31, 2021 (Unaudited)	Dec. 31, 2020 (Unaudited)
(Rupees in thousand)			
Disposals - Net book value			
Vehicles [cost Rs. 10.6 million (31 December 2020: Rs. 12.61 million )]		8,816	8,592
Computer equipments [cost Rs. 0.157 million (31 December 2020: Rs. 1.76 million)]		-	116

5.2 This includes civil works of Rs. 327 million (30 June 2021: 49 million) and Plant and Machinery and Other Equipments of Rs. 228 million (30 June 2021: Rs. 418 million).



# Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the six months period ended 31 December 2021

## 6. RIGHT-OF-USE ASSETS

	Dec 31, 2021			
	Properties	Equipment	Vehicles	Total
	(Rupees in thousand)			
<b>Cost</b>				
Balance at 1 July 2021	1,365,405	17,517	99,335	1,482,257
Addition	395,378	-	47,590	442,968
<b>Balance at 31 December 2021</b>	<b>1,760,783</b>	<b>17,517</b>	<b>146,925</b>	<b>1,925,225</b>
<b>Accumulated Depreciation</b>				
Balance at 1 July 2021	342,861	8,357	40,014	391,232
Charge for the year	125,477	2,119	13,271	140,867
<b>Balance at 31 December 2021</b>	<b>468,338</b>	<b>10,476</b>	<b>53,285</b>	<b>532,099</b>
Effect of movements in exchange rates	130,628	1,004	8,216	139,848
<b>Net Book Value</b>				
June 30, 2021	1,022,544	9,160	59,321	1,091,025
December 31, 2021	<b>1,423,072</b>	<b>8,046</b>	<b>101,856</b>	<b>1,532,974</b>

	Jun. 30, 2021			
	Properties	Equipment	Vehicles	Total
	(Rupees in thousand)			
<b>Cost</b>				
Balance at 1 July 2020	870,982	8,463	78,221	957,666
Addition	494,423	9,054	21,114	524,591
<b>Balance at 30 June 2021</b>	<b>1,365,405</b>	<b>17,517</b>	<b>99,335</b>	<b>1,482,257</b>
<b>Accumulated Depreciation</b>				
Balance at 1 July 2020	170,095	4,894	22,572	197,561
Charge for the year	172,766	3,463	17,442	193,671
<b>Balance at 30 June 2021</b>	<b>342,861</b>	<b>8,357</b>	<b>40,014</b>	<b>391,232</b>
Effect of movements in exchange rates	25,480	183	1,735	27,398
<b>Net Book Value</b>				
July 01, 2020	700,887	3,569	55,649	760,105
June 30, 2021	<b>1,048,024</b>	<b>9,343</b>	<b>61,056</b>	<b>1,118,423</b>

# Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the six months period ended 31 December 2021

	Dec. 31, 2021 (Unaudited)	June 30, 2021 (Audited)
	(Rupees in thousand)	
<b>7. LONG-TERM INVESTMENT</b>		
Investment at fair value through profit or loss (FVTPL)	<b>30,000</b>	30,000
On 25 February 2020, the Parent Company subscribed 2,999,500 ordinary shares of Rs.10 each in Naymat Collateral Management Company Limited (NCMCL) for Rs. 30,000,000. The Parent Company's shareholding gives it ownership interest and voting power of 10% in NCMCL. NCMCL is an unlisted public company that was incorporated under Companies Act, 2017 on 21 January 2020 and has its registered office at C-25/B, Block 4, Clifton, Karachi Saddar Town,Sindh, Pakistan. It is engaged in the business of providing storage and preservation services for a range of agricultural commodities as well as issuing credible warehouse receipts for agricultural commodity financing. The equity investment has been classified at fair value through profit of loss.		
<b>8. STOCK IN TRADE</b>		
	Dec. 31, 2021 (Unaudited)	June 30, 2021 (Audited)
	(Rupees in thousand)	
Raw materials	2,294,340	1,940,112
Provision for obsolescence	(59,534)	(58,725)
	<b>2,234,806</b>	<b>1,881,387</b>
Packing materials	890,609	742,879
Provision for obsolescence	(65,459)	(41,595)
	<b>825,150</b>	<b>701,284</b>
Work in process	1,422,919	1,165,369
Provision for obsolescence	(51,419)	(73,219)
	<b>1,371,500</b>	<b>1,092,150</b>
Finished goods	3,626,765	2,971,696
Provision for obsolescence	(260,326)	(182,833)
	<b>3,366,440</b>	<b>2,788,863</b>
	<b>7,797,896</b>	<b>6,463,684</b>
<b>8.1</b>	During the year, the Company has reversed provision / (2021: charged) for obsolescence of Rs. 47.088 million (2021: Rs. 235.43 million).	

# Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the six months period ended 31 December 2021

	Dec. 31, 2021 (Unaudited)	June 30, 2021 (Audited)
	(Rupees in thousand)	
<b>9. SHORT-TERM INVESTMENTS</b>		
Investments in Mutual Funds at fair value through profit or loss	716,653	1,001,199
<b>10. LONG TERM FINANCE</b>		
Secured long-term finances utilised under mark-up arrangements - Pakistan - Note 10.1	967,365	1,199,952
TD Commercial Bank - Canada	317,039	224,056
MCB Bank Dubai	169,587	174,161
Classified under current liability	(745,601)	(717,130)
	708,389	881,039
Deferred income - government grant - Note 10.2	11,865	29,466
Current portion of deferred income - government grant	(11,865)	(27,429)
	(0)	2,037
	708,389	883,076

- 10.1** This represents long-term finance facility of Rs. 128.9 million for ten years, long-term loan of Rs. 170.8 million for six years, long term loan of Rs. 267.2 million for ten years and salary refinance loan of Rs. 400 million obtained from commercial bank having mark-up at the rate of State Bank of Pakistan (SBP) base rate + 0.3% (effective 'rate: 3.3%), 3 months Kibor + 0.1%, 3 months Kibor + 0.4% and SBP base rate + 1% - 2% (effective rate: 1% - 2%) respectively. The loans are secured by way of hypothecation of the Company's present and future fixed assets and hypothecation of the Company's present and future stocks and receivables.
- 10.2** Due to the effects of pandemic, State Bank of Pakistan took various steps to support the economy. SBP introduced a refinance scheme for payment of salaries and wages at subsidized rate of borrowing.

The above deferred income relates to the refinance borrowing of Rs. 400 million mentioned above at subsidized rate of SBP base rate + 1% - 2% repayable by October 2022 in 8 quarterly installments to a Bank under the SBP scheme.

	Note	Dec. 31, 2021 (Unaudited)	June 30, 2021 (Audited)
		(Rupees in thousand)	
<b>11. SHORT TERM BORROWINGS</b>			
Running finance under mark up arrangements	11.1	2,002,404	2,174,584
Running finance under Musharika	11.2	302,779	86,860
Export re-finance	11.3	800,000	600,000
Money Market Loan	11.4	800,000	-
		3,905,183	2,861,444

# Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the six months period ended 31 December 2021

- 11.1** The facilities for running finance available from various commercial banks amount to Rs. 3.66 billion (30 June 2021: 3.4 billion) are for the purpose of meeting working capital requirements. The effective rates of mark-up on these finances range from 7.79% to 9.62% (30 June 2021: 7.29% to 7.93%) per annum. 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. 5.59 billion. As at 31 December 2021, the unavailed facilities from the above borrowings amounted to Rs. 1.79 billion (30 June 2021: Rs. 1.3 billion).
- 11.2** The Company has obtained facilities for short-term finance under Running Musharakah amounting to Rs. 0.65 billion. 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.
- 11.3** The Company has short term running finance facility under Export Refinance Scheme of the State Bank of Pakistan from a commercial bank amounting to Rs. 1.55 billion. The effective rate of mark-up on this facility is 2.2% to 2.5% (30 June 2021: 2.5%) per annum.
- 11.4** The Company has obtained Money Market Loan facility of Rs. 1.25 billion. Effective rate of profit is 7.81% to 9.52% (30 June 2021: 6.73% to 9.43%) per annum. This facility matures within twelve months and is renewable. The arrangements are secured by way of pari-passu charge against hypothecation of Company's current and future stock and receivables having aggregate charge amounting to Rs. 2.54 billion.
- 12. COMMITMENTS**
- 12.1** There were no contingencies as at 31 December 2021.
- 12.2** Aggregate commitments for capital expenditure as at 31 December 2021 amount to Rs. 2,228 million (30 June 2021: Rs. 467.43 million).
- 12.3** The facilities for opening letters of credit amount to Rs. 2.74 billion (30 June 2021: Rs. 2.74 billion) and for letters of guarantee amount to Rs. 225 million (30 June 2021: Rs. 215 million) as at 31 December 2021 of which the amounts remaining unutilised at period end were Rs. 1.74 billion (30 June 2021: Rs. 1.59 billion) and Rs. 126 million (30 June 2021: Rs. 116 million) respectively.
- 12.4** 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 31 December 2021 amounted to the following:

Not later than one year  
Later than one year but not later than five years

Dec. 31, 2021 (Unaudited)	June 30, 2021 (Audited)
(Rupees in thousand)	
201,878	199,461
399,733	432,806
601,610	632,267



# Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the six months period ended 31 December 2021

	Dec. 31, 2021 (Unaudited)	Dec. 31, 2020 (Unaudited)
	(Rupees in thousand)	
13. SALES		
Gross sales		
Local sales	15,278,989	14,003,767
Export sales	10,392,889	7,142,450
	25,671,878	21,146,217
Sales tax	(2,562,883)	(2,288,772)
	23,108,995	18,857,445
Less:Discount, rebates and allowances	(2,774,896)	(2,786,671)
	20,334,099	16,070,773

13.1 Revenue is disaggregated by primary geographical market.

13.2 Management reviews revenue and other financial results based on product division. During the six months period ended 31 December 2021, revenue of the Foods division was Rs. 6,489 million (2020: Rs. 5,754 million), Kitchen division was Rs. 9,908 million (2020: Rs. 9,725 million) and Snacks division was Rs. 303 million (2020: Rs. 301 million). Revenue from A1 amounted to Rs. 8,972 million (2020: 5,758 million)

	Six months ended	
	Dec. 31, 2021 (Unaudited)	Dec. 31, 2020 (Unaudited)
	(Rupees in thousand)	
14. TAXATION		
- Current	403,165	326,782
- Deferred	3,137	(46,489)
	406,302	280,293
15. EARNINGS PER SHARE		
Profit after taxation attributable to owners of the Parent Company	1,173,249	819,940
	(Number of shares)	
	(in thousand)	
Weighted average number of ordinary shares outstanding during the period	233,115	233,115
	(Rupees)	
Earning per share - basic and diluted	5.03	3.52

# Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the six months period ended 31 December 2021

	Note	Dec. 31 , 2021 (Unaudited)	Dec. 31, 2020 (Unaudited)
		(Rupees in thousand)	
16. CASH FLOWS FROM OPERATIONS			
Profit before taxation		1,723,393	1,224,301
Adjustments for non-cash charges and other items			
Depreciation on property, plant and equipment		357,682	304,917
Amortization on intangibles		21,970	23,754
Finance cost		192,177	135,448
Gain on disposal of property, plant and equipment (Reversal against) / provision for slow moving and obsolete stock		(3,264)	(6,977)
Income on short-term investment		47,088	28,513
Retirement benefits expense		(37,291)	-
Working capital changes	16.1	2,045	8,912
		(1,585,062)	(717,688)
		(1,004,655)	(223,122)
Cash generated from operations		718,737	1,001,179
16.1 Effect on cash flows due to working capital changes			
(Increase) / Decrease in current assets			
Stores, spares and loose tools		(9,816)	(5,230)
Stock in trade		(1,193,201)	(81,238)
Trade debts		(413,807)	880,784
Advances		(839,896)	(370,638)
Deposits and prepayments		(55,331)	(56,310)
Sales tax refundable		38,998	-
Other receivables		10,699	7,356
		(2,462,355)	374,724
(Decrease) / Increase in current liabilities			
Trade and other payables		1,139,334	(1,192,978)
Sales tax payable		-	62,328
Contract Liability		(262,042)	38,238
		877,292	(1,092,412)
		(1,585,062)	(717,688)
17. CASH AND CASH EQUIVALENTS			
Cash and bank balances		2,369,594	1,399,451
Running finance under mark up arrangements		(2,305,184)	(417,052)
		64,410	982,399

# Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

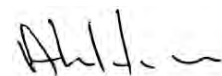
For the six months period ended 31 December 2021

## 18. TRANSACTIONS WITH RELATED PARTIES

		Dec. 31, 2021 (Unaudited)	Dec. 31, 2020 (Unaudited)
		(Rupees in thousand)	
Relationship with the Company	Nature of transaction		
Parent Company	Rental income	1,516	909
	Dividend Paid	312,375	-
	Bonus share issued	19,523	-
	Subscription	2,000	2,000
Associated Companies / Undertakings	Dividend Paid	363,218	-
	Bonus share issued	22,701	-
<b>Staff retirement funds</b>			
Expense charged for defined contribution plan		38,033	35,534
Payment to defined contribution plan		72,375	106,395
Amount payable to the defined contribution plan		58,037	32,697
Balance payable to the defined benefit plan		2,045	14,893
Charge during the period for the amount payable to the defined benefit plan		2,045	10,913
Payment during the period to the defined benefit plan		15,621	80,000
<b>Key management personnel compensation:</b>			
Salaries and other short-term employee benefits		511,890	524,175
Contribution to Provident Fund		16,812	17,722
Post retirement benefits of Executive Directors		2,045	7,829

## 19. GENERAL

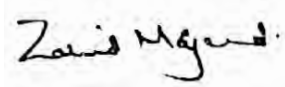
This condensed interim financial information has been authorised for issue on February 23, 2022 by the Board of Directors of the Parent Company.



Chief Executive Officer



Chief Financial Officer



Director

# Jama Punji Information

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\*Mobile apps are also available for download for android and ios devices



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan



# ڈائریکٹرز رپورٹ

معزز حصص داران!

نیشنل فوڈز لمیٹڈ کے ڈائریکٹرز باسرت 31 دسمبر 2021 کو ختم ہونے والے مالی سال کے حوالے سے ششماہی مدّت کے غیر جانچ شدہ نتائج پیش کر رہے ہیں، جس میں دونوں یعنی علیحدہ اور مشترکہ فنانشل اسٹیٹمنٹس شامل ہیں۔

کاروباری کارکردگی کا جائزہ

معاشی صورتحال

پاکستان کی معیشت نے گذشتہ سال کے دوران بحالی کی نشاندہی کی ہے جس کی ایک بنیادی وجہ مقامی طلب میں بہتری اور بڑے پیمانے پر صنعتی ترقی میں اضافہ ہونا ہے۔ جبکہ معاشی نقطہ نظر سے دیکھا جائے تو ایسا لگتا ہے کہ مقامی اور ایکسپورٹ مارکیٹ میں مقابلے کی فضا اب بھی قائم ہے اور اس کی بھرپور حوصلہ افزائی بھی کی جارہی ہے۔ تاہم، اس کے ساتھ ساتھ گذشتہ آخری سہ ماہی میں یوٹیلٹی کی قیمتوں میں تیزی سے بڑھنے، کرنٹ اکاؤنٹ کے خسارے میں اضافے اور افراط زر میں دباؤ کی وجہ سے معاملات پر سختی نظر آ رہی ہے۔

عملی اور مالیاتی کارکردگی

بنیادی کاروبار

بنیادی کاروبار نے گذشتہ سال سے اپنی ترقی کی رفتار کو برقرار رکھا ہے جس کی وجہ سے خالص فروخت میں 11 فیصد ڈبل ڈیجیٹ تک کاریکارڈ اضافہ ہوا ہے۔ برانڈ اور صارفین کی زیر قیادت سرگرمیوں کے ذریعے تمام علاقوں میں محصول کو بہتر بنانے، آمدنی/لاگت میں تبدیلی اور بڑے پیمانے پر نئے اقدامات کی بہتری پر کاروبار نے توجہ مرکوز رکھی ہے۔ جس کے نتیجے میں بنیادی کاروبار کے آپریٹنگ/ عملی منافع میں نمایاں طور پر اضافہ ہوا ہے۔ ہماری کیلیکٹرز میں جدّت کے ساتھ ساتھ توجہ مرکوز رکھنے والی فروخت کی حکمت عملی نے کمپنی کو H1 میں شاندار نتائج فراہم کیے ہیں۔

ہم اس بات پر یقین رکھتے ہیں کہ ہمارے پاس برانڈز کا مضبوط پورٹ فولیو ہے جو مستحکم پیداوار کا باعث بنے گا۔ جہاں بھی ممکن ہوگا ہم عمل پر توجہ مرکوز کر کے اور جدیدیت کے ذریعے ان برانڈز کی نشوونما کا عمل جاری رکھیں گے۔

اے ون بیگز اینڈ سپلائرز انکارپوریشن

خالص فروخت میں 56 فیصد اضافہ ہوا ہے۔ نارتھ یارک میں پیچنگ اور گروسری کیلیکٹرز میں تیزی کے ساتھ بڑھتی وسعت اور بہترین ڈبل ڈیجیٹ میں اضافہ دیکھنے میں آیا ہے۔ نئے اضافے کینیڈا میں مستحکم ترقی کے عمل کو جاری رکھیں گے۔

گروپ کے مالیاتی سال کا گوشوارہ درج ذیل ہے:

گروپ								
تبدیلی			بنیادی کاروبار			اے ون بیگز اینڈ سپلائرز انکارپوریشن		
H 1 FY22	H 1 FY21	تبدیلی	H 1 FY22	H 1 FY21	تبدیلی	H 1 FY22	H 1 FY21	تبدیلی
20,334	16,071	26%	11,825	10,642	11%	8,509	5,438	56%
5,785	4,560	27%	4,056	3,370	20%	1,729	1,190	45%
1,793	1,402	28%	1,223	905	35%	570	498	14%
1,310	944	39%	976	627	54%	334	317	5%
5.0	3.5		3.6	2.2		3.34	3.17	
28.5%	28.4%	0.1%	34.3%	31.7%	2.6%	20.3%	21.9%	-1.6%
8.8%	8.7%	0.1%	10.3%	8.5%	1.8%	6.7%	9.2%	-2.5%
6.4%	5.9%	0.5%	8.3%	6.0%	2.3%	3.9%	5.8%	-1.9%

\* علاوہ دیگر آمدنی اور اخراجات

\*\* اس میں اے ون بیگز اور سپلائرز انکارپوریشن کے استحکام کی ناقابل تسلیم ابتداء 7.2 ملین روپے (2021: 6.6 ملین روپے) شامل ہے۔

مارکیٹنگ اور تھمپر

رہنمائی مصالحہ

- سال کے آغاز میں مارکیٹنگ کے مربوط اقدامات کیے گئے جن میں ڈیجیٹل ایگزٹنگ، برانڈ کے ساتھ اشتراک اور ایل ایم ٹیز (LMTs) پر صارفین کی شمولیت شامل ہے۔
- ٹی او ایم آگاہی اور خرچ کے نفع کے ساتھ کیلیکٹرز میں مضبوط برانڈ ایکویٹی اسکور حاصل کیا گیا۔
- کری سکیکٹ میں کری کی تجویز مضبوطی کے ساتھ مارکیٹ شیئر حاصل کر رہی ہے۔

کچپ

- نیشنل اسکیززی کو متعارف کروایا گیا جس کا مقصد کیلیکٹرز کو جدّت کے ساتھ اور صارفین کو ایک پُرکشش ٹیبل ٹاپ کی تجویز کی صورت میں سہولت فراہم کرنا ہے، جسے ڈیجیٹل کمپین، تجارتی اقدامات اور سٹریٹیم کا تعاون حاصل ہے۔
- اکتوبر 2021 میں ونٹر کنزیومر پروموشن کی گئی جس میں بی ڈا ایس ایم (POS) اور ڈیجیٹل کی شمولیت کے ذریعے ہنڈل سی پیز (CPS) شامل تھے۔
- ای کامرس پلیٹ فارمز پر اسکیززی ٹرائیو ہنڈل کے ساتھ ایک مفت باؤل/ رہنمائی کارڈ کی ای کامرس آگاہی فراہم کی گئی۔

پیکل

- جولائی میں کرشد پیکل عیدالاضحٰی ڈیجیٹل کمپین کی گئی جس میں موسم کی مناسبت سے سیزنل رہنمائی کو بنانا، یوٹیوب چینل اور میڈ ایزی پورٹل پر کمپین میں شیئر کے ساتھ پروڈکٹ کی تبدیلی کو مستحکم انداز کے ساتھ پیش کرنا شامل ہے۔
- ”لائف کا چٹارا“ کے خیال پر توجہ مرکوز کرتے ہوئے کرشد پیکل کے لیے ٹی وی اور ڈیجیٹل کمپین کی گئی اور مرتب کردہ متن کے ذریعے مختلف اقسام کو جن میں کھانا تفریحی سرگرمیاں، موسیقی اور فیشن شامل ہیں، ہدف بنایا گیا۔
- کرشد پیکل نے لائیو ہونے کے صرف ایک سال میں ہی ڈبل ڈیجیٹ مارکیٹ شیئر کا ہدف حاصل کیا۔

بین الاقوامی کاروبار

- سال کا پہلا نصف عالمی پیٹنگ بحران کے باعث متاثر ہوا جس نے ہمارے ترقیاتی منصوبوں کو بھی محدود کر دیا ہے۔
- یورپ میں نئی ڈسٹری بیوشن تبدیلیوں نے کمپنی کے لیے اعلیٰ سطح پر ڈبل ڈیجیٹ کے اضافی نمبرز حاصل کیے۔
- نارتھ امریکہ مارکیٹ کے لیے مصالحہ سیزنگلز کو ۴ مختلف اقسام میں متعارف کروایا جا رہا ہے۔

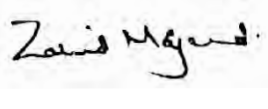
مستقبل کا نقطہ نظر

انتظامیہ، کورونا وائرس سے پیدا ہونے والی غیر یقینی صورتحال اور اس کی معیشت بالخصوص صارفین کی قوت خرید پر پڑنے والے اثرات کو تسلیم کرتی ہے۔ سامان کی غیر معمولی بڑھتی قیمتوں کے ساتھ یوٹیلٹییز کی بڑھتی لاگت میں اضافہ ہونا اور پاکستانی روپے کی قدر میں کمی ہمارے مارجنز بتلینس کو اس سال اور آنے والے سال 2022 میں سخت متاثر کر سکتی ہے۔ ہماری توجہ ڈرائیونگ والیومز، لاگت پر سخت کنٹرول، عمل درآمد کو بہتر بنانے، قیمت کو قابل قبول بنانے اور کام کے مؤثر انتظامی امور پر رہے گی۔ کمپنی کی انتظامیہ بھی بھرپور جوش و جذبے کے ساتھ تمام کام انجام دے رہی ہے اور اسے زیادہ مسابقتی بنانے کے لیے لاگت کی بچت کے اقدامات میں سرمایہ کاری کر رہی ہے۔

اعتراف

ہم بورڈ کی جانب سے مخلصانہ طور پر اپنے اندرونی اور بیرونی حصص داران کے مسلسل اعتماد اور ہر عزم ساتھ پران کا شکریہ ادا کرنا چاہتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے



ڈائریکٹر



چیف ایگزیکٹو آفیسر