



**Condensed Interim  
Financial Statements  
For The Quarter Ended  
31 MARCH**

**2016**



**Noon Pakistan Limited**  
3rd Floor, FFBL Complex Tower,  
103 A/B, Shahrah-e-Quaid-e-Azam,  
Lahore.

TEL: 042-99205933-34  
Website: [www.nurpurfoods.com](http://www.nurpurfoods.com)



**NOON PAKISTAN LIMITED**

  
**CONTENTS**

<b>CONTENTS</b>	<b>Page #</b>
Corporate Information	2-3
Directors' Report	4-5
Condensed Interim Balance Sheet	6-7
Condensed Interim Profit & Loss Account	8
Condensed Interim Comprehensive Income Statement	9
Condensed Interim Cash Flow Statement	10
Condensed Interim Statement of Changes in Equity	11
Notes to the Condensed Interim Financial Information	12-13





## 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 Raja Jahanzeb (Retd.)  
Lt Col Abdul Khaliq Khan (Retd.)  
Mr. Iltifat Rasul Khan  
Mr. Par Soderlund

### CHIEF FINANCIAL OFFICER

Syed Aamir Ahsan

### COMPANY SECRETARY

Lt Col Muhammad Ashfaq (Retd.)

### AUDITORS

KPMG Taseer Hadi & Co.  
Chartered Accountants

### LEGAL ADVISERS

Hamid Law Associates

**AUDIT COMMITTEE** Mr. Iltifat Rasul Khan  
Mr. Qaiser Javed  
Dr. Nadeem Inayat  
Brig Raja Jahanzeb (Retd.)  
Lt Col Abdul Khaliq Khan (Retd.)

**HR & R COMMITTEE** Dr. Nadeem Inayat  
Dr. Rashid Bajwa  
Brig Raja Jahanzeb (Retd.)  
Lt Col Abdul Khaliq Khan (Retd.)

**BUSINESS  
REVIEW  
COMMITTEE** Dr. Rashid Bajwa  
Mr. Salman Hayat Noon  
Mr. Par Soderlund  
Brig Raja Jahanzeb (Retd.)

**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  
E-mail: info@nurpurfoods.com

**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.nurpurfoods.com

**PLANT** Bhalwal, District Sargodha.

## DIRECTORS' REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors of Noon Pakistan Limited, I am pleased to present the directors' report along with the condensed interim financial information of the Company for the quarter ended March 31, 2016.

### Principal Activities

Noon Pakistan Limited, a majority owned Company of Fauji Fertilizer Bin Qasim Limited (38.25%) and Fauji Foundation (12.75%) is engaged in manufacturing, processing and marketing of dairy products, juices and jams. The Company's brand name 'Nurpur' is one of the oldest and most recognizable brand in Pkistan. During the first quarter of the year 2016, to further strengthen its marking recognition and to enhance its portfolio of brand, Noon Pakistan Limited launched "Dostea" which in a short span is on course to become a leading tea whitener brand.

### Business Review

During the period under review, the total sales of the Company was Rs. 461 million as compared to Rs. 454 million during the corresponding period, showing a nominal growth of 2%. The gross profit remained at the same level of last period i.e Rs. 44 million. The bottom line shows net loss after tax of Rs. 189 million as compared to corresponding period loss of Rs. 166 million which is mainly due to increased marketing expenditures on the launch of 'Dostea'. Your Company's management in order to realize full potential of Company's assets is focusing on strengthening its market position and going forward is expected to continue to make investments in the marketing and branding of its portfolio. Further, the Company is carrying out its Balancing Modernization and Revamping (BMR) and Capacity Expansion activities that include transformation of Company's plant into efficient cost effective Production facilities and uplifting of existing Milk Procurement and Sales & distribution into broad based state of the art sourcing and distribution network.

### Financial Performance

The financial performance for the three months period is summarized below:

Description	Jan-March 2016 PKR Million	Jan-March 2015 PKR Million	Change
Sales	461	454	+1.61%
Gross Profit	44	44	+0%
% of Sales	9.66%	9.80%	
Operating Loss	(265)	(133)	-99.73%
% of Sales	(57.4)%	(29.2)%	
Net Loss after tax	(189)	(166)	-14.16%
% of Sales	(42)%	(36.5)%	
Loss per share-Rs.	(6.03)	(5.28)	(0.75)

### **Right Issue**

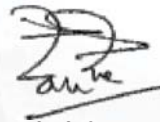
The Company is carrying out a right issue of shares for funding the expansion of business. Letter of Rights have been issued to the existing shareholders in accordance with Section 86 of the Companies Ordinance, 1984 and read with rule 5 of the Companies (Issue of Capital) Rules, 1996; and pursuant to the resolution of the Board of Directors passed in the meeting held on December 21, 2015 for the subscription of 100,738,598 ordinary shares of Rs. 10 each, to be issued at Rs. 29.78 per share (at a premium of Rs. 19.78 per share) payable in full on acceptance on or before 15 April, 2016.

### **Future Outlook**

Our confidence remains high in the growth potential of Pakistan's dairy market. This coupled with our brand strength; the Company expects a positive outlook on the dairy business and will continue its growth activities. The Board also stays confident about the future growth of the Company by having faith in its capacity to deliver quality products while keeping a strong focus on innovation and operational excellence.

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

For & on behalf of Board



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

Dated : April 20, 2016



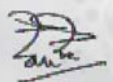
## CONDENSED INTERIM BALANCE SHEET

	Note	Un-Audited Mar. 31, 2016 Rupees	Audited Dec. 31, 2015 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital		<u>7,000,000,000</u>	<u>7,000,000,000</u>
Issued, subscribed and paid- up capital		313,632,000	313,632,000
Share deposit money	6	1,525,861,499	-
Unappropriated loss		<u>(722,484,937)</u>	(538,082,120)
		<u>1,117,008,562</u>	<u>(224,450,120)</u>
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>			
		453,015,033	457,615,326
<b>NON-CURRENT LIABILITIES</b>			
Liabilities against assets subject to finance lease		94,922,187	59,827,955
Employee Benefits		10,351,073	10,629,419
		<u>105,273,260</u>	<u>70,457,374</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		742,593,875	1,125,089,693
Accrued mark-up and interest		35,705,870	28,971,814
Short term finances		2,565,041,909	437,405,875
Current portion of non current liabilities		22,390,097	13,643,700
		<u>3,365,731,751</u>	<u>1,605,111,082</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7	<u>5,041,028,606</u>	<u>1,908,733,662</u>

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

## AS AT 31 MARCH 2016

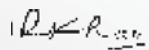
	Note	Un-Audited Mar. 31, 2016 Rupees	Audited Dec. 31, 2015 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	2,039,417,145	1,277,997,628
Intangible asset		492,178	616,216
Security deposits		819,686	1,032,686
Deferred taxation		176,619,245	76,384,766
		<u>2,217,348,254</u>	<u>1,356,031,296</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		164,923,087	38,716,297
Stock-in-trade		431,803,185	174,625,644
Trade debts - unsecured considered good		37,882,243	37,729,967
Loans and advances		54,342,490	21,528,308
Deposits, prepayments and other receivables		114,037,701	10,460,090
Due from Associated Companies		1,987,431	2,025,419
Sales tax refundable		213,304,382	155,860,557
Advance income tax, tax deducted at source and income tax refundable		76,104,077	58,795,819
Cash and bank balances		1,729,295,756	52,960,265
		<u>2,823,680,352</u>	<u>552,702,366</u>
		<u>5,041,028,606</u>	<u>1,908,733,662</u>



Chairman



Chief Executive



Director



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT  
FOR THE QUARTER ENDED 31 MARCH, 2016**

	<b>Un-Audited Mar. 31, 2016 Rupees</b>	<b>Un-Audited Mar. 31, 2015 Rupees</b>
<b>SALES - Net</b>	<b>461,253,003</b>	453,955,422
<b>COST OF SALES</b>	<b>(416,717,908)</b>	(409,560,795)
<b>GROSS PROFIT</b>	<b>44,535,095</b>	44,394,627
<b>DISTRIBUTION &amp; MARKETING EXPENSES</b>	<b>(276,300,955)</b>	(76,056,091)
<b>ADMINISTRATIVE EXPENSES</b>	<b>(35,398,860)</b>	(28,148,233)
<b>OTHER OPERATING EXPENSES</b>	<b>(1,747,162)</b>	(74,473,878)
<b>OTHER OPERATING INCOME</b>	<b>4,134,668</b>	1,717,046
	<b>(309,312,309)</b>	(176,961,156)
<b>LOSS FROM OPERATIONS</b>	<b>(264,777,214)</b>	(132,566,529)
<b>FINANCE COST</b>	<b>(24,460,377)</b>	(29,415,172)
<b>LOSS BEFORE TAXATION</b>	<b>(289,237,591)</b>	(161,981,701)
<b>TAXATION</b>		
- Current	-	(3,540,800)
- Prior years	-	(31,626)
- Deferred	<b>100,234,479</b>	-
	<b>100,234,479</b>	(3,572,426)
<b>LOSS AFTER TAXATION</b>	<b>(189,003,112)</b>	(165,554,127)
<b>LOSS PER SHARE</b>		
- basic and diluted	<b>(6.03)</b>	(5.28)

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

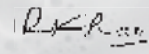
- Appropriations have been reflected in the statement of changes in equity.



Chairman



Chief Executive



Director

**CONDENSED INTERIM STATEMENT  
OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 MARCH, 2016**

	<b>Un-Audited Mar. 31, 2016 Rupees</b>	<b>Un-Audited Mar. 31, 2015 Rupees</b>
<b>LOSS AFTER TAXATION</b>	<b>(189,003,112)</b>	<b>(165,554,127)</b>
Other Comprehensive Income for the quarter	-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE QUARTER</b>	<b><u>(189,003,112)</u></b>	<b><u>(165,554,127)</u></b>

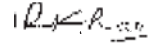
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**Chairman**



**Chief Executive**



**Director**

**CONDENSED INTERIM CASH FLOW STATEMENT  
FOR THE QUARTER ENDED 31 MARCH, 2016**

	<b>Un-Audited Mar. 31, 2016 Rupees</b>	<b>Un-Audited Mar. 31, 2015 Rupees</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss for the period - before taxation	<b>(289,237,591)</b>	(161,981,701)
Adjustments for non-cash charges and other items:		
Depreciation	<b>27,671,508</b>	14,678,277
Amortization of intangible assets	<b>165,288</b>	165,305
Gain on sale of operating fixed assets	<b>(1,289,858)</b>	-
Finance cost	<b>24,460,377</b>	29,415,172
Provision for doubtful debts	-	41,471,864
Provision for obsolete store	-	17,510,565
Provision for old stuck-up refunds of sales tax	-	15,353,660
Exchange loss	<b>1,278,858</b>	-
Profit on bank deposits	-	3,794
<b>CASH OUTFLOW FROM OPERATING ACTIVITIES</b>		
- Before working capital changes	<b>(236,951,418)</b>	(43,383,064)
<b>Decrease / (Increase) in current assets:</b>		
Stores, spares and loose tools	<b>(126,206,790)</b>	(11,390,396)
Stock-in-trade	<b>(257,177,541)</b>	(43,936,000)
Trade debts	<b>(152,276)</b>	26,231,082
Loans and advances	<b>(32,814,182)</b>	(4,538,387)
Short term security deposits, prepayments and other receivables	<b>(103,577,611)</b>	(235,720)
Due from Associated Companies	<b>37,988</b>	1,038,150
Other receivables	-	137,789
Sales tax refundable	<b>(57,443,825)</b>	(776,772)
<b>(Decrease) / Increase in trade and other payables</b>	<b>(383,774,674)</b>	(46,402,371)
	<b>(961,108,911)</b>	(79,872,625)
<b>Cash used in operations</b>	<b>(1,198,060,329)</b>	(123,255,689)
Income tax paid	<b>(17,308,258)</b>	(2,672,285)
Employee benefits paid	<b>(278,346)</b>	-
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	<b>(1,215,646,933)</b>	(125,927,974)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	<b>(809,510,693)</b>	(10,283,407)
Purchase of intangible asset	<b>(41,250)</b>	-
Sale proceeds of operating fixed assets	<b>69,568,376</b>	-
Security Deposit received	<b>213,000</b>	-
Income on bank deposits received	-	595,200
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>	<b>(739,770,567)</b>	(9,688,207)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Term finances - net	-	(46,287,322)
Islamic finances - net	-	(203,869,750)
Share deposit money	<b>1,525,861,499</b>	-
Loan From Chief Executive & a Director - net	-	(3,499,990)
Lease finances - net	<b>(4,018,221)</b>	(2,632,025)
Short term finances - net	<b>2,127,636,034</b>	317,451,800
Finance cost paid	<b>(17,726,321)</b>	(33,939,067)
<b>NET CASH INFLOW FROM FINANCING ACTIVITIES</b>	<b>3,631,752,991</b>	27,223,646
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,676,335,491</b>	(108,392,535)
<b>CASH AND CASH EQUIVALENTS - At beginning of the period</b>	<b>52,960,265</b>	220,845,153
<b>CASH AND CASH EQUIVALENTS - At end of the period</b>	<b>1,729,295,756</b>	112,452,618

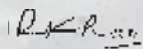
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**Chairman**



**Chief Executive**




**Director**

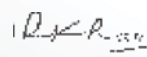
**CONDENSED INTERIM STATEMENT  
OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE QUARTER ENDED 31 MARCH, 2016**

	Share capital	Unappropriated Loss	Total
----- Rupees -----			
Balance as at 01 Jan, 2015	313,632,000	(199,208,845)	114,423,155
Total comprehensive loss for the quarter ended 31 March, 2015	-	(165,554,127)	(165,554,127)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the quarter-net of deferred taxation	-	228,421	228,421
	-	(165,325,706)	(165,325,706)
Balance as at 31 March, 2015	313,632,000	(364,534,551)	(50,902,551)
Total comprehensive loss for the Nine months ended 31 December, 2015	-	(187,981,214)	(187,981,214)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the quarter-net of deferred taxation	-	14,433,645	14,433,645
	-	(173,547,569)	(173,547,569)
Balance as at 31 December, 2015	313,632,000	(538,082,120)	(224,450,120)
Total comprehensive loss for the quarter ended 31 March, 2016	-	(189,003,112)	(189,003,112)
Share Deposit Money	1,525,861,499	-	1,525,861,499
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the quarter-net of deferred taxation	-	4,600,295	4,600,295
	1,525,861,499	(184,402,817)	1,341,458,682
<b>Balance as at 31 March, 2016</b>	<b>1,839,493,499</b>	<b>(722,484,937)</b>	<b>1,117,008,562</b>

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

  
Chairman

  
Chief Executive

  
Director

## **NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED 31 MARCH, 2016**

1. 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, Shahr-e-Quaid-e-Azam, Lahore and the manufacturing facility is located at Bhalwal, District Sargodha.
  
2. This condensed interim financial information of the Company for the first quarter ended 31 March, 2016 is un-audited and has been presented in accordance with the requirements of the International Accounting Standard (IAS - 34 Interim Financial Reporting) and provisions of and directives issued under the Companies Ordinance, 1984 (the Ordinance). In case where the requirements differ, the provisions of or directives issued under the Ordinance have been followed. These are required to be presented to the shareholders under section 245 of the Ordinance.
  
3. This condensed interim financial information does not include all the information required for the full financial statements and should be read in conjunction with the financial statements of the Company as at and for the year ended 31 December, 2015.
  
4. The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of audited annual financial statements of the Company for the year ended 31 December, 2015.
  
5. The preparation of this condensed interim financial information in conformity with the 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. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to annual audited financial statements for the year ended 31 December, 2015.

### **6. Share Deposit Money**

This represents subscription amount received against right issue of shares in separate bank accounts till March 31, 2016.

Right issue of shares have been made in accordance with requirements of section 86 of the companies ordinance, 1984 read with rule 5 of the companies (Issue of Capital) Rules, 1996 and pursuant to the resolution of the Board of Directors passed in their meeting held on December 21, 2015 to the existing shareholders for the subscription of 100,738,598 ordinary shares of Rs. 10/- each, to be issued at Rs. 29.78/- per share (including premium of Rs. 19.78/- per share) payable in full on acceptance on or before 15 April, 2016.

## 7. Contingencies and Commitments

7.1 Guarantees aggregating as at March 31, 2016 amounting to Rs.14.97 million (December 31, 2015: Rs.14.47 million) have been issued by banks of the Company to Sui Northern Gas Pipeline Ltd., Unilever Pakistan Ltd., PSO and Controller Naval Account.

7.2 Commitments, for capital expenditure, against irrevocable letters of credit as at March 31, 2016 amounting to Rs. 2,331.94 Million (December 31, 2015: Rs. 2,355.42 Million).

7.3 Commitments, other than capital expenditure, as at March 31, 2016 amounting to Rs. 80.75 Million (December 31, 2015: 205.83 Million).

8. Property, plant and equipment	Note	Un-audited	Audited
		Mar 31, 2016	Dec 31, 2015
-----Rupees-----			
Opening balance-Net book value		1,277,997,628	1,037,778,370
Additions during the period		160,172,519	13,065,934
Capital Work in Process	8.1	697,197,024	269,519,814
		<u>2,135,367,171</u>	<u>1,320,364,118</u>
Book value of property plant and equipment disposed off/adjusted during the period		(68,278,518)	(3,299,968)
Depreciation charged during the period		<u>(27,671,508)</u>	<u>(39,066,522)</u>
		<u>2,039,417,145</u>	<u>1,277,997,628</u>

8.1 This includes borrowing cost capitalised in respect of qualifying assets acquired during the period amounting to Rs. 7.05 million. The weighted average rate used for the calculation of borrowing cost is 6.99%.

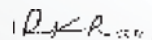
9. The related parties comprise associated undertaking, other related companies and key management personnel. No transaction with related parties have been made during 1st quarter ended 31 March, 2016.
10. This condensed interim financial information was authorised for issue in the Board of Directors' meeting held on 20 April, 2016.
11. Figures in this condensed interim financial information have been rounded-off to the nearest Rupee. Corresponding figures have been re-arranged or re-classified wherever necessary for the purposes of comparison; however, no material re-arrangement or re-classification has been made.



Chairman



Chief Executive



Director