

A C C O U N T S
(UN-AUDITED)
FOR THE
3rd QUARTER ENDED
March 31, 2017



SALMAN NOMAN
ENTERPRISES LIMITED

BOOK POST
PRINTED MATTER

IF UNDELIVERED PLEASE RETURN TO:-

SALMAN NOMAN ENTERPRISES LIMITED
3-K-M, BALLOKI ROAD, BHAIPHERU
TEHSIL PATOKI DISST. KASUR

SALMAN NOMAN ENTERPRISES LIMITED

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT MARCH 31, 2017

Note	Un-audited	Audited
	March 31, 2017	June 30, 2016
	-----Rupees-----	
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	770,002,733	796,071,755
Long term deposits	12,675,880	7,029,480
CURRENT ASSETS		
Stores, spare parts and loose tools	54,337,155	58,254,409
Stock in trade	133,993,234	226,822,518
Trade debts-Unsecured (Considered good)	12,529,734	24,190,499
Loans and advances	12,114,722	21,063,357
Trade deposits and short term prepayments	3,596,747	453,766
Other receivables	679,901	183,900
Tax refunds due from Government	32,179,276	27,703,249
Cash and bank balances	9,456,443	11,994,447
	258,887,212	370,666,145
TOTAL ASSETS	1,041,565,825	1,173,767,380
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	(486,032,553)	(363,511,941)
	(441,362,193)	(318,841,581)
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	341,968,675	351,704,020
NON CURRENT LIABILITIES		
Long term financing	5 69,445,746	82,009,746
Long term loans from directors	6 138,683,905	138,683,905
Liabilities against assets subject to finance lease	7 20,654,162	29,509,827
Deferred liabilities	1,891,802	33,491,095
Long term loans from others	49,658,313	49,658,313
CURRENT LIABILITIES		
Trade and other payables	447,859,472	420,653,974
Accrued markup/interest	79,697,362	50,876,351
Short term borrowing	185,084,728	212,455,654
Current portion of long term borrowings	142,017,434	121,597,769
Provision for taxation	5,966,418	1,968,307
	860,625,414	807,552,056
CONTINGENCIES AND COMMITMENTS	8	
TOTAL EQUITY AND LIABILITIES	1,041,565,825	1,173,767,380

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

Lahore:

Dated: April 29, 2017

Noor
CHIEF EXECUTIVE

Zahid
DIRECTOR

SALMAN NOMAN ENTERPRISES LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2017

Note	Quarter ended		Nine months period ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	-----Rupees-----		-----Rupees-----	
Sales - net	7,770,887	302,537,944	399,218,986	872,955,651
Cost of sales	9 (30,756,998)	(317,624,724)	(509,144,752)	(970,179,157)
Gross Loss	(22,986,111)	(15,086,779)	(109,925,766)	(97,223,505)
Other operating income		19,914		21,035
Distribution cost	118,495	(139,207)	(211,427)	(372,272)
Administrative expenses	(4,358,421)	(5,630,261)	(15,952,154)	(18,057,149)
Other operating expenses	(6,000)	(6,000)	(420,399)	(1,448,708)
Finance cost	(9,870,931)	(9,106,219)	(31,852,157)	(33,333,418)
Loss before taxation	(37,102,968)	(29,948,552)	(158,361,903)	(150,414,018)
Taxation-Current and deferred	18,082,280	4,366,511	26,105,947	28,919,466
Loss for the period	(19,020,688)	(25,582,041)	(132,255,956)	(121,494,552)
Loss per share - basic and diluted	(4.26)	(5.73)	(29.61)	(27.20)

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 NINE MONTHS PERIOD ENDED MARCH 31, 2017

Note	Quarter ended		Nine months period ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	-----Rupees-----		-----Rupees-----	
Loss for the period	(19,020,688)	(25,582,041)	(132,255,956)	(121,494,552)
Other comprehensive income for the period	(19,020,688)	(25,582,041)	(132,255,956)	(121,494,552)

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

Lahore:
Dated: April 29, 2017


CHIEF EXECUTIVE


DIRECTOR

SALMAN NOMAN ENTERPRISES LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2017

	Nine months period ended	
	March 31, 2017	March 31, 2016
	-----Rupees-----	
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net loss before tax	(158,361,903)	(150,414,018)
Adjustment for:		
Depreciation	26,808,522	28,046,722
Provision for staff retirement benefits - gratuity	5,477,962	5,137,470
Finance cost	31,852,157	33,333,418
Loss before working capital changes	(94,223,262)	(83,896,408)
Changes in working capital		
<i>(Increase) / Decrease in current assets</i>		
Stores, spare parts and loose tools	3,917,254	627,315
Stock in trade	92,829,284	(44,015,911)
Trade debts	11,660,765	14,242,711
Loans and advances	8,948,635	(13,683,108)
Trade deposits and short term prepayments	(3,142,981)	(1,993,503)
Other receivables	(496,001)	13,500,000
Tax refund due from Government	(4,476,027)	(7,164,819)
<i>Increase / (Decrease) in current liabilities</i>		
Trade and other payables	26,593,252	115,549,173
	135,834,182	77,061,857
Cash generated from / (used in) operations	41,610,920	(6,834,551)
Finance cost paid/Deferred	(3,031,146)	(13,081,513)
Staff retirement benefits - gratuity paid	(6,973,197)	(6,973,197)
Income taxes refunded	612,245	5,115,346
	(9,392,098)	(14,939,364)
Net cash generated from / (used in) operating activities	32,218,821	(21,773,914)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(739,500)	(6,158,640)
Long term deposits	(5,646,400)	-
Net cash used in investing activities	(6,385,900)	(6,158,640)
C) CASH FLOW FROM FINANCING ACTIVITIES		
<i>Increase in:</i>		
Short term borrowings - net	(27,370,926)	31,679,917
<i>Payment for:</i>		
Liabilities against assets subject to finance lease	(1,000,000)	(2,628,261)
Net cash generated from / (used in) financing activities	(28,370,926)	29,051,656
Net increase/(Decrease) in cash and cash equivalents (A+B+C)	(2,538,004)	1,119,102
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	9,456,443	2,910,957

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

Lahore:
Dated: April 29, 2017


CHIEF EXECUTIVE


DIRECTOR

SALMAN NOMAN ENTERPRISES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2017

	Issued, subscribed and paid up capital	Unappropriated profits/(loss)	Total
	-----Rupees-----		
Balance as at July 01, 2015	44,670,360	(192,963,611)	(148,293,251)
Total comprehensive loss for the period	-	(121,494,552)	(121,494,552)
Transfer from revaluation surplus of property, plant and equipment - net of deferred tax	-	9,266,089	9,266,089
Balance as at March 31, 2016	<u>44,670,360</u>	<u>(305,192,074)</u>	<u>(260,521,714)</u>
Balance as at July 01, 2016	44,670,360	(363,511,941)	(318,841,581)
Total comprehensive loss for the period	-	(132,255,956)	(132,255,956)
Transfer from revaluation surplus of property, plant and equipment - net of deferred tax	-	9,735,345	9,735,345
Balance as at March 31, 2017	<u>44,670,360</u>	<u>(486,032,553)</u>	<u>(441,362,193)</u>

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

Lahore:

Dated: April 29, 2017

CHIEF EXECUTIVE

DIRECTOR

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2017

1 THE COMPANY AND ITS OPERATIONS

The company is limited by shares, incorporated in Pakistan and is quoted on the Karachi and Lahore 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 Pheru, Tehsil Chunian, 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 Karachi, Lahore and Islamabad Stock Exchanges and section 245 of the Companies Ordinance, 1984.

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, 2016.

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.

SALMAN NOMAN ENTERPRISES LIMITED

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 It includes overdue installments of Rs.59,082,270 (June 30, 2016: Rs. 53,150,199).
- 6 It includes Rs. 138,533 million (June 30, 2016: Rs. 138,533 million) subordinated to loans from banking companies.
- 7 It includes overdue installments of Rs. 44,634,452 (June 30, 2016: Rs.33,822,191).

8 CONTINGENCIES AND COMMITMENTS

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

8.1 CONTINGENCIES:

The contingencies are as follows:

- 8.1.1 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. 38,740,919/- which includes cost price, taxes etc. till 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.

- 8.1.2 Sonen 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. 138,425,964.51/- 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.

8.2 COMMITMENTS:-

Letter of credit for other than capital expenditure

(Unaudited)	(Audited)
March 31,	June 30,
2017	2016
-----Rupees-----	
67,020,671	66,892,769

Quarter ended		Nine months period ended	
March 31,	March 31,	March 31,	March 31,
2017	2016	2017	2016
-----Rupees-----		-----Rupees-----	

9 COST OF GOODS SOLD

Raw material consumed	5,277,075	197,990,378	256,114,074	617,356,138
Packing material consumed	-	5,111,349	5,718,659	17,122,482
Stores and spares consumed	-	11,997,947	17,592,366	36,507,464
Salaries, wages and benefits	9,567,589	32,982,098	71,808,550	96,840,481
Fuel and power	544,248	46,200,819	70,632,755	163,536,611
Insurance	1,235,644	1,291,159	3,347,919	3,383,445
Depreciation	8,854,113	9,240,675	26,549,223	27,721,720
Repairs and maintenance	95,799	2,483,929	1,298,983	6,067,089
Other manufacturing overheads	-	2,189,012	3,603,156	6,565,235
	25,574,468	309,467,365	456,665,686	975,100,664

Work in process

Opening stock	3,503,684	11,852,157	8,296,576	16,012,217
Closing stock	(3,407,750)	(6,925,754)	(3,407,750)	(6,925,754)
	95,934	4,926,403	4,888,826	9,086,463

Cost of goods manufactured

Finished goods

Opening stock	7,943,815	30,340,620	50,447,460	13,121,694
Closing stock	(2,857,220)	(27,129,664)	(2,857,220)	(27,129,664)
	5,086,595	3,210,956	47,590,240	(14,007,970)
	30,756,998	317,624,724	509,144,752	970,179,157

10 CORRESPONDING FIGURES

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

11 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on April 29th, 2017 by the board of directors of the company.

12 GENERAL

Figures have been rounded off to the nearest rupees.

Lahore:

Dated: April 29, 2017

CHIEF EXECUTIVE

DIRECTOR

SALMAN NOMAN ENTERPRISES LIMITED

ڈائریکٹر رپورٹ

کمپنی کی مجلس ڈائریکٹر رپورٹ 31 مارچ 2017 کو ختم ہونے والے کوارٹر کے لیے کمپنی کے غیر آڈٹ شدہ حسابات اور ان پر بیرونی محاسب کا جائزہ پیش کرتے ہوئے غرضی محسوس کر رہی ہے۔

مالیاتی جائزہ

گزشتہ کوارٹر کی تقابلی مدت میں 25.582 ملین روپے نقصان کے مقابلے میں کمپنی کو 31 مارچ 2017 کو چھ مہینے کیلئے 19.020 ملین روپے کا نقصان ہوا۔

مالیاتی نتائج کا خلاصہ حسب ذیل ہے

تفصیل	2017 روپے	2016 روپے
فروخت	7,770,887	302,537,944
خام نقصان	(22,986,111)	(15,086,779)
آپریٹنگ نقصان	(27,232,036)	(20,842,333)
مالیاتی لاگت	(9,870,931)	(9,106,219)
نیکس	18,082,280	(4,366,511)
نیکس کے پہلے کا نقصان	(37,102,968)	(29,948,552)
نیکس کے بعد کا نقصان	(19,020,688)	(25,582,041)
فی شخص نقصان روپے میں	(4.26)	(5.73)

زیر جائزہ مدت بھی مشکل دور ثابت ہوا ہے کیونکہ زیر جائزہ مدت کے دوران فیکٹری بند رہی۔ اس جبری نان آپریشن کی وجہ سے ورکنگ کیپٹل تنصیبات کی عدم دستیابی بیکاری کمپنیوں کے ساتھ مقدمہ بازی اور چیلنجنگ مارکیٹ کے حالات پیدا ہوئے۔ بینکوں کی طرف سے ہماری ورکنگ کیپٹل لائٹوں کی یکطرفہ رکاوٹ کی وجہ سے درکار ورکنگ کیپٹل ہمارے اختیار میں نہیں تھی اور کمپنی نصب ملاہیٹوں کو موثر طریقے سے چلانے کیلئے خام مال کی خریداری نہیں کر سکتی تھی۔ ان تمام حقیقت کے باوجود کمپنی کی انتظامیہ نے کسی دوسرے ذریعے سے فیکٹری کو اگلے کوارٹر کے آغاز میں چلانے کا فیصلہ کیا ہے

کمپنی کے ڈائریکٹر ز انتظامیہ کی لگن، مشاف کے افراد اور ورکرز کی کارکردگی اور ان کی انتھک محنت کو سراہتے ہیں۔

ڈائریکٹر ز اپنے صارفین کی مسلسل حمایت کا بھی شکریہ ادا کرتے ہیں۔

میری اور بورڈ کی جانب سے

(نعمان الماس)

چیف ایگزیکٹو

لاہور: اپریل 29, 2017

