NATIONAL FOODS LIMITED

QUARTERLY REPORT 2021

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Designed by: IAL SAATCHI & SAATCHI

National Foods Limited

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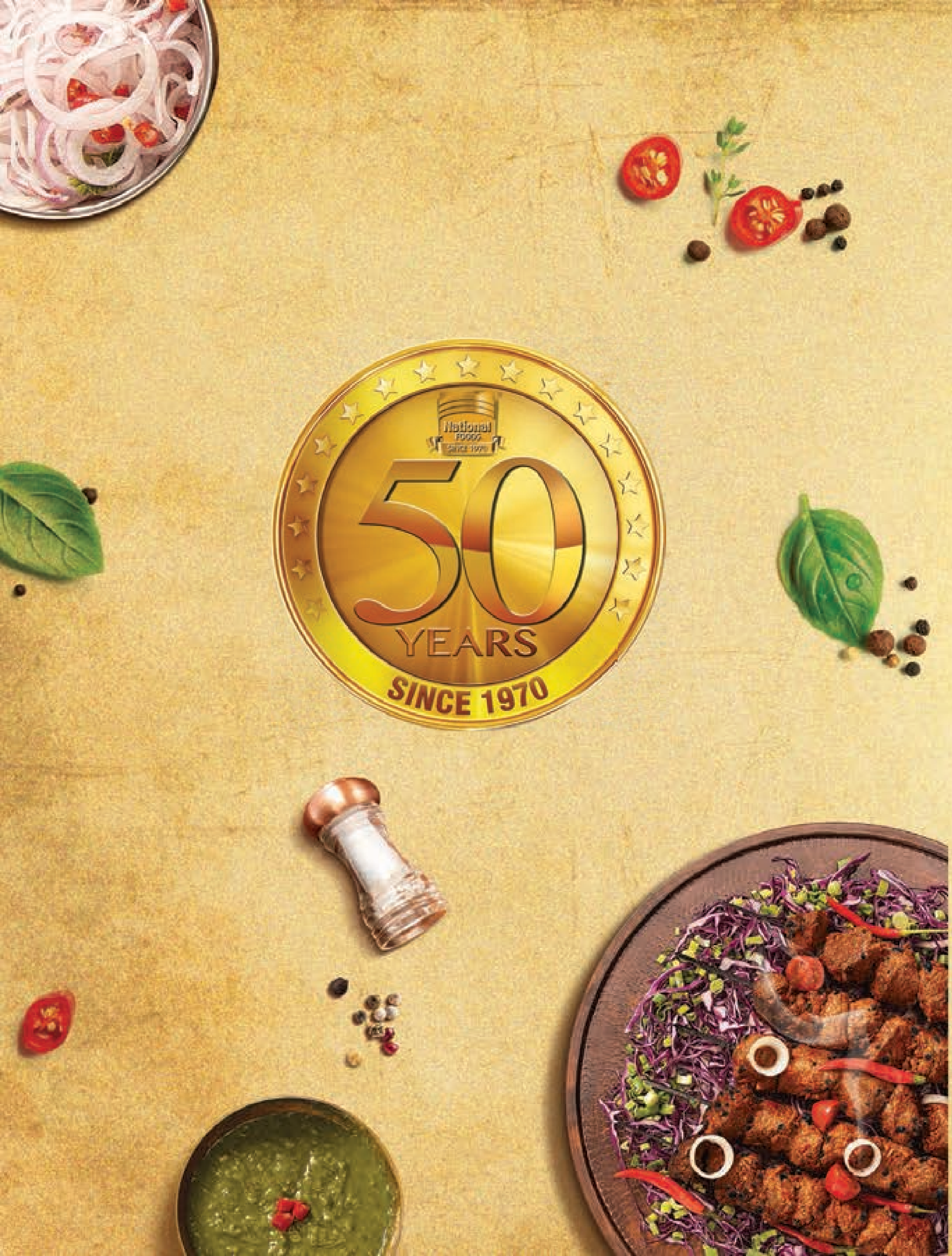

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OUR STORY

We are celebrating 50 years of Inspiring New Traditions and bringing families together with innovative food products. Traditions connect and expand the human spirit; at NFL, we pay our respects to the cultural heritage of Pakistan. Since inception in 1970, we have evolved into a leading multicategory food company that is a producer of 250 different products, across 13 categories. NFL holds ISO 9001, ISO 18001, ISO 22000 and HACCP Certifications coupled with SAP Business Technologies to ensure that its customers receive the highest quality of products. Our legacy spans over 50 years of innovation with an absolute resolve to serve the Pakistani nation. This is in line with our vision of becoming a Rs. 50 billion company, and to achieve this we constantly innovate our product portfolio according to changing social and cultural sphere to Inspiring New Traditions in households and are on the journey to becoming a globally recognized brand. Currently we are renowned in 30 countries across 5 continents. We are committed to serving the nation and its households by keeping traditions alive. Since food plays an important role in defining our cultural heritage, we aim to provide our customers with new and inventive recipes to make everyday meals a treat for the taste buds.

At NFL, our intention is to improve the overall well-being of our society by providing recipes that enable modern households to be able to enjoy the same delicacies as they were accustomed to without having to go through difficult and time-consuming methods of cooking. We are also committed to our initiatives aimed at serving the society at large through our wide range of Corporate Social Responsibility programs.

VISION

Creating food that enriches the lives of consumers everywhere.

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

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

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

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

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

COMPANY INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Towfiq H. Chinoy	Chairman
Mr. Abrar 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. Syed Farhan Ali Rizvi	Director Corporate Finance
Ms. Saira A. Khan	Director Human Resources & Industrial Relations
Mr. Ahmad Salman	Director 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. Shahid Saeed	Director 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 (Islamic Banking Group)	United Bank Limited
National Bank of Pakistan	Habib Bank AG Zurich
Habib Bank Limited	MCB Dubai
Habib Metropolitan Bank Limited	Toronto Dominion Canada Trust Bank
MCB Bank Limited	Bank of Montreal
	Business Development Bank of Canada
	Allied 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

DIRECTORS' REPORT

FELLOW SHAREHOLDERS,

The Directors of National Foods Limited are pleased to present the unaudited financial results of the Company, which includes both stand-alone and consolidated financial statements, for the nine months period ended March 31, 2021.

Business Performance Overview

ECONOMIC ENVIRONMENT

Despite the recent increase in COVID cases, Pakistan has shown signs of a fragile economic recovery. Private consumption is estimated to have picked up, in part due to the record increase in remittances inflows, social assistance support, the government's construction package, stable interest rates and a return to pre-COVID mobility levels. In future, going back to normality would be highly dependent on the ability to quickly carry out mass vaccinations and the development of herd immunity.

Operating and Financial Performance

CORE BUSINESS

Net sales of the core business posted a healthy growth of 26%. The business leveraged the COVID situation as a catalyst to accelerate the business transformation by focusing on optimizing revenue, cost transformation and driving volume initiatives across all regions through brand and consumer led activities. As a result, the operating profitability grew by 57% in the core business, coupled with aggressive growth in the international segment.

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

A1 BAGS & SUPPLIES INC.

Net sales grew by 13% in-spite of strict lock downs in Canada mainly driven by Packaging, Protein and Wares categories. The business continues to grow strong and deliver double-digit bottom-line growth.

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

Amounts in PKR Million

	Group			Core Business			A1 Bags & Suppliers Inc.		
	Q3 FY21	Q3 FY20	Change	Q3 FY21	Q3 FY20	Change	Q3 FY21	Q3 FY20	Change
Net Sales	25,551	21,023	22%	17,480	13,879	26%	8,071	7,144	13%
Gross profit	7,314	6,026	21%	5,556	4,547	22%	1,758	1,479	19%
Operating profit*	2,447	1,612	52%	1,746	1,112	57%	702	500	40%
Net profit after tax**	1,566	1,004	56%	1,277	770	66%	440	297	48%
Earnings per share (Rupees)	7.5	4.7		6.8	4.1				
as % of net sales									
Gross profit	28.6%	28.7%	0.0%	31.8%	32.8%	-1.0%	21.8%	20.7%	1.1%
Operating profit	9.6%	7.7%	1.9%	10.0%	8.0%	2.0%	8.7%	7.0%	1.7%
Net profit after tax	6.1%	4.8%	1.4%	7.3%	5.5%	1.8%	5.5%	4.2%	1.3%

* Includes other income and other expenses.

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

MARKETING AND PROMOTION

Recipe Masala

- Launch of VFM Curry Powder in KPK with an extensive campaign including Regional Airing in Pushto, Out of Home, Trade Engagement & Sampling interventions.
- Partnership with Google to lead in Digital Innovation and improve media efficiency and effectiveness.
- Karachi Consumer Conversion Plan with extensive reach and excellent trial rates.
- Maintenance of brand leadership & equity in the category.

Pickle

- Integrated Digital Campaign for Crushed Pickle was launched in February to leverage the seasonal buying cycle.
- Presence on Food Publishers (KFoods- a high affinity cooking website) with dominating SOV during the buying cycle, resulting in significant additional impressions.
- To further drive trial of Crushed Pickle, sachets were bundled with commodities (rice, lentils) in key LMTs as well as National Tomato Ketchup in selected IMTs.

Ketchup

- Door-to-door sampling activity executed in Central Punjab to help generate trials for Ketchup and Chilli Garlic Sauce in competition dominated towns.
- Successfully aired digitally 'National Ketchup which was backed by a highly engaging digital and PR campaign.

International Business

- **UAE**, NTDE replacement of NMC on board for Modern Trade, Joint business finalized and orders dispatched at the start of Quarter 2.
- **North America**, Gelda Foods appointed for mainstream distributors. Increased demand and better portfolio distribution efficiencies enabled.

FUTURE OUTLOOK

The management acknowledges the uncertainty emanating from Covid 19 and its impact on economy. Further, currency appreciation in recent time, inflationary pressures, supply chain management and extended market shutdowns can affect the cost and capability to serve the market effectively. However, the management of the Company remains committed to drive business fundamentals and improve / maintain its market leadership position in all major categories through contingency planning. National Foods has responded well in this crisis and we are geared to deliver our social and economic responsibilities considering our Founder's Philosophy and "Our Values."

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, 2021

Condensed Interim Unconsolidated Statement of Financial Position

As at 31 March, 2021

	Note	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
		(Rupees in thousand)	
ASSETS			
Non-current assets			
Property, plant and equipment	5	**5,015,925**	4,837,771
Intangibles		**62,979**	45,162
Long-term Investments	6	**61,719**	61,719
Long-term deposits		**47,956**	46,799
		5,188,579	4,991,451
Current assets			
Stores, spare parts and loose tools		**142,085**	139,284
Stock in trade	7	**4,067,358**	4,043,708
Trade debts		**2,226,335**	1,702,404
Advances		**281,197**	140,502
Trade deposits and prepayments		**96,783**	60,439
Other receivables		**746**	8,099
Cash and bank balances		**1,346,950**	586,827
		8,161,454	6,681,263
		13,350,033	11,672,714
EQUITY AND LIABILITIES			
Share Capital and reserves			
Authorised share capital			
1,000,000,000 (30 June 2019: 1,000,000,000) ordinary shares of Rs. 5 each		**5,000,000**	5,000,000
Share Capital			
Issued, subscribed and paid-up capital		**932,461**	745,969
Revenue Reserve			
Unappropriated profit		**4,223,886**	4,177,688
		5,156,347	4,923,657
Non - current liabilities			
Deferred taxation - net		**258,790**	290,518
Long-term finance		**829,147**	849,235
Deferred liabilities		**18,807**	80,523
		1,106,744	1,220,276
Current liabilities			
Trade and other payables		**4,278,153**	3,657,293
Unclaimed dividend		**21,409**	21,791
Contract liability		**146,294**	358,203
Mark-up accrued		**8,691**	13,442
Short term borrowings	8	**755,599**	554,404
Long-term finance classified as current - secured		**530,480**	220,323
Taxation - net		**977,308**	691,739
Sales tax payable		**369,008**	11,586
		7,086,942	5,528,781
		13,350,033	11,672,714
Commitments	9		

The annexed notes 1 to 17 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 2021

	Note	Quarter ended		Nine months ended	
		March 31, 2021	March 31, 2020	**March 31, 2021**	March 31, 2020
		(Rupees in thousand)		(Rupees in thousand)	
Sales	10	**6,835,159**	5,027,807	**17,235,527**	13,741,056
Cost of sales		**(4,663,130)**	(3,426,653)	**(11,934,434)**	(9,343,873)
Gross profit		**2,172,028**	1,601,154	**5,301,093**	4,397,184
Distribution costs		**(1,012,724)**	(820,517)	**(2,855,099)**	(2,607,158)
Impairment loss on trade debts		**-**	3,000	**-**	15,700
Administrative expenses		**(290,893)**	(299,670)	**(857,024)**	(821,217)
Other expenses		**(66,292)**	(31,663)	**(115,001)**	(65,347)
Other income		**(1,008)**	56,656	**(6,029)**	133,784
Operating profit		**801,112**	508,961	**1,467,939**	1,052,946
Finance costs		**(47,885)**	(45,906)	**(96,256)**	(128,416)
Profit before taxation		**753,228**	463,055	**1,371,682**	924,530
Taxation	11	**(232,914)**	(150,496)	**(393,023)**	(307,927)
Profit / (loss) after taxation		**520,313**	312,558	**978,659**	616,603
Other comprehensive income		**-**	-	**-**	-
Total comprehensive income for the period		**520,313**	**312,558**	**978,659**	**616,603**
		(Rupees)			
Earnings per share - basic and diluted	12	**2.79**	**1.68**	**5.25**	**3.31**

The annexed notes 1 to 17 form an integral part of this condensed interim unconsolidated financial statements.

Chief Executive Officer | Chief Financial Officer | Director

Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)

For the nine months period ended 31 March 2021

	Issued, subscribed and paid-up capital	Revenue reserve - unappropriated profit	Total
	(Rupees in thousand)		
Balance as at 30 June 2019	621,641	3,695,688	4,317,329
Total comprehensive income for the year ended 30 June 2020			
Profit for the year	-	1,104,502	1,104,502
Other comprehensive income	-	(861)	(861)
	-	1,103,641	1,103,641
Transactions with owners recorded directly in equity - distributions			
1 Ordinary share for each 5 shares held - alloted as bonus shares for the year ended 30 June 2019	124,328	(124,328)	-
Final dividend for the year ended 30 June 2019 @ Rs. 3.75 per share	-	(497,313)	(497,313)
Balance as at 30 June 2020	745,969	4,177,688	4,923,657
Balance as at 1 July 2020	**745,969**	**4,177,688**	**4,923,657**
Total comprehensive income for the nine months period ended 31 March 2021			
Profit for the nine months ended 31 March 2021	**-**	**978,659**	**978,659**
Other comprehensive income for the nine months ended 31 March 2021	**-**	**-**	**-**
	-	**978,659**	**978,659**
Transactions with owners recorded directly in equity - distributions			
1 Ordinary shares for each 5 shares held alloted as bonus shares	**186,492**	**(186,492)**	**-**
Final dividend for the year ended 30 June 2020 @ of Rs. 5 per share	**-**	**(745,969)**	**(745,969)**
Balance as at 31 March 2021	**932,461**	**4,223,886**	**5,156,347**

The annexed notes 1 to 17 form an integral part of this condensed interim unconsolidated financial statements.

Chief Executive Officer | Chief Financial Officer | Director

Condensed Interim Unconsolidated Statement of Cash Flows (Unaudited)

For the nine months period ended 31 March 2021

	Note	Period ended March 31, 2021	Period ended March 31, 2020t
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	13	**1,939,942**	1,735,535
Finance cost paid		**(101,007)**	(134,904)
Income taxes paid		**(174,847)**	(98,707)
Retirement benefits		**(73,459)**	(3,665)
Long term deposits - net		**1,157**	240
Net cash generated from operating activities		**1,591,786**	1,498,499
CASH FLOWS FROM INVESTING ACTIVITES			
Purchase of property, plant and equipment		**(574,981)**	(636,190)
Purchase of intangible assets		**(17,817)**	(6,006)
Purchase of associate			(30,000)
Proceeds from disposal of operating fixed assets		**16,222**	27,584
Net cash used in investing activities		**(576,577)**	(644,611)
CASH FLOWS FROM FINANCING ACTIVITES			
Proceed from short term borrowings		**100,000**	(300,000)
Proceeds from long term finance		**290,069**	251,892
Dividends paid		**(746,351)**	(495,442)
Net cash (used in) / generated from financing activities		**(356,282)**	(543,550)
Net increase in cash and cash equivalents		**658,928**	310,338
Cash and cash equivalents at beginning of the period		**532,423**	(701,334)
Cash and cash equivalents at end of the period	14	**1,191,351**	(390,995)

The annexed notes 1 to 18 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 Statement (Unaudited)

For the nine months period ended 31 March 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 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 impairment losses, if any.

1.3 A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on March 11, 2020, impacting countries globally. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services and factories have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The potential impacts from COVID-19 remain uncertain, including, among other things, on economic conditions, businesses and consumers.

The Company falls under the category of essential services and was allowed to operate its production and supply facilities during the lockdown period while following all necessary standard operating procedures (SOPs). COVID-19 does not have a significant impact on the Company. The Company remained up to date in all its financial commitments. Management believes the going concern assumption of the Company remains valid.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act, 2017; and

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

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for investment in equity instruments of Naimat Collateral Management Company Limited (NCMCL) which is carried at fair value and obligation in respect of pension and medical fund schemes which is measured at present value.

2.3 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 adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended 30 June 2020.

3.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE COMPANY

A number of other pronouncements are effective from 1 July 2020 as detailed in Company's annual audited unconsolidated financial statements as at and for the year ended 30 June 2020, but they do not have a material effect on these condensed interim unconsolidated financial statements.

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 January 2021. 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.

The following 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 01 January 2021:

- Classification of liabilities as current or non-current (Amendments to IAS 1) effective for the annual period beginning on or after January 1, 2022. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual period beginning on or after January 1, 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for the annual period beginning on or after January 1, 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to capable of operating in the manner intended by management e.g. when testing etc, are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after January 1, 2022.

- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

- IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

- IAS 41 - The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

The above amendments and annual improvements are not likely to have an impact on these financial statements.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

4.1 The preparation of condensed interim unconsolidated financial statements require the management to make judgments, 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 judgments 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 unconsolidated financial statements as at and for the year ended 30 June 2020.

4.3 The Company's financial risk management objectives and policies are consistent with that disclosed in the audited financial statement as at and for the year ended 30 June 2020.

	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	(Rupees in thousand)	
5. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	**4,543,808**	4,478,220
Capital work in progress	**472,117**	359,551
	5,015,925	4,837,771

Notes to the Condensed Interim Unconsolidated Financial Statement (Unaudited)

For the nine months period ended 31 March 2021

	Nine months ended March 31, 2020 (Unaudited)	Nine months ended March 31, 2020 (Unaudited)
	(Rupees in thousand)	
5.1 Following are the additions and disposals of property, plant and equipment during the period:		
Additions / transfers from CWIP		
Building on leasehold land	**133,550**	254,304
Plant and machinery	**263,095**	281,120
Computer equipment	**25,326**	23,487
Vehicles	**38,537**	25,562
Furniture and fittings	**4,635**	11,489
Others	**11,824**	19,226
	476,967	615,188
Additions to operating fixed assets include transfers of Rs 180.2 million (31 March 2020: Rs. 363.9 million) from capital work in progress		
Net (transfer from) / addition to CWIP	**83,520**	38,930
Disposals - Net book value		
Vehicles [cost Rs. 20.9 million (31 March 2020: Rs. 18.63 million)]	**15,280**	13,006
Computer equipments [cost Rs. 7.3 million (31 March 2020: 3.49 million)]	**237**	84
Furniture and fittings [cost Rs. NIL (31 March 2020: Rs. Rs. 0.2 million)]	**-**	57
Others [cost Rs. NIL (31 March 2020: Rs. 1.5 million)]	**-**	17

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

		Nine months ended March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
		(Rupees in thousand)	
6. LONG TERM INVESTMENTS			
Investment at fair value through profit or loss (FVTPL)	6.1	**30,000**	30,000
Investment in subsidiary - at cost	6.2	**31,719**	31,719
		61,719	61,719

6.1 This represents investment of 2,999,500 (30 June 2020: 2,999,500) fully paid ordinary shares of Rs. 10 each in Naimat Collateral Management Company Limited (NCMCL). The equity investment has been classified at fair value through profit of loss.

6.2 This represents investment in wholly owned (100%) subsidiary which was set up in United Arab Emirates in 2012 and is carried at cost.

7. STOCK IN TRADE

Stock in trade includes finished goods costing Rs. 63.56 million (30 June 2020: Rs. 35.13 million) valued at net realisable value of Rs. 56.28 million (30 June 2020: Rs. 28.84 million).

	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	(Rupees in thousand)	
8. SHORT TERM BORROWINGS		
Running finance under mark-up arrangements	**155,599**	54,078
Running finance under Musharakah	**-**	326
Export re-finance	**600,000**	500,000
	755,599	554,404

8.1 This includes running finance balance maintained with Islamic banks having balance of Rs. NIL (30 June 2020: Rs. 54 million).

8.2 The facilities available from various banks amounts to Rs. 3.49 billion (30 June 2020: Rs. 3.49 billion). The arrangements are secured by way of pari-passu charge against hypothecation of Company's stock in trade, and trade debts. The facilities expiring within one year are annual facilities subject to review at various dates during 2020.

8.3 The rates of mark up range from three month KIBOR plus 0.01% to one months KIBOR plus 2 % per annum (30 June 2020: three month KIBOR plus 0.01% to one months KIBOR plus 1.00% per annum)."

9. COMMITMENTS

9.1 Aggregate commitments for capital expenditure as at 31 March 2021 amount to Rs. 571 million (30 June 2020: Rs. 514.66 million).

9.2 The facilities for opening letters of credit amount to Rs. 1.85 billion (30 June 2020: Rs. 3.16 billion) and for letters of guarantee amount to Rs. 215 million (30 June 2020: Rs. 141 million) as at 31 March 2021 of which the amount remaining unutilised at period end were Rs. 1.56 billion (30 June 2020: Rs. 3.11 billion) and Rs. 111 million (30 June 2020: Rs. 46 million) respectively.

9.3 Aggregate commitments in respect of ujrah 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 2020: six months KIBOR + 0.75% to six months KIBOR + 2.0%) per annum for rentals payable monthly as at 31 March 2021 amount to:

	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	(Rupees in thousand)	
Not later than one year	**188,322**	131,085
Later than one year but not later than five years	**395,238**	213,543
	583,560	344,628

Notes to the Condensed Interim Unconsolidated Financial Statement (Unaudited)

For the nine months period ended 31 March 2021

	Nine months ended	
	March 31, 2021	March 31, 2020
	(Unaudited)	
	(Rupees in thousand)	
10. SALES		
Local sales	**23,749,957**	19,614,278
Export sales	**1,529,783**	1,145,645
	25,279,740	20,759,924
Less: Sales tax	**(3,209,703)**	(2,755,079)
	22,070,037	18,004,844
Less:		
Discount, rebates and allowances	**(4,348,034)**	(3,879,155)
Sales return	**(486,476)**	(384,633)
	(4,834,509)	(4,263,788)
	17,235,527	13,741,056

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

10.2 Revenue is disaggregated by primary geographical market.

10.3 Management reviews revenue and other financial results based on product division. During the nine months period ended 31 March 2021, revenue of the foods division was Rs. 10,128 million (2020 : Rs. 7,563 million), Kitchen Division was Rs. 14,685 million (2020 : Rs. 13,042 million) and snacks division was Rs. 468 million (2020: 155 million).

	Nine months ended	
	March 31, 2021	March 31, 2020
	(Unaudited)	
	(Rupees in thousand)	
11. TAXATION		
Current	**426,830**	325,546
Deferred	**(33,807)**	(17,619)
	393,023	307,927
12. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit after taxation attributable to ordinary shareholders	**978,659**	616,603
	(Number of shares)	
	(in thousand)	
Weighted average number of ordinary shares outstanding during the period*	**186,492**	186,492
	(Rupees)	
Earnings per share - basic and diluted	**5.25**	3.31

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

For the nine months period ended 31 March 2021

	Note	March 31, 2021	March 31, 2020
		Nine months ended (Unaudited)	
		(Rupees in thousand)	
13. CASH GENERATED FROM OPERATIONS			
Profit before taxation		**1,371,682**	924,530
Adjustment for non-cash charges and other items			
Depreciation		**396,827**	356,544
Amortization		**24,607**	33,377
Retirement benefit expense		**11,743**	12,538
Gain on disposal of property, plant and equipment		**(7,477)**	(14,420)
Provision for doubtful debts		**0**	(15,700)
(Reversal against) / provision for slow moving and obsolete stock		**94,468**	(44,091)
Finance cost		**96,256**	128,416
Working capital changes	13.1	**(48,163)**	354,340
		1,939,942	1,735,535
13.1 Working capital changes			
Decrease / (increase) in current assets			
Stores, spare parts and loose tools		**(2,801)**	(54,591)
Stock in trade		**(118,118)**	204,271
Trade debts		**(523,931)**	(906,643)
Advances		**(140,695)**	(71,134)
Trade deposits and prepayments		**(36,344)**	(40,629)
Other receivables		**7,353**	292
Sales tax refundable		**-**	133,789
		(814,536)	(734,645)
Increase / (decrease) in current liabilities			
Trade and other payables		**620,860**	973,205
Contract Liability		**(211,909)**	(41,249)
Sales tax payable		**357,422**	157,029
		766,373	1,088,986
		(48,163)	354,340
14. CASH AND CASH EQUIVALENTS			
Cash and bank balances		**1,346,950**	586,827
Running finance under mark-up arrangement		**(155,599)**	(54,404)
Cash and cash equivalents at end of the period		**1,191,351**	**532,423**

For the six months period ended 31 December 2020

15. TRANSACTIONS WITH RELATED PARTIES

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

15.1 At reporting date the trade debts include Rs. 798.9 million (30 June 2020: Rs. 785.9 million) receivable from National Foods DMCC (subsidiary company).

	March 31, 2021	March 31, 2020
	Nine months ended	
	(Rupees in thousand)	
Parent Company		
Rental income	**3,032**	5,968
Dividend paid	**250,398**	165,982
Bonus share issued	**12,520**	8,246
Subsidiary Company		
Sale of goods - net	**1,529,783**	1,140,767
Associated Companies/Undertakings		
Purchase of Goods	**-**	65,224
Payable Balance	**-**	8,939
Dividend paid	**137,027**	100,692
Bonus shares issued	**6,851**	4,873
Staff retirement funds		
Expense charged for defined contribution plan	**53,157**	48,218
Payment to defined contribution plan	**140,061**	96,483
Key Management Personnel		
Salaries and other short-term employee benefits	**714,222**	406,326
Contribution to Provident Fund	**26,291**	15,864
Post retirement benefits of Executive Directors	**11,743**	12,538

16. CORRESPONDING FIGURES

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

17. GENERAL

These condensed interim unconsolidated financial statements has been authorised for issue on 29th April, 2021 by the Board of Directors of the Company.

Chief Executive Officer | Chief Financial Officer | Director

Consolidated Condensed Interim Financial Information

March 31, 2021

Consolidated Balance Sheet

As at 31 March, 2021

	Note	Mar. 31, 2021 (Unaudited)	June 30, 2020 (Audited)
		(Rupees in thousand)	
ASSETS			
Non - current assets			
Property, plant and equipment	5	**5,420,346**	5,252,873
Right-of-use assets	6	**633,162**	760,105
Intangibles and goodwill		**777,590**	767,259
Financial Asset		**30,000**	30,000
Long term deposits		**49,536**	47,650
		6,910,634	6,857,887
Current assets			
Stores, spare parts and loose tools		**142,085**	139,284
Stock-in-trade	7	**5,682,770**	5,142,062
Trade debts		**1,937,572**	1,383,679
Advances		**1,044,717**	141,861
Trade deposits and prepayments		**311,596**	224,582
Other receivables		**17,996**	35,862
Cash and bank balances		**1,867,623**	1,250,547
		11,004,359	8,317,877
TOTAL ASSETS		**17,914,993**	15,175,764
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital and reserves			
Authorised share capital 1,000,000,000 (30 June 2019: 1,000,000,000) ordinary shares of Rs. 5 each		**5,000,000**	5,000,000
Share Capital			
Issued, subscribed and paid-up capital		**932,461**	745,969
Revenue Reserves			
Unappropriated profit		**5,305,086**	4,843,618
Foreign exchange translation reserve		**322,369**	(51,502)
Equity attributable to owners of the Company		**6,559,916**	5,538,085
Non-controlling interest		**830,512**	525,431
Total equity		**7,390,428**	6,063,516
Non - current liabilities			
Long-term finance		**984,612**	1,206,165
Lease liabilities		**528,508**	628,958
Long-term deposits		**4,159**	4,221
Deferred taxation - net		**258,790**	294,088
Deferred liabilities		**22,357**	86,814
		1,798,426	2,220,246
Current liabilities			
Trade and other payables		**4,904,580**	4,438,574
Unclaimed Dividend		**21,409**	21,791
Contract liabilities		**261,290**	432,827
Mark-up accrued		**9,824**	15,928
Short-term borrowings	8	**1,020,266**	554,404
Current maturity of long term finance		**914,044**	489,085
Current portion of lease liabilities		**133,049**	149,059
Taxation - net		**1,090,055**	778,748
Sales tax payable		**371,621**	11,586
		8,726,139	6,892,002
		10,524,565	9,112,248
Commitments	9		
TOTAL EQUITY AND LIABILITIES		**17,914,993**	15,175,764

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

Chief Executive Officer	Chief Financial Officer	Director

Consolidated Profit and Loss Account (Unaudited)

For the nine months period ended 31 March 2021

	Note	Quarter ended Mar. 31, 2021	Quarter ended Mar. 31, 2020	Six months ended Mar. 31, 2021	Six months ended Mar. 31, 2020
		(Rupees in thousand)		(Rupees in thousand)	
Sales	10	**9,479,952**	7,312,136	**25,550,725**	21,028,416
Cost of sales		**(6,725,392)**	(5,165,182)	**(18,236,262)**	(14,992,342)
Gross profit		**2,754,560**	2,146,954	**7,314,463**	6,036,074
Distribution costs		**(1,351,670)**	(1,101,707)	**(3,788,308)**	(3,493,646)
Impairment loss on trade debts		**-**	3,000	**-**	15,700
Administrative expenses		**(357,831)**	(345,068)	**(1,079,373)**	(954,810)
Other expenses		**(66,805)**	(36,294)	**(115,624)**	(79,242)
Other income		**(12,347)**	57,562	**18,623**	133,923
Operating profit		**965,907**	724,447	**2,349,781**	1,657,999
Finance costs		**(63,728)**	(76,682)	**(223,301)**	(229,735)
Profit before taxation		**902,179**	647,765	**2,126,480**	1,428,264
Taxation - net		**(279,981)**	(179,149)	**(560,274)**	(424,422)
Profit after tax		**622,198**	468,616	**1,566,206**	1,003,842
Other comprehensive income					
Items that will not be reclassified to profit and loss account:					
Foreign operations - foreign currency transalation differences		**291,801**	(173,782)	**373,871**	(256,225)
		291,801	(173,782)	**373,871**	(256,225)
Total comprehensive income for the year		**913,999**	294,834	**1,940,077**	747,617
Profit attributable to:					
Owners of the Parent Company		**573,989**	464,545	**1,393,929**	885,759
Non-controlling interest		**48,209**	4,071	**172,277**	118,083
		622,198	468,616	**1,566,206**	1,003,842
Total comprehensive income attributable to:					
Owners of the Parent Company		**868,979**	293,510	**1,750,584**	642,294
Non-controlling interest		**45,020**	1,324	**189,493**	105,323
		913,999	294,834	**1,940,077**	747,617
		(Rupees)			
Earnings per share (basic and diluted)	12	**3.07**	2.48	**7.47**	4.75

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

Chief Executive Officer

Chief Financial Officer

Director

Consolidated Statement of Changes in Equity

For the nine months period ended 31 March 2021

	Share capital	Revenue Reserve: Retained earnings	Revenue Reserve: Foreign exhcange translation reserve	Sub-total	Non controlling interest	Total Equity
	Attributable to Shareholders of the Parent Company					
	(Rupees in thousand)					
Balance as at 1 July 2019	621,641	3,993,506	143,217	4,758,364	271,598	5,029,962
Total comprehensive income for the year ended 30 June 2020						
Profit for the year	-	1,472,614	-	1,472,614	177,910	1,650,524
Other comprehensive income	-	(861)	(194,719)	(195,580)	111,333	(84,247)
	-	1,471,753	(194,719)	1,277,034	289,243	1,566,277
Transaction with owners in their capacity as owners directly recorded in equity						
Final cash dividend for the year ended 30 June 2019 @ Rs. 4 per Ordinary share	-	(497,313)	-	(497,313)	-	(497,313)
Dividend paid to NCI					(35,410)	(35,410)
1 Ordinary share for each 5 shares held alloted as bonus shares for the year ended 30 June 2019	124,328	(124,328)				
Balance as at 30 June 2020	745,969	4,843,618	(51,502)	5,538,085	525,431	6,063,516
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 nine months period ended 31 March 2021						
Profit for the nine months ended 31 March 2021	-	**1,393,929**	-	**1,393,929**	**172,277**	**1,566,206**
Other comprehensive income for the nine months ended 31 March 2021	-		**373,871**	**373,871**	-	**373,871**
	-	**1,393,929**	**373,871**	**1,767,800**	**172,277**	**1,940,077**
Transaction with owners in their capacity as owners directly recorded in equity						
1 Ordinary shares for each 5 shares held alloted as bonus shares	**186,492**	**(186,492)**	-	**-**	-	**-**
Final dividend for the year ended 30 June 2019 @ Rs. 4.25 per share		**(745,969)**	-	**(745,969)**	**132,804**	**(613,165)**
Balance as at 31 March 2021	**932,461**	**5,305,086**	**322,369**	**6,559,916**	**830,512**	**7,390,428**

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

Chief Executive Officer

Chief Financial Officer

Director

Consolidated Statement of Cash Flows

For the nine months period ended 31 March 2021

	Note	Mar. 31, 2021 (Unaudited)	Mar 31, 2020 (Audited)
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	13	**2,156,211**	2,210,482
Finance cost paid		**(228,052)**	(236,223)
Income tax paid		**(387,229)**	(217,181)
Deferred rent		**-**	2,166
Retirement benefits obligations paid		**(73,459)**	(3,665)
Long term deposits		**300**	650
Net cash generated from operating activities		**1,467,770**	1,756,230
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(651,615)**	(710,244)
Sale proceeds from disposal of property, plant and equipment		**16,513**	27,584
Purchase of intangible assets		**(17,817)**	(6,006)
Purchase of associate		**-**	(30,000)
Deferred consideration paid		**(819)**	-
Net cash used in investing activities		**(653,739)**	(718,665)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short term borrowings		**100,000**	-
Proceeds from long term finance		**306,571**	(300,000)
Repayment of long term finance		**(174,766)**	(101,777)
Repayment of short term borrowings		**-**	251,892
Dividend paid		**(848,399)**	(530,832)
Net cash from / (used in) financing activities		**(616,595)**	(680,717)
Net increase / (decrease) in cash and cash equivalents		**197,436**	356,848
Cash and cash equivalents at beginning of the year		**1,192,577**	(228,203)
Currency translation difference on cash and cash equivalents		**57,344**	(75,246)
Cash and cash equivalents at end of the year	14	**1,447,357**	53,398

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

Chief Executive Officer	Chief Financial Officer	Director

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended 31 March 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:

a) 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.

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

1.3 A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on March 11, 2020, impacting countries globally. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services and factories triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The potential impacts from COVID-19 still remain uncertain, including, among other things, on economic conditions, businesses and consumers.

During the period, the Group has earned profit after tax amounting to Rs. 1625 million (2020 : Rs. 1004 million). As at 31 March 2021, the Group has accumulated profits amounting to Rs. 5364 million (2020 : Rs. 4,844 million). The current assets of the Group exceed its current liabilities by Rs. 2,315 million (2020 : Rs. 1,426 million). Management plans for generating sufficient cashflows have been made by considering future sales volume, pricing decisions, cost reduction strategies, exchange rate impact, availability of funds through committed credit lines among other things.

As the Group falls under the category of essential services and was allowed to operate its production and supply facilities during the lockdown period while following all necessary standard operating procedures (SOPs), COVID-19 did not have a significant impact on the Group. The Group remained up to date in all its financial commitments. Management believes that the going concern assumption of the Group remains valid with no adverse implications on statement of financial position and statement of comprehensive income.

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 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except for investment in equity instruments of Naymat Collateral Management Company Limited (NCMCL) which is carried at fair value and obligation in respect of the Parent Company's Pension Plan and Pensioners' "Medical Plan which are measured at present value of the defined benefit obligations less fair value of" plan assets.

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended 31 March 2021

2.3 Functional and presentation currency

These 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.

2.4 Use of significant estimates and judgments

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 estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgments made by the management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the consolidated financial statements and estimates with significant risk of material adjustment in the next year are described in the following:

Property, plant and equipment / intangible assets

The Group reviews the rate of depreciation / amortization, useful life, residual value and value of assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment / intangible assets with a corresponding effect on the depreciation / amortization charge and impairment.

Stock in trade / stores, spares and loose tools

The Group's continuously reviews its inventory for existence of any items which may have become obsolete. These estimates are based on historical experience and are continuously reviewed and the cost of such stocks is fully provided for.

Trade debts and other receivables

These financial assets are adjusted for loss allowances that are measured at amount equal to lifetime expected credit loss that result from all possible default events over expected life of the financial asset.

Provision for refund liability

Refund liability 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 refunds as they are not anticipated to be resold. 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.

Retirement benefits obligations

Certain actuarial assumptions have been adopted for valuation of present value of defined benefit obligations and fair value of plan assets. Changes in these assumptions in future years may affect the liability under this scheme in those years.

Taxation

In making the estimates for income taxes currently payable by the Group, the management looks at the current income tax law and the decisions of appellate authorities on certain matters in the past.

Goodwill and indefinite life intangible assets

Goodwill and indefinite life intangible assets are tested for impairment on an annual basis and also when there is an indication of impairment. Impairment loss on goodwill is not reversed. On disposal of subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal. Goodwill arising from is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Leases

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset to the site on which it is located less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of fixed assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted to certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

3. ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant:

- There are certain new standards, amendments to the approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after 1 July 2019 (other than those which have been disclosed in note 4 to these financial statements). However, these do not have any significant impact on the Group's financial reporting and therefore have not been detailed in these consolidated financial statements.

3.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

The following 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 01 July 2020 and are not likely to have have an impact on the financial statements of the Group:

- Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 1 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.

- On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately and contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallize. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020,

- Interest Rate Benchmark Reform which amended IFRS 9, IAS 39 and IFRS 7 is applicable for annual financial periods beginning on or after 1 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published a report setting out its recommended reforms of some major interest rate benchmarks such as IBORs. Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term interest rate benchmark reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provide relief from the potential effects of the uncertainty caused by the reform. A company shall apply the exceptions to all hedging relationships directly affected by interest rate benchmark reform. The amendments are not likely to affect the financial statements of the Company.

- Amendments to IFRS-16- IASB has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after 1 June 2020, with earlier application permitted. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications. Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:

  - the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

  - any reduction in lease payments affects only payments originally due on or before 30 June 2021; and

  - there is no substantive change to the other terms and conditions of the lease.

- Classification of liabilities as current or non-current (Amendments to IAS 1) effective for the annual period beginningon or after 1 January 2022. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual period beginning on or after 1 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for the annual period beginning on or after 1 January 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc, are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

- The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022.

- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

- IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

4. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies as set out below are consistently applied for all periods presented in these consolidated financial statements except for as disclosed in note 4.1.1.

4.1 Change in accounting policy

The details of new significant accounting policy adopted and the nature and effect of the change to previous accounting policy is set out below:

4.1.1 IFRS 16 'Leases'

The Group adopted IFRS 16 with a date of initial application on 1 July 2019. IFRS 16 replaced International Accounting Standard 17, Leases and related interpretations ("IAS 17"). The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and remains as previously reported under IAS 17 and related interpretations. The comparative information reports rent expense through statement of income and comprehensive income. Under IFRS 16, present value of future payments is reported as a liability and is subsequently reduced based on payments made during each reporting period.

Previously, the Group classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under IFRS 16, the Group recognizes right of use assets and lease liabilities for most leases previously classified as "operating leases" except for leases with lease term equal to or less than 12 months or low value leases. The Group recognizes the lease payments associated with these leases as an expense on a straight line basis over the lease term. In addition, the Group applied a single discount rate to a portfolio of leases with similar characteristics; and elected not to recognize right-of-use assets and lease liabilities for lease contracts which do not convey the right to direct the use of an identified asset and those having lease term equal to or less than 12 months or those of low value.

For leases previously classified as operating leases, the Group measured right-of-use assets at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

For leases previously classified as finance leases, the Group recognized the carrying amount of the lease asset and lease liability immediately before transition at the carrying amount of the right-of-use asset and the lease liability at the date of initial application.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which contracts are leases. The Group applied the new lease definition to contracts entered or changed on or after 1 July 2019.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease when available, and the Group's incremental borrowing rate of 5.48% when the interest rate implicit in the lease could not be readily determined.

4.2. Basis of consolidation

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

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

Business Combination

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

Subsidiaries

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

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

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

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

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in consolidated profit and loss account. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated.

4.3 Property, plant and equipment

Initial recognition

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of such item can be measured reliably.

Recognition of the cost in the carrying amount of an item of property, plant and equipment ceases when the items is in the location and condition necessary for it to be capable of operating in the manner intended by the management.

Measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment includes:

(a) its purchase price including import duties, non refundable purchase taxes after deducting trade discounts and rebates;

(b) any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management; and;

(c) Borrowing costs, if any.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure (including normal repairs and maintenance)

Expenditures incurred to replace a significant component of an item of property, plant and equipment is capitalised and the asset so replaced is retired. Other subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the items can be measured reliably. All other expenditures (including normal repairs and maintenance) is recognised in the profit or loss account as an expense when it is incurred.

Depreciation

Depreciation is charged on straight line method at the rates specified in respective notes in these consolidated financial statements.

Depreciation on additions to property, plant and equipment is charged from the month the asset is available for use upto the month of disposal.

Depreciation methods, useful lives and residual values of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposal

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognized in the profit or loss account.

Capital work in progress

Capital work in progress is stated at cost less impairment loss, if any and consists of expenditures incurred (including any borrowing cost, if applicable) and advances made in the course of their construction and installation. Transfers are made to relevant asset category as and when assets are available for intended use.

4.4 Intangible assets and Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Other intangible assets, including customer relationships that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Trademark and other intangible assets have indefinite useful life and is not amortised, therefore, measured at cost less any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred. Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Goodwill is not amortised.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4.5 Leases

Policy applicable after 1 July 2019

A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Right-of-use asset and lease liability are recognised at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight line method over the shorter of the lease term and the asset's useful life . The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Policy applicable before 1 July 2019

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the Group. All other leases are classified as operating leases.

Assets held under finance leases along with corresponding lease liabilities are initially recognized at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance costs and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are recognized in statement of profit or loss, unless they are directly attributable to qualifying assets.

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

In the context of sale and leaseback transactions, where a sale and leaseback transaction is classified as a finance lease, any excess of the sale proceeds over the carrying values is deferred and recognized in profit or loss over the lease term. Any loss representing the excess of the carrying values over the sale proceeds is recognized immediately in statement of profit or loss.

4.6 Financial Instruments

4.6.1 Classification, recognition and measurement - Financial Assets

Classification

The Group classifies its financial assets in the following measurement categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- 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.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and intereston the principal amount outstanding.

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at FVOCI. However the Group may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at FVTPL to present subsequent changes in fair value in other comprehensive.

On initial recognition, the Group may, irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency ('accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Initial measurement - Financial Assets

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. However, at initial recognition, the Group measures trade receivables at their transaction price if the trade receivables do not contain a significant financing component.

Subsequent measurement

Debt Investments at FVOCI	These assets are subsequently measured at fair value. Interest/markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.
Equity Investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the statement of profit or loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest/markup or dividend income, are recognised in profit or loss.
Financial assets measured at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest/markup income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss.

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended 31 March 2021

4.6.2 Non-derivative Financial Assets

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Group becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and includes trade debts, advances, other receivables and cash and cash equivalent. The Group derecognises the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

4.6.2.1 Trade debts, deposits, advances and other receivables

These are classified at amortized cost and are initially recognised when they are originated and measuredat fair value of consideration receivable. These assets are written off when there is no reasonableexpectation of recovery. Further, these assets are adjusted for loss allowances that are measured atamount equal to lifetime expected credit loss that result from all possible default events over expected lifeof the financial asset.

4.6.2.2 Cash and cash equivalents

For the purpose of presentation in statement of cash flow, cash and cash equivalents includes cash in hand, balances with banks and short term borrowings availed by the Group, which are repayable ondemand and form an integral part of the Group's cash management.

4.6.3 Financial Liabilities

Financial liabilities are initially recognised on trade date i.e. date on which the Group becomes party to therespective contractual provisions. Financial liabilities include mark-up bearing borrowings and trade andother payables. The Group derecognises the financial liabilities when contractual obligations are dischargedor cancelled or expire. Financial liability other than at fair value through profit or loss are initially measuredat fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilitiesare measured at amortised cost using effective interest rate method.

4.6.3.1 Mark-up bearing borrowings and borrowing costs

Mark-up bearing borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost, while the difference between the cost (reduced for periodic payments) and redemption value is recognized in the profit and loss account over the period of the borrowings using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the relevant asset.

Trade and other payables are recognised initially at fair value plus directly attributable costs, if any, and subsequently measured at amortised costs.

4.6.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Group has currently legally enforceable right to set-off the recognised amounts and the Group intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the Groupor the counter parties.

4.7 Taxation

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to, or items recognised directly in equity or in other comprehensive income, in which case the tax amounts are recognized directly in other comprehensive income or equity, as the case may be.

i) Current

Current tax is the expected tax payable or receivable on the taxable income or loss for the year; calculated using tax rates enacted or substantively enacted by the end of the reporting period. The calculation of current tax takes into account tax credit and tax rebates, if any, and is inclusive of any adjustments to income tax payable or recoverable in respect of previous years.

ii) Deferred

Deferred tax is accounted for using the balance sheet liability method on all temporary differences arising between tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax liability is generally recognised for all taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is charged or credited in the profit and loss account. Deferred tax liability of the Parent Group is restricted to 91.49% (2020: 92.34%) of the total deferred tax liability based on the assumptions that export sales will continue under Final Tax Regime and historical trend of export and local sales ratio will continue to be approximately the same in foreseeable future.

4.8 Employee retirement benefits

Defined benefit plans

The Parent Group operates a funded pension scheme and post retirement medical benefit for chief executive, one non-executive director and one former director. The liability recognised in the consolidated balance sheet in respect of the defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method. Remeasurements which comprise actuarial gains and losses and the return on plan assets (excluding interest) are recognised immediately in other comprehensive income. The latest actuarial valuation of the defined benefit plans was conducted at 30 June 2020.

The current and past-service costs are recognized immediately in statement of profit or loss account. Further,the amount arising as a result of remeasurements are recognised in the balance sheet immediately, with a charge or credit to other comprehensive income in the periods in which they occur.

Defined contribution plan

The Group operates an approved contributory provident fund for all employees. Equal monthly contributions are made, both by the Group and the employees, to the fund at the rate of 10% per annum of the basic salary.

Other long-term employee benefits

"The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that" employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

4.9 Stores, spare parts and loose tools

These are valued at weighted average cost less provision for slow moving and obsolete stores, spare parts and loose tools, if any. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

4.10 Stock in trade

All stocks are stated at the lower of cost and estimated net realisable value. Cost is determined by weighted average method except for those in transit where it represents invoice value and other charges incurred thereon. Net realisable value signifies the estimated selling price in the ordinary course of business less cost necessarily to be incurred in order to make the sale. Cost of work in process and finished goods includes direct cost of materials, direct cost of labour and production overheads.

4.11 Impairment losses

4.11.1 Financial assets

The Group recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and

- other debt securities and bank balance for which credit risk (i.e. the risk of default occuring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and quanlitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

The adoption of the expected loss approach has not resulted in any material change in impairment provision for any financial asset.

4.11.2 Non-financial assets

The carrying amount of the Group's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If such indications exist, the assets' recoverable amount is estimated in order to determine the extent of impairment loss, if any. Impairment losses are recognised as expense in the profit and loss account.

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.12 Ijarah

In ijarah transactions' significant portion of the risks and rewards of ownership are retained by the lessor. Islamic Financial Accounting Standard 2 – 'Ijarah' requires the recognition of 'ujrah payments' (lease rentals) against ijarah financing as an expense in the consolidated profit or loss account on a straight-line basis over the ijarah term.

4.13 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

4.14 Foreign currency transactions and translation

Foreign currency transactions are translated into Pak Rupee using the exchange rates approximating those prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pak Rupee at the rates of exchange approximating those prevailing at the balance sheet date. Exchange gains / losses on translation are included in income currently. The results and financial position of foreign operation are translated into the presentation currency as follows:

- assets and liabilities including goodwill and fair value adjustment arising on acquisition are translated into Pak Rupees at the exchange rate at the reporting date;

- income and expenses for income statement are translated at average exchange rate (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

- all resulting exchange differences are recognised in other comprehensive income and accumulated in these translation reserve, except to the extent that the translation difference is allocated to NCI.

4.15 Revenue recognition

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. Revenue from sale of goods is 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 Group 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. A receivable is recognised when the goodsare 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 Group provides retrospective discounts 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 discount payable to customers in relation to sales made until the end of the reporting period. Further, a contract liablity is also recognised for short term advances that the Group receives

from its customers.

4.16 Miscellaneous income

Miscellaneous income including export rebate is recognised on receipt basis.

4.17 Interest / Mark up income / late payment by trade debtors

Income on late payment by trade debtors is recognised on accrual basis.

4.18 Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

4.19 Rental income

Rental income from properties on operating lease is recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

4.20 Income from debt securities

Income on bank deposit and debt securities is recognised on a time proportion basis using effective interest rate method.

4.21 Research and development

Research and development expenditure is charged to profit or loss in the period in which it is incurred.

4.22 Dividends

Dividend distribution to the Group's shareholders and appropriations to / from reserves are recognised in the period in which these are approved.

4.23 Government grants

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a government subsidy. The definition of "government" refers to governments, government agencies and similar bodies, whether local, national or international.

The Group recognizes government grants when there is reasonable assurance that grants will be received and the Group will be able to comply with conditions associated with grants.

Government grants are recognized at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Group will be able to comply with the conditions associated with the grants.

Grants that compensate the Group for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

A loan is initially recognized and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit that is the government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

	Mar. 31, 2021 (Unaudited)	Jun 30, 2020 (Audited)
5. PROPERTY, PLANT AND EQUIPMENT	(Rupees in thousand)	
Operating fixed assets	**4,948,229**	4,893,322
Capital Work in Progress	**472,117**	359,551
	5,420,346	5,252,873

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

	Mar. 31, 2021 (Unaudited)	Mar 30, 2020 (Audited)
Additions/transfer from CWIP	(Rupees in thousand)	
Building on Leasehold land	**135,474**	260,477
Plant & machinery	**270,397**	281,120
Computers	**28,973**	85,541
Motor vehicles - Owned	**45,209**	26,192
Furniture & fittings	**43,992**	31,136
Others	**13,453**	19,969
	537,497	704,436
Net (transfer from) / addition to CWIP	**83,520**	38,930
Disposals - Net book value		
Vehicles [cost Rs. 36.9 million (31 March 2020: Rs. 66.7 million)]	**15,856**	14,208
Computer equipments [cost Rs. 7.3 million (31 March 2020: Rs. 3.59 million)]	**237**	191
Furniture and fittings [cost Rs. NIL (31 March 2020: Rs. 0.028 million)]	**-**	19,770
Others [cost Rs. NIL (31 March 2020: Rs. 3.42 million)]	**-**	260

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended 31 March 2021

6. RIGHT-OF-USE ASSETS

	June 30, 2020			
	Properties	Equipment	Vehicles	Total
	(Rupees in thousand)			
Cost				
Balance at 1 July 2019	872,929	8,499	51,634	933,063
Addition	-	-	26,644	26,644
Balance at 30 June 2020	872,929	8,499	78,279	959,708
Accumulated Depreciation				
Balance at 1 July 2019	-	3,137	11,915	15,051
Charge for the year	171,801	1,792	10,958	184,552
Balance at 30 June 2020	171,801	4,929	22,873	199,603
Net Book Value				
July 01, 2019	872,929	5,363	39,720	918,012
June 30, 2020	701,128	3,571	55,406	760,105

	March 31, 2021			
	Properties	Equipment	Vehicles	Total
	(Rupees in thousand)			
Cost				
Balance at 1 July 2020	**872,929**	**8,499**	**78,279**	**959,708**
Addition	**-**	**8,325**	**4,688**	**13,013**
Balance at 31 March 2021	**872,929**	**16,824**	**82,967**	**972,720**
Accumulated Depreciation				
Balance at 1 July 2020	**171,801**	**4,929**	**22,873**	**199,603**
Charge for the year	**115,047**	**2,295**	**11,147**	**128,489**
Balance at 31 March 2021	**286,848**	**7,223**	**34,020**	**328,091**
Effect of movements in exchange rates	**(10,824)**	**(54)**	**(589)**	**(11,467)**
Net Book Value				
March 31, 2021	**575,257**	**9,546**	**48,359**	**633,162**

7. **STOCK IN TRADE**

Stock in trade includes finished goods costing Rs. 63.56 million (30 June 2020: Rs. 35.13 million) valued at net realisable value of Rs. 56.28 million (30 June 2020: Rs. 28.84 million).

	Mar. 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	(Rupees in thousand)	
8. SHORT-TERM BORROWINGS		
Running finance under mark up arrangements	420,266	54,078
Running finance under Musharika	-	326
Export re-finance	600,000	500,000
	1,020,266	554,404

8.1 This includes running finance balance maintained with Islamic banks having balance of Rs. NIL (30 June 2020: Rs. 54 million).

8.2 The facilities available from various banks amounts to Rs. 3.49 billion (30 June 2020: Rs. 3.49 billion). The arrangements are secured by way of pari-passu charge against hypothecation of Company's stock in trade, and trade debts. The facilities expiring within one year are annual facilities subject to review at various dates during 2020.

8.3 The rates of mark up range from three month KIBOR plus 0.01% to one months KIBOR plus 2 % per annum (30 June 2020: three month KIBOR plus 0.01% to one months KIBOR plus 1.00% per annum).

8.4 This includes facilities obtained by A-1 Bags and Supplies Inc. from commercial bank amounting to CAD 5.0 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.

9. **COMMITMENTS**

9.1 Aggregate commitments for capital expenditure as at 31 March 2021 amount to Rs. 571 million (30 June 2020: Rs. 514.66 million).

9.2 The facilities for opening letters of credit amount to Rs. 1.85 billion (30 June 2020: Rs. 3.16 billion) and for letters of guarantee amount to Rs. 215 million (30 June 2020: Rs. 141 million) as at 31 March 2021 of which the amount remaining unutilised at period end were Rs. 1.56 billion (30 June 2020: Rs. 3.11 billion) and Rs. 111 million (30 June 2020: Rs. 46 million) respectively.

9.3 Aggregate commitments in respect of ujrah 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 2020: six months KIBOR + 0.75% to six months KIBOR + 2.0%) per annum for rentals payable monthly as at 31 March 2021 amount to:

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended 31 March 2021

	Mar. 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	(Rupees in thousand)	
Not later than one year	337,227	131,085
Later than one year but not later than five years	901,156	213,543
	1,238,383	344,628

	Mar. 31, 2021	Mar. 31, 2020
10. SALES - NET	(Rupees in thousand)	
Gross sales		
Local sales	23,749,957	19,614,278
Export sales	10,503,680	9,053,615
	34,253,636	28,667,893
Sales tax	(3,691,381)	(3,127,828)
	30,562,255	25,540,066
Less:		
Discount rebates and allowances	(4,507,074)	(4,078,632)
Sales return	(504,457)	(433,019)
	(5,011,530)	(4,511,650)
	25,550,725	21,028,416

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

10.2 Revenue is disaggregated by primary geographical market.

10.3 Management reviews revenue and other financial results based on product division. During the nine months period ended 31 March 2021, revenue of the foods division was Rs. 10,260 million (2020 : Rs. 8,058 million), Kitchen Division was Rs. 14,974 million (2020 : Rs. 13,311 million) and snacks division was Rs. 468 million (2020: 155 million). Revenue from A1 amounted to Rs. 2,931.1 million (2020: 2,634.0 million).

	Mar. 31, 2021	Mar. 31, 2020
11 . TAXATION	(Rupees in thousand)	
- Current	**594,081**	442,041
- Deferred	**(33,807)**	(17,619)
	560,274	424,422

	Mar. 31, 2021	Mar. 31, 2020
12. EARNINGS PER SHARE	(Rupees in thousand)	
Profit after taxation attributable to owners of the Parent Company	**1,393,929**	885,759
	(Number of shares) (in thousand)	
Weighted average number of ordinary shares outstanding during the period*	**186,492**	186,492
	(Rupees)	
Earning per share - basic and diluted	**7.47**	4.75

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended 31 March 2021

	Note	Mar. 31, 2021 (Unaudited)	Mar 31, 2020 (Unaudited)
13. CASH FLOWS FROM OPERATIONS		(Rupees in thousand)	
Profit before taxation		**2,126,480**	1,400,545
Adjustments for non-cash charges and other items			
Depreciation on property, plant and equipment		**463,488**	422,282
Amortization on intangibles		**34,742**	43,239
Finance cost		**223,301**	229,735
Gain on disposal of property, plant and equipment		**(7,477)**	(14,420)
(Reversal against) / provision for slow moving and obsolete stock		**94,468**	(44,091)
Retirement benefits expense		**13,375**	12,538
Provision for doubtful debts		**-**	(15,700)
Working capital changes	13.1	**(792,167)**	176,355
		29,731	809,938
Cash generated from operations		**2,156,211**	2,210,482
13.1 Effect on cash flows due to working capital changes			
(Increase) / Decrease in current assets			
Stores, spares and loose tools		**(2,801)**	(54,591)
Stock in trade		**(665,888)**	163,839
Trade debts		**177,088**	(165,917)
Advances		**(183,263)**	(20,205)
Deposits and prepayments		**(36,344)**	(40,629)
Other receivables		**17,723**	(2,587)
Sales tax refundable		**-**	133,789
		(693,485)	13,698
(Decrease) / Increase in current liabilities			
Trade and other payables		**(244,194)**	46,876
Sales tax payable		**357,422**	157,029
Contract Liability		**(211,909)**	(41,249)
		(98,681)	162,657
		(792,167)	176,355
14. CASH AND CASH EQUIVALENTS			
Cash and bank balances		**1,867,623**	849,710
Running finance under mark up arrangements		**(420,266)**	(796,312)
		1,447,357	53,398

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended 31 March 2021

15. TRANSACTIONS WITH RELATED PARTIES

Relationship with the Company	Nature of transaction	Mar. 31, 2020 (Unaudited)	Mar 31, 2020 (Unaudited)
		(Rupees in thousand)	
Associated Companies / Undertakings	Rental income	**3,032**	5,968
	Purchase of Goods	**-**	65,224
	Subscription	**2,000**	-
Staff retirement funds	Expense charged for defined contribution plan	**53,157**	48,218
	Payments to retirement contribution plan	**140,061**	96,483
Long term loan		**22,440**	21,830
Key management personnel compensation:			
Salaries and other short-term employee benefits		**1,057,643**	567,475
Contribution to Provident Fund		**26,291**	15,864
Post retirement benefits of Executive Directors		**11,743**	12,538
Eligible dividend		**13,907**	13,895

16. GENERAL

This condensed interim financial information has been authorised for issue on 29th April, 2021 by the Board of Directors of the Parent Company.

Chief Executive Officer

Chief Financial Officer

Director

Jama Punji Information

ڈائریکٹرز رپورٹ

معزز حصص داران!

نیشنل فوڈز لمیٹڈ کے ڈائریکٹرز بامسرت 31 مارچ 2021 کوختم ہونے والے مالیاتی سال کے نو ماہ 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

کورونا وائرس (Covid-19) کے حالیہ کیسز میں اضافے کے باوجود پاکستان نے اس معاشی نازک صورتحال میں بحالی کی نشاندہی کی ہے۔کورونا وائرس (Covid-19) سے قبل نقل پذیری کی مختلف سطحوں میں واپسی، مستحکم شرح سود، حکومت کے تعمیراتی پیکیج، سماجی امداد پر حوصلہ افزائی اور جزوی طور پر ترسیلاتِ زر کی آمد میں ریکارڈ اضافے کی وجہ سے پرائیوٹ / نجی لاگت / اخراجات میں اضافے کا تخمینہ لگایا گیا ہے۔مستقبل میں معمولاتِ زندگی کی جانب واپسی کا انحصار بڑے پیمانے پر ویکسین لگانے کے عمل کو ممکن بنانے اور مجموعی آبادی میں قوتِ مدافعت پیدا کرنے پر ہے۔

عملی اور مالیاتی کارکردگی

بنیادی کاروبار

بنیادی کاروبار کی خالص فروخت میں 26 فیصد کا شاندار اضافہ ریکارڈ کیا گیا ہے۔ برانڈ اور صارفین کی زیرِ قیادت سرگرمیوں کے ذریعے تمام علاقوں میں محصول کو بہتر بنانے، آمدنی / لاگت میں تبدیلی اور بڑے پیمانے پر نئے اقدامات کی بہتری پر توجہ مرکوز کرتے ہوئے کاروبار نے تبدیلی کی وجہ بنتے ہوئے کورونا وائرس (Covid-19) کی صورتحال سے فائدہ اُٹھایا۔ نتیجے کے طور پر بنیادی کاروبار کے آپریٹنگ / عملی منافع میں 64 فیصد کا اضافہ ہوا اور اس کے ساتھ ساتھ بین الاقوامی سطح پر بھی بھرپور انداز میں اضافہ ہوا۔

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 عمل پر توجہ مرکوز کر کے اور جدیدیت کے ذریعے اِن برانڈز کی نشو ونما کا عمل جاری رکھیں گے۔

اے وَن بیگز اینڈ سپلائرز اِنکارپوریشن

پیکجنگ ، پروٹین اور سامان / وائر کیٹیگریز کے ذریعے کینیڈا میں سخت ترین لاک ڈاؤن کے باوجود 13 فیصد اضافہ ہوا ہے۔ کاروبار مستحکم انداز میں بڑھ رہا ہے اور ڈبل ڈیجٹ حاصل کرنے کی باٹم لائن پر موجود ہے۔

گروپ کے مالیاتی سال کا گوشوارہ درج ذیل ہے:

رقم پاکستانی روپے ملین میں

	گروپ			بنیادی کاروبار			A1 بیگزاور سپلائرز انکارپوریشن		
	Q3 FY21	Q3 FY20	تبدیلی	Q3 FY21	Q3 FY20	تبدیلی	Q3 FY21	Q3 FY20	تبدیلی
خالص فروخت	25,551	21,023	22%	17,480	13,879	26%	8,071	7,144	13%
مجموعی منافع	7,314	6,026	21%	5,556	4,547	22%	1,758	1,479	19%
عملی منافع*	2,447	1,612	52%	1,746	1,112	57%	702	500	40%
خالص منافع بعد از ٹیکس**	1,566	1,004	56%	1,277	770	66%	440	297	48%
آمدنی فی حصص (روپے)	7.5	4.7		6.8	4.1				
بطور خالص فروخت کی شرح									
مجموعی منافع	28.6%	28.7%	0.0%	31.8%	32.8%	-1.0%	21.8%	20.7%	1.1%
عملی منافع	9.6%	7.7%	1.9%	10.0%	8.0%	2.0%	8.7%	7.0%	1.7%
خالص منافع بعد از ٹیکس	6.1%	4.8%	1.4%	7.3%	5.5%	1.8%	5.5%	4.2%	1.3%

* بشمول دیگر آمدنی اور اخراجات

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

مارکیٹنگ اور تشہیر

ریسیپی مصالحہ

- خیبر پختونخواہ میں VFM کری پاؤڈر کو وسیع پیمانے پر متعارف کروایا گیا جس میں پشتو زبان کے ذریعے علاقائی تشہیر، آؤٹ آف ہوم، تجارتی مصروفیات اور سیمپلنگ فراہم کرنا شامل رہا
- ڈیجیٹل اِنوویشن میں رہنمائی اور میڈیا کی کارکردگی کو مزید بہتر بنانے کے لیے گوگل کے ساتھ پارٹنر شِپ کی بنیاد رکھی گئی ہے۔
- وسیع پیمانے پر رسائی کو ممکن اور بہترین آزمائشی قیمتوں کے ساتھ کراچی کنزیومر کنورسیشن پلان کو پیش کیا گیا۔
- برانڈ لیڈر شِپ اور کیٹیگری میں مساوات کو برقرار رکھا گیا۔

پِکل:

- فروری میں کرشڈ پِکل کے لیے ایک مکمل ڈیجیٹل کیمپیئن متعارف کروائی گئی تاکہ خریداری کی مخصوص مدّت سے فائدہ اُٹھایا جا سکے۔
- فوڈ پبلشرز (کے فوڈز۔ جس کی کھانا پکانے کی ایک پُرکشش ویب سائٹ ہے) کے باوجود خریداری کی مدت میں SOV کے ساتھ غالب آتی ہے جس کے نتیجے میں اہم اضافی تشہیر سامنے آئی۔
- کرشڈ پِکل کی ڈرائیو کے تسلسل کو برقرار رکھتے ہوئے ایل ایم ٹیز (LMTs) میں مختلف اجناس (دالیں، چاول) کے ساتھ ساتھ نیشنل ٹماٹو کیچپ کو منتخب آئی ایم ٹیز (IMTs) میں ساشے کے ساتھ پیش کیا گیا۔

کیچپ:

- مسابقتی غالب رہنے والوں علاقوں میں چلی گارلِک ساس اور کیچپ کے ٹرائلز کو مدد دینے کے لیے وسطی پنجاب میں ڈور ٹو ڈور سیمپلنگ پہنچانے کی سرگرمی عمل میں لائی گئی۔
- نیشنل کیچپ جسے ایک اعلیٰ اور انتہائی مؤثر ڈیجیٹل اور پی آر کیمپیئن کا ساتھ رہا، کامیابی کے ساتھ ڈیجیٹلی اس کی تشہیر کی گئی۔

انٹرنیشنل بزنس / بین الاقوامی کاروبار

- یواے ای ماڈرن ٹریڈ کے مدِّنظر این ایم سی سے منتقل ہو کر این ٹی ڈی ای (NTDE) پر آ گیا ہے، جس کے لیے مشترکہ حتمی کاروبار اور آرڈرز دوسری سہ ماہی میں ارسال کیے جانے کے لیے تیار ہیں۔
- نارتھ امریکہ گیلڈا فوڈز کو بطور مین اسٹریم ڈسٹری بیوٹرز کے تعینات کیا گیا ہے جس کے ذریعے بہترین صلاحیتوں کے ساتھ پورٹ فولیو کی سطح پر طلب اور ٹیم میں اضافے اور آرڈر کا تعین ہو سکتا ہے۔

مزید نقطہ نظر

انتظامیہ، کورونا وائرس (Covid-19) سے پیدا ہونے والی غیر یقینی صورتحال اور اس کے معیشت پر پڑنے والے اثرات کو تسلیم کرتی ہے۔ مزید یہ کہ حالیہ وقت میں کرنسی کی قدر اور افراطِ زر کا دباؤ، سپلائی چین منیجمنٹ / انتظامیہ اور مارکیٹ کو بند رکھنے کی توسیع کی وجہ سے مارکیٹ میں پیدا ہونے والی لاگت اور قابلیت کو بے حد متاثر کر سکتی ہے۔ تاہم کمپنی انتظامیہ کاروبار کو بنیادی اصولوں کے مطابق اور ہنگامی منصوبوں کے ذریعے تمام اہم شعبوں اور مارکیٹ میں اپنی قیادت کی حیثیت کو بہتر بنانے اور برقرار رکھنے کے ساتھ ساتھ اپنا ہدف کامیابی سے حاصل کرنے کے لیے بھی پُرعزم ہے۔ نیشنل فوڈز نے اِس بحران کے دوران ایک اچھے ردِعمل کا اظہار کیا ہے اور اسی لیے ہم اپنے بانی کے فلسفے "ہماری اقدار" کی روشنی میں اپنی سماجی اور معاشی ذمہ داریوں کو نبھانے کے لیے ہر پل تیار ہیں۔

اعتراف

میں بورڈ کی جانب سے مخلصانہ طور پر اپنے 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

چیف ایگزیکیٹو آفیسر	ڈائریکٹر