NOON PAKISTAN LIMITED

Annual Report 2010

CONTENTS

Corporate Information

BOARD OF DIRECTORS	Mr. Manzoor Hayat Noon	Chairman and Chief Executive
	Mr. K. Iqbal Talib	
	Mr. Javed All Khan	
	Mr. Safdar M. Hayat Qureshi	
	Mr. Salman Hayat Noon	
	Mr. Adnan Hayat Noon	
	Mr. Zaheer Ahmad Khan	
COMPANY SECRETARY	Syed Anwar Ali	
AUDIT COMMITTEE	Mr. Salman Hayat Noon	Chairman
	Mr. K. Iqbal Talib	Member
	Mr. Adnan Hayat Noon	Member
AUDITORS	Hameed Chaudhri & Co. Chartered Accountants	
CHIEF FINANCIAL OFFICER	Mr. Nauman Afzal	
LEGAL ADVISERS	Hamid Law Associates	
BANKERS	Habib Bank Limited United Bank Limited National Bank of Pakistan Bank Alfalah Limited The Royal Bank of Scotland The Bank of Punjab NIB Bank Limited MCB Bank Limited Askari Bank Limited Allied Bank Limited	
REGISTERED OFFICE	1st Floor, Alfalah Building, Shahrah-e-Quaid-e-Azam, Lahore.	
SHARES DEPARTMENT	66-Garden Block, New Garden Town, Lahore. Tele : 35831462 - 35831463 E-mail: shares@noonpak.com	
WEBSITE	www.nurpurfoods.com www.noonpak.com,	
PLANT	Bhalwal, District Sargodha.	

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 43rd Annual General Meeting of Noon Pakistan Limited will be held at 66 Garden Block, New Garden Town, Lahore on Saturday, 30 October, 2010 at 03:00 p.m. to transact the following business:-

1. To confirm the minutes of the annual general meeting held on 29 October, 2009.
2. To receive, consider and adopt the audited accounts for the year ended 30 June, 2010 and the reports of the directors and auditors thereon.
3. To approve payment of dividend. The Board has recommended cash dividend @ 12% (payable on Ordinary and Non-Voting Ordinary shares).
4. To appoint auditors for the financial year ending 30 June, 2011 and to fix their remuneration.
5. To transact any other business as may be placed before the meeting with the permission of the Chairman.

CLOSURE OF SHARE TRANSFER BOOKS

The share transfer books of the Company will remain closed from 23 October, 2010 to 30 October, 2010 (both days inclusive) for the purpose of holding the annual general meeting and to determine entitlement of the dividend. Share transfers received upto close of business on 22 October, 2010 shall entitle the transferees to the dividend.

CHANGE OF WEBSITE ADDRESS

The members are hereby informed that subsequent quarterly financial reports will be available on Company's new website, i.e. www.nurpurfoods.com in place of www.noonpak.com.

By Order of the Board

SYED ANWAR ALI
Company Secretary

30 September, 2010

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 NIC/Passport for the purpose of identification to attend the meeting and 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. Shareholders are requested to immediately notify the change in address, if any.

DIRECTORS' REPORT TO THE SHARE HOLDERS

We are pleased to present Annual Report along with the audited financial statement of the Company for the year ended 30th June, 2010.

1. Summarized Financial Results

	2010	2009
	Rupees	Rupees
Profit before taxation	49,567,976	46,070,281
Taxation		
- current	12,256,253	71,509
- prior years	(1,427,742)	433,512
- deferred	11,453,805	(3,015,269)
	22,282,316	(2,510,248)
Profit after taxation	27,285,660	48,580,529
Unappropriated profit - brought forward	78,724,149	8,756,695
Transfer from Capital Redemption Reserve	15,879,507	0
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the year - net of deferred taxation.	373,577	415,086
Profit available for appropriation	122,262,893	87,752,310
Appropriation		
Nominal value of ordinary and non-voting ordinary Shares issued as fully paid bonus shares	(11,520,000)	0
Dividend on preference shares	0	(9,028,161)
Un appropriated profit - carried to balance sheet	110,742,893	78,724,149
		Restated
Earning per share	2.15	6.86

2. The year under review was marked with instability in the Country in regard to law and order, economic conditions, severe energy crisis and stiff market conditions. Inspite of all these adverse factors, your Company has performed fairly well and has achieved net sales revenue of Rs. 2.436 Billion as against Rs. 1.745 Billion last year, thus showing a growth of 39.6%. The profit before tax has increased from Rs. 46.070 million to Rs. 49. 568 million.

This performance can be attributed to increase in market spread, re-organizing the Sales Team and inducting some strong Distributors, effective cost management, improved utilization of our filling capacities and more importantly keeping the rates of raw milk under control.

We have also invested in brand building for creating awareness of our new products in the market and this has also helped us in improving our sales volumes.

3. Dividend

The board of directors in its meeting held on September 30th, 2010 has recommended a cash dividend of 12%. The proposed dividend has not be included in these financial statements in compliance with the fourth Schedule of the Companies Ordinance, 1984 (as amended).

4. Future Prospects

The management of the company looks forward to the future with confidence and envisages still better performance in the coming year. We have set clearly defined goals for each Department and are also in the process of removing bottlenecks in our production facilities and adding some new equipment to facilitate availability of all the products in line with the growing demands for our products.

However, we do anticipate very severe competition both in selling our brands and collection of raw milk, specially after the recent devastating floods, which has resulted in loss of a very large number of milk producing cattle.

5. Corporate and Financial Reporting Framework

- The financial statement, 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 consistently 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 doubts upon the Company's ability to continue as a 'going concern'.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- Key operating and financial data for the last six years in summarized form is annexed.
- There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as at 30th June 2010 except for those disclosed in the financial statements.
- The value of investments of staff provident fund, based on un-audited accounts, was Rs. 38.155 million as at 30th June, 2010.
- During the year, four meetings of the Board of Directors were held. Attendance by each director was as follow:

Name of Directors	No. of Meetings Attended
Mr. Manzoor Hayat Noon	2
Mr. K. Iqbal Talib	4
Mr. Javed Ali Khan	0
Mr. Safdar M. Hayat Qureshi	4
Mr. Salman Hayat Noon	4
Mr. Adnan Hayat Noon	3
Mr. Zaheer Ahmad Khan	4

- 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 spouses and minor children during the year ended 30th June 2010.

6. Auditors' Report

The auditors in their report on accounts for the year under review have indicated about not charging the depreciation on UHT plant in the financial year ending 30th June 2004 during which only 17% of the rated capacity was utilized. The management considered that the aforesaid capacity utilization was not sufficient to start commercial production in feasible quantities; hence, depreciation was not charged to profit and loss account in that year.

7. Auditors

The present auditors M/s Hameed Chaudhri & Co., Chartered Accountants retire and being eligible offer themselves for re-appointment. The board has received recommendations from its Audit Committee for re-appointment of M/s Hameed Chaudhri & Co., Chartered Accountants as auditors of the Company for the ensuing year.

8. 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 2010, have been duly complied with. A statement to this effect is annexed with the report.

9. Acknowledgement

The board places on record its appreciation of the commendable services of the Company's staff whose hard work and untiring commitment made it possible to achieve the desired goals. We are confident that with the continued zeal and hard work, the Company has a very bright future. We would also like to thank our shareholders, valued customers and financial institutions for their support.

On behalf of the Board

Safdar M. Hayat Qureshi
Director

Salman Hayat Noon
Director

Lahore : 30 September, 2010

Statement of Compliance with the Code of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance contained in Listing Regulation No.35 of the Karachi Stock Exchange and Chapter XI of the listing regulations of the Lahore Stock Exchange 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 Code in the following manner:

1. The Company encourages representation of independent non-executive directors; at present the Board includes five independent non-executive directors.
2. The directors have confirmed that none of them is serving as a director in more than ten 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 in the Board and there was no change of CEO, CFO, Internal Auditor or Company Secretary during the year.
5. The Company has prepared a "Statement of Ethics and Business Practices", which has been signed by all the directors and employees of the Company.
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 at 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 and other executive directors, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman when he was present, and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and it fully describes the salient matters required to be disclosed.
10. The financial statements of the Company were duly endorsed by the CEO and the CFO before approval by the Board.

11. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of share-holding.
12. The Company has complied with all the corporate and financial reporting requirements of the Code.
13. The Board has formed an Audit Committee, which comprises of three members, of whom two are non-executive directors.
14. The meetings of the Audit Committee were held at least once in every quarter prior to approval of interim and final results of the Company as required by the Code.
15. The terms of reference of the Audit Committee have been formulated and advised to the Committee for compliance.
16. The Board has set-up an effective internal audit function.
17. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (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 ICAP.
18. 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.
19. We confirm that all other material principles contained in the Code have been complied with.

Statement of Compliance with the Best Practices on Transfer Pricing (As required by the Listing Regulations)

The Company has fully complied with the best practices on transfer pricing as contained in the listing regulations of the respective Stock Exchanges where the Company is listed.

On behalf of the Board

Safdar M. Hayat Qureshi
Director

Salman Hayat Noon
Director

Lahore : 30 September, 2010

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

We have reviewed the Statement of Compliance with the best practices ("the statement") contained in the Code of Corporate Governance prepared by the Board of Directors of **NOON PAKISTAN LIMITED** ("the Company") to comply with Regulation No. 35 of Chapter XI contained in the Listing Regulations issued by the Karachi and Lahore Stock Exchanges where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance 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 provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of 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's statement covers all risks or controls, or to form an opinion on effectiveness of such internal control, the Company's corporate governance procedures and risks.

Further, Sub-Regulation (xiii a) of Listing Regulation 35 notified by the Karachi Stock Exchange (Guarantee) Limited vide circular KSE / N-269 dated January 19, 2009 requires the Company to place before the Board of Directors for their consideration and approval 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 recording proper justification for using such alternative pricing mechanism. Further, all such transactions are also required to be separately placed before the Audit Committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the Audit Committee. We have not carried out any procedure to determine whether the related party transactions were undertaken at arm's length price or not.

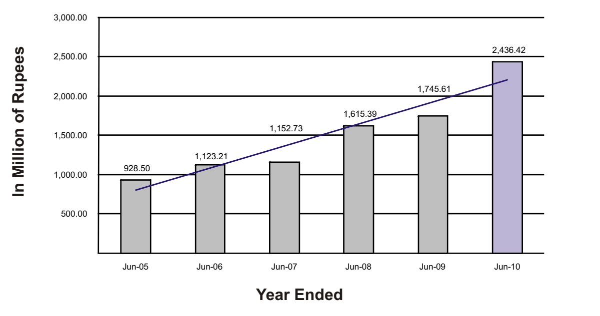
Based on our review, nothing has come to our attention which causes us to believe that the Statement does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended 30 June, 2010.

Hameed Chaudhri & Co.

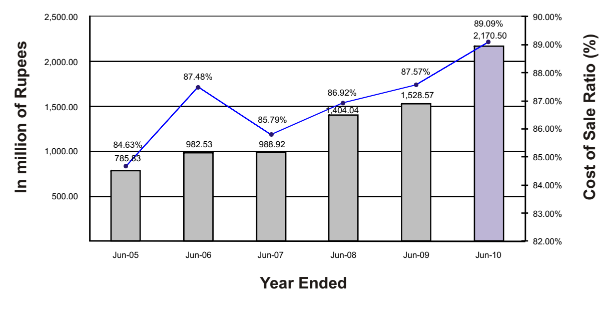
HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS

LAHORE; September 30, 2010.
Audit Engagement Partner : Abdul Majeed Chaudhri

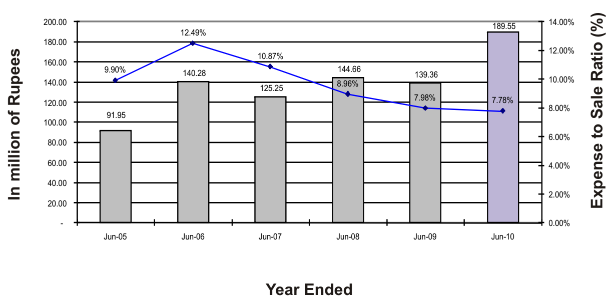
SALES - NET



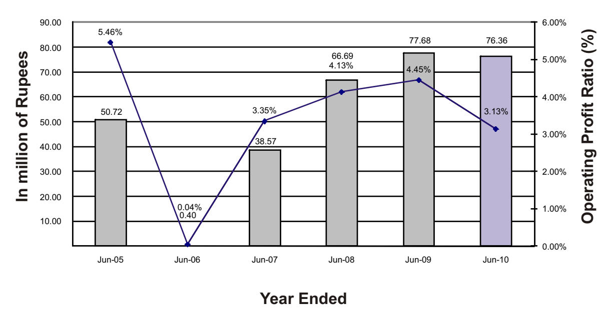
COST OF SALES & RATIO TO SALES



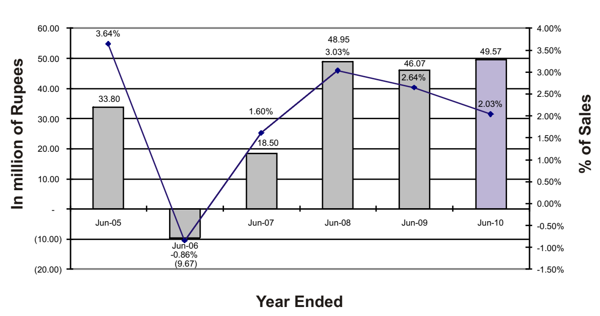
ADMINISTRATION & DISTRIBUTION EXPENSES & RATIO TO SALES



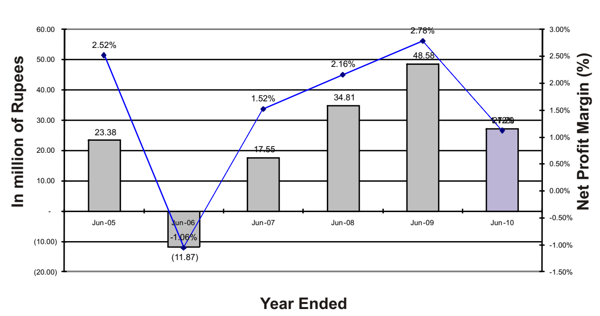
OPERATING PROFIT & RATIO TO SALES

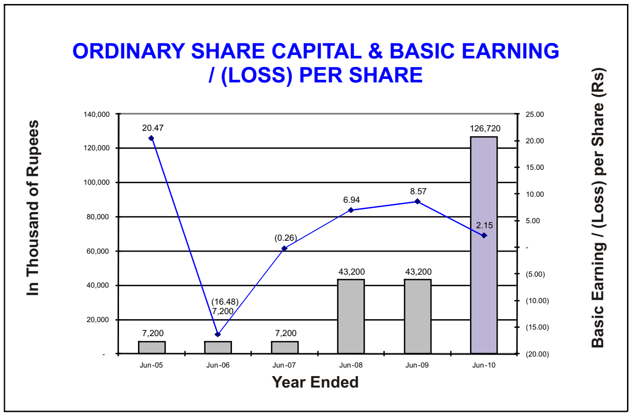


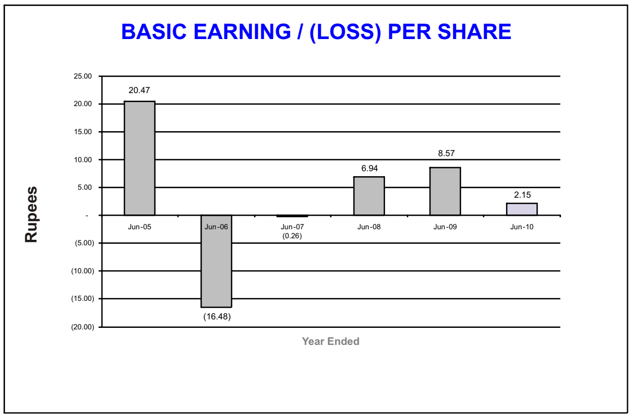
PROFIT BEFORE TAX & RATIO TO SALES

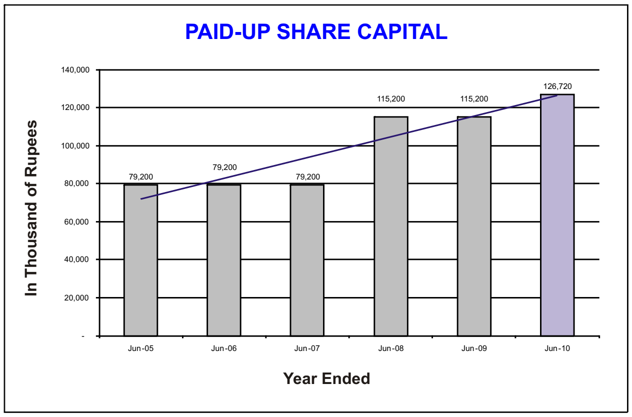


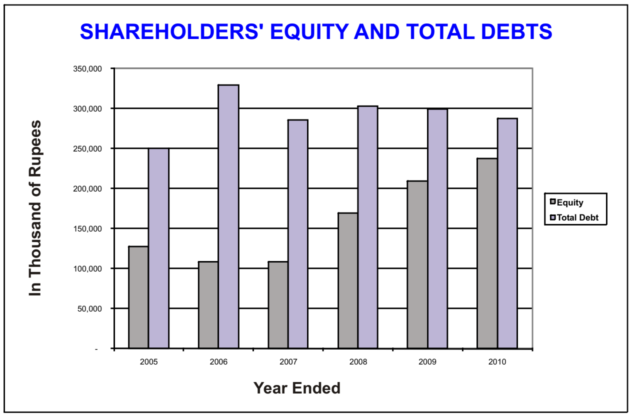
PROFIT AFTER TAX & NET PROFIT MARGIN

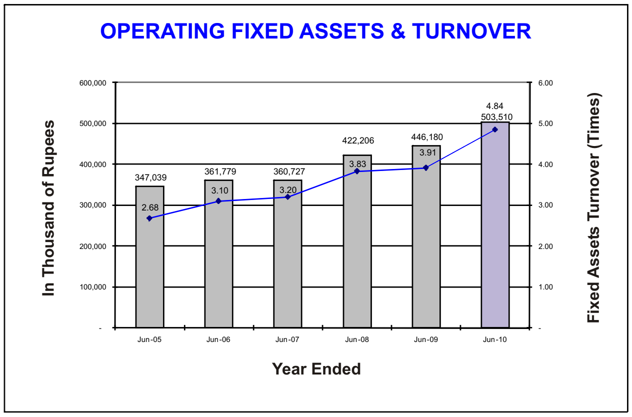


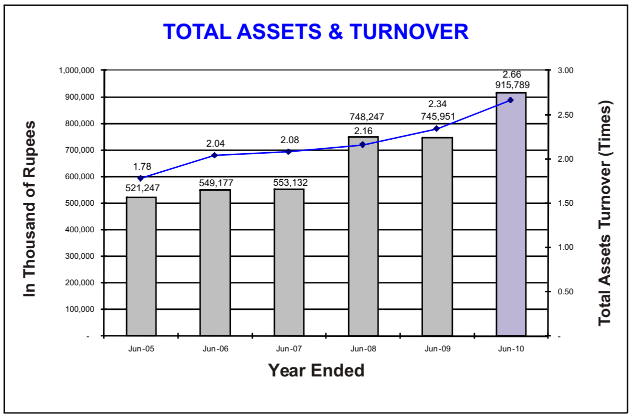

ORDINARY SHARE CAPITAL & BASIC EARNING / (LOSS) PER SHARE
In Thousand of Rupees
Basic Earning / (Loss) per Share (Rs)
20.47
(16.48)
(0.26)
6.94
8.57
2.15
7,200
7,200
7,200
43,200
43,200
126,720
Jun-05
Jun-06
Jun-07
Jun-08
Jun-09
Jun-10
Year Ended


BASIC EARNING / (LOSS) PER SHARE
Rupees
20.47
(16.48)
(0.26)
6.94
8.57
2.15
Jun-05
Jun-06
Jun-07
Jun-08
Jun-09
Jun-10
Year Ended


PAID-UP SHARE CAPITAL
In Thousand of Rupees
79,200
79,200
79,200
115,200
115,200
126,720
Jun-05
Jun-06
Jun-07
Jun-08
Jun-09
Jun-10
Year Ended


SHAREHOLDERS' EQUITY AND TOTAL DEBTS
In Thousand of Rupees
Equity
Total Debt
2005
2006
2007
2008
2009
2010
Year Ended


OPERATING FIXED ASSETS & TURNOVER
In Thousand of Rupees
Fixed Assets Turnover (Times)
347,039
2.68
361,779
3.10
360,727
3.20
422,206
3.83
446,180
3.91
4.84
503,510
Jun-05
Jun-06
Jun-07
Jun-08
Jun-09
Jun-10
Year Ended


TOTAL ASSETS & TURNOVER
In Thousand of Rupees
Total Assets Turnover (Times)
1.78
521,247
2.04
549,177
2.08
553,132
748,247
2.16
2.34
745,951
2.66
915,789
Jun-05
Jun-06
Jun-07
Jun-08
Jun-09
Jun-10
Year Ended

SIX YEARS' REVIEW AT A GLANCE

PARTICUALRS		YEAR					
		2010	2009	2008	2007	2006	2005
Raw Material Processed							
Fresh Milk	Kgs.	43,098,600	38,438,598	47,770,115	36,790,300	34,325,390	29,280,031
Skimmed milk	Kgs.	0	0	0	0	0	155,635
Cream	Kgs.		8,308	0	0	6,630	0
Production							
UHT Regular Milk	Kgs.	20,385,290	16,246,333	18,900,404	16,395,520	21,767,354	18,821,847
UHT Flavoured Milk	Kgs.	4,075,407	2,498,299	1,864,517	1,403,663	40,227	0
UHT Cream	Kgs.	461,722	345,580	530,523	378,589	957,038	523,202
Butter	Kgs.	1,011,925	862,622	1,050,708	967,953	587,298	647,136
Milk powder	Kgs.	1,160,508	930,894	1,107,870	785,709	608,135	591,033
Cheese	Kgs.	206,508	194,020	210,026	204,393	173,321	170,883
Ghee	Kgs.	52,190	31,331	126,327	53,228	109,030	73,101
Cream	Kgs.	3,490	0	202,960	16,688	5	4
Pasteurised milk	Kgs.	2,663,294	1,806,733	1,847,110	1,589,895	1,453,107	1,794,554
Jam	Kgs.	42,812	23,735	44,775	42,803	39,589	26,186
Honey	Kgs.	-	0	0	750	0	948
Juices	Kgs.	10,341,160	10,402,443	4,184,944	98,786	131,590	0
Key Financial Data							(Rs. in 000's)
Paid up capital	Rs.	126,720	115,200	115,200	79,200	79,200	79,200
Reserves and surplus	Rs.	110,743	94,603	54,636	29,558	29,818	48,314
Shareholders equity	Rs.	237,463	209,803	169,836	108,758	109,018	127,514
Fixed Assets - Cost less depreciation	Rs.	503,510	446,180	422,206	360,727	366,237	347,039
Total Assets	Rs.	915,789	745,951	748,247	553,132	559,209	521,247
Total Debts	Rs.	288,126	299,536	303,591	286,235	329,699	250,731
Sales – net	Rs.	2,436,416	1,745,609	1,615,387	1,152,735	1,123,211	928,498
Cost of sales	Rs.	2,170,498	1,528,572	1,404,037	988,921	925,831	785,825
Gross profit	Rs.	265,918	217,038	211,350	163,814	197,380	142,673
Profit/(loss) before tax	Rs.	49,568	46,070	48,950	18,486	(9,666)	33,804
Profit/(loss) after tax	Rs.	27,286	48,581	34,813	17,544	(11,865)	23,379
Cash dividend	%	12	0	0	0	0	100
Bonus shares	%	0	10	0	0	0	0
Preference dividend	Rs.	0	9,028	10,195	18,317	0	8,640
Key Ratios							
Gross Profit	%	10.91	12.43	13.08	14.21	12.52	15.37
Operating Profit	%	3.67	4.45	4.13	3.35	0.04	5.46
Net Profit/(loss)	%	1.12	2.78	2.16	1.52	(1.06)	2.52
Fixed Assets Turnover	Times	4.84	3.91	3.82	3.19	3.07	2.68
Total Assets Turnover	Times	2.66	2.34	2.16	2.08	2.01	1.78
Basic Earning / (loss) per share	Rs.	2.15	8.57	6.94	(.26)	(16.48)	20.47
Diluted Earning / (loss) per share	Rs.	N/A	N/A	3.24	0	0	2.95
Debt Equity Ratio	Times	1.21	1.43	1.79	2.63	75 : 25	66 : 34
Current Ratio	Times	0.73	0.81	.85	0.65	0.85 : 1	0.74 : 1
Interest Coverage Ratio	Times	2.24	1.90	2.37	1.5	0.61 : 1	3.15 : 1

THE COMPANIES ORDINANCE 1984 **FORM 34**

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** : **30-06-2010**

4.

Number of Shareholders	Shareholding From	Shareholding To	Total Shares	Percentage
521	1	100	31,701	0.67
220	101	500	59,732	1.26
68	501	1,000	48,798	1.03
69	1,001	5,000	141,276	2.97
14	5,001	10,000	106,142	2.23
4	10,001	15,000	47,695	1.00
2	15,001	20,000	33,800	0.71
1	20,001	25,000	23,760	0.50
1	40,001	45,000	41,817	0.88
1	70,001	75,000	73,139	1.54
1	75,001	80,000	79,200	1.67
1	110,001	115,000	110,026	2.32
1	195,001	200,000	198,000	4.17
1	245,001	250,000	246,576	5.19
1	1,205,001	1,210,000	1,205,249	25.36
1	2,305,001	2,310,000	2,305,089	48.51
907			**4,752,000**	**100.00**

5.

	CATEGORIES OF SHAREHOLDERS	SHARES HELD	PERCENTAGE
5.1	Directors, Chief Executive, Officers and their spouse and minor children	**3,540,397**	**74.50**
5.2	Associated Companies, undertakings and related parties	**0**	**0**
5.3	NIT	**0**	**0**
	IDBP (ICP UNIT)	**11,204**	**0.24**
5.4	Banks, Development Financial Inst. Non Banking Financial Institutions.	**198,840**	**4.18**
5.5	Insurance Companies	**246,642**	**5.19**
5.6	Modarabas and Mutual Funds	**0**	**0**
5.7	Shareholders holding 10% Mr. Manzoor Hayat Noon	**3,510,338**	**73.87**
5.8	General Public		
	a. Local	**742,098**	**15.62**
	b. Foreign	**199,584**	**4.20**
5.9	OTHERS (Joint stock /Investment Companies etc.)	**12,819**	**0.27**

6. Signature of Company Secretary
7. Name of Signatory — **Syed Anwar Ali**
8. Designation — **Company Secretary**
9. NIC Number — **35200-2711479-3**
10. Date — **30 June, 2010**

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** : **30-06-2010**

4.

Number of Shareholders	Shareholding From	Shareholding To	Total Shares	Percentage
12	1	100	441	0.01
14	101	500	2,758	0.03
51	501	1,000	38,717	0.49
30	1,001	5,000	61,350	0.77
8	5,001	10,000	62,210	0.79
7	10,001	15,000	85,042	1.07
3	15,001	20,000	52,756	0.67
2	20,001	25,000	41,202	0.52
2	30,001	35,000	64,218	0.81
2	35,001	40,000	78,100	0.99
1	75,001	80,000	78,078	0.99
1	80,001	85,000	82,379	1.04
1	115,001	120,000	115,093	1.45
1	130,001	135,000	133,100	1.68
1	430,001	435,000	434,500	5.49
1	540,001	545,000	540,056	6.82
1	765,001	770,000	770,000	9.72
1	1,095,001	1,100,000	1,100,000	13.89
1	1,975,001	1,980,000	1,980,000	25.00
1	2,195,001	2,200,000	2,200,000	27.78
141			**7,920,000**	**100.00**

5.

	CATEGORIES OF SHAREHOLDERS	SHARES HELD	PERCENTAGE
5.1	Directors, Chief Executive, Officers and their spouse and minor children	**696,135**	**8.79**
5.2	Associated Companies, undertakings and related parties	**3,734,500**	**47.15**
5.3	NIT	**0**	**0**
	ICP	**0**	**0**
5.4	Banks, Development Financial Inst. Non Banking Financial Institutions.	**2,750,000**	**34.72**
5.5	Insurance Companies	**0**	**0**
5.6	Modarabas and Mutual Funds	**0**	**0**
5.7	**Shareholders holding 10%**		
	Noon Sugar Mills Limited	**2,200,000**	**27.78**
	Noon Pakistan Ltd. - Staff Provident Fund Trust	**1,100,000**	**13.89**
	BHF-BANK (SWITZERLAND) LTD	**1,980,000**	**25.00**
5.8	**General Public**		
	a. Local	**682,165**	**8.61**
	b. Foreign	**1,980,000**	**25.00**
5.9	**OTHERS** (Joint Stock / Investment Companies, Coop. Societies, Trusts etc.)	**57,200**	**0.72**

6.	Signature of Company Secretary	
7.	Name of Signatory	**Syed Anwar Ali**
8.	Designation	**Company Secretary**
9.	NIC Number	**35200-2711479-3**
10.	Date	**30 June, 2010**

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **NOON PAKISTAN LIMITED** as at 30 June, 2010 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, except for the changes as stated in note 5.1 to the financial statements, with which we concur;

(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, except for the contents of note 22.3 and the extent to which this may affect the annexed financial statements, respectively give a true and fair view of the state of the Company's affairs as at 30 June, 2010 and of the profit, comprehensive income, 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).

Hameed Chaudhri & Co.

HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS

LAHORE; September 30, 2010.
Audit Engagement Partner: Abdul Majeed Chaudhri

BALANCE SHEET

	Note	2010 Rupees	2009 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorised capital	8.1	**205,000,000**	200,000,000
Issued, subscribed and paid- up capital	8.2	**126,720,000**	115,200,000
Capital redemption reserve	9	**0**	15,879,507
Unappropriated profit		**110,742,893**	78,724,149
		237,462,893	209,803,656
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	10	**21,671,986**	22,045,563
DEFERRED INCOME	11	**2,583,937**	6,785,581
NON-CURRENT LIABILITIES			
Term and demand finances	12	**26,645,798**	62,173,548
Loan from chief executive	13	**37,724,233**	48,152,046
Liabilities against assets subject to finance lease	14	**451,991**	10,750,117
Deferred taxation	15	**28,095,958**	16,642,153
		92,917,980	137,717,864
CURRENT LIABILITIES			
Trade and other payables	16	**316,041,398**	176,745,463
Accrued mark-up and interest	17	**8,621,157**	9,019,066
Short term finances	18	**176,684,539**	130,339,972
Current portion of :			
- term and demand finances	12	**36,361,078**	33,027,744
- liabilities against assets subject to finance lease	14	**10,258,816**	15,093,067
Taxation	19	**12,256,253**	165,709
Dividends	20	**929,401**	5,206,912
		561,152,642	369,597,933
CONTINGENCIES AND COMMITMENTS	21		
		915,789,438	745,950,597

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

The Chief Executive is out of Pakistan and in his absence these financial statements have been signed by two Directors as required under section 241(2) of the Companies Ordinance, 1984.

SALMAN HAYAT NOON

DIRECTOR

AS AT 30 JUNE, 2010

	Note	2010 Rupees	2009 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	22	**503,509,658**	446,179,682
Intangible asset	23	**105,565**	172,225
Loans to employees	24	**0**	29,050
Security deposits		**1,209,923**	496,323
		504,825,146	446,877,280
CURRENT ASSETS			
Stores, spares and loose tools	25	**97,065,534**	69,579,339
Stock-in-trade	26	**84,595,000**	90,035,000
Trade debts - unsecured considered good		**92,007,844**	61,764,021
Loans and advances	27	**10,194,588**	6,159,258
Short term security deposits and prepayments	28	**18,475,972**	9,025,668
Due from Associated Companies	29	**1,003,924**	1,265,054
Other receivables	30	**593,232**	471,173
Sales tax refundable		**63,858,905**	41,245,553
Advance income tax, tax deducted at source and income tax refundable		**19,818,679**	8,685,689
Cash and bank balances	31	**23,350,614**	10,842,562
		410,964,292	299,073,317
		915,789,438	745,950,597

SAFDAR M. HAYAT QURESHI
DIRECTOR

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE, 2010

	Note	2010 Rupees	2009 Rupees
SALES - Net	32	**2,436,416,122**	1,745,609,302
COST OF SALES	33	**2,170,498,348**	1,528,571,786
GROSS PROFIT		**265,917,774**	217,037,516
DISTRIBUTION COST	34	**133,944,228**	96,814,260
ADMINISTRATIVE EXPENSES	35	**55,609,577**	42,545,785
OTHER OPERATING EXPENSES	36	**8,457,166**	4,576,538
OTHER OPERATING INCOME	37	**(21,545,392)**	(24,075,639)
		176,465,579	119,860,944
PROFIT FROM OPERATIONS		**89,452,195**	97,176,572
FINANCE COST	38	**39,884,219**	51,106,291
PROFIT BEFORE TAXATION		**49,567,976**	46,070,281
TAXATION			
- Current	19	**12,256,253**	71,509
- Prior years	19	**(1,427,742)**	433,512
- Deferred	15	**11,453,805**	(3,015,269)
		22,282,316	(2,510,248)
PROFIT AFTER TAXATION		**27,285,660**	48,580,529
EARNINGS PER SHARE			*Restated*
- basic and diluted	39	**2.15**	6.86

The annexed notes form an integral part of these financial statements.
Appropriations have been reflected in the statement of changes in equity.
The Chief Executive is out of Pakistan and in his absence these financial statements have been signed by two Directors as required under section 241(2) of the Companies Ordinance, 1984.

Salman Hayat Noon
DIRECTOR

Safdar M. Hayat Qureshi
DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE, 2010

	2010 Rupees	2009 Rupees
PROFIT AFTER TAXATION	**27,285,660**	48,580,529
Other Comprehensive Income for the year	**0**	0
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**27,285,660**	48,580,529

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

The Chief Executive is out of Pakistan and in his absence these financial statements have been signed by two Directors as required under section 241(2) of the Companies Ordinance, 1984.

Salman Hayat Noon
DIRECTOR

Safdar M. Hayat Qureshi
DIRECTOR

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE, 2010

	2010 Rupees	2009 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year - before taxation	**49,567,976**	46,070,281
Adjustments for non-cash charges and other items:		
Depreciation	**49,193,835**	43,098,581
Amortization of computer software	**66,660**	27,775
Gain on sale of operating fixed assets	**(5,164,674)**	(10,842,639)
Finance cost	**39,884,219**	51,106,291
Receivable balances written-off	**3,119,841**	0
Payable balances written-back	**(338,078)**	0
Deferred income recognised	**(4,201,644)**	(4,201,644)
Profit on bank deposits	**(479,950)**	(113,607)
Exchange fluctuation loss	**58,807**	0
CASH INFLOW FROM OPERATING ACTIVITIES		
- Before working capital changes	**131,706,992**	125,145,038
(Increase) / decrease in current assets:		
Stores, spares and loose tools	**(27,486,195)**	23,637,099
Stock-in-trade	**5,440,000**	(16,607,000)
Trade debts	**(33,363,664)**	(10,811,988)
Loans and advances	**(4,035,330)**	(4,340,584)
Short term security deposits and prepayments	**(9,450,304)**	(3,042,557)
Due from Associated Companies	**261,130**	(1,265,054)
Other receivables	**(57,345)**	410,282
Sales tax refundable	**(22,613,352)**	20,006,843
Increase / (decrease) in trade and other payables	**139,575,206**	(9,597,609)
	48,270,146	(1,610,568)
CASH INFLOW FROM OPERATING ACTIVITIES - Before taxation	**179,977,138**	123,534,470
Income tax paid	**(9,870,957)**	(8,482,487)
NET CASH INFLOW FROM OPERATING ACTIVITIES - After taxation	**170,106,181**	115,051,983

	2010 Rupees	2009 Rupees
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(120,138,137)**	(66,324,716)
Sale proceeds of operating fixed assets	**18,779,000**	25,743,944
Intangible asset purchased	**0**	(200,000)
Loans to employees - net	**29,050**	6,800
Security deposits	**(713,600)**	(6,400)
Profit on bank deposits received	**415,236**	2,868
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	**(101,628,451)**	(40,777,504)
CASH FLOW FROM FINANCING ACTIVITIES		
Term and demand finances - net	**(32,194,416)**	7,914,473
Loan from chief executive - net	**(10,427,813)**	(8,393,154)
Lease finances - net	**(15,132,377)**	(18,223,214)
Short term finances - net	**46,344,567**	6,396,835
Short term loan from chief executive	**0**	(4,500,000)
Finance cost paid	**(40,282,128)**	(51,983,529)
Dividends paid	**(4,277,511)**	(23,935,583)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES	**(55,969,678)**	(92,724,172)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**12,508,052**	(18,449,693)
CASH AND CASH EQUIVALENTS - At beginning of the year	**10,842,562**	29,292,255
CASH AND CASH EQUIVALENTS - At end of the year	**23,350,614**	10,842,562

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

The Chief Executive is out of Pakistan and in his absence these financial statements have been signed by two Directors as required under section 241(2) of the Companies Ordinance, 1984.

Salman Hayat Noon
DIRECTOR

Safdar M. Hayat Qureshi
DIRECTOR

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE, 2010

	Share capital	Capital redemption reserve	Unapprop-riated profit	Total
	(Rupees)			
Balance as at 30 June, 2008	115,200,000	15,879,507	38,756,695	169,836,202
Total comprehensive income for the Year ended 30 June, 2009	0	0	48,580,529	48,580,529
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the year-net of deferred taxation	0	0	415,086	415,086
	0	0	48,995,615	48,995,615
Transactions with owners:				
Dividend on preference shares	0	0	(9,028,161)	(9,028,161)
Conversion of 12% cumulative convertible preference shares into non-voting ordinary shares	(72,000,000)	0	0	(72,000,000)
Nominal value of non-voting ordinary shares issued against conversion of 12% cumulative preference shares	72,000,000	0	0	72,000,000
	0	0	(9,028,161)	(9,028,161)
Balance as at 30 June, 2009	115,200,000	15,879,507	78,724,149	209,803,656
Total comprehensive income for the year ended 30 June, 2010	0	0	27,285,660	27,285,660
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the year-net of deferred taxation	0	0	373,577	373,577
	0	0	27,659,237	27,659,237
Transactions with owners:				
Nominal value of ordinary and non-voting ordinary shares issued as fully paid bonus shares	11,520,000	0	(11,520,000)	0
Transfer after conversion of 12% cumulative convertible preference shares into non-voting ordinary shares	0	(15,879,507)	15,879,507	0
	11,520,000	(15,879,507)	4,359,507	0
Balance as at 30 June, 2010	**126,720,000**	**0**	**110,742,893**	**237,462,893**

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

The Chief Executive is out of Pakistan and in his absence these financial statements have been signed by two Directors as required under section 241(2) of the Companies Ordinance, 1984.

Salman Hayat Noon
DIRECTOR

Safdar M. Hayat Qureshi
DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2010

1. CORPORATE INFORMATION

Noon Pakistan Limited (the Company) was incorporated in Pakistan on 26 September, 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 1st Floor, Alfalah Building, Shahrah-e-Quaid-e-Azam, Lahore and the plant is located at Bhalwal, District Sargodha.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 shall prevail.

3. BASIS OF MEASUREMENT

3.1 Accounting convention

These financial statements have been prepared under the historical cost convention except as disclosed in the relevant accounting policies.

3.2 Functional and presentation currency

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The estimates / judgments and associated assumptions used in the preparation of financial statements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates / judgments and associated assumptions are reviewed on an ongoing basis. Revision to the accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The estimates, judgments and assumptions that have significant effect on the financial statements are as follows:

a) recognition and measurement of deferred tax assets and liabilities;
b) provisions and contingencies;
c) useful life and residual value of property, plant and equipment and intangible assets;
d) provision for impairment of trade debts and other receivables;
e) provision against slow moving inventories; and
f) taxation.

5. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

5.1 Standards, amendments to published standards and interpretations that are effective in the current year and are relevant to the Company:

(a) IAS 1 (revised) - 'Presentation of Financial Statements', requires presentation of transactions with owners in Statement of Changes in Equity and with non-owners in the Statement of Comprehensive Income. The revised standard requires an entity to opt for presenting such transactions either in a single statement of comprehensive income or in an income statement and a separate statement of comprehensive income. The Company has applied IAS 1 (revised) from 01 July, 2009 and elected to present two statements; a profit and loss account and a statement of comprehensive income. Comparative information has also been re-presented so it is in conformity with the revised standard. As this change only impacts presentation aspects, there is no impact on profit for the year.

(b) Revised IAS 23 'Borrowing Costs' (amendment) removes the option to expense borrowing costs and requires that an entity capitalis borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The Company's current accounting policy is in compliance with this amendment and, therefore, there is no effect of this change on the Company's financial statements.

(c) IFRS 8 'Operating Segments' introduces the 'management approach' to segment reporting. IFRS 8 requires a change in the presentation and disclosure of segment information based on the internal reports regularly reviewed by the Company's decision makers in order to assess each segment's performance and to allocate resources to them. Management has determined that the Company has a single reportable segment and therefore the adoption of the said IFRS has only resulted in some entity wide disclosures.

5.2 Standards, amendments to published standards and interpretations that are effective for the annual periods beginning on or after 01 January, 2009 but not relevant to the Company' s financial statements

Other new standards, interpretations and amendments to existing standards, which are mandatory for accounting periods beginning on or after 01 January, 2009 are considered not to be relevant nor have any significant effect on the Company's operations; therefore are not detailed in these financial statements.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted 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.

6.1 Equity instruments

These are recorded at their face value.

6.2 Staff retirement benefits (defined contribution plan)

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

6.3 Taxation

(a) Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates available, if any.

(b) Deferred

Deferred tax is recognised using the balance sheet liability method in respect of all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are 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 liability is based on the expected tax rates applicable at the time of reversal.

6.4 Property, plant and equipment and depreciation Operating fixed assets

Operating fixed assets are stated at cost / revalued amount less accumulated depreciation and any identified impairment loss except freehold land, which is stated at cost. Cost of some items of plant & machinery consists of historical cost and exchange fluctuation effects on foreign currency loans capitalised during prior years. Borrowing costs are also capitalised for the period up to the date of commissioning of the respective assets, acquired out of the proceeds of such borrowings.

Freehold land, buildings on freehold land and plant & machinery of the Company were revalued on 30 June, 1999 by independent Valuers; these property, plant and equipment are shown at such revalued amounts. The surplus on revaluation on these assets shall be held on the balance sheet till realisation in accordance with the requirements of section 235 of the Companies Ordinance, 1984.

Depreciation is taken to profit and loss account 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 22.1. 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 property, plant and equipment 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.

Normal repairs and replacements are taken to profit and loss account. Major improvements and modifications are capitalised and assets replaced, if any, other than those kept as stand-by, are retired.

Gain / loss on disposal of property, plant and equipment, 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.

6.5 Intangible Assets

Expenditure incurred to acquire computer software is capitalised as intangible asset and stated at cost less accumulated amortisation and any identified impairment loss. Expenditure which enhances or extends the performance of computer software beyond its original specification and useful life is recognised as a capital improvement and added to the original cost of the software.

Intangible assets are amortised using the straight-line method over a period of three years. Amortisation on additions to intangible assets is charged from the month in which an asset is put to use and on disposal upto the month of disposal.

6.6 Assets subject to finance lease

These are stated at the lower of present value of minimum lease payments under the lease agreements and the fair value of the assets. The related obligations of lease are accounted for as liabilities. Finance cost is allocated to accounting periods in a manner so as to provide a constant periodic rate of finance cost on the remaining balance of principal liability for each period.

Depreciation is charged to income at the rates stated in note 22.1 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 asset at the end of lease period.

6.7 Stores and spares

These are valued at moving average cost. Items-in-transit are valued at cost accumulated to the balance sheet date.

6.8 Stock-in-trade

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.

6.9 Trade debts

Trade debts are carried at original invoice amount less an estimate for doubtful debts based on review of outstanding amounts at the year-end. Bad debts are written-off when identified.

6.10 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash-in-hand and balances at banks.

6.11 Borrowing costs

Borrowing costs incurred on finances obtained for acquisition of fixed assets are capitalised up to the date of commissioning of the respective assets. All other borrowing costs are taken to profit and loss account.

6.12 Provisions

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

6.13 Foreign currency translation

Transactions in foreign currencies are accounted for in Pak Rupees at the exchange rates prevailing at the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at rates of exchange prevailing at the balance sheet date. Foreign exchange differences are recognised in the profit and loss account.

6.14 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

6.15 Off-setting of financial instruments

Financial assets and liabilities are off-set and the net amount reported in the balance sheet when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

6.16 Related party transactions

Sale, purchase and other transactions with related parties are made at arm's length prices determined in accordance with the comparable uncontrolled price method except for the allocation of expenses relating to combined offices shared with the Associates, which are on the actual basis.

6.17 Revenue recognition

- Sales are recognised on dispatch of goods to customers.
- Return on deposit / saving accounts is accounted for on `accrual basis'.

6.18 Borrowings

Loans and borrowings are initially recognised at the proceeds received; subsequent to initial recognition, these are stated at amortised cost.

6.19 Trade and other payables

Creditors relating to 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.

6.20 Loans and advances

These are stated at cost.

6.21 Dividend distribution

Ordinary dividend distribution to shareholders is recognised as liability in the financial statements in the period in which the dividend is approved.

6.22 Impairment

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

7. STANDARDS, AMENDMENTS TO PUBLISHED STANDARDS AND INTERPRETATIONS TO EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED BY THE COMPANY.

The following standards, amendments and interpretations of International Financial Reporting Standards will be effective for accounting periods beginning on or after the dates specified below:

7.1 IAS 1 (amendment), 'Presentation of Financial Statements'. The amendment is part of the IASB's annual improvements project published in April 2009 (effective for annual periods beginning on or after 01 January, 2010). The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time. This amendment is not expected to have a material impact on the Company's financial statements.

7.2 IAS 38 (amendment), 'Intangible Assets'. The amendment is part of the IASB's annual improvements project published in April 2009. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives. This amendment will not result in a material impact on the Company's financial statements.

7.3 IFRS 5 (amendment), 'Measurement of Non-current Assets (or disposal groups) Classified as Held-for-Sale' (effective for annual periods beginning on or after 01 January, 2010). The amendment is part of the IASB's annual improvements project published in April 2009. The amendment provides clarification that IFRS 5 specifies the disclosure required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirements of IAS 1 still apply, particularly paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1. This amendment is not expected to have a material impact on the Company's financial statements.

7.4 IFRIC 19. 'Extinguishing Financial Liabilities with Equity Instruments' (effective for annual periods beginning on or after 01 July, 2010). This interpretation provides guidance on the accounting for debt for equity swaps. This interpretation has no impact on the Company's financial statements.

In addition to the above, there are number of amendments in other IFRSs and various accounting standards, which have also been issued by the IASB as a result of its annual improvements project in April 2009. Such improvements are generally effective for accounting periods beginning on or after 01 January, 2010. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements.

8. SHARE CAPITAL

8.1 Authorised:

		Note	2010 Rupees	2009 Rupees
5,000,000	(2009: 4,500,000) ordinary shares of Rs.10 each	8.4	**50,000,000**	45,000,000
7,500,000	(2009: 7,500,000) 12% redeemable cumulative convertible preference shares of Rs. 10 each		**75,000,000**	75,000,000
8,000,000	(2009: 8,000,000) non-voting ordinary shares of Rs.10 each		**80,000,000**	80,000,000
20,500,000			**205,000,000**	200,000,000

8.2 Issued, subscribed and paid-up:

		Note	2010 Rupees	2009 Rupees
4,100,000	(2009: 4,100,000) ordinary shares of Rs.10 each fully paid in cash		**41,000,000**	41,000,000
652,000	(2009: 220,000) ordinary shares of Rs.10 each issued as fully paid bonus shares	8.4	**6,520,000**	2,200,000
7,200,000	(2009: 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
720,000	Non-voting ordinary shares of Rs.10 each issued as fully paid bonus shares	8.4	**7,200,000**	0
12,672,000			**126,720,000**	115,200,000

8.3 Noon Sugar Mills Limited (An Associated Company) holds 2,200,000 (2009: 2,000,000) non-voting ordinary shares as at 30 June, 2010.

8.4 The Company's shareholders, in the Annual General Meeting held on 29 October, 2009, had resolved the following:

(a) Authorised share capital of the Company be increased from Rs.200 million to Rs.205 million.

(b) Fully paid bonus shares in proportion of 10 shares for every 100 shares be issued i.e. 432,000 ordinary shares of Rs.10/- each and 720,000 non-voting ordinary shares of Rs.10/- each.

9. CAPITAL REDEMPTION RESERVE

The Company had created a redemption reserve and appropriated the required amount annually from the profit and loss appropriation account to ensure that reserve balance at the redemption date is equal to the principal amount of preference shares. However, for the last four years, no appropriation had been made. This reserve remained unutilised as preference shares had been converted into non-voting ordinary shares. The Board of Directors, in its meeting held on 23 April, 2010, had resolved that the amount of Rs.15,879,507 standing in the redemption reserve account having fallen redundant and be transferred to the unappropriated profit.

10. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Freehold land, buildings on freehold land and plant & machinery of the Company were revalued on 30 June, 1999 by M/s Hamid Mukhtar & Co. - Independent Valuation Consultants and Surveyors, Lahore - to replace the carrying values of these assets with their market values / depreciated market values. The aggregated appraisal surplus arisen on the revaluation amounting Rs.34.793 million was credited to this account to comply with the requirements of section 235 of the Companies Ordinance, 1984. The Company had incorporated the revaluation adjustments with effect from 01 July, 1999. The revaluation surplus has been adjusted only by incremental depreciation arising out of revaluation and deferred taxation. The year-end balance has been arrived at as follows:

	2010 Rupees	2009 Rupees
Opening balance	**22,045,563**	22,460,649
Less: transferred to unappropriated profit on account of incremental depreciation for the year - net of deferred taxation	**373,577**	415,086
Closing balance	**21,671,986**	22,045,563

11. DEFERRED INCOME

	2010 Rupees	2009 Rupees
Opening balance	**6,785,581**	8,088,531
Add: income deferred during the year	**0**	2,898,694
	6,785,581	10,987,225
Less: income recognised during the year	**4,201,644**	4,201,644
	2,583,937	6,785,581

11.1 Refer to notes 14.3 and 14.4.

12. TERM AND DEMAND FINANCES - Secured

	Note	2010 Rupees	2009 Rupees
Allied Bank Limited (ABL)			
- Demand finance	**12.1**	**44,673,548**	70,201,292
NIB Bank Limited (NIB)			
- Term finance	**12.2**	**18,333,328**	25,000,000
		63,006,876	95,201,292
Less: Current portion grouped under current liabilities			
- ABL		**25,527,744**	25,527,744
- NIB (including an overdue instalment of Rs.833,334)		**10,833,334**	7,500,000
		36,361,078	33,027,744
		26,645,798	62,173,548

12.1 The Company, during December, 2007, had finalised banking arrangements with Allied Bank Ltd. (ABL) whereby ABL had provided a demand finance facility of Rs.80 million, which had been utilised by the Company to pay-off directly the demand finance facilities available from Habib Bank Limited. The demand finance facility from ABL is repayable in 12 equal quarterly instalments commenced April, 2009 and carries mark-up at the rate of 3-months KIBOR+1.50% per annum. The effective mark-up rate charged by ABL during the current financial year ranged from 13.84% to 14.27% (2009: 14.27% to17.02%) per annum. Demand finance facility from ABL is secured against 1st pari passu charge of Rs.295 million on fixed assets of the Company excluding the charge of Rs.35 million of NIB Bank Limited (2009: Rs.120.340 million of The Royal Bank of Scotland) on specific Tetra Pak machinery exclusively mortgaged with them.

12.2 The Company, during April, 2009, had arranged a term finance facility of Rs.25 million from NIB Bank Limited to finance import of Tetra Pak filling equipment. The facility carries mark-up at the rate of 6 month KIBOR plus 200 bps with floor of 13% and is secured against 1st pari passu charge over plant and machinery for Rs. 35 million and letter of comfort from Tetra Pak Pakistan Limited. The effective mark-up charged by the bank during the year ranged from 14.43% to 14.76% (2009: at the rate of 15.35%) per annum.

13. LOAN FROM CHIEF EXECUTIVE - Unsecured

The Chief Executive of the Company, during the financial year ended 30 June, 2006, had arranged loans aggregating Rs.54 million by borrowing the equivalent amounts from a commercial bank. The Company is liable to pay mark-up on these loans at the same rate as the Chief Executive has to pay to the bank on the loans obtained by him. These loans, during the current financial year, have carried mark-up at the rates ranging from 13.64% to 14.07% (2009: 15.59% to 20.00%) per annum. The Company is also liable to reimburse to Chief Executive the charges and fees payable by him to the bank on the loan amounts.

Movement in this account during the current financial year was as follows:

Opening balance	**48,152,046**	56,545,200
Add: additional amounts disbursed during the year	**10,000,000**	12,000,000
Less: amounts repaid during the year	**(20,427,813)**	(20,393,154)
Balance as at 30 June	**37,724,233**	48,152,046

As per the sub-ordination agreement entered into between the Chief Executive and Allied Bank Ltd. (ABL) on 24 December, 2007, this loan has been made sub-ordinate to the finance facilities extended by ABL to the Company.

14. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE - Secured

Particulars	2010			2009		
	Upto one year	**From one to five years**	**Total**	Upto one year	From one to five years	Total
	Rupees					
Minimum lease payments	**30,034,933**	**5,554,969**	**35,589,902**	**17,886,692**	**35,684,426**	**53,571,118**
Less: finance costs allocated to future periods	**596,117**	**2,978**	**599,095**	**2,793,625**	**654,309**	**3,447,934**
	29,438,816	**5,551,991**	**34,990,807**	**15,093,067**	**35,030,117**	**50,123,184**
Less: security deposits adjustable on expiry of lease terms	**19,180,000**	**5,100,000**	**24,280,000**	**0**	**24,280,000**	**24,280,000**
Present value of minimum lease payments	**10,258,816**	**451,991**	**10,710,807**	**15,093,067**	**10,750,117**	**25,843,184**

14.1 The Company, during February, 2008, had entered into lease agreement with Askari Bank Ltd. to acquire vehicle. The liability under the lease agreement is payable in monthly instalments by January, 2011 and during the current financial year was subject to finance cost at the rate of 15% (2009: at the rates ranging from12.92% to 15%) per annum. The Company intends to exercise its option to purchase the leased vehicle upon completion of the lease term. The lease liability is secured against demand promissory note and registration of title of vehicle in the name of lessor.

14.2 The Company, during September, 2006, had obtained a lease finance facility of Rs.3.860 million from The Bank of Punjab (BoP) under Kisan Dost Livestock Development Scheme to acquire Farm Cooling Tanks along with its allied accessories. This finance facility is repayable in 20 equal quarterly instalments by September, 2011 and carries mark-up at 6-months KIBOR + 475 bps with a floor of 10% per annum; mark-up is payable by Pakistan Dairy Development Company. This finance facility is secured against BoP's charge on leased assets and corporate guarantee of the Company. The Company intends to exercise its option to purchase the leased assets upon completion of the lease term.

14.3 The Company, during the November, 2007, had entered into a sale & lease-back agreement (Ijarah) with Askari Bank Ltd. (ABL) - Islamic Banking to finance Powder Plant along with accessories and fittings. Against the total cost of assets of Rs.46.580 million, the Company has given security deposit amounting Rs.18.632 million and ABL has financed the remaining cost of Rs.27.948 million. The amount financed by ABL is payable in 10 equal quarterly instalments commenced from August, 2008; during the current financial year, it carried profit at the rates ranging from 13.67% to 15% (2009: 13.89% to 15%) per annum. This lease finance is secured against a demand promissory note in favour of ABL and registration of the leased assets in ABL's name.

Gain arisen on sale & lease-back of plant and machinery amounting Rs.9.706 million has been treated as deferred income and is being credited to profit and loss account over the lease term.

14.4 The Company, during the preceding financial year, had entered into a sale & lease-back agreement (Ijarah) with ABL - Islamic Banking to finance Steam Boiler and Diesel Generator set along with accessories and fittings. Against the total cost of assets of Rs.12.750 million, the Company has given security deposit amounting Rs.5.100 million and ABL has financed the remaining cost of Rs.7.650 million. The amount financed by ABL is repayable in 36 monthly instalments commenced from August, 2008; during the current financial year, it carried profit at the rates ranging from 13.30% to 14.85% (2009: 14.85% to 15.00%) per annum. These lease finances are secured against exclusive ownership of the leased assets in ABL's name.

Gain arisen on sale & lease-back of plant and machinery amounting Rs.2.899 million has been treated as deferred income and is being credited to profit and loss account over the lease term.

15. DEFERRED TAXATION

	Note	2010 Rupees	2009 Rupees
Credit balances arising in respect of:			
- accelerated tax depreciation allowances		**85,308,640**	71,815,136
- lease finances		**6,338,562**	3,140,281
- surplus on revaluation of property, plant and equipment		**1,810,416**	2,008,154
Debit balances arising in respect of:			
- available tax losses		**(33,490,598)**	(36,044,516)
- minimum tax recoverable against tax charge in future years		**(31,871,062)**	(24,276,902)
		28,095,958	16,642,153

16. TRADE AND OTHER PAYABLES

	Note	2010 Rupees	2009 Rupees
Creditors		**220,124,260**	143,963,484
Bills payable		**802,500**	0
Accrued expenses		**19,397,150**	13,177,176
Advance payments		**69,011,834**	13,649,463
Due to employees		**113,472**	125,812
Income tax deducted at source		**1,926,352**	1,382,170
Employees' provident fund		**481,360**	309,500
Workers' (profit) participation fund	**16.1**	**2,907,649**	2,893,008
Workers' welfare fund		**1,011,590**	921,406
Others		**265,231**	323,444
		316,041,398	176,745,463

	2010 Rupees	2009 Rupees
16.1 Workers' (Profit) participation fund		
Opening balance	**2,893,008**	2,676,126
Allocation for the year	**2,662,082**	2,473,247
Interest on funds utilised in the Company's business	**268,805**	265,969
	2,930,887	2,739,216
	5,823,895	5,415,342
Less: amount paid during the year	**2,916,246**	2,522,334
Closing balance	**2,907,649**	2,893,008

17. ACCRUED MARK-UP AND INTEREST

	2010 Rupees	2009 Rupees
Mark-up accrued on:		
- term and demand finances	**2,333,797**	3,308,862
- loans from chief executive	**1,315,383**	1,070,075
- short term finances	**4,864,531**	4,338,469
Accrued lease finance charges	**107,446**	301,660
	8,621,157	9,019,066

18. SHORT TERM FINANCES

	2010 Rupees	2009 Rupees
Running finances - secured	**176,684,539**	129,947,646
Temporary bank overdrafts - unsecured	**0**	392,326
	176,684,539	130,339,972

18.1 Running finance facilities available from Allied Bank Limited (ABL) and NIB Bank Limited (NIB) aggregate to Rs.175 million (2009: Rs.145 million). The finance facilities, during the current financial year, carried mark-up at the rates ranging from 13.59% to 14.77% (2009: 14.02% to 16.75%) per annum. The finance facilities are secured against charges aggregating Rs.270 million (2009: Rs.230 million) on all current assets of the Company. The finance facility available from NIB is available up to January, 2011 whereas renewal of finance facility from ABL is in process as at the year-end.

18.2 Facilities for opening letters of credit / guarantee aggregate Rs.88.410 million (2009: Rs.35 million) of which the amount aggregating Rs.26.847 million (2009: Rs.30 million) remained unutilised at the year-end. These facilities are secured against lien on import documents, counter guarantees of the Company and personal guarantees of all the directors. These facilities are available up to September, 2011.

19. TAXATION - Net

]

	2010 Rupees	2009 Rupees
Opening balance	**165,709**	8,259,200
Add: provision made during the year:		
- current	**12,256,253**	71,509
- prior years'	**(1,427,742)**	433,512
	10,828,511	505,021
	10,994,220	8,764,221
Less: adjustments against completed assessments	**(1,262,033)**	8,598,512
Closing balance	**12,256,253**	165,709

19.1 Income tax assessments of the Company have been completed up to Tax Year 2009 except for Tax Year 2005 as detailed in note 19.4. Further, the Company has not received any notice under section 177 of the Income Tax Ordinance, 2001 (the Ordinance) for selection of its cases for detailed scrutiny.

19.2 In view of available tax losses, provision for current year represents tax on income chargeable under the final tax regime and minimum tax due under section 113 of the Ordinance.

19.3 No numeric tax rate reconciliation is given as the Company's tax liability comprise of minimum tax due under section 113 of the Ordinance and tax collected or deducted as final tax under section 169 of the Ordinance.

19.4 The Taxation Officer, after conducting tax audit under section 177 of the Ordinance for the Tax Year 2005, has passed amended assessment order under section 122(1) / 122(5) of the Ordinance raising tax demand of Rs.34.985 million on account of suppressed sales.

The Company has filed an appeal with the Commissioner Inland Revenue (Appeals) - CIR(A) Lahore under section 127 of the Ordinance against the order. CIR(A), vide her order dated 15 July, 2009, has decided that the impugned order finalised under section 122(1) / 122(5) of the Ordinance is found to be unsustainable in the eyes of law and therefore annulled. The Tax Department has filed an appeal before the Appellate Tribunal Inland Revenue, Lahore against the order of CIR(A), which is pending adjudication.

The Company has also filed a Rectification Application under section 221 of the Ordinance, which is rejected by the Taxation Officer, vide his order dated 12 September, 2009. The Company has preferred an appeal with the CIR(A) against the order, which is pending adjudication.

19.5 The Company had filed an appeal with the CIR(A) for the Assessment Year 2002-03 on the grounds that the Assessing Officer while finalising assessment had not allowed the refund of Rs.136,432 and also not established the tax credit of Rs.634,598 available under section 107AA of the repealed Income Tax Ordinance, 1979. The CIR(A) has decided the appeal in favour of the Company; however, the Company had adjusted the aforementioned tax credit of Rs.634,598 in its Income Tax Return for the Tax Year 2003.

20. DIVIDENDS

	Note	2010 Rupees	2009 Rupees
Unclaimed dividend on:			
-ordinary shares		**812,367**	818,857
-Preference shares		**117,034**	4,388,055
		929,401	5,206,912

21. CONTINGENCIES AND COMMITMENTS

21.1 The Collector of Sales Tax Adjudication, Faisalabad had raised sales tax demand aggregating Rs.272,036 along with additional tax and penalty on account of sale of vehicles, scrap and advances received pertaining to prior years. The Company filed an appeal with the Customs, Central Excise and Sales Tax Appellate Tribunal, Lahore, which partly accepted the Company's appeal and determined a refund of Rs.380,320. The Collectorate, however, has filed an appeal against the judgment passed by the Tribunal with the Lahore High Court; the matter is presently sub-judice before the Court.

21.2 Bank guarantee amounting Rs.4 million (2009: Rs.5 million) issued by Allied Bank Ltd. - ABL on behalf of the Company favouring Sui Northern Gas Pipelines Ltd. was outstanding as at 30 June, 2010. This guarantee will expire during September, 2011. Bank guarantee of Rs.7.410 million (2009: Rs.3.800 million) issued by NIB Bank Limited on behalf of the Company favouring Pakistan Air Force is also outstanding as at 30 June, 2010, which will expire during July, 2010.

21.3 Also refer contents of note 19.4.

21.4 Commitments against irrevocable letters of credit outstanding as at 30 June, 2010 is Rs.49.350 million (2009: Rs.0.365 million).

22. PROPERTY, PLANT AND EQUIPMENT

	Note	2010 Rupees	2009 Rupees
Operating fixed assets - tangible	**22.1**	**503,409,658**	440,777,474
Capital work-in-progress - at cost	**22.5**	**100,000**	5,402,208
		503,509,658	446,179,682

21.1 OPERATING FIXED ASSETS - Tangible

	Owned									Leased		Total
	Freehold Land	Buildings on freehold Land	Plant & machinery	Milk Churns	Electric & gas installations	Other works equipment	Office equipment	Furniture and fixtures	Vehicles	Plant & Machinery	Vehicles	
	Rupees											
As at 30 June, 2008												
Cost	18,807,460	55,691,526	405,780,944	143,740	9,771,388	4,463,423	4,462,281	11,571,640	38,497,344	57,380,604	2,346,000	608,916,350
Accumulated depreciation	0	18,783,005	149,614,046	142,937	3,445,439	2,635,227	1,970,332	5,543,280	20,707,284	5,548,054	561,235	208,950,839
Book value	18,807,460	36,908,521	256,166,898	803	6,325,949	1,828,196	2,491,949	6,028,360	17,790,060	51,832,550	1,784,765	399,965,511
Year ended 30 June, 2009:												
Additions	0	133,652	88,529,133	0	2,618,936	80,434	83,800	91,994	4,375,206	2,898,694	0	98,811,849
Transfers: cost	0	0	(10,309,672)	0	0	0	0	0	976,000	10,309,672	(976,000)	0
depreciation	0	0	458,366	0	0	0	0	0	(424,235)	(458,366)	424,235	0
Disposals: cost	0	0	(21,703,307)	0	0	0	0	0	(6,722,455)	0	0	(28,425,762)
Depreciation	0	0	9,742,094	0	0	0	0	0	3,782,363	0	0	13,524,457
Depreciation Charge	0	3,701,559	27,018,905	120	877,640	188,966	256,988	610,291	3,739,257	6,458,255	246,600	43,098,581
Book value as at June 30, 2009	18,807,460	33,340,614	295,864,607	683	8,067,245	1,719,664	2,318,761	5,510,063	16,037,682	58,124,295	986,400	440,777,474
Year ended 30 June, 2010:												
Additions	0	5,214,303	86,767,536	0	3,951,802	2,696,682	13,763,938	0	13,046,084	0	0	125,440,345
Disposals: Cost	0	0	(21,000,000)	0	0	0	0	0	(2,836,333)	0	0	(23,836,333)
depreciation	0	0	9,013,053	0	0	0	0	0	1,208,954	0	0	10,222,007
Depreciation Charge	0	3,507,849	32,661,079	102	1,022,319	322,271	1,049,325	551,006	4,070,174	5,812,430	197,280	49,193,835
Book value as at June 30, 2010	18,807,460	35,047,068	337,984,117	581	10,996,728	4,094,075	15,033,374	4,959,057	23,386,213	52,311,865	789,120	503,409,658
As at 30 June, 2009												
Cost	18,807,460	55,825,178	462,297,098	143,740	12,390,324	4,543,857	4,546,081	11,663,634	37,126,095	70,588,970	1,370,000	679,302,437
Accumulated Depreciation	0	22,484,564	166,432,491	143,057	4,323,079	2,824,193	2,227,320	6,153,571	21,088,413	12,464,675	383,600	238,524,963
Book value	18,807,460	33,340,614	295,864,607	683	8,067,245	1,719,664	2,318,761	5,510,063	16,037,682	58,124,295	986,400	440,777,474
As at 30 June, 2010												
Cost	18,807,460	61,039,481	528,064,634	143,740	16,342,126	7,240,539	18,310,019	11,663,634	47,335,846	70,588,970	1,370,000	780,906,449
Accumulated depreciation	0	25,992,413	190,080,517	143,159	5,345,398	3,146,464	3,276,645	6,704,577	23,949,633	18,277,105	580,880	277,496,791
Book value	18,807,460	35,047,068	337,984,117	581	10,996,728	4,094,075	15,033,374	4,959,057	23,386,213	52,311,865	789,120	503,409,658
Depreciation Rate (%)	0	10	10	15	10	10	10	10	20	10	20	

22.2 Disposals of operating fixed assets

Particulars	Cost	Accumulate depreciation	Book value	Sale proceeds	Gain	Sold through negotiation to:
	----------------------	--------	Rupees	--------	----------------------	
Plant and machinery TBA - 8	21,000,000	9,013,053	11,986,947	17,000,000	5,013,053	M/s Tetra Pak Pakistan 316 Upper Mall, Lahore.
Vehicles:						
Kia Classic	482,000	290,056	191,944	309,000	17,056	Muhammad Arif 3 - Deo Samaj, Sanat-Nagar, Lahore.
Toyota GLI	1,240,540	436,295	804,245	820,000	15,755	Mr. Shah Wazir Ring Road Charsadda Chowk, Peshawar.
Toyota Altis	1,113,793	482,603	631,190	650,000	18,810	- do-
	2,836,333	1,208,954	1,627,379	1,779,000	151,621	
	23,836,333	10,222,007	13,614,326	18,779,000	5,164,674	

22.3 Depreciation on UHT plant, installed and operated on trial run during the financial year ended 30 June, 2004, was not provided for in that year. Had depreciation been properly provided for, profit for the current year would have been higher by Rs 0.829 million and unappropriated profit as at 30 June, 2010 would have been lower by Rs. 7.460 million.

22.4 Depreciation for the year has been apportioned as under:

	2010 Rupees	2009 Rupees
Milk collection centres	**5,583,774**	5,510,400
Cost of sales	**38,949,288**	34,411,797
Administrative expenses	**3,843,324**	2,353,069
Distribution cost	**817,449**	823,315
	49,193,835	43,098,581

22.5 Capital work-in-progress

Plant and machinery	**0**	4,411,173
Civil work - building	**0**	964,685
Advance payments for:		
- electric installations	**0**	26,350
- civil work - building	**100,000**	0
	100,000	5,402,208

23. INTANGIBLE ASSET - Computer softwares

Opening balance		
Cost	**200,000**	0
Accumulated amortisation	**(27,775)**	0
Net book value	**172,225**	0
Year ended June 30, 2010		
Opening net book value	**172,225**	0
Additions	**0**	200,000
Amortisation	**(66,660)**	(27,775)
Closing net book value	**105,565**	172,225

	2010 Rupees	2009 Rupees
Closing balance		
Cost	**200,000**	200,000
Accumulated amortisation	**(94,435)**	(27,775)
Net book value	**105,565**	172,225
Amortisation rate	**33.33%**	33.33%

24. LOANS TO EMPLOYEES - Secured, considered good

Balance as at 30 June,	**443,203**	205,931
Less: current portion grouped under current assets	**443,203**	176,881
	0	29,050

24.1 These interest free loans have been advanced as financial assistance and are recoverable in monthly instalments. These are secured against provident fund balance of the employees.

24.2 No amount was due from the directors, chief executive and executives during the year.

25. STORES, SPARES AND LOOSE TOOLS

Stores - at mills including in transit valuing Rs.4,728,755 (2009:Rs.Nil)	**84,696,169**	59,207,475
Spares	**12,162,094**	10,309,901
Loose tools	**207,271**	61,963
	97,065,534	69,579,339

25.1 Stores and spares inventory includes slow moving items valuing Rs.3.552 million (2009:Rs.3.976 million).

26. STOCK-IN-TRADE

Work-in-process	**25,078,000**	26,954,000
Finished goods - 'A' grade	**59,517,000**	63,081,000
	84,595,000	90,035,000

27. LOANS AND ADVANCES - Considered good

Due from employees (including current portion of long term loans)	**677,203**	280,433
Advance payments	**9,517,385**	5,878,825
	10,194,588	6,159,258

	Note	2010 Rupees	2009 Rupees
28. SHORT TERM SECURITY DEPOSITS & PREPAYMENTS			
Security deposits		**9,801,345**	6,726,528
Prepayments		**1,065,516**	1,438,476
Letter of credits		**248,345**	62,792
Prepaid rent		**80,100**	797,872
Margin deposits against letters of credit		**7,280,666**	0
		18,475,972	9,025,668

	Note	2010 Rupees	2009 Rupees
29. DUE FROM ASSOCIATED COMPANIES			
Noon Sugar Mills Limited		**136,140**	19,398
Textile Services (Pvt.) Limited		**849,999**	1,235,117
Noon International (Pvt.) Limited		**17,785**	10,539
		1,003,924	1,265,054

	Note	2010 Rupees	2009 Rupees
30. OTHER RECEIVABLES			
Accrued profit on bank deposits		**176,216**	111,502
Insurance claims receivable		**137,789**	310,963
Advance payments against lease rentals		**279,227**	48,708
		593,232	471,173

	Note	2010 Rupees	2009 Rupees
31. CASH AND BANK BALANCES			
Cash-in-hand		**101,984**	18,011
Cash at banks on:			
- current accounts	**31.1**	**15,486,953**	2,579,723
- PLS / saving accounts	**31.2**	**90,002**	86,081
- term deposit receipt	**31.3**	**7,410,000**	3,800,000
- dividend accounts		**261,675**	4,358,747
		23,248,630	10,824,551
		23,350,614	10,842,562

31.1 These include Rs.500,000 under lien of Allied Bank Limited against guarantees issued by it in favour of Sui Northern Gas Pipelines Ltd. (SNGPL) on behalf of the Company. Also refer contents of note 21.2.

31.2 This carries mark-up at the rate of 5% (2009:1.20%) per annum.

31.3 This carries profit at the rate of 7% (2009: 7%) per annum and has been deposited as security against guarantee issued by NIB Bank Ltd. in favour of Pakistan Air Force on behalf of the Company (refer note 21.2).

	Note	2010 Rupees	2009 Rupees
32. SALES - Net			
Gross sales	**32.1**	**2,503,938,215**	1,801,147,890
Less:			
Sales tax		**34,277,478**	32,012,676
Central excise duty		**2,051,878**	1,809,827
Shortages / leakages allowed		**12,572,828**	9,753,175
Discounts		**18,619,909**	11,962,910
		67,522,093	55,538,588
		2,436,416,122	1,745,609,302

32.1 Current year sales include freight recoveries aggregating Rs.87,556,432

33. COST OF SALES

	Note	2010 Rupees	2009 Rupees
Raw materials consumed	**33.1**	**1,190,134,367**	834,996,746
Milk collection expenses		**113,350,228**	96,270,182
Salaries, wages and benefits	**33.2**	**49,970,837**	41,258,270
Power and fuel		**95,662,306**	67,745,820
Packing materials consumed		**510,227,614**	377,041,016
Stores consumed		**159,050,359**	83,589,094
Repair and maintenance		**3,769,609**	5,194,406
Rent, rates and taxes		**2,095,798**	2,050,929
Depreciation	**22.4**	**38,949,288**	34,411,797
Insurance		**1,847,942**	2,620,526
		2,165,058,348	1,545,178,786
Adjustment of work-in-process			
Opening		**26,954,000**	22,352,000
Closing		**(25,078,000)**	(26,954,000)
		1,876,000	(4,602,000)
Cost of goods manufactured		**2,166,934,348**	1,540,576,786
Adjustment of finished goods			
Opening stock		**63,081,000**	51,076,000
` Closing stock		**(59,517,000)**	(63,081,000)
		3,564,000	(12,005,000)
		2,170,498,348	1,528,571,786

33.1 Raw materials consumed:	Note	2010 Rupees	2009 Rupees
Fresh milk		**1,109,259,499**	820,557,060
Skimmed milk powder		**0**	11,460
Jams		**5,487,564**	2,108,148
Cream		**9,023,051**	823,123
Fat		**51,567,146**	0
Apple and orange concentrate		**14,797,107**	11,382,756
Processing charges of mineral water		**0**	114,199
		1,190,134,367	834,996,746

33.2 These include contributions aggregating Rs.1,942,569 (2009: Rs.1,604,575) to employees' provident fund trust.

34. DISTRIBUTION COST

	Note	2010 Rupees	2009 Rupees
Salaries and benefits	**34.1**	**15,819,233**	14,361,655
Freight and forwarding	**32.1**	**63,128,837**	27,167,798
Rent		**1,163,723**	1,145,934
Entertainment		**227,542**	108,936
Communication		**323,399**	244,775
Electricity and gas		**32,412**	68,615
Travelling and conveyance		**391,736**	146,007
Vehicles' running and maintenance		**403,462**	240,426
Advertisement and sales promotion		**49,796,163**	51,106,610
Insurance		**392,000**	107,444
Depreciation	**22.4**	**817,449**	823,315
Samples		**1,042,685**	993,357
Others		**405,587**	299,388
		133,944,228	96,814,260

34.1 These include contributions aggregating Rs.415,098 (2009: Rs.471,334) to employees' provident fund trust.

35. ADMINISTRATIVE EXPENSES	Note	2010 Rupees	2009 Rupees
Salaries and benefits	35.1	22,195,186	17,436,661
Travelling and conveyance:			
- directors		1,035,421	129,910
- others		3,079,108	2,220,408
Rent, rates and taxes		5,786,412	5,147,628
Entertainment		2,168,238	1,931,080
Communication		2,074,133	1,580,178
Printing and stationery		1,551,087	1,182,149
Electricity, gas and water		1,737,738	948,006
Insurance		873,784	591,179
Repair and maintenance		1,092,051	877,090
Advertisement		75,267	134,180
Vehicles' running		2,952,730	2,349,555
Subscription		395,511	650,384
Auditors' remuneration	35.2	890,000	485,000
Legal and professional charges (other than Auditors')		4,061,293	3,622,874
Cash security charges		149,420	92,335
General		1,582,214	786,324
Depreciation	22.4	3,843,324	2,353,069
Amortization of computer software		66,660	27,775
		55,609,577	42,545,785

35.1 These include contributions aggregating Rs.727,812 (2009: Rs.614,599) to employees' provident fund trust.

35.2 Auditors' remuneration	Note	2010 Rupees	2009 Rupees
- statutory audit fee		**500,000**	225,000
- half yearly review		**100,000**	80,000
- certification charges		**70,000**	25,000
- short provision for the preceding year		**175,000**	100,000
- out-of-pocket expenses		**45,000**	55,000
		890,000	485,000

36. OTHER OPERATING EXPENSES

Workers' (profit) participation fund	**16.1**	**2,662,082**	2,473,247
Workers' welfare fund		**1,011,591**	921,406
Donations	**36.1**	**294,300**	14,850
Sales tax prior years'		**545,160**	1,167,035
Exchange fluctuation loss		**58,807**	0
Receivable balances written-off		**3,119,841**	0
Insurance claim written-off		**765,385**	0
		8,457,166	4,576,538

36.1 None of the directors or their spouses have any interest in any of the donees.

37. OTHER OPERATING INCOME

Income from financial assets			
Profit on PLS / saving accounts		**479,950**	113,607
Others			
Sale of scrap - net of sales tax		**5,232,774**	2,068,876
Gain on sale of fixed assets	**22.2**	**5,164,674**	10,842,639
Packing charges of milk and juices		**6,128,272**	6,848,873
Deferred income recognised		**4,201,644**	4,201,644
Payable balances written-back		**338,078**	0
		21,545,392	24,075,639

38.FINANCE COST

	2010 Rupees	2009 Rupees
Mark-up on:		
- term and demand finances (2009: net of mark-up shared by Tetra Pak Pakistan Ltd. aggregating Rs.0.196 million)	**11,116,064**	12,962,049
- loans from chief executive	**5,894,230**	9,128,700
- short term finances	**18,207,371**	19,032,253
Lease finance charges	**2,449,577**	4,536,654
Interest on funds of Tetra Pak utilised in the Company's business	**85,575**	2,811,083
Interest on advance received against sale of plot from an Associated Company	**0**	737,533
Interest on workers' (profit) participation fund	**268,805**	318,050
Bank and other charges	**1,862,597**	1,579,969
	39,884,219	51,106,291

39. EARNINGS PER SHARE
Basic and diluted

	2010	2009
Profit after taxation	**27,285,660**	48,580,529
Less: dividend on preference shares	**0**	(9,028,161)
Profit attributable to ordinary shareholders	**27,2185,660**	39,552,368
	No. of shares	
		Restated
Weighted average number of ordinary shares outstanding during the year	**12,672,000**	5,767,890
	Rupees	
		Restated
Earnings per share	**2.15**	6.86

There is no dilutive effect on earnings per share for the year due to conversion of preference shares into non-voting ordinary shares in preceding year.

40. TRANSACTIONS WITH RELATED PARTIES

40.1 Maximum amount receivable from Associated Companies at the end of any month during the year was Rs.1,260,054 (2009: Rs.1,291,505).

40.2 **Aggregate transactions made during the year with the Associated Companies were as follows:**	**2010 Rupees**	2009 Rupees
- sale of dairy products	**74,841**	113,847
- purchase of stores and spares	**673,037**	946,116
- purchase of vehicle	**400,000**	0
- purchase of sugar	**39,345,000**	29,671,525
- sale of vehicle	**0**	1,325,000
- mark-up charged	**0**	737,533

40.3 All transactions with related parties were carried-out on commercial terms and conditions.

40.4 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 year.

41. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Particulars	**Chief Executive**		**Directors**		**Executives**	
	2010	2009	**2010**	2009	**2010**	2009
	Rupees					
Remuneration (including bonus)	**0**	0	**3,070,000**	2,057,333	**7,368,914**	5,496,377
Provident fund	**0**	0	**0**	0	**424,681**	351,717
Travelling	**0**	0	**1,035,421**	129,910	**82,322**	0
Housing and utilities	**1,162,173**	557,785	**0**	0	**0**	0
Medical	**55,000**	0	**224,000**	96,000	**355,088**	260,380
Club bills	**0**	0	**186,410**	230,796	**0**	0
	1,217,173	557,785	**4,515,831**	2,514,039	**8,231,005**	6,108,474
Number of persons	**1**	1	**2**	2	**5**	4

41.1 In addition, the Chief Executive, Directors and the Executives have also been provided with free use of the Company maintained cars.

41.2 Rent free accommodation is also provided to one (2009: two) of the Executives.

41.3 The above payments do not include amounts paid or provided for, if any, by the Associates.

42. CAPACITY AND PRODUCTION

		2010	2009
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.	16,496,519	17,162,216
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.	2,734,453	2,810,124
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.	2,663,296	1,762,666
Yogurt Plant			
Annual rated capacity of milk processing based on three shifts	Kgs.	2,920,000	0
Fresh milk processed during the year	Kgs.	576	0
UHT Milk Plant			
Annual rated capacity of milk processing based on three shifts	Ltrs.	87,488,000	46,720,000
Milk processed during the year	Ltrs.	13,803,962	15,612,898
UHT cream	Ltrs.	46,722	352,632
Flavoured milk	Ltrs.	4,066,016	2,413,336
High calcium low fat	Ltrs.	37,748	12,920
Chai mix	Ltrs.	5,633,555	219,214
Co-packing	Ltrs.	880,317	1,361,850
Juice Plant			
\ Annual rated capacity of juices based on three shifts	Ltrs.	43,800,000	43,800,000
Juices processed during the year	Ltrs.	9,562,840	9,403,174
Nectars	Ltrs.	769,586	672,778
Co-packing	Ltrs.	771,090	0

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

43. CAPITAL RISK MANAGEMENT

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to the ordinary shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and bank balances. Total capital is calculated as equity as shown in the balance sheet plus net debt.

	2010 Rupees	2009 Rupees
Total borrowings	**288,126,455**	299,144,168
Less: Cash and bank balances	**23,350,614**	10,842,562
Net debt	**264,775,841**	288,301,606
Total equity	**237,462,893**	209,803,656
Total capital	**502,238,734**	498,105,262
Gearing ratio	**53%**	58%

For the purpose of calculating the gearing ratio, the amount of total borrowings has been determined by including the effect of liabilities against assets subject to finance lease and short term finances under mark-up arrangements.

44. FINANCIAL INSTRUMENTS

The Company has exposures to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

44.1 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties fail completely to perform as contracted.

Credit risk arises from cash equivalents, deposits with banks, as well as credit exposures to customers and other counter parties, which include trade debts and other receivables. Out of the total financial assets, assets which are subject to credit risk aggregated Rs.127.586 million (2009: Rs.81.499 million).

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 factors. Where considered necessary, advance payments are obtained from certain parties.

In respect of other counter parties, due to the Company's long standing business relationship with them, management does not expect non-performance by these counter parties on their obligations to the Company.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

The maximum exposure to credit risk as at 30 June, 2010 along with comparative is tabulated below:

	2010 Rupees	2009 Rupees
Security deposits	**11,011,268**	7,222,851
Trade debts	**92,007,844**	61,764,021
Due from Associated Companies	**1,003,924**	1,265,054
Other receivables	**314,005**	422,465
Bank balances	**23,248,630**	10,824,551
	127,585,671	81,498,942

The management does not expect any losses from non-performance by these counter parties.

All the trade debts at the balance sheet date represent domestic parties.

The aging of trade debts at the balance sheet date is as follows:

Not past due	**63,131,992**	44,415,533
Past due 1-45 days	**11,800,335**	744,306
Past due 45-180 days	**3,076,027**	6,460,297
Past due 180 days	**13,999,490**	10,143,885
	92,007,844	61,764,021

Based on past experience, the management believes that no impairment allowance is necessary in respect of trade debts past due 180 days as some of the debts have been recovered subsequent to the year-end and for other debts there are reasonable grounds to believe that the amounts will be recovered in short course of time.

44.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Company's treasury department maintains flexibility in funding by maintaining availability under committed credit lines.

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

	2010				
	Carrying amount	**Contractual cash flows**	**Less than 1 year**	**Between 1 to 5 years**	**5 years and above**
	Rupees				
Term and demand finances	**63,006,876**	**70,116,223**	**38,459,613**	**31,656,610**	**0**
Loan from chief executive	**37,724,233**	**51,210,647**	**5,281,393**	**45,929,254**	**0**
Liabilities against assets subject to finance lease	**10,710,807**	**11,309,902**	**10,854,933**	**454,969**	**0**
Trade and other payables	**241,183,973**	**241,183,973**	**241,183,973**	**0**	**0**
Accrued profit and Interest / mark-up	**8,621,157**	**8,621,157**	**8,621,157**	**0**	**0**
Short term finances	**176,684,539**	**176,684,539**	**176,684,539**	**0**	**0**
Dividend	**929,401**	**929,401**	**929,401**	**0**	**0**
	538,860,986	**560,055,842**	**482,015,009**	**78,040,833**	**0**

	2009				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	5 years and above
	Rupees				
Term and demand finances	95,201,292	114,168,184	35,236,573	42,647,576	36,284,035
Loan from chief executive	48,152,046	65,005,261	6,741,286	6,741,286	51,522,689
Liabilities against assets subject to finance lease	25,843,184	29,291,118	17,886,692	11,404,426	0
Trade and other payables	157,899,416	157,899,416	157,899,416	0	0
Accrued profit and Interest / mark-up	9,019,066	9,019,066	9,019,066	0	0
Short term finances	130,339,972	130,339,972	130,339,972	0	0
Dividend	5,206,912	5,206,912	5,206,912	0	0
	471,661,888	510,929,929	362,329,917	60,793,288	87,806,724

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

44.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

(a) Currency risk

The Company is exposed to currency risk on import of stores and spares denominated in Euro and plant & machinery denominated in US Dollar. The Company's exposure to foreign currency risk for Euro and US Dollar are commitments against irrevocable letters of credit outstanding as at 30 June, 2010 amounting Rs.49.350 million (2009: Rs.0.365 million).

(b) Interest rate risk

At the reporting date, the profit, interest and mark-up rate profile of the Company's significant financial assets and liabilities is as follows:

	2010	2009	**2010**	2009
	Effective Rate		**Carrying Amount**	
Fixed rate instruments			------------ Rupees ------------	
Financial assets				
Term deposit receipt	**7%**	7%	**7,410,000**	3,800,000
Bank balances at PLS accounts	**5%**	1.20%	**90,002**	86,081
Variable rate instruments				
Financial liabilities				
Term and demand finances	**13.84% to 14.76%**	13.97% to 17.02%	**63,006,876**	95,201,292
Loan from chief executive	**13.64% to 14.07%**	15.59% to 20.00%	**37,724,233**	48,152,046
Liabilities against assets subject to finance lease	**13.30% to 15%**	12.92% to 15%	**10,710,807**	25,843,184
Short term finances	**13.59% to 14.77%**	14.02% to 16.75%	**176,684,539**	129,947,646

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in profit / mark-up / interest rates at the reporting date would not affect profit and loss account.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in profit / mark-up / interest rates at the balance sheet date would have (decreased) / increased profit for the year by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis was performed on the same basis for the year 2009.

As at 30 June 2010 Cash flow sensitivity	100bp Increase Rupees	100bp Decrease Rupees
- Variable rate financial liabilities	**(792,401)**	**792,401**
As at 30 June 2009 Cash flow sensitivity-Variable rate financial liabilities	(1,060,407)	1,060,407

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

(c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company is not exposed to any price risk.

44.4 Fair value of financial instruments

Carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

45. INFORMATION ABOUT OPERATING SEGMENTS

For management purposes, the activities of the Company are organised into one operating segment i.e. toned milk, milk powder, fruit juices, allied dairy and food products. The Company operates in the said reportable operating segment based on the nature of the 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 year ended 30 June, 2010 and 30 June, 2009.

46. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company in its meeting held on 30 September, 2010.

47. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The board of directors, in its meeting held on 30 September, 2010, has proposed to issue 12% cash dividend to ordinary shareholders and non-voting ordinary shareholders out of the unappropriated profits of the Company. These appropriations will be approved in forthcoming Annual General Meeting. The financial statements for the year ended 30 June, 2010 do not include the effects of these appropriations which will be accounted for subsequent to the year-end.

48. FIGURES

- Figures in the financial statements have been rounded-off to the nearest Rupee.
- Corresponding figures have neither been re-arranged nor re-classified.

The Chief Executive is out of Pakistan and in his absence these financial statements have been signed by two Directors as required under section 241(2) of the Companies Ordinance, 1984.

Salman Hayat Noon
DIRECTOR

Safdar M. Hayat Qureshi
DIRECTOR

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 43rd Annual General Meeting of The Company to be held at 66 Garden Block, New Garden Town, Lahore on Saturday, 30 October, 2010 at 03:00 p.m. and at any adjournment thereof.

As witness my hand this. ____________________ Day of ____________________ 2010.

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 CDG 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, 2010

Circular No. 1 of 2000

Sub: GUIDELINES FOR ATTENDING GENERAL MEETINGS AND APPOINTMENT OF PROXIES

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. 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:

(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 National Identity Card (NIC) 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. Appointment of Proxies

(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 NIC numbers shall be mentioned on the form.

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

(4) The proxy shall produce his original NIC 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.

NOON PAKISTAN LIMITED

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