

**A C C O U N T S**  
**(UN-AUDITED)**

**FOR THE**  
**1<sup>st</sup> QUARTER ENDED**  
***September 30, 2019***



**SALMAN NOMAN**  
**ENTERPRISES LIMITED**

# **SALMAN NOMAN ENTERPRISES LIMITED**

## **DIRECTORS' REPORT TO THE SHARE HOLDERS**

The Directors of your company have the pleasure to submit un-audited accounts for the first quarter ended as on 30<sup>th</sup> September 2019.

During the period under review the company remains closed its operations due to unavailability of working capital.

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

The directors are thankful to customers for their support and co-operation to the company.

FOR AND ON BEHALF OF THE BOARD

Lahore:  
October 31, 2019

( NAUMAN ALMAS )  
Chief Executive

# SALMAN NOMAN ENTERPRISES LIMITED

## CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT SEPTEMBER 30, 2019

|  | Un-Audited<br>30/Sep/2019<br>Rupees | Audited<br>30/Jun/2019<br>Rupees |
|--|-------------------------------------|----------------------------------|
| <b>ASSETS</b>  |                                     |                                  |
| <b>Non-current assets</b>  |                                     |                                  |
| Property, plant and equipment  | 694,591,448                         | 694,591,448                      |
| Long term deposits   | 16,467,060                          | 16,467,060                       |
| <b>Current assets</b>  |                                     |                                  |
| Store, spare parts and loose tools                                   | 30,453,008                          | 30,453,008                       |
| Stock in trade   | 90,012,572                          | 90,012,572                       |
| Trade debt   | 2,448,541                           | 2,448,541                        |
| Trade deposits and short term prepayments                            | 1,850,000                           | 1,850,000                        |
| Tax refunds due from the Government                                  | 35,269,522                          | 35,269,522                       |
| Cash and bank balances   | 252,511                             | 252,511                          |
|  | <u>160,286,154</u>                  | <u>160,286,154</u>               |
|  | <u>871,344,662</u>                  | <u>871,344,662</u>               |
| <b>EQUITY AND LIABILITIES</b>  |                                     |                                  |
| <b>Share capital and reserves</b>                                    |                                     |                                  |
| Authorized share capital   |                                     |                                  |
| 10,000,000 (30 June 2019: 10,000,000) ordinary shares of Rs. 10 each | <u>100,000,000</u>                  | <u>100,000,000</u>               |
| Issued, subscribed and paid-up share capital                         |                                     |                                  |
| 4,467,036 (30 June 2019: 4,467,036) ordinary shares of Rs. 10 each   | <u>44,670,360</u>                   | <u>44,670,360</u>                |
| Accumulated loss   | (678,938,552)                       | (678,902,552)                    |
| Surplus on revaluation of property, plant and equipment              | <u>314,528,970</u>                  | <u>314,528,970</u>               |
|  | <u>(319,739,222)</u>                | <u>(319,703,222)</u>             |
| <b>Non-current liabilities</b>                                       |                                     |                                  |
| Long term financing  | 48,505,746                          | 48,505,746                       |
| Liabilities against assets subject to finance lease                  | 829,971                             | 829,971                          |
| Long term loan from directors and others                             | 138,683,905                         | 138,683,905                      |
| Deferred liabilities   | 4,074,332                           | 4,074,332                        |
|  | <u>192,093,954</u>                  | <u>192,093,954</u>               |
| <b>Current liabilities</b>   |                                     |                                  |
| Trade and other payables   | 445,355,693                         | 445,319,693                      |
| Mark-up accrued  | 134,601,511                         | 134,601,511                      |
| Short term borrowings from financial institutions                    | 168,690,537                         | 168,690,537                      |
| Short term borrowings from related parties                           | 8,000,000                           | 8,000,000                        |
| Current portion of long term borrowings                              | 231,689,938                         | 231,689,938                      |
| Provision for taxation   | 10,652,251                          | 10,652,251                       |
|  | <u>998,989,930</u>                  | <u>998,953,930</u>               |
| <b>CONTINGENCIES AND COMMITMENTS</b>                                 |                                     |                                  |
|  | <u>871,344,662</u>                  | <u>871,344,662</u>               |

The annexed notes 1 to 7 form an integral part of this condensed interim financial information.

Lahore:

Dated: October 31, 2019

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

# SALMAN NOMAN ENTERPRISES LIMITED

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT / STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2019

|  | Note | Quarter ended |              |
|--|------|---------------|--------------|
|  |      | 30/Sep/2019   | 30/Sep/2018  |
|  |      | Rupees        |              |
| Sales-net                              |      | -             | -            |
| Cost of sale                           |      | -             | (8,201,964)  |
| Gross profit/(loss)                    |      | -             | (8,201,964)  |
| Administrative expenses                |      | (36,000)      | (136,071)    |
| Finance cost                           |      | -             | (12,185,247) |
|  |      | (36,000)      | (12,321,318) |
| Profit / (loss) before taxation        |      | (36,000)      | (20,523,282) |
| Provision for taxation                 |      | -             | -            |
| Loss for the period                    |      | (36,000)      | (20,523,282) |
| Other comprehensive income             |      | -             | -            |
| Total comprehensive income             |      | (36,000)      | (20,523,282) |
| Earnings per share - basic and diluted | 4    | (0.01)        | (4.59)       |

The annexed notes 1 to 7 form an integral part of this condensed interim financial information.

Lahore:

Dated: October 31, 2019    CHIEF EXECUTIVE    DIRECTOR    CHIEF FINANCIAL OFFICER

# SALMAN NOMAN ENTERPRISES LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2019

|   | Share<br>capital   | Accumulated<br>loss  | Total<br>Equity      |
|---|--------------------|----------------------|----------------------|
|   | ----- Rupees ----- |                      |                      |
| <b>Balance as at 30 June 2018</b>   | 44,670,360         | (658,704,981)        | (614,034,621)        |
| <i>Total comprehensive income for the six months period ended 31 December 2018</i>    |                    |                      |                      |
| Loss for the period   | -                  | (42,488,502)         | (42,488,502)         |
| Other comprehensive income for the period   | -                  | 5,865,150            | 5,865,150            |
|   | -                  | (36,623,352)         | (36,623,352)         |
| <b>Balance as at 31 December 2018</b>   | <b>44,670,360</b>  | <b>(695,328,333)</b> | <b>(650,657,973)</b> |
| <i>Total comprehensive income for the six months period ended 30 June 2019</i>        |                    |                      |                      |
| Profit for the period   | -                  | 10,284,730           | 10,284,730           |
| Incremental Depreciation transferred  | -                  | 6,141,051            | 6,141,051            |
|   | -                  | 16,425,781           | 16,425,781           |
| <b>Balance as at 30 June 2019</b>   | <b>44,670,360</b>  | <b>(678,902,552)</b> | <b>(634,232,192)</b> |
| <i>Total comprehensive income for the three months period ended 30 September 2019</i> |                    |                      |                      |
| Loss for the period   | -                  | (36,000)             | (36,000)             |
| Incremental Depreciation transferred  | -                  | -                    | -                    |
|   | -                  | (36,000)             | (36,000)             |
| <b>Balance as at 30 September 2019</b>  | <b>44,670,360</b>  | <b>(678,938,552)</b> | <b>(634,268,192)</b> |

The annexed notes 1 to 7 form an integral part of this condensed interim financial information.

Lahore:

Dated: October 31, 2019      CHIEF EXECUTIVE      DIRECTOR      CHIEF FINANCIAL OFFICER

# SALMAN NOMAN ENTERPRISES LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2019

|   | ----- Quarter ended ----- |                |
|---|---------------------------|----------------|
|   | 30/Sep/2019               | 30/Sep/2018    |
|   | Rupees                    | Rupees         |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>             |                           |                |
| Profit / (loss) before taxation                         | (36,000)                  | (20,523,282)   |
| Adjustments for non-cash charges / items:               |                           |                |
| Depreciation of property, plant and equipment           | -                         | 8,263,035      |
| Finance cost  | -                         | 12,185,247     |
|   |                           | 20,448,282     |
|   | -                         | (75,000)       |
| Loss before working capital changes                     | (36,000)                  | (75,000)       |
| Store, spare & loose tools                              | -                         | 125,000        |
| Trade payables  | 36,000                    | -              |
| <b>Cash used in operations</b>                          | -                         | 50,000         |
| Finance cost paid                                       | -                         | -              |
| <b>Net cash used in operating activities</b>            | -                         | 50,000         |
| <br>  |                           |                |
| <b>Net decrease in cash and cash equivalents</b>        | -                         | 50,000         |
| <b>Cash and cash equivalents at beginning of period</b> | <u>252,511</u>            | <u>252,511</u> |
| <b>Cash and cash equivalents at end of period</b>       | <u>252,511</u>            | <u>302,511</u> |

The annexed notes 1 to 7 form an integral part of this condensed interim financial information.

Lahore:

Dated: October 31, 2019    CHIEF EXECUTIVE    DIRECTOR    CHIEF FINANCIAL OFFICER

# SALMAN NOMAN ENTERPRISES LIMITED

## SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2019

### 1 GENERAL INFORMATION

- 1.1 The accounting policies adopted for the preparation of these interim financial statements are consistent with those applied in the preparation of the preceding financial statements of the company for the year ended June 30, 2019
- 1.2 The financial statement are unaudited and are being submitted to shareholders as required by SRO 746(1)20 dated November 05, 2001 of Securities & Exchange Commission.
- 1.3 Comparative figures have been rearranged wherever necessary for the purpose of comparison.

### 2 BASIS OF PREPARATION

- 2.1 This condensed interim financial information of the Company for the three months period ended 30 September 2019 has been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.
- 2.2 This condensed interim financial information should be read in conjunction with annual audited financial statements for the year ended 30 June 2019. Comparative figures is extracted from annual audited financial statements for the year ended 30 June 2019.
- 2.3 This condensed interim financial information is presented in Pak Rupees, which is the Company's functional and presentation currency.

### 3 CONTINGENCIES AND COMMITMENTS

There is no change in the status of contingencies as disclosed in the audited financial statements for the year ended 30 June 2019.

### 4 EARNINGS PER SHARE - basic and diluted

The calculation of basic earnings per share is based on the following data:

|                                   | Three months ended |              |
|-----------------------------------|--------------------|--------------|
|                                   | 30/Sep/2019        | 30/Sep/2018  |
| <b>Earnings - rupees</b>          |                    |              |
| Loss after tax for the period     | (36,000)           | (20,523,282) |
| <b>Number of shares</b>           |                    |              |
| Weighted average number of shares | 4,467,036          | 4,467,036    |
| <b>Earnings per share - Basic</b> | (0.01)             | (4.59)       |

There was no dilutive effect on the earnings per shares of the Company.

### 5 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are carried out at arm's length in the normal course of business. The consideration is computed on commercial terms and conditions.

### 6 DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information have been approved by the Board of Directors of the Company and authorized for issue on October 31, 2019.

### 7 GENERAL

Figures have been rounded off to the nearest rupee.

Lahore:

Dated: October 31, 2019

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

# SALMAN NOMAN ENTERPRISES LIMITED

## حصص داران کیلئے مجلس نظام کی رپورٹ

آپ کی کمپنی کے ڈائریکٹر 30 ستمبر 2019 کو ختم ہونے والی پہلی سہ ماہی کیلئے غیر آڈٹ شدہ اکاؤنٹس جمع کرواتے ہوئے خوش محسوس کرتے ہیں۔ زیر جائزہ مدت کے دوران ورکنگ سرمایہ کی عدم دستیابی کی وجہ سے کمپنی بند رہی۔

150 سے زیادہ یونٹوں نے یا تو اپنے آپریشن بند کر دیئے ہیں یا وہ بند ہونے کے قریب ہیں۔ غیر ملکی حربیوں کے ساتھ شدید مقابلہ کے ساتھ ملک میں حکومت کی مدد کا فقدان دونوں شعبوں سے شعبے خاص طور پر نسبتاً چھوٹی چھوٹی اکائیوں سے اس شعبے کو اثر انداز کر رہا ہے۔ اوسط سائز کے ٹیکسٹائل یونٹ کیلئے پاکستان میں پیداواری لاگت دوسرے ممالک کے مینوفیکچررز کی پیش کردہ فروخت قیمت سے بھی زیادہ ہے۔ یہ منظر بقیہ طور پر اس پوزیشن کی وضاحت کر رہا ہے کہ ان حالات میں آپریشن کا تسلسل برقرار رکھنا بہت مشکل ہے۔ اور وہ یونٹ جو اب بھی کام کر رہے ہیں زیادہ تر نقصان اٹھا رہے ہیں۔ بینکوں کے ساتھ بھی کچھ معاملات عدالت میں زیر سماعت ہے اور کمپنی کو کسی قسم کی قرضہ کی سہولت فراہم نہیں کی جارہی۔ ڈائریکٹر کام کے دوبارہ آغاز کیلئے کوشش کر رہے ہیں اور وہ پر امید ہیں کہ کام کا آغاز بہت جلد ہو جائے گا۔ ڈائریکٹر اپنے گاہکوں کا شکریہ ادا کرتے ہیں۔ جنہوں نے کمپنی کیلئے اپنا پورا تعاون کیا۔

میری اور بورڈ کی جانب سے

(نعمان الماس)

چیف ایگزیکٹو

لاہور

تاریخ 131 اکتوبر 2019



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