SALMAN NOMAN ENTERPRISES LIMITED

Annual Report 2019

CONTENTS

COMPANY'S INFORMATION

BOARD OF DIRECTORS	MR. NOMAN ALMAS	CHIEF EXECUTIVE-EXECUTIVE DIRECTOR
	MR. ABDUL SHAKOOR	INDEPENDENT DIRECTOR
	MR. MUHAMMAD AKRAM	INDEPENDENT DIRECTOR
	MR. NAVEED AHMED	INDEPENDENT DIRECTOR
	MR. MUHAMMAD FIAZ	NON-EXECUTIVE DIRECTOR
	MR. MUHAMMAD RAMZAN	NON-EXECUTIVE DIRECTOR
	MR ZAHID ALI	NON-EXECUTIVE DIRECTOR
AUDIT COMMITTEE	MR. NAVEED AHMED	CHAIRMAN-INDEPENDENT DIRECTOR
	MR. ABDUL SHAKOOR	INDEPENDENT DIRECTOR
	MR. ZAHID ALI	NON-EXECUTIVE DIRECTOR
HUMAN RESOURCE AND REMUNERATION COMMITTEE	MR. MUHAMMAD AKRAM	CHAIRMAN-INDEPENDENT DIRECTOR
	MR. MUHAMMAD FIAZ	NON-EXECUTIVE DIRECTOR
	MR. MUHAMMAD RAMZAN	NON-EXECUTIVE DIRECTOR
COMPANY SECRETARY	MR. MUHAMMAD SAEED	
AUDITORS	KAMRAN & COMPANY CHARTERED ACCOUNTANTS	
REGISTERED OFFICE	3 – K.M. BALLOKI ROAD BHAI PHERU, DISTT. KASUR	
REGISTRAR SHARE SERVICE	CORPLINK (PVT) LIMITED. WINGS ARCADE, 1-K, COMMERCIAL, MODEL TOWN, LAHORE.	
HEAD OFFICE:	41-L GULBERG III , LAHORE – 54600 WEB SITE: www.sntextile.com E-MAIL:snel36@hotmail.com nauman@sntextile.com	
MILLS	3-KM, BALLOKI ROAD BHAI PHERU DISTT. KASUR.	

NOTICE OF MEETING

Notice is hereby given that 34th Annual General Meeting of Members of the Company will be held on Monday 28th October, 2019 at 03:30P.M. at Salman Noman Enterprises Limited, 3-K.M. Balloki Road, Bhai Pheru (Distt: Kasur) to transact the following business:-

1. Recitation from HOLY QURAAN.

2. To confirm the minutes of the Last Annual General Meeting.

3. To receive and adopt the audited accounts of the Company for the year ended June 30, 2019 together with the Directors' and Auditors Report thereon.

4. To appoint auditors and fix their remuneration for the year 2019-2020. M/s. Kamran& Company Chartered Accountants, being eligible, offer themselves for re-appointment.

5. To consider any other business with the permission of the Chief.

By Order of the Board

Lahore:
Dated: October 07, 2019

(MUHAMMAD SAEED)
Company Secretary

NOTE:

1. The Share Transfer Books of the Company will remain closed from October 23rd, 2019 to October28th, 2019 (both days inclusive).

2. A member entitled to attend and vote at this Meeting may appoint proxy. Proxies, in order to be effective must be received by the Company not less than 48 hours before the meeting.

3. Shareholders who have deposited their shares into Central Depository Company are advised to bring their National Identity Card along with their CDC account number at the meeting venue.

4. Shareholders are requested to notify the change in address, if any, immediately

Vision:

To strive for excellence through commitment, integrity, honesty and team work.

Mission:

The mission of company is to operate state of the art spinning machinery capable of producing high quality carded cotton and blended yarn for knitting and weaving.

The company will conduct its operations prudently assuring customer satisfaction and will provide profits and growth to its shareholders through:

- Providing quality products and services to our customers mainly engaged in the manufacturing of textile products.
- Manufacturing of cotton and blended yarn as per the customers' requirements and market demand.
- Exploring the global market with special emphasis on Europe, USA and Far East.
- Keeping pace with the rapidly changing technology by continuously balancing, modernization and replacement (MBR) of plant and machinery.
- Enhancing the profitability by improved efficiency and cost controls.
- Recruiting, developing, motivating and retaining the personnel having exceptional ability and dedication by providing them good working conditions, performance based compensation, attractive benefit program and opportunity for growth.
- Protecting the environment and contributing towards the economic strength of the country and function as a good corporate citizen.

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of the Company welcome you to the 34th Annual General Meeting and are pleased to present the annual report togetherwith Audited Accounts of the Company for the financial year ended June 30, 2019.

FINANCIAL HIGHLIGHTS

During the financial year under review the company remains close its operations and there is no production and sales of the company. Due to deprecation and some other expenses the Company showed a loss after tax Rs.32,203,772million for the current year where as it was Rs.171,430,829 for the last year. The Financial results are summarized hereunder:-

	2019 Rupees	2018 Rupees
SALES	---------	277,110,604
GROSS LOSS	---------	(390,555,895)
OPERATING LOSS	(32,203,772)	(124,322,563)
FINANCIAL EXPENSES	---------	(44,335,552)
TAXATION	---------	(2,772,714)
NET LOSS AFTER TAX	(32,203,772)	(171,430,829)
LOSS PER SHARES	(7.21)	(38.38)

More than 150 units have either closed their operation or they are looking to close down. The lack of support from the Government in the country along with intense competition with foreign competitors is grinding the sector from the both ends specifically the comparatively small units. The cost of production in Pakistan for an average sized textile unit is more than even the sales price offered by many other countries manufacturers. This scenario is certainly clarifying the position that in these circumstances, viability or continuance of operations is tough and those units who are still operating are mostly incurring losses.

The period under review has also been proved difficult for the textile industry of Pakistan. Severe energy crisis and financial impediments have obstructed the utilization of production capacities. The root cause for this non operation had been non availability of working capital facility, litigations with the banking companies and challenging market conditions. Fall in sale price of yarn, power and gas crisis, rate variance and other fixed production overheads have also badly affect the Company.

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.

The directors are still making a lot of efforts to start the operation and they are fully confident that they will start the operations soon.

The factory remained closed the operations and there are no permanent employee/workers. The Company is in litigation with all the banking companies as there were no such funds to pay even the mark up of the banking companies. The complete details of the litigation cases are fully disclosed in note 19 of the financial statements. However, the company istryingto make negotiation with the creditors to settle their outstanding payments.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

a). The board has arranged directors training program for Mr.Noman Almas and he got certification as Certified Director (as required by the Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan) in November, 2014 under director training program held by the University of Lahore. The training program for the remaining directors not arranged as the company close its operations for a certain period of time.

When the Company will start its operations the training program for the remaining directors will be conducted.

b). The internal audit function is no more in working as the company close its operations The board will set up an effective internal audit function as required by 5.19.21 when the operation will be started again.

c). The Audit Committee and Human Resource Committee are no more in function as all the employees left the Company.

The company closed its operations and all the employees left the company. So once the business restart than all the relevant compliances will be made.

AUDITORS

The present auditors Messer's Kamran & Company, Chartered Accountants, retire and being eligible, offer themselves for re-appointment.

PATTERN OF SHAREHOLDING

The pattern of shareholding as required by Section 227 (2)(f) of the Companies Act, 2017 and under Code of Corporate Governance is enclosed.

DISCLAIMER OPINION

The company has ceased its operations since February 2018. During the year, the Company incurred loss amounting to Rs.32.204 million (June 30, 2018: Rs.171.431 million) and accumulated losses raised to Rs.678.902 million (June 30, 2018: Rs.658.705 million) at the year end. In addition, the Company's current liabilities exceeded its current assets by Rs.838.667 million (June 30, 2018: Rs.829.047 million) at the year end. This situation may result 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.147.868 million, short term borrowing amounting to Rs.168.691 million and accrued markup Rs.134.602 million.

The Company has ceased its operation since February, 2018 and there is no sales and production during the year under review. 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.
Further refer to paragraph (b), (c), (d), (e), (f), (g), (h), (i), (j), (k), (l), (m) and (n) in the Auditor's Report.

The above refer information from Point (b) to (n) as highlighted in in the auditor's report are not provided to the auditors as all the employees left the company.

KEY OPERATING AND FINANCIAL DATA

Key operating and financial data for the preceding six years is annexed.

DIVIDEND

As the accounts shows considerable losses for the year therefore no dividend is recommended by the Board of Directors in their meeting for the year ended June 30, 2019.

STATUTORY PAYMENTS

There are no statutory payments on account of taxes, duties, levies and charges that are outstanding as on June 30, 2019 except for those disclosed in the financial statements.

For & on behalf of the Board

NAUMAN ALMAS
Chief Executive

Lahore,
Dated: October 07, 2019

حصص داران کو ڈائریکٹرز کی رپورٹ

کمپنی کے ڈائریکٹرز آپ کو چونتیسویں (34ویں) سالانہ اجلاس عام میں خوش آمدید کہتے ہیں اور 30 جون 2019ء کو اختتام پذیر مالیاتی سال کے لئے کمپنی کے پڑتال شدہ کھاتوں کے ہمراہ سالانہ رپورٹ پیش کرنے میں مسرت کا اظہار کرتے ہیں۔

مختصر مالیاتی صورت حال

زیر جائزہ مالیاتی سال کے دوران کمپنی کے آپریشنز بند رہے اور کمپنی میں کوئی پیداوار اور سیلز نہ ہوئی۔ فرسودگی اور دیگر اخراجات کی وجہ سے کمپنی نے گذشتہ برس 171,439,829 روپے کے مقابلہ میں حالیہ برس 32,203,772 ملین روپے کا خسارہ علاوہ ٹیکس درج کیا۔ مالیاتی نتائج کا خلاصہ حسب ذیل ہے:

تفصیلات	2019ء	2018ء
	(روپوں میں)	
فروخت	---	277,110,604
مجموعی نقصان	---	(390,555,895)
فعالی نقصان	(32,203,772)	(124,322,563)
مالیاتی اخراجات	---	(44,335,552)
ٹیکسیشن	---	(2,772,714)
خالص نقصان علاوہ ٹیکس	(32,203,772)	(171,430,829)
فی حصص خسارہ	(7.21)	(38.38)

150 سے زائد یونٹ یا تو بند پڑے ہیں یا غیر فعال ہیں یا وہ بند ہونے والے ہیں۔ حکومتی تعاون کے فقدان اور غیر ملکی حریفوں کے ساتھ مقابلہ کی وجہ سے یہ شعبوں دونوں اطراف سے پس رہا ہے اور چھوٹے یونٹ زیادہ متاثر ہو رہے ہیں۔ اوسط درجے کے ٹیکسٹائل یونٹ کی پاکستان میں پیداواری لاگت سیلز پرائس سے کہیں زیادہ ہے جو ملک کے دیگر صنعتکار پیش کرتے ہیں۔ یہ صورت حال یقیناً واضح کر رہی ہے کہ ان حالات میں آپریشنز کا برقرار رہنا بہت مشکل ہے اور جو یونٹس ابھی فعال ہیں انہیں خسارہ برداشت کرنا پڑ رہا ہے۔

زیر جائزہ مدت پاکستان کی ٹیکسٹائل انڈسٹری کے لئے مشکل ترین ثابت ہوئی ہے۔ توانائی کا شدید بحران اور مالیاتی مشکلات پیداواری صلاحیت کو بھرپور استعمال کرنے میں رکاوٹ پیدا کر رہی ہیں۔ اس غیر فعالی کی بنیادی وجہ ورکنگ کیپٹل کی عدم دستیابی، بینکنگ کمپنیوں کے ساتھ قانونی جنگ اور مارکیٹ کی ابتر صورت حال ہے۔ سوت کی قیمت میں کمی، بجلی و گیس کا بحران، شرح میں تغیر اور دیگر مستقل پیداواری خساروں نے کمپنی کو بری طرح متاثر کیا۔

بینکنگ کمپنیوں کے ساتھ معاملات عدالتوں میں زیر التوا ہیں اور کمپنی کے پاس کوئی کریڈٹ لائن دستیاب نہیں ہے۔

ڈائریکٹرز آپریشنز کا دوبارہ آغاز کرنے کے لئے بھرپور کوششیں کر رہے ہیں اور وہ پر امید ہیں کہ وہ آپریشنز کا فوری آغاز کر لیں گے۔

فیکٹری کے آپریشنز کلی طور پر بند تھے اور فیکٹری میں کوئی مستقل ملازم/ ورکرنہ ہیں۔ کمپنی تمام بینک کمپنیوں کے ساتھ عدالتی جنگ میں ہے کیونکہ کمپنی کے پاس بینکنگ کمپنیوں کو مارک اپ کی ادائیگی کے لئے بھی رقم موجود نہ ہے۔ زیر التوا مقدامات کی مکمل تفصیلات مالیاتی اسٹیٹمنٹس کے نوٹ 19 میں بیان کی گئی ہیں۔ تاہم، کمپنی واجبات کی ادائیگی کے لئے قرض خواہان کے ساتھ مذاکرات کر رہی ہے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل

(a) بورڈ نے سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ کوڈ آف کارپوریٹ گورننس کے تحت نومبر 2014ء میں محترم نعمان الماس کے لئے ڈائریکٹرز ٹریننگ پروگرام مرتب کیا اور انہیں مصدقہ ڈائریکٹر کی سند دی گئی۔ یہ ٹریننگ پروگرام یونیورسٹی آف لاہور کی زیر نگرانی منعقد ہوا تھا۔ بقیہ ڈائریکٹرز کے لئے ٹریننگ پروگرام کا انتظام نہ کیا گیا کیونکہ کمپنی نے غیر معینہ مدت کے لئے اپنے آپریشنز بند کر دیئے تھے۔ جب کمپنی اپنے آپریشنز کا آغاز کرے گی تو بقیہ ڈائریکٹرز کے لئے بھی ٹریننگ پروگرام طے کیا جائے گا۔

(b) داخلی آڈٹ فنکشن ابھی فعال نہ ہے کیونکہ کمپنی نے اپنے آپریشنز بند کر دیئے ہیں۔ بورڈ حسب ضرورت 5.19.21 کو مؤثر داخلی آڈٹ فنکشن کا آغاز کر دے گا اور یہ آپریشنز کے دوبارہ آغاز سے مشروط ہے۔

(c) آڈٹ کمیٹی اور ہیومن ریسورس کمیٹی اس وقت فعال نہیں ہے کیونکہ کمپنی کے تمام ملازمین فارغ ہو چکے ہیں۔

کمپنی نے اپنے آپریشنز بند کر دیئے ہیں اور تمام ملازمین کمپنی سے فارغ ہو چکے ہیں۔ لہٰذا جونہی کاروبار کا دوبارہ آغاز ہوگا تمام متعلقہ احکامات کی پیروی کی جائے گی۔

آڈیٹرز

میسرز کامران اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو چکے ہیں اور اہل ہونے پر اپنی دوبارہ تقرری کی پیشکش کرتے ہیں۔

شیئر ہولڈنگ کی وضع

کمپنیز ایکٹ 2017ء کے سیکشن (f)(2)227 اور کوڈ آف کارپوریٹ گورننس کے تحت شیئر ہولڈنگ کی وضع ساتھ منسلک ہے۔

رائے دستبرداری

کمپنی نے فروری 2018ء سے اپنے آپریشنز بند کر دیئے ہیں۔ سال بھر میں، کمپنی کو 32.204 ملین روپے نقصان کا سامنا کرنا پڑا (30 جون 2018ء: 171.431 ملین روپے) اور سال کے اختتام پر مجموعی خسارہ 678.902 ملین روپے (30 جون 2018ء: 658.705 ملین روپے) تک پہنچ گیا۔ مزید یہ کہ کمپنی کے حالیہ واجبات حالیہ اثاثہ جات سے 838.667 ملین روپے بڑھ چکے ہیں (30 جون 2018ء: 829.047 ملین روپے)۔ اس صورت حال میں کمپنی کو شدید لیکویڈیٹی بحران کا سامنا کرنا پڑ سکتا ہے اور کمپنی قرض

معاہدہ پر عمل درآمد میں ناکام ہو جائے گی اور مالیاتی اداروں سے حاصل کردہ 147.868 ملین روپے کے طویل مدتی قرضہ جات اور 168.691 ملین روپے کے قلیل مدت قرضہ جات کی ادائیگی میں ناکام ہو جائے گی۔ان قرضوں پر مارک اپ 134.602 ملین روپے ہے۔

کمپنی نے فروری 2018ء سے اپنے آپریشنز بند کردیئے ہیں اور زیر جائزہ سال کے دوران کمپنی کی پیداوار اور سیلز میں کوئی تحریک نہ ہے۔یہ حالات اور ابتر بنیادی مالی تناسب مادی غیر یقینی کی صورت حال کا اشارہ دیتے ہیں جس کی وجہ سے کمپنی کی کاروبار جاری رکھنے کی صلاحیت پر شکوک وشبہات پیدا ہوتے ہیں۔لہذا کمپنی اپنے اثاثہ جات اور واجبات میں توازن قائم نہ کر پائے گی۔

آڈیٹرز رپورٹ کے پیراگراف (b)،(c)،(d)،(e)،(f)،(g)،(h)،(i)،(j)،(k)،(l)،(m) اور (n) کا مطالعہ کریں۔

آڈیٹرز رپورٹ میں مذکورہ بالا نقاط (b) سے (n) تک معلومات آڈیٹرز کو فراہم کردی گئی ہیں کیونکہ کمپنی کے ملازمین فارغ ہو چکے ہیں۔

بنیادی فعالی اور مالیاتی اعدادوشمار

گذشتہ چھے برس کے بنیادی فعالی اور مالیاتی اعدادوشمار ساتھ منسلک ہیں۔

منافع منقسمہ

زیر جائزہ سال کے لئے چونکہ کھاتے نمایاں خسارہ ظاہر کررہے ہیں لہذا بورڈ آف ڈائریکٹرز نے اپنے اجلاس میں 30 جون 2019ء کو اختتام پذیر سال کے لئے منافع منقسمہ کی سفارش نہ کی ہے۔

قانونی/لازمی ادائیگیاں

30 جون 2019ء تک ٹیکسز، لیوی اور جرمانہ کی مد میں کسی بھی قسم کی لازمی/قانونی ادائیگی واجب الادا نہ ہے ماسوائے ان کے جنہیں مالیاتی اسٹیٹمنٹس میں بیان کیا گیا ہے۔

برائے/منجانب بورڈ

نعمان الماس

چیف ایگزیکٹو

لاہور

مؤرخہ: 07 اکتوبر 2019ء

KEY OPERATING AND FINANCIAL DATA OF LAST SIX YEARS:

Description	2019	2018	2017	2016	2015	2014
	---Rupees---					
Earning and Distribution						
Sale-net	-	277,110,604	597,279,585	1,129,820,767	1,266,758,386	1,447,051,095
Profit / (loss) before Tax	(32,203,772)	(168,658,115)	(160,932,575)	(245,286,740)	(187,698,407)	(52,071,074)
Tax	-	(2,772,714)	7,822,472	61,810,085	62,227,639	4,546,793
Net Earning / (loss)	(32,203,772)	(171,430,829)	(153,110,103)	(183,476,655)	(125,470,768)	(47,524,281)
Dividend	-	-	-	-	-	-
Retained (used) in Business	(32,203,772)	(171,430,829)	(153,110,103)	(183,476,655)	(125,470,768)	(47,524,281)
Net Earning / (loss) per share	(7.21)	(38.38)	(34.28)	(41.07)	(28.09)	(10.64)
Dividend declared per share	-	-	-	-	-	-
Break up value per share	(71.57)	(64.36)	(25.98)	7.36	48.60	63.13
Financial Position						
Share Capital	44,670,360	44,670,360	44,670,360	44,670,360	44,670,360	44,670,360
Accumulated Profit / (loss)	(678,902,552)	(658,890,660)	(499,445,440)	(363,511,942)	(192,963,611)	(79,509,328)
Surplus on revaluation of fixed Assets	314,528,970	326,720,850	338,706,459	351,704,020	365,385,664	316,841,519
	(319,703,222)	(287,499,450)	(116,068,621)	32,862,438	217,092,413	282,002,551
Long term loans & deferred liabilities	192,093,954	201,614,275	226,269,072	333,352,886	431,365,267	455,989,904
Total Capital Employed	(127,609,268)	(85,885,175)	110,200,451	366,215,325	648,457,680	737,992,455
Represented						
Fixed Assets	694,591,448	726,695,219	761,062,187	796,071,755	827,231,473	788,647,359
Long term Deposit	16,467,060	16,467,060	16,467,060	7,029,480	7,029,480	7,119,480
Net Current Assets / (Current Liabilities)	(838,667,776)	(829,047,454)	(667,328,796)	(436,885,911)	(185,803,273)	(57,774,384)

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:

Sr.No	Category	Gender	Total
(i)	Independent Director	Male	3
(ii)	Executive Director	Male	1
(iii)	Non-Executive Director	Male	3

2. The composition of board is as follows:

Category	Names
Independent Director	Mr.Abdul Shakoor, Mr.Muhammad Akram, Mr. Naveed Ahmed
Executive Director	Mr.Noman Almas
Non-Executive Director	Mr. Muhammad Fiaz, Mr.Muhammad Ramzan, Mr.Zahid Ali

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).

4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

8. The board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. The board has arranged directors training program for Mr. Noman Almas and he got certification as Certified Director (as required by the Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan) in November, 2014 under director training program held by the University of Lahore.

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. CFO and CEO duly endorsed the financial statements before approval of the board.

12. Audit Committee

The board has formed an Audit Committee. It comprises **three** members, of whom **two** are independent directors and one is Non-Executive director. The chairman of the committee is an independent director.

meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the Code of Corporate Governance. The terms of reference of the committee have been formed and advised to the committee for compliance

The board has formed committees comprising of members given below:

Name	Category
Mr. Naveed Ahmed	Chairman-Independent director
Mr. Abdul Shakoor	Independent director
Mr. Zahid Ali	Non-Executive Director

a) HR and Remuneration Committee
The board has formed an HR and Remuneration Committee. It comprises three members, of whom two are non-executive directors and the chairman of the committee is an independent director.
The board has formed committees comprising of members given below:

Name	Category
Mr. Muhammad Akram	Chairman-Independent director
Mr. Muhammad Fiaz	Non-Executive Director
Mr. Muhammad Ramzan	Non-Executive Director

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:
    a) Audit Committee 05
    b) HR and Remuneration Committee 05
15. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations have been complied with.

For and On Behalf of Board of Directors.

Lahore:
Dated: October 07, 2019

Muhammad Fiaz
Chairman

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
SALMAN NOMAN ENTERPRISES LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of **SALMAN NOMAN ENTERPRISES LIMITED** (the Company) for the year ended June 30, 2019 in accordance with the requirements of regulation 40 ofthe Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents preparedby the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting andinternal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only requiredand have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Because of the limitation of scope as highlighted in paragraph below, we do not express any conclusion on the annexed statement of compliance.

(a) Management has not provided us the documents for review, as prepared by the Company to comply with the Regulations consequently, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for conclusion on statement of compliance.

We have also expressed disclaim of opinion in our audit report to the financial statements for the year ended 30 June 2019.

KAMRAN & CO **LAHORE**
CHARTERED ACCOUNTANTS **07th OCTOBER 2019 ENGAGEMENT**
PARTNER: KAMIL FATAH (FCA)

Independent auditor's report to the members of
Salman Noman Enterprises Limited
Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the annexed financial statements of Salman Noman Enterprises Limited (the Company), which comprise the statements of financial position as at June 30, 2019, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

We do not express an opinion on the accompanying financial statements of the company. Because of significance of matters described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Basis for Disclaimer of Opinion

a) As reported in note 1.1 of these financial statements, the Company has ceased its operations since February 2018. During the year, the Company incurred loss amounting to Rs.32.204 million (June 30, 2018: Rs.171.431 0 million) and accumulated losses raised to Rs.678.903 million (June 30, 2018: Rs.658.70 million) at the year end. In addition, the Company's current liabilities exceeded its current assets by Rs.838.668 million (June 30, 2018: Rs.829.047 million) at the year end. This situation may result 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.**147.868** million, short term borrowing amounting to Rs.168.691 million and accrued mark-up Rs.134.602 million. 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. However, these financial statements have been prepared on going concern assumption, but management has not prepared and provided to us any cash flow projections and future plans for revival of its operations.

b) We could not verify the existence of property, plant and equipment amounting to Rs.**318.017** million as at June 30,2019 as no data and records were provided for our verification. These also could not be verified through other corroborative audit evidences.;

c) Revaluation of free hold land, building and plant and machinery has not been carried out with sufficient regularity as required under paragraph 34 of IAS 16 “Property, Plant and Equipment”.As per the Company's adopted practice, revaluation was due in current year. We remain unable to determine whether any adjustment is necessary in carrying value of these assets on account of revaluation deficit/surplus;

d) Management has not provided to us the data and records for verification of 'Long term deposits' having reported carrying value of Rs.16.467 million. We remain unable to verify these balances by applying other alternate audit procedures as the information was not provided to us. Consequently, we were unable to determine whether any adjustments to these amounts were necessary;

e) We have not been able to observe the physical stock taking of inventories as at June 30, 2019 and no data and records were provided to us for verification. We were unable to obtain sufficient appropriate audit evidence about existence, physical condition and reported carrying values of 'Stores Spare Parts & Loose tools' and 'Stock in Trade' amounting to Rs.30.453 million and Rs.90.012 million respectively. We remain unable to verify these balances by applying other alternate audit procedures as the information was no provided to us. Consequently, we were unable to determine whether any adjustments to these amounts were necessary;

f) Management has not provided to us the data and records for verification of 'Trade debts' and 'Trade Creditors' having reported carrying value of Rs.2.448 million and Rs.219.165 million respectively. We have not been able to circulate letter for external confirmations to customers and suppliers because we were not provided with the relevant details. We remain unable to verify these balances by applying other alternate audit procedure as the information was not provided to us. Consequently, we were unable to determine whether any adjustments to these amounts were necessary;

g) Management has not provided to us the data and records for verification of 'Trade depo6its and short term prepayments, Tax refunds due from Government, withholding tax payable and Provision for taxation' having reported carrying value of Rs.1.850 million, Rs.35.269 million Rs.25.846 million and Rs.10.652 million respectively. We remain unable to verify these balances by applying other alternate audit procedures as the information was not provided to us. Consequently, we were unable to determine whether any adjustments to these amounts were necessary;

h) Management has not provided to us the records and bank statements for verification of Long term financing from banking companies amounting to Rs.149.511 million, liabilities against assets subject to finance lease amounting to Rs.81.855 million, long term financing from directors and others amounting to Rs.138.683 million, long term loans from others amounting to Rs.49.658 million, short term borrowings amounting to Rs.176.690 million, foreign bills payable amounting to Rs.67.148 million, accrued mark-up/ interest on these financing arrangements amounting to Rs.134.601 million and cash at bank amounting to Rs.0.252 million. We have not been able to circulate letter for external confirmations to banks, directors and others because we were not provided with the relevant details. We remain unable to verify these balances by applying other alternate audit procedures as the information was not provided to us. Consequently, we were unable to determine whether any adjustments to these amounts were necessary;

i) Management has not provided to us the data and records for verification of Surplus On Revaluation on property, plant and equipment having reported carrying value of Rs.326.535 million. We remain unable to verify these balances by applying other alternate audit procedures as the information was not provided to us. Consequently, we were unable to determine whether any adjustments to these amounts were necessary;

j) Management has not provided to us the data and records for verification of deferred liabilities having carrying value of Rs.4.074 million and other current liabilities having carrying values of Rs.445.319 million. We remain unable to verify these balances by applying other alternate audit procedures as the information was not provided to us. Consequently, we were unable to determine whether any adjustments to these amounts were necessary;

k) We have not been able to circulate letter for external confirmations to Legal Advisor because we were not provided with the relevant details. We were unable to determine the impact of expected outcome of outstanding litigations on these financial statements because we were not allowed to communicate with legal advisor of the company;

l) These financial statements have not been prepared in accordance with the requirements of Companies Act, 2017 and disclosure requirements of Fourth Schedule of Companies Act, 2017 are not complied with;

m) We have not been able to verify to all supplementary information given in the notes to the financial statements because management has not provided us the relevant records and;

n) The Company's accounting policy on revaluation surplus on property plant and equipment and related disclosures are not in accordance with the requirements of International Accounting Standard (IAS-1 6) “Property Plant and Equipment”.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 201 7(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the company's financial statements in accordance with International Standards on Auditing as applicable in Pakistan and to issue an auditor's report. However, because of matters described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the company in accordance with the ethical requirement that are relevant to our audit of financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Report on Other Legal and Regulatory Requirements

We further report that because of non-availability of relevant records, we do not express any opinion as to whether:

a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
b) The statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The financial statements of the Company as of June 30, 2018 were audited by another firm of Chartered Accountants, whose report dated 06 October 2018, expressed disclaim of opinion on those statements.

The engagement partner on the audit resulting in this independent auditor's report is Kamil Fatah, FCA.

YOURS FAITHFULLY,

KAMRAN & CO
CHARTERED ACCOUNTANTS

LAHORE
07th OCTOBER 2019

BALANCE SHEET
AS AT JUNE 30, 2019

EQUITY AND LIABILITIES	Note	2019	2018
		------------- Rupees -------------	
Share capital and reserves			
Share capital	7	**44,670,360**	44,670,360
Accumulated loss		**(678,902,552)**	(658,704,981)
Surplus on revaluation of property, plant and equipment	8	**314,528,970**	326,535,171
		(319,703,222)	(287,499,450)
Non-current liabilities			
Long-term finances from financial institutions	9	**48,505,746**	48,505,746
Liabilities against assets subject to finance lease	10	**829,971**	10,350,292
Long-term finances from related parties	11	**138,683,905**	138,683,905
Deferred liabilities	12	**4,074,332**	4,074,332
Long term loans from others	13	**-**	-
		192,093,954	201,614,275
Current liabilities			
Trade and other payables	14	**445,319,693**	445,219,693
Mark-up accrued on borrowings	15	**134,601,511**	134,601,511
Short-term borrowings from financial institutions	16	**168,690,537**	168,690,537
Short-term borrowings from related parties	17	**8,000,000**	8,000,000
Current portion of long-term finances	18	**231,689,938**	222,169,617
Provision for taxation		**10,652,251**	10,652,251
		998,953,930	989,333,609
Contingencies and commitments	19	**-**	-
		871,344,663	903,448,435

The annexed notes from 1 to 44 form an integral part of these financial statements.

CHIEF EXECUTIVE

BALANCE SHEET
AS AT JUNE 30, 2019

ASSETS	Note	2019	2018
		------------- Rupees -------------	
Non-current assets			
Property, plant and equipment	20	694,591,448	726,695,220
Long-term deposits	21	16,467,060	16,467,060
		711,058,508	743,162,280
Current assets			
Stores, spare parts and loose tools	22	30,453,008	30,453,008
Stock in trade	23	90,012,572	90,012,572
Trade debts	24	2,448,541	2,448,541
Trade deposits and prepayments	25	1,850,000	1,850,000
Balances due from government	26	35,269,523	35,269,523
Cash and bank balances	27	252,511	252,511
		160,286,155	160,286,155
		871,344,663	903,448,435

The annexed notes from 1 to 44 form an integral part of these financial statements.

DIRECTOR **CHIEF FINANCIAL OFFICER**

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		------------- Rupees -------------	
Sales - net	28	-	277,110,604
Cost of sales	29	-	390,555,895
			(113,445,291)
Distribution cost	30	-	38,219
Administrative and general expenses	31	32,203,772	10,831,553
Other operating expenses	32	-	7,500
Finance cost	33	-	44,335,552
		32,203,772	55,212,824
Profit / (Loss) before taxation		(32,203,772)	(168,658,115)
Taxation	34	-	(2,772,714)
Loss after taxation		(32,203,772)	(171,430,829)
		(Rupees)	(Rupees)
Loss per share (basic and anti-dilutive)	35	(7.21)	(38.38)

The annexed notes from 1 to 44 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		------------- Rupees -------------	
Loss for the year		(32,203,772)	(171,430,829)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(32,203,772)	(171,430,829)

The annexed notes from 1 to 44 form an integral part of these financial statements.

CHIEF EXECUTIVE　　DIRECTOR　　CHIEF FINANCIAL OFFICER

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		------------- Rupees -------------	
A Cash flow from operating activities			
Loss before taxation		**(32,203,772)**	(168,658,115)
Add / (Less): Adjustment for non-cash items:			
Depreciation on property, plant and equipment	**20.3**	**32,103,772**	34,366,968
Finance cost	**33**	**-**	44,335,552
		32,103,772	78,702,520
Operating (loss) before working capital changes		**(100,000)**	(89,955,595)
Working capital changes			
(Increase) / Decrease in current assets			
Stores, spare parts and loose tools		**-**	12,160,718
Stock in trade		**-**	61,667,067
Trade debts		**-**	2,042,833
Loans and advances		**-**	11,780,811
Trade deposits and prepayments		**-**	2,282,519
Balances due from government		**-**	(453,398)
(Decrease) / increase in trade and other payables		**100,000**	(12,647,958)
		100,000	76,832,592
Net cash generated from operations		**-**	(13,123,002)
Income taxes paid		**-**	533,884
Staff retirment benefits		**-**	(11,400)
Finance cost paid		**-**	(25,410)
Net cash used in operating activities		**-**	(12,625,927)
B Cash flow from investing activities			
Sale of fixed assets		**-**	-
Long-term deposits		**-**	-
Net cash in flow in investing activities		**-**	-
C Cash flow from financing activities			
Short term borrowings from associated undertakings		**-**	(1,466,738)
Net cash (out) flow in financing activities		**-**	(1,466,738)
Net (decrease) in cash and cash equivalents (A+B+C)		**-**	(14,092,666)
Cash and cash equivalents at beginning of the year	**27**	**252,511**	14,345,177
Cash and cash equivalents at end of the year	**27**	**252,511**	252,511

The annexed notes from 1 to 44 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR** **CHIEF FINANCIAL OFFICER**

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2019

	Share Capital	Accumulated loss	Revaluation surplus on property, plant and equipment	Total Equity
	----------	---------- Rupees	----------	----------
As at 30 June 2017	**44,670,360**	**(499,445,440)**	**338,706,459**	**(116,068,621)**
Total comprehensive loss for the year	-	(171,430,829)	-	(171,430,829)
Incremental depreciation on revaluation of property, plant and equipment for the year	-	12,171,288	(12,171,288)	-
As at 30 June 2018	**44,670,360**	**(658,704,981)**	**326,535,171**	**(287,499,450)**
Total comprehensive loss for the year	-	(32,203,772)	-	(32,203,772)
Incremental depreciation on revaluation of property, plant and equipment for the year	-	12,006,201	(12,006,201)	-
As at 30 June 2019	**44,670,360**	**(678,902,552)**	**314,528,970**	**(319,703,222)**

The annexed notes from 1 to 44 form an integral part of these financial statements.

CHIEF EXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

1 STATUS AND ACTIVITIES

Salman Noman Enterprises Limited ('the Company') is a public limited company incorporated under the Companies Ordinance, 1984 (now Companies Act, 2017) and listed at Pakistani Stock Exchange (formerly Karachi and Lahore Stock Exchanges). The registered office of the Company is situated at 03 Kilometer Bhai Pheru, Tehsil Chunian, District Kasur. The Company was engaged in manufacturing and sale of yarn. The Company had ceased its operations since February 2018.

1.1 Going concern assumption

The Company incurred a net loss of Rs. 32.204 million (2018: Rs. 171.43 million) resulting in accumulated losses of Rs. 678.90 million at the close of the year ended 30 June 2019. The Company's current liabilities exceed its current assets by Rs. 838.67 million (2018: Rs. 829.05 million).

These conditions along with adverse key financial ratios, the Company's inability to comply with loan agreements and inability to pay long-term financing on due dates indicate the existence of a material uncertainty which may cast a significant doubt about the Company's ability to continue as a going concern and therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. These financial statements, however, have been prepared under the going concern assumptions based on the following mitigating factors:

a) It has been another tough year for textile industry. The Company has ceased its operations since February 2018. We suffered heavy losses not only due to market conditions and also due to shutdown of mill.

b) We are planning to run our new frames with our full production capacity to get maximum production. We will not use old machines which consumes more man power and electricity and produce less comparatively.

c) Overall season of cotton is very good this year. We are expecting record cotton production in this season, which is good news for textile sector. It will help our industry to run on its own available cotton rather than to import at higher rates from abroad.

d) We are planning to produce more specialized yarn which will help us to have more profitability.

e) We are also hopeful that next financial year will be better not only for us but for overall textile sector as the Government is planning to revive this sector by making reforms in this sector.

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

2 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS OCCURED DURING THE YEAR

There is no significant transaction or event occurred during the year.

3 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) 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 IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

4 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

4.1 Initial application of International Financial Reporting Standards (IFRSs), interpretations and amendments to published approved accounting standards that are effective in the current year

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company’s annual accounting period which began on 1 July 2018. However, these do not have any significant impact on the Company’s financial reporting and, therefore, have not been detailed in these financial statements.

In addition to the above, the following two new standards have become applicable to the Company effective 1 July 2018:

IFRS 9	Financial Instruments	This standard replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. It also includes an expected credit losses model that replaces IAS 39 incurred loss impairment model. On 1 July 2018 (the date of initial application of IFRS 9), the Company’s management has assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories (i.e. mainly financial assets previously classified as ‘loans and receivables’ have now been classified as ‘amortised cost’).
IFRS 15	Revenue from Contracts with Customers	This standard introduces a single five-step model for revenue recognition with a comprehensive framework based on core principle that an entity should recognise revenue representing the transfer of promised goods or services under separate performance obligations under the contract to customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

The changes laid down by these standards do not have any significant impact on these financial statements of the Company. However, related changes to the accounting policies have been made in these financial statements.

4.2 International Financial Reporting Standards (IFRSs), interpretations and amendments that are effective in current year but are not relevant

Other amendments to the standards and new interpretations that are mandatory for accounting periods beginning on or after 1
2018 but are considered not to be relevant or do not have effect on the and therefore

July any significant Company's operations
not detailed in these financial statements.

4.3 IFRSs, IFRIC interpretations and accounting standards not yet effective and have not been early adopted by the Company

Additionally there is another new standard, certain amendments and an interpretation to the approved accounting and reporting standards that will be mandatory for the Company’s annual accounting periods beginning on or after 1 July 2019. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements.

5 **BASIS OF PREPARATION**

5.1 **Measurement**

These financial statements have been prepared under historical cost convention modified by:

- financial instruments at fair value;
- employee retirement benefits at present value; and
- revaluation of certain items of property, plant and equipment.

5.2 **Significant accounting judgments and estimates**

The preparation of financial statements in conformity with the accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the process of applying the Company's accounting policies, the management has made the following estimates and judgments which are significant to the financial statements:

a) Depreciation method, rates and useful lives of property, plant and equipment
b) Revaluation of property, plant and equipment
c) Employee benefits
d) Recoverable amount of assets/cash generating units and impairment
e) Taxation f) Provisions g) Contingencies

5.3 **Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees, which is Company's functional and presentation currency.

6 **SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies below had been adopted in preparation of these financial statements:

6.1 **Property, plant and equipment**

Property, plant and equipment except freehold land is stated at cost / revalued amounts (if any) less accumulated depreciation and impairment in value, if any. Freehold land is stated at revalued amount. Capital work in progress and stores held for capital expenditure are stated at cost less accumulated impairment losses, if any. Cost also includes borrowing costs wherever applicable.

When parts of an item of property, plant and equipment have different useful lives, they are recognized as separate items of property, plant and equipment. Subsequent costs are recognized as a part of asset, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the income during the period in which they are incurred.

Depreciation is charged to profit and loss account applying the reducing balance method over its estimated useful life at the rates specified in note 18 to the financial statements. Depreciation on additions to property, plant and equipment is charged from the month in which they are available for use while no depreciation is charged for the whole year in which property, plant and equipment purchased, and no depreciation in the year in which it is disposed off. The useful lives and depreciation methods are reviewed on periodic intervals to ensure that the methods and period of depreciation charged during the year are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

Gains or losses on disposal of property, plant and equipment, if any, are recognized in the income of the relevant year, as and when incurred. All expenditures connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to specific assets as and when these assets are available for use.

6.2 Surplus on revaluation of fixed assets

A revaluation surplus is recorded in other comprehensive income (OCI) and credited to the asset revaluation surplus in equity. However, the increase is recorded in the statement of profit or loss to the extent it reverses a revaluation deficit of the same asset previously. A decrease as a result of revaluation is recognised in the statement of profit or loss however, a decrease is recorded in statement of other comprehensive income to the extent of any credit balance entry in revaluation surplus in respect of same assets. An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and the depreciation based on assets original cost.

6.3 Employee retirement benefits (gratuity)

The Company was operating an unfunded and unapproved gratuity scheme (defined benefit plan) for all its permanent employees who have attained the minimum qualifying period for entitlement to the gratuity.
As the company has ceased its operations and accordingly, the company has stop providing for employee retirment benefits and amount no longer payable to employees had been written back. Hence, had not provided additional disclosures required under IAS 19.

6.4 Taxation

Income tax expense comprise current and deferred tax. Income tax is recognized in profit and loss account except to the extent that it relates to items recognized directly in 'profit and loss account / statement of comprehansive income' or 'equity', in which case it is recognized in ' statement of profit or loss and other comprehensive comprehensive income' or 'equity'.

Current

Provision for current taxation is the amount computed on taxable income at the current rates of taxation or alternative corporate tax computed on accounting income or minimum tax on turnover, whichever is higher, and taxes paid / payable on final tax basis, after taking into account tax credit available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from the assessments made / finalized during the year.

Deferred

As the Company has ceased its operations during the year, hence the Company has not provided any further charge of deferred tax except the deferred tax liability over revaluation surplus created over assets of the Company in their financial statements. The charge of deferred tax will be eliminated at the time of the actual adjustment of total income tax liability of the Company.

6.5 Borrowings and borrowing costs

Loans and borrowings are recorded at the proceeds received. Financial charges are accounted for on an accrual basis and are included in markup accrued on loans and other payables to the extent of amount remaining unpaid.

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent the borrowings costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs are capitalized as part of the cost of that asset up to the date of its commissioning.

6.6 Financial Instruments

Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss'. A financial liability is classified as at fair value through profit or loss if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

6.10 Stock-in-trade

Basis of valuations are as follows:

Particulars	*Mode of Valuation*
Raw material - at warehouse	at lower of weighted average cost and net realizable value
- in transit	at cost accumulated to the balance sheet date
Work-in-process	at estimated manufacturing cost
Finished goods	at lower of cost and net realizable value
Waste	at realizable value

Cost in relation to work-in-process and finished goods represents average manufacturing cost which consists of prime cost and proportion of manufacturing overheads based on normal capacity. Net realizable value signifies selling price in ordinary course of business less estimated costs of completion and estimated cost necessary to make the sale.

6.11 Cash and cash equivalents

Cash and cash equivalents are carried in the financial position at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and balances with banks and short-term deposits which are held to maturity.

6.12 Trade debts and other receivables

Trade debts and other receivables are recognized and carried at original invoice amount less an estimated allowance made for doubtful receivables based on review of outstanding amounts at the year end. A provision for impairment of trade debts and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. Debts, considered irrecoverable, are written off, as and when identified.

6.13 Impairment

a) Financial assets

The Company recognizes loss allowances for expected credit losses in respect of financial assets measured at amortized cost. The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured at 12 months expected credit loss:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime expected credit losses are the losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion of losses that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

b) ***Non-financial assets***

The carrying amount of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such evidence exists, the asset's or group of assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of value in use and fair value less cost to sell. Impairment losses are recognized in the statement of profit or loss.

6.14 Provisions

A provisions is recognized in the balance sheet when the company has a legal or constructive obligation as a result of past event, and it is probable that an out flow of resource embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

6.15 Revenue recognition

Revenue is recognised when or as performance obligations are satisfied by transferring control of a promised goods or service to a customer, and control either transfers over time or at a point in time. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates and government levies.

6.16 Related party transactions

Related party transactions are carried out on an arm’s length basis. Pricing for these transactions are determined on the basis of comparable uncontrolled price method, which sets the price by reference to comparable goods and services sold in an economically comparable market to a buyer unrelated to the seller. The accounting methods adopted for various types of transactions and balances with related parties are as follows:

a) ***Sale of goods and services***

Revenue from sale of goods and services to related parties is recognized in accordance with the revenue recognition policy of the Company for such transactions. Receivables against sale of goods outstanding at the reporting date are carried at amortized cost in accordance with the accounting policy of the Company for such balances.

b) ***Purchases of goods and services***

Purchases of goods from related parties are recognized at actual cost to the Company. Payables against purchases from related parties outstanding at the reporting date are carried at amortized cost in accordance with the accounting policy of the Company for such balances.

c) ***Dividend distribution***

Distribution to related parties having shareholding in the Company is recognized in accordance with the accounting policy of the Company for dividend distribution to ordinary shareholders.

6.17 Determination of fair value

A number of Company's accounting policies require determination of fair value, for both financial and non-financial assets and liabilities. Fair values of assets and liabilities is determined as follows:

a) ***Trade and other receivables***

The fair value of trade and other receivables is estimated as the present value of future net cash in flows, discounted at the market rate of interest at the reporting date.

b) ***Trade and other payables***

The fair value of trade and other payables is estimated as the present value of future net cash out flows, discounted at the market rate of interest at the reporting date.

c) ***Borrowings***

The fair value of borrowings is determined using effective interest method.

6.18 Figures

Figures have been rounded off to the nearest of rupee.

		2019	2018	2019	2018
		------------- Number of shares	-------------	------------- Rupees	-------------
7	**SHARE CAPITAL**				
	Authorized capital				
	Ordinary shares of Rs. 10 each	**10,000,000**	10,000,000	**100,000,000**	100,000,000
	Issued subscribed and paid up capital				
	Ordinary shares of Rs. 10 each				
	- fully paid in cash	**4,467,036**	4,467,036	**44,670,360**	44,670,360

7.1 The shareholders' are entitled to receive all distributed to them including dividend and other entitlements in the form of bonus shares and right shares as and when declared by the Company. All shares carry "one vote" per share without restriction.

7.2 There is no movement in share capital during the year:

			2019	2018
			------------- Rupees	-------------
8	**SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT**			
	Surplus on revaluation of property, plant and equipment	- note 8.1	**314,528,970**	326,535,171
			314,528,970	326,535,171
8.1	**Company's own assets - net of deferred tax**			
	At the beginning of the year		**426,904,199**	444,543,747
	Transfer to unappropriated profit in respect of:			
	- Incremental depreciation on revalued assets		**12,006,201**	12,171,288
	- Related deffered tax liability		**-**	5,468,260
			12,006,201	17,639,548
			414,897,998	426,904,199
	Related deferred tax liabilities:			
	- At beginning of the year		**100,369,028**	105,837,288
	- Incremental depreciation on revalued assets		**-**	(5,468,260)
			100,369,028	100,369,028
			314,528,970	326,535,171

9 LONG-TERM FINANCES FROM FINANCIAL INSTITUTIONS

Mark-up bearing secured finances from financial statements

		2019	2018
Soneri Bank Limited	- note 9.1	**122,353,746**	122,353,746
National Bank of Pakistan	- note 9.2	**27,158,199**	27,158,199
		149,511,945	149,511,945
Less: Long-term finances transferred to current liabilities			
Current Maturity			
Overdue portion of long-term finances		**101,006,199**	101,006,199
		101,006,199	101,006,199
		48,505,746	48,505,746

The detail description with terms of finances with each financial institution is as under -

Description	*Interest*	*Other terms and conditions* Security	*Other terms and conditions* Arrangements and repayments	2019	2018
				Rupees	
Soneri Bank Limited	1 month kibor + 2.00% (2018: 1 month kibor + 2.00%)	The loan is secured against joint pari passu charges of Rs. 485,666,667 (Soneri Bank Limited share of Rs. 164,000,000) on all the present and future fixed assets (both movabale and immovable) of the Company, Equitable mortgage with legal mortgage on House no. 41, Block-L, Gulberg-III, Lahore in the name of Mr. Noman Almas valuing Rs. 55,000,000 and personal guarantee of sponsoring directors.	This term finance was obtained to pay off import bills of the Company related to BMRE. The Company has made down payment of Rs. 2.00 million and remaining outstanding amount will be repayable in 12 equal installments of Rs. 1.5 million and 96 equal monthly installments of Rs. 0.896 nillion along with markup due from the month of March 2014.	**85,095,606**	85,095,606
			Term Finance 2 (frozen mark-up) which stands overdue and was payable in seventy five (75) equal monthly installments commenced from January 2016.	**37,258,140**	37,258,140
National Bank of Pakistan	3 months kibor + 2.50% (2018: 3 month kibor + 2.50%)	The facility is secured against first joint pari passu charge of Rs. 135 million on fixed assets of the Company and personal guarantee of the sponsoring directors of the Company.	This demand finance obtained for import/inland letter of credit of 90 days. The loan is repayable in 12 equal quaterly installments of Rs. 4.426 million each (started from June 30, 2013).	**22,126,199**	22,126,199
			Demand Finance 2 (frozen mark-up) which stands overdue and was payable in ten (10) equal monthly installments commenced from December 2013.	**5,032,000**	5,032,000
				149,511,945	149,511,945

		2019	2018
		Rupees	
9.1	**Soneri Bank Limited**		
	Term Finance - I	**85,095,606**	85,095,606
	Term Finance - II (Frozen Mark-up)	**37,258,140**	37,258,140
		122,353,746	122,353,746
9.2	**National Bank of Pakistan**		
	Demand Finance - I	**22,126,199**	22,126,199
	Demand Finance - II	**5,032,000**	5,032,000
		27,158,199	27,158,199
9.3	**The movement in long-term finances is as under:**		
	At beginning of the year	**149,511,945**	149,511,945
	Less: Paid during the year	**-**	-
		149,511,945	149,511,945

Less: Long-term finances transferred to current liabilities		
Current Maturity		
Overdue portion of long-term finances	**101,006,199**	101,006,199
	101,006,199	101,006,199
	48,505,746	48,505,746

10 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Present value of minimum lease payments	**81,855,397**	81,855,397
Less: Current portion of obligation	**81,025,426**	71,505,105
	829,971	10,350,292

The Company has entered into lease agreements with Al Baraka Bank (Pakistan) Limited for acquisition of plant and machinery. It carries mark-up at 6 months KIBOR (flat) applicable after repayment of 24th installment of principal (2018: 6 months KIBOR (flat) applicable after repayment of 24th installment of principal). These are secured against joint pari passu charges of Rs. 485,666,667 (Al Baraka Bank Share of Rs. 21,000,000) on all the present and future fixed assets (both movable and immovable) of the Company, exclusive ownership of the asset under Ijarah, assignment of insurance policy of assets under Ijarah in favor of ABBPL, 10% key money of Ijarah value and personal guarantees of the sponsoring directors. It also includes frozen mark-up amounting to Rs. 8.335 million.

The Company has entered into lease agreements with First National Bank Modarba for acquisition of plant and machinery. It carries mark-up at 6 months KIBOR plus 3% (2018: 6 months KIBOR plus 3%). These are secured against title over leased assets, 20% security deposit of the facility amount, ranking modified charges of Rs. 66,474,666 reduced from Rs. 84,141,333 over the movable and immovable assets and all present and future fixed assets of the Company and personal guarantees of sponsoring directors. It also includes frozen mark-up amounting to Rs. 7.823 million.

The Company has entered into lease agreements with Habib Metropolitan Bank Limited for acquisition of plant and machinery. It carries mark-up at 3 months KIBOR plus 1% (2018: 3 months KIBOR plus 1%). These are secured against title over leased assets, ranking

hypothecation charge over stock and receivable of Rs. 16 million duly insured in bank favor, ranking hypothecation charge for rs. 18.5 million over specific machinery consisting two sets Haras high speed drawing frame with all the standard accessories has already registered with SECP with 25% margin and personal guarantess of directors. It also includes frozen mark-up amounting to Rs. 2.170 million.

	2019	2018
	------------- **Rupees** -------------	
10.1 Movement during the year is as follows:		
At beginning of the year	**81,855,397**	81,855,397
Add: Leases acquired during the year	**-**	-
Less: Payments during the year	**-**	-
At end of the year	**-**	-
	81,855,397	**81,855,397**

10.2 Reconciliation of minimum lease payments with its present value is as follows:

	2019		
	Minimum lease payments	***Future finance cost***	***Present value of lease payments***
	--------------- Rupees ---------------		
Not later than 1 year	92,517,592	11,492,166	81,025,426
Later than 1 but not later than 5 years	923,654	93,683	829,971
	93,441,246	11,585,849	81,855,397

2018

	Minimum lease payments	Future finance cost	Present value of lease payments
	--------------- Rupees ---------------		
Not later than 1 year	82,743,017	11,237,912	71,505,105
Later than 1 but not later than 5 years	10,698,229	347,937	10,350,292
	93,441,246	11,585,849	81,855,397

	2019	2018
	------------- Rupees -------------	
11 LONG-TERM FINANCES FROM RELATED PARTIES		
From related parties - unsecured		
Loan from related parties	**138,683,905**	138,683,905

11.1 Loan from related parties

As at June 30, 2015, the management of the Company has entered into agreement with directord and decided repayment terms of unsecured loan (previously repayment of the loan were not determined). According to the agreement, the tenure of loans is fifteen years with grace period of five years. These loans are unsecured and carrying markup of one month Kibor plus 0.5 percent (June 30, 2018: one month Kibor plus 0.5 percent) payable annually from July 1, 2015. The outstanding amount will be repayable in 10 equal annual installments of Rs. 13.868 million each (Starting from June 30, 2021 and ending on June 30, 2030). These includes amount of Rs. 138.683 million (June 30, 2018: Rs. 138,683) as subordinated to the loans from banking companies.

		2019	2018
		------------- Rupees -------------	
12 DEFERRED LIABILITIES			
Employee retirement benefits	- note 12.1	**4,074,332**	4,074,332
Deferred taxation	- note 12.2	**-**	-
		4,074,332	4,074,332

12.1 Employee retirement benefits

	2019	2018
The amount recognized in balance sheet is as follows:		
Net liability at beginning of the year	**4,074,332**	4,085,732
Less: Payments made during the year	**-**	(11,400)
	4,074,332	4,074,332
The movement in present value of defined benefit obligations is as under:		
At beginning of the year	**-**	-
Remeasurement (gains)/losses	**-**	-
At end of the year	**-**	-

Employee retirement benefits

As the company has ceased its operations and accordingly, the company has stop providing for employee retirment benefits . Hence, had not provided additional disclosures required under IAS 19.

12.2 Deferred taxation

	2019	2018
Deferred tax liability on taxable temporary differences		
Accelerated tax depreciation on property, plant and equipment	**-**	28,351,827
Liabilities against assets subject to finance lease	**-**	27,543,481
Surplus on revaluation of property, plant and equipment	**-**	100,369,028
		156,264,336

Deferred tax asset on deductible temporary differences

Staff retirement benefits - gratuity	-	1,263,043
Brought forward tax losses	-	207,052,957
Minimumtax credit	-	2,772,714
		211,088,714
	-	(54,824,378)

As the furture taxable profits are not available to the Company hence no deferred tax asset is recognized in the finanical statements.

13 LONG TERM LOANS FROM OTHERS

Lonh term loans from others - unsecured	-	-

13.1 These are unsecured loans from parties carrying mark-up at three months kibor (2018: 3 months KIBOR) per annum. These loans were payable on various dates in January 2018, therefore transferred to current maturity.

	2019	2018
	Rupees	
14 TRADE AND OTHER PAYABLES		
Creditors	**219,165,081**	219,165,081
Accrued liabilities	**112,287,875**	112,187,875
Workers' welfare fund	**104,374**	104,374
Workers' profit participation fund	**10,870,292**	10,870,292
Unclaimed dividend	**179,651**	179,651
Withholding tax payable	**25,846,764**	25,846,764
Bills payable - foreign LC's payable	**67,148,573**	67,148,573
Staff retirement benefits - gratuity matured	**9,717,083**	9,717,083
	445,319,693	445,219,693
15 MARK-UP ACCRUED ON BORROWINGS		
Long term finances	**77,799,331**	77,799,331
Short-term borrowings	**40,588,647**	40,588,647
Liabilities against assets subject to finance lease	**16,213,533**	16,213,533
	134,601,511	134,601,511

		Sanctioned Limits		*Amount Availed*	
		2019	2018	**2019**	2018
		Rupees		Rupees	
16 SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS					
Secured - from banking companies					
Running finance	- note 16.1	**270,667,000**	270,667,000	**151,500,976**	151,500,976
Forced demand draft- Guarantee	- note 16.2			**17,189,561**	17,189,561
		270,667,000	270,667,000	**168,690,537**	168,690,537

16.1 Running finance

Various banks have sanctioned credit facilities of Rs. 270.667 million (2018 : Rs. 270.667 million) for working capital requirements which were expired and had not been renewed by the financial institutions. These facilities carried markup ranging from 8.50% to 20.00% (2018 : 8.50% to 20.00%) per annum. These were secured against first pari passu charge on current assets and fixed assets, ranking charge over all present and future current assets of the Company and personal guarantees of the directors of the Company.

16.2 Forced demand draft-Guarantee

This represents the amount payable in respect of bank guarantee encashed, which was given by the bank to SNGPL on behalf of the Company. Markup has been charged on the amount outstanding at three month KIBOR plus 2.5% during current year.

		2019	2018
		Rupees	
17 SHORT-TERM BORROWINGS FROM RELATED PARTIES			
Borrowings from related parties	- note 17.1	**8,000,000**	8,000,000

17.1 Loan from associated undertakings

This represents unsecured and interest free borrowings from related parties of the Company. The loan is payable on demand with mutual consent of management of the Company, therefore, the loan is classified under current liabilities. Maximum aggregate balance at the end of any month during the year was Rs. 8 million (2018: 8 million).

		2019	2018
		Rupees	
18 CURRENT PORTION OF LONG-TERM FINANCES			
Long-term finances	- note 9	**101,006,199**	101,006,199
Liabilities against assets subject to finance lease	- note 10	**81,025,426**	71,505,105
Long term loans from others	- note 11	**49,658,313**	49,658,313
		231,689,938	222,169,617

19 CONTINGENCIES AND COMMITMENTS

a) Bank guarantee issued by the National Bank of Pakistan has been encashed during the period 2016-2017 for payment of sui gas bill and a demand draft has been created by the bank.

b) Al - Baraka (Pakistan) Limited has filed Suit No. 588/1, Dated: 16-09-2015 against the Company under section 9 of the Financial Institutions (Recovery of Finances) 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.

c) Soneri Bank Limited has filed Suit No. 65/20150, Dated: 29-10-2015 against the Company under section 16 of the Financial Institutions (Recovery of Finances) Ordinance, 2001 for recovery of Rs. 38,740,919/-, which includes cost and cost of funds before Honorable Lahore High 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.

d) National Bank of Pakistan has filed suit No.21/2017 against the Company before the Lahore High Court, Lahore, wherein the bank has claimed the recovery of Rs.234.986 million. The management is responding diligently to this case.

d) Company has filed suit against First National Bank Modarba regarding lease of Gen-sets along with claim of Damages of Rs. 49,825,889/-. This suit was erroneously dismissed by the Banking Court No. III, Lahore, against which the appeal has been filed before the Lahore High Court, Lahore. There is no scope of any fiscal loss to the Company in this case. The management is diligently pursuing this case.

e) Company has filed suit against First National Bank Modarba regarding Murabha facility along with claim of Damages of Rs. 49,765,300/-. This suit was erroneously dismissed by the Banking Court No. III, Lahore, against which the appeal has been filed before the Lahore High Court, Lahore. There is no scope of any fiscal loss to the Company in this case. The management is diligently pursuing this case.

f) Letter of credit for other than capital expenditure.

20 PROPERTY, PLANT AND EQUIPMENT

20.1 Reconciliation of carrying values at end and beginning of the year

PARTICULARS	COST / REVALUED AMOUNTS			DEPRECIATION				BOOK VALUE	Annual
	At beginning of the year	Additions / (Disposals)	At end of the year	At beginning of the year	Charge for the year	Adjsutments	At end of the year	At end of the year	rate of dep.
	Rupees								% age
As at 30 June 2019									
Freehold land	94,815,000	-	94,815,000	-	-	-	-	94,815,000	-
Buildings on freehold land	276,770,457	-	276,770,457	159,199,476	5,878,549	-	165,078,025	111,692,432	5.00
Plant and machinery	709,969,698	-	709,969,698	375,215,127	16,737,729	-	391,952,856	318,016,842	5.00
Electric installation	17,657,010	-	17,657,010	11,621,111	603,590	-	12,224,701	5,432,309	10.00
Office equipments	2,271,204	-	2,271,204	1,458,509	81,270	-	1,539,779	731,425	10.00
Furniture and fixtures	1,035,539	-	1,035,539	751,277	28,426	-	779,703	255,836	10.00
Electric appliances	3,983,717	-	3,983,717	2,940,176	104,354	-	3,044,530	939,187	10.00
Motor vehicles	2,842,623	-	2,842,623	2,169,686	134,587	-	2,304,273	538,350	20.00
Leased plant and machinery	281,093,510		281,093,510	110,388,176	8,535,267		118,923,443	162,170,067	5.00
Total - 30/June/2019	1,390,438,758	-	1,390,438,758	663,743,538	32,103,772	-	695,847,310	694,591,448	
As at 30 June 2018									
Freehold land	94,815,000	-	94,815,000	-	-	-	-	94,815,000	-
Buildings on freehold land	276,770,457	-	276,770,457	153,011,532	6,187,944	-	159,199,476	117,570,981	5.00
Plant and machinery	709,969,698	-	709,969,698	357,596,463	17,618,664	-	375,215,127	334,754,571	5.00
Electric installation	17,657,010	-	17,657,010	10,950,455	670,656	-	11,621,111	6,035,899	10.00
Office equipments	2,271,204	-	2,271,204	1,368,209	90,300	-	1,458,509	812,695	10.00
Furniture and fixtures	1,035,539	-	1,035,539	719,693	31,584	-	751,277	284,262	10.00
Electric appliances	3,983,717	-	3,983,717	2,824,232	115,944	-	2,940,176	1,043,541	10.00
Motor vehicles	2,842,623	-	2,842,623	2,001,446	168,240	-	2,169,686	672,937	20.00
Leased plant and machinery	281,093,510		281,093,510	100,904,540	9,483,636		110,388,176	170,705,334	5.00
Total - 30/June/2018	1,390,438,758	-	1,109,345,248	629,376,570	34,366,968	-	663,743,538	726,695,220	

20.2 Had there been no revaluation, the carrying amount of the specific class of assets would have been as follows:

	Cost	Accumulated Depreciation	Book Value
	Rupees		
As at 30 June 2019			
Freehold land	3,062,215	-	3,062,215
Buildings on freehold land	78,232,439	45,735,629	32,496,810
Plant and machinery	376,526,372	207,431,715	169,094,657
	457,821,026	253,167,344	204,653,682
As at 30 June 2018			
Freehold land	3,062,215	-	3,062,215
Buildings on freehold land	78,232,439	44,025,271	34,207,168
Plant and machinery	376,526,372	198,531,996	177,994,376
	457,821,026	242,557,267	215,263,759

		2019	2018
		Rupees	
20.3 Depreciation for the year has been allocated as -			
Administrative and general expenses	- note 31	**32,103,772**	290,124
Cost of sales		**-**	34,076,844
		32,103,772	34,366,968

As the company's operations are NIL, the depreciation is charged to administrative expenses.

21 LONG-TERM DEPOSITS

		2019	2018
Deposits with various institutions	- note 21.1	**16,467,060**	16,467,060

21.1 Deposits with various institutions

These are interest free refundable deposits with various utility companies and regulatory authorities. These are classified as 'loans and receivables' under IAS 39 'Financial Instruments - Recognition and Measurement' which are required to be carried at amortized cost. However, these, being held for an indefinite period with no fixed maturity date, are carried at cost as their amortized cost is impracticable to determine.

		2019	2018
		------------- Rupees -------------	
22 STORES, SPARE PARTS AND LOOSE TOOLS			
Stores		**7,533,403**	7,533,403
Spare parts		**22,778,071**	22,778,071
Loose tools		**141,534**	141,534
		30,453,008	30,453,008
23 STOCK IN TRADE			
Raw material	- note 29.1	**90,012,572**	90,012,572

23.1 The stocks are valued at lower of cost or net realizable value.

23.2 The value of pledge stock in raw material and finished goods is Rs. 89,138,979(2018: Rs. 89,138,979).

		2019	2018
		------------- Rupees -------------	
24 TRADE DEBTS			
Local debts (unsecured but considered good)		**2,448,541**	2,448,541
25 TRADE DEPOSITS AND PREPAYMENTS			
Deposits - Lease Company		**1,850,000**	1,850,000
26 BALANCES DUE FROM GOVERNMENT			
Income tax recoverable		**24,283,222**	24,283,222
Sales tax refundable		**10,986,301**	10,986,301
		35,269,523	35,269,523
27 CASH AND BANK BALANCES			
With banks:			
- on current accounts		**252,511**	252,511
		252,511	252,511
28 SALES - NET			
Local			
- Yarn		-	276,690,021
- Waste		-	731,950
- Sales return		-	(150,620)
		-	277,271,351
Less: Commission on local sales		-	(160,747)
		-	277,110,604
29 COST OF SALES			
Raw material consumed	- note 29.1	**-**	240,823,528
Packing material consumed		**-**	4,165,450
Stores and spare parts consumed		**-**	17,202,600
Salaries, wages and other benefits		**-**	35,350,009
Power and fuel		**-**	26,819,254

Insurance		-	432,519
Depreciation on property, plant and equipment	- note 20.3	-	34,076,844
Repair and maintenance		-	738,052
Other manufacturing overheads		-	1,366,216
		-	360,974,472
Adjustment of work in process			
Opening stocks		-	7,769,060
Less: Closing stocks		-	-
		-	7,769,060
Adjustment of finished goods			
Opening stocks		-	21,812,363
Less: Closing stocks		-	-
		-	21,812,363
Total cost of sales		-	390,555,895

		2019	2018
		------------- Rupees -------------	
29.1	**Raw material consumed**		
	Opening stocks	**90,012,572**	122,098,216
	Add: Purchases and direct expenses	-	208,737,884
	Less: Closing stocks	**(90,012,572)**	(90,012,572)
		-	240,823,528

29.2 Salaries, wages and other benefits include Rs. NIL (2018: NIL) in respect of staff retirement benefits.

30 DISTRIBUTION COST

Freight	-	3,000
Loading charges	-	35,219
	-	38,219

31 ADMINISTRATIVE AND GENERAL EXPENSES

Directors' remuneration		-	2,400,000
Directors' benefits		-	294,162
Salaries and allowances	- note 31.1	-	4,672,134
Rent, rates and taxes		-	360,000
Printing and stationery		-	80,480
Electricity, gas and water		-	199,900
Vehicle running and maintenance		-	994,767
Postage and telephone		-	171,025
Fee and subscription		-	17,945
Travelling and conveyance		-	79,151
Legal and professional charges		-	161,620
Repair and maintenance		-	43,750
Auditor's remuneration	- note 31.2	**100,000**	623,500
Entertainment		-	273,858
Depreciation on property, plant and equipment	- note 20.3	**32,103,772**	290,124
Advertisement		-	35,500
Other expenses		-	133,637
		32,203,772	10,831,553

31.1 Directors' remuneration

This include employee retirement benefits amounting to Rs. NIL (2018: NIL).

	2019	2018
	------------- Rupees -------------	
31.2 Auditor's remuneration		
Statutory audit fee	**75,000**	550,000
Fee for interim review and other certifications	**25,000**	73,500
	100,000	623,500

32 OTHER OPERATING EXPENSES

	2019	2018
Donation	-	7,500

	2019	2018
	------------- Rupees -------------	
33 FINANCE COST		
Mark-up / interest on		
- Short term borrowings	-	16,847,071
- Long term financing	-	21,795,547
- Liabilities against assets subject to finance lease	-	4,803,024
- Workers' profit participation fund	-	864,500
	-	44,310,142
Bank charges and commission	**-**	25,410
	-	44,335,552

34 TAXATION

		2019	2018
Current	- note 34.1	**-**	2,772,714
Deferred		**-**	-
		-	2,772,714

34.1 Current year's taxation

Provision for current year's taxation has been made in accordance with the relevant provisions of the Income Tax Ordinance, 2001.

34.2 Prior period's taxation

Income tax assessments of the Company have been finalized up to tax year 2018 in accordance with deeming provision of the Income Tax Ordinance, 2001.

34.3 Numerical reconciliation between the average tax rate and the applicable tax rate

	2019	2018	2019	2018
	------------- % age -------------		------------- Rupees -------------	
Applicable tax rate	**29.00%**	30.00%	**(9,339,094)**	(50,597,435)
Tax effects of amounts that are:				
Not allowable for taxation	**0.00%**	0.00%	**-**	-
Difference in tax rates	**-29.00%**	-31.64%	**9,339,094**	53,370,149
Effective tax rate/tax	**0.00%**	-1.64%	**-**	2,772,714

		2019	2018
35 LOSS PER SHARE (BASIC AND ANTI-DILUTIVE)			
Loss attributable to ordinary equity holders of the Company	*(Rupees)*	**(32,203,772)**	(171,430,829)
Weighted average number of ordinary shares	*(Number)*	**4,467,036**	4,467,036
Loss per share - basic and anti dilutive	*(Rupees)*	**(7.21)**	(38.38)

35.1 There is no anti dilutive effect on the basic loss per share.

36 FINANCIAL RISK MANAGEMENT

The Company finances its operations through equity, borrowings and management of working capital with a view to obtain a reasonable mix between the various sources of finance to minimize the finance related risks to the entity. The Company has exposure to the following risks from its use of financial instruments:

a) Credit risk;

b) Liquidity risk; and

c) Market risk

The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

36.1 Risk management framework

The Board of Directors has overall responsibility for establishment and over-sight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors of the Company.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

E

36.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter-parties failed completely to perform as contracted. The Company does not have significant exposure to any individual counterparty. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed. To mitigate the risk, the Company has a system of assigning credit limits to its customers based on an extensive evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored.

36.2.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2019	2018
	------------- Rupees	**-------------**
Trade debts	**2,448,541**	2,448,541
Bank balances	**252,511**	252,511
Trade deposits and prepayments	**1,850,000**	1,850,000
Long-term deposits	**16,467,060**	16,467,060
	21,018,112	21,018,112

36.2.2 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty.

(a) Counterparties without external credit ratings

-

The trade debts as at the balance sheet date are classified in Pak Rupees. The aging of trade debts at the balance sheet date is as follows:

Past due 0 - 30 days	**-**	-
Past due 31 - 60 days	**-**	-
Past due 61 - 365 days	**2,448,541**	2,448,541
	2,448,541	2,448,541

The Company has a policy for provision for doubtful receivables based upon the age analysis which is being implemented. Based on age analysis, relationship with customers and past experience the management does not expect any party to fail to meet their obligations. The management believes that trade debts are considered good and hence no impairment allowance is required in this regard.

(b) Other financial assets

Based on past experience the management believes that no impairment allowance is necessary in respect of long term

deposits and loans and advances as there are reasonable grounds to believe that these balances will be recovered.

\- ***(c) Counterparties with external credit ratings***

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

The credit quality of Company's bank balances can be assessed with reference to external credit rating agencies as follows:

	Rating		
	Short-term	**Long-term**	**Agency**
Habib Bank Limited	A-1+	AAA	JCR-VIS
MCB Bank Limited	A1+	AAA	PACRA
United Bank Limited	A-1+	AAA	JCR-VIS
Bank Alfalah Limited	A1+	AA+	PACRA
Faysal Bank Limited	A1+	AA	PACRA
The Bank of Punjab	A1+	AAA	PACRA
JS Bank Limited	A1+	AA	PACRA
Soneri Bank Limited	A1+	AA-	PACRA
SME Bank Limited	B	AA-	PACRA
Habib Metropolitan Bank	A1+	B-	PACRA
Meezan Bank Limited	A-1+	AA+	JCR-VIS
Allied Bank Limited	A1+	AA+	PACRA
Summit Bank Limited	A-1	AAA	JCR-VIS
Bank Al Habib Limited	A1+	A-	PACRA
Silk Bank Limited	A-2	AA+	JCR-VIS

36.2.3 Concentration of credit risk

Concentration of credit risk exists when the changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial assets is broadly diversified and all other transactions are entered into with credit-worthy counterparties there-by mitigating any significant concentrations of credit risk.

36.3 Liquidity risk management

Liquidity risk reflects the Company's inability in raising funds to meet commitments. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk table

The following table detail the Company's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities under long term financing agreements based on the earliest date on which the Company can be required to pay. For effective markup rate please see note to these financial statements. Carrying amount and contractual cashflows of trade and other financial liabilities are approximately same.

	2019			
	Carrying amount	*Contractual cash flows*	*Not later than 1 year*	*Later than 1 year*
	------------------------------ Rupees ------------------------------			
Long-term finances	149,511,945	149,511,945	149,511,945	-
Long-term finances from directors	138,683,905	138,683,905	-	138,683,905
Long-term from others	49,658,313	49,658,313	-	49,658,313
Finance lease	81,855,397	81,855,397	81,855,397	-
Trade and other payables	445,319,693	445,319,693	445,319,693	-
Accrued mark-up	134,601,511	134,601,511	134,601,511	-
Short term borrowings	176,690,537	176,690,537	176,690,537	-
	1,176,321,301	1,176,321,301	987,979,083	188,342,218

	2018			
	Carrying amount	*Contractual cash flows*	*Not later than 1 year*	*Later than 1 year*
	------------------------------ Rupees ------------------------------			
Long-term finances	149,511,945	149,511,945	149,511,945	-
Long-term finances from directors	138,683,905	138,683,905	-	138,683,905
Long-term from others	49,658,313	49,658,313	-	49,658,313
Finance lease	81,855,397	81,855,397	81,855,397	-
Trade and other payables	445,219,693	445,219,693	445,219,693	-
Accrued mark-up	134,601,511	134,601,511	134,601,511	-
Short term borrowings	176,690,537	176,690,537	176,690,537	-
	1,176,221,301	1,176,221,301	987,879,083	188,342,218

36.4 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into are denominated in foreign currencies. The Company is not exposed to currency risk as all transactions are carried out in domestic currency.

Interest rate risk

Interest rate risk is the risk that the value of financial instrument will fluctuate due to changes in market interest rates. Significant interest rate risk exposures are primarily managed by a mix of borrowings at variable interest rates. At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

36.4.1 ***Fixed rate financial instruments***

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore a change in interest rates at the reporting date would not affect profit and loss account.

36.4.2 Variable rate instruments

Cash flow sensitivity analysis for variable rate instruments

The Company does not account for any variable rate financial assets and liabilities at fair value through profit and loss as the Company is in litigation with the financial institutions and not charging any mark-up on these borrowings.

36.4.3 *Price risk management*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company is not exposed to any price risk as there are no financial instruments at the reporting date that are sensitive to price fluctuations.

37 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset either directly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs (Level 3)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. The Company has not disclosed the fair values for some financial assets and financial liabilities, as these are either short term in nature or reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

	Carrying Amount				*Fair Value*			
	---------- As at 30 June 2019 ----------							
Financial instruments on reporting date	***Fair value through profit or loss***	***Amortized cost***	***Other financial liabilities***	***Total***	***Level 1***	***Level 2***	***Level 3***	***Total***
	---------- Rupees ----------							
Financial assets measured at fair value	-	-	-	-	-	-	-	-
Financial assets not measured at fair value								
Trade debts	2,448,541	-	-	2,448,541	-	-	-	-
Trade deposits	1,850,000	-	-	1,850,000	-	-	-	
Balance due from government	35,269,523	-	-	35,269,523	-	-	-	-
Bank balances	252,511	-	-	252,511	-	-	-	-
	39,820,575	-	-	39,820,575	-	-	-	-
Financial liabilities measured at fair value	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Long term finances	-	-	289,348,417	289,348,417	-	-	-	-
Lease obligations	-	-	81,855,397	81,855,397	-	-	-	-
Trade payables	-	-	445,319,693	445,319,693	-	-	-	-
Accrued mark-up	-	-	134,601,511	134,601,511	-	-	-	-
Short term borrowings	-	-	176,690,537	176,690,537	-	-	-	-
	-	-	1,127,815,555	1,127,815,555	-	-	-	-

Financial instruments on reporting date	Carrying Amount				Fair Value			
	---- As at 30 June 2018 ----							
	Fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	---- Rupees ----							
Financial assets measured at fair value	-	-	-	-	-	-	-	-
Financial assets not measured at fair value								
Trade debts	2,448,541	-	-	2,448,541	-	-	-	-
Trade deposits	1,850,000	-	-	1,850,000	-	-	-	-
Balance due from government	35,269,523	-	-	35,269,523	-	-	-	-
Bank balances	252,511	-	-	252,511	-	-	-	-
	39,820,575	-	-	39,820,575	-	-	-	-
Financial liabilities measured at fair value	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Long term finances	-	-	289,348,417	289,348,417	-	-	-	-
Lease obligations	-	-	81,855,397	81,855,397	-	-	-	-
Trade payables	-	-	445,219,693	445,219,693	-	-	-	-
Accrued mark-up	-	-	134,601,511	134,601,511	-	-	-	-
Short term borrowings	-	-	176,690,537	176,690,537	-	-	-	-
	-	-	1,127,715,555	1,127,715,555	-	-	-	-

38 CAPITAL RISK MANAGEMENT

The company's prime object when managing capital are to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. The ratio is calculated as total borrowing divided by total capital employed. Borrowing represents long term financing form banking companies and suppliers, long term financing from associated undertakings, long term financing from directors and sponsors and long term portion of liabilities against assets subject to finance lease. Total capital employed includes total equity as shown in the balance sheet plus borrowings.

	2019	2018
	---- Rupees ----	
Total borrowings	**315,374,442**	315,374,442
Less: Cash and bank balance	**252,511**	252,511
Net debt	**315,121,931**	315,121,931
Total Equity	**(319,703,222)**	(287,499,450)
Total capital	**(4,581,291)**	27,622,481
Gearing ratio	**-6878%**	**1141%**

39 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

No remuneration has been paid to directors, chief executive and executives during the year ended 30 June 2019 (2018 : NIL).

40 RELATED PARTY DISCLOSURE

40.1 Disclosure of transactions between the Company and related parties

The related parties of the Company comprise of associated undertakings, directors of the Company, key management personnel and entities under common directorship. Balances are disclosed elsewhere in the financial statements.

		2019	2018
41	**PLANT CAPACITY AND ACTUAL PRODUCTION**		
	Total number of spindles installed	**28,248**	28,248
	Number of spindles worked	**-**	12,009
	Shifts per day	**-**	3
	Installed capacity after conversion into 20/s counts (Kgs)	**9,946,319**	9,946,319
	Rated annual capacity after conversion into 20's (Kgs)	**3,766,757**	3,766,757

It is difficult to describe precisely the production capacity in textile industry since it fluctuates widely depending on various factors such as count of yarn spun, spindle speed, twist per inch and raw material used etc. It would also vary according to the pattern of production adopted in a particular year.

		2019	2018
42	**NUMBER OF EMPLOYEES**	--------------- Numbers	---------------'
	Total number of employees at end of year	-	371
	Average number of employees during the year	-	370

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43 RECLASSIFICATIONS AND RE-ARRANGEMENTS

Corresponding figures have been re-classified and re-arranged, wherever necessary, to reflect more appropriate presentation of events and transactions for the purpose of comparison.

44 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the board of directors of the Company and authorized for issue on 7th October, 2019.

CHIEF EXECUTIVE **DIRECTOR** **CHIEF FINANCIAL OFFICER**

FORM-34

COMBINED PATTERN OF CDC AND PHYSICAL SHAREHOLDING AS AT JUNE 30, 2019

No. of Shareholders	From	To	Total Shares Held
85	1	100	2,752
229	101	500	57,513
291	501	1,000	176,302
82	1,001	5,000	202,714
18	5,001	10,000	134,314
7	10,001	15,000	90,861
5	15,001	20,000	90,000
3	20,001	25,000	69,512
2	25,001	30,000	52,340
3	30,001	35,000	96,335
1	40,001	45,000	44,940
1	45,001	50,000	46,500
2	60,001	65,000	125,500
2	65,001	70,000	135,500
1	80,001	85,000	81,000
3	85,001	90,000	269,670
1	140,001	145,000	143,818
2	145,001	150,000	298,302
1	240,001	245,000	240,399
1	285,001	290,000	289,918
1	350,001	355,000	350,673
1	660,001	665,000	661,500
1	805,001	810,000	806,673
743			**4,467,036**

Categories of shareholders	Share held	Percentage
Directors, Chief Executive Officers, and their spouse and minor children	1,016,173	22.7483%
Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000%
NIT and ICP	246,052	5.5082%
Banks Development Financial Institutions, Non Banking Financial Institutions.	185	0.0041%
Insurance Companies	--	--
Modarabas and Mutual Funds	0	0.0000%
Share holders holding 10% or more	1,818,846	40.7171%
General Public		
Local	3,170,388	70.9730%
Foreign	0	0.0000%
Others (to be specified)		
Joint Stock Companies	3,114	0.0697%
Pension Funds	30,069	0.6731%
Others	1,055	0.0236%

DETAIL OF SHAHRE HOLDING

As on 30th June, 2019

S.No	SHARE HOLDERS CATEGORY	HOLDING	%AGE
DIRECTORS, CEO THEIR SPOUSE AND MINOR CHILDREN			
1	MR. NOMAN ALMAS	661,500	14.8085%
	MR. NAUMAN ALMAS (CDC)	350,673	7.8502%
2	MR. NAVEED AHMAD	1,000	0.0224%
3	MR. ABDUL SHAKOOR	600	0.0134%
4	MR. MUHAMMAD AKRAM	500	0.0112%
5	MR. MUHAMMAD RAMZAN	600	0.0134%
6	MR. ZAHID ALI	800	0.0179%
7	MR. MUHAMMAD FIAZ	500	0.0112%
		1,016,173	22.7483%
ASSOCIATED COMPANIES			
			0.0000%
		0	0.0000%
NIT and ICP			
1	INVESTMENT CORP. OF PAKISTAN	4,900	0.1097%
2	IDBL (ICP UNIT) (CDC)	753	0.0169%
3	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST (CDC)	240,399	5.3816%
		246,052	5.5082%
FINANCIAL INSTITUTION			
1	NATIONAL BANK OF PAKISTAN. (CDC)	185	0.0041%
		185	0.0041%
MUTUAL FUNDS			
		0	0.0000%
PENSION FUNDS			
1	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND (CDC)	30,069	0.6731%
		30,069	0.6731%
JOINT STOCK COMPANIES			
1	MAPLE LEAF CAPITAL LIMITED (CDC)	1	0.0000%
2	SHAFFI SECURITIES (PVT) LIMITED (CDC)	1,000	0.0224%
3	TIME SECURITIES (PVT.) LTD (CDC)	428	0.0096%
4	Y.S SECUTITIES & SERVICES (PVT) LTD. (CDC)	1,685	0.0377%
		3,114	0.0697%
OTHERS			
1	TRUSTEE NATIONAL BANK OF OAKISTAN EMP BENEVOLENT FUND TRUST (CDC)	1,055	0.0236%
		1,055	0.0236%
SHARES HELD BY THE GENERAL PUBLIC (LOCAL)		3,170,388	70.9730%
SHARES HELD BY THE GENERAL PUBLIC (FOREIGN)		0	0.0000%
		3,170,388	70.9730%
	TOTAL:	**4,467,036**	**100.0000%**

SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL

S. No.	Name	Holding	Percentage
1	MR. NOMAN ALMAS	1,012,173	22.6587%
2	MRS. SHAMIM AKHTAR	806,673	18.0584%
		1,818,846	**40.7171%**

SHAREHOLDERS HOLDING 5% OR MORE OF TOTAL CAPITAL

S. No.	Name	Holding	Percentage
1	MR. NOMAN ALMAS	1,012,173	22.6587%
2	MRS. SHAMIM AKHTAR	806,673	18.0584%
3	MRS. FAREEHA PERVAIZ	289,918	6.4902%
4	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST (CDC)	240,399	5.3816%
		2,349,163	**52.5889%**

During the financial year the trading in shares of the company by the Directors, CEO, CFO, Company Secretary and their spouses and minor children is as follows

S. NO.	NAME	SALE	PURCHASE
	NIL	NIL	NIL


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FORM OF PROXY

I/We____

Of ____

Being a member of SALMAN NOMAN ENTERPRISES LTD and holder of ________ Ordinary shares as per Register Folio / CDC Participant No.____________________________________ hereby appoint Mr./Mrs./Miss_________________________of____________________________or failing him/her Mr./Mrs./Miss_________________of____________________ who is also a member of the SALMAN NOMAN ENTERPRISES LTD vide Registered Folio / CDC Participant I.DNo.________________ as my proxy to vote for me and on my behalf at the 34th Annual General meeting of the Company to be held on Monday the October 28, 2019 at 03:30 p.m and any adjournment thereof.

Signed this___________________day of October, 2019

Revenue Stamp(s) of Rupees five

(Signature should agree with the specimen Signature register with the Company)

Witness: 1		**Witness:2**	
Signature:	______________________	Signature:	______________________
Name:	______________________	Name	______________________
Address:	______________________	Address:	______________________
	______________________		______________________
CNIC or:	______________________	CNIC or:	______________________
Passport#:	______________________	Passport#:	______________________

Note:

- A member entitled to vote at this meeting may appoint a proxy, proxies in order to be effective must be received at Registered Office of the company duly stamped, signed and witnessed not later than 48 hours before the time of the meeting

سلمان نعمان انٹر پرائز ز لمیٹڈ

تشکیل نیابت داری برائے سالانہ اجلاس عام

میں/ہم ____________________

ساکن ____________ سلمان نعمان انٹر پرائز ز لمیٹڈ کا / کی / کے حصص

دار ہوں/ ہیں اور بموجب رجسٹرڈ کھاتہ نمبر یا مجوزہ سی ڈی سی کھاتہ نمبر کے تحت ____________ عمومی حصص کا/ کی / کے مالک

ہوں/ ہیں۔ اپنی جگہ پر حق رائے دہی کے لیے ____________ رہائشی ____________ اور بموجب

رجسٹرڈ کھاتہ نمبر یا مجوزہ سی ڈی سی کھاتہ نمبر ____________ کو یا اس کے نہ آنے کی صورت میں ____________

رہائشی ____________ اور بموجب رجسٹرڈ کھاتہ نمبر یا مجوزہ سی ڈی سی کھاتہ نمبر ____________

کو جو کہ سلمان نعمان انٹر پرائز ز لمیٹڈ کا / کی / کے حصہ دار رہے ہیں۔ کو اپنی جگہ بروز پیر بتاریخ 28 اکتوبر 2019 بوقت دوپہر 3:30 بجے منعقد ہونے والے چونتیسواں سالانہ اجلاس عام یا کسی متبادل دن جو بھی ہوگا میں رائے دہندگی کے لئے نمائندہ مقرر کرتا / کرتی / کرتے ہوں/ ہیں۔

پانچ روپے کی رسیدی ٹکٹ چسپاں کریں

کمپنی کے ریکارڈ کے مطابق دستخط

بتاریخ: ____ اکتوبر 2019 کو دستخط کیا گیا

گواہ نمبر: 1

دستخط ____________

نام ____________

پتہ ____________

____

شناختی کارڈ نمبر یا ____________

پاسپورٹ نمبر ____________

گواہ نمبر: 2

دستخط ____________

نام ____________

پتہ ____________

____

شناختی کارڈ نمبر یا ____________

پاسپورٹ نمبر ____________

نوٹ: 1۔ یہ مختار نامہ مکمل اور دستخط شدہ کمپنی کے رجسٹرڈ آفس کے پتے پر اجلاس کے شروع ہونے سے 48 گھنٹے پہلے پہنچ جانا چاہیئے۔

2۔ کوئی بھی فرد مختار نامہ اس وقت تک استعمال نہیں کر سکتا جب تک وہ کمپنی کا حصص دار نا ہو۔ علاوہ اس کے کہ کوئی ایک کمپنی جو حصہ دار ہے کسی فرد کو نمائیدہ مقرر کرے جو کمپنی کا حصص دار نا ہو۔