

**Quarterly &
Six Monthly
Accounts**

DECEMBER 2016



**SALMAN NOMAN
ENTERPRISES LIMITED**



DIRECTOR'S REVIEW FOR THE HALF YEAR DECEMBER 31, 2017

The Directors of your company have the pleasure to submit un-audited accounts for the Half Year Ended as on 31st December 2016.

The Financial performance is as under:-

PARTICULAR	HALF YEAR ENDED 31-12-2016 RUPEES IN MILLION	HALF YEAR ENDED 31-12-2015 RUPEES IN MILLION
SALES	391,448	570,418
COST OF SALES	478,387	652,554
GROSS (LOSS)	(86,939)	(82,137)
OTHER OPERATING INCOME	0.00	0.001
DISTRIBUTION COST	(0.329)	(0.233)
ADMINISTRATIVE COST	(11,593)	(12,427)
OTHER OPERATING EXP.	(0.414)	(1,443)
FINANCIAL COST	(21,981)	(24,227)
(LOSS) BEFORE TAXATION	(121,258)	(120,465)

During the period under review, the company suffered a loss before taxation of Rs.121,258 million.

The major reason of loss is due to unstable cotton and yarn prices, increase in manufacturing cost mainly due to decrease in production, increase in fuel, power, gas and wapda shutdown and rises in salaries & wages as per government policies. Increased cost of production has resulted in underutilization of installed capacities.

Lack of overseas demand of Pakistani yarn also affects the profitability of the textile sector. The company has reflects gross loss of Rs.86,939 millions in six months as compared to last year comparative figures which reflects a gross loss of Rs.82,137 million.

Going Concern

Without qualifying their opinion, Company's auditors, in their report, have drawn your attention to note 2.2 to the financial statements which states that the Company has incurred loss amounting to Rs.113,235 million (December 31, 2015: Rs.95,913 million) and has reported accumulated loss amounting to Rs.470,341 million (June 30, 2016: Rs.363,512 million) at the period end. In addition, the Company's current liabilities exceeded its current assets by Rs.559,981 million (June 30, 2016: Rs.436,886 million) at the period end. This results in severe liquidity crisis and inability of the company to comply with loan agreements and inability to pay long term financing from financial institutions amounting to Rs.103,277 million (June 30, 2016: Rs.86,972 million), short term borrowing amounting to Rs.35,757 million and accrued markup Rs.11,719 million. The main reason of loss was due to curtailment of working capital lines by financial institutions, fall in sale price of yarn, electricity and gas crisis and major consumption rate.

These financial statements have been prepared on going concern assumption as directors of the company have committed to provide financial support. Management has prepared the plan to restart operations in near future. Furthermore, management has also applied to the financial institutions for settlement and restructuring of overdue of the company. Management is confident that financial institution will respond positively to the request.

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

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

FOR AND ON BEHALF OF THE BOARD

(NAUMAN ALMAS)
Chief ExecutiveLahore:
February 28, 2017.

ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز نے ششماہی مالی سال 31 دسمبر 2016ء کو حساب کی پانچ ماہیہ رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔
ایٹائیڈ کارکنوں کا شکریہ ادا ہے۔

ششماہی سال 31-12-2015 (درویشی)	ششماہی سال 31-12-2016 (درویشی)	تفصیل
570,418	391,448	اربعہ
652,554	478,387	لر مینے کی اربہ
(82,137)	(86,939)	نام نقصان
0.001	0.00	دیگر برقی و دیگر
(0.233)	(0.329)	تعمیراتی اخراجات
(12,427)	(11,593)	اداریہ اخراجات
(1,443)	(0.414)	دیگر برقی و دیگر
(24,227)	(21,981)	مالیاتی اخراجات
(120,465)	(121,258)	اگرچہ سے پہلے نقصان

زیر جائزہ مدت کے دوران کمپنی نے Rs.121,258 ملین سے پہلے ایک نقصان ہوا۔

نقصان کی بڑی وجہ غیر ملکی کپاس اور باریں کی قیمتوں، میٹیریلنگ ٹیکسٹائل کے پیداوار میں کمی کی بنیادی وجہ ہیں، بجلی کی قیمتوں اور واپڈا بندش اور ایندھن میں اضافہ کی وجہ سے ہے۔ کٹاؤ کوئی پالیسیوں کے مطابق تھا تو اس کا اثر 86,939 ملین میں آتا ہے۔ بڑے پیمانے پر ٹیکسٹائل میں اضافہ کی وجہ سے ملازمتوں کی underutilization کے نتیجے میں ہے۔

پاکستانی سوت کی طلب بڑھانے کی بجائے ٹیکسٹائل سیکٹر کے مارجن کو متاثر کرتی ہے۔ کمپنی نے Rs.82,137 ملین کی مجموعی نقصان کی مٹائی کرتا ہے جس میں گزشتہ سال کا مالی اعداد و شمار کے مقابلے میں چھ ماہیہ Rs.86,939 ملین کو مٹا دیا گیا۔

مالیاتی شوقین

اور یہ ان کی رپورٹ میں ان کی رائے۔ کمپنی کے پیکٹوں، دیگر ایڈوائسنگ، تعمیراتی اور دیگر خدمات کے لیے آپ کی توجہ دینا ہے۔ Rs.470,341 ملین کی رقم جمع کی جانی 31 دسمبر (2015) کی رقم نقصان ہوا ہے۔ جس میں مالی بیانات 2.2 نوٹ کرنے کے لیے آپ کی توجہ دینا ہے۔ Rs.470,341 ملین کی رقم جمع کی جانی نقصان (30 جون، 2016) درجہ 363,512 ملین آمد متعلقہ ہونے پر مدت ختم ہونے پر۔ Rs.(436,886) ملین جون، 2016) اسکے علاوہ کمپنی کے گنوم ریٹارڈا Rs.559,981 ملین طرف سے اس کے سوبر ایڈوائسنگ سے تیار ہو گئی ہے۔ Rs.103,277 ملین کی رقم مالیاتی اداروں سے طویل مدتی قرضہ حاصل کرنے کے لیے معاہدوں اور سرتا کے ساتھ مل کر کرنے میں شدید رکھ دینی، بحران انتہائی کی بجائے نتیجے میں (جون، 30، 2016) Rs.86,972 ملین) (مجموعی مدت کے قرضوں کے حصول روپیہ۔ 35,757 ملین اوریج ہونے پر مارک اپ Rs.11,719 ملین) نقصان کی بنیادی وجہ مالی اداروں کی طرف سے سرمایہ کاروں کو کام کی تکلیف کی وجہ سے ناقص سوت، بجلی اور دیگر بڑی قیمت کی شرح کی فروخت میں کمی ہے۔ مالیاتی بیانات پیش ملٹر طرف سے جاری ہے۔ کمپنی کے ڈائریکٹرز کے طور پر مالی مدد فراہم کرنے کا ارادہ رکھتا ہے۔ نتیجہ میں مستحکم قرضہ میں کاروائیوں کو باوجود شروع کرنے کی منصوبہ بندی تیار کی ہے۔ مزید برآں، اسے انتظامیاتی کمپنی کے آمدنی کے عمل اور تنظیم کو لیے مالیاتی اداروں میں درخواست دی ہے۔ نتیجہ میں یہ مالیاتی اداروں کے درخواست کو مثبت جواب دے گا ہے۔

کمپنی کے ڈائریکٹرز کا پکارا ہے مدت اور اپنے فریضوں کی کارکردگی میں ایک تیز رفتاری میں اس کا ردعمل اور کمپنی کے کارکنوں کی طرف سے ظاہر ہونے کے لئے اس کی ان appreciations کا اہم کرنا چاہتے ہیں۔

ڈائریکٹرز کے کارکنوں کی ذمہ داری کے لئے شکریہ ادا کرتے ہیں اور کمپنی کو ان کی حمایت اور تعاون کے لئے کارکنوں کے لئے ملازمین کے مخلص اور بھی شکر گزار قرار دیتے ہیں۔

FOR اور بریلو کی جانب سے

(نصرت الماس)

چیف ایگزیکٹو

لاہور، فروری، 28، 2016

Auditor's Report to the Members on Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Salman Noman Enterprises Limited** as at December 31, 2016, 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 (here-in-after referred to as the "interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this 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 interim financial information based on our review.

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2016 and December 31, 2015 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2016.

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 the 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, 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of matter paragraph

Without qualifying our opinion, we draw attention to note 2.2 in the financial statements which indicates that the company incurred a net loss of Rupees 113,235,268 during the period ended December 31, 2016 and, as of that date, the company's current liabilities exceeds its current assets by Rupees 559,980,722. These conditions, along with other matters as explained in note 2.2 indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. These financial statements, however, have been prepared on the going concern basis on the assumptions as detailed in aforesaid note.

Karachi

Dated: 28th February, 2017

MUSHTAQ & CO;
Chartered Accountants
Engagement Partner:
Zahid Hussain Zahid, ACA

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT DECEMBER 31, 2016

Note	Un-audited	
	December 31, 2016	June 30, 2016
Rupees		
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	5 778,943,279	796,071,755
Long term deposits	5,179,480	7,029,480
CURRENT ASSETS		
Stores, spare parts and loose tools	55,029,529	58,254,405
Stock in trade	6 144,462,839	226,822,518
Trade debts - unsecured (considered good)	7,894,394	24,150,499
Loans and advances	10,651,452	21,063,357
Trade deposits and short term prepayments	1,850,000	453,766
Other receivables		183,900
Tax refunds due from Government	32,686,252	27,703,249
Cash and bank balances	9,379,063	11,994,447
	261,943,529	370,666,145
	1,046,066,288	1,173,767,380
TOTAL ASSETS		
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital		
10,000,000 (June 30, 2016: 10,000,000) Ordinary shares of Rs. 10/- each	100,000,000	100,000,000
Issued, subscribed and paid-up capital		
4,467,036 (June 30, 2016: 4,467,036) Ordinary shares of Rs. 10/- each	44,670,360	44,670,360
Accumulated loss	(470,341,269)	(363,511,941)
	(425,670,909)	(318,841,581)
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF TAX	345,296,079	351,704,020
NON CURRENT LIABILITIES		
Long term financing from banking companies	7 73,833,746	82,009,746
Long term financing from directors and others	8 138,683,905	138,683,905
Liabilities against assets subject to finance lease	9 23,027,051	29,509,827
Deferred liabilities	19,511,852	33,491,095
Long term loans from others	49,659,313	49,659,313
CURRENT LIABILITIES		
Trade and other payables	427,725,798	420,653,974
Accrued markup / interest	70,202,850	50,876,351
Short term borrowings	182,651,634	212,455,654
Current portion of non current liabilities	135,456,545	121,597,769
Provision for taxation	5,867,323	1,968,307
	821,824,250	807,552,056
CONTINGENCIES AND COMMITMENTS	10	
	1,046,066,288	1,173,767,380
TOTAL EQUITY AND LIABILITIES		

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

Lahore:
Dated: February 28, 2017

Nico
CHIEF EXECUTIVE

Zahid
DIRECTOR

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2016

Note	Quarter ended		Half year ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	Rupees		Rupees	
Sales - net	162,234,178	280,086,910	391,448,099	570,417,707
Cost of sales	(221,795,772)	(355,560,492)	(478,387,755)	(652,554,433)
Gross loss	(59,561,594)	(75,473,582)	(86,939,656)	(82,136,726)
Other operating income		557		1,121
Distribution cost	(196,537)	(149,465)	(329,922)	(233,065)
Administrative expenses	(4,961,699)	(7,784,185)	(11,593,733)	(12,426,688)
Other operating expenses	(408,399)	(1,433,158)	(414,399)	(1,442,708)
Finance cost	(10,527,901)	(17,304,082)	(21,981,226)	(24,227,199)
Loss before taxation	(75,676,130)	(102,143,915)	(121,258,835)	(120,465,466)
Taxation	10,320,092	27,459,976	8,023,667	24,552,955
Loss for the period	(65,356,038)	(74,683,939)	(113,235,268)	(95,912,510.63)
Loss per share - basic and diluted	(14.63)	(16.72)	(25.35)	(21.47)

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

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2016

Note	Quarter ended		Half year ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	Rupees		Rupees	
Loss for the period	(65,356,038)	(74,683,939)	(113,235,268)	(95,912,511)
Other comprehensive income for the period				
Total comprehensive loss for the period	(65,356,038)	(74,683,939)	(113,235,268)	(95,912,511)

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

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	Half year ended	
	December 31, 2016	December 31, 2015
	Rupees	
A) CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(121,258,935)	(120,465,466)
Adjustments for:		
Depreciation	17,867,978	18,697,129
Provision for staff retirement benefits - gratuity	3,564,000	3,540,436
Finance cost	21,981,226	24,227,199
Loss before working capital changes	(77,845,734)	(74,000,702)
Changes in working capital		
<i>(Increase) / decrease in current assets</i>		
Stores, spare parts and loose tools	3,224,880	284,272
Stock in trade	82,369,660	(46,026,582)
Trade debts	16,296,105	10,185,797
Loans and advances	10,411,904	(13,385,844)
Trade deposits and short term prepayments	(1,396,234)	(953,045)
Other receivables	183,900	13,500,000
Tax refunds due from Government	(4,983,003)	(7,575,168)
<i>Increase in current liabilities</i>		
Trade and other payables	5,609,417	121,250,600
	111,716,649	77,280,030
Cash generated from operations	33,870,916	3,279,328
Finance cost paid	(2,654,628)	(9,916,222)
Staff retirement benefits - gratuity paid	(5,600,565)	(5,163,465)
Income taxes - net	1,462,407	3,028,690
	(6,792,779)	(12,050,997)
Net cash used in operating activities	27,078,136	(8,771,669)
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(739,500)	(314,990)
Long term deposits	1,850,000	
Net cash generated / (used in) investing activities	1,110,500	(314,990)
C) CASH FLOWS FROM FINANCING ACTIVITIES		
<i>Payments for:</i>		
Short term borrowings - net	(29,804,020)	13,459,285
Liabilities against assets subject to finance lease	(1,000,000)	(1,878,261)
Net cash (used in) generated from financing activities	(30,804,020)	11,581,024
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(2,615,384)	2,494,385
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	9,379,063	4,286,220

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

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	Issued, subscribed and paid up capital	Accumulated profit/(loss)	Total
	Rupees		
Balance as at July 01, 2015	44,670,360	(192,963,611)	(148,293,251)
Total comprehensive loss for the period	-	(95,912,511)	(95,912,511)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	6,840,822	6,840,822
Balance as at December 31, 2015	44,670,360	(282,035,300)	(237,364,940)
Balance as at July 01, 2016	44,670,360	(363,511,941)	(318,841,581)
Total comprehensive loss for the period	-	(113,235,268)	(113,235,268)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	6,405,941	6,405,941
Balance as at December 31, 2016	44,670,360	(476,341,269)	(425,670,909)

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

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

1 THE COMPANY AND ITS OPERATIONS

The company is limited by shares, incorporated in Pakistan and is quoted on Pakistan Stock Exchanges. The principal business of the company is manufacture and sale of yarn. The registered office and mills of the company are situated at 3 kilometer Bahi Phoru, Tehsil Chunan, District Kasur in the province of Punjab.

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the International Financial Reporting Standard (IFRS) IAS 34, "Interim Financial Reporting" as applicable in Pakistan. This condensed interim financial information does not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the company as at and for the year ended June 30, 2016.

This condensed interim financial information is being submitted to the shareholders as required by the Listing regulations of Pakistan Stock Exchanges and section 245 of the Companies Ordinance, 1984.

These condensed interim financial statements comprise of condensed interim balance sheet, 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 for the half year ended December 31, 2016 which have been subject to a review but not audited. These condensed interim financial statements also include the condensed interim profit and loss account for the quarter ended December 31, 2016.

2.2 Going concern assumption

Company has temporarily closed its operation since November 30, 2016. During the interim period, the Company incurred loss amounting to Rs. 113,235 million (December 31, 2015: Rs. 95,913 million) and has reported accumulated losses amounting to Rs. 470,341 million (June 30, 2016: Rs. 363,512 million) at the period end. In addition, the Company's current liabilities exceeded its current assets by Rs. 556,381 million (June 30, 2016: Rs. 436,886 million) at the period end. This results in severe liquidity crisis and inability of the company to comply with loan agreements and inability to pay long term financing from financial institutions amounting to Rs. 103,277 million (June 30, 2016: Rs. 86,972 million), short term borrowing amounting to Rs. 35,757 million and accrued markup Rs. 11,719 million. The main reason of loss was due to curtailment of working capital lines by financial institutions, fall in sale price of yarn, electricity and gas crisis, major consumption rate variance, low quality cotton resulted in lower yield and other fixed production overheads. These conditions along with adverse key financial ratios indicate the existence of material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

These financial statements have been prepared on going concern assumption as directors of the company has committed to provide financial support. Management has prepared the plan to restart operations in near future. Furthermore, management has also applied to the financial institutions for settlement and restructuring of overdue of the company. Management is confident that financial institution will respond positively to the request.

The management anticipates that above steps will not only bring the Company out of the existing financial crisis but also contribute significantly towards the improvement of the company financial position in the foreseeable future.

3 ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended June 30, 2015.

3.2 Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the company's operations or did not have any impact on the accounting policies of the company.

4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2016.

The company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2016.



5 PROPERTY, PLANT AND EQUIPMENT

	Note	(Unaudited)	(Audited)
		December 31, 2016	June 30, 2016
—Rupees—			
Operating assets - WDV	5.1	778,943,279	796,071,755
		778,943,279	796,071,755
5.1 Operating assets			
Opening written down value		796,071,755	827,231,473
Add: Additions during the period / year	5.1.1	739,500	6,496,490
		796,811,255	833,727,963
Less: Disposals during the period / year	5.1.1	-	(928,550)
Depreciation during the period / year		(17,867,976)	(36,727,658)
Closing net book value		778,943,279	796,071,755

5.1.1 The cost of additions and deletions to property, plant and equipment were as follows:

	December 31, 2016		June 30, 2016	
	Acquisition	Disposal	Acquisition	Disposal
	C o s t		C o s t	
—Rupees—				
Plant and machinery-Own	892,000	-	6,384,990	-
Electric appliances	47,500	-	76,500	-
Office Equipment	-	-	35,000	-
Vehicles-Net	-	-	-	(928,550)
	739,500	-	6,496,490	(928,550)

6 Finished goods amounting to Rs. 8,424,282 (June 30, 2016: Rs. 55,137,230) are stated at their net realizable value aggregating to Rs. 7,943,815 (June 30, 2016: Rs. 48,995,648). The amount charged to profit and loss account in respect of stocks written down to their net realizable value is Rs. 1,480,447 (June, 2016: Rs. 5,141,582). Finished goods also includes Rs. Nil (June 30, 2016: Rs. 451,812) in respect of waste stock being valued at net realizable value.

7 It includes overdue instalments of Rs. 60,326,199 (June 30, 2016: Rs. 53,150,199).

8 It includes Rs. 138.533 million (June 30, 2016: Rs. 138.533 million) subordinated to loans from banking companies.

9 It includes overdue instalments of Rs. 42,961,053 (June 30, 2016: Rs. 33,822,191).

10 CONTINGENCIES AND COMMITMENTS

There are contingencies and commitments that have been disclosed in the audited financial statements for the year ended June 30, 2016.

10.1 Contingencies

The contingencies are as follows:

10.1.1 Al-Baraka Bank (Pakistan) Limited has filed Suit No. 588/1, Dated: 16-09-2015 against the company under section 9 of the FINANCIAL INSTITUTIONS (RECOVERY OF FINANCIES) ORDINANCE, 2001 for recovery of Rs. 38,740,819/- which includes cost price, taxes etc. Full realization of whole amount before the Banking Court, Lahore. The company has acknowledged its liability as per loan agreement but the amount of principal and mark up is not reconciled with the financial institutions in accordance with the above mentioned suit. The matter is still pending in the court. Management expects that matter shall be resolved through restructuring agreement of outstanding liability.

10.1.2 Soneil Bank Limited has filed Suit No. 65/2015, Dated: 29-10-2015 against the company under section 16 of the FINANCIAL INSTITUTIONS (RECOVERY OF FINANCIES) ORDINANCE, 2001 for recovery of Rs. 138,425,984.51/- which includes cost and cost of funds before the Honorable High Court. The company has acknowledged its liability as per loan agreement but the amount of principal and mark up is not reconciled with the financial institutions in accordance with the above mentioned suit. The matter is still pending in the court. The company is contesting its case before honorable court.

10.2 Commitments

The change in commitments is as follows:

	(Unaudited)	(Audited)
	December 31, 2016	June 30, 2016
—Rupees—		
Letter of credit for other than capital expenditure	67,020,671	66,892,769



11 EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

	Quarter ended		Half year ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Loss for the period - Rupees	(65,356,038)	(74,683,939)	(113,235,268)	(95,912,511)
Weighted average number of ordinary shares	4,467,036	4,467,036	4,467,036	4,467,036
Loss per share - basic - Rupees	(14.63)	(16.72)	(25.35)	(21.47)

11.1 There is no dilutive effect on basic earnings / (loss) per share of the company.

12 RELATED PARTY TRANSACTIONS

	(Unaudited)	(Unaudited)
	December 31, 2016	December 31, 2015
—Rupees—		
Transactions with related parties		
Remuneration to key management personnel	1,800,000	1,200,000
Long term financing from directors and others-received	-	-

13 CORRESPONDING FIGURES

Figures have been rearranged whenever necessary for the purpose of comparison. However, no significant reclassification is made during the period.

14 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on 28th February, 2017 by the board of directors of the company.

15 GENERAL

Figures have been rounded off to the nearest rupees.