



**Condensed Interim
Financial Information
For The Nine Months Ended
30 SEPTEMBER**

2016



FAUJI FOODS LIMITED
(Formerly Noon Pakistan Limited)




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Corporate Information

BOARD OF DIRECTORS

Lt Gen Khalid Nawaz Khan Chairman
HI (M), Sitara-i-Esar, (Retd)

Lt Gen Muhammad Haroon Aslam CE & MD
HI (M), SBT, (Retd)

Lt Gen Shafqaat Ahmed
HI (M), (Retd)

Malik Adnan Hayat Noon

Mr. Qaiser Javed

Dr. Nadeem Inayat

Dr. Rashid Bajwa

Mr. Salman Hayat Noon

Brig Raashid Wali Janjua, SI (M), (Retd)

Lt Col Abdul Khaliq Khan (Retd)

Mr. Iltifat Rasul Khan

Mr. Par Soderlund

CHIEF FINANCIAL OFFICER

Syed Aamir Ahsan

COMPANY SECRETARY

Brig Rizwan Rafi (Retd)

AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants

LEGAL ADVISERS

Hamid Law Associates



AUDIT COMMITTEE	Mr. Ilifat Rasul Khan Mr. Qaiser Javed Dr. Nadeem Inayat Malik Adnan Hayat Noon
HR & R COMMITTEE	Dr. Nadeem Inayat Dr. Rashid Bajwa Brig Raashid Wali Janjua, SI (M), (Retd) Lt Col Abdul Khaliq Khan (Retd)
TECHNICAL COMMITTEE	Brig Raashid Wali Janjua, SI (M), (Retd) Lt Col Abdul Khaliq Khan (Retd) Dr. Rashid Bajwa
BUSINESS REVIEW COMMITTEE	Dr. Rashid Bajwa Dr. Nadeem Inayat Mr. Salman Hayat Noon Mr. Par Soderlund
BANKERS	Habib Bank Limited United Bank Limited National Bank of Pakistan Bank Alfalah Limited Faysal Bank Limited The Bank of Punjab NIB Bank Limited MCB Bank Limited Askari Bank Limited Allied Bank Limited Bank Islami Pakistan Bank AL Habib Limited
REGISTERED OFFICE	FFBL Complex, 103 A/B, Shahrah-e-Quaid-e-Azam, Lahore. Tel: +92-42-99205933-34
SHARES REGISTRAR	M/s Corplink (Pvt.) Limited Wings Arcade, 1-K-Commerical, Model Town, Lahore. Tel: (042) 35839182, 35916714 Fax: (042) 35869037 E-mail: shares@corplink.com.pk
WEBSITE	www.faujifoods.com
PLANT	Bhalwal, District Sargodha.



DIRECTORS' REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors of Fauji Foods Limited, I am pleased to present the directors' report along with the condensed interim financial information of the Company for the nine months period ended September 30, 2016.

Principal Activities

Fauji Foods Limited, a majority owned Company of Fauji Fertilizer Bin Qasim Limited (50.28% shareholding) and Fauji Foundation (12.75% shareholding) is engaged in processing and marketing of dairy products, juices and jams. The Company's brand 'Nurpur' is one of the oldest and highly recognizable brand in Pakistan.

50 Years of Incorporation and Change in name

By the grace of Almighty Allah, the Company has completed its 50 years of incorporation on September 26, 2016 demonstrating the consumers' confidence in Company's products. Change in the Company's name from "Noon Pakistan Limited" to "Fauji Foods Limited" was made on June 01, 2016. This change is reflective of Company transformation towards an innovative and dynamic organization and re-affirms its commitment towards better serving the needs of its expanding stakeholders.

Operational Performance

The current nine months period witnessed a focus on rolling out our growth strategy, planned at the time of acquisition of the Company by Fauji Group in September 2015. During the period, we achieved numerous important milestones and demonstrated our commitment towards excellence.

Three new products Dostea (Liquid Tea Whitener), Nurpur Original (UHT) & Nurpur Fresh (Pasteurized) milk launched in innovative packaging received an enthusiastic response from all consumers' segments. These product launches were accompanied by comprehensive marketing and advertisement campaigns resulting in upward sales trend both in terms of volume and value.

To complement our efforts for strengthening of our brands, Balancing Modernization and Revamping (BMR) and capacity expansion activities are also on track to ensure reliability and efficiency of the Company's production facility. During the third quarter of 2016, the Company achieved successful partial commissioning of UHT Process machine and ancillary equipment including Packaging machines thereby enhancing our production capacity.

Financial Performance

During the period under review, the total sales were Rs. 1,974 million, higher by 54% compared to the corresponding period last year. The net loss after tax was Rs. 747 Million as compared to corresponding period loss of Rs. 320 Million.



Increased losses are due to high raw material cost, impact of changes in tax regime on raw material costs, increased competition in tea creamer segment of industry resulting in decrease in sale prices, increase in marketing expenses on brand repositioning and launch of new products.

Company is in the process of capacity enhancement of production facility and uplifting of milk procurement and sales & distribution networks, this resulted in increased fixed cost during the period under review.

Management has undertaken various initiatives like curtailment of input costs, increasing production to optimum levels, strengthening of milk collection and sales & distribution structures, We expect that these steps along with increased sales will contribute towards improve performance of the Company in future.

Future Outlook

As a result of changes through Finance Bill 2016-17, margins of the dairy industry are under pressure due to withdrawal of zero-rated sales tax status which would not allow refund of input sales tax thus adding to the cost of products. Passing of higher cost through sales prices may slow down the growth momentum.

Despite this set back, our confidence remains high in the growth potential of Pakistan's dairy market. The Board is also confident about the future growth of Fauji Foods Limited by entrusting its faith in the Company's capacity to deliver quality products while keeping a strong focus on innovation and operational excellence.

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

For & on behalf of Board



Lt. Gen. Khalid Nawaz Khan
HI (M), Sitara-I-Esar (Retd)
Chairman

Dated : October 21, 2016



CONDENSED INTERIM BALANCE SHEET

		Un-audited September 30, 2016 Rupees	Audited December 31, 2015 Rupees
SHARE CAPITAL AND RESERVES	Note		
Authorised share capital 700,000,000 (2015: 700,000,000) ordinary share of Rs. 10 each		<u>7,000,000,000</u>	<u>7,000,000,000</u>
Issued, subscribed and paid up share capital 132,101,798 (31 December 2015: 31,363,200) ordinary shares of Rs. 10 each	5	1,321,017,980	313,632,000
Share premium	6	1,966,772,143	-
Accumulated loss		<u>(1,271,190,265)</u>	<u>(538,082,120)</u>
		2,016,599,858	(224,450,120)
Surplus on revaluation of property, plant and equipment - net of tax		445,217,613	457,615,326
NON - CURRENT LIABILITIES			
Liabilities against assets subject to finance lease		122,367,060	59,827,955
Employee benefits		21,435,282	10,629,419
		143,802,342	70,457,374
CURRENT LIABILITIES			
Trade and other payables	7	1,216,464,381	437,405,875
Short term borrowings - secured	8	2,909,169,509	1,125,089,693
Current portion of liabilities against assets subject to finance lease		31,975,802	13,643,700
Accrued markup	9	46,146,933	28,971,814
		4,203,756,625	1,605,111,082
		<u>6,809,376,438</u>	<u>1,908,733,662</u>
CONTINGENCIES AND COMMITMENTS	10		

The annexed notes form an integral part of this condensed interim financial information.



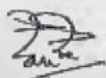
AS AT 30 SEPTEMBER 2016

		Un-audited September 30, 2016	Audited December 31, 2015
NON - CURRENT ASSETS	Note	Rupees	Rupees
Property, plant and equipment	11	3,994,421,792	1,277,997,628
Intangible asset		1,691,250	616,216
Security deposits		819,686	1,032,686
Deferred tax asset		430,643,985	76,384,766
		<u>4,427,576,713</u>	1,356,031,296

CURRENT ASSETS

Stores, spares and loose tools		140,634,535	38,716,297
Stock in trade	12	726,127,858	174,625,644
Trade debts - considered good		27,929,283	37,729,967
Loans and advances	13	145,969,048	21,528,308
Deposits, prepayments and other receivables	14	190,344,947	22,782,090
Due from associated companies - unsecured		1,872,284	2,025,419
Sales tax refundable - net		537,424,239	155,860,557
Income tax - net		193,546,919	58,795,819
Cash and bank balances	15	417,950,612	40,638,265
		<u>2,381,799,725</u>	552,702,366

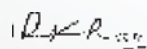
<u>6,809,376,438</u>	<u>1,908,733,662</u>
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Chairman



Chief Executive



Director



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016**

	Note	For the Quarter ended		For the Nine months ended	
		September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
		Rupees	Rupees	Rupees	Rupees
Sales - net		894,443,344	358,230,005	1,974,482,647	1,285,740,253
Cost of sales	16	(864,611,196)	(358,556,789)	(1,852,065,882)	(1,209,500,084)
Gross profit / (loss)		29,832,148	(326,784)	122,416,765	76,240,169
Distribution cost		(380,361,920)	(25,695,621)	(946,242,151)	(122,002,790)
Administrative expenses		(78,838,107)	(24,387,371)	(177,914,562)	(79,753,753)
Other income		5,009,228	656,569	16,145,766	3,099,493
Other expenses		(2,312,040)	-	(27,390,291)	(205,763,878)
Loss from operations		(426,670,691)	(49,753,207)	(1,012,984,473)	(328,180,759)
Finance cost	17	(24,776,109)	(18,771,141)	(86,780,606)	(67,765,284)
Loss before taxation		(451,446,800)	(68,524,348)	(1,099,765,079)	(395,946,043)
Taxation	18	139,677,395	(4,266,798)	352,856,049	75,692,986
Loss for the period		(311,769,405)	(72,791,146)	(746,909,030)	(320,253,057)
Loss per share - basic		(2.36)	(1.28)	(7.23)	(5.64)
Loss per share - diluted		(2.36)	(1.28)	(7.23)	(5.64)

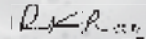
The annexed notes form an integral part of this condensed interim financial information.



Chairman



Chief Executive



Director




**CONDENSED INTERIM STATEMENT
OF COMPREHENSIVE INCOME (Un-audited)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016**

	For the Quarter ended		For the nine months ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
	Rupees	Rupees	Rupees	Rupees
Loss after taxation	(311,769,405)	(72,791,146)	(746,909,030)	(320,253,057)
Other comprehensive income / (loss) for the period	-	-	-	-
Total comprehensive loss for the period	(311,769,405)	(72,791,146)	(746,909,030)	(320,253,057)

The annexed notes form an integral part of this condensed interim financial information.


Chairman


Chief Executive


Director



**CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016**

	September 30, 2016	September 30, 2015
Cash flows from operating activities	Rupees	Rupees
Loss before taxation	(1,099,765,079)	(395,946,043)
Adjustments for non-cash items:		
Depreciation on property, plant and equipment	98,202,262	53,991,020
Amortization of intangible assets	616,216	495,898
(Gain) / loss on disposal of property, plant and equipment	(3,849,917)	143,982
Prior years' sales tax	-	973,179
Provision for doubtful debts	9,000,000	198,468,616
Write off / provision for obsolete stock	11,849,491	4,028,659
Profit on bank deposits	(6,438,664)	(271,443)
Provision for old stuck-up refunds of sales tax	-	15,353,660
Unrealised exchange gain	(1,331,792)	-
Employee benefits	11,500,000	13,020,830
Finance cost	86,780,606	67,765,284
Loss before working capital changes	(893,436,877)	(41,976,358)
EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(113,767,729)	85,491,963
Stock-in-trade	(551,502,214)	(81,941,242)
Trade debts	800,684	17,197,768
Loans and advances	(124,440,740)	(3,267,502)
Deposits, prepayments and other receivables	(167,562,857)	1,456,186
Due from Associated Companies	153,135	(1,498,228)
Sales tax refundable	(381,563,682)	(5,642,999)
	(1,337,883,403)	11,795,946
Increase / (decrease) in current liability:		
Trade and other payables	780,390,298	(214,201,901)
NET CASH USED IN OPERATIONS	(1,450,929,982)	(244,382,313)
Income tax paid	(134,751,100)	(26,153,917)
Employee benefits paid	(694,136)	(2,975,958)
Security deposits - net	213,000	-
Net cash used in operating activities	(1,586,162,218)	(273,512,188)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(2,778,776,982)	(14,000,741)
Sale proceeds from disposal of property, plant and equipment	77,827,482	1,299,500
Income on bank deposits received	6,438,664	1,082,547
Net cash used in investing activities	(2,694,510,836)	(11,618,694)
CASH FLOW FROM FINANCING ACTIVITIES		
Share capital issued - net of cost	2,974,158,123	-
Term finances - net	-	(95,134,912)
Islamic finance - net	676,433,460	(203,869,750)
Loans from chief executive and a director - net	-	(47,041,730)
Liabilities against assets subject to finance lease - net	(30,647,051)	(8,151,869)
Short term borrowings - net	-	88,039,798
Finance cost paid	(69,605,487)	(70,209,214)
Dividend paid	-	(1,500)
Net cash generated from / (used in) financing activities	3,550,339,045	(336,369,177)
Net increase / (decrease) in cash and cash equivalents	(730,334,009)	(621,500,059)
Cash and cash equivalents - at beginning of the period / year	(534,451,428)	122,418,266
Cash and cash equivalents - at end of the period / year	(1,264,785,437)	(499,081,793)

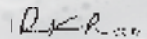
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Chairman



Chief Executive



Director



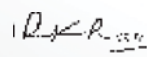
**CONDENSED INTERIM STATEMENT
OF CHANGES IN EQUITY (Un-audited)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016**

	Issued, subscribed and paid-up capital	Capital reserve			Revenue reserve	Total
		Advance against share capital	Share premium	Sub - total	Accumulated loss	
Rupees -----						
As at 01 January 2015 (Un-audited)	313,632,000	-	-	-	(199,208,845)	114,423,155
Total comprehensive loss for the period						
Loss after taxation	-	-	-	-	(320,253,057)	(320,253,057)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	(320,253,057)	(320,253,057)
Surplus transferred to accumulated losses						
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	-	9,841,388	9,841,388
	-	-	-	-	9,841,388	9,841,388
As at 30 September 2015 (Un-audited)	313,632,000	-	-	-	(509,620,514)	(195,988,514)
As at 01 January 2016 (audited)	313,632,000	-	-	-	(538,082,120)	(224,450,120)
Total comprehensive loss for the period						
Loss after taxation	-	-	-	-	(746,909,030)	(746,909,030)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	(746,909,030)	(746,909,030)
Surplus transferred to accumulated losses						
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	-	13,800,885	13,800,885
	-	-	-	-	13,800,885	13,800,885
Transactions with owners of the Company						
Advance received against shares	-	2,999,995,448	-	2,999,995,448	-	2,999,995,448
Ordinary shares issued during the period 100,738,598 shares of Rs. 10 each	1,007,385,980	(1,007,385,980)	-	(1,007,385,980)	-	-
Share premium	-	(1,992,609,468)	1,992,609,468	-	-	-
Expenses incurred on issuance of shares	-	-	(25,837,325)	(25,837,325)	-	(25,837,325)
	1,007,385,980	-	1,966,772,143	1,966,772,143	-	2,974,158,123
As at 30 September 2016 (Un-audited)	1,321,017,980	-	1,966,772,143	1,966,772,143	(1,271,190,265)	2,016,599,858

The annexed notes form an integral part of this condensed interim financial information.


Chairman


Chief Executive


Director



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016

1. Status and nature of business

Fauji Foods Limited (formerly Noon Pakistan Limited) ("the Company") was incorporated in Pakistan on 26 September 1966 as a Public Company and its shares are quoted on Pakistan Stock Exchange (formerly 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 FFBL Complex, 103 A/B, Shahrah-e-Quaid-e-Azam, Lahore and the manufacturing facility is located at Bhalwal, District Sargodha.

In the year 2015, Fauji Fertilizers Bin Qasim Limited along with Fauji Foundation (the "Acquirers") initiated acquisition of 51% shares of Noon Pakistan Limited within the framework of Takeover Laws. The transaction was completed on transfer of shares on 04 September 2015.

The directors of the Company proposed to change its name from Noon Pakistan Limited to Fauji Foods Limited in their meeting held on 28 April 2016. This proposition was subsequently approved in an extraordinary general meeting held on 26 May 2016, following which all formalities pertaining to the change in name were completed. The Securities and Exchange Commission of Pakistan certified this change on 01 June 2016 by issuing certificate number 2355.

During the nine months period ended 30 September 2016, the Company has incurred a net loss of Rs. 746.91 million. The new management has taken various operational measures towards transformation of the Company that includes curtailment of higher input costs, increasing production scales to optimum levels by BMR - balancing, modernization and replacement of production facility, strengthening of milk collection and sales and distribution structures, ensuring quality at every stage from milk collection to production to distribution. Further, the new management has undertaken the financial initiative by 'Injection of equity through right issue during the period as referred to in note 5.2.

The management anticipates that above step will contribute significantly towards the profitability of the Company in the foreseeable future. Accordingly this condensed interim financial information have been prepared on a going concern basis.

2. Basis of preparation and statement of compliance

This condensed interim financial information comprises the condensed interim balance sheet of the Company as at 30 September 2016 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof.

This condensed interim financial information of the Company for the nine months ended September 30, 2016 has been prepared in accordance with the requirements of International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the six month audited financial statements for the period ended 31 December 2015. Comparative condensed interim balance sheet is stated for six month audited financial statements as of December 31, 2015, whereas comparatives for interim profit and loss account, interim statement of comprehensive income, interim statements of changes in equity and interim cash flow statements and related notes are extracted from interim financial information of the Company for the nine months' period ended 30 September 2015 which are neither reviewed nor audited.

This condensed interim financial information is presented in Pakistan Rupees which is the Company's functional currency and all financial information presented has been rounded off to the nearest rupees, except otherwise stated.



3 Use of estimates and judgments

The preparation of the condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the condensed interim financial information, the significant judgments made by the management in applying accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of audited financial statements for the six months ended 31 December 2015.

4 Statement of consistency in accounting policies

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are significantly those which are applied in the preparation of audited financial statements for the six months ended 31 December 2015.

5 Share capital

5.1 Issued, subscribed and paid-up capital

Un-audited September 30, 2016	Audited December 31, 2015		Un-audited September 31, 2016	Audited December 31, 2015
---- Number of shares ----			Rupees	Rupees
105,889,595	5,150,997	Ordinary shares of Rs.10 each fully paid in cash	1,058,895,950	51,509,970
1,127,200	1,127,200	Ordinary shares of Rs 10 each issued as fully paid bonus shares	11,272,000	11,272,000
5,483,003	5,483,003	Ordinary shares of Rs 10 each issued as fully paid on conversion of loans	54,830,030	54,830,030
7,200,000	7,200,000	Non-voting ordinary shares of Rs.10 each issued on conversion of 12% cumulative convertible preference shares	72,000,000	72,000,000
1,739,177	1,739,177	Non-voting ordinary shares of Rs.10 each fully paid in cash	17,391,770	17,391,770
1,512,000	1,512,000	Non-voting ordinary shares of Rs.10 each issued as fully paid bonus shares	15,120,000	15,120,000
9,150,823	9,150,823	Non-voting ordinary shares of Rs.10 each issued as fully paid on conversion of loans	91,508,230	91,508,230
<u>132,101,798</u>	<u>31,363,200</u>		<u>1,321,017,980</u>	<u>313,632,000</u>

5.2 Reconciliation of ordinary shares

Un-audited September 30, 2016	Audited December 31, 2015		Un-audited September 30, 2016	Audited December 31, 2015
Number of shares			Rupees	Rupees
31,363,200	31,363,200	Balance at 01 January / 01 July		
100,738,598	-	Ordinary shares issued during the period against right issue	313,632,000	-
		Balance at 30 September / 31 December	1,007,385,980	
<u>132,101,798</u>	<u>31,363,200</u>		<u>1,321,017,980</u>	<u>313,632,000</u>



5.3 During the period, pursuant to Board of Directors meeting held on 21 December 2015, the Company has issued 100,738,598 ordinary shares of Rs. 10 each at a premium of Rs. 19.78 per share with voting rights.

5.4 Ordinary shares of the Company held by associated undertakings and directors as at period end are as follows:

September 30, 2016	December 31, 2015	----- Percentage held -----		Un-audited	Audited
				September 30, 2016	December 31, 2015
				Number of shares	
Fauji Fertilizers Bin Qasim Limited					
49.12%	38.25%		- voting ordinary shares	55,255,584	4,498,659
56.94%	38.25%		- non-voting ordinary shares	11,161,523	7,497,765
Fauji Foundation					
12.75%	12.75%		- voting ordinary shares	14,343,724	1,499,553
12.75%	12.75%		- non-voting ordinary shares	2,499,255	2,499,255
Directors, Chief Executive, officers and their spouse and minor children					
16.27%	28.53%		- voting ordinary shares	18,309,176	3,355,552
6.63%	25.32%		- non-voting ordinary shares	1,300,000	4,963,758
				<u>102,869,262</u>	<u>24,314,542</u>

6 Share premium

This includes premium of Rs. 19.78 per ordinary share issued during the period against right issue. This reserve can only be utilized by the Company for the purpose specified in Section 83(2) of the Companies Ordinance, 1984.

	Note	Un-audited	Audited
		September 30, 2016	December 31, 2015
		Rupees	Rupees
7 Trade and other payables			
Trade creditors		858,428,765	310,129,678
Advances from customers		53,209,828	42,689,515
Accrued expenses		265,058,911	64,709,739
Due to employees		-	223,629
Withholding tax payable		21,270,901	17,062,665
Employees' provident fund		3,180,256	899,456
Workers' profit participation fund		297,697	347,385
Unclaimed dividend:			
- ordinary shares		857,614	857,614
- preference shares		115,490	115,490
Associate		13,743,342	-
Others		301,577	370,704
		<u>1,216,464,381</u>	<u>437,405,875</u>
8 Short term borrowings - secured			
Interest / mark-up based loans	8.1	1,682,736,049	575,089,693
Islamic mode of financing	8.2	1,226,433,460	550,000,000
		<u>2,909,169,509</u>	<u>1,125,089,693</u>
8.1 Short term financing - secured			
Short term running finance	8.1.1 & 8.1.2	1,682,736,049	575,089,693
		<u>1,682,736,049</u>	<u>575,089,693</u>



8.1.1 Short term running finance - secured

This represents utilized amount of short term running finance facilities ("facilities") under markup arrangements available from commercial banks aggregating to Rs. 2,175 million (31 December 2015: Rs. 1,275 million). These facilities are secured against charge over all current assets and certain fixed assets of the Company and carry markup ranging between 6.55% to 6.99% (31 December 2015: 6.82% to 9.47%) per annum, payable quarterly. The facilities are expiring on various dates by March 2017.

8.1.2 Short term running finance - secured

This includes balance of Rs. 581.38 million (31 December 2015: Rs. 100.8 million) with Askari Bank Limited, an associate undertaking.

8.2 Islamic mode of financing

This represents utilized amount of short term finance facilities (istisna and morahaba) under markup arrangement available from Bank Islami Limited aggregating to Rs 1,572.55 million (31 December 2015: Rs 2,000 million). These facilities are secured against 1st Pari Passu charge over present and future current assets of the Company amounting to Rs. 94 million, ranking charge over present and future current assets of the Company amounting to Rs 240 million, 1st Pari Passu charge over fixed assets of the Company amounting to Rs. 400 million, ranking charge over present and future current and fixed assets of the Company amounting to Rs 1,933.33 million and carries markup ranging between 6.55% to 7.12% (31 December 2015: 6.65% to 8.01%) per annum. The facility expires latest by December 2016.

9 Accrued markup

This includes accrued markup of Rs.3.65 million (31 December 2015: Nil) relating to Askari Bank Limited, an associated undertaking.

10 Contingencies and commitments

10.1 Contingencies

The Company has issued following guarantees:

- (i) Guarantees aggregating Rs 15.8 million (31 December 2015: Rs 15.47 million) have been issued by banks on behalf of the Company to Sui Northern Gas Pipeline Limited, Unilever Pakistan Limited, and Pakistan State Oil.
- (ii) There has been no significant change in contingencies, except as mentioned below, as reported in the audited financial statements of the Company for the period ended 31 December 2015.

The Company has been selected for audit, under section 214C of the Income Tax Ordinance 2001, for the tax year 2014. However, proceedings in this respect have not been initiated.

10.2 Commitments

The Company has the following commitments in respect of:

- (i) Commitments, for capital expenditure, against irrevocable letters of credit outstanding at the period end amounted to Rs 565.17 million (31 December 2015: Rs. 2,355.42 million).
- (ii) Commitments, other than capital expenditure, outstanding at the period end amounted to Rs 130.09 million (31 December 2015: Rs 205.83 million).



		Un-audited	Audited
		September 30, 2016	December 31, 2015
	Note	Rupees	Rupees
11 Property, plant and equipment			
Operating fixed assets	11.1	1,654,635,967	1,008,477,814
Capital work in process	11.2	2,339,785,825	269,519,814
		<u>3,994,421,792</u>	<u>1,277,997,628</u>
11.1 Operating fixed assets			
Net book value at beginning of the period		1,008,477,814	1,037,778,370
Additions during the period		818,337,979	13,065,934
Disposals during the period		(73,977,565)	(3,299,968)
Depreciation charged during the period		(98,202,261)	(39,066,522)
Net book value at end of the period		<u>1,654,635,967</u>	<u>1,008,477,814</u>
11.2 Capital work in progress			
Plant and machinery		1,801,402,851	191,715,814
Leased vehicles		-	77,804,000
Building		421,688,606	-
Advances to contractors		116,694,368	-
		<u>2,339,785,825</u>	<u>269,519,814</u>
12 Stock in trade			
Raw and packing material			
- In hand		379,520,013	106,422,243
- In transit		89,368,974	24,851,129
		468,888,987	131,273,372
Work in process		71,689,000	37,241,000
Finished goods		210,401,000	33,971,363
		282,090,000	71,212,363
Provision for obsolete stock		(24,851,129)	(27,860,091)
		<u>726,127,858</u>	<u>174,625,644</u>
		Un-audited	Audited
		September 30, 2016	December 31, 2015
		Rupees	Rupees
13 Loans and advances			
Due from employees - unsecured			
- Considered good		2,548,544	875,331
- Considered doubtful		166,184	166,184
Advances to suppliers - unsecured			
- Considered good		143,420,504	20,652,977
- Considered doubtful		6,574,450	6,574,450
		152,709,682	28,268,942
Less: Provision for doubtful loans and advances		(6,740,634)	(6,740,634)
		<u>145,969,048</u>	<u>21,528,308</u>



14 Deposits, prepayments and other receivables

The balance at period end mainly includes amount receivable from Ecolean amounting to Rs. 119.48 million.

		Un-audited September 30, 2016	Audited December 31, 2015
	Note	Rupees	Rupees
15 Cash and bank balances			
Cash-in-hand		771,284	120,945
Cash at bank:			
- Current accounts		37,059,978	39,956,897
- Saving accounts	15.1	379,897,860	338,897
- Dividend accounts		221,490	221,526
		417,179,328	40,517,320
		417,950,612	40,638,265

15.1 This carries profit under markup arrangement at the rates ranging from 3.5% to 4% (31 December 2015: 3.5% to 4.5%) per annum.

		Un-audited September 30, 2016	Un-audited September 30, 2015
	Note	Rupees	Rupees
16 Cost of sales			
Raw materials consumed		1,158,316,359	696,821,032
Salaries, wages and other benefits		109,273,762	53,011,690
Power and fuel		89,411,396	82,617,177
Packing materials consumed		515,146,082	274,573,154
Stores and spares consumed		69,691,050	33,346,908
Repair and maintenance		5,922,053	1,971,757
Rent, rates and taxes		19,986,410	5,034,519
Depreciation on property, plant and equipment			
- Milk collection centres		10,094,005	-
- Production facility		74,022,511	47,591,571
Insurance		11,079,891	2,644,276
		2,062,943,519	1,197,612,085
Adjustment of work-in-process			
Opening stock		37,241,000	22,058,000
Closing stock	12	(71,689,000)	(23,119,000)
		(34,448,000)	(1,061,000)
Cost of goods manufactured		2,028,495,519	1,196,551,085
Adjustment of finished goods			
Opening stock		33,971,363	34,478,000
Closing stock	12	(210,401,000)	(21,529,000)
		(176,429,637)	12,949,000
		1,852,065,882	1,209,500,085



		Un-audited September 30, 2016 Rupees	Un-audited September 30, 2015 Rupees
17 Finance cost	Note		
Islamic mode of financing			
- istisna		32,286,764	223,540
Interest / mark-up on interest / mark-up based loans			
- loan from directors		-	2,400,547
- long term finance		-	10,220,471
- short term borrowings running finance	17.1	47,082,021	48,356,028
- finance lease		6,433,942	695,904
- tetra pak funds utilized		-	3,770,460
- workers profit participation fund		-	266,213
Bank charges and commission		977,879	1,832,121
		<u>86,780,606</u>	<u>67,765,284</u>

17.1 This includes mark up charged by Askari Bank Limited, an associated undertaking, amounting to Rs. 13.77 million (30 September 2015: Nil).

		Un-audited September 30, 2016 Rupees	Un-audited September 30, 2015 Rupees
18 Taxation			
Current:			
- For the period		-	11,655,481
- Prior years		-	31,626
		-	<u>11,687,107</u>
Deferred:			
- For the period		(352,856,049)	(87,380,093)
		(352,856,049)	(87,380,093)
		<u>(352,856,049)</u>	<u>(75,692,986)</u>

		Un-audited September 30, 2016 Rupees	Un-audited September 30, 2015 Rupees
19 Cash and cash equivalents			
Cash and bank balances	15	417,950,612	53,631,274
Short term running finance	8.1	(1,682,736,049)	(552,713,067)
		<u>(1,264,785,437)</u>	<u>(499,081,793)</u>



20 Related party disclosures

Related parties comprise of associated undertakings, directors, post employment funds, entities with common directorship and key management personnel. Balances are disclosed elsewhere in the condensed interim financial information. Significant transactions with related parties during the period are as follows:

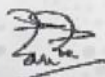
Relationship with the Company	Nature of transactions	Un-audited	Un-audited
		30 September 2016	30 September 2015
		Rupees	Rupees
i. Associated Undertakings			
Noon Sugar Mills Limited	Purchase of goods	-	23,017,550
	Sale of goods	-	184,968
	Payments to others on behalf of the related party	23,314	1,903,208
	Payment by related party on Company's behalf	11,356	3,472,723
Textile Services (Private) Limited	Purchase of store items	-	1,263,762
	Payment made to related party	-	1,606,026
Askari Bank Limited	Markup expense	13,774,107	-
Fauji Fertilizer Bin Qasim Limited	Expense charged by related party	23,203,625	-
Employees' Provident Fund Trust	Contribution for the period	10,026,979	1,771,161
ii. Associated persons			
Mr. Salman Hayat Noon (Non-Executive Director)	Purchase of land	16,500,000	-
	Consultancy fee expense	5,923,773	-
	Remuneration and other benefits	-	3,433,456
Mr. Malik Adnan Hayat Noon (Non-Executive Director)	Purchase of land	16,500,000	-
Mr. Par Sodeerlund (Non-Executive Director)	Meeting fee	636,400	-
Key management personnel	Remuneration and benefits	157,548,570	32,653,133

21 Financial risk management

The Company's financial risk management objective and policies are consistent with that disclosed in the six month audited financial statements of the Company for the period ended 31 December 2015.

22 Date of authorization

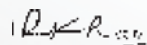
This condensed interim financial information has been approved by the Board of Directors of the Company and authorized for issue on October 21, 2016.



Chairman



Chief Executive



Director





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