

SALMAN NOMAN ENTERPRISES LIMITED

DIRECTORS' REPORT TO THE SHARE HOLDERS

The Directors have the pleasure to submit un-audited accounts for the Quarter ended on 31st March, 2014.

During the period under review the company produced 1,320,021Kgs. of blended yarn as compared to 1,052,503Kgs. in the corresponding period of the last year.

The financial results are as under:-

PARTICULARS	QUARTER ENDING 31-03-2014 RUPEES IN MILLION	QUARTER ENDING 31-03-2013 RUPEES IN MILLION
Sales	342.617	308.577
Cost of Sales	(341.442)	(299.332)
Gross Profit	1.175	9.245
Other operating income	0.032	0.607
Distribution cost	(0.323)	(0.278)
Administrative expenses	(4.654)	(4.403)
Other operating expenses	(0.001)	(0.004)
Finance cost	(13.082)	(18.280)
(Loss) Before Taxation	(16.853)	(13.113)

In spite of increase in production by 25.41% as compared in the corresponding period, company suffered by pretax loss of 16.853 million. Import and dumping of yarn from India in Pakistan badly affected domestic prices of yarn. Prices of yarn in domestic market decreased, therefore, resultantly your company suffered huge losses.

In result of decreasing trend of US Dollar price, export of yarn is also badly affected. The exporters of yarn and fabrics also facing losses due to dollar affect. This situation is also damaging domestic yarn market. Your company is trying their level best to survive in this situation

Directors of the company would like to place on record their appreciation of the hard work and dedications shown by executive, staff members and workers of the company in the performance of their duties.

FOR AND ON BEHALF OF THE BOARD

Lahore:
April 28, 2014

(NAUMAN ALMAS)
Chief Executive