

# We Enrich Lives & Lifestyles



National Foods Limited  
Half Yearly Report 2023

National Foods Limited

Half Yearly Report 2023



National Foods Limited

12/CL-6, Claremont Road  
Civil Lines, Karachi.  
+92 21 38402022

[www.nfoods.com](http://www.nfoods.com)





# Contents

## About The Company

Our Story	05
Vision & Mission	07
Core Values	08

## Stakeholders Information

Company Information	12
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## Corporate Governance

Directors' Report	16
Auditors' Review Report	18

## Financial Report

Unconsolidated Condensed Interim Financial Statements	22
Consolidated Condensed Interim Financial Statements	40



# About the Company

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## Our Story

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National Foods continues to spread happiness by offering authentic flavors, and re-uniting people with their longstanding Pakistani heritage.

# 250

Products

# 12

Categories

# HACCP

Certified

We began our journey in 1970 as a spices company with a product that brought the idea of clean and healthy foods to life. Since then, we resolved to make hygienic food, reduce time spent in the kitchens, and foster good health. And on a daily basis, we strive to elevate our communities and create a better lifestyle for those around us.

Since inception in 1970, National Foods has evolved into a leading multi-category food company that produces 250 different products across 13 categories. We hold ISO 9001, ISO 45001, ISO 22000 and HACCP certifications along with SAP Business Technologies to ensure that our customers receive the highest quality products. With a strong commitment to quality and operational excellence, we are integrating our systems with SAP S/4HANA, the latest ERP business suite for large conglomerates.

We constantly Inspire New Traditions and have already successfully expanded our global footprint across 40 countries in 5 continents. At National Foods, we're creating food that enriches the lives of people everywhere.



## Vision & Mission

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### Vision

Creating food that enriches the lives of people everywhere.

### Mission

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



# Core Values



## 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

## 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

## 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

## 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

## 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



# Stakeholders Information

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# Company Information

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## Board of Directors

Mr. Zahid Majeed	Chairman
Mr. Abrar Hasan	Chief Executive Officer
Mr. Ehsan Ali Malik	Director
Mr. Ali H. Shirazi	Director
Mr. Adam Fahy Majeed	Director
Mrs. Saadia Naveed	Director
Mrs. Noreen Hasan	Director

## Audit Committee

Mr. Ehsan Ali Malik	Chairman
Mrs. Saadia Naveed	Member
Mrs. Noreen Hasan	Member

## Human Resource and Remuneration Committee

Mr. Ali H. Shirazi	Chairman
Mrs. Noreen Hasan	Member
Mr. Ehsan Ali Malik	Member

## Director Corporate Finance / Chief Financial Officer

Mr. Syed Farhan Ali Rizvi

## Company Secretary

Mr. Fazal ur Rehman Hajano

## Head Of Internal Audit and Secretary Audit Committee

Ms. Quratulain Mamsa

## Internal Auditors

EY Ford Rhodes

## Company Management

Mr. Abrar Hasan	Chief Executive Officer
Mr. Aeجاز Abbas Basrai	Chief Commercial Officer – Culinary
Mr. Ahmed Salman	Director Supply Chain
Dr. Fayyaz Ashraf	Director Quality, Research and Development
Mr. Hasan Sarwat	Chief Commercial Officer – Condiments
Mr. Saleem Khilji	Director Manufacturing
Mr. Shahid Saeed	Director Information Technology
Mr. Syed Farhan Ali Rizvi	Director Corporate Finance

## Auditors

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

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

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

## 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  
E-mail: info@nfoods.com

## Port Qasim Plant

A-13, North Western Industrial Zone, Bin Qasim, Karachi.  
Phone: 021-3475-0373 – 7

## Gujranwala Plant

53-KM G.T. Road, Chainwala Mord Amanabad,  
Gujranwala near Gujranwala Kamoki Tool Plaza.  
Phone: 055-3409560, 3409660

## Nooriabad Plant

A 393 Nooriabad Industrial Estate,  
Nooriabad, Karachi.  
Phone: 03000335287

**Web Presence:** Updated company information and the latest  
Annual Report can be accessed at: [www.nfoods.com](http://www.nfoods.com)

# Corporate Governance

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# 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 half year ended December 31, 2022.

## Business Performance Overview

### Economic environment

Macro-Economic conditions remained depressed during the first half of the fiscal year. A prolonged period of global inflation, political instability, rising interest rates coupled with depleting state reserves jarred the GDP growth. The current account deficit lowered vs SPLY despite seeing a decline in Exports and Worker Remittances due to major restriction placed on country's Imports.

## Operating and financial performance

### Core business

Our business has managed to maintain its topline with a 2% upside on the core business front. Gross margins improved by 250bps, mainly a result of pricing and cost optimization project initiated in the organization. Operating Profit registered a 13% decline mainly an impact of increase in indirect overheads. Impact of super tax coupled with rising finance cost impacted net profitability which went down by 46%.

International business remained strained as a consequence of a sharp global downtrend in overall consumption and demand.

### A1 Bags & Supplies Inc.

Net sales grew by 71% mainly in Packaging, Groceries, Beverage and Wares category, with inflation now slowing down in Canada. The business has shown remarkable growth in its profitability with the Operating Profit up by 107% and Net Profitability increasing by 111%.

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

Amounts in PKR Million

	Group			Core Business			A1 Bags & Suppliers Inc.		
	H1 FY23	H1 FY22	Change	H1 FY23	H1 FY22	Change	H1 FY23	H1 FY22	Change
Net sales	26,612	20,334	31%	12,080	11,825	2%	14,563	8,509	71%
Gross profit	7,349	5,785	27%	4,391	4,057	8%	2,958	1,728	71%
Operating profit*	2,057	1,778	16%	877	1,223	-28%	1,180	569	107%
Net profit after tax**	958	1,177	-19%	537	977	-45%	703	333	111%
Earning per share (Rs)	4.1	5.0		2.3	4.2		3.0	1.4	
as % of net sales									
Gross profit	27.6%	28.5%	-0.8%	36.3%	34.3%	2.0%	20.3%	20.3%	0.0%
Operating profit	7.7%	8.7%	-1.0%	7.3%	10.3%	-3.1%	8.1%	6.7%	1.4%
Profit after tax	3.6%	5.8%	-2.2%	4.4%	8.3%	-3.8%	4.8%	3.9%	0.9%

\* Excludes other income and other expenses.

\*\* This includes amortization of Rs.9.1 million (H1 2022 Rs.7.2 million) on intangible recognized on consolidation of A1 Bags & Suppliers Inc.

## Marketing and Promotion

### Recipe Masala

- Sachet TVC aired in November on TV & Digital platform, capitalizing growth of sachet and enhancing the awareness of the new packaging change on recipe mixes
- Multiple CPs & trade activations encouraging product off take
- Karachi Eat and Soul Fest sponsorship with heavy footfall and trail generation

### Ketchup:

- Float Activation generating trials competition strong cities, i.e. Lahore, Faisalabad & Sargodha
- Rs. 20 Price off given on Ketchup 800g + digital awareness
- Separate assets on air on Digital with TikTok explored as an additional platform
- Bundled offer for the younger target audience, generating trial with new users

### Crushed Pickle

- Periodic deployment of Awareness assets on social media for Crushed Pickle to build brand consumption.
- Capitalizing on occasions like Independence Day, rainy season, buying cycles etc. to stay relevant with consumers and build top of mind recall.
- Digital airing of Crushed Pickle snacking and cooking copies to create awareness of usage occasions

## ATCH & NFL Flood Relief Efforts

ATC Holdings & National Foods have taken the initiative to provide relief to the flood victims in 3 stages of Immediate Relief, Recovery & Rehabilitation. The boards of both companies pledged PKR 55 million out of which PKR 21 million has been disbursed to date. The 5 trustworthy partners include Karachi Relief Trust (KRT), Hisaar Foundation, Indus Hospital, Child Life Foundation & The Citizens Foundation (TCF).

Our relief efforts have resulted in provision of:

- Meals to 52,000 people
- Mosquito nets to 12,000 people
- Support for 22 team members
- 16 water filtration units
- Medical relief to 19,500 patients
- Emergency care for 3,000 children

## Future outlook

The ongoing worldwide trends has had a surging impact on the country's economy which has further aggravated due to the present political turmoil. The import restriction has had led to sustainability issues for various local manufacturing sectors resulting in multiple stoppages and exorbitant costs. The management will continue to closely monitor the situation and strategize accordingly to drive business fundamentals and maintain its market leadership position in all major categories through contingency planning.

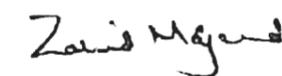
## Acknowledgement

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

On behalf of Board of Directors



Chief Executive Officer



Director

# To The Members of National Foods Limited

Report on review of Interim Financial Statements

## Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of **National Foods Limited** as at 31 December 2022 and the related condensed unconsolidated interim statement of profit or loss and other comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows, and notes to the condensed interim unconsolidated financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

## Scope of Review

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

## Conclusion

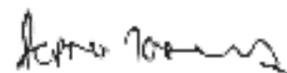
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

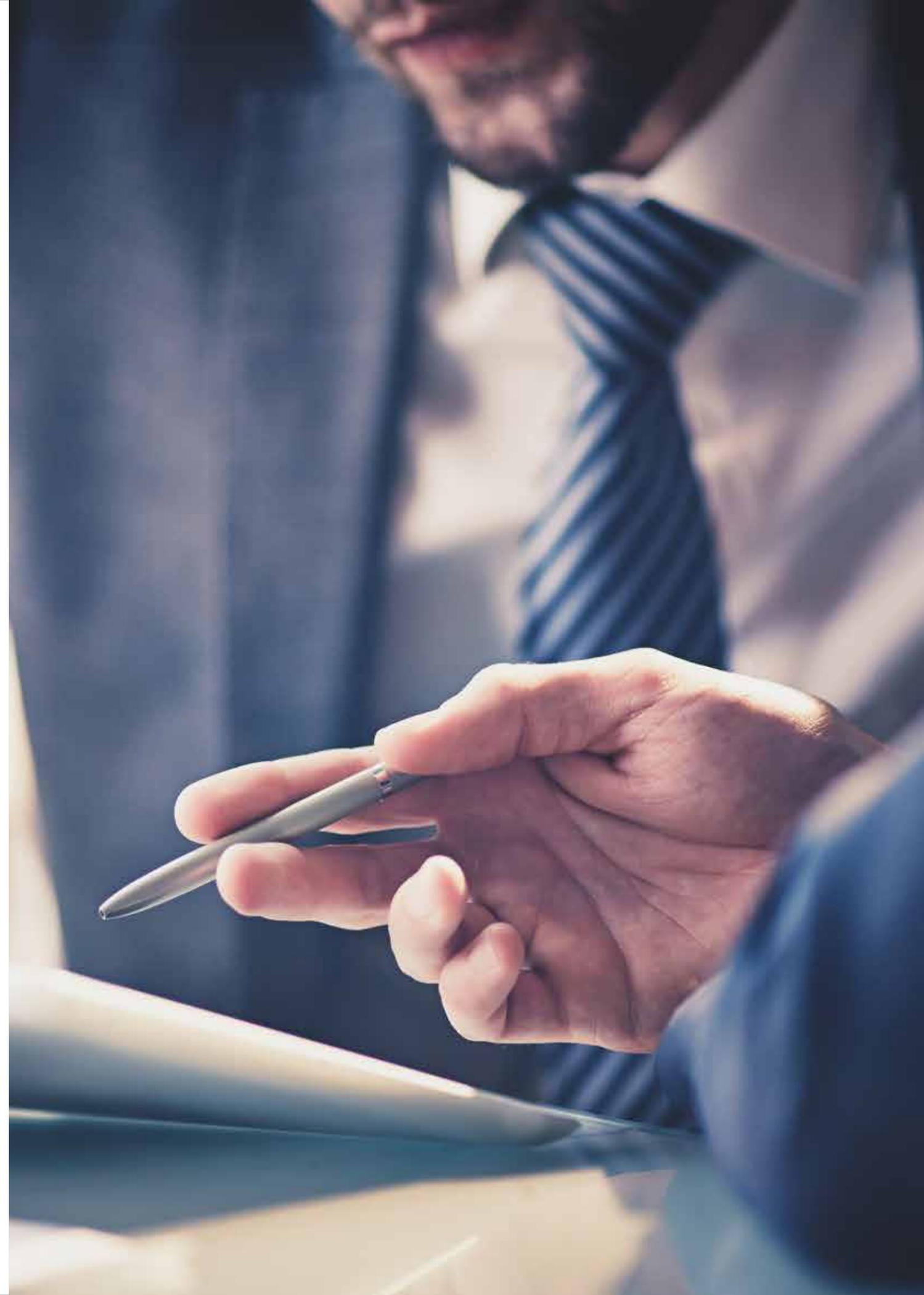
## Other matter

The figures for the quarter ended 31 December 2022 and 31 December 2021 in the interim financial statements have not been reviewed and we do not express a conclusion on them.

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

Date: February 28, 2023  
Karachi  
UDIN: RR202210201NAd83skra

  
KPMG Taseer Hadi & Co.  
Chartered Accountants



# Unconsolidated Condensed Interim Financial Statements

December 31, 2022



## Financial report

### Balance sheet

<b>Assets</b>	
Current assets	1,734,826
Non-current assets	80,905
	1,645,921
<b>Liabilities</b>	
Current liabilities	166,630
Non-current liabilities	110,327
	56,303
<b>Equity</b>	
Paid-in capital	74,393
Retained earnings	72,921
	1,472

### Equity statement

<b>Current year</b>		1,774,576
Comprehensive income		15,897
Issue of share capital		88,905
Dividends		23,853
<b>Previous year</b>		166,630
Comprehensive income		110,327
Issue of share capital		56,303
Dividends		67,876

### Cash flow statement

<b>Operations</b>		12,978,516
Net earnings		12,873,892
Depreciation		104,624
<b>Investing</b>		6,372,535
Real estate		1,385,395
Equipment		4,439,116
<b>Financing</b>		6,505,981
Notes payable		6,505,981

### Income statement

	12,978,516
	12,873,892
	104,624
	6,372,535
	1,385,395
	4,439,116
	6,505,981

## BUSINESS DASHBOARD



## National Foods Limited Condensed Interim Unconsolidated Statement of Financial Position (Unaudited)

As at December 31, 2022

	Note	31 December 2022 (Unaudited)	30 June 2022 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	8,232,934	7,067,013
Intangibles		67,984	73,943
Long-term investments	6	31,719	45,935
Long-term deposits		38,379	38,444
Deferred assets		53,656	53,656
		<b>8,424,672</b>	<b>7,278,991</b>
<b>Current assets</b>			
Stores, spare parts and loose tools		182,743	168,050
Stock-in-trade	7	7,351,968	6,628,926
Trade debts		832,604	1,948,605
Advances		1,203,779	732,502
Deposits and prepayments		85,428	66,005
Sales tax refundable		208,013	-
Short-term investments at FVTPL	8	1,630,596	1,324,795
Cash and bank balances		1,291,894	712,989
		<b>12,787,025</b>	<b>11,581,872</b>
<b>TOTAL ASSETS</b>		<b>21,211,697</b>	<b>18,860,863</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised share capital 1,000,000,000 (30 June 2022: 1,000,000,000) ordinary shares of Rs. 5 each		5,000,000	5,000,000
<b>Share capital</b>			
Issued, subscribed and paid-up capital		1,165,576	1,165,576
<b>Revenue Reserve</b>			
Unappropriated profit		4,661,154	5,343,575
		<b>5,826,730</b>	<b>6,509,151</b>
<b>Non - current liabilities</b>			
Long-term finance and deferred income	9	3,136,651	255,976
Lease liabilities		12,501	16,671
Deferred taxation - net		262,419	208,878
Long term provisions		13,171	22,461
		<b>3,424,742</b>	<b>503,986</b>
<b>Current liabilities</b>			
Trade and other payables		4,923,336	5,738,658
Contract liability		228,843	93,076
Short-term borrowings	10	5,264,754	4,269,883
Unclaimed dividend		58,938	23,161
Long-term finance and deferred income classified as current - secured	9	93,320	416,215
Mark-up accrued on bank borrowings		216,948	80,072
Taxation - net		1,174,087	1,226,661
		<b>11,960,225</b>	<b>11,847,726</b>
Contingencies and commitments	11		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>21,211,697</b>	<b>18,860,863</b>

The annexed notes 1 to 21 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

## National Foods Limited Condensed Interim Unconsolidated Statement of Profit or Loss & Other Comprehensive Income (Unaudited)

For the six months period ended 31 December 2022

	Note	Quarter ended		Six months ended	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
<b>(Rupees in thousand)</b>					
Sales	12	6,319,890	5,624,346	11,895,801	11,409,193
Cost of sales		(4,003,909)	(3,951,020)	(7,682,164)	(7,768,141)
<b>Gross profit</b>		<b>2,315,981</b>	<b>1,673,326</b>	<b>4,213,637</b>	<b>3,641,052</b>
Distribution costs		(1,331,361)	(1,036,231)	(2,546,341)	(1,978,642)
Administrative expenses		(413,350)	(298,066)	(855,970)	(625,651)
Other expenses	13	(64,512)	(28,127)	(92,071)	(80,320)
Other income	14	7,890	72,652	222,619	207,789
		<b>514,648</b>	<b>383,554</b>	<b>941,874</b>	<b>1,164,228</b>
Finance costs		(150,207)	(28,954)	(227,628)	(68,384)
<b>Profit before taxation</b>		<b>364,441</b>	<b>354,600</b>	<b>714,246</b>	<b>1,095,844</b>
Taxation - net	15	(149,736)	(82,557)	(231,091)	(279,096)
<b>Profit after taxation</b>		<b>214,705</b>	<b>272,043</b>	<b>483,155</b>	<b>816,748</b>
Other comprehensive income		-	-	-	-
<b>Total comprehensive income</b>		<b>214,705</b>	<b>272,043</b>	<b>483,155</b>	<b>816,748</b>
<b>(Rupees in thousand)</b>					
<b>Earnings per share - basic and diluted</b>	16	<b>0.92</b>	1.17	<b>2.07</b>	3.50

The annexed notes 1 to 21 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

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

For the six months period ended December 31, 2022

	Issued, subscribed and paid-up capital	Revenue reserve - unappropriated profit	Total
	(Rupees in '000)		
Balance as at 1 July 2021	932,461	4,543,794	5,476,255
Total comprehensive income for the six months ended 31 December 2021			
- Profit for the six months period	-	816,748	816,748
- Other comprehensive income for the six months period	-	-	-
	-	816,748	816,748
Transactions with owners			
- 1 ordinary share for each 4 shares held - allotted as bonus shares for the year ended 30 June 2021	233,115	(233,115)	-
- Final dividend for the year ended 30 June 2021 @ Rs. 5 per share	-	(932,462)	(932,462)
Balance as at 31 December 2021	1,165,576	4,194,965	5,360,541
<b>Balance as at 1 July 2022</b>	<b>1,165,576</b>	<b>5,343,575</b>	<b>6,509,151</b>
Total comprehensive income for the six months period ended 31 December 2022			
- Profit for the six months period	-	483,155	483,155
- Other comprehensive income for the six months period	-	-	-
		483,155	483,155
Transactions with owners recorded directly in equity - distributions			
- Final dividend for the year ended 30 June 2022 @ Rs. 5 per share	-	(1,165,576)	(1,165,576)
<b>Balance as at 31 December 2022</b>	<b>1,165,576</b>	<b>4,661,154</b>	<b>5,826,730</b>

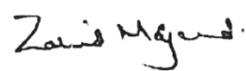
The annexed notes 1 to 21 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Chief Financial Officer



Director

## National Foods Limited Condensed Interim Unconsolidated Statement of Cash Flows (Unaudited)

For the six months period ended December 31, 2022

	Note	31 December 2022 (Unaudited)	31 December 2021 (Unaudited)
(Rupees in thousand)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	17	236,549	60,205
Finance cost paid		(90,752)	(66,789)
Income taxes paid		(230,123)	(187,187)
Retirement benefits paid		-	(48,805)
Long term deposits - net		65	(4,653)
<b>Net cash flows from operating activities</b>		<b>(84,261)</b>	<b>(247,229)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(1,607,861)	(612,622)
Purchase of intangible assets		(3,062)	(7,410)
(Purchase)/ redemption of short term investment - net		(237,702)	284,546
Proceeds from disposal of operating fixed assets		97,949	12,080
<b>Net cash flows from investing activities</b>		<b>(1,750,676)</b>	<b>(323,406)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from short term borrowings - net		2,575,000	1,000,000
Lease rental paid		(9,008)	-
Proceeds/ (Repayment) of long term finance - net		2,557,780	(262,053)
Dividends paid		(1,129,800)	(929,616)
<b>Net cash flows from financing activities</b>		<b>3,993,972</b>	<b>(191,669)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>2,159,035</b>	<b>(762,304)</b>
Cash and cash equivalents at beginning of the period		(2,306,894)	508,132
<b>Cash and cash equivalents at end of the period</b>	18	<b>(147,859)</b>	<b>(254,172)</b>

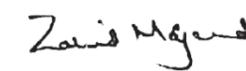
The annexed notes 1 to 21 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Chief Financial Officer



Director

# National Foods Limited Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the six months period ended December 31, 2022

## 1. THE COMPANY AND ITS OPERATIONS

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

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

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

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

### Factories:

- Unit F-160/ C, F- 133, S.I.T.E., Karachi;
- Office A-13, North Western Industrial Zone, Bin Qasim, Karachi;
- 53-KM G.T. Road, Chainwala Mord Amanabad, Gujranwala;
- A-393, Nooriabad Industrial Estate, Nooriabad; and
- Plot No. 346 & 347 Phase - 2, M-3 Industrial City, Faisalabad. (Not Operational)

### Sales offices:

- Office No.107, 1st Floor Parsa Tower, Sharah-e-Faisal, Karachi;
- Office No. 309, 3rd floor, Parsa Tower, Sharah-e-faisal Karachi;
- Office No. 84/2 Bomanji Square, Nusrat Road, Adali Colony, Multani;
- 18-CCA (Commercial Area), Phase VIII, DHA Lahore, Cantt;
- Plot No. 25, Din Plaza, Canal Road, Main Gate Canal View Housing Society, Gujranwala; and
- 1st Floor, Bilal Complex, Main PWD Road, Sector O-9, Islamabad.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

These unconsolidated 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 (the Act);
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act; 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.

# National Foods Limited Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the six months period ended December 31, 2022

## 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except that short term investments are stated at fair values.

## 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 and the methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended 30 June 2022.

3.2 Certain amendments and interpretations to International Financial Reporting Standards (IFRS Standards) as notified under the Act became effective for accounting periods beginning on or after July 2022, but they do not have a material effect on these condensed interim unconsolidated financial statements. As such for this reason, these has not been detailed in these interim financial statements.

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

4.1 The significant estimates and judgements made by the management in applying the Company's accounting policies and the key sources of estimating the uncertainty were the same as those that applied to the audited annual financial statements as at and for the year ended 30 June 2022.

4.2 The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the audited annual financial statements as at and for the year ended 30 June 2022.

## 5. PROPERTY, PLANT AND EQUIPMENT

	Note	31 December 2022 (Unaudited)	30 June 2022 (Audited)
(Rupees in thousand)			
Operating fixed assets	5.1	5,113,901	4,888,725
Capital work in progress	5.2 & 5.3	3,096,803	2,147,899
Right-of-use assets		22,230	30,389
		<b>8,232,934</b>	<b>7,067,013</b>

## National Foods Limited Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the six months period ended December 31, 2022

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

	Six months ended	
	31 December 2022	31 December 2021
	(Rupees in thousand)	
<i>Additions / transfers from CWIP</i>		
Freehold land	-	207,105
Building on leasehold land	85,115	70,076
Plant and machinery	417,679	157,055
Computer equipment	11,402	26,341
Vehicles	108,044	52,398
Furniture and fittings	17,847	8,641
Office, laboratory and other equipments	15,740	6,150
	<b>655,827</b>	<b>527,766</b>

Additions to operating fixed assets include transfers of Rs. 184.70 million (31 December 2021: Rs. 292.56 million) from capital work in progress balance as at 30 June 2022.

	Six months ended	
	31 December 2022	31 December 2021
	(Rupees in thousand)	
<i>Disposals - Net book value</i>		
Vehicles [cost Rs. 118.3 million (31 December 2021: Rs. 10.6 million)]	<b>99,383</b>	8,816
Plant and machinery [cost Rs. 32.6 million (31 December 2021: Nil)]	<b>3,437</b>	-
Computer equipments [cost Rs. 1.9 million (31 December 2021: Rs. 0.157 million)]	<b>20</b>	-

5.2 This includes civil works of Rs. 2,801 million (30 June 2022: Rs.1,908 million) and Plant & Machinery and Other Equipments of Rs. 295 million (30 June 2022: Rs. 240 million).

5.3 This includes borrowing costs capitalized during the period amounting to Rs. 212.3 million (30 June 2022: Rs. 103.9 million).

## National Foods Limited Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the six months period ended December 31, 2022

### 6. LONG TERM INVESTMENTS

	Note	31 December 2022 (Unaudited)	30 June 2022 (Audited)
(Rupees in '000)			
<b>Investment at fair value through profit or loss (FVTPL)</b>			
Naymat Collateral Management Company Limited (NCMCL)		30,000	30,000
Less: Provision for Impairment	6.1	(30,000)	(15,784)
		-	14,216
Investment in subsidiary - at cost			
National Foods DMCC		31,719	31,719
		<b>31,719</b>	<b>45,935</b>

6.1 The management, under prudence, has decided to fully impair the above investment as the investee company is still incurring losses. Moreover, material uncertainty relating to going concern is also disclosed in the audited financial statements of NCMCL as at 30 June 2022.

### 7. STOCK-IN-TRADE

		31 December 2022 (Unaudited)	30 June 2022 (Audited)
(Rupees in '000)			
Raw materials		3,003,264	3,185,293
Provision for obsolescence		(55,851)	(78,559)
		<b>2,947,413</b>	3,106,734
Packing materials		1,057,138	749,519
Provision for obsolescence		(96,523)	(170,659)
		<b>960,615</b>	578,860
Work in process		2,018,379	1,689,635
Provision for obsolescence		(83,968)	(72,348)
		<b>1,934,411</b>	1,617,287
Finished goods	7.2	1,552,154	1,373,441
Provision for obsolescence		(42,625)	(47,395)
		<b>1,509,529</b>	1,326,046
		<b>7,351,968</b>	<b>6,628,927</b>

National Foods Limited Notes to the Condensed Interim Unconsolidated  
Financial Statements (Unaudited)

For the six months period ended December 31, 2022

7.1 During the period, the Company has reversed provision for obsolescence of Rs. 89.99 million (30 June 2022: Charged Rs. 355.77 million) and has written off stocks against provision amounting to Rs. 163.16 million (30 June 2022: Rs. 224.89 million).

7.2 This includes goods in transit of Rs. 84.2 million (30 June 2022: 17.5 million) against the sales made to National Foods DMCC.

**8. SHORT TERM INVESTMENTS AT FVTPL**

	<b>31 December 2022 (Unaudited)</b>	30 June 2022 (Audited)
(Rupees in '000)		
Investments in Mutual Funds	1,630,596	1,324,795

**9. LONG TERM FINANCE AND DEFERRED INCOME**

	<b>31 December 2022 (Unaudited)</b>	30 June 2022 (Audited)
(Rupees in '000)		
<b>LONG TERM FINANCE</b>		
Secured long-term finances utilised under mark-up arrangements	3,229,971	670,154
Classified under current liability	(93,320)	(414,178)
	<b>3,136,651</b>	255,976
<b>DEFERRED INCOME</b>		
Deferred income - government grant	-	2,037
Current portion of deferred income - government grant	-	(2,037)
	<b>3,136,651</b>	255,976

9.1 This represents original long term finance facilities of Rs. 3,500 million obtained from commercial banks. These finances carries markup ranging from 3 months Kibor + 0.1% to 3 months Kibor + 0.4%. The loans are secured by way of hypothecation of Company's present and future fixed assets. Loan tenures range from 3 years to 10 years. These loans are fully repayable in quarterly installments of Rs. 23.33 million between January 2023 to December 2029.

**10. SHORT TERM BORROWINGS**

	<b>31 December 2022 (Unaudited)</b>	30 June 2022 (Audited)
(Rupees in '000)		
<i>Conventional</i>		
Running finance under mark-up arrangements	1,189,936	1,828,359
Export re-finance	800,000	800,000
Money market loan	3,025,000	450,000
<i>Islamic</i>		
Running finance under Musharakah	249,818	1,191,524
	<b>5,264,754</b>	4,269,883

National Foods Limited Notes to the Condensed Interim Unconsolidated  
Financial Statements (Unaudited)

For the six months period ended December 31, 2022

10.1 The facilities for running finance available from various commercial banks are for the purpose of meeting working capital requirements. The effective rates of mark-up on these finances range from 14.4% to 16.6% (30 June 2022: 9.77% to 10.30%) per annum. The facilities are valid upto 31 May 2023.

10.2 The Company has short term running finance facility under Export Refinance Scheme of the State Bank of Pakistan from a commercial bank. The effective rate of mark-up on this facility ranges from 9.5% - 10% (30 June 2022: 2.5%) per annum. The facilities offer are valid upto 30 June 2023.

10.3 The company has obtained these loans from various banks. These loans carry markup ranging between 16.38% to 16.54%. These loan facilities are valid up to 6 months.

10.4 The Company has obtained facilities for short-term finance under Running Musharakah. The effective rate of profit is 14.21% to 14.41% (30 June 2022: 9.99% to 10.73% per annum. This facility matures within twelve months and is renewable. The facilities offer are valid upto 31 December 2023.

10.5 The facilities available from various banks amount to Rs. 6.8 billion (30 June 2022: Rs.4.2 billion). The arrangements are secured by way of pari-passu charge against hypothecation of Company's current and future movable assets having aggregate charge amounting to Rs. 8.26 billion. These facilities offer are valid upto 30 June 23.

**11. CONTINGENCIES AND COMMITMENTS**

11.1 There are cases against the company which are outstanding as at 31 December 2022. The management is confident that the decision will be in favor of the Company.

11.2 The facilities for opening letters of credit amount to Rs. 4.2 billion (30 June 2022: Rs. 4.3 billion) and for letters of guarantee amount to Rs. 531 million (30 June 2022: Rs. 515 million) as at 31 December 2022 of which the amount remaining unutilized at period end were Rs 2.8 billion (30 June 2022: Rs. 3.49 billion) & 168 million (30 June 2022: Rs. 136 million) respectively.

11.3 Aggregate commitments for capital expenditure as at 31 December 2022 amount to Rs. 2.6 billion (30 June 2022: Rs. 3.1 billion).

11.4 Aggregate commitments in respect of ujah payments for ijarah financing of motor vehicles from First Habib Metro is three months KIBOR + 0.9% (30 June 2022: 3 months KIBOR + 0.75%) while from Meezan Bank it ranges from 3 to 6 months KIBOR + 1.25% (30 June 2022: 3 to 6 months KIBOR + 1.25%) for rentals payable monthly as at 31 December 2022 amount to:

	<b>31 December 2022 (Unaudited)</b>	30 June 2022 (Audited)
(Rupees in '000)		
Not later than one year	401,050	330,443
Later than one year but not later than five years	870,253	755,640
	<b>1,271,303</b>	1,086,083

National Foods Limited Notes to the Condensed Interim Unconsolidated  
Financial Statements (Unaudited)

For the six months period ended December 31, 2022

12. SALES - NET

		Six months ended	
		31 December 2022 (Unaudited)	31 December 2021 (Unaudited)
		(Rupees in '000)	
Local sales		15,996,414	15,278,989
Export sales	12.1	929,515	1,119,585
		<b>16,925,929</b>	16,398,574
Less: Sales tax		(2,100,635)	(2,087,694)
		<b>14,825,294</b>	14,310,880
Less:			
- Discount, rebates and allowances		(2,637,338)	(2,620,099)
- Sales return		(292,155)	(281,588)
		<b>(2,929,493)</b>	(2,901,687)
		<b>11,895,801</b>	11,409,193

12.1 Exports sales mainly represents sales made to National Foods DMCC Dubai - a wholly owned subsidiary of the Company.

12.2 Revenue is disaggregated by primary geographical market.

12.3 Management reviews revenue and other financial results based on major product division. During the six months period ended 31 December 2022, revenue of the Condiments division was Rs. 7,911 million (31 December 2021: Rs. 6,251 million), and Culinary division was Rs. 9,015 million (31 December 2021: Rs. 10,147 million).

12.4 The Company's customer base is diverse with no single customer accounting for more than 10% of net sales. Sales to domestic customers in Pakistan are 94.51% (31 December 2021: 93.17%) and to customer outside Pakistan are 5.49% (31 December 2021: 6.83%) of the revenue.

National Foods Limited Notes to the Condensed Interim Unconsolidated  
Financial Statements (Unaudited)

For the six months period ended December 31, 2022

13. OTHER EXPENSES

This includes donations of Rs. 20.6 million in relation to Flood Relief.

14. OTHER INCOME

This includes gain of Rs. 149 million (31 December 2021: Rs.144 million) on translation of foreign currency balances.

15. TAXATION - NET

Current  
Deferred

16. EARNINGS PER SHARE - BASIC AND DILUTED

Profit after taxation attributable to ordinary shareholders

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

Earnings per share - basic and diluted

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

		Six months ended	
		31 December 2022 (Unaudited)	31 December 2021 (Unaudited)
		(Rupees in '000)	
		<b>196,365</b>	275,959
		<b>34,726</b>	3,137
		<b>231,091</b>	279,096

		Six months ended	
		31 December 2022 (Unaudited)	31 December 2021 (Unaudited)
		(Rupees in '000)	
		<b>483,155</b>	816,748
		Number of Shares (In '000)	
		<b>233,115</b>	233,115
		Rupees	
		<b>2.07</b>	3.50

## Financial Statements (Unaudited)

For the six months period ended December 31, 2022

## 17. CASH GENERATED FROM OPERATIONS

	31 December 2022 (Unaudited)	31 December 2021 (Unaudited)
	(Rupees in '000)	
<b>Profit before taxation</b>	714,246	1,095,844
Adjustment for non-cash charges and other items		
Depreciation	335,945	292,186
Amortisation	9,021	14,303
Loss/ (gain) on disposal of property, plant and equipment	8,046	(3,264)
(Reversal)/ provision for slow moving stock	(89,993)	47,088
Impairment on long term investment	14,216	-
Income on short term investments	(68,099)	(37,291)
Finance cost	227,628	68,384
Retirement benefits expense	-	2,045
	436,764	383,451
	1,151,010	1,479,295
<b>Working capital changes</b>		
<i>(Increase) / decrease in current assets</i>		
Stores, spare parts and loose tools	(14,693)	(9,816)
Stock-in-trade	(633,049)	(943,725)
Trade debts	1,116,001	4,085
Advances	(471,277)	(839,896)
Deposits and prepayments	(19,425)	(55,331)
Other receivables	-	10,699
Sales tax refundable	(208,013)	38,998
	(230,455)	(1,794,986)
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	(819,774)	637,937
Contract liability	135,767	(262,041)
	(684,007)	375,896
	236,549	60,205
	31 December 2022 (Unaudited)	31 December 2021 (Unaudited)
	(Rupees in '000)	
Cash and bank balances	1,291,894	1,925,195
Running finance	(1,439,753)	(2,179,367)
	(147,859)	(254,172)

## 18. CASH AND CASH EQUIVALENTS

## Financial Statements (Unaudited)

For the six months period ended December 31, 2022

## 19. TRANSACTIONS WITH RELATED PARTIES

	31 December 2022 (Unaudited)	30 June 2022 (Audited)
	(Rupees in '000)	
<b>19.1 Balance outstanding:</b>		
Receivable from the parent company	6,636	-
Receivable from the subsidiary company	595,871	655,692
Payable to the subsidiary company	31,998	-
Payable to associated companies - net	47,610	25,593
Payable to the defined contribution plan	15,958	4,963
Due to Directors	90	33
	31 December 2022 (Unaudited)	31 December 2021 (Unaudited)
	(Rupees in '000)	
<b>19.2 Transactions during the period:</b>		
<b>Parent company:</b>		
Rental income	1,725	1,516
Dividend paid	394,934	312,375
Bonus share issued (at face value)	-	19,523
Reimbursement of expenses	5,337	-
<b>Subsidiary company:</b>		
Sale of goods - net	877,188	1,119,585
<b>Associated Companies / Undertakings:</b>		
Annual subscription	2,530	2,000
Purchases	116,636	100,058
<b>Directors and their family members:</b>		
Dividend paid	409,607	363,218
Bonus shares issued (at face value)	-	22,701
<b>Staff retirement funds:</b>		
Expense charged for defined contribution plan	46,304	38,033
Payment to defined contribution plan	35,309	72,375
Charge during the period to the defined benefit plan	-	2,045
Payment during the period to the defined benefit plan	-	15,621
<b>Key management personnel and their family members:</b>		
Salaries and other short-term employee benefits	461,557	412,618
Reimbursement of expenses	12,021	4,371
Directors' Fee	2,150	2,550
Contribution to the Provident Fund	13,285	11,346
Post retirement benefits of Executive Directors	-	2,045

National Foods Limited Notes to the Condensed Interim Unconsolidated  
**Financial Statements (Unaudited)**

For the six months period ended December 31, 2022

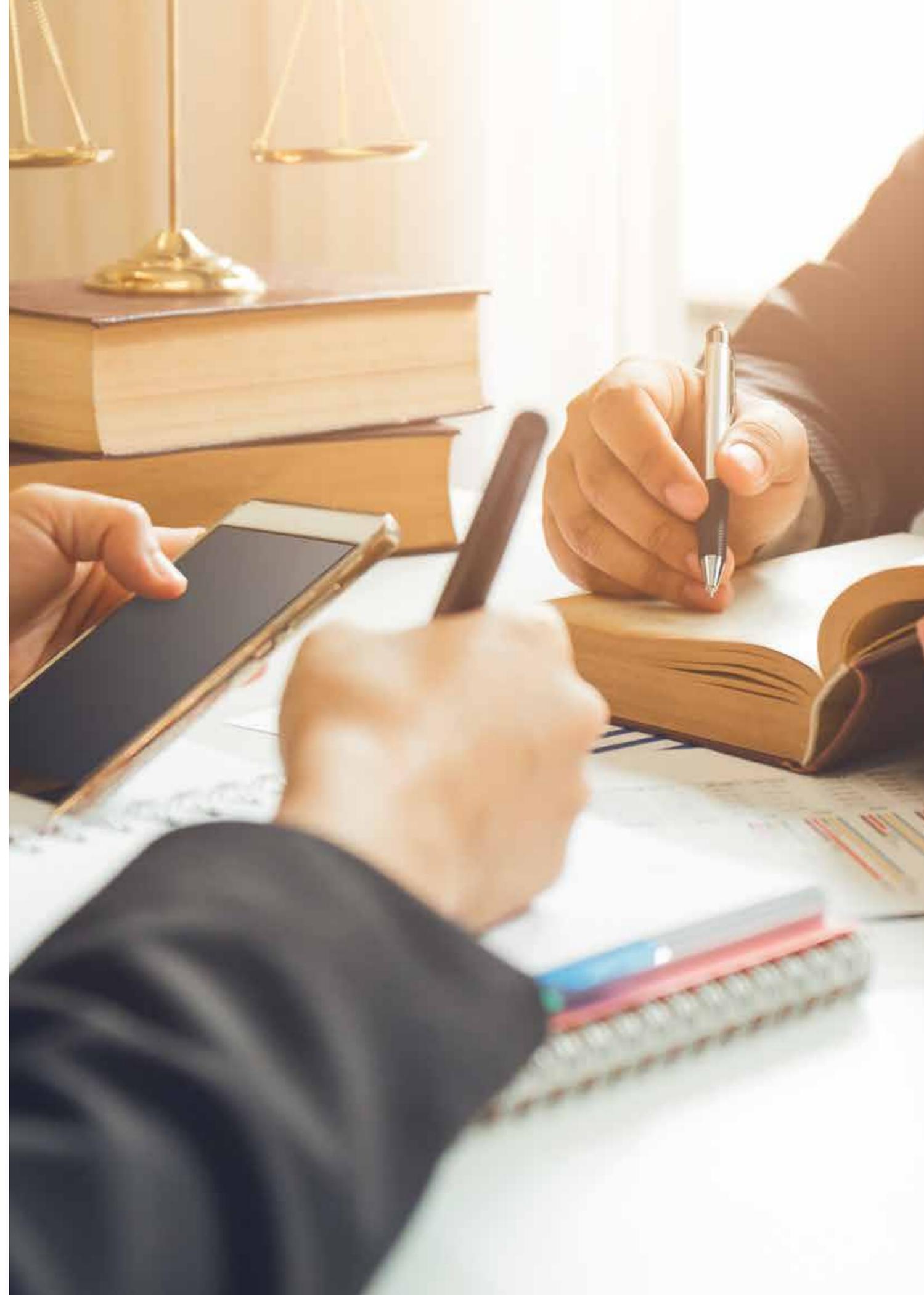
**20. OPERATING SEGMENT**

20.1 These financial statements have been prepared on the basis of a single reportable segment.

20.2 All non current assets of the Company as of reporting date are located in Pakistan.

**21. GENERAL**

These condensed interim unconsolidated financial statements were authorised for issue by the Board of Directors in their meeting held on February 27, 2023.



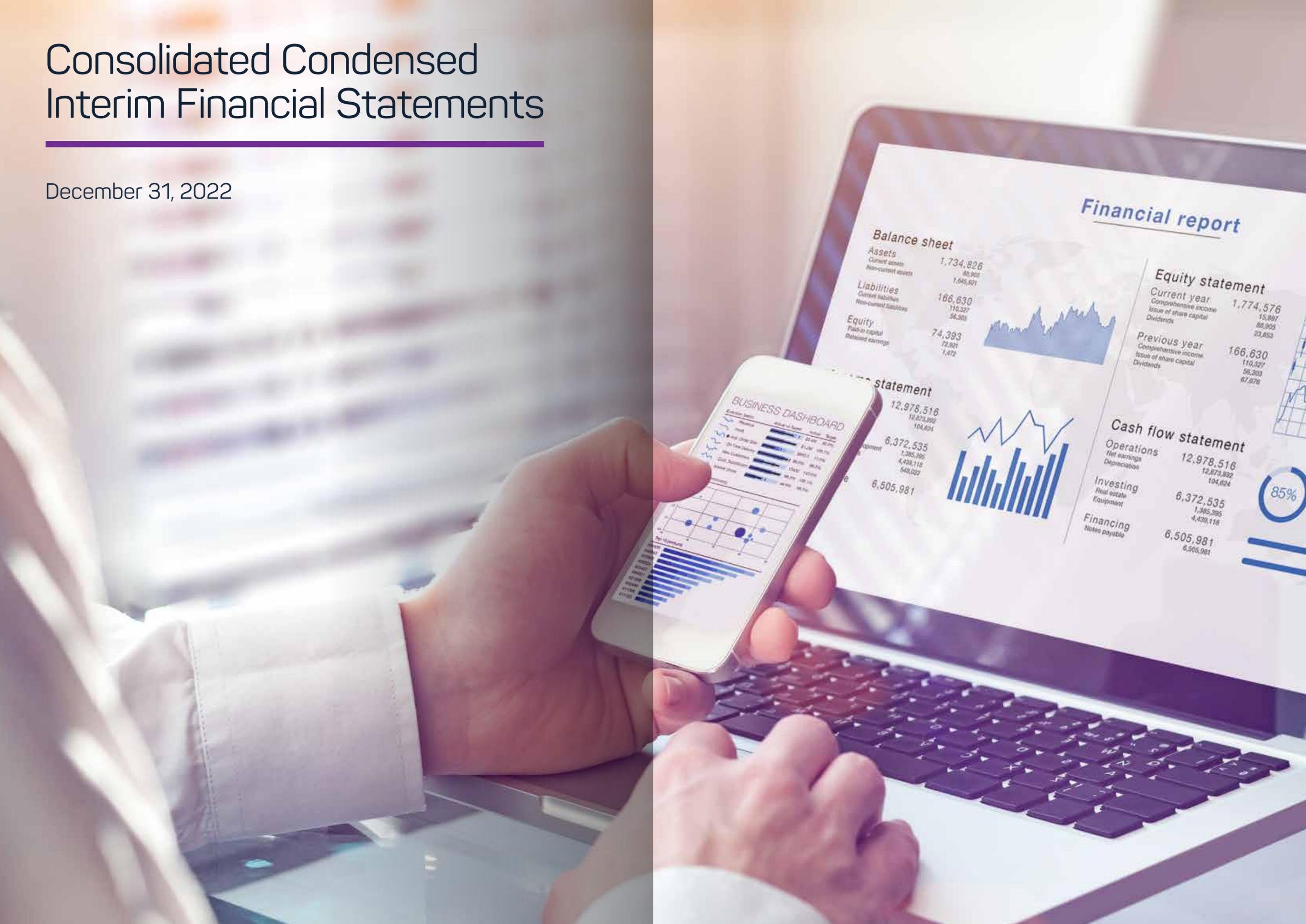
Chief Executive Officer

Chief Financial Officer

Director

# Consolidated Condensed Interim Financial Statements

December 31, 2022



## Financial report

### Balance sheet

<b>Assets</b>	
Current assets	1,734,826
Non-current assets	80,905
	1,645,921
<b>Liabilities</b>	
Current liabilities	166,630
Non-current liabilities	110,327
	56,303
<b>Equity</b>	
Paid-in capital	74,393
Retained earnings	72,921
	1,472

### Equity statement

<b>Current year</b>		1,774,576
Comprehensive income		15,897
Issue of share capital		88,905
Dividends		23,853
<b>Previous year</b>		166,630
Comprehensive income		110,327
Issue of share capital		56,303
Dividends		67,876

### Cash flow statement

<b>Operations</b>		12,978,516
Net earnings		12,873,892
Depreciation		104,624
<b>Investing</b>		6,372,535
Real estate		1,385,395
Equipment		4,439,116
<b>Financing</b>		6,505,981
Notes payable		6,505,981

### Income statement

	12,978,516
	12,873,892
	104,624
	6,372,535
	1,385,395
	4,439,116
	6,505,981

### BUSINESS DASHBOARD



# National Foods Limited Consolidated Condensed Interim Statement of Financial Position (Unaudited)

As at December 31, 2022

	Note	31 December 2022 (Unaudited)	30 June 2022 (Audited)
(Rupees in '000)			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	11,900,663	9,894,748
Intangibles and goodwill	6	1,142,739	972,163
Long-term investment	7	-	14,216
Long-term deposits		40,720	40,563
Deferred assets		53,656	53,656
		<b>13,137,778</b>	<b>10,975,347</b>
<b>Current assets</b>			
Stores, spare parts and loose tools		182,743	168,050
Stock-in-trade	8	11,117,326	9,459,718
Trade debts		1,969,938	2,723,850
Advances		1,268,545	806,235
Deposits and prepayments		425,250	499,110
Other receivables		287	273
Sales tax refundable		208,013	-
Short-term investments at FVTPL	9	1,630,596	1,324,795
Cash and bank balances		1,561,479	1,137,335
		<b>18,364,177</b>	<b>16,119,365</b>
		<b>31,501,955</b>	<b>27,094,712</b>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised share capital 1,000,000,000 (30 June 2022: 1,000,000,000) ordinary shares of Rs. 5 each		5,000,000	5,000,000
<i>Share capital</i>			
Issued, subscribed and paid-up capital		1,165,576	1,165,576
<i>Revenue Reserves</i>			
Unappropriated profit		6,747,507	6,961,970
Foreign exchange translation reserve		790,103	577,421
<b>Equity attributable to owners of the Company</b>		<b>8,703,186</b>	<b>8,704,968</b>
Non-controlling interest		964,190	767,772
<b>Total equity</b>		<b>9,667,376</b>	<b>9,472,740</b>
<b>Non-current liabilities</b>			
Long-term finance and deferred income	10	4,177,312	511,586
Lease liabilities		1,972,783	1,680,976
Long-term deposits		5,728	5,444
Deferred taxation - net		252,561	199,510
Long term provisions		13,171	22,461
Deferred liabilities		7,156	6,340
		<b>6,428,711</b>	<b>2,426,316</b>
<b>Current liabilities</b>			
Trade and other payables		7,212,008	7,781,881
Contract liabilities		279,040	109,100
Short-term borrowings	11	5,629,918	4,883,090
Current maturity of long-term finance and deferred income classified as current - secured	10	331,477	613,650
Current portion of lease liabilities		404,523	433,964
Mark-up accrued on bank borrowings		216,948	80,882
Unclaimed dividend		58,938	23,161
Taxation - net		1,273,016	1,269,928
		<b>15,405,868</b>	<b>15,195,655</b>
<b>Commitments</b>			
	12		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>31,501,955</b>	<b>27,094,712</b>

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

Chief Executive Officer

Chief Financial Officer

Director

# National Foods Limited Consolidated Interim Statement of Profit or Loss & Other Comprehensive Income (Unaudited)

For the six months period ended December 31, 2022

	Note	Quarter ended		Six months ended	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
(Rupees in '000)					
Sales - net	13	13,483,758	10,357,137	26,611,726	20,334,099
Cost of sales		(9,644,139)	(7,461,999)	(19,263,254)	(14,548,676)
<b>Gross Profit</b>		<b>3,839,619</b>	<b>2,895,138</b>	<b>7,348,472</b>	<b>5,785,423</b>
Distribution costs		(2,252,249)	(1,755,390)	(4,158,192)	(3,159,608)
Administrative expenses		(461,994)	(424,742)	(1,144,337)	(847,840)
Other expenses		(64,512)	(29,593)	(92,071)	(81,786)
Other income		7,638	82,596	222,089	207,623
<b>Operating profit</b>		<b>1,068,502</b>	<b>768,009</b>	<b>2,175,961</b>	<b>1,903,812</b>
Finance costs		(261,060)	(105,267)	(448,511)	(187,419)
<b>Profit before tax</b>		<b>807,442</b>	<b>662,742</b>	<b>1,727,450</b>	<b>1,716,393</b>
Taxation - net	14	(264,180)	(137,727)	(498,852)	(406,302)
<b>Profit after tax</b>		<b>543,262</b>	<b>525,015</b>	<b>1,228,598</b>	<b>1,310,091</b>
<b>Other comprehensive income</b>					
Items that may be reclassified subsequently to profit or loss:					
Foreign operations - Exchange differences on translation of foreign operations		13,370	87,545	144,437	187,474
<b>Total comprehensive income for the period</b>		<b>556,632</b>	<b>612,560</b>	<b>1,373,035</b>	<b>1,497,565</b>
<b>Profit attributable to:</b>					
Owners of the Holding Company		424,638	462,487	951,113	1,173,249
Non-controlling interest		118,624	62,528	277,485	136,842
		<b>543,262</b>	<b>525,015</b>	<b>1,228,598</b>	<b>1,310,091</b>
Total comprehensive income attributable to:					
Owners of the Holding Company		446,080	534,160	1,163,795	1,351,909
Non-controlling interest		110,552	78,400	209,240	145,656
		<b>556,632</b>	<b>612,560</b>	<b>1,373,035</b>	<b>1,497,565</b>
		(Rupees)		(Rupees)	
Earnings per share (basic and diluted)	13	1.82	1.98	4.08	5.03

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

Chief Executive Officer

Chief Financial Officer

Director

## National Foods Limited Consolidated Condensed Interim Statement of Changes in Equity

For the six months period ended December 31, 2022

	Attributable to shareholders of the Parent Company			Non controlling interest	Total equity	
	Share capital	Retained earnings	Foreign currency translation reserve			
	(Rupees in '000)					
Balance as at 1 July 2021	932,461	5,703,120	2,756	6,638,337	635,103	7,273,440
<b>Total comprehensive income for the six months ended 31 December 2021</b>						
Profit for the period	-	1,173,249	-	1,173,249	136,842	1,310,091
Other comprehensive income	-	-	178,660	178,660	8,814	187,474
<b>Transaction with owners</b>						
Final cash dividend for the year ended 30 June 2021 @ Rs. 5 per ordinary share	-	(932,462)	-	(932,462)	-	(932,462)
Dividend paid to NCI	-	-	-	-	(8,506)	(8,506)
1 Ordinary share for each 4 ordinary shares held - allotted as bonus shares for the year ended 30 June 2021	233,115	233,115	-	-	-	-
<b>Balance as at 31 December 2021</b>	<b>1,165,576</b>	<b>5,710,792</b>	<b>181,416</b>	<b>7,057,784</b>	<b>772,253</b>	<b>7,830,037</b>
Balance as at 1 July 2022	1,165,576	6,961,970	577,421	8,704,967	767,772	9,472,739
<b>Total comprehensive income for the six months ended 31 December 2022</b>						
Profit for the period	-	951,113	-	951,113	277,485	1,228,598
Other comprehensive income for the period	-	-	212,682	212,682	(68,245)	144,437
<b>Transaction with owners</b>						
Final cash dividend for the year ended 30 June 2022 @ Rs. 5 per ordinary share	-	(1,165,576)	-	(1,165,576)	-	(1,165,576)
Dividend paid to NCI	-	-	-	-	(12,822)	(12,822)
<b>Balance as at 31 December 2022</b>	<b>1,165,576</b>	<b>6,747,507</b>	<b>790,103</b>	<b>8,703,186</b>	<b>964,190</b>	<b>966,737</b>

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

Chief Executive Officer

Chief Financial Officer

Director

## National Foods Limited Consolidated Condensed Interim Statement of Cash Flows (Unaudited)

For the six months period ended December 31, 2022

	Note	31 December 2022	31 December 2021
		(Unaudited)	(Unaudited)
(Rupees in '000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	16	982,630	718,738
Finance cost paid		(311,636)	(190,582)
Income tax paid		(444,272)	(371,662)
Retirement benefits obligations paid		-	(48,805)
Long term deposits		67	(5,609)
<b>Net cash generated from operating activities</b>		<b>226,789</b>	<b>102,080</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(2,779,694)	(1,310,384)
Proceeds from disposal of fixed assets		97,949	12,080
Purchase of intangible assets		(3,062)	(7,410)
(Purchase)/ redemption of short term investment - net		(237,702)	284,546
<b>Net cash used in investing activities</b>		<b>(2,922,509)</b>	<b>(1,021,168)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from short term borrowings - net		2,575,000	1,000,000
Repayment of long term finance - net		3,358,551	90,878
Lease rental paid		152,730	-
Dividend paid		(1,142,622)	(938,122)
<b>Net cash flows from financing activities</b>		<b>4,943,660</b>	<b>152,756</b>
Net increase / (decrease) in cash and cash equivalents		2,247,940	(766,332)
Cash and cash equivalents at beginning of the year		(2,473,377)	834,861
Currency translation difference on cash and cash equivalents		(18,003)	(4,119)
Cash and cash equivalents at end of the year	17	(243,440)	(64,410)

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

Chief Executive Officer

Chief Financial Officer

Director

# National Foods Limited Notes to the Consolidated Condensed Interim Financial Statements (Unaudited)

For the six months period ended December 31, 2022

## 1. THE GROUP AND ITS OPERATIONS

### 1.1 The group consists of:

- i) Parent Company - National Foods Limited
- ii) Subsidiary Company - National Foods DMCC, Dubai, United Arab Emirates.

#### National Foods Limited

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

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

1.3 Details of the subsidiary companies are as follows:

#### National Foods DMCC

The Parent Company has a wholly owned (100%) subsidiary which was set up in United Arab Emirates in 2012 and is carried at cost. The subsidiary was formed as a limited liability company and commenced operations from March 2013. National Foods DMCC (NF DMCC) was registered on 7 November 2012 in Dubai Multi Commodities Centre ("DMCC") pursuant to Dubai (DMCC) Law No. 4 of 2001 and operates in the United Arab Emirates ("UAE") under a trade license issued by DMCC. The registered address of the Company is Unit No. R30-26, Floor No. 30, R Serviced Offices JLT, Reef Tower, Plot No. 01 Jumeirah Lakes Towers Dubai, United Arab Emirates.

The primary objective of NF DMCC is to boost export sales of its parent company through trading in food stuff and other services. NF DMCC also has following two wholly owned direct subsidiaries, one indirect subsidiary and one newly incorporated group Company as follows:

#### National Foods Pakistan (UK) Limited

National Foods Pakistan (UK) Limited was incorporated in United Kingdom on 29 May 2013 as a private company under the UK Companies Act, 2006. The company is a wholly owned subsidiary of National Foods DMCC and will be principally engaged in the trading of food products, although currently it is not operational.

#### National Epicure Inc.

National Epicure Inc. ("NEI") was incorporated in Canada on 16 October 2013 under the Canada Business Corporations Act. NEI is a wholly owned subsidiary of National Foods DMCC. NEI is the parent company of A-1 Bags & Supplies Inc. as mentioned below.

# National Foods Limited Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the six months period ended December 31, 2022

#### A-1 Bags & Supplies Inc.

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

#### National Epicure USA Inc.

National Epicure USA Inc. was incorporated in USA on 1 December 2021 under the General Corporation Law of the State of Delaware, USA with an authorized share capital of 500 shares with a par value of \$0.0001 per share. Shares have not yet been issued by this entity and has not commenced its operations. The company is a subsidiary of National Foods DMCC.

1.4 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; and
- Plot No. 346 & 347 Phase - 2, M-3 Industrial City, Faisalabad. (Not Operational)

#### Sales offices:

- Office No.107, 1st Floor Parsa Tower, Sharah-e-Faisal, Karachi;
- Office No.309, 3rd Floor Parsa Tower, Shahrah-e-Faisal, Karachi;
- Office No. 84/2 Bomanji Square, Nusrat Road, Adali Colony, Multan;
- 18-CCA (Commercial Area), Phase VIII, DHA Lahore, Cantt;
- Plot No. 25, Din Plaza, Canal Road, Main Gate Canal View Housing Society, Gujranwala; and
- 1st Floor, Bilal Complex, Main PWD Road, Sector O-9, Islamabad.
- 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
- 7300 Torbram Road, Mississauga, Ontario

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

These consolidated 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 as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standards 34 "Interim Financial Reporting" (IAS 34) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act).
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Act.
- Provisions of and directives issued under the Act.

## National Foods Limited Notes to the Consolidated Condensed Interim Financial Statements (Unaudited)

For the six months period ended December 31, 2022

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

**2.2** These condensed interim consolidated financial statements do not include all the informations and disclosures required for annual consolidated financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Company as at and for the year ended 30 June 2022.

### 2.3 Basis of Consolidation

**2.3.1** The condensed interim financial statements of the subsidiary company has been consolidated on line by line basis. The carrying value of investments held by the holding company is eliminated against the subsidiary's share capital and pre-acquisition reserve.

**2.3.2** Non-controlling interest has been presented as a separate line item in these consolidated condensed interim financial statements. All material intercompany balances have been eliminated.

### 2.4 Functional and presentation currency

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

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

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimating the uncertainty were the same as those that applied to the audited annual financial statements as at and for the year ended 30 June 2022.

The financial risk management objectives and policies adopted by the Group are consistent with those disclosed in the audited annual financial statements as at and for the year ended 30 June 2022.

## 4. SIGNIFICANT ACCOUNTING POLICIES

**4.1** The significant estimates and judgements made by management in applying the Company's accounting policies and the key sources of estimating the uncertainty were the same as those that applied to the audited annual financial statements as at and for the year ended 30 June 2022.

**4.2** The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the audited annual financial statements as at and for the year ended 30 June 2022.

## National Foods Limited Notes to the Consolidated Condensed Interim Financial Statements (Unaudited)

For the six months period ended December 31, 2022

	Note	31 December 2022 (Unaudited)	30 June 2022 (Audited)
<b>(Rupees in '000)</b>			
<b>5</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
	Operating fixed assets	6,267,525	5,771,250
	Capital work-in-progress	3,096,803	2,147,899
	Right-of-use assets	2,536,335	1,975,599
		<b>11,900,663</b>	<b>9,894,748</b>
<b>5.1</b>	Following are the additions and disposals of property, plant and equipment:		
		<b>31 December 2022 (Unaudited)</b>	<b>31 December 2021 (Unaudited)</b>
<b>(Rupees in '000)</b>			
	<b>Additions/ transfer from CWIP</b>		
	Freehold land	-	207,015
	Building on Leasehold land	85,115	89,639
	Plant & machinery	417,679	157,055
	Computers	41,895	26,407
	Motor vehicles - Owned	128,204	53,718
	Furniture & fittings	220,969	33,420
	Office, laboratory and other equipments	83,264	6,150
		<b>977,126</b>	<b>573,404</b>
	Additions to operating fixed assets include transfers of Rs. 184.70 million (31 December 2021: Rs. 292.56 million) from capital work in progress balance as at 30 June 2022.		
		<b>31 December 2022 (Unaudited)</b>	<b>31 December 2021 (Unaudited)</b>
<b>(Rupees in '000)</b>			
	Disposals - Net book value		
	Vehicles [cost Rs. 118.3 million (31 December 2021: Rs. 10.6 million)]	99,383	8,816
	Plant and machinery [cost Rs. 32.6 million (31 December 2021: Nil)]	3,437	-
	Computer equipments [cost Rs. 1.9 million (31 December 2021: Rs. 0.157 million)]	20	-
<b>5.2</b>	This includes civil works of Rs. 2,801 million (30 June 2022: Rs.1,908 million) and Plant & Machinery and Other Equipments of Rs. 295 million (30 June 2022: Rs. 240 million).		

## Financial Statements (Unaudited)

For the six months period ended December 31, 2022

## 5.3 Right-of-use Assets

	31 December 2022			
	Properties	Equipment	Vehicles	Total
	(Rupees in '000)			
<b>Cost</b>				
Balance at 1 July 2022	2,219,562	17,700	149,467	2,386,729
Addition	705,536	-	-	705,536
<b>Balance at 31 December 2022</b>	<b>2,925,098</b>	<b>17,700</b>	<b>149,467</b>	<b>3,092,265</b>
<b>Accumulated Depreciation</b>				
Balance at 1 July 2022	671,178	12,753	71,393	755,324
Charge for the year	223,719	2,587	21,149	247,456
<b>Balance at 31 December 2022</b>	<b>894,897</b>	<b>15,340</b>	<b>92,542</b>	<b>1,002,779</b>
Effect of movements in exchange rates	422,050	2,139	22,660	446,849
<b>Net Book Value December 31, 2022</b>	<b>2,452,251</b>	<b>4,498</b>	<b>79,586</b>	<b>2,536,335</b>
	30 June 2022			
	Properties	Equipment	Vehicles	Total
	(Rupees in '000)			
<b>Cost</b>				
Balance at 1 July 2021	1,390,885	17,700	101,070	1,509,655
Addition	828,677	-	48,397	877,074
<b>Balance at 30 June 2022</b>	<b>2,219,562</b>	<b>17,700</b>	<b>149,467</b>	<b>2,386,729</b>
<b>Accumulated Depreciation</b>				
Balance at 1 July 2021	342,861	8,357	40,014	391,232
Charge for the year	328,317	4,396	31,379	364,091
<b>Balance at 30 June 2022</b>	<b>671,178</b>	<b>12,753</b>	<b>71,393</b>	<b>755,324</b>
Effect of movements in exchange rates	324,842	1,777	17,575	344,193
<b>Net Book Value June 30, 2022</b>	<b>1,873,226</b>	<b>6,724</b>	<b>95,649</b>	<b>1,975,599</b>

## 6. INTANGIBLES AND GOODWILL

During the period, A1 bags & Suppliers Inc. have acquired a store from Felix Wholesale Ltd. An intangible and goodwill have been arisen from the acquisition of the store amounting to Rs. 140 million.

	31 December 2022 (Unaudited)	30 June 2022 (Audited)
	(Rupees in '000)	
Note		
	<b>30,000</b>	30,000
	<b>(30,000)</b>	(15,784)
	<b>-</b>	14,216

## 7. LONG TERM INVESTMENTS

## Investment at fair value through profit or loss (FVTPL)

Naymat Collateral Management Company Limited (NCMCL)

Less: Provision for Impairment

7.1

## Financial Statements (Unaudited)

For the six months period ended December 31, 2022

7.1 The management, under prudence, has decided to fully impair the above investment as the investee company is still incurring losses. Moreover, material uncertainty relating to going concern is also disclosed in the audited financial statements of NCMCL as at 30 June 2022.

## 8. STOCK IN TRADE

Raw materials  
Provision for obsolescence

Packing materials  
Provision for obsolescence

Work-in-process  
Provision for obsolescence

Finished goods  
Provision for obsolescence

8.1 During the year, the Company has charged provision for obsolescence of Rs. 89.99 million (30 June 2022: Rs. 355.77 million).

## 9. SHORT TERM INVESTMENTS AT FVTPL

Investments in Mutual Funds

## 10. LONG TERM FINANCE AND DEFERRED INCOME

## LONG TERM FINANCE

Secured long-term finances utilised under mark-up arrangements 10.1

Classified under current liability

31 December 2022  
(Unaudited)

30 June 2022  
(Audited)

(Rupees in '000)

	<b>3,003,264</b>	3,185,293
	<b>(55,851)</b>	(78,559)
	<b>2,947,413</b>	3,106,734
	<b>1,057,138</b>	749,519
	<b>(96,523)</b>	(170,659)
	<b>960,615</b>	578,860
	<b>2,018,379</b>	1,689,635
	<b>(83,968)</b>	(72,348)
	<b>1,934,411</b>	1,617,287
	<b>5,379,296</b>	4,204,232
	<b>(104,409)</b>	(47,395)
	<b>5,274,886</b>	4,156,837
	<b>11,117,326</b>	9,459,718

31 December 2022  
(Unaudited)

30 June 2022  
(Audited)

(Rupees in '000)

	<b>1,630,596</b>	1,324,795
	<b>31,000</b>	30,000
	<b>(31,000)</b>	(15,784)
	<b>-</b>	14,216

Note

(Rupees in '000)

	<b>4,508,789</b>	1,123,199
	<b>(331,477)</b>	(611,613)
	<b>4,177,312</b>	511,586

## Financial Statements (Unaudited)

For the six months period ended December 31, 2022

## DEFERRED INCOME

Deferred income - government grant  
Current portion of deferred income - government grant

-	2,037
-	(2,037)
-	-
<b>4,177,312</b>	<b>511,586</b>

- 10.1** These finances carries markup ranging from 3 months Kibor + 0.1% to 3 months Kibor + 0.4%. The loans are secured by way of hypothecation of Company's present and future fixed assets. Loan tenures range from 3 years to 10 years. These loans are fully repayable in quarterly installments of Rs. 23.33 million between January 2023 to December 2029.

	Note	31 December 2022 (Unaudited)	30 June 2022 (Audited)
		(Rupees in '000)	
<b>11. SHORT TERM BORROWINGS</b>			
<i>Conventional</i>			
Running finance under mark up arrangements	11.1	1,189,936	1,828,359
Demand operating loan	11.2	365,164	613,207
Export re-finance	11.3	800,000	800,000
Money Market Loan	11.4	3,025,000	450,000
<i>Islamic</i>			
Running finance under Musharika	11.5	249,818	1,191,524
		<b>5,629,918</b>	<b>4,883,090</b>

- 11.1** The facilities for running finance available from various commercial banks are for the purpose of meeting working capital requirements. The effective rates of mark-up on these finances range from 14.4% to 16.6% (30 June 2022: 9.77% to 10.30%) per annum. The facilities are valid upto 31 May 2023.
- 11.2** A demand operating loan has been authorized by Toronto Dominion ("TD") bank to a maximum of AED 29.81 million and bears interest at TD bank's prime lending rate plus 0.3% per annum and is secured by a general security agreement, an assignment of insurance and postponement of related party loans. As at 31 December 2022, the Company has used AED 6.93 million (2022: AED 10.86 million) of the bank credit facility.
- 11.3** The Company has short term running finance facility under Export Refinance Scheme of the State Bank of Pakistan from a commercial bank. The effective rate of mark-up on this facility ranges from 9.5% - 10% (30 June 2022: 2.5%) per annum. The facilities offer are valid upto 30 June 2023.

## Financial Statements (Unaudited)

For the six months period ended December 31, 2022

- 11.4** The company has obtained these loans from various banks. These loans carry markup ranging between 16.38% to 16.54%. These loan facilities are valid up to 6 months.

- 11.5** The Company has obtained facilities for short-term finance under Running Musharakah. The effective rate of profit is 16.45% to 16.65% (30 June 2022: 14.21% to 14.41%) per annum. This facility matures within twelve months and is renewable. The facilities offer are valid upto 31 December 2023.

**12 COMMITMENTS**

- 12.1** There are cases against the company which are outstanding as at 31 December 2022. The management is confident that the decision will be in favor of the Company.

- 12.2** The facilities for opening letters of credit amount to Rs. 4.2 billion (30 June 2022: Rs. 4.3 billion) and for letters of guarantee amount to Rs. 531 million (30 June 2022: Rs. 515 million) as at 31 December 2022 of which the amount remaining unutilized at period end were Rs 2.8 billion (30 June 2022: Rs. 3.49 billion) & 168 million (30 June 2022: Rs. 136 million) respectively.

- 12.3** Aggregate commitments for capital expenditure as at 31 December 2022 amount to Rs. 2.6 billion (30 June 2022: Rs. 3.0 billion).

- 12.4** Aggregate commitments in respect of ujarah payments for ijarah financing of motor vehicles from First Habib Metro is three months KIBOR + 0.9% (30 June 2022: 3 months KIBOR + 0.75%) while from Meezan Bank it ranges from 3 to 6 months KIBOR + 1.25% (30 June 2022: 3 to 6 months KIBOR + 1.25%) for rentals payable monthly as at 31 December 2022 amount to:

	31 December 2022 (Unaudited)	30 June 2022 (Audited)
	(Rupees in '000)	
Not later than one year	401,050	330,443
Later than one year but not later than five years	870,253	755,640
	<b>1,271,303</b>	<b>1,086,083</b>

**13. SALES - NET**

Gross sales  
Local sales  
Export sales

Sales tax

Less:

Discount rebates and allowances  
Sales return

	31 December 2022 (Unaudited)	31 December 2021 (Unaudited)
	(Rupees in '000)	
Gross sales	15,996,414	15,278,989
Local sales	16,425,897	10,392,889
Export sales	32,422,310	25,671,878
Sales tax	(2,881,091)	(2,562,883)
	<b>29,541,219</b>	<b>23,108,995</b>
Less:		
Discount rebates and allowances	(2,637,338)	(2,493,308)
Sales return	(292,155)	(281,588)
	<b>(2,929,493)</b>	<b>(2,774,896)</b>
	<b>26,611,726</b>	<b>20,334,099</b>

## Financial Statements (Unaudited)

For the six months period ended December 31, 2022

13.1 Revenue is disaggregated by primary geographical market.

13.2 Management reviews revenue and other financial results based on major product division. During the six months period ended 31 December 2022, revenue of the Condiments division was Rs. 8,012 million (31 December 2021: Rs. 6,366 million), and Culinary division was Rs. 9,067 million (31 December 2021: Rs. 10,334 million). Revenue from A1 amounted to Rs. 15,343 million (31 December 2021: 8,972 million)

	Six months ended	
	31 December 2022 (Unaudited)	31 December 2021 (Unaudited)
	(Rupees in '000)	
<b>14. TAXATION - NET</b>		
- Current	464,126	403,165
- Deferred	34,726	3,137
	<u>498,852</u>	<u>406,302</u>
	Six months ended	
	31 December 2022 (Unaudited)	31 December 2021 (Unaudited)
	(Rupees in '000)	
Profit after taxation attributable to owners of the Parent Company	<u>951,113</u>	<u>1,173,249</u>
	Number of share (In '000)	
Weighted average number of ordinary shares outstanding during the period	<u>233,115</u>	<u>233,115</u>
	Rupees	
Earning per share - basic and diluted	<u>4.08</u>	<u>5.03</u>
	31 December 2022 (Unaudited)	31 December 2021 (Unaudited)
	(Rupees in '000)	
<b>16. CASH FLOWS FROM OPERATIONS</b>		
Profit before taxation	1,727,450	1,723,393
Adjustments for non-cash charges and other items		
Depreciation on property, plant and equipment	673,612	357,682
Amortization on intangibles	18,122	21,970
Gain on disposal of fixed assets	8,046	3,264
Finance cost	448,511	192,177
(Reversal against) / provision for slow moving and obsolete stock	(89,993)	47,088
Income on short term investment	(68,099)	(37,291)
Impairment on long term investment	14,216	-
Retirement benefits obligation expense	144	2,045
Working capital changes	(1,749,379)	(1,585,062)
	<u>(744,820)</u>	<u>(1,004,655)</u>
Cash generated from operations	<u>982,630</u>	<u>718,738</u>

## Financial Statements (Unaudited)

For the six months period ended December 31, 2022

## 16.1 Effect on cash flows due to working capital changes

	31 December 2022 (Unaudited)	31 December 2021 (Unaudited)
	(Rupees in '000)	
(Increase) / Decrease in current assets		
Stores, spares and loose tools	(14,693)	(9,816)
Stock in trade	(1,422,808)	(1,193,201)
Trade debts	1,717,802	(413,807)
Advances	(471,277)	(839,896)
Deposits and prepayments	(19,425)	(55,331)
Other receivables	(175,022)	10,699
Sales tax refundable	(208,013)	38,998
	<u>(493,496)</u>	<u>(2,462,354)</u>
(Decrease) / Increase in current liabilities		
Trade and other payables	(1,391,710)	1,139,334
Contract Liability	135,767	(262,042)
	<u>(1,255,943)</u>	<u>877,292</u>
	<u>(1,749,379)</u>	<u>(1,585,062)</u>

## 17. CASH AND CASH EQUIVALENTS

	31 December 2022 (Unaudited)	31 December 2021 (Unaudited)
	(Rupees in '000)	
Cash and bank balances	1,561,479	2,369,594
Running finance under mark up arrangements	(1,804,919)	(2,305,184)
	<u>(243,440)</u>	<u>64,410</u>

## 18. TRANSACTIONS WITH RELATED PARTIES

## 18.1 Balance outstanding:

	31 December 2022 (Unaudited)	30 June 2022 (Audited)
	(Rupees in '000)	
Receivable from the parent company	6,636	-
Payable to associated companies - net	47,610	25,593
Payable to the defined contribution plan	15,958	4,963
Due to Directors	90	33

National Foods Limited Notes to the Consolidated Condensed Interim  
**Financial Statements (Unaudited)**

For the six months period ended December 31, 2022

**18.2 TRANSACTIONS WITH RELATED PARTIES**

**Parent company**

Rental income  
 Dividend paid  
 Bonus share issued (at face value)  
 Reimbursement of expenses

**Associated companies / Undertakings**

Annual Subscription  
 Purchases

**Directors and their family members:**

Dividend paid  
 Bonus shares issued (at face value)

**Staff retirement funds**

Expense charged for defined contribution plan  
 Payment to defined contribution plan  
 Charge during the period to the defined benefit plan  
 Payment during the period to the defined benefit plan

**Key management personnel:**

Salaries and other short-term employee benefits  
 Reimbursement of expenses  
 Directors' Fee  
 Contribution to the Provident Fund  
 Post retirement benefits of Executive Directors

**31 December 2022 (Unaudited)**      31 December 2021 (Unaudited)

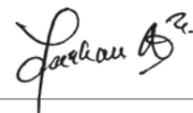
	(Rupees in '000)	
	1,725	1,516
	394,934	312,375
	-	19,523
	5,337	-
	2,530	2000
	116,636	100,058
	409,607	363,218
	-	22,701
	46,304	38,033
	35,309	72,375
	-	2,045
	-	15,621
	463,003	438,193
	12,021	4,371
	2,150	2,550
	13,285	11,346
	-	2,045

**19. GENERAL**

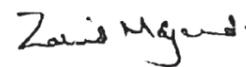
This condensed interim consolidated financial statement has been authorised for issue on February 27, 2023 by the Board of Directors of the Holding Company.



Chief Executive Officer



Chief Financial Officer



Director



# ڈائریکٹرز رپورٹ

## ساتھی حصص یافتگان (شیئرز ہولڈرز)

نیشنل فوڈ لمیٹڈ کے ڈائریکٹرز 31 دسمبر 2022 کو اختتامِ ششماہی کے لئے کمپنی کے غیر پڑتال شدہ مالیاتی نتائج پیش کرتے ہوئے خوشی محسوس کرتے ہیں، جن میں علیحدہ علیحدہ اور مجموعی مالیاتی بیانات شامل ہیں۔

## کاروباری کارکردگی کا جائزہ

### معاشی ماحول

مالی سال کی پہلی ششماہی کے دوران وسیع معاشی حالات غیر خوش کن رہے۔ عالمی افراطِ زر کے طویل دورانیے، سیاسی عدم استحکام، بڑھتی ہوئی شرح سود کے ساتھ ساتھ ریاستی ذخائر میں کمی نے جی ڈی پی کی نمو کو بری طرح متاثر کیا۔ ملکی درآمدات پر بڑی پابندی کی وجہ سے برآمدات اور ملازمین کی ترسیلاتِ زر میں کمی ہونے کے باوجود کرنٹ اکاؤنٹ خسارہ گزشتہ سال کے اسی دورانیے کی بہ نسبت کم ہوا۔

مالی سال کے لئے گروپ کے کلیدی مالی اعداد کا خلاصہ ذیل میں درج ہے:

ملین پاکستانی روپے میں رقم

## کارروائی کا عمل اور مالی کارکردگی

### مرکزی کاروبار

ہمارا کاروبار بنیادی کاروباری محاذ پر 2 فیصد کے اضافے کے ساتھ اپنی بالائی سطر کو برقرار رکھنے میں کامیاب رہا۔ مجموعی نفع میں 250bps اضافہ ہوا جو بنیادی طور پر ادارے میں شروع کئے گئے قیمت اور لاگت کو بہتر بنانے کے لائحہ عمل کا نتیجہ تھا۔ انتظامی منافع میں 13 فیصد کمی درج کی گئی جو بنیادی طور پر بالواسطہ متفرق اخراجات میں اضافے کا اثر تھا۔ بڑھتی ہوئی مالیاتی لاگت کے ہمراہ سپر ٹیکس کے اثرات نے خالص منافع کو متاثر کیا جس میں 46 فیصد کمی واقع ہوئی۔

رسد اور طلب میں مجموعی طور پر دنیا بھر میں تیزی سے کمی واقع ہونے کے نتیجے میں بین الاقوامی سطح پر کاروبار میں تناؤ رہا۔

## اے ون بیگز اینڈ سپلائرز انکارپوریشن

بنیادی طور پر پیکیجنگ، پھلوں اور سبزیوں، مشروبات اور دیگر سامان کے زمرے میں خالص فروخت میں افراطِ زر کے ساتھ 107 فیصد اضافہ ہوا، کینیڈا میں جس کی شرح اب کم ہو رہی ہے۔

	گروپ			بنیادی کاروبار			اے ون بیگز اینڈ سپلائرز انکارپوریشن		
	Change	FY22	FY23	Change	FY22	FY23	Change	FY22	FY23
کل فروخت	31%	20,334	26,612	2%	11,825	12,080	71%	8,509	14,563
مجموعی منافع	27%	5,785	7,349	8%	4,057	4,391	71%	1,728	2,958
انتظامی منافع	16%	1,778	2,057	-28%	1,223	877	107%	569	1,180
بعد از ٹیکس خالص منافع	-19%	1,177	958	-45%	977	537	111%	333	703
آمدنی فی حصص (روپے)		5.0	4.1		4.2	2.3		1.4	3.0
فیصد خالص فروخت کے مطابق									
مجموعی منافع	-0.8%	28.5%	27.6%	2.0%	34.3%	36.3%	0.0%	20.3%	20.3%
انتظامی منافع	-1.0%	8.7%	7.7%	-3.1%	10.3%	7.3%	1.4%	6.7%	8.1%
بعد از ٹیکس منافع	-2.2%	5.8%	3.6%	-3.8%	8.3%	4.4%	0.9%	3.9%	4.8%

\* دیگر آمدنی اور دیگر اخراجات کے علاوہ

\* اس میں اے ون بیگز اینڈ سپلائرز انکارپوریشن کے استحکام پر منظور شدہ غیر ماڈی منافع پر 9.1 ملین روپے (7.2:2022 ملین روپے) کی چھوٹ شامل ہے۔

## تشہیر و ترویج (مارکیٹنگ اینڈ پروموشن)

### ریسیپی مصلحہ

\* ساشے کا ٹیلی وژن کمرشل ماہ نومبر میں ٹیلی وژن اور ڈیجیٹل پلیٹ فارم پر نشر کیا گیا جس میں ساشے کی ترقی اور بہتری ریسیپی مصلحے کی نئی پیکیجنگ میں تبدیلی کے بارے میں آگہی پیدا کی گئی۔

\* کئی کنزیومر پروموشنز اور تجارتی سرگرمیاں جنہوں نے مصنوعات کے فروغ کی حوصلہ افزائی کی۔

\* کراچی ایٹ اور سول فیسٹ میں لوگوں کی بھاری تعداد نے شرکت کی۔

### کیچپ

\* زندہ دل شہروں یعنی لاہور، فیصل آباد اور سرگودھا میں فلوٹ ایکٹیویشن میں آزمائشی مقابلے

\* کھچپ کے 800 گرام پیک کی قیمت پر 20 روپے کی رعایت + ڈیجیٹل آگہی دی گئی

\* ڈیجیٹل پرنٹ ٹاک کے ساتھ آن ایئر علیحدہ املاک، اضافی پلیٹ فارم کے طور پر دریافت کیں

\* نئے صارفین کے ساتھ آزمائش کے طور پر کم عمر سامعین کے لئے ہنڈل پیشکش

## پسا ہوا اچار

\* برانڈ کی کھپت میں اضافے کے لئے پے ہوئے اچار کے لئے سوشل میڈیا پر مسلسل آگاہی پیدا کرنے کی کوششیں۔

\* یوم آزادی، موسمِ برسات، خریداری کے دورانیوں وغیرہ جیسے مواقع پر سرمایہ کاری تاکہ صارفین کے ساتھ تعلق برقرار رکھا جائے اور یاد دہانی کو ذہن میں تازہ رکھا جائے۔

\* استعمال کے مواقع کے بارے میں آگاہی پیدا کرنے کے لئے پے ہوئے اچار کی اسٹیمپنگ اور کوکنگ کے حوالے سے ڈیجیٹل نشریات۔

اے ٹی سی ہولڈنگز اور نیشنل فوڈز نے سیلاب زدگان کی فوری امداد کے لئے تین مراحل میں اقدامات کئے ہیں جس میں فوری امداد، بہبود اور بحالی شامل ہیں۔ دونوں کمپنیوں کے بورڈز نے 55 ملین پاکستانی روپے کی امداد دینے کا عہد کیا تھا اور اس میں سے اب تک 21 ملین پاکستانی روپے بحالی کے ضمن میں تقسیم کئے جا چکے ہیں۔ ہمارے پانچ قابل اعتماد شرکاء داروں میں کراچی ریلیف ٹرسٹ (KRT)، حصار فاؤنڈیشن، انڈس اسپتال، چائلڈ لائف فاؤنڈیشن اور ڈا سٹیونز فاؤنڈیشن (TCF) شامل ہیں۔

ہماری کاوشوں کی بدولت فراہم کی جانے والی امداد میں شامل ہیں:

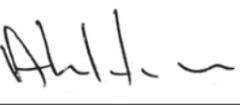
- 52,000 متاثرین میں کھانے کی تقسیم
- 12,000 متاثرین کو مچھر دانیوں کی فراہمی
- ٹیم کے 122 ارکان کی معاونت
- پانی صاف کرنے والے 16 یونٹس کی تنصیب
- 19,500 مریضوں کو طبی امداد کی فراہمی
- 3,000 بچوں کی ہنگامی نگہداشت

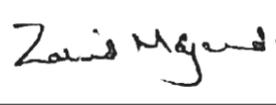
## مستقبل کا نظریہ

دنیا بھر میں پائے جانے والے رُجانات نے ملکی معیشت پر گہرے اثرات مرتب کئے ہیں جو موجودہ سیاسی بحران کی وجہ سے اور بھی سنجیدہ ہو گئے ہیں۔ درآمد پر پابندی نے مختلف مقامی مینوفیکچرنگ کے حلقوں میں عدم استحکام پیدا کیا ہے جس کے نتیجے میں متعدد رکاوٹیں درپیش ہو گئی ہیں اور اخراجات حد سے تجاوز کر گئے ہیں۔ انتظامیہ اس صورتِ حال کی بغور نگرانی کرتی رہے گی اور اس کے مطابق کاروباری بنیادوں کو آگے لے جانے کے لئے بذریعہ ہنگامی منصوبہ بندی تمام اہم شعبوں میں اپنی قائدانہ حیثیت کو قائم رکھنے کے لئے حکمتِ عملی ترتیب دے گی۔

## اعتراف

میں بورڈ کی جانب سے تمام داخلی اور خارجی ذی نفع افراد (اسٹیک ہولڈرز) کا، ان کے مسلسل عزم اور اعتماد کے لئے، شکریہ ادا کرنا چاہتا ہوں۔

  
چیف ایگزیکٹو آفیسر

  
ڈائریکٹر