

**SALMAN NOMAN ENTERPRISES LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2012**

**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, 2011.

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.

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 nine months period ended March 31, 2012 which have been unaudited. These condensed interim financial statements also include the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended March 31, 2012

**3 ACCOUNTING POLICIES**

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, 2011.

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** The company has issued 292,236 (June 30, 2011 : 198,800) ordinary shares of Rs. 10 each during the year as fully paid bonus shares.
- 5** It excludes overdue installments of Rs. 17,665,268 (June 30, 2011: Nil).
- 6** It excludes overdue installments of Rs. 1,954,250 (June 30, 2011: Nil).
- 7** It excludes overdue installments of Rs. 7,461,262 (June 30, 2011: Nil).

## 8 CONTINGENCIES AND COMMITMENTS

There is no major changes in contingencies as have been disclosed in the audited financial statements for the year ended June 30, 2011. The change in commitments is as follows :

			<u>(Unaudited)</u>	<u>(Audited)</u>
			<u>March 31,</u>	<u>June 30,</u>
			<u>2012</u>	<u>2011</u>
			<u>-----Rupees-----</u>	
<b>COMMITMENTS:-</b>	Letter of credit for other than capital expenditure		<u>68,519,102</u>	<u>90,146,438</u>
	<u>Quarter ended</u>		<u>Nine months period ended</u>	
	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	<u>-----Rupees-----</u>		<u>-----Rupees-----</u>	
<b>9 COST OF GOODS SOLD</b>				
Raw material consumed	299,303,312	424,270,370	908,187,626	1,033,990,971
Cost of raw material sold	1,226,474	3,638,451	3,511,997	17,739,693
Packing material consumed	4,594,954	4,564,475	13,240,466	13,712,205
Stores and spares consumed	6,817,613	4,985,294	20,685,843	20,010,809
Salaries, wages and benefits	23,062,811	24,300,165	67,918,756	65,245,945
Fuel and power	46,197,052	35,683,909	125,825,672	102,681,071
Insurance	943,533	1,405,555	3,259,973	2,452,110
Depreciation	8,699,004	8,991,907	26,187,408	24,984,930
Repairs and maintenance	2,418,285	914,726	5,212,769	3,560,524
Other manufacturing overheads	2,992,264	1,462,108	6,857,026	4,901,460
	<u>396,255,302</u>	<u>510,216,960</u>	<u>1,180,887,536</u>	<u>1,289,279,718</u>
<b>Work in process</b>				
Opening stock	11,855,996	11,386,502	10,248,729	6,997,495
Closing stock	(11,036,586)	(11,093,782)	(11,036,586)	(11,093,782)
	819,410	292,720	(787,857)	(4,096,287)
Cost of goods manufactured	<u>397,074,712</u>	<u>510,509,680</u>	<u>1,180,099,679</u>	<u>1,285,183,431</u>
<b>Finished goods</b>				
Opening stock	22,672,921	15,539,742	14,311,164	6,917,614
Closing stock	(30,581,393)	(21,347,248)	(30,581,393)	(21,347,248)
	(7,908,472)	(5,807,506)	(16,270,229)	(14,429,634)
	<u>389,166,240</u>	<u>504,702,174</u>	<u>1,163,829,450</u>	<u>1,270,753,797</u>

## 10 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on April 30, 2012 by the board of directors of the company.

## 11 GENERAL

Figures have been rounded off to the nearest rupees.

Lahore:  
Dated: April 30, 2012

( NAUMAN ALMAS )  
CHIEF EXECUTIVE

( MRS. SHAMIM AKHTAR )  
DIRECTOR