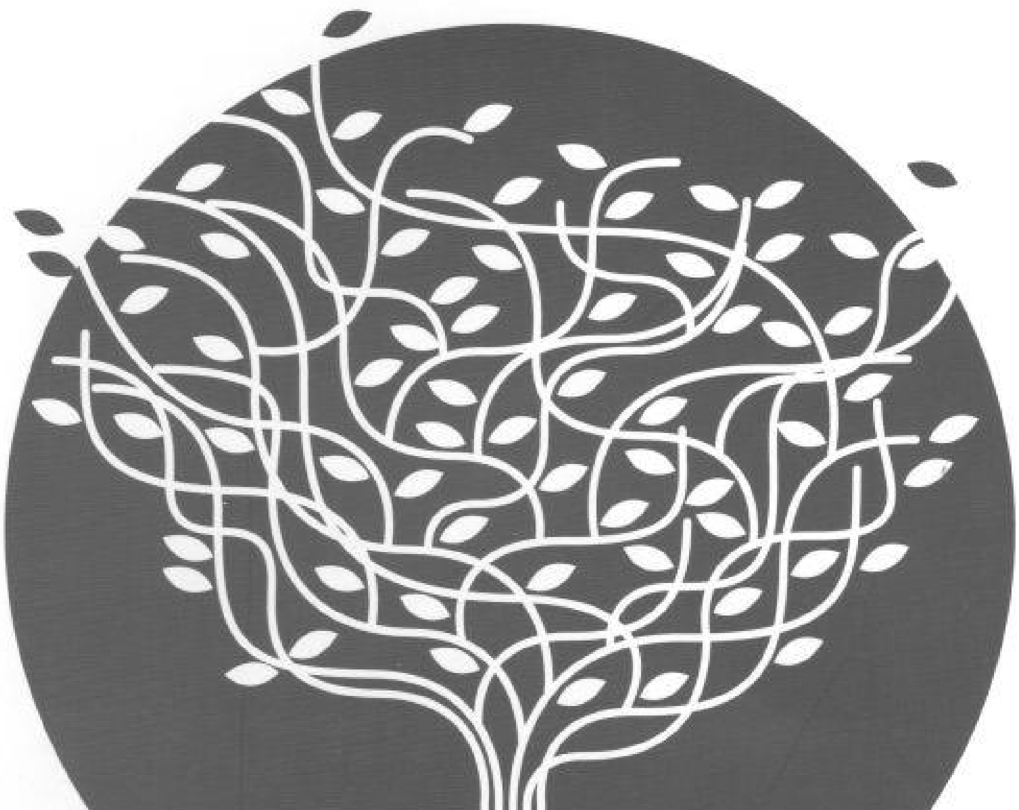
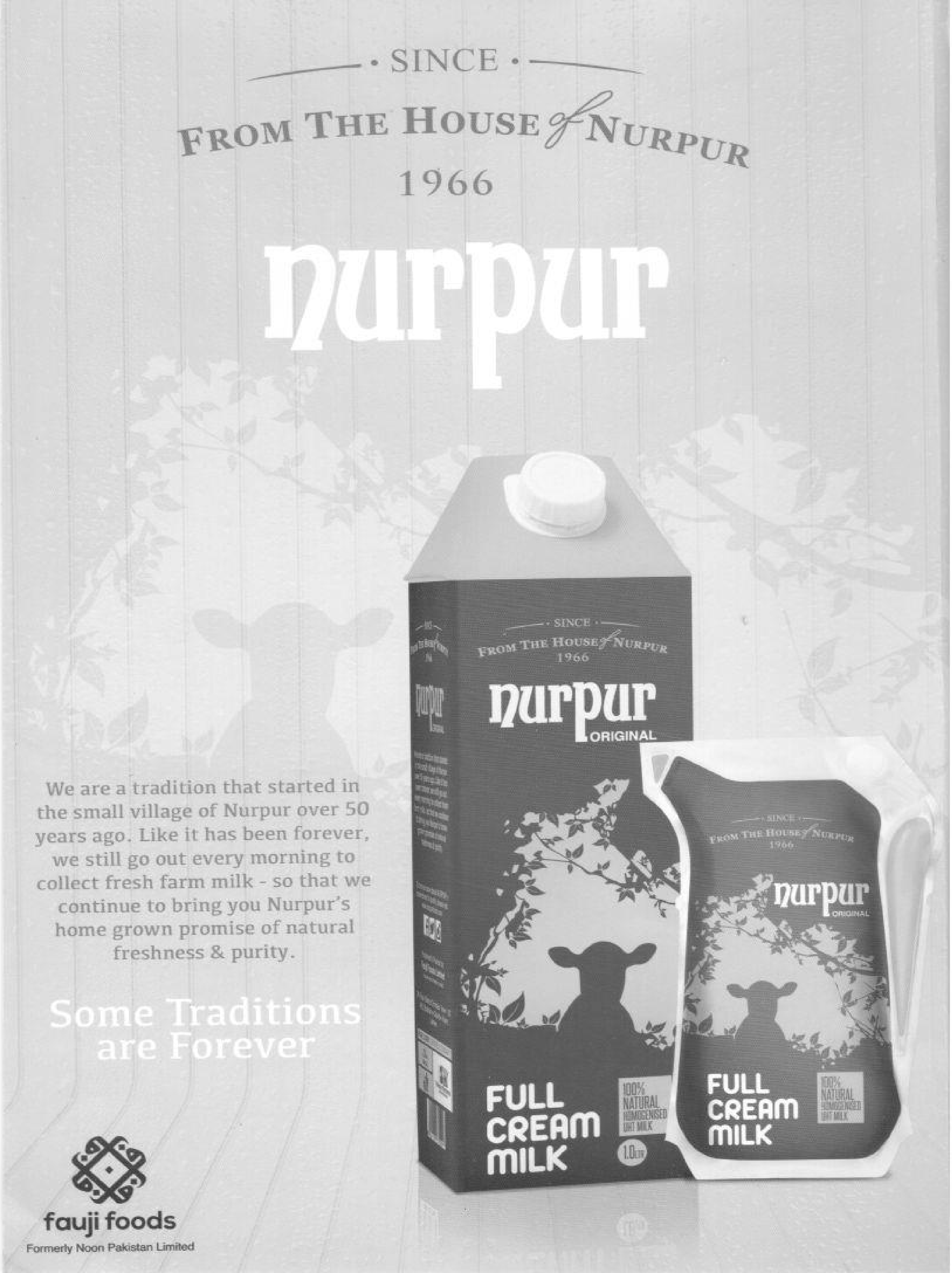
fauji foods

Formerly Noon Pakistan Limited



ANNUAL REPORT 2016


• SINCE •
FROM THE HOUSE of NURPUR
1966
nurpur
We are a tradition that started in the small village of Nurpur over 50 years ago. Like it has been forever, we still go out every morning to collect fresh farm milk - so that we continue to bring you Nurpur's home grown promise of natural freshness & purity.
Some Traditions are Forever
• SINCE •
FROM THE HOUSE of NURPUR
1966
nurpur
ORIGINAL
FULL CREAM MILK
100% NATURAL HOMOGENISED UHT MILK
1.0 LTR
• SINCE •
FROM THE HOUSE of NURPUR
1966
nurpur
ORIGINAL
FULL CREAM MILK
100% NATURAL HOMOGENISED UHT MILK
fauji foods
Formerly Noon Pakistan Limited

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Vision

TRANSFORMING LIVES
THROUGH **NOURISHMENT**


SINCE
FROM THE HOUSE of NURPUR
1966
nurpur
ORIGINAL
FULL CREAM MILK
Dostea
nurpur
FRESH
FULL CREAM MILK

Core Values

We Care

We Innovate

We Are Agile

We Spread Happiness

We Synergize

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), S.Bt, (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
SI(M), T.Bt, (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
Dubai Islamic Bank Pakistan Limited

Registered Office
3rd Floor, Bahria Complex, 103 A/B,
Shahrah-e-Quaid-e-Azam, Lahore.
Tel: +92-42-99205933-34
E-mail: info@faujifoods.com

Shares Registrar
M/s Corplink (Pvt.) Limited
Wings Arcade, 1-K, Commercial,
Model Town, Lahore.
Tel: +92-42-35916714, 35916719, 35839182
Fax: +92-42-35869037
E-mail: shares@corplink.com.pk

Website
www.faujifoods.com

Plant
Bhalwal, District Sargodha.

Board of Directors

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

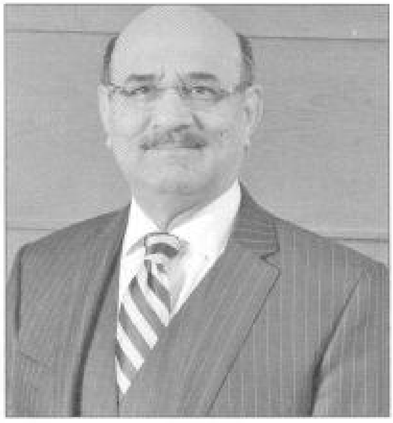
Lt Gen Khalid Nawaz Khan HI(M), Sitara-i-Esar (Retd) was commissioned in the Pakistan Army on 20 April 1975 with the coveted Sword of Honour. The General Officer has a vast and varied experience in various capacities on Command, Staff and Instructional assignments which include command of an Infantry Division and a Corps deployed along the Line of Control. The General has also remained as Commandant of the prestigious Command and Staff College Quetta, in addition to having served on the faculties of School of Infantry, Command and Staff College; and National Defence University. He is a graduate of Armed Forces War College (National Defence University) and Command and General Staff College, Fort Leavenworth, USA. The General Officer holds Masters Degrees in War Studies, Art and Science of Warfare and General Studies.

In recognition of his meritorious services, he has been awarded Hilal-e-Imtiaz (Military). The General Officer was also conferred upon the award of Sitara-i-Esar for his leadership role in the aftermath of the devastating 2005 Earthquake in Azad Kashmir.

He is an avid golfer.

Besides being the Managing Director of Fauji Foundation, the General Officer is the Chairman of the Boards of Directors of Fauji Fertilizer Bin Qasim Limited, Fauji Fertilizer Company Limited, Mari Petroleum Company Limited, Fauji Cement Company Limited, Askari Cement Limited, Askari Bank Limited, Fauji Kabirwala Power Company Limited, Dharki Power Holdings Limited, Foundation Power Company (Dharki) Limited, FFC Energy Limited, Foundation Wind Energy-I & II, Fauji Oil Terminal and Distribution Company Limited, Fauji Akbar Portia Marine Terminals, Fauji Meat Limited, FFBL Foods Limited, Fauji Foods Limited and Fauji Fresh n Freeze Limited.

(Address: Fauji Foundation, 68 Tipu Road, Rawalpindi)



Lt Gen Muhammad Haroon Aslam
HI(M), S.Bt, (Retd) CE & MD

Lt Gen Muhammad Haroon Aslam, HI(M), S.Bt, (Retd), is the Chief Executive and Managing Director of Fauji Fertilizer Bin Qasim Limited, FFBL Foods Limited, Fauji Meat Limited, FFBL Power Company Limited and Fauji Foods Limited. The General Officer has 40 years of meritorious military career to his credit. A highly decorated officer with rich and varied experience of command, staff and instructional assignments. He is a graduate of Command and Staff College Quetta, Defence Services Command and Staff College Bangladesh and National Defence College (War Wing), now National Defence University, Islamabad.

He holds Master degrees in Defence Studies and Political Science. The officer has vast international exposure including foreign training, assignments and appointment in United Nations Mission. Commanded a Corps and served as Chief of Logistics of Pakistan Army. He is held in high esteem for his operational planning and combat achievements. He has been on the faculty of National Defence University. As CEO and Deputy Chairman of Earthquake Reconstruction and Rehabilitation Authority (ERRA), he was engaged in planning and management of high profile construction and rehabilitation projects. In recognition of his outstanding services, he was awarded Hilal-e-Imtiaz (Military) and Sitara-i-Basalat. Besides being Director and Chairman of Management Committee of Pakistan Maroc Phosphore (PMP), Morocco, he is also on the Board of following entities:-

- Foundation Wind Energy-I
- Foundation Wind Energy-II
- Askari Bank Limited

A 'Certified Director' who remains engaged in networking with leading professional seminar organizers, most importantly, International Fertilizer Association (IFA), American Management Association (AMA), Dairy Business Association and FMB Fertilizers.

(Address: Fauji Fertilizer Bin Qasim Limited,Plot no. C-1,C-2 Sector-B, Jinnah Boulevard DHA, Phase II, Islamabad)

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

Lt Gen Shafqaat Ahmed, HI(M), (Retd) is Chief Executive & Managing Director of Fauji Fertilizer Company Limited, FFC Energy Limited and Fauji Fresh n Freeze Limited and also holds directorship on the Boards of following:-

- Fauji Fertilizer Bin Qasim Limited
- Askari Bank Limited
- FFBL Foods Limited
- Fauji Meat Limited
- FFBL Power Company Limited
- Pakistan Maroc Phosphore S.A.

He is Chairman of Sona Welfare Foundation (SWF) and a member of the Board of Governors of Foundation University, Islamabad as well.

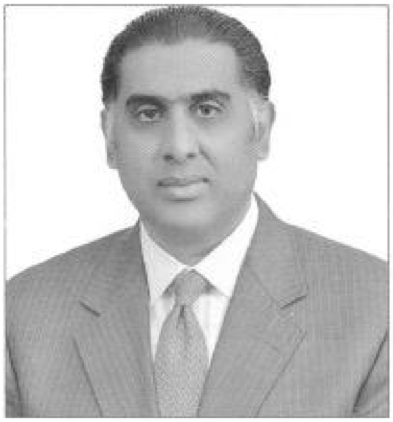
The General was commissioned in Pakistan Army in October 1975. During his service in the Army, he had been employed on various prestigious command, staff and instructional assignments. Climax of his nearly four decades of military career was command of a strike corps.

He is a graduate of Command and Staff College Quetta, National Defence University Islamabad, Ecoled' Etat Major Compiegne, France and Ecole Militaire Paris, France. He also holds Master Degree in War Studies and Class A Interpretership in French language from the National University of Modern Languages Islamabad and speaks French language fluently.

He had the honour of serving as Pakistan's Defence and Military Attaché to USA from 2002 to 2005 with concurrent accreditation to Canada and Argentina. He also served as Military Secretary to the President of Pakistan from 2005 to 2008. During this period he participated in number of international forums notably, UN General Assembly Inaugural Session of 2006, NAM Summit in Cuba, OIC Summit in Saudia Arabia, World Economic Forum Davos Switzerland, ECO Summit at Shanghai China. The General has participated in bilateral meetings along with the President of Pakistan with a number of Heads of State.

He served on the faculty of Command and Staff College Quetta and National Defence University Islamabad. Since his retirement, he is on the honorary faculty of National Defence University as a senior mentor. He also participated in the US-Pakistan Senior Military Leadership Seminar. He has been awarded Hilal-e-Imtiaz (Military) and also conferred upon the award of 'Legion of Merit' by the US Government in promoting bilateral US Pakistan military relations.

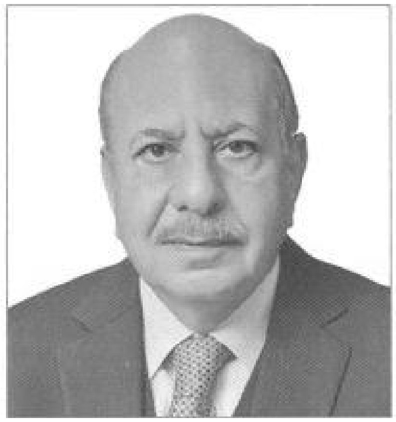
(Address: Fauji Fertilizer Co. Ltd, 156-The Mall, Rawalpindi)



Malik Adnan Hayat Noon
Director

Malik Adnan Hayat Noon is an elected member of the Company Board since 2004. Malik Adnan Hayat Noon studied at Aitchison College, Lahore, Pakistan from where he went on to finish his schooling at Millfield School, England. His later education took place at Buckingham University in England. In 1997, Malik Adnan Hayat Noon became one of the youngest members of the National Assembly of Pakistan. He also served on the Industries Committee of the National Assembly. Malik Adnan Hayat Noon was appointed as Chairman/ CEO of Noon Sugar Mills Limited by the board of directors after the sad demise of his father during May, 2011. He is also member of the board of directors of seven other companies.

(Address: 4 - Sarwar Road, Lahore Cantt)



Mr. Qaiser Javed
Director

Mr. Qaiser Javed is a Fellow Member of Institute of Chartered Accountants of Pakistan and Institute of Taxation Management of Pakistan. He joined Fauji Foundation in 1976. Presently he is holding the position of Director Finance. He is also a member of Board of Directors of all subsidiary and associated companies of Fauji Foundation, Hub Power Company Ltd. and Pakistan Maroc Phosphore S.A (PMP). In addition to being a Director on the FFBL Board, he is also the Chairman of Audit Committee.

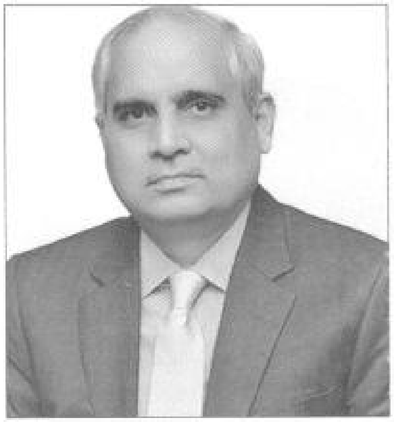
(Address: Fauji Foundation, 68 Tipu Road, Rawalpindi)

Dr. Nadeem Inayat
Director

Dr. Nadeem Inayat is an outstanding professional, having rich experience in managing, operating and advising investment portfolio to top tier Banks and organizations of the Country at senior level. Presently he is holding the position of Corporate Advisor and Head of Investment Division in Fauji Foundation. He is member of FFBL Board of Directors since July 2006. He is also a member of Board of Directors of all subsidiaries and associated companies of Fauji Foundation and Pakistan Maroc Phosphore S.A.

(Address: Fauji Foundation, 68 Tipu Road, Rawalpindi)

Board of Directors



Dr. Rashid Bajwa
Director

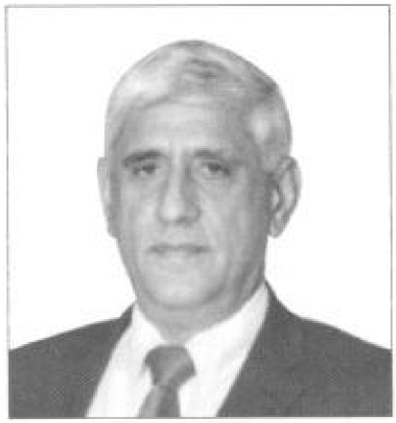
Dr. Rashid Bajwa is a MBBS, Gold Medalist and College color holder of King Edward Medical College as well as Distinction with HM Queen's commendation in MPH Nuffield Institute for Health, University of Leeds, UK. He is also MD, ECFMG, USA. He has Professional experience of Development specialist with experience of non-profit corporate sector and Government. He is Founding member of the organization NRSP Micro finance Bank. Non-profit Corporate Sector Chief Executive Officer, National Rural Support Programme (NRSP) 1996 to date. He worked as Senior Advisor of Khushaali Bank Pakistan from 2000 to 2003. Also working as a Director with different Non-Profit Organizations. He is Ex Member of Civil Service of Pakistan (DMG) 1986 -1993, working at all levels of the Government viz Deputy Chief, Planning & Development, Northern Areas and Assistant Commissioner/ Deputy Commissioner from 1988 to 1993.

Joined as a Director with Fauji Fertilizer Bin Qasim Limited with effect from 26th Aug 2010.

He also attended following International Trainings:-

- Micro Finance Training, University of Denver, Boulder 1998.
- Enterprise skills development, ILO training centre, Turin, Italy 2004.
- Financial management for non profits F I P E D, Kennedy School of Government, Harvard University, USA 2007.

(Address: House No.46, Aga Khan Road, F-/4, Islamabad)



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

Joined the Board of Fauji Foods Limited on April 26, 2016. He is Director Planning and Development, Fauji Foundation and is on the Board of following Fauji Group's associated companies:-

- Fauji Foods Ltd
- Fauji Fertilizer Co Ltd
- Fauji Fertilizer Co Energy Ltd
- Fauji Fertilizer Bin Qasim Power Co Ltd
- Fauji Cement Co Ltd
- Fauji Akbar Portia Marine Terminal Ltd
- Mari Petroleum Co Ltd
- Foundation Power Co Dharki Ltd
- Foundation Wind Energy – I Ltd
- Foundation Wind Energy – II (Pvt) Ltd
- Fauji Infraavest Food Ltd

He has a diversified civil engineering project management experience spanning over 25 years as Commander Corps Engineers and Director Works and Chief Engineer Navy. He has planned and executed major civil engineering projects at Karachi, Lahore, Islamabad and coastal belt in close coordination with the Engineer-in Chief's Branch. He also has extensive experience of working with diverse national and international aid agencies on reconstruction and rehabilitation projects in an Earthquake stricken area after 2005.

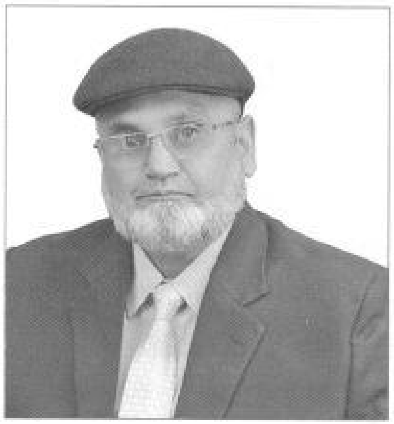
He holds Civil Engineering Degree from Military College of Engineering and Masters degree in Security and Defence Management from Royal Military College Kingston, Canada. He is also a graduate of Command and Staff College Quetta and National Defence University Islamabad.

(Address: Fauji Foundation, 68 Tipu Road, Rawalpindi)

Mr. Salman Hayat Noon
Director

Mr. Salman Hayat Noon after completing his education at Aitchison College, Lahore and U.K, joined the Board of Directors of Noon Pakistan Limited as an Executive Director in 2001 to oversee the day to day activities of the company. He was elected by the Board as Chairman and CEO in 2011 after the sad demise of Malik Manzoor Hayat Noon. Salman Hayat is also a Director of Noon Sugar Mills since 2005 and is heading its Audit Committee. In addition, he holds the Directorship of seven other companies of Noon Group.

(Address: 4 - Sarwar Road, Lahore Cantt)



Lt Col Abdul Khaliq Khan (Retd)
Director

Lt Col Abdul Khaliq Khan (Retd) joined the company in 2009 and is working as executive director and became member of the Board on 30 May, 2011. He also worked for 9 years in Pioneer Cement as GM Administration.

Abdul Khaliq graduated from Pakistan Military Academy Kakul and holds Masters Degree in International Relations. He was commissioned in Pakistan Army in 1975 and after serving for 25 years in Pakistan Army at various Command and Staff appointments got retired from Army in 2000. During military service, he had a vast and diversified experience in operational, administration, human resource management, assessment and evaluation system.

Abdul Khaliq has attended several courses, seminars, training programs and workshops on various subjects.

(Address: 4 - Sarwar Road, Lahore Cantt)

Mr. Iltifat Rasul Khan
Director

Mr. Iltifat Rasul Khan (IRK) is a UK qualified Chartered Accountant with over 48 years of work experience. He earned his Bachelor of Commerce with Honors from University of Punjab, Lahore (1962), and did his Chartered Accountancy from the Institute of Chartered Accountants in England and Wales (ICAEW) in 1968. He is a Fellow Member of both the ICAEW and the Institute of Chartered Accountants of Pakistan (1972). His professional experience includes nine (9) years in UK working with the firms of Chartered Accountants (B Holey & Co; and Peat, Marwich Mitchell & Co. presently KPMG); twenty-nine (29) years with Fauji Foundation Pakistan holding senior positions, including eight (8) years as Director Finance of the Group; and ten (10) years with Pakistan Poverty Alleviation Fund (PPAF) as Chief Financial Officer / Corporate Secretary. IRK has extensive experience of dealing with local and international banks; multilateral financing institutions, and export credit agencies. He has successfully negotiated numerous project financing arrangements. IRK is former member of Board of Directors of the following companies:

- Fauji Fertilizer Company Limited
- Mari Gas Company Limited
- Fauji Fertilizer Bin Qasim Limited
- Fauji Cement Company Limited
- Life Line Limited
- Fauji Oil Terminal and Distribution Company Limited
- Fauji Kabirwala Power Company Limited
- Fauji Software Company Limited

He is also a former Government Nominee Director on the Islamabad Stock Exchange Board. The first four companies are listed on the Stock Exchanges in Pakistan.

(Address: House No: 26 A; Street No: 3; Sector: F-8/3; Islamabad).

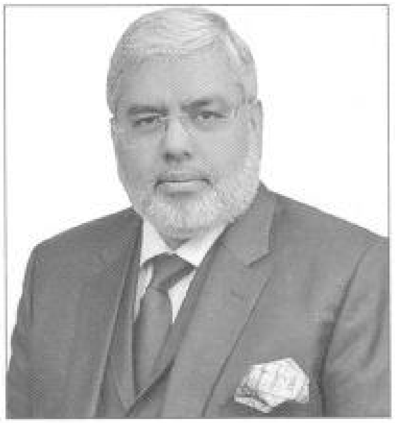
Mr. Par Soderlund
Director

Mr. Par Soderlund is the Founder and CEO of Peritus Farm DMCC, based in Dubai, UAE. He leads a team of farming specialists as an investor-centric consultancy for dairy farming, meat fattening, and forage production.

Mr. Söderlund has spent 28 years along the value chain of milk – sales, processing & packaging, raw milk production and fodder production. He worked 20 years with Tetra Pak as a Managing Director in countries like Iran, Estonia/ Latvia/ Lithuania, Switzerland and Pakistan. During his years 2004-2007 as Managing Director for Tetra Pak Pakistan, the business increased three times and Tetra Pak Pakistan was awarded Market Company of the year 2006. During this period, he was also responsible for Commercial Operations for the 27 Tetra Pak market companies in Middle East.

Before moving to Dubai in 2004, Mr. Söderlund was Vice President Commercial Operations, Tetra Pak Europe & Africa from 1999-2004 reporting to Group COO, overlooking USD 4 billion in sales and 52 market companies responsible for sales, global commercial compliance and revenue management. In 2008 he joined Al Faisaliah Group, Riyadh and became Managing Director for Al Safi, the world's largest integrated dairy farm, as well as board member for Al Safi Danone for GCC. In 2011, he started Peritus Farm DMCC with main activities in Turkey and Pakistan. Peritus Farm DMCC has a company for forage production based in Lahore and Peritus advisory team is working with a number of large dairy farms in Pakistan.

(Address: Dubai, UAE, Novelia, P.O.Box 53457)



Syed Aamir Ahsan
Chief Financial Officer

Syed Aamir Ahsan, is currently serving as Chief Financial Officer/ General Manager Finance in FFBL. He is a graduate from the University of South Florida and Certified Public Accountant (CPA) from the University of Illinois, USA. He has a rich professional experience of over 29 years with 22 years in fertilizer business in Pakistan. After returning from USA, he joined Engro Chemical Pakistan Limited and served with them in various capacities from 1993 to 2002. He joined FFBL in 2002 and in his role as Chief Financial Officer, he successfully managed financial restructuring of FFBL with GoP in his early days with the Company and all financial feasibilities and project phase of Pakistan Maroc Phosphore, S.A (PMP). He has extensive experience of managing finances, budget, tax planning, investor relations and audits. He also plays a leading role in the Information Technology (IT), Operations, and HR teams. He is on the Board of following entities:-

- Fauji Meat Limited
- FFBL Foods Limited
- FFBL Power Company Limited

(Address: Fauji Fertilizer Bin Qasim Ltd, Plot No. C-1, C-2, Sector B, Jinnah Boulevard, DHA, Phase-II, Islamabad)

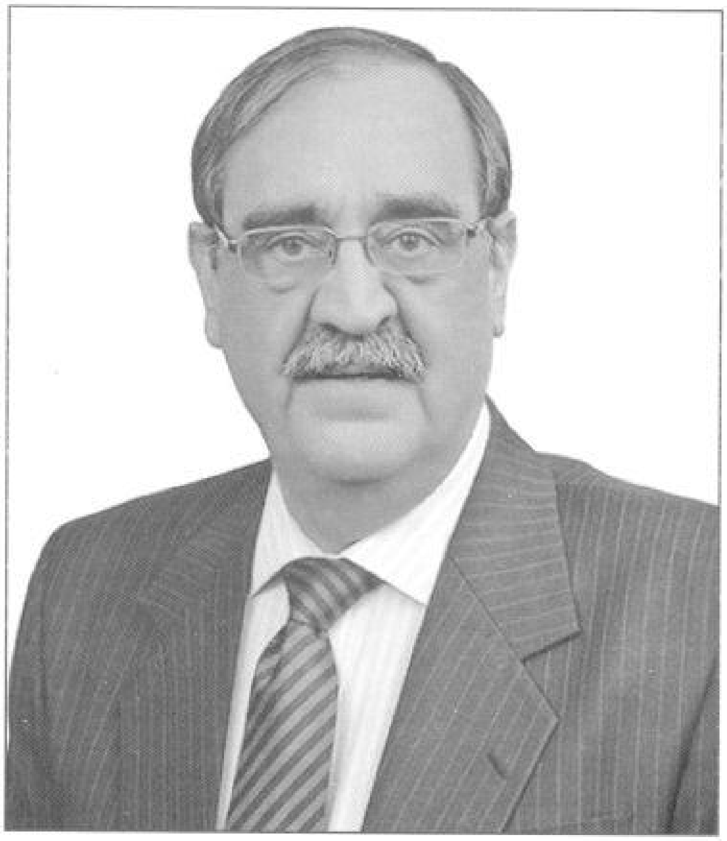
Brig Rizwan Rafi
SI(M), T.Bt, (Retd)
Company Secretary

Brig Rizwan Rafi SI(M), T.Bt (Retd) is the Company Secretary and Resident Manager of Fauji Foods Limited. The Officer has joined the Company as Company Secretary in August 2016. The Officer has 31 years of meritorious military career to his credit. He is highly professional with varied experience of Command, staff and instructional assignment throughout his career. He is graduate of Command and Staff College Quetta and National Defence University Islamabad.

In recognition of his meritorious services, he has been awarded Sitar-e-Imtiaz (Military) and Tamgha-e-Bisalat. The Officer also holds a Masters degree in Defence and War Studies.

(Address: 3rd Floor, Bahria Complex Tower, 103 A/B, Shahrah-e-Quaid-e-Azam, Lahore.)

CHAIRMAN'S REVIEW



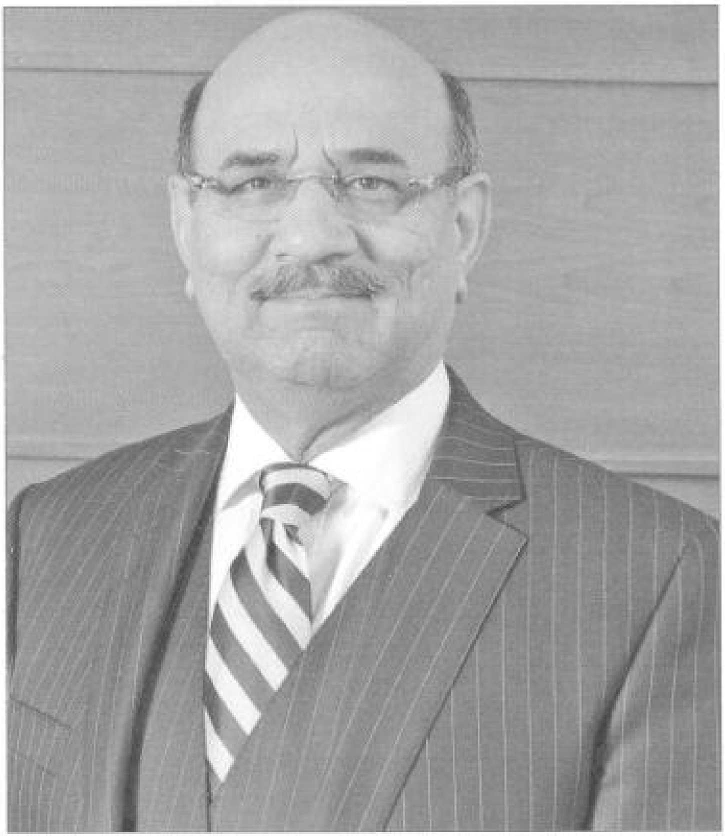
I am delighted to present the annual report of Fauji Foods Limited for the period ended 31 December, 2016. On behalf of the board of directors of Fauji Foods Limited, I am pleased to announce the successful completion of newly revamped and state of the art Fauji Foods Limited dairy processing facility at Bhalwal. It gives me great satisfaction that Fauji Foods Limited follows the same core values of Fauji Foundation-giving back to the community-quality products for the end consumers. At Fauji Foods Limited we believe in the satisfaction of all our stakeholders from consumer to employees and from the board of directors to the suppliers. We as a team believe in building positive working relationship that not only help us build a legacy, but also an enriched heritage.

New plant of Fauji Foods Limited is a unique dairy processing facility, first of its kind in Pakistan which has one step UHT technology and packaging machine. With utmost dedication and professional approach we are strengthening our team work of distribution, milk processing and sales reaching our desired goals very efficiently.

Our team has worked very hard, using the best global practices & technology, to bring us at par with industry leaders.

I would like to thank our employees, as without their dedication, it is impossible to excel as a company. I also thank our customers, GOP, shareholders and other stakeholders for their continuous faith in us to provide them the very best. We hope that the future brings further accomplishments for us.

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



A WORD FROM THE CHIEF EXECUTIVE

The year 2016 has come to an end with another feather in our caps. After successful completion of Balancing, Modernization and Revamping (BMR) phase and achieving the trust and confidence of the dairy consumer at present Alhamdulillah Fauji Foods Limited is one of the leading companies in the market. As a company, our core philosophy is to serve this nation and all our stakeholders in the best possible manner. Moreover thrilling new products extensions are also in pipeline to further strengthen the portfolio. The Company has also achieved successful commissioning of UHT Process machine and ancillary equipment including Packaging machines thereby enhancing our production capacity. This year along with revamping phase we have also launched new brands in tea creaming segments with the name of "Dostea" and UHT with the name of "Nurpur Original".

We have continued breaking barriers and making positive progress, especially in the newly acquired dairy business. We are constantly improving the range of existing products offered by Fauji Foods Limited, along with adding an array of products as defined by the needs of our customers.

As we embrace a new year, I am confident about the company's growth prospects in the future and have the utmost faith in our team and all the people who have worked very hard to make Fauji Foods Limited the unique entity that it is today.

Lt Gen Muhammad Haroon Aslam
HI(M), S.Bt, (Retd)
CE & MD

fauji foods

Formerly Noon Pakistan Limited

Notice of Annual General Meeting

Notice is hereby given that the 50th Annual General Meeting of shareholders of Fauji Foods Limited (formerly Noon Pakistan Limited) will be held at Pearl Continental Hotel, Lahore on Thursday, March 30, 2017 at 11:00 a.m. to transact the following business:-

1. To confirm the minutes of the Extraordinary General Meeting held on May 26, 2016.
2. To receive, consider and adopt the audited accounts for the year ended December 31, 2016 and the reports of the Directors and Auditors thereon.
3. To appoint auditors for ensuing period till next AGM and to fix their remuneration.
4. To transact any other business as may be placed before the meeting with the permission of the Chairman.

CLOSURE OF SHARE TRANSFER BOOKS

The share transfer books of the Company will remain closed from March 24, 2017 to March 30, 2017 (both days inclusive) for the purpose of holding the AGM.

By Order of the Board

BRIG RIZWAN RAFI (Retd)
Company Secretary

Lahore.
January 27, 2017

NOTES:

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

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

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

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 audited financial statements for the year ended December 31, 2016. Comparative data in the financial statements have been prepared for six months period ended December 31, 2015 due to change in financial reporting year from June 30 to December 31.

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.

Operations During the Year

By the grace of ALMIGHTY ALLAH, the Company has completed its 50 years of incorporation on September 26, 2016 demonstrating continuous consumers' confidence in the products of the Company.

Change in name of the Company 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.

The current financial year 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 year, we achieved numerous important milestones and demonstrated our commitment towards excellence.

Three new products Dostea (Liquid Tea Whitener), Nurpur Original (UHT) and Nurpur Fresh (Pasteurized) were launched in innovative packaging. These product launches were accompanied by comprehensive marketing and advertisement campaigns. The Company's growing line of brands and marketing efforts stand out in each respective product category are delivering on the Company's promise to their consumers, resulting in complimenting sales growth of the Company, which saw persistent upward trend both in terms of volume and value.

To complement our efforts for strengthening of our brands, Balancing Modernization and Revamping (BMR) are also on track to ensure reliability and efficiency of the Company's production facility. During 2016, the Company achieved successful commissioning of UHT Processing machine and ancillary equipment including Packaging machines in a record time period thereby enhancing our production capacity.

Financial Performance

The Company achieved turnover of Rs. 3,371 million compared to Rs. 689 million in the comparative half year. Loss after taxation in the reported year is Rs. 967 million as compared to Rs. 106 million in the comparative half year. The Loss per Share thereby is Rs. 8.75 as compared with Rs. 1.07 in the comparative half year.

The 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 year. Moreover, in order to realize full potential of Company's assets, Management is focusing on strengthening its market position and is continuously making investments in the marketing and branding of its portfolio.

Major factors for loss are substantial costs incurred on aggressive marketing and sales campaign to reposition and launch our products. Although, this factor has impacted results of current period, but the benefits of marketing and sales campaigns shall be realized in coming years. Other reasons are, increased competition in tea creamer segment of industry, increased raw materials cost including impact of changes in tax regime on raw material and high financial costs.

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 together with increased sales will contribute significantly towards the profitability of the Company in the future.

Future Outlook

The general outlook of Pakistan economy seems to be on the right track with positive economic indicators and outlook. China-Pakistan Economic Corridor (CPEC) has further boosted the future prospects and its success will certainly enhance much needed impetus to the economy in the long run for consistent and stable growth. Improvement in law and order situation serves an important drive to the economy in positive direction. Consequently, our confidence remains high in the growth potential of Pakistan's dairy market. The Company's capacity enhancement will enable it to contribute as key market player of the dairy industry. The Board is also confident about the future growth of the Company to deliver quality products while keeping a strong focus on innovation and operational excellence.

Transaction with Related Parties

The Company carries out transactions with related parties and amounts, due from and to, related parties as shown under respective heads are carried out at arms' length. Except as disclosed in financial statements, no other transactions were executed with related parties.

Corporate and Financial Reporting Framework

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flow and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements.
- The system of internal controls is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a 'going concern'.
- There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as on December 31, 2016 except for those disclosed in the financial statements.
- The value of investments of staff provident fund, based on un-audited accounts, was Rs.355 million as at December 31, 2016.
- The pattern of shareholding and additional information regarding pattern of shareholding is included in this annual report.

Details of trade in the shares of the Company carried-out by the Directors, CEO, CFO, Company Secretary and their spouse and minor children during the year ended December 31, 2016 is as follows:

Director	Voting	Non-voting
Malik Adnan Hayat Noon		
• Transferred *	(1,369,841)	782,243
• Right issue exercised	9,564,597	-
Malik Salman Hayat Noon		
• Transferred *	1,369,841	(782,243)
• Right issue exercised	5,388,994	-

* Malik Adnan Hayat Noon transferred 1,369,841 voting shares to Malik Salman Hayat Noon and acquired 782,243 non-voting shares from him.

Board of Directors / Committees Meeting During the Year 2016

Six meetings of the Board of Directors were held. Attendance by each director was as follow:

Name of Directors	No. of Meetings Attended
Lt Gen Khalid Nawaz Khan (Retd)	6
Lt Gen Muhammad Haroon Aslam (Retd)	6
Lt Gen Shafqaat Ahmed (Retd)	5
Mr. Qaiser Javed	4
Dr. Nadeem Inayat	6
Mr. Adnan Hayat Noon	2
Mr. Salman Hayat Noon	2
Dr Rashid Bajwa	4
Brig Raja Jahanzeb (Retd) – resigned on April 22, 2016	2
Lt Col Abdul Khaliq Khan (Retd)	5
Mr. Iltifat Rasul Khan	5
Mr. Par Soderlund	6
Brig Raashid Wali Janjua (Retd) – appointed on April 22, 2016	3

Six meetings of the Audit Committee were held. Attendance by each director was as follow:

Name of Directors	No. of Meetings Attended
Mr. Iltifat Rasul Khan	5
Mr. Qaiser Javed	4
Dr. Nadeem Inayat	4
Brig Raja Jahanzeb (Retd) – resigned on April 22, 2016	3
Mr. Adnan Hayat Noon – appointed on April 22, 2016	1
Lt Col Abdul Khaliq Khan (Retd) – resigned on April 22, 2016	2

Two meetings of the HR&R Committee were held. Attendance by each director was as follow:

Name of Directors	No. of Meeting Attended
Dr. Nadeem Inayat	2
Dr. Rashid Bajwa	-
Brig Raja Jahanzeb (Retd) – resigned on April 22, 2016	1
Brig Raashid Wali Janjua (Retd) – appointed on April 22, 2016	1
Lt Col Abdul Khaliq Khan (Retd)	2

Three meetings of the Technical Committee were held. Attendance by each director was as follow:

Name of Directors	No. of Meetings Attended
Brig Raashid Wali Janjua (Retd) - Appointed on April 22, 2016	3
Dr. Rashid Bajwa	2
Lt Col Abdul Khaliq Khan (Retd)	3

One meeting of the Business Review Committee was held. Attendance by each director was as follow:

Name of Directors	No. of Meetings Attended
Dr. Rashid Bajwa	-
Dr. Nadeem Inayat	1
Mr. Salman Hayat Noon	1
Mr. Par Soderlund	1

Auditors

The present auditors, M/s KPMG Taseer Hadi & Co., Chartered Accountants will retire and being eligible offer themselves for re-appointment as the statutory auditors of the Company. The Audit Committee and the Board of Directors of the Company have endorsed the recommendation.

Compliance with the Code of Corporate Governance

The requirements of the Code of Corporate Governance set out by the Pakistan Stock Exchange in their listing rules, relevant for the year ended December 31, 2016, have been duly complied with. A statement to this effect is annexed with the report.

Dividend

The Board has not recommended any dividend due to loss to the Company during the year.

Annual General Meeting

The 50th Annual General Meeting will be held on March 30, 2017 at 1100 hours at Lahore to approve annual financial statements of the Company for the year ended December 31, 2016.

Acknowledgement

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 and on behalf of the Board

LT GEN KHALID NAWAZ KHAN
HI(M), Sitara-i-Esar, (Retd)
Chairman

Dated : January 27, 2017

Statement of Compliance with the Code of Corporate Governance

Name of company: Fauji Foods Limited (formerly Noon Pakistan Limited)
Year ended: December 31, 2016

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in clause 5.19.24 of listing regulations of the Pakistan Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

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

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

Category	Names
Independent Directors	Mr. Iltifat Rasul Khan Mr. Par Soderlund
Executive Director	Lt Gen Muhammad Haroon Aslam (Retd)
Non-Executive Directors	Lt Gen Khalid Nawaz Khan (Retd) Lt Gen Shafqaat Ahmed (Retd) Malik Adnan Hayat Noon Mr. Qaiser Javed Dr. Nadeem Inayat Mr. Salman Hayat Noon Brig Raashid Wali Janjua (Retd) Lt Col Abdul Khaliq Khan (Retd) Dr. Rashid Bajwa

The independent directors meet the criteria of independence under clause 5.19.1(b) of the CCG.

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

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. A casual vacancy occurring on the Board on April 22, 2016 was filled by the directors on the same day when Brig Raashid Wali Janjua (Retd) was appointed as Director of the Company in place of Brig Raja Jahanzeb (Retd).

5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

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

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

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

9. Seven directors have attended the training program. The Board has not arranged training program this year.

10. The Board has approved appointment of Chief Financial Officer (CFO),Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.

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

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

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

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

15. The Board has formed an Audit Committee. It comprises four members, of whom three are non-executive directors and the Chairman of the Committee is an independent director.

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

17. The Board has formed an HR and Remuneration Committee. It comprises four members, all of whom are non-executive directors including the Chairman of the Committee.

18. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.

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

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

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

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

23. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.

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

On behalf of the Board

LT GEN MUHAMMAD HAROON ASLAM
HI(M), S.Bt, (Retd)
CE & MD

Place : Bhalwal
Date : January 27, 2017

FINANCIAL HIGHLIGHTS

		December 2016	December 2015	June 2015	June 2014	June 2013	June 2012
Production							
UHT Milk/ Tea Whitener	Ltrs.	36,386,359	5,327,865	11,293,246	12,949,985	20,195,083	30,572,685
UHT Flavor Milk	Ltrs.	1,284,547	1,657,834	4,968,327	5,373,860	5,872,918	5,285,880
UHT Cream	Ltrs.	-	-	79,491	206,227	134,048	30,146
Butter	Kgs.	535,305	162,174	526,585	625,447	915,249	940,030
Milk Powder	Kgs.	357,475	3,975	238,444	350,556	631,653	638,125
Cheese	Kgs.	116,053	64,231	178,569	216,452	314,001	262,090
Ghee	Kgs.	-	2,379	27,152	125,388	102,852	106,044
Pasteurized Milk	Ltrs.	1,476,935	923,060	1,861,635	2,429,235	4,803,524	6,102,611
Jams & honey	Kgs.	9,653	12,809	21,627	21,528	33,878	42,245
Juices	Ltrs.	17,676	828,662	2,256,046	2,688,777	2,082,450	4,343,677
Financial Performance							
Gross profit /(Loss) margin	%	3.13	(0.18)	8.23	9.31	9.97	12.23
EBITDA / (LBITDA) margin to sales	%	(34.82)	(14.04)	(14.67)	(0.10)	(0.95)	5.28
Pre tax profit / (loss)	%	(45.04)	(25.68)	(22.54)	(5.51)	(4.94)	1.50
Net profit / (Loss) margin	%	(28.69)	(15.39)	(18.74)	(6.47)	(4.37)	1.09
Return on equity	%	(53.68)	(47.26)	(273.32)	(338.18)	(72.86)	11.86
Return on capital employed	%	(50.07)	(64.43)	(279.42)	(34.68)	(33.01)	8.97
Operating Performance / Liquidity							
Total assets turnover	Times	0.44	0.36	1.18	1.55	2.13	2.49
Fixed assets turnover	Times	0.68	0.54	17.98	3.77	4.52	5.18
Trade Debtors	Rs. (000)	77,969	37,730	38,626	221,612	176,824	109,019
Debtors turnover	Times	58	18	14	11	20	36
Debtors turnover	Days	6	10	25	33	18	10
Inventory	Rs. (000)	684,806	174,626	158,126	62,365	73,860	198,185
Inventory turnover	Times	8	4	16	29	19	15
Inventory turnover	Days	48	44	23	12	19	24
Purchases	Rs. (000)	2,717,812	546,844	1,403,509	1,804,615	2,261,248	2,598,377
Accounts Payables	Rs. (000)	1,008,155	310,130	293,433	437,996	505,659	464,682
Creditors turnover	Times	4	2	4	4	5	6
Creditors turnover	Days	89	102	95	95	78	58
Operating cycle	Days	(34)	(47)	(46)	(50)	(42)	(24)
Return on assets	%	(12.59)	(5.56)	(22.09)	(10.01)	(9.30)	2.72
Current ratio		0.40	0.34	0.44	0.87	0.78	0.80
Quick / Acid test ratio		0.25	0.21	0.35	0.67	0.52	0.57

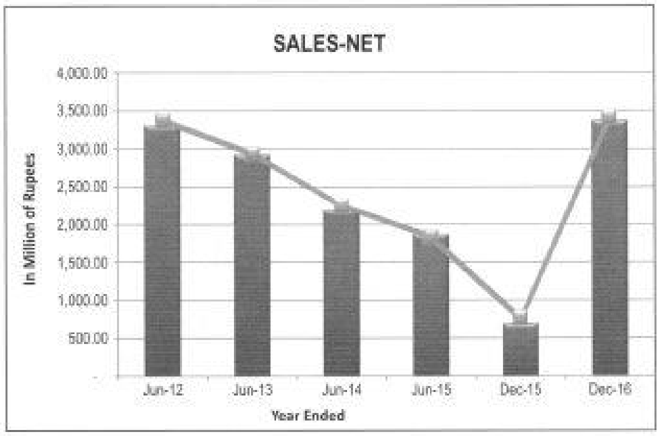
FINANCIAL HIGHLIGHTS

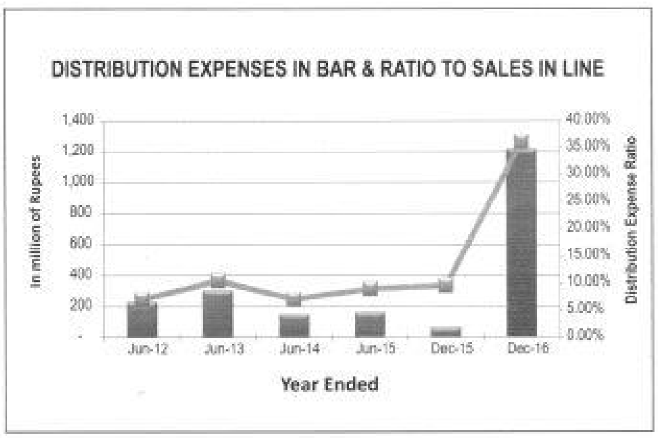
		December 2016	December 2015	June 2015	June 2014	June 2013	June 2012
Capital Market / Capital Structure Analysis							
Market value per share							
- Year end	Rs.	88.67	242.21	79.99	35.58	52.87	37.00
- High during the year	Rs.	314.00	366.62	87.99	35.69	63.55	57.64
- Low during the year	Rs.	71.51	71.84	27.19	34.91	35.61	12.65
Breakup value - (Net assets / share)	Rs.	13.63	(7.16)	(4.08)	3.01	12.60	21.77
- excluding revaluation surplus	Rs. (000)	1,801,184	(224,450)	(127,970)	42,006	175,582	303,518
- including revaluation surplus	Rs. (000)	2,241,540	233,165	335,309	89,610	230,398	359,306
Earning / (Loss) per share (pre tax)	Rs.	(13.74)	(1.78)	(14.13)	(8.67)	(10.38)	3.55
Earning / (Loss) per share (after tax)	Rs.	(8.75)	(1.07)	(11.75)	(10.19)	(9.18)	2.58
Earnings / (Loss) growth	%	(718.22)	90.90	(15.26)	(11.01)	(455.81)	(21.34)
Price earning / (Loss) ratio		(10.13)	(226.48)	(6.81)	(3.49)	(5.76)	14.34
Market price to breakup value		6.50	(33.84)	(19.60)	11.81	4.20	1.70
Debt : Equity		2.26	(5.34)	(6.26)	18.15	2.95	1.12
Interest cover		(9.06)	(3.34)	(4.03)	(1.01)	(1.73)	1.79
Statement of affairs							
Share capital	Rs. (000)	1,321,017	313,632	313,632	139,392	139,392	139,392
Reserves	Rs. (000)	480,166	(538,082)	(441,602)	(97,386)	36,190	164,126
Share holder's fund / Equity	Rs. (000)	1,801,184	(224,450)	(127,970)	42,006	175,582	303,518
Revaluation surplus	Rs. (000)	440,356	457,615	463,279	47,604	54,816	55,788
Long term borrowings	Rs. (000)	129,919	59,828	2,796	367,648	211,967	97,786
Capital employed	Rs. (000)	1,931,103	(164,622)	(125,174)	409,654	387,549	401,304
Deferred liabilities/(assets)	Rs. (000)	(628,542)	(76,385)	(1,598)	-	-	9,752
Property, plant & equipment	Rs. (000)	4,937,751	1,277,998	1,037,778	576,928	645,047	636,753
Long term assets	Rs. (000)	5,571,678	1,356,031	1,041,410	581,217	647,767	638,088
Net current assets / Working capital	Rs. (000)	(3,167,397)	(1,052,409)	(703,304)	(123,958)	(204,217)	(170,981)
Liquid funds - net	Rs. (000)	333,540	40,628	141,057	218,123	80,390	36,564
Financial Performance							
Sales - net	Rs. (000)	3,370,507	689,044	1,866,019	2,194,025	2,926,229	3,305,489
Gross profit / (loss)	Rs. (000)	105,506	(1,259)	153,529	204,246	291,788	404,225
Operating Profit / (Loss)	Rs. (000)	(1,367,004)	(136,121)	(336,916)	(60,605)	(91,624)	112,042
Profit / (Loss) before tax	Rs. (000)	(1,517,940)	(176,931)	(420,600)	(120,857)	(144,684)	49,519
Profit / (Loss) after tax	Rs. (000)	(966,920)	(106,073)	(349,763)	(142,055)	(127,936)	36,001
EBITDA / (LBITDA)	Rs. (000)	(1,173,689)	(96,723)	(273,733)	(2,168)	(27,918)	174,607
Summary of Cash Flows							
Net cash flow from operating activities	Rs. (000)	(1,573,454)	(185,336)	(201,730)	(56,340)	(14,753)	180,767
Net cash flow from investing activities	Rs. (000)	(3,862,420)	(281,007)	(9,486)	15,750	(71,655)	(87,561)
Net cash flow from financing activities	Rs. (000)	4,205,063	292,139	134,148	178,322	130,234	(267,824)
Changes in cash & cash equivalents	Rs. (000)	(1,230,810)	(174,204)	(77,067)	137,733	43,827	(174,618)
Cash & cash equivalents - Year end	Rs. (000)	(1,765,272)	(534,461)	141,057	218,124	80,391	36,564

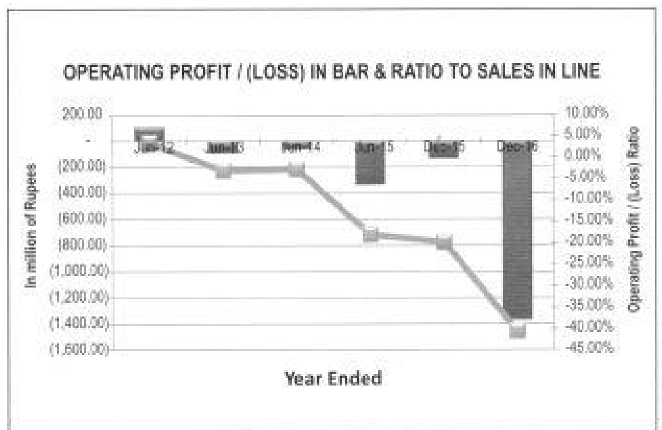
fauji foods

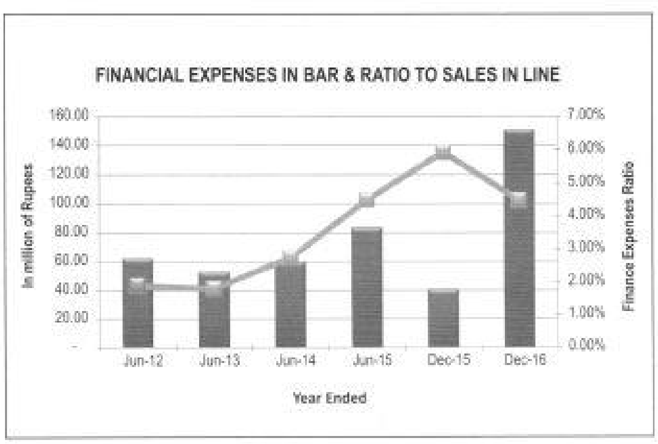
Formerly Noon Pakistan Limited

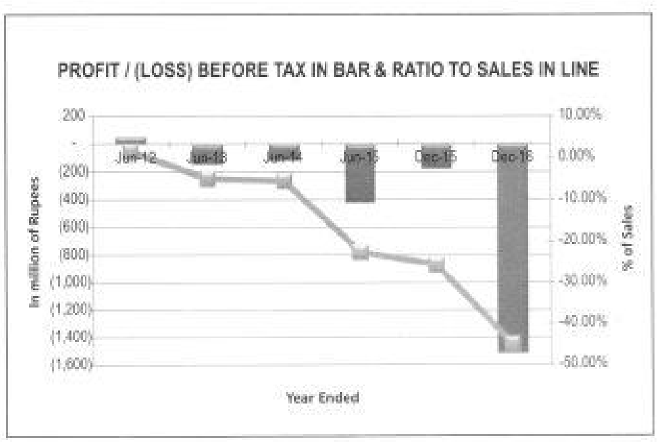
PERFORMANCE OVERVIEW



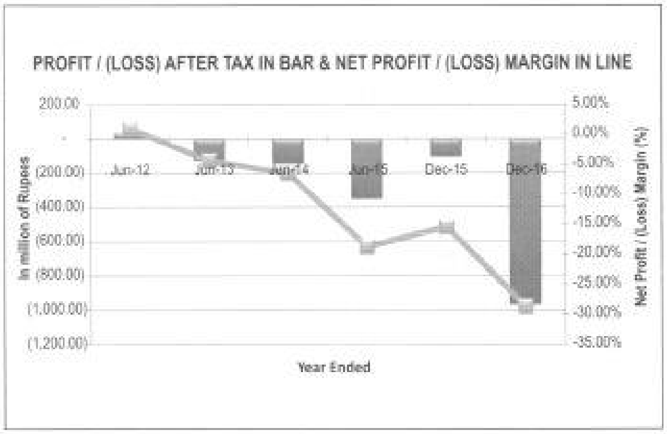


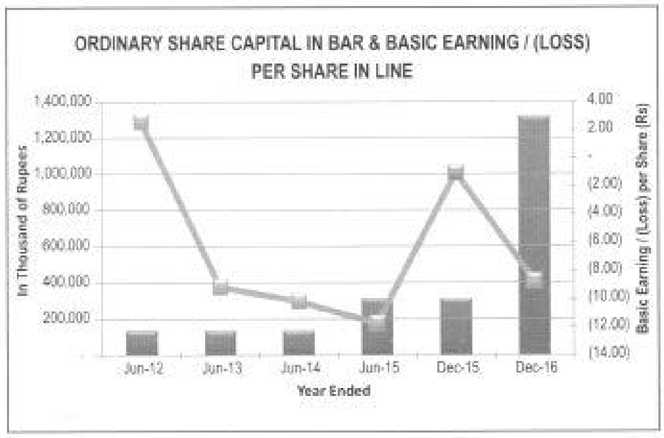


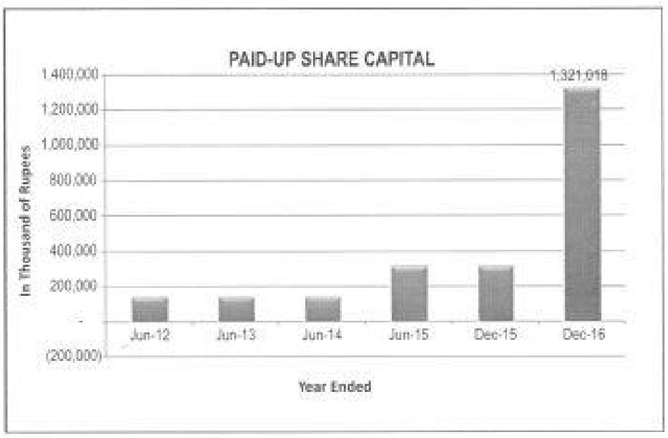


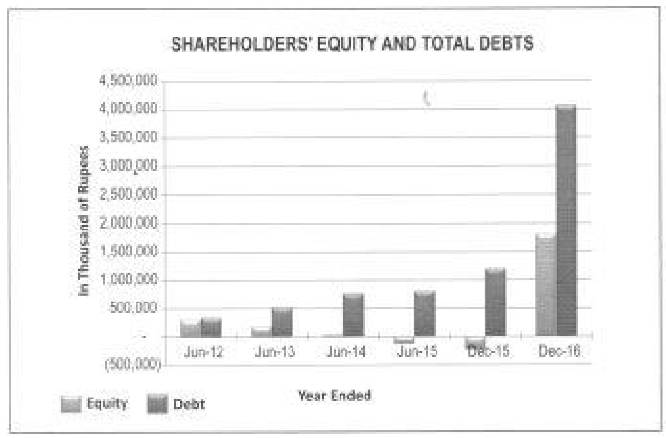


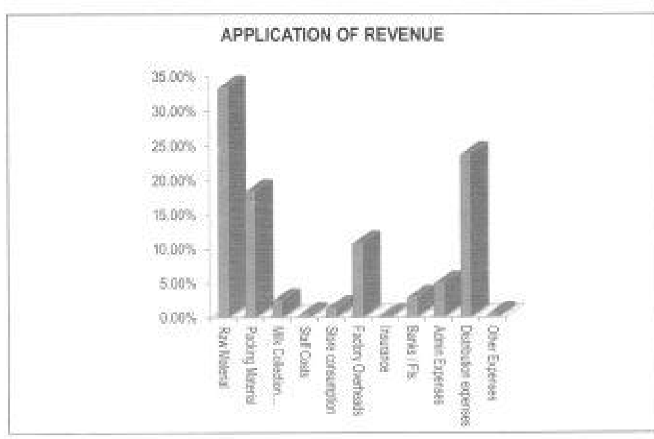
PERFORMANCE OVERVIEW











fauji foods

Formerly Noon Pakistan Limited

FORM 34

THE COMPANIES ORDINANCE 1984

(Section 236(1) and 464)

PATTERN OF SHAREHOLDING - ORDINARY SHARES

1. Incorporation No. **0002355**

2. Name of the Company **FAUJI FOODS LIMITED (formerly Noon Pakistan Limited)**

3. Pattern of holding of the shares held by the shareholders as at : **31-12-2016**

4.

Number of Shareholders	Shareholding From	Shareholding To	Total Shares
922	1	100	59,119
944	101	500	347,701
692	501	1,000	622,882
986	1,001	5,000	2,609,085
240	5,001	10,000	1,952,043
76	10,001	15,000	923,752
42	15,001	20,000	759,358
26	20,001	25,000	605,410
19	25,001	30,000	537,855
10	30,001	35,000	334,886
6	35,001	40,000	235,000
6	40,001	45,000	250,812
12	45,001	50,000	588,400
4	50,001	55,000	207,100
3	55,001	60,000	174,000
4	60,001	65,000	251,760
4	65,001	70,000	276,000
2	75,001	80,000	155,452
1	80,001	85,000	85,000
2	85,001	90,000	177,446
2	90,001	95,000	183,900
6	95,001	100,000	599,400
1	100,001	105,000	100,034
2	105,001	110,000	220,000
2	110,001	115,000	224,100
1	115,001	120,000	116,500
1	125,001	130,000	127,600
1	130,001	135,000	131,800
1	145,001	150,000	150,000
1	170,001	175,000	173,962
3	190,001	195,000	576,683

Number of Shareholders	Shareholding From	Shareholding To	Total Shares
1	245,001	250,000	250,000
2	255,001	260,000	513,500
1	325,001	330,000	326,307
1	495,001	500,000	500,000
1	535,001	540,000	537,300
1	650,001	655,000	650,216
1	840,001	845,000	841,103
1	915,001	920,000	917,373
1	1,225,001	1,230,000	1,230,000
1	1,295,001	1,300,000	1,296,995
1	1,675,001	1,680,000	1,680,000
1	3,385,001	3,390,000	3,388,520
1	5,765,001	5,770,000	5,769,769
1	11,240,001	11,245,000	11,242,367
1	14,340,001	14,345,000	14,343,724
1	55,255,001	55,260,000	55,255,584
4,039			**112,499,798**

5.	CATEGORIES OF SHAREHOLDERS	SHARES HELD	PERCENTAGE
5.1	Directors, Chief Executive, Officers and their spouse and minor children	**18,309,176**	**16.2749%**
5.2	Associated Companies, undertakings and related parties (Parent Company)	**69,599,308**	**61.8662%**
5.3	NIT and ICP	**10,249**	**0.0091%**
5.4	Banks, Development Financial Institutions, Non Banking Financial Institutions.	**1,000**	**0.0009%**
5.5	Insurance Companies	**431,072**	**0.3832%**
5.6	Modarabas and Mutual Funds	**247,500**	**0.2200%**
5.7	**Shareholders holding 10% or more**	**69,599,308**	**61.8662%**
5.8	**General Public**		
	a. Local	**17,121,805**	**15.2194%**
	b. Foreign	**66,569**	**0.0592%**
5.9	**OTHERS** (to be specified)		
	1-Joint Stock Companies	**2,233,459**	**1.9853%**
	2-Foreign Companies	**1,067,373**	**0.9488%**
	3-Other Companies	**3,412,287**	**3.0331%**

6.	Signature of Secretary	
7.	Name of Signatory	**Brig Rizwan Rafi (Retd)**
8.	Designation	Company Secretary
9.	CNIC Number	42000-0566702-9
10.	Date	31 December, 2016

FORM 34

THE COMPANIES ORDINANCE 1984
(Section 236(1) and 464)

PATTERN OF SHAREHOLDING - NON-VOTING ORDINARY SHARES

1. Incorporation No.	**0002355**
2. Name of the Company	**FAUJI FOODS LIMITED (formerly Noon Pakistan Limited)**
3. Pattern of holding of the shares held by the shareholders as at :	**31-12-2016**

4.

Number of Shareholders	Shareholding From	Shareholding To	Total Shares
74	1	100	2,909
130	101	500	57,608
142	501	1,000	133,541
168	1,001	5,000	453,281
37	5,001	10,000	309,319
15	10,001	15,000	192,300
7	15,001	20,000	125,800
5	20,001	25,000	121,000
1	25,001	30,000	27,225
5	30,001	35,000	163,944
1	35,001	40,000	39,000
4	40,001	45,000	171,931
1	45,001	50,000	50,000
2	50,001	55,000	103,033
1	60,001	65,000	62,000
1	80,001	85,000	84,500
1	85,001	90,000	88,000
1	90,001	95,000	90,616
1	95,001	100,000	97,000
1	100,001	105,000	105,000
1	105,001	110,000	108,500
1	135,001	140,000	138,000
1	165,001	170,000	165,500
1	180,001	185,000	180,400

Number of Shareholders	Shareholding		Total Shares
	From	To	
1	190,001	195,000	191,500
1	220,001	225,000	222,084
1	230,001	235,000	230,200
1	270,001	275,000	275,000
1	295,001	300,000	300,000
1	350,001	355,000	352,031
1	1,295,001	1,300,000	1,300,000
1	2,495,001	2,500,000	2,499,255
1	11,160,001	11,165,000	11,161,523
611			**19,602,000**

	CATEGORIES OF SHAREHOLDERS	SHARES HELD	PERCENTAGE
5.	**CATEGORIES OF SHAREHOLDERS**	**SHARES HELD**	**PERCENTAGE**
5.1	Directors, Chief Executive, Officers and their spouse and minor children	**1,300,000**	**6.6320%**
5.2	Associated Companies, undertakings and related parties (Parent Company)	**13,660,778**	**69.6907%**
5.3	NIT and ICP	**0**	**0.0000%**
5.4	Banks, Development Financial Institutions, Non Banking Financial Institutions.	**0**	**0.0000%**
5.5	Insurance Companies	**22,000**	**0.1122%**
5.6	Modarabas and Mutual Funds	**224,300**	**1.1443%**
5.7	**Shareholders holding 10% or more**	**13,660,778**	**69.6907%**
5.8	**General Public**		
	a. Local	**3,756,331**	**19.1630%**
	b. Foreign	**5,000**	**0.0255%**
5.9	**OTHERS** (to be specified)		
	1-Joint Stock Companies	**570,215**	**2.9090%**
	2-Foreign Companies	**50,000**	**0.2551%**
	3-Other Companies	**13,376**	**0.0682%**

6.	Signature of Secretary	
7.	Name of Signatory	**Brig Rizwan Rafi (Retd)**
8.	Designation	Company Secretary
9.	CNIC Number	42000-0566702-9
10.	Date	31 December, 2016

Review Report to the Members on the Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **Fauji Foods Limited (Fomerly Noon Pakistan Limited) ("the Company")** for the year ended 31 December 2016 to comply with the requirements of Listing Regulations of the Pakistan Stock Exchange Limited where the Company is listed.

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

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 31 December 2016.

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

Lahore
Date: 27th January 2017

Auditors' Report to the Members

We have audited the annexed balance sheet of Fauji Foods Limited **(Formerly Noon Pakistan Limited) ("the Company")** as at 31 December 2016 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

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

(b) in our opinion:

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

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

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

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of the loss, its cash flows and changes in equity for the year then ended; and

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

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

Lahore
Date: 27th January 2017

Balance Sheet as at 31 December 2016

EQUITY AND LIABILITIES	Note	31 December 2016 Rupees	31 December 2015 Rupees
Share capital and reserves			
Authorized capital			
700,000,000 (31 December 2015: 700,000,000)			
ordinary shares of Rs 10 each		**7,000,000,000**	7,000,000,000
Issued, subscribed and paid up 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		**(1,486,605,671)**	(538,082,120)
		1,801,184,452	(224,450,120)
Surplus on revaluation of property, plant and equipment - net	7	**440,355,621**	457,615,326
Non-current liabilities			
Liabilities against assets subject to finance lease	8	**129,919,028**	59,827,955
Employee retirement benefits	9	**32,822,224**	10,629,419
		162,741,252	70,457,374
Current liabilities			
Short term borrowings	10	**3,899,251,334**	1,125,089,693
Current portion of liabilities against assets subject to finance lease	8	**36,097,751**	13,643,700
Trade and other payables	11	**1,291,303,709**	437,405,875
Accrued finance cost	12	**49,716,962**	28,971,814
		5,276,369,756	1,605,111,082
		7,680,651,081	1,908,733,662
Contingencies and commitments	13		

Lahore

Chairman

Chief Executive

Director

Balance Sheet as at 31 December 2016

ASSETS	Note	31 December 2016 Rupees	31 December 2015 Rupees
Non-current assets			
Property, plant and equipment	14	**4,937,750,901**	1,277,997,628
Intangible assets	15	**4,441,250**	616,216
Security deposits		**944,306**	1,032,686
Deferred taxation - net	16	**628,541,639**	76,384,766
		5,571,678,096	1,356,031,296
Current assets			
Stores, spares and loose tools	17	**93,931,361**	38,716,297
Stock-in-trade	18	**684,805,793**	174,625,644
Trade debts	19	**77,969,418**	37,729,967
Loans and advances	20	**48,480,455**	21,528,308
Deposits, prepayments and other receivables	21	**141,347,588**	22,792,090
Due from associated companies	22	**39,247**	2,025,419
Sales tax refundable - net	23	**475,950,146**	155,860,557
Income tax - net		**252,909,058**	58,795,819
Cash and bank balances	24	**333,539,919**	40,628,265
		2,108,972,985	552,702,366
		7,680,651,081	1,908,733,662

The annexed notes 1 to 41 form an integral part of these financial statements.

Lahore

Chairman | Chief Executive | Director

fauji foods
Formerly Noon Pakistan Limited

Profit and Loss Account

For the year / period ended 31 December 2016

	Note	01 January to 31 December 2016 Rupees	01 July to 31 December 2015 Rupees
Sales - net	25	**3,370,506,772**	689,044,680
Cost of sales	26	**(3,265,001,110)**	(690,303,830)
Gross profit / (loss)		**105,505,662**	(1,259,150)
Marketing and distribution expenses	27	**(1,216,258,245)**	(66,009,876)
Administrative expenses	28	**(257,212,245)**	(60,571,439)
Other income	29	**28,917,826**	2,790,857
Other expenses	30	**(27,956,611)**	(11,070,949)
Loss from operations		**(1,367,003,613)**	(136,120,557)
Finance cost	31	**(150,936,517)**	(40,810,558)
Loss before taxation		**(1,517,940,130)**	(176,931,115)
Taxation	32	**551,020,316**	70,857,685
Loss for the year / period after taxation		**(966,919,814)**	(106,073,430)
Loss per share - basic and diluted (Restated)	33	**(8.75)**	(1.07)

The annexed notes 1 to 41 form an integral part of these financial statements.

Lahore

Chairman

Chief Executive

Director

Statement of Other Comprehensive Income

For the year / period ended 31 December 2016

	01 January to 31 December 2016 Rupees	01 July to 31 December 2015 Rupees
Loss for the year / period	**(966,919,814)**	(106,073,430)
Other comprehensive income for the year / period	-	-
Total comprehensive loss for the year / period	**(966,919,814)**	(106,073,430)

The annexed notes 1 to 41 form an integral part of these financial statements.

Lahore	Chairman	Chief Executive	Director

fauji foods
Formerly Noon Pakistan Limited

Statement of Changes in Equity

For the year / period ended 31 December 2016

	Issued, subscribed and paid-up capital	Capital reserves			Revenue reserves	Total
		Advance against share capital	Share premium	Sub-total	Accumulated loss	
	Rupees					
Balance as at 30 June 2015	313,632,000	-	-	-	(441,601,603)	(127,969,603)
Loss after taxation	-	-	-	-	(106,073,430)	(106,073,430)
Other comprehensive income					-	-
	-	-	-	-	**(106,073,430)**	**(106,073,430)**
Surplus transferred to accumulated losses						
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	-	9,592,913	9,592,913
Balance as at 31 December 2015	313,632,000	-	-	-	(538,082,120)	(224,450,120)
Loss after taxation	-	-	-	-	(966,919,814)	(966,919,814)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	**(966,919,814)**	**(966,919,814)**
Surplus transferred to accumulated losses						
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	-	18,396,263	18,396,263
Transactions with owners of the Company						
Advance against issue of shares	-	2,999,995,448	-	2,999,995,448	-	2,999,995,448
Ordinary shares issued during the year 100,738,598 share 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	-	-	-
Expense 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**
Balance as at 31 December 2016	**1,321,017,980**	-	**1,966,772,143**	**1,966,772,143**	**(1,486,605,671)**	**1,801,184,452**

The annexed notes 1 to 41 form an integral part of these financial statements.

Lahore

Chairman

Chief Executive

Director

Cash Flow Statement

For the year / period ended 31 December 2016

Cash flows from operating activities	*Note*	**31 December 2016 Rupees**	31 December 2015 Rupees
Loss before taxation		**(1,517,940,130)**	(176,931,115)
Adjustments for non-cash items:			
Depreciation on property, plant and equipment	*14.1.3*	**192,698,513**	39,066,522
Amortization of intangible assets	*28*	**616,216**	330,577
(Gain) / loss on disposal of property, plant and equipment	*29/30*	**(4,927,092)**	2,125,468
Provision for doubtful debts	*30*	**9,000,000**	-
Provision for obsolete stock	*30*	**18,568,979**	-
Profit on bank deposits	*29*	**(7,657,883)**	(404,683)
Liabilities no longer payable written back	*29*	-	(2,104,698)
Exchange loss	*30*	-	4,728,523
Provision for doubtful loans and advances	*30*	-	2,939,659
Employee retirement benefits	*9.1.3 & 9.2.3*	**22,952,570**	1,448,996
Finance cost	*31*	**150,936,517**	40,810,558
Loss before working capital changes		**(1,135,752,310)**	(87,990,193)

Effect on cash flow due to working capital changes

(Increase) / decrease in current assets:			
Stores, spares and loose tools		**(73,784,042)**	(6,073,183)
Stock-in-trade		**(510,180,149)**	(16,499,359)
Trade debts		**(49,239,451)**	895,896
Loans and advances		**(26,952,147)**	(17,229,182)
Deposits, prepayments and other receivables		**(118,555,498)**	(6,732,745)
Due from Associated Companies		**1,986,172**	(306,934)
Sales tax refundable		**(320,089,589)**	(50,249,546)
Increase in trade and other payables		**853,897,834**	17,835,465
		(242,916,870)	(78,359,588)
Cash used in operations		**(1,378,669,180)**	(166,349,781)
Income tax paid		**(194,113,239)**	(18,175,787)
Employee benefits paid		**(759,765)**	(864,449)
Security deposits - net		**88,380**	54,000
Net cash used in operating activities		**(1,573,453,804)**	(185,336,017)

Cash Flow Statement

For the year / period ended 31 December 2016

	Note	31 December 2016 Rupees	31 December 2015 Rupees
Cash flow from investing activities			
Fixed capital expenditure		(3,952,022,173)	(282,585,748)
Sale proceeds from disposal of property, plant and equipment		81,944,747	1,174,500
Income on bank deposits received		7,657,883	404,683
Net cash used in investing activities		(3,862,419,543)	(281,006,565)
Cash flow from financing activities			
Share capital issued - net of expenses		2,974,158,123	-
Term finances - net		-	(44,285,685)
Short term borrowings - net		1,250,439,755	299,987,000
Liabilities against assets subject to finance lease - net		92,545,124	67,868,222
Finance cost paid		(112,079,887)	(31,429,451)
Dividends paid		-	(1,499)
Net cash generated from financing activities		4,205,063,115	292,138,587
Net decrease in cash and cash equivalents		(1,230,810,232)	(174,203,995)
Cash and cash equivalents - at beginning of the year / period		(534,461,428)	(360,257,433)
Cash and cash equivalents - at end of the year / period	34	(1,765,271,660)	(534,461,428)

The annexed notes 1 to 41 form an integral part of these financial statements.

Lahore

Chairman

Chief Executive

Director

Notes to the Financial Statements

For the year / period ended 31 December 2016

1. The Company and its operations

1.1 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. 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 and now Fauji Fertilizers Bin Qasim Limited and Fauji Foundation respectively holds 49.12% and 12.75% of the voting rights of the Company.

During the year ended 31 December 2016, the Company has incurred a net loss of Rs. 966.91 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 following financial initiatives:

- Injection of equity through right issue during the year as referred to in note 5.4; and

- availed new working capital lines amounting to Rs. 1,550 million and enhancement of working capital lines from existing lenders by Rs. 700 million.

The management is also negotiating with banks for enhancement of working capital lines, additional short term and long term borrowings and for conversion of existing short term borrowings into long term loans. During the year, the Company has successfully installed and commissioned UHT plant (production capacity of 30,000 litres per hour) besides installing and commissioning of Tetra and Ecolean packing machines. Further, the management has entered into an agreement for installation of HFO power plant during the next year to meet additional electricity requirement. The management anticipates that above steps will not only improve the liquidity of the Company but also contribute significantly towards the profitability of the Company in the foreseeable future. Accordingly these financial statements have been prepared on a going concern basis.

1.2 During the period ended 31 December 2015 the Company changed its financial year end from 30 June to 31 December, as approved by the Board of Directors and shareholders in the meetings dated 11 September 2015 and 26 November 2015 respectively. This change was been made to bring the financial year of the Company in line with financial year followed by Fauji Fertilizers Bin Qasim Limited.

In view of the above, financial statements for the last period were prepared for six months period from 01 July 2015 to 31 December 2015 and therefore, are not entirely comparable in respect of profit and loss account, statement of other comprehensive income, cash flow statement and statement of changes in equity.

2. Basis of accounting

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards

(IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention except for the measurement of certain items of property, plant and equipment as referred to in note 7 at revalued amounts and recognition of other long term benefits as referred to in note 9 at present value.

2.3 Functional and presentation currency

These financial statements are 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. Summary of significant accounting policies

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

3.1 Taxation

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. In this regard, the effects on deferred taxation of the proportion of income that is subject to final tax regime are also considered in accordance with the treatment prescribed by the Institute of Chartered Accountants of Pakistan. Deferred tax is charged or credited in the profit and loss account, except in the case of items credited or charged to other comprehensive income or equity in which case it is included in other comprehensive income or equity.

The carrying amount of all deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

3.2 Leases

The Company is a lessee:

Finance leases

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

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

The related rental obligations, net of finance cost, are included in liabilities against assets subject to finance lease as referred to in note 8. The liabilities are classified as current and non-current depending upon the timing of the payment.

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the Company's benefits.

3.3 Employees' retirement benefits

3.3.1 Defined contribution plan

Provident fund

The Company is operating an approved provident fund scheme for all its employees since 01 May 1986. Equal monthly contributions are made by the employer and the employee to the fund in accordance with the fund rules at the rate of 10% of basic salary.

3.3.2 ***Other long term benefits - Accumulated compensated absences***

The Company also provides for compensated absences for all eligible employees in accordance with the rules of the Company. The Company accounts for these benefits in the year in which the absences are earned. Employees are entitled to earned leaves of 30 days per annum. The unutilized leaves are accumulated subject to a maximum of 60 days. The unutilized accumulated leaves can be encashed at the time the employee leaves Company service. The accumulated leave balance in excess of 60 days of an employee is ignored while determining benefit obligations.

The Company uses the actuarial valuations carried out using the projected unit credit method for valuation of its accumulated compensating absences. Provisions are made annually to cover the obligation for accumulating compensated absences based on actuarial valuation and are charged to profit and loss account. The amount recognised in the balance sheet represents the present value of the defined benefit obligations. Actuarial gains and losses are charged to the profit and loss account immediately in the period when these occur.

3.3.3 *Defined benefit plan*

The Company operates an unfunded defined benefit gratuity plan for all permanent employees, having a service period of more than three years for retired army officers and more than five years for other employees. The Company recognizes expense in accordance with IAS 19 "Employee Benefits".

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in other comprehensive income. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plan are recognised in profit and loss account.

3.4 Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Account payables are classified as current liabilities if amount is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

3.5 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable, will result in an outflow of resources embodying economic benefits, to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at year end and adjusted to reflect the current best estimate.

3.6 Contingent liabilities

A contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.7 Borrowings

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

Finance cost are accounted for on an accrual basis and are included in accrued finance cost to the extent of the remaining amount unpaid.

3.8 Borrowing costs

Mark-up, interest and other charges on borrowings are capitalized up to the date of commissioning of the respective property, plant and equipment, acquired out of the proceeds of such borrowings. All other mark-up, interest and other charges are charged to profit and loss account.

3.9 Property, plant and equipment

Property, plant and equipment except for freehold land, buildings on freehold land, plant and machinery, electric and gas installations, milk churns and other work equipment are stated at cost less accumulated depreciation and identified impairment loss. Freehold land is stated at revalued amount carried out with sufficient regularity by independent valuers by reference to its current market price less any identified impairment loss. Buildings on freehold land, plant and machinery, electric and gas installations, milk churns and other work equipment are stated at revalued amount carried out with sufficient regularity by independent valuers by reference to current market price less accumulated depreciation and any identified impairment loss.

Surplus on revaluation of property, plant and equipment - net of tax is presented under separate head below equity in accordance with the requirements of section 235 of the Companies Ordinance, 1984.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Cost includes expenditure that is directly attributable to the acquisition of items.

Increase in the carrying amount arising on revaluation of property, plant and equipment are credited to surplus on revaluation of property, plant and equipment. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the profit and loss, and depreciation based on the asset's original cost is transferred from 'surplus on revaluation of property, plant and equipment' to 'equity'. All transfers to / from surplus on revaluation of property, plant and equipment are net of applicable deferred tax.

Depreciation on all property, plant and equipment, except freehold land, is charged to profit on the reducing balance method so as to write-off the depreciable amount of an asset over its remaining estimated useful life after taking into account the impact of their residual value, if considered significant. The assets' residual values and useful lives are reviewed at each financial year-end and adjusted if impact on depreciation is significant.

Useful lives are determined by the management based on expected usage of assets, expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors.

Depreciation on additions to property, plant and equipment is charged from the month in which an asset is acquired or capitalized while no depreciation is charged for the month in which the asset is disposed-off.

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

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

The Company assesses at each balance sheet date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment is recognized in income currently. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

Capital work-in-progress is stated at cost less identified impairment loss, if any. It consists of all expenditures and advances connected with specific assets incurred and made during installations and construction period. These are transferred to relevant property, plant and equipment as and when assets are available for use.

3.10 Intangible assets

Intangible assets represents the cost of computer software and is stated at cost less accumulated amortization and any identified impairment loss. Software cost is only capitalized when it is probable that future economic benefits attributable to the software will flow to the Company and the same is amortized applying the straight-line method. Amortization on additions is charged from the month in which an asset is acquired or capitalized while no amortization is charged for the month in which the asset is disposed off.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in the profit and loss account as incurred.

3.11 Stores, spares and loose tools

Usable stores, spares and loose tools are valued principally at moving average cost, while items considered obsolete are impaired. Items in transit are stated at cost comprising invoice value plus other charges paid thereon up to the balance sheet date. The Company reviews the carrying amount of stores, spares and loose tools on a regular basis and provision is made for obsolescence, if there is any change in usage pattern and physical form of related stores.

3.12 Stock-in-trade

Stock of raw and packing materials, work-in-process and finished goods, except for those in transit, are valued principally at the lower of average cost and net realizable value. Cost in relation to raw and packing materials is measured at moving average cost. Cost of work-in-process and finished goods comprises direct materials, labour and appropriate manufacturing overheads.

Stock in transit is stated at invoice value plus other charges paid thereon up to the balance sheet date.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated cost of completion and cost necessary to be incurred to make such sale.

3.13 Trade debts

Trade receivables are amount due from customers for merchandise sold in the normal course of business.

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

3.14 Cash and cash equivalents

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

3.15 Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment loss in respect of a financial asset measured at fair value is determined by reference to that fair value. All impairment losses are recognized in profit and loss account. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

Impairment losses on available for sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired available for sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed though profit and loss; otherwise it is reversed through other comprehensive income.

Non-financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit and loss account. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

3.16 Foreign currency transactions and translation

Transactions and balances

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate at the balance sheet date. Exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are taken to income currently. Non-monetary assets and liabilities denominated in foreign currency that are measured in terms of historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

3.17 Financial assets and liabilities

Financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and derecognized when the Company looses control of contractual rights that comprise the financial assets and in the case of financial liability when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is included in the profit and loss account for the year. All financial assets and liabilities are initially measured at cost, which is the fair value of consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value or cost as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

Financial assets include trade debts, loans and advances, deposits and other receivables and cash and bank balances.

Financial liabilities include liabilities against assets subject to finance lease, short term finances, accrued finance cost and trade and other payables.

3.18 Offsetting of financial assets and liabilities

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

3.19 Revenue recognition

Revenue represents the fair value of consideration received or receivable for goods sold, net of discount and sales tax. Revenue is recognized to the extent that it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue can be measured reliably.

- Revenue from sale of goods is recognized when significant risk and rewards of ownership of goods are transferred to the buyer.

- return on deposits / saving accounts is accounted for on 'accrual basis'.

3.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes strategic decisions. On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment.

3.21 Dividends and appropriations to reserves

Dividends and appropriations to reserves are recognized in the financial statements in the period in which these are approved.

3.22 Standards, interpretations and amendments to published approved International Financial Reporting Standards that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2017 :

- Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after 1 January 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. The amendments are not likely to have an impact on Company's financial statements.

- Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after 1 January 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.

- Amendments to IFRS 2 - Share-based Payment clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on Company's financial statements.

- Transfers of Investment Property (Amendments to IAS 40 'Investment Property'-effective for annual periods beginning on or after 1 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on Company's financial statements.

Annual improvements to IFRS standards 2014-2016 cycle. The new cycle of improvements addresses improvements to following approved accounting standards:

- Amendments to IFRS 12 'Disclosure of Interests in Other Entities' (effective for annual periods beginning on or after 1 January 2017) clarify that the requirements of IFRS 12 apply to an entity's interests that are classified as held for sale or discontinued operations in accordance with IFRS 5 – 'Non-current Assets Held for Sale and Discontinued Operations'. The amendments are not likely to have an impact on Company's financial statements.

- Amendments to IAS 28 'Investments in Associates and Joint Ventures' (effective for annual periods beginning on or after 1 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on Company's financial statements.

- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 1 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.

The above improvements are not likely to have an impact on Company's financial statements.

4. Use of estimates and judgements

The preparation of these financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, and the results of which form the basis for making judgment about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

Property, plant and equipment

The management of the Company reassesses useful lives and residual value for each item of property, plant and equipment annually by considering expected pattern of economic benefits that the Company expects to derive from that item and the maximum period up to which such benefits are expected to be available. Any change in the estimates in future years might affect the carrying amounts of respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

Revaluation of property, plant and equipment

Revaluation of property, plant and equipment is carried out by independent professional valuers. Revalued amounts of non-depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to present depreciated replacement values. However, the Company uses revaluation model only for its non-depreciable items of property, plant and equipment.

The frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three to five years.

Stores and spare parts

The Company reviews the stores and spare parts for possible impairment on an annual basis. Any change in estimates in future years might affect the carrying amounts of respective items of stores and spares with a corresponding effect on provision.

Stock in trade

The Company reviews the carrying amount of stock-in-trade on a regular basis. Carrying amount of stock-in-trade is adjusted where the net realisable value is below the cost. Net Realizable Value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Impairment

The management of the Company reviews carrying amounts of its assets including receivables and advances and cash generating units for possible impairment and makes formal estimates of recoverable amount if there is any such indication.

Provision against trade debts, advances and other receivables

The Company reviews the recoverability of its trade debts, loans, advances and other receivables at each reporting date to assess amount of bad debts and provision required there against on annual basis.

Provisions and Contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on its judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the balance sheet date.

Taxation

The Company takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company's views differ from the views taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

Staff retirement benefits

The Company operates an unfunded defined benefit gratuity plan for all permanent employees, having a service period of more than three years for retired army officers and more than five years for other employees. The calculation of the benefit requires assumptions to be made of future outcomes, the principal ones being in respect of increase in remuneration and the discount rate used to convert future cash flows to current values. The assumptions used for the plan are determined by independent actuary.

Gratuity cost primarily represents actuarial present value of the obligation for benefits earned on employee service during the year and employee service in previous years. Calculations are sensitive to changes in the underlying assumptions.

5. Share capital

5.1 Authorized share capital

31 December 2016	31 December 2015		31 December 2016	31 December 2015
------ (Number of shares) -------			Rupees	Rupees
700,000,000	700,000,000		**7,000,000,000**	7,000,000,000

5.2 Issued, subscribed and paid up capital

31 December 2016	31 December 2015		31 December 2016	31 December 2015
------ (Number of shares) -------		**Ordinary share capital**	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
132,101,798	31,363,200		**1,321,017,980**	313,632,000

5.3 Reconciliation of ordinary shares

31 December 2016	31 December 2015		31 December 2016	31 December 2015
------ Number of shares -------			Rupees	Rupees
31,363,200	31,363,200	Balance at 01 January / 01 July	**313,632,000**	313,632,000
		Ordinary shares issued during		
100,738,598	-	the year as right issue	**1,007,385,980**	-
132,101,798	31,363,200	Balance at 31 December	**1,321,017,980**	313,632,000

5.4 During the year, 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.

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

31 December 2016	31 December 2015		31 December 2016	31 December 2015
------ Percentage held -------		**Ordinary share capital**	------ 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
		Employees' provident fund		
3.01%	0.00%	*- voting ordinary shares*	**3,388,520**	-
			106,257,782	24,314,542

6. Share premium

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

	31 December 2016 Rupees	31 December 2015 Rupees
7. Surplus on revaluation of property, plant and equipment - net of tax		
Revaluation surplus as at 01 January / 01 July	**539,002,243**	553,109,468
Surplus transferred to accumulated losses on account of:		
- incremental depreciation charged during the year / period		
- net of deferred tax	**(18,396,263)**	(9,592,913)
- related deferred tax liability	**(8,264,986)**	(4,514,312)
	(26,661,249)	(14,107,225)
Revaluation surplus as at 31 December	**512,340,994**	539,002,243
Less: Related deferred tax liability on revaluation surplus at 01 January / 01 July	**81,386,917**	89,830,309
Deferred tax on incremental depreciation	**(8,264,986)**	(4,514,312)
Adjustment resulting from change of tax	**(1,136,558)**	(3,929,080)
	71,985,373	81,386,917
Revaluation surplus as at 31 December - net of tax	**440,355,621**	457,615,326

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

7.2 The Company as at 31 March 2015, revalued its freehold land, buildings on freehold land, plant and machinery, milk churns, electric and gas installations and other work equipment. This revaluation was carried out by Joseph Lobo (Private) Limited (Independent valuers and consultants). Freehold land was revalued on the basis of current market value whereas other assets were revalued on the basis of depreciated market values. The most significant input into this valuation approach is price per acre for land, price per square foot for buildings and present operational condition and age of plant and machinery and other assets. The surplus arisen on this revaluation aggregating Rs 509.15 million was credited to this account to comply with the requirements of section 235 of the Companies Ordinance, 1984.

7.3 Except and to the extent actually realized on disposal of the assets which are revalued, the surplus on revaluation of fixed assets shall not be applied to set off or reduce any deficit or loss, whether past, current or future, or in any manner applied, adjusted or treated so as to add to the income, profit or surplus of the Company, or utilized directly or indirectly by way of dividend or bonus, provided that the surplus on revaluation of fixed assets may be applied by the Company in setting off or in diminution of any deficit arising from the revaluation of any other fixed asset of the Company.

8. Liabilities against assets subject to finance lease - secured

The Company has entered into lease agreements with different commercial banks. The rentals under these agreements are repayable in 60 monthly installments. The minimum lease payments have been discounted at an implicit interest rate of 5.80% to 9.90% (31 December 2015: 7.42% to 10.38%) to arrive at their present value. At the end of the respective lease term, the assets shall be transferred in the name of the Company. Taxes, repairs and insurance costs are to be borne by the Company. In case of early termination of lease, the lessee shall pay entire amount of rentals for unexpired period of lease agreement.

	31 December 2016			31 December 2015		
	Upto one year	**From one to five years**	**Total**	Upto one year	From one to five years	Total
	------Rupees------					
Particulars						
Minimum lease payments	**46,075,571**	**168,941,761**	**215,017,332**	18,297,435	78,902,266	97,199,701
Less: Finance costs allocated to future periods	**9,977,820**	**16,710,131**	**26,687,951**	4,653,735	9,887,711	14,541,446
	36,097,751	**152,231,630**	**188,329,381**	13,643,700	69,014,555	82,658,255
Less: Security deposits adjustable on expiry of lease terms	**-**	**(22,312,602)**	**(22,312,602)**	-	(9,186,600)	(9,186,600)
Present value of minimum lease payments	**36,097,751**	**129,919,028**	**166,016,779**	13,643,700	59,827,955	73,471,655

9. **Employee retirement benefits**	*Note*	**31 December 2016 Rupees**	31 December 2015 Rupees
Accumulated compensated absences	*9.1*	**16,828,230**	10,629,419
Defined benefit plan	*9.2*	**15,993,994**	-
		32,822,224	10,629,419

9.1 Accumulated compensated absences

	31 December 2016 Rupees	31 December 2015 Rupees
9.1.1 Movement in accumulated compensated absences		
Balance as at 01 January / 01 July	**10,629,419**	10,044,872
Provision during the year / period	**6,958,576**	1,448,996
Payments made during the year / period	**(759,765)**	(864,449)
Balance as at 31 December	**16,828,230**	10,629,419
9.1.2 Reconciliation of present value of liability		
Present value of liability as at 01 January / 01 July	**10,629,419**	10,044,872
Service cost	**5,809,458**	863,376
Interest on defined benefit liability	**474,041**	442,810
Benefits paid	**(759,765)**	(864,449)
Remeasurement loss	**675,077**	142,810
	16,828,230	10,629,419
9.1.3 Charge to profit and loss account for the year / period		
Service cost	**5,809,458**	863,376
Interest on defined benefit liability	**474,041**	442,810
Remeasurement loss	**675,077**	142,810
	6,958,576	1,448,996

9.1.4 The principal actuarial assumptions at the reporting date were as follows:

	2016	2015
Discount rate	**7.25%**	9.25%
Expected per annum growth rate in salaries	**7.25%**	9.25%
Expected mortality rate	**SLIC (2001-2005)**	SLIC (2001-2005)

As at 31 December 2016, average accumulation of leaves is 7 per annum, subject to a maximum accumulation of 60 days.

9.1.5 Sensitivity analysis

If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 100 bps with all other variables held constant, the present value of the liability as at 31 December 2016 would have been as follows:

	Present value of defined benefit obligation at year end	
	Due to increase in assumptions	Due to decrease in assumptions
	---------- Rupees ----------	
Discount rate 100 bps	**14,330,624**	19,924,118
Salary increase 100 bps	**19,892,329**	14,309,541

		Note	31 December 2016 Rupees	31 December 2015 Rupees
9.2	**Defined benefit plan**			
9.2.1	***Movement in defined gratuity plan***			
	Balance as at 01 January / 01 July		-	-
	Provision during the year / period		**15,993,994**	-
	Balance as at 31 December		**15,993,994**	-
9.2.2	**Reconciliation of present value of liability**			
	Present value of liability as at 01 January / 01 July		-	-
	Service cost		**15,993,994**	-
			15,993,994	-
9.2.3	**Charge to profit and loss account for the year / period**			
	Service cost		**15,993,994**	-
			15,993,994	-
9.2.4	**Estimated expense to be charged to profit and loss account next year**			
	Service cost		**18,999,386**	-
	Interest cost		**938,496**	-
			19,937,882	-

9.2.5 **The principal actuarial assumptions at the reporting date were as follows:**

	2016
Discount rate	**7.25%**
Expected per annum growth rate in salaries	**7.25%**
Expected mortality rate	**SLIC (2001-2005)**

As at 31 December 2016, the weighted average duration of the defined benefit obligation was 9 years.

9.2.6 Sensitivity analysis

If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 100 bps with all other variables held constant, the present value of the defined benefit obligation as at 31 December 2016 would have been as follows:

	Present value of defined benefit obligation at year end	
	Due to increase in assumptions	Due to decrease in assumptions
	---------- Rupees ----------	
Discount rate 100 bps	**14,076,741**	18,342,057
Salary increase 100 bps	**18,318,067**	14,060,442

10. Short term borrowings

	Note	31 December 2016 Rupees	31 December 2015 Rupees
Interest / mark-up based loans - secured	*10.1*	**2,109,251,334**	575,089,693
Islamic mode of financing	*10.2*	**1,790,000,000**	550,000,000
		3,899,251,334	1,125,089,693

10.1 Interest / mark-up based loans - secured

	Note	31 December 2016 Rupees	31 December 2015 Rupees
Short term running finance - secured	*10.1.1 & 10.4*	**2,098,811,579**	575,089,693
Finance against trust receipt - secured	*10.1.2*	**10,439,755**	-
		2,109,251,334	575,089,693

10.1.1 Short term financing - secured

This represents utilized amount of short term running finance facilities under markup arrangements availed from various commercial banks aggregating to Rs. 2,362 million (31 December 2015: Rs. 1,275 million). These facilities are secured against charge over all current assets and fixed assets (excluding land and building) of the Company and carry markup ranging from 6.54% to 6.99% (31 December 2015: 6.82% to 9.47%) per annum, payable quarterly. The facilities are expiring on various dates by September 2017.

10.1.2 Finance against trust receipt - secured

This represents utilized amount of finance against trust receipts under markup arrangements availed from Soneri Bank Limited aggregating to Rs. 98.61 million (31 December 2015: Nil). This facility is secured against charge over current and fixed assets of the Company (excluding land and building) amounting to Rs 1,333.334 million and carry markup ranging from 6.55% to 6.85% per annum (31 December 2015: Nil), payable quarterly. The facilities are expiring on various dates by March, 2017.

10.2 Islamic mode of financing - secured

This represents utilized amount of short term finance facility (Istisna and Wakala Istithmar) availed from various commercial banks aggregating to Rs 2,193 million (31 December 2015: Rs 2,000 million). These facilities are secured against present & future current and fixed assets of the Company and carries markup ranging from 6.65% to 7.12% (31 December 2015 : 6.65% to 8.01%) per annum. The facility expires latest by March 2017.

10.3 Unavailed credit facilities

The facilities for opening of letter of credits and guarantees as at 31 December 2016 amounted to Rs. 1,402.88 million (31 December 2015: Rs. 572.30 million) of which remaining unutilized amount as of that date was Rs. 173.53 million (31 December 2015: Rs. 11.05 million).

10.4 This includes amount of Rs. 933.63 million (31 December 2015: Rs. 100.79 million) borrowed from Askari Bank Limited, a related party. The borrowing limits against this facility stand at Rs. 1,000 million (31 December 2015: Rs. 300 million).

	Note	31 December 2016 Rupees	31 December 2015 Rupees
11. Trade and other payables			
Creditors		**1,008,155,495**	310,129,678
Advances from customers		**63,459,201**	42,689,515
Accrued expenses		**126,114,736**	64,709,739
Retention money payable		**44,043,704**	-
Due to employees		**270,090**	223,629
Due to associated undertaking - unsecured	*11.1*	**1,227,947**	-
Withholding income tax payable		**25,731,344**	17,062,665
Withholding sales tax payable		**15,556,960**	-
Payable to provident fund	*11.2*	**3,356,686**	899,456
Workers' profit participation fund	*11.3*	**347,385**	347,385
Unclaimed dividend:			
- ordinary shares		**857,614**	857,614
- preference shares		**115,490**	115,490
Others		**2,067,057**	370,704
		1,291,303,709	437,405,875

11.1 This represents advance from associated undertakings namely Noon Sugar Mills Limited and Fauji Power Company Limited amounting to Rs 0.521 million and Rs 0.70 million respectively.

11.2 Employees' provident fund

The Company operates funded contributory provident fund scheme for all its permanent and eligible employees. The following information is based on the unaudited financial statements of the provident fund for the year ended 31 December 2016:

	Note	31 December 2016 Rupees	31 December 2015 Rupees
Size of the fund		**387,366,168**	268,302,326
Cost of investments made	*11.2.1*	**155,324,271**	42,905,000
Fair value of investments		**354,902,448**	246,088,200
Percentage of investments made		**92%**	92%

11.2.1 The breakup value of cost of investment is as follows:

	31 December 2016 Rupees	31 December 2015 Rupees
Defence saving certificate	**20,805,000**	20,805,000
Special saving certificate	**10,000,000**	10,000,000
PLS accounts	**23,590,384**	-
Equity securities	**100,928,887**	12,100,000
	155,324,271	42,905,000

11.2.2 The Company will comply with the limits for investment in listed securities as required under section 3 of Employees' Provident Fund (Investment in Listed Securities) Rules, 2016 (Rules) dated 17 August 2016, within two years from the date of commencement of these Rules.

		Note	31 December 2016 Rupees	31 December 2015 Rupees
11.3	**Workers' profit participation fund**			
	Balance as at 01 January / 01 July		**347,385**	4,627,526
	Interest on funds utilized in the Company's business	*31*	**-**	82,603
			347,385	4,710,129
	Less: Amount paid to workers during the year / period on behalf of the fund		**-**	4,362,744
	Balance as at 31 December		**347,385**	347,385

12. Accrued finance cost		31 December 2016 Rupees	31 December 2015 Rupees
Mark-up based borrowings from conventional banks			
- Short term borrowings - secured	*12.1*	**31,006,211**	28,833,660
- Liabilities against assets subject to finance leases - secured		**462,905**	138,154
Islamic mode of financing			
- Short term financing - secured		**18,247,846**	-
		49,716,962	28,971,814

12.1 This includes amount of Rs. 12.95 million (31 December 2015: Nil) payable to Askari Bank Limited, an associated undertaking.

13. Contingencies and commitments

13.1 Contingencies

(I) The Company has issued following guarantees:
Guarantees aggregating Rs. 18.42 million (31 December 2015: Rs. 15.47 million) have been issued by banks on behalf of the Company to Sui Northern Gas Pipeline Limited, Pakistan State Oil and Controller Naval Account.

(ii) The Taxation Officer, after conducting audit under section 177 of the Ordinance for Tax Year 2005, had passed an amended assessment order under section 122 of the Ordinance raising tax demands of Rs. 34.99 million alleging that the Company suppressed its sales. The Commissioner Inland Revenue-Appeals (CIR-A) annulled this assessment order whereas the Appellate Tribunal Inland Revenue (the Tribunal) had set aside the order of CIR-A and remanded the case back to CIR-A for denovo proceedings. The CIR-A, vide his order dated 03 September 2012, has allowed partial relief to the Company and reduced the amount of tax demand from Rs. 34.99 million to Rs. 18.28 million. Both the Company and the Department have filed appeals before the Tribunal against the order of CIR-A, which are pending adjudications.

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

(iii) The Company, during the financial year ended 30 June 2011, received a notice under section 177 of the Ordinance for Tax Year 2009 for selection of its case for detailed scrutiny. The Company filed a writ petition before the Honourable Lahore High Court which was dismissed vide order dated 27 May 2015.

The Company filed an appeal before the Honourable Supreme Court of Pakistan which directed that the Company should seek remedy in this respect before the intra court appeal of the Honourable Lahore High Court. The matter is now pending in intra court appeal.

(iv) The Additional Commissioner Inland Revenue raised income tax demand under section 122(5A) of the Ordinance for the tax year 2011 amounting Rs 21.8 million. The Company, through its external legal counsel, filed an appeal before CIR (A) which was decided in favour of the Company with the exception of Rs. 2.97 million addition by CIR (Appeals). The Company has subsequently filed an appeal before the ATIR against confirmation of the said addition and the Department is contesting the relief allowed by CIR (Appeals).

(v) The Company, during the financial year 2015, received a notice under section 177 of the Ordinance for the Tax Year 2012 for selection of its case for tax audit by the Commissioner Inland Revenue, Regional Tax Office, Sargodha (CIR). The Company filed a writ petition before the Honourable Lahore High Court against the selection of case by CIR under the aforementioned section.

(vi) The Additional Commissioner Inland Revenue raised income tax demand under section 122(5A) of the Ordinance for the tax year 2010 amounting Rs. 5.63 million. The Company filed an appeal before Commissioner Inland Revenue (Appeals), which was decided in the favour of the Company, however the Department is contesting the order before the ATIR.

(vii) During the year, Additional Commissioner Inland Revenue (Sargodha) has raised sales tax demand under section 10 and 11(2) of the Sales Tax Act, 1990 against non realization of sales tax amounting to Rs. 6.53 million on sale of fixed assets and scrap. The Company has filed an appeal before CIR (Appeals) which is pending adjudication.

(viii) During the year the Additional Commissioner Inland Revenue raised income tax demand under section 122(5A) of the Income Tax Ordinance for the tax year 2014 amounting to Rs 32.63 million by treating differences in sales tax returns as compared to audited accounts. Evidence to reconcile differences has been prepared and will be provided at the rebuttal.

(ix) During the year, the Company has been selected for audit for the tax year 2014 under section 214C of the Income Tax Ordinance 2001. Proceedings in this respect are still to be initiated.

Based on the opinion of the legal and tax advisors handling the above litigations, the management believes that the Company has strong legal grounds against each case and that no financial liability is expected to accrue. Accordingly, no provision has been made in these financial statements.

13.2 Commitments

The Company has the following commitments in respect of:

(I) Commitments, for capital expenditure, against irrevocable letters of credit outstanding at the year end were for Rs. 625.15 million (31 December 2015: Rs. 2,355.42 million).

(ii) Commitments, for purchase of raw / packing material, outstanding at the year end were for Rs. 575.1 million (31 December 2015: Rs. 205.83 million).

	Note	**31 December 2016 Rupees**	31 December 2015 Rupees
14. Property, plant and equipment			
Operating assets	*14.1*	**3,821,427,382**	1,008,477,814
Capital work-in-progress	*14.2*	**1,116,323,519**	269,519,814
		4,937,750,901	1,277,997,628

14.1 Operating assets

	31 December 2016									
	Cost/ revalued amount 01 January 2016	Transfers In/(Out)	Additions/ (deletions)	Cost/ revalued amount 31 December 2016	Accumulated depreciation as at 01 January 2016	Transfers In/(Out)	Depreciation charge/ (deletions)/ for the year	Accumulated depreciation as at 31 December 2016	Book value as at 31 December 2016	Rate of depreciation %
	---------- (Rupees) ----------									
Owned assets										
Freehold land	272,805,000	-	44,181,376	316,986,376	-	-	-	-	316,986,376	-
Buildings on freehold land	155,396,126	-	2,396,000	157,792,126	11,460,759	-	14,443,504	25,904,263	131,887,863	10
Plant and machinery	848,200,466	-	2,767,463,036	3,535,267,502	306,833,482	-	144,754,416	445,343,956	3,089,923,546	10
		-	(80,396,000)			-	(6,243,942)			
Milk churns	143,740			143,740	143,408		50	143,458	282	15
Electric and gas installations	20,300,962	-	1,250,000	21,550,962	7,880,632	-	1,304,533	9,185,165	12,365,797	10
Other works equipment	8,641,618	-	7,061,830	15,703,448	3,989,219	-	755,199	4,744,418	10,959,030	10
Office equipment	29,106,694	-	30,727,746	59,834,440	12,958,291	-	2,892,548	15,850,839	43,983,601	10
Furniture and fixture	13,422,412	-	7,749,903	21,172,315	9,242,713	-	529,855	9,772,568	11,399,747	10
Pallets	-	-	15,900,000	15,900,000	-	-	437,250	437,250	15,462,750	33.33
Vehicles	39,398,471	-	19,184,845	52,751,047	31,275,756	-	3,309,171	29,382,194	23,368,853	20
		-	(5,832,269)			-	(5,202,733)			
	1,387,415,489	-	2,895,914,736	4,197,101,956	383,784,260	-	168,426,526	540,764,111	3,656,337,845	
		-	(86,228,269)			-	(11,446,675)			
Leased assets										
Vehicles	8,857,615	-	186,751,000	193,028,545	4,011,030	-	24,271,987	27,939,008	165,089,537	20
		-	(2,580,070)				(344,009)			
	8,857,615	-	186,751,000	193,028,545	4,011,030	-	24,271,987	27,939,008	165,089,537	
			(2,580,070)				(344,009)			
31 December 2016	1,396,273,104	-	3,082,665,736	4,390,130,501	387,795,290	-	192,698,513	568,703,119	3,821,427,382	
		-	(88,808,339)			-	(11,790,684)			

	31 December 2015									
	Cost/ revalued amount 01 July 2015	Transfers In/(Out)	Additions/ (deletions)/ (adjustments)	Cost/ revalued amount 31 December 2015	Accumulated depreciation as at 01 July 2015	Transfers In/(Out)	Depreciation charge/ (deletions)/ for the year	Accumulated depreciation as at 31 December 2015	Book value as at 31 December 2015	Rate of depreciation %
Owned assets					(Rupees)					
Freehold land	272,805,000	-	-	272,805,000	-	-	-	-	272,805,000	-
Buildings on freehold land	155,396,126	-	-	155,396,126	3,885,213	-	7,575,546	11,460,759	143,935,367	10
Plant and machinery	792,202,618	53,996,591	8,970,227	848,200,466	259,647,193	24,588,629	27,484,470	306,833,482	541,366,984	10
			-				-			
			(6,968,970)			-	(4,886,810)			
Milk Churns	143,740	-	-	143,740	143,381	-	27	143,408	332	15
Electric and Gas Installation	18,254,255	-	2,046,707	20,300,962	7,316,698	-	563,934	7,880,632	12,420,330	10
Other Works Equipment	7,516,618	-	1,125,000	8,641,618	3,793,698	-	195,521	3,989,219	4,652,399	10
Office equipment	28,957,474	-	223,000	29,106,694	12,132,322	-	841,968	12,958,291	16,148,403	10
		-	(73,780)			-	(15,999)			
Furniture and Fixture	12,721,412	-	701,000	13,422,412	9,052,326	-	190,387	9,242,713	4,179,699	10
Vehicles	42,704,444	-	-	39,398,471	32,499,593	-	922,109	31,275,756	8,122,715	20
		-	(3,305,973)			-	(2,145,946)			
	1,330,701,687	53,996,591	13,065,934	1,387,415,489	328,470,424	24,588,629	37,773,962	383,784,260	1,003,631,229	
		-	(3,379,753)				(2,161,945)			
			(6,968,970)				(4,886,810)			
Leased assets										
Plant and machinery	53,996,591	-	-	-	23,834,579	-	754,050	-	-	10
		(53,996,591)	-			(24,588,629)	-			
Vehicles	8,857,615	-	-	8,857,615	3,472,520	-	538,510	4,011,030	4,846,585	20
		-	-			-	-			
	62,854,206	(53,996,591)	-	8,857,615	27,307,099	(24,588,629)	1,292,560	4,011,030	4,846,585	
31 December 2015	1,393,555,893	-	13,065,934	1,396,273,104	355,777,523	-	39,066,522	387,795,290	1,008,477,814	
			(3,379,753)				(2,161,945)			
			(6,968,970)				(4,886,810)			

14.1.1 Disposal of property, plant and equipment

Particulars of assets	Sold to	Cost/Revalued Amount	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal
		----------	Rupees	----------		
Vehicles	**Outside party**					
Honda CD-70	Abdul Majeed	68,700	43,638	25,062	38,962	Negotiation
Toyota Pickup	Tariq Mehmood	758,416	758,019	397	170,000	Negotiation
Mazda B-2200	Tariq Mehmood	747,734	744,092	3,642	270,000	Negotiation
LEC-1526	EFU Insurance	650,614	549,305	101,309	300,000	Insurance Claim
Tractor	Muhammad Farooq	801,144	800,740	404	240,000	Negotiation
Hino FB	Muhammad Hanif	1,383,517	1,223,590	159,927	1,300,000	Negotiation
Mazda T-3500	Muhammad Akram	918,144	612,469	305,675	825,000	Negotiation
Suzuki Alto	Muhammad Farooq	504,000	470,880	33,120	225,000	Negotiation
Leased vehicles	**Outside party**					
Honda Civic	EFU Insurance	2,580,070	344,009	2,236,061	2,521,000	Insurance Claim
Plant and machinery						
19 units 1,000 litre chiller		4,750,000	489,252	4,260,748	4,696,278	Negotiation
2 units 1,800 litre chillers		700,000	67,834	632,166	661,445	Negotiation
Tetra Pak 200 ml TBA filling line		21,000,000	1,548,750	19,451,250	20,000,000	Negotiation
Tetra Pak 250 ml TBA filling line		37,500,000	2,765,625	34,734,375	35,000,000	Negotiation
Rossi & Catelli UHT plant		7,000,000	570,281	6,429,719	6,500,000	Negotiation
Rossi & Catelli asceptic tank		7,500,000	611,016	6,888,984	7,000,000	Negotiation
Stall Astra 77kW ammonia compressor		350,000	31,216	318,784	504,202	Negotiation
Sabroe 300kW ammonia compressor		500,000	44,594	455,406	546,218	Negotiation
4 units 24 HP generator		913,334	90,975	822,359	926,037	Negotiation
4 units 24 HP diesel generator		182,666	24,399	158,267	220,605	Negotiation
2016		**88,808,339**	**11,790,684**	**77,017,655**	**81,944,747**	
2015		10,348,723	7,048,755	3,299,968	1,174,500	

14.1.2 Had these revaluations not been carried out, the carrying amount of freehold land, buildings on freehold land, plant and machinery, electric & gas installations and other work equipment would have been as follows:

	31 December 2016 Rupees	31 December 2015 Rupees
Freehold land	**44,596,624**	415,246
Buildings on freehold land	**27,710,011**	28,182,198
Plant and machinery and Milk churns	**2,957,827,881**	394,594,042
Electric and Gas Installations	**9,620,474**	9,369,973
Other Works Equipment	**10,026,910**	3,616,710
	3,049,781,900	436,178,169

14.1.3 The depreciation charge has been allocated as follows:

	Note	01 January to 31 December 2016 Rupees	01 July to 31 December 2015 Rupees
Milk collection centres	*26*	**19,991,674**	3,128,921
Cost of sales	*26*	**150,083,597**	33,759,337
Distribution cost	*27*	**11,032,463**	276,633
Administrative expenses	*28*	**11,590,779**	1,901,631
		192,698,513	39,066,522

14.1.4 Plant and machinery includes borrowing cost of Rs. 18.11 million (31 December 2015: Nil) capitalized during the year calculated at the markup rate of 6.99% per annum.

14.2 Capital work-in-progress

	31 December 2016 Rupees	31 December 2015 Rupees
Plant and machinery	**671,408,371**	191,715,814
Office equipment	**2,983,337**	-
Building	**412,976,413**	-
Owned vehicles	**621,583**	-
Leased vehicles	**28,333,815**	77,804,000
	1,116,323,519	269,519,814

15. Intangible assets

	Note	31 December 2016 Rupees	31 December 2015 Rupees
Intangible assets	*15.1*	-	616,216
Capital work-in-progress	*15.2*	**4,441,250**	-
		4,441,250	616,216

15.1 Intangible assets

	31 December 2016							
	Cost as at 01 January 2016	Additions / (transfers / deletions)	Cost as at 31 December 2016	Accumulated amortization 01 January 2016	Amortization charge for the year	Accumulated amortization 31 December 2016	Book value as at 31 December 2016	Rate of amortization %
	(Rupees)							
Secondary sale system	1,983,860	-	1,983,860	1,367,644	616,216	1,983,860	-	33.33
Anti-virus	432,032	-	432,032	432,032	-	432,032	-	33.33
	2,415,892	-	2,415,892	1,799,676	616,216	2,415,892	-	

	31 December 2015							
	Cost as at 01 July 2015	Additions / (transfers / deletions)	Cost as at 31 December 2015	Accumulated amortization 01 July 2015	Amortization charge for the year	Accumulated amortization 31 December 2015	Book value as at 31 December 2015	Rate of amortization %
	(Rupees)							
Secondary sale system	1,983,860	-	1,983,860	1,037,067	330,577	1,367,644	616,216	33.33
Anti-virus	432,032	-	432,032	432,032	-	432,032	-	33.33
	2,415,892	-	2,415,892	1,469,099	330,577	1,799,676	616,216	

15.1.1 The amortization charge for the year has been allocated to administrative expenses as referred to in note 28.

15.2 Capital work-in-progress represents to advance paid to M/S Tally Marks Consulting for purchase of secondary sale system.

	Note	31 December 2016 Rupees	31 December 2015 Rupees
16. Deferred taxation - net			
The deferred tax asset comprises of temporary differences relating to:			
Deductible temporary differences:			
- unused tax losses	*16.1*	**845,806,955**	166,287,160
- provisions		**26,597,902**	82,886,051
- tax credit		**120,000,000**	-
		992,404,857	249,173,211
Less: Taxable temporary differences:			
- accelerated tax depreciation allowances		**291,877,845**	91,401,528
- surplus on revaluation of property, plant and equipment		**71,985,373**	81,386,917
		363,863,218	172,788,445
Deferred taxation - net		**628,541,639**	76,384,766

16.1 Deferred tax asset on unused tax losses and other deductible temporary differences are recognized on the basis that sufficient future taxable profits will be available against which they can be utilized.

	Note	31 December 2016 Rupees	31 December 2015 Rupees
17. Stores, spares and loose tools			
Stores		**51,923,334**	19,107,517
Spares		**41,790,640**	20,528,188
Loose tools		**217,387**	91,289
		93,931,361	39,726,994
Provision for obsolete stores	*17.1*	**-**	(1,010,697)
		93,931,361	38,716,297

17.1 Provision for obsolete stores

	Note	31 December 2016 Rupees	31 December 2015 Rupees
Balance as at 01 January / July		**1,010,697**	1,010,697
Provision for the year	*30*	**18,568,979**	-
Written off during the year		**(19,579,676)**	-
Balance as at 31 December		**-**	1,010,697

	Note	31 December 2016 Rupees	31 December 2015 Rupees
18. Stock-in-trade			
Raw and packing material			
- In hand		**335,483,439**	106,422,243
- In transit		**101,275,581**	24,851,129
Work-in-process	18.1	**72,762,966**	37,241,000
Finished goods	18.1	**175,283,807**	33,971,363
		684,805,793	202,485,735
Provision for obsolete stock	18.2	**-**	(27,860,091)
		684,805,793	174,625,644

18.1 The amount charged to profit and loss account on account of write down of finished goods and work-in-process to net realizable value amounts to Rs. 86.77 million (31 December 2015: Rs. 1.51 million).

	Note	31 December 2016 Rupees	31 December 2015 Rupees
18.2 Provision for obsolete stock			
Balance as at 01 January / 01 July		**27,860,091**	27,860,091
Written off during the year		**(27,860,091)**	-
Balance as at 31 December		**-**	27,860,091

	Note	31 December 2016 Rupees	31 December 2015 Rupees
19. Trade debts			
Unsecured			
- Considered good		**77,969,418**	37,729,967
- Considered doubtful		**11,000,000**	181,468,616
		88,969,418	219,198,583
Less: Provision for doubtful debts	19.1	**(11,000,000)**	(181,468,616)
		77,969,418	37,729,967

	Note	31 December 2016 Rupees	31 December 2015 Rupees
19.1 Provision for doubtful debts			
Balance as at 01 January/01 July		**181,468,616**	181,468,616
Provision for the year	30	**9,000,000**	-
Written off during the year		**(179,468,616)**	-
Balance as at 31 December		**11,000,000**	181,468,616

	Note	31 December 2016 Rupees	31 December 2015 Rupees
20. Loan and advances - unsecured			
Due from employees - unsecured			
- Considered good		**4,197,291**	875,331
- Considered doubtful		**-**	166,184
Advances to suppliers - unsecured			
- Considered good		**44,283,164**	20,652,977
- Considered doubtful		**-**	6,574,450
		48,480,455	28,268,942
Less: Provision for doubtful loans and advances	*20.1*	**-**	(6,740,634)
		48,480,455	21,528,308

20.1 Provision for doubtful loans and advances

	Note	31 December 2016 Rupees	31 December 2015 Rupees
Balance as at 01 January / 01 July		**6,740,634**	3,800,975
Provision for the year / period	*30*	**-**	2,939,659
Written off during the year		**(6,740,634)**	-
Balance as at 31 December		**-**	6,740,634

21. Deposits, prepayments and other receivables

	31 December 2016 Rupees	31 December 2015 Rupees
Security deposits	**32,981,154**	22,123,984
Prepayments	**5,008,928**	659,181
Other receivables	**103,357,506**	8,925
	141,347,588	22,792,090

22. Due from associated undertakings - *unsecured*

	31 December 2016 Rupees	31 December 2015 Rupees
Noon International (Private) Limited	**39,247**	39,247
Textile Services (Private) Limited	**-**	38,904
Noon Sugar Mills Limited	**-**	1,947,268
	39,247	2,025,419

22.1 Maximum aggregate amount due from Associated Companies at the end of any month during the current financial year was Rs. 0.4 million (31 December 2015: Rs. 2.51 million).

	Note	31 December 2016 Rupees	31 December 2015 Rupees
23. Sales tax refundable - net			
Sales tax refundable		**475,950,146**	171,214,217
Less: Provision made for old stuck-up refunds of input tax		**-**	(15,353,660)
		475,950,146	155,860,557

23.1 Provision made for old stuck-up refunds of input tax

Balance as at 01 January / 01 July	**15,353,660**	15,353,660
Written off during the year	**(15,353,660)**	-
Balance as at 31 December	**-**	15,353,660

	Note	31 December 2016 Rupees	31 December 2015 Rupees
24. Cash and bank balances			
Cash-in-hand		**729,162**	120,945
Cash at banks on:			
- Current accounts		**714,695**	39,946,897
- Saving accounts	24.1	**331,874,572**	338,897
- Dividend accounts		**221,490**	221,526
	24.2	**332,810,757**	40,507,320
		333,539,919	40,628,265

24.1 This carries profit at the rates ranging from 3.75% to 4% (31 December 2015: 3.5% to 4.5%) per annum.

24.2 This includes amount of Rs. 252.27 million (31 December 2015: Rs. 0.04 million) at Askari Bank Limited, a related party.

	01 January to 31 December 2016 Rupees	01 July to 31 December 2015 Rupees
25. Sales - net		
Gross sales	**3,453,401,423**	727,068,317
Less: Sales tax	**(62,733,421)**	(34,931,701)
Leakages / discounts allowed	**(20,161,230)**	(3,091,936)
	(82,894,651)	(38,023,637)
	3,370,506,772	689,044,680

		Note	01 January to 31 December 2016 Rupees	01 July to 31 December 2015 Rupees
26.	**Cost of Sales**			
	Raw materials consumed	26.1	1,701,883,161	365,232,656
	Milk collection expenses	26.2	128,619,858	22,803,472
	Salaries, wages and other benefits	26.3	173,738,516	36,282,910
	Power and fuel		142,906,982	41,723,461
	Packing materials consumed		943,214,634	154,305,292
	Stores and spares consumed		72,714,220	27,306,494
	Toll Manufacturing Charges		21,825,193	-
	Repair and maintenance		32,726,551	4,265,932
	Rent, rates and taxes		15,936,612	2,603,981
	Staff training		26,844,875	-
	Depreciation on property, plant and equipment			
	- Milk collection centres	14.1.3	19,991,674	3,128,921
	- Production facility	14.1.3	150,083,597	33,759,337
	Insurance		11,349,647	2,797,732
			3,441,835,520	694,210,188
	Adjustment of work-in-process			
	Opening stock		37,241,000	33,844,656
	Closing stock	18	(72,762,966)	(37,241,000)
			(35,521,966)	(3,396,344)
	Cost of goods manufactured		3,406,313,554	690,813,844
	Adjustment of finished goods			
	Opening stock		33,971,363	33,461,349
	Closing stock	18	(175,283,807)	(33,971,363)
			(141,312,444)	(510,014)
			3,265,001,110	690,303,830

26.1 Raw materials consumed:

	2016	2015
Fresh milk	815,166,451	196,216,501
Milk powder	419,694,664	59,952,331
Jams	1,714,153	2,281,365
Juice concentrates	52,232	1,598,360
Fats (Biscuit shortening fats)	222,813,060	35,875,780
Additives	161,392,438	33,287,169
Butter & cream	81,050,163	36,021,150
	1,701,883,161	365,232,656

26.2 Milk collection expenses:	01 January to 31 December 2016 Rupees	01 July to 31 December 2015 Rupees
Salaries, wages and other benefits	**55,143,559**	12,813,116
Provident fund	**1,294,887**	337,857
Store consumed	**20,933,431**	2,961,233
Chilling expenses	**1,258,711**	1,754,821
Fuel and oil expenses	**23,894,482**	3,569,406
Others	**26,094,788**	1,367,039
	128,619,858	22,803,472

26.3 Salaries, wages and other benefits include following in respect of retirement benefits:

	Note	01 January to 31 December 2016 Rupees	01 July to 31 December 2015 Rupees
Provident fund		**4,651,408**	1,265,996
Long term accumulated compensated absences		**2,287,402**	584,547
Gratuity		**5,257,498**	-
		12,196,308	1,850,543

27. Marketing and distribution expenses

	Note	2016	2015
Freight and forwarding		**123,159,212**	9,328,172
Salaries, wages and other benefits	*27.1*	**202,695,806**	23,143,511
Rent		**7,264,689**	616,800
Entertainment		**2,064,989**	33,564
Communication		**3,577,317**	34,492
Travelling and conveyance		**8,225,715**	104,137
Vehicles' running and maintenance		**9,852,541**	213,155
Advertisement and sales promotion		**830,987,047**	32,000,126
Insurance		**2,035,532**	167,858
Depreciation on property, plant and equipment	*14.1.3*	**11,032,463**	276,633
Samples		**11,485,614**	90,478
Others		**3,877,320**	950
		1,216,258,245	66,009,876

		01 January to 31 December 2016 Rupees	01 July to 31 December 2015 Rupees
27.1	Salaries, wages and other benefits include following in respect of retirement benefits:		
	Provident fund	**9,794,685**	660,268
	Long term accumulated compensated absences	**2,668,648**	63,600
	Gratuity	**6,133,774**	-
		18,597,107	723,868

		Note	01 January to 31 December 2016 Rupees	01 July to 31 December 2015 Rupees
28.	**Administrative expenses**			
	Salaries, wages and other benefits	*28.1*	**152,100,858**	24,696,317
	Travelling and conveyance:			
	- directors		**1,636,877**	650,148
	- others		**7,983,735**	444,936
	Directors' meeting fee	*35.1*	**1,781,780**	213,600
	Rent, rates and taxes		**20,052,325**	1,240,233
	Entertainment		**2,315,068**	1,155,052
	Communication		**4,214,425**	1,193,877
	Printing and stationery		**3,180,665**	947,875
	Electricity, gas and water		**7,036,201**	969,978
	Insurance		**575,309**	403,974
	Repair and maintenance		**3,491,303**	590,336
	Advertisement		**740,588**	182,780
	Vehicles' running and maintenance		**4,187,434**	1,787,986
	Subscription		**4,745,331**	2,341,561
	Legal and professional charges	*28.2*	**23,380,149**	20,330,160
	Cash security charges		**1,998,955**	571,001
	Others		**5,584,247**	619,417
	Depreciation on property, plant and equipment	*14.1.3*	**11,590,779**	1,901,631
	Amortization of intangible assets	*15*	**616,216**	330,577
			257,212,245	60,571,439

		Note	01 January to 31 December 2016 Rupees	01 July to 31 December 2015 Rupees
28.1	Salaries, wages and other benefits include following in respect of retirement benefits:			
	Provident fund		**2,672,355**	443,620
	Long term accumulated compensated absences		**2,002,526**	800,849
	Gratuity		**4,602,722**	-
			9,277,603	1,244,469
28.2	**Legal and professional charges**			
	The charges for professional services include the following in respect of auditors' services for:			
	- Statutory audit fee		**750,000**	660,000
	- Half yearly review		**125,000**	-
	- Certification charges		**150,000**	100,000
	- Out-of-pocket expenses		**250,000**	45,000
			1,275,000	805,000
29.	**Other income**			
	Income from financial assets			
	Profit on saving account and term deposit receipts		**7,657,883**	404,683
	Income from non-financial assets			
	Sale of scrap		**9,743,587**	245,476
	Gain on disposal of property, plant and equipment		**4,927,092**	-
	Liabilities no longer payable written back		-	2,104,698
	Exchange gain		**6,589,264**	-
	Other		-	36,000
			28,917,826	2,790,857
30.	**Other expenses**			
	Prior years' sales tax		**387,632**	-
	Provision for doubtful debts	*19.1*	**9,000,000**	-
	Provision for obsolete stock	*17.1*	**18,568,979**	-
	Provision for doubtful advance payments	*20.1*	-	2,939,659
	Loss on disposal of property, plant and equipment		-	2,125,468
	Receivable balance written-off		-	1,277,299
	Exchange loss		-	4,728,523
			27,956,611	11,070,949

31. Finance cost	Note	01 January to 31 December 2016 Rupees	01 July to 31 December 2015 Rupees
Islamic mode of financing			
- Short term financing		**47,506,566**	14,641,111
Interest/mark-up on interest/mark-up based loans			
- Long term finance		**-**	1,042,450
- Short term borrowings		**93,336,860**	22,951,643
- Finance lease		**8,868,833**	1,300,928
- Tetra Pak Funds utilised		**-**	189,316
- Workers' profit participation fund	11.3	**-**	82,603
Bank charges and commission		**1,224,258**	602,507
		150,936,517	40,810,558

32. Taxation	Note		
Current:			
- For the year	32.1	**-**	-
		-	-
Deferred:			
Origination and reversal of temporary differences		**(551,020,316)**	(70,857,685)
		(551,020,316)	(70,857,685)

32.1 Current tax charge for the year determined under "Minimum Tax" scheme u/s 113, of Income Tax Ordinance, 2001 has been restricted to zero because of the tax credit related to balancing, modernization and replacement of plant and machinery already installed, as available u/s 65B of the Income Tax Ordinance, 2001.

32.2 Tax charge reconciliation Reconciliation between the average effective tax charge and the applicable tax	01 January to 31 December 2016 Rupees	01 July to 31 December 2015 Rupees
Loss before tax	**(1,517,940,130)**	(176,931,115)
Applicable tax @ 31% / 32%	**470,561,440**	56,617,957
Effect of tax credit	**120,000,000**	-
Effect of change in tax rate	**(15,179,401)**	(1,262,176)
Effect of unused tax losses	**(27,399,900)**	15,501,904
Others	**3,038,177**	-
	80,458,876	14,239,728
Effective tax charge for the year / period	**551,020,316**	70,857,685

33.	Loss per share		01 January to 31 December 2016 Rupees	01 July to 31 December 2015 Rupees
	Loss per share - basic and diluted			
	Loss for the year / period	*Rupees*	**(966,919,814)**	(106,073,430)
	Weighted average number of ordinary shares in issue during the year / period	*Number*	**110,497,566**	99,182,984
	Loss per share - basic and diluted (restated)	*Rupees*	**(8.75)**	(1.07)

34.	Cash and cash equivalents	Note	31 December 2016 Rupees	31 December 2015 Rupees
	Cash and bank balances	24	**333,539,919**	40,628,265
	Running finance balances	10.1	**(2,098,811,579)**	(575,089,693)
			(1,765,271,660)	(534,461,428)

35. Remuneration of Chief Executive, Directors and Executives

35.1 The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits to Chief Executive, directors and executives of the Company is as follows:

	Chief Executive		Non Executive Directors		Executives	
	01 January 2016 to 31 December 2016	01 July 2015 to 31 December 2015	**01 January 2016 to 31 December 2016**	01 July 2015 to 31 December 2015	**01 January 2016 to 31 December 2016**	01 July 2015 to 31 December 2015
	---Rupees---					
Managerial remuneration	-	1,000,000	-	3,091,667	**137,125,854**	12,616,454
Meeting Fee	-	-	**1,781,780**	213,600	-	-
Consultancy fee	-	-	**7,949,790**	-	-	-
Provident fund	-	-	-	-	**10,251,233**	688,678
House rent	-	-	-	-	**83,883,335**	8,391,825
Utilities	-	-	-	-	**9,307,041**	919,091
Medical allowance	-	100,000	-	59,167	-	505,554
Relocation allowance	-	-	-	-	**901,425**	-
Others	-	343,127	-	-	**2,505,000**	-
	-	1,443,127	**9,731,570**	3,364,434	**243,973,888**	23,121,602
Number of persons	1	1	**11**	11	**116**	56

35.2 The Company also provides Chief Executive, Directors and some of its executives with company maintained cars, travel facilities and club memberships.

36. Number of employees

The Company has employed following number of persons:

	01 January to 31 December 2016	01 July to 31 December 2015
	(Number of persons)	
- As at 31 December	**1,279**	589
- Average number of employees	**1,029**	567

37. Related party transactions and balances

Related parties comprise of associated undertakings, directors, entities with common directorship, post employment plans and key management personnel. Amounts due from and to related parties are shown under respective heads and remuneration of Chief Executive and Directors as key management personnel is disclosed in note 35. Significant transactions with related parties are as follows:

Relationship with the company	Nature of transactions	31 December 2016 Rupees	31 December 2015 Rupees
i. Associated Undertakings			
Noon Sugar Mills Limited	Purchase of goods	-	6,162,620
	Sale of goods	-	77,316
	Expense paid to others on behalf of the related party	**23,314**	433,623
	Expense paid by related party on behalf of the Company	**11,356**	266,909
Textile Services (Private) Limited	Purchase of store items	-	2,599,701
	Payment made to related party	-	2,638,605
Fauji Fertilizer Bin Qasim Limited	Salaries of seconded employees charged by related party	**37,110,935**	2,599,701
	Repair & maintenance and building rent expense charged by related party	**22,086,492**	2,638,605
	Purchase of fixed assets from related party	**11,915,426**	-
Askari Bank Limited	Finance cost charged by related party	**26,708,815**	144,300
FFBL Power Company Limited	Coal purchased during the year	**975,930**	-
	Expense paid to others on behalf of the related party	**269,930**	-
Employees' Provident Fund Trust	Contribution for the year / period	**18,413,335**	6,028,250
ii. Associated persons			
Mr. Salman Hayat Noon (Non-Executive Director)	Purchase of land	**16,500,000**	-
Mr. Malik Adnan Hayat Noon (Non-Executive Director)	Purchase of land	**16,500,000**	-

38. Capacity and production		31 December 2016 Rupees	31 December 2015 Rupees
		12 months	6 months
Milk Powder and Butter Plant			
Rated capacity of milk processing based on three shifts	Kgs.	**44,416,000**	22,208,000
Fresh milk processed during the year / period	Kgs.	**3,951,614**	622,180
Cheese Plant			
Rated capacity of milk processing based on 24 hours per day	Kgs.	**3,725,000**	1,637,500
Fresh milk processed during the year / period	Kgs.	**1,464,131**	694,178
Pasteurised Milk Plant			
Rated capacity of milk pasteurisation based on three shifts	Litre	**5,840,000**	2,920,000
Milk pasteurised during the year / period	Litre	**1,382,667**	865,910
Yogurt Plant			
Rated capacity of milk processing based on three shifts	Kgs.	**2,920,000**	1,460,000
Fresh milk processed during the year / period	Kgs.	-	-
UHT Milk Plant			
Rated capacity of milk processing based on three shifts	Litre	**67,200,000**	43,744,000
Fresh milk processed during the year / period			
UHT Milk	Litre	**6,142,803**	507,174
Dairy rozana	Litre	-	727,987
Dostea	Litre	**28,263,438**	-
Flavored Milk	Litre	**867,583**	1,000,771
Chai Mix	Litre	**596,162**	-
Juice Plant			-
Rated capacity of juices based on three shifts	Litre	**43,800,000**	21,900,000
Juices processed during the year / period	Litre	-	793,300
Still Drinks	Litre	-	-

- Processing of UHT and Juice plants were restricted to the extent of filling capacity of the Company.
- Full operating capacity of the plant was not utilized during the year due to BMR and demand for the product. The management expects full utilization in future.

39. Financial risk management

39.1 Financial risk factors

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

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

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company's exposure to financial risk, the way these risks affects the financial position and performance and the manner in which such risks are managed is as follows:

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

(I) Foreign exchange risk

Foreign exchange risk is the risk that value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign exchange risk arises mainly where receivables and payables exist due to transactions with foreign buyers and suppliers. The Company, where considered necessary, uses money market borrowing contracts against receivables exposed to foreign exchange risks.

The Company is exposed to exchange risk arising from currency exposures mainly with respect to the Euro and US Dollar. Currently, the Company's foreign exchange risk exposure is restricted to the amounts payable to the foreign entities. The Company's exposure to foreign exchange risk is as follows:

	Note	**31 December 2016 Rupees**	31 December 2015 Rupees
Bills payable - Euro		**1,839,519**	1,600,000
Net exposure - Euro		**1,839,519**	1,600,000
Bills payable - US Dollar		**4,973,883**	-
Net Exposure - US Dollar		**4,973,883**	-

The following significant exchange rates were applied during the year:

	2016	2015
Rupees per Euro		
- Average rate	**115.19**	113.59
- Reporting date rate	**110.11**	114.54
Rupees per USD		
- Average rate	**104.49**	-
- Reporting date rate	**104.60**	-

Foreign currency sensitivity analysis

At 31 December 2016, if the Rupee had weakened / strengthened by 10% against the Euro and US Dollar with all other variables held constant, loss before tax for the year would have been higher / lower as under, mainly as a result of foreign exchange gains/losses on translation of foreign exchange denominated financial instrument. The following table demonstrates the sensitivity to a reasonably possible change in the Euro exchange rate:

	Change in Exchange rate %	**Effect on loss before tax** **Rupees**
31 December 2016 - Euro	10%	**(20,254,944)**
	-10%	**20,254,944**
31 December 2016 - US Dollar	10%	**(52,026,816)**
	-10%	**52,026,816**
31 December 2015 - Euro	10%	(198,418)
	-10%	198,418
31 December 2015 - US Dollar	10%	-
	-10%	-

(ii) Price risk

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

(iii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. Sensitivity to interest rate risk arises from mismatch of financial assets and liabilities that mature on reprice in a given period.

The Company's interest rate risk arises from long term finances and short term finances. Borrowings obtained at variable rates exposes the Company to cash flow interest rate risk.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments is as follows:

	31 December 2016	31 December 2015	**31 December 2016**	31 December 2015
	Effective rate		**Rupees**	Rupees
Financial assets				
Fixed rate instruments				
Saving accounts	**3.75% to 4%**	3.5% to 4.5%	**331,874,572**	338,897
Total exposure			**331,874,572**	338,897
Financial liabilities				
Variable rate instruments				
Liabilities against assets subject to finance lease	**5.8% to 9%**	7.42% to 10.38%	**166,016,779**	73,471,655
Short term borrowings	**6.54% to 7.12%**	6.65% to 9.47%	**3,899,251,334**	1,125,089,693
Total exposure			**4,065,268,113**	1,198,561,348

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instrument

At 31 December 2016, if interest rate on variable rate financial liabilities has been 1% higher / lower with all other variables held constant, loss before tax for the year would have been Rs. 40.65 million (31 December 2015: Rs. 11.99 million) higher / lower, mainly as a result of higher / lower interest expense on variable rate financial liabilities.

Credit risk

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

Credit risk primarily arises from credit exposure to customers and deposit with banks and financial institutions. To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other relevant factors. Individual risk limits are set based on internal or external ratings in accordance with criteria developed for managing risk by board. The utilization of credit limits is regularly monitored and major sales to customers are on advance terms, thus limiting credit exposure. For banks and financial institutions credit quality is determined with respect to external credit ratings performed by independent parties.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the balance sheet date was:

Loans and receivables	**31 December 2016 Rupees**	31 December 2015 Rupees
Security deposits	**33,925,460**	23,156,670
Trade debts	**77,969,418**	37,729,967
Due from employees	**4,197,291**	1,041,515
Due from related parties	**39,247**	2,025,419
Other receivables	**103,357,506**	8,925
Bank balances	**332,810,757**	40,507,320
	552,299,679	104,469,816

The credit risk on liquid funds is limited because the counter parties are banks with reasonable high credit ratings. The Company believes that it is not exposed to major concentration of credit risk as it's exposure is spread over a large number of counter parties.

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

	31 December 2016 Rupees	31 December 2015 Rupees
Not past due	**23,364,063**	5,249,784
1 to 45 days	**27,642,692**	2,488,849
46 to 90 days	**7,427,965**	527,016
91 to 180 days	**2,315,835**	471,763
181 to 365 days	**1,218,863**	2,223,780
Above 365 days	**16,000,000**	26,768,775
	77,969,418	37,729,967

The management estimates the recoverability of trade debts on basis of financial position and past history of its customers. Based on the objective evidence that it will not receive the amount due from the particular customers, provision is made in the financial statements.

The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

Bank	Rating Short term	Rating Long term	Rating Agency	31 December 2016 Rupees	31 December 2015 Rupees
National Bank Of Pakistan	A1+	AAA	PACRA	**8,499,450**	1,373,847
United Bank Limited	A-1+	AAA	JCR-VIS	**328,876**	2,990,956
Askari Bank Limited	A1+	AA+	PACRA	**252,265,071**	42,206
Bank Alfalah Limited	A1+	AA	PACRA	**24,634**	6,188,326
MCB Bank Limited	A1+	AAA	PACRA	**164,539**	2,704,748
The Bank of Punjab	A1+	AA	PACRA	-	7,775
Habib Bank Limited	A-1+	AAA	JCR-VIS	**51,774,634**	8,714,350
Allied Bank Limited	A1+	AA+	PACRA	**19,193,980**	757,732
Faysal Bank Limited	A1+	AA	PACRA	**46,864**	16,052,232
Bank Islami Pakistan	A1	A+	PACRA	**375,517**	1,668,360
Bank Al-Habib Limited	A1+	AA	PACRA	**135,192**	6,788
NIB Bank Limited	A1+	AA-	PACRA	-	-
Dubai Islamic Bank	A-1	A+	JCR-VIS	**2,000**	-
				332,810,757	40,507,320

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities, that are settled by delivering cash or other financial asset as they fall due. The Company's approach is to ensure, as far as possible, to always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and ensuring the availability of adequate credit facilities. The Company finances its operations through equity, borrowings and working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk. The Company's finance department aims at maintaining flexibility in funding by keeping regular committed credit lines available.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years
	------	------ Rupees	------	------
At 31 December 2016				
Non derivative financial liabilities				
Liabilities against assets subject to finance lease	**166,016,779**	**192,704,730**	**46,075,571**	**146,629,159**
Trade and other payables	**1,182,330,186**	**1,182,330,186**	**1,182,330,186**	**-**
Accrued finance cost	**49,716,962**	**49,716,962**	**49,716,962**	**-**
Short term borrowings	**3,899,251,334**	**3,899,251,334**	**3,899,251,334**	**-**
	5,297,315,261	**5,324,003,212**	**5,177,374,053**	**146,629,159**

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years
	------	------ Rupees	------	------
At 31 December 2015				
Non derivative financial liabilities				
Liabilities against assets subject to finance lease	73,471,655	88,013,101	18,297,435	69,715,666
Trade and other payables	376,406,854	376,406,854	376,406,854	-
Accrued finance cost	28,971,814	28,971,814	28,971,814	-
Short term borrowings	1,125,089,693	1,125,089,693	1,125,089,693	-
	1,603,940,016	1,618,481,462	1,548,765,796	69,715,666

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

39.2 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

The following table shows the carrying amounts and fair values of financial instruments and non-financial instruments including their levels in the fair value hierarchy:

Fair value measurement of financial instruments

		2016					
		Carrying amount			Fair value		
		Loans and receivables	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3
On-Balance sheet financial instruments	***Note***						
31 December 2016							
Financial assets not measured at fair value							
Security deposits	39.2.1	33,925,460	-	33,925,460	-	-	-
Trade debts	39.2.1	77,969,418	-	77,969,418	-	-	-
Due from employees	39.2.1	4,197,291	-	4,197,291			
Due from related parties	39.2.1	39,247	-	39,247	-	-	-
Other receivables	39.2.1	103,357,506	-	103,357,506	-	-	-
Bank balances	39.2.1	332,810,757	-	332,810,757	-	-	-
		552,299,679	-	552,299,679	-	-	-
Financial liabilities not measured at fair value							
Liabilities against assets subject to finance lease	39.2.1	-	166,016,779	166,016,779	-	-	-
Trade and other payables	39.2.1	-	1,181,624,186	1,181,624,186	-	-	-
Short term borrowing	39.2.1	-	3,899,251,334	3,899,251,334	-	-	-
Accured profit / interest / mark-up	39.2.1	-	49,716,962	49,716,962	-	-	-
		-	5,296,609,261	5,296,609,261	-	-	-

On-Balance sheet financial instruments	Note	2015 Carrying amount: Loans and receivables	Financial liabilities at amortized cost	Total	Fair value: Level 1	Level 2	Level 3
31 December 2015							
Financial assets not measured at fair value							
Security deposits	39.2.1	23,156,670	-	23,156,670	-	-	-
Trade debts	39.2.1	37,729,967	-	37,729,967	-	-	-
Due from employees	39.2.1	1,041,515	-	1,041,515			
Due from related parties	39.2.1	2,025,419	-	2,025,419	-	-	-
Other receivables	39.2.1	8,925	-	8,925	-	-	-
Bank balances	39.2.1	40,507,320	-	40,507,320	-	-	-
		104,469,816	-	104,469,816	-	-	-
Financial liabilities not measured at fair value							
Liabilities against assets subject to finance lease	39.2.1	-	73,471,655	73,471,655	-	-	-
Trade and other payables	39.2.1	-	376,406,854	376,406,854	-	-	-
Short term borrowing	39.2.1	-	1,125,089,693	1,125,089,693	-	-	-
Accured profit / interest / mark-up	39.2.1	-	28,971,814	28,971,814	-	-	-
		-	1,603,940,016	1,603,940,016	-	-	-

39.2.1 Fair value versus carrying amounts

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

39.2.2 Fair value of property, plant and equipment

Freehold land, buildings on freehold land, plant and machinery, electric and gas installations and other work equipment have been carried at revalued amounts determined by professional valuers (level 3) based on their assessment of market value as disclosed in note 7. The valuations are conducted by the valuation experts appointed by the Company. The valuation experts used a market based approach to arrive at the fair value of the Company's properties. This revaluation was carried out by Joseph Lobo (Private) Limited (Independent valuers and consultants). Freehold land was revalued on the basis of current market value whereas other assets were revalued on the basis of depreciated market values. The most significant input into this valuation approach is price per acre for land, price per square foot for buildings and present operational condition and age of plant and machinery and other assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these financial statements.

39.3 Capital risk management

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

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

There was no change to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

40. Date of authorization of issue

These financial statements were authorized for issue on **January 27, 2017** by the board of directors of the Company.

41. Events after the balance sheet date

There are no subsequent events occurring after balance sheet date.

Lahore	Chairman	Chief Executive	Director

fauji foods

Formerly Noon Pakistan Limited

FAUJI FOODS LIMITED

(Formerly Noon Pakistan Limited)

FORM OF PROXY

Registered Folio No./
CDC Account No. ______________

I/We ____
(NAME)

of ____
(Address)

being a member of FAUJI FOODS LIMITED , hereby appoint

____
(NAME)

of ____
(Address)

or failing him ____
(NAME)

of ____
(Address)

(also being a member of the Company) as my/our proxy to attend, act and vote for me / us and on my/our behalf at the 50th Annual General Meeting of the Company to be held at Pearl Continental Hotel, Lahore on Thursday, March 30, 2017 at 11:00 a.m. and at any adjournment thereof.

As witness my hand this. ______________________ Day of ______________________ 2017.

____
Signature of Shareholder / Appointer

Revenue Stamp

Witness 1	**Witness 2**
Signature ______________	Signature ______________
Name ______________	Name ______________
Address ______________	Address ______________
______________	______________
CNIC #	CNIC #

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

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

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

January 26, 2000

Circular No. 1 of 2000

Sub: **GUIDELINES FOR ATTENDING GENERAL MEETINGS AND APPOINTMENT OF PROXIES**

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

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

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

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

(3) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of the meeting.

B. **Appointment of Proxies**

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

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

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

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

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

فوجی فوڈز لیمیٹڈ

(سابقہ نون پاکستان لیمیٹڈ)

fauji foods

Formerly Noon Pakistan Limited

پراکسی فارم

رجسٹرڈ فولیو نمبر/---------------------------------

سی ڈی سی اکاؤنٹ نمبر ---------------------------

میں/ہم---

(نام)

=--

(پتہ)

بحیثیت ممبر/ممبران فوجی فوڈز لیمیٹڈ، یہاں پر تقرر کرتا ہوں/کرتے ہیں۔

(نام)

(پتہ)

یا اسکی غیر حاضری کی صورت میں---

(نام)

(پتہ)

(کمپنی کا/کی رکن ہونے کے ناطے) ہمارے ایماء پر کمپنی کے بروز جمعرات مورخہ 30 مارچ 2017 کو بوقت 11:00 بجے صبح پرل کانٹی نینٹل ہوٹل، لاہور میں منعقد یا ملتوی ہونے والے پچاسویں سالانہ اجلاس عام میں شرکت کرنے، حق رائے دہی استعمال کرنے یا کسی بھی التواء کی صورت میں اپنا/ہمارا بطور نمائندہ مقرر کرتا ہوں/کرتے ہیں۔

بطور گواہ آج بتاریخ---2017

رسیدی ٹکٹ یہاں چسپاں کریں

شیئر ہولڈر کے دستخط---------------------------

گواہ 1

دستخط---------------------------

نام---------------------------

پتہ---------------------------

قومی شناختی کارڈ نمبر---------------------------

گواہ 2

دستخط---------------------------

نام---------------------------

پتہ---------------------------

قومی شناختی کارڈ نمبر---------------------------

نوٹ: پراکسی اسی صورت میں قابل قبول ہوگی کہ اس پر دستخط، رسیدی ٹکٹ، گواہان کے دستخط ہوئے ہوں اور اس کو اجلاس سے کم از کم 48 گھنٹے پہلے کمپنی کے رجسٹرڈ پتہ پر بھیج دیا جائے۔ سی ڈی سی کے ممبران کو اپنی پراکسی تصدیق شدہ قومی شناختی کارڈ کے ہمراہ بھیجنا ہوگی۔

SECP کا سرکلر نمبر 1 مورخہ 26 جنوری 2000 اس فارم کی پشت پر چھپا ہوا ہے۔

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

January 26, 2000

Circular No. 1 of 2000

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

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

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

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

(3) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of the meeting.

B. Appointment of Proxies

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

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

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

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

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

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

NOTIFICATION

Islamabad, the 9th September, 2015

S.R.O. 924 (I)/2015:- In exercise of the powers conferred by Section 506B of the Companies Ordinance, 1984 (XLVII of 1984), the Securities and Exchange Commission of Pakistan is pleased to direct that a company listed on a stock exchange in Pakistan shall, while issuing annual accounts and balance sheet, incorporate the following informational message on 'JamaPunji', with immediate effect:

[No. EMD/website-regulation/74/2011]

Bushra 9/9/15

(Bushra Aslam)
Secretary to the Commission

کمپنی اپنی پیداواری گنجائش میں اضافہ کرنے، زیادہ مقدار میں دودھ کے حصول، فروخت میں اضافہ اور مصنوعات کی تقسیم کاری کے نظام میں توسیع کے مراحل سے گزر رہی ہے جس کی وجہ سے کمپنی کے مستقل نوعیت کی سرمایہ کاری پر اخراجات میں اضافہ ہوا۔ مزید براں، کمپنی انتظامیہ اپنے اثاثوں کو ان کی مکمل پیداواری گنجائش کے مطابق استعمال کرنے کی غرض سے بازار میں اپنی مصنوعات کی کاروباری حیثیت کو مضبوط کرنے پر اپنی مکمل توجہ مرکوز کیے ہوئے ہے اور اس مقصد کے لیے مسلسل سرمایہ کاری کر رہی ہے۔

نقصان ہونے کی بڑی وجوہات میں بازار میں اپنی مصنوعات کی زبردست تشہیر اور ان کی فروخت میں اضافے کے لیے بھاری اخراجات کرنا شامل ہیں۔ گو کہ مذکورہ بالا وجہ کی بنا پر امسال کمپنی کو نقصان ہوا تاہم بازار میں ان مصنوعات کی تشہیر اور فروخت پر ہونے والے اخراجات کے فوائد آئیندہ سالوں میں حاصل ہوں گے۔ نقصان کی دیگر وجوہات میں ٹی کریمر کے شعبے میں کمپنیوں کی جانب سے بڑھتے ہوئے مسابقتی اقدامات، خام مال کی بڑھتی ہوئی قیمتیں، خام مال پر ٹیکس نظام کی تبدیلیوں کے اثرات اور سرمائے کے حصول پر مالیاتی اخراجات شامل ہیں۔

کمپنی انتظامیہ نے نقصانات کو کم کرنے کے لیے متعدد اقدامات اٹھائے ہیں جن میں پیداواری لاگت میں کمی کرنا، پیداواری تناسب میں اضافے کو اعلیٰ ترین درجات تک لے جانا، دودھ کے حصول، مصنوعات کی فروخت اور تقسیم کاری کے نظام کو بہتر بنانا، سرمائے کے حصول کے لیے استحقاقی حصص کا اجراء اور جاری اخراجات کے لیے سرمائے کا حصول شامل ہیں۔ ہمیں توقع ہے کہ مصنوعات کی فروخت میں اضافہ کے ساتھ ساتھ ان اقدامات کی بدولت مستقبل میں کمپنی کے منافع جات میں یقینی طور پر اضافہ ہوگا۔

مستقبل کی پیش گوئی

مثبت معاشی اشاریوں کے تناظر میں پاکستان کی عمومی معیشت میں بہتری کے آثار ہویدا ہیں۔ چین و پاکستان کا معاشی کاریڈور کا منصوبہ (CPEC) مستقبل میں اضافی کاروباری امکانات کی نشاندہی کر رہا ہے اور اس کی کامیابی بالآخر لازمی طور پر ملکی معیشت میں ایک مسلسل اور مستحکم معاشی اضافے کی تحریک کا سبب بنے گی۔ امن وامان کی صورتحال میں بہتری ملکی معیشت کو مثبت سمت میں رواں رکھنے میں اہم کردار ادا کرتی ہے۔ اس لیے ہمیں یقین واثق ہے کہ اس کے نتیجے میں پاکستان کی ڈیری انڈسٹری ترقی کرے گی۔ کمپنی کی پیداواری گنجائش میں اضافہ اسے اس قابل بنادے گا کہ وہ ڈیری انڈسٹری میں بڑے پیمانے پر کاروباری کردار ادا کر سکے۔ بورڈ مستقبل میں اعلیٰ معیار کی حامل اشیاء کی فراہمی کے ذریعے کمپنی کی ترقی کے لیے بھی پُر اعتماد ہے جبکہ پیداواری طور طریقوں میں جدت اور اعلیٰ معیار پر مکمل توجہ مرکوز کیے ہوئے ہے۔

اعتراف

کمپنی پر اعتماد اور مسلسل تعاون کے لیے بورڈ معزز حصص یافتگان اور مالیاتی اداروں کا شکر گزار ہے۔ اس کے علاوہ کمپنی کے تمام ملازمین کی جانب سے لگن، توجہ اور محنت سے کی گئی کاوشوں کو تسلیم کرتا ہے۔

لیفٹیننٹ جنرل خالد نواز خان (ریٹائرڈ)
ہلال امتیاز (ملٹری)، ستارہ ایثار
چیئر مین

مورخہ: 27 جنوری، 2017

ڈائریکٹران رپورٹ برائے ممبران

فوجی فوڈز لیمیٹڈ کے بورڈ آف ڈائریکٹران کی جانب سے 31 دسمبر 2016 کو اختتام پزیر ہونے والے سال کے آڈٹ شدہ حسابات کے ہمراہ ڈائریکٹران کی رپورٹ پیش کرتے ہوئے میں خوشی محسوس کر رہا ہوں۔ کمپنی کے مالی سال میں 30 جون کے اختتام کی جگہ 31 دسمبر کی تبدیلی کی وجہ سے حسابات کا تقابلی جائزہ 31 دسمبر 2015 کو اختتام پزیر ہونے والے چھ ماہ کے دورانیہ پر مشتمل ہے۔

اہم سرگرمیاں

فوجی فوڈز لیمیٹڈ فوجی فرٹیلائزر بن قاسم لیمیٹڈ (50.28% شیئر ہولڈنگ) اور فوجی فاؤنڈیشن (12.75% شیئر ہولڈنگ) کے اکثریتی حصص کی ملکیت پر مبنی دودھ اور اس سے بنی ہوئی غذائی اشیاء، جوس اور جام تیار کرنے والی کمپنی ہے۔ کمپنی کا ''نورپور'' برانڈ پاکستان میں طویل عرصہ سے سب سے زیادہ جانا پہچانا نام ہے۔

سال کے دورانیے میں پیداواری سرگرمیاں

اللہ تعالیٰ کے فضل و کرم سے، اپنی مصنوعات پر صارفین کے بھرپور اور مسلسل اعتماد کے ساتھ، مورخہ 26 ستمبر 2016 کو کمپنی اپنے وجود کے 50 سال مکمل کر چکی ہے۔ مورخہ 01 جون، 2016 کو کمپنی کا نام ''نون پاکستان لیمیٹڈ'' سے بدل کر ''فوجی فوڈز لیمیٹڈ'' رکھا گیا۔ نام کی یہ تبدیلی اس امر کی غماز ہے کہ کمپنی ایک اچھوتے اور اثر آفریں ادارے میں تبدیل ہو چکی ہے اور تعداد میں بڑھتے ہوئے اپنے تمام متعلقین کی ضروریات کے مطابق انہیں بہتر خدمات فراہم کرنے کے عزم کا اعادہ کرتی ہے۔

رواں مالی سال فوجی گروپ کی جانب سے ستمبر 2015 میں کمپنی کے حصول کے بعد اس کی نشونما کے لیے کیے گئے عزم کا شاہد ہے۔ اس سال ہم نے متعدد اہم سنگِ میل عبور کیے اور اعلیٰ ترین معیار کے حصول کے لیے کیے گئے اپنے عہد کو پورا کر دکھایا۔

تین نئی مصنوعات، دوستی (لیکوئڈ ٹی وائٹنر)، نورپور اوریجنل (UHT) اور نورپور فریش (پاسچورائزڈ) نئی اور منفرد پیکنگ میں متعارف کروائی گئیں۔ بازار میں مصنوعات کا یہ تعارف قابلِ فہم اشتہار بازی کی مہمات پر مبنی تھا۔ کمپنی کی بڑھتی ہوئی مصنوعات اور ان کے فروخت کے لیے درجہ بدرجہ کی جانے والی کاوشات کمپنی کی جانب سے اپنے صارفین سے کیے جانے والے وعدوں کو پورا کر رہی ہیں جس کے نتیجے میں کمپنی مصنوعات کی فروخت میں مسلسل اضافہ ہو رہا ہے جن کی مقدار اور معیار میں مسلسل اضافے کا رجحان پایا جاتا ہے۔

ہماری مصنوعات کے اعلیٰ معیار کو برقرار رکھنے کے لیے کی جانے والی کاوشوں کے ضمن میں پلانٹ کو جدید تقاضوں کے مطابق بنانے کا عمل جاری ہے۔ سال 2016 میں کمپنی نے UHT پروسیسنگ مشین اور اس کے ضمنی آلات کی تنصیب ریکارڈ مدت میں مکمل کر لی جس کی بدولت ہماری پیداواری گنجائش میں اضافہ ہوا۔

مالی نتائج

سابقہ نصف سال کے دوران مصنوعات کی فروخت سے حاصل شدہ کل رقم 689 ملین روپے کے مقابلے میں کمپنی نے امسال 3,371 ملین روپے کا حصول کیا۔ کمپنی کو سابقہ نصف سال کے دوران ہونے والے 106 ملین روپے کے نقصان کے مقابلے میں امسال ہونے والا نقصان 967 ملین روپے رہا۔ اس طرح سابقہ چھ ماہ کے دوران فی حصہ 1.07 روپے نقصان کے مقابلے میں امسال نقصان 8.75 روپے فی حصہ رہا۔

اطلاع برائے سالانہ اجلاس عام

بذریعہ ہذا اطلاع دی جاتی ہے کہ فوجی فوڈز لمیٹڈ (سابقہ نون پاکستان لمیٹڈ) کے ممبران کا پچاسواں سالانہ اجلاس عام بروز جمعرات مورخہ 30 مارچ، 2017 صبح گیارہ بجے مندرجہ ذیل امور کی انجام دہی کے لیے بمقام پرل کانٹینینٹل ہوٹل، شاہراہ قائداعظم لاہور منعقد ہوگا:

1 - ممبران کے غیر معمولی اجلاس عام منعقدہ 26 مئی 2016 کی کارروائی کی توثیق کرنا۔

2 - 31 دسمبر، 2016 کو اختتام پزیر ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ حسابات اوران پر آڈیٹران اور ڈائریکٹروں کی رپورٹوں پر غور کرنا اور انہیں منظور کرنا۔

3 - 31 دسمبر 2017 کو اختتام پزیر ہونے والے سال کے لیے کمپنی کے آڈیٹران کا تقرر اوران کے مشاہرہ کا تعین کرنا۔

4 - صدر اجلاس کی اجازت سے اجلاس میں پیش کیے جانے والے دیگر امور انجام دینا۔

منتقلی حصص کی کتابوں کی بندش

کمپنی حصص کی منتقلی کی کتابیں مورخہ 24 مارچ، 2017 تا 30 مارچ، 2017 (بشمول دونوں ایام) بغرض انعقاد سالانہ اجلاس عام بند رہیں گی۔

بحکم بورڈ

بریگیڈیر رضوان رفیع (ریٹائرڈ)
کمپنی سیکریٹری

مورخہ: 27 جنوری، 2017، لاہور۔

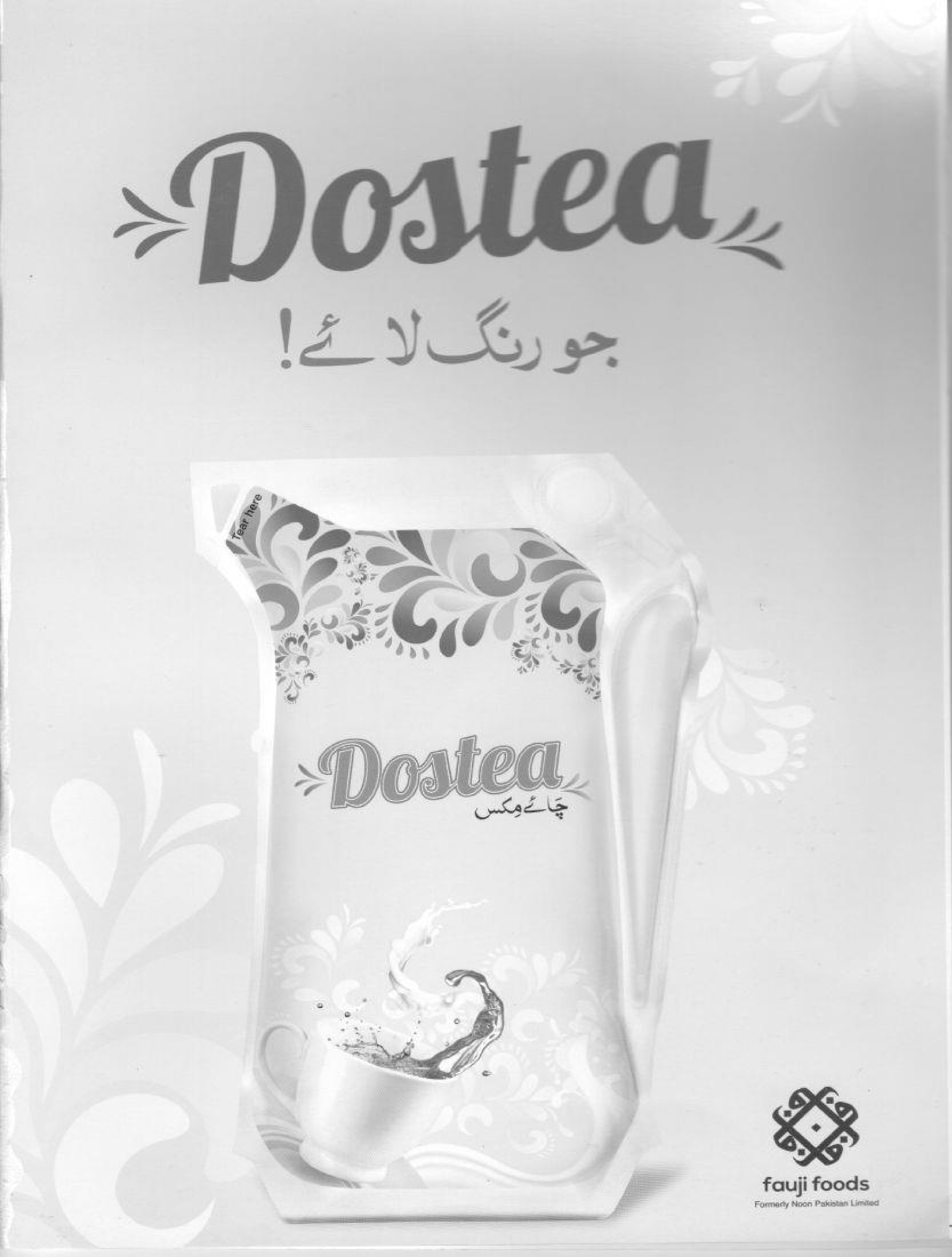
نوٹ:

1 - کوئی بھی حصص یافتہ رکن جو اجلاس ہذا میں شرکت کرنے اور ووٹ دینے کا مجاز ہے وہ اپنی جگہ اجلاس میں شرکت کرنے کے لیے کسی دیگر مجاز رکن کو پراکسی فارم کے ذریعے اپنا نمائندہ مقرر کرسکتا ہے۔ پراکسی فارم کے لیے ضروری ہے کہ وہ اجلاس کے انعقاد کے لیے مقرر کردہ وقت سے کم از کم اڑتالیس گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں موصول ہو جائے۔ CDC کے اکاؤنٹ ہولڈروں کو ہدایت کی جاتی ہے کہ وہ اجلاس میں شرکت کے وقت اپنی شناخت کی تصدیق کی غرض سے اپنا اصل قومی شناختی کارڈ/ پاسپورٹ معہ CDC اکاؤنٹ نمبر ساتھ لائیں اور پراکسی فارم کی پشت پر چھپے ہوئے SECP کی جانب سے جاری کردہ سرکلر نمبر 1 مورخہ 26-01-2000 کی ہدایات پر عمل کریں۔

2 - فزیکل حصص رکھنے والے ممبران سے التماس ہے کہ ڈاک کے پتوں میں اگر کوئی تبدیلی ہو تو اس سے فوراً کمپنی کو مطلع کریں اور جن ممبران نے اپنے قومی شناختی کارڈ کی فوٹو کاپی ابھی تک کمپنی کو مہیا نہیں کی وہ اپنے قومی شناختی کارڈ کی کاپی کمپنی کو ارسال کریں۔

3 - SECP نے SRO نمبر 787(1)2014 مورخہ 8 ستمبر 2014 کے ذریعے کمپنیوں کو اپنے آڈٹ شدہ حسابات اور اجلاس عام کے نوٹسوں کی حصص یافتگان کو بذریعہ e-mail ترسیل کی حصص یافتگان کی مرضی کے تابع اجازت دی ہے۔ ایسے حصص یافتگان جو سالانہ رپورٹیں اور سالانہ اجلاس عام کے نوٹس بذریعہ ای میل وصول کرنا چاہیں کمپنی کو اپنے دستخطوں سے بذریعہ چٹھی اپنے کوائف سے آگاہ کریں یعنی، نام، فولیو نمبر/ CDC اکاؤنٹ نمبر، ای میل ایڈریس، رابطہ نمبر، CNIC نمبر (کاپی لف کریں)۔

ممبران سے یہ بھی التماس ہے کہ ان کے ای میل ایڈریس میں اگر کوئی تبدیلی ہو تو اس سے فوراً کمپنی کے رجسٹرار یعنی Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town لاہور کو مطلع کریں۔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