

SALMAN NOMAN ENTERPRISES LIMITED

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز کو 31 مارچ 2019 کو دسویں مرحلے کے اختتام کے لئے غیر آڈٹ شدہ اکاؤنٹس جمع کرنے کی خوشی ہے۔

جائزہ لینے کی مدت کے دوران، کمپنی نے کاموں کی صنعت کی غیر موجودگی اور ٹیکسٹائل کی صنعت کی غیر یقینی حالات کی وجہ سے اپنے آپریشن بند کر دیئے ہیں۔

بینکنگ کمپنیوں کے معاملات قانون کے عدالت میں بینکنگ کمپنیوں کے ساتھ قانونی طور پر مقدمہ درج ہے اور کمپنی کے پاس کوئی کریڈٹ لائن نہیں ہیں۔ تاہم، کمپنی کے ڈائریکٹرز مسلسل اپنے آپریشن شروع کرنے کی کوشش کر رہے ہیں۔

ڈائریکٹرز صارفین کو ان کی حمایت اور کمپنی کے تعاون کے لئے شکریہ ادا کرتے ہیں

منجانب بورڈ

(نعمان الماس)

لاہور: اپریل 2019ء

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ACCOUNTS

(UN-AUDITED)

FOR THE

3rd QUARTER ENDED

March 31, 2019



SALMAN NOMAN
ENTERPRISES LIMITED

BOOK POST
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SALMAN NOMAN ENTERPRISES LIMITED
3-K-M, BALLOKI ROAD, BHAIPHERU
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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 thirdquarter ended as on 31st March 2019.

During the period under review the company remains closed its operations due to unavailability of working capital and uncertain conditions of the textile industry.

The matters with the banking companies are under litigation with the banking companies in the court of law and there are no credit lines available to the company. However, the directors of the company are continuously making their efforts to starts its operations.

The directors are thankful to the customers for their support and

FOR AND ON BEHALF OF THE BOARD

Lahore:
Dated: April 30, 2019

(NAUMAN ALMAS)
Chief Executive

SALMAN NOMAN ENTERPRISES LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019

		Un-Audited 31/March/2019 Rupees	Audited 30/Jun/2018 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 10,000,000 (30 June 2018: 10,000,000) ordinary shares of Rs. 10 each		100,000,000	100,000,000
Share capital	5	44,670,360	44,670,360
Accumulated loss		(717,360,842)	(658,704,981)
Surplus on revaluation of property, plant and equipment		320,753,809	326,535,171
		(351,936,673)	(287,499,450)
Non-current liabilities			
Long term finances	6	178,813,651	187,189,651
Deferred liabilities		4,074,332	4,074,332
Liabilities against assets subject to finance lease	7	6,142,141	10,350,292
		189,030,124	201,614,275
Current liabilities			
Trade and other payables		445,219,693	445,219,693
Mark-up accrued		174,701,464	134,601,511
Short term borrowings	8	176,690,537	176,690,537
Current portion of long-term liabilities		234,753,768	222,169,617
Provision for taxation		10,652,251	10,652,251
		1,042,017,713	989,333,609
CONTINGENCIES AND COMMITMENTS			
		879,111,164	903,448,434
ASSETS			
Non-current assets			
Property, plant and equipment	9	702,617,391	726,695,219
Long-term deposits		16,467,060	16,467,060
		719,084,451	743,162,279
Current assets			
Stores, spare parts and loose tools		30,328,008	30,453,008
Stock in trade		90,012,572	90,012,572
Trade debts		2,448,541	2,448,541
Trade deposits and short-term prepayments		1,850,000	1,850,000
Balances due from government		35,269,523	35,269,523
Cash and bank balances		118,069	252,511
		160,026,713	160,286,155
		879,111,164	903,448,434

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

Lahore:
Dated: April 30, 2019 CHIEF EXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

SALMAN NOMAN ENTERPRISES LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT /
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2019

	Nine months ended		Quarter ended	
	31/March/2019	31/March/2018	31/March/2019	31/March/2018
	Rupees		Rupees	
Sales	-	277,028,466	-	89,285,441
Cost of sales	(24,077,828)	(401,704,842)	(7,673,900)	(143,792,692)
Gross profit/(loss)	(24,077,828)	(124,676,376)	(7,673,900)	(54,507,251)
Operating expenses				
Distribution and marketing cost	-	(60,544)	-	(25,325)
Administrative and selling expenses	(259,442)	(10,533,799)	(62,300)	(3,124,194)
	(259,442)	(10,594,343)	(62,300)	(3,149,519)
Finance cost	(40,099,953)	(30,672,875)	(14,212,521)	(9,025,598)
Loss before taxation	(64,437,223)	(165,943,594)	(21,948,721)	(66,682,368)
Taxation	-	(22,315,664)	-	(19,967,055)
Loss after taxation	(64,437,223)	(188,259,258)	(21,948,721)	(86,649,423)
Total comprehensive loss	(64,437,223)	(188,259,258)	(21,948,721)	(86,649,423)
Loss per share -basic and diluted	(14.43)	(42.14)	(4.91)	(19.40)

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

Lahore:

Dated: April 29, 2019 CHIEF EXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Share capital	Accumulated Loss	Revaluation surplus	Total Equity
	Rupees			
Balance as at 30 June 2017	44,670,360	(499,445,440)	338,706,459	(116,068,621)
Total comprehensive loss for the nine months period ended 31 March 18				
Loss for the period	-	(188,259,258)	-	(188,259,258)
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	9,260,763	(9,260,763)	-
Balance as at 31 March 2018	44,670,360	(678,443,935)	329,445,696	(304,327,879)
Total comprehensive income for the three months period ended 30 Jun 18				
Income for the period	-	16,828,429	-	16,828,429
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	2,910,525	(2,910,525)	-
Balance as at 30 June 2018	44,670,360	(658,704,981)	326,535,171	(287,499,450)
Total comprehensive loss for the nine months period ended 31 March 19				
Loss for the period	-	(64,437,223)	-	(64,437,223)
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	5,781,362	(5,781,362)	-
Balance as at 31 March 2019	44,670,360	(717,360,842)	320,753,809	(351,936,673)

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

Lahore:

Dated: April 30, 2019 CHIEF EXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

SALMAN NOMAN ENTERPRISES LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2019

	---- Nine months ended ----	
	31/March/2019	31/March/2018
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating loss	(64,437,223)	(165,943,594)
Adjustments for non-cash charges / items:		
Depreciation of property, plant and equipment	24,077,828	25,775,226
Provision for gratuity	-	3,564,000
Finance cost	40,099,953	30,672,875
	64,177,781	60,012,101
Loss before working capital changes	(259,442)	(105,931,493)
Working capital changes		
(Increase) / Decrease in current assets		
Stores, spare parts and loose tools	125,000	3,962,804
Stock in trade	-	49,353,987
Trade debts	-	2,000,000
Loans and advances	-	10,894,348
Trade deposits and short term prepayments	-	2,282,519
Balances due from government	-	19,676
Increase in trade and other payables	-	30,901,815
	125,000	99,415,149
Cash (used in) / generated from operations	(134,442)	(6,516,344)
Income tax paid/ refunded	-	595,333
Finance cost paid	-	(16,022)
Gratuity paid	-	(5,600,560)
Net cash (used in) / generated from operating activities	(134,442)	(11,537,593)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment) / Proceeds (net) of short-term borrowings	-	(2,466,738)
Net cash in / (out) flow from financing activities	-	(2,466,738)
Net decrease in cash and cash equivalents	(134,442)	(14,004,331)
Cash and cash equivalents at beginning of period	252,511	14,345,177
Cash and cash equivalents at end of period	118,069	340,846

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

Lahore:

Dated: April 30, 2019 CHIEF EXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

SALMAN NOMAN ENTERPRISES LIMITED

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2019

1 STATUS AND ACTIVITIES

1.1 Salman Noman Enterprises Limited (the "Company") was incorporated in Pakistan as a public limited company on November 05, 1985 under the Companies Ordinance, 1984 and is quoted on Pakistan Stock Exchanges.

The registered office and mills of the company are situated at 3 kilometer Bahi Pheru, Tehsil Chunian, District Kasur.

The principle business of the Company is manufacturing and sale of yarn and the other related / allied operations.

1.2 Going concern assumption

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business.

The Company incurred a net loss for the period ended of Rs. 64,437,223 (March 2018: Rs. 188,259,258) resulting in accumulated losses at the end of the period of Rs. 717,360,842 (June 2018: Rs. 658,704,981).

The Company's current liabilities exceed its current assets at reporting date by Rs. 881,991,000 (June 2018: Rs. 829,047,454).

The Company had ceased its operations since February 2018 due to working capital. However, management is taking steps to recommence operations as directors of the company has committed to provide financial support to the company and also the Company is in negotiations with financial institutions for settlement and restructuring of overdue loans. The Company manage its liquidity constraints largely thru financing from financial institutions. Management's efforts for obtaining finances from financial institutions are not so far materialized, however, management is confident that efforts will be realized and that the Company will be able to continue as a going concern.

2 STATEMENT OF COMPLIANCE

This condensed interim financial information is unaudited and has been prepared in accordance with the requirements of the International Accounting Standard 34 – Interim Financial Reporting issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IAS 34 and IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial information has, however, been subjected to limited scope review by the auditors, as required by the Code of Corporate Governance, and should be read in conjunction with the audited annual financial statements of the Company for the year ended 30 June 2018.

3 BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost convention modified by adjustment of revaluation of certain assets. In this condensed interim financial information, except for the cash flow statements, all the transactions have been accounted for on accrual basis.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method for computation adopted for the preparation of this condensed interim financial information is the same as those applied in preparation of the financial statements for the year ended June 30, 2018.

	(Un-audited) March 31, 2018.	(Audited) June 30, 2018.
	(Rupees)	
5 SHARE CAPITAL		
Authorized capital		
Ordinary shares of Rs. 10 each	100,000,000	100,000,000
Issued, subscribed and paid-up share capital		
4,467,036 (June 30, 2018: 4,467,036) ordinary shares of Rs 10/- each fully paid in cash	44,670,360	44,670,360
6 LONG TERM FINANCES		
From financial institutions (current and prior) - secured		
Term finance facility	-note 6.1 23,271,606	28,647,606
Frozen Markup	-note 6.2 16,858,140	19,858,140
	40,129,746	48,505,746
From related parties (current and prior) - unsecured		
Loan from directors	-note 6.3 138,683,905	138,683,905
Total long term finances	178,813,651	187,189,651
6.1 Term finance facility		
At end of the period	107,221,805	107,221,805
Less: Current portion transferred to current liabilities	(83,950,199)	(81,148,059)
At end of the period	23,271,606	26,073,746

SALMAN NOMAN ENTERPRISES LIMITED

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2019

6.2 Frozen Markup

Overdue markup up to June 30, 2013 amounting to Rs. 30.046 million on term finance facility has been freeze and converted into term finance (frozen markup account). As per the terms of agreement, markup accrued up to February 2014 has been deferred and transferred to frozen markup account and is payable in 74 monthly instalments of Rs. 0.3 million (starting from January 2016) and Rs. 0.5 million (starting from July 2017)

6.3 Loan from directors

These represents unsecured and interest free loans from chief executive officer, directors and sponsors. The terms of repayment has not yet been decided so far, however, the directors and sponsors have given undertaking that they have no intention to demand such loan within period of next twelve months, as such the current maturity has not been presented.

6.4 These are classified as 'financial liabilities' under IAS 39 'Financial Instruments - Recognition and Measurement' which are required to be carried at amortized cost. However, these long term loans have no fixed maturity date as discussed above, are carried at cost as their amortized cost is impracticable to determine.

	(Un-audited) March 31, 2018.	(Audited) June 30, 2018.
	(Rupees)	
7 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
Present value of minimum lease payments	81,855,397	81,855,397
Less: Current portion shown under current liabilities	(75,713,256)	(71,505,105)
	6,142,141	10,350,292
8 SHORT TERM BORROWINGS		
From financial institutions - secured		
Cash finances	128,000,976	128,000,976
Murahbah finance - FNBM	23,500,000	23,500,000
Forced Demand Draft-Gas Guarantee	17,189,561	17,189,561
	168,690,537	168,690,537
From associates - unsecured		
Loan from directors	8,000,000	8,000,000
Total short term borrowings	176,690,537	176,690,537
9 PROPERTY, PLANT AND EQUIPMENT		
Opening WDV	726,695,219	761,062,187
Addition	-	-
Less: Depreciation	(24,077,828)	(34,366,968)
Book value as at	702,617,391	726,695,219
10 CORRESPONDING FIGURES		
10.1 Corresponding figures have been re-arranged, wherever necessary to the facilitation of comparison.		
10.2 Figures have been rounded off to the nearest of rupees.		
11 AUTHORIZATION FOR ISSUE		
These financial statements have been approved by the board of directors of the Company and authorized for issue on April 30, 2019.		

Lahore:

Dated: April 30, 2019

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER