

## **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 September 30, 2011.

During the period under review the company produced 1,579,435 Kgs. of blended yarn as compared to 1,726,039 Kgs. in the corresponding period of the last year. Conversion in to fine count production of yarn and poor quality of available cotton due to floods and rains, affected our productivity.

The financial results are as under:-

<b>PARTICULARS</b>	<b>QUARTER ENDING 30-09-2011 RUPEES</b>	<b>QUARTER ENDING 30-09-2010 RUPEES</b>
Sales	379,393,905	403,245,749
Cost of Sales	(358,404,423)	(378,813,148)
Gross Profit	20,989,482	24,432,601
Other operating income	549,591	569,414
Distribution cost	(382,058)	(1,078,725)
Administrative expenses	(3,698,757)	(3,568,978)
Other operating expenses	(27,530)	(27,410)
Finance cost	(15,210,926)	(15,961,528)
Profit Before Taxation	2,219,802	4,365,374

Low production coupled with depressed yarn prices badly affected profitability of the company.

The future outlook appears to be uncertain due to continued energy crises, high rates of mark-up and depressed yarn market.

The management enjoys very cordial and good relations with the employees and also wishes to place on record its deep appreciation for the hard work and positive efforts made by the executives and employees.

FOR AND ON BEHALF OF THE BOARD

Lahore.  
October 31, 2011.

( NAUMAN ALMAS )  
Chief Executive