Noon Pakistan Limited

ANNUAL REPORT 2015

CONTENTS

Corporate Information

BOARD OF DIRECTORS	Mr. Salman Hayat Noon	Chief Executive
	Mr. Adnan Hayat Noon	Chairman
	Mr. K. Iqbal Talib	(Non-Executive Director)
	Mr. Zaheer Ahmad Khan	(Non-Executive Director)
	Mr. Asif H. Bukhari	(Non-Executive Director)
	Lt. Col. (R) Abdul Khaliq Khan	(Executive Director)
	Mirza Shoaib Baig	(Non Executive Director)
COMPANY SECRETARY	Syed Anwar Ali	
AUDIT COMMITTEE	Mr. Asif H. Bukhari	Chairman
	Mr. Adnan Hayat Noon	Member
	Mr. K. Iqbal Talib	Member
HR & R COMMITTEE	Mr. K. Iqbal Talib	
	Mr. Zaheer Ahmad Khan	
	Lt. Col. (R) Abdul Khaliq Khan	
AUDITORS	Hameed Chaudhri & Co. Chartered Accountants	
LEGAL ADVISERS	Hamid Law Associates	
BANKERS	Habib Bank Limited	
	United Bank Limited	
	National Bank of Pakistan	
	Bank Alfalah Limited	
	Faysal Bank Limited	
	The Bank of Punjab	
	NIB Bank Limited	
	MCB Bank Limited	
	Askari Bank Limited	
	Allied Bank Limited	
	Bank Islami Pakistan Limited	
REGISTERED OFFICE & SHARES DEPARTMENT / REGISTRAR	66-Garden Block, New Garden Town, Lahore. Tele : 35831462 - 35831463 E-mail: noonshr@brain.net.pk	
WEBSITE	www.nurpurfoods.com	
PLANT	Bhalwal, District Sargodha.	

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 48th Annual General Meeting of Shareholders of Noon Pakistan Limited will be held at Pearl Continental Hotel, Lahore on Thursday, 26 November, 2015 at 11:00 a.m. to transact the following business:-

ORDINARY BUSINESS

1. To confirm the minutes of the Annual General Meeting held on 30 October, 2014.

2. To receive, consider and adopt the audited accounts for the year ended 30 June, 2015 and the reports of the directors and auditors thereon.

3. To appoint auditors for ensuing period till next AGM and to fix their remuneration.

4. To elect 12 directors in accordance with provisions of section 178 of the Companies Ordinance, 1984.

5. **ELECTION OF DIRECTORS**

SECP vide its letter No. EMD/233/575/2002/172-173 dated 21 September, 2015 has permitted, under section 178-A of the Companies Ordinance, 1984, to hold fresh election of directors.

The Board of Directors has fixed the number of Directors to be elected as 12 for the purpose of elections at this meeting. The tenure of the elected directors will be three years from the date of election.

The names of the retiring directors are as follows who are also eligible for re-election:

1. Lt Gen Khalid Nawaz Khan (Retd)
2. Lt Gen Muhammad Haroon Aslam (Retd)
3. Lt Gen Shafqaat Ahmed (Retd)
4. Mr. Qaiser Javed
5. Dr. Nadeem Inayat
6. Mr. Salman Hayat Noon
7. Lt Col Abdul Khaliq Khan (Retd)

Any person who seeks to contest this election shall file with the Company at the Registered Office, not later than fourteen days before the date of the meeting, a notice of his/ her intention to offer himself/ herself for election as a director.

SPECIAL BUSINESS

6. To pass the following resolutions as Special Resolutions with or without any amendments, modifications or alterations respectively for increase in authorized capital, alterations in the Memorandum and Articles of Association and amendment of the special resolution passed on 16 June 2009:

INCREASE IN THE AUTHORIZED CAPITAL AND CHANGE IN CAPITAL STRUCTURE

"RESOLVED that the authorized capital of the Company be and is hereby increased from Rs.395,000,000 (Rupees Three Hundred Ninety Five Million only) to Rs.7,000,000,000 (Rupees Seven Billion only) by addition of 668,000,000 Ordinary Shares of Rs.10/- each and deletion of 7,500,000 Preference Shares of Rs. 10/- each.

ALTERATION IN THE MEMORANDUM AND ARTICLES OF ASSOCIATION

"RESOLVED that the authorized capital of the Company be and is hereby increased from Rs.395,000,000 (Rupees Three Hundred Ninety Five Million only) to Rs.7,000,000,000 (Rupees Seven Billion only) by addition of 668,000,000 Ordinary Shares of Rs.10/- each and deletion of 7,500,000 Preference Shares of Rs. 10/- each.

FURTHER RESOLVED that the alterations in Clause V of the Memorandum of Association of the Company be made as under:

i. The words and figure "Rs.395,000,000/- (Rupees Three Hundred Ninety Five Million only)" shall be replaced with words and figure "Rs. 7,000,000,000/- (Rupees Seven Billion only)";

ii. The words and figure "12,250,000 (Twelve Million Two Hundred Fifty Thousand only)" ordinary shares of Rs. 10/- each", shall be replaced with words and figure "680,250,000 (Six Hundred Eighty Million Two Hundred Fifty Thousand only) ordinary shares of Rs. 10/- each"; and

iii. The words and figure "and 7,500,000 (seven million five hundred thousand) Preference shares of Rs. 10/- each" is hereby deleted.

FURTHER RESOLVED that the alterations in the Articles of Association of the Company be made as under:

i. Article 2(g1) of the Articles of Association (definition of "Preference Shareholders") is hereby deleted.

ii. Article 2(g2) of the Articles of Association (definition of "Preference Shares") is hereby deleted.

iii. Article 3(ii)(e) of the Articles of Association (regarding the conversion of Preference Shares) is hereby deleted.

AMENDMENT OF THE SPECIAL RESOLUTION PASSED ON 16 JUNE 2009

FURTHER RESOLVED that the words "of their own class", appearing in the second paragraph of the Special resolution, under the head "CONVERSION OF PREFERENCE SHARS INTO NON-VOTING ORDINARY SHARES", passed by the Members of the Company on 16 June 2009 be deleted and at the end of the said paragraph, the following proviso be added: ", provided that nothing in this Resolution shall prevent the directors from allotting and issuing any declined right shares (of either class) to any holder of any shares (of either class) or to any other person, subject to and in accordance with Section 86 of the Companies Ordinance 1984". After such amendments, the said Special Resolution shall read as follows:

> "FURTHER RESOLVED that the Non-Voting Ordinary Shares shall rank pari passu with the Ordinary Shares in all respect subject to the limitation / restriction that holder of such Non-Voting Ordinary Shares shall not be entitled to receive notice, attend and vote at the general meetings of the Company, except as otherwise provided by the Companies Ordinance, 1984 whereby the holders of such shares would be entitled to vote separately as a class and in the event of further issue of capital by means of right / bonus shares the holders of Ordinary Shares and the holders of Non-Voting Ordinary Shares shall be offered / allotted shares simultaneously and in equal proportion, provided that nothing in this Resolution shall prevent the directors from allotting and issuing any declined right shares (of either class) to any holder of any shares (of either class) or to any other person, subject to and in accordance with Section 86 of the Companies Ordinance 1984."

7. To transact any other business with the permission of the Chair.

CLOSURE OF SHARE TRANSFER BOOKS

The share transfer books of the Company will remain closed from 20th November, 2015 to 26th November, 2015 (both days inclusive) for the purpose of holding the AGM.

By Order of the Board

Lt Col Muhammad Ashfaq (Retired)
Company Secretary

28 October, 2015

STATEMENT U/S 160(1)(b) OF THE COMPANIES ORDINANCE, 1984 WITH RESPECT TO SPECIAL BUSINESS AS CONTAINED IN THE NOTICE OF ANNUAL GENERAL MEETING TO BE HELD ON 26th NOVEMBER, 2015.

INCREASE IN THE AUTHORIZED CAPITAL

The proposed changes in the Memorandum and Articles of Association of the Company are being made to accommodate further increase in paid up capital as may be approved by the Board.

An increase in the authorized capital of the Company is necessary for the working capital requirement of the Company's operations and funding requirements as part of its growth and expansion plans.

The directors foresee that Preference Shares will not be issued in future therefore "Preference Shares" class is suggested to be removed.

The special resolution passed by the members of the Company on 16 June 2009 is proposed to be revised so as to allow right shares (of either class), including declined right shares, to any holder of any shares (of either class) or to any other person, subject to and in accordance with Section 86 of the Companies Ordinance 1984

For the above purposes, the above resolutions are proposed to be passed as special resolutions. It is further clarified that the notice of AGM is being sent to all members (including holders of non-voting shares) as the special resolution dated 16 June 2009 was passed by all members and the proposed change therein affects all members and hence the approval of members holding non-voting shares is also being sought for the purpose

NOTES:

1. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend, speak and vote on his/her behalf. Proxies in order to be effective must be received by the Company at the registered office not less than 48 hours before the meeting. The shareholders through CDC are requested to bring original CNIC/Passport for the purpose of identification to attend the meeting. Representatives of corporate members should bring the usual documents required for such purpose. The members are requested to follow the guidelines contained in Circular No.1 of 2000 dated 26 January, 2000 issued by SECP reproduced on reverse of the Proxy Form.

2. Members, having physical shares, are advised to intimate any change in their registered address and the shareholders who have not yet submitted photocopies of their Computerized National Identity Cards (CNIC) are requested to send the same at the earliest.

3. Vide SRO No. 787(1)2014 dated 08 September, 2014, SECP has allowed companies to circulate audited financial statements and notice of AGM to shareholders through their email addresses subject to the written consent of the shareholders. Shareholders who wish to receive annual reports and notice of AGM through e-mail are requested to provide, through a letter duly signed by them, their particulars, i.e. Name, Folio/ CDC A/C No., E-mail Address, Contact Number, CNIC Number (attach copy). Shareholders are also requested to notify immediately any change in their e-mail address to the Share Registrar of the Company, i.e. M/s Corplink (Pvt.) Limited, 1-K, Commercial, Model Town, Lahore.

4. In pursuance of Section 178(1) of the Companies Ordinance 1984, the Board of Directors has fixed the number of Directors at twelve, who will be elected at the 48th Annual General Meeting.

5. In terms of Section 178(3) of the Companies Ordinance 1984, any person who seeks to contest election to the office of Director of the Company shall file with the Company at its registered office a notice of intention to offer himself for election not later than fourteen days before the date of the Annual General Meeting.

DIRECTORS' REPORT TO THE SHARE HOLDERS

The Directors of your company are pleased to submit the Annual Report along with the audited financial statements for the year ended June 30, 2015.

The Operation during the year

The performance of the Company during the year under review remained challenging throughout the year as is evident from the operating and financial indicators. The fast moving consumers' goods industry in food sector is amongst the directly or indirectly affected sectors mainly due to several economic and political developments in the country, which have negatively impacted the economy. The Competitive scenario is still not allowing passing on the entire increase in costs by way of price increase. The Company continued its efforts to rationalize its costs and further took several measures for human capital development. On sales and marketing front and in line with the demand of the products our drive for geographic relocation of different products continued throughout the year.

The annual turnover of the Company was Rs.1,866.02 Million in fiscal 2014–15 as compared to Rs.2,194.03 Million in the previous year. The Company mostly could not utilize its installed capacities, in view of continued financial constraints and belated financial support from the lenders, accordingly net losses after tax of the Company increased to Rs.349.76 Million as compared to Rs.142.06 Million in the previous year. The Earning per Share thereby is negative Rs.11.75 per share (Previous Year: Negative Rs.7.02 per share).

Directors' view on the matters emphasized by the Auditors in their Shareholders' Report

The Auditors, without qualifying their Report to the shareholders, have emphasized about the preparation of these financial statements on going concern basis and further about provision of doubtful debts in the accounts.

a) The Company accumulated losses of Rs.441.60 Million and the Company's current liabilities have exceeded its current assets by Rs.703.30 Million as at June 30, 2015. In this regard it is of foremost important that the directors have highlighted some of the adverse impacts of continued economic and political development for industry in general and food dairy sector in particular. Resultantly it was difficult for the small and medium sized businesses to flourish because of lesser competitive advantages against the other players. The food dairy sector on the other hand has numerous prospects and challenges and above all your company has much dependable and loyal consumers' base for its brand.

   In line with its' vision and mission and further aiming to explore the available opportunities of the sector, one of the country's large corporate groups has now acquired the majority shareholding of the Company. Fauji Group (Fauji Fertilizer Bin Qasim Limited & Fauji Foundation, jointly as the “Acquirer”), having different short and medium term plans of improvement in operations by strengthening several peripherals of the Company, is aiming to make a turnaround of the affairs of the company in near future.

   The management has highlighted these aspects in the note 1.1 and further anticipates that above steps will not only bring the Company out of the existing financial crisis but also contribute significantly towards the profitability of the Company in the foreseeable future which is further evident from strong positive reaction in stock market where ordinary share of the company has traded at the highest selling price of Rs.231.30 and non-voting share at Rs.119.83 during first week of September 2015. Therefore the management has prepared these financial statements on a going concern basis.

b) The management took several steps of rationalizing the input costs and further increased it's secondary sales through numeric distribution to retail outlets in metropolitan cities like Karachi, Lahore and Islamabad. The company could extend the necessary support at different levels for such distribution after a certain period which resulted in losses of recoveries against it trade debts. Several efforts made by the management in this regards and finally after making careful assessment and analysis of the facts on ground, a provision is made of Rs.198.469 million for trade debts which are carefully adjudged doubtful of recovery. The Company has decided to initiate legal proceedings against these debtors shortly.

Future Outlook

We are confident that economic prospects of Pakistan will continue to improve in coming years which will have positive impact on our industry. The growing awareness regarding packaged dairy products will also help the industry to register future growth. In the backdrop of the competitive edge of your company's NURPUR brand, having an adequate distribution of its diversified products' profile in the market and several opportunities and ongoing challenges of the dairy sector, the main sponsors of the Company took a strategic decision of joining hands with leading interested corporate group. After completion of formalities of takeover laws of the country, Fauji Fertilizers Bin Qasim Limited and Fauji Foundation (the "Acquirers") have acquired 51% shares of Noon Pakistan Limited on 4^{th} September 2015. Consequent thereupon, the directors are confident that company's well defined future business plans will conclude satisfactorily.

Dividend

Keeping in view prevailing depressed economic and financial scenario, the Board has not recommended any dividend for the year ending 30 June 2015.

Transactions with Related Parties

Transaction with related parties were made at arm's length prices determined in accordance with the comparable uncontrolled price method. The Company has fully complied with the best practices on Transfer pricing as contained in the relevant rules and regulations.

Corporate and Financial Reporting Framework

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flow and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements.
- The system of internal controls is sound in design and has been effectively implemented and monitored.
- There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as on 30th June 2015 except for those disclosed in the financial statements.
- The value of investments of staff provident fund, based on audited accounts, was Rs.84.045 million as at 30th June, 2015.

- During the year, six meetings of the Board of Directors were held. Attendance by each director was as follow:

Names of Directors	No. of Meetings Attended
Mr. Salman Hayat Noon	5
Mr. Adnan Hayat Noon	6
Mr. K. Iqbal Talib	6
Mr. Zaheer Ahmad Khan	6
Mr. Abdul Khaliq Khan	6
Mr. Asif H. Bukhari	6
Mirza Shoaib Baig	4

- **Meetings of Audit Committee**

Names of Directors	No. of Meetings Attended
Mr. Adnan Hayat Noon	4
Mr. K. Iqbal Talib	4
Mr. Asif H. Bukhari	4

- **Meetings of HR & R Committee**

Name of Directors	No. of Meetings Attended
Mr. Zaheer Ahmad Khan	2
Mr. K. Iqbal Talib	2
Lt Col Abdul Khaliq Khan (Retd)	2

- The pattern of shareholding and additional information regarding pattern of shareholding is included in this annual report.
- No trade in the shares of the Company were carried-out by the Directors, CEO, CFO, Company Secretary and their spouse and minor children during the year ended 30th June 2015.

Compliance with the Code of Corporate Governance

The requirements of the Code of Corporate Governance set out by the Karachi and Lahore Stock Exchanges in their listing rules, relevant for the year ended 30th June 2015, have been duly complied with. A statement to this effect is annexed with the report.

Comments of the Directors on Auditors' observation in their Report on Compliance of Corporate Governance Rules

The Auditors have reported following matters in their Compliance Report on Corporate Governance Rules which are responded as follows:-

i. Appointment of an independent director; The Board was looking for inclusion of an experienced and prominent person on the Board however due to initiation of acquisition process by the interested Buyer during October 2014, the appointment could not be finalized.

ii. Mechanism for annual evaluation of the Board's own performance has not been put in place. The directors understand that the same may be implemented soon.

iii. Positions of Chief Financial Officer and Chief Internal Auditor of the Company remained vacant at reporting date. The CFO left on 15 June 2015 and the Chief Internal Auditor resigned during April 2015. The suitable candidates will join the organization soon as the process is already underway to engage experienced persons for both the posts.

Auditors

The present auditors M/s Hameed Chaudhri & Co., Chartered Accountants retire and have refrained from offering themselves for re-appointment. Audit Committee of the Board has recommended name of M/s KPMG Taseer Hadi & Co., Chartered Accountants for an appointment as auditors of the Company for the ensuing year.

Annual General Meeting

In view of the acquisition of shares having been completed on 04th September 2015 and further in terms of section 119 (4) of the Securities Act 2015; on receipt of letter from the Acquirer (the Fauji Group), now having 51% shareholding of the Company and to give proportionate representation to the acquirer at the Board of Directors the next board is decided to be held on 11 September 2015 and the next AGM will be convened on 26 November 2015, subject to requisite approvals of the SECP.

Acknowledgement

The board is thankful to the valuable members and bankers for their trust and continued support to the Company. The Board would also like to place on record its appreciation to all employees of the Company for their dedication, diligence and hard work.

For and on behalf of the Board

SALMAN HAYAT NOON
Chief Executive

Dated : September 05, 2015

Statement of Compliance with the Best Practices of the Code of Corporate Governance

Name of company : Noon Pakistan Limited
Year ending : 30 June, 2015

This statement is being presented to comply with the Code of Corporate Governance contained in listing regulations of Karachi and Lahore Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

Names	Category
Mr. Salman Hayat Noon (CEO)	Executive Director
Lt Col (R) Abdul Khaliq Khan	Executive Director
Malik Adnan Hayat Noon (Chairman)	Non-Executive Director
Kunwar Iqbal Talib	Non-Executive Director
Mr. Zaheer Ahmad Khan	Non-Executive Director
Mr. Asif Hussain Bukhari	Non-Executive Director
Mirza Shoaib Baig	Non-Executive Director

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this company.

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred on the Board during the year.

5. 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.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board/shareholders.

8. 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 and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the Board meetings were appropriately recorded and circulated.

9. All the directors on the Board are fully conversant with their duties and responsibilities as directors. Till 30 June, 2015, three Directors had acquired the compulsory training whereas one Director was exempt from obtaining the requisite training.

10. CFO, Mr. Rizwan Ahmad resigned on 15 June, 2015 and Head of Internal Audit, Mr. Nouman Khan resigned on 19 April, 2015. There was no new appointment of Company Secretary, CFO and Head of Internal Audit during the year.

11. The Directors' Report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the CCG.

15. The Board has formed an Audit Committee. It comprises 3 members and all of them are non-executive directors.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board has formed an HR & Remuneration Committee. It comprises 3 members, of whom two are non-executive directors.

18. The Board has set up an effective internal audit function.

19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchanges.

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.

23. All related parties transactions have been placed before the Audit Committee and Board of Directors and have been duly approved by the Board of Directors to comply with the requirements of listing regulations of Karachi and Lahore Stock Exchanges.

24. We confirm that all other material principles enshrined in the CCG have been complied with.

It is hereby declared that the annual financial statements, duly adopted by members of the Company, reports and other information relating to the Company shall remain available for at least next three years on the Company's website, i.e. www.nurpurfoods.com

On behalf of the Board

SALMAN HAYAT NOON
Chief Executive

Lahore : 05 September, 2015.

SIX YEARS' REVIEW AT A GLANCE

All Rupees Figures are in Thousands

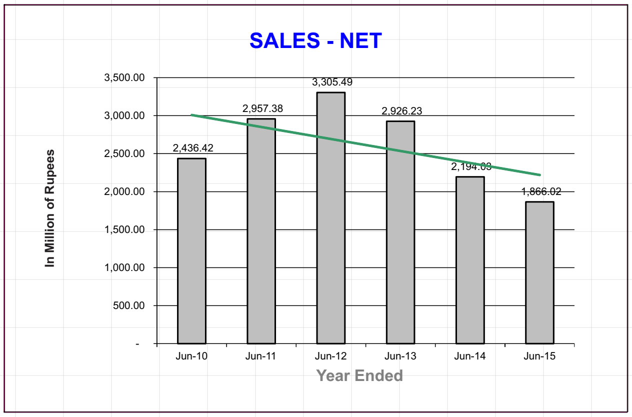
		2015	2014	2013	2012	2011	2010
Fresh Milk Processed		17,978,400	21,143,711	27,584,126	38,371,430	43,443,343	43,098,600
Production							
UHT Milk/ Tea Whitener	Ltrs.	11,293,246	12,949,985	20,195,083	30,572,685	30,940,079	20,385,290
UHT Flavour Milk	Ltrs.	4,968,327	5,373,860	5,872,918	5,285,880	4,668,071	4,075,407
UHT Cream	Ltrs.	79,491	206,227	134,048	30,146	71,381	461,722
Butter	Kgs.	526,585	625,447	915,249	940,030	986,335	1,011,925
Milk Powder	Kgs.	238,444	350,556	631,653	638,125	927,943	1,160,508
Cheese	Kgs.	178,569	216,452	314,001	262,090	203,146	206,508
Ghee	Kgs.	27,152	125,388	102,852	106,044	34,371	52,190
Pasteurized Milk	Ltrs.	1,861,635	2,429,235	4,803,524	6,102,611	4,911,778	2,663,294
Loose Cream	Ltrs.	-	-	-	-	-	3,490
Jams & honey	Kgs.	21,627	21,528	33,878	42,245	34,032	42,812
Juices	Ltrs.	2,256,046	2,688,777	2,082,450	4,343,677	4,421,399	10,341,160
Financial Performance - Profitability							
Gross profit margin	%	8.23	9.31	9.97	12.23	12.41	10.91
EBITDA margin to sales	%	(14.67)	(0.10)	(0.95)	5.28	6.21	5.15
Pre tax margin	%	(22.54)	(5.51)	(4.94)	1.50	2.28	2.03
Net profit margin	%	(18.74)	(6.47)	(4.37)	1.09	1.41	1.12
Return on equity	%	(273.32)	(338.18)	(72.86)	11.86	15.61	11.49
Return on capital employed	%	(2.79)	(34.68)	(33.01)	8.97	8.15	9.03
Operating Performance / Liquidity							
Total assets turnover	Times	1.18	1.55	2.13	2.49	2.17	2.66
Fixed assets turnover	Times	17.98	3.77	4.52	5.18	5.23	4.84
Trade Debtors	Rs.	21,626	221,612	176,824	109,019	73,624	92,008
Debtors turnover	Times	15	11	20	36	36	32
Debtors turnover	Days	24	33	18	10	10	12
Inventory	Rs.	67,306	62,365	73,860	198,185	177,393	84,595
Inventory turnover	Times	2	29	19	15	20	25
Inventory turnover	Days	154	12	19	24	18	15
Purchases	Rs.	1,403,509	1,804,615	2,261,248	2,598,377	2,429,902	1,955,075
Accounts Payables	Rs.	293,433	437,996	505,659	464,682	358,353	220,927
Creditors turnover	Times	4	4	5	6	8	11
Creditors turnover	Days	95	95	78	58	44	34
Operating cycle	Days	83	(50)	(42)	(24)	(15)	(8)
Return on assets	%	(22.09)	(10.01)	(9.30)	2.72	3.05	2.98
Current ratio		0.44	0.87	0.78	0.80	1.04	0.73
Quick / Acit test ratio		0.38	0.81	0.70	0.57	0.81	0.58
Capital Market / Capital Structure Analysis							
Market value per share							
- Year end	Rs.	79.99	35.58	52.87	37.00	20.27	23.82
- High during the year	Rs.	87.99	35.69	63.55	57.64	33.06	53.99
- Low during the year	Rs.	27.19	34.91	35.61	12.65	17.51	21.90
Breakup value - (Net assets / share)	Rs.	(4.08)	3.01	12.60	21.77	21.01	18.74
- excluding revaluation surplus	Rs.	(127,969)	42,006	175,582	303,518	266,263	237,463
- including revaluation surplus	Rs.	335,309	89,610	230,398	359,306	323,305	259,135
Earning per share (pre tax)	Rs.	(14.13)	(8.67)	(10.38)	3.55	5.33	3.91

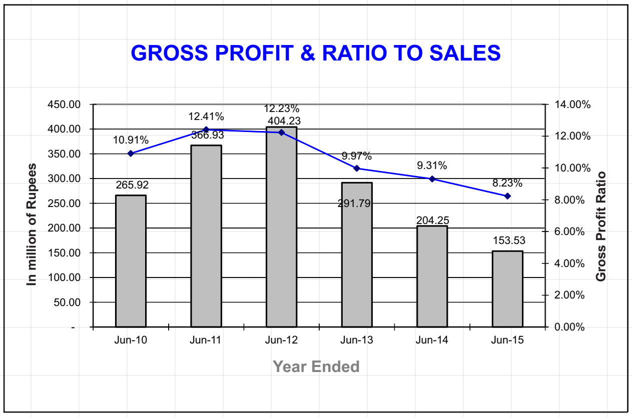
SIX YEARS' REVIEW AT A GLANCE

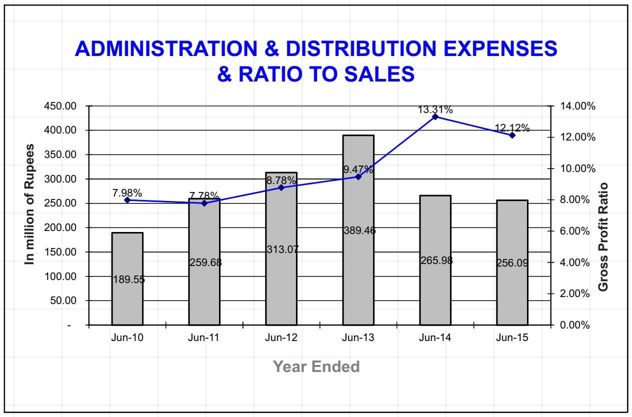
All Rupees Figures are in Thousands

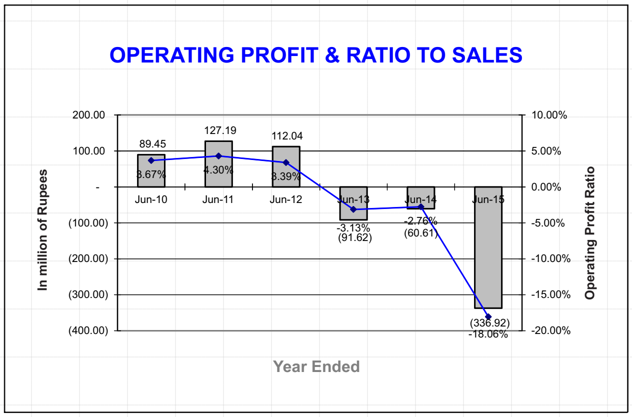
		2015	2014	2013	2012	2011	2010
Earning per share (after tax)	Rs.	(11.75)	(10.19)	(9.18)	2.58	3.28	2.15
Earnings growth	%	(67.32)	11.01	(455.81)	(13.42)	52.56	(74.91)
Price earning ratio		(6.81)	(3.49)	(5.76)	14.34	6.18	11.08
Market price to breakup value		(1.31)	11.81	4.20	1.70	0.96	1.27
Debt : Equity		(6.26)	18.15	2.95	1.12	1.97	1.21
Interest cover		(4.03)	(1.01)	(1.73)	1.79	2.13	2.24
Corporate Distribution & Retention							
Dividend per share - cash	Rs.	-	-	-	-	-	1.20
Bonus shares issued	%	-	-	-	-	10.00	-
Dividend payout	%	-	-	-	-	-	55.81
Dividend cover ratio	%	-	-	-	-	-	179.17
Retention	%	-	-	-	-	-	44.19
Summary of Balance Sheet							
Share capital		313,632	139,392	139,392	139,392	126,720	126,720
Reserves		(441602)	(97,386)	36,190	164,126	139,543	110,743
Share holder's fund / Equity		(127,970)	42,006	175,582	303,518	266,263	237,463
Revaluation surplus		463,279	47,604	54,816	55,788	57,042	21,672
Long term borrowings		2,796	367,648	211,967	97,786	243,724	64,822
Capital employed		(125174)	409,654	387,549	401,304	509,987	302,285
Deferred liabilities		-	-	-	9,752	28,335	28,096
Property, plant & equipment		1,037,778	576,928	645,047	636,753	565,924	503,510
Long term assets		1,041,410	581,217	647,767	638,088	567,366	504,825
Net current assets / Working capital		(703,304)	(123,958)	(204,217)	(170,981)	28,567	(150,188)
Liquid funds - net		141,057	218,123	80,390	36,564	211,182	23,351
Summary of Profit & Loss							
Sales - net		1,866,019	2,194,025	2,926,229	3,305,489	2,957,377	1,745,609
Gross profit		153,526	204,246	291,788	404,225	366,933	265,918
Operating Loss		(336,916)	(60,605)	(91,624)	112,042	127,192	89,452
Loss before tax		(420,600)	(120,857)	(144,684)	49,519	67,485	49,568
Loss after tax		(349,763)	(142,055)	(127,936)	36,001	41,551	27,286
EBITDA		(273,733)	(2,168)	(27,918)	174,607	183,609	125,558
Summary of Cash Flows							
Net cash flow from operating activities		(201,730)	(56,340)	(14,753)	180,767	88,208	170,106
Net cash flow from investing activities		(9,486)	15,750	(71,655)	(87,561)	(8,512)	(101,628)
Net cash flow from financing activities		134,148	178,322	130,234	(267,824)	108,135	(55,970)
Changes in cash & cash equivalents		(77,067)	137,733	43,827	(174,618)	187,831	12,508
Cash & cash equivalents - Year end		141,057	218,124	80,391	36,564	211,182	23,351

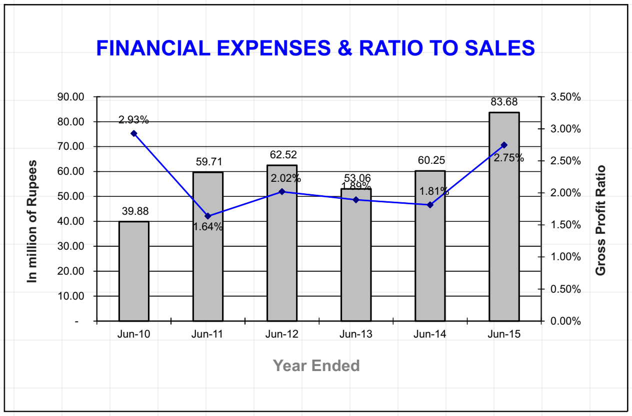
PERFORMANCE OVERVIEW

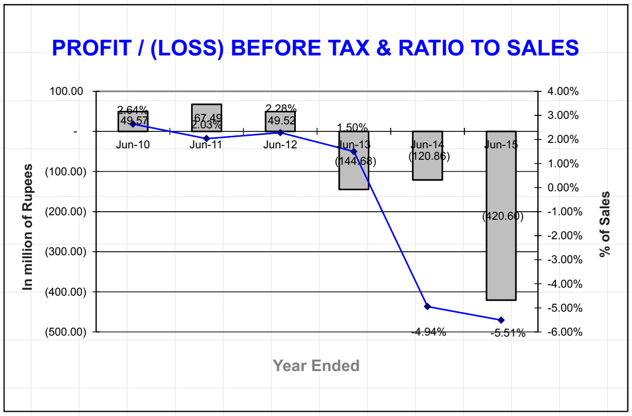






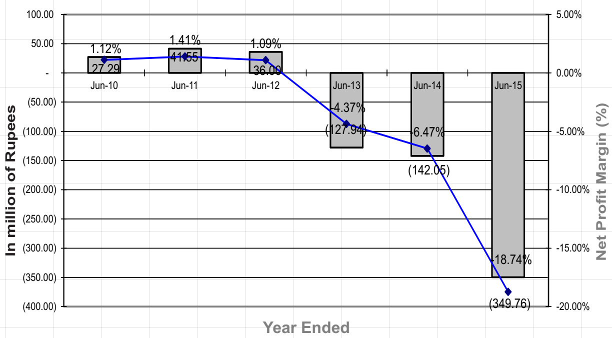




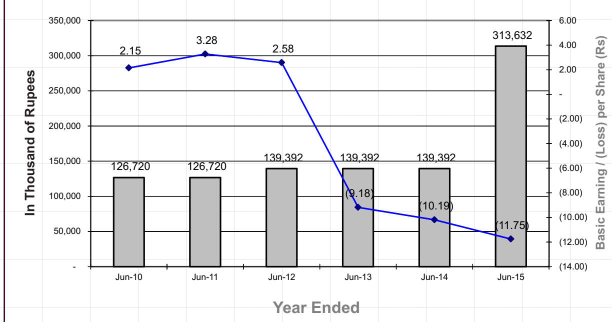


PERFORMANCE OVERVIEW

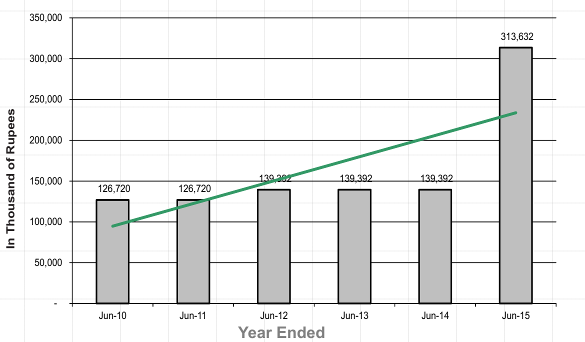
PROFIT / (LOSS) AFTER TAX & NET PROFIT MARGIN



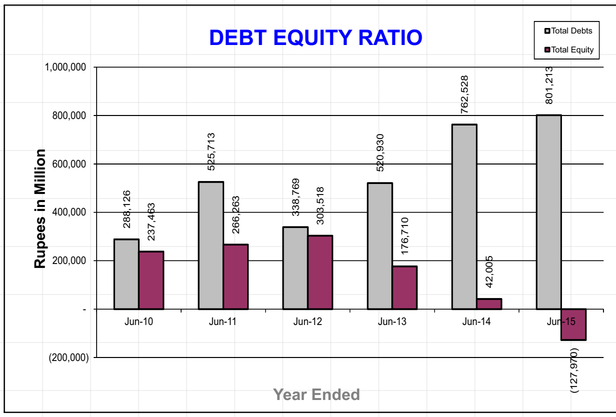
ORDINARY SHARE CAPITAL & BASIC EARNING / (LOSS) PER SHARE



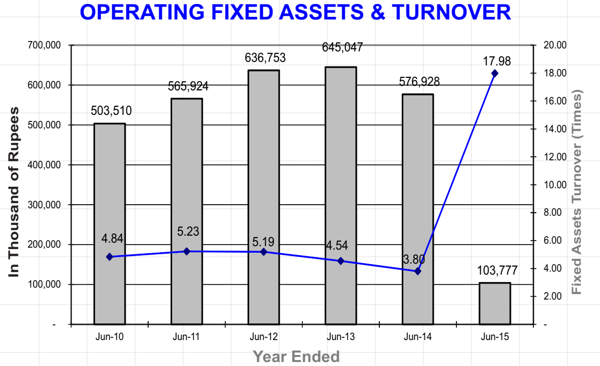
PAID-UP SHARE CAPITAL



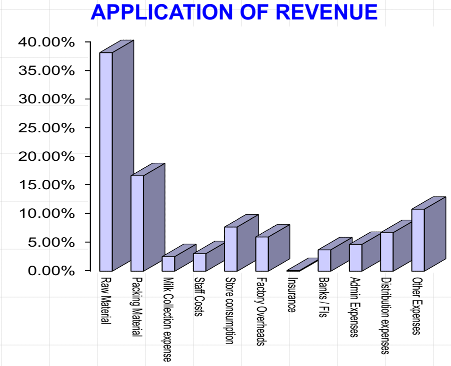
DEBT EQUITY RATIO



OPERATING FIXED ASSETS & TURNOVER



APPLICATION OF REVENUE



FORM 34

THE COMPANIES ORDINANCE, 1984

PATTERN OF SHAREHOLDING - ORDINARY SHARES

1.	**Incorporation No.**	**:**	**0002355**
2.	**Name of the Company**	**:**	**NOON PAKISTAN LIMITED**
3.	**Pattern of holding of the shares held by the shareholders as at**	**:**	**30-06-2015**

4.

Number of Shareholders	Shareholding From	Shareholding To	Total Shares	Percentage
550	1	100	32,963	0.28
153	101	500	44,260	0.38
67	501	1,000	51,341	0.44
113	1,001	5,000	279,032	2.37
25	5,001	10,000	197,369	1.68
4	10,001	15,000	50,114	0.43
4	15,001	20,000	67,066	0.57
2	20,001	25,000	49,500	0.42
3	25,001	30,000	85,780	0.73
1	30,001	35,000	34,110	0.29
1	40,001	45,000	45,000	0.38
2	45,001	50,000	95,998	0.82
2	50,001	55,000	107,000	0.91
1	70,001	75,000	70,500	0.60
1	125,001	130,000	125,057	1.06
1	195,001	200,000	200,000	1.70
1	215,001	220,000	217,800	1.85
1	280,001	285,000	284,558	2.42
1	365,001	370,000	370,000	3.15
1	3,305,001	3,310,000	3,307,035	28.12
1	6,045,001	6,050,000	6,046,717	51.41
935			**11,761,200**	**100.00**

5.

	CATEGORIES OF SHAREHOLDERS	SHARES HELD	PERCENTAGE
5.1	Directors, Chief Executive, Officers and their spouse and minor children	**9,355,036**	**79.54**
5.2	Associated Companies, undertakings and related parties	-	-
5.3	NIT	-	-
	IDBP (ICP UNIT)	**10,249**	**0.09**
5.4	Banks, Development Financial Inst. Non Banking Financial Institutions.	**218,119**	**1.85**
5.5	Insurance Companies	**72**	**0.00**
5.6	Modarabas and Mutual Funds	-	-
5.7	**Shareholders holding 5% and more**		
	Malik Adnan Hayat Noon	**6,046,717**	**51.41**
	Mr. Salman Hayat Noon	**3,307,035**	**28.12**
5.8	**General Public**		
	a. Local	**2,013,531**	**17.12**
	b. Foreign	-	-
5.9	**OTHERS** (Joint stock / investment Companies / Coop Societies etc.)	**164,193**	**1.40**

6.	**Signature of Secretary**	Anwar Ali
7.	**Name of Signatory**	**Syed Anwar Ali**
8.	**Designation**	**Company Secretary**
9.	**CNIC Number**	**35200-2711479-3**
10.	**Date**	**30 June, 2015**

THE COMPANIES ORDINANCE 1984 **FORM 34**

PATTERN OF SHAREHOLDING - NON-VOTING ORDINARY SHARES

1. **Incorporation No. : 0002355**
2. **Name of the Company : NOON PAKISTAN LIMITED**
3. **Pattern of holding of the shares held by the shareholders as at : 30-06-2015**
4.

Number of Shareholders	Shareholding From	Shareholding To	Total Shares	Percentage
22	1	100	438	0.00
30	101	500	11,594	0.06
45	501	1,000	39,607	0.20
54	1,001	5,000	149,400	0.76
13	5,001	10,000	103,844	0.53
10	10,001	15,000	116,110	0.59
4	15,001	20,000	67,795	0.35
4	20,001	25,000	95,205	0.49
4	25,001	30,000	109,725	0.56
4	30,001	35,000	136,144	0.69
3	35,001	40,000	115,000	0.59
3	40,001	45,000	128,683	0.66
1	45,001	50,000	50,000	0.26
1	65,001	70,000	68,089	0.35
1	80,001	85,000	82,379	0.42
2	85,001	90,000	176,500	0.90
1	95,001	100,000	100,000	0.51
1	135,001	140,000	139,500	0.71
1	220,001	225,000	222,084	1.13
1	325,001	330,000	330,000	1.68
1	470,001	475,000	470,950	2.40
1	1,185,001	1,190,000	1,189,125	6.07
1	1,205,001	1,210,000	1,210,000	6.17
1	2,175,001	2,180,000	2,178,000	11.11
1	2,395,001	2,400,000	2,397,000	12.23
1	4,175,001	4,180,000	4,175,171	21.30
1	5,735,001	5,740,000	5,739,657	29.28
212			**19,602,000**	**100.00**

5.

	CATEGORIES OF SHAREHOLDERS	SHARES HELD	PERCENTAGE
5.1	Directors, Chief Executive, Officers and their spouse and minor children	**9,915,699**	**50.59**
5.2	Associated Companies, undertakings and related parties	**4,077,950**	**20.80**
5.3	NIT	-	-
	ICP	-	-
5.4	Banks, Development Financial Inst.		
	Non Banking Financial Institutions.	**2,178,000**	**11.11**
5.5	Insurance Companies	-	-
5.6	Modarabas and Mutual Funds	-	-
5.7	**Shareholders holding 5%**		
	Mr. Salman Hayat Noon	**5,739,657**	**29.28**
	Malik Adnan Hayat Noon	**4,175,171**	**21.30**
	Noon Sugar Mills Limited	**2,397,000**	**12.23**
	BHF-BANK (SWITZERLAND) LTD	**2,178,000**	**11.11**
	Noon Pakistan Ltd. - Staff Provident Fund	**1,210,000**	**6.17**
	TUNDRA PAKISTAN FOND	**1,189,125**	**6.07**
5.8	**General Public**		
	a. Local	**1,963,766**	**10.02**
	b. Foreign	-	-
5.9	**OTHERS** (Joint Stock / Investment Companies, Coop. Societies, Trusts etc.)	**1,466,585**	**7.48**

6. **Signature of Secretary**
7. **Name of Signatory** — **Syed Anwar Ali**
8. **Designation** — **Company Secretary**
9. **CNIC Number** — **35200-2711479-3**
10. **Date** — **30 June, 2015**

AUDITORS' REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **Noon Pakistan Limited** for the year ended June 30, 2015 to comply with the requirements of Listing Regulation No. 35 of the Karachi and Lahore Stock Exchanges where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

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 Code requires 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. 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. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.
Following instances of non-compliance with the requirements of the Code were observed:

i. The Company has not appointed an independent director on its Board of Directors as required by sub-clause (b) of clause (i) of the Code;
ii. No mechanism for annual evaluation of the Board's own performance has been put in place as required by sub-clause (e) of clause (v) of the Code; and
iii. Chief Financial Officer and Chief Internal Auditor of the Company resigned in June, 2015 and April, 2015 respectively. Both posts remained vacant at reporting date.

Based on our review, except for the above instances of non-compliance, 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 best practices contained in the Code as applicable to the Company for the year ended June 30, 2015.

Hameed Chaudhri & Co

HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS

LAHORE: September 05, 2015
Engagement Partner: Osman Hameed Chaudhri

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FRUIT IN
PURE ORANGE JUICE
FRUIT KE MAZAY SE BHARPOOR!
Nutritional Facts
Serving Size 250 ml
Serving per Pack 4
Energy 110 Kcal
Amount per Serving % Daily Values
Total Fats 0.0 gm 0.00%
Saturated Fats 0.0 gm
Cholesterol 0.0 gm
Total Carbohydrates 28.0 gm 9.33%
Natural Sugar 26.0 gm
Sodium 15.0 mg 0.62%
Protein 0.0 gm 0.00%
Vitamin C 85%
Calcium 10%
Ingredients
Orange Concentrate, Permitted Food Colours & Flavours
Best served when shaken and chilled. Consume within four days
NUTRITIOUS 100% DELICIOUS
GUAVA NECTAR
APPLE NECTAR
PINEAPPLE NECTAR
MANGO NECTAR
1 Litre
Tetra Pak PROTECTS WHAT'S GOOD
ISO 22000 Certified
HALAL حلال BUREAU VERITAS Certification

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Noon Pakistan Limited** (the Company) as at June 30, 2015 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

(b) in our opinion:

(i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

(ii) the expenditure incurred during the year was for the purpose of the Company's business; and

(iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2015 and of the loss, its total comprehensive loss, its cash flows and changes in equity for the year then ended; and

(d) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Without qualifying our opinion, we draw attention to the following matters:

a) the Company, during the current financial year, has incurred loss before taxation amounting Rs.420.600 million and has accumulated losses aggregated to Rs.441.602 million as at June 30, 2015. The Company's current liabilities exceeded its current assets by Rs.703.304 million on the aforementioned date; these factors indicate a material uncertainty as to the Company's ability to continue as a going concern. These financial statements, however, have been prepared on the 'going concern' basis on the assumptions as detailed in the note 1.1 to the financial statements; and

b) the Company, during the current financial year, revised its estimates for recovery of its trade debts. These revised estimates resulted in a provision amounting to Rs.198.469 million created against doubtful recovery of certain trade debts (note 23). The Company has yet to initiate recovery of these trade debts.

Hameed Chaudhri & Co

HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS

LAHORE: September 05, 2015.
Engagement Partner: Osman Hameed Chaudhri

BALANCE SHEET

	Note	2015	2014
		---- Rupees ----	
Equity and Liabilities			
Share Capital and Reserves			
Authorised capital	5.1	**395,000,000**	395,000,000
Issued, subscribed and paid-up capital	5.2	**313,632,000**	139,392,000
Accumulated loss		**(441,601,603)**	(97,386,012)
		(127,969,603)	42,005,988
Surplus on revaluation of property, plant and equipment	6	**463,279,159**	47,604,856
Non-current Liabilities			
Term finances	7	**-**	22,055,554
Islamic finances	8	**-**	200,000,000
Loans from chief executive and a director	9	**-**	140,000,000
Liabilities against assets subject to finance lease	10	**2,795,925**	5,592,732
		2,795,925	367,648,286
Current Liabilities			
Trade and other payables	11	**409,094,031**	530,644,439
Accrued mark-up and interest	12	**19,590,707**	14,682,942
Short term finances	13	**751,323,886**	251,459,575
Current portion of non-current liabilities	14	**47,093,193**	143,420,415
Taxation	15	**17,055,057**	21,058,199
Dividends	16	**974,603**	974,603
		1,245,131,477	962,240,173
Contingencies and commitments	17		
		1,583,236,958	1,419,499,303

The annexed notes form an integral part of these financial statements.

SALMAN HAYAT NOON
Chief Executive

ASIF H. BUKHARI
Director

AS AT 30 JUNE, 2015

	Note	2015	2014
		---- Rupees ----	
Assets			
Non-current Assets			
Property, plant and equipment	18	1,037,778,370	576,927,727
Intangible assets	19	946,793	1,608,013
Security deposits		1,086,686	1,083,686
Deferred taxation - net	20	1,598,003	1,598,003
		1,041,409,852	581,217,429
Current Assets			
Stores, spares and loose tools	21	123,463,394	129,749,621
Stock-in-trade	22	67,306,005	62,365,000
Trade debts	23	21,625,863	221,612,937
Loans and advances	24	7,238,785	15,135,662
Deposits and prepayments and other receivables	25	14,769,046	14,759,897
Due from Associated Companies	26	1,718,485	554,641
Accrued profit on term deposit receipts		1,277,299	1,670,968
Sales tax refundable	27	105,160,896	127,911,011
Advance income tax, tax deducted at source and income tax refundable		58,210,727	46,398,333
Cash and bank balances	28	141,056,606	218,123,804
		541,827,106	838,281,874
		1,583,236,958	1,419,499,303

SALMAN HAYAT NOON
Chief Executive

ASIF H. BUKHARI
Director

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE, 2015

	Note	2015	2014
		---- Rupees ----	
Sales	29	1,866,018,730	2,194,025,058
Cost of sales	30	(1,712,492,339)	(1,989,779,487)
Gross profit		153,526,391	204,245,571
Distribution cost	31	(151,065,453)	(154,831,842)
Administrative expenses	32	(105,029,418)	(111,152,490)
Other income	33	8,668,373	17,926,884
Other expenses	34	(243,015,556)	(16,794,113)
Loss from operations		(336,915,663)	(60,605,990)
Finance cost	35	(83,684,102)	(60,251,090)
Loss before taxation		(420,599,765)	(120,857,080)
Taxation	36	70,837,098	(21,198,765)
Loss after taxation		(349,762,667)	(142,055,845)
			(Re-stated)
Loss per share - basic and diluted	37	(11.75)	(7.02)

The annexed notes form an integral part of these financial statements.

SALMAN HAYAT NOON
Chief Executive

ASIF H. BUKHARI
Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE, 2015

	2015	2014
	---- Rupees ----	
Loss for the Year after Taxation	**(349,762,667)**	(142,055,845)
Other Comprehensive Income for the year	-	-
Total Comprehensive loss for the Year	**(349,762,667)**	(142,055,845)

The annexed notes form an integral part of these financial statements.

SALMAN HAYAT NOON
Chief Executive

ASIF H. BUKHARI
Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE, 2015

	2015	2014
	---- Rupees ----	
Cash flow from operating activities		
Loss for the year - before taxation	**(420,599,765)**	(120,857,080)
Adjustments for non-cash charges and other items:		
Depreciation	**62,521,692**	62,774,440
Amortisation of intangible assets	**661,220**	414,531
Gain on disposal of property, plant and equipment	**(312,321)**	(4,153,936)
Loss on sale and lease-back of vehicle	-	299,152
Prior years' sales tax	**973,179**	1,491,625
Provision for doubtful debts	**198,468,616**	10,395,385
Provision for obsolete store items	**24,278,837**	4,600,951
Deferred income recognised	-	(57,097)
Profit on PLS account and term deposit receipts	**(4,038,334)**	(3,623,381)
Provision for old stuck-up refunds of sales tax	**15,353,660**	-
Finance cost	**83,684,102**	60,251,090
(Loss) / profit before working capital changes	**(39,009,114)**	11,535,680
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	**(17,992,610)**	31,863,867
Stock-in-trade	**(4,941,005)**	11,495,000
Trade debts	**1,518,458**	(55,184,006)
Loans and advances	**7,896,877**	(4,458,681)
Deposits, prepayments and other receivables	**(9,149)**	(1,419,953)
Due from Associated Companies	**(1,163,844)**	(131,775)
Sales tax refundable	**6,423,276**	30,616,413
Decrease in trade and other payables	**(121,550,408)**	(72,297,468)
	(129,818,405)	(59,516,603)
Cash used in operations	**(168,827,519)**	(47,980,923)
Income tax paid	**(32,902,219)**	(8,358,839)
Net cash used in operating activities	**(201,729,738)**	(56,339,762)
Cash flow from investing activities		
Purchase of property, plant and equipment	**(16,839,854)**	(11,439,096)
Purchase of intangible assets	-	(1,983,860)
Sale proceeds from disposal of property, plant and equipment	**2,925,000**	26,442,512
Security deposits	**(3,000)**	-
Profit on PLS account and term deposit receipts received	**4,432,003**	2,731,043
Net cash (used in) / generated from investing activities	**(9,485,851)**	15,750,599

	2015	2014
	---- Rupees ----	
Cash flow from financing activities		
Share capital issued	**27,901,740**	-
Term finances - net	**(99,248,086)**	(43,966,229)
Islamic finance - net	**(207,269,750)**	186,269,750
Loans from chief executive and a director - net	**6,338,260**	70,000,000
Lease finances - net	**(14,661,747)**	(18,317,272)
Short term finances - net	**499,864,311**	41,808,284
Finance cost paid	**(78,776,337)**	(57,432,013)
Dividends paid	-	(40,043)
Net cash generated from financing activities	**134,148,391**	178,322,477
Net (decrease) / increase in cash and cash equivalents	**(77,067,198)**	137,733,314
Cash and cash equivalents - at beginning of the year	**218,123,804**	80,390,490
Cash and cash equivalents - at end of the year	**141,056,606**	218,123,804

The annexed notes form an integral part of these financial statements.

SALMAN HAYAT NOON
Chief Executive

ASIF H. BUKHARI
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE, 2015

	Share capital	Unappropriated profit / (Accumulated loss)	Total
	------------ Rupees ------------		
Balance as at July 01, 2013	139,392,000	37,317,670	176,709,670
Total comprehensive loss for the year ended June 30, 2014	-	(142,055,845)	(142,055,845)
Surplus on revaluation of property, plant and equipment realised during the year (net of deferred taxation):			
- on account of incremental depreciation for the year	-	1,030,816	1,030,816
- upon disposal of freehold land	-	6,321,347	6,321,347
Balance as at June 30, 2014	**139,392,000**	**(97,386,012)**	**42,005,988**
Transaction with owners			
Nominal value of shares issued during the year	174,240,000	-	174,240,000
Total comprehensive loss for the year ended June 30, 2015	-	(349,762,667)	(349,762,667)
Surplus on revaluation of property, plant and equipment realised during the year on account of incremental depreciation - net of deferred taxation	-	5,547,076	5,547,076
Balance as at June 30, 2015	**313,632,000**	**(441,601,603)**	**(127,969,603)**

The annexed notes form an integral part of these financial statements.

SALMAN HAYAT NOON
Chief Executive

ASIF H. BUKHARI
Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2015

1. LEGAL STATUS AND NATURE OF BUSINESS

Noon Pakistan Limited (the Company) was incorporated in Pakistan on September 26, 1966 as a Public Company and its shares are quoted on Karachi and Lahore Stock Exchanges. It is principally engaged in processing and sale of toned milk, milk powder, fruit juices, allied dairy and food products. The registered office of the Company is situated at 66 Garden Block, New Garden Town, Lahore and the plant is located at Bhalwal, District Sargodha.

1.1 Going concern assumption

The Company, during the current financial year, has incurred loss before taxation amounting Rs.420.600 million and has accumulated loss of Rs.441.602 million as at June 30, 2015. Further, the Company's current liabilities exceeded its current assets by Rs.703.304 million. This is mainly due to under utilisation of capacity because of insufficiency of working capital. These conditions along with other adverse key financial ratios indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. These financial statements, however, have been prepared under the going concern assumption due to the following:

(a) The management has undertaken several steps recently to mitigate the adverse factors by first injecting funds through right issue during the current financial year and then further re-profiled its borrowings with the existing lenders. Both NIB Bank Limited and Bank Islami Limited have extended short term facilities of Rs.375 million and Rs.180 million respectively to cater to liquidity issues. This facilitated the Company’s ability and utilization of improved liquidity in cost efficient operational levels of milk procurement and manufacturing;

(b) the main sponsors took a strategic decision of joining hands with large corporate group to gain competitive advantages of continued recognition of its renowned brand with ample supply of its diversified products’ profile in the market. On successful conclusion of due diligence exercises, Fauji Fertilizers Bin Qasim Limited along with Fauji Foundation (the “Acquirers”) initiated acquisition of 51% shares of Noon Pakistan Limited within the framework of Takeover Laws. The Acquirers first obtained the requisite permissions from respective regulators and then executed a Share Purchase Agreement with the Sellers on May 18, 2015 which was followed with making a public offer on June 01, 2015. The transaction shall be concluded after completion of mandatory period of 60 days from the date of Offer.

The management anticipates that above steps will not only bring the Company out of the existing financial crisis but also contribute significantly towards the profitability of the Company in the foreseeable future. Therefore, these financial statements do not include any adjustment that might result, should the Company not be able to continue as a going concern.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the requirements of the Companies Ordinance, 1984 (the Ordinance), directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the provisions of the Ordinance. Wherever, the requirements of the Ordinance or directives issued by the SECP differ with the requirements of these standards, the requirements of the Ordinance or requirements of the said directives have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain operating fixed assets which have been included at their revalued amounts.

2.3 Functional and presentation currency

The financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency.

2.4 Initial application of standards, amendments or an interpretation to existing standards

2.4.1 Standards and amendments to approved accounting standards and interpretations effective in the current year and are relevant to the Company's financial reporting

New and amended standards and interpretations mandatory for the first time for the financial year beginning July 01, 2014:

(a) IAS 32 (Amendments), 'Financial instruments: presentation'. These amendments update the application guidance in IAS 32, 'Financial instruments: presentations', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet date. The application of these amendments has no material impact on the Company's financial statements.

(b) IAS 36 (Amendment), 'Impairment of assets'. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The application of these amendments has no material impact on the Company's financial statements.

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

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the accounting periods beginning on July 1, 2014 are considered not to be relevant or to have any significant effect on the Company's financial statements.

2.4.3 Standards, amendments to approved accounting standards that are not yet effective and have not been early adopted

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on or after July 01, 2014 and have not been early adopted by the Company:

(a) IFRS 13 'Fair value measurement' (effective for annual periods beginning on or after January 01, 2015). The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. The standard will not effect the determination of fair value and its related disclosures in the financial statements of the Company.

(b) IFRS 9, 'Financial instruments' (effective for periods beginning on or after January 01, 2018). IFRS 9 replaces the parts of IAS 39, 'Financial instruments: recognition and measurement' that relate to classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories; those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. For financial liabilities, the standard retains most of the requirements of IAS 39. The Company is yet to assess the full impact of IFRS 9; however, initial indications are that it may not significantly affect the Company's financial assets.IFRS 12 'Disclosure of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. The standard will affect the disclosures in the financial statements of the Company.

(c) Annual improvements 2014 applicable for annual periods beginning on or after January 1, 2016. These amendments include changes from the 2012-2014 cycle of annual improvements project that affect four standards: IFRS 5 'Non current assets held for sale and discontinued operations', IFRS 7 'Financial instruments: disclosures', IAS 19 'Employee benefits', and IAS 34, 'Interim financial reporting'. The Company does not expect to have a material impact on its financial statements due to application of these amendments.

There are number of other standards, amendments and interpretations to the approved accounting standards that are not yet effective and are also not relevant to the Company and therefore, have not been presented here.

3. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. However, such differences are estimated to be insignificant and hence will not affect the true and fair presentation of the financial statements. The assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Judgments made by management in application of the approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year are discussed in respective policy note. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

(a) Provision for taxation (note 4.4)

In making the estimate for income taxes payable by the Company, the management looks at the applicable law and decisions of appellate authorities on certain issues in the past.

(b) Property, plant and equipment (note 4.6)

The Company reviews appropriateness of the rates of depreciation, useful lives and residual values for calculation of depreciation on an on-going basis. Further, where applicable, an estimate of recoverable amount of asset is made if indicators of impairment are identified.

(c) Stores & spares and stock-in-trade (note 4.9 and 4.10)

he Company estimates the net realisable value of stores and spares and stock-in-trade to assess any diminution in the respective carrying values. Net realisable value is determined with reference to estimated selling price less estimated expenditure to make sale.

(d) Provision for impairment of trade debts (note 4.11)

The Company assesses the recoverability of its trade debts if there is objective evidence that the Company will not be able to collect all the amount due according to the original terms. Significant financial difficulties of the debtors, probability that the debtor will enter bankruptcy and default or delinquency in payments are considered indications that the trade debt is impaired.

4. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Borrowings and borrowing cost

(a) Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently measured at amortised cost using the effective interest rate method. Borrowings are classified as current liabilities unless the Company has an unconditional / contractual right to defer settlement of the liability for at least twelve months after the balance sheet date.

(b) Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed-out in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.2 Retirement and other Service benefit obligations

4.2.1 Staff retirement benefits (defined contribution plan)

The Company is operating a provident fund scheme for all its employees since May 01, 1986; contribution to the fund is made monthly at the rate of 10% of the basic salaries both by the employees and the Company.

4.2.2 Compensated Absence

The Company, during the current financial year, introduced a scheme for employees compensated absences. Employees' entitlement to annual leaves is recognised when they accrue to the employees. A provision is made for the estimated liability for annual leaves as a result of services rendered by employees upto the balance sheet date.

4.3 Trade and other payables

Liabilities for trade and other payables are carried at cost, which is the fair value of consideration to be paid in the future for goods and services received, whether or not billed to the Company.

4.4 Taxation

(a) Current and prior year

Provision for current year's taxation is determined in accordance with the prevailing law of taxation on income enacted or substantively enacted by the end of the reporting period and is based on current rates of taxation being applied on the taxable income for the year, after taking into account tax credits and rebates available, if any, and taxes paid under the Final Tax Regime. The tax charge also includes adjustments, where necessary, relating to prior years which arise from assessments finalised during the year.

(b) Deferred

The Company accounts for deferred taxation using the balance sheet liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liability is recognised for taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that 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 to the profit and loss account except for deferred tax arising on surplus on revaluation of property, plant and equipment, which is charged to revaluation surplus.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4.5 Dividend and appropriation to reserves

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

4.6 Property, plant and equipment and depreciation

Operating fixed assets

Freehold land, buildings on freehold land, plant & machinery, electric & gas installations and other works equipment are shown at fair value, based on valuations carried-out with sufficient regularity by external independent Valuers less subsequent depreciation. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. The remaining operating fixed assets are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items. Cost of some items of plant and machinery consists of historical cost and exchange fluctuation effects on foreign currency loans capitalised during prior year. Borrowing cost are also capitalised for the period upto the date of commissioning of the respective assets, acquired out of proceeds of such borrowings.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to income during the financial year in which these are incurred.

Depreciation on operating fixed assets, except freehold land, is charged to income applying reducing balance method so as to write-off the depreciable amount of an asset over its remaining useful life at the rates stated in note 18. The assets' residual values and useful lives are reviewed at each financial year-end and adjusted if impact on depreciation is significant.

Depreciation on additions to operating fixed assets is charged from the month in which an asset is acquired or capitalised while no depreciation is charged for the month in which the asset is disposed-off.

Gain / loss on disposal of operating fixed assets, if any, is taken to profit and loss account.

Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss.

4.7 Intangible assets - computer software

Computer software is stated at cost less accumulated amortisation. Software cost is only capitalised when it is probable that future economic benefits attributable to the software will flow to the Company and the same is amortised applying the straight-line method at the rate stated in note 19.

4.8 Assets subject to finance lease

Leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Assets subject to finance lease are initially recognised at the lower of present value of minimum lease payments under the lease agreements and the fair value of assets. Subsequently these assets are stated at cost less accumulated depreciation and any identified impairment loss.

The related rental obligations, net of finance charges, are included in liabilities against assets subject to finance lease. The liabilities are classified as current and long-term depending upon the timing of payment.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the balance outstanding. The interest element of the rental is charged to profit over the lease term.

Depreciation on assets subject to finance lease is charged to income at the rate stated in note 18 applying reducing balance method to write-off the cost of the asset over its estimated remaining useful life in view of certainty of ownership of assets at the end of lease period.

Depreciation on additions to leased assets is charged from the month in which an asset is acquired while no depreciation is charged for the month in which the asset is disposed-off.

Finance cost and depreciation on leased assets are charged to income currently.

4.9 Stores, spares and loose tools

Stores, spares and loose tools are stated at the lower of cost and net realisable value. The cost of inventory is based on moving average cost. Items in transit are stated at cost accumulated upto the balance sheet date. The Company reviews the carrying amount of stores, spares and loose tools on a regular basis and provision is made for identified obsolete and slow moving items.

4.10 Stock-in-trade

Basis of valuation are as follows:

Particulars	**Mode of valuation**
Work-in-process	-At cost.
Finished products	
'A' grade	-At lower of cost and net realisable value.
'B' grade	-At estimated realisable value.

- Cost in relation to work-in-process and finished goods represents annual average cost which consists of prime cost and appropriate manufacturing overheads.

- Net realisable value signifies the selling price in the ordinary course of business less cost of completion and cost necessary to be incurred to effect such sale.

4.11 Trade debts and other receivables

Trade debts are initially recognised at original invoice amount, which is the fair value of consideration to be received in future and subsequently measured at cost less provision for doubtful debts, if any. Carrying amounts of trade debts and other receivables are assessed at each reporting date and a provision is made for doubtful debts and receivables when collection of the amount is no longer probable. Debts and receivables considered irrecoverable are written-off.

4.12 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash-in-hand and balances at banks.

4.13 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4.14 Impairment loss

The carrying amounts of the Company's assets are reviewed at each balance sheet date to identify circumstances indicating occurrence of impairment loss or reversal of provisions for impairment losses. If any indications exist, the recoverable amounts of such assets are estimated and impairment losses or reversals of impairment losses are recognised in the profit and loss account. Reversal of impairment loss is restricted to the original cost of the asset.

4.15 Foreign currency translation

Transactions in foreign currencies are translated in Pak Rupees using the exchange rates prevailing at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated in Pak Rupees at the exchange rates prevailing at the balance sheet date. Exchange gains and losses are taken to profit and loss account.

4.16 Financial instruments

Financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument and derecognised when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is included in the profit and loss account for the year.

Financial instruments carried on the balance sheet include deposits, trade debts, due from Associated Companies, accrued profit, bank balances, term finances, musharakah finance, loans from chief executive and a director, liabilities against assets subject to finance lease, trade & other payables, accrued mark-up & interest and short term finances. All financial assets and liabilities are initially measured at cost, which is the fair value of consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value or cost as the case may be. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

4.17 Off-setting of financial assets and liabilities

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

4.18 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of consideration received or receivable on the following basis:

- sales are recognised on dispatch of goods to customers.
- return on deposits / saving accounts is accounted for on `accrual basis'.

4.19 Segment reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments. On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment; however, certain information as required by the approved accounting standards, is presented in note 44 to these financial statements.

5. SHARE CAPITAL

5.1 Authorised Capital

2015	2014		2015	2014
---- Numbers ----			---- Rupees ----	
39,500,000	39,500,000		**395,000,000**	395,000,000

5.2 Issued, subscribed and paid-up capital

2015	2014		2015	2014
5,150,997	4,100,000	ordinary shares of Rs.10 each fully paid in cash	**51,509,970**	41,000,000
1,127,200	1,127,200	ordinary shares of Rs.10 each issued as fully paid bonus shares	**11,272,000**	11,272,000
5,483,003	-	ordinary shares of Rs.10 each issued as fully paid on conversion of loans	**54,830,030**	-
7,200,000	7,200,000	non-voting ordinary shares of Rs.10 each issued on conversion of 12% cumulative convertible preference shares	**72,000,000**	72,000,000
1,739,177	-	non-voting ordinary shares of Rs.10 each fully paid in cash	**17,391,770**	-
1,512,000	1,512,000	non-voting ordinary shares of Rs.10 each issued as fully paid bonus shares	**15,120,000**	15,120,000
9,150,823	-	non-voting ordinary shares of Rs.10 each issued as fully paid on conversion of loan	**91,508,230**	-
31,363,200	13,939,200		**313,632,000**	139,392,000

5.3 Movement in the account of Share Capital

2015	2014			
---- Numbers ----				
13,939,200	13,939,200	Balance at the beginning of the year	**139,392,000**	139,392,000
2,790,174	-	Issued ordinary and non-voting ordinary shares of Rs.10 each as fully paid in cash	**27,901,740**	-
14,633,826	-	Issued ordinary and non-voting ordinary shares of Rs.10 each on conversion of loans (note 9.1)	**146,338,260**	-
31,363,200	13,939,200	Balance at the end of the the year	**313,632,000**	139,392,000

5.4 Noon Sugar Mills Ltd. (an Associated Company) held 2,397,000 non-voting ordinary shares as at June 30, 2015 (2014: 2,420,000).

5.5 The Company, during the current financial year, issued voting and non voting ordinary shares as right shares in the ratio of 5 shares for every 4 shares held at a price of Rs.10 per share.

6. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - Net

The Company had revalued its freehold land, buildings on freehold land, plant and machinery electric and gas installations and other works equipment during the financial years 1999 and 2011. These fixed assets were revalued by independent Valuers on the basis of market value depreciated market values.

The Company as at March 31, 2015, has again revalued its freehold land, buildings on freehold land, plant and machinery, milk churns, electric and gas installations and other works equipment. The latest revaluation exercise has been carried-out by an independent Valuers Joseph Lobo (Pvt.) Limited (Independent Valuers and Consultants). Freehold land has been revalued on the basis of current market value whereas other assets have been revalued on the basis of depreciated market values. The appraisal surplus arisen on latest revaluation aggregating Rs.509.145 million has been credited to this account to comply with the requirements of section 235 of the Companies Ordinance, 1984. The year-end balance has been arrived at as follows:

	2015	2014
	---- Rupees ----	
Opening balance	**52,243,525**	60,126,714
Add: Surplus arisen on revaluation carried out during the year	**509,145,160**	-
Less: transferred to accumulated loss		
- on account of incremental depreciation for the year	**(8,279,217)**	(1,561,842)
- upon disposal of freehold land	-	(6,321,347)
	553,109,468	52,243,525
Less: deferred tax on:		
- opening balance of surplus	**4,638,669**	5,310,261
- surplus on revaluation carried out during the year	**90,730,978**	-
- incremental depreciation for the year	**(2,732,141)**	(531,026)
	92,637,506	4,779,235
adjustment resulting from reduction in tax rate	**(2,807,197)**	(140,566)
	89,830,309	4,638,669
Closing balance	**463,279,159**	47,604,856

7. TERM FINANCES - Secured

	Note	2015	2014
		---- Rupees ----	
Allied Bank Ltd. (ABL)	**7.1**	-	25,000,000
NIB Bank Ltd. (NIB)	**7.2**	**44,285,685**	118,533,771
		44,285,685	143,533,771
Less: current portion grouped under current liabilities			
- ABL {including an overdue instalment of Rs.Nil (2014: Rs. 6.250 million)}		-	25,000,000
- NIB {including overdue instalments of Rs.17.635 million (2014: Rs. 16.978 million)}		**44,285,685**	96,478,217
		44,285,685	121,478,217
		-	22,055,554

7.1 ABL, during the financial year ended June 30, 2012, transferred a balance of Rs.75 million from the utilised short term running finance facility to a long term finance facility. This finance facility was repayable in 12 equal quarterly instalments commenced from June, 2012 and carried mark-up at the rate of 3-months KIBOR+1.50%. Effective mark-up rates charged, during the current financial year, ranged from 9.49% to 11.68% (2014: 10.58% to 11.67%) per annum. This finance facility was secured against first pari passu charge for Rs.495 million over fixed and current assets of the Company.

7.2 The Company, during September 2012, has availed a term finance facility of Rs.150 million from NIB. Originally this finance facility was repayable in 36 equal monthly instalments of Rs.4.166 million each payable from September, 2012; however, NIB has revised the repayment terms and now this loan is repayable in 36 monthly instalments of different amounts commenced from October, 2012. This finance facility carries mark-up at the rate of 3-months KIBOR+2%; effective mark-up rates charged, during the current financial year, ranged from 9.99% to 12.18% (2014: 11.09% to 12.15%). This finance facility is secured against first pari passu charge for Rs.200 million on present and future fixed assets of the Company.

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8. ISLAMIC FINANCES - Secured	**Note**	**2015**	2014
		---- Rupees ----	
Musharakah finance	**8.1**	-	7,269,750
Murabahah finance	**8.2**	-	200,000,000
Less: current portion of musharakah finance grouped under current liabilities		-	7,269,750
		-	200,000,000

8.1 The Company, during the financial year ended June 30, 2012, had entered into a Shirkat-ul-Milk agreement of Rs.35 million with Bank Islami Pakistan Limited (BIPL) for purchase of a new Tetra Pak filling machine and conveyors. The facility amount was disbursed by BIPL by making payments to Tetra Pak Export, Dubai. The principal balance of this finance facility was repayable in 10 quarterly instalments commenced from September, 2012. This finance facility carried profit at the rate of 3-months KIBOR + 1.50% per annum, with a floor of 13%; effective profit rates charged by BIPL, during the current financial year, was 13.00% (2014: 13.00%) per annum. This finance facility was secured against exclusive hypothecation charge to the extent of Rs.56 million over the above mentioned machinery of the Company. The balance of this finance facility has been fully repaid during the current financial year.

8.2 The Company, during the preceding financial year, availed a murabahah finance facility from Bank Islami Pakistan Limited (BIPL) for purchase of raw materials, stocks, stores and for processing of milk food products. This finance facility carried profit at the rate paid by BIPL on deposit in corporate saving account + 1.25% per annum; effective profit rates charged by BIPL, during the current financial year, was 4.75% (2014: 4.75%) per annum. This finance facility was secured by 100% cash security in shape of BIPL's lien on corporate saving account / TDR in the name of the Company or any of its directors, as disclosed in note 28.3. Originally this finance facility was repayable in lump sum in July, 2015; however, the Company during June, 2015 opted for early settlement of this finance facility and the entire principal balance of this finance facility has been adjusted against the TDR's kept by BIPL as security in the corporate saving account.

9. LOANS FROM CHIEF EXECUTIVE AND A DIRECTOR	**Note**	**2015**	2014
		---- Rupees ----	
Chief Executive	**9.1**	**-**	70,000,000
Director	**9.1**	**-**	70,000,000
		-	140,000,000

			Chief Executive	Director
9.1	**Movement during the year in the loans accounts**	**Note**	**- - - - Rupees - - - -**	
	Balance as at June 30, 2014		**70,000,000**	**70,000,000**
	Add: further loan provided	**9.2**	**27,150,000**	**30,230,000**
			97,150,000	**100,230,000**
	Less: adjustment against right shares issued		**69,858,520**	**76,479,740**
	loan amount repaid		**27,291,480**	**23,750,260**
			97,150,000	**100,230,000**
	Balance as at June 30, 2015		**-**	**-**

The Chief Executive and a Director of the Company, during the preceding financial year, had provided to the Company interest free loans amounting Rs.70 million each to meet the working capital requirements. These interest free loans were repayable in lump sum after a period of three years or could be adjusted through issuance of ordinary shares, as agreed between the parties. The Company, during the current financial year, issued right shares which were subscribed by the Chief Executive and the director against the balances of their outstanding loans provided to the Company.

9.2 The above persons, during the current financial year, jointly provided to the Company a further loan amounting to Rs.50 million to meet the working capital requirements. This loan was repayable on demand and carried mark-up at the rate of 3 months KIBOR + 1.25%. The effective mark-up rates charged on the loan, during the current financial year, ranged from 9.24% to 11.43%.

10. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE - Secured

Particulars	2015			2014		
	Upto one year	**From one to five years**	**Total**	Upto one year	From one to five years	Total
	Rupees					
Minimum lease payments	**14,971,346**	**4,562,848**	**19,534,194**	17,433,582	19,598,850	37,032,432
Less: finance costs allocated to future periods	**406,932**	**360,723**	**767,655**	1,653,134	843,012	2,496,146
	14,564,414	**4,202,125**	**18,766,539**	15,780,448	18,755,838	34,536,286
Less: security deposits adjustable on expiry of lease terms	**11,756,906**	**1,406,200**	**13,163,106**	1,108,000	13,163,106	14,271,106
Present value of minimum lease payments	**2,807,508**	**2,795,925**	**5,603,433**	14,672,448	5,592,732	20,265,180

10.1 The Company, during the financial year ended June 30, 2011, had acquired plant and machinery from Bank Alfalah Ltd. against lease finance facility of Rs. 47.028 million. The liability under these arrangements is repayable in 60 monthly instalments commenced from September, 2010 and carries mark-up at the rate of 6-months KIBOR + 2% per annum; effective mark-up rates charged by the BAL, during the current financial year, ranged from 9.95% to 12.18% (2014: 11.48% to 12.16%) per annum. The Company intends to exercise its option to purchase the leased plant and machinery upon completion of lease term. The lease liability is secured against title of leased machinery in the name of lessor and personal guarantees of the directors.

10.2 The Company, during the financial year ended June 30, 2012, had entered into financing agreement of Rs.5.540 million with Faysal Bank Ltd. (FBL) for lease of vehicles. The finance facility was repayable in 36 monthly instalments commenced from August, 2011 and carried mark-up at 12 months KIBOR+3%. The finance facility was secured against registration of vehicles in FBL's name and personal guarantees of two directors of the Company. The Company, during July, 2014, repaid entire outstanding liability against this lease finance facility and has transferred the vehicles in its name after obtaining no objection certificate from bank.

10.3 The Company, during the financial year ended June 30, 2014, has entered into another financing agreement of Rs.4.981 million with FBL for lease of vehicles. This finance facility is repayable in 60 monthly instalments commenced from August, 2013 and carries mark-up at the rate of 12 months KIBOR + 3% per annum; the effective mark-up rate charged by FBL, during the current financial year, was 13.44% (2014: 12.38%) per annum. The finance facility is secured against registration of vehicles in FBL's name and demand promissory note.

10.4 The Company, during the financial year ended June 30, 2014, has entered into another sale and lease-back agreement with FBL to finance a vehicle. Against the total cost of vehicle of Rs.2.050 million, the Company gave security deposit amounting Rs.0.410 million and FBL financed the remaining cost of Rs.1.640 million. The amount financed by FBL is repayable in 60 monthly instalments commenced from September, 2013 and carries mark-up at the rate of 12-months KIBOR + 3% per annum; effective mark-up rate charged by FBL, during the current financial year, was 13.46% (2014:12.42%) per annum. The finance facility is secured against registration of vehicles in FBL's name and demand promissory note.

11. TRADE AND OTHER PAYABLES

	Note	2015	2014
		---- Rupees ----	
Creditors	11.1	**291,449,299**	436,012,379
Bills payable - secured	11.2	**1,984,175**	1,983,172
Accrued expenses		**47,425,276**	41,515,041
Advance payments		**47,227,807**	27,684,446
Due to employees		**230,572**	3,894,597
Income tax deducted at source		**14,866,200**	14,090,350
Employees' provident fund		**1,135,516**	1,274,195
Workers' (profit) participation fund	11.3	**4,627,526**	4,065,724
Others		**147,660**	124,535
		409,094,031	530,644,439

11.1 These include payable to Noon Sugar Mills Ltd (an Associated Company) amounting Rs. Nil (2014: Rs.0.104 million).

11.2 These are secured against import documents.

11.3 Workers' (profit) participation fund

	2015	2014
	---- Rupees ----	
Opening balance	**4,065,724**	3,587,098
Add: interest on funds utilised in the Company's business	**561,802**	478,626
Closing balance	**4,627,526**	4,065,724

12. ACCRUED MARK-UP AND INTEREST

	Note	2015	2014
		---- Rupees ----	
Mark-up / profit accrued on:			
- loans form chief executive and a director		-	6,393
- term finances		**1,276,797**	4,567,515
- Islamic finances		**1,827,504**	1,932,776
- short term finances		**16,479,968**	7,929,721
Accrued lease finance charges		**6,438**	246,537
		19,590,707	14,682,942

13. SHORT TERM FINANCES

	Note	2015	2014
Secured	13.1	**751,314,039**	251,383,327
Un-secured	13.2	**9,847**	76,248
		751,323,886	251,459,575

13.1 Running and murabahah finance facilities under mark-up / profit arrangements available from various commercial banks aggregate to Rs.753.47 million (2014: Rs.280 million). These facilities, during the current financial year, carried mark-up / profit at the rates ranging from 8.99% to 19% (2014: 10.09% to 12.37%) per annum and are secured against charge over all current assets of the Company including stores and spares, stock-in-trade, receivables, post dated cheques and lien over term deposit receipts. These finance facilities are expiring on various dates by March, 2016.

Facilities available for opening letters of credit and guarantee from various banks aggregate to Rs.115.002 million (2014: Rs.133.472 million) out of which the amount remained unutilised at the year-end was Rs.84.998 million (2014: Rs.105.318 million). These facilities are secured against lien on import documents, lien over term deposit receipts and the aforementioned securities. These facilities are available upto March, 2016.

13.2 These temporary bank overdrafts have arisen due to issuance of cheques for amounts in excess of balances in the bank accounts.

	Note	2015	2014
		---- Rupees ----	
14. CURRENT PORTION OF NON CURRENT LIABILITIES			
Term finances	**7**	**44,285,685**	121,478,217
Musharakah finance	**8**	**-**	7,269,750
Liabilities against assets subject to finance lease	**10**	**2,807,508**	14,672,448
		47,093,193	143,420,415
15. TAXATION - Net			
Opening balance		**21,058,199**	8,010,475
Add: provision made during the year:			
- current	**15.2**	**17,055,057**	21,058,199
- prior years'		**31,626**	-
		17,086,683	21,058,199
		38,144,882	29,068,674
Less: adjustments against completed assessments / payments		**21,089,825**	8,010,475
Closing balance		**17,055,057**	21,058,199

15.1 Income tax assessments of the Company, except as detailed in notes 15.3 to 15.7, have been finalised by the Income Tax Department (the Department) or deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 (the Ordinance) upto the year ended June 30, 2014.

15.2 No numeric tax rate reconciliation has been given in these financial statements as provision made during the current financial years represent minimum tax payable under section 113 after adjusting available tax credits under various sections of the Ordinance.

15.3 The Commissioner Inland Revenue-Appeals (CIRA), vide his order dated September 03, 2012, has allowed partial relief to the Company and reduced the amount of tax demand from Rs.34.985 million to Rs.18.282 million. Both the Company and the Department have filed appeals before the Appellate Tribunal Inland Revenue (the Tribunal) against the order of CIRA, which are pending adjudications. Earlier, the Taxation Officer, after conducting audit under section 177 of the Ordinance for Tax Year 2005, had passed an amended assessment order under section 122 of the Ordinance raising tax demands of Rs. 34.985 million alleging that the Company suppressed its sales. The CIRA had annulled his order whereas the Tribunal had set aside the order of CIRA and remanded the case back to CIRA for denovo proceedings.

The Company has also filed a rectification application under section 221 of the Ordinance against the order of CIRA, which is also pending adjudication.

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15.4 The Company, during the financial year ended June 30, 2011, received a notice under section 177 of the Ordinance for Tax Year 2009 for selection of its case for detailed scrutiny. The Company filed a writ petition before the Lahore High Court which has been dismissed vide order dated May 27, 2015. The Company now intends to file an appeal before Supreme Court of Pakistan in this respect.

15.5 The Company, during the preceding financial year, had received a notice under section 214C of the Ordinance for the Tax Year 2011 for selection of its case by Federal Board of Revenue (FBR) for detailed scrutiny. The Company contested its selection before the review panel formed by FBR; however, FBR rejected the Company's plea of wrong selection of case for the tax audit. The Company filed a petition before the Lahore High Court against its selection, which vide its judgment dated July 02, 2013 set aside the order of FBR and directed it to pass a fresh order after providing an opportunity of being heard to the Company.

FBR vide its letter dated October 09, 2013 has closed the audit proceedings and accepted the proposal of review panel formed for hearing of the case. Earlier, the review panel concluded that the parameters applied to the Company were actually not applicable and proposed FBR to drop the Company's case from the list of cases selected for audit under section 214C of the Ordinance.

15.6 The Company, during the preceding financial year, has received a notice under section 177 of the Ordinance for the Tax Year 2012 for selection of its case for tax audit by the Commissioner Inland Revenue, Regional Tax Office, Sargodha (CIR). The Company has filed a writ petition before the Lahore High Court against the selection of case by CIR under the aforementioned section, which is pending adjudication.

15.7 The Additional Commissioner Inland Revenue has raised income tax demand under section 122(5A) of the Ordinance for the tax year 2010 amounting Rs. 5.633 million. The Company has filed an appeal before Commissioner Inland Revenue (Appeals), which is pending adjudication.

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16. DIVIDENDS	**2015**	2014
	- - - - Rupees - - - -	
Unclaimed dividend on:	**859,113**	859,113
-ordinary shares	**115,490**	115,490
-Preference shares		
	974,603	974,603

17. CONTINGENCIES AND COMMITMENTS

Contingencies

17.1 Guarantees aggregating Rs.11.972 million (2014: Rs.11.972 million) have been issued by banks of the Company to Sui Northern Gas Pipeline Ltd., Unilever Pakistan Ltd. and Controller Naval Account.

17.2 The Company entered into two contracts for supply of skimmed milk powder which were not fulfilled by the Company. The other party may, at its sole discretion, rescind the order and claim damages for any loss incurred.

17.3 The Company, during the current financial year, received various notices from Punjab Food Authority with regards to it different products. Outcome of these notices is not known at reporting date.

17.4 Refer contents of notes 15.3 to15.7.

Commitments

17.5 Commitments, other than capital expenditure, against irrevocable letters of credit outstanding at the year end were for Rs.16.048 million (2014: Rs.14.199).

18. **Operating fixed assets** - tangible

	Owned								Leased		
	Freehold land	**Buildings on freehold land**	**Plant & machinery**	**Milk Churns**	**Electric & gas installation**	**Other works equipment**	**Office equipment**	**Furniture and fixtures**	**Vehicles**	**Plant & machinery**	**Vehicles**	**Total**
	---------- Rupees ----------											
COST / REVALUATION												
Balance as at July 01, 2013	44,955,000	73,589,532	767,060,995	143,740	18,202,404	7,447,118	27,647,238	12,711,612	47,517,536	68,718,262	14,463,230	1,082,456,667
Additions during the year	-	821,526	8,758,697	-	51,851	-	997,022	-	810,000	-	5,804,220	17,243,316
Transfers during the year from:												
- owned to leased	-	-	-	-	-	-	-	-	(2,558,060)	-	2,258,908	(299,152)
- leased to owned	-	-	-	-	-	-	-	-	8,101,630	-	(8,101,630)	-
Disposals during the year	(6,352,802)	-	-	-	-	-	-	-	(10,069,590)	(14,721,671)	-	(31,144,063)
Balance as at June 30, 2014	38,602,198	74,411,058	775,819,692	143,740	18,254,255	7,447,118	28,644,260	12,711,612	43,801,516	53,996,591	14,424,728	1,068,256,768
Balance as at July 01, 2014	38,602,198	74,411,058	775,819,692	143,740	18,254,255	7,447,118	28,644,260	12,711,612	43,801,516	53,996,591	14,424,728	1,068,256,768
Additions during the year	-	12,414	16,382,926	-	-	69,500	313,214	9,800	52,000	-	-	16,839,854
Revaluation adjustments during the year	234,202,802	80,972,654	-	-	-	-	-	-	-	-	-	315,175,456
Transfers during the year from leased to owned	-	-	-	-	-	-	-	-	5,567,113	-	(5,567,113)	-
Disposals during the year	-	-	-	-	-	-	-	-	(6,716,185)	-	-	(6,716,185)
Balance as at June 30, 2015	**272,805,000**	**155,396,126**	**792,202,618**	**143,740**	**18,254,255**	**7,516,618**	**28,957,474**	**12,721,412**	**42,704,444**	**53,996,591**	**8,857,615**	**1,393,555,893**
DEPRECIATION												
Balance as at July 01, 2013	-	32,905,683	319,362,371	143,383	8,495,962	4,201,187	8,340,066	8,201,932	30,072,378	19,012,696	6,674,430	437,410,088
On transfers during the year from:												
- owned to leased	-	-	-	-	-	-	-	-	(208,908)	-	208,908	-
- leased to owned	-	-	-	-	-	-	-	-	4,399,764	-	(4,399,764)	-
Charge for the year	-	4,121,860	45,126,127	53	971,940	324,593	1,973,054	450,968	3,025,322	4,409,109	2,371,414	62,774,440
On disposals during the year	-	-	-	-	-	-	-	-	(5,986,601)	(2,868,886)	-	(8,855,487)
Balance as at June 30, 2014	-	37,027,543	364,488,498	143,436	9,467,902	4,525,780	10,313,120	8,652,900	31,301,955	20,552,919	4,854,988	491,329,041
Balance as at July 01, 2014	-	37,027,543	364,488,498	143,436	9,467,902	4,525,780	10,313,120	8,652,900	31,301,955	20,552,919	4,854,988	491,329,041
Revaluation adjustments during the year	-	(39,832,238)	(149,994,255)	(103)	(3,090,630)	(1,052,478)	-	-	-	-	-	(193,969,704)
Transfers during the year from leased to owned	-	-	-	-	-	-	-	-	2,924,050	-	(2,924,050)	-
Charge for the year	-	6,689,908	45,152,950	48	939,426	320,396	1,819,202	399,426	2,377,094	3,281,660	1,541,582	62,521,692
On disposals during the year	-	-	-	-	-	-	-	-	(4,103,506)	-	-	(4,103,506)
Balance as at June 30, 2015	-	**3,885,213**	**259,647,193**	**143,381**	**7,316,698**	**3,793,698**	**12,132,322**	**9,052,326**	**32,499,593**	**23,834,579**	**3,472,520**	**355,777,523**
BOOK VALUE AS AT JUNE 30, 2014	38,602,198	37,383,515	411,331,194	304	8,786,353	2,921,338	18,331,140	4,058,712	12,499,561	33,443,672	9,569,740	576,927,727
BOOK VALUE AS AT JUNE 30, 2015	**272,805,000**	**151,510,913**	**532,555,425**	**359**	**10,937,557**	**3,722,920**	**16,825,152**	**3,669,086**	**10,204,851**	**30,162,012**	**5,385,095**	**1,037,778,370**
Depreciation rate (%)		**10**	**10**	**15**	**10**	**10**	**10**	**10**	**20**	**10**	**20**	


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18.1 Revaluation surplus on each class of assets, as a result of latest revaluation as detailed in note 6, has been determined as follows:

Particulars	Owned						
	freehold land	Buildings on freehold land	Plant & machinery	Milk Churns	Electric & gas installation	Other works equipment	Total
	------------- Rupees -------------						
Cost / revaluation as at March 31, 2015	38,602,198	74,423,472	790,093,524	143,740	18,254,255	7,516,618	929,033,807
Accumulated depreciation as at March 31, 2015	-	39,832,238	395,656,237	143,470	10,126,878	4,748,934	450,507,757
Book value before revaluation adjustments as at March 31, 2015	38,602,198	34,591,234	394,437,287	270	8,127,377	2,767,684	478,526,050
Revalued amounts	272,805,000	155,396,126	544,431,542	373	11,218,007	3,820,162	987,671,210
Revaluation surplus	**234,202,802**	**120,804,892**	**149,994,255**	**103**	**3,090,630**	**1,052,478**	**509,145,160**

18.2 Had the property, plant and equipment been recognised under the cost model, the carrying amounts of each revalued class of property, plant and equipment would have been as follows:

	2015	2014
	- - - - Rupees - - - -	
Freehold land	**415,246**	415,246
Buildings on freehold land	**29,665,472**	32,871,659
Plant & machinery	**377,982,251**	402,077,111
Electric & gas installations	**7,726,655**	8,566,866
Other works equipment	**2,632,721**	2,850,191
	418,422,345	446,781,073

18.3 Disposal of property, plant and equipment

Asset description	Cost / revaluation	Accumulated depreciation	Net Book value	Sale proceeds	Gain	Mode of disposal	Particulars of buyer
	- - - - - - - - - - - - - - - - Rupees - - - - - - - - - - - - - - - -						
Vehicles							
Nissan Petrol	810,000	143,100	666,900	710,000	43,100	Negotiation	Mr. Muhammad Abid, Lahore.
Suzuki Swift	1,111,425	559,565	551,860	625,000	73,140	- - do - -	Mr. Amjad Maqsood, Qasur.
Toyota Mark X	2,843,110	1,773,676	1,069,434	1,115,000	45,566	- - do - -	Mr. Aqeel Abbas, Lahore.
Chevrolet GMC	538,150	497,120	41,030	150,000	108,970	- - do - -	Mr. Qaisar Fajjar Khan, Lahore.
Toyota Altis	1,413,500	1,130,045	283,455	325,000	41,545	Company policy	M/s. Noon International (Pvt.) Ltd. (an Associated Company)
	6,716,185	**4,103,506**	**2,612,679**	**2,925,000**	**312,321**		

18.4 Depreciation for the year has been apportioned as under:

	Note	2015	2014
		- - - - Rupees - - - -	
Milk collection centers		**5,843,946**	6,264,045
Cost of sales		**51,333,455**	49,687,427
Distribution cost		**713,128**	907,597
Administrative expenses		**4,631,163**	5,915,371
		62,521,692	62,774,440

19. INTANGIBLE ASSETS - Computer softwares

	2015	2014
	- - - - Rupees - - - -	
Cost		
- at beginning of the year	**2,415,892**	432,032
- additions made during the year	-	1,983,860
- at end of the year	**2,415,892**	2,415,892
Less: amortisation		
- at beginning of the year	**807,879**	393,348
- charge for the year	**661,220**	414,531
- at end of the year	**1,469,099**	807,879
Book value as at June 30	**946,793**	1,608,013
Amortisation rate - % per annum	**33.33**	33.33

20. DEFERRED TAXATION - net

	Note	2015	2014
		- - - - Rupees - - - -	
The deferred tax asset comprises of temporary differences relating to:			
Deductible temporary differences:			
- unused tax losses	**20.1**	**45,464,853**	57,462,081
- minimum tax recoverable against normal tax charge in future years		**71,233,499**	51,547,159
- provision for doubtful debts and obsolete store items		**71,279,185**	-
		187,977,537	109,009,240
Taxable temporary differences:			
- accelerated tax depreciation allowances		**91,425,096**	99,975,116
- surplus on revaluation of property, plant and equipment		**89,830,309**	4,638,669
- lease finances		**5,124,129**	2,797,452
		186,379,534	107,411,237
		1,598,003	1,598,003

20.1 Deferred tax asset as at June 30, 2015 has been restricted to Rs.1.598 million, i.e. deferred tax asset recognised as at June 30, 2014. No further deferred tax asset on available unused tax losses aggregating Rs.287.259 (2014: Rs.108.897 million) has been recognised in these financial statements in view of persisting losses.

21. STORES, SPARES AND LOOSE TOOLS

	2015	2014
	---- Rupees ----	
Stores - at mills including in transit inventory valuing Rs.24.851 million (2014: Rs.27.588 million)	**134,543,208**	116,460,728
Spares	**17,716,645**	17,804,486
Loose tools	**83,329**	85,358
	152,343,182	134,350,572
Less: provision for obsolete store items	**28,879,788**	4,600,951
	123,463,394	129,749,621

21.1 Stores and spares inventory includes slow moving items valuing Rs.6.069 million (2014: Rs.4.974 million).

22. STOCK-IN-TRADE

	Note	2015	2014
		---- Rupees ----	
Work-in-process		**33,844,656**	25,751,000
Finished goods - 'A' grade		**33,461,349**	36,614,000
		67,306,005	62,365,000

23. TRADE DEBTS

	Note	2015	2014
Considered good - unsecured		**21,625,863**	221,612,937
Considered doubtful - unsecured		**198,468,616**	-
		220,094,479	221,612,937
Less: provision for doubtful debts	**23.1**	**198,468,616**	-
		21,625,863	221,612,937

23.1 The Company, during the current financial year, revised its policy for estimation and identification of doubtful receivable. Based on the revised estimates a provision for doubtful debts has been made as at reporting date.

24. LOANS AND ADVANCES- Considered good

	2015	2014
	---- Rupees ----	
Due from employees	**779,860**	768,403
Advance payments	**10,259,900**	14,367,259
	11,039,760	15,135,662
Less: provision for doubtful advance payments	**3,800,975**	-
	7,238,785	15,135,662

25. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	2015	2014
		---- Rupees ----	
Security deposits		**13,017,810**	13,017,810
Prepayments		**150,000**	150,000
Margin deposits against letters of credit		**1,601,236**	1,454,298
Insurance claims receivable		**-**	137,789
		14,769,046	14,759,897

26. DUE FROM ASSOCIATED COMPANIES - on account of normal trading transactions	2015	2014
Noon International (Pvt.) Ltd.	**39,247**	45,997
Textile Services.	**-**	508,644
Noon Sugar Mills Ltd.	**1,679,238**	-
	1,718,485	554,641

26.1 As at June 30, 2015, receivables from Associated Companies were not yet due.

26.2 Maximum aggregate amount due from Associated Companies at the end of any month during the current financial year was Rs. 3.636 million (2014: Rs.0.892 million).

27. SALES TAX REFUNDABLE	2015	2014
	---- Rupees ----	
Balance as at 30 June,	**120,514,556**	127,911,011
Less: provision made for old stuck-up refunds of input tax	**15,353,660**	-
	105,160,896	127,911,011

28. CASH AND BANK BALANCES	Note	2015	2014
Cash-in-hand		**78,238**	16,453
Cash at banks on:			
- current accounts	**28.1**	**134,737,741**	11,976,522
- PLS account	**28.2**	**219,101**	109,304
- term deposit receipts (TDR)	**28.3**	**5,800,000**	205,800,000
- dividend accounts		**221,526**	221,525
		140,978,368	218,107,351
		141,056,606	218,123,804

28.1 These include following balances:

- Rs.1.500 million (2014: Rs.1.500 million) which are under lien of NIB Bank Ltd. (NIB) against guarantees issued by it in favour of Sui Northern Gas Pipelines Ltd. (SNGPL) and Unilever Pakistan Ltd. on behalf of the Company.

- Rs.0.350 million (2014: Rs.0.350 million), which are under lien of Allied Bank Ltd. against a guarantee issued by it in favour of SNGPL.

- Rs.1.172 million (2014: Rs.1.172), which are under lien of United Bank Ltd. against a guarantee issued by it in favour of Controller Naval Account, Karachi.

- Rs.5.800 million which are under lien of NIB against a guarantee issued by it in favour of Sui Northern Gas Pipelines Ltd.

28.2 This carries profit at the rates ranging from 4.5% to 5.5% (2014:6% to 7%) per annum.

28.3 These include the following:

- Preceding years figure includes TDRs amounting Rs.5.800 million which were under lien of NIB against guarantee issued by it in favour of SNGPL and carry profit at the rate of 7% (2014: 7%) per annum.

- Preceding years figure includes TDRs amounting Rs. 200 million which were under lien of Bank Islami Pakistan Ltd. which have now been adjusted against murabahah finance facility of same amount availed by the Company, as disclosed in note 8.2. These TDRs, during the current financial year, carried profit at the rate of 3.50% (2014: 3.50%) per annum.

	Note	2015	2014
		---- Rupees ----	
29. SALES - Net			
Gross sales		**1,917,133,763**	2,240,933,418
Less:			
Sales tax		**7,938,722**	9,923,809
Shortages / leakages allowed		**15,857,925**	21,466,063
Discounts		**27,318,386**	15,518,488
		51,115,033	46,908,360
		1,866,018,730	2,194,025,058
30. COST OF SALES			
Raw materials consumed	**30.1**	**856,541,487**	1,018,179,251
Milk collection expenses		**57,093,805**	52,408,310
Salaries, wages and benefits	**30.2**	**68,688,244**	62,390,082
Power and fuel		**126,994,939**	156,816,651
Packing materials consumed		**373,917,621**	428,298,353
Stores and spares consumed		**173,049,723**	201,320,622
Repair and maintenance		**1,960,228**	1,791,837
Rent, rates and taxes		**5,102,109**	4,748,305
Depreciation	**18.4**	**51,333,455**	49,687,427
Insurance		**2,751,733**	2,643,649
		1,717,433,344	1,978,284,487
Adjustment of work-in-process			
Opening stock		**25,751,000**	25,773,000
Closing stock		**(33,844,656)**	(25,751,000)
		(8,093,656)	22,000
Cost of goods manufactured		**1,709,339,688**	1,978,306,487
Adjustment of finished goods			
Opening stock		**36,614,000**	48,087,000
Closing stock		**(33,461,349)**	(36,614,000)
		3,152,651	11,473,000
		1,712,492,339	1,989,779,487
30.1 Raw materials consumed:			
Fresh milk		**779,483,214**	878,148,460
Milk powder		**144,187**	34,202,354
Jams		**2,850,337**	3,310,688
Juice concentrates		**4,476,847**	4,742,525
Fats		**66,710,230**	90,194,012
Butter oil		**2,876,672**	7,581,212
		856,541,487	1,018,179,251

30.2 These include contributions aggregating Rs.3.194 million (2014: Rs.3.064 million) to employees' provident fund trust.

31. DISTRIBUTION COST

	Note	2015	2014
		---- Rupees ----	
Freight and forwarding - net-off recoveries from distributors aggregating Rs.34.957 million (2014:Rs.34.807 million)		**26,869,620**	43,921,954
Salaries and benefits	**31.1**	**30,517,462**	36,888,886
Rent		**964,791**	1,314,933
Entertainment		**348,779**	140,423
Communication		**115,105**	382,629
Travelling and conveyance		**386,119**	703,560
Vehicles' running and maintenance		**693,150**	101,337
Advertisement and sales promotion		**89,512,795**	69,185,145
Insurance		**546,916**	580,372
Depreciation	**18.4**	**713,128**	907,597
Samples		**277,348**	705,006
Others		**120,240**	-
		151,065,453	154,831,842

31.1 These include contributions aggregating Rs.1.109 million (2014: Rs.1.024 million) to employees' provident fund trust.

32. ADMINISTRATIVE EXPENSES

	Note	2015	2014
		---- Rupees ----	
Salaries and benefits	**32.1**	**58,828,389**	52,827,577
Travelling and conveyance:			
- directors		**1,787,213**	1,316,084
- others		**2,230,171**	4,454,949
Rent, rates and taxes		**3,043,421**	2,387,218
Entertainment		**3,264,993**	3,658,521
Communication		**2,336,501**	2,634,938
Printing and stationery		**1,770,754**	1,801,195
Electricity, gas and water		**3,717,545**	4,768,522
Insurance		**959,852**	1,108,650
Repair and maintenance		**1,247,295**	1,981,197
Advertisement		**91,800**	113,600
Vehicles' running and maintenance		**6,269,762**	10,805,866
Subscription		**3,969,882**	2,834,201
Auditors' remuneration	**32.2**	**946,000**	874,000
Legal and professional charges (other than Auditors)		**6,696,044**	11,505,529
Cash security charges		**252,632**	239,175
General		**2,324,781**	1,511,366
Depreciation	**18.4**	**4,631,163**	5,915,371
Amortisation of intangible assets	**19**	**661,220**	414,531
		105,029,418	111,152,490

32.1 These include contributions aggregating Rs. 2.034 million (2014: Rs.1.768 million) to employees' provident fund trust.

	Note	2015	2014
		---- Rupees ----	
32.2 Auditors' remuneration			
Statutory audit fee		**600,000**	600,000
Half yearly review		**115,000**	115,000
Consultancy charges		**110,000**	40,000
Certification charges		**76,000**	64,000
Out-of-pocket expenses		**45,000**	55,000
		946,000	874,000
33. OTHER INCOME			
Income from financial assets			
Profit on PLS account and term deposit receipts		**4,038,334**	3,623,381
Others			
Deferred income recognised		**-**	57,097
Sale of scrap		**2,663,520**	3,923,206
Gain on disposal of property, plant and equipment	**18.3**	**312,321**	4,153,936
Packing charges of milk and juices		**1,654,198**	6,169,264
		8,668,373	17,926,884
34. OTHER EXPENSES			
Donations (without directors' interest)		**2,500**	7,000
Provision for old stuck-up refunds of sales tax		**15,353,660**	-
Prior years' sales tax		**973,179**	1,491,625
Provision for doubtful debts	**23.1**	**198,468,616**	10,395,385
Provision for obsolete stores items	**21**	**24,278,837**	4,600,951
Provision for doubtful advance payments	**24**	**3,800,975**	
Loss on sale and lease-back of vehicle		**-**	299,152
Receivable balance written-off		**137,789**	-
		243,015,556	16,794,113
35. FINANCE COST			
Mark-up / profit on:			
- loans from chief executive and a director		**3,368,463**	5,270,060
- term finances		**12,565,605**	19,565,564
- Islamic finances		**5,361,919**	8,306,727
- short term finances		**52,798,959**	18,851,415
Lease finance charges		**2,807,508**	3,286,065
Interest on funds of Tetra Pak Pakistan Ltd. utilised in the Company's business		**3,581,144**	927,025
Interest on workers' (profit) participation fund		**561,802**	478,626
Bank and other charges		**2,638,702**	3,565,608
		83,684,102	60,251,090

	Note	2015	2014
36. TAXATION		---- Rupees ----	
Current			
Current tax on profit for the year	**15**	**17,055,057**	21,058,199
Adjustments in respect of prior years	**15**	**31,626**	-
		17,086,683	21,058,199
Deferred			
Origination and reversal of temporary differences		**(90,730,978)**	-
Impact of change in tax rate		**2,807,197**	140,566
		(87,923,781)	140,566
		(70,837,098)	21,198,765

37. LOSS PER SHARE - basic and diluted

	2015	2014
Net loss for the year attributable to the ordinary share holders	**(349,762,667)**	(142,055,845)
	---- No. of shares ----	
		(Re-stated)
Weighted average number of shares outstanding during the year	**29,776,698**	20,235,875
	---- Rupees ----	
Loss per share	**(11.75)**	(7.02)

38. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of Associated Companies, directors of the Company, Companies in which directors are interested, close members of the families of the directors and key management personnel. The Company carries out transactions with various related parties and amounts due from and to related parties are shown under respective heads. Significant transactions with related parties are as follows:

	2015	2014
38.1 Aggregate transactions made during the year with the key management personnel and Associated Companies were as follows:	---- Rupees ----	
- loan obtained from chief executive	**27,150,000**	70,000,000
- loan repaid to chief executive	**27,291,480**	-
- Ordinary shares issued against loan	**69,858,520**	-
- loan obtained from a director	**30,230,000**	70,000,000
- loan repaid to a director	**23,750,260**	-
- Ordinary shares issued against loan	**76,479,740**	-
- sale of an asset	**325,000**	-
- sale of dairy products and others	**614,506**	303,334
- purchase of stores and spares	**2,114,670**	644,098
- purchase of sugar	**29,448,990**	25,286,640

38.2 No other transactions, other than remuneration and benefits to key management personnel under the terms of their employment, were executed with other related parties during the current and last year.

39. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2015	2014	**2015**	2014	**2015**	2014
	---------------------- **Rupees** ----------------------					
Remuneration (including bonus)	**6,000,000**	4,800,000	**9,968,140**	11,139,940	**25,887,727**	25,383,299
Provident fund	**-**	-	**-**	-	**1,781,879**	1,938,526
Housing and utilities	**-**	2,254,949	**-**	-	**-**	-
Medical	**400,000**	320,000	**763,296**	440,000	**1,025,798**	1,006,832
Club bills	**237,941**	275,955	**77,097**	110,532	**-**	-
	6,637,941	7,650,904	**10,808,533**	11,690,472	**28,695,404**	28,328,657
Number of persons	**1**	1	**3**	3	**19**	18

39.1 Chief Executive, Directors and some of the Executives have also been provided with free use of the Company maintained cars.

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39.2 Rent free accommodation has also been provided to three (2014: two) of the Executives.

40. PROVIDENT FUND TRUST

The following information is based on audited financial statement of the Fund as at June 30, 2015 and audited financial statement of June 30, 2014:

	2015	2014
	---- **Rupees** ----	
Size of the fund - total assets	**98,580,260**	64,578,631
Cost of investments made	**43,017,019**	37,238,697
Percentage of investment made	**36%**	58%

40.1 The fair value of above investment amounted to Rs.100.757 million (2014: Rs.64.058 million).

40.2 The break-up value of investment is as follows:

	Percentage		Rupees	
	2015	2014	**2015**	2014
Defence saving certificate	**48%**	59%	**20,805,000**	22,155,000
Special saving certificate	**23%**		**10,000,000**	-
Equity securities	**28%**	32%	**12,100,000**	12,100,000
Government securities	**-**	7%	**-**	2,500,000
Bank deposits	**1%**	1%	**112,019**	483,697
			43,017,019	37,238,697

40.3 Investments out of Provident Fund have not been made in accordance with the provisions of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose. Investment in equity securities of a Listed Company exceeds the limit prescribed by the rules.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

42.1 Financial Risk Factors

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk, price risk and currency risk), credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried-out by the Company's finance department under policies approved by the board of directors. The Company's finance department evaluates financial risks based on principles for overall risk management as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity, provided by the board of directors.

42.2 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: currency risk, interest rate risk and price risk.

(a) Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. The Company is exposed to currency risk on import of stores and spares denominated in U.S. Dollar. The Company's exposure to foreign currency risk for U.S. Dollar is as follows:

	2015		2014	
	Rupees	**U.S.$**	Rupees	U.S.$
Bills payable	**1,984,175**	**20,083**	1,983,172	20,083

The following significant exchange rates have been applied:

	Average rate		**Reporting date rate**	
	2015	2014	**2015**	2014
U.S.$ to Rupee	**102.92**	102.91	**101.70**	98.76

Sensitivity analysis

At June 30, 2015, if Rupee had strengthened by 10% against U.S.Dollar with all other variables held constant, loss after taxation for the year would have been lower by the amount shown below mainly as a result of net foreign exchange gains on translation of foreign currency financial liabilities.

	2015	2014
Effect on loss for the year:	**Rupees**	Rupees
U.S. $ to Rupee	**198,418**	198,317

The weakening of Rupee against U.S.Dollar would have had an equal but opposite impact on loss after taxation.

The sensitivity analysis prepared is not necessarily indicative of the effects on loss for the year and liabilities of the Company.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. At the reporting date, the interest rate profile of the Company's interest bearing financial instruments is as follows:

41. CAPACITY AND PRODUCTION

	Unit of measurement	2015	2014
Milk Powder and Butter Plant			
Annual rated capacity of milk processing based on three shifts	**Kgs.**	**44,416,000**	44,416,000
Fresh milk processed during the year	**Kgs.**	**890,277**	2,270,577
Cheese Plant			
Annual rated capacity of milk processing based on 24 hours per day	**Kgs.**	**3,275,000**	3,275,000
Fresh milk processed during the year	**Kgs.**	**1,926,075**	2,986,265
Pasteurised Milk Plant			
Annual rated capacity of milk pasteurisation based on three shifts	**Ltrs.**	**5,840,000**	5,840,000
Milk pasteurised during the year	**Ltrs.**	**1,576,558**	2,496,282
Yogurt Plant			
Annual rated capacity of milk processing based on three shifts	**Kgs.**	**2,920,000**	2,920,000
Fresh milk processed during the year		**-**	-
UHT Milk Plant			
Annual rated capacity of milk processing based on three shifts	**Ltrs.**	**87,488,000**	87,488,000
Milk processed during the year	**Ltrs.**	**1,487,291**	1,651,548
Dairy rozana	**Ltrs.**	**3,099,268**	3,426,890
UHT cream	**Ltrs.**	**228,637**	591,873
Flavoured milk	**Ltrs.**	**4,907,287**	3,804,081
Drinking yogurt	**Ltrs.**	**-**	157
Chai mix	**Ltrs.**	**1,462,021**	1,852,545
Co-packing	**Ltrs.**	**-**	33,006
Juice Plant			
Annual rated capacity of juices based on three shifts	**Ltrs.**	**43,800,000**	43,800,000
Juices processed during the year	**Ltrs.**	**2,082,536**	2,583,165
Nectars	**Ltrs.**	**-**	104,468

- Processing and pasteurisation were restricted to the availability of raw milk to the Company.
- Processing of UHT and Juice plants were restricted to the extent of filling capacity of the Company.

	2015	2014	2015	2014
	Effective rate		**Carrying amount**	
			- - - - Rupees - - - -	
Fixed rate instruments				
Financial assets				
Bank balance at PLS account	**4.5% to 5.5%**	6% to 7%	**219,101**	109,304
Term deposit receipts	**3.50% & 7%**	3.50% & 7%	**5,800,000**	205,800,000
Variable rate instruments				
Financial liabilities				
Term finances	**9.49% to 12.18%**	10.58% to 12.15%	**44,285,685**	143,533,771
Islamic finances	**4.75% to 13%**	4.75% to 13%	**-**	207,269,750
Loans from chief executive and a director	**9.24% to 11.43%**	11.08% to 12.09%	**-**	140,000,000
Liabilities against assets subject to finance lease	**9.95% to 13.46%**	10.55% to 12.96%	**5,603,433**	20,265,180
Short term finances	**8.99% to 19%**	10.09% to 12.37%	**751,314,039**	251,383,327

Cash flow sensitivity analysis for fix rate instruments

At June, 2015, if interest rate on fixed rate financial assets has been 1% higher / lower with all other variables held constant, loss after taxation for the year would have been Rs.0.060 million (2014: Rs.2.059 million) lower / higher, mainly as a result of higher / lower interest income on fixed rate financial assets.

Cash flow sensitivity analysis for variable rate instruments

At June 30, 2015, if interest rate on variable rate financial liabilities has been 1% higher / lower with all other variables held constant, loss after taxation for the year would have been Rs.8.012 million (2014: Rs.7.625 million) higher / lower, mainly as a result of higher / lower interest expense on variable rate financial liabilities.

(c) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instruments or its issuer or factors affecting all similar financial instruments traded in the market. The Company is not exposed to any significant price risk.

42.3 Credit risk exposure and concentration of credit risk

Credit risk represents the risk of a loss if the counter party fails to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the credit worthiness of counterparties.

Concentration of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk primarily arises from trade debts and balances with banks. To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other relevant factors. Where considered necessary, advance payments are obtained from certain parties. The management has set a maximum credit period of 45 days to reduce the credit risk. Credit risk on bank balances is limited as the counter parties are banks with reasonably high crediting ratings.

Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2015 along with comparative is tabulated below:

	2015	2014
	---- **Rupees** ----	
Security deposits	**14,104,496**	14,101,496
Trade debts	**21,625,863**	221,612,937
Due from Associated Companies	**1,718,485**	554,641
Accrued profit on term deposit receipts	**1,277,299**	1,670,968
Other receivables	**-**	137,789
Bank balances	**140,978,368**	218,107,351
	179,704,511	456,185,182

All the trade debts at the balance sheet date represent domestic parties.
The ageing of trade debts at the year-end was as follows:

Not past due	**12,661,995**	186,337,550
Past due 1-45 days	**219,215**	4,841,826
Past due 45-180 days	**2,124,833**	1,730,451
Past due more than 180 days	**205,088,435**	28,703,110
	220,094,478	221,612,937

Trade debts aggregating Rs.4.012 million have been realised subsequent to the year-end and for other trade debts there are reasonable grounds to believe that the amounts will be realised in short course of time.

42.4 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach is to ensure, as far as possible, to always have sufficient liquidity to meet its liabilities when due. Liquidity risk management implies maintaining sufficient cash and marketable securities and ensuring the availability of adequate credit facilities. The Company's treasury department aims at maintaining flexibility in funding by keeping committed credit lines available.

Financial liabilities in accordance with their contractual maturities are presented below:

	2015			
	Carrying amount	**Contractual Cash flows**	**Less than 1 Year**	**Between 1 to 5 Years**
	------------ **Rupees** ------------			
Term finances	**44,285,685**	**45,084,455**	**45,084,455**	**-**
Liabilities against assets subject to finance lease	**5,603,433**	**6,371,088**	**3,214,440**	**3,156,648**
Trade and other payables	**342,372,498**	**342,372,498**	**342,372,498**	**-**
Accrued mark-up and interest	**19,590,707**	**19,590,707**	**19,590,707**	**-**
Short term finances	**751,314,039**	**801,644,183**	**801,644,183**	**-**
Dividend	**974,603**	**974,603**	**974,603**	**-**
	1,164,140,965	**1,216,037,534**	**1,212,880,886**	**3,156,648**

	2014			
	Carrying amount	Contractual Cash flows	Less than 1 Year	Between 1 to 5 Years
	------------ Rupees ------------			
Term finances	143,533,771	157,371,743	134,926,335	22,445,408
Islamic finances	207,269,750	217,387,028	7,622,644	209,764,384
Loans from chief executive and a director	140,000,000	140,000,000	-	140,000,000
Liabilities against assets subject to finance lease	20,265,180	22,761,326	16,325,582	6,435,744
Trade and other payables	484,803,919	484,803,919	484,803,919	-
Accrued mark-up and interest	14,682,942	14,682,942	14,682,942	-
Short term finances	251,383,327	269,918,392	269,918,392	-
Dividend	974,603	974,603	974,603	-
	1,262,913,492	1,307,899,953	929,254,417	378,645,536

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest / mark-up rates effective at the respective year-ends. The rates of interest / mark-up have been disclosed in the respective notes to these financial statements.

42.5 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between carrying values and the fair value estimates.

At June 30, 2015, the carrying values of all financial assets and liabilities reflected in the financial statements approximate to their fair values except for loans to employees and loans from chief executive and a director which are valued at their original costs less repayments.

43. CAPITAL RISK MANAGEMENT

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders and / or issue new shares.

There was no change to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements except for the maintenance of debt to equity ratio under the financing agreements.

44. INFORMATION ABOUT OPERATING SEGMENTS

For management purposes, the activities of the Company have been organised in one operating segment consisting of toned milk, milk powder, fruit juices, allied dairy and food products. The Company operates in the said reportable operating segment based on nature of products, risks and return, organisational and management structure and internal financial reporting systems. Accordingly, the figures reported in these financial statements relate to the Company's only reportable segment.

The operating interests of the Company are confined to Pakistan in terms of production areas and customers. Accordingly, the figures reported in these financial statements relate to the Company's only reportable segment relating to Pakistan.

The Company does not have any customer having sales of 10% or more during the years ended June 30, 2015 and June 30, 2014.

45. EVENT AFTER THE REPORTING PERIOD

As detailed in note 1.2 to these financial statements, Fauji Fertilizers Bin Qasim Limited along with Fauji Foundation, under Share Purchase agreement, have settled the purchase consideration and on transfer of shares on September 04, 2015, have issued a notice to hold a board meeting on September 11, 2015 to constitute new Board of Directors as per the requirements of the Companies Ordinance, 1984.

46. NUMBER OF EMPLOYEES

	2015	2014
Number of employees as at June 30,	**566**	599
Average number of employees during the year,	**590**	638

47. GENERAL

These financial statements were authorised for issue on 05 September, 2015 by the Board of Directors of the Company.

Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purpose of comparison. However, no significant re-arrangement has been made in these financial statements.

SALMAN HAYAT NOON
Chief Executive

ASIF H. BUKHARI
Director


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FORM OF PROXY

Registered Folio No./
CDC Account No. ____________

I/We ____
(NAME)

of ____

being a member of NOON PAKISTAN LIMITED, hereby appoint

____
(NAME)

of ____
(Address)

or failing him ____
(NAME)

of ____
(Address)

(also being a member of the Company) as my/our proxy to attend, act and vote for me / us and on my/our behalf at the 48th Annual General Meeting of the Company to be held at Peal Continental Hotel, Lahore on Thursday, 26 November, 2015 at 11:30 a.m. and at any adjournment thereof.

As witness my hand this. ____________________ Day of ____________________ 2015.

Revenue Stamp

____
Signature of Shareholder

Witness 1

Signature ____________________

Name ____________________

Address ____________________

____

CNIC | | | | | | | | | | | | | | | |

Witness 2

Signature ____________________

Name ____________________

Address ____________________

____

CNIC | | | | | | | | | | | | | | | |

Note: Proxies, in order to be effective must reach the Company's Registered office not less than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed. Proxies of the Members through CDC shall be accompanied with attested copies of their CNIC.

SECP's circular no. 1 dated January 26th, 2000 is on the reverse side of the form.

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
State Life Building 7, Blue Area, Islamabad

January 26, 2000

Circular No. 1 of 2000

Sub: <u>GUIDELINES FOR ATTENDING GENERAL MEETINGS AND APPOINTMENT OF PROXIES</u>

The shares of a number of listed companies are now being maintained as "book entry Security" on the Central Depository System (CDS) of the Central Depository Company of Pakistan Limited (CDC). It has come to the notice of the Commission that there is some confusion about the authenticity of relevant documents in the matter of beneficial owners of the shares registered in the name of CDC for purposes of attending the general meetings and for verification of instruments of proxies. The issue has been examined and pending the further instruction to be issued in this regard, the following guideline for the convenience of the listed companies and the beneficial owners are laid down:

A. <u>Attending of meeting in person by account holders and / or sub-account holders and persons whose securities are in group account and their registration details are uploaded to CDS:</u>

(1) The Company shall obtain list of beneficial owners from the CDC as per Regulation # 12.3.5 of the CDC Regulations.

(2) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are up-loaded as per the Regulations, shall authenticate his identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

(3) In case of 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.

B. <u>Appointment of Proxies</u>

(1) In case of individual, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per requirement notified by the Company.

(2) The proxy form shall be witnessed by the two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

(3) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

(4) The proxy shall produce his original CNIC or original passport at the time of the meeting.

(5) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted alongwith proxy form to the Company.

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