Noon Pakistan Limited

HALF YEARLY REPORT
FOR THE PERIOD ENDED 31 DECEMBER, 2014

C O N T E N T S

بسم الله الرحمن الرحيم

Corporate Information

BOARD OF DIRECTORS	Mr. Salman Hayat Noon	Chairman/CEO (Executive Director)
	Mr. Adnan Hayat Noon	(Non-Executive Director)
	Mr. K. Iqbal Talib	(Non-Executive Director)
	Mr. Zaheer Ahmad Khan	(Non-Executive Director)
	Mr. Asif H. Bukhari	(Non-Executive Director)
	Lt. Col (R) Abdul Khaliq Khan	(Executive Director)
	Mirza Shoaib Baig	(Executive Director)
AUDIT COMMITTEE	Mr. Asif H. Bukhari	Chairman
	Mr. Adnan Hayat Noon	Member
	Mr. K. Iqbal Talib	Member
HR & R COMMITTEE	Mr. K. Iqbal Talib	
	Mr. Zaheer Ahmad Khan	
	Col. (R) Abdul Khaliq Khan	
AUDITORS	Hameed Chaudhri & Co. Chartered Accountants	
CHIEF FINANCIAL OFFICER	Mr. Rizwan Ahmad	
COMPANY SECRETARY	Syed Anwar Ali	
LEGAL ADVISERS	Hamid Law Associates	
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 Limited	
REGISTERED OFFICE & SHARES DEPARTMENT / REGISTRAR	66-Garden Block, New Garden Town, Lahore. Tele : 35831462 - 35831463 E-mail: noonshr@brain.net.pk	
WEBSITE	www.nurpurfoods.com	
PLANT	Bhalwal, District Sargodha.	

DIRECTORS' REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors, I am pleased to present un-audited financial statements of your Company, duly reviewed by the Auditors, for the half year ended 31st December, 2014.

The sales of your Company witnessed a decline of 16.1% over corresponding quarter. The sales during current quarter were Rs 420.5 M against sales of Rs. 501.1 M during same quarter of last year. The cumulative sale for half year declined by 12.1% over corresponding period and remained at Rs. 938.5 M against Rs. 1,067.2 M during same period of last year.

Your Company registered a loss after tax of Rs.102.3 M (negative 10.9% of the net sales) against a loss after tax of Rs.77.1 M (7.2% of the net sales) during same period of last year. Loss per share decreased from Rs. 3.82 per share as on 31st December 2013 to Rs.3.63 per share on 31st December 2014.

The summarized results are as under:

	Dec., 2014 (Rupees in Million)	Dec., 2013 (Rupees in Million)
Net Sales	938.508	1,067.227
Gross Profit	76.959	81.148
Loss before tax	(93.178)	(75.359)
Loss after Tax	(102.301)	(77.119)
Loss per Share	Rs. (3.63)	Rs. (3.82)

The Company is making its best efforts to reduce its cash losses by reducing fixed recurring expenditure & increasing sales turnover, which will reflect as better financial results during the next half of current year.

Due to competitive environment in dairy industry, the Company was not able to transfer increasing cost of raw materials to its valued consumers by increasing sale prices, but with the future plans of up-gradation & growth, we intend to mitigate these exposures.

Fauji Fertilizer Bin Qasim Limited (FFBL), having obtained the Competition Commission of Pakistan's no objection / pre-merger clearance for the acquisition of 24.9% voting and 24.9% non-voting shares of Noon Pakistan Limited, the board authorized and approved the acquisition, by the Company, of 24.9% voting & 24.9% non-voting shares of Noon Pakistan limited together with an option to acquire, subject to all necessary corporate and regulatory approvals, an additional 26.1% voting and 26.1% non-voting shares (which option may be exercised if and when the Company forms an intention to acquire majority shareholding / control of Noon Pakistan Limited).

The said acquisition will be beneficial for the Company as well as for all stake holders.

The Board is thankful to our valued stakeholders in general and the financial institutions in particular for their continued trust and support to the Company.

for and on behalf of the Board

SALMAN HAYAT NOON
Chairman & Chief Executive

Dated : 27 February, 2015.

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **NOON PAKISTAN LIMITED** (the Company) as at December 31, 2014 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the half year then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

The figures of the condensed interim profit and loss account for the quarters ended December 31, 2014 and 2013 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2014.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Hameed Chaudhri & Co

Lahore: February 27, 2015
Engagement Partner: Osman Hameed Chaudhri

HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS

CONDENSED INTERIM BALANCE SHEET

	Note	Un-audited December 31 2014 Rupees	Audited June 30 2014 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
39,500,000 (June 30, 2014: 39,500,000) ordinary shares of Rupees 10 each		**395,000,000**	395,000,000
Issued, subscribed and paid-up share capital	7	**313,632,000**	139,392,000
Accumulated loss		**(199,208,845)**	(97,386,012)
		114,423,155	42,005,988
Surplus on revaluation of property, plant and equipment		**47,267,499**	47,604,856
LIABILITIES			
NON-CURRENT LIABILITIES			
Term finances	8	**0**	22,055,554
Islamic finances	9	**0**	200,000,000
Loans from chief executive and a director	10	**0**	140,000,000
Liabilities against assets subject to finance lease		**3,381,850**	5,592,732
		3,381,850	367,648,286
CURRENT LIABILITIES			
Trade and other payables		**542,993,310**	530,644,439
Accrued mark-up		**24,580,469**	14,682,942
Short term finances		**260,377,242**	251,459,575
Current portion of non-current liabilities		**379,152,753**	143,420,415
Taxation	11	**30,040,319**	21,058,199
Dividends		**974,603**	974,603
		1,238,118,696	962,240,173
TOTAL LIABILITIES		**1,241,500,546**	1,329,888,459
CONTINGENCIES AND COMMITMENTS	12		
TOTAL EQUITY AND LIABILITIES		**1,403,191,200**	1,419,499,303

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

SALMAN HAYAT NOON
Chief Executive

AS AT 31 DECEMBER, 2014

	Note	Un-audited December 31 2014 Rupees	Audited June 30 2014 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	**550,964,427**	576,927,727
Intangible assets		**1,277,403**	1,608,013
Security deposits		**1,086,686**	1,083,686
Deferred taxation - net	6	**1,598,003**	1,598,003
		554,926,519	581,217,429
CURRENT ASSETS			
Stores, spares and loose tools		**114,112,949**	129,749,621
Stock-in-trade		**56,536,000**	62,365,000
Trade debts - unsecured, considered good		**243,866,056**	221,612,937
Loans and advances		**14,908,375**	15,135,662
Deposits and prepayments		**14,486,207**	14,622,108
Due from Associated Companies		**1,311,027**	554,641
Accrued profit on term deposit receipts		**2,088,403**	1,670,968
Other receivables		**137,789**	137,789
Sales tax refundable		**122,926,715**	127,911,011
Advance income tax, tax deducted at source and income tax refundable		**57,046,007**	46,398,333
Cash and bank balances		**220,845,153**	218,123,804
		848,264,681	838,281,874
TOTAL ASSETS		**1,403,191,200**	1,419,499,303

Lt. COL (R) ABDUL KHALIQ KHAN
Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND HALF-YEAR ENDED 31 DECEMBER, 2014

		Quarter ended		Half year ended	
		December 31 2014	December 31 2013	**December 31 2014**	December 31 2013
	Note	Rupees			
SALES - net		**420,466,600**	501,120,420	**938,508,482**	1,067,226,787
COST OF SALES		**(403,421,498)**	(467,673,704)	**(861,549,044)**	(986,079,064)
GROSS PROFIT		**17,045,102**	33,446,716	**76,959,438**	81,147,723
DISTRIBUTION COST		**(41,263,491)**	(41,149,671)	**(71,758,284)**	(79,849,119)
ADMINISTRATIVE EXPENSES		**(25,800,148)**	(31,364,148)	**(49,663,036)**	(55,244,329)
OTHER EXPENSES		**(20,250,178)**	(130,030)	**(20,251,678)**	(132,530)
OTHER INCOME		**3,384,433**	3,509,907	**6,225,449**	9,651,810
LOSS FROM OPERATIONS		**(66,884,282)**	(35,687,226)	**(58,488,111)**	(44,426,445)
FINANCE COST		**(20,305,008)**	(15,783,911)	**(34,689,959)**	(30,932,210)
LOSS BEFORE TAXATION		**(87,189,290)**	(51,471,137)	**(93,178,070)**	(75,358,655)
TAXATION	11	**(3,942,267)**	(9,918,768)	**(9,122,686)**	(1,760,570)
LOSS AFTER TAXATION		**(91,131,557)**	(61,389,905)	**(102,300,756)**	(77,119,225)
			Restated		Restated
LOSS PER SHARE	13	**(3.66)**	(3.04)	**(3.63)**	(3.82)

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

SALMAN HAYAT NOON
Chief Executive

Lt. COL (R) ABDUL KHALIQ KHAN
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND HALF-YEAR ENDED 31 DECEMBER, 2014

	Quarter ended		Half year ended	
	December 31 2014	December 31 2013	**December 31 2014**	December 31 2013
	---------------- Rupees ----------------			
LOSS AFTER TAXATION	**(91,131,557)**	(61,389,905)	**(102,300,756)**	(77,119,225)
OTHER COMPREHENSIVE INCOME	**0**	0	**0**	0
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(91,131,557)**	(61,389,905)	**(102,300,756)**	(77,119,225)

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

SALMAN HAYAT NOON
Chief Executive

Lt. COL (R) ABDUL KHALIQ KHAN
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF-YEAR ENDED 31 DECEMBER, 2014

	Half year ended	
	December 31 2014	December 31 2013
Cash flow from operating activities	**- - - - - - - Rupees - - - - - - -**	
Loss before taxation	**(93,178,070)**	(75,358,655)
Adjustments for non-cash charges and other items:		
Depreciation	**28,036,502**	31,950,278
Amortisation of computer software	**330,610**	75,716
Provision for obsolete store items	**20,250,178**	0
Gain on disposal of operating fixed assets	**(470,776)**	(1,416,956)
Finance cost	**34,689,959**	30,932,210
Deferred income recognised	**0**	(57,097)
Profit on bank deposits	**(3,766,891)**	(2,080,284)
Exchange fluctuation loss	**0**	128,530
Loss before working capital changes	**(14,108,488)**	(15,826,258)
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	**(4,613,506)**	33,705,874
Stock-in-trade	**5,829,000**	29,624,000
Trade debts	**(22,253,119)**	(40,692,011)
Loans and advances	**227,287**	(2,911,892)
Deposits and prepayments	**135,901**	(3,032,632)
Due from Associated Companies	**(756,386)**	(125,025)
Other receivables	**0**	34,345
Sales tax refundable	**4,984,296**	25,789,421
Increase in trade and other payables	**12,348,871**	56,670,714
	(4,097,656)	99,062,794
Cash (used in) / generated from operations	**(18,206,144)**	83,236,536
Income tax paid	**(10,647,674)**	(5,846,243)
Net cash (used in) / generated from operating activities	**(28,853,818)**	77,390,293
Cash flow from investing activities		
Purchase of property, plant and equipment	**(4,402,426)**	(2,370,746)
Purchase of intangible asset	**0**	(1,333,300)
Proceeds from disposal of operating fixed assets	**2,800,000**	7,676,212
Long term loans	**0**	(99,143)
Security deposit	**(3,000)**	(853,000)
Profit on bank deposits received	**3,349,456**	1,415,340
Net cash generated from investing activities	**1,744,030**	4,435,363

	Half year ended	
	December 31 2014	December 31 2013
	- - - - - - - **Rupees** - - - - - - -	
Cash flow from financing activities		
Proceeds from issuance of right shares	**27,901,740**	0
Term finances - repaid	**(23,704,032)**	(21,666,667)
Islamic finances - repaid	**(3,400,000)**	(7,000,000)
Loans from chief executive and a director	**53,379,990**	0
Lease finances - net	**(8,471,796)**	(10,230,592)
Short term finances - net	**8,917,667**	(10,448,422)
Finance cost paid	**(24,792,432)**	(30,059,293)
Net cash generated from / (used in) financing activities	**29,831,137**	(79,404,974)
Net increase in cash and cash equivalents	**2,721,349**	2,420,682
Cash and cash equivalents - at beginning of the period	**218,123,804**	80,390,490
Cash and cash equivalents - at end of the period	**220,845,153**	82,811,172

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

SALMAN HAYAT NOON
Chief Executive

Lt. COL (R) ABDUL KHALIQ KHAN
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF-YEAR ENDED 31 DECEMBER, 2014

	Issued, subscribed and paid up share capital	Accumulated Profit / (Loss)	Total
	- - - - - - - - -	Rupees	- - - - - - - - -
Balance as at June 30, 2013 (Audited)	**139,392,000**	**37,317,670**	**176,709,670**
Total comprehensive loss for the half year ended December 31, 2013	0	(77,119,225)	(77,119,225)
Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation for the half year ended December 31,2013 - net of deferred taxation	0	515,408	515,408
Balance as at December 31, 2013 (Un-audited)	**139,392,000**	**(39,286,147)**	**100,105,853**
Total comprehensive loss for the half year ended June 30, 2014	0	(64,936,620)	(64,936,620)
Surplus on revaluation of property, plant and equipment realised during the period (net of deferred taxation):			
- on disposal of free hold land		6,321,347	6,321,347
- on account of incremental depreciation for the half year ended June 30,2014	0	515,408	515,408
Balance as at June 30, 2014 (Audited)	**139,392,000**	**(97,386,012)**	**42,005,988**
Nominal value of right shares issued during the period	**174,240,000**	**0**	**174,240,000**
Total comprehensive loss for the half year ended December 31, 2014	**0**	**(102,300,756)**	**(102,300,756)**
Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation for the half year ended December 31,2014 - net of deferred taxation	**0**	**477,923**	**477,923**
Balance as at December 31, 2014 (Un-audited)	**313,632,000**	**(199,208,845)**	**114,423,155**

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

SALMAN HAYAT NOON
Chief Executive

Lt. COL (R) ABDUL KHALIQ KHAN
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF-YEAR ENDED 31 DECEMBER, 2014

1. LEGAL STATUS AND NATURE OF BUSINESS

Noon Pakistan Limited (the Company) was incorporated in Pakistan on September 26, 1966 as a Public Company and its shares are quoted on Karachi and Lahore Stock Exchanges. It is principally engaged in processing and sale of toned milk, milk powder, fruit juices, allied dairy and food products. The registered office of the Company is situated at 66 Garden Block, New Garden Town, Lahore and the plant is located at Bhalwal, District Sargodha.

2. BASIS OF PREPARATION

This condensed interim financial information is un-audited and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984 (the Ordinance). It has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Ordinance. In case where requirements differ, the provisions of or directives issued under the Ordinance, have been followed. The figures for the half year ended December 31, 2014 have, however, been subjected to limited scope review by the auditors as required by the Code of Corporate Governance. This condensed interim financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with the audited annual financial statements of the Company for the year ended June 30, 2014.

3. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim financial information are same as those applied in the preparation of preceding audited annual published financial statements of the Company for the year ended June 30, 2014.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates.

During the preparation of this condensed interim financial information, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the audited annual financial statements of the Company for the year ended June 30, 2014.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	**Un-audited December 31, 2014**	Audited June 30, 2014
		------- Rupees -------	
Operating fixed assets:			
Owned	**5.1**	**512,604,308**	533,914,315
Leased	**5.4**	**38,360,119**	43,013,412
		550,964,427	576,927,727

5.1 Operating fixed assets - Owned

	Note	Un-audited December 31 2014	Audited June 30 2014
		------- Rupees -------	
Opening book value		**533,914,315**	587,552,213
Cost of additions	**5.2**	**4,402,426**	11,439,096
Book value of asset transferred from leased assets		**2,605,040**	3,701,866
Book value of asset transferred to leased assets		**0**	(2,349,152)
Book value of deletions	**5.3**	**(2,329,224)**	(10,435,791)
Depreciation charged		**(25,436,389)**	(55,993,917)
		513,156,168	533,914,315

5.2 Cost of additions

Owned

Buildings on freehold land	**12,414**	821,526
Plant and machinery	**4,218,927**	8,758,697
Electric and gas installations	**0**	51,851
Office equipment	**109,285**	997,022
Furniture and fixtures	**9,800**	0
Vehicles	**52,000**	810,000
	4,402,426	11,439,096

5.3 Book value of deletions

Freehold land	**0**	6,352,802
Vehicles	**2,329,224**	4,082,989
	2,329,224	10,435,791

5.4 Operating fixed assets - Leased

Opening book value	**43,013,412**	57,494,366
Cost of additions	**0**	5,804,220
Book value of asset transferred from owned assets	**0**	2,050,000
Book value of asset transferred to owned assets	**(2,605,040)**	(3,701,866)
Book value of deletions	**0**	(11,852,785)
Depreciation charged	**(2,600,113)**	(6,780,523)
	37,808,259	43,013,412

6. DEFERRED TAXATION

The deferred tax asset comprises of temporary differences relating to:	Note	**Un-audited December 31 2014**	Audited June 30 2014
		- - - - - - - Rupees	**- - - - - - -**
Deductible temporary differences:			
- Unused tax losses	**6.1**	**38,692,258**	57,462,081
- Minimum tax recoverable against normal tax charge in future years		**60,418,479**	51,547,159
- Provision for obsolete store items		**7,952,362**	0
		107,063,099	109,009,240
Taxable temporary differences:			
- Accelerated tax depreciation		**97,433,834**	99,975,116
- Surplus on revaluation of property, plant and equipment		**4,273,198**	4,638,669
- Lease finances		**3,758,064**	2,797,452
		105,465,096	107,411,237
		1,598,003	1,598,003

6.1 Deferred tax asset as at December 31, 2014 has been restricted to Rs. 1.598 million i.e. deferred tax asset recognised as at June 30, 2014. No further deferred tax asset on available unused tax losses aggregating Rs. 235.256 million (June 30, 2014: Rs. 108.897 million) has been recognised in these financial statements in view of persisting losses.

7. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Un-audited December 31 2014	Audited June 30 2014		**Un-audited December 31 2014**	Audited June 30 2014
---------Numbers--------				
5,150,997	4,100,000	ordinary shares of Rs. 10 each fully paid in cash	**51,509,970**	41,000,000
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	0	ordinary shares of Rs. 10 each fully paid issued by conversion of loans	**54,830,030**	0
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	0	non voting ordinary shares of Rs. 10 each fully paid in cash	**17,391,770**	0
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	0	non-voting ordinary shares of Rs. 10 each fully paid issued by conversion of loans	**91,508,230**	0
31,363,200	13,939,200		**313,632,000**	139,392,000

During the period the company issued voting and non voting right shares in the ratio of 5 shares for every 4 shares held (voting and non-voting) for Rs.10 per share.

8. TERM FINANCES - secured

	Un-audited December 31 2014	Audited June 30 2014
Opening balance	**143,533,771**	187,500,000
Amount repaid	**(23,704,032)**	(43,966,229)
	119,829,739	143,533,771
Current portion grouped under current liabilities	**(119,829,739)**	(121,478,217)
	0	22,055,554

9. ISLAMIC FINANACES - secured

Opening balance	**207,269,750**	21,000,000
Obtained during the year	**0**	200,000,000
Amount repaid	**(3,400,000)**	(13,730,250)
	203,869,750	207,269,750
Current portion grouped under current liabilities	**(203,869,750)**	(7,269,750)
	0	200,000,000

10. LOANS FROM CHIEF EXECUTIVE AND A DIRECTOR

10.1 Previous loans from Chief Executive and Director was adjusted against shares issued to them as disclosed in note 7.

10.2 During the period a new loan was provided by the Chief Executive and a Director which carries markup at the rate of 3 months KIBOR + 1.25% and repayable on demand. Hence classified as current liability.

11. TAXATION

	Note	Quarter ended December 31 2014	Quarter ended December 31 2013	Half year ended December 31 2014	Half year ended December 31 2013
		Rupees			
- Current	**11.2**	**3,801,701**	4,724,369	**8,982,120**	10,422,595
- Deferred		**140,566**	5,194,399	**140,566**	(8,662,025)
		3,942,267	9,918,768	**9,122,686**	1,760,570

11.1 There is no change in the status of tax cases as set out in note 16 to the Company's audited annual financial statements for the year ended June 30, 2014.

11.2 Provision made during the period represents minimum tax payable under section 113 after adjusting tax credit under section 65B of the Income Tax Ordinance, 2001.

12. CONTINGENCIES AND COMMITMENTS

Contingencies

12.1 There is no change in the contingencies disclosed in the Company's audited annual financial statements for the year ended June 30, 2014.

Contingencies

12.2 Commitments, other than capital expenditure, against irrevocable letters of credit outstanding at the period end for Rs. 13.184 million (June 30, 2014: 14.199 million).

13. LOSS PER SHARE - BASIC AND DILUTED

		QUARTER ENDED		HALF YEAR ENDED	
		December 31 2014	December 31 2013 Restated	**December 31 2014**	December 31 2013 Restated
There is no dilutive effect on the basic loss per share which is based on:					
Loss attributable to ordinary shareholders	(Rupees)	**(91,131,557)**	(61,389,905)	**(102,300,756)**	(77,119,225)
Weighted average number of ordinary shares	(Numbers)	**24,895,411**	20,188,279	**28,151,124**	20,188,279
Loss per share	(Rupees)	**(3.66)**	(3.04)	**(3.63)**	(3.82)

14. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertaking, other related companies and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties are as follows:

	QUARTER ENDED		HALF YEAR ENDED	
	December 31 2014	December 31 2013	**December 31 2014**	December 31 2013
	---Rupees---			
Associated companies				
Sale of dairy products	**14,616**	16,994	**25,176**	165,284
Purchase of stores and spares	**850,908**	644,098	**850,908**	644,098
Purchase of sugar	**4,482,420**	3,282,000	**12,581,760**	11,857,320
Other related parties				
Remuneration of Chief Executive Officer, Director and Executives	**13,426,577**	11,972,054	**25,528,160**	23,098,647
Period end balances				
Associated companies				
Trade and other payables			**342,264**	1,841,367
Due from Associated Companies			**1,311,027**	547,891
Other related parties				
Salaries payable			**26,092,332**	7,356,775
Loan from Chief Executive and Director			**47,041,740**	70,000,000

15. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended June 30, 2014.

16. EVENTS AFTER REPORTING PERIOD

The Company is in the process of acquisition by another Company (the Acquirer), due diligence process has been completed by the acquirer after the period ended December 31, 2014. The acquirer has obtained the clearance of Competition Commission of Pakistan for the acquisition of 24.9% voting and 24.9% non-voting shares of the Company. The Board of Directors of the acquirer authorised and approved the acquisition, of aforesaid percentages of shares together with an option to acquire an additional 26.1% voting and 26.1% non-voting shares, in a meeting held after December 31, 2014.

17. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was approved and authorised for issue on 27th February, 2015 by the Board of Directors of the Company.

18. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of audited annual financial statements of preceding financial year, whereas, the condensed interim profit and loss account and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year. Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison. However, no significant rearrangements have been made.

SALMAN HAYAT NOON
Chief Executive

Lt. COL (R) ABDUL KHALIQ KHAN
Director