

National Foods Limited
Annual Report 2023



National Foods Limited

Annual Report 2023

Here for enrich- ment

National Foods Limited
12/CL-6, Claremont Road
Civil Lines, Karachi.
+92 21 38402022
www.nfoods.com



Printed by YAREEN

[illegible]



Contents

About the Company

Our Story	07
Business Profile	08
Global Presence	10
Founder's Philosophy	12
Vision	14
Core Values	16
Code of Ethics and Business Practices	18
A1 Cash and Carry	20
History Timeline	26
Awards & Certificates	28
Our People	30
Food Services Division	40
Manufacturing Excellence	44
Our Supply Chain	59
Customer Relations Management	61
Brands & Campaigns	62
E-Commerce	78
Technological Developments	80
Innovations, Research and Development	82
Health, Safety and Environment	84
National Foods DMCC	88

Stakeholders Information

Corporate Organizational Chart	97
Company Information	100
Factories & Offices	102
Calendar of Events	104
CEO's Message	107

Corporate Governance

Board Composition	112
Directors' Profile	113
Board Meetings	121
Changes in Board Composition	122
Board Committees	126
Corporate Governance	129
Management Committee	132

Sustainability & CSR

Sustainability & CSR	136
ATCH & NFL Flood Relief Efforts	144

Business Review

Chairman's Review	154
Directors' Report	159

Financial Review

DuPont Analysis	180
Financial Ratios	181
Financial Statements at a Glance	182
Financial Highlights	184
Horizontal Analysis	190
Vertical Analysis	191
Summary of Cash Flow Statement	192
Six Year Cash Flows Using Direct Method	193
Statement of Value Added and its Distribution	194

Financial Report

Statement of Compliance with with Listed Companies (Code of Corporate Governance) Regulations, 2019	200
Independent Auditor's Review Report To The Members of National Foods Limited	203
Independent Auditor's Report To The Members of National Foods Limited	204
Standalone Financial Statements	208
Consolidated Financial Statements	268

Others

Pattern of Shareholding	344
Categories of Shareholders	346
Key Shareholding	348
Notice of Annual General Meeting	350
Form of Proxy	370
E-Dividend Mandate Letter	372

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.



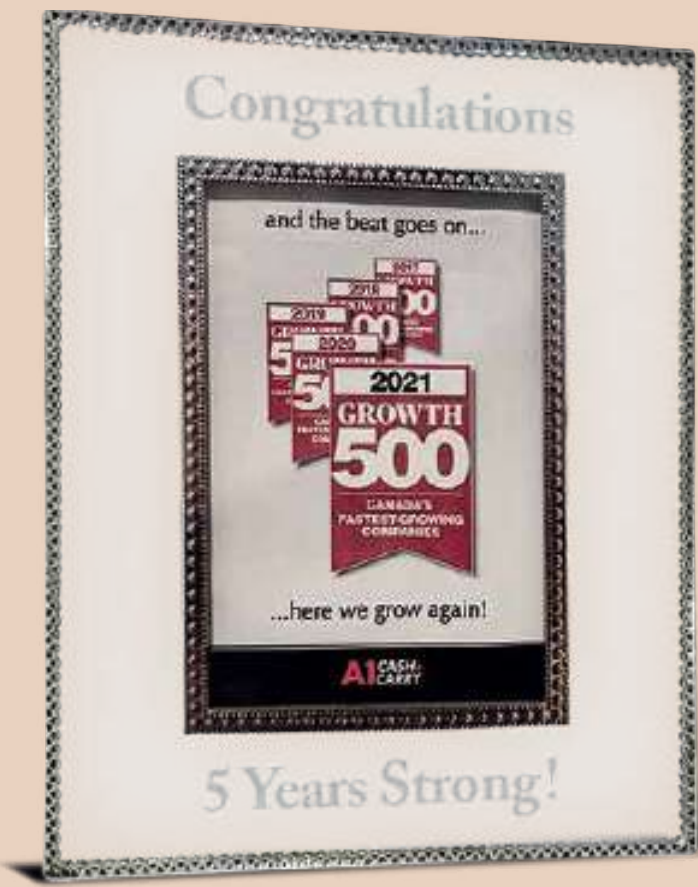
Business Profile

National Foods Limited has successfully positioned itself as a global player in the food industry, committed to enriching lives everywhere.

The structure comprises of ATC Holdings as the parent company, with its subsidiary National Foods Limited, specializing in offering convenient, healthy, and delicious food choices. To enhance global presence, National Foods DMCC, a Dubai-based subsidiary formed in 2012 for the Middle East, has helped expand our global footprint.

National Epicure Inc. Canada, National Epicure Inc. USA, and National Foods Pakistan UK Limited are also part of the company.

In 2017, National Epicure Inc. Canada made a significant move by acquiring 60% stakes in A-1 Bags and Supplies Inc., a company situated in Canada. A-1 Bags and Supplies Inc. specializes in the distribution of restaurant, industrial, and retail supplies.



Global Presence



05

Offices

05

Continents

40

Countries

300

Distributors

Founders' Philosophy

- ◆ Through building a reliable brand, National Foods must get itself recognized as a leader in Pakistan and abroad.
- ◆ National Foods must focus on customer needs and serve them with quality products that conform to international standards & local standards.
- ◆ We must strive to be leaders in all the brands that we produce.
- ◆ Our research must continuously produce new and well-researched, innovative products to promote health and nutrition.
- ◆ We must prove ourselves to be good corporate citizens, support charitable causes for betterment and focus on Triple Bottom Line for People, Planet and Profits.
- ◆ Projects to be identified and initiated that contribute to the economy of Pakistan positively.
- ◆ Reserves must be built, new factories created, sound profits made, and fair dividend should be paid to our stockholders.
- ◆ We must create an environment in our offices and factories where talent is groomed, and people have every opportunity to advance in their careers.
- ◆ With the help of Almighty Allah, the company can achieve its targets in times to come.





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

 Passion	 Customer Centric	 Teamwork	 Excellence in Execution	 Ownership
Go Above and Beyond <ul style="list-style-type: none">• 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) <ul style="list-style-type: none">• 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 <ul style="list-style-type: none">• 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 <ul style="list-style-type: none">• 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 <ul style="list-style-type: none">• 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

Code of Ethics & Business Practices

National Foods Limited believes in conducting its operations with strong ethical and moral standards. NFL's statement of Code Of Conduct & Business Practices aims to provide guidance on carrying out its business-related decisions and activities.

We wish to achieve excellence in all spheres of our operations for which Code of Conduct form the basis. Any party entering any form of contract with NFL is bound to comply with the given guidelines. NFL's statement of Code of Conduct & Business Practices have the following seven guidelines:

1. Unfair Means

Any use of bribery, kickbacks or any form of payment in cash/kind to obtain any undue business related or otherwise gainful benefit for the company is strictly prohibited. Excessive business gifts and entertainment also hold the same meaning and NFL does not approve of such payments.

2. Unfair Behavior

We aim to operate in a manner that discourages discrimination, harassment and/or influence. Discrimination refers to favoritism based on a particular aspect of an individual's personality. Harassment includes gender harassment creating an intimidating, hostile or offensive work environment causing interference with work performance. Influence could be an abuse of authority or the wish to alter personal believes.

3. Conflict of Interest

NFL prohibits actions that are in conflict with the company business interests. This may include but is not limited to:

- i. Providing assistance to the competition or holding ownership interests with a customer, supplier, distributor or competitor
- ii. Making personal gains at company expense

4. Confidentiality

NFL believes in confidentiality of information related to company business activities.

The company expects employees not to disclose or divulge by any means the confidential and commercially sensitive information except to the authoritative employee requiring it. Furthermore, they should use their best endeavors to prevent the disclosure of such information by other people.

The obligation of confidentiality shall survive the expiration or the cessation of employment contracts with National Foods Limited and is equally applicable to intellectual property.

5. Statutory Compliance

NFL aims to comply with all the laws, rules and regulations laid down by governmental and regulatory bodies

6. Financial Integrity

NFL believes in complete compliance with the accepted accounting rules and procedures. This includes but is not limited to:

- i. **Transparency:** NFL discourages any illegal activity for the purpose of any benefit to the company or others. All information supplied to the stakeholders and/or auditors must be authentic & transparent
- ii. **Disclosure:** All transactions must be fully disclosed and must be for the purpose stated

7. Health, Safety and Community Responsibility

NFL is fully committed to safety, health and responsibility towards environment and community. All activities of NFL must portray responsibility towards the community and nation as a whole. NFL seeks to employ procedures that are safe, healthy and environment friendly.



A1 Cash and Carry's 25th Anniversary Event

For more information, please visit www.a1cashandcarry.com

The anniversary celebration served as a platform for A1 Cash and Carry to express gratitude and appreciation to its committed employees who have been an integral part of the company's success.

On the 13th of May 2023, National Foods Limited (NFL), represented by Mr. Abrar Hasan, CEO of NFL, and Mr. Zahid Majeed, Chairman of NFL, were honoured in attending and celebrating the 25th anniversary of its esteemed subsidiary, A1 Cash and Carry. This momentous occasion provided a perfect opportunity to reflect on the remarkable journey and numerous achievements of A1 Cash and Carry, since its inception in 1998, thanks to the vision and dedication of its founder, Mr. Amjad Parvaiz.

The anniversary celebration served as a platform for A1 Cash and Carry to express gratitude and appreciation to its committed employees who have been an integral part of the company's success. Employees with long service at the company, ranging from 2-5 years, 5-10 years, 10-15 years, and 15+ years, were honoured and recognized for their invaluable contributions. Each of them was presented with a special commemorative coin bearing the phrase "Huun te main pitch te ayaa," which symbolizes the spirit of perseverance and ambition that has been at the core of A1 Cash and Carry's journey.



The anniversary event also witnessed the presence and speech of the honourable Mayor of Mississauga, Mayor Bonnie Crombie, who acknowledged and appreciated the significant impact A1 Cash and Carry has had on the local community. The mayor's presence served as a testament to the strong relationships and roots A1 Cash and Carry has cultivated in the Mississauga community over the years.

The event's main highlight came in the form of inspirational words of wisdom shared by distinguished keynote speakers. Mr. Zahid Majeed expressed his appreciation for the collective will and effort that contributed to the success of A1 Cash and Carry and NFL. He also reflected on how self-made individuals such as the founders of NFL, Mr. Waqar Hasan and Mr. Abdul Majeed, shared common characteristics, these being passion, vision, and inspiration. Mr. Zahid Majeed acknowledged Mr. Amjad Parvaiz as one of the self-made individuals who have inspired him.

Mr. Abrar Hasan began with a heartfelt tribute to the NFL founders. Following the tribute, Mr. Abrar Hasan shared the story of how A1 Cash and Carry joined NFL. He shared how he first met Mr. Amjad Parvaiz through Mr. Zahid Majeed, and how he was inspired by his vision.

The highlight of the event was undoubtedly the speeches delivered by the visionary founder of A1 Cash and Carry, Mr. Amjad Parvaiz, his wife, Rifat Parvaiz, and his son, Mr. Fahmad Parvaiz, who, beginning their journey from humble beginnings, have played a vital role in the growth and expansion of the company. Their words were filled with gratitude, nostalgia, and a renewed commitment to the core values that have shaped A1 Cash and Carry's journey.



As the parent company, NFL takes immense pride in A1 Cash and Carry's accomplishments spanning over the past 25 years. This significant milestone not only showcases the perseverance and dedication of the A1 Cash and Carry team but also reaffirms NFL's commitment to nurturing and supporting its subsidiaries to achieve excellence.

Looking ahead, NFL and A1 Cash and Carry are determined to continue their journey of growth, innovation, and unwavering commitment to providing exceptional products and services to their customers. Together, they are poised to embrace new opportunities and overcome challenges, driven by the shared vision of making a positive difference in the lives of people and communities they serve.

The 25th anniversary of A1 Cash and Carry stands as a proud testament to the exceptional growth and success achieved by the company. NFL congratulates A1 Cash and Carry and its dedicated team for this remarkable milestone, and eagerly anticipates the future achievements and continued excellence of this cherished subsidiary.



A1 Cash and Carry's Growth

A1 Cash and Carry has undergone remarkable growth and expansion in recent years. As a leading player in the restaurant wholesale industry, A1 Cash and Carry has achieved significant milestones, consolidating its position as a prominent provider of wholesale goods. The key achievements that have propelled the company's success include:

Expansion of Locations:

A1 Cash and Carry has made considerable strides in terms of expanding its presence. The company now has 410,000 sq. ft. of Cash & Carry across 6 locations: Mississauga Central, Etobicoke, London, North York, Kitchener, and Mississauga East. This expansion strategy has allowed A1 Cash and Carry to reach a wider customer base, catering to the growing demand for quality wholesale products.



Establishment of Warehouse Distribution Centers (DCs):

A1 Cash and Carry added two warehouse distribution centers to its supply chain network. These strategically located centers serve as hubs for inventory storage and distribution, enabling the company to enhance its operational capabilities, streamline processes, and ensure prompt deliveries to its growing customer base.



Fleet Expansion:

To enhance its transportation capabilities and meet increasing demand, A1 Cash and Carry has expanded its fleet. Ten new trucks have been added to the existing fleet, strengthening the company's ability to supply reliable and timely distribution of its products.

Workforce Growth:

A1 Cash and Carry recognizes that its team members play a crucial role in its success. The number of team members has doubled in the past 10 years, reflecting a commitment to nurturing a skilled and dedicated workforce.

Diversification of Product Offerings:

A1 Cash and Carry expanded its product portfolio by venturing into new categories. Notably, the company introduced Wares & Equipment and Protein Category offerings. This diversification allows A1 Cash and Carry to cater to a wider range of customer needs, providing them with an extensive selection of products under one umbrella.

A1 Cash and Carry's growth and leadership in the restaurant wholesale market is evident and is only projected to grow further. Through strategic expansion in new markets, fleet enhancement, investment in human capital, and product diversification, A1 Cash and Carry has successfully positioned itself as a leading player in the wholesale industry. With a commitment to excellence, the company continues to drive innovation, deliver superior customer service, and contribute to the overall success of National Foods Limited.



Digital Expansion: E-Commerce, Online Marketplaces, Instacart

A1cashandcarry.com was launched in February 2021 as a digital extension of the cash and carry format. Establishing a presence in the digital landscape enabled A1's customers to access a myriad of services including delivery, account registration, user-friendly product search and product range display including images and specifications.

Businesses can submit orders online 24/7 and have their order delivered to their doorstep. Through the website, A1 can target new markets and expand their geographic reach and customer base. A1's website currently services clients spanning 40+ cities in the GTA and Surrounding Area. The success of the website is evident in the exponential growth of 700% since inception, crossing 80,000 online store sessions per month, and processing 29,000+ orders.

A1 has also expanded their services and products to some of the most prolific names in the realm of online marketplaces, including Amazon.ca, Walmart.ca and Ebay.ca. In April 2022, A1 incorporated Instacart to their portfolio of digital reach, offering same day delivery with no minimum orders from all 6 locations.

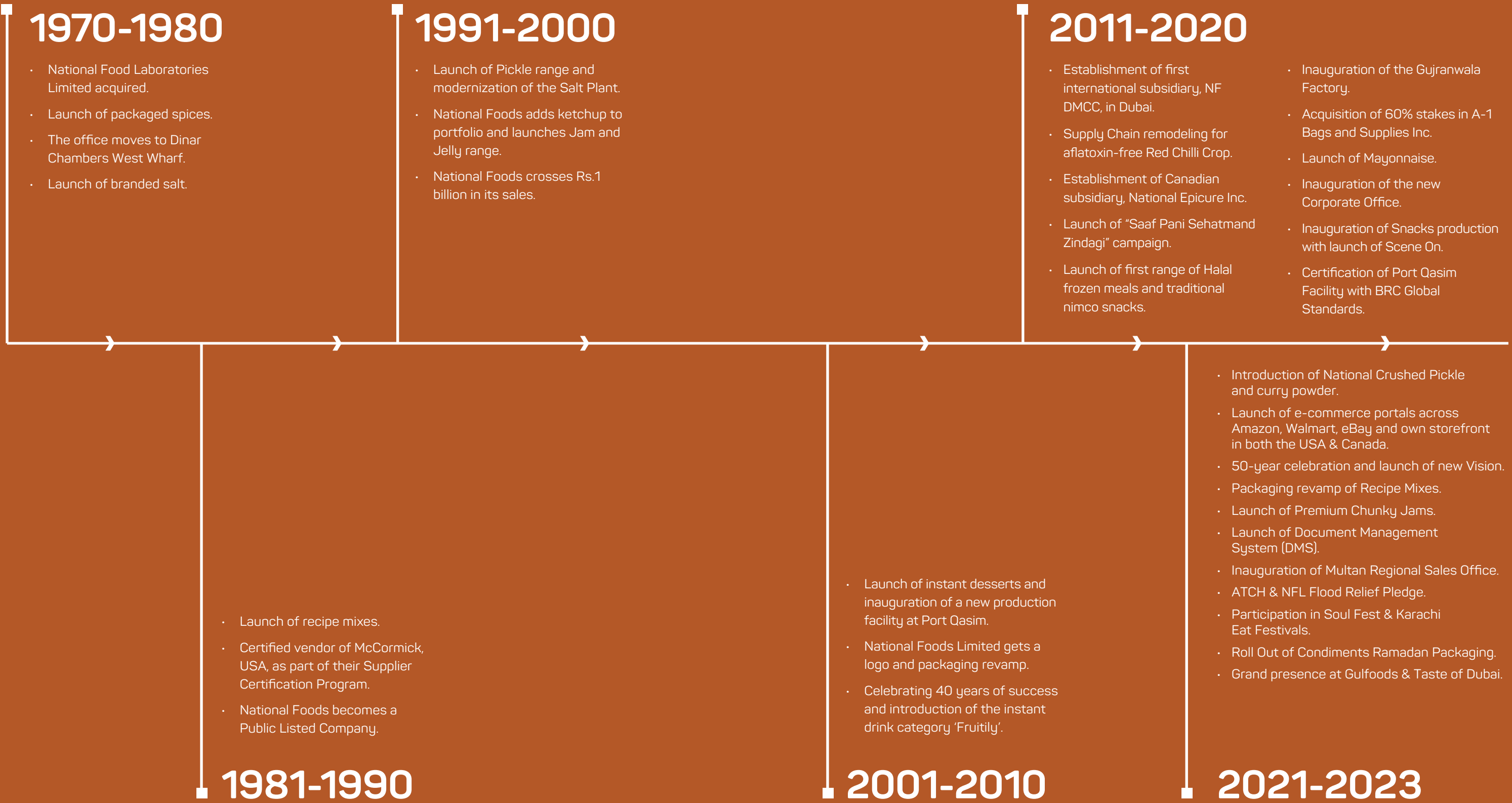
A1's embrace of the digital landscape is critical as the industry is becoming increasingly dependent on digital solutions, especially during a post-covid era. It also gives them the flexibility, reach and efficiency to achieve greater heights in the restaurant wholesale market.

and the beat goes on...



A1 CASH+ CARRY 5 years in a row!

History Timeline



Awards & Certificates

Certification standards play a crucial role in ensuring the quality, safety, and ethical practices of organizations.

National Foods, a renowned organization operating across four locations, namely SITE, Port Qasim, Gujranwala and Nooriabad, takes great pride in upholding these standards to deliver excellence in its operations. Let's delve into the significance of each certification and how it has benefited National Foods.

BRC Issue 8:

BRC (British Retail Consortium) Issue 8 certification sets stringent requirements for food safety, quality, and operational criteria. National Foods has achieved this certification at PQ and NBD locations, which demonstrates its commitment to maintaining the highest standards in food processing. This certification has enabled National Foods to build trust with its customers, assuring them of safe and reliable products.



ISO 45001:2018:

ISO 45001:2018 is an internationally recognized standard for occupational health and safety management systems. National Foods has implemented this standard across all its locations, emphasizing its dedication to creating a safe and healthy work environment. By adhering to ISO 45001:2018, National Foods has minimized workplace hazards, reduced accidents, and enhanced employee well-being, ultimately leading to improved productivity.



ISO 9001:2015:

ISO 9001:2015 certification focuses on quality management systems, encompassing processes and procedures that ensure consistent product quality and customer satisfaction. National Foods has diligently implemented ISO 9001:2015 at all its locations, enabling the organization to streamline operations, enhance customer trust, and continuously improve its products and services.



ISO 22000:2018:

ISO 22000:2018 certification specifically addresses food safety management systems. National Foods has attained this certification at SITE and GUJ locations, affirming its commitment to ensuring the safety of its food products. By adhering to ISO 22000:2018, National Foods has established robust systems for hazard analysis, control, and continuous improvement, resulting in safe and hygienic food products for consumers.



SEDEX SMETA:

SEDEX (Supplier Ethical Data Exchange) SMETA certification focuses on ethical trade practices, including labor standards, health and safety, environmental responsibility, and business integrity. National Foods has achieved SEDEX SMETA certification at Port Qasim and Nooriabad locations, demonstrating its dedication to responsible sourcing and ethical supply chain management. This certification has enabled National Foods to strengthen its relationships with customers, suppliers, and stakeholders while ensuring sustainable and ethical business practices.



Halal Certifications:

National Foods has obtained multiple Halal certifications, including Halal PS 3733 at all locations and Halal MS 1500 at Nooriabad, Port Qasim, and SITE. These certifications attest to National Foods' compliance with Islamic dietary requirements and demonstrate its commitment to providing Halal-certified products to consumers. Moreover, the Halal GSO & GAC certification, acquired at all locations, further reinforces National Foods' adherence to globally recognized Halal standards. These certifications have significantly expanded National Foods' market reach, allowing it to cater to the diverse needs of consumers seeking Halal products.



In conclusion, National Foods' dedication to these certifications showcases its unwavering commitment to quality, safety, ethics, and customer satisfaction. By achieving and maintaining these standards, National Foods has positioned itself as a trusted and responsible organization, fostering stronger relationships with customers, suppliers, and stakeholders while continuously improving its operations and delivering exceptional products to the market.

Our People

A successful organization thrives on a shared set of strongly held values and beliefs, supported by strategy and structure.

As National Foods charts an exciting path for growth in new and existing markets, it has refreshed its People Strategy to support this new course. Our People Strategy is based on the following pillars:

Talent

Meaningful reasons to join and stay

Leadership

Role models who inspire us

Diversity

Bring forward fresh and diverse perspectives

Culture

Creative climate to make a difference

To ensure impactful and diligent forward planning, a holistic culture study was carried out to gain insight into current organizational intricacies. The study identified areas of focus for the People Strategy and forms the foundation for various interventions planned under the People and Culture umbrella.

Diversity, Equity, & Inclusion

Our company's success hinges on having a diverse workforce, and we are dedicated to attracting and retaining employees from all backgrounds. By promoting equity internally and actively pursuing opportunities to enhance diversity and inclusion, we aim to build a culture that fully represents the community we serve, attracts top talent, fosters an inclusive work environment, encourages diverse thought, and empowers employees to create value. To this end, a five-year Diversity, Equity, and Inclusion Strategy has been employed to guide our efforts. This year, we introduced several initiatives focusing on areas such as gender, religion, and persons with disabilities, with plans to further strengthen them in the future.

Celebrating & Empowering Women

National Foods has always spotlighted the empowerment of women. We were honoured to be recognized by the Employers Federation of Pakistan and the International Labour Organization as one of the top ten companies with exemplary practices in women's employment and empowerment. Aligned with our DEI strategy, we seized every opportunity to acknowledge, celebrate, develop, and empower the women at National Foods. This included recognizing women in STEM careers on International Day of Women & Girls in Science and organizing a breakfast networking session on International Women's Day 2023, where female employees could interact with the management committee and senior leadership, exchange thoughts, and experiences, and discuss improvements for women at NFL. IWD'23 also marked the launch of SheLeads, NFL's bespoke Women's Development Program, in partnership with Carnelian.



Inclusion of Persons with Disabilities

As part of our commitment to DEI, we prioritize the inclusion of Persons with Disabilities (PwDs) at National Foods. To initiate the conversation, we conducted an awareness session in collaboration with NOWPDP on the International Day of Persons with Disabilities. Additionally, we partnered with NOWPDP to conduct an Inclusivity Audit of our Head Office, in order to make further strides to make it more accessible for PwDs. NFL intends to go from strength to strength whilst building not only a culture but an infrastructure wherein PwDs can thrive professionally.



Employee Wellbeing

National Foods believes that its success lies not only in the attraction and development of top talent but also in an investment in their well-being. It’s no secret that employee well-being fosters a productive and engaged workforce.

Social well-being plays a crucial role in creating a sense of belonging and inclusivity at the workplace. On World Kindness Day and Employee Appreciation Day, we seized the opportunity to positively impact the career and social well-being of our employees. Personalized notes, recognition titles from managers and peers, and tokens of appreciation from the company created an exciting atmosphere and lifted spirits. To enhance work-life integration, an event was organized at TDF MagnifiScience Centre on International Day of Families, bringing together employees and their families to spend quality time, and educating them about their role in being responsible citizens and agents of change in addressing climate change.



Recognizing the impact of mental well-being on performance, conversations around mental health and psychologically safe workplaces were initiated on World Mental Health Day in October 2022. Building on this, the focus was maintained on mental health awareness throughout Mental Health Awareness Month in May 2023. Sessions with external experts, employee-led meditation sessions, and communications were organized focusing on identifying and addressing various types of anxieties, emphasizing the interconnectedness of mental well-being with employee performance.



Not overlooking physical well-being, NFL has actively been working to emphasize its importance through focused communication, introducing healthy food options, and encouraging employees to prioritize their health. As part of this effort, a Breast Cancer Awareness session was conducted in collaboration with Shaukat Khanum Memorial Cancer Hospital and Research Centre, raising awareness among our female colleagues and equipping them with knowledge for self-diagnosis and early detection.

Talent Programs

Succession Planning

At National Foods, we recognize the critical role that succession planning plays in the sustainability and growth of our organization. During the past year, we have made strides in the design and implementation of a robust framework that aligns with our strategic goals and values. This reinforces our commitment to building a strong talent pipeline and ensuring the long-term success of National Foods.

Our succession planning framework encompasses a comprehensive approach that identifies and develops high-potential individuals within our organization. Through a rigorous assessment process, we have identified key leadership positions and critical roles that require succession planning to mitigate any potential talent gaps in the future.

To facilitate the seamless transition of leadership, we have focused on creating individual development plans tailored to the specific needs and aspirations of our employees. These plans encompass targeted training, mentoring programs, job rotations, and stretch assignments, all aimed at nurturing the skills and capabilities required for future leadership roles.

The implementation of our succession planning framework has been a collaborative effort, involving active participation and engagement from various stakeholders across the organization. Through cross-functional teams and talent review sessions, we have fostered a culture of talent development and internal mobility, enabling us to capitalize on the strengths and expertise of our existing workforce.

Career Frameworks

National Foods recognizes the significance of nurturing its employees as a crucial factor for achieving success and views innovation as a fundamental element for long-term growth. In order to cultivate a diverse workforce that excels in a high-performance environment, the company has prioritized the ongoing development of Career Frameworks. During this year, National Foods focused on establishing Career Frameworks for Finance and Supply Chain domains. These frameworks serve as a blueprint for defining the necessary experiences that facilitate career progression and continual enhancement of performance. Moreover, they play a vital role in enhancing overall organizational capabilities.



Trailblazers Program

This year, we welcomed a new cohort of Trailblazers as a part of our flagship trainee program aimed at developing a pipeline of functional experts to enhance organizational capability. Trailblazers Program has been designed to provide fresh graduates with ingredients for learning and growth together with a recipe for success, while they take charge of driving their own careers.

As a part of their comprehensive development plan, our Trailblazers underwent rotations within and outside their core functions. These rotations exposed them to various aspects of our organization, challenging projects, and real-world scenarios that have honed their functional skillset and provided them with a holistic understanding of our operations.

Trailblazers have also attended multiple trainings focused on both functional expertise and personal effectiveness. Additionally, they benefited from career counselling sessions, enabling them to make informed decisions and chart their growth path within our organization.

As we reflect on the successful onboarding of our new batch of Trailblazers, we are confident that their energy, fresh perspectives, and passion for growth will contribute to the continued success and innovation of our organization. We look forward to witnessing their progress and achievements as they embark on their professional journeys with us.



Keeping up with the success of the program last year, we ran a successful branding campaign this year as well to attract the best talent for the upcoming year. This year a targeted and hybrid approach was adopted to engage fresh graduates through campus visits, virtual drives, and social media, resulting in 40% more applications being received. Moreover, applicants with a Food Sciences & Technology background increased by 109%. This not only enhanced the size of the talent pool available for selection but also improved the organization's branding in academia.

NFL Apprenticeship Program

Building upon our collaboration with TEVTA for the Technical Skill Enhancement Program for our plant operations, a second batch of 10 DAE-qualified apprentices under the program named XCELERATE were hired at the Gujranwala plant as Phase Two. This continued collaboration has allowed NFL to bring in Competency-Based Trained & Qualified resources, further reinforcing our Human Resources needs in manufacturing and playing a significant role in enhancing our talent pipeline for the Faisalabad Plant.



Building Capability

Developing Our Business Partners

At NFL, we strongly believe in promoting excellence in our human capital by creating continuous Learning & Development opportunities. We feel honored in our commitment to the development of individuals who work with us as our valued business partners. During the fiscal year 2022 – 2023, National’s House of Learning & Development made meaningful investments in the development of resources particularly Order Bookers associated with our distributors, who form one of the largest distribution networks in Pakistan.



In our commitment to enhancing the functional capabilities of our Order Bookers, National’s House of Learning & Development allocated a total of 2,400 learning hours across Pakistan to improve their core competencies in terms of the sales call. Our one-point agenda behind this targeted invention is the development of our order bookers by enhancing their sales acumen, communication skills, and their overall functional effectiveness. We recognize that an effective sales call is the most basic pre-requisite which is required for our overall business success along with professional relationships with our customers and we are committed to equipping our field force with the necessary skills & knowledge to excel in their roles.

The Leadership Foundation Development Program

National’s House of Learning & Development is proud to announce the successful completion of the Leadership Foundation Development Program – an initiative taken in line with the integrated strategic goal of National Foods Limited and the Organizational Development team to “create the best in class professionally managed organization” by “upskilling and reskilling the workforce through continuous learning and development”.

This program was designed and targeted for employees who have recently been promoted to a team lead position or have been identified by their Line Managers and HR Business Partners, as having the potential to leap into a possible managerial role. The purpose of the program was to equip such employees with the fundamental skills and tools required to actualize the leadership potential they have been recognized for.



Through such learning interventions in the future, the Human Resources department seeks to push its agenda of creating a culture of continuous learning and development, empowering employees to acquire, share, and apply new levels of knowledge and ideas to their work, teams, and ultimately the organization.

Customized Development Program for Foods Services Business

In today’s highly competitive food industry, the ability to effectively develop & promote the food services market is essential for overall business success. In our continuous efforts to upskill our existing human capital, an extensive customized Selling Skills Foundation Program was designed and executed for our Food Services Business.



The aim behind this targeted intervention was to equip our dedicated food services sales team to master the necessary knowledge and skills that are required to understand and cater to the unique needs and challenges of the industry. The focus of this highly specialized development intervention was to foster a customer-centric approach by providing valuable insights and sustainable food solutions and creating effective value propositions for NFL’s products to our valued customers within the food services sector.

Field Coaching Excellence Program

Keeping in view NFL’s commitment to invest in both people and business, the National House of Learning & Development offered a dedicated Field Coaching Excellence program for its field sales team. The Field Coaching Excellence development program holds significant importance for both business success and human resources development. The program primarily aims to equip frontline field sales managers with effective coaching skills that enable them to act as functional coaches for their respective sales teams to achieve higher business objectives. This, in turn, from a business perspective promotes a culture of continuous learning through effective functional coaching, where Territory Sale Managers are encouraged to act as on-field coaches with necessary coaching skills to drive performance and growth resulting in higher productivity and sustainable business growth.



International Division

As a part of NFL’s focus to expand its business in the international arena, we partnered with Russell Reynolds Associates (RRA), who helped us to bring together key elements to drive this strategic goal.

RRA’s research found that the relationship between culture and values, rewards and compensation, organizational structure, and phases of hiring is constant. The areas do not operate mutually exclusive to one another, rather changes made in one area can have a profound impact on another. Businesses that have not recognized this relationship have ultimately failed.

Scope of RRA engagement was:

- Robust organizational structure following clear design principles, incorporating market benchmarks, and geared towards strategic goals and innovation.
- Efficient and effective internal linkage mechanisms that drive effectiveness in decision-making at a team level and establish precise accountabilities.
- Clearly, purposefully designed roles modeled on best practice organizations but aligned to National Foods’ unique strategic goals and nuances.

As a result of this engagement and based on what needs to be the focus for the initial transformation, NFL welcomed new Global CHRO Ivana Bajamic and COO International Division, Dominique Silvarelli.

Food Services Division

National Foods Limited continues to make significant strides. This year has witnessed remarkable achievements, including our entrance into the billionaire’s club, and the prestigious addition of renowned international chains such as KFC, Domino’s, and McDonald’s to our esteemed list of customers.

By partnering with these well-known chains, we have further solidified our commitment to excellence in the food industry and expanded our reach to a global scale. This year was dedicated to elevating chefs to the limelight and establishing a brand centered around their culinary expertise.

Celebrating Chefs

Throughout the year, we embarked on a mission to honor and showcase the exceptional talents of our chefs, placing them firmly in the spotlight. To achieve this, we implemented a series of carefully curated programs aimed at recognizing and celebrating their invaluable contributions. These programs included:

Ramadan & Eid

In the spirit of Ramadan, we embarked on a heartwarming initiative to share the joy and blessings of the holy month. To foster a sense of togetherness and gratitude, we distributed 1,000 gift boxes filled with National Foods products to chefs and HORECA customers across the nation.

This thoughtful gesture allowed us to extend our appreciation to the culinary community while exemplifying our commitment to culinary excellence and cultural festivities.



International Chef’s Day

To mark International Chefs Day, we hosted a remarkable event, honoring the top 25 chefs from Karachi, Lahore, and Islamabad with a delightful dinner. Additionally, we recognized chefs nationwide by sending 500 National Gift Boxes as a token of appreciation. This celebration showcased the vibrant culinary landscape and the invaluable contributions of chefs in enhancing our culinary experiences.



Signature Dish Campaign

We take immense pride in the successful launch of our Signature Dish Campaign, a captivating initiative to highlight the unique talents and expertise of renowned chefs by showcasing their signature dishes, along with the secret ingredient they relied on from National Foods.

By placing the chefs at the center of attention, we aimed to foster engaging conversations and discussions within the culinary community. This campaign celebrated the culinary maestros' talent, creativity, and mastery while emphasizing the vital role that National Foods' high-quality ingredients play in their remarkable dishes.

Through this initiative, we successfully brought the chefs to the forefront, establishing them as trendsetters in the culinary world. The campaign ignited a sense of admiration and intrigue, generating a greater appreciation for the chefs' exceptional skills and their collaboration with National Foods.



Connecting with Chefs

Chef’s Connect

With Chefs Connect, we organized a series of events in seven cities, uniting over 820 talented chefs. These gatherings provided a platform for enhancing professional skills and building connections.

Through cost management training sessions and live cooking demos, we equipped chefs with knowledge and inspiration, while expressing gratitude through gift boxes. We also emphasized the importance of digital savviness and leveraging technology to enhance culinary businesses.



Karachi International Salonnaire 2022

We hosted the Karachi International Salonnaire (KIS), a digital event that showcased our chefs and aimed to boost our brand equity. With 5 masterclasses, KIS attracted 120 aspiring chefs and achieved an impressive organic reach of 1,600 viewers within the first hour, sparking engaging conversations about our culinary expertise.



Fostering Collaborations

Through strategic partnerships with renowned chains, we have reaffirmed our dedication to excellence in the food industry and broadened our horizons. These collaborations have enabled us to strengthen our position and expand our presence in the market:

Jardin

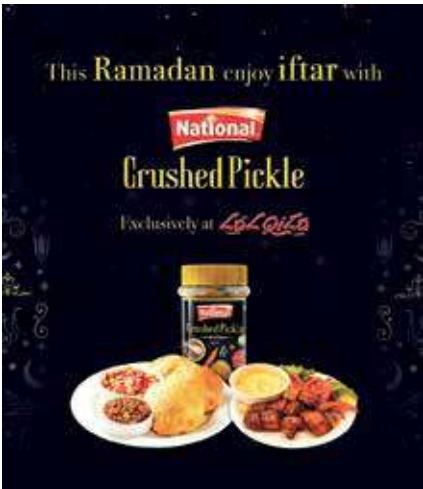
In collaboration with Jardin, a renowned restaurant in Karachi, we introduced exclusive Limited Edition treats for Valentine's Day. Crafted using National Foods Jam, these signature delicacies were designed to add romance and sweetness to celebrations. Our aim was to bring joy and a unique culinary experience to couples and individuals, adding love and flavor to their special day.



Crushed Pickle

We conducted sampling activities of 15,000 crushed pickle sachets at prestigious restaurants in Pakistan, such as BBQ Tonight, Chaupal, and Tooso, along with standees and tabletop displays. This initiative successfully generated trials and significantly increased awareness of our product.

During Ramadan, we incorporated our Crushed Pickle into the buffet menus of some of these notable restaurants for a limited time. The overwhelming response to this was a testimonial to how well Crushed Pickle goes with our culinary cuisine. By reaching out to these top-tier restaurants, we effectively introduced our crushed pickle to a wide audience and encouraged customers to experience its unique flavors.



Desom' Lahore and Zabitech

We hosted a thrilling culinary competition at Desom' Lahore and Zabitech, showcasing the talent and creativity of aspiring chefs. The event included live cooking sessions where participants demonstrated their skills and innovation. It celebrated culinary excellence, inspiring aspiring chefs to push boundaries and showcase their prowess.

Co-Branding SKUs

We are delighted to announce the launch of co-branded SKUs in collaboration with Domino's and Cheezious. Domino's will now feature our Red Chili Flakes to elevate the flavors of their pizzas, while Cheezious will offer our co-branded Tomato Ketchup and Chili Garlic products across all 25 outlets. This collaboration brings together the distinctive taste of National Foods and the culinary expertise of our partners, ensuring a delightful gastronomic experience for all.



Co-Creating Value

Wholesale Loyalty Program

To strengthen our wholesale presence, we launched a Wholesale Loyalty Program in three regions. This program incentivized and rewarded our loyal partners. 72 participants followed the program and met the purchase threshold. We were awarded 32 winners with exciting prizes, like bikes, to show our appreciation for their contribution to our mutual growth.

Customization Projects

In response to the specific requirements of our esteemed HORECA partners, we launched a series of innovative customization projects. Collaborating with industry leaders such as KFC and Cheezious, we aimed to elevate their offerings and deliver tailored solutions.

For KFC, we provided a range of mayo options, including Spicy Mayo, Plain Mayo, and Black Pepper Mayo. These delectable condiments were meticulously crafted to enhance the flavors of their popular burgers and rolls, ensuring an unforgettable dining experience for their customers.



In the case of Cheezious, we went the extra mile by incorporating their unique spices and ingredients into our mayo sauce. This collaboration resulted in a truly personalized and delightful experience, catering to the distinct preferences of their discerning clientele.



These exceptional collaborations not only underscore our commitment to delivering high-quality solutions but also highlight our dedication to customization.

Portfolio Optimization

In our continuous pursuit of meeting customer needs, we have optimized our product range to better align with evolving preferences. As part of this initiative, we have made strategic changes by delisting Classic Mayo and Garlic Mayo, and introducing our new offering, Signature Mayo, which provides a more affordable option for our valued customers.

In addition, our Food Services Division now serves as a platform for retail product trials. We strongly believe that out-of-home consumption trends play a significant role in driving in-home consumption trends. By aligning our approach with this belief, we can effectively cater to changing customer preferences and expand our market presence.

Manufacturing Excellence

Port Qasim Plant Operations

Quality & HSE compliance

National Foods has consistently earned the trust and loyalty of consumers through its unwavering commitment to maintaining high-quality standards. Our dedication to excellence is deeply ingrained in our organizational culture, exemplified by the implementation of a robust Quality Assurance framework. We are proud to highlight some of our major accomplishments in the realm of Quality and Compliance:

Winner of Grand GEMBA Audit

Port Qasim Plant has achieved the remarkable distinction of winning this year's Grand GEMBA Audit.

This prestigious recognition showcases the plant's outstanding commitment to Good Manufacturing Practices (GMP) and food safety, positioning it as a shining example of excellence among all National Foods Manufacturing Plants.

Carton printing check weigher – Packing

We have implemented a state-of-the-art Carton Printing and Check Weigher system in our Recipe Packing area. This advanced system automates the process of weighing cartons while simultaneously printing important details, including the carton weight. This integration has proven effective in mitigating short packet complaints and addressing pilferage issues at the Finished Goods (FG) level. By enhancing accuracy and efficiency, this technology contributes to the overall excellence of our packing operations.



Pickle Cooking Floor

Our Pickle Cooking/Washing floor has undergone a comprehensive revamp, featuring the implementation of a Polyurethane (PU) floor. This upgrade aligns with industry best practices, promoting food safety, ensuring human safety, and enhancing compliance with Good Manufacturing Practices (GMP). The PU floor effectively mitigates the risk of microbial contamination, further bolstering our commitment to maintaining high-quality standards in our pickle production processes.



Sachet Leakage tester

We have Installed a leakage tester in the Recipe weighing and packing department which is important for ensuring that the products being packed are of the highest quality. The tester will help to detect any leaks in the packaging of the products, which can lead to spoilage or contamination. This will help to ensure that the products are safe for consumption and meet the standards of the local and exporting country.



Installation of HVAC & DC System in Exports Section

Installing an HVAC system in the Exports department is a crucial step towards ensuring a comfortable and safe working environment for our employees. This system will effectively regulate the temperature and humidity levels within the department, optimizing air quality for enhanced productivity and well-being.

By implementing the HVAC system, we can also achieve significant energy savings. The system is designed to provide efficient cooling and heating, resulting in reduced energy consumption and lower operational costs. Moreover, the HVAC system plays a pivotal role in reducing the presence of dust and other airborne particles, contributing to a cleaner and healthier workspace.

The introduction of the HVAC system in the Exports department not only aligns with our commitment to employee welfare but also reinforces our dedication to maintaining high standards of Good Manufacturing Practices (GMP). This investment will enhance compliance with GMP requirements, elevating our overall operational efficiency and ensuring the optimal working conditions necessary for the successful execution of export activities.



Twin Pack Machine guarding and interlocks

The safety of our employees is of utmost importance, and as part of our commitment to their well-being, we have implemented resilient machine guarding measures and interlocks on our Twin Pack machines. These safety features are crucial in eliminating potential hazards associated with moving parts, sharp edges, and hot surfaces.



Machine guarding serves as a protective barrier, creating a physical separation between workers and the machinery they operate. By effectively reducing the risk of accidents and injuries, it fosters a secure working environment. This implementation aligns with regulatory requirements and industry best practices, ensuring that we adhere to the highest safety standards.

Moreover, the integration of interlocks adds an additional layer of protection. These interlocks enable the machines to operate only when all safety measures are in place, reducing the possibility of unauthorized access or accidental activation. This further enhances the overall safety and security of our workplace.

Operational Excellence

At National Foods, we have instilled a culture of Operational Excellence among our employees, recognizing its vital role in achieving our business objectives and maintaining competitiveness in the market. Our Port Qasim facility has consistently demonstrated exceptional performance in delivering projects that prioritize process optimization, waste reduction, efficiency enhancement, and continuous improvement.

In-House Plum Dehydration

Our decision for in-house plum dehydration is a strategic move driven by our commitment to innovation, diversification, and meeting market demands. This approach optimizes efficiency, improves product quality, and minimizes wastage.

We integrate eco-conscious practices to ensure sustainability, optimizing resource utilization, and implementing energy-efficient technologies. Our in-house capabilities enable precise control over the entire process, from selecting premium plums to precise dehydration techniques. This initiative reinforces our dedication to excellence, sustainability, and meeting market trends.

In-house cleaning and de-hydration of Turmeric

Our venture into in-house cleaning and dehydration of turmeric stands as a testament to our unwavering dedication to innovation, quality, and value creation. As the demand for premium turmeric products continues to rise, our in-house operations have played a pivotal role in our success.

With meticulous diligence and strict adherence to industry best practices, we have established a robust process for cleaning and dehydrating turmeric. This comprehensive approach guarantees the removal of impurities and contaminants, ensuring that our turmeric meets the highest standards of purity and quality.

Online printing on Pickle 20Kg Bucket

The implementation of online printing on our Pickle 20 kg buckets offers a streamlined process that brings several advantages, including customization, efficiency, flexibility, accuracy, and productivity. This cost-effective and convenient method enables us to print the buckets with the required information online, ensuring compliance with regulatory requirements.

By leveraging online printing, we gain the flexibility to tailor the printing details to specific batch requirements, product variations, or customer preferences. This customization capability enhances our ability to meet diverse market demands while maintaining operational efficiency.

The competency of online printing minimizes manual intervention, reduces processing time, and improves overall productivity. With precise and automated printing, we achieve accurate labeling and information placement on each bucket, ensuring clarity and consistency in our packaging.



IBC Gravity Feeding

IBC gravity feeding is an exceptional method for the handling and transferring of recipes and spices and by utilizing it, we ensure the prevention of contamination, safeguarding the purity and freshness of our products. The closed system minimizes the risk of external contaminants entering the process, maintaining the highest standards of quality control.

Furthermore, this method significantly reduces waste by enabling precise and controlled dispensing of recipes and spices. The gravity-fed system allows for accurate measurements and controlled flow, minimizing the potential for over-pouring or spillage.



Business Continuity

To ensure uninterrupted fulfillment of customer demands and operational requirements, we have successfully implemented multiple critical projects at the Port Qasim Plant. These projects are specifically tailored to address energy crises and disruptions, minimizing interruptions, maintaining operations, enhancing resilience, and safeguarding the reputation of National Foods. The following projects have been successfully delivered at the Port Qasim Plant:

Solar Parking Shed 45KW

The implementation of a solar parking shed at our facility has brought significant benefits to our operations. By installing solar panels on the shed, we have harnessed renewable energy, reducing our reliance on traditional energy sources, and making a positive impact on our carbon footprint. The utilization of solar power has resulted in a considerable reduction in our total energy costs, contributing to our sustainability efforts.

Dual Fuel Operation at Dehydration

To mitigate production delays caused by unexpected gas shutdowns, we have upgraded the Tunnel dryer at Port Qasim with a dual-fuel burner system. Previously, our dehydration processes solely relied on natural gas, leading to disruptions in operations. With the implementation of this upgrade, we now have the capability to use diesel as an alternative fuel alongside natural gas. This enhancement ensures greater operational reliability and flexibility, minimizing the impact of gas supply interruptions.



Shifting of Mineral Water Plant from Site to PQ

We have successfully relocated our Mineral Water plant from its previous site to PQ. The plant has been meticulously installed with resilient quality checks in place to ensure the production of the highest quality drinking water. The relocation process involved executing civil works for the construction of the new facility and providing essential utilities such as electricity, water, and oxygen. We are pleased to announce that the plant is fully operational, and the supply of water is being distributed to all NFL plants.



SITE Plant Operations

Quality & HSE compliance

With Safety and Quality at the forefront of everything we do, the SITE plant has been re-certified for the following:

- ISO 45001: 2018
- ISO 9001: 2015
- FSMS: ISO 22000
- Successfully maintained the milestone of zero-incident to keep LTI & TRIR at zero.
- Overall food safety has improved throughout the plant due to the implementation of food safety protocols and upgrades in PRPs, OPRPs, authorization, and weekly GEMBA.
- Successful qualification of Yums FSA - KFC audit (Tier 2) for Mayonnaise.
- Successful qualification of Dominos audit for Pizza Sauce.
- Successful certifications & inspections of ISO, Halal & Sindh Food Authority

New Product Developments (NPDs)

The plant has successfully expanded its product portfolio with the introduction of the following new offerings:

- Cheezious - 9g sachet
- Simultaneously running 3 different formulations for Ketchup
- 8ml Sachet - North America



Business Continuity

In pursuit of seamless business continuity, we are proud to highlight two significant achievements. Firstly, the successful relocation of our water purification plant from SITE to PQ, as well as the R.O. plant from Unit 1 to Unit 2, ensuring an uninterrupted supply of drinking water across the company. With meticulous planning and flawless execution, our dedicated team ensured a smooth transition without any disruption. Additionally, our maintenance team demonstrated their expertise and resourcefulness by replacing the bottle washery track of the jam-packing FMT machine in-house, further enhancing operational efficiency.

Operational Excellence

Pledging unwavering commitment to our vision of fostering a culture of Operational Excellence, we are delighted to share the following notable accomplishments, which have resulted in substantial improvements in efficiency and productivity:

- Access Control mechanism and protocol designed and implemented for the Recipe area to restrict unauthorized access.
- Performed the successful retrofitting of the Fryma Koruma machine to develop the capability to produce Chicken spread and Chili Mayo.
- Product contamination risks have been effectively mitigated through the installation of flow plates for each machine, accompanied by color coding.
- We have achieved substantial savings in labor costs amounting to Rs. 30 million by implementing process and work center simplification.
- We have effectively executed a bulk purchasing strategy for oil, transitioning from canisters to 15-ton tanks and implementing a streamlined decanting process using white drums.
- The team has reduced overall wastages for the plant by 5% (March YTD).



Gujranwala Plant Operations

Commencement of Commercial Production on New Ketchup Cooking and Packing Line

The Gujranwala plant has achieved a significant milestone with the successful deployment and initiation of commercial production on its newly installed Ketchup Cooking and Packing Line. This project includes the integration of a state-of-the-art vacuum cooking kettle and a high-speed pouch filling and packing machine, Mespac Duplex. The implementation of this advanced equipment has boosted the plant's capacity by nearly 100%, adding 27.5 million pouches to our annualized production capacity.

New Vacuum Cooking Kettle System for Ketchup

We have recently acquired a state-of-the-art Duplex machine from Mespac for high-speed pouch filling and packing of our ketchup products. Mespac, a renowned European brand, is known for its adherence to international safety, food safety, and hygiene standards.



New Duplex Packing Machine for Ketchup Pouches



Ketchup Sachet Multiline Project

To meet the increasing demand for ketchup sachets, we have planned and ordered a new sachet multiline filling and packing machine (6-12 lanes) for our Gujranwala plant. The installation and commissioning of this machine are scheduled to be completed by June 2023. This multiline packing machine will enable us to produce an additional 60 million and 160 million units of 9g and 30g ketchup sachets annually, respectively.

Operational Excellence

We are dedicated to fostering a culture of Operational Excellence that drives continuous improvements in efficiency and productivity. We take pride in the following accomplishments:

Execution of Cost Saving Projects (Quantum X2 Condiments)

This year, the Gujranwala plant actively participated in the Quantum X2 cost-saving projects initiated by the condiment division. The team identified three cost-saving projects, all of which progressed to the L5 stage. While the proposed savings for the year until March 2023 were 3 million, the Gujranwala plant surpassed expectations and achieved 10 million in savings, exceeding the proposed amount by almost 7 million.

Smooth Production Compliance & Supply

Throughout the year, the Gujranwala plant has consistently ensured a smooth and timely supply of our products to condiments and culinary businesses, enabling us to meet their sales targets. As of YTD April 2023, the plant has successfully delivered 11,316 metric tons of ketchup and 8,801 metric tons of recipes and salt for the condiments and culinary business.

Project Xcelerate

In collaboration with the Gujranwala plant, our Human Resources department has launched a capability development program for fresh diploma holders. This program provides them with an opportunity to gain valuable experience and personal growth and prepares them to meet the future demand for skilled human resources. We have onboarded a total of 30 new diploma holders in two separate sessions, and their training program is currently underway. Upon completion, these trained apprentices will be considered for full-time employment based on their performance.

Installation of Auto check weigher on FG Cartons

To enhance process reliability and product quality, the Gujranwala Ketchup Team has installed an online auto check weigher system. This system incorporates finished goods tapping, date code, and product weight printing, all of which were previously performed manually.



Nooriabad Plant Operations

Health, Safety & Environment

Health and safety are fundamental aspects of our operations at the Nooriabad Plant. We place great importance on the well-being of our employees and all individuals associated with our company. Not only is it crucial for their sake, but it also makes perfect business sense. To ensure compliance with health and safety regulations, we have provided comprehensive hands-on experience and training sessions to our plant team. These sessions cover the following areas:

Fire Safety

Fire safety is a critical concern regardless of one's occupation, as it can mean the difference between life and death. Recognizing the potential risk of fire, we have prioritized training our employees to handle emergency situations effectively. The training includes:

- Fire emergency plans
- How to use firefighting equipment
- Types and causes of fire and how to contain them.
- Fire prevention



Permit to Work

To maintain a safe working environment during hazardous and non-standard operations, we have implemented practical learning experiences for our employees regarding the permit-to-work (PTW) system. A PTW is a special authorization documentation that ensures adequate risk assessment for a particular process and establishes a level of control to minimize the severity, likelihood, and potential of incidents.

The key features of this training include:

- Why is a PTW system necessary?
- Who needs PTW?
- Types of work permits.
- How to get a PTW?



We have successfully achieved the milestone of zero- incident to keep TRIR at zero.

Quality Management System.

At the Nooriabad Plant, we have established a robust Quality Management System (QMS) to document the policies, business processes, and procedures necessary to deliver high-quality products and services to our valued customers. By embedding a systematic Quality Assurance approach into our culture, we have successfully gained the trust and loyalty of our consumers. Some notable achievements related to Quality and Compliance include:

BRC Certification

The Nooriabad Plant has obtained the highest AA Grade for BRC Certification. The British Retail Consortium (BRC) Global Standards set safety, quality, and operational criteria for food producers and suppliers worldwide. These standards are recognized by the Global Food Safety Initiative (GFSI) and accepted by major retail groups, manufacturers, and food service organizations. This certification



assures our customers that our products meet the highest standards of quality, enabling us to conduct business with retailers and food service organizations that require this certification.

Suppliers Development

To continually improve our QMS, we have initiated a supplier development program aimed at enhancing supplier performance, product quality, on-time delivery, and cost optimization.

Our cross-functional teams visit suppliers quarterly to provide education and support. This initiative has strengthened our relationships with vendors, who play an integral role in our organization and has led to improved raw material quality.

Halal Recertification

In addition to our previous achievements, the Nooriabad Plant has successfully obtained the recertification of the Halal (JAKIM) standard. JAKIM ensures the halal status of our products at every stage and processes them through official site inspections. These inspections verify the maintenance and monitoring of the halal status of raw materials, reinforcing our commitment to meeting the highest halal standards.



Operational Excellence

We are fully committed to continuously improving our operations and fostering innovation to achieve a competitive edge in terms of quality and safety. We encourage our employees to contribute innovative ideas that can enhance processes, reduce waste, optimize workforce efficiency, increase productivity, and minimize downtime. As part of this commitment, we have implemented various safety and process improvement initiatives, including:

Installation of Sifter

To enhance product quality and protect against extraneous matter, we have recently installed a state-of-the-art sifter in our salt powder filling line.



Installation of Magnets

Our salt production lines now feature magnetic rods with a strength of 10,000 gaussses. This installation has resulted in an impressive 80% reduction in iron ppm (parts per million) in our final products.



Installation of Screw Conveyors

We have installed two improved-design screw conveyors in the back process area. These conveyors have successfully reduced production breakdowns caused by salt choking by 25%.

Production and Volume Growth

Despite several non-operating days during the disastrous rains and floods of 2022, the Nooriabad Plant has achieved 100% conformance to production volumes and plans. This ensures that our products reach our customers on time and in full. Furthermore, we have achieved volume growth of 3% compared to the previous year, with actual volumes for YTD-2023 reaching 37,448 Tons, compared to last year's volume of 25,412 Tons.

Despite the challenging economic conditions, characterized by high inflation rates in the country, the Nooriabad Plant has performed exceptionally well in managing manufacturing overhead costs, staying within budget, and reducing the cost per kilogram by 6%. Our actual cost per kilogram for YTD-2023 is Rs. 11.2, compared to the budgeted cost of Rs. 11.9.

Capability Development

In today's global landscape, it is essential to continuously develop and enhance the capabilities of our manufacturing plants. This allows us to effectively navigate environmental regulations, rising energy costs, and stricter product specifications while maintaining cost competitiveness. To meet these requirements, we have successfully completed the following projects at the Nooriabad Plant:

Renewable Energy Source

We have installed a grid-tied solar power plant with a capacity of 500 KVA at the Nooriabad Plant. This environmentally friendly initiative has not only reduced our electricity costs by up to 40% but also led to an annual reduction of 500 metric tons of carbon footprint, contributing to the preservation of our environment.



Finished Goods Store

The construction of a new Finished Goods Store (FGS) at the Nooriabad Plant has been completed. With a storage capacity of 324,000 production units, this facility allows us to efficiently store, ship, and distribute our goods from a centralized location. The FGS also enables us to track and manage our inventory more effectively, streamlining our operations.



Faisalabad Plant

The Faisalabad Plant project encompasses a land area of 25 acres, equivalent to 1,086,456 square feet. It is strategically located at the M3-Industrial Estate Sahianwala interchange in Faisalabad. The project includes Condiments, Culinary Packing, and 4PL Warehouse operations. The total capital expenditure (CAPEX) for this project amounts to approximately 7.1 Billion PKR, with a major focus on land acquisition, civil works, mechanical/electrical/ plumbing (MEP), and plant and machinery.

The production and warehouse buildings are designed as Pre-Engineering Buildings with a steel structure, while the administrative and utilities building is made of Reinforced Cement Concrete (RCC). The project has achieved around 80% completion in terms of civil, MEP, and utility works. We expect the entire tech transfer process to be completed by February 2024.

The major achievements include the following:



Cost Avoidance and Savings

We have achieved cost avoidance and savings exceeding 300 million PKR through effective value engineering in the Civil and MEP sectors. These initiatives have enabled us to optimize project expenses while maintaining high quality and functionality.

Safety Performance

With a total of over 1 million safe man-hours, our project has maintained an impeccable safety record, with no severe injuries or fatalities. Our steadfast commitment to safety has fostered a secure working environment for all personnel involved.

Local Sourcing Development

To mitigate port restrictions and contribute to the growth of the local economy, we have actively pursued the development of local sourcing in the Civil and MEP sectors. By engaging local suppliers and contractors, we ensure project continuity and stimulate regional economic progress.

Plantation Drive Kick-off

We initiated a comprehensive plantation drive aimed at planting approximately 1,000 trees. This demonstrates our strong commitment to corporate social responsibility and environmental sustainability, as we actively contribute to preserving and enhancing the natural ecosystem.



Our Supply Chain

Strategic Sourcing of Materials

With Import restrictions, currency devaluation, soaring local inflation, local freight increases FY 23 was an extremely difficult year for the Procurement team to make sure supply continuity and sourcing it at the best price. The team remained resilient to ensure cost mitigation and supply continuity as per business requirements including any demand upsurge by proactively taking multiple initiatives like smart sourcing, maintaining forward covers, developing alternate sources, material substitutions, change of supply channels and most importantly partnering with our best-in-class vendor base to facilitate them in managing their operations. The team ensured internal stakeholders remain updated with market updates and intelligence. **Key cost mitigations include Paste from alternate International and local sources. As a whole, the Procurement team was able to mitigate PKR 2 Billion through different initiatives.**

Supply Chain capability enhancement through information visibility initiatives, such as new Performance Dashboards in area of Packaging Materials and Indirect Procurement were rolled out to monitor and keep stakeholders abreast with team performance. This is evident from the fact that the OTIF for both Raw and Packaging was 91%, despite headwinds in material availability in the market. The Procurement team stepped up the connectivity with farmers, suppliers and stakeholders to procure the targeted quantities at the right time and as per quality standards.

Supply Planning

Supply Chain initiated a cross-functional forum of SLOB (Slow Moving & Obsolete Materials) last year to highlight materials with potential risk of expiries covering both local and export businesses. This year PM and FG were additionally included to the scope. SLOB forum continued promoting the consumption of material prior to expiration, highlighting the financial risk to business, minimizing write-off, and avoiding business waste. During the year materials with potential write-off risks were identified and comprehensive liquidation plans were implemented to prevent the loss of **PKR 94 Million**. Furthermore, Supply Planning team ensured stocks availability despite VUCA challenges and ensured that Customer expectations were timely met, which was reflected in highest ever sales in a month in Condiments. Additionally dynamic stock management with consensus of stakeholders were maintained to optimize inventory in value chain.

Sales & Operations Planning (S&OP)

For forecast alignment with business outcomes, the S&OP process remained essential in a volatile business environment. Organizational design and processes were altered, such as seasonal adjustments to monthly stock norms and consumer promotions, to guarantee robustness. In order to promptly address risks and opportunities, the Demand Supply Reconciliation meeting was extended to Commercial teams. Moreover, the team has gone through the BPR for implementation of Integrated Business Planning which would build capability for usage of statistical models to improve forecasting. Moreover, Demand Based Replenishment (DBRS) was rolled out across Pakistan. This would provide a one window operation along with suggestive ordering to Distributors.

In Exports, Leadership directed weekly review meetings along with monthly S&OP, to have an integrated business management process. This is to continuously achieve focus, alignment, and synchronization among all functions. With the inclusion of S4 Hana, modules of both Demand and Supply would be utilized for better planning and synergy.

Moreover, there was a major packaging revamp in Exports Division in more than 40 countries, stretching in 4 different Regions and accounting for more than 200 SKUs. New Vendor was developed for Pack Mat availability, which helped in ensuring customers received on time availability of the new packaging in Ramadan.

Logistics

Inflationary pressures brought on by unusual fuel price increases and floods that risked our service levels and business continuity were the year's biggest challenges. Agile solutions were explored in collaboration with 3PLs on short-term tactical solutions which were supported by our transport system providing visibility of cost and service to ensure that business performance is sustained. With the addition of new vendors to the warehousing system and improvements to existing ones, inventory and batch accuracy improvements played a crucial role.

In exports, made to stock model for Top 18 SKUs in Recipe were initiated in order to improve Customer Service. In the next fiscal year the plan is to extend this for complete portfolio.



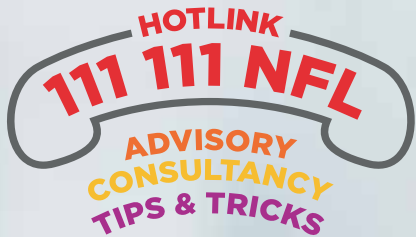
Customer Relations Management

National Foods firmly believes that cultivating and maintaining strong customer relationships are vital for achieving success. Our proactive CRM strategy aims to promptly address customer concerns, provide timely support, and anticipate their needs to enhance positive customer experience.

To ensure smooth handling of customer queries, we offer a diverse range of channels, including NFL Hotlink (111-111-NFL), Email, WhatsApp, and all mainstream social media platforms. Connect with us through our Hotlink at 021-111-11-635 for all your food-related queries, tips, and quick tricks. Find it on our social media, website, and product packaging for continuous updates and improvements based on your feedback.

We take pride in consistently utilizing our CRM channels and striving to enhance its effectiveness. The surveys run to identify Consumption, Feedback and Conversion for the newly launched Bombay Biryani Karachi Khaas has helped us in getting direct feedback from customers regarding its taste, color and aroma. With over 3,000 inceptions as of June '23, 90% respondents expressed their willingness to purchase the product after trials. Moreover, 80% of the respondents provided positive feedback, indicating higher satisfaction.

We wholeheartedly advocate for an effective integration of CRM at National Foods to continue enriching the lives of people everywhere.



Brands and Campaigns

Recipe Mixes

National Foods Recipe Mix is a trusted brand with high equity and has managed to maintain its market leadership, despite growing external challenges on the global economic front impacting costs and profitability.

Sachet Campaign

With increasing inflation, consumers are downtrading and consuming smaller SKUs. The volume contribution of Sachet has gone up from 33% in 2022 vs 37% in 2023 as per Household Panel research. Keeping this changing trend in mind, Recipe mixes, for the first time ever launched a dedicated TV and digital communication, focusing on this growing SKU, which offers cost saving to the masses without compromising on the quality and taste of the food consumed.

The campaign kicked off with roadblock across 27 channels and digital platforms to maximize reach and generate maximum impressions. Premium property on YouTube and Google were used to further amplify the campaign along with Tik Tok, radio and snack video to increase awareness. The campaign resulted in 241 Mn+ impressions, 40Mn + views and 96% reach and was well received and generated positive sentiments by the consumers as they could relate to the message.

Aaj Rung Hai

Along with this, there were various re-runs of the “Aaj Rung hai” Campaign to increase brand recall, maintain brand equity and to establish the new packaging along with its elements that was introduced in the previous fiscal year. The campaign started with roadblock on 26 channels, 590 Mn+ impressions and 74Mn + views along with overall positive feedback from consumers.

Karachi Transformation Plan

Furthermore, to build onto the Recipe Mix’s efforts in Karachi, National Foods for the first time introduced the Karachi Khaas Range - a dedicated portfolio consisting of the core range to cater to the unique taste pallet of Karchiites. All variants and SKUs of the Karachi Khaas Range (Bombay Biryani, Quorma, Achaar Gosht, Karhai Gosht and Nihari) are in market as of July 2023. Along with introducing a new product range, continuous efforts are being made on the route to market front with products being available in an additional 1,500 outlets out of which 290 stores have been activated, rigorous trainings being provided to the brand ambassadors and order bookers so that they can distinguish between the Karachi Khaas range and the existing range.

Moreover, dedicated door to door selling and cluster activations were carried out in three areas of Karachi which generated more than 232,000 interceptions and 116,000 trials combined. Consumer sentiment was gauged through CRM and positive feedback was received from most consumers who tried Bombay Biryani Karachi Khaas.

On ground Activities

Also, National Foods Recipe Mixes participated in Soul Festival (Lahore and Islamabad) and Karachi Eat which generated around 25,000 and 15,000 on ground engagements respectively along with 75+ publications. These on ground events proved to be beneficial as they not only increased trial generation but also allowed us to interact with consumers and get firsthand feedback.



Salt

The Salt category in Pakistan is estimated to be about 600,000 Tons. 57% of the market remains with the branded segment which continues to grow (5% vs LY). Within the branded category, major contribution (85%) stems from regular salt. The remaining share lies with Lahori & Pink Salt that continue to grow in double digits and contribute 15% to the overall Salt market in Pakistan.

National Foods Limited has established its status as the pioneer and forerunner in the branded salt category. As one of the first local companies to follow WHO standards, it remains a heritage brand for the company. Catering to a diverse range of customers, our salt is refined, iodized & free flowing, which separates it from its competition and maintains its superiority. Our portfolio includes Refined Salt, Iodized Refined Salt & Himalayan Pink Salt making it a market leader in the branded salt category.

Our recent innovation, National Himalayan Pink Salt, contains traces of up to 84 minerals and is perceived to be a healthier alternative to regular salt. Since consumers are becoming more health conscious, the focus this year is towards capitalizing on the organic shift towards Pink Salt via improving the overall product & packaging proposition along with making consumers aware of the benefits of using a healthier alternative in their diet.



National Plain Spices

The plain spices category is dominated by loose and unbranded players having 90% of the market share. These brands not only have inferior quality but also possess major impurities. On the other hand, National Foods plain spices, launched in 1970, is the pioneer within the branded spices category, and provides a clean & packaged form of product in Pakistan and in other countries. These plain spices serve as the key ingredient in making the recipes even more delicious.

National Foods works towards a robust, sustainable supply chain methodology from farm to fork where the products are tested for the highest measures of quality and hygiene. We ensure that consumers get flavorsome spices by selectively choosing raw materials and maintaining strict quality control at our manufacturing facilities. Our range includes Red Chilli Powder, Kasuri Methi, Turmeric Powder, Coriander, Cumin Seeds, Ginger & Garlic Powder, Garam Masala and Black Pepper powder.

Since the category is dominated by the unbranded segment, it presents a huge opportunity for category conversion from the unbranded to the National Foods umbrella.



Pickles

Building Brand Awareness

Crushed Pickle is our highest growing and must win variant. To build awareness of the product and boost sales further, we set up our presence in different food streets across KLI and sampled our hero product with interesting combinations such as Kachoris, Samosas and Gol Gappas. In Modern Trade outlets, shoppers were targeted with free sampling of Achari Macaroni and different gifts and incentives linked to a purchase. The objective was to generate trial of the product and upgrade our current user base to the premium offering as well as to capture competition users by establishing product superiority.



Building Consumption Occasions

Different Crushed Pickle Consumption copies were aired on digital mediums. The trendy, colorful and chic copies were focused on building consumption occasions, establishing usage versatility of the product and the product relevance with snacking items. The copies integrated Crushed Pickle with some novel and mouthwatering food combinations and were well received by our target audience.

Recruiting Consumers through Trial Generation

The Food Services Division (FSD) was also leveraged to further tap into growth opportunities for Crushed Pickle. During Ramadan, Crushed Pickle was sampled at Iftar cum Dinner buffets at leading restaurants such as BBQ Tonight and Lal Qila. The goal of this tactical plan was to establish Crushed Pickle as a staple meal accompaniment be eating at home or dining out. Apart from Ramadan, Crushed Pickle sachets were also sampled at different restaurants accompanying dishes such as Halwa Poori, wraps and more.



Fueling growth through Ecommerce

To create a strong E-commerce presence, various tactical activations were launched across different retailers. On FoodPanda, all consumers touchpoints were activated including Search Engine Optimization (SEO), consumer discounts and branding visibilities.

On Krave Mart, for a limited time duration, all orders accompanied a Crushed Pickle sachet to drive consumer trials. On Cheetay, consumers buying 7up were subjected to brand visibilities and offered the option to bundle it up with Crushed Pickle to make a refreshing and Chatkhari combination.

Tackling Inflationary Pressures

To further boost sales and pass on some relief to the consumer in unprecedented inflationary times, a Consumer Promotion was offered with a Crushed Pickle Sachet free on the purchase of Mixed Pickle 400g. The CP also served the purpose of driving trial for Crushed Pickle and led conversions to the premium offering.

Staying Top of Mind with relevant Social Media trends

To generate talkability in the category and stay on top of the consumers mind as the undoubtable market leader, a PR plan was launched with Crushed Pickle at the forefront of the campaign.

In this Achari Experiment, a collaboration was done with the likes of Junaid Akram, Irfan Junejo, Kinza Hashmi, and others who toured different food streets across KLI to try out popular dishes, but with an added Chatkhareydaar twist - Crushed Pickle!

Coupled with the influencers, different publications and seeders were also activated to amplify the reach of the campaign and emphasize the efficacy of our product through a diverse range of meals and snack items.

Building Brand Equity

In an Industry first, the Pickles category activated Dolmen Mall with a complete mall takeover including branding elements across the mall atrium, food court and the main entrance. The food court kiosk sampled Crushed Pickle with multiple dishes. Further to this, shoppers were intercepted at multiple spots across the mall and there were multiple engagements activities planned to keep excitement levels at the maximum. Sales conversion, being a crucial KPI, was linked to the activity through the Carrefour store with a lucky draw grand prize.

In the second leg of our mall activations, Dolmen Mall Clifton and Lucky One Mall were both activated with our Ramadan Limited Edition Packaging and branding.

Further, to capitalize on the festive shopper occasion of Eid-ul-Azha, glamorous Pickle category podiums and category frames were deployed across 6 Carrefour stores nationwide. Such activations will surely help us to delight the shopper in store and build equity in premium spaces.

Some glimpses of the celebrations are as follows:



Ketchup

Activations

To block out competitive waves from Shangrila in Faisalabad & Sargodha as well as re-establish National's dominance in Lahore, a Float Activation was conducted in November '22 & December '22.

The activities were aimed at generating consumer trial through on-ground activations where shoppers were engaged with free meals, instant gifts, & exciting activities when they purchased a pouch of National Ketchup.



Ramadan Campaign

This was a substantial campaign that targeted multiple consumer touchpoints. Daily recipe videos throughout Ramadan were shared by Adeel Chaudhry to cover our Digital & PR leg.

Al-Fatah & Carrefour stores across Pakistan were activated with in-store branding and activations where shoppers were handed instant gifts, including gift vouchers from Bachaa Party.

Lastly, branding spots on E-Commerce platforms like Krave Mart, Panda Mart, Cheetay, & Daraz were set in motion as well.

Ramadan Consumer Promotion

A well-planned & well-timed consumer promotion was launched in January '23 and carried out extensively till March '23. This promotion was supported with POSMs & in-store branding to activate the FMOT & SMOT consumer touchpoints. The incumbent sales were valued at PKR 435M+, a growth of 13% against LY. Volumes of 3M+ quantities were reported with a growth of 1.2M+ against LY.

Eid-ul-Azha Consumer Promotion

To reward loyal consumers, a price-off consumer promotion was initiated in June '23 for the festive celebration of Eid ul Azha. The activity was supported with POSMs and an elaborate in-store branding program. An opportunity of PKR 184M+ was tapped through this promotion and ensured that National held its market share through its mini season to set-up the upcoming fiscal on a strong footing.



National Spreads

Building Consumption Occasions

For the first time ever, National Mayo went live with Classic, Garlic, and Real Mayo Recipes with the objective of building brand visibility, driving usage occasions, and generating trials. 6 recipe videos were digitally aired with the goal of showcasing the multipurpose use of mayo in food and snacking items: Turkey Bacon Sandwich, Zinger Wrap, Beef Burger, Grilled Chicken Sandwich, Crispy Chicken Cheese Paratha Roll, Ultimate Chicken Patty Burger. The overwhelmingly positive response has been instrumental in generating awareness of National Mayonnaise.



Google x Chunky Jams: Driving Innovation Together

National Spreads launched a one of its kind campaign in collaboration with Google. To translate offline to online customer transactions, we introduced an irresistible incentive: Digital Scratch Coupons. Leveraging the power of radius-based targeting, we strategically focused on engaging individuals residing in densely populated areas through visually appealing Rich Media Display Banners, which served as digital coupons redeemable in-store. The response exceeded our expectations, as a remarkable number of coupons were generated within a single day, prompting us to run the campaign for a limited time only.



Activating National Spreads

National Mayo set up its presence in 18+ LMT outlets in key cities during Ramadan buying cycle. To build usage awareness and boost sales, Mayo was sampled with enticing food items such as burgers, sandwiches, and fries. In Modern Trade outlets, shoppers were incentivized to purchase our products with a spin the wheel activity. The objective was to generate trail and win consumers over with our product.

To build consideration for Chunky Jams in the premium segment, our product were made available to sample with some sweet delights such as flaky puff pastry, cookies, and tarts. This demonstrated the versatility of chunky jam, catering to various consumptions occasions.

Desserts

Digital Delights: Irresistible Dessert Recipes for the Online Era

On the occasion of Eid-ul-Fitr, National Custard went live with 6 National Desserts Recipes in ASMR format (autonomous sensory meridian response), a popular format which works by using exaggerated sounds and delicate hand movements, in last week of Ramadan to capitalize on the season opportunity. The objective was to create association with the concept of “Meethi Eid” and attract consumers for trial generation. To magnify the campaign’s impact, the PR leg of the campaign was activated on Eid-ul-Adha in which Iqra Aziz, Hania Amir, and Srha Asghar along with 10+ influencers joined us to recreate the dessert recipes for their loved ones, making Eid even sweeter.



Zaiqa Mil Bethnay Ka

The first of its kind all-encompassing Condiments campaign for National Foods was launched in February 2023. Consumer demand for condiments complementing sehri & iftar platters grows higher during Ramadan and therefore, it is imperative for National Condiments to capitalize on this special month and keep the brand Top Of Mind.



A 360° marketing campaign was launched focusing on celebrating the moments of togetherness during this time. Intertwining functionality & thematic appeal, the campaign amassed more than a whopping 808 Million impressions & 94% target audience reach.

Digital platforms such as YouTube, Google, Facebook, Instagram, TikTok, and SnackVideo actively targeted users with a collection of captivating and interactive content that was curated at a category-level.

Traditional mediums – TV & radio – were engaged across 24 channels ranging from news, entertainment, & sports to build mass awareness around the campaign.

Ramadan Limited Edition Packaging was also launched across key SKUs of the Condiments range to make the products stand out on shelf and give a holistic campaign experience to the shoppers as well.

In the spirit of giving back, a digital CSR leg was introduced where a total of 1,250+ meal donations were made by National Foods through an interactive campaign in collaboration with the Rizq Foundation. By clicking on interactive banners on the Google Display Network our target audience donated meals for those in need at a much needed time of year.

Moreover, Trade Activations were employed to effectively target shoppers at the point of purchase. 50+ Modern Trade stores were activated nationally & decked with in-store brandings such as category-displays & shelf block-outs.



On-ground activations were also conducted on a category level to further generate trial across Premium Modern Trade stores, which included Carrefour & Al-Fatah, nationally.

In Karachi, Lucky Mall & Dolmen Mall were activated resulting in 10,000+ interceptions & trials. A creative food cart was set up for product sampling & the food courts were branded with the campaign's thematic.

In summary, the campaign's purpose was to create awareness regarding the Ramadan Limited Edition Packaging. Its messaging was kept functionally heavy focusing on the high quality & superiority of National's products while blending it with the moments of togetherness in Ramadan.

Some glimpses of the celebrations are as follows:



E-Commerce

MADE
EASY

National Foods has strategically expanded its business by introducing an E-Commerce Channel, effectively catering to the evolving demands of consumers through key B2C platforms and untapped smaller retailers via strategic B2B platforms.

Through strategic partnerships with established B2C platforms, National Foods has successfully gained access to a wide customer base while leveraging existing infrastructure, thus enhancing visibility, and fostering significant sales growth. Concurrently, the brand has targeted previously untapped markets by forging partnerships with smaller retailers through B2B platforms, resulting in expanded market reach and an enlarged consumer base. Furthermore, this approach has provided increased data visibility, facilitating more informed decision-making processes.

A pivotal element of National Foods' strategy involves the repositioning of its Made Easy brand as a recipe convenience platform, which has effectively resonated with consumers seeking affordable, healthy, and easy-to-make meal solutions. By sourcing content from multiple channels, including esteemed chefs, influential food personalities, and the engaged Made Easy community, National Foods aims to bolster its brand equity and seamlessly integrate its portfolio into the daily lives of consumers. This e-commerce strategy not only enables National Foods to establish top-of-mind awareness and brand equity among its target audience and small retailers but also ensures the provision of unparalleled value and convenience throughout the shopping experience.



Even our systems come with enriched flavour.



Technological Developments

Enrich with SAP

In pursuit of sustainable growth and alignment with evolving business trends, NFL has undertaken a strategic initiative to revolutionize its operational workflows through the adoption of cutting-edge technologies and industry best practices.

Our primary objective is to establish a unified technology platform that not only amplifies NFL's business capabilities but also enhances process efficiency across the organization.

To accomplish this ambitious goal, we have launched a comprehensive Transformation Program, that successfully concluded the Business Process Re-engineering project, and progressed towards the early implementation phase of SAP S/4 HANA.

Subsequently, we will seamlessly integrate Success Factors, Ariba, IBP, GRC, and the Business Technology Platform to further optimize our operations.

Cyber Security

The significance of cybersecurity for organizations is steadily growing. In an interconnected world where virtually all aspects of business operations rely on the Internet, safeguarding the integrity of official communications presents a paramount challenge.

Recognizing the criticality of email as a core application for organizations worldwide, it has become a primary target for cybercriminals and fraudsters. Consequently, we are dedicated to bolstering the overall security framework of the organization.

In line with this commitment, we have successfully deployed advanced security measures, including the implementation of an Email Security System and XDR (Extended Detection and Response) technology. These robust solutions are designed to fortify the NFL's cybersecurity defenses and ensure the protection of sensitive data against potential threats.



Email Security Gateway Solution for the corporate email system

The Email Security Gateway plays a vital role in safeguarding the NFL's email communications. It performs comprehensive scans of all incoming, outbound, and internal emails, including attachments and URLs, with the aim of detecting and mitigating any malicious or harmful content.

In addition to its content scanning capabilities, the Email Security Gateway serves as a formidable defense against social engineering attacks, such as phishing or business email compromise. By employing advanced security protocols, it effectively identifies and neutralizes these deceptive tactics, ensuring that we remain protected from potential cybersecurity threats.

XDR – eXtended Detection and Response System

The extended detection and response system (XDR) is a powerful solution implemented by NFL IT. XDR efficiently collects telemetry data from a range of sources, including end-user devices, servers, and emails. This comprehensive data gathering enables XDR to deliver extensive and comprehensive detection and response capabilities.

Through its advanced automation and artificial intelligence (AI) tools, XDR performs intelligent correlation of data across multiple layers of security, encompassing email, end-user devices, and servers. This holistic approach ensures that potential threats and security incidents are identified and addressed promptly.

IT Service Management

IT services play an indispensable role in modern business operations. By adopting robust IT Service Management (ITSM) practices, organizations can ensure the reliability, security, and alignment of their IT services with overall business objectives. This, in turn, leads to reduced downtime, improved service quality, and increased customer satisfaction, and ultimately drives business success.

In line with our commitment to enhancing the user experience throughout the organization, we have implemented Freshservice as our ITSM tool of choice. Freshservice is a cloud-based solution specifically designed to empower IT teams in effectively managing and automating various IT service desk operations. These operations encompass critical areas such as incident management, problem management, and asset management.



Freshservice empowers our IT teams to effortlessly create and manage service requests and incidents, efficiently track the status of tickets, and collaborate seamlessly with other team members to resolve issues. By leveraging its automation features, we can streamline workflows, enhance efficiency, and optimize resource utilization.

Salesflo

NFL has implemented a highly sophisticated and robust cloud-based Distributor Management System, Salesflo, which serves as a powerful tool for managing our sales and distribution processes. In addition, we have established an advanced Data Lake on the Amazon platform, representing a state-of-the-art data warehousing concept. This integration seamlessly connects our data ecosystem with the Power BI layer, enabling us to derive valuable insights and drive informed decision-making.

With meticulous attention to detail, our system captures and stores rich historical data at granular levels, encompassing SKUs, Shops, and Invoices.

This extensive dataset acts as a valuable resource, capable of being transformed into actionable and decision-enabling information. By effectively leveraging this data, we gain deep visibility into market trends, customer behavior, and performance metrics, empowering us to make strategic and well-informed decisions.

The integration of Salesflo and our advanced Data Lake demonstrates our unwavering commitment to business growth. It aligns seamlessly with our strategic vision and equips us with the necessary capabilities to proactively respond to market demands.

Innovations, Research and Development

Culinary Graduation

A comprehensive 6-month culinary training program was conducted by our Executive Chef for the R&D team to develop the necessary skillset and new cooking techniques that can further hone their product development knowledge. This training encompassed both theoretical and practical aspects, covering a wide range of topics such as the history of food, sanitation, and safety, the use of kitchen tools and equipment, cooking principles and techniques, soups, stocks, sauces, baking basics, meat, poultry and seafood knowledge, pasta, vegetables, and desserts. This training has equipped our IRD team with a solid knowledge base regarding the culinary world, enabling them to innovate cooking processes, broaden their perspective on food creativity, explore new flavor combinations, and enhance their overall culinary skills. This was followed by some rigorous tests and evaluation criteria based on which two batches of our team members have successfully been certified in a grand ceremony held at the Corporate Head Office.

Product Line Extensions

The R&D team was tasked to optimize and develop a range of products this year across categories that serve consumer needs nationally as well as internationally.

Biryani Saver Pack

We have launched our new product line extension, the Biryani Saver Pack, which is now available in the top cities of Pakistan through Modern Trade. This product offers 4 biryani sachets in a box, using our existing formulation and a new packaging design. The Saver pack offers the same great taste, color, aroma, and consistent quality delivery as our existing biryani variant at a more cost-effective price point for our frequent biryani buyers to upsize.

Karachi Khaas Range

IRD is continuously striving to improve its products to stay ahead of the competition. As part of this effort, the Bombay Biryani, Karahi, Quorma, Achar Gosht, and Nihari variants were further improved to better suit the taste palette of Karachiites, delivering a product with a superior taste profile compared to the competition. The results were thoroughly validated through extensive consumer research trials. The launch of the Karachi Khaas Range is in line with our strategy to gain market share in Karachi under the Karachi Transformation Plan.



4 Kg Pickle Bucket

We have reinstated a 4kg pickle bucket to increase the consumption and popularity of our Pickle category. This move allows us to encourage customers to switch from loose to branded pickles by offering a branded option in a category that is currently dominated by unbranded or low-tier players. The product is available at Kirana stores and will be produced as per seasonal demand.



Customized Food Solutions

As part of our ongoing efforts to collaborate with leading restaurant chains, we have successfully developed emulsified and tomato-based sauces exclusively for high-end fast-food chains such as KFC, Domino's, McDonald's, and others.

Also, by creating standard co-branding packaging for high-volume clients such as Cheezious, we are taking an important step towards enhancing our co-branding capabilities and delivering value to our clients.

Cost Transformation — Value Engineering

Cost transformation is an integral disciplinary pillar of a business for yielding growth. It allows the resources to be optimally directed towards the innovation and brand enhancement processes with the objective of rendering value for consumers. Therefore, IRD has worked extensively this year to reduce ingredient costs by optimizing formulations, substituting costly ingredients with less expensive yet equally potent alternatives, and developing cost-optimized packaging structures in partnership with our approved pool of Vendors. However, the utmost priority rested on upholding the product characteristics, quality, and consumer experience. Additionally, supply chain dependency on sole imports of some materials were also worked upon to simplify the model by converting the source to more feasible localized points for managing demands in a more efficient manner.



Health, Safety & Environment

Health, Safety, and Environment (HSE) are fundamental aspects of National Foods Limited's operations. As a responsible and ethical organization, we prioritize the well-being of our employees, the safety of our facilities, and the protection of the environment.

Our commitment to HSE extends across all levels of our company, and we continuously strive to uphold the highest standards in these areas.

Creating a safe and healthy work environment is paramount to the welfare and productivity of our employees. We adhere to stringent safety protocols, implement rigorous training programs, and regularly conduct drills and assessments to ensure our workforce is well-prepared for emergencies. Our objective is to provide a secure workplace where employees feel valued, protected, and motivated to excel.

To strengthen our safety culture, we have undertaken a comprehensive overhaul of our training programs, implementing a range of dynamic and interactive sessions. These cutting-edge trainings delve into critical areas of risk assessment, permit to work procedures, LEL (Lower Explosive Limit) and confined space awareness, ergonomics, machine guarding, confined space risks, energy isolation protocols, the importance of personal protective equipment (PPE), and HAZCOM (Hazard Communication) on the line of Global Harmonization System (GHS) of labeling. Through these sessions, we equip our workforce with the knowledge and skills necessary to identify and mitigate potential hazards, ensuring a proactive approach to safety. This revamped training initiative has been met with great enthusiasm from our employees, fostering a culture of continuous learning and heightened safety consciousness throughout our organization.



In our commitment to preparedness and emergency response, drills play a pivotal role in enhancing our safety practices. At National Foods Limited, we conduct multiple simulated and full-scale mock drills on different sites. These drills provide invaluable opportunities for our employees to familiarize themselves with emergency procedures, test our response capabilities, and identify areas for improvement. By simulating various scenarios, we ensure that our workforce is well-prepared to handle potential emergencies effectively. These drills not only enhance our emergency response readiness but also instill confidence and resilience within our teams. We continuously evaluate and refine our emergency plans based on the insights gained from these drills, further strengthening our commitment to the safety and well-being of our employees.

Safety on the way

This year road safety has been a significant area of focus for us. In addition to targeted campaigns, we actively address road safety concerns through events under the theme "Safety on the Way." National Foods Limited has proactively promoted defensive driving among employees by collaborating with the Motorway Police and 1122. These sessions aim to enhance driving skills, raise awareness of road safety regulations, and instill responsible driving behaviors. Equipping employees with defensive driving techniques is integral to fostering safety ownership both on and off the road.

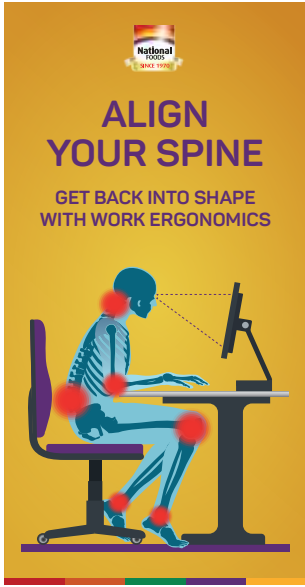
Whilst highlighting our commitment to protect employees in the workplace and during daily commute, National Foods Limited has undertaken a unique initiative by distributing vehicle safety kits to its employees on a large scale. These kits comprise essential safety items, including first aid supplies, reflective vests, warning triangles, tool bags, tire inflators, jump-start cables, tow cables, emergency torches, and tool bags. This initiative has been widely appreciated as it ensures employee safety while traveling and promotes a safety-conscious mindset beyond the workplace.



Health and Well-being

Promoting employee well-being is a core value at National Foods. In December 2022, we launched our Wellbeing program, which reflects our ambition to create an environment where individuals can lead better lives. This program recognizes the significance of mental and physical health and underscores our belief that focusing on employees' personal and professional well-being is essential for sustained business performance. We provide a comprehensive range of tools and resources to support employees' mental health and well-being.

To cultivate a healthier work environment, we organized multiple awareness sessions on ergonomics-based lifestyles at our SITE, Nooriabad and Port Qasim Plant in collaboration with KKT, a leading organization in musculoskeletal health. These sessions aimed to educate employees about proper posture, ergonomic workspaces, and techniques for preventing work-related injuries. By imparting this valuable knowledge, we aim to create a safer and healthier workplace while reducing the risk of occupational hazards.



Environmental Protection

In alignment with our environmental objectives, National Foods Limited actively pursues ISO 14001 certification, which sets international standards for environmental management systems. This certification not only enhances our environmental performance but also demonstrates our commitment to sustainable practices to our stakeholders. As part of our continuous improvement efforts, we have developed a roadmap to obtain ISO 14001 certification for our Port Qasim and Nooriabad plants in the first phase. This reflects our dedication to aligning our operations with globally recognized environmental standards.



To fulfill the objectives of ISO 14001, we have undertaken various initiatives. We have conducted comprehensive aspect and impact assessments for our Port Qasim and Nooriabad plants, enabling us to identify and evaluate the environmental aspects and their potential impacts associated with our operations. By understanding these aspects and impacts, we can implement effective measures to mitigate risks and minimize our environmental footprint. These assessments demonstrate our proactive approach to environmental management and our commitment to minimizing our impact on the environment.

In addition to our assessments, we are actively engaged in tree plantation activities at our Faisalabad and Nooriabad Plants. Tree plantation is a vital component of environmental conservation, helping us offset carbon

emissions, improve air quality, and conserve natural resources. By actively participating in these initiatives, we contribute to a greener environment and support sustainable development. Our tree plantation efforts align with our broader commitment to environmental stewardship and further enhance our environmental performance.

Moreover, as a part of our dedication to legal compliance and responsible environmental practices, we submit our Environmental Management Plan (EMP) to the Environmental Protection Agency (EPA) on an annual basis. This submission ensures that our environmental practices meet regulatory requirements and demonstrates our commitment to maintaining a sustainable and environmentally conscious approach to our operations. Our EMP submission reinforces our proactive efforts to manage and reduce our environmental impact.

Through our pursuit of ISO 14001 certification, comprehensive assessments, tree plantation activities, and annual EMP submission, National Foods Limited remains steadfast in our commitment to environmental excellence and sustainability. We continually strive to improve our environmental performance, mitigate risks, and uphold the highest standards of environmental responsibility throughout our organization.

Project Galaxy

As part of our ongoing commitment to providing comprehensive technical support for the development of Project Galaxy, we have undertaken essential tasks in preparation for the upcoming machine installations. Our team has diligently developed crucial documents and protocols to ensure the smooth and safe execution of this phase.

Firstly, we have created meticulous Machine Isolation Protocols, outlining the necessary procedures to safely isolate and secure machinery during installation, maintenance, and repair activities. These protocols prioritize the well-being of our workforce and minimize potential risks during the installation process.

Additionally, we have implemented Utilities Isolation Protocols, effectively managing the isolation and de-energization of utilities systems to provide a safe and controlled environment for the machine installation teams.

In line with our commitment to compliance and environmental stewardship, we have coordinated with the Environmental Protection Agency (EPA) to obtain necessary approvals for the start of plant operations. Our collaboration ensures that all regulatory requirements are met, demonstrating our dedication to operating in an environmentally responsible manner.

Furthermore, our technical experts have prepared Utilities Pre-Startup protocols to verify and assess the readiness of utilities systems before the installation process. These protocols while utilizing checklists guarantee smooth commissioning and minimize any potential disruptions or delays during the plant startup phase.

By diligently performing these essential tasks, we are fully committed to ensuring the successful and safe execution of Project Galaxy. Our focus on detailed planning, adherence to safety protocols, environmental compliance, and comprehensive system checks reflect our dedication to delivering a seamless and efficient installation process for the project.

National Foods DMCC

FY 23 proved to be a year of resilience and adaptation as we faced unprecedented challenges, including devastating floods, a tough macroeconomic environment characterized by supply chain constraints and cost-push inflation. Despite these obstacles, we remained steadfast in our commitment to deliver on our growth aspirations and steer our business towards success.

Driving Supply Chain Resilience

In the face of the floods and macroeconomic pressures, our primary focus in FY 23 was to ensure supply consistency and address key bottlenecks. While short-term challenges put our supply chain under pressure, we proactively navigated the dynamic landscape by identifying gaps early and implementing quick corrective actions. Moreover, we initiated strategic initiatives to address recurring problems and establish a more resilient supply chain foundation for the future.

Expanding Distribution Footprint

Despite global inflationary pressures affecting our focus markets, we took decisive actions to restore momentum and achieved an excellent recovery in the second half of the fiscal year. Building on this, we also dedicated ourselves to strengthening and expanding our distribution footprint. By doing so, we not only reinitiated business in Afghanistan but also experienced growth in our mainstream presence in North America and the GCC region. These milestones provide a solid platform for future expansion that we wish to build up further and solidify.

Revitalizing Our Portfolio and Introducing New Categories

Looking ahead, we strategically revamped our brand to align with our forward-facing vision. A notable achievement was the radical transformation of one of our core categories, Recipe Mixes. The introduction of a beautiful all-new design that focuses on the food itself and stands out on store shelves has received an immensely positive reception from stakeholders across the value chain. This global transition was supported by holistic above-the-line (ATL) and visibility campaigns in our core markets, creating excitement and customer engagement.

In addition to revitalizing our existing offerings, over the past few years, we have strategically pursued a process of continuous innovation, resulting in the successful addition of new products to our portfolio. These new products have proven to be highly valuable and have significantly contributed to our revenue growth. In the previous fiscal year, we successfully introduced two key categories, and in FY23, we continued to build on through targeted above-the-line (ATL) and below-the-line (BTL) initiatives such as sampling and active participation in key food festivals. By adopting this approach, our primary objective was to expand our consumer base and tap into new segments, bolstering our growth prospects and ensuring sustained success through continuous innovation.



Seizing Growth Opportunities:

Throughout FY 23, we remained agile and capitalized on strategic partnerships by identifying untapped segments which we could serve and catering to them through the addition of new customized products.

Additionally, the foundation we had built in close collaboration with subsidiary, A1 Cash and Carry, to develop a portfolio that would unlock the B2B segment was leveraged further and extended to other markets.

This approach not only strengthened our position but also opened doors to new business opportunities.

Showcasing Our Strengths:

To further our growth objectives, we actively participated in industry exhibitions and highlighted our capabilities. At Gulfood 2023, we showcased our portfolio and innovations, engaging with existing business partners and forging new connections with potential customers from around the world.

We also expanded our participation to key Food Exhibitions in the USA, aiming to scale our new category introductions and extend our reach by broadening our sandbox.

In the past few years, our company has built a strong foundation for sustainable growth by leveraging a remarkably lean and agile organization. As we embark on the next phase of our journey, we are poised to undergo a radical transformation, guided by the leadership of our newly appointed Chief Operating Officer for the International Division. With these advancements, we are confident in our ability to seize exciting future opportunities that lie ahead while remaining committed to our long-term vision.



NF DMCC
Innovations

Due to the increasing popularity of dining out and food delivery, the global food service industry is expanding at an astonishing rate. This presents an immense opportunity for the companies to enter this market segment and secure a portion of the potential success.

Food Service has a huge ask for customization and every market has a different set of demands. Since the food service customers are of diverse nature, owing to their size, customer base, and sub-channel that they are operating in, their need states are also varied. Thus, there are always untapped niches that keep evolving.

We studied the market landscape and customer demand thoroughly and worked aggressively on developing the right product in the right packaging format. A pilot was launched last year at A1 Cash and Carry in Canada, which included the following products:

- Chaat Masala in bulk pack
- Ketchup portion packs
- Mango Pickle, Mixed Pickle and Crushed Pickle in 5lb. transparent jars
- Ginger Paste, Garlic Paste and Ginger Garlic Paste in 5lb. transparent jars



The launch was supported through a well-planned in-store activation plan, which included displays, sampling, POSM deployment and communication through sell sheets. The pilot launch served as an excellent testing ground for National's food service offerings as it helped develop brand credibility among new audience and also added insights about channel dynamics and customer behaviour to our knowledge base.

Following the success of the pilot launch, we expanded the 5lb. jar range to all the existing global markets this year, building on the insights gained from the initial launch. The focus has been to develop innovative products that tie in with the brand value and cater to the diverse tastes and preferences of customers worldwide. In this context, we launched a range of recipe mixes kilo pack in KSA market, and later expanded to other GCC markets, to target the catering channel.



The company's foray into the food service sector has provided access to a large and thriving market. This is merely the beginning of a significant endeavor in the food service industry for us. National Foods is committed to continuous expansion, enhancing its offerings and infrastructure, with the goal of becoming the preferred choice for customers. This strategic move will not only generate benefits for shareholders but also bolster the brand's reputation in the global market.

Winning the KSA Market

National Foods has achieved noteworthy progress in establishing its footprint in the Saudi Arabian market by introducing products that cater to the distinctive requirements and preferences of the local consumers. As a crucial market for the company, we acknowledge the significance of providing innovative and top-notch offerings that meet the ever-changing demands of the customers.

Our longstanding pledge to excellence and customer contentment drives us to utilize our industry expertise and launch a range of products this year that cater to various customer segments in the Saudi market. These include:

- Spice Bulk bags – these are spices in 10kg bulk bags which will be placed at the retail shops in barrels, also known as souk. Basically, souks are the traditional style of selling spices in large, open barrels and there is a large segment of Saudi consumers who value this traditional purchasing method for the spices. 15 spices in whole and powder forms are launched to target these consumers.
- Fried Onion – an essential cooking aid, which is used in many Ethnic and Arabic dishes for enhancing taste and texture, was launched in a 400g consumer pack, targeted towards Modern Trade shoppers.
- Masala Seasonings – Last year, National launched a range of seasonings designed for grilling in North America. The range included four flavours - Chicken, Vegetable, Burger, and Steak - available in convenient shaker bottles. This year, the same range of seasonings has been introduced in the Saudi market with compliant packaging, making it accessible to consumers in the region. By expanding the availability of these seasonings, National is providing a new option for consumers who seek high-quality and easy-to-use seasonings for their grilling needs.



Despite the considerable progress we have made in KSA this year, we firmly believe that our journey is just commencing. National Foods is dedicated to supporting these initiatives in the coming year while continuously exploring the requirements of both new and existing consumers. By adopting this proactive approach, we are better prepared to address the evolving market demands and deliver inventive, top-quality products that fulfill the needs of our customers.

This level of focus and strategic collaboration in KSA will enable National Foods to establish a robust presence in the Saudi market and foster enduring customer relationships. We have confidence that our commitment to innovation and quality will pave the way for success in this dynamic and ever-changing market.

SHAREFOOD
SHARELOVE

FOLLOW US ON:

NationalFoodsGlobal

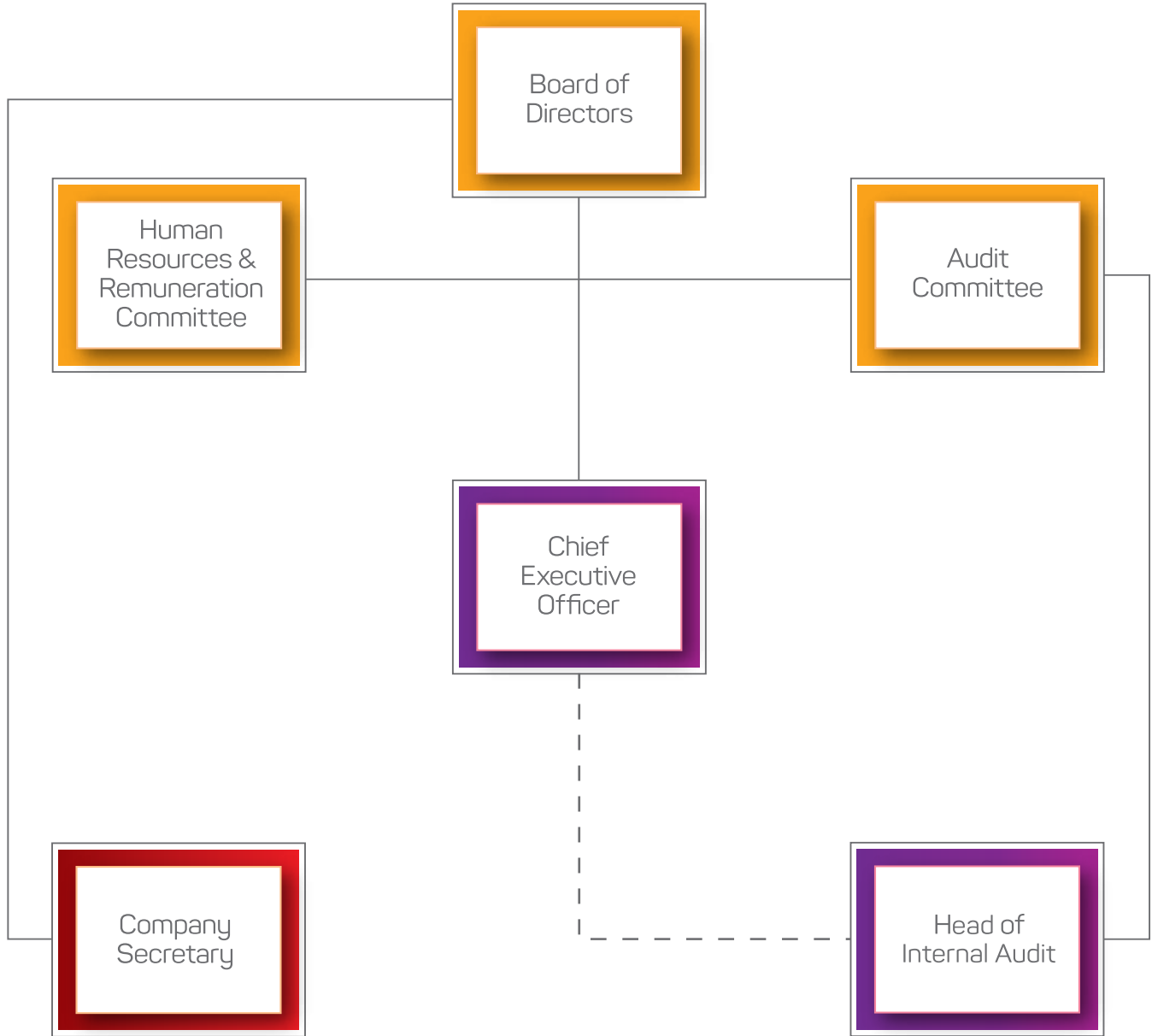
SCAN QR FOR RECIPES

Here
for
tradition

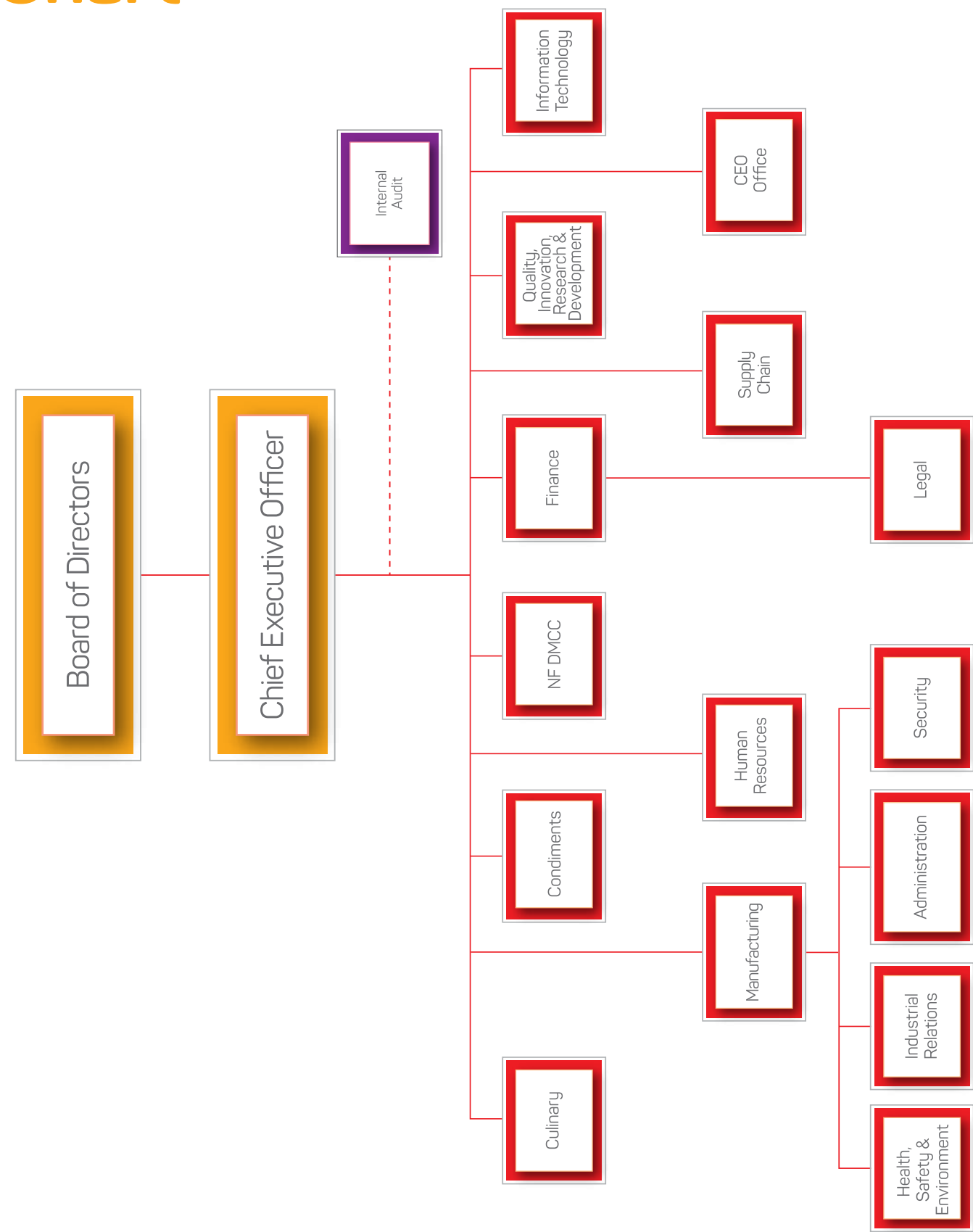




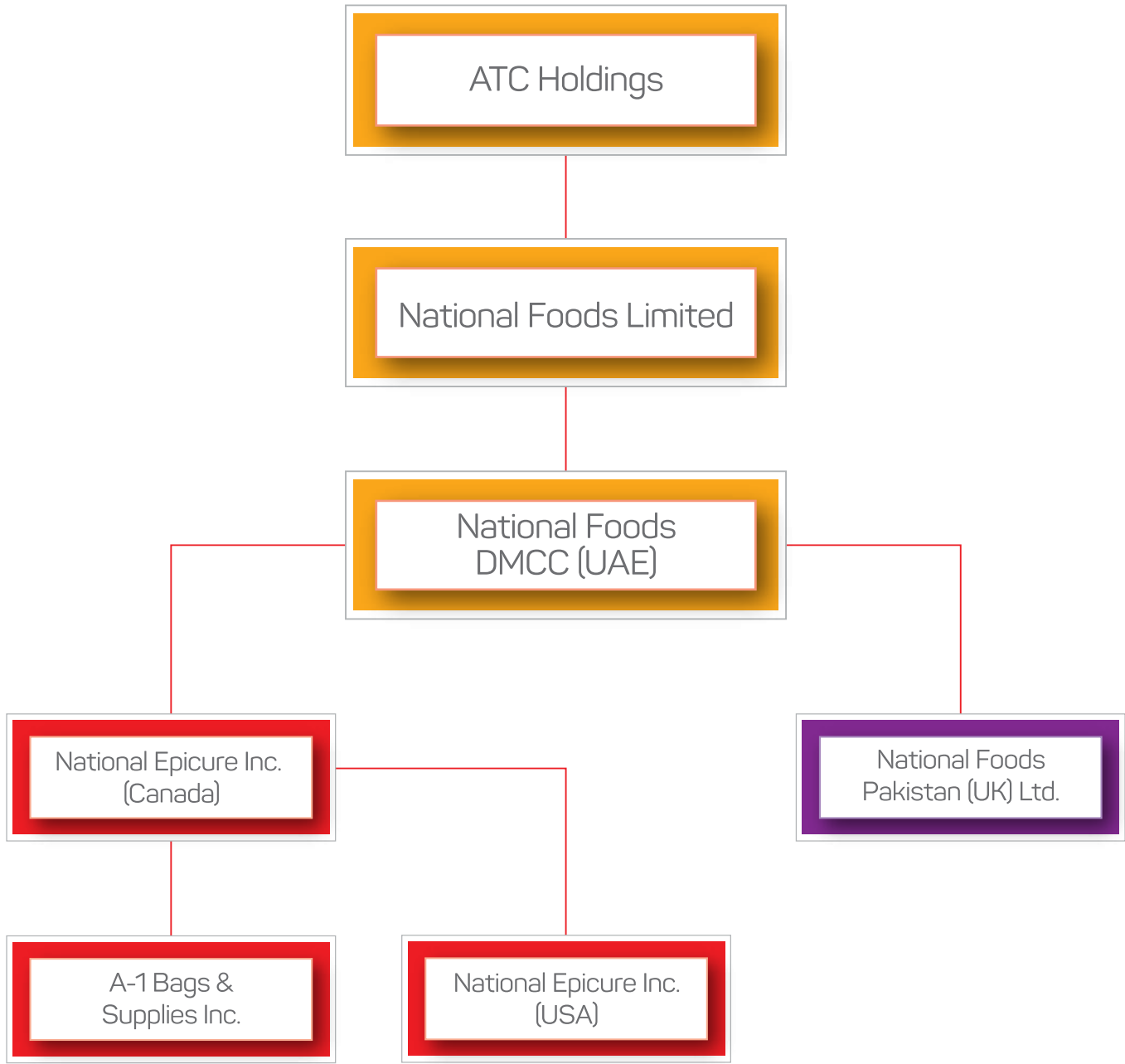
Corporate Organizational Chart



NFL Organizational Chart



NFL Subsidiaries Organizational Chart



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
Mr. Zain Nasir	Secretary

Chief Internal Auditor

Ms. Quratulain Mamsa	EY Ford Rhodes Chartered Accountants
----------------------	--------------------------------------

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

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.
---	---

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 (UK)
Askari Bank Limited	Habib Metropolitan Bank Limited
Bank Al Habib Limited	MCB Bank Limited
Bank Alfalah Limited (Islamic Banking Group)	MCB 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

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



Factories & Offices

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
Faisalabad Plant	Plot #346/347, Phase II, M-3, Industrial City, FIEDMC Sahianwala, Faisalabad

Sales & SAP Offices

Karachi Regional Office	Office#107&309, 1st Floor ,National Foods, Parsa Tower, Sharah-e-Faisal, Karachi
Lahore Regional Office	18- CCA, DHA Phase 8, (Ex Park View), Lahore Cantt, Lahore
Gujranwala Regional Office	Office # 4, Sixteenth Avenue Mall, 16-A, Industrial Estate. Grand Trunk Road, Gujranwala.
Rawalpindi Regional Office	Bilal Complex, 1st Floor Main PWD Double Road Rawalpindi.
Multan Regional Office	Office # 27, National Foods Limited, 3rd Floor ,Bominji Square, Multan Cantt , Multan City.
SAP Project Office	Office#202, 2ndFloor, Syedna Tahir Saifuddin Memorial Building, PSTD, Civil Lines Kashmir Mujahid Colony, Karachi,



Calendar of Events





CEO Message

Dear Shareholders,

As we present this year's annual report for National Foods Limited, we reflect on the remarkable journey we've undertaken amidst a world grappling with challenges. The past year has been a testament to our resilience, adaptability, and unwavering commitment to our vision of enriching lives through quality food. We believe in responsible leadership that goes beyond numbers to impact lives, cultivate partnerships, and contribute positively to our society.

National Foods has a special place in the hearts of consumers globally. Our brand's strength rests on being a familiar and trustworthy household name. By celebrating heritage and traditions, it uplifts spirits and brings people together, leaving a lasting impact on millions of people. Our messages and products transcend boundaries, connecting Pakistanis worldwide through shared identity. Our commitment isn't just quality products; it's nurturing community and cultural pride. As we expand, we stay true to our customer-centric values and are strategically aligned to venture into new categories to broaden our product offerings, catering to the diverse and evolving preferences of our consumer base globally.

National Foods Limited is headed towards a transformative journey that embodies growth, sustainability, and responsibility. Our growth extends beyond local boundaries and we are pleased to share that A1 Cash & Carry has experienced remarkable growth in Canada. Witnessing its remarkable potential, we are eager to continue investing to propel and sustain this exceptional growth trajectory. In line with our commitment to optimized operations and growth locally, we are continuing to invest and expand our operations in Pakistan with the state-of-the-art Faisalabad Plant. This is a very crucial development for the company and the country as this expansion aims to optimize our operations, enhance efficiencies, and position us for continued growth.

Moreover, we recognize that the digital landscape is a vital avenue for growth. In this dynamic era, our presence in e-commerce has grown significantly since its launch. Through our dedicated e-commerce platform "MadeEasy" and strategic collaborations with the best e-commerce platforms in Pakistan, we've harnessed the power of technology to reach wider audiences and create additional revenue streams. This deliberate venture into e-commerce not only enhances our visibility but also keeps us at the forefront of industry trends.

Our transformative journey has been powered by cutting-edge technologies and stronger cyber security measures. Through the "Enrich with SAP" initiative, we've revolutionized our operational landscape, optimizing workflows, and increasing efficiency. This comprehensive transformation program will be culminated in successful Business Process Re-engineering and SAP S/4HANA implementation along with advanced SAP cloud modules. Through these elements, we not only shape our company's trajectory but also pave the way for a resilient and prosperous ecosystem fueling our long-term growth.

Moreover, despite prevailing economic challenges and supply chain disruptions, we stand resilient in our commitment to pioneering solutions. Our decision for strategic investments in the agriculture sector stand as a testament to this dedication. By supporting our local agricultural practices with technology and access to resources, we will champion resilience and create avenues for local growth. We aim to not only enrich the lives of

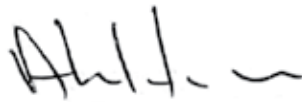
farmers but enable an infrastructure which improves Agri-practices, food security, and unleashes the agricultural potential of Pakistan. As a leader in our industry, we are actively engaged in policy advocacy across various aspects of the business, particularly agriculture. Collaborating with the business community along with the public and private institutions, we're leading the narrative and the path to ensure unhindered growth across industries. Through these unified efforts, we are confident that our present endeavours will set the stage for strengthened value chains tomorrow.

Furthermore, at the heart of our journey lies a profound investment in our people which is defined by a people-centric approach – one that kindles inspiration, fuels aspirations, and propels us towards excellence. We are embracing diverse global talents and enabling infrastructure in our pursuit of international expansion. This investment extends beyond recruitment to the core of our organization, evident through our philosophy, frameworks, and family-friendly policies. These policies, inspired by global best practices, resonate with our commitment to creating a better culture at the workplace and improve work-life balance, ensuring our team thrives on both personal and professional fronts.

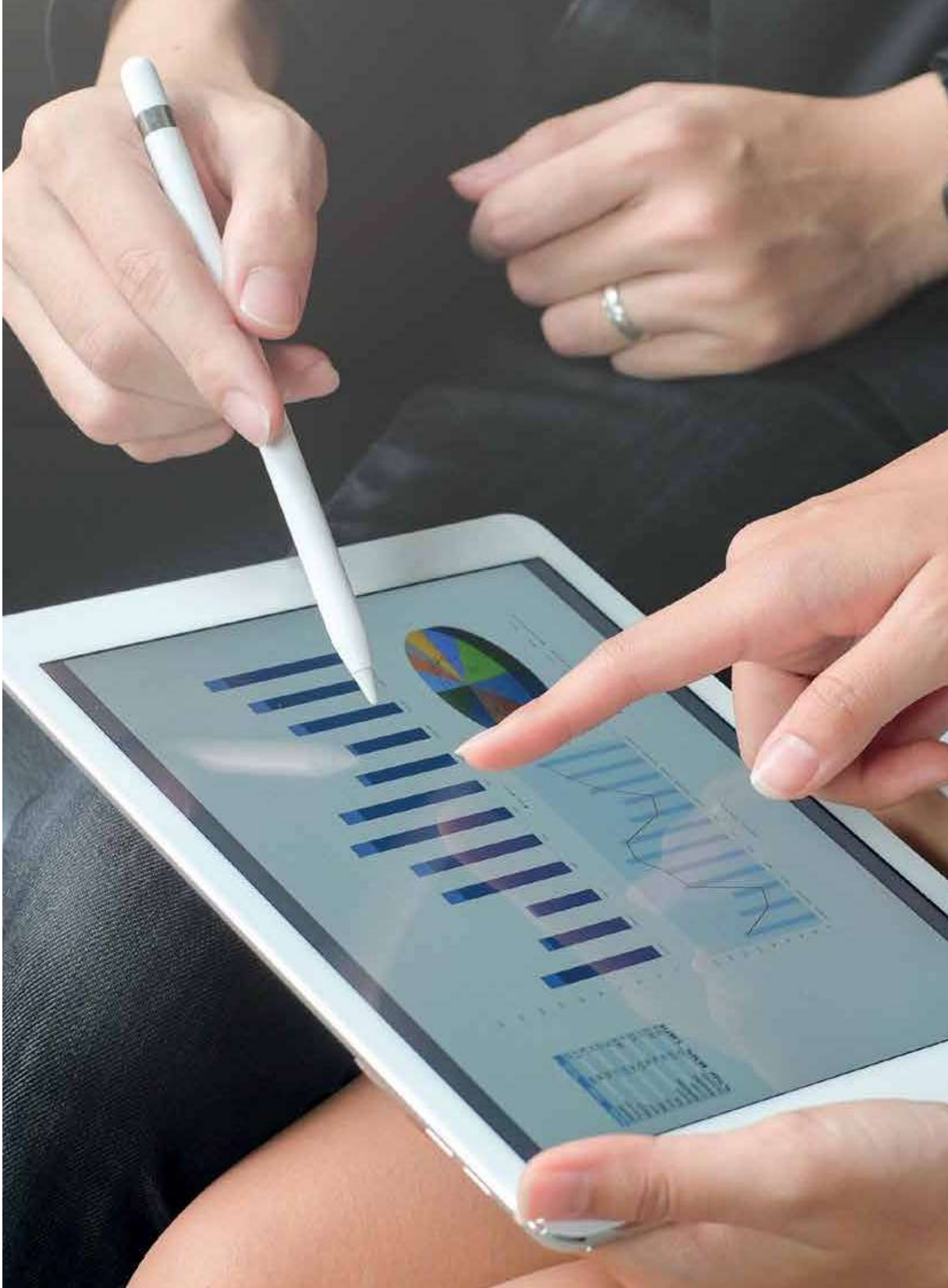
At National Foods, we are deeply aware of the importance of Environmental, Social, and Governance (ESG) principles and Sustainability. Witnessing how climate change impacts Pakistan, especially through the recent floods and the devastation highlights the urgent need to collectively safeguard our country, ecosystems, and communities.

To address these challenges, we've taken concrete steps and plan to seamlessly integrate ESG awareness into our systems through ongoing organizational capacity-building. The ethos of risk mitigation has been embedded in our DNA from the inception of our company, shaping our ethical compliance, Diversity, Equity, and Inclusion framework, product quality assurance and all crucial aspects of the organization. Our efforts to source raw materials responsibly, to ensure a sustainable value chain for the future and to cultivate an inclusive workplace is a testament to our commitment of driving positive change beyond our immediate operations.

In this landscape of challenges and opportunities, we're not only securing our present but we're also architecting a resilient future. Our journey towards ESG and sustainability isn't a choice; it's a responsibility aligned with our values and aspirations. Through these efforts, strategic investments, and united commitment, National Foods is purposefully advancing towards a sustainable and prosperous future for our company, customers, communities, and the shared eco system.



Abrar Hasan
Chief Executive Officer



Here
for
excel-
lence



Board Composition

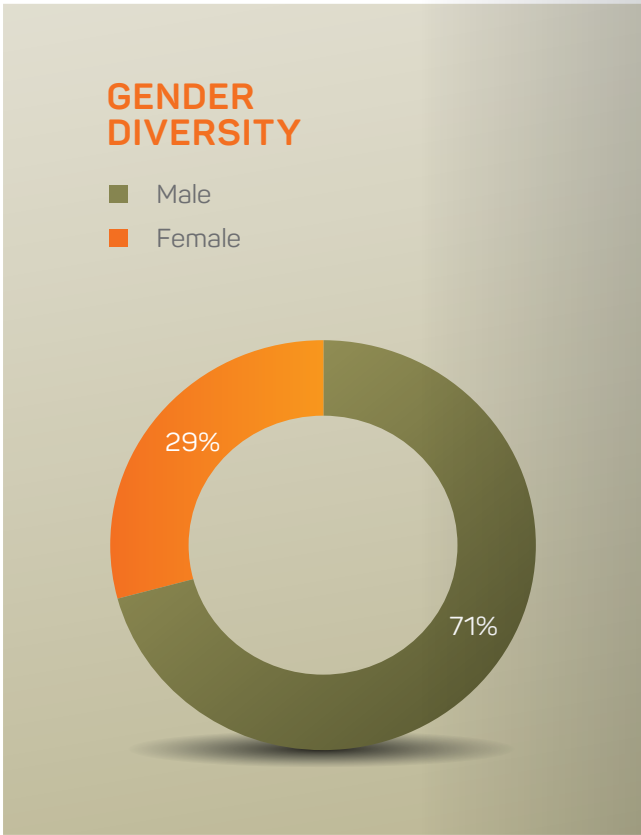
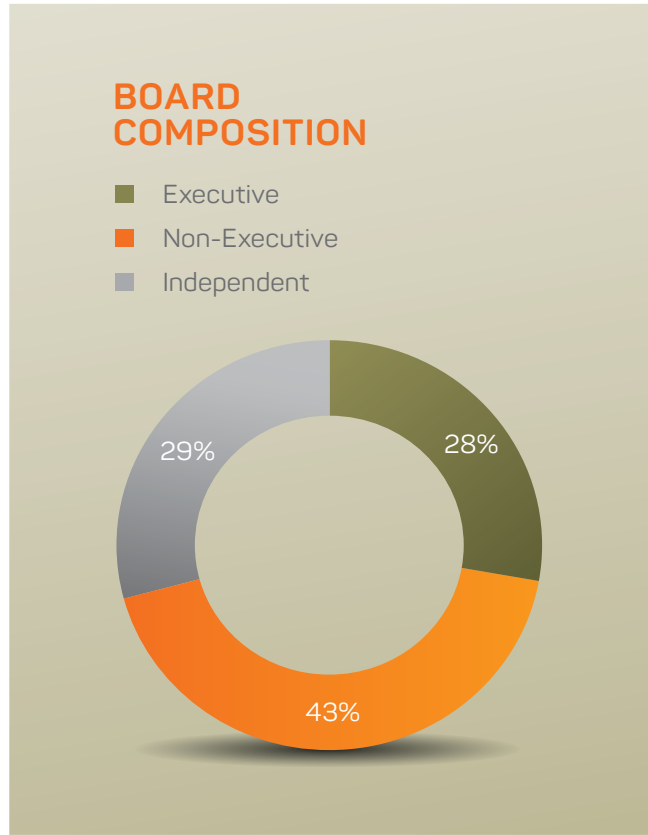
Board Architecture

Our Board Architecture is mainly governed by Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019 and other good corporate governance practices, ideologies available locally and internationally.

NFL values and ensures effective, efficient, and independent decision making. The Board as a group includes competencies and diversity considered relevant in the context of Public Limited Company's operations. Our Board comprises of members who have local and international experience, giving the Board a competitive edge for effectively managing the complexities of our business. Our Board of Directors is comprised of highly qualified professionals from varied disciplines, including finance, investment, legal and business management.

Our Board comprises of 7 Directors, who actively ensure that all shareholders and stakeholders' interests are fully protected. There are 3 Non-Executive Directors, 2 Executive Directors and 2 Independent Directors on our Board.

The status of directorship e.g., non-executive, executive, independent etc. is also provided in the Statement of Compliance with the Code of Corporate Governance, issued by the Company on page 200.



Directors' Profile



Mr. Zahid Majeed joined National Foods Limited in 1987 and pioneered its transformation from a small food enterprise into a leading food brand in Pakistan.

MR. ZAHID MAJEED
Chairman

Since then he has served in various capacities at NFL from heading the Corporate Marketing function to most recently establishing the International Business subsidiary, National Foods DMCC. He also introduced the concept of sustainability by establishing a Corporate Social Responsibility (CSR) platform here at NFL. Mr. Zahid Majeed played a significant role in initiating a Public-Private Partnership with UNICEF to launch the first Iodized Salt in the mid 1990's under the CSR umbrella along with various other education, health and nutrition initiatives with focused efforts to address women empowerment.

Mr. Zahid Majeed also heads the Textile, Energy, Environment Business and Investment Divisions with in the Associated Technology Consultants Private Limited (ATC). Mr. Zahid Majeed studied Philosophy, Politics and Economics at Magdalen College, Oxford University and later acquired a Masters Degree in Textile Technology at University of New South Wales, Australia. Recently, Mr. Zahid Majeed also qualified for the Certificate in Company Direction from the Institute of Directors (IOD), London, an International Certification that proves his commitment to the highest standards of Corporate Governance.



Abrar Hasan is the Chief Executive Officer of National Foods Limited, the leading multi-category food company in Pakistan producing over 250 different products, marketed both in Pakistan and exported to 40 countries worldwide.

MR. ABRAR HASAN

Chief Executive Officer

Under his leadership, NFL has become a Rs. 50 billion conglomerate, with ISO: 9001, ISO: 22000, HACCP & BRC certifications along with numerous industry awards.

Mr. Hasan joined NFL as Plant Director in 1993 and held that position for 4 years. He was elected Deputy Managing Director in 1997 and then as Chief Executive shortly thereafter. In 1996, he led the development of a comprehensive Human Resource Management System which was the first of its kind for any national company in the country. He also led the development of an international marketing infrastructure starting in 1999.

As the Chief Executive, Mr. Hasan is providing direction and leadership to the Company by setting a clear vision for future growth, which aims to create food that enriches the lives of people every where; not just geographically but through multiple customer touchpoints. The Company is set to deliver its long-term goals by focusing on top brands, growing customer base and aggressive international expansion.

Mr. Hasan has actively pursued new market opportunities and delivered successful strategies to drive NFL's vision, focusing on continuous innovation, highest standards of quality and superior consumer value.

He has steered the company to deliver steady sales growth year on year, clearly evident from the dramatic expansion in sales, from only Rs. 200 million in 1993 to Rs. 50 billion today; an enviable growth rate, ranging from 20% to 30% each year; despite tough economic conditions. This is a result of foresightedness into providing dedicated focus to each category and a customer-centric approach.

Recognizing the vital role of Information Technology in business development, Mr. Hasan brought about an IT revolution in the Company. In February 2003, NFL became the first local food company to put in an ERP system (Scala) which was subsequently upgraded to SAP ERP system, in a record 6 months deployment. Currently, National Foods is in the process of incorporating SAP S/4HANA which is the latest ERP by SAP and enables to take quicker and more accurate business decisions.

Through the platform of the Pakistan Advertisers Society (PAS), Mr. Hasan was part of the team which launched TAM Peoplesmeter in Pakistan in September 2007 and the MEMRB Consumer 14 insight Survey, in August 2008, both first of their kind tools in Pakistan.

He has also pushed for regulating advertisement ethics via PAS. As past Chairperson, Anti-counterfeit and Infringement Forum (ACIF), Mr. Hasan strongly supports creating awareness about counterfeit and IP infringement among consumers and other stakeholders.

Mr. Hasan is a staunch supporter of Corporate Social Responsibility; an Adult Literacy Program for women was started at NFL as early as the year 2000. In 2007, he spearheaded the development of a Sustainability Strategy, which is guiding all business functions across the board till today and focuses on Responsible Business Practices and Triple Bottom Line.

As a visionary and marketing leader, Mr. Hasan has addressed audiences of a diverse section of marketing organizations, conferences, seminars, educational institutions, and various publications. He has appeared on several business TV talk shows discussing the business environment and economy in general. He has been the recipient of numerous accolades, including Marketing Excellence Award 2008 from the Marketing Association of Pakistan (MAP).

Mr. Hasan has also played a leading role in the establishment and working of Pakistan's first Collateral Management company, Naymat Collateral Management Company, that will bring formal credit to the farmers through financial institutions. He currently is the Chairman of the Board.

Mr. Hasan resides in Karachi, Pakistan, and is a graduate of the Krannert School of Management at the Purdue University in Indiana.





Mrs. Noreen Hasan graduated in 1991 after completing her Bachelor's Degree with HONS in "Medieval and Modern World History" from the University of Birmingham, UK.

MRS. NOREEN HASAN

Non-Executive Director

The degree was awarded with two First classes for her dissertation on "The Guatemalan Crisis of 1956 and Anglo American Relations", it was published by the University.

Mrs. Hasan's experience is well focused on CSR and philanthropic activities. Her present involvement includes activities for the "Children's Cancer Foundation Pakistan Trust". She has actively organized and raised funds on a continuous basis for the Trust which is now affiliated with the Indus Hospital to increase sustainability and awareness. On a smaller scale, Mrs. Hasan has also been involved in various other charity groups some of which include financially supporting the Education and Children's Health Organization (Echo) Foundations in Ghara and sponsoring underprivileged children for a school in Rashidabad.



Having an experience of almost two decades working at a senior executive position at English Biscuit Manufacturers Pvt. Ltd. (EBM), Saadia Naveed being the Director and Shareholder in the Company, is currently the Deputy Managing Director of EBM.

MRS. SAADIA NAVEED

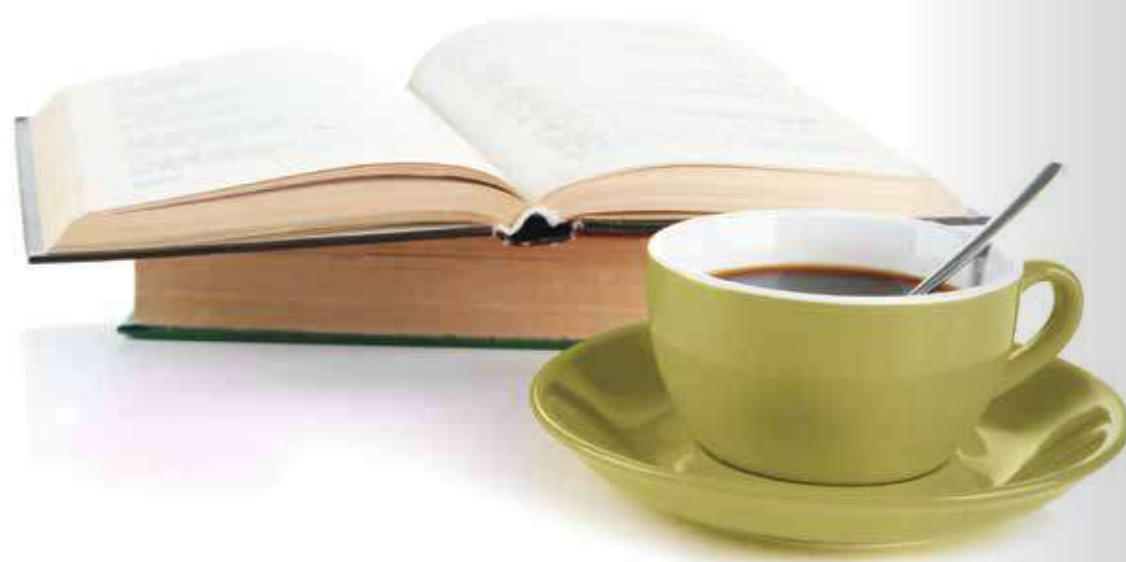
Non-Executive Director

Mrs. Saadia Naveed, after her graduation, moved to the field of Chartered Accountancy and was associated with A.F Ferguson & Co. for over four years, conducting and supervising audits in various national and multinational organizations.

Saadia held the challenging position of Director Operations in the year 2002, prior to her appointment as Deputy Managing Director in 2008. Under her stewardship, EBM has witnessed remarkable achievements like exponential volume growth, enhancement of Production capabilities and Technical Advancements such as Oracle based ERP system in 2003-04 enabling the team to adapt quickly and be more responsive to the current and future challenges leading to the successful implementation of SAP along with its business intelligence and other value-added models. Saadia is a true team leader who works closely with Departmental Heads to further improve organizational systems, processes and policies. It is her contribution and sound knowledge of finance that made EBM a self-sufficient and debt-free organisation.

Saadia also represents the Boards of Sanofi-Aventis Pakistan Ltd., Shield Corporation, Employers Federation of Pakistan (EFP), AKUH Corporate Committee for University Advancement, Education Fund for Sindh (EFS) and Management Association of Pakistan (MAP). She was the first ever female President of MAP from June 2013 till March 2015. As President of MAP, she contributed significantly to raise the profile of what is already one of the most acclaimed management organisations in the country. She focused on creating greater awareness of good management practices, and promoted the recognition of companies who actively engaged in them.

Saadia is a great example of a dynamic leader and an inspiration for Pakistani women aspiring to take leadership roles. In 2012, she received Marketing Excellence & Wonder Women of the Year awards for her contributions to business excellence in Pakistan. Soft-spoken, a true friend and deeply interested in uplifting the lives of those around her, she is a keen supporter of various philanthropic initiatives in addition to her professional role. She is also an active member of several other professional organizations including Institute of Directors (IOD) London, National Academy of Performing Arts (NAPA), Korangi Association of Trade & Industry (KATI), Karachi Chamber of Commerce & Industry (KCCI) and Arts Council of Pakistan.





Mr. Ehsan A. Malik is currently serving as the Chief Executive Officer of Pakistan Business Council.

MR. EHSAN A. MALIK

Independent Director

From 1st September 2006 to 31 October 2014 Mr. Malik was the Chief Executive Officer of Unilever Pakistan Limited and a director of Unilever Pakistan Foods Limited. Prior to this he was Chairman and CEO, Unilever Sri Lanka Limited. His earlier international appointments covered Unilever's regional business in Egypt, Lebanon, Jordan, Syria and Sudan as well as Unilever's Head Office in UK. These preceded senior commercial and financial roles at Unilever Pakistan. He is also a Member of the Board of Directors of Abbott Laboratories Pakistan Limited and IGI Life Insurance Limited. Mr. Malik is a Fellow of the Institute of Chartered Accountants of England and Wales and alumni of the Wharton and Harvard Business Schools.



Mr. Ali H. Shirazi graduated with a BA from Yale University, U.S.A. in 2000 and thereafter completed his Masters in Law from Bristol University, U.K. in 2005.

MR. ALI H. SHIRAZI

Independent Director

During this period, he worked for the Bank of Tokyo-California.-Mitsubishi in New York as well as American Honda in Torrance, California. He is Atlas Group Director Financial Service and President/Chief Executive of Atlas Battery Limited. He serves on the Board of Atlas Asset Management Limited, Atlas Insurance Limited, Shirazi Investment (Pvt.) Limited, National Management Foundation (Sponsorship body of LUMS), Techlogix International Limited, Cherat Packaging Limited, Pakistan Cables Limited and Pakistan Society for Training and Development. Previously he has also served on the Board of National Clearing Company of Pakistan Limited (NCCPL).

He is a 'Certified Director' from the Pakistan Institute of Corporate Governance and in 2018 completed the Owner / President Management Program (OPM) from Harvard Business School.





Adam Fahy-Majeed received his Master’s degree in Modern and Contemporary Art History, from the School of the Art Institute of Chicago in 2021.

MR. ADAM FAHY MAJEED
Executive Director

He graduated from the University of Leeds in 2019, receiving a first class Joint Honours BA in History of Art and Italian. Adam has been involved in a wide variety of artistic projects relating to his field of academic expertise, including: the first Karachi Biennale in 2017 (curatorial team member); Amin Gulgee’s 7 and 7.7 solo-exhibitions, Rome, 2018 (assistant curator); The Trojan Donkey, 2020 (curator); Healing II, Karachi, 2020 (curator); The Q Rickshaw Project, Karachi, 2022 (curator). He was the curator of Amin Gulgee’s most recent solo-exhibition, The Spider Speaketh in Tongues, at the South Asia Institute, Chicago, 2022. His writing has been published in numerous catalogues, as well as in the form of feature-length articles for The Friday Times.

Adam is Executive Director at National Foods Limited and Non-Executive Director at ATC Holdings (Private) Limited. Adam’s role allows him to traverse all aspects of the group in the endeavour of maximising growth opportunities and expanding the business locally and internationally. This includes innovations, international expansion, new product development, and the pursual of new business ventures.

Board Meetings

Scheduled Board Meetings

Our Board has established a corporate governance framework with clearly defined responsibilities and accountabilities. For our Board to operate effectively and to consider key matters, Board Committees have been established as set out on page 126.

Further, the next Board of Directors’ Meeting is approved in each meeting, in which the Board Meetings, HR and Remunerations Committee and Audit Committee Meetings are scheduled for the next quarter. The Board Members are issued Meeting Notices within statutory timelines. The Board Folder is sent seven days prior to the Board Meeting which comprises of the Notice, Agenda and Financial Documents along with other business papers on which decisions or approvals are to be considered.

Audit Committee and Human Resource & Remuneration Committee meetings are held according to the schedule to ensure maximum director participation.

Attendance at scheduled Board and Committee Meetings during 2022-23

Sr No	Name of Board Director	Status	Scheduled Board Meetings				
			08 Sep. 2022	20 Oct. 2022	27 Feb. 2023	28 Apr. 2023	22 Jun. 2023
01	Mr. Zahid Majeed	Non-Executive Director	P	P	P	P	P
02	Mr. Abrar Hasan	Executive Director	P	P	P	P	P
03	Mr. Ehsan Ali Malik	Independent Director	P	P	P	P	P
04	Mr. Ali H. Shirazi	Independent Director	P	A	P	P	P
05	Mr. Adam Fahy Majeed	Executive Director	P	P	P	P	P
06	Ms. Saadia Naveed	Non-Executive Director	P	A	P	A	P
07	Ms. Noreen Hasan	Non-Executive Director	P	P	P	P	P

Changes in Board Composition

As of June 30, 2023, there has been a notable change within the Board Architecture. Mr. Adam Fahy Majeed was appointed Executive Director of the Board w.e.f. October 20, 2022, earlier he was working as a Non-Executive Director on the Board.

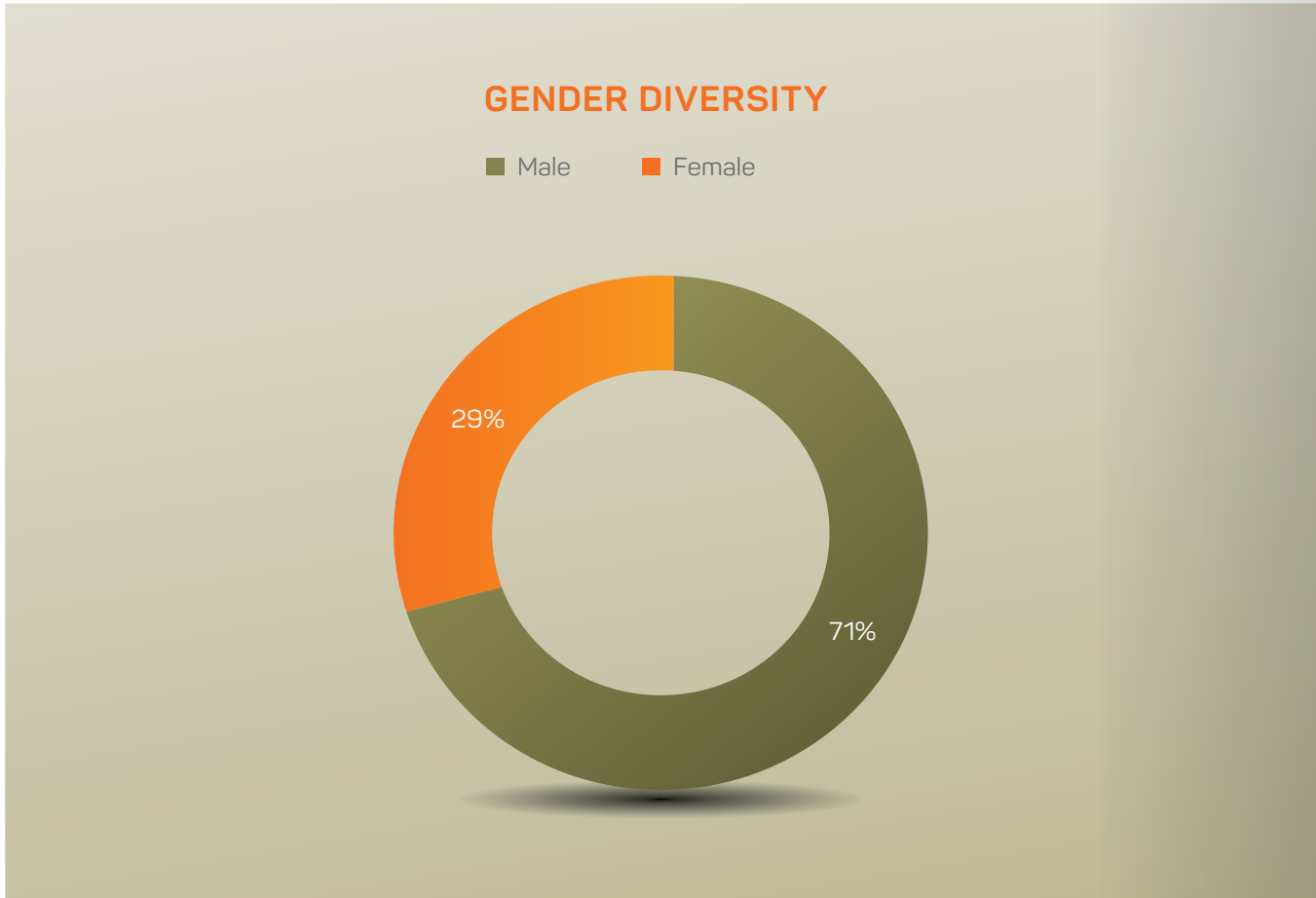
Diversity in Board

Two out of seven members of the Board are women.

National Foods Limited has been a pioneer in promoting gender diversity in the workplace. As workforce gender diversity is directly linked with increased productivity, competitiveness, and overall business growth - we recognize the important role women play in national economic development.

Since one of the pillars of our CSR strategy is Gender Equality, the company has taken certain steps since FY 2018, making us the top local company to have been recognized for Gender Diversity.

There have been several initiatives both inside and outside the company that have contributed to this award. It was based on the proportion of female employees at all management levels and that of our Board of Directors.



OTHER DIRECTORSHIPS		
Sr No.	Director Name	Directorships Held
01	Mr. Zahid Majeed	I. ATC Holdings (Private) Limited II. ATC Technology Consultants (Private) Limited III. Associated Environment & Energy Solutions (Pvt) Ltd.
02	Mr. Abrar Hasan	I. ATC Holdings (Private) Limited II. ATC Technology Consultants (Private) Limited III. Associated Environment & Energy Solutions (Pvt) Ltd. IV. Friesland Campina Engro Pakistan Limited V. Cherat Cement Company Limited VI. Pakistan Business Council VII. Naymat Collateral Management Company Limited Other Associations <ul style="list-style-type: none">• (Past) Chairperson, Anti Counterfeit and Infringement Forum• (Past) President, Pakistan Advertisers Society• (Past) Member, The Health Foundation• Member, Management Association of Pakistan• Member, Marketing Association of Pakistan, and• Founder member, Editorial Advisory Board, Triple Bottom Line magazine.
03	Mr. Ehsan Ali Malik	I. Abbot Laboratories (Pak) Limited II. Gul Ahmed Textiles Limited III. Standard Chartered Bank Pakistan Limited IV. The Pakistan Business Council
04	Mr. Ali H. Shirazi	I. President & CEO - Atlas Battery Limited II. Director - Atlas Insurance Limited III. Atlas Asset Management Limited IV. Cherat Packaging Limited V. Pakistan Cables Limited VI. Shirazi Investment (Pvt) Limited VII. Atlas Solar Limited (formerly Zhenfa Pakistan New Enerty Company Limited) VIII. Techlogix International Limited IX. Atlas Venture Limited-UAE X. Atlas Global FZE-UAE XI. Oyster International Holdings Limited-UAE XII. SF Global Holdings Limited-UAE XIII. Atlas Foundation XIV. National Management Foundations (LUMS) XV. Shirazi Trading Company (Pvt.) Limited XVI. Pakistan Society for Training & Development (PSTD)

05	Mr. Adam Fahy Majeed	I. Director - ATC Holdings (Private) Limited
06	Ms. Saadia Naveed	I. Deputy Managing Director -English Biscuit Manufacturers (Pvt.) Ltd II. Director – Coronet Foods (Private) Limited III. Director – Shield Corporation Limited IV. Director – Employers’ Federation of Pakistan V. EC Member – Management Association of Pakistan VI. Director – Education Fund for Sindh VII. Director – Sanofi Aventis Pakistan Limited
07	Ms. Noreen Hasan	I. Director – ATC Holdings (Private) Limited II. Associated Environment & Energy Solutions (Pvt.) Ltd.



Board Committees

The Board has formed the following Committees in line with best practices and requirements of the Code of Corporate Governance:

Audit Committee

The Committee assists the Board in the effective discharge of its responsibilities for corporate governance and financial reporting. The Audit Committee comprises of one (01) Independent and two (02) Non-Executive Directors. The Chairman of the Audit Committee is an Independent Director.

Name of Director	Status in Audit Committee	Status as a Director
Mr. Ehsan Ali Malik	Chairman	Independent Director (Non-Executive)
Mrs. Saadia Naveed	Member	Non-Executive Director
Mrs. Noreen Hasan	Member	Non-Executive Director

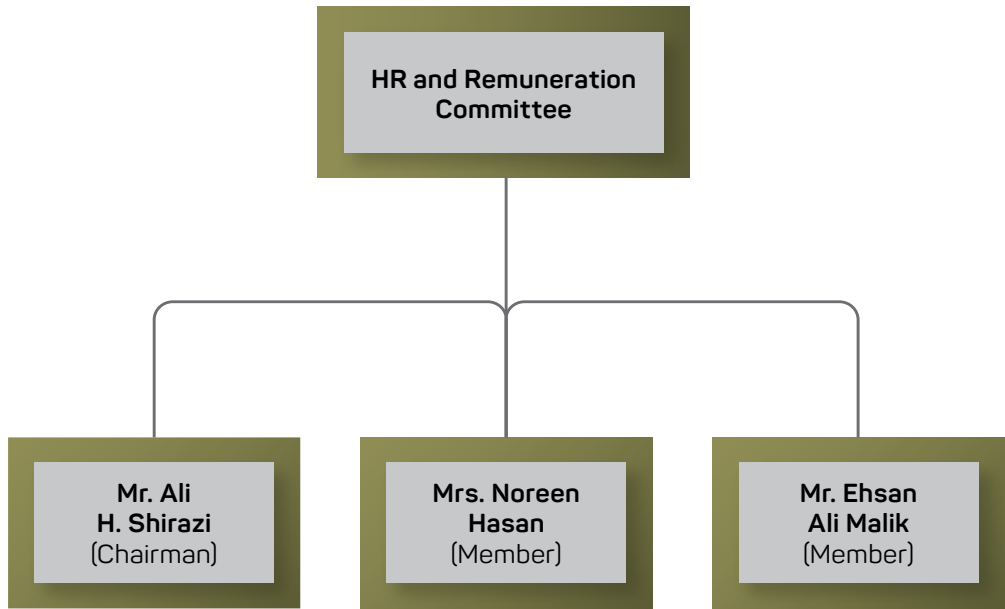
The brief terms of reference of the audit committee are as follows:

1. Determination of appropriate measures to safeguard the Company’s assets;
2. Review of annual and interim financial statements of the Company, prior to their approval by the Board of Directors
3. Review of preliminary announcements of results prior to external communication and publications;
4. Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of Management, where necessary)
5. Review of Management letter issued by the external auditors and Management’s response thereto;
6. Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the Internal Audit function has adequate resources and is appropriately placed within the Company
7. Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and Management’s response thereto;
8. Determining compliance with relevant statutory requirements;
9. Recommend to the Board of Directors the appointment of external auditors, their removal, audit fee, the provision of any service permissible to be rendered to the Company by the external auditors in addition to audit of its financial statements.
10. Consideration any other issue or matter as may be assigned by the Board of Directors.

Sr No	Name of Committee Member	Designation	Scheduled Board Meetings			
			07 Sep. 22	20 Oct. 23	27 Feb. 23	28 Apr. 23
01	Mr. Ehsan Ali Malik	Chairperson	P	P	P	P
02	Ms. Saadia Naveed	Member	P	A	P	A
03	Ms. Noreen Hasan	Member	P	P	P	P

Human Resource & Remuneration Committee

NFL has established HRRC in accordance with the requirements of the Code of Corporate Governance. HRRC assists the Board in fulfilling its responsibilities in the review, formulation, recommendation and implementation of human resource policies and the appointment and remuneration of the Chief Executive Officer (CEO), Chief Financial Officer, Company Secretary, and Chief Internal Auditor. It also considers and approves recommendations of the CEO on matters related to succession planning of key management positions and ensuring proper compensation to NFL employees. This Committee comprises of Directors, consisting of mainly Non-Executive Directors, including one Independent Director.



The meeting of this committee has been held twice a year.

Attendance at Scheduled Committee Meetings

Sr. No	Name of Committee Member	Designation	Scheduled Board Meetings	
			17-08-2022	29-03-23
01	Mr. Ali H. Shirazi	Chairman	P	P
02	Mr. Ehsan Ali Malik	Member	P	P
03	Ms. Noreen Hasan	Member	P	P

Terms of Reference of the Human Resource & Remuneration Committee

- 1
- Comprising of at least 3 members; consisting of mainly Non-Executive Directors, including two Independent Directors. CEO can be a member, but not the Chairman of this committee. The CEO cannot participate in the proceedings of the committee on matters related directly to his performance and compensation.
- 2
- Recommend HR Management Policies to the Board
- 3
- Recommend to the Board for consideration and approval of a policy framework for determination of remuneration of Directors (both executive and non-executive directors and members of senior management).
- 4
- Recommend selection, evaluation, development, compensation (including retirement benefits) and succession planning of the CEO, COO, CFO, Company Secretary and Head of Internal Audit.
- 5
- Consider and approve recommendations of CEO on matters related to key management positions who report directly to CEO or COO.
- 6
- To approve and ensure dissemination of Company's Code of Conduct across the company.
- 7
- Undertake annually a formal process of evaluation of the performance of the Board as a whole and its committees.

Corporate Governance

Our ability to deliver our vision and create long-term value and benefit for our shareholders and stakeholders emanates from our governance structure operated by the Board across the Company.

Exceeding Legal Requirements

The Company strives to operate transparently, consistently, and timely comply with all prevailing laws and regulations of Pakistan. We take pride in proactively complying with many additional legal requirements which were not mandatory.

In addition to all the mandatory requirements of the laws and regulations of Pakistan, some examples are given below:

- a.
- The Listed Companies (Code of Corporate Governance) Regulations, 2019 encourage all directors to obtain directors' training certifications. Six (06) directors of the Company have already acquired certifications. However, the newly appointed director's training is due within this financial year.
- b.
- The Company has defined standards and guidance to the best of its ability that act as security measures to protect employees, operations, property and information against the threat of attacks, intrusions, loss, injury, damage or abuse including unauthorized disclosure or access to information. Further as per OHSAS 18000, the Company committed to prevent injury, ill health and continual improvement in Occupational Health & Safety (OH&S) management and Occupational Health & Safety performance
- c.
- The Board of Directors of the Company comprises of two female Directors.

Conflict of Interest Among Board Members

As per Code of Corporate Governance, every Director is required to bring to the attention of the Board complete details regarding any material transaction which has a conflict of interest for prior approval of the Board. The interested Directors neither participate in discussions nor vote on such matters. Further, complete details of all transactions with related parties are submitted to the Audit Committee which recommends them to the Board for approval in each quarter. These transactions are also fully disclosed in the annual financial statements of the company.

Our Directors are reminded of insider trading and avoid in the dealing of shares during the closed period. The Company's Board has been constituted in compliance with the provisions of the Companies Act, 2017. The members of the Board, including Non-Executive and Independent Directors exercise full independence and highlight and recuse themselves in case of any possible conflict of interest as is expected from their role. All observations / suggestions of Board members during their proceedings are accordingly recorded.

Safeguarding of records

The Company effectively ensures the safety of its records which are retained as required to meet legal, administrative, operational and other requirements of the Company.

Whistle Blowing Policy

The Company is committed to conducting the business with honesty and integrity. All members of staff are expected to maintain high standards in accordance with applicable laws, regulations and the Company Code of Conduct and are

encouraged to promptly raise concerns of possible misconduct, potential conflicts, or known breaches with the Company’s Code of Conduct, and other company policies and procedures. In such instances, employees are encouraged to report any nonconformity through their respective HRBPs or Line Managers. In some cases, the transgression is also reported directly to the Whistleblowing Officer or Chairman Audit Committee. Action is then taken by the Company accordingly.

Protection for Whistleblower

The Company does not tolerate retaliation against whistle blowers in any way and concerns can be reported without fear of detrimental treatment. If the whistle bower raises concerns in good faith, he or she will not be subject to any detrimental treatment including dismissal, disciplinary action, threats or other unfavorable treatment.

The Company treats all questions and issues confidentially, where possible, while investigating fairly, cooperating with governments, and complying with legal obligations.

Reporting and investigating concerns

We encourage people to speak up if they have any concerns relating to illegal or unethical conduct or behavior that is inconsistent with our values. Anyone within the Company can raise concerns or speak to the Whistleblowing Officer confidentially. We take every reported concern seriously and review each one to understand whether a formal investigation is warranted. If our investigations show that an employee has breached our policies, we take appropriate disciplinary action. The Dignity at NFL portal also helps in anonymous reporting in case of a breach of code of conduct.

Inside Information Register

In compliance with the regulatory requirements, the Company ensures that it maintains Insider Information Register, which is updated on a regular basis.

Corporate Briefing Session

NFL's Investor briefing was held on 21 October 2022, Friday on MS Teams/video conferencing.

Investors attending the event displayed great interest in the affairs of the Company. The presentation was followed by a Q&A session which was well addressed to the satisfaction of the audience.

The presentation from the Corporate Briefing Session can be viewed on the Company’s website under “Investors” section.

Redressal of Investors’ Complaints

The Company aims to provide its shareholders, potential shareholders and other stakeholders with all relevant financial and similar information as effectively and as timely as possible, in order to provide more insight into the Company and the sector. Further, the Company is committed to ensure that grievances notified by the shareholders are handled and resolved efficiently at an appropriate level. Any complaints/reservations received from the investors are considered, discussed, resolved and communicated in due course by appropriate level of authority in the Company.

Shareholders can submit a complaint through email i.e. (corporate.secretary@nfoods.com) which is also available on the Company’s website in line with directives of SECP. The grievances can also be notified through phone call or post to the Company.

The Company adheres to the practice of responding to shareholders’ complaints within prescribed time from the receipt thereof. A letter/email in this regard is sent to the shareholders with intimation to the Shares Registrar/SECP/Stock Exchange duly signed by the Company Secretary.

Investors’ Section on Website

In order to provide ease of access to our shareholders and stakeholders, the Company’s latest information for investors is available on our website, under the “Investor Relations” (<http://nfoods.com/>). This page is updated regularly in order to provide transparent, adequate and up to date information.

CEO Performance Review

The CEO provides an overview of the Company’s performance to the Board and addresses any specific questions of the Board members. The performance of the CEO is assessed through the evaluation system set by National Foods Limited. The principle factors of evaluation include financial performance, business processes, compliance, business excellence and people management.

Role of Chairman

The Chairman provides leadership and governance to the Board. The Chairman has the responsibility to monitor and ensure the effective functioning of the Board. The Chairman ensures that the Board as a whole plays a full and constructive part in the development and determination of the organization’s strategies and policies. Furthermore, the Chairman also ensures that the organization’s strategies are being fully implemented effectively. The Chairman conducts the Board meetings and ensures that all Directors fully participate in the decision-making procedure of the Board.

Role of Chief Executive Officer

The CEO leads the management in the day-to-day running of the organization’s business in accordance with the business plans and within the budgets approved by the Board. The CEO is also responsible for oversight of the directions of the Board, in accordance with the Companies Act. It is the responsibility of the CEO to ensure that the organization’s resources are allocated efficiently.

Management Commitee



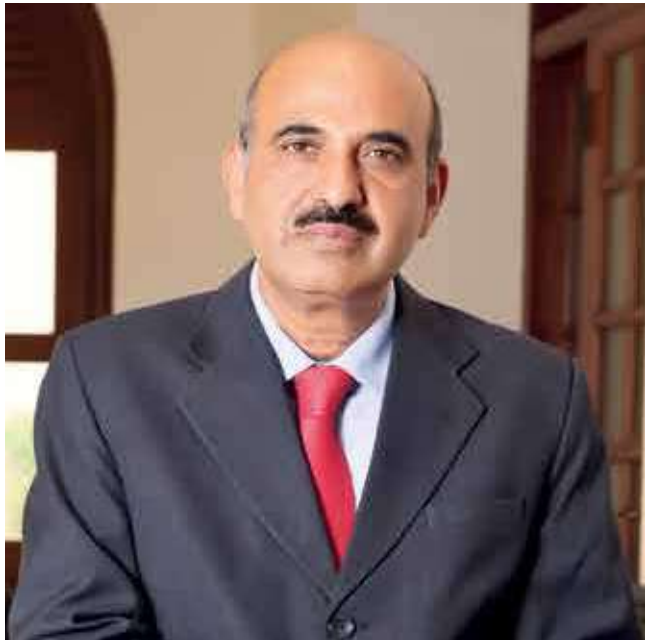
Mr. Abrar Hasan
Chief Executive Officer



Mr. Ahmed Salman
Director Supply Chain



Ms. Ivana Bajamic
Chief Human Resources Officer



Mr. Saleem Rafi Khilji
Director Manufacturing



Mr. Dominique Silvarelli
Chief Operating Officer (International Division)



Mr. Hasan Sarwat
Chief Commercial Officer



Mr. Shah Abdullah Raza
Director IT & Digital Transformation



Syed Farhan Ali Rizvi
Director Corporate Finance

Here for resili- ence



Sustainability & CSR



National Foods has taken a notable stride in integrating sustainable practices into its operations through the implementation of its sustainability vertical.

This vertical is dedicated to incorporating environmental, social, and economic sustainability principles across all aspects of the organization. By establishing the sustainability vertical, the organization aims to drive positive change and contribute to a more sustainable future.

Addressing Classroom Hunger through the School Meal Program

In Pakistan, almost 40% of children suffer from malnutrition, with over 35% of children in Punjab attending school without breakfast. This negatively impacts their physical and cognitive development, hindering their ability to focus on education. National Foods is actively involved in combating classroom hunger through our collaboration with AllahWalay Trust for the 'School Khana Program.'

We are proud to announce the adoption of the Government Primary School in Bhatta Pind, Lahore on 27th January 2023. This school was strategically chosen due to its higher ratio of girls to boys, allowing us to promote girls' education effectively. After the quarterly post launch evaluation, a 32% increase in attendance was witnessed at the school. We are committed to our ongoing efforts in making education accessible to all and shaping the next generation of leaders.



Partnering for Children's Well-being on World Children's Day

On World Children's Day, National Foods reaffirmed its commitment to creating a more equal and inclusive world by partnering with ChildLife Foundation Pakistan for a toy distribution at Civil Hospital Karachi. This collaboration builds upon our joint efforts during flood relief operations, and we are continually inspired by the remarkable work undertaken by ChildLife Foundation.

ChildLife Foundation is transforming healthcare accessibility for children across Pakistan through their advanced Children Emergency Rooms in government teaching hospitals and through its Telemedicine Headquarter. We recognize the importance of supporting their cause and how our support can create a significant difference in the well-being of children and contribute to building a brighter future for the next generation. National Foods remains dedicated to fostering partnerships that positively impact communities and promote a more inclusive society.



Promoting Environment

National Foods is committed to sustainability and actively supports initiatives that contribute to the future of our country and children. To this end, National Foods proudly supported the publishing of two children's books, 'One Plastic Bag, A Plogre Story' and 'Aik Plastic Kee Thayli,' in collaboration with GoRead.pk. GoRead.pk is a socially conscious movement dedicated to reading developmentally appropriate stories to children in underprivileged communities. Through joyful story read-aloud sessions, they aim to bring about social change.

The book launch event, held at our Gold LEED certified Head Office in Karachi, brought together employees, their children, and sustainability professionals. The event showcased our commitment to being responsible corporate advocates for the environment and education.

By promoting environmental education from an early age, we aim to nurture environmentally conscious citizens who will work towards the betterment of our planet.



R3 Project: Phase 1

The R3 Project, standing for Reduce, Reuse, and Recycle, is an initiative developed under the United Nations Sustainable Development Goal 12 (SDG 12) of "Responsible Consumption and Production." This project aims to address key areas of focus such as Food, Water, Plastic, and Paper. While the project is currently focused on the Corporate Head Office to start, there are plans to expand its implementation to other facilities in the future.

The R3 Project recognizes the urgent need to promote sustainable practices within consumption and production patterns to mitigate the negative environmental impacts associated with these areas. By implementing the principles of Reduce, Reuse, and Recycle, the project aims to achieve significant reductions in waste generation, resource consumption, and environmental pollution.



Reduce

Under the Reduce component of the project, efforts have been made to minimize the overall consumption of resources. This involves implementing strategies to reduce waste generation and optimize resource usage within the National Foods Head Office. For instance, measures have included reducing food waste through daily measuring and reporting to the employees starting on World Food Day, implementing water conservation messaging across the organization along with the installation of water aerators to minimize water wastage by 75%-90% starting on World Water Day, and promoting the use of digital platforms to minimize paper consumption.

Reuse

The Reuse component focuses on finding ways to extend the lifespan of products and materials within the organization. This involves implementing systems to encourage the reuse of items that would otherwise be discarded.

With the initial focus on Food, Water, Plastic, and Paper at the National Foods Head Office, the R3 Project sets the stage for future expansion to other facilities within the organization. By implementing successful strategies and learning from the experiences gained, the project can be replicated and scaled up across multiple locations, further strengthening the organization's commitment to responsible consumption and production as outlined in the UN SDG 12.

Recycle

The Recycle component of the R3 Project emphasizes the importance of proper waste management and recycling practices. The project aims to create a culture of recycling within the organization by implementing comprehensive recycling programs. This includes sorting and disposing waste properly, educating employees on the proper sorting and disposal of recyclable materials, and partnering with Trashit to compost organic waste.

In addition to the practical implementation of the R3 Project, an internal communication campaign and strategy was launched to build employee awareness and introduce sustainability practices. This campaign aims to engage and educate employees about the importance of responsible consumption and production, as well as the role they can play in reducing their environmental impact by adopting sustainable practices both at work and in their personal lives.

Composting for Responsible Waste Management

At National Foods, we understand the importance of reducing and managing food waste to combat environmental degradation and climate change. Composting, representing the principles of Reuse and Recycle, is utilized at our Head Office to manage various waste streams effectively. This includes paper, cafeteria food scraps, tea bags, and garden waste. Implementing composting helps minimize our environmental footprint and promotes a circular economy.

The launch of our composting initiative coincided with International Compost Awareness Week, highlighting its value as a sustainable waste management solution. We initiated an internal communication campaign to raise awareness among employees and conducted an informative webinar and training sessions for administrative staff.

Through collaboration with TrashIt, we are committed to reducing and managing food waste. Composting our organic waste helps reduce methane emissions, divert waste from landfills, and create nutrient-rich compost for our gardens. This aligns with our sustainability goals and contributes to a healthier environment for our communities.



Eco-Week 2023

In celebration of World Environment Day, our organization hosted Eco-Week to raise awareness about environmental sustainability. As part of the initiative, an Eco-Bazaar was organized at our Head Office to support and showcase female-owned small businesses that offer eco-friendly products. Employees were encouraged to use canvas tote bags and stainless-steel straws to partake in the UN's theme of #beatplasticpollution promoting the reduction of single-use plastics. Additionally, a webinar was conducted in collaboration with Zero-Point Partners to educate employees about the environmental risks we face and the basics of Environmental, Social, and Governance (ESG) principles. Eco-Week served as a platform to highlight the importance of sustainable practices and encourage our employees to make a positive impact on the environment.



National Food’s Pledge for Climate2Equal

The IFC-PBC led Climate2Equal peer learning platform invited companies to pledge for more gender-inclusive business-led climate action. We are proud to announce that the company has made a commitment as a part of this forum to (i) to include more female leaders to be a part of climate action at National Foods and (ii) to support the work of female-led organizations and female climate leaders externally. As a part of this cohort, we will continue to participate in workshops to track and report our progress. Our previous and developing projects are reflective of our pledge and we envision greater gender-inclusive business-led climate action at National Foods.



Support of Various Charitable Organizations

National Foods Limited remains committed to fostering a society that provides equal opportunities for all individuals. We envision enriching the lives of people everywhere, irrespective of any differences. Our aim is to extend support to help create an inclusive environment full of opportunities for all internally as well as externally.

To show the same commitment this year, we joined hands with Karachi Down Syndrome Program (KDSP) and Behbud Welfare Organization for their Annual Carnival and Spring Fiesta 2023.



To further promote equality and inclusivity, we sponsored the 8th Unified Marathon hosted by Special Olympics Pakistan. This renowned event, held on February 26th, attracts over 3,000 participants of all abilities. Our employees actively participated by joining the 1 KM Unified Walk.

Through our sponsorship, we helped Special Olympics Pakistan raise funds for their differently abled athletes to represent team Pakistan at The Special Olympics World Game Berlin in June 2023.



LadiesFund Sustainability Lunch 2023

National Foods is actively engaged in promoting gender equity and sustainability, as exemplified by our collaboration with the Dawood Global Foundation for the 7th LadiesFund Sustainability Luncheon. The prestigious event, held at the British High Commission on January 14th, 2023, aimed to introduce, and educate attendees about the United Nations' Sustainable Development Goals and their significance for businesses, with a specific focus on gender equality.

During the event, National Foods received recognition for our commitment to the SDGs, particularly Goal 5: Gender Equality. This accolade highlights our dedication to fostering an inclusive and equitable work environment. The luncheon provided a platform for nominated women at National Foods to network with women from diverse organizations and industries. It offered valuable insights into the importance of sustainability for both larger corporations and smaller businesses.

We recognize the significance of such initiatives in driving positive change and shaping a better future for all.



ATCH & NFL Flood Relief Efforts



PKR 68 million pledged by the group, partners and employees

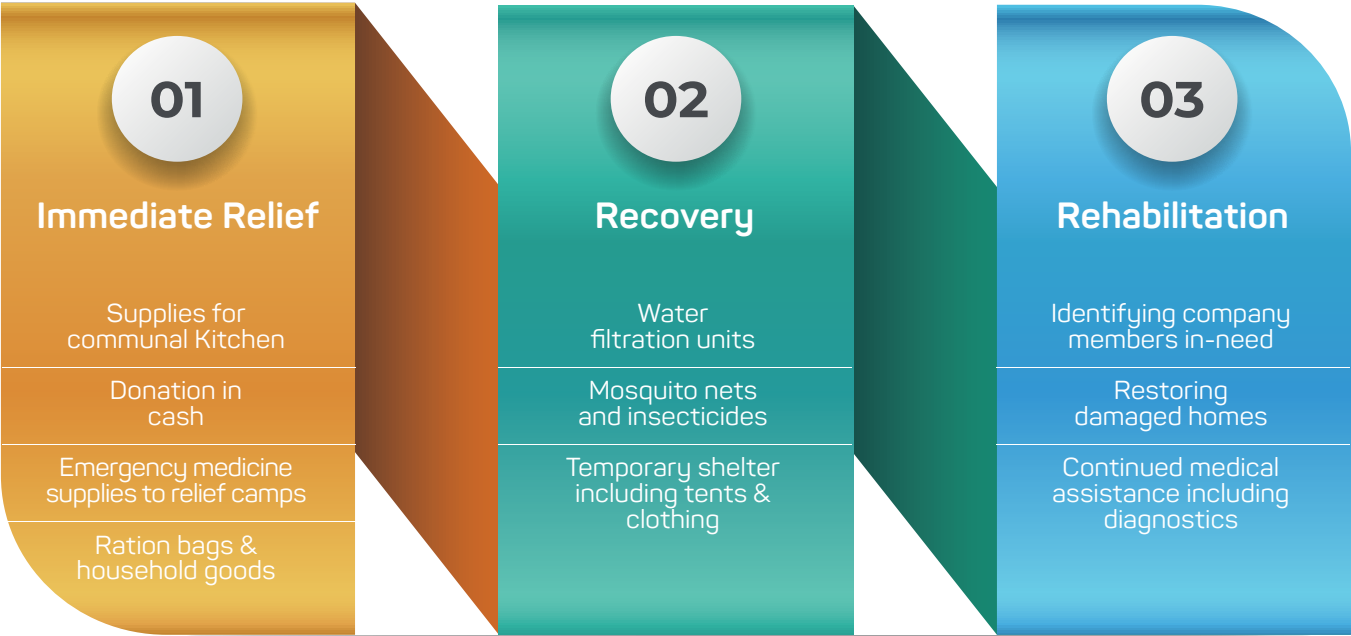
According to the World Health Organization (WHO), the recent floods in Pakistan have caused immense devastation, affecting 33 million people in 94 districts. The revised UN Appeal reveals that 20.6 million individuals still require humanitarian assistance as of March 2023. The urgent care required includes emergency food assistance, nutrition, and health services, as well as access to safe drinking water.



Our Efforts

ATC Holdings and National Foods are proud to collaborate with renowned organizations and foundations in our flood relief efforts. Our partners include Indus Hospital & Health Network, Karachi Relief Trust, The Citizens Foundation (TCF), Hisaar Foundation, and ChildLife Foundation. These partners help us in working towards specific objectives based on their expertise.

Other than these partners, we have also made direct relief efforts in the hardest-hit districts of Sindh, Balochistan and Khyber Pakhtunkhwa.



Immediate Relief

In the initial phase of our relief efforts, we focused on addressing immediate needs and providing essential supplies to the affected population. Our contributions included providing supplies for communal kitchens, medicines and supplies for relief camps, household goods, and cash donations. Special attention was paid to provide dry goods and food supplies to the affected parts in Khyber Pakhtunkhwa through Karachi Relief Trust.

Our partnership with TCF resulted in providing dry goods to families in need in the province of Sindh, which was the most affected at the time.



Additionally, we collaborated with ChildLife Foundation, enabling them to extend their services to flood-stricken children. ChildLife Foundation's Emergency Room (ER) model has been successfully implemented in 12 locations across Pakistan. This model involves improved infrastructure, trained medical staff, life-saving equipment, a well-stocked pharmacy, and fully automated medical protocols. In line with this, we provided 1500 Panadol syrups at a time when the supply was limited, as part of our immediate relief efforts.



For this phase, our partnership with Indus Hospital & Health Network (IHHN) completed 29 Flood Relief Medical Camps on October 29, 2022. Through this partnership, we were able to provide emergency, relief-based care to 6,709 flood victims in Dadu & Jamshoro - Sindh.



Recovery

As the recovery phase began, we focused on restoring essential services and ensuring the well-being of the affected communities. Our recovery efforts include:

Water Filtration Units, Mosquito Nets & Insecticides

Chemical foggers and insecticides were procured directly to provide aid to the affectees. Moreover, to address the need for clean drinking water, we allocated PKR 3.5 million to install 16 water filtration plants in collaboration with Hisaar Foundation. This initiative benefited more than 150 families in multiple areas including Mehrabpur, Mirpurkhas, Village Babu Channa, Chinjani, Kher Muhammad Mugheri, Shahmeer Gadhahi, Ibrahim Chandiyo, Hafiz Khush Muhammad, Peer Mashaikh, Allah Bachayo, Razi Khan and Peer Lakho Villages amongst others.



Clothes for Winter

Moreover, we partnered with Karachi Relief Trust (KRT) to provide winter clothing for 3,000 families in Mehar, Dadu. Each pack included pullovers and jackets for men, women, and children, helping them cope with the harsh weather conditions.

Temporary shelter

In order to provide temporary relief and shelter from the every-changing weather and water-borne diseases, ATCH & NFL provided relief in multiple ways including WHO approved mosquito nets, along with tents to provide shelter.

Rehabilitation

As the recovery phase began, we focused on restoring essential services and ensuring the well-being of the affected communities. Our recovery efforts include:

Employee Support

To ensure that our colleagues receive vital assistance, a substantial amount of PKR 2.1 million has been designated to 22 individuals, who are an integral part of the National Foods family and serve as Order Bookers, Ambulance Drivers, and Security Guards to help them refurbish their homes that were devastated by the torrential rains. Furthermore, our commitment goes beyond financial aid as we are actively exploring collaborative partnerships that allow us to contribute to the reconstruction of homes, provision of essential household items, and addressing emerging needs such as maternal health.

Re-building Homes

Moreover, in a powerful alliance with Hisaar Foundation, we channeled our efforts towards relief and rehabilitation endeavors for 150 families residing in Taluka Johi, Dadu. Our dedicated sales team has been at the forefront of these efforts, representing our values and commitment towards providing a range of crucial provisions:

- Ultrafiltration Water Systems
- Water Coolers
- Water Jerry Cans
- Chlorine Tablets
- Nutrition Kits
- Mosquito Nets
- Mosquito Coils
- Kitchen Gardening Kit & Seeds
- Tents
- Blankets
- Dry Goods



Continued medical assistance

Our recent collaboration has been with Indus Hospital and Health Network (IHHN) for their initiative called Health on Wheels; a mobile set up catering to the medical needs of patients in Jhal Magsi, Balochistan. Health on Wheels is Pakistan’s first ever mobile facility and comprises of providing primary care, immunisations, laboratory, a small pharmacy and mother & child healthcare. Our support for this facility will help IHHN in running operational expenses and staffing costs for a period of 4 months. As of June 01, consultation to 40+ pregnant women and 240 children under the age of 5 has been offered.



Funds Utilization

Our dedicated efforts have yielded significant results, positively impacting the lives of numerous individuals. The outcomes of our flood relief initiatives include:



PKR 16 million
for medical
camps



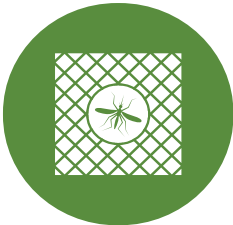
PKR 9.0 million
for rehabilitation
of 150 families



PKR 9.0 million
for winter
clothing



PKR 8.9 million
for food
supplies



PKR 6.9 million
for mosquito
nets



PKR 6.5 million
for child focused
medical relief



PKR 3.5 million
for water
filtration units



PKR 2.1 million
for employees’
support

Communication of ATCH & NFL Flood Relief Efforts

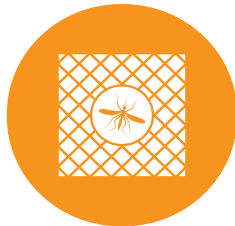
We believe in transparent and effective communication to keep all stakeholders informed about our flood relief efforts. Our communication channels and activities include:

- Emailers, providing regular updates to our internal and external stakeholders
- Digital assets, generating approximately 16 million views across various online platforms.
- 600 Robo Calls made via the NFL UAN Number, reaching out to a wide audience.
- 225 social media assets, sharing our progress and encouraging engagement.
- 10 website assets, offering detailed information about our initiatives.
- Letters sent to our business partners, showcasing our commitment to corporate social responsibility.

Impact:



Meals for
52,000 people



Mosquito nets for
12,000 people



Support for
22 team members



Water Filtration
Units for **16 Districts**
in Sindh & Balochistan



Medical relief to
19,500 patients



Emergency care
for **3,000 children**

Here for refine- ment



Chairman's Review



My fellow Shareholders,

Another Historic Year for National Foods Globally

It gives me immense pleasure to report that your company has reached the remarkable milestone of generating almost half of its revenue internationally, through its various business concerns and subsidiaries. We strongly believe that we will be able to further accelerate this global growth by making the right investments and capacity building in the coming years.

Financial Highlights

The financial year has been outstanding in terms of top-line growth of 35% and bottom-line growth of 41%.

Most importantly, your company has pursued a balanced growth model across all geographies and categories:

- Pakistan Sales Growth at 9%
- International Sales Growth at 77%

Indeed, we believe that the diversification of our business has allowed us to navigate the challenging global, social and economic currents safely and prudentially.

Responsible Corporate Citizens

As a Pakistani MNC we are deeply committed to the betterment of our society. Beyond assiduously adhering to a rule based economic order and contributing to the economic welfare by earning foreign exchange, generating employment and opportunities, and paying our taxes, we also go beyond these corporate duties. Some of our most important social investments last year have been:

- **ATCH & NFL Flood Relief Pledge:** The floods in 2022 were catastrophic and caused widespread destruction, impacting 33 million lives. ATC Holdings & NFL Flood Relief Pledge resulted in the collection of PKR 68 million to help fellow countrymen. I am thankful to our local and international partners, along with the employees who contributed generously to this National cause. The funds were used for immediate relief, recovery and rehabilitation, helping millions of lives.
- **Female Adult Literacy** In terms of providing financial literacy to the adolescent girls of Pakistan, we have renewed our partnership with TCF for Aagahi Adult Literacy Program. Our partnership with TCF has helped 70,000+ adolescent women in performing day to day interactions in terms of reading and counting in the past.

The Board and in particular your CEO and myself have faith that companies like ours can collectively improve the economic and social welfare of our citizens.

Cultural Transformation

Amongst the many exciting projects, we have embarked upon this year is the Design & Implementation of a new Organization Structure based upon the principles of Effective Governance and a meritocratic Performance Culture. Creating the right structure and attracting the right talent are the keys to our future competitiveness and success globally.

As an essential first stage of this transformation process, we now have a Pakistan CCO Mr. Hasan Sarwat, an International COO Mr. Dominique Charles Silvarelli as well as a Global CHRO Ms. Ivana Bajamic, who will lead their respective areas and report to our Global CEO, Mr. Abrar Hasan.

Investing in our Vision

As an optimistic and ambitious Company, we will continue to make the required investments to accelerate the expansion of our business both inside and outside the country. With the completion of our Faisalabad factory this year we hope to achieve greater levels of efficiency and productivity. We are investing in a number of supply chain hubs outside Pakistan to improve our Speed to Market internationally.

Route to Market

In parallel with the operational expansion, we are adopting an aggressive omnichannel route to market strategy globally which we hope will help us to sustain and scale the business.

Quality and Innovation

In line with our Founders' Philosophy, we are relocating our National Centre of Excellence to a new state-of-the-art facility. This center will be dedicated to product innovation both in terms of future foods as well as product quality upgradation. Furthermore, we will continue to ensure that all our products conform to the highest global quality standards and most of all continue to deliver a wonderful taste experience to our consumers.

Corporate Governance and Management

Your Company's Board continues to provide effective strategic direction and oversight to ensure the long-term success of the business.

We also acknowledge the professionalism, agility and commitment displayed by our management team and all our employees over the last year.

In the end, I would like to thank all our stakeholders who have remained with us throughout this journey and sincerely hope that the bond we share will continue to flourish.

ثقافتی تبدیلی

اس سال ہم نے جن بہت سے منصوبوں کا آغاز کیا ہے ان میں سے ایک نئے تنظیمی اسٹرکچر کا ڈیزائن اور نفاذ ہے جس کی بنیاد موثر لیڈرشپ کے اصولوں اور قابلیت پر فارمنس کا کلچر ہے۔ صحیح اسٹرکچر بنانا اور صحیح ٹیلنٹ کو راغب کرنا عالمی سطح پر ہماری مستقبل کی مسابقت اور کامیابی کی کنجی ہیں۔

تبدیلی کے اس عمل کے پہلے مرحلے کے طور پر، اب ہمارے پاس پاکستان کے سی سی او مسٹر حسن ثروت، ایک بین الاقوامی سی او او مسٹر ڈومینک چارلس سلواریلی اور ساتھ ہی ایک گلوبل سی ایچ آر او محترمہ ایوانا باجماک ہیں، جو اپنے علاقوں کی قیادت کریں گے اور ہمارے سی ای او کو رپورٹ کریں گے۔

اپنے وژن میں سرمایہ کاری کرنا

ایک پرامید اور پرجوش کمپنی کے طور پر، ہم ملک کے اندر اور باہر اپنے کاروبار کی توسیع کے لیے مطلوبہ سرمایہ کاری کرتے رہیں گے۔ اس سال ہماری فیصل آباد فیکٹری کی تکمیل کے ساتھ ہم امید کرتے ہیں کہ کارکردگی اور پیداواریت کے زیادہ مرحلے طے کریں گیں۔ ہم بین الاقوامی سطح پر اپنی 'اسپیڈ ٹومارکیٹ' کو بہتر بنانے کے لیے پاکستان سے باہر کئی سپلائی چین مراکز میں سرمایہ کاری کر رہے ہیں۔

مارکیٹ کو راستہ

آپریشنل توسیع کے متوازی ہم عالمی سطح پر مارکیٹ کی حکمت عملی کے لیے ایک جارحانہ اوپنی چینل روٹ اپنا رہے ہیں جس سے ہمیں امید ہے کہ کاروبار کو برقرار رکھنے اور اسکی پیمانہ سازی کرنے میں ہمیں مدد ملے گی۔

معیار اور جدت

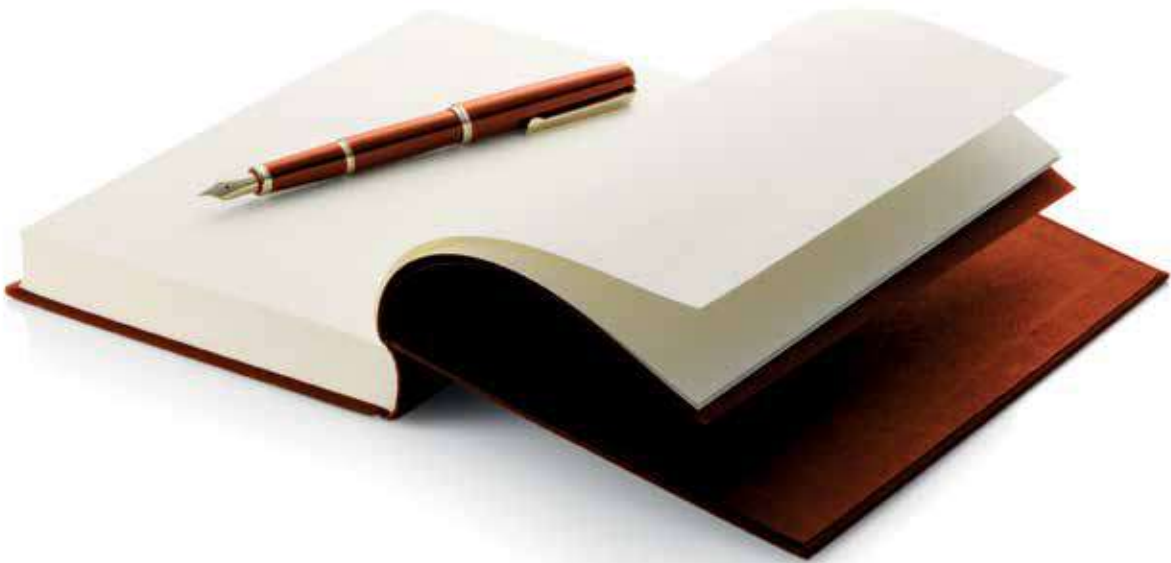
اپنے بانیوں کے فلسفے کے تحت ہم اپنے نیشنل سینٹر آف ایکسی لینس کو ایک نئی جدید ترین جگہ پر منتقل کر رہے ہیں۔ یہ مرکز مستقبل کے کھانے کے ساتھ ساتھ مصنوعات کے معیار کو بہتر کرنے اور مصنوعات کی جدت کے لیے وقف ہو گا۔ مزید برآں، ہم اس بات کو یقینی بناتے رہیں گے کہ ہماری تمام مصنوعات اعلیٰ ترین عالمی معیار کے مطابق ہوں اور سب سے بڑھ کر اپنے صارفین کو ذائقہ کا شاندار تجربہ فراہم کرتے رہیں۔

کارپوریٹ گورننس اور مینجمنٹ

آپ کی کمپنی کا بورڈ کاروبار کی طویل مدتی کامیابی کو یقینی بنانے کے لیے موثر حکمت عملی اور نگرانی فراہم کرتا رہتا ہے۔

ہم گزشتہ سال کے دوران اپنی انتظامی ٹیم اور اپنے تمام ملازمین کی پیشہ ورانہ مہارت، چستی اور عزم کو بھی تسلیم کرتے ہیں۔

میں اپنے تمام اسٹیک ہولڈرز کا شکریہ ادا کرنا چاہوں گا جو اس سفر کے دوران ہمارے ساتھ رہے اور پوری امید ہے کہ ہمارا ساتھ آگے بڑھتا رہے گا۔



زاهد مجید
چیرمین

چیئرمین کی جائزاتی رپورٹ

میرے ساتھی شراکت داروں

عالمی سطح پر نیشنل فوڈز کے لیے ایک اور تاریخی سال

مجھے یہ اطلاع دیتے ہوئے بے حد خوشی ہو رہی ہے کہ آپ کی کمپنی نے اپنے مختلف کاروباری جہتوں اور ذیلی اداروں کے ذریعے بین الاقوامی سطح پر تقریباً نصف آمدنی پیدا کرنے کا قابل ذکر سنگ میل عبور کر لیا ہے۔ ہمیں پختہ یقین ہے کہ ہم آنے والے سالوں میں صحیح سرمایہ کاری اور صلاحیت سازی کر کے گلوبل ترقی کے سفر کو تیز کرنے کے قابل ہو جائیں گے۔

مالی کارکردگی

مالی سال ٹاپ لائن نمو 35% اور باٹم لائن نمو 41% کی ترقی کے لحاظ سے شاندار رہا ہے۔ سب سے اہم بات یہ ہے کہ آپ کی کمپنی نے تمام جغرافیائی اور زمروں میں متوازن ترقی کے ماڈل کی پیروی کی ہے۔

- پاکستان کی فروخت میں 9% اضافہ
- بین الاقوامی فروخت میں 77% اضافہ

درحقیقت، ہمیں یقین ہے کہ ہمارے کاروبار کے تنوع نے ہمیں مسابقتی عالمی، سماجی اور اقتصادی ماحول میں احتیاط اور سمجھ داری کے ساتھ رہنے کی صلاحیت بخشی ہے۔

ذمہ دار کارپوریٹ شہری

ایک پاکستانی MNC کے طور پر ہم اپنے معاشرے کی بہتری کے لیے پرعزم ہیں۔ ایک اصول پر مبنی معاشی ترتیب کی سختی سے پابندی کرنے اور غیر ملکی زرمبادلہ کمانے، روزگار اور مواقع پیدا کرنے اور اپنے ٹیکس کی ادائیگی کے ذریعے معاشی بہبود میں حصہ ڈالنے کے علاوہ، ہم ان کارپوریٹ فرائض سے بھی آگے بڑھتے ہیں۔ گزشتہ سال ہماری چند اہم سماجی سرمایہ کاری یہ ہیں:

- **ATCH اور NFL فنڈ برائے سیلاب زدگان:** 2022 میں سیلاب نے بڑے پیمانے پر تباہی مچائی، جس سے 33 ملین زندگیاں متاثر ہوئیں۔ اے ٹی سی ہولڈنگز اور این ایف لیل فلڈ ریلیف سرگرمی کے نتیجے میں ہم وطنوں کی مدد کے لیے 68 ملین روپے جمع ہوئے۔ میں اپنے مقامی اور بین الاقوامی شراکت داروں کے ساتھ ساتھ ان ملازمین کا بھی شکر گزار ہوں جنہوں نے اس قومی مقصد میں دل کھول کر تعاون کیا۔ یہ فنڈز فوری امداد اور سیلاب زدگان کی بحالی کے لیے استعمال کیے گئے، جس سے لاکھوں لوگوں کی مدد ہوئی۔
- **خواندگی خواتین:** پاکستان کی نوعمر لڑکیوں کو مالی خواندگی فراہم کرنے کے سلسلے میں ہم نے آگبی اڈلٹ لٹریشی پروگرام کے لیے TCF کے ساتھ اپنی شراکت کی تجدید کی ہے۔ TCF کے ساتھ ہماری شراکت نے ماضی میں روزانہ کی بات چیت کے دوران پڑھنے اور گنتی کے لحاظ سے 70,000 سے زیادہ نوعمر خواتین کی مدد کی ہے۔

بورڈ اور خاص طور پر آپ کے سی ای او اور مجھے یقین ہے کہ ہماری جیسی کمپنیاں اجتماعی طور پر ہمارے شہریوں کی معاشی اور سماجی بہبود کو بہتر بنا سکتی ہیں۔

Directors' Report

Fellow Shareholders,

The Directors of National Foods Limited (the 'Company') are pleased to present the Annual Report along with the financial results which include both stand-alone and consolidated audited financial statements, for the year ended June 30, 2023.

Company's Principal Activities

The Company manufactures, markets, and sells food products under the brand name "National".

Business Performance Overview

Operating and financial performance

The Group

The group witnessed a strong topline and bottom-line growth of 41% and 32% respectively for the outgoing year. Despite macroeconomic challenges, the top line continued its momentum which was supplemented by cost and revenue transformation measures enabling healthy gross margins of 28% and 5% at PAT levels.

Core business

Local business, amidst hyper-inflationary pressures and dollar appreciation, focused on agility & sustainability centralizing around revenue transformation and cost optimization measures particularly on material costs. During the year, the Company reorganized the commercial functions to drive focus, took strategic buying decisions, impacted portfolio rationalization and rebranded our core recipe range with superior advertising and marketing promotions. The Company continued to invest in Faisalabad manufacturing facility and expects it to be operational in FY24. Export business remained challenged during the year due to slow market offtake and resultant inventory levels in the supply pipeline. Devaluation however, positively impacted the performance of the export business.

A1 Bags & Supplies Inc.

The business achieved a topline growth of 85% - with strong volumetric growth coupled with the devaluation impacts. The business expanded into further stores while increasing the footprint of the existing store as well. This resulted in higher operational expenses and underlying margin adjustment amidst inflationary economic environment.

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

Amounts in PKR Million

	Group			Core Business			A1 Bags & Suppliers Inc.		
	FY23	FY22	Change	FY23	FY22	Change	FY23	FY22	Change
Net sales	64,322	45,526	41%	30,362	27,140	12%	34,007	18,386	85%
Gross profit	18,194	12,979	40%	10,993	9,267	19%	7,201	3,714	94%
Operating profit	5,549	3,717	49%	2,824	2,433	16%	2,745	1,289	113%
Net profit after tax	3,212	2,424	32%	2,569	2,216	16%	1,570	748	110%
Earnings per share (Rupees)	13.8	10.4		11.0	9.5				
Gross profit	28.3%	28.5%	-0.2%	36.2%	34.1%	2.1%	21.2%	20.2%	1.0%
Operating profit	8.6%	8.2%	0.5%	9.3%	9.0%	0.3%	8.1%	7.0%	1.1%
Profit after tax	5.0%	5.3%	-0.3%	8.5%	8.2%	0.3%	4.6%	4.1%	0.5%

* This includes amortization of Rs. 20 million (2022: RS. 15 million) on intangible recognized on consolidation of A1 Bags & Suppliers Inc.

* Group PAT includes A1 at 60% and excludes intercompany dividend of 287M (2022: 186M)

Sales and Marketing

National Foods Recipe Mix is a trusted brand with high equity and market leader in the Recipe Mixes category. Following are the key highlights of FY’23

Sachet Communication:

A dedicated sachet campaign directed at driving the consumption and frequency of purchase of Recipe Mixes sachet was done during the year, to capture the opportunity of downtrading consumers on the back of inflationary pressures.

Aaj Rung Hai Reinforcement:

In continuation to the packaging re-launch, ‘Aaj Rung Hai’ campaign was further deployed in multiple bursts in FY’23 to reinforce the new packaging in consumers’ mind. Functional attributes, such as product motifs, spice meter and vibrant elements, really helped to create strong association with the new National Recipe Mix pack. This has strengthened the equity of NFL Recipe Mix brand with improving scores across key brand attributes.

Condiments Ramadan Campaign: "Zaiqa Mil Bethnay Ka”

A multi-category campaign for Condiments was rolled out during Ramadan, building on the strong link between the ethno-religious occasion and increased usage of Condiments products. This campaign featured NFL’s first cross-category Ramadan Limited Edition Packaging range by creating salience and relevance with the occasion through a 360° campaign.

The campaign was spearheaded by a communication tapping into the key insight of togetherness during Ramadan. This was aired across all major channels with customized adapts across key digital platforms, including YouTube, TikTok, Facebook, Instagram & SnackVideo. The jingle, which was based on an old Allan Faqeer classic, was also leveraged across radio & Spotify.

Shoppers were engaged through Trade Activations at Modern Trade stores with Displays, Instore branding and Consumer Activation. Branding spots on E-Commerce platforms like Krave Mart, Panda Mart, Cheetay and Daraz were deployed to capture the audience’s attention and drive top of mind.

Ketchups

- National Ketchup continued to strengthen its position in its key markets and reinforced its position in Central Punjab via on-ground consumer and trade activations throughout the year.
- To help consumers in countering inflationary pressures, multiple consumer promotions were run during the year, especially during Ramadan. Ramadan themed Limited Edition packs were launched across relevant channels, with a strong Instore presence ensured via visibility drives and point of sale brandings.
- Apart from the overall Ramadan campaign, National Ketchup did customized content with celebrity Chef Adeel Chaudhry for daily Ramadan themed recipes on multiple digital platforms.
- National Ketchup also continued with its in-store dominance via Modern Trade brandings in key retail outlets, activations and Cluster Market take overs throughout the year, with increased focus especially via consumer promotions in key consumption seasons – Winters, Ramadan and Eid ul Azha.
- As children remain an integral part of the ketchup target audience, a Ketchup Factory themed animated series was launched with Kidsland on YouTube.
- E-Commerce specific collaborations and engagement drives were launched with e-tailers such as PandaMart, Cheetay and Krave mart.

Pickles

- Increasing consumption occasions for Pickle as well as recruiting younger people into the category through Crushed Pickle remained the priority for National. Utilizing TV, Digital and Social Media platforms to create brand recall and top of mind awareness for Crushed Pickle while using consumption occasion driven content to drive habit change in consumers.
- Targeted Modern Trade and Cluster Market Activations coupled with sampling activities to establish shopper presence, retailer and consumer engagement and generate trials for the brand.
- Created unmissable visibility through a mall takeover which included engagement and sampling activities to establish a superior category presence, trial generation and equity building in premium spaces for Crushed Pickle.
- Leveraging FSD platform to drive product superiority through recipe integrations, product placements and trials at premium restaurants of KLI.

Desserts

On the occasion of Eid-ul-Fitr, National Custard went live with National Desserts Recipes in ASMR format (autonomous sensory meridian response), a popular format on social media with the objective being to create association with the concept of “Meethi Eid” and generate trial.

To magnify the campaign’s impact, the PR leg of the campaign was activated on Eid-ul-Adha in which celebrity influencers Iqra Aziz, Hania Amir, and Srha Asghar along with 10+ influencers joined us to recreate the dessert recipes for their loved ones, making Eid even sweeter.

International

In the face of a challenging first half, we witnessed a recovery trend in H2, resulting in a revenue of \$9.2 Mn compared to a budgeted \$9.6 Mn (95% vs. BD). Overall, whilst Canada and the GCC markets met budget expectations, the USA and UK/ROE markets continued to face challenges which resulted in a full-year topline of \$14.7 Mn (-9% vs LY).

The strategic recovery was anchored by corrective actions across multiple fronts such as addition of vans to increase coverage in UAE couples with new listings in B-Class outlets, fixing value chains in the UK, introduction of FSD & Souq ranges in KSA and robust growth from Oman on the back of aggressive merchandising. Efforts to resolve inventory imbalances in North America and address stock buildup in the UK through targeted demand generation plans also yielded positive outcomes. Whilst SC challenges kept the business under pressure due to delayed orders, countermeasures are being put into place to improve our forecasting capability, pre-ordering of raw & packaging materials, and reducing order complexities which will drastically improve OTIF going forward.

Some key marketing initiatives included the global rollout of the All-New Recipe Mixes Packaging and entry into the North American mainstream market with Masala Seasonings. Our commitment to continuous innovation was strengthened through data-driven strategies by utilizing Euromonitor Passport to identify white spaces and gather marketing insights alongside introduction of new product lines which built up our Food Service portfolio.

The path forward is promising with a strong outlook for Q1 FY24, underpinned by supply chain enhancements and a refined forecasting approach. The company's strategic initiatives have paved the way for renewed growth, and consistent support is integral as we navigate the future.

People & Culture

As National Foods pursues growth into new and existing markets, the People Strategy was refreshed to support this journey. To ensure effective future planning, a comprehensive culture study was conducted to identify the areas of focus for the People Strategy and formed the basis for planned interventions under the People & Culture agenda.

As an organization fully committed to building a diverse and inclusive culture that is representative of the community we serve, a five-year Diversity, Equity, & Inclusion strategy was developed and put into place to guide our efforts in ensuring female, persons with disabilities, and minority group representation in the organization. Our belief that Employee Wellbeing and Engagement have an immense impact on the productivity of our people, guided our efforts in this space. To build renewed excitement and positive energy internally, various engagement programs were carried out throughout the year. Lastly, in order to ensure ethical compliance, a revamped change and engage plan was executed to onboard employees, third parties, and Inquiry Committee members about Dignity at National Foods.

Sustainability & Corporate Social Responsibility

National Foods has taken significant steps towards Sustainability and Corporate Social Responsibility by embedding these principles into our core operations. This year witnessed the launch of a dedicated sustainability vertical, a testament to our commitment to responsible business practices and our recognition of the urgency to address environmental and social challenges. This strategic move aligns closely with the United Nations Sustainable Development Goals as they guide our efforts to create positive, lasting impacts on society and the environment.

Through initiatives like the School Meal Program, partnership with GoRead to publish a children's books, and the R3 Project which focuses on waste reduction and recycling, we channel our resources towards meaningful change aligned with the SDG goals. Collaborations with organizations like ChildLife Foundation Pakistan, KDSP, Behbud Welfare Organization, and Special Olympics Pakistan highlight our dedication to inclusivity, health, and reduced inequalities, while amplifying these values within our corporate landscape.

Our composting project at the Head Office reflects our commitment to environmental sustainability. It not only focuses on reducing food waste, but also promotes proper waste management aligning with SDG 12 Responsible Consumption & Production whilst addressing mitigation of Climate Change through SDG 13. Through external partnerships and internal awareness campaigns, we actively cultivate a circular economy, minimizing our

environmental footprint while fostering healthier communities. By aligning our strategies with the United Nations Sustainable Development Goals, we acknowledge the interdependence between our business success and the well-being of our communities and environment. Through these endeavours, National Foods is working towards a future where responsible practices drive lasting benefits for all.

Succession Planning

At National Foods, we recognize the critical role that succession planning plays in the sustainability and growth of our organization. During the past year, we have made strides in design and implementation of a robust framework that aligns with our strategic goals and values. This reinforces our commitment to building a strong talent pipeline and ensure the long-term success of National Foods.

Our succession planning framework encompasses a comprehensive approach that identifies and develops high-potential individuals within our organization. Through a rigorous assessment process, we have identified key leadership positions and critical roles that require succession planning to mitigate any potential talent gaps in the future. To facilitate the seamless transition of leadership, we have focused on creating individual development plans tailored to the specific needs and aspirations of our employees. These plans encompass targeted training, mentoring programs, job rotations, and stretch assignments, all aimed at nurturing the skills and capabilities required for future leadership roles.

The implementation of our succession planning framework has been a collaborative effort, involving active participation and engagement from various stakeholders across the organization. Through cross-functional teams and talent review sessions, we have fostered a culture of talent development and internal mobility, enabling us to capitalize on the strengths and expertise of our existing workforce.

Career Framework

National Foods recognizes the significance of nurturing its employees as a crucial factor for achieving success and views innovation as a fundamental element for long-term growth. In order to cultivate a diverse workforce that excels in a high-performance environment, the company has prioritized the ongoing development of Career Frameworks. During this year, National Foods focused on establishing Career Frameworks for Finance and Supply Chain domains. These frameworks serve as a blueprint for defining the necessary experiences that facilitate career progression and continual enhancement of performance. Moreover, they play a vital role in enhancing overall organizational capabilities.

Building Talent Pipe-Line

- 1- Management Trainee Program: This year, we welcomed a new cohort of Trailblazers as a part of our flagship trainee program aimed at developing a pipeline of functional experts to enhance organizational capability. Trailblazers Program has been designed to provide fresh graduates with ingredients for learning and growth together with a recipe for success, while they take charge of driving their own careers. As a part of their comprehensive development plan, our Trailblazers underwent rotations within and outside their core functions. These rotations exposed them to various aspects of our organization, challenging projects, and real-world scenarios that have honed their functional skillset and provided them with a holistic understanding of our operations. Trailblazers have also attended multiple trainings focused on both functional expertise and personal effectiveness. Additionally, they benefited from career counselling sessions, enabling them to make informed decisions and chart their growth path within our organization.
- 2- NFL Apprenticeship Program: Building upon our collaboration with TEVTA for the Technical Skill Enhancement Program for our plant operations, a second batch of 10 DAE-qualified apprentices under the program named XCELERATE were hired at the Gujranwala plant as Phase Two. This continued collaboration has allowed NFL to bring in Competency-Based Trained & Qualified resources, further reinforcing our Human Resources needs in manufacturing and playing a significant role in enhancing our talent pipeline for the Faisalabad Plant.

Building Capability

AT NFL, we strongly believe in promoting excellence in our human capital by creating continuous Learning & Development opportunities. We feel honored in our commitment towards the development of individuals who work with us as our valued business partners. During the fiscal year 2022 – 2023, National’s House of Learning & Development made meaningful investments in the development of resources particularly Order Booker associated with our distributors, who form one of the largest distribution networks in Pakistan.

In our commitment to enhance the functional capabilities of our Order Bookers, National’s House of Learning & Development allocated a total of 2,400 learning hours across Pakistan to improve their core competencies in terms of sales call. Our one-point agenda behind this targeted invention is the development of our order bookers by enhancing their sales acumen, communication skills, and their overall functional effectiveness.

Contribution to the National Exchequer

During the year, the contribution to the National Exchequer has further increased and the Company paid over **Rs 7,546 million** (2022: Rs 6,369 million) to the government and its various agencies on account of different government levies, including custom duty, sales tax and income tax. Moreover, foreign exchange of **Rs 2,496** million (2022: Rs 2,293 million) was also generated through export of products and dividend from subsidiary which further reflects our participation in the national economy.

Dividend:

The Board of Directors has recommended final cash dividend of Rs 2.5 per share. Total standalone profit distributed by way of dividend amounts to 27% (2022 : 59%)

Corporate & Financial Reporting Framework:

The managerial objective of the Company is good corporate governance and compliance with best practices. As required under Listed Companies (Code of Corporate Governance) Regulations, 2019 (the ‘Code’), the Company has adopted the Code in letter and spirit as follows.

- The financial statements, present fairly the state of affairs of the Company, the results of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies as stated in the notes to the financial statements have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting standards have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored. The Board has constituted a Board Audit Committee consisting of three members, including chairman of the committee. The chairman of Board Audit Committee is an independent director, and the committee regularly meets as per requirements of the Code.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- There are no significant doubts upon the Company’s ability to continue as a going concern.
- The outstanding duties, statutory charges and taxes, if any, have been duly disclosed in the financial statements.
- A statement regarding key financial data for the last six years is annexed to this report.

Board of Directors and its Committees:

The total number of Directors is 7 as per the following:
Male **05** Female **02**

Category	Names
Independent Directors	Mr. Ali H Shirazi Mr. Ehsan A Malik
Executive Director	Mr. Abrar Hasan (CEO) Mr. Adam Fahy Majeed *
Female Directors	Mrs. Saadia Naveed Mrs. Noreen Hasan
Non-Executive Directors	Mr. Zahid Majeed (Chairman of the Board)

** Mr. Adam Fahy Majeed was appointed Executive Director of the Board w.e.f. October 20, 2022, earlier he was working as a Non-Executive Director on the Board.*

Board Committees

The Board has formed Committees comprising of members given below:

a) Audit Committee

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

b) Human Resource and Remuneration Committee

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

As required by the Code of Corporate Governance, extensive details related to the Board of Directors, including but not limited to, profile of directors, board committees, training, diversity, and changes in the Board are covered under Corporate Governance Section on Page 112 to 131.

Board of Directors’ Meetings and Attendance

The Board of Directors met five times during the year and all these meetings were held in Pakistan. Further details are covered under our Governance Section on page 112.

The election of directors was held at the AGM of 2021. The terms of the present directors will expire on October 20, 2024.

Pattern of Shareholding

The pattern of shareholding of the Company and other related information is set out on page 344.

Trading of shares by Chief Executive, Directors, Chief Financial Officer, Company Secretary, executives, their spouses and minor children and substantial shareholders were timely reported to Pakistan Stock Exchange during the year.

Trading in shares of the Company during the year by Chairman, Executive, Director’s spouse, Substantial Shareholder and Associated Company is as follows:

Directors	Mr. Zahid Majeed	Buy	786,200
Substantial Shareholder	Arising India Fund Limited	Sell	34,949,676
	ATC Holding (Private Limited)	Buy	399,600
Executives	Mr. Hafiz Sagheer	Buy	1,000
Spouse	Ms. Mariam Malik (Spouse of Mr. Ehsan Ali Malik; Independent Director)	Sell	7,000

Other Directors, CEO, CFO, Company Secretary and their spouses and minor children did not carry out any transaction in the shares of the Company during the year.

Remuneration policy of Non-Executive and Independent Directors

Through the Articles of the Company, the Board of Directors is authorized to fix remuneration of Non-Executive and Independent Directors from time to time. In this regard, the Board of Directors has developed a Remuneration policy for Non-executive and Independent Directors of the Company. The details of Directors’ Remuneration are disclosed in Note 36 of the Financial Statements for the year ended June 30,2023.

Performance Evaluation of Board of Directors and its Committees

Complying with the Listed Companies (Code of Corporate Governance) Regulations, 2019 the Board has adopted comprehensive mechanism for conducting evaluation of its performance. The Company has introduced a questionnaire on the Board’s composition, leadership, effectiveness, planning, and overall, the Company’s strategy, performance, and monitoring. The Board evaluates all factors based on inputs received from every director annually.

Related party transactions

The related party transactions entered into by the Company during the year are disclosed in Note 37 of the Financial Statements for the year ended June 30, 2023.

Statement of Compliance with Code of Corporate Governance:

The Company has fully complied with requirements of the Listed Compliance (Code of Corporate Governance) Regulations, 2019.The Statement of Compliance is provided under the relevant section of the report.

External Auditors

The present auditors **M/S. KPMG Taseer Hadi & Co (Chartered Accountants)**, retired and being eligible, have offered themselves for re-appointments. The Board of Directors endorses the recommendation of the Board Audit Committee for their re-appointment as auditors of the Company for the financial year ended June 30,2024.

Internal Auditors Function

Company’s Internal Audit function is being looked after by the Head of Internal Audit, who is assisted by the internal auditor M/s EY Ford Rhodes, Chartered Accountants. The Head of Internal Audit reports directly to the Chairman of the Board Audit Committee.

Provident & Retirement funds

The Company maintains a contributory Provident Fund for all employees and a defined Benefit Pension & Pensioners Medical Plan for the Chief Executive and Spouse of late Founding Directors of the Company. Details of the assets and contributions of the funds are provided in Note 8 of the Financial Statements for the year ended June 30, 2023.

Forward looking statement and future outlook

The management acknowledges the uncertainty emanating from the current geo-political situation both locally and internationally. Further, currency depreciation in recent time, inflationary pressures, supply chain management and market situation can affect the cost and capability to serve the market effectively. However, the management of the Company remains committed to drive business fundamentals and improve / maintain its market leadership position in all major categories through contingency planning. National Foods has responded well in this crisis, and we are geared to deliver our social and economic responsibilities considering our Founder’s Philosophy and “Our Values.”

Acknowledgement

The Board would like to convey its earnest gratitude to all the people involved with the Company for enabling it to flourish and deliver a constant performance over the last five years. Our people are steadfast to the welfare of the Company and have showed their potential by overcoming the numerous difficulties posed by the operating environment. We treasure their dedication and feel highly obliged.

On behalf of Board of Directors



Chief Executive Officer



Director

کمپنی کے حصص میں سال کے دوران چیئرمین، ایگزیکٹو، ڈائریکٹر کی شریک حیات، اہم شیئر ہولڈر اور اس سے وابستہ افراد کی تجارت کمپنی مندرجہ ذیل ہے:

ڈائریکٹرز	جناب زاہد مجید	خریدیں	786,200
کافی شیئر ہولڈر	آرانژنگ انڈیا فنڈ لمیٹڈ	فروخت کریں	34,949,676
	اے ٹی سی ہولڈنگ (پرائیویٹ لمیٹڈ)	خریدیں	399,600
ایگزیکٹوز	جناب حافظ صغیر	خریدیں	1,000
شریک حیات	محترمہ مریم ملک (جناب احسان علی ملک کی شریک حیات؛ آزاد ڈائریکٹر)	فروخت کریں	7,000

دیگر ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کی شریک حیات اور نابالغ بچوں نے سال کے دوران کمپنی کے شیئرز میں کوئی لین دین نہیں کیا۔

غیر ایگزیکٹو اور آزاد ڈائریکٹرز کے معاوضے کی پالیسی

کمپنی کے آرٹیکلز کے ذریعے، بورڈ آف ڈائریکٹرز کو وقتاً فوقتاً غیر ایگزیکٹو اور آزاد ڈائریکٹرز کے معاوضے طے کرنے کا اختیار حاصل ہے۔ اس سلسلے میں، بورڈ آف ڈائریکٹرز نے کمپنی کے غیر ایگزیکٹو اور آزاد ڈائریکٹرز کے لیے معاوضے کی پالیسی تیار کی ہے۔ ڈائریکٹرز کے معاوضے کی تفصیلات 30 جون 2023 کو ختم ہونے والے سال کے مالیاتی بیانات کے نوٹ 36 میں ظاہر کی گئی ہیں۔

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کی کارکردگی کا جائزہ

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورنس) ریگولیشنز، 2019 کی تعمیل کرتے ہوئے بورڈ نے اپنی کارکردگی کا جائزہ لینے کے لیے جامع طریقہ کار اپنایا ہے۔ کمپنی نے بورڈ کی تشکیل، قیادت، تاثیر، منصوبہ بندی، اور مجموعی طور پر، کمپنی کی حکمت عملی، کارکردگی، اور نگرانی پر ایک سوالنامہ متعارف کرایا ہے۔ بورڈ ہر سال ہر ڈائریکٹر سے موصول ہونے والی معلومات کی بنیاد پر تمام عوامل کا جائزہ لیتا ہے۔

متعلقہ پارٹی کے لین دین

کمپنی کی طرف سے سال کے دوران درج متعلقہ فریق کے لین دین کا انکشاف 30 جون 2023 کو ختم ہونے والے سال کے مالیاتی بیانات کے نوٹ 37 میں کیا گیا ہے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان:

کمپنی نے لسٹڈ کمپلائنس (کوڈ آف کارپوریٹ گورنس) ریگولیشنز، 2019 کی ضروریات کی مکمل تعمیل کی ہے۔ تعمیل کا بیان رپورٹ کے متعلقہ حصے کے تحت فراہم کیا گیا ہے۔

بیرونی آڈیٹرز

موجودہ آڈیٹرز M/S. KPMG تاثیر ہادی لینڈ کمپنی (چارٹرڈ اکاؤنٹنٹس)، رینائرڈ اور اہل ہونے کے بعد، خود کو دوبارہ تقرری کے لیے پیش کر چکے ہیں۔ بورڈ آف ڈائریکٹرز 30 جون 2024 کو ختم ہونے والے مالی سال کے لیے کمپنی کے آڈیٹرز کے طور پر ان کی دوبارہ تقرری کے لیے بورڈ آڈٹ کمیٹی کی سفارش کی توثیق کرتا ہے۔

اندرونی آڈیٹرز فنکشن

کمپنی کے اندرونی آڈٹ کے کام کی دیکھ بھال ہیڈ آف انٹرنل آڈٹ کر رہے ہیں، جس کی مدد انٹرنل آڈیٹر M/s EY Ford Rhodes، چارٹرڈ اکاؤنٹنٹس کرتے ہیں۔ اندرونی آڈٹ کا سربراہ براہ راست بورڈ آڈٹ کمیٹی کے چیئرمین کو رپورٹ کرتا ہے۔

پروویڈنٹ اور ریٹائرمنٹ فنڈز

کمپنی تمام ملازمین کے لیے کنٹریبیوٹری پروویڈنٹ فنڈ اور کمپنی کے مرحوم بانی ڈائریکٹرز کے چیف ایگزیکٹو اور شریک حیات کے لیے ایک متعین سینفٹ پنشن اور پنشنرز میڈیکل پلان کو برقرار رکھتی ہے۔ فنڈز کے اثاثوں اور شراکت کی تفصیلات 30 جون 2023 کو ختم ہونے والے سال کے مالیاتی بیانات کے نوٹ 8 میں فراہم کی گئی ہیں۔

آگے نظر آنے والا بیان اور مستقبل کا نقطہ نظر

انتظامیہ مقامی اور بین الاقوامی سطح پر موجودہ جغرافیائی سیاسی صورتحال سے پیدا ہونے والی غیر یقینی صورتحال کو تسلیم کرتی ہے۔ مزید، حالیہ دنوں میں کرنسی کی قدر میں کمی، افراط زر کے دباؤ، سپلائی چین مینجمنٹ اور مارکیٹ کی صورتحال لاگت اور مارکیٹ کو مؤثر طریقے سے خدمت کرنے کی صلاحیت کو متاثر کر سکتی ہے۔ تاہم، کمپنی کی انتظامیہ کاروباری بنیادوں کو آگے بڑھانے اور ہنگامی منصوبہ بندی کے ذریعے تمام بڑے زمروں میں اپنی مارکیٹ کی قیادت کی پوزیشن کو بہتر/برقرار رکھنے کے لیے پرعزم ہے۔ نیشنل فوڈز نے اس بحران میں اچھا جواب دیا ہے، اور ہم اپنے بانی کے فلسفے اور "ہماری اقدار" کو مد نظر رکھتے ہوئے اپنی سماجی اور معاشی ذمہ داریوں کو پورا کرنے کے لیے تیار ہیں۔

اعتراف

بورڈ کمپنی کے ساتھ منسلک تمام لوگوں کا تہہ دل سے شکریہ ادا کرنا چاہتا ہیں جنہوں نے اسے پنپنے کے قابل بنایا اور پچھلے پانچ سالوں میں مسلسل کارکردگی پیش کی۔ ہمارے لوگ کمپنی کی فلاح و بہبود کے لیے ثابت قدم ہیں اور آپریٹنگ ماحول سے پیدا ہونے والی متعدد مشکلات پر قابو پا کر اپنی صلاحیت کا مظاہرہ کیا ہے۔ ہم ان کی لگن کو قدر کی نگاہ سے دیکھتے ہیں اور انتہائی پابند محسوس کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے


چیف ایگزیکٹو آفیسر


ڈائریکٹر

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک:

کمپنی کا انتظامی مقصد اچھی کارپوریٹ گورننس اور بہترین طریقوں کی تعمیل ہے۔ جیسا کہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 ('کوڈ') کے تحت درکار ہے کمپنی نے اس ضابطہ کو حسب ذیل طور پر اپنایا ہے۔

- مالیاتی بیانات، کمپنی کی حالت، اس کے آپریشنز کے نتائج، کیش فلو اور لیکویٹی میں ہونے والی تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔
- کمپنی کے حساب کتاب کی مناسب دیکھ بھال کی گئی ہے۔
- مناسب اکاؤنٹنگ پالیسیوں جیسا کہ مالیاتی بیانات کے نوٹوں میں بیان کیا گیا ہے مالی بیانات کی تیاری میں مسلسل لاگو کیا گیا ہے اور اکاؤنٹنگ تخمینہ معقول اور دانشمندانہ فیصلے پر مبنی ہیں
- مالیاتی بیانات کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ کے معیارات پر عمل کیا گیا ہے اور وہاں سے کسی بھی رخصتی کا مناسب طور پر انکشاف کیا گیا ہے۔
- اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔ بورڈ نے کمیٹی کے چیئرمین سمیت تین ممبران پر مشتمل بورڈ آڈٹ کمیٹی تشکیل دی ہے۔ بورڈ آڈٹ کمیٹی کا چیئرمین ایک خود مختار ڈائریکٹر ہے، اور کمیٹی ضابطہ کی ضروریات کے مطابق باقاعدگی سے میٹنگ کرتی ہے۔

- کارپوریٹ گورننس کے بہترین طریقوں سے کوئی اخراج نہیں ہوا جیسا کہ فہرست سازی کے ضوابط میں تفصیل سے بتایا گیا ہے۔
- کمپنی کی جاری رہنے کی صلاحیت پر کوئی خاص شک نہیں ہے۔

- اگر کوئی بقایا ڈیویڈنڈ، قانونی چارجز اور ٹیکسز ہیں تو مالیاتی گوشواروں میں درست طریقے سے ظاہر کیے گئے ہیں۔
- پچھلے چھ سالوں کے اہم مالیاتی اعداد و شمار سے متعلق ایک بیان اس رپورٹ کے ساتھ منسلک ہے۔

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیاں:

مندرجہ ذیل کے مطابق ڈائریکٹرز کی کل تعداد 7 ہے۔

مرد 05 خاتون 02

نام	زمرہ جات
آزاد ڈائریکٹرز	جناب علی ایچ شیرازی
	احسان اے ملک صاحب
ایگزیکٹو ڈائریکٹر	جناب ابرار حسن (CEO)
	جناب آدم فہمی مجید*
خاتون ڈائریکٹرز	مسز سعدیہ نوید
	مسز نورین حسن
نان ایگزیکٹو ڈائریکٹرز	جناب زاہد مجید (چیئرمین بورڈ)

*مسٹر. آدم فہمی مجید کو 20 اکتوبر 2022 کو بورڈ کا ایگزیکٹو ڈائریکٹر مقرر کیا گیا تھا، اس سے قبل وہ بورڈ میں بطور نان ایگزیکٹو ڈائریکٹر کام کر رہے تھے۔

بورڈ کمیٹیاں

بورڈ نے ذیل میں ممبران پر مشتمل کمیٹیاں تشکیل دی ہیں:

ا) آڈٹ کمیٹی

جناب احسان اے ملک	چیئرمین
مسز سعدیہ نوید	ممبر
محترمہ نورین حسن	ممبر

ب) بیومن ریسورس اینڈ ریمونریشن کمیٹی

جناب علی ایچ شیرازی	چیئرمین
جناب احسان اے ملک	ممبر
مسز نورین حسن	ممبر

بورڈ آف ڈائریکٹرز سے متعلق وسیع تفصیلات، بشمول ڈائریکٹرز کی پروفائل، بورڈ کمیٹیاں، تربیت، تنوع، اور بورڈ میں تبدیلیاں صفحہ 112-131 پر کارپوریٹ گورننس سیکشن کے تحت شامل ہیں۔

بورڈ آف ڈائریکٹرز کی میٹنگز اور حاضری

سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ بار اجلاس ہوئے اور یہ تمام میٹنگز پاکستان میں ہوئیں۔ مزید تفصیلات صفحہ 112 پر ہمارے گورننس سیکشن کے تحت شامل ہیں۔

ڈائریکٹرز کا انتخاب 2021 کی AGM میں ہوا تھا۔ موجودہ ڈائریکٹرز کی میعاد 20 اکتوبر 2024 کو ختم ہو جائے گی۔

شیئر ہولڈنگ کا نمونہ

کمپنی کے شیئر ہولڈنگ کا پیژن اور دیگر متعلقہ معلومات صفحہ 344 پر بیان کی گئی ہیں۔

سال کے دوران چیف ایگزیکٹو، ڈائریکٹرز، چیف فنانشل آفیسر، کمپنی سیکرٹری، ایگزیکٹوز، ان کی شریک حیات اور نابالغ بچوں اور اہم شیئر ہولڈرز کے شیئرز کی تجارت کی بروقت اطلاع پاکستان اسٹاک ایکسچینج کو دی گئی۔

چائلنڈ لائف فاؤنڈیشن پاکستان، کے ڈی ایس پی، بہبود ویلفیئر آرگنائزیشن، اور نیشنل اوپیکس پاکستان جیسی تنظیموں کے ساتھ تعاون ہمارے کارپوریٹ منظر نامے میں ان اقدار کو بڑھاتے ہوئے شمولیت، صحت اور کم عدم مساوات کے لیے ہماری لگن کو اجاگر کرتا ہے۔

ہیڈ آفس میں ہمارا کمپوسٹنگ پروجیکٹ ماحولیاتی پائیداری کے لیے ہمارے عزم کی عکاسی کرتا ہے۔ یہ نہ صرف خوراک کے ضیاع کو کم کرنے پر توجہ مرکوز کرتا ہے، بلکہ SDG 12 کے ساتھ مناسب فضلہ کے انتظام کو بھی فروغ دیتا ہے اور SDG 13 کے ذریعے موسمیاتی تبدیلیوں میں کمی کو حل کرتا ہے۔

اپنی حکمت عملیوں کو اقوام متحدہ کے پائیدار ترقی کے اہداف کے ساتھ ہم آہنگ کرتے ہوئے، ہم اپنی کاروباری کامیابی اور اپنی برادریوں اور ماحول کی بھلائی کے درمیان باہمی انحصار کو تسلیم کرتے ہیں۔ ان کوششوں کے ذریعے، نیشنل فوڈز ایک ایسے مستقبل کے لیے کام کر رہا ہے جہاں ذمہ دارانہ طرز عمل سب کے لیے دیرپا فائدے فراہم کرتا ہے۔

جانشینی کی منصوبہ بندی

نیشنل فوڈز میں جانشینی کی منصوبہ بندی ہماری تنظیم کی پائیداری اور ترقی میں اہم کردار ادا کرتی ہے۔ پچھلے سال کے دوران، ہم نے ایک مضبوط فریم ورک کے ڈیزائن اور نفاذ میں پیشرفت کی ہے جو ہمارے اسٹریٹجک اہداف اور اقدار کے ساتھ ہم آہنگ ہے۔ اس سے ایک مضبوط ٹیلنٹ پائپ لائن بنانے اور نیشنل فوڈز کی طویل مدتی کامیابی کو یقینی بنانے کے ہمارے عزم کو تقویت ملتی ہے۔

ہمارے جانشینی کی منصوبہ بندی کے فریم ورک میں ایک جامع نقطہ نظر شامل ہے جو ہماری تنظیم کے اندر اعلیٰ صلاحیت والے افراد کی شناخت اور ترقی کرتا ہے۔ ایک سخت تشخیصی عمل کے ذریعے، ہم نے اہم قائدانہ عہدوں اور اہم کرداروں کی نشاندہی کی ہے جن کے لیے مستقبل میں ٹیلنٹ کے کسی بھی ممکنہ خلا کو کم کرنے کے لیے جانشینی کی منصوبہ بندی کی ضرورت ہوتی ہے۔

قیادت کی ہموار منتقلی کو آسان بنانے کے لیے ہم نے اپنے ملازمین کی مخصوص ضروریات اور خواہشات کے مطابق انفرادی ترقیاتی منصوبے بنانے پر توجہ مرکوز کی ہے۔ ان منصوبوں میں ٹارگٹڈ ٹریننگ، رہنمائی کے پروگرام، ملازمت، اور اسٹریٹج اسائنمنٹس شامل ہیں جن کا مقصد مستقبل کی قیادت کے کرداروں کے لیے درکار مہارتوں اور صلاحیتوں کو پروان چڑھانا ہے۔

ہمارے جانشینی کی منصوبہ بندی کے فریم ورک کا نفاذ ایک باہمی کوشش ہے جس میں پوری تنظیم کے مختلف اسٹیک ہولڈرز کی فعال شرکت اور مشغولیت شامل ہے۔ کراس فنکشنل ٹیموں اور ٹیلنٹ ریویو سیشنز کے ذریعے ہم نے ٹیلنٹ کی نشوونما اور اندرونی نقل و حرکت کے کلچر کو فروغ دیا ہے جس سے ہمیں اپنی موجودہ انفرادی قوت کی طاقت اور مہارت سے فائدہ اٹھانے کے قابل بنایا گیا ہے۔

کیریئر فریم ورک

نیشنل فوڈز اپنے ملازمین کی نشوونما کی اہمیت کو کامیابی کے حصول کے لیے ایک اہم عنصر کے طور پر تسلیم کرتا ہے اور جدت کو طویل مدتی ترقی کے لیے ایک بنیادی عنصر کے طور پر دیکھتا ہے۔ ایک متنوع انفرادی قوت کو فروغ دینے کے لیے، جو اعلیٰ کارکردگی والے ماحول میں بہترین کارکردگی کا مظاہرہ کرتی ہے، کمپنی نے کیریئر فریم ورکس کی ترقی کو ترجیح دی ہے۔

اس سال کے دوران نیشنل فوڈز نے فنانس اور سپلائی چین شعبہ جات کے لیے کیریئر فریم ورکس کے قیام پر توجہ دی۔ یہ فریم ورکس ضروری تجربات کی وضاحت کے لیے ایک بلیو پرنٹ کے طور پر کام کرتے ہیں جو کیریئر کی ترقی اور کارکردگی کو مسلسل بڑھانے میں سہولت فراہم کرتے ہیں۔ مزید یہ کہ وہ مجموعی تنظیمی صلاحیتوں کو بڑھانے میں اہم کردار ادا کرتے ہیں۔

ٹیلنٹ پائپ لائن کی تعمیر

1 مینجمنٹ ٹرینی پروگرام: اس سال ہم نے اپنے فلیگ شپ ٹرینی پروگرام کے ایک حصے کے طور پر ٹریل بلرزز کے ایک نئے گروپ کا خیر مقدم کیا جس کا مقصد تنظیمی صلاحیت کو بڑھانے کے لیے فنکشنل ماہرین کی ایک پائپ لائن تیار کرنا ہے۔ ٹریل بلرزز پروگرام کو اس طرح ڈیزائن کیا گیا ہے کہ نئے گریجویٹس کو سیکھنے اور ترقی کے لیے اجزاء کے ساتھ ساتھ کامیابی کی ترکیب فراہم کی جائے۔

اپنے جامع ترقیاتی منصوبے کے ایک حصے کے طور پر ہمارے ٹریل بلرزز نے انہیں ہماری تنظیم کے مختلف پہلوؤں، چیلنجنگ پراجیکٹس، اور حقیقی دنیا کے منظر ناموں سے روشناس کرایا جس نے ان کے فنکشنل ہنر کو تقویت بخشی اور انہیں ہمارے کاموں کے بارے میں ایک جامع تفہیم فراہم کی۔

ٹریل بلرزز نے فنکشنل مہارت اور ذاتی تاثیر دونوں پر مرکوز متعدد تربیتوں میں بھی شرکت کی۔ مزید برآں، انہوں نے کیریئر کونسلنگ سیشنز سے فائدہ اٹھایا جس سے وہ فیصلہ کرنے اور ہماری تنظیم کے اندر اپنی ترقی کے راستے کو پلان کرنے کے قابل ہوتے ہیں۔

2 NFL اپرنٹس شپ پروگرام: ہمارے پلانٹ کے آپریشنز کے لیے ٹیکنیکل اسکل انہانسمنٹ پروگرام کے لیے TEVTA کے ساتھ ہمارے تعاون کی بنیاد پر XCELERATE نام کے پروگرام کے تحت DAE کے 10 اہل اپرنٹس کے دوسرے نیچ کو گوجرانوالہ پلانٹ میں فیز ٹو کے طور پر رکھا گیا تھا۔

اس مسلسل تعاون نے NFL کو اہلیت پر مبنی تربیت یافتہ اور اہل وسائل بروئے کار لانے کی اجازت دی جس سے مینوفیکچرنگ میں ہماری انسانی وسائل کی ضروریات کو مزید تقویت ملی اور فیصل آباد پلانٹ کے لیے ہمارے ٹیلنٹ کی پائپ لائن کو بڑھانے میں اہم کردار ادا کیا گیا۔

تعمیری صلاحیت

NFL میں ہم مسلسل سیکھنے اور ترقی کے مواقع پیدا کر کے اپنے انسانی سرمائے میں فضیلت کو فروغ دینے میں پختہ یقین رکھتے ہیں۔ ہم ان افراد کی ترقی کے تئیں اپنے عزم پر فخر محسوس کرتے ہیں جو ہمارے قابل قدر کاروباری شراکت داروں کے طور پر ہمارے ساتھ کام کرتے ہیں۔ مالی سال 2022-2023 کے دوران، نیشنلز ہاؤس آف لرننگ اینڈ ڈویلپمنٹ نے وسائل کی ترقی میں بامعنی سرمایہ کاری کی، خاص طور پر ہمارے ڈسٹری بیوٹرز سے منسلک آرڈر بکر، جو پاکستان میں سب سے بڑے ڈسٹری بیوٹن نیٹ ورکس میں سے ایک ہیں۔

ہمارے آرڈر بکرز کی فعال صلاحیتوں کو بڑھانے کے عزم کے تحت نیشنل ہاؤس آف لرننگ اینڈ ڈویلپمنٹ نے پاکستان بھر میں کل 2,400 سیکھنے کے اوقات مختص کیے ہیں تاکہ سیلز کال کے معاملے میں ان کی بنیادی صلاحیتوں کو بہتر بنایا جاسکے۔ اس ٹارگٹ کے پیچھے ہمارے یک ٹکائی لیجنڈا نے ہمارے آرڈر بک کرنے والوں کی سیلز کی مہارت، کمیونیکیشن اسکلز، اور ان کی مجموعی فعالی تاثیر کو بڑھا کر ان کی ترقی ہے۔

قومی خزانے میں تعاون

گزشتہ سال کے دوران کمپنی نے حکومت اور اس کی مختلف ایجنسیوں کو کسٹم ڈیوٹی، سیلز ٹیکس اور آمدنی سمیت مختلف سرکاری محصولات کی مد میں 7,546 ملین روپے (2022: 6,369 ملین روپے) ادا کیے۔ مزید برآں، 2,496 ملین روپے (2022: 2,293 ملین روپے) کا زرمبادلہ بھی مصنوعات کی برآمد اور ذیلی کمپنی سے ڈیویڈنڈ کے ذریعے حاصل کیا گیا جو کہ قومی معیشت میں ہمارے تعاون کی مزید عکاسی کرتا ہے۔

ڈیویڈنڈ:

بورڈ آف ڈائریکٹرز نے ڈیویڈنڈ وصول کرنے کے حقدار ہونے کے تعین کی تاریخ پر رکھے گئے ہر حصص کے لیے 2.5 روپے فی حصص کے حتمی نقد منافع ڈیویڈنڈ کی رقم کے حساب سے تقسیم شدہ کل اسٹینڈ لون منافع 27% (2022 : 59%)

مہم کو رمضان کے دوران تکبہتی کی کلیدی بصیرت کے ساتھ نھتی کیا گیا۔ یہ مہم تمام بڑے چینلز پر اپنی موافقت وقت کے ساتھ کلیدی ڈیجیٹل پلیٹ فارمز بشمول یوٹیوب، ٹک ٹاک، فیس بک، انسٹاگرام اور اسنیک ویڈیو پر نشر کیا گیا۔ یہ گیت جو کہ علن فقیر کے پرانے کلاسک پر مبنی تھا، ریڈیو اور اسپاڈی فائی پر بھی استعمال کیا گیا۔

ڈپلے، ان سٹور برانڈنگ اور کنزیومر ایکنیویشن کے ساتھ ماڈرن ٹریڈ اسٹورز پر ٹریڈ ایکنیویشن کے ذریعے خریداروں اور دکانداروں کو مشغول کیا گیا۔ برانڈنگ اسپاڈس ای کامرس پلیٹ فارمز پر بشمول Krave Mart، Panda Mart، Cheetay اور Daraz سامعین کی توجہ حاصل کرنے کے لئے تعینات کیا گیا۔

کیچپ

نیشنل کیچپ نے اپنی کلیدی منڈیوں میں اپنی پوزیشن مضبوط کرنے کا سلسلہ جاری رکھا اور سال بھر صارفین اور تجارتی سرگرمیوں کے ذریعے وسطی پنجاب میں اپنی پوزیشن کو مضبوط کیا۔

مہنگائی کے دباؤ کا مقابلہ کرنے میں صارفین کی مدد کرنے کے لیے سال کے دوران خاص طور پر رمضان کے دوران متعدد صارفین پروموشنز چلائے گئے۔ رمضان شہیم پر مبنی محدود ایڈیشن پیک متعلقہ حلقوں میں شروع کیے گئے جس میں ان کی ان سٹور موجودگی کو وینڈیلٹی ڈرائیوز اور پوائنٹ آف سیل برانڈنگ کے ذریعے یقینی بنایا گیا۔

مجموعی طور پر رمضان مہم کے علاوہ، نیشنل کیچپ نے مشہور شیف عدیل چوہدری کے ساتھ مل کر ایک سے زیادہ ڈیجیٹل پلیٹ فارمز پر روزانہ کی رمضان شہیم والی ترکیبوں کے لیے خصوصی مواد تیار کیا۔

نیشنل کیچپ نے کلیدی ریٹیل آؤٹ لیٹس، ایکنیویشنز اور کلسٹر مارکیٹ ٹیک اوور میں ماڈرن ٹریڈ برانڈنگ اور پروموشنز کے ذریعے سال بھر خاص طور پر اہم مواقعوں پر مثلاً موسم سرما، رمضان اور عید الاضحیٰ میں صارفین کی زیادہ توجہ کے ساتھ اپنی ان سٹور برتری کو برقرار رکھا، چونکہ بچے کیچپ کے سامعین ہدف کا ایک لازمی حصہ بنے ہوئے ہیں، یوٹیوب پر Kidsland کے ساتھ کیچپ فیکٹری شہیم پر مبنی ایکنیمنڈ سیریز شروع کی گئی۔ جبکہ ای کامرس کے لیے مخصوص تعاون اور مشغولیت کی مہمات ای-ٹیلرز جیسے کہ PandaMart، Cheetay اور Krave mart کے ساتھ شروع کی گئیں۔

اچار

اچار کے لیے کھپت کے مواقع کو بڑھانا اور ساتھ ہی کرشڈ اچار کے ذریعے نوجوانوں کو اس زمرے میں بھرتی کرنا نیشنل کی ترجیح رہی۔ کرشڈ اچار برانڈ کی یادداشت اور آگاہی پیدا کرنے کے لیے ٹی وی، ڈیجیٹل اور سوشل میڈیا پلیٹ فارمز کا استعمال کرتے ہوئے صارفین کی عادت میں تبدیلی لانے کے لیے کھپت کے مواقع پر مواد کا استعمال کیا گیا۔

خریداروں کی موجودگی، خوردہ فروش اور صارفین کی شمولیت اور برانڈ کے لیے آزمائشیں پیدا کرنے کے لیے ٹارگٹ ماڈرن ٹریڈ اور کلسٹر مارکیٹ ایکنیویشنز کے ساتھ نمونے لینے کی سرگرمیاں منعقد کی گئیں۔

کرشڈ اچار کے لیے اعلیٰ زمرے کی موجودگی، ٹرانل جزیشن اور ایکویٹی کی تعمیر کے لیے اہم جگہوں پر مشغولیت اور نمونے لینے کی سرگرمیاں شامل تھیں۔

KLI کے پریکیم ریسٹوراں میں ریسپی اینیگریشن، پروڈکٹ پلیسمنٹ اور ٹرانلز کے ذریعے مصنوعات کی برتری حاصل کرنے کے لیے FSD پلیٹ فارم کا فائدہ اٹھایا گیا۔

میٹھا

عید الفطر کے موقع پر نیشنل کسٹرڈ نے ASMR فارمیٹ (خود مختار حسی میریڈیئن رسپانس) جو سوشل میڈیا پر ایک مقبول فارمیٹ ہے میں نیشنل ڈیزرٹس کی ریسپیز کے ساتھ براہ راست نشر کیا جس کا مقصد "میٹھی عید" کے تصور کے ساتھ وابستگی پیدا کرنا تھا۔

مہم کے اثرات کو بڑھانے کے لیے مہم کا PR مرحلہ عید الاضحی کے موقع پر چلایا گیا جس میں مشہور شخصیات اقراء عزیز، ہانیہ عامر، اور سرہا اصغر کے ساتھ ساتھ مزید دس متاثر کن افراد نے اپنے پیاروں کے لیے میٹھے کی ترکیبیں تیار کرنے اور عید کو مزید میٹھا کرنے کے لئے شمولیت اختیار کی۔

بین الاقوامی

پہلے ششماہی کے مقابلے H2 میں بحالی کا رجحان دیکھا گیا جس کے نتیجے میں \$9.2 ملین کے مقابلے میں \$9.6 ملین (BD vs. 95%) کی آمدنی ہوئی ۔ مجموعی طور پر USA اور UK/ROE مارکیٹس کو مسلسل چیلنجوں کا سامنا رہا جس کے نتیجے میں \$14.7 ملین (9% بمقابلہ LY) کی پورے سال کی ٹاپ لائن رہی جبکہ کینیڈا اور GCC مارکیٹس نے بجٹ کی توقعات کو پورا کیا۔

اسٹریٹجک بحالی کو متعدد محاذوں پر اصلاحی اقدامات سے مسلح کیا گیا جیسا کہ B-کلاس آؤٹ لیٹس میں نئی فہرستوں کے ساتھ متحدہ عرب امارات میں کوریج بڑھانے کے لیے گاڑیوں کا اضافہ، یو کے میں ویلیو چیئر، کی اصلاح، KSA میں FSD اور Souq ریٹجز کو متعارف کرانا، اور عمان سے جارحانہ تجارت کی بنیاد پر صحت مند بڑھوتی۔

شمالی امریکہ میں انویسٹری کے عدم توازن کو حل کرنے اور برطانیہ میں ٹارگٹ ڈیمانڈ جزیشن پلانز کے ذریعے اسٹاک کی تعمیر کو دور کرنے کی کوششوں کے بھی مثبت نتائج برآمد ہوئے۔ جبکہ SC چیلنجز نے آرڈرز میں تاخیر کی وجہ سے کاروبار کو دباؤ میں رکھا ہمارے جوابی اقدامات میں شامل ہے بیشن گوئی کی صلاحیت کو بہتر بنانا، خام اور پیکیجنگ مواد کے پہلے سے آرڈر کرنا، اور آرڈر کی پیچیدگیوں کو کم کرنا جس سے OTIF کے آگے بڑھنے میں زبردست بہتری آئے گی۔

مارکیٹنگ کے کچھ اہم اقدامات میں آل نیو ریسپی کس پیکیجنگ کا عالمی تعارف اور سالہ سیزنگ کے ساتھ شمالی امریکہ کے مرکزی دھارے کی مارکیٹ میں داخلہ شامل تھے۔ ڈیٹا پر مبنی حکمت عملیوں کے ذریعے مسلسل جدت طرازی کے لیے ہماری وابستگی کو یورو مانیٹر پاسپورٹ کا استعمال کرتے ہوئے سفید جگہوں کی نشاندہی کرنے اور مارکیٹنگ کی بصیرتیں جمع کرنے کے ساتھ نئی پروڈکٹ لائنوں کے تعارف کے ساتھ مضبوط کیا گیا جس نے ہمارے فوڈ سروس پورٹ فولیو کو بنایا۔

Q1 FY24 میں آگے کے لیے سلائی چین میں اضافہ اور ایک بہتر بیشن گوئی کے نقطہ نظر سے بہتری کی امید ہے۔ کمپنی کے سٹریٹجک اقدامات نے نئے سرے سے ترقی کی راہ ہموار کی ہے، اور مستقبل کو نیویگیٹ کرتے وقت مستقل تعاون لازمی ہے۔

لوگ اور ثقافت

نیشنل فوڈز نے لوگوں کے لیے اپنی حکمت عملی کو بہتر کیا تاکہ موجودہ مارکیٹوں میں ترقی کے سفر پر مدد حاصل ہو۔ مؤثر مستقبل کی منصوبہ بندی کو یقینی بنانے کے لیے لوگوں کی حکمت عملی کے لیے توجہ کے شعبوں کی نشاندہی کرنے کے لیے ایک جامع ثقافتی مطالعہ کیا گیا اور لوگوں اور ثقافت کے لچکڈے کے تحت منصوبہ بند مداخلتوں کی بنیاد بنائی گئی۔

ایک متنوع اور جامع ثقافت کی تعمیر کے لیے جو اس کمیونٹی کی نمائندہ ہے جس کی ہم خدمت کرتے ہیں، ایک پانچ سالہ متنوع، مساوات، اور شمولیت کی حکمت عملی تیار کی گئی اور اسے نافذ کیا گیا جس کے تحت خواتین، معذور افراد، اور اقلیتی گروپ کی نمائندگی کو یقینی بنایا جائے گا۔

ہمارا یقین ہے کہ ملازمین کی فلاح و بہبود اور مشغولیت کا ہمارے لوگوں کی پیداواری صلاحیت پر بہت زیادہ اثر پڑتا ہے اور اس یقین نے اس سلسلے میں ہماری کوششوں کی رہنمائی کی۔ نئے جوش اور مثبت توانائی پیدا کرنے کے لیے سال بھر مختلف مصروفیات کے پروگرام کیے گئے۔ اخلاقی تعمیل کو یقینی بنانے کے لیے، آن بورڈ ملازمین، فریقین ثالث، اور نیشنل فوڈز میں عزت و وقار کے بارے میں انکوائری کمیٹی کے اراکین کے لیے ایک نئی تبدیلی اور مشغولیت کا منصوبہ بنایا گیا۔

پائیداری اور کارپوریٹ سماجی ذمہ داری

نیشنل فوڈز نے ان اصولوں کو اپنے بنیادی کاموں میں شامل کر کے پائیداری اور کارپوریٹ سماجی ذمہ داری کی جانب اہم قدم اٹھایا ہے۔ اس سال ایک پائیداری عودیت کا آغاز کیا گیا – ذمہ دار کاروباری طریقوں سے ہماری وابستگی اور ماحولیاتی اور سماجی چیلنجوں سے نمٹنے کے لیے ہماری فوری ضرورت کو تسلیم کرنے کا ثبوت۔

یہ اسٹریٹجک اقدام اقوام متحدہ کے پائیدار ترقی کے اہداف کے ساتھ ہم آہنگ ہے کیونکہ یہ معاشرے اور ماحول پر مثبت، دیرپا اثرات پیدا کرنے کی ہماری کوششوں کی رہنمائی کرتے ہیں۔

اسکول کے کھانے کے پروگرام، بچوں کی کتابوں کو شائع کرنے کے لیے GoRead کے ساتھ شراکت داری، اور R3 پروجیکٹ جو کہ فضلہ میں کمی اور ری سائیکلنگ پر توجہ مرکوز کرتا ہے جیسے اقدامات کے ذریعے ہم اپنے وسائل کو SDG کے اہداف کے ساتھ بامعنی تبدیلی کی طرف منتقل کرتے ہیں۔

ڈائریکٹرز رپورٹ

ساتھی شیئر ہولڈرز،

نیشنل فوڈز لمیٹڈ ('کمپنی') کے ڈائریکٹرز مالیاتی نتائج کے ساتھ سالانہ رپورٹ پیش کرتے ہیں جس میں 30 جون 2023 کو ختم ہونے والے سال کے لیے اکیلے اور مجموعی آڈٹ شدہ مالیاتی بیانات شامل ہیں۔

کمپنی کی پرنسپل سرگرمیاں

کمپنی "نیشنل" برانڈ کے تحت کھانے کی مصنوعات تیار، مارکیٹ اور فروخت کرتی ہے۔

کاروباری کارکردگی کا جائزہ

آپریٹنگ اور مالی کارکردگی

گروپ

گروپ نے جانے والے سال کے لیے بالترتیب 41 فیصد اور32 فیصد کی مضبوط ٹاپ لائن اور باٹم لائن نمو حاصل کی۔ میکرواکنامک چیلنجزکے باوجود، ٹاپ لائن نے اپنی کارگردگی کی رفتار کو جاری رکھا جس میں لاگت اور آمدنی کی مدد سے بعد از منافع کی سطح پر28 فیصد اور5 فیصد کے صحت مند مجموعی مارجن کو قابل حصول بنایا گیا۔

بنیادی کاروبار

مقامی کاروبار نے انتہائی مہنگائی کے دباؤ اور ڈالر کی قدر میں اضافے کے باوجود آمدنی کی تبدیلی اور لاگت کی کمی کے اقدامات (خصوصی طور پر میٹیریل کے اخراجات) کے ذریعے پائیداری پر توجہ مرکوز رکھی۔ گزشتہ سال کے دوران کمپنی نے تجارتی افعال کو دوبارہ منظم کیا، خریداری کے اسٹریٹجک فیصلے کیے، پورٹ فولیو کی معقولیت حاصل کی اور اشتہارات اور مارکیٹنگ کی تشہیر کے ذریعے اپنی بنیادی مصالحو جات کے حلقہ کو دوبارہ برانڈ کیا۔ کمپنی نے فیصل آباد مینوفیکچرنگ پلانٹ میں سرمایہ کاری جاری رکھی اور اسکے مالی سال 2024 میں کام شروع کرنے کی امید ہے۔ مارکیٹ میں سست روی اور نتیجتاً سپلائی پائپ لائن کے انویسٹری کی سطح کی وجہ سے سال کے دوران برآمدی کاروبار کٹھن رہا۔ تاہم، روپے کی قدر میں کمی نے برآمدی کاروبار کی کارکردگی کو مثبت طور پر متاثر کیا۔

A1 بیگز اینڈ سپلائیز انکارپوریٹڈ

کاروبار نے روپے کی قدر میں کمی کے اثرات اور مضبوط حجمی بڑھوتری کے ساتھ۔ 85 فیصد کی ٹاپ لائن نمو حاصل کی - موجودہ سٹورز کے ساتھ کاروبار مزید سٹورز تک پھیل گیا ہے۔ اس کے نتیجے میں زیادہ آپریشنل اخراجات بڑھے اور افراط زر کے معاشی ماحول کے درمیان بنیادی مارجن ایڈجسٹ ہوا۔

مالی سال کے لیے گروپ کے کلیدی مالی اعداد کا خلاصہ ذیل میں دیا گیا ہے:

رقم پاکستانی روپے ملین میں

گروپ			بنیادی کاروبار			اے وِن بیگز اینڈ سپلائیزز انکارپوریٹڈ		
Change	FY22	FY23	Change	FY22	FY23	Change	FY22	FY23
خالص فروخت	64,322	45,526	41%	27,140	30,362	12%	18,386	34,007
مجموعی منافع	18,194	12,979	40%	9,267	10,993	19%	3,714	7,201
آپریٹنگ منافع	5,549	3,717	49%	2,433	2,824	16%	1,289	2,745
بعد از ٹیکس خالص منافع	3,212	2,424	32%	2,216	2,569	16%	748	1,570
فی شیئر آمدنی (روپے)	13.8	10.4		11.0	9.5			
مجموعی منافع	28.3%	28.5%	-0.2%	36.2%	34.1%	2.1%	20.2%	21.2%
آپریٹنگ منافع	8.6%	8.2%	0.5%	9.3%	9.0%	0.3%	7.0%	8.1%
بعد از ٹیکس منافع	5.0%	5.3%	-0.3%	8.5%	8.2%	0.3%	4.1%	4.6%

* اس میں۔20 ملین (2022: RS. 15 ملین) روپے کی فرسودگی شامل ہے بحوالہ اسٹیکام (تسلیم شدہ) A1 Bags & Suppliers Inc

* گروپ کے بعد از منافع میں 60 فیصد A1 پر شامل ہے اور انٹر کمپنی ڈویڈنڈ 287 ملین (2022:186M) [شامل نہیں ہے۔

سیلنز اور مارکیٹنگ

نیشنل فوڈز ریسپی کس ریسپی کمز کے زمرے میں اعلیٰ لیکویٹی کے ساتھ ایک قابل اعتماد برانڈ ہے اور مارکیٹ لیڈر ہے۔ مالی سال 2023 کی اہم جھلکیاں درج ذیل ہیں۔

Sachet مواصلات:

سال کے دوران Recipe Mixes sachet کی کھپت اور خریداری کو بڑھانے کے لیے ایک خاص مہم چلائی گئی تاکہ مہنگائی کے دباؤ کے شکار صارفین کو اس مہم سے فائدہ اٹھانے کا موقع ملے۔

آج رنگ بے کی تقویت:

پیکبجنگ کی ری لائچنگ کے تسلسل میں 'آج رنگ ہے' مہم کو صارفین کے ذہنوں میں بٹھانے کے لئے مالی سال 2023 میں متعدد حلقوں میں مزید ہڑھایا گیا۔ کارگردگی کے اوصاف جیسا کہ پروڈکٹ کے نقش، مسالا میٹر اور متحرک عناصر نے نئے نیشنل ریسپی کس پیک کے ساتھ مضبوط وابستگی پیدا کرنے میں مدد کی۔ اس سے NFL Recipe Mix برانڈ کی لیکویٹی کو تقویت ملی ہے اور کلیدی برانڈ کی خصوصیات میں اسکور کو بہتر بنایا گیا۔

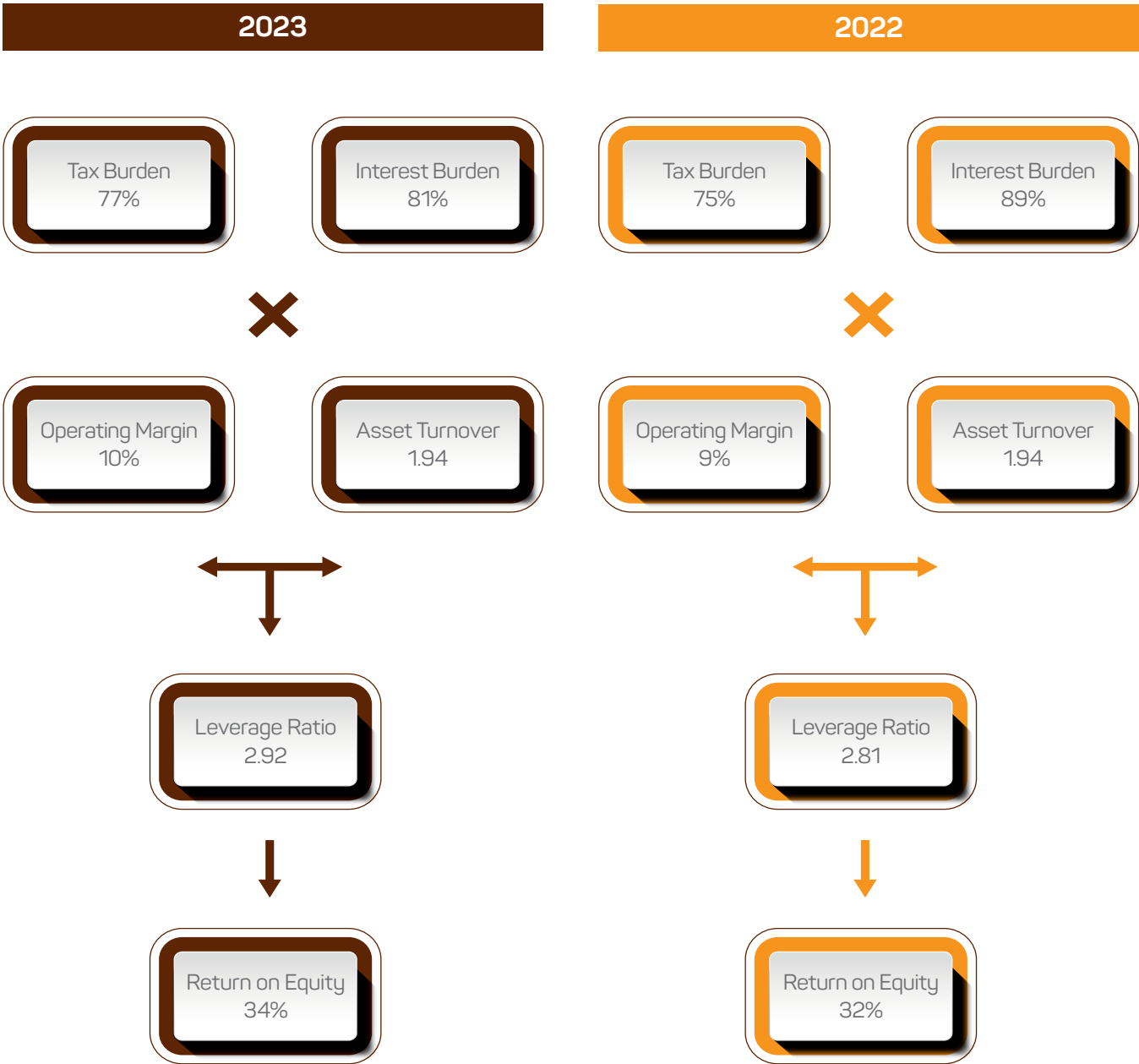
Condiments رمضان مہم : " ذائقہ مل بیٹھنے کا "

رمضان المبارک کے دوران Condiments کے لیے ایک کثیرالجہت مہم شروع کی گئی جو مذہبی تہوار پر Condiments کی مصنوعات کے بڑھتے ہوئے استعمال کی بنیاد پر استوار کی گئی۔ اس مہم میں NFL کی پہلی کراس کمیونگری رمضان لمیٹڈ ایڈیشن پیکبجنگ رتنج °360 مہم کے ذریعے موقع کے ساتھ مناسبت اور مطابقت پیدا کر کے پیش کی گئی۔

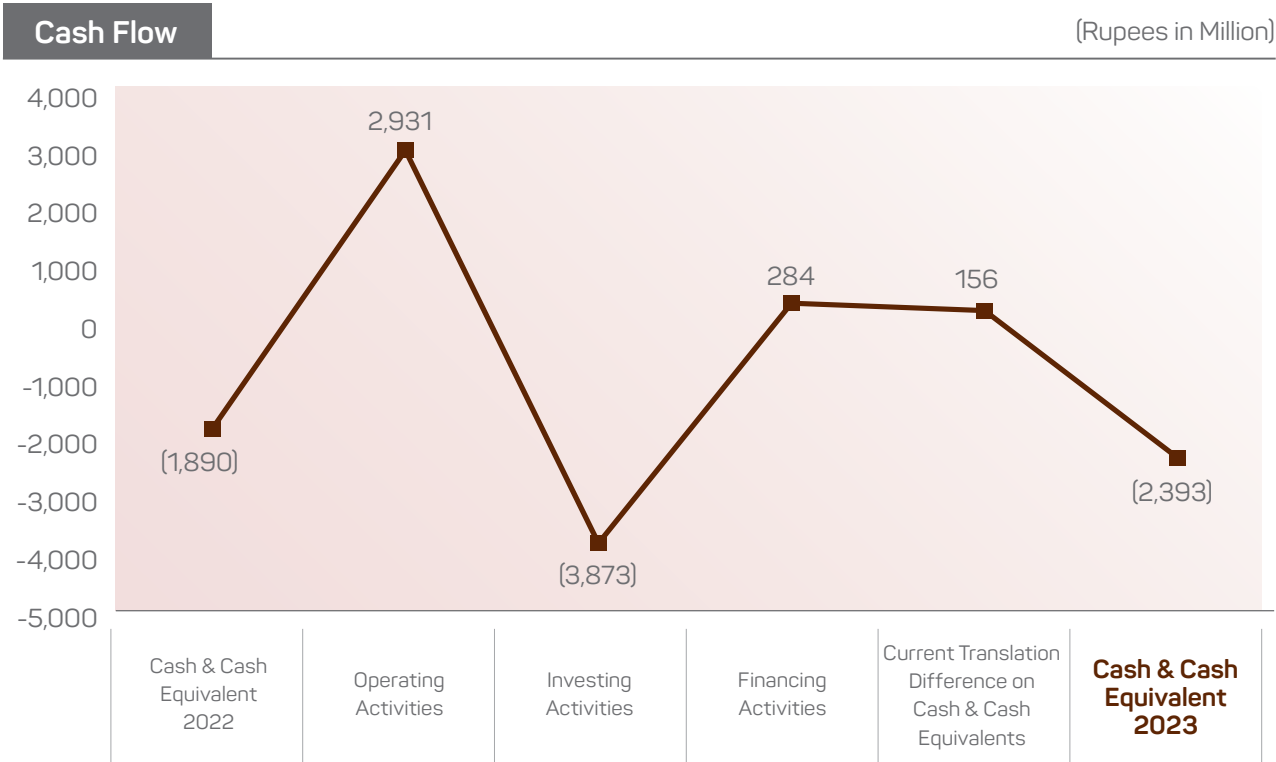
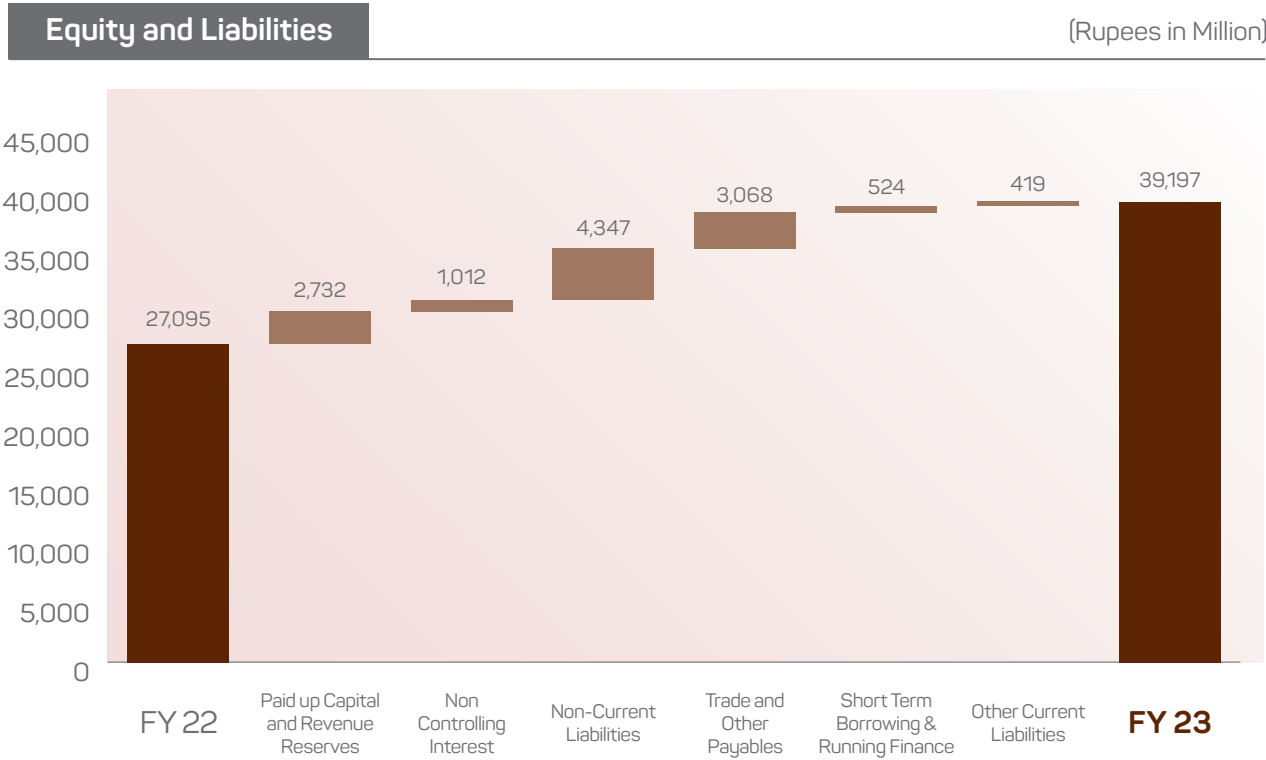
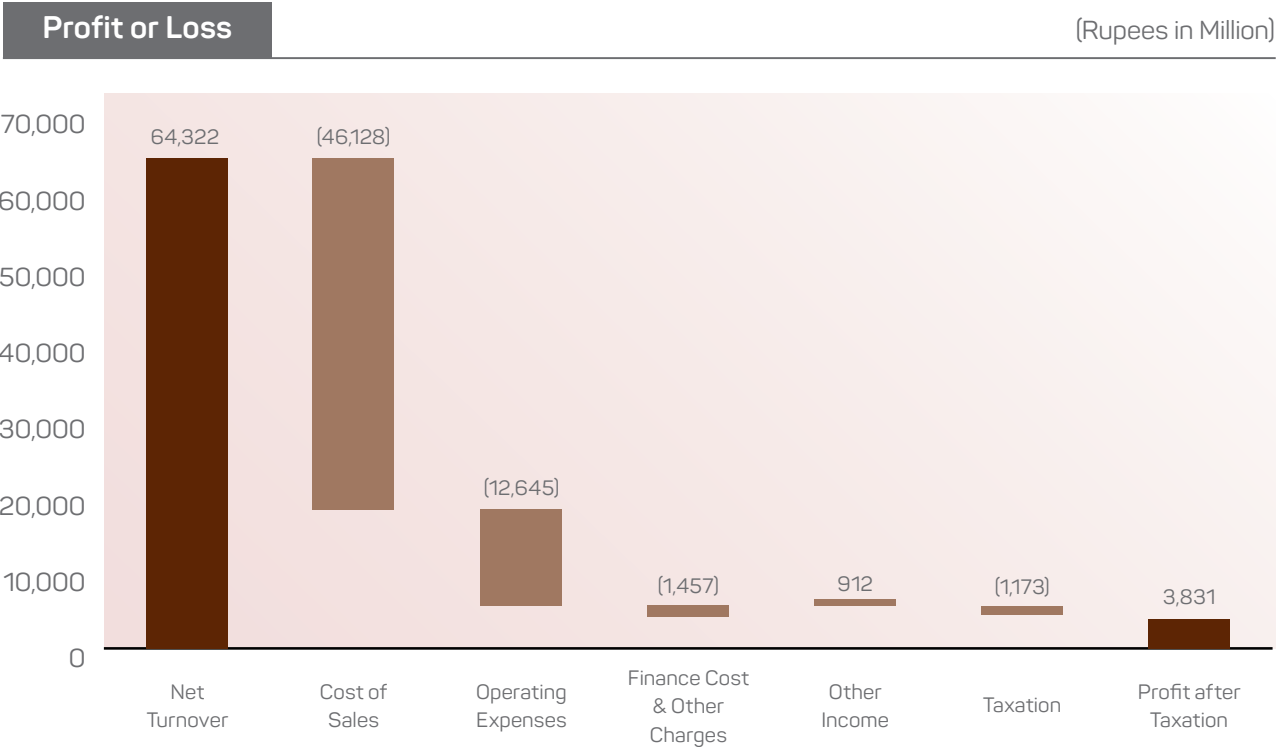
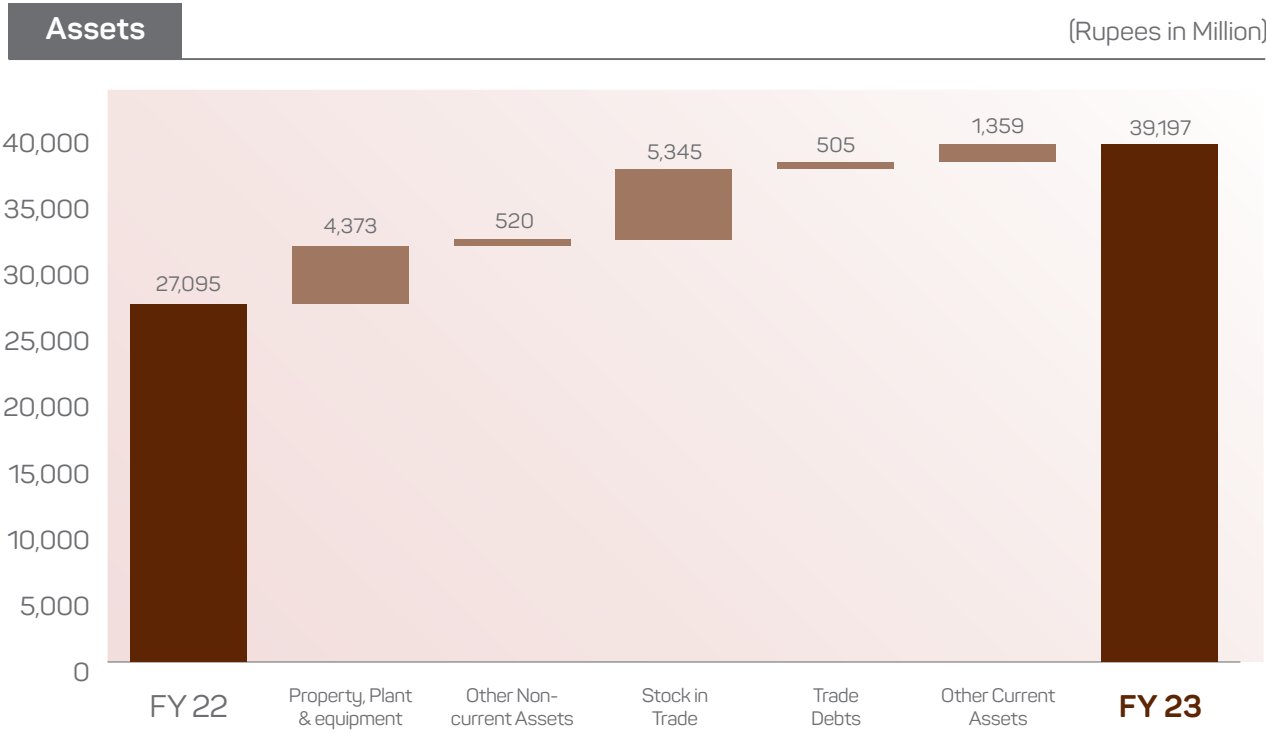
Here for integ- rity



DuPont Analysis



Financial Statements at a Glance

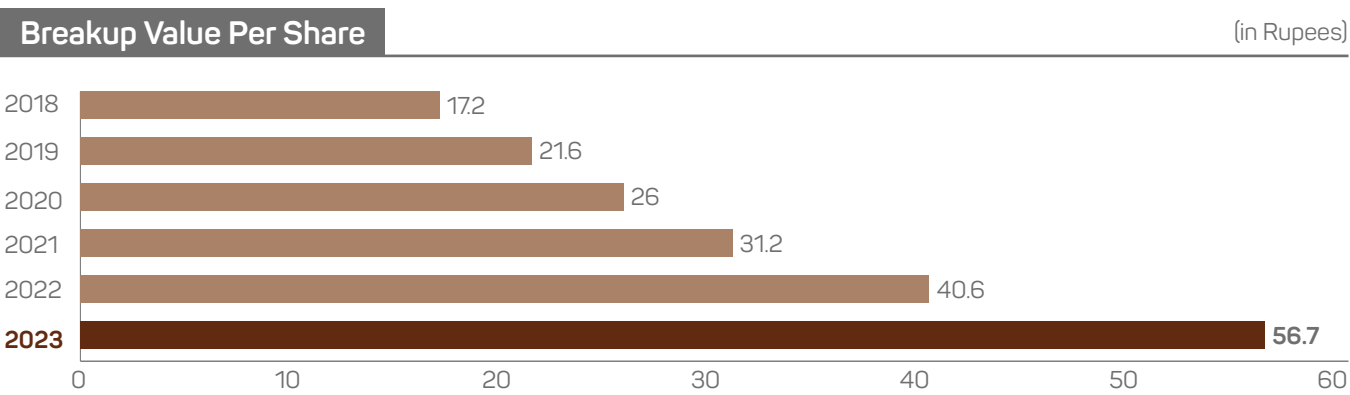
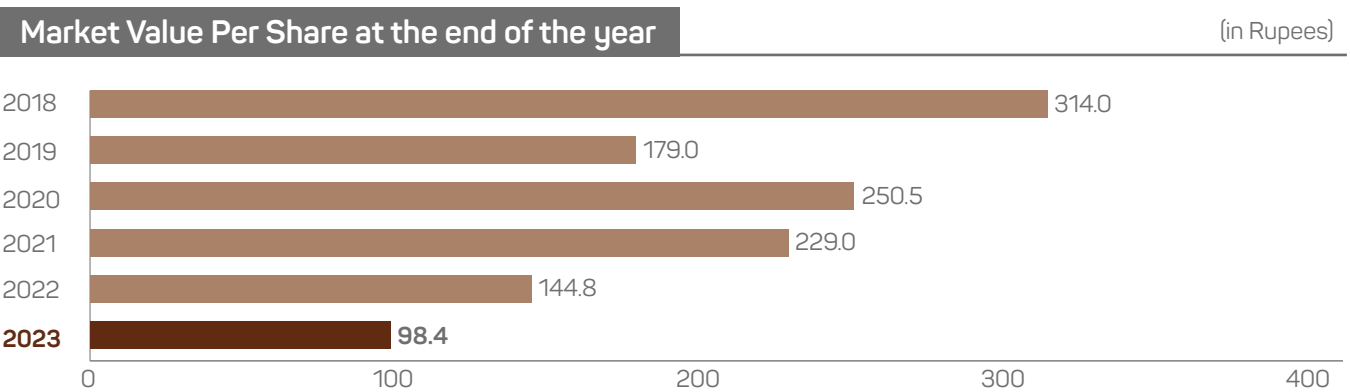
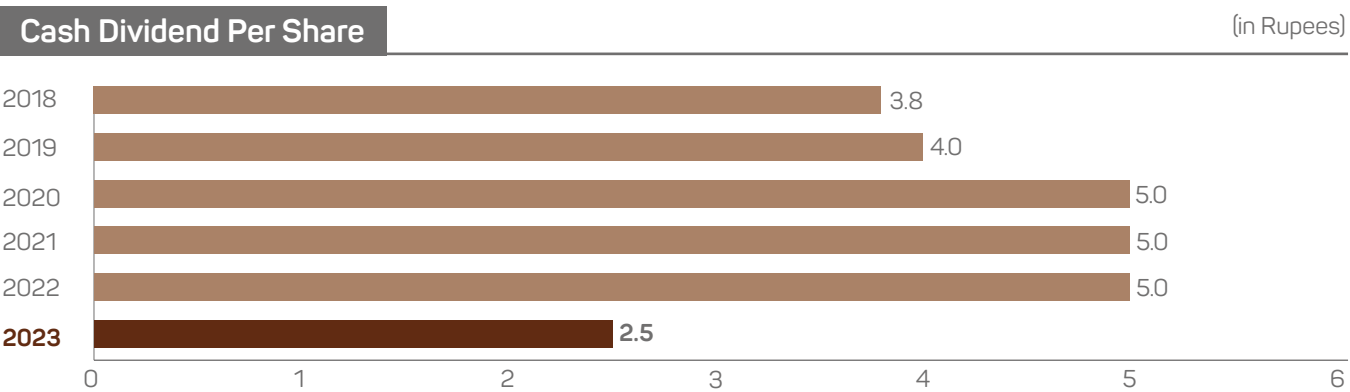
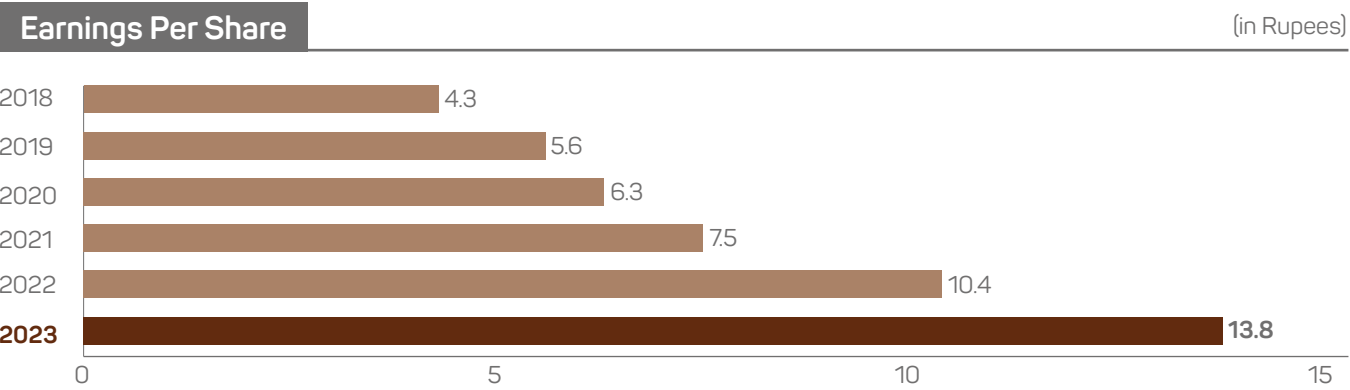
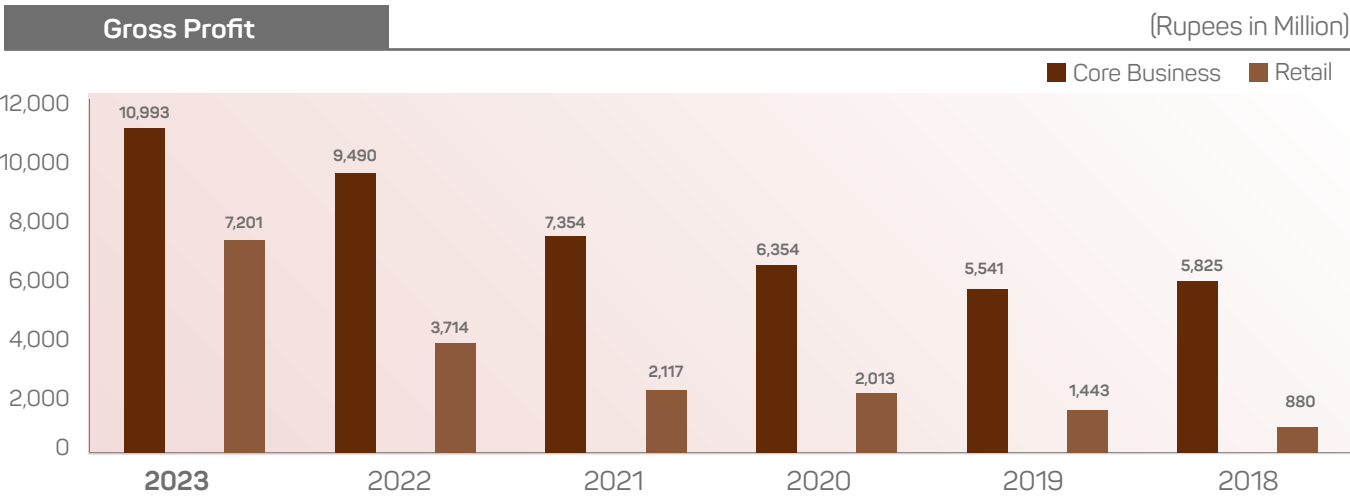
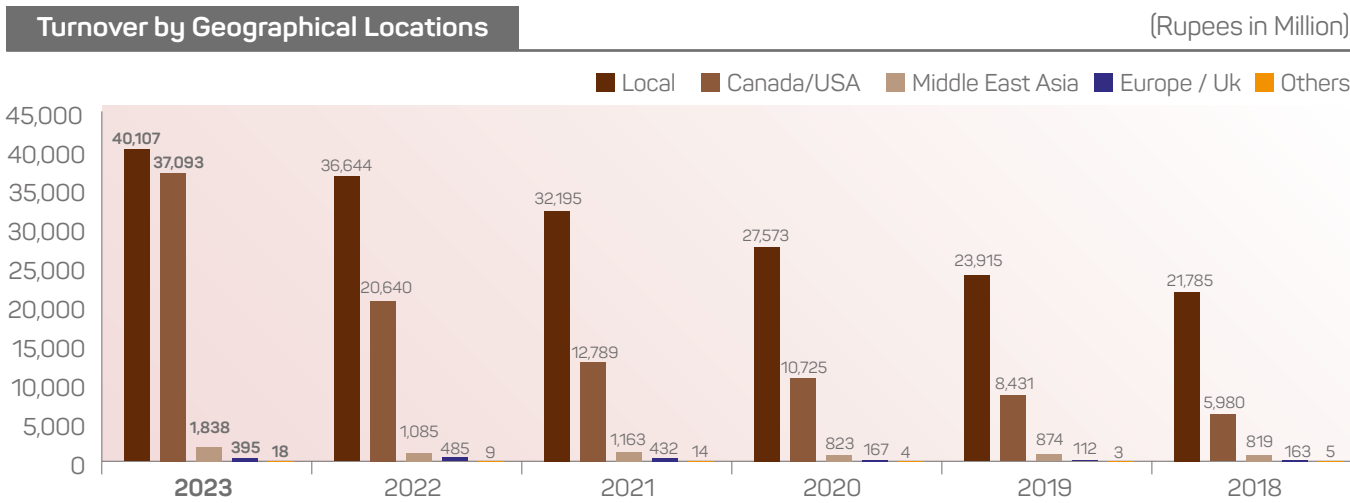
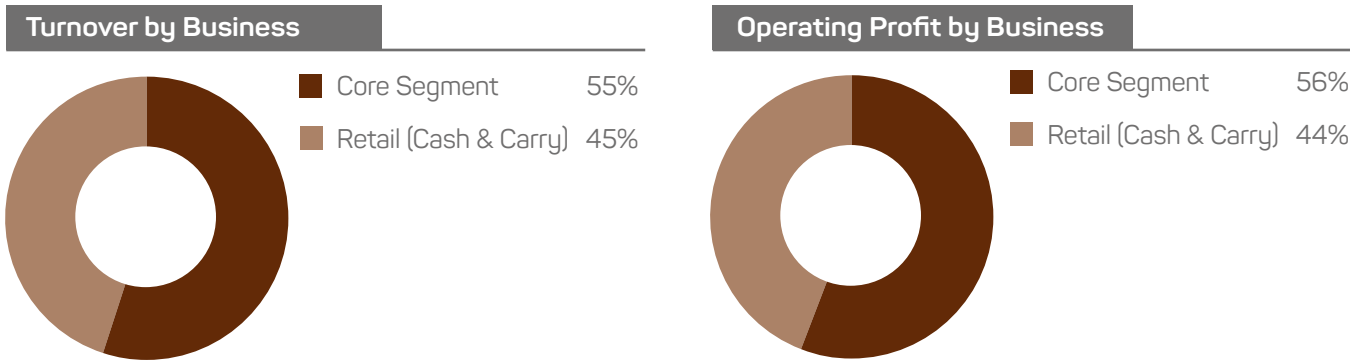


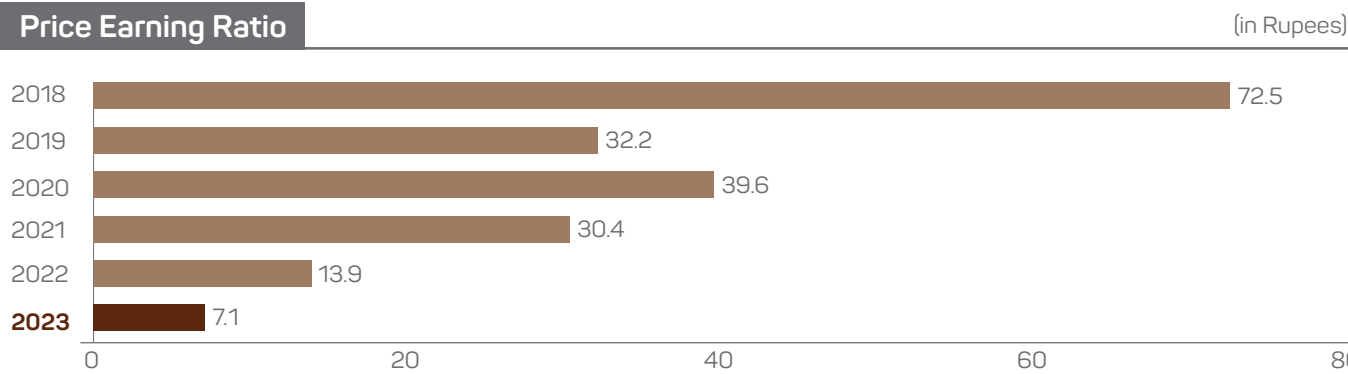
Financial Highlights

Our results compared to same period Last year at a Glance

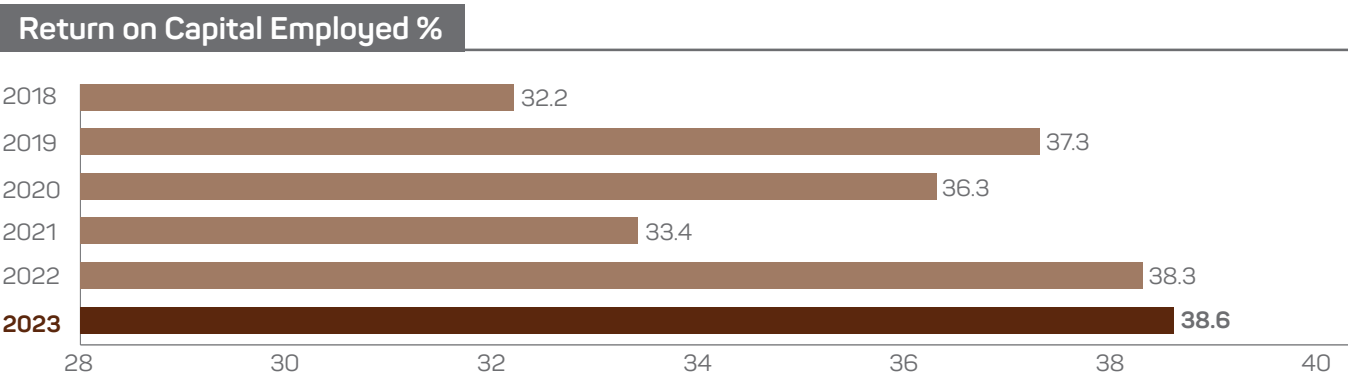
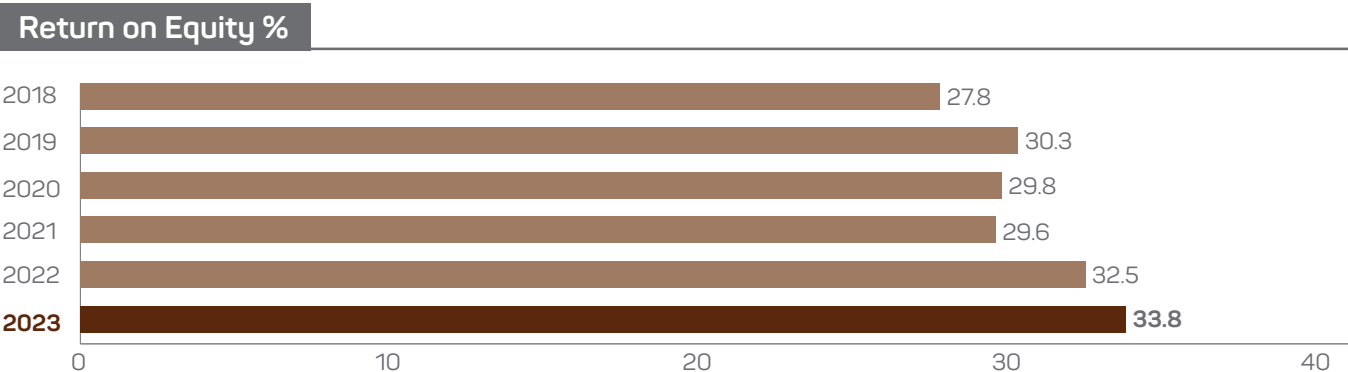
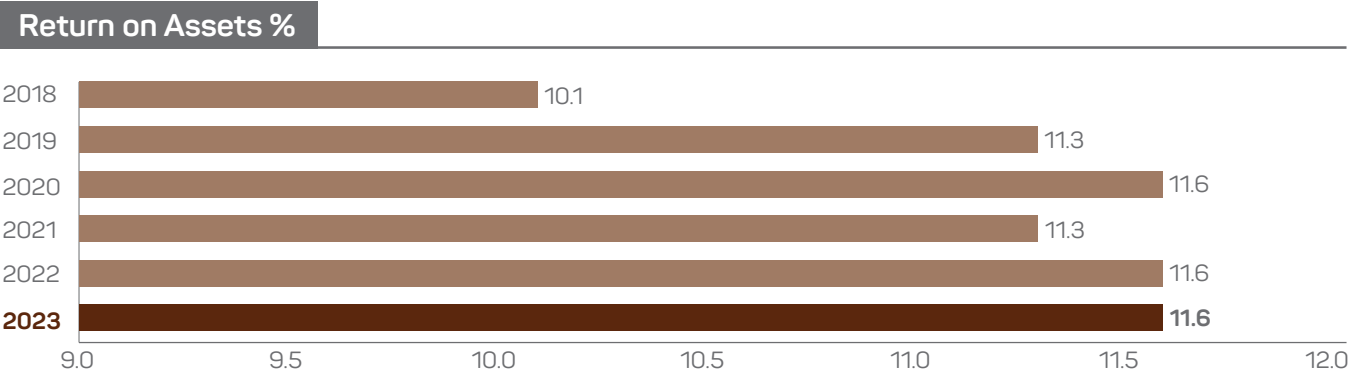
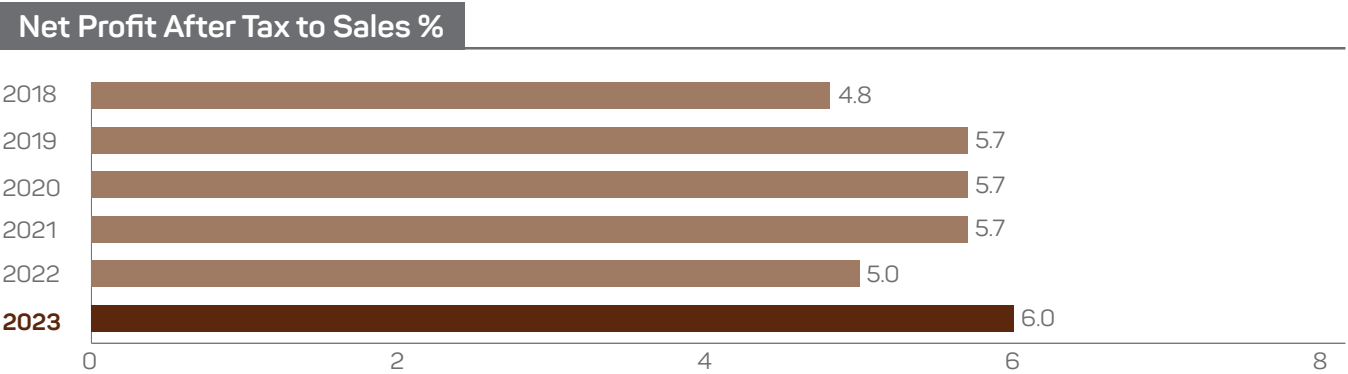
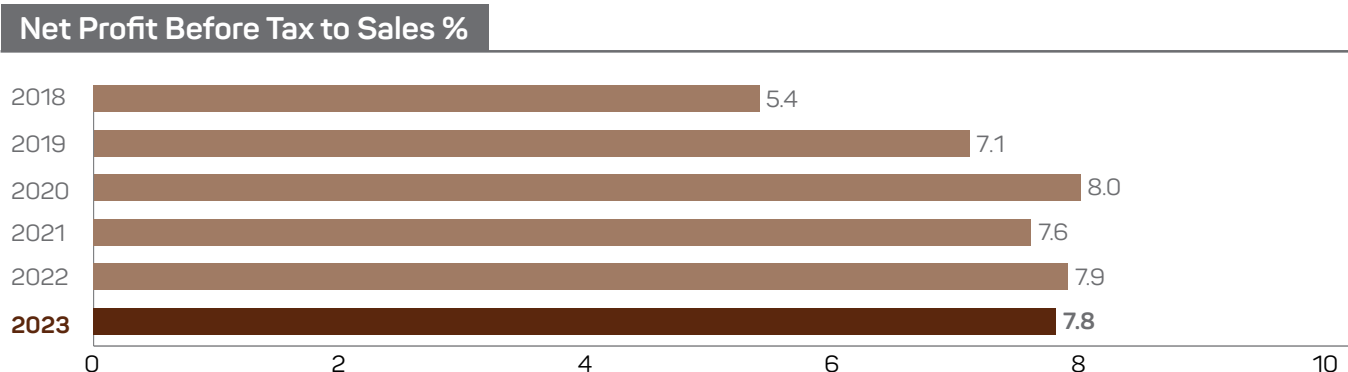
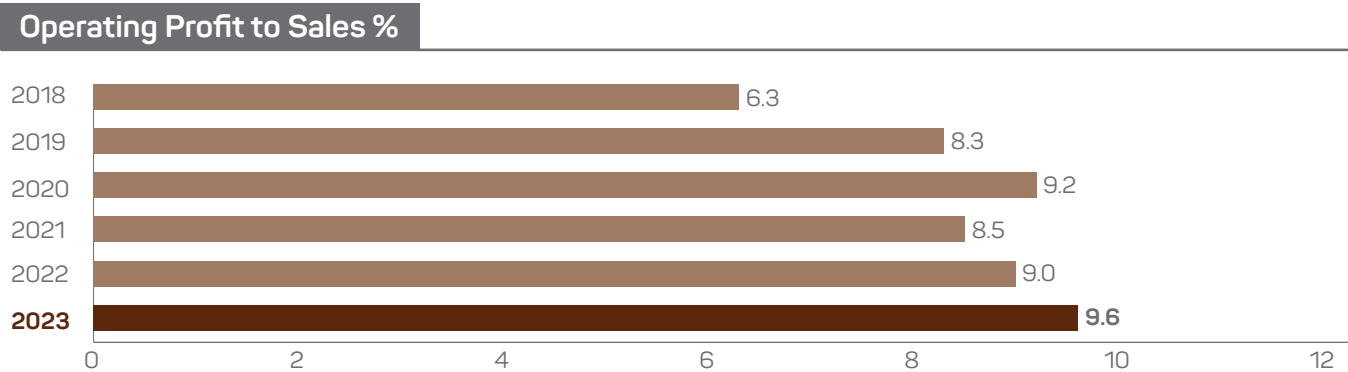
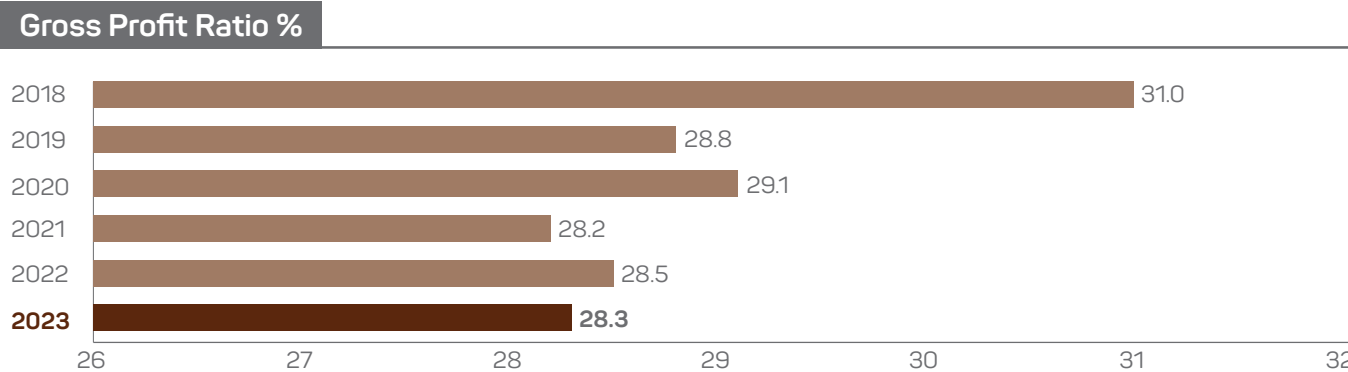
FY-23

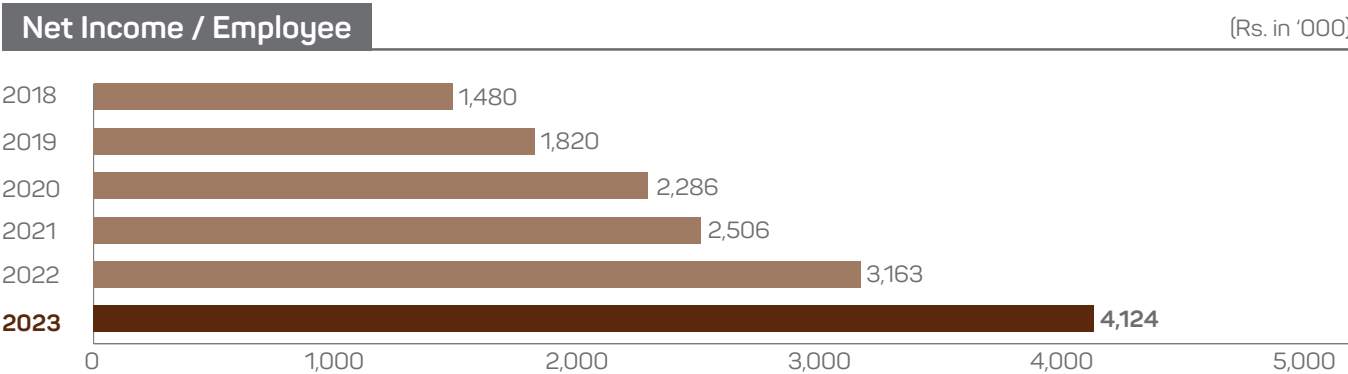
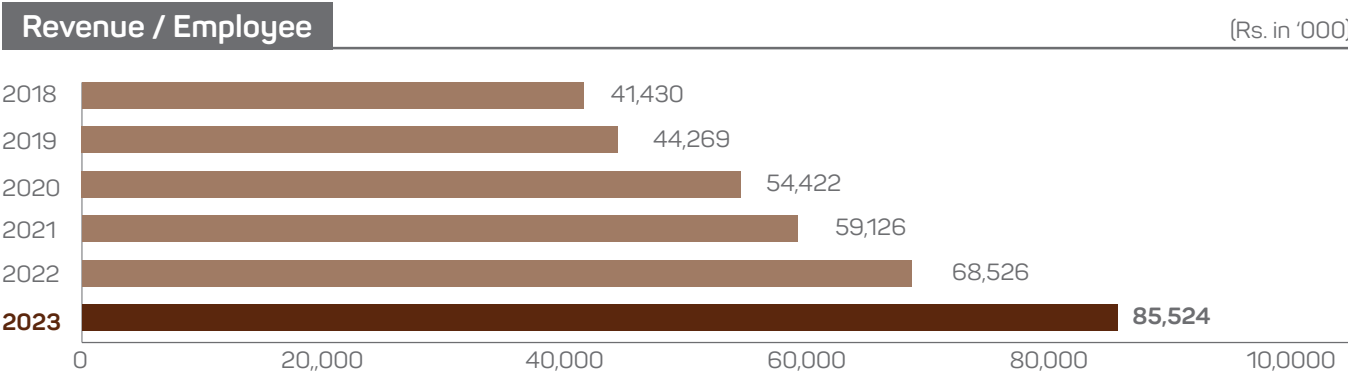
Turnover up by 35 %
Gross profit up by 40 %
Profit after Taxation up by 41 %
Earning per Share PKR 13.8 (FY-22 PKR 10.4)



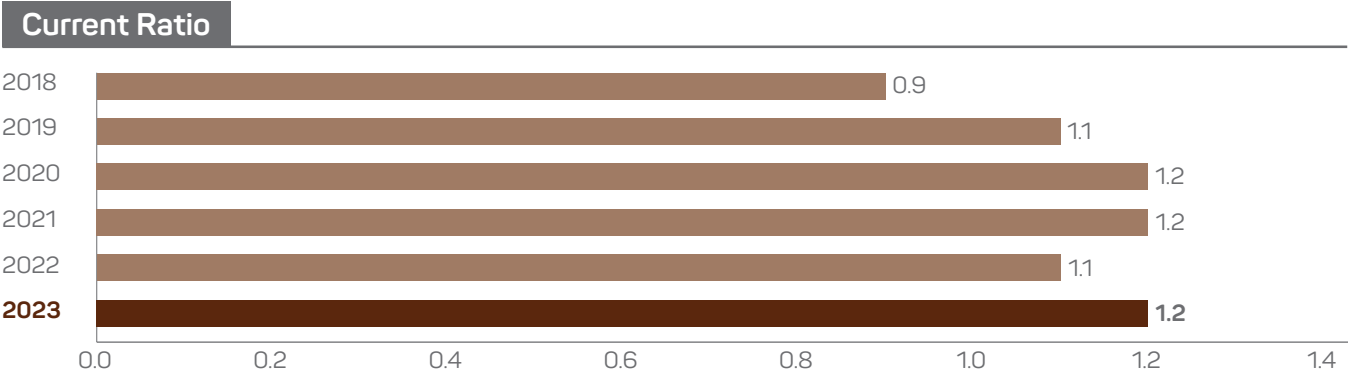


A. Profitability Ratios

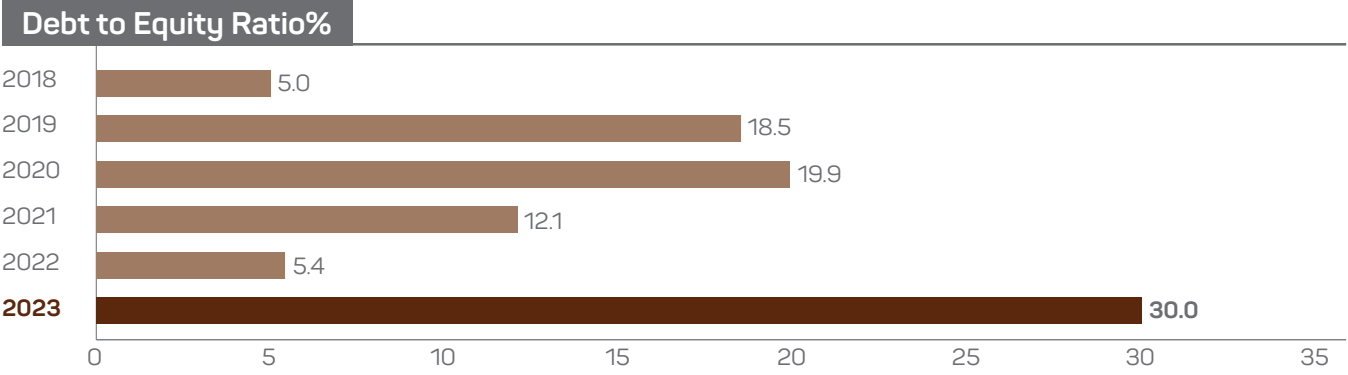




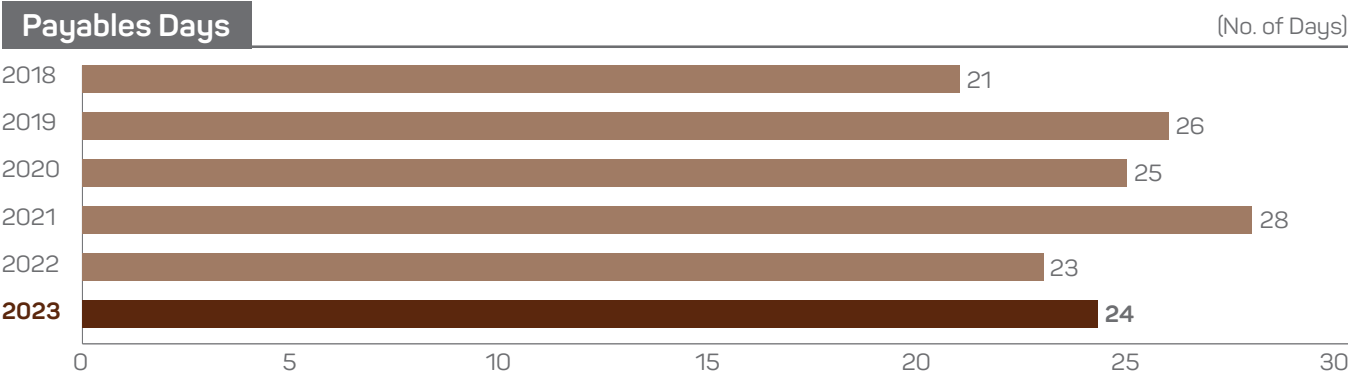
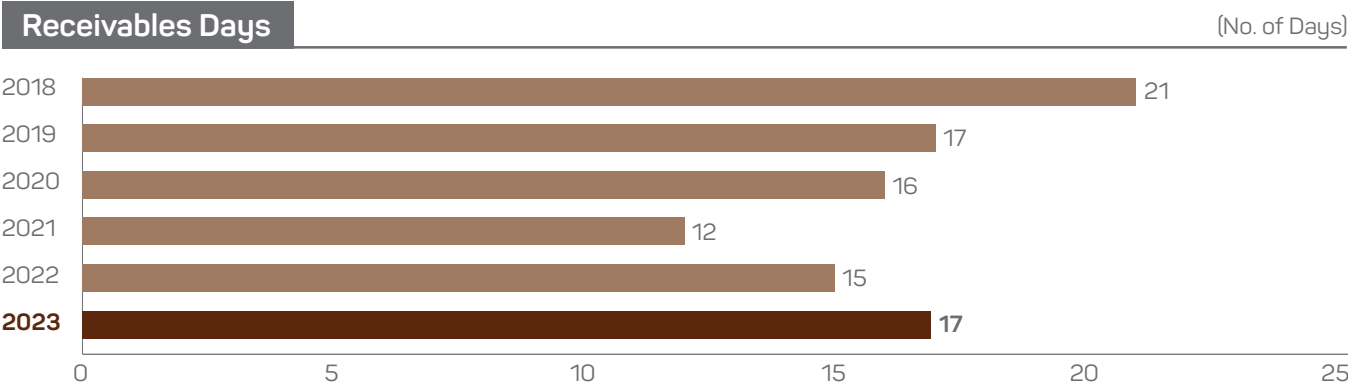
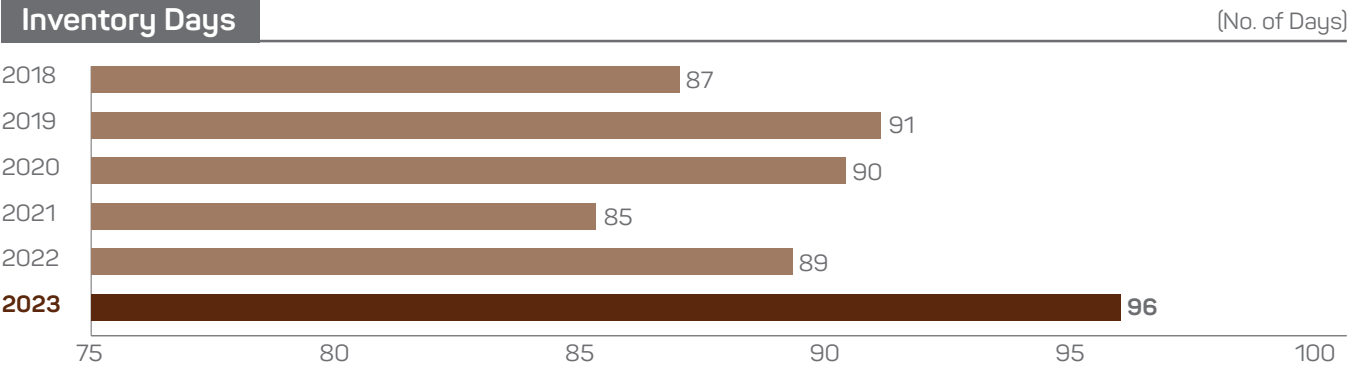
B. Liquidity Ratios



C. Gearing Ratios



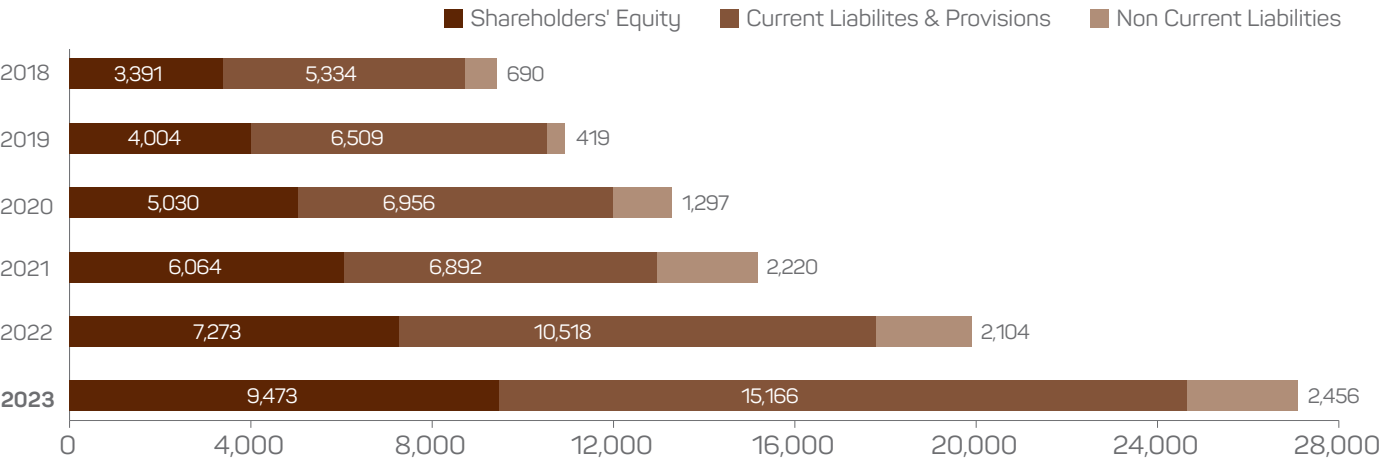
D. Efficiency Ratios



Horizontal Analysis

	2023	2022	2021	2020	2019	2018
	Percent (%)					
INCOME STATEMENT						
Sales - Net	41.3%	31.6%	20.5%	18.4%	12.3%	28.7%
Cost of Sales	41.7%	31.0%	22.1%	17.8%	16.0%	30.8%
Gross Profit	40.2%	33.1%	16.6%	19.8%	4.2%	23.4%
Distribution costs	33.4%	39.7%	16.8%	16.2%	(5.3%)	20.2%
Impairment loss on trade debts	-78.8%	45.5%	0.2%	(2.8%)	(72.7%)	100.0%
Administrative expenses	54.2%	22.2%	16.3%	8.8%	24.9%	75.5%
Other expense	-2.1%	112.6%	3.1%	5.8%	(43.0%)	110.6%
Other income	41.2%	387.2%	(47.1%)	0.9%	364.4%	(46.0%)
Financial charges	149.9%	47.3%	(8.1%)	20.9%	44.8%	86.7%
Profit before Taxation	38.4%	37.4%	14.0%	34.0%	46.8%	(11.0%)
Taxation - net	30.7%	36.8%	(0.2%)	86.6%	140.7%	(57.7%)
Profit after taxation	41.0%	37.6%	19.6%	20.4%	33.4%	5.5%
BALANCE SHEET						
Issued, subscribed and paid up capital	0.0%	25.0%	25.0%	20.0%	20.0%	0.0%
Unappropriated Profit	29.3%	22.1%	17.7%	21.3%	23.5%	20.4%
Non controlling interest	131.9%	20.9%	20.9%	93.5%	38.4%	9.5%
Exchange revaluation reserve	120.0%	20849.4%	(105.4%)	(136.0%)	154.9%	671.3%
Total Equity	39.5%	30.2%	20.0%	20.5%	25.6%	18.1%
Long Term Obligations	179.2%	15.3%	(5.2%)	71.1%	209.7%	(39.3%)
Total Long-term Liabilities and shareholder equities	68.0%	26.9%	13.2%	30.9%	43.1%	8.4%
Fixed Assets, CWIP & Intangibles	45.2%	46.9%	9.1%	15.9%	12.6%	37.0%
Other Non current assets	-22.1%	-13.6%	61.7%	90.1%	(1.4%)	21.0%
Current Assets	44.7%	30.3%	48.7%	12.5%	29.7%	1.9%
Total Assets	44.7%	36.2%	31.1%	14.2%	21.5%	16.1%
Current Liabilites & Provisions	26.4%	44.5%	52.6%	(0.9%)	6.9%	22.0%
Net Assets	68.0%	26.9%	13.2%	30.9%	43.1%	8.4%

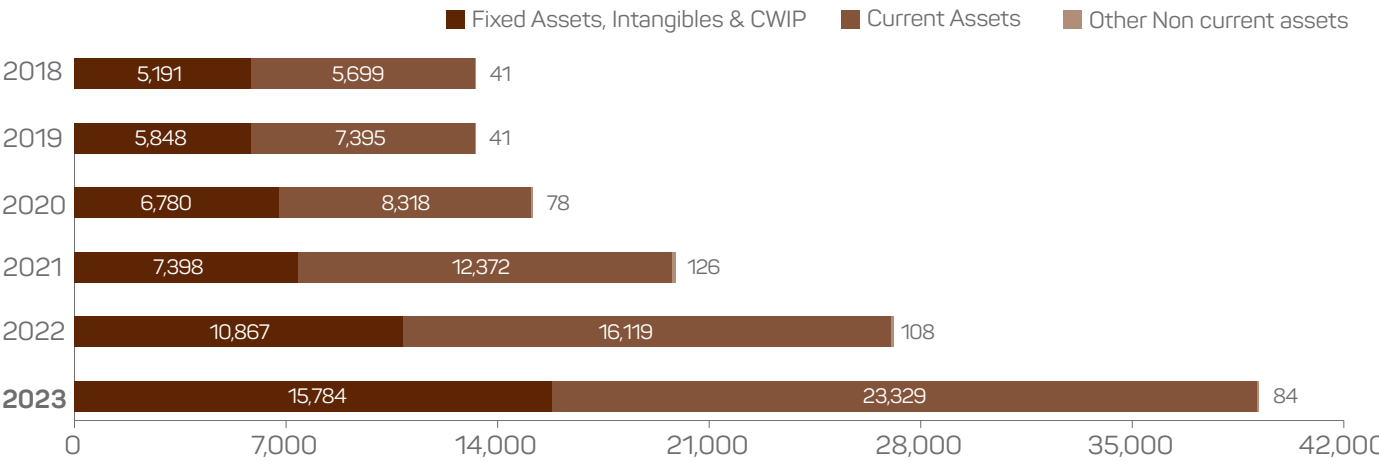
Financial Position Analysis - Equity & Liabilities



Vertical Analysis

	2023	2022	2021	2020	2019	2018
	Percent (%)					
INCOME STATEMENT						
Sales - Net	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Sales	71.7%	71.5%	71.8%	70.9%	71.2%	69.0%
Gross Profit	28.3%	28.5%	28.2%	29.1%	28.8%	31.0%
Distribution cost	15.4%	16.3%	15.4%	15.9%	16.2%	19.2%
Impairment loss on trade debts	0.1%	0.1%	0.1%	0.1%	0.1%	0.5%
Administrative Expense	4.2%	3.9%	4.2%	4.3%	4.7%	4.2%
Other expense	0.5%	0.7%	0.4%	0.5%	0.5%	1.1%
Other Income	1.4%	1.4%	0.4%	0.9%	1.0%	0.2%
Financial Charges	1.8%	1.0%	0.9%	1.2%	1.2%	0.9%
Profit before Taxation	7.8%	7.9%	7.6%	8.0%	7.1%	5.4%
Taxation - Net	1.8%	2.0%	1.9%	2.3%	1.5%	0.7%
Profit after taxation	6.0%	6.0%	5.7%	5.7%	5.7%	4.8%
BALANCE SHEET						
Issued, subscribed and paid up capital	5.8%	9.8%	9.9%	5.2%	5.5%	11.7%
Unappropriated Profit	45.0%	58.5%	60.8%	33.8%	35.2%	73.1%
Non Controlling Interest	8.9%	6.5%	6.8%	3.7%	2.4%	4.4%
Exchange revaluation reserve	6.4%	4.9%	0.0%	-0.4%	1.3%	1.3%
Total Equity	66.1%	79.6%	77.6%	42.3%	44.3%	90.5%
Long Term Obligations	33.9%	20.4%	22.4%	15.5%	11.4%	9.5%
Total Long-term Liabilities and shareholder equities	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Fixed Assets, CWIP & Intangibles	79.0%	91.3%	78.9%	81.8%	92.4%	117.4%
Other Non current assets	0.4%	0.9%	1.3%	0.9%	0.6%	0.9%
Current Assets	116.7%	135.5%	131.9%	100.4%	116.9%	128.9%
Total Assets	196.1%	227.7%	212.2%	183.2%	209.9%	247.2%
Current Liabilites & Provisions	96.1%	127.7%	112.2%	83.2%	-109.9%	147.2%
Net Assets	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Financial Position Analysis - Assets



Summary of Cash Flow Statement

	2023	2022	2021	2020	2019	2018
	(Rupees in Mln)					
Cash flows from operating activities	2,931	1,446	2,526	2,992	1,923	1,311
Cash flows used in investing activities	(3,873)	(3,358)	(1,860)	(919)	(1,107)	(1,676)
Cash flows used in financing activities	284	(800)	(845)	(559)	(110)	(1)
Net (decrease) / increase in cash and cash equivalents	(658)	(2,711)	(178)	1,514	706	(367)
Cash and cash equivalents at the beginning of the year	(1,890)	852	1,196	(225)	(978)	(624)
Currency translation difference on cash and cash equivalents	156	(31)	(166)	(93)	46	12
Cash and cash equivalents at the end of the year	(2,393)	(1,890)	852	1,196	(225)	(978)

Operating activities

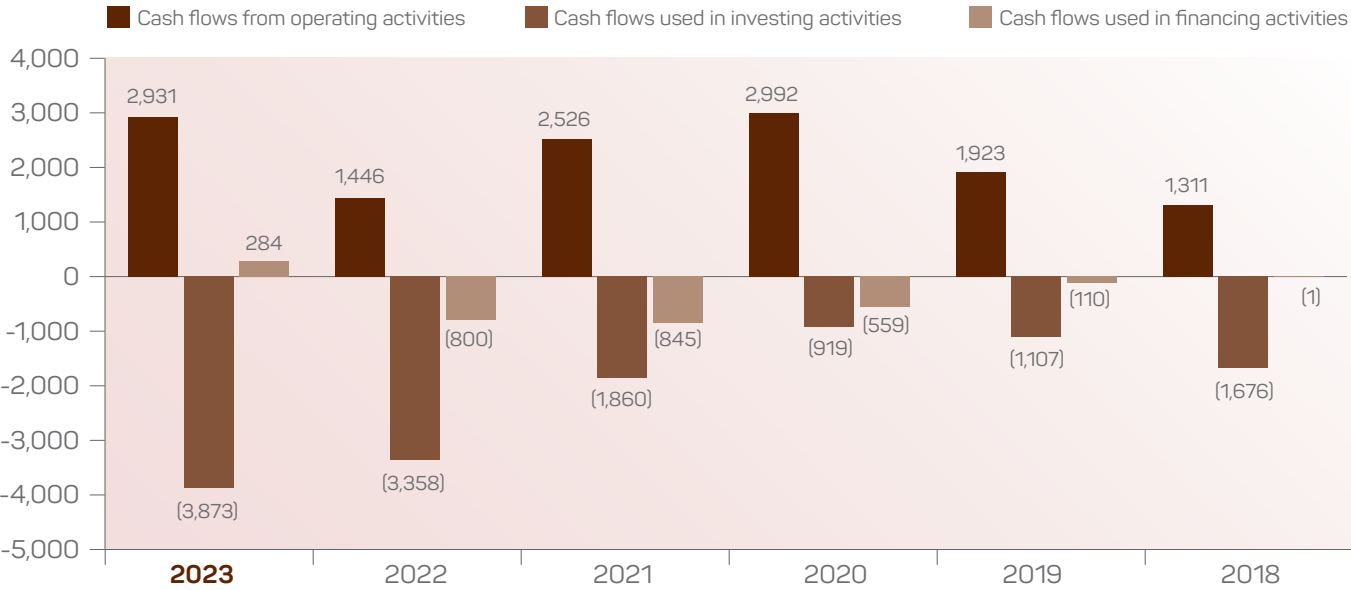
The Company's operating cash flow has increased at a CAGR of 14% over the past 6 years due to improved business performance.

Investing activities

Cash used in investing activities has increased at a CAGR of 15% over the past 6 years and mainly comprises investment in capital expenditure including Faislabad project, Nooriabad Solar Power and building extension at manufacturing sites of the Company.

Financing activities

Financing activities mainly comprise long-term loans obtained for Investment in Faisalabad project. The Company has financed its expansion needs by obtaining long-term loans which were partially offset by dividend payments.

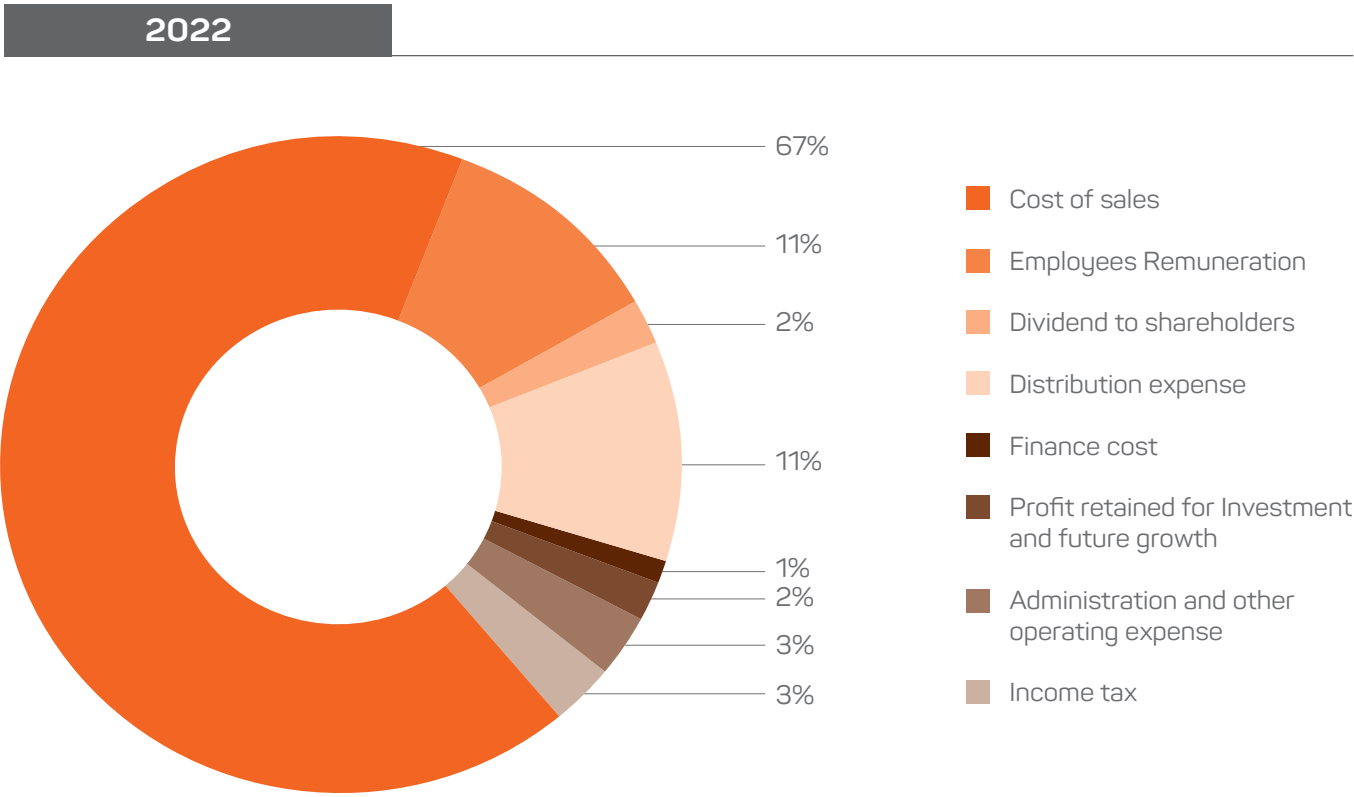
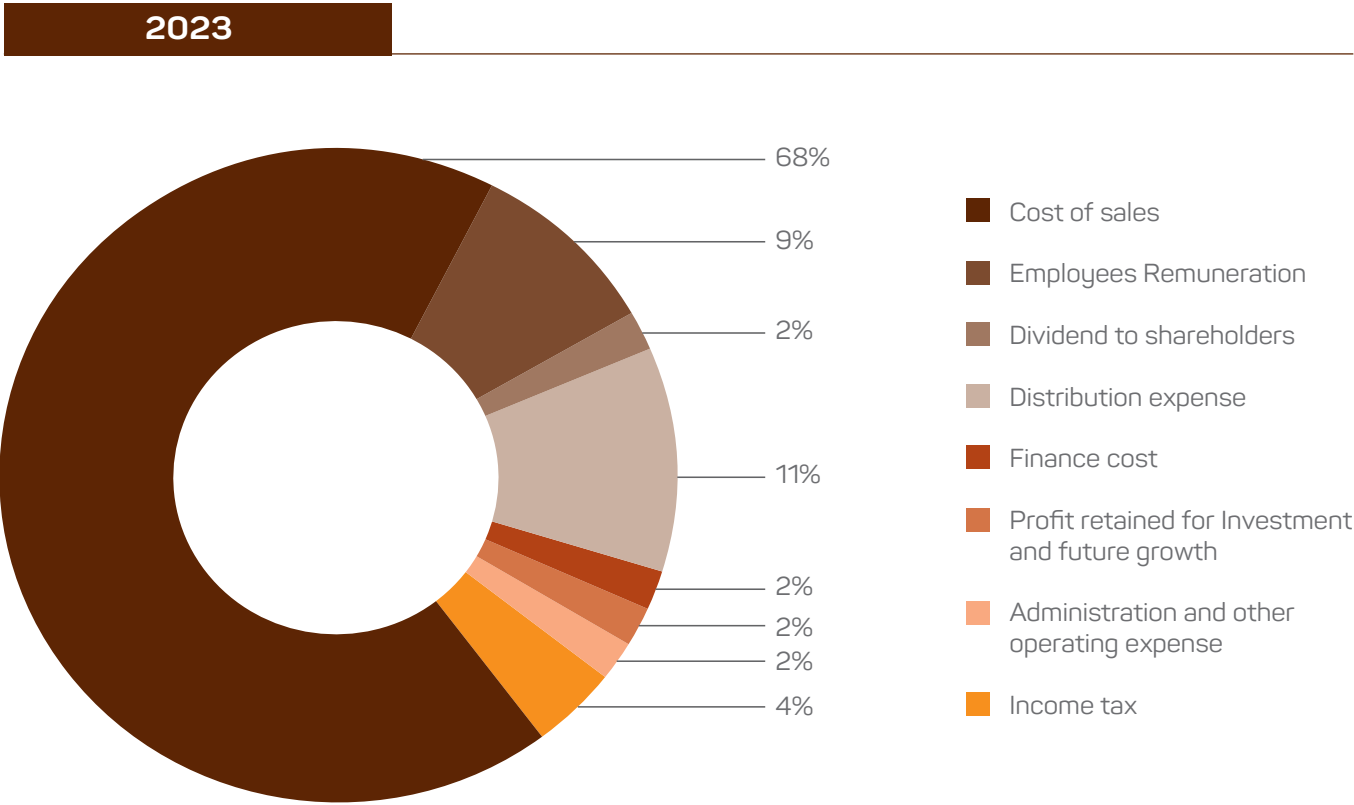


Six Year Cash Flow Using Direct Method

Source	2023	2022	2021	2020	2019	2018
	(Rupees in Mln)					
Cash received from customers	64,312	43,726	34,968	28,392	24,293	21,685
Cash paid for goods & services	(59,363)	(41,143)	(31,506)	(24,730)	(21,946)	(19,808)
Cash generated from operations	4,949	2,583	3,463	3,662	2,347	1,877
Financial cost paid	CF	(779)	(393)	(320)	(356)	(181)
Net increase in long term deposits	CF	1	(6)	(1)	(7)	1
Deferred rent	CF	-	-	(35)	2	18
Retirement benefit obligation	CF	-	(16)	(155)	(35)	(42)
Income tax refund / (paid)	CF	(1,240)	(722)	(460)	(238)	(116)
Net cash flow from operating activities	2,931	1,446	2,526	2,992	1,923	1,311
Purchase of property, plant & equipment	CF	(3,694)	(3,113)	(873)	(900)	(952)
Business acquisition	CF	(578)	-	-	-	-
Purchase of intangible assets	CF	(80)	(32)	(52)	(8)	(42)
Sale proceeds from disposal of property, plant and equipment	CF	79	111	66	20	95
Purchase of equity investment	CF	-	-	-	(30)	-
Purchase of debt investment	CF	399	(324)	(1,000)	-	-
Deferred consideration paid	CF	-	-	-	(207)	-
Net cash flow from investing activities	(3,873)	(3,358)	(1,860)	(919)	(1,107)	(1,676)
Proceeds from short term borrowings	CF	(726)	1,107	170	-	288
Proceeds from long term finance	CF	2,960	(576)	(6)	582	504
Repayment of short term borrowings	CF	-	-	-	(460)	(50)
Decrease in long term financing - net	-	-	-	-	(177)	(55)
Deferred consideration paid	-	-	-	-	-	(127)
Repayment of lease obligations	CF	(561)	(294)	(148)	(151)	-
Dividend paid	CF	(1,388)	(1,036)	(860)	(531)	(432)
Net cash flow from financing activities	284	(800)	(845)	(559)	(110)	(1)
Net cash flows	(658)	(2,711)	(178)	1,514	706	(367)

Statement of Value Added and its Distribution

Value Addition	2023		2022	
	(Rupees in thousands)	%	(Rupees in thousands)	%
Revenue	64,322,287		45,525,608	
Other Income	912,120		646,054	
	65,234,407		46,171,663	
Cost of Sales	44,404,895	68%	30,972,347	67%
Distributon Expense	6,047,573	9%	4,889,756	11%
Administration and Other Operating Expense	1,718,481	2%	1,301,051	3%
Employees Renumeration	6,899,768	11%	4,929,698	11%
Finance Cost	1,158,889	2%	463,810	1%
Income Tax	1,173,499	2%	897,925	2%
Dividend to shareholders	1,165,577	2%	1,165,577	2%
Profit retained for Investment & Future	2,665,725	4%	1,551,498	3%
Growth	65,234,407	100%	46,171,663	100%



Here for innov- ation



Standalone Financial Statements 2023



Statement of Compliance

with Listed Companies (Code of Corporate Governance) Regulations, 2019

National Foods Limited Year ended June 30, 2023

The Company has complied with the requirements of the Regulations in the following manner:

1.

The total number of directors are seven (07) as per the following:

a. Male: Five (05)

b. Female: Two (02)
2.

The composition of Board is as follows:

a) Independent Directors *

Mr. Ehsan A. Malik

Mr. Ali H. Shirazi

b) Non-Executive Directors

Mr. Zahid Majeed

Mrs. Noreen Hasan

Mrs. Saadia Naveed

c) Executive Directors

Mr. Abrar Hasan

Mr. Adam Fahy Majeed

d) Female Directors

Mrs. Noreen Hasan

Mrs. Saadia Naveed

*For the purpose of Clause 6 (1), the Company has not rounded up the fraction as one since the Board has adequate Independent Directors i.e. 02 Independent Directors out of the Board of 07 Directors. We have duly complied with the minimum requirement of Executive and Independent Director. The additional number out of 07 is assigned to Non-Executive Director.
3.

The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4.

The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5.

The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.

6.

All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7.

The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Compines Act, 2017 (‘Act’) and the Regulations with respect to frequency, recording and circulating minutes of the meetings of the Board.
8.

The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9.

Following directors have attended Directors’ Training:

Mr. Abrar Hasan

Mr. Ali H. Shirazi

Mr. Ehsan A. Malik

Mrs. Noreen Hasan

Mrs. Saadia Naveed

Mr. Zahid Majeed
10.

The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11.

Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12.

The Board has formed committees comprising of members given below:

a) Audit Committee

Mr. Ehsan A. MalikChairman

Mrs. Noreen HasanMember

Mrs. Saadia NaveedMember

b) HR and Remuneration Committee

Mr. Ali H. ShiraziChairman

Mr. Ehsan A MalikMember

Mrs. Noreen HasanMember
13.

The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14.

The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

Statement of Compliance

with Listed Companies (Code of Corporate Governance) Regulations, 2019

National Foods Limited Year ended June 30, 2023

- a) Audit Committee – **Four (04)**

b) HR and Remuneration Committee – **Two (02)**
15.

The Board has outsourced the internal audit function to EY Ford Rhodes Chartered Accountants, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16.

The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or director of the Company.
17.

The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18.

We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

Independent Auditor’s Review Report

To The Members of National Foods Limited

Report on the Audit of the Unconsolidated Financial Statements

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **National Foods Limited** (the Company) for the year ended 30 June 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company’s compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company’s personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors’ statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company’s corporate governance procedures and risks.

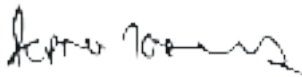
The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company’s compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2023.

Date: 22 September 2023

Karachi

UDIN: CR2023102012apUcQJvg


KPMG Taseer Hadi & Co.
Chartered Accountants

Independent Auditor’s Report

To The Members of National Foods Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **National Foods Limited** (the Company), which comprise the unconsolidated statement of financial position as at **30 June 2023**, and the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2023 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

S.No	Key audit matter	How the matter was addressed in our audit
1.	<p>Stock-In-Trade – Provision for obsolescence</p> <p>Refer notes 4:10 and 9 to the Company’s unconsolidated financial statements for the accounting policy and particulars of stock-in-trade.</p> <p>Stock-in-trade represents 39% of the Company’s total assets at year-end. It comprises raw material, packing material, work in process, and finished goods.</p> <p>Estimation of provision for obsolescence involves use of significant management judgements. These judgments are subjective and can significantly influence the provision for obsolescence. Therefore, we have considered provision for obsolescence as a key audit matter.</p>	<p>Our audit procedures to assess the provision for obsolescence on stock-in-trade, amongst others, included the following:</p> <ul style="list-style-type: none">assessed the Company’s policy for recording provision for obsolescence on stock-in-trade;obtained an understanding of and assessed the design and testing the implementation of management’s controls designed to identify obsolete and slow-moving items;checked on sample basis that the provision for obsolescence have been calculated in accordance with Company’s policy and verified the mathematical accuracy of the underlying calculations; andconsidered the accuracy and adequacy of the disclosure given in Note 9 to the financial statements as per the requirements of relevant accounting standards.

Independent Auditor’s Report

To The Members of National Foods Limited

Report on the Audit of the Unconsolidated Financial Statements

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor’s Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Company’s Annual Report for the year ended 30 June 2023 but does not include the unconsolidated and consolidated financial statements and our auditor’s reports thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

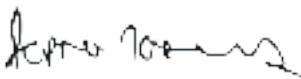
Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company’s business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980) was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor’s report is Amyn Pirani.

Date: 22 September 2023
Karachi
UDIN: AR202310201ZnWby4DSU


KPMG Taseer Hadi & Co.
Chartered Accountants

Unconsolidated Statement of Financial Position

As at 30 June 2023

	Note	2023	2022
(Rupees in '000)			
ASSETS			
Non-current assets			
Property, plant and equipment	5	9,764,235	7,067,013
Intangibles	6	135,362	73,943
Long-term investments	7	31,719	45,935
Long-term deposits		40,259	38,444
Deferred assets	8	44,158	53,656
		10,015,733	7,278,991
Current assets			
Stores and spare parts		260,966	168,050
Stock-in-trade	9	9,769,284	6,628,926
Trade debts	10	1,569,867	1,948,605
Advances	11	1,207,650	732,502
Deposits and prepayments	12	120,955	66,005
Other receivable	13	83,550	-
Short-term investments at FVTPL	14	937,047	1,324,795
Cash and bank balances	15	1,191,325	712,989
		15,140,644	11,581,872
TOTAL ASSETS		25,156,377	18,860,863
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized 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
Share capital			
Issued, subscribed and paid-up capital	16	1,165,576	1,165,576
Revenue Reserve			
Unappropriated profit		6,359,028	5,343,575
		7,524,604	6,509,151
Non - current liabilities			
Long-term finance and deferred income - secured	17	3,089,985	255,976
Lease liabilities	18	7,854	16,671
Deferred taxation - net	19	342,969	208,878
Long term provisions	20	4,626	22,461
		3,445,434	503,986
Current liabilities			
Trade and other payables	21	7,464,318	5,738,658
Contract liability	22	291,002	93,076
Short-term borrowings	23	4,905,760	4,269,883
Unclaimed dividend		20,639	23,161
Long-term finance and deferred income classified as current - secured	17	93,320	416,215
Mark-up accrued on bank borrowings		459,706	80,072
Taxation - net		951,594	1,226,661
		14,186,339	11,847,726
Contingencies and commitments	24		
TOTAL EQUITY AND LIABILITIES		25,156,377	18,860,863

The annexed notes 1 to 43 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Chief Financial Officer


Director

Unconsolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

	Note	2023	2022
		(Rupees in '000)	
Sales - net	25	29,602,876	26,843,062
Cost of sales	26	(19,360,522)	(17,875,419)
Gross profit		10,242,354	8,967,643
Selling and distribution costs	27	(5,642,096)	(5,191,846)
Impairment loss on trade debts	10.1	(18,198)	(11,761)
Administrative expenses	28	(1,865,221)	(1,381,167)
Other expenses	29	(277,976)	(293,732)
Other income	30	884,472	672,419
Finance costs	31	(621,391)	(180,309)
Profit before taxation		2,701,944	2,581,247
Taxation - net	32	(513,904)	(616,169)
Profit for the year		2,188,040	1,965,078
Other comprehensive income			
Items that will not be reclassified to statement of profit or loss			
Remeasurements of retirement benefit liability actuarial (loss) / gain		(11,493)	394
Related deferred tax thereon		4,482	(114)
		(7,011)	280
Total comprehensive income		2,181,029	1,965,358
(Rupees)			
Earnings per share - basic and diluted	33	9.39	8.43

The annexed notes 1 to 43 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Chief Financial Officer


Director


Unconsolidated Statement of Cash Flows

For the year ended 30 June 2023

	Note	2023	2022
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	34	2,467,030	1,567,494
Finance cost paid		(241,757)	(109,375)
Income taxes paid		(650,397)	(418,850)
Retirement benefits paid		-	(15,621)
Long term deposits - net		(1,815)	(4,724)
Net cash flows from operating activities		1,573,061	1,018,924
CASH FLOWS FROM INVESTING ACTIVITES			
Purchase of property, plant and equipment		(3,452,975)	(2,679,068)
Purchase of intangible assets		(79,733)	(32,311)
Redemption/ (purchase) of short term investment - net		399,392	(323,596)
Proceeds from disposal of operating fixed assets		76,515	109,326
Net cash flows from investing activities		(3,056,801)	(2,925,649)
CASH FLOWS FROM FINANCING ACTIVITES			
(Repayment) / proceeds from short term borrowings - net		(450,000)	650,000
Lease rental paid		(18,855)	(9,648)
Proceeds / (Repayment) of long term finance - net		2,513,151	(529,798)
Dividends paid		(1,168,098)	(930,503)
Net cash flows from financing activities		876,198	(819,949)
Net decrease in cash and cash equivalents		(607,542)	(2,726,674)
Cash and cash equivalents at beginning of the year		(2,306,893)	419,781
Cash and cash equivalents at end of the year	35	(2,914,435)	(2,306,893)

The annexed notes 1 to 43 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Chief Financial Officer


Director

Unconsolidated Statement of Changes in Equity

For the year ended 30 June 2023

	Issued, subscribed and paid-up share 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 year ended 30 June 2022			
Profit for the year	-	1,965,078	1,965,078
Other comprehensive income for the year	-	280	280
	-	1,965,358	1,965,358
Transactions with owners recorded directly in equity - distributions			
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 30 June 2022	1,165,576	5,343,575	6,509,151
Balance as at 1 July 2022	1,165,576	5,343,575	6,509,151
Total comprehensive income for the year ended 30 June 2023			
Profit for the year	-	2,188,040	2,188,040
Other comprehensive income for the year	-	(7,011)	(7,011)
	-	2,181,029	2,181,029
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)
Balance as at 30 June 2023	1,165,576	6,359,028	7,524,604

The annexed notes 1 to 43 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Chief Financial Officer


Director

Unconsolidated Statement of Financial Statements

For the year ended 30 June 2023

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 manufacturing 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. Details of Company's investments in subsidiary companies are given in note 7 to these unconsolidated financial statements.

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

Manufacturing facilities:

- 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. (under construction)

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, 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.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as 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 financial statements have been prepared under the historical cost convention except as stated otherwise.

2.3 Functional and presentation currency

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

2.4 Use of significant estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of the Company's accounting 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 judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods. In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

	Note
Property, plant and equipment	4.1
Intangible assets	4.3
Investment at fair value through profit or loss (FVTPL)	4.6
Taxation	4.7
Retirement benefits obligations	4.8
Stock in trade	4.10
Impairment	4.11
Provision for refund liability	4.15

Unconsolidated Statement of Financial Statements

For the year ended 30 June 2023

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

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

There are certain new standards, amendments to the approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after 1 July 2022. However, these do not have any significant impact on the Company's financial reporting and therefore have not been detailed in these unconsolidated financial statements.

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

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 July 2023:

- Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after 1 January 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.
- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

- Definition of Accounting Estimates (Amendments to IAS 8) introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.
- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

Unconsolidated Statement of Financial Statements

For the year ended 30 June 2023

- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company’s liabilities and cash flows, and the company’s exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

The above are not likely to have a material impact on the financial statements of the Company based on the current balance.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies have been applied consistently for all periods presented in these financial statements. Details of these policies are as follows:

4.1 Property, plant and equipment

Initial recognition

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

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

Measurement

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

- (a) its purchase price including import duties, non refundable purchase taxes after deducting trade discounts and rebates;
- (b) any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management; and
- (c) Borrowing costs, if any.

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

Subsequent expenditure (including normal repairs and maintenance)

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

Depreciation

Depreciation on all items ,except land, is charged on a straight line method. The useful lives for depreciation are indicated in note 5.1 of the financial statements. Depreciation on additions to property, plant and equipment is charged from the month the asset is available for use up to the month of disposal. Depreciation methods, useful lives and residual values of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposal

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

Capital work in progress

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

4.2 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes substantial period of time to get ready for intended use) form part of the cost of those asset and, therefore are capitalized. Other borrowing costs are recognised as an expense, in the period in which it incurs. Borrowing cost are calculated based on the effective interest rate.

4.3 Intangibles

These are stated at cost less accumulated amortisation and any provision for impairment loss. Amortisation of intangible assets is charged to statement of profit and loss from the month in which an intangible asset is acquired applying the straight line method at the rates specified in note 6 to the financial statements after taking into account residual value, if any.

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that this carrying value may not be recoverable, if any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount.

4.4 Leases

The Company assesses whether a contract is or contains a lease at inception of the contract. This assessment involves the exercise of judgement about whether it depends on a specified asset, whether the Company obtains substantially all the economic benefits from the use of that asset, and whether the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date, except for short term leases of 12 months or less and leases of low value items, which are expensed in the statement of profit or loss on a straight-line basis over the lease term.

Unconsolidated Statement of Financial Statements

For the year ended 30 June 2023

The lease liability is initially measured at the present value of the lease payment that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate applicable in the market for such leases.

The lease liability is subsequently measured at amortized cost using the effective interest rate method and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

At inception, the ROU asset comprises the initial lease liability, initial direct costs and the obligations to refurbish the asset, less any incentives granted by the lessors. The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator for impairment, as for owned assets.

4.5 Long term investment - subsidiary

Investment in subsidiary is stated at cost less impairment losses, if any.

4.6 Financial Instruments

4.6.1 Recognition, classification and measurement - Financial Assets

Classification

The Company currently classifies its financial assets in the following measurement categories:

- fair value through profit or loss (FVTPL); and
- measured at amortised cost.

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

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

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

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

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

Initial measurement

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measurement

Financial assets at FVTPL	<p>These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognised in statement of profit or loss.</p> <p>Investments in mutual funds are measured at fair value based on net asset value of the fund on each balance sheet date (as per the redemption prices quoted by each mutual fund) and the unrealized gain / (loss) is recognized in the statement of profit or loss.</p>
Financial assets measured at amortised cost	<p>These assets are subsequently measured at amortised using the effective interest method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss.</p>

4.6.2 Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses is recognised in statement of profit or loss. Any gain or loss on derecognition is also recognised in statement of profit or loss.

4.6.3 Derecognition

Financial assets

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Unconsolidated Statement of Financial Statements

For the year ended 30 June 2023

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

4.6.3.1 Trade and other payables

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

4.6.3.2 Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has currently legally enforceable right to set-off the recognised amounts and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4.7 Taxation

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

i) *Current*

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

ii) *Deferred*

Deferred tax is accounted for using the balance sheet method on all temporary differences arising between tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liability is recognised for all taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is charged or credited in the profit or loss (except to the extent that it relates to items recognized directly in equity or other comprehensive income in which cases these are recognized directly in equity or other comprehensive income as the case may be).

4.8 Employee retirement benefits

Defined benefit plans

The Company operates a funded pension scheme and post retirement medical benefit for the individuals mentioned in note 8 to these financial statements. The liability recognised in the statement of financial position in respect of the defined benefit plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. Remeasurements which comprise actuarial gains and losses are recognised immediately in other comprehensive income. The latest actuarial valuation of the defined benefit plans was conducted at 30 June 2023.

The current and past-service costs and interest income / expenses are recognized immediately in the statement of profit or loss.

Surplus arising on the actuarial valuation is recognized to the extent these are available under the applicable trust deed at the present value of economic benefits available in the form of refund or reductions in future contribution to the fund.

Defined contribution plan

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

4.9 Stores and spare parts

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

4.10 Stock in trade

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

4.11 Impairment losses

4.11.1 Financial assets

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

The Company measures loss allowances at an amount equal to lifetime Expected Credit Losses (ECLs) for trade receivables.

Unconsolidated Statement of Financial Statements

For the year ended 30 June 2023

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

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

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

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

4.11.2 Non-financial assets

The carrying values of non-financial assets are reviewed for impairment when events or changes in circumstances indicate that this carrying value may not be recoverable. If such indications exist, the assets' recoverable amount is estimated in order to determine the extent of impairment loss, if any. Impairment losses are recognised as expense in the statement of profit and loss.

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

4.12 Ijarah

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

4.13 Provisions

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

4.14 Foreign currency transactions and translation

Foreign currency transactions are translated into Pakistani Rupee using the exchange rates approximating those prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are

translated into Pakistani Rupee at the rates of exchange approximating those prevailing at the reporting date. Exchange gains / losses on translation are included in statement of profit and loss currently.

4.15 Revenue recognition

Revenue is recognized when a contractual promise to a customer (performance obligation) has been fulfilled by transferring control over the promised goods and services to the customer. Revenue from sale of goods is recognised at the point in time when control of the product has transferred, being when the products are delivered to the customer. Invoices are generated and revenue is recognised on delivery of goods. Delivery occurs when the products have been shipped to / or and delivered to the customer's destination / specific location, the risks of loss have been transferred to the customer and the customer has accepted the product.

Revenue is measured based on the consideration specified in a contract with a customer, net of returns, amounts collected on behalf of third parties (sales taxes etc.), pricing allowances and other trade discounts. No asset is recognized for returns as they are not anticipated to be resold. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

A contract liability is also recognised for short- term advances that the Company receives from its customers

4.16 Miscellaneous income

Miscellaneous income including export rebate is recognised on receipt basis.

4.17 Interest / Mark up income / Rental income

Income on Interest / Mark up income and rental income is recognised on a time proportionate basis and in case of interest and mark-up at the rate of return implicit in the arrangement.

4.18 Dividend income

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

4.19 Research and development

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

4.20 Dividends and appropriations

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

4.21 Government grants

Government grant includes any benefit earned on account of a government loan obtained at below market rate of interest. The loan is recognized and measured in accordance with IFRS 9 "Financial Instruments". The benefit of the below-market rate of interest shall be measured as the difference between the initial fair value of the loan determined in accordance with IFRS 9 and the proceeds received. The difference, representing the grant amount (income) is recognized over the period of the loan.

Unconsolidated Statement of Financial Statements

For the year ended 30 June 2023

5. PROPERTY, PLANT AND EQUIPMENT	Note	2023	2022
		(Rupees in '000)	
Operating fixed assets	5.1	4,915,430	4,888,725
Capital work-in-progress	5.6	4,834,734	2,147,899
Right-of-use assets	5.8	14,071	30,389
		9,764,235	7,067,013

5.1 Operating fixed assets

2023

	Freehold land	Leasehold land	Building on leasehold land	Plant and machinery	Furniture and fittings	Office and other equipments	Computers	Laboratory equipments	Vehicles	Total
(Rupees in '000)										
At 1 July 2022										
Cost	207,335	179,992	3,050,479	3,710,257	169,185	249,380	333,613	70,784	134,170	8,105,195
Accumulated depreciation	-	-	(611,237)	(1,965,075)	(143,257)	(195,013)	(214,723)	(36,303)	(50,862)	(3,216,470)
Net book value	207,335	179,992	2,439,242	1,745,182	25,928	54,367	118,890	34,481	83,308	4,888,725
Additions / transfer - note 5.6.2	-	-	139,109	501,597	28,727	20,186	35,081	14,138	27,301	766,139
Disposals										
Cost	-	-	-	(32,638)	(325)	(309)	(3,906)	-	(123,721)	(160,899)
Accumulated depreciation	-	-	-	29,446	325	300	3,886	-	63,724	97,681
	-	-	-	(3,192)	-	(9)	(20)	-	(59,997)	(63,218)
Depreciation charge for the year	-	-	(116,643)	(398,327)	(18,508)	(37,902)	(59,758)	(10,744)	(34,334)	(676,216)
Closing net book value	207,335	179,992	2,461,708	1,845,260	36,147	36,642	94,193	37,875	16,278	4,915,430
At 30 June 2023										
Cost	207,335	179,992	3,189,588	4,179,216	197,587	269,257	364,788	84,922	37,750	8,710,435
Accumulated depreciation	-	-	(727,880)	(2,333,956)	(161,440)	(232,615)	(270,595)	(47,047)	(21,472)	(3,795,005)
Net book value	207,335	179,992	2,461,708	1,845,260	36,147	36,642	94,193	37,875	16,278	4,915,430
Useful life (years)	-	-	5 - 60	5 - 10	5	5 - 10	3	5 - 10	5	

2022

At 1 July 2021										
Cost	-	181,862	2,871,241	3,444,441	156,310	232,302	235,906	59,592	85,929	7,267,583
Accumulated depreciation	-	-	(510,558)	(1,668,847)	(117,594)	(156,672)	(188,269)	(27,992)	(37,021)	(2,706,953)
Net book value	-	181,862	2,360,683	1,775,594	38,716	75,630	47,637	31,600	48,908	4,560,630
Additions / transfer - note 5.6.2	207,335	-	184,889	338,283	12,875	17,089	110,742	11,192	115,667	998,072
Disposals										
Cost	-	(1,870)	(5,651)	(72,467)	-	(11)	(13,035)	-	(67,426)	(160,460)
Accumulated depreciation	-	-	2,166	62,591	-	11	12,924	-	17,492	95,184
	-	(1,870)	(3,485)	(9,876)	-	-	(111)	-	(49,934)	(65,276)
Depreciation charge for the year	-	-	(102,845)	(358,819)	(25,663)	(38,352)	(39,378)	(8,311)	(31,333)	(604,701)
Closing net book value	207,335	179,992	2,439,242	1,745,182	25,928	54,367	118,890	34,481	83,308	4,888,725
At 30 June 2022										
Cost	207,335	179,992	3,050,479	3,710,257	169,185	249,380	333,613	70,784	134,170	8,105,195
Accumulated depreciation	-	-	(611,237)	(1,965,075)	(143,257)	(195,013)	(214,723)	(36,303)	(50,862)	(3,216,470)
Net book value	207,335	179,992	2,439,242	1,745,182	25,928	54,367	118,890	34,481	83,308	4,888,725
Useful life (years)	-	-	5 - 60	5 - 10	5	5 - 10	3	5 - 10	5	

5.2 Above assets includes fully depreciated assets having cost of Rs. 1.5 billion (2022: Rs. 1.07 billion).

5.3 The depreciation charge for the year has been allocated as follows:

	Note	2023	2022
(Rupees in '000)			
Cost of sales	26	531,443	469,690
Distribution costs	27	28,196	21,088
Administrative expenses	28	116,577	113,922
		676,216	604,700

5.4 The details of property, plant and equipment having net book value of Rs. 500,000 and above sold / disposed of during the year are as follows:

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of purchaser	Relationship with the purchaser
(Rupees in '000)								
Plant & Machinery	2,955	1,945	1,010	540	(470)	Negotiation	M/S Mehmood Enterprises	Third party
Plant & Machinery	1,686	955	731	1,885	1,154	Negotiation	Muhammad Khurshid	Third party
Motor Vehicle	4,938	1,234	3,704	7,600	3,896	Insurance Claim	IGI Insurance Ltd.	Third party
Motor Vehicle	1,120	149	971	1,800	829	Insurance Claim	IGI Insurance Ltd.	Third party
Motor Vehicle	645	94	551	2,500	1,949	Insurance Claim	IGI Insurance Ltd.	Third party
Total	11,344	4,377	6,967	14,325	7,358			

5.5 The details of motor vehicles having net book value of Rs. 500,000 and above, disposed off to employee under buy back policy is given below. The gain / (loss) arising on their disposal is notional as the amount has been recovered from the employee.

Unconsolidated Statement of Financial Statements

For the year ended 30 June 2023

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of purchaser	Relationship with the purchaser
(Rupees in ‘000)								
Motor Vehicle	759	174	585	496	(89)	Company Policy	Mr.Anis-Ur-Rehman	Company's Executive
Motor Vehicle	2,420	504	1,916	2,250	334	Company Policy	Mr.Sauban Shikoh	Company's Executive
Motor Vehicle	1,859	387	1,472	1,945	473	Company Policy	Mr.Ghulam Hussain	Company's Executive
Motor Vehicle	1,883	392	1,491	2,036	545	Company Policy	Mr.Hasan Arshad	Company's Executive
Motor Vehicle	1,868	350	1,518	1,982	464	Company Policy	Mr.Muhammad Umer	Company's Executive
Motor Vehicle	1,385	260	1,125	1,282	157	Company Policy	Mr.Hasan Rasheed	Company's Executive
Motor Vehicle	1,328	249	1,079	1,668	589	Company Policy	Mr.Mustafa Nadeem	Company's Executive
Motor Vehicle	1,306	190	1,116	1,304	188	Company Policy	Mr.Kashif Rafiq	Company's Executive
Motor Vehicle	967	282	685	1,137	452	Company Policy	Mr.Imran Khan	Company's Executive
Motor Vehicle	1,206	201	1,005	1,256	251	Company Policy	Mr.Fahad Shahzad	Company's Executive
Motor Vehicle	1,346	224	1,122	1,335	213	Company Policy	Mr.Usman Nazeer	Company's Executive
Motor Vehicle	2,422	353	2,069	2,120	51	Company Policy	Mr.Muhammad Ali	Company's Executive
Motor Vehicle	1,049	131	918	1,288	370	Company Policy	Mr.Bilal Farooq	Company's Executive
Motor Vehicle	925	96	829	1,186	357	Company Policy	Mr.Rehan Khalid	Company's Executive
Motor Vehicle	1,032	194	838	800	(38)	Company Policy	Mr.Mushahid Mushtaq	Company's Executive
Motor Vehicle	854	107	747	691	(56)	Company Policy	Mr.Hassan Qasim	Company's Executive
Motor Vehicle	991	124	867	1,018	151	Company Policy	Mr.Bilal Khan	Company's Executive
Motor Vehicle	1,542	161	1,381	1,912	531	Company Policy	Mr.Aziz Khan	Company's Executive
Motor Vehicle	1,609	201	1,408	1,815	407	Company Policy	Mr.S.M. Hadi Hussain Rizvi	Company's Executive
Motor Vehicle	883	221	662	1,088	426	Company Policy	Mr.M.Irfan Iqbal	Company's Executive
Motor Vehicle	602	88	514	392	(122)	Company Policy	Mr.Danish Kazim	Company's Executive
Motor Vehicle	693	72	621	699	78	Company Policy	Mr.Muhammad Zohaib	Company's Executive
Motor Vehicle	1,136	260	876	1,254	378	Company Policy	Mr.Waleed Muhammad	Company's Executive
Motor Vehicle	2,421	706	1,715	2,173	458	Company Policy	Mr.Abdul Sami Qureshi	Company's Executive
Motor Vehicle	898	206	692	1,121	429	Company Policy	Mr.Rehman	Company's Executive
Motor Vehicle	1,643	377	1,266	1,792	526	Company Policy	Mr.Tariq	Company's Executive
Motor Vehicle	1,957	204	1,753	1,864	111	Company Policy	Mr.Hasan Najeeb	Company's Executive
Motor Vehicle	849	71	778	483	(295)	Company Policy	Mr.Usman Saif	Company's Executive
Total	37,833	6,785	31,048	38,387	7,339			

5.6 Capital work-in-progress (CWIP)

Note	2023	2022
(Rupees in ‘000)		
Civil works	3,593,846	1,308,446
Advance against civil work	367,575	599,542
Plant and machinery	264,473	161,431
Advance against Plant & Machinery and Office Equipment	248,101	60,118
Office equipment	277,157	8,335
Furniture & Fixtures	80,401	7,879
Advance against motor Vehicles and furniture & fixtures	3,181	2,148
	4,834,734	2,147,899

- 5.6.1 Includes borrowing costs capitalized during the year amounting to Rs. 569 million (2022: Rs. 104 million).
- 5.6.2 During the year the additions to CWIP and transfer of respective assets to operating fixed assets amounted to Rs. 3,295 million (2022: Rs. 1,703 million) and Rs. 608 million (2022: Rs. 362 million) respectively.

5.7 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Location	Usage of immovable property	Geographical Location	Total Area (In Sq. Ft.)	Covered Area (In Sq. Ft.)
Corporate office	Office Building	12/CL-6 Claremount Road, Civil Lines, Karachi	45,099	16,301
S.I.T.E.	Manufacturing plant	Unit F-160/ C, F- 133, S.I.T.E., Karachi	76,491	50,786
Port Qasim	Manufacturing plant	Office A-13, North Western Industrial Zone, Bin Qasim, Karachi	435,602	283,132
Nooriabad	Manufacturing plant	A-393, Nooriabad Industrial Estate, Nooriabad	602,942	147,045
Gujranwala	Manufacturing plant	53-KM G.T. Road, Chainwala Mord Amanabad, Gujranwala	130,680	37,346
Faisalabad	Manufacturing plant (Under construction)	Plot No. 346 & 347 Phase - 2, M-3 Industrial City, Faisalabad	1,086,456	412,862

5.8 Right-of-use assets

	Office Premises	Storage Tank	Total
Note	(Rupees in ‘000)		
As at June 30, 2021	-	-	-
Additions	23,785	16,780	40,565
Depreciation charge	(1,786)	(8,390)	(10,176)
As at June 30, 2022	21,999	8,390	30,389
Addition	-	-	-
Depreciation charge	(7,928)	(8,390)	(16,318)
As at June 30, 2023	14,071	-	14,071
Lease term	3	2	

Unconsolidated Statement of Financial Statements

For the year ended 30 June 2023

5.8.1 The depreciation charge for the year has been allocated as follows:

	Note	2023	2022
		(Rupees in '000)	
Cost of sales	26	8,390	8,390
Distribution costs	27	2,357	393
Administrative expenses	28	5,571	1,393
		<u>16,318</u>	<u>10,176</u>

6. INTANGIBLES

Computer software and ERP System	6.1	39,069	32,285
Systems under development - Capital work-in-progress	6.3	96,293	41,658
		<u>135,362</u>	<u>73,943</u>

6.1 Computer software and ERP System

Net carrying value basis

Opening net book value		32,285	33,104
Additions (at cost) / transfer		25,098	22,640
Amortisation for the year	6.2	(18,314)	(23,459)
Closing net book value		<u>39,069</u>	<u>32,285</u>

Gross carrying value basis

Cost		352,826	327,728
Accumulated amortisation		(313,757)	(295,443)
Net book value		<u>39,069</u>	<u>32,285</u>

Useful life (years)		<u>3</u>	<u>3</u>
---------------------	--	----------	----------

6.2 The amortization charge for the year has been allocated as follows:

Cost of sales	26	665	409
Distribution costs	27	-	615
Administrative expenses	28	17,649	22,434
		<u>18,314</u>	<u>23,458</u>

6.3 This represent amount given to vendor for the development of software which is expected to be capitalised next year.

7. LONG TERM INVESTMENTS

	Note	2023	2022
		(Rupees in '000)	
Investment at fair value through profit or loss (FVTPL)			
Naimat Collateral Management Company Limited		30,000	30,000
Less: Provision for Impairment	7.1	(30,000)	(15,784)
	7.1.1	<u>-</u>	<u>14,216</u>
Investment in subsidiary - at cost			
National Foods DMCC	7.2	31,719	31,719
		<u>31,719</u>	<u>45,935</u>

7.1 The movement in provision for impairment during the year is as follows:

Balance at beginning of the year		(15,784)	-
Provision recognized during the year	7.1.1	(14,216)	(15,784)
Balance at end of the year		<u>(30,000)</u>	<u>(15,784)</u>

7.1.1 On 25 February 2020, the Company subscribed 3,000,000 ordinary shares of Rs.10 each in Naymat Collateral Management Company Limited (NCMCL). The Company's shareholding gives it ownership interest and voting power of 10% in it. NCMCL is an unlisted public company that was incorporated under Companies Act, 2017 on 21 January 2020 and has its registered office at C-25/B, Block 4, Clifton, Karachi Saddar Town, Sindh, Pakistan. It is engaged in the business of providing storage and preservation services for a range of agricultural commodities as well as issuing credible warehouse receipts for agricultural commodity financing.

The 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.

7.2 The Company has a wholly owned (100%) subsidiary which was set up in United Arab Emirates in 2012 and is carried at cost. The subsidiary was formed as a limited liability company and commenced operations from March 2013. National Foods DMCC (NF DMCC) was registered on 7 November 2012 in Dubai Multi Commodities Centre ("DMCC") pursuant to Dubai (DMCC) Law No. 4 of 2001 and operates in the United Arab Emirates ("UAE") under a trade license issued by DMCC. The registered address of the Company is Unit No. 2404-19, Reef Tower, Plot No JLT.PH 2-014, 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. NF DMCC also has following two wholly owned direct subsidiaries and two indirect subsidiaries as follows:

Unconsolidated Statement of Financial Statements

For the year ended 30 June 2023

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 holding company of A-1 Bags & Supplies Inc. and National Epicure USA 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% holding in A-1 Bags and Supplies Inc. in the year 2017 and is principally engaged in distribution and wholesale of food products, disposables, janitorial and sanitation products.

National Epicure USA Inc.

National Epicure USA Inc. was incorporated in USA on 1 December 2021 under the General Corporation Law of the State of Delaware, USA with an authorized share capital of 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 Epicure Inc - Canada.

8. DEFERRED ASSETS

	2023	2022
	(Rupees in '000)	
Pension Plan	26,174	43,805
Pensioners' Medical Plan	17,984	9,851
	44,158	53,656

8.1 The Company currently operates a funded pension scheme and post retirement medical benefit for the Chief Executive. In addition, payments are also being made from the pension scheme for the spouses of the two late Directors. Actuarial valuation of these plans is carried out every year and the latest actuarial valuation was carried out as at 30 June 2023.

8.2 Plan assets held in trust are governed by local regulations which mainly include the Trust Act, 1882, the Companies Act, 2017, the Income Tax Rules, 2002 and Rules under the Trust Deed of the Plans. Responsibility for governance of the Plans, including investment decisions and contribution schedules, lies with the Board of Trustees. The Company appoints the Trustees and all Trustees are employees of the Company.

8.3 The latest actuarial valuation of the Fund as at 30 June 2023 was carried out using the Projected Unit Credit Method. Details of the Fund as per the actuarial valuation are as follows:

8.4 Balance sheet reconciliation

		Pension Plan		Pensioners' Medical Plan	
	Note	2023	2022	2023	2022
(Rupees in '000)					
Present value of defined benefit obligations	8.8	(258,636)	(210,740)	(54,148)	(54,087)
Fair value of plan assets	8.9 & 8.10	284,810	254,545	72,132	63,938
		26,174	43,805	17,984	9,851
8.5 Movement in the net liability recognised in the balance sheet					
Opening balance		(43,805)	(46,816)	(9,851)	7,006
Remeasurements recognised in other comprehensive income	8.6	16,602	16,717	(5,109)	(17,111)
Charge for the year	8.7	1,029	1,914	237	2,146
Contribution made		-	(15,620)	-	-
Payments made to members (beneficiaries) by the Company		-	-	(3,261)	(1,892)
Closing balance		(26,174)	(43,805)	(17,984)	(9,851)
8.6 Remeasurements recognised in other comprehensive income					
Re-measurements: Actuarial loss / (gain) on obligation					
- Loss / (Gain) due to change in financial assumptions		2,667	2,688	(110)	(13,104)
- Loss / (Gain) due to change in experience adjustments		12,299	3,577	(5,189)	(6,690)
Actuarial loss / (gain) on defined benefit obligation - net		14,966	6,265	(5,299)	(19,794)
Re-measurements: Return on plan assets					
Actuarial loss		1,636	10,452	190	2,683
Total defined benefit cost recognised in other comprehensive income		16,602	16,717	(5,109)	(17,111)

Unconsolidated Statement of Financial Statements

For the year ended 30 June 2023

8.6.1 Net actuarial loss (2022: gain) recognized in other comprehensive income for the above two plans is Rs. 11.49 million (2022: Rs. 0.394 million).

		Pension Plan		Pensioners' Medical Plan	
Note		2023	2022	2023	2022
(Rupees in '000)					
8.7	Expense recognised in profit and loss account				
	Component of defined benefit costs recognized in profit and loss account				
	Current service cost	6,580	6,485	1,485	1,463
	Net interest cost				
	- Interest cost on defined benefit obligation	28,705	18,819	7,136	6,792
	- Interest income on plan assets	(34,256)	(23,390)	(8,384)	(6,109)
		(5,551)	(4,571)	(1,248)	683
		1,029	1,914	237	2,146
8.8	Movement in the present value of defined benefit obligations				
	Obligation as at 1 July	210,740	181,747	54,087	67,518
	Current service cost	6,580	6,485	1,485	1,463
	Interest cost	28,705	18,819	7,136	6,792
	Benefits paid	(2,355)	(2,576)	(3,261)	(1,892)
	Actuarial loss / (gain)	14,966	6,265	(5,299)	(19,794)
	Obligation as at 30 June	258,636	210,740	54,148	54,087
8.9	Movement in the fair value of plan assets				
	As at 1 July	254,545	228,563	63,938	60,512
	Expected return on plan assets	34,256	23,390	8,384	6,109
	Contribution made	-	15,620	-	-
	Benefits paid	(2,355)	(2,576)	-	-
	Actuarial loss on plan assets	(1,636)	(10,452)	(190)	(2,683)
	As at 30 June	284,810	254,545	72,132	63,938
8.10	Components of Plan assets				
	Cash at bank - current account	57,133	134,464	14,483	33,775
	Special saving certificates	6,530	6,530	1,640	1,640
	Investment in mutual funds	221,148	113,552	56,009	28,523
		284,811	254,546	72,132	63,938

8.10.1 These certificates of National Saving Schemes of the Government of Pakistan has matured. The amount is inclusive of interest.

8.10.2 This represents 4,950,453 units, 208,062 units, 485,670 units, 501,834 units, 512,901 units, 100,821 units and 339,311 units invested in ABL Cash Fund, Al Ameen Islamic Aggressive Income Fund, Al Ameen Islamic Cash Fund, UBL Cash Fund, Alfalah GHP Money Market Fund, Alfalah GHP Cash Fund and NAFA Asset Allocation Fund respectively with the fair value of Rs. 50.64 million, Rs. 21.03 million, Rs. 49.02 million, Rs. 50.24 million, Rs. 50.69 million, Rs. 50.69 million and Rs. 5.25 million respectively.

8.11 Principal actuarial assumptions

	2023	2022
Expected rate of increase in salaries	16.25%	13.50%
Expected rate of increase in pension	9.25%	6.50%
Expected rate of increase in medical benefits	14.25%	11.50%
Discount factor used	16.25%	13.50%
Mortality rate	SLIC (2001-05)	SLIC (2001-05)
Rates of employee turnover	Light	Light

8.12 Cost for the next financial year

As per the actuarial valuation report charge for the next financial year is as follows:

		2024	
		Pension Plan	Pensioners' Medical Plan
		(Rupees in '000)	
Current service cost		9,391	1,137

8.13 Sensitivity analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Unconsolidated Statement of Financial Statements

For the year ended 30 June 2023

	2023		
	Change in assumption	Defined benefit obligation - Increase / decrease in liability	
	(Rupees in '000)		
Discount rate at 30 June	1.00%	282,549	348,252
Future salary increases	1.00%	265,619	251,793
Future pension increases	1.00%	281,808	238,346
Medical cost increases	1.00%	59,581	49,476

	2022		
	Change in assumption	Defined benefit obligation - Increase / decrease in liability	
	(Rupees in '000)		
Discount rate at 30 June	1.00%	237,477	297,174
Future salary increases	1.00%	218,199	203,497
Future pension increases	1.00%	229,808	194,080
Medical cost increases	1.00%	59,841	49,175

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the pension liability recognised within the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

8.14 During the year, the Company contributed Rs. 100.26 million (2022: Rs. 78.07 million) to the employee provident fund.

9. STOCK-IN-TRADE

	Note	2023	2022
		(Rupees in '000)	
Raw materials	9.1 & 9.2	3,923,355	3,185,293
Provision for obsolescence	9.4	(51,543)	(78,559)
		3,871,812	3,106,734
Packing materials	9.1 & 9.2	1,362,662	749,519
Provision for obsolescence	9.4	(86,604)	(170,659)
		1,276,058	578,860
Work in process		2,523,297	1,689,635
Provision for obsolescence	9.4	(48,873)	(72,348)
		2,474,424	1,617,287
Finished goods	9.1 & 9.3	2,216,879	1,373,441
Provision for obsolescence	9.4	(69,889)	(47,396)
		2,146,990	1,326,045
		9,769,284	6,628,926

- 9.1** Stock in trade includes Rs. 5.84 billion (2022: Rs. 3.99 billion) held with third parties.
- 9.2** This include goods in transit pertaining to raw materials amounting to Rs. 310 million (2022: Rs. 171 million)
- 9.3** Above balances include items costing Rs. 66.55 million (2022: Rs. 75.28 million) valued at net realisable value of Rs. 55.87 million (2022: Rs. 62.15 million).
- 9.4** During the year, the Company recorded reversal of provision / (2022: charge) for obsolescence of Rs. 109.61 million (2022: Rs. 355.77 million) and has written off stocks against provision amounting to Rs. 239.16 million (2022: Rs.224.89 million).

Unconsolidated Statement of Financial Statements

For the year ended 30 June 2023

10. TRADE DEBTS

	Note	2023	2022
		(Rupees in '000)	
Considered good - unsecured			
- Related parties	10.2	860,160	655,692
- Others		709,707	1,292,913
		1,569,867	1,948,605
Considered doubtful		55,032	36,834
		1,624,899	1,985,439
Allowance for impairment	10.1	(55,032)	(36,834)
		1,569,867	1,948,605

10.1 The movement in the allowance for impairment on trade debts is as follows:

	2023	2022
	(Rupees in '000)	
Opening allowance for impairment	36,834	25,073
Charge for the year - net	18,198	11,761
Closing allowance for impairment	55,032	36,834

10.2 Receivable from a related party

	2023	2022
	(Rupees in '000)	
National Foods DMCC	860,160	655,692

10.2.1 The maximum aggregate amount due from the related party at the end of any month during the year are as follows:

	2023	2022
	(Rupees in '000)	
National Foods DMCC	1,076,509	1,131,421

As at 30 June 2023, the gross amount of trade debts due from a related party is Rs. 860.2 million (2022: Rs.655.7 million). These amounts are not past due.

11. ADVANCES

	Note	2023	2022
		(Rupees in '000)	
Considered good			
Suppliers & others	11.1	1,207,650	732,502
		1,207,650	732,502
Considered doubtful			
Suppliers		37,558	41,929
		1,245,208	774,431
Provision for doubtful advances to suppliers		(37,558)	(41,929)
		1,207,650	732,502

11.1 These advances include cash margin of Rs. 377.1 million Remaining balance of Rs. 828.08 million has been paid to the supplier for the raw material purchase.

12. DEPOSITS AND PREPAYMENTS

	Note	2023	2022
		(Rupees in '000)	
Considered good			
Deposits	12.1	20,570	16,536
Prepayments		100,385	49,469
		120,955	66,005

12.1 These trade deposits and prepayments are mainly against rent, insurance and IT utilities and are not considered doubtful. These do not carry any mark up arrangement.

13. OTHER RECEIVABLE

This represents sales tax refundable amounting to Rs. 83.5 million.

Unconsolidated Statement of Financial Statements

For the year ended 30 June 2023

14. SHORT TERM INVESTMENTS at FVTPL

Name of the Mutual Fund	As at 1 July 2022	Invested during the year	Redeemed during the year	As at 30 June 2023
(Number of units)				
MCB Cash Management Optimizer	4,935,844	-	4,935,844	-
HBL Cash Fund	4,935,201	144,916	4,901,314	178,803
Habib Islamic Money Market Fund	-	2,704,051	-	2,704,051
Faysal Stock Fund	669,106	-	-	669,106
Faysal Islamic Cash Fund	-	2,738,554	-	2,738,554
Faysal Money Market Fund	-	775	-	775
ABL Cash fund	24,522,623	82,204,276	77,281,992	29,444,907
Alfalalah GHP Stock Fund	422,996	-	-	422,996
Total	<u>35,485,770</u>	<u>87,792,572</u>	<u>87,119,150</u>	<u>36,159,192</u>

Name of the Mutual Fund	As at 1 July 2022	Invested during the year	Redeemed during the year	As at 30 June 2023
(Rupees in '000)				
MCB Cash Management Optimizer	500,000	-	500,000	-
HBL Cash Fund	500,000	14,846	496,588	18,258
Habib Islamic Money Market Fund	-	273,581	-	273,581
Faysal Stock Fund*	36,427	-	-	32,097
Faysal Islamic Cash Fund	-	273,857	-	273,857
Faysal Money Market Fund	-	79	-	79
ABL Cash fund	250,055	851,128	800,000	301,183
Alfalalah GHP Stock Fund*	38,313	-	-	37,992
Total	<u>1,324,795</u>	<u>1,413,491</u>	<u>1,796,588</u>	<u>937,047</u>

* During the year no investment/ redemption has been made in the units, however the change is due to unrealised loss.

15. CASH AND BANK BALANCES

Note	2023	2022
(Rupees in '000)		
Cash in hand	2,350	2,230
Cash at bank - current accounts		
- local currency	15.1 1,272	677
- foreign currency	1,187,292	703,507
	1,188,564	704,184
Cash at bank - profit and loss sharing accounts		
- local currency	15.2 411	6,575
	1,191,325	712,989

15.1 The current accounts are placed with banks under conventional banking arrangements.

15.2 These carry markup rates of 19.5% per annum (2022: 8% per annum).

16. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2023	2022		2023	2022
(Number of shares)			(Rupees in '000)	
3,139,975	3,139,975	Ordinary shares of Rs. 5 (2022: Rs. 5) each issued for consideration paid in cash	15,700	15,700
229,975,450	229,975,450	Ordinary shares of Rs. 5 (2022 Rs. 5) each as fully paid bonus shares	1,149,876	1,149,876
<u>233,115,425</u>	<u>233,115,425</u>		<u>1,165,576</u>	<u>1,165,576</u>

16.1 As at 30 June 2023, ATC Holdings (Private) Limited (ultimate parent company) held 79,311,413 (2022: 78,911,813) ordinary shares of the Company.

Unconsolidated Statement of Financial Statements

For the year ended 30 June 2023

17. LONG TERM FINANCE AND DEFERRED INCOME

	Note	2023	2022
(Rupees in '000)			
LONG TERM FINANCE			
Secured long-term finances utilised under mark-up arrangements	17.1	3,183,305	670,154
Classified under current liability		(93,320)	(414,178)
		3,089,985	255,976
DEFERRED INCOME			
Deferred income - government grant		-	2,037
Current portion of deferred income - government grant		-	(2,037)
		-	-
		3,089,985	255,976

17.1 This represents original long term finance facilities of Rs. 3,500 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 of Rs. 15 million, 8.33 million, 93.75 million and 87.5 million until October 2029.

18. LEASE LIABILITIES AGAINST RIGHT-OF-USE ASSET

	2023	2022
(Rupees in '000)		
Opening balance	32,426	-
Additions during this year	-	40,565
Interest expense	3,102	1,509
Rental paid	(18,856)	(9,648)
	16,672	32,426
Current portion	(8,818)	(15,755)
Balance as at 30 June 2023	7,854	16,671

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

Rentals	Interest charge	Present value
(Rupees in '000)		
10,098	1,280	8,818
8,097	244	7,854
18,195	1,524	16,672

19. DEFERRED TAXATION - NET

Credit / (debit) balance arising in respect of:
Accelerated tax depreciation / amortisation
Right-of-use assets
Retirement benefits

2023	2022
(Rupees in '000)	
493,723	375,935
5,062	9,293
9,264	13,746
508,049	398,974
(92,434)	(112,833)
(19,800)	(11,232)
(5,998)	(9,916)
(46,848)	(56,115)
(165,080)	(190,096)
342,969	208,878

Provision for stock obsolescence
Allowance for impairment on trade debts
Lease liabilities
Provisions for GIDC and others

19.1. Movement in deferred taxation

Taxable temporary differences arising on:

Accelerated tax depreciation
Right-of-use assets
Retirement benefit

Deductible temporary differences arising on:

Provision for stock obsolesce
Allowance for impairment on trade debts
Lease Liabilities
Provision for GIDC & other provisions

2023			
Balance as at 1 July 2022	Recognized in statement of profit or loss (Note 32)	Recognized in other comprehensive income	Balance as at 30 June 2023
(Rupees in '000)			
375,935	117,788	-	493,723
9,293	(4,231)	-	5,062
13,746	-	(4,482)	9,264
398,974	113,557	(4,482)	508,049
(112,833)	20,399	-	(92,434)
(11,232)	(8,568)	-	(19,800)
(9,916)	3,918	-	(5,998)
(56,115)	9,267	-	(46,848)
(190,096)	25,016	-	(165,080)
208,878	138,573	(4,482)	342,969

Unconsolidated Statement of Financial Statements

For the year ended 30 June 2023

	2022			
	Balance as at 1 July 2021	Recognized in statement of profit or loss (Note 32)	Recognized in other comprehensive income	Balance as at 30 June 2022
	(Rupees in '000)			
Taxable temporary differences arising on:				
Accelerated tax depreciation	335,069	40,866	-	375,935
Right-of-use assets	-	9,293	-	9,293
Retirement benefit	13,632	-	114	13,746
	348,701	50,159	114	398,974
Deductible temporary differences arising on:				
Provision for stock obsolesce	(79,772)	(33,061)	-	(112,833)
Allowance for impairment on trade debts	(6,685)	(4,547)	-	(11,232)
Lease Liabilities	-	(9,916)	-	(9,916)
Provision for GIDC & other provisions	(47,033)	(9,082)	-	(56,115)
	(133,490)	(56,606)	-	(190,096)
	215,211	(6,447)	114	208,878

20. LONG TERM PROVISIONS

This represents liability against Gas Infrastructure Development Cess (GIDC) amounting to Rs. 76.01 million and are presented at present value of the total liability of Rs. 74.91 million (2022: Rs. 72.5 million) discounted in accordance with ICAP technical service guidelines 'Accounting for Gas Infrastructure Development Cess (GIDC)' dated 19 January 2021.

Current portion of the liability amounts to Rs. 70.29 million (2022: Rs. 50.04 million). The future value has been discounted at 7.1 % per annum. Monthly installments due under a court order amounts to Rs. 1.58 million and is due by September 2024. However, the Company has obtained stay order from Honourable Sindh High Court, against the payment of monthly installments. The case is still pending before Honourable Sindh High Court for adjudication.

21. TRADE AND OTHER PAYABLES

Note	2023	2022
	(Rupees in '000)	
Trade Creditors	1,726,272	750,809
Accrued expenses and liabilities	4,772,224	4,515,371
Workers' Profit Participation Fund	21.1 145,266	2,187
Workers' Welfare Fund	21.2 254,185	221,700
Payable to Provident Fund	21.3 -	4,963
Refund liabilities	21.4 69,694	69,694
Tax deducted at source	72,040	47,466
Lease liability - current portion	18 8,818	15,754
Long term Provision - current portion	20 70,286	50,038
Sales tax payable	24,431	1,012
Custom duties payable	120,283	20,682
Other liabilities	40,881	38,949
Due to a related party	21.5 159,938	-
Due to a related party - Director	-	33
	7,464,318	5,738,658

21.1 Workers' Profit Participation Fund

Note	2023	2022
	(Rupees in '000)	
Payable/ (Receivable) as at July 1	2,187	(5,969)
Allocation for the year	145,266	138,777
	147,453	132,808
Amount paid during the year	(2,187)	(130,621)
Payable as at June 30	145,266	2,187

21.2 The Finance Act 2008 introduced amendments to the Workers' Welfare Fund (WWF) Ordinance, 1971 whereby the definition of industrial establishment was extended. The amendments were challenged at various levels and conflicting judgments were rendered by the Lahore High Court, Sindh High Court and Peshawar High Court. The Company is of the view that it is not liable to pay this liability. However, the management has made provision for WWF for the years from 2015 to 2023 amounting to Rs. 254 million as a matter of abundant caution.

Unconsolidated Statement of Financial Statements

For the year ended 30 June 2023

The Honourable Supreme Court of Pakistan vide its judgment dated 10 November 2016, has upheld the view of Lahore High Court and decided that WWF is not a tax and hence the amendments introduced through Finance Act 2008 are ultra-vires to the Constitution. The Federal Board of Revenue has filed Civil Review Petitions in respect of above judgment with the prayer that the judgment dated 10 November 2016 passed in the Civil Appeal may kindly be reviewed in the interest of justice.

The management, as a matter of abundant caution, has decided to maintain the provision of WWF till the decision of Supreme Court in respect of Civil Review Petition.

- 21.3
- All investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act 2017 and the conditions specified thereunder.
- 21.4
- This relates to consideration received from the customers for goods sold which the Company expects to refund to the customers.
- 21.5
- This represents amount payable to the subsidiary Company in respect of expenses paid on behalf of the Company.

22. CONTRACT LIABILITY

	Note	2023	2022
		(Rupees in '000)	
Advances from customers		291,002	93,076

23. SHORT-TERM BORROWINGS

Secured	Note	2023	2022
		(Rupees in '000)	
Conventional			
Running finance under mark up arrangements	23.1	2,750,486	1,828,359
Export re-finance	23.2	800,000	800,000
Money market loan		-	450,000
Islamic			
Running finance under Musharakah	23.3	1,355,274	1,191,524
		4,905,760	4,269,883

- 23.1
- 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 21.71% to 21.80% (2022: 9.77% to 10.30%) per annum. The facilities are valid upto 30 April, 2024 and are generally renewable.

- 23.2
- 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 17% (2022: 2.5%) per annum. The facilities offer are valid upto 28 September, 2023 and are generally renewable.
- 23.3
- The Company has obtained facilities for short-term finance under Running Musharakah. The effective rate of profit is 21.75% (2022: 9.99% to 10.73%) per annum. This facility matures within twelve months and is renewable. The facilities offer are valid upto 31 January, 2024 and are generally renewable.
- 23.4
- The facilities available from various banks amount to Rs. 6.14 billion (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.
- 23.5
- As at 30 June 2023, the unavailed facilities from the above borrowings amounted to Rs. 1.2 billion (2022: Rs. 1.9 billion).

24. CONTINGENCIES AND COMMITMENTS

- 24.1
- There are cases against the Company which are outstanding as at 30 June 2023. The management is confident that the decision will be in favor of the Company.
- 24.2
- The facilities for opening letters of credit amount to Rs. 4.2 billion (2022: Rs. 4.3 billion) and for letters of guarantee amount to Rs. 1,071 million (2022: Rs. 515 million) as at 30 June 2023 of which the amount remaining unutilized at period end were Rs 3.5 billion (2022: Rs. 3.49 billion) and 620 million (2022: Rs. 136 million) respectively. The guarantees have mainly been given to utility companies, Collector of Customs and an oil marketing Company, etc.
- 24.3
- Aggregate commitments for capital expenditure as at 30 June 2023 amount to Rs. 2.4 billion (2022: Rs. 3.1 billion).
- 24.4
- Aggregate commitments in respect of ujarah payments for ijarah financing of motor vehicles from a Modaraba bearing markup rate at three months KIBOR + 0.90% (2022: three months KIBOR + 0.75%) and from a commercial bank bearing markup rate at three months KIBOR + 1.25% (2022: six months KIBOR + 1.25%) per annum for rentals payable monthly as at 30 June 2023 amount to:

	2023	2022
	(Rupees in '000)	
Not later than one year	371,529	330,443
Later than one year but not later than five years	791,298	755,640
	1,162,827	1,086,083

Total sanctioned facilities amount to Rs. 1,900 million, out of which Rs. 1,163 million has been utilized by the company as of the year end.

Unconsolidated Statement of Financial Statements

For the year ended 30 June 2023

25. SALES - NET

	Note	2023	2022
		(Rupees in '000)	
Local sales	25.1	40,107,177	36,644,222
Export sales		2,440,329	2,220,238
Gross sales		42,547,506	38,864,460
Less: Sales tax		(5,369,458)	(4,905,717)
		37,178,048	33,958,743
Less:			
- Discount, rebates and allowances		(6,846,810)	(6,577,274)
- Sales return		(728,362)	(538,407)
		(7,575,172)	(7,115,681)
		29,602,876	26,843,062

25.1 Exports sales includes sales made to National Foods DMCC - a wholly owned subsidiary of the Company.

25.2 Net local sales, net of sales return is Rs. 39.4 billion (2022: Rs. 36.11 billion).

25.3 DISAGGREGATION OF REVENUE

25.3.1 These financial statements has been prepared on a single reporting segment.

25.3.2 The Company has disaggregated revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

In the following table, revenue is disaggregated by primary geographical markets and major product lines:

	2023	2022
	(Rupees in '000)	
Primary geographical markets:		
Local	40,107,177	36,644,222
United Arab Emirates	2,258,517	2,220,238
Afghanistan	181,812	-
	42,547,506	38,864,460
Major Product Lines:		
Condiments	20,336,520	16,780,298
Culinary	22,210,986	22,084,162
	42,547,506	38,864,460

25.3.3 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 94.26% (2022: 94.29%) and to customers outside Pakistan are 5.74% (2022: 5.71%) of the revenue.

26. COST OF SALES

	Note	2023	2022
		(Rupees in '000)	
Raw material consumed		11,775,863	10,389,005
Packing material consumed		4,955,873	4,030,332
Stores and spares consumed		201,711	175,941
Impairment loss / (reversal) against inventory		(112,052)	294,675
Salaries, wages and other benefits		1,694,519	1,556,071
Contribution to provident fund		28,994	23,466
Depreciation	5.3	531,443	469,690
Depreciation - Right of use asset	5.8.1	8,390	8,390
Amortisation	6.2	665	409
Ujrah payments		47,477	26,811
Fuel and power		666,762	553,189
Insurance		21,515	33,494
Laboratory, research and development		23,739	15,985
Postage and communications		5,805	5,340
Printing and stationery		15,620	8,217
Rent, rates and taxes		453,974	370,020
Travelling		217,152	190,510
Repairs and maintenance		252,976	144,151
Security & janitorial charges		166,885	78,056
Inventory destruction charges		12,609	20,793
Others	26.1	68,684	61,515
		21,038,604	18,456,060
Opening work in process		1,617,287	1,092,150
Closing work in process		(2,474,424)	(1,617,287)
Cost of goods manufactured		20,181,467	17,930,923
Opening stock of finished goods		1,326,045	1,270,541
Closing stock of finished goods		(2,146,990)	(1,326,045)
		19,360,522	17,875,419

26.1 This includes professional service charges amounting to Rs. 34 million.

Unconsolidated Statement of Financial Statements

For the year ended 30 June 2023

27. SELLING AND DISTRIBUTION COSTS

	Note	2023	2022
		(Rupees in '000)	
Salaries, wages and other benefits		1,547,718	1,230,385
Advertising and sales promotion		1,881,205	1,925,277
Outward freight and handling charges		1,351,785	1,267,548
Contribution to provident fund		42,133	35,412
Depreciation	5.3	28,196	21,088
Depreciation - Right of use asset	5.8.1	2,357	393
Amortisation	6.2	-	615
Ujrah payments		186,578	142,944
Fuel and power		7,853	6,540
Forwarding charges		27,363	71,165
Insurance		26,683	30,504
Printing and stationery		6,155	2,656
Rent, rates and taxes		214,030	240,271
Travelling		240,350	164,245
Repairs and maintenance		45,558	30,343
Postage and communications		10,414	7,451
Others		23,718	15,009
		5,642,096	5,191,846

28. ADMINISTRATIVE EXPENSES

	Note	2023	2022
		(Rupees in '000)	
Salaries, wages and other benefits		869,448	663,936
Contribution to provident fund		24,174	19,192
Depreciation	5.3	116,577	113,922
Depreciation - Right of use asset	5.8.1	5,571	1,393
Amortisation	6.2	17,649	22,434
Ujrah payments		72,106	35,160
Fuel and power		41,999	31,323
Insurance		11,497	9,708
Legal and professional charges		101,705	61,354
Postage and communications		16,305	9,353
Printing and stationery		18,763	13,788
Rent, rates and taxes		9,078	7,836
Travelling		85,930	51,081
Repairs and maintenance		411,904	281,087
Security & janitorial charges		20,073	10,000
Others	28.1	42,442	49,600
		1,865,221	1,381,167

28.1 This includes expenses in relation to office supplies amounting to Rs. 28 million.

29. OTHER EXPENSES

	Note	2023	2022
		(Rupees in '000)	
Workers' Profits Participation Fund		145,266	138,777
Workers' Welfare Fund		58,106	55,511
Auditors' remuneration	29.1	5,839	4,973
Impairment on long term Investments	7.1	14,216	15,784
Unrealized loss short term investments at fair value through profit or loss		4,710	13,819
Demurrage and other related costs		-	60,160
Donations	29.2	49,839	4,708
		277,976	293,732

Unconsolidated Statement of Financial Statements

For the year ended 30 June 2023

29.1 Auditors' remuneration

	2023	2022
	(Rupees in '000)	
Audit fee	2,908	2,486
Limited review, special reports and other certifications	2,510	2,145
Out of pocket expenses	421	342
	<u>5,839</u>	<u>4,973</u>

29.2 Donations to following Organizations and Trusts exceed 10% of the Company's total amount of donation or Rs. 1 million, whichever is higher:

	2023	2022
	(Rupees in '000)	
The Indus Hospital	16,033	-
Hisaar Foundation	9,941	-
Karachi Relief Trust	9,934	-
Allah Walay Trust	2,000	-
The Citizens Foundation	2,000	-
Childlife Foundation	1,500	-

Donations did not include any amount paid to any person or organisation or institution in which a director or his/her spouse had any interest.

30. OTHER INCOME

	2023	2022
	(Rupees in '000)	
Income from financial instruments		
Exchange gain - net	573,414	397,777
Dividend income from a subsidiary company	-	39,790
Return on profit and loss sharing bank account and term deposits - conventional	336	16,794
Realized gain on short term investments at fair value through profit or loss (FVTPL)	11,644	997
Income from short term investments at FVTPL - dividend income	193,283	42,854
	<u>778,677</u>	<u>498,212</u>

Income from non-financial instruments

Profit on disposal of property, plant and equipment	13,297	44,049
Export rebate	3,370	7,844
Rental income	3,610	3,074
Amortisation of government grant	2,037	27,429
Insurance claim	-	31,441
Scrap sales	83,481	54,880
Others	-	5,490
	<u>105,795</u>	<u>174,207</u>
	<u>884,472</u>	<u>672,419</u>

31. FINANCE COSTS

Mark-up on:

- Short-term running finances
- Export refinance facility
- Short-term borrowings-running musharakah
- Long-term loans
- Interest on lease liabilities

Bank charges

32. TAXATION - NET

Current
Deferred
Prior year

	2023	2022
	(Rupees in '000)	
	13,297	44,049
	3,370	7,844
	3,610	3,074
	2,037	27,429
	-	31,441
	83,481	54,880
	-	5,490
	<u>105,795</u>	<u>174,207</u>
	<u>884,472</u>	<u>672,419</u>

	2023	2022
	(Rupees in '000)	
	253,240	39,269
	77,926	18,701
	189,068	22,813
	61,768	65,628
	3,102	1,509
	36,287	32,389
	<u>621,391</u>	<u>180,309</u>

Note	2023	2022
	(Rupees in '000)	
	692,330	622,616
19.1	138,574	(6,447)
	(317,000)	-
	<u>513,904</u>	<u>616,169</u>

Unconsolidated Statement of Financial Statements

For the year ended 30 June 2023

32.1 Income Tax assessment for various tax and accounting years 2004, 2005, 2008, 2011, 2012 and 2014 to 2021, taken as deemed assessments under section 120 of the Income Tax Ordinance, 2001 were subsequently amended under section 122(5A) of the Income Tax Ordinance, 2001 in which the Tax authorities has raised several demands. The Company has filed appeals before various appellate forums and has maintained an adequate provision for any potential future liability.

32.2 The Company has filed its income tax return up to the tax year 2022. Tax returns filed by the Company are deemed to be assessed under Section 120 of the Income Tax Ordinance, 2001 unless selected for an amendment / audit by the taxation authorities. Tax return may be selected for detailed audit within six years from the end of tax year to which it relates and the Income Tax Commissioner may amend the assessment.

32.3 Relationship between income tax expense and accounting profit

	2023	2022
	(Rupees in '000)	
Profit before taxation	2,701,944	2,581,247
Tax at applicable rate of 39% (2022: 33%)	1,053,758	851,812
Prior year tax effect	(317,000)	-
Tax effect of permanent differences	28,020	57,607
Tax effect of final tax regime	(227,747)	(278,194)
Income subject to lower rate	(27,060)	(15,055)
Others	3,933	-
	513,904	616,170

33. EARNINGS PER SHARE - BASIC AND DILUTED

33.1 Basic

	2023	2022
	(Rupees in '000)	
Profit after taxation attributable to ordinary shareholders	2,188,040	1,965,078
	(Number of shares)	
Weighted average number of ordinary shares outstanding during the year*	233,115,425	233,115,425
	(Rupees)	
Earnings per share	9.39	8.43

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

33.2 A diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue as at balance sheet date which would have any effect on the earnings per share if the option to convert is exercised.

34. CASH GENERATED FROM OPERATIONS

	2023	2022
	(Rupees in '000)	
Profit before taxation	2,701,944	2,581,247
Adjustments for non-cash charges and other items		
Depreciation	676,216	608,927
Amortisation	18,314	23,458
Depreciation - Right of use asset	16,318	10,176
Profit on disposal of property, plant and equipment	(13,297)	(44,050)
Amortisation of government grant	(2,037)	(27,429)
Provision for slow moving stock	(112,053)	69,782
Impairment loss on long term investment	14,216	15,784
Impairment loss on trade debts	18,198	11,761
Gain on remeasurement of investment at fair value through profit or loss	(11,644)	-
Interest expense - Right of use asset	3,102	1,509
Finance costs	618,289	180,309
Retirement benefits expense	(1,996)	(2,279)
	1,223,626	847,948
	3,925,570	3,429,195

Unconsolidated Statement of Financial Statements

For the year ended 30 June 2023

	2023	2022
	(Rupees in '000)	
Working capital changes		
<i>(Increase) / decrease in current assets</i>		
<i>Stores, spare parts and loose tools</i>	(92,916)	(17,711)
<i>Stock in trade</i>	(3,028,305)	(1,753,345)
<i>Trade debts</i>	360,540	(1,017,671)
<i>Advances</i>	(475,148)	(488,170)
<i>Trade deposits and prepayments</i>	(54,950)	(1,318)
<i>Other receivables</i>	(83,550)	102,350
	(3,374,329)	(3,175,865)
<i>Increase / (decrease) in current liabilities</i>	1,717,863	1,369,182
<i>Trade and other payables</i>	197,926	(55,019)
<i>Contract liability</i>	1,915,789	1,314,163
	2,467,030	1,567,494

35. CASH AND CASH EQUIVALENTS

	Note	2023	2022
		(Rupees in '000)	
Cash and bank balances		1,191,325	712,989
Running finance	23.1 & 23.3	(4,105,760)	(3,019,883)
		(2,914,435)	(2,306,893)

36. REMUNERATION TO CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

36.1 The aggregate amounts charged in these financial statements in respect of remuneration including all benefits to chief executive, directors and executives of the Company are as follows:

	Chief Executive Officer		Directors		Executives	
	2023	2022	2023	2022	2023	2022
	(Rupees in '000)					
Managerial remuneration and allowances	45,745	39,127	-	-	625,600	472,457
Utilities	4,574	3,913	-	-	56,331	43,067
Bonus / variable pay	53,109	47,020	-	-	256,226	197,912
Housing	20,585	17,607	-	-	253,489	193,805
Retirement benefits	4,574	3,913	-	-	53,331	40,441
Meeting fee	-	-	5,160	6,250	-	-
Fuel allowance	-	-	-	-	117,760	51,380
Medical allowance	-	-	-	-	58,249	43,102
Travelling	-	-	-	-	13,548	7,125
Relocation allowance	-	-	-	-	21,811	17,312
Car maintaiance allowance	-	-	-	-	26,728	15,666
Other expenses	3,352	3,965	-	205	109,337	158,687
	131,939	115,545	5,160	6,455	1,592,410	1,240,954
	1	1	6	6	184	143

36.2 The Chief Executive, two non-executive directors and certain executives of the Company are also provided with Company maintained cars, residence and mobile telephones.

37. RELATED PARTY DISCLOSURES

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.

Unconsolidated Statement of Financial Statements

For the year ended 30 June 2023

37.1 Balance outstanding with related parties

	2023	2022
	(Rupees in ‘000)	
Receivable from the parent company	5,188	-
Payable to the parent company	2,518	-
Receivable from the subsidiary company	860,160	655,692
Payable to the subsidiary company	159,938	-
Payable to associated companies - net	63,107	25,593
Payable to the defined contribution plan	-	4,963
Due to Directors	-	33

37.2 Transaction with related parties other than those disclosed else where in the notes are disclosed below:

Relationship with the Company	Nature of transaction	2023	2022
		(Rupees in ‘000)	
Holding Company	Rental income	3,610	3,074
	Rental expense	5,432	3,026
	Reimbursement of expenses	13,184	7,657
	Dividend paid	394,934	313,247
		(Number of Shares)	
	Bonus Shares issued	-	15,662,363
		(Rupees in ‘000)	
Subsidiary Company	Sale of goods	2,258,517	2,220,238
Associates	Purchases	352,869	174,910
	Annual subscription	2,546	2,000
Directors and their family members	Dividend paid	454,156	363,221

		2023	2022
		(Number of Shares)	
	Bonus Shares issued	-	9,445,560
		(Rupees in ‘000)	
Staff retirement funds	Expense charged for defined contribution plan	95,301	78,070
	Payments to defined contribution plan	100,264	73,107
	Charge during the period to the defined benefit plan	1,266	4,060
	Contribution made during the period to the defined benefit plan	-	15,621
Key management personnel compensation:			
Salaries and other short-term employee benefits		818,133	726,817
Reimbursement of expenses		24,688	11,611
Director's meeting fee		5,160	6,250
Contribution to the Provident Fund		27,074	24,647

37.3 Outstanding balances of related parties as at year end have been included in trade debts, other receivables, trade and other payables and deferred assets. These are settled in ordinary course of business.

37.4 The following are the related parties with whom the Company had entered into transaction during the year:

Name of the Related Party	Basis of association	Aggregate % of Shareholding
ATC Holdings (Private) Limited (formerly) Associated Textile Consultants (Private) Limited)	Holding Company* (holding in the company)	34.02%
National Foods Dubai Multi Commodities Centre	Subsidiary Company (holding by the company)	100%
Cherat Packaging Limited	Associate due to common directorship (no holding in the company)	0%
Associated Environment and Energy	Associate due to common directorship (no holding in the company)	0%
The Pakistan Business Council	Associate due to common directorship (no holding in the company)	0%
Management Association of Pakistan	Associate due to common directorship (no holding in the company)	0%
Employers' Federation Of Pakistan	Associate due to common directorship (no holding in the company)	0%
Pakistan Society for Training & Development	Associate due to common directorship (no holding in the company)	0%

*It is the ultimate parent company based on control model as provided under IFRS 10.

Unconsolidated Statement of Financial Statements

For the year ended 30 June 2023

38. PLANT CAPACITY AND PRODUCTION

	2023	2022
	(Metric tons)	
Actual production of plants	101,083	108,104

The capacity and production of the Company's plants are indeterminable as these are multi-product and involve varying processes of manufacture.

39. NUMBER OF EMPLOYEES

	2023	2022
	(Number)	
The details of number of employees are as follows:		
Total employees of the Company at the year end	808	850
Average employees of the Company during the year	829	819

40. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's activities expose it to variety of financial risks namely credit risk, liquidity risk and market risk (including foreign exchange risk and interest rate risk). The Company's overall risk management programme focuses on having cost effective funding as well as managing financial risk to minimise earnings volatility and provide maximum return to shareholders.

40.1.1 Credit risk

Credit risk represents the financial loss that would be recognised at the reporting date if counterparties failed to perform as contracted. The financial assets exposed to the credit risk amount to Rs. 3.8 billion (2022: Rs. 4 billion) appropriately.

The Company's maximum exposure to credit risk as at the reporting date is as follows:

	2023	2022
	(Rupees in '000)	
Financial assets:		
Deposits	60,829	54,980
Trade debts	1,569,867	1,948,605
Short term investments at FVTPL	937,047	1,324,795
Bank balances	1,188,975	710,759
	3,756,718	4,039,139

The following table provides information about the exposure to credit risk on trade debts from customers as at June 30, 2023:

	Gross carrying amount	Expected credit loss	Net carrying amount
	(Rupees in '000)		
30 June 2023			
Current (not past due)	1,211,304	2,874	1,208,430
1–30 days past due	118,883	727	118,156
31–60 days past due	116,298	6,832	109,466
61-180 days past due	163,103	32,139	130,964
181-360 days past due	5,151	2,300	2,851
More than 360 days past due	10,160	10,160	-
	1,624,899	55,032	1,569,867
30 June 2022			
Current (not past due)	1,134,641	21,050	1,113,591
1–30 days past due	727,105	13,489	713,615
31–60 days past due	82,470	1,530	80,940
61-180 days past due	2,348	44	2,304
181-360 days past due	26,701	495	26,206
More than 360 days past due	12,174	226	11,948
	1,985,439	36,834	1,948,604

Based on the past experience, consideration of financial position, past track records and recoveries, the Company believes that the impairment on trade debts past have been adequately accounted for in these financial statements.

The bank balances and investments in mutual funds represent low credit risk as major balances are placed at banks and funds having credit ratings of A+1 & A+ as assigned by PACRA or JCR-VIS.

Other financial assets are neither material to the financial statements nor exposed to any significant credit risk. The management does not expect any losses from non-performance by these counterparties.

Concentration of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, management focuses on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Management does not consider that it has any concentration of credit risk at reporting date. Following are the details:

Unconsolidated Statement of Financial Statements

For the year ended 30 June 2023

	2023	2022
	(Rupees in ‘000)	
Trade debts		
- Distributors	167,505	892,180
- Departmental stores	542,202	400,732
- Related party	860,160	655,692
Banks	1,188,975	710,759
Mutual funds	937,047	1,324,795
Utilities - deposits	60,829	54,980
	3,756,718	4,039,138

40.1.2 LIQUIDITY RISK

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk reflects the Company's inability in raising funds to meet commitments. The Company manages liquidity risk by maintaining sufficient cash and bank balances and the availability of financing through banking arrangements. Management monitors rolling forecasts of the Company's liquidity reserve which comprises of undrawn borrowing facility and cash and cash equivalents on the basis of expected cash flows.

	2023			
	Contractual Cashflows			
	Carrying amount	Total Contractual Cash flows	Within one year	More than one year
	(Rupees in ‘000)			
Non-derivative Financial Liabilities				
Long-term borrowings (including markup)	3,183,305	5,860,324	794,481	5,065,843
Trade and other payables	6,682,351	6,682,351	6,682,351	-
Lease liabilities	16,672	18,195	10,098	8,097
Short-term borrowings (including accrued markup)	5,365,466	5,365,466	5,365,466	-
Unclaimed dividend	20,639	20,639	20,639	-
	15,268,433	17,946,975	12,873,035	5,073,940

	2022			
	Contractual Cashflows			
	Carrying amount	Total Contractual Cash flows	Within one year	More than one year
	(Rupees in ‘000)			

Non-derivative Financial Liabilities				
Long-term borrowings (including markup)	670,154	978,176	581,432	396,744
Trade and other payables	4,984,571	4,984,571	4,984,571	-
Lease liabilities	32,425	36,424	18,229	18,195
Short-term borrowings (including accrued markup)	4,349,955	4,349,955	4,349,955	-
Unclaimed dividend	23,161	23,161	23,161	-
	10,060,266	10,372,287	9,957,348	414,939

40.1.3 Market Risk

Foreign exchange risk

Foreign exchange risk arises mainly where receivables and payables exist in foreign currency and from bank balances. As at 30 June 2023 net financial assets of Rs. 2.01 billion (2022: Rs. 1.34 billion) were denominated in foreign currency which were exposed to foreign currency risk.

As at 30 June 2023 if the Pak Rupee had strengthened/weaken by 5 % against US Dollar with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 102.37 million (2022: Rs. 67.96 million).

The sensitivity of foreign exchange rate looks at the outstanding foreign exchange balances of the Company only as at the balance sheet date.

	2023							
	(Rupees in thousand)	(AED in thousand)	(CNY in thousand)	(Euro in thousand)	(GBP in thousand)	(SAR in thousand)	(USD in thousand)	(AUD in thousand)
Trade debts	860,160	-	-	-	-	-	3,007.66	-
Bank balance	1,187,292	-	-	-	-	-	4,151.52	-
Trade liabilities	(35,648)	(4.00)	(90.17)	(29.72)	(0.35)	(0.22)	(61.61)	(23.61)
	2,011,804	(4.00)	(90.17)	(29.72)	(0.35)	(0.22)	7,097.57	(23.61)

	2022							
	(Rupees in thousand)	(AED in thousand)	(CNY in thousand)	(Euro in thousand)	(GBP in thousand)	(SAR in thousand)	(USD in thousand)	(AUD in thousand)
Trade debts	655,692	-	-	-	-	-	3,200.84	-
Bank balance	703,507	-	-	-	-	-	3,424.58	-
Trade liabilities	(21,174)	(2.06)	(66.07)	(25.51)	(0.22)	(0.11)	(51.46)	(20.56)
	1,338,025	(2.06)	(66.07)	(25.51)	(0.22)	(0.11)	6,573.96	(20.56)

Unconsolidated Statement of Financial Statements

For the year ended 30 June 2023

The following significant exchange rates were applied during the year:

	2023	
	Average rate	Reporting date rate
Rupees / USD	248.00	285.99
Rupees / CNY	35.65	39.67
	2022	
	Average rate	Reporting date rate
Rupees / USD	177.78	204.85
Rupees / CNY	27.48	30.54

Interest rate risk

At 30 June 2023 the Company had variable interest bearing financial liabilities of Rs. 7,291 million (2022: Rs. 3,846.5 million). Had the interest rates varied by 100 basis points (2022 :100 basis points) with all the other variables held constant, profit before tax for the year would have been lower / higher by approximately Rs. 72.9 million (2022: Rs. 38.4 million), mainly as a result of higher / lower interest expense on floating rate borrowings.

Details of the financial instruments, exposed to interest rate risk, based on the earlier of re-pricing or contractual maturity dates are as follows:

	Exposure to Interest / Mark up rate risk			
	Upto 1 month	Upto 3 Months	More than 3 Months	Total
Financial assets				
Bank balances	411	-	-	411
30 June 2023	411	-	-	411
30 June 2022	6,575	-	-	6,575
Financial liabilities				
Long term finance	-	3,183,305	-	3,183,305
Long term provision	1,451	2,927	18,307	22,685
Lease liabilities	-	2,466	14,206	16,672
Short term borrowings	4,905,760	-	-	4,905,760
30 June 2023	4,907,211	3,188,698	32,513	8,128,422
30 June 2022	4,269,883	674,621	27,958	4,972,462

Details of interest / markup rates are disclosed in the respective notes

41. RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	2023					
	Short term borrowings used for cash management purpose	Other short term borrowings including related accrued markup	Long term borrowings (including related accrued markup)	Lease liability	Retained earnings	Total
	(Rupees in '000)					
Balance as at 1 July 2022	3,019,883	1,250,000	672,191	32,425	5,343,575	10,318,074
Changes from financing cash flows						
Proceeds from long term loan	-	-	2,513,151	-	-	2,513,151
Lease rental paid	-	-	-	(18,855)	-	(18,855)
Repayment of short term borrowings	-	(450,000)	-	-	-	(450,000)
Dividend paid	-	-	-	-	(1,168,098)	(1,168,098)
Total changes from financing activities	-	(450,000)	2,513,151	(18,855)	(1,168,098)	876,198
Other changes - interest cost						
Interest expense	386,255	133,978	61,768	3,102	-	585,103
Interest paid	(386,255)	(133,978)	(61,768)	-	-	(582,001)
Additions in lease liabilities	-	-	-	-	-	-
Amortisation of government grant	-	-	(2,037)	-	-	(2,037)
Changes in running finance	1,085,877	-	-	-	-	1,085,877
Total loan related other changes	1,085,877	-	(2,037)	3,102	-	1,086,942
Total equity related other changes	-	-	-	-	2,183,553	2,183,553
Balance as at 30 June 2023	4,105,760	800,000	3,183,305	16,672	6,359,030	14,464,767

41.1 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. During the year, the Company's strategy was to maintain leveraged gearing. The gearing ratio as at 30 June 2023 was as follows:

	2023	2022
	(Rupees in '000)	
Total borrowings	8,548,771	5,022,146
Cash and bank balances	(1,191,325)	(712,989)
Net debt	7,357,446	4,309,157
Total Equity	7,524,604	6,509,151
Total capital	14,882,050	10,818,308
Gearing ratio	49%	40%

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimise risk. The Company is not exposed to externally imposed capital requirement.

Unconsolidated Statement of Financial Statements

For the year ended 30 June 2023

41.2 Fair values of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm’s length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

2023						
	Carrying amount			Fair value		
	Assets at Amortised cost	Fair Value	Other Financial Liabilities	Level 1	Level 2	Level 3
	(Rupees in '000)					
Financial assets not measured at fair value - note 41.2.1						
Trade debts	1,569,867	-	-	-	-	-
Bank balances	1,188,975	-	-	-	-	-
Deposits	60,829	-	-	-	-	-
Financial assets measured at fair value						
Short-term investments at FVTPL	-	937,047	-	-	937,047	-
Financial liabilities not measured at fair value - note 41.2.1						
Long term borrowings	-	-	3,183,305	-	-	-
Trade and other payables	-	-	6,682,351	-	-	-
Short-term borrowings	-	-	4,905,760	-	-	-
Lease liabilities	-	-	16,672	-	-	-
Mark-up accrued on bank borrowings	-	-	459,706	-	-	-
Unclaimed dividend	-	-	20,639	-	-	-
	2,819,671	937,047	15,268,433	-	937,047	-

Unconsolidated Statement of Financial Statements

For the year ended 30 June 2023

	2022					
	Carrying amount			Fair value		
	Assets at Amortised cost	Fair Value	Other Financial Liabilities	Level 1	Level 2	Level 3
	(Rupees in '000)					
Financial assets not measured at fair value - note 41.2.1						
Trade debts	1,948,605	-	-	-	-	-
Bank balances	710,759	-	-	-	-	-
Deposits	54,980	-	-	-	-	-
Financial assets measured at fair value						
Short-term investments at FVTPL	-	1,324,795	-	-	1,324,795	-
Long term investment at FVTPL	-	14,216	-	-	-	14,216
Financial liabilities not measured at fair value - note 41.2.1						
Long term borrowings	-	-	670,154	-	-	-
Trade and other payables	-	-	4,984,571	-	-	-
Short-term borrowings	-	-	4,269,883	-	-	-
Lease liabilities	-	-	32,425	-	-	-
Mark-up accrued on bank borrowings	-	-	80,072	-	-	-
Unclaimed dividend	-	-	23,161	-	-	-
	<u>2,714,344</u>	<u>1,339,011</u>	<u>10,060,266</u>	<u>-</u>	<u>1,324,795</u>	<u>14,216</u>


41.2.1 The Company has not disclosed the fair values of the above financial assets and financial liabilities, as these are either short term in nature or repriced, periodically. Therefore, carrying amounts of financial instruments carried at amortised cost are reasonable approximation of their fair values.

42. EVENTS OCCURRING AFTER BALANCE SHEET DATE

The Board of Directors of the Company in their meeting held on 7 September, 2023 has proposed a final cash dividend of Rs. 2.5 per share (2022: Rs. 5 per share) amounting to Rs. 582.79 million (2022: 1,165.58 million) for the year ended 30 June 2023. The approval of the shareholders of the Company for the cash dividend shall be obtained at the upcoming Annual General Meeting for the year ended 30 June 2023. The financial statements for the year ended 30 June 2023, do not include the effect of the proposed final cash dividend which will be accounted for in the year ending 30 June 2024.

43. DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors of the Company on 7 September, 2023.

		
Chief Executive Officer	Chief Financial Officer	Director

Consolidated Financial Statements 2023



Independent Auditor’s Report

To The Members of National Foods Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of National Foods Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 June 2023, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

S.No	Key audit matter	How the matter was addressed in our audit
1.	<p>Stock-In-Trade – Provision for obsolescence</p> <p>Refer notes 4.11 and 10 to the Group’s consolidated financial statements for the accounting policy and particulars of stock-in-trade.</p> <p>Stock-in-trade represents 38% of the Group’s total assets at year-end. It comprises raw material, packing material, work in process, and finished goods.</p> <p>Estimation of provision for obsolescence involves use of significant management judgements. These judgments are subjective and can significantly influence the provision for obsolescence. Therefore, we have considered provision for obsolescence as a key audit matter.</p>	<p>Our audit procedures to assess the provision for obsolescence on stock-in-trade, amongst others, included the following:</p> <ul style="list-style-type: none">assessed the Group’s policy for recording provision for obsolescence on stock-in-trade;obtained an understanding of and assessed the design and testing the implementation of management’s controls designed to identify obsolete and slow-moving items;checked on sample basis that the provision for obsolescence have been calculated in accordance with Company’s policy and verified the mathematical accuracy of the underlying calculations; andconsidered the accuracy and adequacy of the disclosure given in Note 10 to the financial statements as per the requirements of relevant accounting standards.Component auditor has performed audit procedures on stock-in-trade and its obsolescence in accordance with the instructions issued by us and reported the results thereof to us. We, as auditors of the Group, also evaluated the work performed by the component auditor by reviewing their working files.

Independent Auditor’s Report

To The Members of National Foods Limited

Report on the Audit of the Unconsolidated Financial Statements

Information Other than the Consolidated and Unconsolidated Financial Statements and Auditor’s Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report for the year ended 30 June 2023 but does not include the consolidated and unconsolidated financial statements and our auditor’s reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and the Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Aryn Pirani.

Date: 22 September 2023
Karachi

UDIN: AR202310201gtlEFnzdR


KPMG Taseer Hadi & Co.
Chartered Accountants

Consolidated Statement of Financial Position

As at 30 June 2023

	Note	2023	2022
(Rupees in '000)			
ASSETS			
Non - current assets			
Property, plant and equipment	6	14,267,716	9,894,748
Intangibles and goodwill	7	1,515,889	972,164
Long-term investment	8	-	14,216
Long-term deposits		40,259	40,563
Deferred assets	9	44,158	53,656
		15,868,023	10,975,347
Current assets			
Stores and spare parts		260,967	168,050
Stock-in-trade	10	14,805,197	9,459,719
Trade debts	11	3,228,417	2,723,850
Advances	12	1,236,168	806,235
Deposits and prepayments	13	1,010,881	499,110
Other receivables	14	136,866	273
Short-term investments at FVTPL	15	937,047	1,324,793
Cash and bank balances	16	1,713,226	1,137,334
		23,328,768	16,119,364
TOTAL ASSETS		39,196,791	27,094,712
EQUITY AND LIABILITIES			
Share capital and reserves			
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
Share Capital			
Issued, subscribed and paid-up capital	17	1,165,576	1,165,576
Revenue Reserves			
Unappropriated profit		9,000,730	6,961,970
Foreign exchange translation reserve		1,270,516	577,421
Equity attributable to owners of the Company		11,436,822	8,704,968
Non-controlling interest	18	1,780,155	767,772
Total equity		13,216,977	9,472,740
Non - current liabilities			
Long-term finance and deferred Income	19	3,961,219	511,586
Lease liabilities	20	2,381,605	1,680,976
Long-term deposits		-	5,444
Deferred taxation - net	22	412,344	199,509
Long term provisions	21	4,626	22,461
Deferred liabilities	23	13,547	6,341
		6,773,341	2,426,317
Current liabilities			
Trade and other payables	24	10,849,772	7,781,880
Contract liabilities	25	355,136	109,100
Short-term borrowings	26	5,407,269	4,883,090
Long-term finance and deferred income classified as current	19	372,404	613,650
Current portion of lease liabilities	20	644,680	433,964
Mark-up accrued on bank borrowings		459,706	80,882
Unclaimed dividend		20,639	23,161
Taxation - net		1,096,867	1,269,928
		19,206,473	15,195,655
Contingencies and commitments	27		
TOTAL EQUITY AND LIABILITIES		39,196,791	27,094,712

The annexed notes 1 to 46 form an integral part of these consolidated financial statements.


Chief Executive Officer


Chief Financial Officer


Director

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

	Note	2023	2022
(Rupees in '000)			
Sales - net	28	64,322,287	45,525,608
Cost of sales	29	(46,128,408)	(32,546,204)
Gross profit		18,193,879	12,979,404
Selling and distribution costs	30	(9,913,356)	(7,430,644)
Impairment loss on trade debts	11.1	(10,024)	(47,366)
Administrative expenses	31	(2,721,150)	(1,764,506)
Other expenses	32	(297,779)	(304,133)
Other income	33	912,120	646,056
		6,163,690	4,078,811
Finance costs	34	(1,158,889)	(463,809)
Profit before tax		5,004,801	3,615,001
Taxation - net	35	(1,173,499)	(897,925)
Profit for the year		3,831,302	2,717,076
Other comprehensive income			
Items that will not be reclassified to statement of profit or loss			
Remeasurements of retirement benefit liability		(11,493)	394
Related deferred tax thereon		4,482	(114)
		(7,011)	280
Items that may be reclassified to profit and loss account:			
Exchange differences on translation of foreign operations		1,305,273	574,665
		1,298,262	574,945
Total comprehensive income		5,129,564	3,292,021
Profit attributable to:			
Owners of the Parent Company		3,211,346	2,424,148
Non-controlling interest		619,956	292,928
		3,831,302	2,717,076
Other comprehensive income attributable to:			
Owners of the Parent Company		686,084	589,495
Non-controlling interest		612,178	(14,550)
		1,298,262	574,945
Total comprehensive income attributable to:			
Owners of the Parent Company		3,897,430	3,013,643
Non-controlling interest		1,232,134	278,378
		5,129,564	3,292,021
(Rupees)			
Earnings per share - basic and diluted	36	13.78	10.40

The annexed notes 1 to 46 form an integral part of these consolidated financial statements.


Chief Executive Officer


Chief Financial Officer


Director

Consolidated Statement of Cash Flow

For the year ended 30 June 2023

	Note	2023	2022
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	37	4,948,938	2,582,739
Finance cost paid		(779,254)	(392,876)
Income tax paid		(1,239,634)	(722,146)
Retirement benefits paid		-	(15,621)
Long term deposits		751	(5,677)
Net cash generated from operating activities		2,930,801	1,446,419
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(3,693,722)	(3,113,174)
Proceeds from disposal of fixed assets		78,921	111,224
Business acquisition		(577,872)	-
Purchase of intangible assets		(79,733)	(32,311)
Redemption/ (purchase) of short term investment - net		399,392	(323,596)
Net cashflow from investing activities		(3,873,014)	(3,357,857)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayment)/ proceeds from short term borrowings - net		(726,439)	1,107,483
Proceeds/ (repayment)of long term finance - net		2,959,608	(576,323)
Lease rental paid		(560,991)	(294,492)
Dividend paid		(1,387,850)	(1,036,422)
Net cashflow from financing activities		284,328	(799,754)
Net decrease in cash and cash equivalents		(657,885)	(2,711,192)
Cash and cash equivalents at beginning of the year		(1,890,231)	851,678
Currency translation difference on cash and cash equivalents		155,582	(30,717)
Cash and cash equivalents at end of the year	38	(2,392,534)	(1,890,231)

The annexed notes 1 to 46 form an integral part of these consolidated financial statements.



Chief Executive Officer



Chief Financial Officer



Director

Consolidated Statement of Changes in Equity

For the year ended 30 June 2023

	Attributable to shareholders of the Parent Company					
	Issued, subscribed and paid-up capital	Revenue Reserves unappropriated profit	Foreign exchange translation reserve	Sub-total	Non controlling interest	Total Equity
	(Rupees in '000)					
Balance as at 1 July 2021	932,461	5,703,120	2,756	6,638,337	635,103	7,273,440
Total comprehensive income for the year ended 30 June 2022						
Profit for the period	-	2,424,148	-	2,424,148	292,928	2,717,076
Other comprehensive income	-	280	574,665	574,945	(14,550)	560,395
	-	2,424,428	574,665	2,999,093	278,378	3,277,471
Transaction with owners						
Final cash dividend for the year ended 30 June 2021 @ Rs. 5 per ordinary share	-	(932,462)	-	(932,462)	-	(932,462)
Dividend paid to non-controlling interest	-	-	-	-	(145,709)	(145,709)
1 Ordinary share for each 4 ordinary shares held - allotted as bonus shares for the year ended 30 June 2022	233,115	(233,115)	-	-	-	-
Balance as at 30 June 2022	<u>1,165,576</u>	<u>6,961,971</u>	<u>577,421</u>	<u>8,704,968</u>	<u>767,772</u>	<u>9,472,740</u>
Balance as at 1 July 2022	1,165,576	6,961,971	577,421	8,704,968	767,772	9,472,740
Total comprehensive income for the year ended 30 June 2023						
Profit for the period	-	3,211,346	-	3,211,346	619,956	3,831,302
Other comprehensive income for the period	-	(7,011)	693,095	686,084	612,178	1,298,262
	-	3,204,335	693,095	3,897,430	1,232,134	5,129,564
Transaction with owners						
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 non-controlling interest	-	-	-	-	(219,751)	(219,751)
Balance as at 30 June 2023	<u>1,165,576</u>	<u>9,000,730</u>	<u>1,270,516</u>	<u>11,436,822</u>	<u>1,780,155</u>	<u>13,216,977</u>

The annexed notes 1 to 46 form an integral part of these consolidated financial statements.



Chief Executive Officer



Chief Financial Officer



Director

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

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 Parent 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 susidiary 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. 2404-19, Reef Tower, Plot No. JLT-Ph 2-O1A, Jumeirah Lake 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. NF DMCC also has following two wholly owned direct subsidiaries, two indirect subsidiaries, which are 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 Epicure Inc - Canada.

1.4 The manufacturing facilities and sales offices of the Group companies are situated at the following locations:

Manufacturing facilities:

- 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. (Under construction)

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, Multan;
- 18-CCA (Commercial Area), Phase VIII, DHA Lahore, Cantt;
- Plot No. 25, Din Plaza, Canal Road, Main Gate Canal View Housing Society, Gujranwala;
- 1st Floor, Bilal Complex, Main PWD Road, Sector O-9, Islamabad.
- Unit No. 2404-19, Reef Tower, Plot No. JLT-Ph 2-O1A, Jumeirah Lake 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 financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

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

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

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4. Basis of consolidation

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

The financial statements of the Parent Company and its subsidiary companies are prepared up to the same reporting date and are combined on a line-by-line basis and investments held by the Parent Company is eliminated against corresponding share capital of subsidiary in these consolidated financial statements.

2.5. Use of significant estimates and judgments

The preparation of financial statements in conformity with the approved accounting and reporting standards as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of the Company's accounting 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 judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. In the process of applying the Company's accounting policies, the management has made the following estimates and judgments which are significant to the financial statements:

	Note
Property, plant and equipment	4.2
Intangible assets and Goodwill	4.4
Leases	4.5
Investment at fair value through profit or loss (FVTPL)	4.7
Taxation	4.8
Retirement benefits obligations	4.9
Stock-in-trade	4.11
Impairment losses	4.12
Provision for refund liability	4.16

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

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

There are certain new standards, amendments to the approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after 1 July 2022. However, these do not have any significant impact on the Group's financial reporting and therefore have not been detailed in these consolidated financial statements.

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

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 July 2023:

- Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after 1 January 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.
- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:
 - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
 - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company’s financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

- Definition of Accounting Estimates (Amendments to IAS 8) introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.
- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review

- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for a Group to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the Group’s liabilities and cash flows, and the Group’s exposure to liquidity risk. Under the amendments, the Group also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

The above are not likely to have a material impact on the financial statements of the Group based on the current balance.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies set out below has been consistently applied for all periods presented in these consolidated financial statements. Details of these policices are as follows:

4.1. Business Combination

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

Subsidiaries

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

Non-controlling interest

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

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

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

	<p>Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.</p> <p>Loss of control</p> <p>When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained.</p> <p>Transactions eliminated at consolidation</p> <p>Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated.</p>
4.2	<p>Property, plant and equipment</p> <p>Operating assets and depreciation</p> <p>Initial recognition</p> <p>The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of such item can be measured reliably.</p> <p>Recognition of the cost in the carrying amount of an item of property, plant and equipment ceases when the items is in the location and condition necessary for it to be capable of operating in the manner intended by the management.</p> <p>Measurement</p> <p>Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment includes:</p> <ul style="list-style-type: none">(a) its purchase price including import duties, non refundable purchase taxes after deducting trade discounts and rebates;(b) any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management; and(c) Borrowing costs, if any. <p>When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.</p> <p>Subsequent expenditure (including normal repairs and maintenance)</p> <p>Expenditures incurred to replace a significant component of an item of property, plant and equipment is capitalised and the asset so replaced is retired. Other subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the items can be measured reliably. All other expenditures (including normal repairs and maintenance) is recognised in the profit or loss as an expense when it is incurred.</p>

Depreciation

Depreciation on all items, except land, is charged on straight line method. The useful lives for depreciation are indicated in note 6.1 of the financial statement.

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

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

Gains and losses on disposal

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

Capital work in progress

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

4.3 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes substantial period of time to get ready for intended use) form part of the cost of that asset and, therefore are capitalized. Other borrowing costs are recognised as an expense. Borrowing cost are calculated based on the effective interest rate.

4.4 Intangible assets and Goodwill

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

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Goodwill is not amortised.

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable, if any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

4.5 Leases

The Group assesses whether a contract is or contains a lease at inception of the contract. This assessment involves the exercise of judgement about whether it depends on a specified asset, whether the Group obtains substantially all the economic benefits from the use of that asset, and whether the Group has the right to direct the use of the asset.

The Group recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date, except for short term leases of 12 months or less and leases of low value items, which are expensed in the statement of profit or loss on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payment that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate applicable in the market for such leases.

The lease liability is subsequently measured at amortized cost using the effective interest rate method and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

At inception, the ROU asset comprises the initial lease liability, initial direct costs and the obligations to refurbish the asset, less any incentives granted by the lessors. The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator for impairment, as for owned assets.

4.6 Cash and cash equivalents

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

4.7 Financial Instruments

4.7.1 Recognition, classification and measurement - Financial Assets

Classification

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

- fair value through profit or loss (FVTPL); and
- measured at amortised cost.

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

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

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

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

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

Initial measurement

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measurement

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognised in statement of profit or loss. Investments in mutual funds are measured at fair value based on net asset value of the fund on each balance sheet date (as per the redemption prices quoted by each mutual fund) and the unrealized gain / (loss) is recognized in the statement of profit or loss.
Financial assets measured at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss.

4.7.2 Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses is recognised in statement of profit or loss. Any gain or loss on derecognition is also recognised in statement of profit or loss.

4.7.3 Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

- substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities:

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

4.7.4 Trade and other payables

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

4.7.5 Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated financial statements only when the Group has currently legally enforceable right to set-off the recognised amounts and the Group intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4.8 Taxation

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

i) Current

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

ii) Deferred

Deferred tax is accounted for using the balance sheet method on all temporary differences arising between tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liability is recognised for all taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is charged or credited in the profit or loss (except to the extent that it relates to items recognized directly in equity or other comprehensive income in which cases these are recognized directly in equity or other comprehensive income as the case may be).

4.9 Employee retirement benefits

Defined benefit plans

The Group operates a funded pension scheme and post retirement medical benefit for the individuals mentioned in note 9 to these financial statements. The liability recognised in the statement of financial position in respect of the defined benefit plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. Remeasurements which comprise actuarial gains and losses are recognised immediately in other comprehensive income. The latest actuarial valuation of the defined benefit plans was conducted at 30 June 2023.

The current and past-service costs and interest income / expenses are recognized immediately in the statement of profit or loss.

Surplus arising on the actuarial valuation is recognized to the extent these are available under the applicable trust deed at the present value of economic benefits available in the form of refund or reductions in future contribution to the fund.

Defined benefit plans

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

Other long-term employee benefits - unfunded gratuity scheme

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

4.10 Stores and spare parts

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

4.11 Stock-in-trade

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

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

4.12 Impairment losses

4.12.1 Financial assets

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

The Group measures loss allowances at an amount equal to lifetime Expected Credit Losses (ECLs) for trade receivables.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

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

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

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

4.12.2 Non-financial assets

The carrying values of the Group's non-financial assets are reviewed for impairment when events or changes in circumstances indicate that this carrying value may not be recoverable. If such indications exist, the assets' recoverable amount is estimated in order to determine the extent of impairment loss, if any. Impairment losses are recognised as expense in the statement of profit and loss.

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

4.13 Ijarah

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

4.14 Provisions

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

4.15 Foreign currency

4.15.1 Foreign currency transactions

Transactions in foreign currencies are translated into rupees at the foreign exchange rates prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into rupees at the rates of exchange prevailing on the date of the statement of financial position.

4.15.2 Foreign operations

The assets and liabilities of foreign operations are translated to Pakistani rupees at exchange rates prevailing at the date of the statement of financial position. The income and expenses of foreign operations are translated to Pakistani Rupees at average rates of exchange prevailing during the year.

Goodwill arising on the acquisition of an entity by an overseas subsidiary is treated as an asset of the overseas subsidiary and is translated at foreign exchange rates prevailing as at the date of the statement of financial position.

4.15.3 Translation gains and losses

Gains and losses arising from foreign currency translations are taken to the profit and loss account, except those arising from the translation of the net investment in foreign subsidiaries, which are recognized through the statement of other comprehensive income as an Exchange Translation Reserve (ETR). Balances in the ETR are only taken to the profit and loss account on the disposal of the investment.

4.16 Revenue recognition

Revenue is recognized when a contractual promise to a customer (performance obligation) has been fulfilled by transferring control over the promised goods and services to the customer. Revenue from sale of goods is recognised at the point in time when control of the product has transferred, being when the products are delivered to the customer. Invoices are generated and revenue is recognised on delivery of goods. Delivery occurs when the products have been shipped to / or and delivered to the customer's destination / specific location, the risks of loss have been transferred to the customer and the customer has accepted the product.

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

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

	The Group provides discounts to its customers on all products purchased by the customer once the quantity of products purchased during the period exceeds a threshold specified in the contract. A contract liability is recognised for expected discount payable to customers in relation to sales made until the end of the reporting period. Further, a contract liability is also recognised for short term advances that the Group receives from its customers.
4.17	Miscellaneous income Miscellaneous income including export rebate is recognised on receipt basis.
4.18	Interest / Mark-up income / Rental income Income on Interest / Mark up income and rental income is recognised on a time proportionate basis and in case of interest and mark-up at the rate of return implicit in the arrangement.
4.19	Dividend income Dividend income is recognised when the Group's right to receive dividend is established.
4.20	Segment information Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Parent Company that makes strategic decisions.
4.21	Research and development Research and development expenditure is charged to statement of profit or loss in the period in which it is incurred.
4.22	Dividends and appropriations Dividend distribution to the Group's shareholders and appropriations to / from reserves are recognised in the period in which these are approved.
4.23	Government grants Government grant includes any benefit earned on account of a government loan obtained at below market rate of interest. The loan is recognized and measured in accordance with IFRS 9 “Financial Instruments”. The benefit of the below-market rate of interest shall be measured as the difference between the initial fair value of the loan determined in accordance with IFRS 9 and the proceeds received. The difference, representing the grant amount (income) is recognized over the period of the loan.
5.	BUSINESS ACQUISITION Effective on the commencement of business at 5 p.m. on December 19, 2022, through a series of transactions, certain assets and certain liabilities of Felix Wholesale Limited were purchased by the A1 Bags and Supplies Inc. for total consideration of Rs. 787.48 million.

Transaction fees and costs of Rs. 15.78 million were incurred and expensed by the Company in connection with the business acquisitions.

The acquisitions have been accounted for using the acquisition method, whereby the purchase price is allocated to the net assets acquired based on their fair value as follows:

	(Rupees in ‘000)
Assets acquired:	
Prepaid expenses and deposits	6,018
Inventories	234,103
Property, plant and equipment (i)	167,660
Right-of-use assets	695,658
Intangible assets	92,185
Goodwill	46,134
	<u>1,241,758</u>
Liabilities assumed:	
Lease obligations	(454,275)
	<u>787,483</u>
Net assets acquired	
Represented by:	
Cash consideration	514,174
Vendor-take-back promissory note payable (ii)	237,677
Holdback payable (ii)	35,632
	<u>787,483</u>

(i) Property, plant and equipment were recognized at fair value as at the acquisition date. Included in the above noted amount was a fair value adjustment of Rs. 27.88 million to plant and equipment of the vendors' historical cost.

(ii) Vendor-take-back promissory note payable and holdback payable are included in Trade and other payable on the statement of financial position.

6.	PROPERTY, PLANT AND EQUIPMENT	Note	2023	2022
			(Rupees in ‘000)	
	Operating fixed assets	6.1	6,366,654	5,771,250
	Capital work-in-progress	6.5	4,834,734	2,147,899
	Right-of-use assets	6.6	3,066,328	1,975,599
			<u>14,267,716</u>	<u>9,894,748</u>

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

6.1 Operating fixed assets:

	2023										
	Freehold land	Leasehold land	Leasehold improvements	Building on leasehold land	Plant and machinery	Furniture and fittings	Office and other equipments	Computers	Laboratory equipments	Vehicles	Total
	(Rupees in ‘000)										
At 1 July 2022											
Cost	207,335	179,992	208,759	3,050,479	3,710,257	550,662	457,217	493,909	70,784	231,830	9,161,224
Accumulated depreciation	-	-	(60,972)	(611,237)	(1,965,074)	(376,779)	(285,562)	(286,340)	(36,303)	(95,155)	(3,717,422)
Net exchange difference	-	-	58,680	-	-	146,256	48,741	42,431	-	31,341	327,449
Net book value	207,335	179,992	206,467	2,439,242	1,745,183	320,139	220,396	250,000	34,481	168,016	5,771,251
Additions / transfer - note 6.5.2	-	-	38,596	139,109	501,597	90,922	99,090	96,267	14,138	52,060	1,031,779
Additions through business acquisition	-	-	4,937	-	-	156,298	6,425	-	-	-	167,660
Transfer from right-of-use assets upon exercise of purchase option*	-	-	-	-	-	-	-	-	-	15,486	15,486
	-	-	43,533	139,109	501,597	247,220	105,515	96,267	14,138	67,546	1,214,925
Disposals											
Cost	-	-	-	-	(32,638)	(325)	(309)	(3,906)	-	(121,221)	(158,399)
Accumulated depreciation	-	-	-	-	29,446	325	300	3,886	-	61,224	95,181
	-	-	-	-	(3,192)	-	(9)	(20)	-	(59,997)	(63,218)
Effect of movement in exchange rate	-	-	74,493	-	-	151,167	68,330	51,881	-	29,408	375,279
Depreciation charge for the year	-	-	(48,179)	(116,643)	(398,327)	(103,524)	(78,698)	(93,824)	(10,744)	(66,157)	(916,096)
Transfer from right-of-use assets upon exercise of purchase option*	-	-	-	-	-	-	-	-	-	(15,486)	(15,486)
	-	-	(48,179)	(116,643)	(398,327)	(103,524)	(78,698)	(93,824)	(10,744)	(81,643)	(931,582)
Closing net book value	207,335	179,992	276,314	2,461,708	1,845,261	615,002	315,534	304,304	37,875	123,330	6,366,654
At 30 June 2023											
Cost	207,335	179,992	252,292	3,189,588	4,179,216	797,557	562,423	586,270	84,922	178,155	10,217,750
Accumulated depreciation	-	-	(109,151)	(727,880)	(2,333,955)	(479,978)	(363,960)	(376,278)	(47,047)	(115,574)	(4,553,823)
Net exchange difference	-	-	133,173	-	-	297,423	117,071	94,312	-	60,749	702,728
Net book value	207,335	179,992	276,314	2,461,708	1,845,261	615,002	315,534	304,304	37,875	123,330	6,366,654
Useful life (years)	-	-	4 - 5	5 - 60	5 - 10	5	5 - 10	3	5 - 10	5	

	2022										
	Freehold land	Leasehold land	Leasehold improvements	Building on leasehold land	Plant and machinery	Furniture and fittings	Office and other equipments	Computers	Laboratory equipments	Vehicles	Total
	(Rupees in ‘000)										
At 1 July 2021											
Cost	-	181,862	63,475	2,871,241	3,444,441	472,753	327,239	368,704	59,592	113,589	7,902,896
Accumulated depreciation	-	-	(31,062)	(510,558)	(1,668,847)	(301,628)	(222,163)	(236,077)	(27,992)	(70,632)	(3,068,959)
Net exchange difference	-	-	28,359	-	-	88,635	23,880	16,439	-	20,061	177,374
Net book value	-	181,862	60,772	2,360,683	1,775,594	259,760	128,956	149,066	31,600	63,018	5,011,311
Additions / transfer -note -6.5.2	207,335	-	145,284	184,889	338,283	77,909	129,989	138,240	11,192	187,564	1,420,685
Disposals											
Cost	-	(1,870)	-	(5,651)	(72,467)	-	(11)	(13,035)	-	(69,323)	(162,357)
Accumulated depreciation	-	-	-	2,166	62,591	-	11	12,924	-	19,388	97,080
	-	(1,870)	-	(3,485)	(9,876)	-	-	(111)	-	(49,935)	(65,277)
Effect of movement in exchange rate	-	-	30,321	-	-	57,621	24,861	25,992	-	11,280	150,075
Depreciation charge for the year	-	-	(29,910)	(102,845)	(358,819)	(75,151)	(63,410)	(63,186)	(8,311)	(43,911)	(745,543)
Closing net book value	207,335	179,992	206,467	2,439,242	1,745,182	320,139	220,395	250,001	34,481	168,016	5,771,251
At 30 June 2022											
Cost	207,335	179,992	208,759	3,050,479	3,710,257	550,662	457,217	493,909	70,784	231,830	9,161,224
Accumulated depreciation	-	-	(60,972)	(611,237)	(1,965,074)	(376,779)	(285,562)	(286,340)	(36,303)	(95,155)	(3,717,422)
Net exchange difference	-	-	58,680	-	-	146,256	48,741	42,431	-	31,341	327,449
Net book value	207,335	179,992	206,467	2,439,242	1,745,182	320,139	220,396	250,000	34,481	168,016	5,771,251
Useful life (years)	-	-	4 - 5	5 - 60	5 - 10	5	5 - 10	3	5 - 10	5	

* Reclassification to right-of-use assets pertains to equipment and vehicles leases previously classified as finance leases.

6.2 The depreciation charge for the year has been allocated as follows:

	Note	2023	2022
		(Rupees in ‘000)	
Cost of sales	29	531,443	469,690
Selling and Distribution costs	30	244,088	147,842
Administrative expenses	31	140,565	132,233
		916,096	749,765

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

6.3 The details of property, plant and equipment having net book value of Rs. 500,000 and above sold / disposed of during the year by the Parent Company are as follows:

	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of purchaser	Relationship with the purchaser
	(Rupees in ‘000)							
Plant & Machinery	2,955	1,945	1,010	540	(470)	Negotiation	M/S Mehmood Enterprises	Third party
Plant & Machinery	1,686	955	731	1,885	1,154	Negotiation	Muhammad Khurshid	Third party
Motor Vehicle	4,938	1,234	3,704	7,600	3,896	Insurance Claim	IGI Insurance Ltd.	Third party
Motor Vehicle	1,120	149	971	1,800	829	Insurance Claim	IGI Insurance Ltd.	Third party
Motor Vehicle	645	94	551	2,500	1,949	Insurance Claim	IGI Insurance Ltd.	Third party
Total	11,344	4,377	6,967	14,325	7,358			

6.4 The details of motor vehicles having net book value of Rs. 500,000 and above, disposed off to employee under buy back policy is given below. The gain / (loss) arising on their disposal is notional as the amount has been recovered from the employee by the Parent Company.

	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of purchaser	Relationship with the purchaser
	(Rupees in ‘000)							
Motor Vehicle	759	174	585	496	(89)	Company Policy	Mr.Anis-Ur-Rehman	Company's Executive
Motor Vehicle	2,420	504	1,916	2,250	334	Company Policy	Mr.Sauban Shikoh	Company's Executive
Motor Vehicle	1,859	387	1,472	1,945	473	Company Policy	Mr.Ghulam Hussain	Company's Executive
Motor Vehicle	1,883	392	1,491	2,036	545	Company Policy	Mr.Hasan Arshad	Company's Executive
Motor Vehicle	1,868	350	1,518	1,982	464	Company Policy	Mr.Muhammad Umer	Company's Executive
Motor Vehicle	1,385	260	1,125	1,282	157	Company Policy	Mr.Hasan Rasheed	Company's Executive
Motor Vehicle	1,328	249	1,079	1,668	589	Company Policy	Mr.Mustafa Nadeem	Company's Executive
Motor Vehicle	1,306	190	1,116	1,304	188	Company Policy	Mr.Kashif Rafiq	Company's Executive
Motor Vehicle	967	282	685	1,137	452	Company Policy	Mr.Imran Khan	Company's Executive
Motor Vehicle	1,206	201	1,005	1,256	251	Company Policy	Mr.Fahad Shahzad	Company's Executive
Motor Vehicle	1,346	224	1,122	1,335	213	Company Policy	Mr.Usman Nazeer	Company's Executive
Motor Vehicle	2,422	353	2,069	2,120	51	Company Policy	Mr.Muhammad Ali	Company's Executive
Motor Vehicle	1,049	131	918	1,288	370	Company Policy	Mr.Bilal Farooq	Company's Executive
Motor Vehicle	925	96	829	1,186	357	Company Policy	Mr.Rehan Khalid	Company's Executive
Motor Vehicle	1,032	194	838	800	(38)	Company Policy	Mr.Mushahid Mushtaq	Company's Executive
Motor Vehicle	854	107	747	691	(56)	Company Policy	Mr.Hassan Qasim	Company's Executive
Motor Vehicle	991	124	867	1,018	151	Company Policy	Mr.Bilal Khan	Company's Executive
Motor Vehicle	1,542	161	1,381	1,912	531	Company Policy	Mr.Aziz Khan	Company's Executive
Motor Vehicle	1,609	201	1,408	1,815	407	Company Policy	Mr.S.M. Hadi Hussain Rizvi	Company's Executive
Motor Vehicle	883	221	662	1,088	426	Company Policy	Mr.M.Irfan Iqbal	Company's Executive
Motor Vehicle	602	88	514	392	(122)	Company Policy	Mr.Danish Kazim	Company's Executive
Motor Vehicle	693	72	621	699	78	Company Policy	Mr.Muhammad Zohaib	Company's Executive
Motor Vehicle	1,136	260	876	1,254	378	Company Policy	Mr.Waleed Muhammad	Company's Executive
Motor Vehicle	2,421	706	1,715	2,173	458	Company Policy	Mr.Abdul Sami Qureshi	Company's Executive
Motor Vehicle	898	206	692	1,121	429	Company Policy	Mr.Rehman	Company's Executive
Motor Vehicle	1,643	377	1,266	1,792	526	Company Policy	Mr.Tariq	Company's Executive
Motor Vehicle	1,957	204	1,753	1,864	111	Company Policy	Mr.Hasan Najeeb	Company's Executive
Motor Vehicle	849	71	778	483	(295)	Company Policy	Mr.Usman Saif	Company's Executive
Total	37,833	6,785	31,048	38,387	7,339			

6.5 Capital work-in-progress (CWIP)

	Note	2023	2022
		(Rupees in ‘000)	
Civil works	6.5.1	3,593,846	1,308,446
Advance against civil work		367,575	599,542
Plant and machinery		264,473	161,431
Advance against Plant & Machinery and Office Equipment		248,101	60,118
Office equipment		277,157	8,335
Furniture & Fixtures		80,401	7,879
Advance against motor Vehicles and furniture & fixtures		3,181	2,148
		4,834,734	2,147,899

- 6.5.1 Includes borrowing costs capitalized during the year amounting to Rs. 569 million (2022: Rs. 104 million).
- 6.5.2 During the year the additions to CWIP and transfer of respective assets to operating fixed assets amounted to Rs. 3,295 million (2022: Rs. 1,703 million) and Rs. 608 million (2022: Rs. 362 million) respectively.

Particulars of immovable property (i.e. land and building) in the name of the Parent Company are as follows:

Location	Usage of immovable property	Geographical Location	Total Area (In Sq. Ft.)	Covered Area (In Sq. Ft.)
Corporate office	Office Building	12/CL-6 Claremount Road, Civil Lines, Karachi	45,099	16,301
S.I.T.E.	Manufacturing plant	Unit F-160/ C, F- 133, S.I.T.E., Karachi	76,491	50,786
Port Qasim	Manufacturing plant	Office A-13, North Western Industrial Zone, Bin Qasim, Karachi	435,602	283,132
Nooriabad	Manufacturing plant	A-393, Nooriabad Industrial Estate, Nooriabad	602,942	147,045
Gujranwala	Manufacturing plant	53-KM G.T. Road, Chainwala Mord Amanabad, Gujranwala	130,680	37,346
Faisalabad	Manufacturing plant (under construction)	Plot No. 346 & 347 Phase - 2, M-3 Industrial City, Faisalabad	1,086,456	412,862

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

6.6 Right-of-use assets

The Group leases many assets including buildings and vehicles with lease terms of two to five years.

	2023			
	Properties	Equipments	Vehicles	Total
	(Rupees in '000)			
Balance at 1 July 2022				
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
Net Book Value	1,873,226	6,724	95,649	1,975,599
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
	2,921,333	6,115	138,880	3,066,328
Net book value	2,921,333	6,115	138,880	3,066,328
As at 30 June 2023	2,921,333	6,115	138,880	3,066,328

	2022			
	Properties	Equipments	Vehicles	Total
	(Rupees in '000)			
Balance at 1 July 2021				
Cost	1,390,885	17,700	101,070	1,509,655
Accumulated depreciation	(342,861)	(8,357)	(40,014)	(391,232)
Net Book Value	1,048,024	9,343	61,056	1,118,423
Additions	828,677	-	48,397	877,074
Charge for the year	(328,317)	(4,396)	(31,379)	(364,092)
Balance at 30 June 2022	1,548,384	4,947	78,074	1,631,405
Effect of movements in exchange rates	324,842	1,777	17,575	344,193
	1,873,226	6,724	95,649	1,975,599
Net book value	1,873,226	6,724	95,649	1,975,599
As at 30 June 2022	1,873,226	6,724	95,649	1,975,599

* Derecognition comprises of transfer from right-of-use assets to property, plant and equipment upon exercise of purchase option, and return of right-of-use assets to the lessor prior to the end of the lease term.

6.6.1 The depreciation of right-of-use for the year has been allocated as follows :

	Note	2023	2022
		(Rupees in '000)	
Cost of sales	29	8,390	8,390
Distribution cost	30	541,373	318,917
Administrative expenses	31	65,462	36,784
		615,225	364,091

6.6.2 Equipments and vehicles represent the asset obtained under finance lease arrangements.

7. INTANGIBLES AND GOODWILL

	Note	2023	2022
		(Rupees in '000)	
Goodwill and intangibles	7.1	1,419,596	930,506
System under development	7.3	96,293	41,658
		1,515,889	972,164

7.1 Goodwill and intangibles

	2023				
	Computer softwares and ERP System	Goodwill	Customer relationships	Trademark	Total
	(Rupees in '000)				
Cost					
Balance as at 1 July 2022	329,829	453,300	168,294	364,405	1,315,828
Addition	25,569	46,134	92,185	-	163,888
Effect of movement in exchange rates	938	178,076	97,070	131,589	407,673
Balance as at 30 June 2023	356,336	677,510	357,549	495,994	1,887,389
Accumulated amortisation					
Balance as at 1 July 2022	295,990	-	89,332	-	385,322
Amortisation for the year	18,830	-	20,089	-	38,919
Effect of movement in exchange rates	383	-	43,169	-	43,552
Balance as at 30 June 2023	315,203	-	152,590	-	467,793
Carrying amounts					
As at 30 June 2023	41,133	677,510	204,959	495,994	1,419,596
Useful life (years)	3	Indefinite	10	Indefinite	

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

	2022				
	Computer softwares and ERP System	Goodwill	Customer relationships	Trademark	Total
	(Rupees in '000)				
Cost					
Balance as at 1 July 2021	346,735	362,202	138,762	291,172	1,138,871
Addition	22,640	-	-	-	22,640
Effect of movement in exchange rates	(39,546)	91,098	29,532	73,233	154,317
Balance as at 30 June 2022	329,829	453,300	168,294	364,405	1,315,828
Accumulated amortisation					
Balance as at 1 July 2021	312,051	-	61,904	-	373,955
Amortisation for the year	23,833	-	15,241	-	39,074
Effect of movement in exchange rates	(39,894)	-	12,187	-	(27,707)
Balance as at 30 June 2022	295,990	-	89,332	-	385,322
Carrying amounts					
As at 30 June 2022	33,839	453,300	78,962	364,405	930,506
Useful life (years)	3	Indefinite	10	Indefinite	

7.2 The amortization charge for the year has been allocated as follows:

	Note	2023	2022
		(Rupees in '000)	
Cost of sales	29	665	409
Distribution cost	30	20,605	16,231
Administrative expenses	31	17,649	22,434
		38,919	39,074

7.3 This represent amount given to vendor for the development of software which is expected to be capitalised next year.

7.4 Impairment testing of goodwill, trademark and other indefinite useful life

For the purpose of the impairment testing, goodwill acquired through business combination and trademarks with indefinite useful lives are allocated to the A-1 Bags and Supplies.

The recoverable amount of business operations of AI Bags & Suppliers Inc. (acquired entity) has been determined based on its value in use, determined by discounting the future cash flows to be generated from its continuing use. The cash flow projections are prepared covering period from 2024 to 2029 till terminal period. The calculations used for cash flow projections are based on financial projections prepared by management.

The value in use determined for underlying cash generating unit is higher than its carrying amount.

The key assumptions used in the estimation of value in use were as follow:

	Percentage (%)
Sales (% annual growth rate)	10.4
Budgeted gross margin (%)	10.4
Other operating cost	6.0
Long term growth rate	17.6
Pre-tax discount rate (%)	17.6

Management has determined the values assigned to each of the above key assumptions as follows:

Assumptions	Approached used to determine values
Sales Volume	Average annual growth rate over the forecast period based on recent performance and management’s expectations of market development. Management does not anticipate material impact owing to change in the assumptions used for growth in sales volume.
Sales Price	Average annual growth rate over the forecast period based on current industry trend and including long term inflation forecast. Management does not anticipate material impact owing to change in the assumptions used for growth in sales price.
Budgeted Gross Margin	Based on recent performance and management’s expectation for the future.
Other Operating Cost	Fixed cost of the CGU, which do not vary significantly with sales volume or price. Management forecast these costs based on the current structure of the business, adjusting for inflationary increases but not reflecting any future restructuring or cost saving measures. The amounts disclosed above are the average operating costs for the forecast period. Management does not anticipate material impact owing to change in the assumptions used for growth in other operating cost.
Long Term Growth Rate	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. Management does not anticipate material impact owing to change in the assumptions used for growth in the long term rate.
Pre-tax Discount Rates	Reflect specific risks relating to the business segment, and the country in which it operates.
Sensitivity to Changes in other Assumptions	Management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount to exceed its recoverable amount.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

8. LONG-TERM INVESTMENT

	Note	2023	2022
		(Rupees in '000)	
Investment at fair value through profit or loss (FVTPL)			
Naimat Collateral Management Company Limited		30,000	30,000
Less: Provision for Impairment	8.1	(30,000)	(15,784)
	8.1.1	-	14,216

8.1 The movement in provision for impairment during the year is as follows:

	Note	2023	2022
		(Rupees in '000)	
Balance at beginning of the year		(15,784)	-
Provision recognized during the year	8.1.1	(14,216)	(15,784)
Balance at end of the year		(30,000)	(15,784)

8.1.1 On 25 February 2020, the Company subscribed 3,000,000 ordinary shares of Rs.10 each in Naymat Collateral Management Company Limited (NCMCL). The Company's shareholding gives it ownership interest and voting power of 10% in it. NCMCL is an unlisted public company that was incorporated under Companies Act, 2017 on 21 January 2020 and has its registered office at C-25/B, Block 4, Clifton, Karachi Saddar Town, Sindh, Pakistan. It is engaged in the business of providing storage and preservation services for a range of agricultural commodities as well as issuing credible warehouse receipts for agricultural commodity financing.

The 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.

9. DEFERRED ASSETS

	Note	2023	2022
		(Rupees in '000)	
Pension Plan - parent company	9.4	26,174	43,805
Pensioners' Medical Plan - parent company	9.4	17,984	9,851
		44,158	53,656

9.1 The Parent Company currently operates a funded pension scheme and post retirement medical benefit for the Chief Executive. In addition, payments are also being made from the pension scheme for the spouses of the two late Directors. Actuarial valuation of these plans is carried out every year and the latest actuarial valuation was carried out as at 30 June 2023.

9.2 Plan assets held in trust are governed by local regulations which mainly include the Trust Act, 1882, the Companies Act, 2017, the Income Tax Rules, 2002 and Rules under the Trust Deed of the Plans. Responsibility for governance of the Plans, including investment decisions and contribution schedules, lies with the Board of Trustees. The Parent Company appoints the Trustees and all Trustees are employees of the Parent Company.

9.3 The latest actuarial valuation of the Fund as at 30 June 2023 was carried out using the Projected Unit Credit Method. Details of the Fund as per the actuarial valuation of the plan assets of the parent company are as follows:

9.4 Balance sheet reconciliation of the plan assets of the parent company

		Pension Plan		Pensioners' Medical Plan	
	Note	2023	2022	2023	2022
		(Rupees in '000)			
Present value of defined benefit obligations	9.8	(258,636)	(210,740)	(54,148)	(54,087)
Fair value of plan assets	9.9	284,810	254,545	72,132	63,938
		26,174	43,805	17,984	9,851

9.5 Movement in the net liability recognised in the balance sheet

		Pension Plan		Pensioners' Medical Plan	
	Note	2023	2022	2023	2022
		(Rupees in '000)			
Opening balance		(43,805)	(46,815)	(9,851)	7,006
Remeasurements recognised in					
other comprehensive income	9.6	16,602	16,717	(5,109)	(17,111)
Charge / (income) for the year	9.7	1,029	1,914	237	2,146
Contribution made		-	(15,621)	-	-
Payments made to members by Parent Company		-	-	(3,261)	(1,892)
Closing balance		(26,174)	(43,805)	(17,984)	(9,851)

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

9.6 Remeasurements recognised in other comprehensive income

Note	Pension Plan		Pensioners' Medical Plan	
	2023	2022	2023	2022
	(Rupees in '000)			
Re-measurements: Actuarial (gain) / loss on obligation				
- (Gain) / Loss due to change in financial assumptions	2,667	2,688	(110)	(13,104)
- (Gain) / Loss due to change in experience adjustments	12,299	3,577	(5,189)	(6,690)
Actuarial (gain) / loss on defined benefit obligation	14,966	6,265	(5,299)	(19,794)
Re-measurements: Return on plan assets				
Actuarial loss / (gain)	1,636	10,452	190	2,683
Total defined benefit cost recognised in other comprehensive income	16,602	16,717	(5,109)	(17,111)

9.6.1 Net actuarial loss (2022: gain) recognized in other comprehensive income for the above two plans is Rs. 11.49 million (2022: Rs. 0.394 million).

9.7 Expense recognised in statement of profit or loss

Note	Pension Plan		Pensioners' Medical Plan	
	2023	2022	2023	2022
	(Rupees in '000)			
Component of defined benefit costs recognized in profit and loss account				
Current service cost	6,580	6,485	1,485	1,463
Net interest cost				
- Interest cost on defined benefit obligation	28,705	18,819	7,136	6,792
- Interest income on plan assets	(34,256)	(23,390)	(8,384)	(6,109)
	(5,551)	(4,570)	(1,248)	683
	1,029	1,914	237	2,146

9.8 Movement in the present value of defined benefit obligations

	Pension Plan		Pensioners' Medical Plan	
	2023	2022	2023	2022
	(Rupees in '000)			
Obligation as at 1 July	210,740	181,747	54,087	67,518
Current service cost	6,580	6,485	1,485	1,463
Interest cost	28,705	18,819	7,136	6,792
Benefits paid	(2,355)	(2,576)	(3,261)	(1,892)
Actuarial loss /(gain)	14,966	6,265	(5,299)	(19,794)
Obligation as at 30 June	258,636	210,740	54,148	54,087

9.9 Movement in the fair value of plan assets

As at 1 July	254,545	228,563	63,938	60,512
Income on plan assets	34,256	23,390	8,384	6,109
Contribution made	-	15,620	-	-
Benefits paid	(2,355)	(2,576)	-	-
Actuarial (gain) / loss	(1,636)	(10,452)	(190)	(2,683)
As at 30 June	284,810	254,545	72,132	63,938

9.10 Components of Plan assets

	Note				
Cash at bank		57,133	134,464	14,483	33,775
Special saving certificates	9.10.1	6,530	6,530	1,640	1,640
Investment in mutual fund	9.10.2	221,147	113,551	56,009	28,523
		284,810	254,545	72,132	63,938

9.10.1 These certificates of National Saving Schemes of the Government of Pakistan has matured. The amount is inclusive of interest.

9.10.2 This represents 4,950,453 units, 208,062 units, 485,670 units, 501,834 units, 512,901 units, 100,821 units and 339,311 units invested in ABL Cash Fund, Al Ameen Islamic Aggressive Income Fund, Al Ameen Islamic Cash Fund, UBL Cash Fund, Alfalah GHP Money Market Fund, Alfalah GHP Cash Fund and NAFA Asset Allocation Fund respectively with the fair value of Rs. 50.64 million, Rs. 21.03 million, Rs. 49.02 million, Rs. 50.24 million, Rs. 50.69 million, Rs. 50.69 million and Rs. 5.25 million respectively.

9.11 Principal actuarial assumptions

	2023	2022
Expected rate of increase in salaries	16.25%	13.50%
Expected rate of increase in pension	9.25%	6.50%
Expected rate of increase in medical benefits	14.25%	11.50%
Discount factor used	16.25%	13.50%
Mortality rate	SLIC (2001-05)	SLIC (2001-05)
Rates of employee turnover	Light	Light

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

9.12 Cost for the next financial year

As per the actuarial valuation report charge for the next financial year is as follows:

	2024	
	Pension Plan	Pensioners' Medical Plan
	(Rupees in '000)	
Current service cost	9,391	1,137

9.13 Sensitivity analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	2023		
	Change in assumption	Defined benefit obligation - Increase / decrease in liability	
	(Rupees in '000)		
Discount rate at June 30	1.00%	282,549	348,252
Future salary increases	1.00%	265,619	251,793
Future pension increases	1.00%	281,808	238,346
Medical cost increases	1.00%	59,581	49,476

	2022		
	Change in assumption	Defined benefit obligation - Increase / decrease in liability	
	(Rupees in '000)		
Discount rate at June 30	1.00%	237,477	297,174
Future salary increases	1.00%	218,199	203,497
Future pension increases	1.00%	229,808	194,080
Medical cost increases	1.00%	59,841	49,175

The sensitivity analysis is based on a change in an assumption while parent all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the pension liability recognised within the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

9.14 During the year, the Parent Company contributed Rs. 100.26 million (2022: Rs. 78.07 million) to the provident fund.

10. STOCK-IN-TRADE

	Note	2023	2022
		(Rupees in '000)	
Raw materials	10.1 & 10.2	3,923,355	3,185,293
Provision for obsolescence	10.4	(51,543)	(78,559)
		3,871,812	3,106,734
Packing materials	10.1 & 10.2	1,362,662	749,519
Provision for obsolescence	10.4	(86,604)	(170,659)
		1,276,058	578,860
Work-in-process		2,523,297	1,689,635
Provision for obsolescence	10.4	(48,873)	(72,348)
		2,474,424	1,617,287
Finished goods	10.1 & 10.3	7,325,424	4,347,318
Provision for obsolescence	10.4	(142,521)	(190,480)
		7,182,903	4,156,838
		14,805,197	9,459,719

- 10.1 Stock in trade includes Rs. 5.84 billion (2022: Rs. 3.99 billion) held with third parties.
- 10.2 This include goods in transit pertaining to raw materials amounting to Rs. 310 million (2022: Rs. 171 million).
- 10.3 Above balances include items costing Rs. 66.55 million (2022: Rs. 75.28 million) valued at net realisable value of Rs. 55.87 million (2022: Rs. 62.15 million).
- 10.4 During the year, the Company recorded reversal of provision / (2022: charge) for obsolescence of Rs. 182.24 million (2022: Rs. 498.86 million) and has written off stocks against provision amounting to Rs. 239.16 million (2022: Rs.224.89 million).

11. TRADE DEBTS

	Note	2023	2022
		(Rupees in '000)	
Considered good - unsecured			
Others			
- Local		709,707	1,292,913
- Foreign		2,518,710	1,430,937
		3,228,417	2,723,850
Considered doubtful		186,664	150,255
		3,415,081	2,874,105
Allowance for impairment	11.1	(186,664)	(150,255)
		3,228,417	2,723,850

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

11.1 The movement in the allowance for impairment for trade debts is as follows:

	2023	2022
	(Rupees in '000)	
Opening allowance for impairment	150,255	96,072
Charge for the year - net	10,024	47,365
Write-offs	(13,712)	(23,668)
Exchange difference	40,097	30,486
Closing allowance for impairment	186,664	150,255

12. ADVANCES

	Note	2023	2022
		(Rupees in '000)	
Considered good			
Suppliers and others	12.1	1,236,168	806,235
		1,236,168	806,235
Considered doubtful			
Suppliers		37,558	41,929
		1,273,726	848,164
Provision for doubtful advances to suppliers		(37,558)	(41,929)
		1,236,168	806,235

12.1 These advances include cash margin of Rs. 377.1 million. Remaining balance of Rs. 821 million has been paid to the supplier for the raw material purchase.

13. DEPOSITS AND PREPAYMENTS

	2023	2022
	(Rupees in '000)	
Considered good		
Deposits	20,570	16,536
Prepayments	990,311	482,574
	1,010,881	499,110

13.1 These trade deposits and prepayments are mainly against rent, insurance and IT utilities and are not considered doubtful. These do not carry any mark up arrangement.

14. OTHER RECEIVABLES

This represents sales tax refundable amounting to Rs. 137 million.

15. SHORT TERM INVESTMENTS at FVTPL

Name of the Mutual Fund	As at 1 July 2022	Invested during the year	Redeemed during the year	As at 30 June 2023
(Number of units)				
MCB Cash Management Optimizer	4,935,844	-	4,935,844	-
HBL Cash Fund	4,935,201	144,916	4,901,314	178,803
Habib Islamic Money Market Fund	-	2,704,051	-	2,704,051
Faysal Stock Fund	669,106	-	-	669,106
Faysal Islamic Cash Fund	-	2,738,554	-	2,738,554
Faysal Money Market Fund	-	775	-	775
ABL Cash fund	24,522,623	82,204,276	77,281,992	29,444,907
Alfalah GHP Stock Fund	422,996	-	-	422,996
Total	35,485,770	87,792,572	87,119,150	36,159,192

Name of the Mutual Fund	As at 1 July 2022	Invested during the year	Redeemed during the year	As at 30 June 2023
(Rupees in '000)				
MCB Cash Management Optimizer	500,000	-	500,000	-
HBL Cash Fund	500,000	14,846	496,588	18,258
Habib Islamic Money Market Fund	-	273,581	-	273,581
Faysal Stock Fund*	36,427	-	-	32,097
Faysal Islamic Cash Fund	-	273,857	-	273,857
Faysal Money Market Fund	-	79	-	79
ABL Cash fund	250,055	851,128	800,000	301,183
Alfalah GHP Stock Fund*	38,313	-	-	37,992
Total	1,324,793	1,413,493	1,796,588	937,047

* During the year no investment/ redemption has been made in the units, however the change is due to unrealised loss.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

16. CASH AND BANK BALANCES

	Note	2023	2022
(Rupees in '000)			
Cash in hand		9,432	2,230
Cash at bank - current account			
- local currency	16.1	1,272	425,022
- foreign currency		1,702,111	703,507
		1,703,383	1,128,529
Cash at bank - saving account			
- local currency	16.2	411	6,575
		1,713,226	1,137,334

16.1 The current accounts are placed with banks under conventional banking arrangements.

16.2 These carry markup rates of 19.5% per annum (2022: 8% per annum).

17. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2023	2022		2023	2022
(Number of shares)			(Rupees in '000)	
3,139,975	3,139,975	Ordinary shares of Rs. 5 (2022: Rs. 5) each issued for consideration paid in cash	15,700	15,700
229,975,450	229,975,450	Ordinary shares of Rs. 5 (2022: Rs. 5) each as fully paid bonus shares	1,149,876	1,149,876
233,115,425	233,115,425		1,165,576	1,165,576

17.1 As at 30 June 2023, ATC parents (Private) Limited (ultimate parent company) held 79,311,413 (2022: 78,911,813) ordinary shares of the Company.

18. NON-CONTROLLING INTEREST (NCI)

Below is summarised financial information of A-1 Bags & Supplies Inc. that has a non-controlling interest (40% stake) that is material to the Group. The amounts disclosed are before inter-group eliminations.

Summarised balance sheet

	2023	2022
(Rupees in '000)		
Non-current assets	4,706,420	2,852,928
Current assets	7,635,276	4,131,293
Non-current liabilities	(3,314,359)	(1,905,078)
Current liabilities	(4,844,109)	(2,917,388)
	4,183,228	2,161,755
Accumulated NCI	1,780,155	767,772

Summarised statement of profit or loss and comprehensive income

	2023	2022
(Rupees in '000)		
Sales	34,006,991	24,085,143
Profit for the period	1,569,980	912,328
Total comprehensive income	1,569,980	809,132
Profit allocated to NCI	619,956	337,525
Eligible dividend to NCI	578,595	167,892

Summarised cash flows

Cash flow from operating activities	1,583,014	538,426
Cash flow from investing activities	(816,212)	(498,012)
Cash flow from financing activities	(759,641)	(63,515)
Net (decrease) / increase in cash and cash equivalents	7,161	(23,101)

19. LONG-TERM FINANCE AND DEFERRED INCOME

	Note	2023	2022
(Rupees in '000)			
Long-term finance			
- Local currency	19.1	3,183,305	670,154
- Foreign currency	19.2	1,150,318	453,045
- Deferred income - government grant		-	2,037
		4,333,623	1,125,236
Less: Current maturity of long-term finance		(372,404)	(611,613)
Less: Current portion of deferred income - government grant		-	(2,037)
		3,961,219	511,586

19.1 This represents original long term finance facilities of Rs. 3,500 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 of Rs. 15 million, 8.33 million, 93.75 million and 87.5 million until October 2029.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

19.2 A-1 Bags & Supplies Inc., obtained loan from commercial bank details of whose are as follows:

	Note	2023	2022
		(Rupees in '000)	
TD bank loan		-	17,660
TD bank loan		-	11,299
TD bank loan		-	98,619
TD bank loan	19.2.1	43,657	54,809
TD bank loan	19.2.2	51,306	50,055
TD bank loan	19.2.3	1,564	14,692
TD bank loan	19.2.4	146,288	136,969
TD bank loan	19.2.5	16,888	15,516
Vehicle loan	19.2.6	45,952	41,224
TD bank loan	19.2.7	14,435	12,202
TD bank loan	19.2.8	246,706	-
TD bank loan	19.2.9	583,522	-
		1,150,318	453,045

- 19.2.1 The loan, secured by accounts receivable, bears interest at a rate of 4.85% per annum and is repayable in 60 equal monthly payments of Rs. 2.8 million including interest, maturing in October 2024.
- 19.2.2 The loan, to finance equipment purchase, secured by accounts receivable, bears interest at a rate of 3.85% per annum and is repayable in 60 equal monthly payments of Rs. 1.4 million including interest, maturing in October 2026.
- 19.2.3 The loan, to finance equipment purchase, secured by accounts receivable, bears interest at a rate of 3.55% per annum and is repayable in 24 equal monthly payments of Rs. 1.4 million including interest, maturing in July 2023.
- 19.2.4 The loan, to finance equipment purchase, secured by accounts receivable, bears interest at a rate of 4.09% per annum and is repayable in 60 equal monthly payments of Rs. 3.7 million including interest, maturing in October 2026.
- 19.2.5 The loan, to finance equipment purchase, secured by accounts receivable, bears interest at a rate of 4.09% per annum and is repayable in 60 equal monthly payments of Rs. 0.4 million including interest, maturing in October 2026.

- 19.2.6 The loan, to finance equipment purchase, secured by accounts receivable, bears interest at a rate of 5.79% per annum and is repayable in 60 equal monthly payments of Rs. 1 million including interest, maturing in May 2027.
- 19.2.7 Vehicle loan payable, secured by a charge of the vehicle, bears interest at a rate of 3.65% per annum and is repayable in 96 equal monthly payments of Rs. 0.21 million including interest, maturing in March 2030.
- 19.2.8 The loan, to finance equipment purchase, secured by accounts receivable, bears interest at a rate of 6.62% per annum and is repayable in 60 equal monthly payments of Rs. 4.8 million including interest, maturing in November 2027.
- 19.2.9 The loan, secured by accounts receivable, bears interest at a rate of prime + 0.5% per annum and is repayable in 59 equal monthly payments of Rs. 9.9 million including interest, maturing in March 2028.

Under the terms of the Bank's credit facility, the A-1 Bags & Supplies Inc., is required to comply with certain financial and non-financial covenants. As at June 30, 2023, the A-1 Bags & Supplies Inc., is in compliance of these covenants.

20. LEASE LIABILITIES

	2023	2022
	(Rupees in '000)	
Opening balance	2,114,940	1,176,126
Additions	692,140	866,974
Interest expense	133,384	163,954
Rental paid	(560,994)	(457,418)
Effect of movements in exchange rates	646,815	365,304
	3,026,285	2,114,940
Current portion	(644,680)	(433,964)
Balance as at 30 June 2023	2,381,605	1,680,976

	Rentals	Interest charge	Present value
	(Rupees in '000)		
Not later than one year	803,699	159,019	644,680
Later than one year but not later than five years	2,370,097	273,387	2,096,710
Later than five years and above	339,280	54,385	284,895
	3,513,076	486,791	3,026,285

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

21. LONG TERM PROVISIONS

This represents liability against Gas Infrastructure Development Cess (GIDC) amounting to Rs. 76.01 million and are presented at present value of the total liability of Rs. 74.91 million (2022: Rs. 72.5 million) discounted in accordance with ICAP technical service guidelines 'Accounting for Gas Infrastructure Development Cess (GIDC)' dated 19 January 2021.

Current portion of the liability amounts to Rs. 70.29 million (2022: Rs. 50.04 million). The future value has been discounted at 7.1 % per annum. Monthly installments due under a court order amounts to Rs. 1.58 million and is due by September 2024. However, the Company has obtained stay order from Honourable Sindh High Court, against the payment of monthly installments. The case is still pending before Honourable Sindh High Court for adjudication.

22. DEFERRED TAXATION - net

	2023	2022
	(Rupees in '000)	
Taxable temporary differences:		
Accelerated tax depreciation / amortisation & goodwill	598,974	393,878
Retirement benefits	9,264	13,746
Right-of-use assets	5,062	9,293
	613,300	416,917
Deductible temporary differences:		
Provision for stock obsolescence	(92,434)	(112,833)
Allowance for impairment on trade debts	(19,800)	(11,232)
Lease liabilities	(5,998)	(9,916)
Provisions for GIDC and others	(82,724)	(83,427)
	(200,956)	(217,408)
	412,344	199,509

22.1 During the year tax effect of temporary differences of Rs. 208.93 million (2022: Rs. 6.8 million) was recognized in profit or loss and Rs. 4.48 million (2022: 0.114 million) recognized in other comprehensive income.

23. DEFERRED LIABILITIES

	2023	2022
	(Rupees in '000)	
Opening liability	6,341	3,662
Charge/ (reversal) for the year	4,072	(1,578)
Exchange difference	3,134	4,257
Closing liability	13,547	6,341

This represent staff terminal benefits obligation relating to National Foods DMCC (subsidiary company) calculated in accordance with U.A.E. labour laws. Seven employees are covered under the above scheme.

24. TRADE AND OTHER PAYABLES

	Note	2023	2022
		(Rupees in '000)	
Creditors		4,173,046	1,968,986
Accrued liabilities		5,839,678	5,326,715
Workers' Profits Participation Fund	24.1	145,266	2,187
Workers' Welfare Fund	24.2	254,185	221,700
Payable to provident fund	24.3	-	4,963
Refund Liabilities	24.4	69,694	69,694
Tax deducted at source		72,040	47,465
Long term Provision - current portion		70,286	50,038
Sales tax payable		24,431	1,012
Custom duties payable		120,283	20,682
Other liabilities		40,881	39,030
Due to related parties - Directors	24.5	39,982	29,408
		10,849,772	7,781,880

24.1 Workers' Profit Participation Fund

	2023	2022
	(Rupees in '000)	
Payable/ (Receivable) as at July 1	2,187	(5,969)
Allocation for the year	145,266	138,777
	147,453	132,808
Amount paid during the year	(2,187)	(130,621)
Payable as at June 30	145,266	2,187

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

24.2 The Finance Act 2008 introduced amendments to the Workers' Welfare Fund (WWF) Ordinance, 1971 whereby the definition of industrial establishment was extended. The amendments were challenged at various levels and conflicting judgments were rendered by the Lahore High Court, Sindh High Court and Peshawar High Court. The Company is of the view that it is not liable to pay this liability. However, the management has made provision for WWF for the years from 2015 to 2023 amounting to Rs. 254 million as a matter of abundant caution.

The Honourable Supreme Court of Pakistan vide its judgment dated 10 November 2016, has upheld the view of Lahore High Court and decided that WWF is not a tax and hence the amendments introduced through Finance Act 2008 are ultra-vires to the Constitution. The Federal Board of Revenue has filed Civil Review Petitions in respect of above judgment with the prayer that the judgment dated 10 November 2016 passed in the Civil Appeal may kindly be reviewed in the interest of justice.

The management, as a matter of abundant caution, has decided to maintain the provision of WWF till the decision of Supreme Court in respect of Civil Review Petition.

24.3 All investments out of provident fund maintained by the Parent Company have been made in accordance with the provisions of Section 218 of the Companies Act 2017 and the conditions specified thereunder.

24.4 This relates to consideration received from the customers for goods sold which the Company expects to refund to the customers.

24.5 This represents unsecured and interest free balance payable on demand.

25. CONTRACT LIABILITIES

	2023	2022
	(Rupees in '000)	
Advances from customers	355,136	109,100

26. SHORT-TERM BORROWINGS

	Note	2023	2022
		(Rupees in '000)	
Conventional			
Running finance under mark up arrangements	26.1	2,750,486	1,828,359
Demand operating loan (foreign currency loan)	26.2	501,509	613,207
Export re-finance	26.3	800,000	800,000
Money market loan		-	450,000
Islamic			
Running finance under Musharakah	26.4	1,355,274	1,191,524
		5,407,269	4,883,090

26.1 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 21.71% to 21.80% (2022: 9.77% to 10.30%) per annum. The facilities are valid upto 30 April, 2024 and are generally renewable.

26.2 A demand operating loan has been authorized by Toronto Dominion ("TD") bank to a maximum of Rs. 2.4 billion (2022: Rs. 2.2 billion) and bears interest at TD bank's prime lending rate plus 0.3% (2022: 0.3%) per annum and is secured by a general security agreement, an assignment of insurance and postponement of related party loans. The agreement was amended during the year to increase the maximum credit limit. The loan is guaranteed by the shareholders of the subsidiary company. As at 30 June 2023, the Company has used Rs. 502 million (2022: Rs. 845 million) of the bank credit facility.

26.3 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 17% (2022: 2.5%) per annum. The facilities offer are valid upto 28 September, 2023 and are generally renewable.

26.4 The Company has obtained facilities for short-term finance under Running Musharakah. The effective rate of profit is 21.75% (2022: 9.99% to 10.73%) per annum. This facility matures within twelve months and is renewable. The facilities offer are valid upto 31 January, 2024 and are generally renewable.

26.5 The facilities available from various banks amount to Rs. 6.14 billion (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.

26.6 As at 30 June 2023, the unavailed facilities from the above borrowings amounted to Rs. 1.2 billion (2022: Rs. 1.9 billion).

27. CONTINGENCIES AND COMMITMENTS

27.1 There are cases against the company which are outstanding as at 30 June 2023. The management is confident that the decision will be in favor of the Company.

27.2 The facilities for opening letters of credit amount to Rs. 4.2 billion (2022: Rs. 4.3 billion) and for letters of guarantee amount to Rs. 1,071 million (2022: Rs. 515 million) as at 30 June 2023 of which the amount remaining unutilized at period end were Rs 3.5 billion (2022: Rs. 3.49 billion) and 620 million (2022: Rs. 136 million) respectively. The guarantees have mainly been given to utility companies, Collector of Customs and an oil marketing Company, etc.

27.3 Aggregate commitments for capital expenditure as at 30 June 2023 amount to Rs. 2.4 billion (2022: Rs. 3.1 billion).

27.4 Aggregate commitments in respect of ujah payments for ijarah financing of motor vehicles from a Modaraba bearing markup rate at three months KIBOR + 0.90% (2022: three months KIBOR + 0.75%) and from a commercial bank bearing markup rate at three months KIBOR + 1.25% (2022: six months KIBOR + 1.25%) per annum for rentals payable monthly as at 30 June 2023 amount to:

	2023	2022
	(Rupees in '000)	
Not later than one year	371,529	330,443
Later than one year but not later than five years	791,298	755,640
	1,162,827	1,086,083

Total sanctioned facilities amount to Rs. 1,900 million, out of which Rs. 1,163 million has been utilized by the company as of the year end.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

28. SALES - NET

	Note	2023	2022
(Rupees in '000)			
- Local sales	28.1	40,107,177	36,644,222
- Export sales		39,344,295	22,219,472
Gross sales		79,451,472	58,863,694
Less: Sales tax		(7,122,934)	(5,919,275)
		72,328,538	52,944,419
Less:			
- Discount, rebates and allowances		(7,271,560)	(6,880,404)
- Sales return		(734,691)	(538,407)
		(8,006,251)	(7,418,811)
		64,322,287	45,525,608

28.1 Export sales comprise of sales made in the following regions:

	2023	2022
(Rupees in '000)		
Middle East	1,100,805	645,620
United States of America/Canada	37,092,512	20,640,328
Kingdom of Saudi Arabia	351,129	235,599
Europe/United Kingdom	395,490	484,905
Others	404,359	213,020
	39,344,295	22,219,472

Above export sales includes sales by the subsidiary companies.

28.2 DISAGGREGATION OF REVENUE

Local sales are within Pakistan only. The Group has disaggregated revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

	2023	2022
(Rupees in '000)		
Major Product Lines:		
Condiments	21,148,873	16,941,727
Culinary	22,587,577	22,536,242
Retail business (departmental stores)	35,715,022	19,385,726
	79,451,472	58,863,695

28.3 Sales, net of sales return is Rs. 78.7 billion (2022:58.3 billion).

29. COST OF SALES

	Note	2023	2022
(Rupees in '000)			
Raw material consumed		11,737,878	10,316,861
Packing material consumed		4,955,873	4,030,332
Stores and spares consumed		201,711	175,941
Impairment loss against inventory		(112,052)	346,733
Salaries, wages and other benefits		1,694,519	1,550,391
Contribution to provident fund		28,994	23,466
Depreciation	6.2	531,443	469,690
Depreciation of right-of-use assets	6.6.1	8,390	8,390
Amortization	7.2	665	409
Ujrah payments		47,477	26,811
Fuel and power		666,762	553,189
Insurance		21,515	33,494
Laboratory, research and development		23,739	15,985
Postage and communications		5,805	5,340
Printing and stationery		15,620	8,217
Rent, rates and taxes		453,974	370,020
Travelling		217,152	239,969
Repairs and maintenance		252,976	144,151
Security & janitorial charges		166,885	34,276
Inventory destruction charges		12,609	20,793
Others	29.1	68,684	61,516
		21,000,619	18,435,975
Opening work in process		1,617,287	1,092,150
Closing work in process		(2,474,424)	(1,617,287)
Cost of goods manufactured		20,143,482	17,910,838
Opening stock of finished goods (of manufactured goods)		1,326,045	1,270,541
Closing stock of finished goods (of manufactured goods)		(2,146,990)	(1,326,045)
Cost of sales for manufacturing business		19,322,537	17,855,334
Cost of sales for retail business		26,805,871	14,690,870
		46,128,408	32,546,204

29.1 This includes professional service charges amounting to Rs. 34 million.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

30. SELLING AND DISTRIBUTION COSTS

Note	2023	2022
	(Rupees in '000)	
Salaries, wages and other benefits	3,833,674	2,529,112
Advertising and sales promotion	2,270,000	2,088,031
Outward freight and handling charges	1,238,781	1,043,534
Contribution to provident fund	42,133	35,412
Depreciation	6.2 244,088	147,842
Depreciation of right-of-use assets	6.6.1 541,373	318,917
Amortization	7.2 20,605	16,231
Ujrah payments	186,578	142,944
Fuel and power	141,617	88,709
Forwarding charges	27,363	71,165
Insurance	83,067	65,947
Legal and professional charges	92,386	65,408
Postage and communications	23,043	11,417
Printing and stationery	232,289	114,526
Rent, rates and taxes	286,578	290,962
Travelling	406,232	288,100
Repairs and maintenance	174,145	87,675
Others	69,404	24,712
	9,913,356	7,430,644

31. ADMINISTRATIVE EXPENSES

Note	2023	2022
	(Rupees in '000)	
Salaries, wages and other benefits	1,276,274	772,125
Contribution to provident fund	24,174	19,192
Depreciation	6.2 140,565	132,233
Depreciation of right-of-use assets	6.6.1 65,462	36,784
Amortization	7.2 17,649	22,434
Ujrah payments	72,106	35,160
Fuel and power	56,862	49,931
Insurance	21,081	15,613
Legal and professional charges	348,661	200,487
Postage and communications	31,347	9,353
Printing and stationery	43,875	26,156
Rent, rates and taxes	15,050	12,179
Travelling	117,404	99,909
Repairs and maintenance	411,904	281,087
Security & janitorial charges	20,073	4,710
Others	31.1 58,663	47,153
	2,721,150	1,764,506

31.1 This includes expenses in relation to office supplies amounting to Rs. 32 million.

32. OTHER EXPENSES

Note	2023	2022
	(Rupees in '000)	
Workers' Profits Participation Fund	145,266	138,350
Workers' Welfare Fund	58,106	55,937
Impairment on long term Investments	8.1 14,216	15,784
Unrealized loss on short term investments at FVTPL	4,710	13,819
Auditors' remuneration	32.1 25,642	15,375
Demurrage and other related costs	-	60,160
Donations	32.2 49,839	4,708
	297,779	304,133

32.1 Auditors' remuneration

Auditors' remuneration	2023		2022	
	(Rupees in '000)			
	KPMG Taseer Hadi & Co.	Other KPMG firms	KPMG Taseer Hadi & Co.	Other KPMG firms
Audit fee	2,908	19,803	2,486	10,402
Limited review, special reports and other certifications	2,510	-	2,145	-
Out of pocket expenses	421	-	342	-
	5,839	19,803	4,973	10,402

32.2 Donations to following Organizations and Trusts exceed 10% of the Group's total amount of donation or Rs. 1 million, whichever is higher:

	2023	2022
	(Rupees in '000)	
The Indus Hospital	16,033	-
Hisaar Foundation	9,941	-
Karachi Relief Trust	9,934	-
Allah Walay Trust	2,000	-
The Citizens Foundation	2,000	-
Childlife Foundation	1,500	-

Donations did not include any amount paid to any person or organization or institution in which a Director or his / her spouse had any interest.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

33. OTHER INCOME

	2023	2022
	(Rupees in '000)	
Income from financial instruments		
Exchange gain - net	591,166	374,339
Return on profit or loss sharing bank account and term deposits - conventional	336	16,794
Realized gain on short term investments at FVTPL	11,644	997
Income from short term investments at FVTPL - dividend income	193,283	42,854
	<u>796,429</u>	<u>434,984</u>
Income from non-financial instruments		
Gain on disposal of property, plant and equipment	23,193	45,946
Export rebate	3,370	7,844
Rental income	3,610	3,074
Amortisation of government grant	2,037	27,429
Scrap sales	83,481	54,880
Insurance claim	-	31,441
Others	-	40,458
	<u>115,691</u>	<u>211,072</u>
	<u>912,120</u>	<u>646,056</u>

34. FINANCE COSTS

	2023	2022
	(Rupees in '000)	
Mark-up on:		
- Short-term running finances	253,389	66,279
- Export refinance facility	77,926	18,701
- Short-term borrowing - running musharakah	189,068	22,813
- Long-term loans	150,421	70,222
- Interest on lease liability	133,384	82,850
Bank charges	354,701	202,944
	<u>1,158,889</u>	<u>463,809</u>

35. TAXATION - net

	2023	2022
	(Rupees in '000)	
Current	1,281,567	904,793
Deferred	208,932	(6,868)
Prior year	(317,000)	-
	<u>1,173,499</u>	<u>897,925</u>

35.1 Income Tax assessment of the Parent Company for various tax and accounting years 2004, 2005, 2008, 2011, 2012 and 2014 to 2021, taken as deemed assessments under section 120 of the Income Tax Ordinance, 2001 were subsequently amended under section 122(5A) of the Income Tax Ordinance, 2001 in which the Tax authorities has raised several demands. The Company has filed appeals before various appellate forums and has maintained an adequate provision for any potential future liability.

35.2 The Parent Company has filed its income tax return up to the tax year 2022. Tax returns filed by the Company are deemed to be assessed under Section 120 of the Income Tax Ordinance, 2001 unless selected for an amendment / audit by the taxation authorities. Tax return may be selected for detailed audit within six years from the end of tax year to which it relates and the Income Tax Commissioner may amend the assessment.

35.3 On 9 December 2022, the UAE (Federal Tax Authority) released the Federal Decree-Law No. (47) of 2022 on the Taxation of Corporations and Businesses (CT Law). The CT Law was published in the Official Gazette on 10 October 2022 and became effective on 25 October 2022. The said law will be applicable to taxable persons for financial years commencing on or after 1 June 2023.

The first reporting period for CT law will be applicable to National Foods – DMCC from financial year 2024.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

35.4 Relationship between income tax expense and accounting profit

	2023	2022
	(Rupees in '000)	
Profit before taxation	5,004,801	3,615,001
Tax at applicable rate of 39% (2022: 33%)	1,951,872	1,273,176
Prior year tax effect	(317,000)	-
Tax effect of permanent differences	97,829	63,478
Tax effect of final tax regime	(227,747)	(278,194)
Income subject to lower rate	(27,060)	(15,055)
Effect of tax in foreign jurisdictions (effect of nil/lower tax rates)	(307,277)	(148,137)
Others	2,882	2,657
	1,173,499	897,925

36. EARNINGS PER SHARE - basic and diluted

36.1 Basic

	2023	2022
	(Rupees in '000)	
Profit after taxation attributable to owners of the parent company	3,211,346	2,424,148
	(Number of shares)	
Weighted average number of ordinary shares outstanding during the year *	233,115,425	233,115,425
	(Rupees)	
Earnings per share	13.78	10.40

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

36.2 A diluted earnings per share has not been presented as the Group did not have any convertible instruments in issue as at balance sheet date which would have any effect on the earnings per share if the option to convert is exercised.

37. CASH GENERATED FROM OPERATIONS

	2023	2022
	(Rupees in '000)	
Profit before taxation	5,004,804	3,615,000
Adjustments for non-cash charges and other items		
Depreciation	916,096	749,765
Amortisation	38,919	39,075
Depreciation of right-of-use assets	615,225	364,092
Profit on disposal of property, plant and equipment	(23,193)	(45,946)
Amortisation of government grant	(2,037)	(27,429)
Provision for slow moving stock	(112,053)	69,782
Impairment loss on long term investment	14,216	15,784
Impairment loss on trade debts	10,024	47,365
Gain on remeasurement of investment at FVTPL	(11,644)	-
Interest expense - ROUA	3,102	1,509
Finance costs	1,155,786	463,810
Retirement benefits expense	2,076	(909)
	2,606,517	1,676,898
Profit before working capital changes	7,611,321	5,291,898
Working capital changes		
(Increase) / decrease in current assets	(92,916)	(17,711)
Stores, spare parts and loose tools	(3,778,616)	(2,576,640)
Stock in trade	470,076	(1,387,139)
Trade debts	(475,148)	(488,170)
Advances	(54,950)	(1,318)
Trade deposits and prepayments	(83,550)	102,350
Other receivables	(4,015,104)	(4,368,628)
Increase / (decrease) in current liabilities	1,154,795	1,714,488
Trade and other payables	197,926	(55,019)
Contract liability	1,352,721	1,659,469
	4,948,938	2,582,739

38. CASH AND CASH EQUALIVENTS

	Note	2023	2022
		(Rupees in '000)	
Cash and bank balances	16	1,713,226	1,137,334
Short term borrowings	26.1 & 26.4	(4,105,760)	(3,027,565)
		(2,392,534)	(1,890,231)

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

39. REMUNERATION TO CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

39.1 The aggregate amounts charged in these financial statements in respect of remuneration including all benefits to chief executive, directors and executives of the Group are as follows:

	Chief Executive Officer		Directors		Executives	
	2023	2022	2023	2022	2023	2022
	(Rupees in '000)					
Managerial remuneration and allowances	45,745	39,127	-	-	625,600	472,457
Utilities	4,574	3,913	-	-	56,331	43,067
Bonus / variable pay	53,109	47,020	-	-	256,226	197,912
Housing	20,585	17,607	-	-	253,489	193,805
Retirement benefits	4,574	3,913	-	-	53,331	40,441
Meeting fee	-	-	5,160	6,250	-	-
Fuel allowance	-	-	-	-	117,760	51,380
Medical allowance	-	-	-	-	58,249	43,102
Travelling	-	-	-	-	13,548	7,125
Relocation allowance	-	-	-	-	21,811	17,312
Car maintenance allowance	-	-	-	-	26,728	15,666
Other expenses *	3,352	3,965	-	205	109,337	158,687
	131,939	115,545	5,160	6,455	1,592,410	1,240,954
Number of persons	1	1	6	6	184	143

* In respect of the executives, these represents allowances for several other benefits.

39.2 The Chief Executive, two non-executive directors and certain executives of the parent company are also provided with Company maintained cars, residence and mobile telephones.

40. RELATED PARTY DISCLOSURES

Related parties comprise of the ultimate Holding Company, Parent 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.

40.1 Balance outstanding with related parties

Receivable from the parent company
Payable to the parent company
Payable to associated companies - net
Payable to the defined contribution plan
Due to Directors

2023	2022
(Rupees in '000)	
5,188	-
2,518	-
63,107	25,593
-	4,963
39,982	29,408

40.2 Transaction with related parties other than those disclosed else where in the notes are disclosed below:

Relationship with the Group
Parent Company
Nature of transaction
Rental income
Rental expense
Reimbursement of expenses
Dividend paid

2023	2022
(Rupees in '000)	
3,610	3,074
5,432	3,026
13,184	7,657
394,934	313,247

(Number of Shares)

Bonus Shares issued

2023	2022
(Rupees in '000)	
352,869	174,910
2,546	2,000

Associates
Purchases
Annual subscription

Non-Controlling Interest
Dividend paid

2023	2022
219,751	145,899

Directors and their family members
Dividend paid

2023	2022
454,156	363,221

(Number of Shares)

Bonus Shares issued

2023	2022
(Rupees in '000)	
95,301	78,070
100,264	73,107
1,266	4,062
-	15,621

Key management personnel compensation:

Salaries and other short-term employee benefits
Reimbursement of expenses
Director's meeting fee
Contribution to the Provident Fund
Retainers fee
Retirement benefits

2023	2022
1,005,143	970,244
24,688	36,600
16,564	6,250
27,074	24,647
22,313	-
2,514	3,736

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

40.3 The following are the related parties with whom the Group had entered into transaction or have arrangement / agreement in place:

Name of the Related Party	Basis of association	Aggregate % of Shareparent
ATC parents (Private) Limited	Holding Company*	34.02%
Cherat Packaging Limited	Common directorship	0%
Associated Environment and Energy	Common directorship	0%
The Pakistan Business Council	Common directorship	0%
Management Association of Pakistan	Common directorship	0%
Employers' Federation Of Pakistan	Common directorship	0%
Pakistan Society for Training & Development	Common directorship	0%

* It is the ultimate parent company based on control model as provided under IFRS 10.

41. PLANT CAPACITY AND PRODUCTION

	2023	2022
	(Metric tons)	
Actual production of plants	101,083	108,104

41.1 The capacity and production of the Parent Company plants are indeterminable as these are multi-product and involve varying processes of manufacture.

42. NUMBER OF EMPLOYEES

	2023	2022
	(Number)	
The detail of number of employees are as follows:		
Total employees of the Group at the year end	929	949
Average employees of the Group during the year	939	918

43. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Board of Directors of the Group has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's activities expose it to variety of financial risks namely credit risk, liquidity risk and market risk (including foreign exchange risk and interest rate risk). The Group's overall risk management programme focuses on having cost effective funding as well as managing financial risk to minimise earnings volatility and provide maximum return to shareholders.

43.1 Credit risk

Credit risk represents the financial loss that would be recognised at the reporting date if counterparties failed to perform as contracted. The financial assets exposed to the credit risk amount to Rs. 5.93 billion (2022: Rs. 5.24 billion) appropriately.

The Company's maximum exposure to credit risk as at the reporting date is as follows:

Financial assets:

Deposits
Trade debts
Short term investments at FVTPL
Bank balances

2023	2022
(Rupees in '000)	
60,829	57,099
3,228,417	2,723,850
937,047	1,324,795
1,703,794	1,135,104
5,930,087	5,240,848

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	2023	2022
	(Rupees in '000)	
Local	709,707	1,292,913
UAE	102,036	6,616
Canada	1,799,700	1,332,292
Other region	616,974	92,029
	3,228,417	2,723,850

The following table provides information about the exposure to credit risk for trade debts from individual customers as at June 30, 2023:

	Gross carrying amount	Expected credit loss	Net carrying amount
	(Rupees in '000)		
30 June 2023			
Current (not past due)	1,730,916	12,990	1,717,926
1-30 days past due	1,049,931	10,463	1,039,468
31-60 days past due	298,095	25,012	273,083
61-180 days past due	265,917	70,829	195,088
181-360 days past due	60,061	57,210	2,851
More than 360 days past due	10,160	10,160	-
	3,415,080	186,664	3,228,416

30 June 2022

Current (not past due)
1-30 days past due
31-60 days past due
61-180 days past due
181-360 days past due
More than 360 days past due

1,091,361	122,686	968,675
1,237,234	21,069	1,216,165
290,421	4,592	285,829
79,940	231	79,709
162,974	1,451	161,523
12,174	226	11,948
2,874,104	150,255	2,723,849

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

Based on the past experience, consideration of financial position, past track records and recoveries, the Group believes that the impairment on trade debts past have been adequately accounted for in these financial statements.

The cash and bank balances represent low credit risk as major balances are placed with banks having credit ratings of A1+ or above as assigned by PACRA or JCR-VIS and other reputed credit agencies.

Other financial assets are neither material to the financial statements nor exposed to any significant credit risk. The management does not expect any losses from non-performance by these counterparties.

Concentration of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, management focuses on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Management does not consider that it has any concentration of credit risk at reporting date. Following are the details:

	2023	2022
	(Rupees in '000)	
Trade Debts		
-Local	709,707	1,292,913
-UAE	102,036	6,616
-Canada	1,799,700	1,332,292
-Other region	616,974	92,029
Banks	1,703,794	1,135,104
Mutual funds	937,047	1,324,795
Deposits - Utilities	60,829	57,099
	5,930,087	5,240,848

43.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk reflects the Group's inability in raising funds to meet commitments. The Group manages liquidity risk by maintaining sufficient cash and bank balances and the availability of financing through banking arrangements. Management monitors rolling forecasts of the Group's liquidity reserve which comprises of undrawn borrowing facility and cash and cash equivalents on the basis of expected cash flows.

2023

Contractual Cashflows			
Carrying amount	Total Contractual Cash flows	Within one year	More than one year
(Rupees in '000)			
4,333,623	9,355,204	1,588,082	7,767,123
10,093,587	10,093,587	10,093,587	-
3,026,285	758,097	750,000	8,097
5,866,975	5,866,975	5,866,975	-
20,639	20,639	20,639	-
23,341,109	26,094,502	18,319,283	7,775,220

Non-derivative Financial Liabilities

Long-term borrowings
Trade and other payables
Lease liabilities
Short-term borrowings (including accrued markup)
Unclaimed dividend

2022

Contractual Cashflows			
Carrying amount	Total Contractual Cash flows	Within one year	More than one year
(Rupees in '000)			
1,123,199	1,431,221	581,432	849,789
7,014,984	7,014,984	7,014,984	-
2,114,941	2,412,344	534,425	1,877,919
4,963,162	4,963,162	4,963,162	-
23,161	23,161	23,161	-
5,444	5,444	5,444	-
15,244,891	15,850,316	13,122,608	2,727,708

Non-derivative Financial Liabilities

Long-term borrowings
Trade and other payables
Lease liabilities
Short-term borrowings (including accrued markup)
Unclaimed dividend
Deposit Payable

43.3 Market risks

Foreign exchange risk

Foreign exchange risk arises mainly where receivables and payables exist in foreign currency. As at 30 June 2023 net financial assets/ (liabilities) of Rs. 1.87 billion (2022: Rs. -1.09 million) were denominated in foreign currency which were exposed to foreign currency risk.

As at 30 June 2023 if the Pak Rupee had strengthened/weaken by 5% against US Dollar with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 59.3 million (2022: Rs. 67.96 million).

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

The sensitivity of foreign exchange rate looks at the outstanding foreign exchange balances of the Company only as at the balance sheet date.

2023									
	Rupees in ('000)	AED in ('000)	CNY in ('000)	Euro in ('000)	GBP in ('000)	SAR in ('000)	USD in ('000)	AUD in ('000)	CAD in ('000)
Trade debts	3,415,081	11,064.20	-	-	-	-	-	-	8,277.20
Bank balance	1,702,111	161.17	-	-	-	-	4,151.52	-	2,310.82
Trade liabilities	(3,244,604)	(4.00)	(90.17)	(29.72)	(0.35)	(0.22)	(61.61)	(23.61)	(14,729.41)
	<u>1,872,588</u>	<u>11,221.37</u>	<u>(90.17)</u>	<u>(29.72)</u>	<u>(0.35)</u>	<u>(0.22)</u>	<u>4,089.90</u>	<u>(23.61)</u>	<u>(4,141.39)</u>
2022									
	Rupees in ('000)	AED in ('000)	CNY in ('000)	Euro in ('000)	GBP in ('000)	SAR in ('000)	USD in ('000)	AUD in ('000)	CAD in ('000)
Trade debts	667,441	10,420.50	-	-	-	-	-	-	543.90
Bank balance	1,676,289	4,864.05	-	-	-	-	3,424.58	-	-
Trade liabilities	(3,428,838)	(2.06)	(66.07)	(25.51)	(0.22)	(0.11)	(3,200.00)	(20.56)	(17,333.89)
	<u>(1,085,108)</u>	<u>15,282.49</u>	<u>(66.07)</u>	<u>(25.51)</u>	<u>(0.22)</u>	<u>(0.11)</u>	<u>224.58</u>	<u>(20.56)</u>	<u>(16,789.99)</u>

The following significant exchange rates were applied during the year:

2023		
	Average rate	Reporting date rate
Rupees / USD	248.00	285.99
Rupees / CNY	35.65	39.67
Rupees / AED	67.52	77.86
Rupees / CAD	185.03	217.84
2022		
	Average rate	Reporting date rate
Rupees / USD	177.78	204.85
Rupees / CNY	27.48	30.54
Rupees / AED	48.40	55.77
Rupees / CAD	140.71	158.65

Interest rate risk

At 30 June 2023 the Company had variable interest bearing financial liabilities of Rs. 8,941 million (2022: Rs. 5,208 million). Had the interest rates varied by 100 basis points (2022: 100 basis points) with all the other variables held constant, profit before tax for the year would have been lower / higher by approximately Rs. 89.41 million (2022: Rs. 52.08 million), mainly as a result of higher / lower interest expense on floating rate borrowings.

Details of the financial instruments, exposed to interest rate risk, based on the earlier of re-pricing or contractual maturity dates are as follows:

	Exposure to Interest / Mark up rate risk			
	Upto 1 month	Upto 3 Months	More than 3 Months	Total
	(Rupees in '000)			
Financial assets				
Bank balances	411	-	-	411
30 June 2023	411	-	-	411
30 June 2022	6,575	-	-	6,575
Financial liabilities				
Long term finance	-	4,333,623	-	4,333,623
Long term provision	1,451	2,927	18,307	22,685
Lease liabilities	-	161,170	2,865,115	3,026,285
Short term borrowings	5,407,269	-	-	5,407,269
30 June 2023	5,408,720	4,497,720	2,883,422	12,789,862
30 June 2022	4,883,090	1,340,100	937,144	7,160,334

Details of interest / markup rates are disclosed in the respective notes.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

43.4 Reconciliation of movements of liabilities to cash flows arising from financing activities

	2023					
	Short term borrowings used for cash management purpose	Other short term borrowings including related accrued markup	Lease liabilities	Long term borrowings including loan classified as current [including related accrued markup] (refer note 19)	Retained earnings	Total
	(Rupees in '000)					
Balance as at 1 July 2022	3,633,090	1,250,000	2,114,941	1,125,236	9,472,739	17,596,006
Changes from financing cash flows						
Repayment of loan	-	(726,439)	-	-	-	(726,439)
Proceeds from long term loan	-	-	-	2,959,608	-	2,959,608
Amortisation of government grant	-	-	-	(2,037)	-	(2,037)
New lease obligations	-	-	(427,607)	-	-	(427,607)
Dividend Paid	-	-	-	-	(1,387,850)	(1,387,850)
Total changes from financing activities	-	(726,439)	(427,607)	2,957,571	(1,387,850)	415,675
Other changes - interest cost						
Interest expense	386,405	133,978	133,384	150,421	-	804,188
Interest paid	(386,405)	(133,978)	(133,384)	(150,421)	-	(804,188)
Additions in Lease Liabilities	-	-	692,140	-	-	692,140
Changes in running finance	1,085,877	-	-	-	-	1,085,877
Exchange difference	164,741	-	646,815	250,816	1,305,273	2,367,645
Total loan related other changes	1,250,618	-	1,338,955	250,816	1,305,273	4,145,662
Total equity related other changes	-	-	-	-	3,826,815	3,826,815
Balance as at 30 June 2023	4,883,708	523,561	3,026,289	4,333,623	13,216,977	25,984,158

43.5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stake holders and to maintain an optimal capital structure to reduce the cost of capital. During the year, the Group's strategy was to maintain leveraged gearing. The gearing ratio as at 30 June 2023 was as follows:

	2023	2022
	(Rupees in '000)	
Total borrowings	10,200,598	8,123,266
Cash and bank balances	(1,713,226)	(1,137,335)
Net debt	8,487,372	6,985,931
Total Equity	13,216,977	9,472,740
Total capital	21,704,349	16,458,671
Gearing ratio	39%	42%

The Group finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimise risk. The group is not exposed to externally imposed capital requirement.

Fair values of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Management considers fair value of financial assets approximate its fair value owing to their short term maturities and credit quality of counter parties.

43.6 Fair values of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the 'measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

	2023					
	Carrying amount			Fair value		
	Assets at Amortised cost	Fair Value	Other Financial Liabilities	Level 1	Level 2	Level 3
	(Rupees in ‘000)					
Financial assets not measured at fair value - note 43.1						
Trade debts	3,228,417	-	-	-	-	-
Bank balances	1,703,794	-	-	-	-	-
Deposits	60,829	-	-	-	-	-
Financial assets measured at fair value						
Short-term investments at FVTPL	-	937,047	-	-	937,047	-
Financial liabilities not measured at fair value - note 43.2						
Long term borrowings	-	-	4,333,623	-	-	-
Trade and other payables	-	-	10,093,587	-	-	-
Short-term borrowings (including accrued markup)	-	-	5,866,975	-	-	-
Lease liabilities	-	-	3,026,285	-	-	-
Unclaimed dividend	-	-	20,639	-	-	-
Deposit payable	-	-	-	-	-	-
	<u>4,993,040</u>	<u>937,047</u>	<u>23,341,109</u>	<u>-</u>	<u>937,047</u>	<u>-</u>

	2022					
	Carrying amount			Fair value		
	Assets at Amortised cost	Fair Value	Other Financial Liabilities	Level 1	Level 2	Level 3
	(Rupees in '000)					
Financial assets not measured at fair value - note 43.1						
Trade debts	2,723,850	-	-	-	-	-
Bank balances	1,135,104	-	-	-	-	-
Deposits	57,099	-	-	-	-	-
Financial assets measured at fair value						
Short-term investments at FVTPL	-	1,324,795	-	-	1,324,795	-
Long term investment at FVTPL	-	14,216	-	-	-	14,216
Financial liabilities not measured at fair value - note 43.2						
Long term borrowings	-	-	1,123,199	-	-	-
Trade and other payables	-	-	7,014,984	-	-	-
Short-term borrowings (including accrued markup)	-	-	4,963,162	-	-	-
Lease liabilities	-	-	2,114,941	-	-	-
Unclaimed dividend	-	-	23,161	-	-	-
Deposit payable	-	-	5,444	-	-	-
	<u>3,916,053</u>	<u>1,339,011</u>	<u>15,244,891</u>	<u>-</u>	<u>1,324,795</u>	<u>14,216</u>

43.6.1 The Company has not disclosed the fair values of the above financial assets and financial liabilities, as these are either short term in nature or repriced, periodically. Therefore, carrying amounts of financial instruments carried at amortised cost are reasonable approximation of their fair values.

44. OPERATING SEGMENT

The Group has the two operating segments namely core business and retail (cash and carry). The core business providing wide range of food products to consumers. The retail (cash and carry) offer different products / supplies to restaurants, retailers and industrial customers based in Canada.

The Group’s chief executive officer reviews the internal management reports of each segment separately.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

44.1 Segment revenue and results

	Core Segment - Food & Food related products	Retail - (cash and carry)	Total
(Rupees in '000)			
For the year ended 30 June 2023			
Sales	30,315,296	34,006,991	64,322,287
Cost of sales	(19,322,537)	(26,805,871)	(46,128,408)
Gross profit	10,992,759	7,201,120	18,193,879
Distribution expenses	(6,147,403)	(3,765,953)	(9,913,356)
Impairment loss on trade debts	(1,506)	(8,518)	(10,024)
Administrative expenses	(2,039,507)	(681,643)	(2,721,150)
Other expenses	(283,133)	(14,646)	(297,779)
Other income	902,224	9,896	912,120
Finance cost	(648,206)	(510,683)	(1,158,889)
Profit before taxation	2,775,228	2,229,573	5,004,801
Taxation	(513,904)	(659,595)	(1,173,499)
Profit after taxation	2,261,324	1,569,978	3,831,302

	Core Segment - Food & Food related products	Retail - (cash and carry)	Total
(Rupees in '000)			
For the year ended 30 June 2022			
Sales	27,140,312	18,385,296	45,525,608
Cost of sales	(17,650,686)	(14,671,503)	(32,322,189)
Gross profit	9,489,626	3,713,793	13,203,419
Selling and distribution expenses	(5,915,197)	(1,739,460)	(7,654,657)
Impairment loss on trade debts	(23,698)	(23,668)	(47,366)
Administrative expenses	(1,109,920)	(661,842)	(1,771,762)
Other operating charges	(296,878)	-	(296,878)
Other income	644,158	1,896	646,054
Finance Cost	(202,394)	(261,415)	(463,819)
Profit before taxation	2,585,697	1,029,304	3,614,991
Taxation	(616,173)	(281,752)	(897,925)
Profit after taxation	1,969,524	747,552	2,717,066

44.2 Segment assets and liabilities

	Core Segment - Food & Food related products	Retail - (cash and carry)	Total
(Rupees in '000)			
As at 30 June 2023			
Segment assets	26,855,094	12,341,697	39,196,791
Segment liabilities	14,362,364	4,844,109	19,206,473
As at 30 June 2022			
Segment assets	20,116,111	6,978,601	27,094,712
Segment liabilities	12,803,386	4,818,585	17,621,972

44.3 Segment assets reported above comprise of property, plant and equipment, stock in trade and trade debts.

44.4 Information about major customers

The Group's customer base is diverse with no single customer accounting for more than 10% of net sales. Sales to domestic customers in Pakistan are 50.48% (2022: 62.25%) and to customer outside Pakistan are 49.52% (2022: 37.75%) of the revenue.

44.5 Geographical Location

The Group's gross revenue from external customers by geographical location is detailed below:

	2023	2022
(Rupees in '000)		
Domestic sales	40,107,177	36,644,222
Export sales	39,344,295	22,219,472
	79,451,472	58,863,694
44.5.1 Region wise export sales are as under:		
Middle East	1,100,805	645,620
Canada	37,092,512	20,640,328
Kingdom of Saudi Arabia	351,129	235,599
Europe/UK	395,490	484,905
Others	404,359	213,020
	39,344,295	22,219,472

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

- 44.6 Management considers that revenue from its ordinary activities are shariah compliant.
- 44.7 Non-current assets of the Group are located in Pakistan except non-current assets amounting to Rs. 5.9 billion (2022: 3.7 billion) are located outside Pakistan.

45. EVENT OCCURRING AFTER BALANCE SHEET DATE

The Board of Directors of the Parent Company in their meeting held on 7 September, 2023 has proposed a final cash dividend of Rs. 2.5 per share (2022: Rs. 5 per share) amounting to Rs. 582.79 million (2022: 1,165.58 million) for the year ended 30 June 2023. The approval of the shareholders of the Parent Company for the cash dividend shall be obtained at the upcoming Annual General Meeting for the year ended 30 June 2023. The financial statements for the year ended 30 June 2023, do not include the effect of the proposed final cash dividend which will be accounted for in the year ending 30 June 2024.

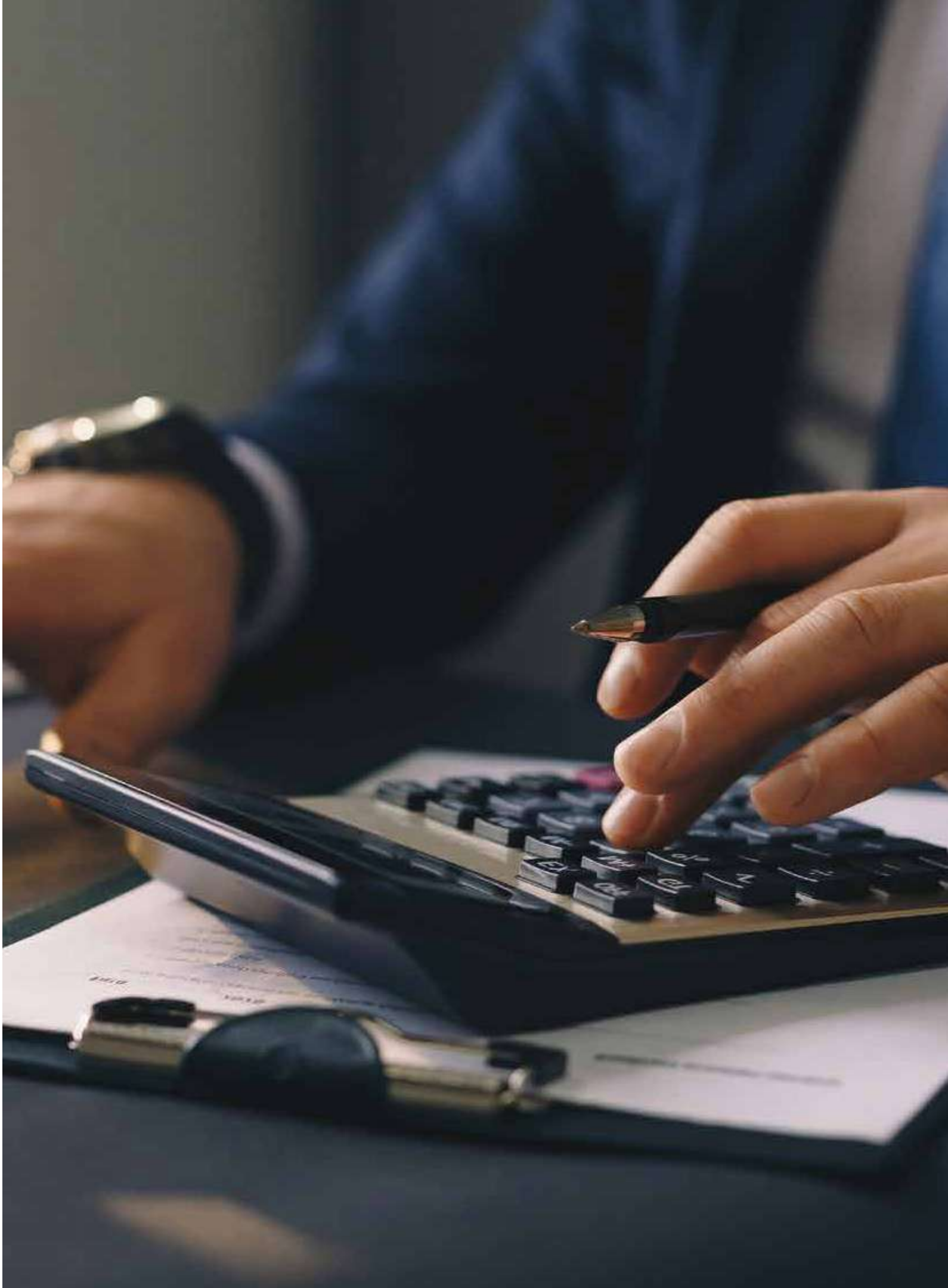
46. DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors of the Parent Company on 7 September, 2023.


Chief Executive Officer

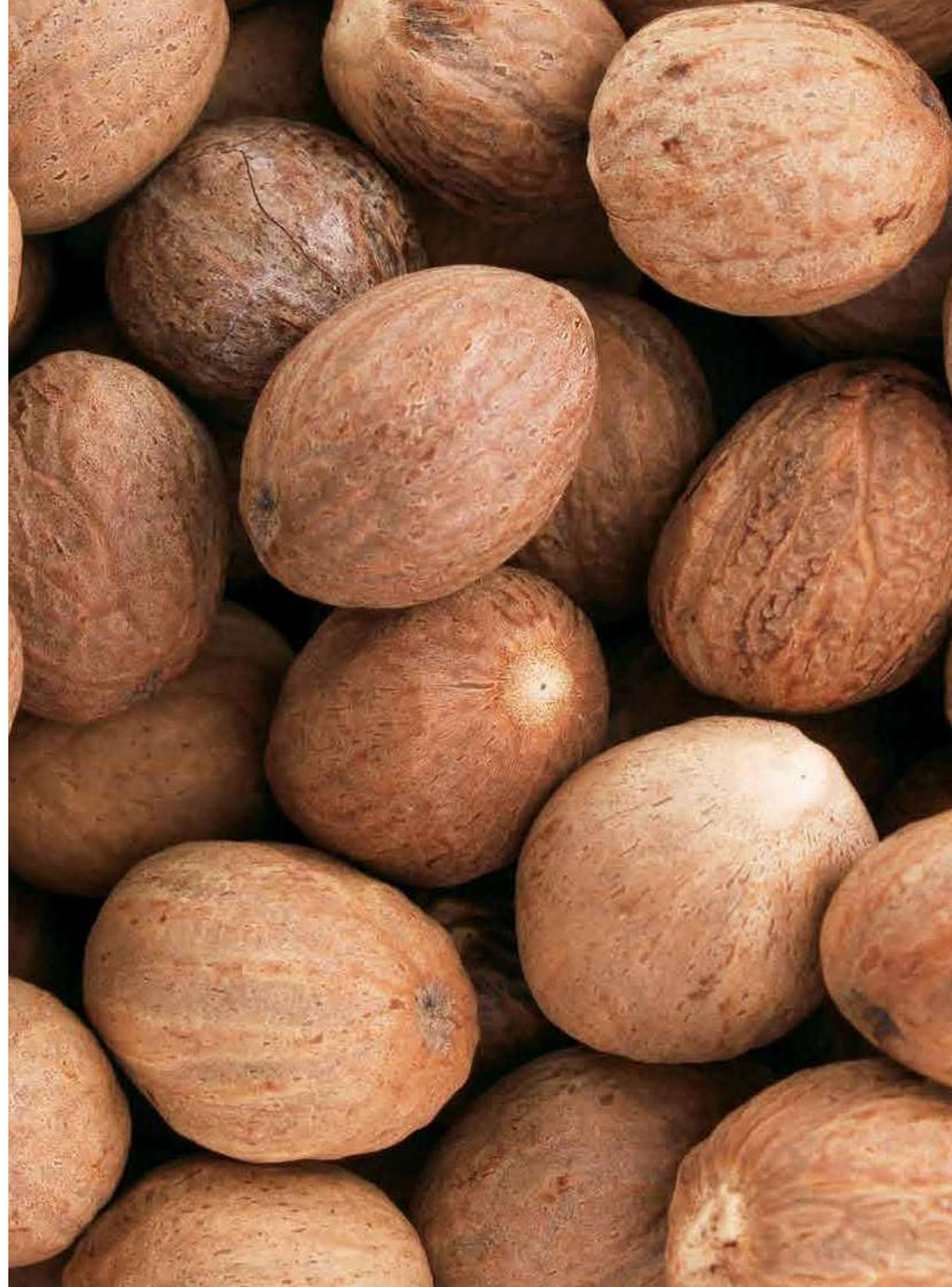

Chief Financial Officer


Director



Others

Here
for
exten-
sion



Pattern of Shareholding

As of June 30, 2023

# Of Shareholders	Shareholdings'Slab			Total Shares Held
1155	1	to	100	55,325
1310	101	to	500	383,423
725	501	to	1000	570,943
953	1001	to	5000	2,165,489
244	5001	to	10000	1,771,279
88	10001	to	15000	1,080,855
56	15001	to	20000	1,018,156
35	20001	to	25000	791,986
24	25001	to	30000	662,609
15	30001	to	35000	483,287
8	35001	to	40000	311,175
10	40001	to	45000	434,857
8	45001	to	50000	381,925
6	50001	to	55000	311,487
2	55001	to	60000	117,631
3	60001	to	65000	190,400
8	65001	to	70000	543,219
5	70001	to	75000	365,600
3	75001	to	80000	233,350
6	80001	to	85000	497,361
3	85001	to	90000	266,500
2	90001	to	95000	186,681
1	95001	to	100000	98,000
6	100001	to	105000	621,020
2	105001	to	110000	218,800
1	110001	to	115000	112,500
5	115001	to	120000	581,236
1	125001	to	130000	130,000
1	130001	to	135000	131,781
4	140001	to	145000	572,125
1	150001	to	155000	151,718
1	155001	to	160000	157,812
2	160001	to	165000	328,420
1	175001	to	180000	180,000
2	185001	to	190000	376,537
1	195001	to	200000	200,000
2	200001	to	205000	405,000
1	205001	to	210000	208,600
1	275001	to	280000	279,000
1	290001	to	295000	290,200

# Of Shareholders	Shareholdings'Slab			Total Shares Held
1	295001	to	300000	300,000
1	315001	to	320000	318,000
1	330001	to	335000	330,800
1	340001	to	345000	340,500
1	370001	to	375000	371,250
1	375001	to	380000	380,000
1	415001	to	420000	416,300
1	445001	to	450000	446,400
1	565001	to	570000	567,800
1	570001	to	575000	571,877
1	580001	to	585000	581,708
1	590001	to	595000	591,425
1	635001	to	640000	639,993
1	710001	to	715000	714,646
3	750001	to	755000	2,253,136
1	755001	to	760000	757,842
1	760001	to	765000	765,000
1	870001	to	875000	875,000
1	965001	to	970000	966,965
1	995001	to	1000000	1,000,000
2	1035001	to	1040000	2,074,253
1	1080001	to	1085000	1,083,000
1	1310001	to	1315000	1,314,300
3	1515001	to	1520000	4,545,111
1	1550001	to	1555000	1,551,606
1	2495001	to	2500000	2,500,000
1	2515001	to	2520000	2,518,632
1	2745001	to	2750000	2,748,185
1	2860001	to	2865000	2,863,928
1	2995001	to	3000000	3,000,000
1	3985001	to	3990000	3,988,443
1	4405001	to	4410000	4,405,881
1	4995001	to	5000000	5,000,000
1	6020001	to	6025000	6,024,801
1	8755001	to	8760000	8,757,800
1	18725001	to	18730000	18,728,794
1	23000001	to	23005000	23,003,081
1	28640001	to	28645000	28,641,268
1	79310001	to	79315000	79,311,413
4747				233,115,425

Categories of Shareholders

As of June 30, 2023

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer and their spouse(s) and minor children			
ZAHID MAJEED	2	19,018,994	8.16
ABRAR HASAN	1	23,003,081	9.87
ALI H.SHIRAZI	1	1,000	0.00
NOREEN HASAN	1	68,000	0.03
SAADIA NAVEED	1	1,515,037	0.65
EHSAN ALI MALIK	1	1,125	0.00
ADAM FAHY MAJEED	1	4,405,881	1.89
DR. JAVED MAJEED	1	3,988,443	1.71
JAMILA WAQAR	1	30,843	0.01
ALIYA AFZAL	2	2,661,557	1.14
LAIQA HASAN	1	2,748,185	1.18
ZEELAF MUNIR	1	1,551,606	0.67
RABIA SHAIKH	1	1,515,037	0.65
KHAWAR M. BUTT	1	28,641,268	12.29
MARIAM EHSAN ALI MALIK	1	26,800	0.01
MARGARET ELIZABETH MAJEED	1	1,035,653	0.44
ISHA BUTT ABDULLAH	1	1,515,037	0.65
Associated Companies, undertakings and related parties	1	79,311,413	34.02
NIT & ICP	-	-	-
Banks Development Financial Institutions, Non Banking Financial Institutions.	3	6,331,827	2.72
Insurance Companies	8	4,604,930	1.98
Modarabas and Mutual Funds	34	4,938,927	2.12
General Public			
a. Local	4,305	26,166,556	11.22
b. Foreign	231	312,076	0.13
Foreign Companies	3	9,389,225	4.03
Others	143	10,332,924	4.43
Totals	4,747	233,115,425	100.00
Share holders holding 10% or more		Shares Held	Percentage
KHAWAR M. BUTT		28,641,268	12.29
ATC HOLDINGS (PRIVATE) LIMITED		79,311,413	34.02

Trading in Shares by Directors & Executives

Following is the summary of shares transactions made by directors, executives and their family members or their private-owned companies during the financial year July 1, 2022, to June 30, 2023, that were duly disclosed at the Pakistan Stock Exchange Limited.

Particulars	Purchase	Sold
Directors and their spouse(s) and minor children	787,200	7,000
Associated Companies, Substantial Shareholders, undertakings, and related parties	399,600	34,949,676

Members Having 10% or More of Voting Rights

Name of Shareholder(s)	"No. of Shares Held"	Percentage (%)
Khawar M. Butt	28,641,268	12.29
Atc Holdings (Private) Limited	79,311,413	34.02

Shareholding Position / Iban

	No. of Shareholders	"No. of Shares Held"	Percentage (%)
Shares in Physical Register	479	1,650,492	0.71
Shares Deposited in Central Depository System	4,268	231,464,933	99.29
Total	4,747	233,115,425	100.00
IBAN / Account No. Updated (Physical)	141	890,846	2.97
IBAN / Account No. Updated (CDS)	4,234	231,397,088	89.19
Total	4,375	232,287,934	92.16

Free Float Shares

Free Float Shares of the Company 60,425,973 i.e. (25.92%) Shares out of total 233,115,425 Shares as on June 30, 2023.

Key Shareholding

Name of Shareholders	"Number of Shares"	"Percentage [%]"
----------------------	--------------------	------------------

Directors, Spouses and their Children

Zahid Majeed	19,018,994	8.16
Abrar Hasan	23,003,081	9.87
Ali H.Shirazi	1,000	0.00
Noreen Hasan	68,000	0.03
Saadia Naveed	1,515,037	0.65
Ehsan Ali Malik	1,125	0.00
Adam Fahy Majeed	4,405,881	1.89
Dr. Javed Majeed	3,988,443	1.71
Jamila Waqar	30,843	0.01
Aliya Afzal	2,661,557	1.14
Laiqa Hasan	2,748,185	1.18
Zeelaf Munir	1,551,606	0.67
Rabia Shaikh	1,515,037	0.65
Khawar M. Butt	28,641,268	12.29
Mariam Ehsan Ali Malik	26,800	0.01
Margaret Elizabeth Majeed	1,035,653	0.44
Isha Butt Abdullah	1,515,037	0.65
Total	91,727,547	39.35

Associates Companies

ATC Holdings (Private) Limited	79,311,413	34.02
--------------------------------	------------	-------

Modarabas and Mutual Funds

First Alnoor Modaraba	3,750	0.00
CDC - Trustee MCB Pakistan Stock Market Fund	1,083,000	0.46
CDC - Trustee Pakistan Capital Market Fund	60,000	0.03
CDC - Trustee Alhamra Islamic Stock Fund	380,000	0.16
CDC - Trustee Meezan Balanced Fund	10,100	0.00
CDC - Trustee Alfalah Ghp Value Fund	28,800	0.01
CDC - Trustee Akd Index Tracker Fund	19,902	0.01
CDC - Trustee Alhamra Islamic Asset Allocation Fund	180,000	0.08
CDC - Trustee Al Meezan Mutual Fund	202,000	0.09
CDC - Trustee Meezan Islamic Fund	330,800	0.14
CDC - Trustee Ubl Stock Advantage Fund	416,300	0.18

Name of Shareholders	"Number of Shares"	"Percentage [%]"
B.R.R. Guardian Modaraba	24,675	0.01
Cdc - Trustee Al-ameen Shariah Stock Fund	567,800	0.24
Cdc - Trustee Nbp Stock Fund	208,600	0.09
Cdc - Trustee Meezan Tahaffuz Pension Fund - Equity Sub Fund	203,000	0.09
Cdc - Trustee Alfalah Ghp Islamic Stock Fund	143,700	0.06
Cdc - Trustee Mcb Pakistan Asset Allocation Fund	110,000	0.05
Cdc - Trustee Alfalah Ghp Stock Fund	140,500	0.06
Cdc - Trustee Alfalah Ghp Alpha Fund	70,500	0.03
Cdc - Trustee Abl Stock Fund	318,000	0.14
Mcbfsl - Trustee Abl Islamic Stock Fund	145,000	0.06
Cdc - Trustee Ubl Asset Allocation Fund	19,900	0.01
Cdc - Trustee Al-ameen Islamic Asset Allocation Fund	38,000	0.02
Cdc-trustee Al-ameen Islamic Ret. Sav. Fund-equity Sub Fund	85,000	0.04
Cdc - Trustee Ubl Retirement Savings Fund - Equity Sub Fund	64,900	0.03
Cdc - Trustee Abl Islamic Pension Fund - Equity Sub Fund	8,500	0.00
Cdc - Trustee Abl Pension Fund - Equity Sub Fund	9,500	0.00
Cdc - Trustee Al Ameen Islamic Dedicated Equity Fund	6,100	0.00
Cdc - Trustee Meezan Asset Allocation Fund	12,000	0.01
Mcbfsl Trustee Abl Islamic Dedicated Stock Fund	12,000	0.01
Cdc - Trustee Alfalah Ghp Islamic Dedicated Equity Fund	6,500	0.00
Cdc Trustee - Meezan Dedicated Equity Fund	13,000	0.01
Cdc - Trustee Ubl Dedicated Equity Fund	10,700	0.00
Cdc - Trustee Alfalah Ghp Dedicated Equity Fund	6,400	0.00
Total	4,938,927	2.12
Banks Development Financial Institutions, Non Banking Financial Institutions	6,331,827	2.72

Insurance Companiest

State Life Insurance Corp. Of Pakistan	2,500,000	1.07
Dawood Family Takaful Limited	189,137	0.08
Dawood Family Takaful Limited	151,718	0.07
Dawood Family Takaful Limited	39,575	0.02
Dawood Family Takaful Limited	15,500	0.01
Adamjee Life Assurance Company Ltd-imf	1,314,300	0.56
Adamjee Life Assurance Company Ltd-amaanat Fund	54,200	0.02
Adamjee Life Assurance Company Limited	340,500	0.15
Total	4,604,930	1.98

Notice of Annual General Meeting

Notice is hereby given that the 52nd Annual General Meeting of National Foods Limited will be held on Thursday, October 19, 2023, at 15:00 p.m. at Beach Luxury Hotel, Karachi to transact the following business. The shareholders who wish to attend the AGM via video link facility may do so.

Ordinary Business:

1.
- To confirm the Minutes of Annual General Meeting held on October 20, 2022.
2.
- To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2023, together with the Directors’ and Auditors’ Reports thereon, together with Audited consolidated financial statements of the Company and the Auditors’ reports thereon for the year ended June 30, 2023.
3.
- To consider, approve and declare the dividend on the ordinary shares of the Company. The Directors have recommended a final cash dividend of 50 % (Rs. 2.50 per ordinary share of Rs. 05/- each), for the year ended 30 June 2023.
4.
- To appoint External Auditors of the Company for the ensuing year, and to fix their remuneration. The Board of Directors, on the recommendation of Audit Committee of the Company, has proposed re-appointment of M/s KPMG Taseer Hadi & Co. Chartered Accountants as external auditors, for the year ending June 30, 2024.

Special Business:

5.
- To consider, and if deem fit, to pass with or without any amendment/modification the following resolution as Ordinary Resolution, to obtain consent from the members for the transmission of annual audited account through QR enabled code and weblink, as allowed under S.R.O. 389 (I)/2023 issued by the Securities and Exchange Commission of Pakistan.

“RESOLVED THAT pursuant to section 223(6) of the Companies Act, 2017 read with SRO 389(I)/2023 dated March 21, 2023, the Company be and is hereby authorized to circulate annual report containing annual audited financial statements and reports (Annual Reports) to the members through QR enabled code and weblink.

FURTHER RESOLVED THAT, notice of meeting shall be dispatched to members as per requirements of the Act, on their registered address, containing the QR code and the weblink address to view and download the annual audited financial statements together with the reports and documents required to be annexed thereto under the Act.

FURTHER RESOLVED THAT, the Company shall be considered compliant with the relevant requirements of section 223(6) of the Companies Act, 2017 by sending the Audited Financial Statements and reports and documents required to be annexed thereto under the Act through e-mail and/or sending a notice of meeting containing a QR code and the weblink address. In case a hard copy of Audited Financial Statements and/or Notice of AGM of the Company is desired, a specific request for the same will be made.

FURTHER RESOLVED THAT the Company Secretary be and is hereby authorized to do all necessary acts, deeds, and things in connection therewith and ancillary thereto as may be required or expedient to give effect to the spirit and intent of the above resolution.”

6.
- To consider and, if thought fit, to pass with or without modification(s), the following as a Special Resolution for the approval of an agreement between ATC Holdings (Private) Limited-(ATCH) and National Foods Limited (NFL) for filling and packing of honey by NFL to ATCH.

“RESOLVED THAT an agreement to be entered into by National Foods Limited (NFL) with its parent Company ATC Holdings (Private) Limited (ATCH), for filling and packing of honey, is hereby approved as per the details appearing in statement of material facts”.

7.
- To consider, and if thought fit, to pass the following resolutions as special resolutions, (a) to ratify and approve the transactions carried out with related parties during the financial year ended June 30, 2023, and (b) & (c) to authorize the Board of Directors to approve all related party transactions carried out and to be carried out during the year ending June 30, 2024.

- a)
- “RESOLVED THAT the transactions, in which majority of directors are interested, carried out by the company with the following related parties for the financial year ended June 30, 2023, be and are hereby ratified and approved”.

ATC Holdings (Private) Limited - Parent Company
National Foods DMCC - Subsidiary

- b)
- “FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to approve all related party transactions, in which majority of directors are interested, carried out and to be carried out with any related party including the above-named related parties, on case-to-case basis, for the financial year ending June 30, 2024, and till next Annual General Meeting of the Company”.

“FURTHER RESOLVED THAT the approval of transactions by the Board, as aforesaid, shall be deemed to have been approved by the shareholders and the transactions for the year ending June 30, 2024, shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval”.

8.
- To transact any other business with the permission of the Chair.

Statements under Section 134(3) of the Companies Act, 2017 in respect of special business contained in Agenda Item Number 5, 6 and 7 is annexed to the notice being sent to the members.

Karachi
September 27, 2023

By Order of the Board

Fazal ur Rehman Hajano
Company Secretary

Notes:

1. NOTICE OF BOOK CLOSURE

The share transfer books of the Company will remain closed from October 13, 2023, to October 19, 2023 (both days inclusive). Transfers received, in order, at the office of our Share Registrar M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., main Shahrah–e-Faisal, Karachi-74000, by the close of business on October 12, 2023, will be considered in time for the determination of the entitlement of the shareholders to final cash dividend and to attend and vote at the meeting.

2. PARTICIPATION IN THE AGM PROCEEDINGS VIA VIDEO LINK FACILITY

In addition to in person meeting, the Company shall also hold its AGM through video link facility in pursuance to Circulars notified by the Securities and Exchange Commission of Pakistan (SECP). The members/proxies interested to participate in the AGM through this facility, are requested to get themselves registered with the Company at cdcslr@cdcslr.com by providing the following details: –

Shareholder Name	Company name	Folio/ CDC Number	CNIC Number	Cell Number	Registered Email Address

Video-link and login credentials will be shared with the members/proxies whose email containing all the above particulars are received at the given email address by the close of business on October 17, 2023.

The members can also provide their comments and questions for the agenda items of the AGM on WhatsApp Number: 0321-8200864 and email: cdcslr@cdcslr.com

The Company shall communicate any relevant updates regarding the meeting, including any changes to the arrangements outlined in the Notice of AGM, will be announced via a Regulatory Information Service (PUCAR) and will be available on <https://www.nfoods.com/>

3. Appointment of Proxy and participation in the AGM

- a)
- A member entitled to attend, speak, and vote at the Annual General Meeting is entitled to appoint another member as his/her proxy to attend, speak and vote on his/her behalf. A proxy must be a member of the Company. A proxy shall also have the right to demand and join in demanding a poll and vote on a poll.

The instrument appointing Proxy must be deposited at the Registered Office of the Company duly signed, not later than 48 hours before the time of the AGM. A member cannot appoint more than one proxy. An attested copy of the shareholder’s Computerized National Identity Card (CNIC) must be attached with the Proxy form. For any other relevant aspects and further information, please refer to the contents of section 137 of the Companies Act, 2017. The instrument appointing Proxy is available on the Company’s website (<https://www.nfoods.com>)

- b)
- Owners of the physical shares and of the shares registered in the name of Central Depository Company of Pakistan Ltd. (CDC) and / or their proxies are required to produce their original valid Computerized National Identity Card (CNIC) or Passport, for identification purposes, at the time of attending the meeting in person. In the case of a corporate entity, the Board of Directors' resolution/Power of Attorney, with specimen signature of the nominee, shall be produced at the time of the meeting (unless it has been provided earlier).

4. Submission of CNIC/NTN Number on Electronic Dividend (MANDATORY):

Members are requested to provide copy of valid CNIC/NTN Certificate to their respective Participant/CDC Investor Account Services in case of Book-Entry Form, or to Company’s Share Registrar in case of Physical Form, duly quoting thereon Company’s name and respective folio numbers.

Shareholders are requested to notify the Company’s Share Registrar if there is any change in their registered postal addresses.

As per Regulation No. 4 & 6 of the Companies (Distribution of Dividend) Regulations, 2017, the Company shall be constrained to withhold the payment of dividend to shareholders, in case of non-availability of identification number (CNIC or National Tax Number) of the Shareholder or authorized person.

Accordingly, the shareholders, who have not yet submitted a copy of their valid CNIC or NTN certificate, are once again requested to immediately submit the same to the Company’s Share Registrar at CDC Share Registrar Services Limited, CDC House, 99-B, Block – B, S.M.C.H.S., Main Shahr-e-Faisal, Karachi. Those shareholders who hold shares in dematerialized form are requested to submit the dividend bank mandate form duly filled to their participant/investor account services at the CDC. Corporate entities are requested to provide their National Tax Number (NTN) and Folio Number along with the authorized representative’s CNIC copy.

For the Convenience of shareholders e-Dividend Mandate Form is available on the Company’s website i.e., <https://www.nfoods.com>.

Status of IBAN as on June 30, 2023, of National Foods Limited Shareholders (Physical & CDS) as follows:

Current Total Number of Shareholders as on June 30, 2023			Current Number of I IBAN updated as on June 30, 2023			Ratio/Percentage (%) of IBAN updated
Physical	CDS	Total	Physical	CDS	Total	92.16
479	4,268	4,747	141	4,234	4,375	

5. Declaration as per Zakat &Usher Ordinance 1980

To claim exemption from compulsory deduction of Zakat, shareholders are requested to submit a notarized copy of Zakat Declaration Form "CZ-50" on NJSP of Rs.50/- to the Share Registrar. In case shares are held in scripless form such Zakat Declaration Form (CZ -50) must be uploaded in the CDC account of the shareholder, through their participant / Investor Account Services. Further, Non-Muslim shareholders are also required to file Solemn Affirmation (on format available on Company’s website) with the Share Registrar of the Company in case of shares are held in physical certificates or with CDC Participant / Investor Account Services in case shares are in scripless form. No exemption from deduction of zakat will be allowed unless the above documents complete in all respects have been made available as above.

6. Deduction of Income Tax under Section 150 of the Income Tax Ordinance, 2001

- a)
- This is with reference to the final cash dividend announced by National Foods Limited at the rate of Rs. 2.50 per share to the Shareholders for the year ended June 30, 2023.

- b.

Shareholders whose names are not appearing in the Active Tax-payers List (ATL) are advised to immediately make the necessary arrangement to make them active. Otherwise, tax on their cash dividend will be deducted as per law.
- c.

Further, according to clarification received from Federal Board of Revenue [FBR], withholding tax will be determined separately on Active/Non-Active Status of Principal Shareholder as well as Joint-Holder(s) based on their shareholding proportions, in case of joint accounts.
- d.

In this regard, all shareholders who hold shares with joint shareholders are requested to provide shareholding proportions of Principal shareholder and Joint Holder(s) in respect of shares held by them to our Share Registrar, in writing as follows:

Folio/CDC Account #	Total No. of Shares	Principal Shareholder		Joint Shareholder(s)	
		Name and CNIC#	Shareholding Proportion (No. of Shares)	Name and CNIC#	Shareholding Proportion (No. of Shares)

Notes:

- I.

The required information should be forwarded to the share registrar’s office of the company; otherwise, it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s) and tax will be deducted accordingly.
- II.

The Corporate shareholders having CDC accounts are requested to have their National Tax Number (NTN) updated with their respective participants. Corporate Physical Shareholders should send a copy of their NTN Certificate to the Company's Share Registrar. The Shareholders, while sending NTN or NTN certificates, as the case may be, must quote Company name and their respective folio numbers

Withholding tax exemption from dividend income shall only be allowed if a copy of a valid tax exemption certificate is made available to the Company’s Share Registrar.

For any query/problem/information, the investors may contact the company and/or the Share Registrar at the following email addresses:

Company: corporate.secretary@nfoods.com
Share Registrar: info@cdcsrsl.com

7. Unclaimed Dividend/Shares

Shareholders, who by any reason, could not claim their dividend/shares, if any, are advised to contact our Share Registrar M/s. CDC Share Registrar Services Limited, CDC house, 99-B, Block ‘B’, S.M.C.H.S., main Shahrah–e-Faisal, Karachi-74000, to collect / enquire about their unclaimed dividend/shares, if any.

8. Postal Ballot/E-Voting

In accordance with the Companies (Postal Ballot) Regulations, 2018, for the purpose of election of directors and for any other agenda item subject to the requirements of section 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right of vote through postal ballot i.e., by post or e-voting, in the manner and subject to conditions contained in aforesaid regulations.

9. Code of Conduct for Shareholders in General Meeting:

- I.

Section 215 of Companies Act, 2017 (the “Act”) and Regulation 28 of the Companies (General Provisions and Forms) Regulations, 2018, state the Code of Conduct of the Shareholders as follows:
- a)

Shareholders are not permitted to exert influence or approach the management directly for decisions which may lead to the creation of hurdles in the smooth functioning of management. The law states that Shareholders shall not bring material that may cause threat to participants or premises where the AGM is being held, confine themselves to the agenda items covered in the notice of the AGM and shall not conduct themselves in a manner to disclose any political affiliation.
- b)

Any shareholder who fails to conduct in the manner provided in this section and as specified by the Commission shall be guilty of an offence under this section and shall be liable to a penalty not exceeding level 1 on the standard scale.

Additionally, in compliance with Section 185 of Companies Act, 2017; the Company is not permitted to distribute gifts in any form to its members in its meeting.

10. Circulation / Transmission of Annual Report 2023 and Notice of Meeting

In accordance with the provision of Section 223 of the Companies Act, 2017, the audited financial statements of the Company for the year ended June 30, 2023, are available on the Company’s website (<https://www.nfoods.com>).

Annual Report 2023 and notice of AGM is also being circulated through post/courier to the members in accordance with section 223(6) of the Companies Act, 2017 and electronically to members via email to all those shareholders whose email addresses are available with the CDC or the Share Registrar.

Any shareholder requiring a printed copy of the Annual Audited Financial Statements 2023 shall be provided with a copy free of cost within seven working days of receipt of such request.

11. Conversion of Physical Shares into Book-Entry Form

Pursuant to Section 72 of the Companies Act and directive issued by SECP vide its letter No. CSD/ED/Misc./2016-639-640 dated 26 March 2021, all listed companies are required to pursue their shareholders who still hold shares in physical form, requiring them to convert their shares in Book-Entry-Form.

In view of the aforesaid requirement shareholders of the Company are requested to convert their physical shares into book-entry form as soon as possible. Conversion of shares into book-entry form would facilitate the shareholders i.e., readily available market for instant sale and purchase of shares, elimination of risk of loss

& damage, easy & safe transfer and less formalities as compared to physical shares. Shareholders may contact the Share Registrar of the Company for assistance in the conversion of shares. Guidelines for Conversion of Physical Shares into Book-entry Form are available on the website of CDC Share Registrar Services Limited at the given link: https://www.cdcsrsl.com/?jet_download=7429

12. Mandatory Registration Details of Physical Shareholders

According to Section 119 of the Companies Act 2017 and Regulation 19 of the Companies (General Provisions and Forms) Regulations 2018, all physical shareholders are advised to provide their mandatory information such as CNIC number, address, email address, contact mobile/telephone number, International Bank Account Number (IBAN), etc. to our Share Registrar at their address, provided in Note 1, immediately, to avoid any non-compliance of law or any inconvenience in future.

13. Intimation of Non-Resident Shareholders

Non-resident Shareholder shall submit declaration of Undertaking with copy of valid passport under definition contained in Section 82 of the Income Tax Ordinance, 2001 for determination of residential status for the purposes of tax deduction on dividend to the Share Registrar (Messrs. CDC Share Registrar Services Limited, CDC House, 99-B, Block – B, S.M.C.H.S., Main Shakra-e-Faisal, Karachi) or email at info@cdcsrsl.com at the latest by 17 October 2023. A copy of the declaration form can be downloaded from the Company’s Website <https://www.nfoods.com>.

14. Video-Conferencing Facility in Other Cities

If the members holding ten percent of the total paid up capital or such other percentage of the paid-up capital as may be specified by the Commission, are resident in any other city, the company shall provide the facility of video-conferencing to such members for attending annual general meeting of the company, if so required by such members in writing to the company at least seven days (7) before the date of the meeting. The Company will intimate members regarding the venue of conference facility at least 5 days before the date of general meeting along with complete information necessary to enable them to access such facility.

Consent for Video-Conferencing Facility

I/We, of being a member of National Foods Limited holder of Ordinary Share(s) as per Register Folio No._____ hereby opt for participation in the Annual General Meeting to be held on October 19, 2023 or any adjourned meeting through video-conferencing facility at _____ (Please insert name of the City)

Signature of member

STATEMENTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out all the material facts concerning Special Business under Agenda Item No 5,6 and 7 and be transacted at the 52nd Annual General Meeting.

AGENDA ITEM NO. 5
ORDINARY RESOLUTIONS – Circulation of Annual Audited Financial Statements through QR enabled code and weblink:

The Securities and Exchange Commission of Pakistan (“SECP”) through its Notification No. S.R.O 389(I)/2023 dated March 21, 2023, has allowed companies to circulate the annual balance sheet and profit and loss account, auditor’s report, and directors report, etc. (“annual audited financial statements”) to its members through QR enabled code and weblink.

The approval of the shareholders has to be obtained in the general meeting to circulate the annual audited financial statements to its members through the QR enabled code and weblink. A shareholder may request the Company Secretary or Share Registrar of the Company to provide a hard copy of the Annual Audited Accounts, and the same will be provided at shareholder’s registered addresses, free of cost, within one week of the demand. In this regard, the Company’s designated email address / Share Registrar email address will be placed on website of the Company. A shareholder may also prefer to receive hard copies for all future Annual Audited Accounts.

In view of the above, it is proposed that the Ordinary Resolution at Agenda 5 of the Notice of AGM be passed.

None of the Directors of the Company have any personal interest in the aforesaid Special Business except in their capacity as Shareholders or Directors of the Company.

AGENDA ITEM NO. 6
SPECIAL RESOLUTION – Agreement with ATC Holdings (Private) Limited

National Foods Limited (NFL) will be entering into an Agreement with ATC Holdings (Private) Limited (ATCH) to provide Honey Packaging Services. As the majority of directors were interested in the arrangement due to their common directorship and shareholding, in ATCH, the shareholders are requested to approve the Agreement by NFL, by passing special resolution in terms of Section 208 of the Companies Act, 2017.

The disclosure of information under Regulation 5 of the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018 [SRO 1194 (I)/2018, dated October 2, 2018]

i)	Name of related party;	ATC Holdings (Private) Limited
ii)	Names of the interested or concerned directors;	<div><div>• Abrar Hasan</div><div>• Adam Fahy Majeed</div><div>• Noreen Hasan</div><div>• Zahid Majeed</div></div>
iii)	Nature of relationship, interest or concern along with complete information of financial or other interest or concern of directors, managers or key managerial personnel in the related party;	Common Directorship
iv)	Detail, description, terms and conditions of transactions;	Under an agreement NFL will be filling and packing the honey product for ATCH. All materials will be provided by ATCH
v)	Amount of transactions;	Rs. 52 per bottle
vi)	Timeframe or duration of the transactions or contracts or arrangements;	On-going
vii)	Pricing policy;	Competitive quotations obtained from local vendors providing identical packaging solutions on arm's length basis
viii)	Recommendations of the audit committee;	Yes
ix)	Any other relevant and material information that is necessary for the shareholders to make a well-informed decision regarding the approval of related party transactions.	N/A

Inspection: The Agreement relating to special business can be inspected by the shareholders from the date of issuance of this notice till the date of meeting at the registered office of the Company during usual business hours from Monday to Friday (9.00 a.m. – 5.00 p.m.)

AGENDA ITEM NO. 7

SPECIAL RESOLUTIONS – Transactions with Related Parties

a) Ratification and approval of transactions with related parties carried out during the financial year ended June 30, 2023

The company carries out transactions with its related parties on an arm’s length basis, as per the approved policy with respect to ‘transactions with related parties’, in the normal course of business. All transactions entered into with related parties require the approval of the Board Audit Committee of the Company, which is chaired by an independent director of the Company. Upon the recommendation of the Board Audit Committee, such transactions are placed before the Board of Directors for their approval. However, in terms of Regulation 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Code) approval of shareholders is required for such transactions with related parties in which majority of directors of the company are interested. The Companies Act, 2017 (the Act) also requires approval of such related party transactions by shareholders where the majority of directors are interested.

In view of the above, following transactions, in which majority of directors are interested due to their common directorship, carried out in normal course of business on an arms’ length basis with related parties during the financial year ended June 30, 2023, are being placed before the shareholders for their ratification and approval.

Name of related party	Relationship	Nature of Transaction	Amount in Rupees ‘000’	Pricing Policy
ATC Holding (Private) Limited	Parent Company	Rental Income	3,610	Arm's length/under approved agreement with related Party
ATC Holding (Private) Limited	Parent Company	Rental Expense	5,432	Arm's length/under approved agreement with related Party
ATC Holding (Private) Limited	Parent Company	Reimbursement of expenses	13,184	Arm's length/under approved agreement with related Party
National Foods DMCC	Subsidiary Company	Net Sales	2,258,517	Arm's length/under approved agreement with related Party

b) and (c) Authorization for the Board of Directors to approve the related party transactions during the financial year ending June 30, 2024, and till next Annual General Meeting

The Company is and shall be conducting transactions with its related parties during the financial year ending June 30, 2023, and subsequently, on arm’s length basis as per the approved policy with respect to ‘transactions with related parties’ in the normal course of business or otherwise.

The related parties’ transactions in which the majority of Directors are interested due to their common directorship and/or shareholding, therefore necessitate approval of shareholders. Accordingly, approval of shareholders is being sought to authorize the Board of Directors of the Company to approve all such transactions, in which majority of directors are interested, carried out and to be carried out with such related parties during the financial year ending June 30, 2024, and till next Annual General Meeting, which transactions shall be deemed to be approved by the Shareholders.

The nature and scope of such related party transactions is explained above in the statement under clause (a) of the agenda. The related party transactions requiring shareholders’ approval, conducted during the financial year ending June 30, 2024, shall then be placed before the shareholders in the next AGM for their formal approval/ratification.

Disclosure of Interest of Directors: Mr. Abrar Hasan, Mrs. Noreen Hasan, Mr. Adam Fahy Majeed and Mr. Zahid Majeed are interested in the agenda to the extent of their common directorships and/or their shareholding in respective related parties.

معائنہ: خصوصی کاروبار سے متعلق معاہدے کا معائنہ شیئر ہولڈرز اس نوٹس کے جاری ہونے کی تاریخ سے کمپنی کے رجسٹرڈ دفتر میں پیر سے جمعہ تک معمول کے کاروباری اوقات کے دوران (صبح 9.00 سے شام 5.00 بجے تک) کر سکتے ہیں۔

ایجنڈا آئٹم نمبر 7

خصوصی قراردادیں - متعلقہ فریقوں کے ساتھ لین دین

(a) 30 جون 2023 کو ختم ہونے والے مالی سال کے دوران متعلقہ فریقوں کے ساتھ لین دین کی توثیق اور منظوری

کمپنی اپنے متعلقہ فریقوں کے ساتھ لین دین کو فاصلے کی بنیاد پر کاروبار کے معمول میں بمطابق 'متعلقہ فریقوں کے ساتھ لین دین' کے حوالے سے منظور شدہ پالیسی کے انجام دیتی ہے۔ متعلقہ فریقوں کے ساتھ کیے گئے تمام لین دین کے لیے کمپنی کی بورڈ آڈٹ کمیٹی کی منظوری درکار ہوتی ہے، جس کی صدارت کمپنی کے ایک آزاد ڈائریکٹر کرتے ہیں۔ بورڈ آڈٹ کمیٹی کی سفارش پر اس طرح کے لین دین کو بورڈ آف ڈائریکٹرز کے سامنے ان کی منظوری کے لیے رکھا جاتا ہے۔ تاہم، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) کے ضوابط 2019 کے مطابق متعلقہ فریقوں کے ساتھ ایسے لین دین کے لیے جس میں کمپنی کے ڈائریکٹرز کی اکثریت دلچسپی رکھتی ہے شیئر ہولڈرز کی منظوری درکار ہے - کمپنیز ایکٹ 2017 (ایکٹ) کو شیئر ہولڈرز کے ذریعہ ایسے متعلقہ پارٹی لین دین کی منظوری بھی درکار ہوتی ہے جہاں ڈائریکٹرز کی اکثریت دلچسپی رکھتی ہو۔

مندرجہ بالا کے پیش نظر 30 جون 2023 کو ختم ہونے والے مالی سال کے دوران متعلقہ فریقوں کے ساتھ فاصلے کی بنیاد پر کاروبار کے معمول کے درمیان مندرجہ ذیل کی جانے والی ٹرانزیکشن جن میں زیادہ تر ڈائریکٹرز اپنی مشترکہ ڈائریکٹر شپ کی وجہ سے دلچسپی رکھتے ہیں شیئر ہولڈرز کے سامنے توثیق اور منظوری کے لیے پیش کی جا رہی ہیں۔

متعلقہ فریق کا نام	تعلق	لین دین کی نوعیت	روپے میں رقم '000'	پرائسنگ پالیسی
اے ٹی سی ہولڈنگ (پرائیویٹ) لمیٹڈ	بیرنٹ کمپنی	کرائے کی آمدن	3,610	متعلقہ پارٹی کے ساتھ منظور شدہ معاہدے کے تحت
اے ٹی سی ہولڈنگ (پرائیویٹ) لمیٹڈ	بیرنٹ کمپنی	کرایہ کا خرچ	5,432	متعلقہ پارٹی کے ساتھ منظور شدہ معاہدے کے تحت
اے ٹی سی ہولڈنگ (پرائیویٹ) لمیٹڈ	بیرنٹ کمپنی	اخراجات کی ادائیگی	13,184	متعلقہ پارٹی کے ساتھ منظور شدہ معاہدے کے تحت
نیشنل فوڈز DMCC	ماتحت کمپنی	خالص فروخت	2,258,517	متعلقہ پارٹی کے ساتھ منظور شدہ معاہدے کے تحت

(b) اور (c) بورڈ آف ڈائریکٹرز کو 30 جون 2024 کو ختم ہونے والے مالی سال کے دوران اور آئندہ سالانہ جنرل میٹنگ تک متعلقہ فریق کے لین دین کی منظوری دینے کا اختیار

کمپنی 30 جون 2023 کو ختم ہونے والے مالی سال کے دوران اپنے متعلقہ فریقوں کے ساتھ معمول کاروبار کے دوران یا دوسری صورت میں 'متعلقہ فریقوں کے ساتھ لین دین' کے حوالے سے منظور شدہ پالیسی کے مطابق لین دین کر رہی ہے اور کرے گی۔

متعلقہ فریقوں کے لین دین جن میں ڈائریکٹرز کی اکثریت اپنی مشترکہ ڈائریکٹر شپ اور/یا شیئر ہولڈنگ کی وجہ سے دلچسپی رکھتی ہے شیئر ہولڈرز کی منظوری کو لازم کرتی ہے۔ اس کے مطابق، حصص یافتگان کی منظوری چاہی جا رہی ہے کہ وہ کمپنی کے بورڈ آف ڈائریکٹرز کو ایسے تمام لین دین کی منظوری دینے کا اختیار دے جن میں زیادہ تر ڈائریکٹرز دلچسپی رکھتے ہوں اور جو 30 جون 2024 کو ختم ہونے والے مالی سال کے دوران اور اگلی سالانہ جنرل میٹنگ تک متعلقہ فریقوں کے ساتھ کیے جائیں اور متعلقہ لین دین کو شیئر ہولڈرز کے ذریعہ منظور شدہ سمجھا جائے گا۔

اس طرح کے متعلقہ فریقی لین دین کی نوعیت اور دائرہ کار لمبندے کی شق (a) کے تحت اوپر بیان کی گئی ہے۔ 30 جون 2024 کو ختم ہونے والے مالی سال کے دوران متعلقہ پارٹی ٹرانزیکشنز کو حصص یافتگان کی منظوری درکار ہوگی اور ان کو اگلی AGM میں شیئر ہولڈرز کے سامنے ان کی باضابطہ منظوری/توثیق کے لیے رکھا جائے گا۔

ڈائریکٹرز کی دلچسپی کا انکشاف: جناب ابرار حسن، مسز نورین حسن، جناب آدم فہمی مجید اور جناب زاہد مجید اپنی مشترکہ ڈائریکٹر شپ اور/یا متعلقہ فریقوں میں ان کے شیئر ہولڈنگ کی حد تک لمبندے میں دلچسپی رکھتے ہیں۔

13. غیر رہائشی شیئر ہولڈرز کی اطلاع

انکم ٹیکس آرڈیننس 2001 کے سیکشن 82 میں موجود تعریف کے تحت غیر رہائشی شیئر ہولڈر رہائشی حیثیت کے تعین اور ڈیویڈنڈ پر ٹیکس کٹوتی کے مقاصد کے لیے پاسپورٹ کی کاپی کے ساتھ ڈیٹل ریٹن آف انڈر ٹیکنگ شیئر رجسٹرار [میسرز CDC شیئر رجسٹرار، سروسز لمیٹڈ، سی ڈی سی ہاؤس، B-99، بلاک بی، S.M.C.H.S، مین شاہراہ فیصل، کراچی] کو جمع کرائے گا یا info@cdcsrsl.com پر 17 اکتوبر 2023 تک ای میل کرے گا۔ اعلامیہ فارم کی کاپی کمپنی کی ویب سائٹ https://www.nfoods.com سے ڈاؤن لوڈ کی جاسکتی ہے۔

14. دوسرے شہروں میں ویڈیو کانفرنسنگ کی سہولت

کمیشن کے مطابق اگر کل ادا شدہ سرمائے کا دس فیصد یا ادا شدہ سرمائے کا ایسا دیگر فیصد رکھنے والے ممبران کسی دوسرے شہر میں مقیم ہیں تو کمپنی ایسے اراکین کو کمپنی کی سالانہ جنرل میٹنگ میں شرکت کے لیے ویڈیو کانفرنسنگ کی سہولت فراہم کرے گی۔ تاہم اس کے لیے ممبران کو میٹنگ کی تاریخ سے کم از کم سات دن (7) پہلے کمپنی کو تحریری طور پر درخواست دینا ہوگی۔ کمپنی ممبران کو کانفرنس کے مقام کے بارے میں اور اس تک رسائی کی سہولت حاصل کرنے کے لیے ضروری مکمل معلومات کے ساتھ جنرل میٹنگ کی تاریخ سے کم از کم 5 دن پہلے مطلع کرے گی۔

ویڈیو کانفرنسنگ کی سہولت کے لیے رضامندی۔

میں/ ہم رجسٹر فو لیو نمبر----- کے مطابق نیشنل فوڈز لمیٹڈ کے عام حصص (شیئرز) کے رکن ہونے کے ناطے 19 اکتوبر 2023 کو منعقد ہونے والے سالانہ عام اجلاس یا کسی ملتوی شدہ میٹنگ میں ویڈیو کانفرنسنگ کی سہولت کے ذریعے شرکت کا انتخاب کرتے ہیں۔

(براہ کرم شہر کا نام درج کریں)

ممبر کے دستخط

کمپنیز ایکٹ 2017 کے سیکشن 134(3) کے تحت بیانات

یہ بیان لمیٹڈا آئٹم نمبر5، 6 اور 7 کے تحت خصوصی بزنس سے متعلق تمام مادی حقائق کا تعین کرتا ہے جو 52 ویں سالانہ جنرل میٹنگ میں انجام دیا جائے گا۔

ایجنڈا آئٹم نمبر 5

عمومی ریزولوشنز - QR فعال کوڈ اور ویب لنک کے ذریعے سالانہ آڈٹ شدہ مالیاتی گوشواروں کی گردش:

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے اپنے نوٹیفکیشن نمبر S.R.O 389(I)/2023 مورخہ 21 مارچ 2023 کے ذریعے کمپنیوں کو سالانہ بیلنس شیٹ اور نفع و نقصان کے اکاؤنٹ، آڈیٹرز رپورٹ، اور ڈائریکٹرز رپورٹ وغیرہ (سالانہ آڈٹ شدہ مالیاتی بیانات) کو اپنے اراکین کو QR فعال کوڈ اور ویب لنک کے ذریعے فراہم کرنے کی اجازت دی ہے۔

سالانہ آڈٹ شدہ مالیاتی گوشواروں کو اپنے اراکین کو QR فعال کوڈ اور ویب لنک کے ذریعے گردش کرنے کے لیے حصص یافتگان کی منظوری جنرل میٹنگ میں حاصل کی جانی چاہیے۔ شیئر ہولڈر کمپنی کے سیکرٹری یا شیئر رجسٹرار سے سالانہ آڈٹ شدہ اکاؤنٹس کی ہارڈ کاپی فراہم کرنے کی درخواست کر سکتا ہے جو اسے مطالبہ کے ایک ہفتے کے اندر اسکے رجسٹرڈ پتے پر مفت فراہم کی جائے گی۔ اس سلسلے میں کمپنی کا ای میل ایڈریس/شیئر رجسٹرار کا ای میل ایڈریس کمپنی کی ویب سائٹ پر موجود ہوگا۔ شیئر ہولڈر مستقبل کے تمام سالانہ آڈٹ شدہ اکاؤنٹس کی ہارڈ کاپیاں حاصل کرنے کو بھی ترجیح دے سکتا ہے۔

مندرجہ بالا کے پیش نظر یہ تجویز دی جاتی ہے کہ AGM کے نوٹس کے لمبڈا 5 میں عام قرارداد منظور کی جائے۔

کمپنی کے کسی بھی ڈائریکٹر کی سوائے کمپنی کے شیئر ہولڈر یا ڈائریکٹر کی حیثیت کے مذکورہ خصوصی بزنس میں کوئی ذاتی دلچسپی نہیں ہے۔

ایجنڈا آئٹم نمبر 6

خصوصی قرارداد - ATC ہولڈنگز (پرائیویٹ) لمیٹڈ کے ساتھ معاہدہ

نیشنل فوڈز لمیٹڈ (NFL) شہد کی پکیجنگ کی خدمات فراہم کرنے کے لیے ATC ہولڈنگز (پرائیویٹ) لمیٹڈ کے ساتھ سروس درجہ کا قانونی معاہدہ کرے گا۔ چونکہ ڈائریکٹرز کی اکثریت مشترکہ ڈائریکٹر شپ اور ATCH میں شیئر ہولڈنگ کے سبب اس انتظام میں دلچسپی رکھتی ہے، تمام شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ کمپنیز ایکٹ 2017 کے سیکشن 208 کے مطابق خصوصی قرارداد منظور کرتے ہوئے NFL کے ذریعے اس معاہدے کی منظوری دیں۔

معلومات کا انکشاف کمپنیوں کے ضابطہ 5 کے تحت (متعلقہ پارٹی ٹرانزیکشنز اور متعلقہ ریکارڈز کی دیکھ بھال) ریگولیشنز 2018 [SRO 1194 (I)/2018]، مورخہ 2 اکتوبر 2018]

(i)	متعلقہ فریق کا نام	ATC ہولڈنگز (پرائیویٹ) لمیٹڈ
(ii)	دلچسپی رکھنے والے یا متعلقہ ڈائریکٹرز کے نام	• ابرار حسن • آدم فہمی مجید • نورین حسن • زاہد مجید
(iii)	متعلقہ فریق میں ڈائریکٹرز، مینیجرز یا کلیدی انتظامی اہلکاروں کی مالی یا دیگر دلچسپی یا تعلق کی مکمل معلومات کے ساتھ تعلقات، دلچسپی یا تعلق کی نوعیت	مشترکہ ڈائریکٹر شپ
(iv)	لین دین کی تفصیل اور شرائط و ضوابط	ایک معاہدے کے تحت ATCH NFL کے لیے شہد کی مصنوعات کو بھرے گا اور پیک کرے گا۔ تمام مواد ATCH کے ذریعے فراہم کیا جائے گا
(v)	لین دین کی رقم	52 روپے فی بوتل
(vi)	لین دین یا معاہدوں یا انتظامات کا ٹائم فریم یا مدت	جاری ہے
(vii)	پرائسنگ پالیسی	مقامی دکانداروں سے حاصل کردہ مسابقتی کوٹیشن کی لمبائی کی بنیاد پر یکساں پکیجنگ حل فراہم کرتے ہیں۔
(viii)	آڈٹ کمیٹی کی سفارشات	جی ہاں
(ix)	کوئی دوسری متعلقہ اور مادی معلومات جو حصص یافتگان کے لیے متعلقہ فریق کے لین دین کی منظوری کے بارے میں باخبر فیصلہ کرنے کے لیے ضروری ہو۔	N/A

(b) جن شیئر ہولڈرز کے نام فعال ٹیکس پیپرز لسٹ (ATL) میں ظاہر نہیں ہو رہے انہیں مشورہ دیا جاتا ہے کہ وہ فوری طور پر انہیں فعال بنانے کے لیے ضروری انتظامات کریں۔ بصورت دیگر ان کے کیش ڈیویڈنڈ پر قانون کے مطابق ٹیکس کاٹ لیا جائے گا۔

(c) مزید برآں، فیڈرل بورڈ آف ریونیو سے موصول ہونے والی وضاحت کے مطابق وہ ہولڈنگ ٹیکس کا تعین پر نپل شیئر ہولڈر کے ساتھ ساتھ جوائنٹ ہولڈرز کی فعال/غیر فعال حیثیت پر ان کے شیئر ہولڈنگ کے تناسب کی بنیاد پر کیا جائے گا۔

(d) اس سلسلے میں تمام شیئر ہولڈرز جو مشترکہ شیئر ہولڈرز کے پاس حصص رکھتے ہیں ان سے درخواست کی جاتی ہے کہ وہ پر نپل شیئر ہولڈر اور جوائنٹ ہولڈرز کے شیئر ہولڈنگ کا تناسب ہمارے شیئر رجسٹرار کو تحریری طور پر فراہم کریں:

مشترکہ شیئر ہولڈر		پر نپل شیئر ہولڈر		فیلڈ / CDS اکاؤنٹ #	کل شیئرز
شیئر ہولڈنگ کا تناسب (حصص کی تعداد)	نام اور CNIC#	شیئر ہولڈنگ تناسب	نام اور CNIC#		

نوٹس:

i. مطلوبہ معلومات کمپنی کے شیئر رجسٹرار کے دفتر کو بھیجی جائیں، بصورت دیگر، یہ فرض کیا جائے گا کہ حصص پر نپل شیئر ہولڈر اور جوائنٹ ہولڈرز کے پاس ہیں لہذا اسی کے مطابق ٹیکس کاٹ لیا جائے گا۔

ii. CDC اکاؤنٹس والے کارپوریٹ شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے متعلقہ شرکاء کے ساتھ اپنا نیشنل ٹیکس نمبر (NTN) اپ ڈیٹ کریں۔ کارپوریٹ فزیکل شیئر ہولڈرز اپنے NTN سرٹیفکیٹ کی ایک کاپی کمپنی کے شیئر رجسٹرار کو بھیجیں۔ شیئر ہولڈرز اپنا NTN یا NTN سرٹیفکیٹ بھیجتے وقت کمپنی کا نام اور متعلقہ فیلڈ نمبرز کا حوالہ دیں۔

ڈیویڈنڈ آمدنی سے وہ ہولڈنگ ٹیکس میں چھوٹ کی اجازت صرف اس صورت میں دی جائے گی جب ایک درست ٹیکس اسٹنڈی سرٹیفکیٹ کی کاپی کمپنی کے شیئر رجسٹرار کو دستیاب ہوگی۔

کسی بھی سوال/مسئلہ/معلومات کے لیے سرمایہ کار کمپنی یا شیئر رجسٹرار سے درج ذیل ای میل پتوں پر رابطہ کر سکتے ہیں:

کمپنی: corporate.secretary@nfoods.com

شیئر رجسٹرار: info@cdcsrsl.com

7. غیر دعوی شدہ ڈیویڈنڈ/حصص

شیئر ہولڈرز جو کسی بھی وجہ سے اپنے ڈیویڈنڈ/حصص کا دعوی نہیں کر سکیں انہیں ہمارے شیئر رجسٹرار M/s CDC شیئر رجسٹرار سروسز لمیٹڈ، CDC House، 99-B، بلاک 'B'، S.M.C.H.S، مین شاہراہ فیصل، کراچی-74000 سے رابطہ کرنے کا مشورہ دیا جاتا ہے۔ تاکہ وہ اپنے غیر دعوی شدہ ڈیویڈنڈ/حصص کے بارے میں معلومات حاصل کر سکیں، اگر کوئی ہے۔

8. پوسٹل بیلٹ/ای ووٹنگ

کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018 کے مطابق ڈائریکٹرز کے انتخاب کے لیے اور کسی دوسرے لیجنڈے کے لیے (کمپنیز ایکٹ 2017 کے سیکشن 143 اور 144 کے تقاضوں سے مشروط) اراکین کو اپنا پوسٹل بیلٹ کے ذریعے اور مذکورہ ضوابط میں شامل شرائط کے ساتھ ووٹ دینے یعنی ڈاک یا ای ووٹنگ کے ذریعے کا حق استعمال کرنے کی اجازت ہوگی۔

9. جنرل میٹنگ میں شیئر ہولڈرز کے لیے ضابطہ اخلاق:

i. کمپنیز ایکٹ 2017 ("ایکٹ") کا سیکشن 215 اور کمپنیز (جنرل پروویزنز اینڈ فارمز) ریگولیشنز 2018 کا ریگولیشن 28 شیئر ہولڈرز کا درج ذیل ضابطہ اخلاق بیان کرتا ہے:

(a) شیئر ہولڈرز کو ایسے فیصلوں کے لیے براہ راست انتظامیہ سے رجوع کرنے یا اثر و رسوخ استعمال کرنے کی اجازت نہیں ہے جس سے انتظامیہ کے کام کرنے میں رکاوٹیں پیدا ہو سکتی ہوں۔ قانون کے مطابق شیئر ہولڈرز جہاں AGM منعقد ہو رہی ہو ایسا مواد نہیں لائیں گے جس سے شرکاء یا احاطے کو خطرہ ہو اور خود کو AGM کے نوٹس میں شامل لیجنڈا آئٹمز تک محدود رکھیں گیں اور کسی سیاسی وابستگی کو ظاہر کرتے ہوئے کام نہیں کریں گے۔

(b) کوئی بھی شیئر ہولڈر جو اس سیکشن میں فراہم کردہ طریقہ جیسا کہ کمیشن کے ذریعہ بیان کیا گیا ہے کے مطابق کام کرنے میں ناکام رہتا ہے وہ اس سیکشن کے تحت ایک جرم کا مرتکب ہوگا اور اسٹینڈرڈ پیمانے پر سطح 1 سے زیادہ نہ ہونے والے جرمانے کا ذمہ دار ہوگا۔

مزید برآں، کمپنیز ایکٹ 2017 کی دفعہ 185 کی تعمیل میں کمپنی کو اس بات کی اجازت نہیں ہے کہ وہ اپنی میٹنگ میں اپنے ممبروں کو کسی بھی شکل میں تحائف تقسیم کرے۔

10. سالانہ رپورٹ 2023 کی سرکولیشن / ٹرانسمیشن اور میٹنگ کا نوٹس

کمپنیز ایکٹ 2017 کے سیکشن 223 کے پروویژن کے مطابق 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشوارے کمپنی کی ویب سائٹ (https://www.nfoods.com) پر دستیاب ہیں۔

سالانہ رپورٹ 2023 اور AGM کا نوٹس کمپنیز ایکٹ 2017 کے سیکشن 223(6) کے مطابق ممبران کو پوسٹ/کورئیر کے ذریعے اور الیکٹرانک طور پر ای میل کے ذریعے ان تمام شیئر ہولڈرز کو بھیجا جا رہا ہے جن کے ای میل ایڈریس CDC یا شیئر رجسٹرار کے پاس دستیاب ہیں۔

کوئی بھی شیئر ہولڈر جس کو سالانہ آڈٹ شدہ مالیاتی بیانات 2023 کی پرنٹ شدہ کاپی درکار ہو اسے لمبی درخواست کی وصولی کے بعد سات دنوں کے اندر ایک کاپی مفت فراہم کی جائے گی۔

11. فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنا

کمپنیز ایکٹ کے سیکشن 72 کے مطابق اور SECP کی طرف سے لیٹر نمبر CSD/ED/Misc./2016-639-640 مورخہ 26 مارچ 2021 کے ذریعے جاری کردہ ہدایت کے مطابق تمام لسٹڈ کمپنیوں کو اپنے ان شیئر ہولڈرز کو جو ابھی بھی فزیکل شیئر رکھتے ہیں متاثر کرنے کی ضرورت ہے کہ انہیں اپنے حصص کو بک-انٹری فارم میں تبدیل کرنے کی ضرورت ہے۔

مذکورہ بالا ضرورت کے پیش نظر کمپنی کے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے فزیکل شیئرز کو جلد از جلد بک انٹری فارم میں تبدیل کر لیں۔ حصص کو بک انٹری فارم میں تبدیل کرنے سے حصص یافتگان کو کئی سہولیات ملیں گی مثال کے طور پر حصص کی فوری فروخت اور خریداری کے لیے آسانی سے دستیاب مارکیٹ، نقصان اور نقصان کے خطرے کا خاتمہ، اور آسان اور محفوظ منتقلی اور فزیکل شیئرز کے مقابلے میں کم رسمی کارروائیاں۔ شیئر ہولڈرز شیئرز کی تبدیلی میں مدد کے لیے کمپنی کے شیئر رجسٹرار سے رابطہ کر سکتے ہیں۔ فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنے کے لیے رہنمائی دیے گئے لنک پر CDC شیئر رجسٹرار سروسز لمیٹڈ کی ویب سائٹ پر دستیاب ہے: https://www.cdcsrsl.com/?jet_download=7429

12. فزیکل شیئر ہولڈرز کی لازمی رجسٹریشن کی تفصیلات

کمپنیز ایکٹ 2017 کے سیکشن 119 اور کمپنیز (جنرل پروویزنز اینڈ فارمز) ریگولیشنز 2018 کے ریگولیشن 19 کے مطابق تمام فزیکل شیئر ہولڈرز کو مشورہ دیا جاتا ہے کہ وہ اپنی لازمی معلومات جیسا کہ CNIC نمبر، پتہ، ای میل ایڈریس، رابطہ موبائل/ٹیلی فون نمبر، بین الاقوامی بینک اکاؤنٹ نمبر (IBAN) وغیرہ ہمارے شیئر رجسٹرار کو ان کے پتے (جو نوٹ نمبر 1 میں دیتا ہے) پر فوری طور فراہم کریں تاکہ قانون کی عدم تعمیل یا مستقبل میں کسی بھی قسم کی تکلیف سے بچا جاسکے۔

نوٹس:

1. کتاب کی بندش کا نوٹس

کمپنی کی حصص منقذی کی کتابیں 13 اکتوبر 2023 سے 19 اکتوبر 2023 تک (بشمول دونوں دن) بند رہیں گی۔ ہمارے شیئر رجسٹرار CDC M/s شیئر رجسٹرار سروسز لمیٹڈ کے دفتر CDC House-99B، بلاک 'B'، S.M.C.H.S. مین شاہراہ فیصل، کراچی 74000-، پر 12 اکتوبر 2023 کو کاروبار کے اختتام تک موصول منتقلیوں پر حصص یافتگان کے حتمی نقد منافع، میٹنگ میں شرکت، اور ووٹ دینے کے حق پر غور کیا جائے گا۔

2. ویڈیو لنک کی سہولت کے ذریعے اجلاس کی کارروائی میں شرکت

ذاتی موجودگی کے علاوہ کمپنی سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے سرکلرز کے مطابق ویڈیو لنک کی سہولت کے ذریعے بھی اپنی AGM منعقد کرے گی۔ اس سہولت کے ذریعے AGM میں شرکت کرنے کے خواہشمند ممبران /پراکسیز سے درخواست کی جاتی ہے کہ وہ cdcsr@cdcsrsl.com پر درج ذیل تفصیلات فراہم کر کے کمپنی کے ساتھ رجسٹر ہو جائیں۔

شیئر ہولڈر کا نام	کمپنی کا نام	فولیو / CDC نمبر	CNIC نمبر	فون نمبر	رجسٹرڈ ای میل ایڈریس

ویڈیو لنک اور لاگ ان کی تفصیلات ان ممبران /پراکسیز کے ساتھ شیئر کی جائیں گی جن کی تمام تفصیلات پر مشتمل ای میل مندرجہ بالا ای میل ایڈریس پر 17 اکتوبر 2023 کے اختتام تک موصول ہوگی۔

اراکین واٹس ایپ نمبر 0321-8200864 اور ای میل cdcsr@cdcsrsl.com پر AGM کے لبحند آکٹمبر پر اپنے تبصرے اور سوالات بھی بھیج سکتے ہیں۔

کمپنی میٹنگ کے حوالے سے کسی بھی متعلقہ اپ ڈیٹس بشمول AGM کے نوٹس میں بیان کردہ انتظامات میں کسی بھی تبدیلی کا اعلان ریگولیٹری انفارمیشن سروس (PUCAR) کے ذریعے سے آگاہ کرے گی اور یہ <https://www.nfoods.com> پر دستیاب ہوگا۔

3. پراکسی کی تقرری اور AGM میں شرکت

(a) سالانہ اجلاس عام میں شرکت کرنے، تقریر کرنے اور ووٹ دینے کا حقدار رکن دوسرے رکن کو اپنی طرف سے شرکت کرنے، بولنے اور ووٹ دینے کے لیے اپنا پراکسی مقرر کرنے کا حقدار ہے۔ ایک پراکسی کا کمپنی کا رکن ہونا ضروری ہے۔ ایک پراکسی کو رائے شاری کا مطالبہ کرنے اور اس میں شامل ہونے اور پول پر ووٹ دینے کا حق بھی ہوگا۔

پراکسی کا تقرر کرنے والی دستخط شدہ دستاویز لازمی طور پر کمپنی کے رجسٹرڈ آفس میں AGM کے وقت سے 48 گھنٹے پہلے جمع کرایا جائے۔ ایک رکن ایک سے زیادہ پراکسی مقرر نہیں کر سکتا۔ پراکسی فارم کے ساتھ شیئر ہولڈر کے کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی تصدیق شدہ کاپی منسلک ہونی چاہیے۔ دوسرے متعلقہ پہلوؤں اور مزید معلومات کے لیے براہ کرم کمپنیز ایکٹ 2017 کے سیکشن 137 کے مندرجات سے رجوع کریں۔ پراکسی کا تقرر کرنی والی دستاویز کمپنی کی ویب سائٹ (<https://www.nfoods.com>) پر دستیاب ہے۔

(b) فزیکل شیئرز کے مالکان اور سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ (CDC) کے نام پر رجسٹرڈ حصص کے مالکان یا ان کے پراکسیوں کو ذاتی طور پر میٹنگ میں شرکت کے وقت شناخت کے لیے اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا پاسپورٹ پیش کرنا ہوگا۔ کارپوریٹ ادارہ ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی جس میں نامزد شخص کے دستخط کے نمونے ہوں میٹنگ کے وقت پیش کیے جائیں (اگر یہ پہلے فراہم نہ کیا گیا ہو)۔

4. الیکٹرانک ڈیویڈنڈ پر CNIC/NTN نمبر جمع کروانا (لازمی):

ممبران سے درخواست کی جاتی ہے کہ وہ درست CNIC/NTN سرٹیفکیٹ کی کاپی اپنے متعلقہ شرکت کنندہ / CDC انوسٹر اکاؤنٹ سروسز کو بک انٹری فارم کی صورت میں یا فزیکل فارم کی صورت میں کمپنی کے شیئر رجسٹرار کو فراہم کریں اور اس پر کمپنی کا نام اور متعلقہ فولیو نمبر درج کریں۔

شیئر ہولڈرز سے درخواست کی جاتی ہے کہ اگر ان کے رجسٹرڈ ڈاک پتوں میں کوئی تبدیلی ہو تو کمپنی کے شیئر رجسٹرار کو مطلع کریں۔

کمپنیز (ڈسٹری بیوشن آف ڈیویڈنڈ) ریگولیشنز 2017 کے ریگولیشن نمبر 4 اور 6 کے مطابق شیئر ہولڈر یا مجاز شخص کے شناختی نمبر (CNIC یا نیشنل ٹیکس نمبر) کی عدم دستیابی کی صورت میں کمپنی شیئر ہولڈرز کو ڈیویڈنڈ کی ادائیگی روکنے پر مجبور ہوگی۔

لہذا، وہ شیئر ہولڈرز جنہوں نے ابھی تک اپنے درست CNIC یا NTN سرٹیفکیٹ کی کاپی جمع نہیں کرائی ان سے ایک بار پھر درخواست کی جاتی ہے کہ وہ اسے فوری طور پر کمپنی کے شیئر رجسٹرار کو CDC شیئر رجسٹرار سروسز لمیٹڈ CDC ہاؤس، 99-B، بلاک بی، S.M.C.H.S.، مین شاہراہ فیصل، کراچی میں جمع کرائیں۔ وہ شیئر ہولڈرز جو ڈی میٹریلائزڈ فارم میں حصص رکھتے ہیں ان سے درخواست کی جاتی ہے کہ وہ (CDC) میں مناسب طریقے سے بھرا ہوا ڈیویڈنڈ بینک مینڈیٹ فارم اپنے شرکت کنندہ / سرمایہ کار اکاؤنٹ میں جمع کرائیں۔ کارپوریٹ اداروں سے درخواست کی جاتی ہے کہ وہ اپنے قومی ٹیکس نمبر (NTN) اور فولیو نمبر کے ساتھ مجاز نمائندے کی CNIC کاپی فراہم کریں۔

شیئر ہولڈرز کی سہولت کے لیے ای ڈیویڈنڈ مینڈیٹ فارم کمپنی کی ویب سائٹ <https://www.nfoods.com> پر دستیاب ہے۔

نیشنل فوڈز لمیٹڈ شیئر ہولڈرز (فزیکل اور CDC) کی 30 جون 2023 تک IBAN کی حیثیت حسب ذیل ہے:

تناسب / فی صد (%) اپ ڈیٹ IBAN	IBAN موجودہ تعداد 30 جون 2023 تک			30 جون 2023 تک شیئر ہولڈرز کی موجودہ کل تعداد		
92.16	ٹوٹل	CDS	مادی	ٹوٹل	CDS	مادی
	4,375	4,234	141	4,747	4,268	479

5. زکوٰۃ وعشر آرڈیننس 1980 کے مطابق اعلان

زکوٰۃ کی لازمی کٹوتی سے استثنیٰ کا دعویٰ کرنے والے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ NJSP پر زکوٰۃ اعلامیہ فارم "CZ-50" کی 50/- روپے کی ایک نوٹرائز کاپی شیئر رجسٹرار کو جمع کرائیں۔ اگر حصص غیر منقولہ شکل میں رکھے گئے ہیں تو اس طرح کے زکوٰۃ اعلامیہ فارم (CZ-50) کو شیئر ہولڈر کے (CDC) اکاؤنٹ میں ان کے شریک / سرمایہ کار اکاؤنٹ سروسز کے ذریعے اپ لوڈ کیے جائیں۔ مزید برآں، غیر مسلم شیئر ہولڈرز کو لازمی ہے کہ وہ کمپنی کے شیئر رجسٹرار کے پاس (کمپنی کی ویب سائٹ پر دستیاب فارمیٹ پر) اقرار نامہ جمع کرائیں اگر حصص فزیکل سرٹیفکیٹس کی صورت میں ہوں یا سی ڈی سی کے شراکت دار / سرمایہ کار اکاؤنٹ کے ساتھ ہوں۔ زکوٰۃ کی کٹوتی سے اس وقت تک استثنیٰ کی اجازت نہیں دی جائے گی جب تک کہ مندرجہ بالا تمام حوالوں سے مکمل دستاویزات فراہم نہ کی جائیں۔

6. انکم ٹیکس آرڈیننس 2001 کے سیکشن 150 کے تحت انکم ٹیکس کی کٹوتی

(a) یہ نیشنل فوڈز لمیٹڈ کی طرف سے شیئر ہولڈرز کے لیے 2.50 فی شیئر اعلان کردہ حتمی نقد منافع 30 جون 2023 کو ختم ہونے والے سال کے لیے ہے۔

52ویں سالانہ عام اجلاس کانوٹس

نیشنل فوڈز لمیٹڈ کا 52 واں سالانہ اجلاس جمعرات 19 اکتوبر 2023 کو شام 15:00 بجے بیچ لگژری ہوٹل کراچی میں منعقد ہوگا۔ جو شیئر ہولڈرز ویڈیو لنک کی سہولت کے ذریعے AGM میں شرکت کرنا چاہتے ہیں وہ ایسا کر سکتے ہیں۔

عمومی بزنس:

- 20 اکتوبر 2023 کی سالانہ جنرل میٹنگ کے منٹس کی تصدیق کرنا۔
- 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں بشمول ڈائریکٹرز اور آڈیٹرز کی رپورٹس، کمپنی کے آڈٹ شدہ مالیاتی بیانات اور اس پر آڈیٹرز کی رپورٹس کو وصول، غور، اور اپنانا۔
- کمپنی کے عام حصص پر ڈیویڈنڈ پر غور، منظوری اور اسکا اعلان کرنا۔ ڈائریکٹرز نے 30 جون 2023 کو ختم ہونے والے سال کے لیے 50% (روپے 2.50 فی عام شیئر /- 05 ہر) کے حتمی نقد منافع کی سفارش کی ہے۔
- آنے والے سال کے لیے کمپنی کے بیرونی آڈیٹرز کا تقرر اور ان کے معاوضے کو طے کرنا۔ کمپنی کی آڈٹ کمیٹی کی سفارش پر بورڈ آف ڈائریکٹرز نے 30 جون 2024 کو ختم ہونے والے سال کے لیے میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی بیرونی آڈیٹرز کے طور پر دوبارہ تقرری کی تجویز پیش کی ہے۔

خصوصی بزنس:

- غور کرنے کے بعد اگر مناسب سمجھا جائے تو مندرجہ ذیل قرارداد کو عام قرارداد کے طور پر ترمیم کے ساتھ یا اس کے بغیر پاس کرنا۔ QR فعال کوڈ اور ویب لنک کے ذریعے سالانہ آڈٹ شدہ اکاؤنٹ کی ترسیل کے لیے اراکین سے رضامندی حاصل کرنا جیسا کہ S.R.O 389 (I)/2023 کے تحت اجازت ہے جو کہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ذریعے جاری کیا گیا۔

" طے کیا گیا ہے کہ کمپنیز ایکٹ 2017 کے سیکشن 223(6) کے مطابق SRO 389(I)/2023 مورخہ 21 مارچ 2023 کے ذریعے کمپنی سالانہ آڈٹ شدہ مالیاتی بیانات اور رپورٹس پر مشتمل سالانہ رپورٹ کو QR فعال کوڈ اور ویب لنک کے ذریعے ممبران کو دینے کی مجاز ہے ۔

مزید یہ طے کیا گیا کہ ایکٹ کے تقاضوں کے مطابق میٹنگ کا نوٹس ممبران کو ان کے رجسٹرڈ پتے پر بھیجا جائے گا جس میں QR کوڈ اور ویب لنک ایڈریس ہو گا تاکہ سالانہ آڈٹ شدہ مالیاتی گوشواروں بشمول درکار رپورٹس اور دستاویزات کو دیکھنے اور ڈاؤن لوڈ کرنے کی سہولت ہو۔

مزید برآں، کمپنی کو کمپنیز ایکٹ 2017 کے سیکشن 223(6) کے متعلقہ تقاضوں کے مطابق آڈٹ شدہ مالیاتی بیانات، رپورٹس، اور دستاویزات کو بذریعہ ای میل اور QR کوڈ اور ویب لنک ایڈریس پر مشتمل میٹنگ کا نوٹس بھیجنا ہوگا۔ اگر آڈٹ شدہ مالیاتی بیانات یا کمپنی کے AGM کے نوٹس کی خواندنی نقل مطلوب ہو تو اس کے لیے علیحدہ درخواست کی جائے گی۔

مزید یہ طے کیا گیا کہ کمپنی کا سیکرٹری تمام متعلقہ ضروری کارروائیاں، افعال، اور اس کے ذیلی کام جو کہ مندرجہ بالا قرارداد کی روح اور ارادے کو عملی جامہ پہنانے کے لیے ضروری یا مناسب ہو کرنے کا مجاز ہے۔"

- اگر مناسب سمجھا جائے تو غور کرنے کے بعد اور ترمیم کے ساتھ یا اس کے بغیر خصوصی قرارداد کے طور پر اے ٹی سی(ATC) ہولڈنگز (پرائیویٹ) لمیٹڈ اور نیشنل فوڈز لمیٹڈ (NFL) کے درمیان شہد کی پکیبجنگ خدمات کی فراہمی کے لیے معاہدے کی منظوری۔

"نیشنل فوڈز لمیٹڈ (NFL) کا اپنی پیرنٹ کمپنی ATC ہولڈنگز (پرائیویٹ) لمیٹڈ (ATCH) کے ساتھ ایک ایگریمنٹ جو NFL کو ATCH کے ذریعے شہد کی پکیبجنگ سروسز کی فراہمی کے لیے ہر حقائق کی تفصیلات کے مطابق منظور کیا جاتا ہے۔

- غور کرنے کے بعد اگر مناسب سمجھا گیا تو درج ذیل قراردادوں کو خصوصی قراردادوں کے طور پر منظور کرنا: (a) 30 جون 2023 کو ختم ہونے والے مالی سال کے دوران متعلقہ فریقوں کے ساتھ کیے گئے لین دین کی توثیق اور منظوری اور (b) اور (c) بورڈ آف ڈائریکٹرز کو 30 جون 2024 کو ختم ہونے والے سال کے دوران کئے گئے تمام متعلقہ پارٹی ٹرانزیکشنز کی منظوری دینے کا اختیار دینا۔

- " مزید یہ طے کیا گیا کہ تمام لین دین جو مالی سال 30 جون 2023 میں درج ذیل متعلقہ فریقوں کے ساتھ کمپنی کے ذریعے کی گئیں اور جن میں ڈائریکٹرز کی اکثریت دلچسپی رکھتی ہے کی توثیق اور منظوری دی جاتی ہے۔"

اے ٹی سی ہولڈنگز (پرائیویٹ) لمیٹڈ – پیرنٹ کمپنی
نیشنل فوڈز DMCC - ذیلی ادارہ

- " مزید یہ طے کیا کہ کمپنی کے بورڈ آف ڈائریکٹرز کو تمام متعلقہ پارٹی ٹرانزیکشنز کو منظور کرنے کا اختیار دیا گیا ہے جن میں زیادہ تر ڈائریکٹرز دلچسپی رکھتے ہیں اور جو انجام دی گئیں اور 30 جون 2024 کو ختم ہونے والے مالی سال میں کسی بھی متعلقہ فریق کے ساتھ (بشمول مذکورہ بالا متعلقہ فریقین) کیس ٹو کیس کی بنیاد پر اور کمپنی کی اگلی سالانہ جنرل میٹنگ تک انجام دی جائیں گی۔"

"مزید برآں، بورڈ کی طرف سے مذکورہ بالا لین دین کی منظوری حصص یافتگان کے ذریعہ منظور شدہ سمجھا جائے اور 30 جون 2024 کو ختم ہونے والے سال کے درمیان لین دین کو اگلی سالانہ جنرل میٹنگ میں شیئر ہولڈرز کے سامنے ان کی باضابطہ توثیق / منظوری کے لیے رکھا جائے گا۔"

- چیئرمین کی اجازت سے کوئی دوسرا بزنس

کمپنیز ایکٹ 2017 کے سیکشن 134(3) کے تحت رجسٹرڈ آئٹم نمبر 5، 6 اور 7 میں شامل خصوصی بزنس کے حوالے سے بیانات اراکین کو بھیجے جانے والے نوٹس کے ساتھ منسلک ہیں۔

بورڈ کے حکم سے	
فضل الرحمان حاجانو	کراچی
کمپنی سیکرٹری	27 ستمبر 2023

FORM OF PROXY

National Foods Limited

I/We _____ of _____
being a member of National Foods Limited holding _____ ordinary shares as per Folio
No./CDC Participant ID & A/c No. _____ hereby appoint _____ of
_____, another Member of the Company, failing him/her _____
of _____ as my/our proxy in my/our absence to attend and to vote and act for
me/us and on my/our behalf at the Annual General Meeting of the Company to be held at Beach Luxury Hotel,
Moulvi Tamizuddin Khan Road, Karachi- 74000 at 03:00 p.m. on Thursday, October 19, 2023 and at any
adjournment thereof.

As witness my/our hand(s) _____ day of _____ 2023.
Signed in the presence of: _____

Affix revenue
stamp of
Rs. 5/-

(Signature of Witness 1)

Name of Witness:

CNIC No.:

					—									—	
--	--	--	--	--	---	--	--	--	--	--	--	--	--	---	--

Address: _____

(Name in Block letters)

Folio No.

(Signature of Witness 2)

Name of Witness:

CNIC No.:

					—										—	
--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	---	--

Address: _____

Signature of the Shareholder

Notes:

1. The Member is requested:
 - (a) to affix Revenue Stamp of Rs. 05/- at the place indicated above.
 - (b) to sign in the same style of signature as is registered with the Company.
 - (c) to write down his/her Folio Number.
2. For the appointment of the above Proxy to be valid, this instrument of proxy must be received at the Registered Office of the Company at 12 / CL-6, Claremont Road, Civil Lines, Karachi, at least 48 hours before the time fixed for the Meeting.
3. Any alteration made in this instrument of proxy should be initialled by the person who signs it.
4. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by Proxy will be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority will be determined by the order in which the names stand in the Register of Members.
5. No person shall act as proxy unless he/she himself/herself is a member of the Company, except that a corporation may appoint a person who is not a member.

For CDC Account Holders/Corporate Entities:

In addition to the above, the following requirements have to be met:

- (i) The proxy form must be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- (ii) Attested copies of CNIC or the passport of the beneficial owners and of the Proxy must be furnished with the proxy form.
- (iii) The Proxy must produce his original CNIC or original passport at the time of the Meeting.
- (iv) In case of corporate entities, the Board of Directors' resolution/power of attorney and specimen signature must be submitted (unless it has been provided earlier) alongwith proxy forms to the Company.

پراکسی فارم
نیشنل فوڈز لمیٹڈ

میں/ ہم _____ از _____ ، بحیثیت نیشنل فوڈز لیمنڈ ہولڈنگ کا ممبر

_____ عمومی شیئرز بمطابق فولیو نمبر / CDC شرکت کنندہ ID اور A/c نمبر _____ بذریعہ ہذا _____ از _____

_____ کو کمپنی کے دوسرے رکن کے طور پر مقرر کرتا / کرتی ہوں / کرتے ہیں اور ان کی غیر موجودگی میں، _____ از _____

_____ کو اپنی غیر حاضری کی صورت میں موقع پر موجود ہونے اور ووٹ دینے اور میری / ہماری نمائندگی کرنے اور میری / ہماری جانب سے

کمپنی کے سالانہ اجلاس عام بمقام بیچ لگزی ہوٹل، مولوی تمیز الدین خان روڈ، کراچی - 74000، جمعرات مورخہ 19 اکتوبر 2023 دوپہر 3 بجے یا اتواء کی صورت میں کسی اور وقت منعقد ہونے والے اجلاس عام میں شرکت کے لیے مقرر کرتا / کرتی ہوں / کرتے ہیں۔

مہینے کا دن _____ مہینہ _____ 2023 کو میری / ہماری تحریر اور دستخط / دستخطوں کے ساتھ۔
درج ذیل کی موجودگی میں دستخط کیے گئے:

[illegible][illegible]

شیئر ہولڈر کے دستخط

[illegible][illegible]

(نام بڑے حروف میں)

فولیو نمبر

نوٹس

- 1- ممبر سے درخواست کی جاتی ہے کہ:
- (a) اوپر بتائی گئی جگہ پر 05 روپے کا ریونیو سٹیپ چسپاں کیا جائے۔
- (b) ہو ہو وی دستخط کئے جائے جو سکیپن میں رجسٹرڈ ہے۔
- (c) اپنا فوٹو نمبر درج کیا جائے۔
- 2- درج بالا نمائندگی کی تقرری کا عمل مکمل ہونے کے لئے ضروری ہے کہ پر اسی کے تقرری دستاویز یا قاعدہ طور پر کمپنی کے رجسٹرڈ آفس 6/12-CL، کلیئر مونٹ روڈ، سول لائنز، کراچی پر اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل موصول ہو جانی چاہئے۔
- 3- اس دستاویز برائے نمائندگی میں کسی بھی تبدیلی کی صورت میں اس پر زیر دستخطی کے متحضر دستخط ہونے چاہئے۔
- 4- مشترکہ ہولڈر ہونے کی صورت میں، سینئر فریق کا دیا گیا ووٹ خواہ وہ خود دے یا اس کے نمائندے کی جانب سے دیا جائے، دیگر مشترکہ ہولڈرز کے مقابلے میں قبول کیا جائے گا، اور اس مقصد کے لیے سینئر ہونے کا تعین ارکان کے رجسٹر میں ناموں کی ترتیب سے کیا جائے گا۔
- 5- کوئی بھی شخص پر اسی نہیں ہو سکتا اگر وہ خود کمپنی کا ممبر نہ ہو، سوائے اس کے کہ کارپوریشن کسی ایسے شخص کا تقرر کرے جو ممبر نہیں ہے

CDC اکاؤنٹ ہولڈرز / کارپوریٹ اداروں کے لیے:

درج بالا کے علاوہ، درج ذیل لوازمات کی تکمیل ضروری ہوگی:

- (i) فارم برائے نمائندگی پر دو افراد کی گواہی لی جائے گی جن کے نام، پتے اور CNIC نمبر فارم پر درج کئے جائیں گے۔
- (ii) مستفید ہونے والے باکان اور نمائندے کی CNIC یا پاسپورٹ کی تصدیق شدہ نقل، فارم برائے نمائندگی کے ساتھ لازمی شملک کی جائیں گی۔
- (iii) اجلاس کے وقت نمائندے کے اپنا اصل CNIC یا اصل پاسپورٹ لازمی پیش کرنا ہوگا۔
- (iv) کارپورٹ اداروں کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ اور عموماً کے طور پر دیے گئے دستخط، فارم برائے نمائندگی کے ساتھ شیئر رجسٹر

E-DIVIDEND MANDATE LETTER

ای ڈیوینڈ مینڈیٹ لیٹر

According to Section 242 of Companies Act, 2017 and Circular No. 18/2017 dated August 1, 2017, issued by Securities and Exchange Commission of Pakistan (SECP), with effect from November 1, 2017, all listed companies are to pay dividend only through electronic mode directly into the bank accounts designated by the entitled shareholders.

In view of above, Shareholder(s) are advised to provide their complete bank account / IBAN detail as per format given below required under clause 7,8 and 9 (ii) of the Companies (Distribution of Dividends) Regulations, 2017 issued under S.R.O.1145 (I) / 2017 dated November 06, 2017, by SECP enabling us to comply with the above Section/Circular.

For physical Shareholder(s):	M/s. CDC Share Registrar Services Limited, Head Office. CDC House, 99-B, Block B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi – 74400.
For CDC Account holder (s)	in case of CDC account holder / Sub-account holder please provide said details to CDC / to respective member Stock Exchange.

E-Dividend Mandate Details

It is requested that all my cash Dividend amounts declared by the Company may be credited into the following bank account:

Name of shareholder	:	_____
Folio Number/CDC Account No.	:	_____ of National Foods Limited
Mobile number of shareholders	:	_____
Title of Account	:	_____
Account Number	:	_____
IBAN Number (24 digits)	:	_____
Name of Bank	:	_____
Bank branch & Code	:	_____
Mailing Address of Branch	:	_____
CNIC No. (attach attested copy)	:	_____
NTN (in case of corporate entity)	:	_____

It is stated that the above particulars given by me are correct and to the best of my knowledge; I shall keep the Company informed in case of any changes to the said particulars in future.

Shareholder's signature _____ Date _____

[As per specimen signature registered with the Shares Registrar]

Please note that:

1. Please provide complete IBAN, after checking with your concerned branch to enable electronic credit directly into your bank account.
2. All Shareholders are requested to attach valid copy of CNIC along with the form.
3. The payment of cash dividend will be processed on the basis of IBAN alone. National Foods Limited is entitled to rely on the IBAN information as per your instructions (provided by you).

کمپنیز ایکٹ، 2017 کے سیکشن 242 اور سرکلر نمبر 18/2017 مورخہ 1 اگست 2017 کے مطابق، جو کہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی طرف سے جاری کیا گیا، یکم نومبر 2017 سے، تمام لسٹڈ کمپنیاں صرف ڈیوڈنڈ ادا کریں گی جو الیکٹرانک طریقے سے براہ راست حقدار شیئر ہولڈرز کے نامزد کردہ بینک اکاؤنٹوں میں جمع کروا جائے گا۔

مندرجہ بالا کو مد نظر رکھتے ہوئے، شیئر ہولڈرز کو مشورہ دیا جاتا ہے کہ وہ اپنے مکمل بینک اکاؤنٹ/IBAN کی تفصیلات درج ذیل فارمیٹ کے مطابق فراہم کریں جو S.R.O کے تحت جاری کردہ کمپنیز (ڈسٹری بیوشن آف ڈیویڈنڈز) ریگولیشنز، 2017 کی شق 7.8 اور 9 (ii) کے تحت درکار ہے۔ 1145 (2017) I (مورخہ 06 نومبر 2017، SECP کی طرف سے ہمیں مندرجہ بالا سیکیشن / سرکلر کی تعمیل کرنے کے قابل بناتا ہے۔

فزیکل شیئر ہولڈرز کے لیے: میسرز۔ CDC شیئر رجسٹرار سروسز لمیٹڈ،
ہیڈ آفس CDC، ہاؤس، 99-B، بلاک بی، S.M.C.H.S.
مین شاہراہ فیصل، کراچی - 74400۔

CDC اکاؤنٹ ہولڈرز کے لیے
CDC اکاؤنٹ ہولڈر / سب اکاؤنٹ ہولڈر کی صورت میں،
براہ کرم CDC / متعلقہ ممبر اسٹاک ایلیمنٹس کو مذکورہ تفصیلات فراہم کریں۔

ای ڈیویڈنڈ مینڈیٹ کی تفصیلات

درخواست کی حاتی ہے کہ کمپنی کی طرف سے اعلان کردہ میری تمام کیش ڈیویڈنڈ کی رقم درج ذیل بینک اکاؤنٹ میں جمع کر دی جائے:

.....	:	شیر ہولڈر کا نام
.....	:	فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر
.....	:	شیر ہولڈرز کے موبائل نمبر
.....	:	اکاؤنٹ کا عنوان
.....	:	اکاؤنٹ نمبر
.....	:	IBAN نمبر (24 ہندسوں)
.....	:	بینک کا نام
.....	:	بینک برانچ اور کوڈ
.....	:	برانچ کے ڈاک کا پتہ
.....	:	CNIC نمبر (تصدیق شدہ کاپی منسلک کریں)
.....	:	NTN (کارپوریٹ ادارے کی صورت میں)

عرض کیا جاتا ہے کہ میری طرف سے دی گئی مندرجہ بالا تفصیلات درست اور میری بہترین معلومات کے مطابق ہیں۔ میں مستقبل میں مذکورہ تفصیلات میں کسی تبدیلی کی صورت میں کمپنی کو آگاہ کرتا رہوں گا۔

[رجسٹرار کے پاس رجسٹرڈ نمونہ دستخط کے مطابق]

شیئر ہولڈر کے دستخط

دستخط کی تاریخ

براه مہربانی یاد رکھیں:

1. براہ کرم مکمل IBAN فراہم کریں، اپنی متعلقہ برانچ سے چیک کرنے کے بعد براہ راست اپنے بینک اکاؤنٹ میں الیکٹرانک کریڈٹ کو فعال کریں۔
2. تمام شینر ہولڈرز سے درخواست کی جاتی ہے کہ وہ فارم کے ساتھ CNIC کی درست کاپی منسلک کریں۔
3. نقد ڈیپازٹ کی ادائیگی صرف IBAN کی بنیاد پر کی جائے گی۔ نیشنل فوڈ لیمنڈ آپ کی ہدایت (آپ کے ذریعہ فراہم کردہ) کے مطابق IBAN کی معلومات پر انحصار کرنے کا حقدار ہے۔

