

**Condensed Interim
Financial Information
For The Six Months Ended
30 JUNE**

2016



FAUJI FOODS LIMITED
(Formerly Noon Pakistan Limited)



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

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
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
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.faujifoods.com

PLANT

Bhalwal, District Sargodha.



Directors' Report to the Shareholders

For the Half Year ended June 30, 2016

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 half year ended June 30, 2016.

Change of Name

The period under review witnessed a change in the Company's name from "Noon Pakistan Limited" to "Fauji Foods Limited." 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. The change in name was proposed by the directors of the Company 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 new name became effective from June 01, 2016, with the approval of Securities & Exchange Commission of Pakistan.

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 manufacturing, processing, and marketing of dairy products, juices and jams. The Company's brand 'Nurpur' is one of the oldest and highly recognizable brands in Pakistan.

Operational Performance

The current half year saw 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 were launched during the period. Dostea, a Liquid Tea Whitener, was launched in first quarter of 2016 while Nurpur Original (UHT) & Nurpur Fresh (Pasteurized) milk were launched in innovative packaging in second quarter of 2016. These product launches were accompanied by comprehensive marketing and advertisement campaigns. The new products received an enthusiastic response from all consumers' segments.

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. The existing milk procurement and sales & distribution are being uplifted into a comprehensive sourcing and distribution network.

Financial Performance

Company financial results for the period Jan-Jun 2016 shows sales revenue of Rs. 1,080 million, higher by 16.4% compared to the corresponding period last year. Our net loss after tax increased to Rs. 435 million (loss per share - Rs. 4.91) from Rs. 247 million (loss per share - Rs. 4.36) last year.

Company is in process of capacity enhancement of production facility and uplifting of milk procurement and sales & distribution networks, this resulted in higher fixed cost of sales in current period



Other reasons for increased losses includes price reduction in tea creamer segment of industry, increased raw materials cost and marketing spending on brand repositioning & launch of new products. Your Company's management in order to realize full potential of Company's assets is focusing on strengthening its market position and is continuously making investments in the marketing and branding of its portfolio.

Management has undertaken various initiatives like curtailment of input costs, increasing production scales to optimum levels, strengthening of milk collection and sales & distribution structures, injection of equity through right issue, securing new working capital lines etc. We expect that these steps along with increased sales will contribute significantly towards the profitability of the company in the foreseeable future.

Right Issue

Right shares issuance exercise of the Company was completed for 100,738,598 ordinary voting shares at Rs.29.78 each, in April 2016, thereby injecting further Rs.3 billion equity in the Company.

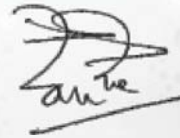
Future Outlook

As a result of changes through Finance Bill 2016-17, margins of the dairy industry are expected to come 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. The higher costs may result in increase in sales prices, thereby impacting the anticipated positive 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 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

Place: Islamabad
Date: 25 Jul 2016



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



Auditor's Report to the Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Fauji Foods Limited (formerly Noon Pakistan Limited)** ("the Company") as at 30 June 2016 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six month period then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

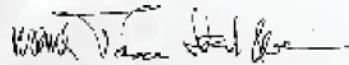
Other matters

As explained in note 2, due to change in accounting year the figures in the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and relevant notes to the condensed interim financial information for the six months' period ended 30 June 2015 are neither reviewed nor audited.

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended 30 June 2016, have not been reviewed and we do not express a conclusion on them.

Date: 25 July, 2016

Lahore



KPMG Taseer Hadi & Co.
Chartered Accountants
(M. Rehan Chughtai)

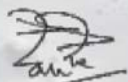


FAUJI FOODS LIMITED
(Formerly Noon Pakistan Limited)

CONDENSED INTERIM BALANCE SHEET

		Un-audited June 30, 2016 Rupees	Audited December 31, 2015 Rupees
<u>Share capital and reserves</u>			
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 Decemeber 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>(963,890,308)</u>	<u>(538,082,120)</u>
		2,323,899,815	(224,450,120)
Surplus on revaluation of property, plant and equipment - net of tax		449,687,060	457,615,326
<u>Non - current liabilities</u>			
Liabilities against assets subject to finance lease		117,079,652	59,827,955
Employee benefits		19,024,390	10,629,419
		136,104,042	70,457,374
<u>Current liabilities</u>			
Trade and other payables	7	1,078,505,723	437,405,875
Short term borrowings - secured	8	2,087,870,992	1,125,089,693
Current portion of liabilities against assets subject to finance lease		28,983,784	13,643,700
Accrued markup	9	42,756,573	28,971,814
		3,238,117,072	1,605,111,082
		<u>6,147,807,989</u>	<u>1,908,733,662</u>
Contingencies and commitments	10		

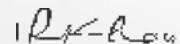
The annexed notes 1 to 25 form an integral part of this condensed interim financial information.



Chairman



Chief Executive



Director



AS AT JUNE 30, 2016

<u>Non - current assets</u>	Note	Un-audited June 30, 2016 Rupees	Audited December 31, 2015 Rupees
Property, plant and equipment	11	3,206,173,480	1,277,997,628
Intangible asset		41,250	616,216
Security deposits		822,686	1,032,686
Deferred tax asset		290,966,590	76,384,766
		3,498,004,006	1,356,031,296

Current assets

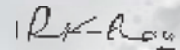
Stores, spares and loose tools		88,141,855	38,716,297
Stock in trade	12	750,266,133	174,625,644
Trade debts - considered good		22,565,365	37,729,967
Loans and advances	13	89,756,489	21,528,308
Deposits, prepayments and other receivables	14	154,742,811	22,782,090
Due from associated companies - unsecured		1,998,473	2,025,419
Sales tax refundable - net		439,127,591	155,860,557
Income tax - net		163,794,024	58,795,819
Cash and bank balances	15	939,411,242	40,638,265
		2,649,803,983	552,702,366
		6,147,807,989	1,908,733,662



Chairman



Chief Executive



Director

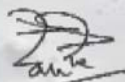


Condensed Interim Profit And Loss Account (Un-audited)

For the half year ended June 30, 2016

	Note	For the quarter ended		For the half year ended	
		June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
		----- Rupees -----		----- Rupees -----	
Sales - net		618,786,300	473,554,826	1,080,039,303	927,510,248
Cost of sales	16	<u>(570,736,778)</u>	<u>(441,382,500)</u>	<u>(987,454,686)</u>	<u>(850,943,295)</u>
Gross profit		48,049,522	32,172,326	92,584,617	76,566,953
Distribution cost	17	(289,579,276)	(20,251,078)	(565,880,231)	(96,307,169)
Administrative expenses		(63,677,595)	(27,218,149)	(99,076,455)	(55,366,382)
Other income	18	7,001,870	725,878	11,136,538	2,442,924
Other expenses		(23,331,089)	(131,290,000)	(25,078,251)	(205,763,878)
Loss from operations		<u>(321,536,568)</u>	<u>(145,861,023)</u>	<u>(586,313,782)</u>	<u>(278,427,552)</u>
Finance cost	19	(37,544,120)	(19,578,971)	(62,004,497)	(48,994,143)
Loss before taxation		<u>(359,080,688)</u>	<u>(165,439,994)</u>	<u>(648,318,279)</u>	<u>(327,421,695)</u>
Taxation	20	112,944,175	83,532,210	213,178,654	79,959,784
Loss for the period		<u>(246,136,513)</u>	<u>(81,907,784)</u>	<u>(435,139,625)</u>	<u>(247,461,911)</u>
Loss per share - basic		<u>(2.04)</u>	<u>(1.44)</u>	<u>(4.91)</u>	<u>(4.36)</u>
Loss per share - diluted		<u>(2.04)</u>	<u>(1.44)</u>	<u>(4.91)</u>	<u>(4.36)</u>

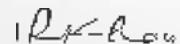
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Chairman



Chief Executive



Director

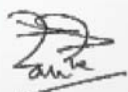


FAUJI FOODS LIMITED
(Formerly Noon Pakistan Limited)

Condensed Interim Statement of Comprehensive Income (Un-audited)
For the half year ended June 30, 2016

	For the quarter ended		For the half year ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
	----- Rupees -----		----- Rupees -----	
Loss after taxation	(246,136,513)	(81,907,784)	(435,139,625)	(247,461,911)
Other comprehensive income / (loss) for the period	-	-	-	-
Total comprehensive loss for the period	<u>(246,136,513)</u>	<u>(81,907,784)</u>	<u>(435,139,625)</u>	<u>(247,461,911)</u>

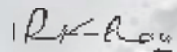
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Chairman



Chief Executive



Director



Condensed Interim Cash Flow Statement (Un-audited)

For the half year ended June 30, 2016

	June 30, 2016	June 30, 2015
Note	----- Rupees -----	
<u>Cash flows from operating activities</u>		
Loss before taxation	(648,318,278)	(327,421,695)
<i>Adjustments for non-cash items:</i>		
Depreciation on property, plant and equipment	60,658,548	34,485,190
Amortization of intangible assets	616,216	330,610
(Gain) / loss on disposal of property, plant and equipment	(2,431,322)	158,455
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	(3,512,919)	(271,443)
Provision for old stuck-up refunds of sales tax	-	15,353,660
Unrealised exchange gain	(2,240,963)	-
Employee benefits - accumulated compensated absences	2,000,000	13,020,830
Employee benefits - gratuity	7,000,001	-
Finance cost	62,004,497	48,994,143
Loss before working capital changes	(503,374,729)	(11,879,796)
 <u>Effect on cash flow due to working capital changes</u>		
<i>(Increase) / decrease in current assets:</i>		
Stores, spares and loose tools	(61,275,049)	80,450,138
Stock-in-trade	(575,640,489)	(104,599,247)
Trade debts	6,164,602	6,771,577
Loans and advances	(68,228,181)	7,669,590
Deposits, prepayments and other receivables	(130,476,090)	(145,050)
Due from Associated Companies	26,946	(407,458)
Sales tax refundable	(283,267,034)	2,060,145
	(1,112,695,295)	(8,200,305)
 <i>Increase / (decrease) in current liability:</i>		
Trade and other payables	643,340,811	(127,019,829)
Net cash used in operations	(972,729,213)	(147,099,930)
 Income tax paid	 (104,998,205)	 (22,790,185)
Employee benefits paid	(605,029)	(2,975,958)
Security deposits - net	210,000	-
Net cash used in operating activities	(1,078,122,448)	(172,866,073)



	June 30, 2016	June 30, 2015
	Note ----- Rupees -----	
<u>Cash flow from investing activities</u>		
Fixed capital expenditure	(1,970,766,390)	(12,437,428)
Sale proceeds from disposal of property, plant and equipment	76,129,062	125,000
Income on bank deposits received	2,028,288	1,082,547
Net cash used in investing activities	(1,892,609,040)	(11,229,881)
<u>Cash flow from financing activities</u>		
Share capital issued - net of cost	2,974,158,123	-
Term finances - net	-	(75,544,054)
Islamic finance - net	475,439,774	(203,869,750)
Loans from chief executive and a director - net	-	(47,041,730)
Liabilities against assets subject to finance lease - net	(19,215,219)	(6,189,951)
Short term borrowings - net	14,421,115	88,049,645
Finance cost paid	(48,219,738)	(53,983,905)
Net cash generated from / (used in) financing activities	3,396,584,055	(298,579,745)
Net increase / (decrease) in cash and cash equivalents	425,852,567	(482,675,699)
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	(108,598,861)	(360,257,433)

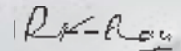
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Chairman



Chief Executive



Director

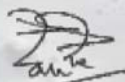


Condensed Interim Statement of Changes in Equity (Un-audited)

For the half year ended June 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
<u>Total comprehensive loss for the period</u>						
Loss after taxation	-	-	-	-	(247,461,911)	(247,461,911)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	(247,461,911)	(247,461,911)
<u>Surplus transferred to accumulated losses</u>						
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	-	5,069,153	5,069,153
	-	-	-	-	5,069,153	5,069,153
As at 30 June 2015 (audited)	313,632,000	-	-	-	(441,601,603)	(127,969,603)
As at 01 January 2016 (audited)	313,632,000	-	-	-	(538,082,120)	(224,450,120)
<u>Total comprehensive loss for the period</u>						
Loss after taxation	-	-	-	-	(435,139,625)	(435,139,625)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	(435,139,624)	(435,139,624)
<u>Surplus transferred to accumulated losses</u>						
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	-	9,331,437	9,331,437
	-	-	-	-	9,331,437	9,331,437
<u>Transactions with owners of the Company</u>						
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 June 2016 (un-audited)	1,321,017,980	-	1,966,772,143	1,966,772,143	(963,890,308)	2,323,899,815

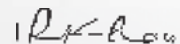
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Chairman



Chief Executive



Director



Notes to the Condensed Interim Financial Information (Un-audited)

For the half year ended June 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 six months period ended 30 June 2016, the Company has incurred a net loss of Rs. 435.14 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 following financial initiatives:

- Injection of equity through right issue during the period as referred to in note 5.2; and
- availed new working capital lines amounting to Rs. 1,653.5 million.

The management anticipates that above steps 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 June 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 half year ended June 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 from six month audited financial statements as of December 31, 2015, whereas due to change in



accounting year the 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 audited financial statements of the Company for the year ended 30 June 2015, accordingly these figures 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 June 30, 2016	Audited December 31, 2015		Un-audited June 30, 2016	Audited December 31, 2015
---- Number of shares ----			----- 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
132,101,798	31,363,200		1,321,017,980	313,632,000



5.2 Reconciliation of ordinary shares

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

June 30, 2016	December 31, 2015		Un-audited June 30, 2016	Audited December 31, 2015
---- Percentage held ----			----- 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.



		Un-audited June 30, 2016	Audited December 31, 2015
	Note	----- Rupees -----	
7. Trade and other payables			
Trade creditors		724,365,536	310,129,678
Advances from customers		77,562,699	42,689,515
Accrued expenses		241,947,593	64,709,739
Retention money payable		10,248,560	-
Due to employees		1,064,076	223,629
Withholding tax payable		18,694,116	17,062,665
Employees' provident fund		2,970,911	899,456
Workers' profit participation fund		380,300	347,385
Unclaimed dividend:			
- ordinary shares		857,614	857,614
- preference shares		115,490	115,490
Others		298,828	370,704
		<u>1,078,505,723</u>	<u>437,405,875</u>
8. Short term borrowings - secured			
Interest / mark-up based loans	8.1	1,062,431,218	575,089,693
Islamic mode of financing	8.2	<u>1,025,439,774</u>	<u>550,000,000</u>
		<u>2,087,870,992</u>	<u>1,125,089,693</u>
8.1 Short term financing - secured			
Short term running finance	8.1.1 & 8.1.3	1,048,010,103	575,089,693
Finance against trust receipts	8.1.2	<u>14,421,115</u>	-
		<u>1,062,431,218</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. 2,425 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 6.84% 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 Finance against trust receipts (FATR) - secured

This represents utilized amount of FATR facility under markup arrangements available from commercial banks amounting to Rs. 500 million (31 December 2015: Nil) obtained in the current period. This facility is secured against 1st Parri Passu charge over current and fixed assets of the Company (excluding land and building) amounting to Rs 1,333.33 million and carry markup ranging between 6.84% to 6.85% per annum (31 December 2015: Nil), payable quarterly. The facilities are expiring on various dates by March, 2017.

8.1.3 This includes balance of Rs. 19.44 million (31 December 2015: Rs. 100.8 million) with Askari Bank Limited, an associated undertaking.



8.2 Islamic mode of financing

This represents utilized amount of short term finance facilities (istisna and murabahah) 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 6.85% to 7.12% (31 December 2015: 6.65% to 8.01%) per annum. The facility expires latest by December 2016.

8.3 Unavailed credit facilities

The facilities for opening of letter of credits and guarantees as at 30 June 2016 amounted to Rs. 1,503.24 million (31 December 2015: Rs. 572.30 million) out of which remaining unutilized amount at the period end stands at Rs. 504.81 million (31 December 2015: Rs. 11.05 million).

9. Accrued markup

This includes accrued markup of Rs. 9,424 (31 December 2015: Nil) relating to Askari Bank Limited, an associated undertaking.

10. Contingencies and commitments

10.1 Contingencies

- (i) The Company has issued following guarantees:

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 preceding six months 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 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 405.53million (31 December 2015:Rs Rs 2,355.42 million).
- (ii) Commitments, other than capital expenditure, outstanding at the period end amounted to Rs 142.83 million (31 December 2015 Rs 205.83 million).



		Un-audited June 30, 2016	Audited December 31, 2015
11. Property, plant and equipment	<i>Note</i>	----- Rupees -----	
Operating fixed assets	11.1	1,620,712,438	1,008,477,814
Capital work in process	11.2	<u>1,585,461,042</u>	<u>269,519,814</u>
		<u>3,206,173,480</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		746,590,912	13,065,934
Disposals during the period		(73,697,740)	(3,299,968)
Depreciation charged during the period		<u>(60,658,548)</u>	<u>(39,066,522)</u>
Net book value at end of the period		<u>1,620,712,438</u>	<u>1,008,477,814</u>
11.2 Capital work in progress			
Plant and machinery		1,230,036,849	191,715,814
Leased vehicles		-	77,804,000
Building		179,788,927	-
Advances to contractors		<u>175,635,266</u>	-
		<u>1,585,461,042</u>	<u>269,519,814</u>
12. Stock in trade			
<i>Raw and packing material</i>			
- In hand		<u>386,734,877</u>	106,422,243
- In transit		<u>94,337,184</u>	24,851,129
		<u>481,072,061</u>	<u>131,273,372</u>
Work in process		<u>57,257,937</u>	37,241,000
Finished goods	12.1	<u>236,787,264</u>	33,971,363
		<u>294,045,201</u>	<u>71,212,363</u>
Provision for obsolete stock		<u>(24,851,129)</u>	(27,860,091)
		<u>750,266,133</u>	<u>174,625,644</u>
12.1		This includes net realizable value adjustment of Rs 14.83 million (31 December 2015: Rs 1.51 million).	
13. Loans and advances	<i>Note</i>	----- Rupees -----	
<i>Due from employees - unsecured</i>			
- Considered good		1,506,809	875,331
- Considered doubtful		166,184	166,184
<i>Advances to suppliers - unsecured</i>			
- Considered good		88,249,680	20,652,977
- Considered doubtful		<u>6,574,450</u>	6,574,450
		<u>96,497,123</u>	<u>28,268,942</u>
Less: Provision for doubtful loans and advances		<u>(6,740,634)</u>	(6,740,634)
		<u>89,756,489</u>	<u>21,528,308</u>



14. Deposits, prepayments and other receivables

The balance at period end mainly includes amount receivable from Ecolean and Tetra Pak Export FZE amounting to Rs. 100.65 million and Rs. 20 million respectively.

		Un-audited June 30, 2016	Audited December 31, 2015
15. Cash and bank balances	<i>Note</i>	----- Rupees -----	
Cash-in-hand		477,614	120,945
<i>Cash at bank:</i>			
- Current accounts	15.1	238,367,394	39,956,897
- Saving accounts	15.2	344,744	338,897
- Term deposit receipts (TDR)	15.3	700,000,000	-
- Dividend accounts		221,490	221,526
		<u>938,933,628</u>	<u>40,517,320</u>
		<u>939,411,242</u>	<u>40,638,265</u>

15.1 This includes balances with Askari Bank Limited, an associated undertaking, aggregating to Rs. 18.1 million (31 December 2015: Rs. 0.04 million).

15.2 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.

15.3 This represents term deposit receipts with Askari Bank Limited, an associated undertaking, aggregating to Rs. 700 million (31 December 2015: Nil).

		Un-audited June 30, 2016	Un-audited June 30, 2015
16. Cost of sales	<i>Note</i>	----- Rupees -----	
Raw materials consumed		728,422,782	511,653,267
Salaries, wages and other benefits		67,526,869	36,592,010
Power and fuel		49,613,505	59,666,512
Packing materials consumed		259,248,765	194,315,795
Stores and spares consumed		33,516,424	24,146,997
Repair and maintenance		5,452,471	726,772
Rent, rates and taxes		6,278,439	4,012,529
Depreciation on property, plant and equipment			
- Milk collection centres		6,144,906	-
- Production facility		46,603,472	28,848,599
Insurance		7,479,891	1,750,819
		<u>1,210,287,524</u>	<u>861,713,300</u>
Adjustment of work-in-process			
Opening stock		37,241,000	22,058,000
Closing stock	12	(57,257,937)	(33,844,656)
		<u>(20,016,937)</u>	<u>(11,786,656)</u>
Cost of goods manufactured		1,190,270,587	849,926,644
Adjustment of finished goods			
Opening stock		33,971,363	34,478,000
Closing stock	12	(236,787,264)	(33,461,349)
		<u>(202,815,901)</u>	<u>1,016,651</u>
		<u>987,454,686</u>	<u>850,943,295</u>



17. Distribution expenses

This mainly includes advertisement expenses of Rs. 413.26million (30 June 2015:Rs. 54.8million) incurred during the period on promotion of the Company's products.

18. Other income

This includes an amount of Rs. 3.51 million (30 June 2015:Rs. 0.27 million) earned on account of interest / markup based deposits.

		Un-audited June 30, 2016	Un-audited June 30, 2015
	<i>Note</i>	----- Rupees -----	
<i>Islamic mode of financing</i>			
- istisna		16,055,167	223,540
<i>Interest / mark-up on interest / mark-up based loans</i>			
- loan from directors		-	2,400,547
- long term finance		-	4,333,320
- short term borrowings running finance	19.1	41,479,023	36,058,465
- finance lease		3,936,754	560,324
- tetra pak funds utilized		-	3,581,144
- workers profit participation fund		-	266,213
Bank charges and commission		533,553	1,570,590
		<u>62,004,497</u>	<u>48,994,143</u>

19.1 This includes mark up charged by Askari Bank Limited, an associated undertaking, amounting to Rs. 10.12 million (30 June 2015: Nil).

		Un-audited June 30, 2016	Un-audited June 30, 2015
	<i>Note</i>	----- Rupees -----	
20. Taxation			
<i>Current:</i>			
- For the period		-	8,072,937
- Prior years		-	31,626
		<u>-</u>	<u>8,104,563</u>
<i>Deferred:</i>			
- For the period		<u>(213,178,654)</u>	<u>(88,064,347)</u>
		<u>(213,178,654)</u>	<u>(88,064,347)</u>
		<u>(213,178,654)</u>	<u>(79,959,784)</u>

		Un-audited June 30, 2016	Audited June 30, 2015
	<i>Note</i>	----- Rupees -----	
21. Cash and cash equivalents			
Cash and bank balances	15	939,411,242	141,056,606
Short term running finance	8.1	<u>(1,048,010,103)</u>	<u>(501,314,039)</u>
		<u>(108,598,861)</u>	<u>(360,257,433)</u>



22. 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 June 2016	30 June 2015
		----- Rupees -----	
i. Associated Undertakings			
Noon Sugar Mills Limited	Purchase of goods	-	16,854,930
	Sale of goods	-	120,292
	Payments to others on behalf of the related party	23,314	1,470,341
	Payment by related party on Company's behalf	11,356	3,280,910
Textile Services (Private) Limited	Purchase of store items	-	1,263,762
	Payment made to related party	-	1,606,026
Askari Bank Limited	Markup expense	10,123,921	-
Fauji Fertilizer Bin Qasim Limited	Expense charged by related party	16,896,041	-
Employees' Provident Fund Trust	Contribution for the period	5,332,314	1,180,774
ii. Associated persons			
Mr. Salman Hayat Noon (Non-Executive Director)	Purchase of land	16,500,000	-
	Consultancy fee expense	3,286,809	-
	Remuneration and other benefits	-	2,711,892
Mr. Malik Adnan Hayat Noon (Non-Executive Director)	Purchase of land	16,500,000	-
Mr. Par Soderlund (Non-Executive Director)	Meeting fee	530,900	-
Key management personnel	Remuneration and benefits	98,289,510	19,410,115

23. Fair value measurement of financial instruments

	Carrying amount (Un-audited)	Fair value (Un-audited)				
		Level 1	Level 2	Level 3		
	Loans and receivables	Financial liabilities at amortized cost	Total			
On-Balance sheet financial instruments						
30 June 2016						
Financial assets not measured at fair value						
Cash and bank balances	23.1	938,933,628	-	938,933,628	-	-
Advances, deposits and other receivables	23.1	153,295,858	-	153,295,858	-	-
Trade debts - unsecured	23.1	22,565,365	-	22,565,365	-	-
Loans and advances	23.1	1,672,993	-	1,672,993	-	-
Due from associated companies	23.1	1,998,473	-	1,998,473	-	-
		<u>1,118,466,317</u>	<u>-</u>	<u>1,118,466,317</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value						
Liabilities against assets subject to finance lease	23.1	-	146,063,436	146,063,436	-	-
Trade and other payables	23.1	-	981,868,608	981,868,608	-	-
Short term borrowing	23.1	-	2,087,870,992	2,087,870,992	-	-
Accrued profit / interest / mark-up	23.1	-	42,756,573	42,756,573	-	-
		<u>-</u>	<u>3,258,559,609</u>	<u>3,258,559,609</u>	<u>-</u>	<u>-</u>



23.1 The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or repriced over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

24. 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.

25. Date of authorization

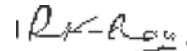
This condensed interim financial information has been approved by the Board of Directors of the Company and authorized for issue on 25th July, 2016.



Chairman



Chief Executive



Director





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(Formerly Noon Pakistan Limited)

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