

National Foods Limited  
Quarterly Report 2024



# Here for enrich- ment

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# About the Report

**At National Foods, we craft our products to provide convenient, healthy, and delicious options that cater to the modern lifestyle of consumers.**

Our unwavering commitment is to create food that enriches lives everywhere, combining traditional essence with a contemporary appeal.

This report highlights key areas of our business, including core values, innovations, notable achievements, corporate responsibility, financial performance, and future initiatives. As a renowned brand with over 50 years of experience, we have overcome diverse challenges and invested in technological advancements while maintaining a customer-centric approach.

Throughout our journey, we have consistently delivered authentic flavors and adapted to dynamic consumer demands. So, what's the secret to our success? It lies in our offering of easy-to-prepare products, thoughtfully customized to bring comfort and joy to your lifestyle.







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# Here for good- ness







# Our Story

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

We began our journey in 1970 as a spice 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 in multiple categories as a leading food manufacturer. 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.

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

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

 <p><b>Passion</b></p>	 <p><b>Customer Centric</b></p>	 <p><b>Teamwork</b></p>
<p><b>Go Above and Beyond</b></p> <ul style="list-style-type: none"> <li>• We love what we do</li> <li>• We have the courage to question the status quo</li> <li>• We think big and create new possibilities</li> <li>• We bring positive energy to everything we do</li> <li>• We are driven by new challenges and learning opportunities</li> </ul>	<p><b>Prioritize Customer Experience (Internal &amp; External)</b></p> <ul style="list-style-type: none"> <li>• We continuously seek to understand and identify customer needs</li> <li>• We focus on providing convenience and value to our customers</li> <li>• We listen to our customers and treat them with respect</li> <li>• We are clear and transparent in our communication</li> <li>• We consider all customer touchpoints to offer the best possible solution</li> </ul>	<p><b>Trust Each Other and Achieve Together</b></p> <ul style="list-style-type: none"> <li>• We work collaboratively across organizational boundaries on common objectives</li> <li>• We respect each other's ideas and opinions</li> <li>• We give constructive and candid feedback</li> <li>• We share knowledge and experiences to help each other develop</li> <li>• We celebrate the wins together</li> </ul>

 <p><b>Excellence in Execution</b></p>	 <p><b>Ownership</b></p>
<p><b>Lead, Commit and Deliver the Best</b></p> <ul style="list-style-type: none"> <li>• We set a clear direction for our deliverables</li> <li>• We make decisions which result in increased productivity and efficiencies</li> <li>• We develop proactive solutions to overcome current or potential challenges</li> <li>• We work on continuous performance improvement and learning</li> <li>• We strive to consistently add value to the business and the environment</li> </ul>	<p><b>Own It and Deliver It</b></p> <ul style="list-style-type: none"> <li>• We lead by example</li> <li>• We are responsible for all our actions and decisions</li> <li>• We empower ourselves and take initiatives to meet business needs</li> <li>• We own our growth and development</li> <li>• We are responsible for the safety and well-being of ourselves and our community</li> </ul>



# Here for tradition





# Company Information

## Board of Directors

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

## Audit Committee

Mr. Ehsan Ali Malik	Chairman
Mrs. Saadia Naveed	Member
Mrs. Noreen Hasan	Member
Ms. Quratulain Mamsa	Secretary

## Human Resources and Remuneration Committee

Mr. Ali H. Shirazi	Chairman
Mrs. Noreen Hasan	Member
Mr. Ehsan Ali Malik	Member
Ms. Asma Yusuf	Secretary

## Chief Internal Auditor

Ms. Quratulain Mamsa	EY Ford Rhodes Chartered Accountant
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## Management Committee

Mr. Abrar Hasan	Chief Executive Officer
Mr. Ahmed Salman	Director Supply Chain
Mr. Dominique Charles Silvarelli	Chief Operating Officer - International Division
Mr. Hasan Sarwat	Chief Commercial Officer
Ms. Ivana Bajamic	Chief Human Resource Officer
Mr. Saleem Rafi Khilji	Director Manufacturing
Mr. Shah Abdullah Raza	Director IT & Digital Transformation
Syed Farhan Ali Rizvi	Director Corporate Finance
Mr. Fazal ur Rehman Hajano	Director Legal
Mr. Ali Rashid	Director Marketing

## Company Secretary

Mr. Fazal ur Rehman Hajano

## Director Corporate Finance/Chief Financial Officer

Syed Farhan Ali Rizvi

## Auditors

Messrs. KPMG Taseer Hadi & Co. Chartered Accountants	Shaikh Sultan Trust Building No. 2, Beaumont Road, Karachi, 75530
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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, Pakistan.  
Tel: Customer Support Services (Toll Free) 0800-CDCPL (23275)  
Fax: (92-21) 34326053  
Email: info@cdcsrsl.com  
Website: www.cdcsrsl.com

## Company Banks

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

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





# Here for refine- ment





# 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 third quarter ended March 31, 2024.

## Business Performance Overview

### Economic environment

Pakistan Economy has sustained through inflationary pressures and lately showing signs of stabilization with improved economic indicators post IMF standby agreement. GDP is expected to grow at a rate of 2%, Inflation rate which hovered around 30% has reduced to 20.7% in March. The central bank however maintained interest rate at 22% for the 7th consecutive month in March 2024. Decrease in Trade deficit by 30.18% during the fiscal year, and stability in foreign exchange reserves that stand at \$8bn in the last quarter leading to Rupee's stability.

## Operating and financial performance

### Core business

Topline growth posted at 42% contributed both by the domestic and international markets. High inflationary pressure impacted gross profitability and volumes of the consumer business. The company has taken revenue and cost transformation measures to offset some of the inflationary pressures. Increased investments in international division to enable future growth has impeded operating profitability. High finance costs on loan for Faisalabad production facility squeezed net profit margins in the prevailing period.

Faisalabad plant facility is in full commercial operation now. Consequently, the Company has immobilized manufacturing operations at SITE and Gujranwala plants. This decision is consistent with our strategic business transformation agenda.

### A1 Bags & Supplies Inc.

Net sales grew by 53% across all segments. The business has shown significant growth in its profitability with Operating and Net Profitability increasing by 66% and 54% respectively.

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

Amounts in PKR Million

	Group			Core Business			A1 Bags & Suppliers Inc.		
	9M FY24	9M FY23	Change	9M FY24	9M FY23	Change	9M FY24	9M FY23	Change
Net sales	64,070	45,114	42%	29,093	22,259	31%	34,977	22,887	53%
Gross profit	17,701	12,966	37%	9,747	8,257	18%	7,954	4,709	69%
Operating profit*	5,218	4,169	25%	2,377	2,471	-4%	2,859	1,722	66%
Net profit after tax**	2,196	2,937	-25%	678	1,951	-65%	1,536	1,000	54%
Earnings per share (Rs)	9.4	12.6		2.9	8.4		6.6	4.3	
Gross profit	27.6%	28.7%	-1.1%	33.5%	37.1%	-3.6%	22.7%	20.6%	2.2%
Operating profit	8.1%	9.2%	-1.1%	8.2%	11.1%	-2.9%	8.2%	7.5%	0.6%
Profit after tax	3.4%	6.5%	-3.1%	2.3%	8.8%	-6.4%	4.4%	4.4%	0.0%

\* Excludes other income and other expenses.

\*\* This includes amortization of Rs.16 million (2023: RS.14 million) on intangible recognized on consolidation of A1 Bags & Suppliers Inc.

\*\* Group PAT includes A1 at 100%.

## Marketing and Promotion

In line with our strategy of owning key occasions and seasons, special campaigns and promotions were launched across portfolio. These included Recipe campaign on Independence Day "Dawat-e-Azadi", Ketchup for Ramadan "Zaiqa Mil Bethnay Ka" and influencers campaign on Meethi Eid for National Custards in collaboration with popular cooking channels and chefs.

"Karachi Khaas" portfolio which was part of our Karachi transformation plan around Recipe is now making a strong mark across markets. Expanded in other provinces as well where Bombay Biryani Karachi Khaas thumps the KPK market with an impressive response.

Shopper activation in Modern Trade and partnership with "PandaMart" & "Krave Mart" stimulated visibility, trials, and sales in Pickle category. Price-off promotion for 1 kg Mixed Pickle and reintroduction of 35gm Sachet product added to the impetus in market drive.

## Product Launch Highlights:

### Signature Mayo

- Successfully introduced as the ultimate fast-food companion for restaurants, delivering both value and quality. This launch not only addresses current market challenges but also underscores our commitment to providing innovative solutions to the food industry.

### Corn Flour, Custard & Jelly

- Strengthened our market presence with the introduction of Corn Flour, Custard, and Jelly in bulk packaging, strategically targeting key channels through trials and visibility initiatives, enhancing our brand reach and customer engagement.

### Relaunched Chicken Powder:

- Successfully relaunched Chicken Powder nationwide with demonstrations, achieving notable customer conversions from market leader, Knorr, reflecting our dedication to quality and customer satisfaction.

## International Division

- Mainstream activation in North America | mainly in Canada, involving pilot in Costco, and promotions in Saveon & Food Basics outlets focused on Masala Seasoning and spices.
- Awareness and trial generation within ethnic channels across North America, UK, UAE, and KSA, focused on key categories to generate trial and awareness.
- National Epicure Inc. (NEI), a wholly owned subsidiary based in Canada, has expanded its operations by establishing a supply chain hub in Ontario, Canada.

## Outlook

Economic pressures driven by inflationary environment, high interest rates and utilities cost hikes are unlikely to subside soon. However, the company is confident of strengthening its market leadership position as we progress in our cost and revenue transformation plans backed by technological advancements. Expanding our international footprint along with brand investment and new product innovations enables a strong business growth outlook.

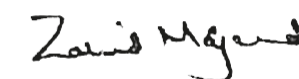
## Acknowledgment

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 the Board of Directors



Chief Executive Officer



Director



# ڈائریکٹرز رپورٹ

## ساتھی شیئر ہولڈرز،

نیشنل فوڈز لمیٹڈ کے ڈائریکٹرز باسرت 31 مارچ 2024 کو ختم ہونے والے تیسرے سہ ماہی 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

پاکستانی معیشت کو مہنگائی کے دباؤ کا سامنا رہا ہے مگر حال ہی میں IMF کے اسٹینڈ بائی معاہدے کے بعد معاشی حالات استحکام کی جانب مائل ہوتے دکھائی دیے۔ GDP کی شرح نمو میں 2% تک اضافہ متوقع، افراط زر جو کہ 30% کے قریب تھا، مارچ میں کم ہو کر 20.7% ہو گیا۔ مرکزی بینک کی جانب سے مارچ 2024 میں مسلسل ساتویں ماہ بھی شرح سود 22% پر برقرار رہی۔ مالی سال کے دوران تجارتی خسارہ 30.18% تک کم ہوا جبکہ گزشتہ سہ ماہی میں غیر ملکی زر مبادلہ کے ذخائر میں استحکام رہا جس کے 8 بلین \$ پر برقرار رہنے سے روپیہ مستحکم ہوا۔

## عملی اور مالیاتی کارکردگی

### بنیادی کاروبار

مقامی اور بین الاقوامی دونوں منڈیوں کی طرف سے 42% کی ٹاپ لائن نمو میں حصہ ڈالا گیا۔ اعلیٰ افراط زر سے نہ صرف صارفین کے کاروبار کی کارکردگی اور حجم بلکہ کُل منافع بھی متاثر ہوا۔ کمپنی نے افراط زر کے دباؤ کو کم کرنے کے لیے آمدنی اور لاگت میں تبدیلیوں کے اقدامات کیے ہیں۔ بین الاقوامی ڈویژن میں سرمایہ کاری میں اضافے سے آپریٹنگ منافع میں کمی ہوئی۔ فیصل آباد پروڈکشن سہولت پر قرضے کے اعلیٰ مالیاتی اخراجات نے موجودہ دور میں خالص منافع کے مارجن کو متاثر کیا ہے۔

موجودہ مدت کے دوران فیصل آباد پلانٹ میں مکمل طور پر پیداوار شروع ہو چکی ہے۔ جس کے نتیجے میں، کمپنی نے SITE اور گوجرانوالہ پلانٹس میں مینوفیکچرنگ آپریشن روک دیا ہے۔ یہ اسٹریٹجک فیصلہ کمپنی کی مجموعی اسٹریٹجی سے مطابقت رکھتا ہے۔

## A1 بیگز اینڈ سپلائیز انکارپوریٹڈ

بنیادی طور پر گروسری، ڈیری اور جینیٹوریل سیکٹرز کی خالص فروخت میں 70% اضافہ ہوا ہے۔ کاروبار نے آپریٹنگ میں 79% اور خالص منافع میں 67% نمایاں طور پر اضافہ ظاہر کیا ہے۔

گروپ کے مالیاتی سال کا گوشوارہ درج ذیل ہے:

رقم پاکستانی روپے ملین میں

	گروپ			بنیادی کاروبار			اے ون بیگز اینڈ سپلائیز انکارپوریٹڈ		
	تبدیلی	9MFY23	9MFY24	تبدیلی	9MFY23	9MFY24	تبدیلی	9MFY23	9MFY24
خالص فروخت	42%	45,114	64,070	31%	22,259	29,093	53%	22,887	34,977
مجموعی منافع	37%	12,966	17,701	18%	8,257	9,747	69%	4,709	7,954
عملی منافع <sup>o</sup>	25%	4,169	5,218	-4%	2,471	2,377	66%	1,722	2,859
خالص منافع بعد از ٹیکس <sup>oo</sup>	-25%	2,937	2,196	-65%	1,951	678	54%	1,000	1,536
آمدنی فی حصص (روپے)		12.6	9.4		8.4	2.9		4.3	6.6
مجموعی منافع	-1.1%	28.7%	27.6%	-3.6%	37.1%	33.5%	2.2%	20.6%	22.7%
عملی منافع	-1.1%	9.2%	8.1%	-2.9%	11.1%	8.2%	0.6%	7.5%	8.2%
منافع بعد از ٹیکس	-3.1%	6.5%	3.4%	-6.4%	8.8%	2.3%	0.0%	4.4%	4.4%

<sup>o</sup> دیگر آمدنی اور اخراجات شامل نہیں ہیں۔

<sup>oo</sup> اس میں اے ون بیگز اور سلاز انکارپوریشن کے استحکام کی ناقابل تسلیم بیہ ادائیگی 16 ملین روپے (2023: 14 ملین روپے) شامل ہے۔

<sup>oo</sup> گروپ PAT میں A1 پر 100% شامل ہے۔

## مارکیٹنگ اور تشہیر

ہماری حکمت عملی کے مطابق، مختلف تہواروں اور مواقع پر خصوصی مہمات اور پرموشنز کا آغاز کیا گیا، جن میں یوم آزادی پر "دعوت-آزادی" مہم، رمضان کے لیے کیچپ "ذائقہ مل بیٹھنے کا" اور میٹھی عید کے لیے معروف باورچی چینلز اور ٹیلیفون کے ساتھ نیشنل کسٹمر ڈز کی مہم شامل ہیں۔

"کراچی خاص" پورٹ فولیو، جو ہمارے ریسیپی کے ساتھ ہونے والے کراچی ٹرانسفارمیشن پلان کا حصہ تھا، اب مارکیٹ میں اپنا لوہا منوا رہا ہے۔ جہاں ہمیں بریانی کراچی خاص خیبر پختونخواہ مارکیٹ میں متاثر کن ردعمل کے ساتھ چھایا اس طرح دیگر صوبوں میں بھی پھیل گیا ہے۔

جدید ٹریڈ میں شاپر ایگزیوشن اور "پانڈا مارٹ" اور "کریو مارٹ" کے ساتھ شراکت نے اچار کی کیٹیگری میں مصنوعات کی نمائش، ٹرانزاکر، اور فروخت میں اضافہ کیا۔ 1 کلو کسٹڈ اچار پر قیمت میں رعایت اور 35 گرام کے سائے پروڈکٹ کو دوبارہ متعارف کروانے سے مارکیٹ میں مزید تیزی آئی۔

## مصنوعات کی نئی لانچ

## سگنچر مایو

سگنچر مایو کو فاسٹ فوڈز کے بہترین ساتھی کے طور پر ریٹورنٹس کے لیے کامیابی سے متعارف کروایا گیا، جو فراہم کرتا ہے اہمیت اور معیار، اس کی لانچ نے نہ صرف مارکیٹ کے موجودہ چیلنجز کا حل دیا بلکہ فوڈ انڈسٹری کو جدید حل فراہم کرنے کے ہمارے عزم کو بھی واضح کر دیا۔

## کارن فلور، کسٹرڈ اور جیلی

پارکیٹ میں اپنے قدم جاننے کے لیے کارن فلور، کسٹرڈ، اور جیلی کو بلک پیکیجنگ میں متعارف کروایا گیا، جو اہم چیلنجز کو ٹارگٹ کر کے برانڈ کی کسٹمر تک رسائی اور کسٹمر انگیجمنٹ کو بہتر بناتا ہے۔

## چکن پاؤڈر کا دوبارہ آغاز

ملک بھر میں کامیابی کے ساتھ چکن پاؤڈر کا دوبارہ آغاز کیا گیا، جس کی ملک گیر پرموشنز کی گئیں، جو معیار اور صارفین کے اطمینان کے لیے ہماری لگن کے عکاس ہیں۔

## انٹرنیشنل ڈویژن

- شمالی امریکہ میں مین اسٹریم ایگزیوشن، زیادہ تر کینیڈا میں، Costco میں پائلٹ شامل ہیں، اور مصالحہ سیزنگ اور اسپائز پر مرکوز Saveon اور Food Basics آؤٹ لینس میں پرموشنز کی گئیں۔
- ہتھک چینلز کے ذریعے شمالی امریکہ، برطانیہ، متحدہ عرب امارات اور سعودیہ عرب میں آگاہی اور ٹرانزاکر ایگزیوشن اور آگاہی فراہم کی گئی۔
- کینیڈا میں مقیم مکمل طور پر ملکیتی ماتحت ادارے نیشنل لمبیکور انکورپوریشن (این ای آئی) نے نہ صرف اپنی سرگرمیوں کو بڑھایا ہے بلکہ اونٹاریو، کینیڈا میں ایک سپلائی چین ہب بھی قائم کیا ہے۔

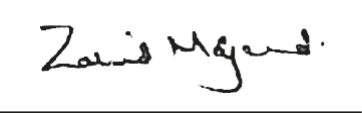
## مستقبل کا نقطہ نظر

افراط زر میں اضافے، بلند شرح سود اور یوٹیلیٹیز کی بڑھتی ہوئی لاگت کی وجہ سے درپیش معاشی دباؤ کے خاتمے کا کوئی امکان نہیں۔ تاہم، کمپنی پُر اعتماد ہے کہ وہ اپنی لاگت اور آمدنی کی تبدیلی کی منصوبہ بندی کے ساتھ، جدید ٹیکنالوجی کی مدد سے اپنی مارکیٹ لیڈرشپ کی پوزیشن کو مضبوط بنائے گی اور بین الاقوامی مارکیٹ میں اپنی موجودگی کو وسعت دینے کے ساتھ ساتھ برانڈ سرمایہ کاری اور نئی پروڈکٹس متعارف کروا کر کاروباری ترقی کی راہیں ہموار کرے گی۔

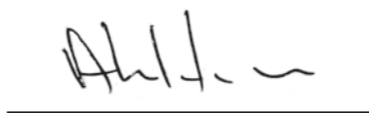
## اعتراف

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

بورڈ آف ڈائریکٹرز کی جانب سے



ڈائریکٹر



چیف ایگزیکٹو آفیسر



# Here for innov- ation





# Unconsolidated Condensed Interim Financial Statements (Unaudited) March 31, 2024





# Unconsolidated Condensed Interim Statement of Financial Position (Unaudited)

As at 31 March 2024

	Note	31 March 2024 (Unaudited)	30 June 2023 (Audited)
(Rupees in '000)			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	11,711,917	9,764,235
Intangibles	6	226,056	135,362
Long-term investments		31,719	31,719
Long-term deposits		34,862	40,259
Deferred assets	7	-	44,158
		12,004,554	10,015,733
<b>Current assets</b>			
Stores and spare parts		309,128	260,966
Stock-in-trade	8	8,488,953	9,769,284
Trade debts		2,331,746	1,569,867
Advances		768,864	1,207,650
Deposits and prepayments		168,608	120,955
Other receivables		-	83,550
Short-term investments - at fair value through profit or loss	9	112,134	937,047
Cash and bank balances		2,480,376	1,191,325
		14,659,809	15,140,644
<b>TOTAL ASSETS</b>		<b>26,664,363</b>	<b>25,156,377</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized share capital 1,000,000,000 (30 June 2023: 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		6,409,059	6,359,028
		7,574,635	7,524,604
<b>Non-current liabilities</b>			
Long-term finance	10	6,149,972	3,089,985
Lease liabilities		11,251	7,854
Deferred taxation - net		226,708	342,969
Long term provisions		-	4,626
		6,387,931	3,445,434
<b>Current liabilities</b>			
Trade and other payables		6,553,795	7,464,318
Contract liability		280,477	291,002
Short-term borrowings	11	4,058,503	4,905,760
Unclaimed dividend		24,921	20,639
Long-term finance classified as current - secured	10	63,333	93,320
Mark-up accrued on bank borrowings		849,506	459,706
Taxation - net		871,262	951,594
		12,701,797	14,186,339
Contingencies and commitments	12		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>26,664,363</b>	<b>25,156,377</b>

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director

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

For the nine months period ended 31 March 2024

	Note	Quarter ended		Nine months ended	
		31 March 2024	31 March 2023	31 March 2024	31 March 2023
(Rupees in '000)					
Sales - net	13	12,922,267	9,921,036	28,509,137	21,816,837
Cost of sales		(8,862,021)	(6,298,868)	(19,467,747)	(13,981,032)
<b>Gross profit</b>		<b>4,060,246</b>	<b>3,622,168</b>	<b>9,041,390</b>	<b>7,835,805</b>
Selling and distribution costs		(1,841,865)	(1,585,880)	(4,683,168)	(4,132,221)
Administrative expenses		(487,257)	(446,177)	(1,747,440)	(1,302,147)
Other expenses		(81,633)	(152,331)	(122,689)	(244,402)
Other income	14	(22,922)	518,576	82,139	741,195
		1,626,569	1,956,356	2,570,232	2,898,230
Finance costs		(469,857)	(184,698)	(1,068,945)	(412,326)
<b>Profit before taxation</b>		<b>1,156,712</b>	<b>1,771,658</b>	<b>1,501,287</b>	<b>2,485,904</b>
Taxation - net	15	(396,832)	(350,760)	(518,795)	(581,851)
<b>Profit for the period</b>		<b>759,880</b>	<b>1,420,898</b>	<b>982,492</b>	<b>1,904,053</b>
<b>Other comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>759,880</b>	<b>1,420,898</b>	<b>982,492</b>	<b>1,904,053</b>
		(Rupees)		(Rupees)	
<b>Earnings per share - basic and diluted</b>	16	<b>3.26</b>	<b>6.10</b>	<b>4.21</b>	<b>8.17</b>

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director



# Unconsolidated Condensed Interim Statement of Cash Flows (Unaudited)

For the nine months period ended 31 March 2024

Note	Nine months ended	
	31 March 2024	31 March 2023
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	3,204,746	2,213,275
Finance cost paid	(679,145)	(170,727)
Income taxes paid	(715,390)	(490,389)
Retirement benefits paid	(5,264)	-
Deferred assets	44,158	-
Long term deposits - net	5,397	(3,249)
<b>Net cash flows from operating activities</b>	<b>1,854,502</b>	<b>1,548,910</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(2,538,483)	(2,496,258)
Purchase of intangible assets	(105,725)	(11,636)
Redemption / (purchase) of short term investment - net	845,645	(235,216)
Proceeds from disposal of operating fixed assets	1,831	120,018
<b>Net cash flows from investing activities</b>	<b>(1,796,732)</b>	<b>(2,623,092)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of short term borrowings - net	(100,000)	(1,250,000)
Lease rental paid	(23,284)	(25,844)
Proceeds of long term finance - net	3,030,000	2,534,447
Dividends paid	(928,179)	(1,130,063)
<b>Net cash flows from financing activities</b>	<b>1,978,537</b>	<b>128,540</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>2,036,307</b>	<b>(945,642)</b>
Cash and cash equivalents at beginning of the period	(2,914,435)	(2,306,893)
Cash and cash equivalents at end of the period	(878,128)	(3,252,535)

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director

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

For the nine months period ended 31 March 2024

	Issued, subscribed and paid-up share capital	Revenue reserve - unappropriated profit	Total
	(Rupees in '000)		
<b>Balance as at 1 July 2022</b>	1,165,576	5,343,575	6,509,151
<b>Total comprehensive income for the nine months period ended 31 March 2023</b>			
Profit for the period	-	1,904,053	1,904,053
Other comprehensive income for the period	-	-	-
	-	1,904,053	1,904,053
<b>Total comprehensive income for the three months period ended 30 June 2023</b>			
Profit for the period	-	283,987	283,987
Other comprehensive income for the period	-	(7,011)	(7,011)
	-	276,976	276,976
<b>Transactions with owners recorded directly in equity - distributions</b>			
Final dividend for the year ended 30 June 2022 @ Rs. 5 per share	-	(1,165,576)	(1,165,576)
<b>Balance as at 30 June 2023</b>	<b>1,165,576</b>	<b>6,359,028</b>	<b>7,524,604</b>
<b>Balance as at 1 July 2023</b>	<b>1,165,576</b>	<b>6,359,028</b>	<b>7,524,604</b>
<b>Total comprehensive income for the period ended 31 March 2024</b>			
Profit for the period	-	982,492	982,492
Other comprehensive income for the period	-	-	-
	-	982,492	982,492
<b>Transactions with owners recorded directly in equity - distributions</b>			
Final dividend for the year ended 30 June 2023 @ Rs. 2.5 per share	-	(582,788)	(582,788)
Interim dividend for the period ended 31 December 2023 @ Rs. 1.5 per share	-	(349,673)	(349,673)
<b>Balance as at 31 March 2024</b>	<b>1,165,576</b>	<b>6,409,059</b>	<b>7,574,635</b>

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director



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

For the nine months period ended 31 March 2024

## 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 a 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** During the current period, production has partially commenced at the Faisalabad plant. As a result, the Company has stopped manufacturing operations at SITE and Gujranwala plants. This strategic decision is consistent with the company's overall strategy.

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

### 2.3 Functional and presentation currency

These unconsolidated condensed interim 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. MATERIAL ACCOUNTING POLICY INFORMATION

**3.1** The accounting policies and the methods of computation adopted in the preparation of these unconsolidated 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 2023. However the company has adopted the following:

### 3.2 New standards and amendments adopted by the Company

The Company has adopted the certain amendments and improvements to approved accounting and reporting standards as applicable in Pakistan which became effective for the current period except for the adoption of the amendments as mentioned below. The said amendments did not have any material impact on these unconsolidated condensed interim financial statements.

The Company has adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. These amendments did not result in any changes to the accounting policies itself and did not impact the accounting policy information disclosed in the audited annual financial statements as at and for the year ended 30 June 2023.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality for the disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management has reviewed the accounting policies and assessed that information given in Note 4 of significant accounting policies as disclosed in the audited annual financial statements as at and for the year ended 30 June 2023 are in line with the amendments. The amendments had no impact on the Company's condensed 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 2023.

**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 2023.



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

For the nine months period ended 31 March 2024

5. PROPERTY, PLANT AND EQUIPMENT	Note	31 March 2024 (Unaudited)	30 June 2023 (Audited)
		(Rupees in '000)	
Operating fixed assets	5.1	10,599,760	4,915,430
Capital work in progress	5.2 & 5.4	1,078,929	4,834,734
Right-of-use assets		33,228	14,071
		<u>11,711,917</u>	<u>9,764,235</u>

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

	Nine months ended	
	31 March 2024 (Unaudited)	31 March 2023
	(Rupees in '000)	
<b>Additions / transfers from CWIP</b>		
Building	3,837,476	91,468
Plant and machinery	1,722,217	441,382
Computer equipment	93,218	13,169
Vehicles	12,020	149,709
Furniture and fittings	74,484	18,063
Office, laboratory and other equipments	509,842	23,020
	<u>6,249,257</u>	<u>736,811</u>

Additions to operating fixed assets include transfers of Rs. 4,073 million (31 March 2023: Rs. 224.4 million) from capital work in progress balance as at 30 June 2023.

	Nine months ended	
	31 March 2024 (Unaudited)	31 March 2023
	(Rupees in '000)	
<b>Disposals - Net book value</b>		
Furniture & Fixtures [cost Rs. 33.98 million (31 March 2023: Rs. Nil)]	5,354	-
Plant & Machinery [cost Rs. 64.84 million (31 March 2023: Rs. 32.6 million)]	3,706	3,437
Office Equipment [cost Rs. 36.49 million (31 March 2023: Rs. Nil)]	1,311	-
Computer Equipment [cost Rs. 67.63 million (31 March 2023: Rs. 1.9 million)]	843	20
Laboratory Equipment [cost Rs. 4.66 million (31 March 2023: Rs. Nil)]	549	-
Buildings [cost Rs. 0.46 million (31 March 2023: Rs. Nil)]	162	-
Vehicles [cost Rs. 0.44 million (31 March 2023: Rs. 155.87 million)]	8	130,534

5.2 This includes civil works of Rs. 576 million (30 June 2023: Rs.3,961 million) and Plant & Machinery and Other Equipments of Rs. 503 million (30 June 2023: Rs. 873 million).

5.3 During the period, Rs. 536 million borrowing cost has been capitalized in Capital Work in Progress.

5.4 This includes borrowing costs amounting to Rs. 108 million (30 June 2023: Rs. 569 million).

## 6. INTANGIBLES

This includes Rs. 198 million under Capital Work in Progress against the implementation of SAP S4 Hana.

## 7. DEFERRED ASSETS

During the period, the Company has received Rs. 44 million from the pension funds being the surplus amount based on the actuarial valuation report as of 30 June 2023.

## 8. STOCK-IN-TRADE

	Note	31 March 2024 (Unaudited)	30 June 2023 (Audited)
		(Rupees in '000)	
Raw materials		3,632,226	3,923,355
Provision for obsolescence	8.1	(44,025)	(51,543)
		<u>3,588,201</u>	<u>3,871,812</u>
Packing materials		1,052,938	1,362,662
Provision for obsolescence	8.1	(56,373)	(86,604)
		<u>996,565</u>	<u>1,276,058</u>
Work in process		2,945,295	2,523,297
Provision for obsolescence	8.1	(112,741)	(48,873)
		<u>2,832,554</u>	<u>2,474,424</u>
Finished goods		1,111,533	2,216,879
Provision for obsolescence	8.1	(39,900)	(69,889)
		<u>1,071,633</u>	<u>2,146,990</u>
		<u>8,488,953</u>	<u>9,769,284</u>

8.1 During the year, the Company recorded reversal of provision for obsolescence of Rs. 22 million (30 June 2023: Rs. 110 million) and has written off stocks against provision amounting to Rs. 129 million (30 June 2023: Rs.239 million).

## 9. SHORT-TERM INVESTMENTS - AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 March 2024 (Unaudited)	30 June 2023 (Audited)
	(Rupees in '000)	
Investments in mutual funds	112,134	937,047



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

For the nine months period ended 31 March 2024

10. LONG TERM FINANCE	Note	31 March 2024 (Unaudited)	30 June 2023 (Audited)
		(Rupees in '000)	
Secured long-term finances utilised under mark-up arrangements	10.1	6,213,305	3,183,305
Classified under current liability		(63,333)	(93,320)
		<u>6,149,972</u>	<u>3,089,985</u>

**10.1** This represents original long term finance facilities of Rs. 6,600 million obtained from commercial banks. These finances carry 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 until October 2029.

11. SHORT TERM BORROWINGS	Note	31 March 2024 (Unaudited)	30 June 2023 (Audited)
		(Rupees in '000)	
Conventional			
Running finance under mark up arrangements	11.1	3,061,493	2,750,486
Export re-finance	11.2	700,000	800,000
Islamic			
Running finance under Musharakah	11.3	297,010	1,355,274
		<u>4,058,503</u>	<u>4,905,760</u>

**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 22.32 % to 22.36% (30 June 2023: 21.71% to 21.80%) per annum. The facilities are valid upto 30 September 2024.

**11.2** The Company has short term running finance facility under Export Refinance Scheme of the State Bank of Pakistan from commercial banks. The effective rate of mark-up on this facility is policy rate minus 3% i.e.19% (30 June 2023: 17%) per annum. The facilities offer are valid upto 30 June 2024 and are generally renewable.

**11.3** The Company has obtained facilities for short-term finance under Running Musharakah. The effective rate of profit is 22.32% to 22.36% (30 June 2023: 21.71% to 21.75%) per annum. The facilities offer are valid upto 31 January 2025.

**11.4** The facilities available from various banks amount to Rs. 8.69 billion (30 June 2023: Rs.6.14 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. 11.59 billion.

## 12. CONTINGENCIES AND COMMITMENTS

**12.1** There are cases against the Company which are outstanding as at 31 March 2024. 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 2023: Rs. 4.2 billion) and for letters of guarantee amount to Rs. 1,250 million (30 June 2023: Rs. 1,071 million) as at 31 March 2023 of which the amount remaining unutilized at period end were Rs 3.7 billion (30 June 2023: Rs. 3.5 billion) and Rs. 802 million (30 June 2023: Rs. 620 million) respectively. The guarantees have mainly been given to utility companies, Collector of Customs and an Oil marketing Company, etc.

**12.3** Aggregate commitments for capital expenditure as at 31 March 2024 amount to Rs. 1.2 billion (30 June 2023: Rs. 2.4 billion).

**12.4** Commitments in respect of ujarah payments for ijarah financing of motor vehicles bearing from First Habib Modarabah carries markup at three months KIBOR + 0.90% (30 June 2023: three months KIBOR + 0.90%) while Meezan Bank Limited facilities carries markup at three months KIBOR + 1.25% respectively (30 June 2023: three months KIBOR + 1.25%) per annum for rentals payable monthly. Total commitment as at 31 March 2024 amount to the following:

	31 March 2024 (Unaudited)	30 June 2023 (Audited)
	(Rupees in '000)	
Not later than one year	425,155	371,529
Later than one year but not later than five years	679,992	791,298
	<u>1,105,148</u>	<u>1,162,827</u>

Total sanctioned facilities from banks amount to Rs. 1,900 million, out of which Rs. 1,105 million has been utilized by the company.

## 13. SALES - NET

Note	Nine months ended	
	31 March 2024 (Unaudited)	31 March 2023
	(Rupees in '000)	
Local sales	37,507,876	29,463,601
Export sales	2,746,128	1,638,625
	<u>40,254,004</u>	<u>31,102,226</u>
Less: Sales tax	(5,167,550)	(3,876,582)
	<u>35,086,454</u>	<u>27,225,644</u>
Less:		
- Discount, rebates and allowances	(5,870,739)	(4,874,929)
- Sales return	(706,578)	(533,878)
	<u>(6,577,317)</u>	<u>(5,408,807)</u>
	<u>28,509,137</u>	<u>21,816,837</u>



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

For the nine months period ended 31 March 2024

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

**13.2** Management reviews revenue and other financial results based on major product division. During the nine months period ended 31 March 2024, revenue of the Condiments division was Rs. 19,944 million (31 March 2023: Rs. 15,615 million), and Culinary division was Rs. 20,309 million (31 March 2023: Rs. 15,487 million).

**13.3** Revenue is disaggregated by primary geographical market. The Company's customer base is diverse with no single customer accounting for more than 10% of net sales. Sales to domestic customers in Pakistan are 93.18% (31 March 2023: 94.73%) and to customers outside Pakistan are 6.82% (31 March 2023: 5.27%) of the revenue.

## 14. OTHER INCOME

This includes exchange loss of Rs. 73 million (31 March 2023: exchange gain Rs. 78 million) on translation of foreign currency balances.

## 15. TAXATION - NET

Current Current Year Tax  
Deferred

	Nine months ended	
	31 March 2024	31 March 2023
	(Unaudited)	
	(Rupees in '000)	
Current Current Year Tax	639,570	538,555
Deferred	(120,775)	43,296
	<u>518,795</u>	<u>581,851</u>

## 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

	Nine months ended	
	31 March 2024	31 March 2023
	(Unaudited)	
	(Rupees in '000)	
Profit after taxation attributable to ordinary shareholders	<u>982,492</u>	<u>1,904,053</u>
	(Number of shares)	
	(In '000)	
Weighted average number of ordinary shares outstanding during the period	<u>233,115</u>	<u>233,115</u>
	(Rupees)	
Earnings per share - basic and diluted	<u>4.21</u>	<u>8.17</u>

## 17. CASH GENERATED FROM OPERATIONS

### Profit before taxation

Adjustment for non-cash charges and other items  
Depreciation  
Amortisation  
Depreciation - right of use asset  
Gain on disposal of property, plant and equipment  
Provision/ (reversal) of provision for slow moving stock  
Impairment on long term investment  
Income from short term investments at FVTPL  
Finance cost  
Interest expense - right of use asset  
Retirement benefits expense

### Working capital changes

(Increase) / decrease in current assets  
Stores and spare parts  
Stock-in-trade  
Trade debts  
Advances  
Deposits and prepayments  
Other receivables  
  
Increase / (decrease) in current liabilities  
Trade and other payables  
Contract liability

Nine months ended  
**31 March 2024** 31 March 2023  
(Unaudited)

	(Rupees in '000)	
Profit before taxation	1,501,287	2,485,904
Adjustment for non-cash charges and other items		
Depreciation	617,006	497,873
Amortisation	15,031	13,618
Depreciation - right of use asset	18,406	12,239
Gain on disposal of property, plant and equipment	(8,685)	17,082
Provision/ (reversal) of provision for slow moving stock	(3,870)	(120,405)
Impairment on long term investment	-	14,216
Income from short term investments at FVTPL	(20,732)	(118,021)
Finance cost	1,063,731	410,333
Interest expense - right of use asset	5,214	1,993
Retirement benefits expense	5,264	-
	<u>1,691,365</u>	<u>728,928</u>
	<u>3,192,652</u>	<u>3,214,832</u>
(Increase) / decrease in current assets		
Stores and spare parts	(48,162)	(54,721)
Stock-in-trade	1,284,201	(1,473,343)
Trade debts	(761,879)	130,494
Advances	438,786	(1,178,935)
Deposits and prepayments	(47,653)	(101,648)
Other receivables	83,550	-
	<u>948,843</u>	<u>(2,678,153)</u>
Increase / (decrease) in current liabilities		
Trade and other payables	(926,224)	1,551,484
Contract liability	(10,525)	125,112
	<u>(936,749)</u>	<u>1,676,596</u>
	<u>3,204,746</u>	<u>2,213,275</u>



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

For the nine months period ended 31 March 2024

	Nine months ended	
	31 March 2024 (Unaudited)	31 March 2023
	(Rupees in '000)	
<b>18. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	2,480,376	1,185,876
Running finance	(3,358,504)	(4,438,411)
	(878,128)	(3,252,535)

## 19. RELATED PARTY DISCLOSURE

Related parties comprise the Holding Company, subsidiaries (direct and indirect), key management personnel, staff retirement funds, directors, major shareholders and key management personnel.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Chief Executive Officer, Chief Financial Officer, Company Secretary, Non-Executive Directors and Departmental Heads to be its key management personnel. Transactions with key management personnel are in accordance with their terms of employment / entitlement. Contribution charged for retirement benefit plan are in accordance with the terms of the service rules / trust deed and actuarial valuation as relevant. Other transactions are in accordance with the agreed terms.

	31 March 2024 (Unaudited)	30 June 2023 (Audited)
		(Rupees in '000)
<b>19.1 Balances outstanding</b>		
Receivable from the parent company	4,394	5,188
Payable to the parent company	4,821	2,518
Trade receivable from the subsidiary company	1,527,572	860,160
Payable to the subsidiary company	96,050	159,938
Advances to the subsidiary company (for supplies)	160,032	-
Payable to associated companies	11,097	63,107

## 19.2 Transactions during the period

### Parent company:

	Nine months ended 31 March 2024 (Unaudited)	31 March 2023
Rental income	2,728	2,634
Rental expense	3,761	4,179
Reimbursement of expenses from Parent Company	7,681	8,188
Reimbursement of expenses to Parent Company	720	-
Dividend paid	317,246	394,934

### Subsidiary company:

Sale of goods - net	2,537,598	1,524,373
Purchase of goods - net	994,466	-

### Associated Companies / Undertakings:

Annual subscription	2,500	2,530
Purchases	163,925	204,969
Dividend paid	93,677	-

### Directors and their family members:

Dividend paid	366,857	409,607
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### Staff retirement funds:

Expense charged for defined contribution plan	83,773	70,905
Payment to defined contribution plan	83,773	75,908
Charge during the period to the defined benefit plan	7,896	-
Payment during the period to the defined benefit plan	7,896	-

### Key management personnel and their family members:

Salaries and other short-term employee benefits	479,383	604,708
Reimbursement of expenses	33,921	18,898
Directors' Fee	2,900	3,650
Contribution to the Provident Fund	14,705	20,185

## 20. GENERAL

These unconsolidated condensed interim financial statements were authorised for issue by the Board of Directors in their meeting held on 29 April 2024.



Chief Executive Officer



Chief Financial Officer



Director



# Consolidated Condensed Interim Financial Statements (Unaudited) March 31, 2024





# Consolidated Condensed Interim Statement of Financial Position (Unaudited)

As at 31 March 2024

	Note	31 March 2024 (Unaudited)	30 June 2023 (Audited)
(Rupees in '000)			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	19,200,017	14,267,716
Intangibles and goodwill		1,523,249	1,515,889
Long-term deposits		34,862	40,259
Deferred assets	6	-	44,158
		20,758,128	15,868,023
<b>Current assets</b>			
Stores and spare parts		309,128	260,967
Stock-in-trade	7	13,859,706	14,805,197
Trade debts		3,779,256	3,228,417
Advances		978,972	1,236,168
Deposits and prepayments		1,564,085	1,010,881
Other receivables		8,231	136,866
Short-term investments - at fair value through profit or loss	8	112,134	937,047
Cash and bank balances		2,770,163	1,713,226
		23,381,675	23,328,769
<b>TOTAL ASSETS</b>		<b>44,139,803</b>	<b>39,196,791</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised share capital 1,000,000,000 (30 June 2023: 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		9,657,309	9,000,730
Foreign exchange translation reserve		1,005,548	1,270,516
<b>Equity attributable to owners of the Company</b>		<b>11,828,433</b>	<b>11,436,822</b>
Non-controlling interest		1,972,183	1,780,155
<b>Total equity</b>		<b>13,800,617</b>	<b>13,216,977</b>
<b>Non-current liabilities</b>			
Long-term finance	9	6,918,182	3,961,219
Lease liabilities		5,128,312	2,381,605
Deferred taxation - net		292,556	412,344
Long term provisions		-	4,626
Deferred liabilities		17,355	13,547
		12,356,405	6,773,341
<b>Current liabilities</b>			
Trade and other payables		9,844,234	10,849,772
Contract liabilities		290,587	355,136
Short-term borrowings	10	5,101,043	5,407,269
Long-term finance classified as current - secured	9	360,862	372,404
Current portion of lease liabilities		563,310	644,680
Mark-up accrued on bank borrowings		849,506	459,706
Unclaimed dividend		24,921	20,639
Taxation - net		948,318	1,096,867
		17,982,781	19,206,473
Contingencies and commitments	11		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>44,139,803</b>	<b>39,196,791</b>

The annexed notes 1 to 18 form an integral part of these consolidated condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director

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

For the nine months period ended 31 March 2024

	Note	Quarter ended		Nine months ended	
		31 March 2024	31 March 2023	31 March 2024	31 March 2023
(Rupees in '000)					
Sales - net	12	23,940,134	18,502,355	64,069,671	45,114,081
Cost of sales		(17,277,973)	(12,885,061)	(46,369,077)	(32,148,315)
<b>Gross profit</b>		<b>6,662,161</b>	<b>5,617,294</b>	<b>17,700,594</b>	<b>12,965,766</b>
Selling and distribution costs		(3,627,728)	(2,644,149)	(9,547,649)	(6,802,341)
Impairment loss on trade debts		(16,906)	-	(37,804)	-
Administrative expenses		(966,874)	(849,744)	(2,896,978)	(1,994,081)
Other expenses		(81,633)	(152,331)	(122,689)	(244,402)
Other income		(38,388)	515,393	58,835	737,482
		1,930,632	2,486,463	5,154,309	4,662,424
Finance costs		(739,431)	(314,693)	(1,828,960)	(763,204)
<b>Profit before taxation</b>		<b>1,191,201</b>	<b>2,171,770</b>	<b>3,325,349</b>	<b>3,899,220</b>
Taxation - net	13	(494,497)	(463,706)	(1,128,970)	(962,558)
<b>Profit for the period</b>		<b>696,704</b>	<b>1,708,064</b>	<b>2,196,379</b>	<b>2,936,662</b>
<b>Other comprehensive income for the period</b>					
Items that may be reclassified subsequently to profit or loss: Foreign operations - Exchange differences on translation of foreign operations		(218,829)	1,001,179	(305,073)	1,145,616
<b>Total comprehensive income for the period</b>		<b>477,875</b>	<b>2,709,243</b>	<b>1,891,306</b>	<b>4,082,278</b>
<b>Profit attributable to:</b>					
Owners of the Holding Company		572,151	1,591,372	1,589,040	2,542,485
Non-controlling interest		124,552	116,692	607,339	394,177
		696,704	1,708,064	2,196,379	2,936,662
<b>Total comprehensive income attributable to:</b>					
Owners of the Holding Company		398,129	2,594,419	1,324,073	3,758,214
Non-controlling interest		79,746	114,824	567,233	324,064
		477,875	2,709,243	1,891,306	4,082,278
		(Rupees)		(Rupees)	
<b>Earnings per share (basic and diluted)</b>	14	2.45	6.83	6.82	10.91

The annexed notes 1 to 18 form an integral part of these consolidated condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director



# Consolidated Condensed Interim Statement of Cash Flow (Unaudited)

For the nine months period ended 31 March 2024

Note	Nine months ended	
	31 March 2024 (Unaudited)	31 March 2023
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	5,657,803	4,026,910
Finance cost paid	(1,439,160)	(530,563)
Income tax paid	(1,388,038)	(803,752)
Retirement benefits obligations paid	(5,264)	-
Deferred assets	44,158	-
Long term deposits	5,397	(3,249)
<b>Net cash generated from operating activities</b>	<b>2,874,896</b>	<b>2,689,346</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(3,244,549)	(3,933,973)
Proceeds from disposal of fixed assets	1,831	120,018
Purchase of intangible assets	(114,196)	(11,636)
Redemption of short term investment - net	845,645	(235,216)
<b>Net cash used in investing activities</b>	<b>(2,511,269)</b>	<b>(4,060,807)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of short term borrowings - net	411,969	(1,250,000)
Repayment of long term finance - net	3,003,159	3,338,580
Lease rental paid	(722,078)	175,260
Dividend paid	(1,303,384)	(1,150,251)
<b>Net cash from / (used in) financing activities</b>	<b>1,389,666</b>	<b>1,113,589</b>
Net increase in cash and cash equivalents	1,753,293	(257,872)
Cash and cash equivalents at beginning of the year	(2,392,534)	(2,473,377)
Currency translation difference on cash and cash equivalents	(17,547)	70,567
Cash and cash equivalents at end of the year	(656,788)	(2,660,682)

The annexed notes 1 to 18 form an integral part of these consolidated condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director

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

For the nine months period ended 31 March 2024

	Attributable to shareholders of the Parent Company				Non controlling interest	Total Equity
	Share capital	Retained earnings	Foreign currency translation reserve	Sub-total		
	(Rupees in '000)					
Balance as at 1 July 2022	1,165,576	6,961,971	577,421	8,704,968	767,772	9,472,740
<b>Total comprehensive income for the nine months period ended 31 March 2023</b>						
Profit for the period	-	2,542,485	-	2,542,485	394,177	2,936,662
Other comprehensive income for the period	-	-	1,215,729	1,215,729	(70,113)	1,145,616
	-	2,542,485	1,215,729	3,758,214	324,064	4,082,278
<b>Total comprehensive income for the three months period ended 30 June 2023</b>						
Profit for the period	-	668,861	-	668,861	225,779	894,640
Other comprehensive income for the period	-	(7,011)	(522,634)	(529,645)	682,291	152,646
	-	661,850	(522,634)	139,216	908,070	1,047,286
<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	-	-	-	-	(219,751)	(219,751)
<b>Balance as at 30 June 2023</b>	<b>1,165,576</b>	<b>9,000,730</b>	<b>1,270,516</b>	<b>11,436,822</b>	<b>1,780,155</b>	<b>13,216,977</b>
<b>Balance as at 1 July 2023</b>	<b>1,165,576</b>	<b>9,000,730</b>	<b>1,270,516</b>	<b>11,436,822</b>	<b>1,780,155</b>	<b>13,216,977</b>
<b>Total comprehensive income for the period ended 31 March 2024</b>						
Profit for the period	-	1,589,040	-	1,589,040	607,339	2,196,379
Other comprehensive income for the period	-	-	(264,967)	(264,967)	(40,106)	(305,073)
	-	1,589,040	(264,967)	1,324,072	567,233	1,891,306
<b>Transaction with owners</b>						
Final cash dividend for the year ended 30 June 2023 @ Rs. 2.5 per ordinary share	-	(582,788)	-	(582,788)	-	(582,788)
Interim cash dividend for the period ended 31 December 2023 @ Rs. 1.5 per ordinary share	-	(349,673)	-	(349,673)	-	(349,673)
Dividend paid to NCI	-	-	-	-	(375,205)	(375,205)
<b>Balance as at 31 March 2024</b>	<b>1,165,576</b>	<b>9,657,309</b>	<b>1,005,549</b>	<b>11,828,434</b>	<b>1,972,183</b>	<b>13,800,617</b>

The annexed notes 1 to 18 form an integral part of these consolidated condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director



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

For the nine months period ended 31 March 2024

## 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 and one new established subsidiary, two indirect subsidiaries of the 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.

#### 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.

#### National Foods (FZE).

National Foods (FZE) has been established in Sharjah, United Arab Emirates on 23 November 2023. The company is a wholly owned subsidiary of National Foods DMCC and will be principally engaged in the manufacturing of food products, although the entity has not commenced its operations.

1.4 During the current period, production has partially commenced at the Faisalabad plant. As a result, the Company has stopped manufacturing operations at SITE and Gujranwala plants. This strategic decision is consistent with the company's overall strategy.

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

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

2.2 These consolidated condensed interim 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 Group as at and for the year ended 30 June 2023.

### 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 transactions/ balances have been eliminated.

### 2.4 Functional and presentation currency

These consolidated condensed interim 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.

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

For the nine months period ended 31 March 2024

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

The preparation of these consolidated condensed interim 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 consolidated financial statements as at and for the year ended 30 June 2023.

The financial risk management objectives and policies adopted by the Group are consistent with those disclosed in the audited annual consolidated financial statements as at and for the year ended 30 June 2023.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION

**4.1** The accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Group for the year ended 30 June 2023. However the company has adopted the following:

### 4.2 New standards and amendments adopted by the Group

The Group has adopted the certain amendments and improvements to approved accounting and reporting standards as applicable in Pakistan which became effective for the current period except for the adoption of the amendments as mentioned below. The said amendments did not have any material impact on these consolidated condensed interim financial statements.

The Group has adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. These amendments did not result in any changes to the accounting policies itself and did not impact the accounting policy information disclosed in the audited annual consolidated financial statements as at and for the year ended 30 June 2023.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality for the disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management has reviewed the accounting policies and assessed that information given in Note 4 of significant accounting policies as disclosed in the audited annual consolidated financial statements as at and for the year ended 30 June 2023 are in line with the amendments. The amendments had no impact on these consolidated condensed interim financial statements.

## 5. PROPERTY, PLANT AND EQUIPMENT

Note

31 March 2024 (Unaudited) 30 June 2023 (Audited)

(Rupees in '000)

Operating fixed assets	5.1	12,430,313	6,366,654
Capital work-in-progress	5.2 & 5.4	1,078,929	4,834,734
Right-of-use assets	5.5	5,690,775	3,066,328
		<u>19,200,017</u>	<u>14,267,716</u>

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

Nine months ended 31 March 2024 (Unaudited) 31 March 2023

(Rupees in '000)

### Additions/ transfer from CWIP

Building on leasehold land	4,114,099	441,382
Plant and machinery	1,722,217	13,169
Computer equipment	136,558	187,971
Vehicles	94,147	43,360
Furniture and fittings	279,997	78,990
Office, laboratory and other equipments	604,967	807,082
	<u>6,951,985</u>	<u>1,571,954</u>

Additions to operating fixed assets include transfers of Rs. 4,073 million (31 March 2023: Rs. 224.4 million) from capital work in progress balance as at 30 June 2023.

Nine months ended 31 March 2024 (Unaudited) 31 March 2023

(Rupees in '000)

### Disposals - Net book value

Furniture & Fixtures [cost Rs. 33.98 million (31 March 2023: Rs. Nil)]	5,354	-
Plant & Machinery [cost Rs. 64.84 million (31 March 2023: Rs. 32.6 million)]	3,706	3,437
Office Equipment [cost Rs. 36.49 million (31 March 2023: Rs. Nil)]	1,311	-
Computer Equipment [cost Rs. 67.63 million (31 March 2023: Rs. 1.9 million)]	843	20
Laboratory Equipment [cost Rs. 4.66 million (31 March 2023: Rs. Nil)]	549	-
Buildings [cost Rs. 0.46 million (31 March 2023: Rs. Nil)]	162	-
Vehicles [cost Rs. 0.44 million (31 March 2023: Rs. 155.87 million)]	8	99,383



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

For the nine months period ended 31 March 2024

**5.2** This includes civil works of Rs. 576 million (30 June 2023: Rs.3,961 million) and Plant & Machinery and Other Equipments of Rs. 503 million (30 June 2023: Rs. 873 million).

**5.3** During the period, Rs. 536 million borrowing cost has been capitalized in Capital Work in Progress.

**5.4** This includes borrowing costs amounting to Rs. 108 million (30 June 2023: Rs. 569 million).

## 5.5 Right-of-use Assets

	31 March 2024			
	Properties	Equipments	Vehicles	Total
	(Rupees in '000)			
<b>Balance at 1 July 2023</b>				
Cost	3,097,823	20,029	119,439	3,237,291
Accumulated depreciation	(1,223,957)	(17,683)	(33,919)	(1,275,559)
Net exchange difference	1,047,467	3,769	53,360	1,104,596
<b>Net book value</b>	<u>2,921,333</u>	<u>6,115</u>	<u>138,880</u>	<u>3,066,328</u>
Additions during the period	3,622,242	-	16,618	3,638,860
Charge for the period	701,881	2,946	40,628	745,455
<b>Balance at 31 March 2024</b>	7,245,456	9,061	196,126	7,450,643
Effect of movements in exchange rates	(1,666,196)	(6,123)	(87,549)	(1,759,869)
<b>Net Book Value at 31 March 2024</b>	<u>5,579,260</u>	<u>2,938</u>	<u>108,577</u>	<u>5,690,775</u>
	30 June 2023			
	Properties	Equipments	Vehicles	Total
	(Rupees in '000)			
<b>Balance at 1 July 2022</b>				
Cost	2,219,562	17,700	149,467	2,386,729
Accumulated depreciation	(671,178)	(12,753)	(71,393)	(755,324)
Net exchange difference	324,842	1,777	17,575	344,194
<b>Net book value</b>	<u>1,873,226</u>	<u>6,724</u>	<u>95,649</u>	<u>1,975,599</u>
Additions	878,261	2,329	71,646	952,236
Derecognition during the year	-	-	(101,674)	(101,674)
	878,261	2,329	(30,028)	850,562
Charge for the year	(552,779)	(4,930)	(57,516)	(615,225)
Derecognition during the year	-	-	94,990	94,990
	(552,779)	(4,930)	37,474	(520,235)
Balance at 30 June 2023	2,198,708	4,123	103,095	2,305,926
Effect of movements in exchange rates	722,625	1,992	35,785	760,402
<b>Net Book Value at 30 June 2023</b>	<u>2,921,333</u>	<u>6,115</u>	<u>138,880</u>	<u>3,066,328</u>

## 6. DEFERRED ASSETS

During the period, the Group has received Rs. 44 million from the pension funds being the surplus amount based on the actuarial valuation report as of 30 June 2023.

## 7. STOCK IN TRADE

	Note	31 March 2024	30 June 2023
		(Unaudited)	(Audited)
		(Rupees in '000)	
Raw materials		3,654,285	3,923,355
Provision for obsolescence	7:1	(44,025)	(51,543)
		<u>3,610,260</u>	<u>3,871,812</u>
Packing materials		1,052,938	1,362,662
Provision for obsolescence	7:1	(56,373)	(86,604)
		<u>996,565</u>	<u>1,276,058</u>
Work-in-process		2,945,295	2,523,297
Provision for obsolescence	7:1	(112,741)	(48,873)
		<u>2,832,554</u>	<u>2,474,424</u>
Finished goods		6,678,798	7,325,424
Provision for obsolescence	7:1	(258,471)	(142,521)
		<u>6,420,327</u>	<u>7,182,903</u>
		<u>13,859,706</u>	<u>14,805,197</u>

**7:1** During the year, the Company recorded reversal of provision for obsolescence of Rs. 22 million (30 June 2023: Rs. 110 million) and has written off stocks against provision amounting to Rs. 129 million (30 June 2023: Rs.239 million).

## 8. SHORT-TERM INVESTMENTS - AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 March 2024	30 June 2023
	(Unaudited)	(Audited)
	(Rupees in '000)	
Investments in mutual funds	112,134	937,047
	<u>112,134</u>	<u>937,047</u>
Local currency	6,213,305	3,183,305
Foreign currency	1,065,739	1,150,318
	<u>7,279,044</u>	<u>4,333,623</u>
Classified under current liability	(360,862)	(372,404)
	<u>6,918,182</u>	<u>3,961,219</u>

## 9. LONG TERM FINANCE

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

For the nine months period ended 31 March 2024

**9.1** This represents original long term finance facilities of Rs. 6,600 million obtained from commercial banks. These finances carry 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 until October 2029.

10. SHORT TERM BORROWINGS	Note	31 March 2024 (Unaudited)	30 June 2023 (Audited)
		(Rupees in '000)	
Conventional			
Running finance under mark up arrangements	10.1	3,061,493	2,750,486
Demand operating loan		974,092	501,509
Export re-finance	10.2	700,000	800,000
Islamic			
Running finance under Musharakah	10.3	365,458	1,355,274
		<u>5,101,043</u>	<u>5,407,269</u>

**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 22.32 % to 22.36% (30 June 2023: 21.71% to 21.80%) per annum. The facilities are valid upto 30 September 2024.

**10.2** The Company has short term running finance facility under Export Refinance Scheme of the State Bank of Pakistan from commercial banks. The effective rate of mark-up on this facility is policy rate minus 3% i.e.19% (30 June 2023: 17%) per annum. The facilities offer are valid upto 30 June 2024 and are generally renewable.

**10.3** The Company has obtained facilities for short-term finance under Running Musharakah. The effective rate of profit is 22.32% to 22.36% (30 June 2023: 21.71% to 21.75%) per annum. The facilities offer are valid upto 31 January 2025.

**10.4** The facilities available from various banks amount to Rs. 8.69 billion (30 June 2023: Rs.6.14 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. 11.59 billion.

## 11. CONTINGENCIES AND COMMITMENTS

**11.1** There are cases against the Company which are outstanding as at 31 March 2024. 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 2023: Rs. 4.2 billion) and for letters of guarantee amount to Rs. 1,250 million (30 June 2023: Rs. 1,071 million) as at 31 March 2023 of which the amount remaining unutilized at period end were Rs 3.7 billion (30 June 2023: Rs. 3.5 billion) and Rs. 802 million (30 June 2023: Rs. 620 million) respectively. The guarantees have mainly been given to utility companies, Collector of Customs and an Oil marketing Company, etc.

**11.3** Aggregate commitments for capital expenditure as at 31 March 2024 amount to Rs. 1.2 billion (30 June 2023: Rs. 2.4 billion).

**11.4** Commitments in respect of ujarah payments for ijarah financing of motor vehicles bearing from First Habib Modarabah carries markup at three months KIBOR + 0.90% (30 June 2023: three months KIBOR + 0.90%) while Meezan Bank Limited facilities carries markup at three months KIBOR + 1.25% respectively (30 June 2023: three months KIBOR + 1.25%) per annum for rentals payable monthly. Total commitment as at 31 March 2024 amount to the following:

	31 March 2024 (Unaudited)	30 June 2023 (Audited)
	(Rupees in '000)	
Not later than one year	425,155	371,529
Later than one year but not later than five years	679,992	791,298
	<u>1,105,148</u>	<u>1,162,827</u>

Total sanctioned facilities from banks amount to Rs. 1,900 million, out of which Rs. 1,105 million has been utilized by the company.

## 12. SALES - NET

Gross sales  
Local sales  
Export sales

Sales tax

Less:

Discount rebates and allowances  
Sales return

	Nine months ended	
	31 March 2024 (Unaudited)	31 March 2023
	(Rupees in '000)	
Gross sales	37,507,876	29,463,601
Local sales	40,687,286	26,431,836
Export sales	78,195,162	55,895,437
Sales tax	(6,856,008)	(5,079,196)
	<u>71,339,154</u>	<u>50,816,241</u>
Less:		
Discount rebates and allowances	(6,414,610)	(5,157,672)
Sales return	(854,872)	(544,488)
	<u>(7,269,482)</u>	<u>(5,702,160)</u>
	<u>64,069,671</u>	<u>45,114,081</u>



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

For the nine months period ended 31 March 2024

12.1 Revenue is disaggregated by primary geographical market.

12.2 Management reviews revenue and other financial results based on major product division. During the nine months period ended 31 March 2024, revenue of the Condiments division was Rs. 20,445 million (31 March 2023: Rs. 15,955 million), and Culinary division was Rs. 21,084 million (31 March 2023: Rs. 15,824 million). Revenue from A1 amounted to Rs. 36,666 million (31 March 2023: Rs. 24,313 million).

## 13. TAXATION - NET

	Nine months ended	
	31 March 2024	31 March 2023
	(Unaudited)	
	(Rupees in '000)	
Current	1,249,745	464,126
Deferred	(120,775)	34,726
	<u>1,128,970</u>	<u>498,852</u>

## 14. EARNINGS PER SHARE

	Nine months ended	
	31 March 2024	31 March 2023
	(Unaudited)	
	(Rupees in '000)	
Profit after taxation attributable to owners of the Parent Company	<u>1,589,040</u>	<u>2,542,485</u>
	(Number of shares)	
	(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>6.82</u>	<u>10.91</u>

## 15. CASH GENERATED FROM OPERATIONS

### Profit before taxation

Adjustments for non-cash charges and other items  
 Depreciation  
 Amortisation  
 Depreciation - right of use asset  
 Gain on disposal of fixed assets  
 Reversal of provision for slow moving stock  
 Impairment on long term investment  
 Income from short term investments at FVTPL  
 Finance cost  
 Interest expense - right of use asset  
 Provision for doubtful debts  
 Retirement benefits expense

### Working capital changes

(Increase) in current assets  
 Stores and spare parts  
 Stock-in-trade  
 Trade debts  
 Advances  
 Deposits and prepayments  
 Other receivables

(Decrease) / Increase in current liabilities

Trade and other payables  
 Contract Liability

Nine months ended  
**31 March 2024**      31 March 2023  
 (Unaudited)

(Rupees in '000)

Profit before taxation	3,325,349	3,899,220
Adjustments for non-cash charges and other items		
Depreciation	831,456	659,219
Amortisation	32,190	27,946
Depreciation - right of use asset	812,998	431,558
Gain on disposal of fixed assets	(8,685)	17,082
Reversal of provision for slow moving stock	(3,870)	(120,405)
Impairment on long term investment	-	14,216
Income from short term investments at FVTPL	(20,732)	(118,021)
Finance cost	1,623,311	691,529
Interest expense - right of use asset	205,649	80,634
Provision for doubtful debts	37,804	-
Retirement benefits expense	9,553	228
	<u>3,519,674</u>	<u>1,683,986</u>
	<u>6,845,023</u>	<u>5,583,206</u>
(Increase) in current assets		
Stores and spare parts	(48,222)	(54,721)
Stock-in-trade	676,006	(2,256,959)
Trade debts	103,802	1,152,357
Advances	(390,108)	(1,178,935)
Deposits and prepayments	(47,653)	(101,648)
Other receivables	76,572	(131,825)
	<u>370,397</u>	<u>(2,571,731)</u>
(Decrease) / Increase in current liabilities		
Trade and other payables	(1,547,092)	890,322
Contract Liability	(10,525)	125,113
	<u>(1,557,617)</u>	<u>1,015,435</u>
	<u>5,657,803</u>	<u>4,026,910</u>

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

For the nine months period ended 31 March 2024

## 16. CASH AND CASH EQUIVALENTS

	Nine months ended	
	31 March 2024	31 March 2023
	(Unaudited)	
	(Rupees in '000)	
Cash and bank balances	2,770,163	1,777,729
Running finance	(3,426,951)	(4,438,411)
	<u>(656,788)</u>	<u>(2,660,682)</u>

## 17. RELATED PARTY DISCLOSURE

Related parties comprise the Holding Company, subsidiaries (direct and indirect), key management personnel, staff retirement funds, directors, major shareholders and key management personnel.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Chief Executive Officer, Chief Financial Officer, Company Secretary, Non-Executive Directors and Departmental Heads to be its key management personnel. Transactions with key management personnel are in accordance with their terms of employment / entitlement. Contribution charged for retirement benefit plan are in accordance with the terms of the service rules / trust deed and actuarial valuation as relevant. Other transactions are in accordance with the agreed terms.

### 17.1 Balance outstanding:

Receivable from the parent company  
Payable to parent company  
Payable to associated companies - net

	31 March 2024	30 June 2023
	(Unaudited)	(Audited)
	(Rupees in '000)	
Receivable from the parent company	4,394	1,328
Payable to parent company	4,821	-
Payable to associated companies - net	11,097	26,251

### 17.2 Transactions during the period

#### Parent company:

	31 March 2024	31 March 2023
	(Unaudited)	
	(Rupees in '000)	
Rental income	2,728	2,634
Rental expense	3,761	4,179
Reimbursement of expenses from Parent Company	7,681	8,188
Reimbursement of expenses to Parent Company	720	-
Dividend paid	317,246	394,934

#### Associated companies / Undertakings

Annual Subscription	2,500	2,530
Purchases	163,925	204,969
Dividend paid	93,677	-

#### Directors and their family members:

Dividend paid	366,857	409,607
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#### Staff retirement funds

Expense charged for defined contribution plan	83,773	70,905
Payment to defined contribution plan	83,773	75,908
Charge during the period to the defined benefit plan	7,896	-
Payment during the period to the defined benefit plan	7,896	-

#### Key management personnel:

Salaries and other short-term employee benefits	888,245	640,919
Reimbursement of expenses	33,921	18,898
Directors' Fee	12,298	3,650
Retainers Fee	7,120	-
Contribution to the Provident Fund	14,705	20,185

## 18. GENERAL

This consolidated condensed interim financial statement has been authorised for issue on 29 April 2024 by the Board of Directors of the Holding Company.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director