

A C C O U N T S
(UN-AUDITED)

FOR THE
1st QUARTER ENDED
September 30, 2016



SALMAN NOMAN
ENTERPRISES LIMITED

BOOK POST
PRINTED MATTER

IF UNDELIVERED PLEASE RETURN TO:-

SALMAN NOMAN ENTERPRISES LIMITED
3-K-M, Balloki Road, Bhalpheru
Tehsil Pattoki Distt. Kasur

SALMAN NOMAN ENTERPRISES LIMITED

DIRECTORS' REPORT TO THE SHARE HOLDERS

The Directors of your company have the pleasure to submit un-audited accounts for the first quarter ended as on 30th September 2016.

During the period under review the company produced 996,242 Kgs. of blended yarn as compared to 1,243,357 Kgs. in the corresponding period of the last year.

The main reason of decreased in production is acute shortage of energy being faced by the company.

The Financial performance is as under:-

Particular	Quarter Ended 30-09-2016 Rupees	Quarter Ended 30-09-2015 Rupees
SALES	229,213,921	290,330,797
COST OF SALES	(256,591,982)	(296,993,941)
GROSS LOSS	(27,378,062)	(6,663,144)
OTHER OPERATING INCOME	-	564
DISTRIBUTION COST	(133,385)	(83,600)
ADMINISTRATIVE COST	(6,612,034)	(4,642,703)
OTHER OPERATING EXP.	(6,000)	(9,550)
FINANCIAL COST	(11,453,325)	(6,923,117)
LOSS BEFORE TAXATION	(45,582,805)	(18,321,550)

During the period under review, sales of the company have been decreased from Rs.290.330 million to Rs.229.213 million due to the decrease in production as well as decrease in yarn rates as compared to their cost. The textile sector is facing un-controllable challenges such as unavailability of energy and its rising cost, volatile yarn prices.

The Directors acknowledge the devotion to duty of workers and are appreciate the hard working of employees and also thankful to customers for their support and co-operation to the company.

FOR AND ON BEHALF OF THE BOARD

Lahore:
October 31, 2016

(NAUMAN ALMAS)
Chief Executive

SALMAN NOMAN ENTERPRISES LIMITED

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT SEPTEMBER 30, 2016

	Un-audited September 30, 2016	Audited June 30, 2016
	Rupees	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital		
10,000,000 (June 30, 2016: 10,000,000)	100,000,000	100,000,000
ordinary shares of Rs.10/- each		
Issued, subscribed and paid-up capital	44,670,360	44,670,360
Accumulated loss	(409,998,576)	(363,511,941)
	(365,328,216)	(318,841,581)
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	348,454,629	351,704,020
NON CURRENT LIABILITIES		
Long term financing	78,421,746	82,009,746
Long term loans from directors and others	138,683,905	138,683,905
Liabilities against assets subject to finance lease	27,754,694	29,509,827
Deferred liabilities	34,169,279	33,491,095
Long term loans from others	49,658,313	49,658,313
CURRENT LIABILITIES		
Trade and other payables	436,635,719	420,653,974
Accrued markup/interest	61,142,347	50,876,351
Short term borrowing	208,940,302	212,455,654
Current portion of long term borrowings	126,440,902	121,597,769
Provision for taxation	4,264,732	1,968,307
	837,424,002	807,552,056
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	1,149,238,353	1,173,767,380
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	786,975,467	796,071,755
Long term deposits	7,029,480	7,029,480
CURRENT ASSETS		
Stores, spare parts and loose tools	57,262,286	58,254,409
Stock in trade	210,623,480	226,822,518
Trade debts-Unsecured (Considered good)	26,814,820	24,190,499
Loans and advances	22,177,913	21,063,357
Trade deposits and short term prepayments	2,527,817	453,766
Other receivables	-	183,900
Tax refunds due from Government	31,081,417	27,703,249
Cash and bank balances	4,745,673	11,994,447
	355,233,406	370,666,145
TOTAL ASSETS	1,149,238,353	1,173,767,380

The annexed notes form an integral part of these condensed interim financial statements

Lahore:
Dated: October 31, 2016

CHIEF EXECUTIVE

DIRECTOR

SALMAN NOMAN ENTERPRISES LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2016

Note	Quarter ended	
	September 30, 2016	September 30, 2015
	Rupees	
Sales - net	229,213,921	290,330,797
Cost of sales	(256,591,982)	(296,993,941)
Gross profit / (loss)	(27,378,062)	(6,663,144)
Other operating income		564
Distribution cost	(133,385)	(83,600)
Administrative expenses	(6,612,034)	(4,642,703)
Other operating expenses	(6,000)	(9,550)
Finance cost	(11,453,325)	(6,923,117)
Profit / (loss) before taxation	(45,582,805)	(18,321,550)
Taxation	(2,296,425)	(2,907,021)
Profit / (loss) for the period	(47,879,230)	(21,228,571)
Earnings / (loss) per share - basic and diluted	(11.47)	(5.08)

The annexed notes form an integral part of these condensed interim financial statements

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	Quarter ended	
	September 30, 2016	September 30, 2015
	Rupees	
Profit / (loss) for the period	(47,879,230)	(21,228,571)
Other comprehensive income for the year		
Item that will not be reclassified to profit and loss account:		
Remeasurement on staff retirement benefits	-	-
Impact of deferred tax	-	-
Other comprehensive income for the period	-	-
	(47,879,230)	(21,228,571)

The annexed notes form an integral part of these condensed interim financial statements

Lahore:
Dated: October 31, 2016

CHIEF EXECUTIVE DIRECTOR

SALMAN NOMAN ENTERPRISES LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	Issued, subscribed and paid up capital		
	Unappropriated profits	Total	Rupees
Balance as at June 30, 2015	44,670,360	(192,963,611)	(148,293,251)
Total comprehensive profit for the period	-	(21,228,571)	(21,228,571)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	(1,563,616)	(1,563,616)
Balance as at September 30, 2015	44,670,360	(215,755,798)	(171,085,438)
Total comprehensive loss for the period	-	(163,001,403)	(163,001,403)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	15,245,260	15,245,260
Balance as at June 30, 2016	44,670,360	(363,511,941)	(318,841,581)
Total comprehensive profit for the period	-	(47,879,230)	(47,879,230)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	1,392,596	1,392,596
Balance as at September 30, 2016	44,670,360	(409,998,576)	(365,328,216)

The annexed notes form an integral part of these condensed interim financial statements

Lahore:
Dated: October 31, 2016

CHIEF EXECUTIVE DIRECTOR

SALMAN NOMAN ENTERPRISES LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	Quarter ended	
	September 30, 2016	September 30, 2015
	Rupees	
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (loss) before tax	(45,582,805)	(18,321,550)
Depreciation on property, plant and equipment	9,096,288	9,348,412
Provision for staff retirement benefits - gratuity	3,476,784	1,734,084
Finance cost	11,453,325	6,923,117
Profit / (loss) before working capital changes	(21,556,409)	(315,937)
Changes in working capital		
(Increase) / Decrease in current assets		
Stores, spare parts and loose tools	992,123	14,878
Stock in trade	16,199,039	(25,469,059)
Trade debts	(2,624,321)	(2,975,229)
Loans and advances	(1,114,556)	(4,029,971)
Trade deposits and short term prepayments	(2,074,051)	(2,012,044)
Other receivables	183,900	8,613,699
Tax refund due from Government	(2,254,330)	4,119,781
Increase / (Decrease) in current liabilities	13,215,812	(11,933,801)
	22,523,615	(33,671,746)
Cash (used) / generated from operations	967,206	(33,987,683)
Finance cost paid		
Finance cost paid	(1,187,329)	(3,104,947)
Staff retirement benefits - gratuity paid	(2,798,600)	(1,238,250)
Income taxes (paid) / refunded	(214,700)	(188,154)
	(4,200,628)	(4,531,351)
Net cash (used) / generated from operating activities	(3,233,422)	(38,519,034)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(76,500)
Net cash used in investing activities	-	(76,500)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Payments for:		
Liabilities against assets subject to finance lease	(500,000)	(937,288)
Long term loans from others	-	30,000,000
Short term borrowings - net	(3,515,352)	10,008,156
Net cash (used) / generated from financing activities	(4,015,352)	39,070,868
Net Increase in cash and cash equivalents (A+B+C)	(7,248,774)	475,334
Cash and cash equivalents at the beginning of the period	11,994,447	1,791,855
Cash and cash equivalents at the end of the period	4,745,673	2,267,189

annexed notes form an integral part of these condensed interim financial statements

Lahore:

Dated: October 31, 2016

CHIEF EXECUTIVE

DIRECTOR

SALMAN NOMAN ENTERPRISES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2016

1 GENERAL

- The accounting policies adopted for the preparation of these interim financial statements are consistent with those applied in the preparation of the preceding annual published financial statements of the company for the year ended June 30, 2016.
- The financial statements are un-audited and are being submitted to shareholders as required by SRO 748(1)20 dated November 05, 2001 of Securities & Exchange Commission.
- Comparative figures have been rearranged wherever necessary for the purpose of comparison.

2 SIGNIFICANT ACTIVITIES SINCE JUNE 30, 2016

AFFECTING FINANCIAL STATEMENT

There are no other significant developments since June 30, 2016 affecting financial statements.

3 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES:- There are no changes in contingencies since June 30, 2016

COMMITMENTS:-

Letter of credit for capital expenditure	Rs.	Nil
Letter of credit for other than capital expenditure	Rs.	66,988,695

4 COST OF GOODS SOLD

	Quarter ended	
	September 30, 2016	September 30, 2015
	Rupees	
Raw Material consumed	164,918,377	196,816,308
Packing Material	3,921,069	5,991,229
Stores & Spares	12,666,341	8,578,518
Salaries, Wages & Benefits	27,527,523	26,166,831
Fuel & Power	38,815,340	50,607,701
Insurance	1,055,188	1,185,499
Depreciation	8,969,058	9,240,370
Repair & Maintenance	733,182	1,154,119
Other Manufacturing Overheads	1,937,677	1,962,902
	260,543,754	301,703,477
Work in process		
Opening stock	16,012,217	16,012,217
Closing stock	(15,356,327)	(15,663,859)
	655,890	348,358
Cost of goods manufactured	261,199,644	302,051,835
Finished goods		
Opening stock	13,121,694	13,121,694
Closing stock	(17,729,356)	(18,179,588)
	(4,607,662)	(5,057,894)
	256,591,982	296,993,941

5 DATE OF AUTHORIZATION

These financial statements were approved by the Board of Directors and authorized for issue on October 31, 2016.

Lahore:

Dated: October 31, 2016

CHIEF EXECUTIVE

DIRECTOR