

A C C O U N T S
(UN-AUDITED)
FOR THE
3rd QUARTER ENDED
March 31, 2020



SALMAN NOMAN
ENTERPRISES LIMITED

BOOK POST
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SALMAN NOMAN ENTERPRISES LIMITED
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SALMAN NOMAN ENTERPRISES LIMITED

DIRECTORS' REPORT TO THE SHARE HOLDERS

The Directors of your company have the pleasure to submit un-audited accounts for the Period Ended as on 31st March 2020.

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

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.

Going Concern

The Company has incurred net loss for the period ended of Rs. 23,096 million (Mar 2019: Rs. 64.437million) resulting in accumulated losses at the end of the period of Rs. 695.925 million (Jun 2019: Rs. 678.903 million) at the close of the period ended on 31 March 2020. The Company's current liabilities exceed its current assets by Rs. 839.766 million (Jun 2019: Rs. 838.668 million). The Company is facing operational crisis and have lost key management without replacement and the commercial operations of the Company had been ceased. The Company is in severe liquidity crisis and inability of the Company to comply with the loan agreements and to pay the finances obtained. These conditions indicate the existence of material uncertainty which may cast a 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 normal course of business.

These financial statements have been prepared on going concern assumption as directors of the company have committed to provide financial support. Management has prepared the plan to restart operations in near future. Furthermore, management has also applied to the financial institutions for settlement and restructuring of overdue of the company. Management is confident that financial institution will respond positively to the request.

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

FOR AND ON BEHALF OF THE BOARD

Lahore:

Dated: April 30, 2020

(NAUMAN ALMAS)
Chief Executive

SALMAN NOMAN ENTERPRISES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020

	Un-Audited 31/Mar/2020	Audited 30/Jun/2019
Note	Rupees	Rupees
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized share capital 10,000,000 (30 June 2019: 10,000,000) ordinary shares of Rs. 10 each	100,000,000	100,000,000
Share capital	44,670,360	44,670,360
Accumulated loss	(695,924,952)	(678,902,552)
Surplus on revaluation of property, plant and equipment	308,455,334	314,528,970
	(342,799,258)	(319,703,222)
Non-current liabilities		
Long-term finances from financial institutions	48,505,746	48,505,746
Liabilities against assets subject to finance lease	-	829,971
Long-term finances from related parties	138,683,905	138,683,905
Deferred liabilities	4,074,332	4,074,332
	191,263,983	192,093,954
Current liabilities		
Trade and other payables	445,387,693	445,319,693
Mark-up accrued on borrowings	134,601,511	134,601,511
Short term borrowings	176,890,437	176,690,537
Current portion of long-term finances	232,519,910	231,689,939
Provision for taxation	10,652,251	10,652,251
	1,000,051,802	998,953,931
CONTINGENCIES AND COMMITMENTS		
	-	-
	848,516,527	871,344,663
ASSETS		
Non-current assets		
Property, plant and equipment	671,763,312	694,591,448
Long-term deposits	16,467,060	16,467,060
	688,230,372	711,058,508
Current assets		
Stores, spare parts and loose tools	30,453,008	30,453,008
Stock in trade	90,012,572	90,012,572
Trade debts	2,448,541	2,448,541
Trade deposits and prepayments	1,850,000	1,850,000
Balances due from government	35,269,523	35,269,523
Cash and bank balances	252,511	252,511
	160,286,155	160,286,155
	848,516,527	871,344,663

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

Lahore:

Dated: April 30, 2020

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

SALMAN NOMAN ENTERPRISES LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT / STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2020

Note	Nine months ended		Quarter ended	
	31/Mar/2020	31/Mar/2019	31/Mar/2020	31/Mar/2019
	Rupees		Rupees	
Operating expenses				
Administrative and selling expenses	(267,900)	(259,442)	(65,900)	(62,300)
Other operating expenses	(22,828,136)	(24,077,828)	(7,609,379)	(7,673,900)
	(23,096,036)	(24,337,270)	(7,675,279)	(7,736,200)
Finance cost	-	(40,099,953)	-	(14,212,521)
Loss before taxation	(23,096,036)	(64,437,223)	(7,675,279)	(21,948,721)
Taxation	-	-	-	-
Loss after taxation	(23,096,036)	(64,437,223)	(7,675,279)	(21,948,721)
Total comprehensive loss	(23,096,036)	(64,437,223)	(7,675,279)	(21,948,721)
Loss per share - basic and diluted	(5.17)	(14.43)	(1.72)	(4.91)

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

Lahore:

Dated: April 30, 2020 CHIEF EXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

	Share capital	Accumulated loss	Revaluation surplus on property, plant and equipment	Total Equity
	-----Rupees-----			
Balance as at 30 June 2018	44,670,360	(658,704,981)	326,535,171	(287,499,450)
Total comprehensive loss for the nine months period ended 31 March 2019				
Loss for the period	-	(64,437,223)		(64,437,223)
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	6,781,362	(6,781,362)	-
Balance as at 31 March 2019	44,670,360	(716,360,842)	319,753,809	(351,936,673)
Total comprehensive income for the three months period ended 30 June 2019				
Income for the period	-	32,233,451		32,233,451
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	5,224,839	(5,224,839)	-
Balance as at 30 June 2019	44,670,360	(678,902,552)	314,528,970	(319,703,222)
Total comprehensive income for the nine months period ended 31 March 2020				
Loss for the period	-	(23,096,036)		(23,096,036)
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	6,073,636	(6,073,636)	-
Balance as at 31 March 2020	44,670,360	(695,924,952)	308,455,334	(342,799,258)

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

Lahore:

Dated: April 30, 2020 CHIEF EXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

SALMAN NOMAN ENTERPRISES LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2020

	----- Nine months ended -----	
	31/Mar/2020	31/Mar/2019
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(23,096,036)	(64,437,223)
Adjustments for non-cash charges / items:		
Depreciation of property, plant and equipment	22,828,136	24,077,828
Finance cost	-	40,099,953
	<u>22,828,136</u>	<u>64,177,781</u>
Loss before working capital changes	(267,900)	(259,442)
Working capital changes		
(Increase) / Decrease in current assets	-	125,000
(Decrease) in trade and other payables	68,000	-
	<u>68,000</u>	<u>125,000</u>
Cash used in operations	(199,900)	(134,442)
Net cash used in operating activities	<u>(199,900)</u>	<u>(134,442)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short term finances	199,900	-
Net cash in flow from financing activities	<u>199,900</u>	<u>-</u>
Net decrease in cash and cash equivalents	-	(134,442)
Cash and cash equivalents at beginning of period	<u>252,511</u>	<u>252,511</u>
Cash and cash equivalents at end of period	<u>252,511</u>	<u>118,069</u>

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

Lahore:

Dated: April 30, 2020

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

SALMAN NOMAN ENTERPRISES LIMITED

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2020

1 STATUS AND ACTIVITIES

1.1 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.

1.2 Going concern assumption

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

The Company incurred a net loss for the period ended of Rs. 23,096,036 (Mar 2019: Rs. 64,437,223) resulting in accumulated losses at the end of the period of Rs. 695,924,952 (June 2019: Rs. 678,902,552). The Company's current liabilities exceed its current assets at reporting date by Rs. 839,765,647 (June 2019: Rs. 838,667,776).

The Company had ceased its operations since February 2018 due to working capital. However, subsequent to the balance sheet date, the management is taking steps to recommence operations and the Company is in negotiations with financial institutions / sponsors of the Company for borrowing of funds to manage working capital requirements. The Company managed its liquidity constraints largely through financing from its sponsors. The Company's ability to continue as a going concern is dependent on continued financing from sponsors. Management's efforts for obtaining finances from financial institutions are not so far materialized, however, management is confident that efforts will be realized and that the Company will be able to continue as a going concern.

2 STATEMENT OF COMPLIANCE

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

This condensed interim financial information has, however, been subjected to limited scope review by the auditors, as required by the Code of Corporate Governance, and should be read in conjunction with the audited annual financial statements of the Company for the year ended 30 June 2019.

3 BASIS OF MEASUREMENT

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

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method for computation adopted for the preparation of this condensed interim financial information is the same as those applied in preparation of the financial statements for the year ended June 30, 2019.

5 SHARE CAPITAL

	Un-Audited 31/Mar/2020	Audited 30/Jun/2019
	Rupees	Rupees
Authorized capital		
10,000,000 (June 30, 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 (June 30, 2019: 4,467,036) ordinary shares of Rs 10/- each fully paid in cash	<u>44,670,360</u>	<u>44,670,360</u>

6 LONG-TERM FINANCES FROM FINANCIAL INSTITUTIONS

	Un-Audited 31/Mar/2020	Audited 30/Jun/2019
	Rupees	Rupees
Mark-up bearing secured finances from financial institutions		
Soneri Bank Limited	122,353,746	122,353,746
National Bank of Pakistan	<u>27,158,199</u>	<u>27,158,199</u>
	<u>149,511,945</u>	<u>149,511,945</u>
Less: Long-term finances transferred to current liabilities		
Current Maturity		
Overdue portion of long-term finances	<u>101,006,199</u>	<u>101,006,199</u>
	<u>101,006,199</u>	<u>101,006,199</u>
	<u>48,505,746</u>	<u>48,505,746</u>

SALMAN NOMAN ENTERPRISES LIMITED

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2020

	Un-Audited 31/Mar/2020 Rupees	Audited 30/Jun/2019 Rupees
7 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
Present value of minimum lease payments	81,855,397	81,855,397
Less: Current portion of obligation	81,855,397	81,025,426
	<u>-</u>	<u>829,971</u>
8 LONG-TERM FINANCES FROM RELATED PARTIES		
<i>From related parties - unsecured</i>		
Loan from related parties	<u>138,683,905</u>	<u>138,683,905</u>
8.1 Loan from related parties		
<p>As at June 30, 2015, the management of the Company has entered into agreement with director 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, 2019: 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, 2019: Rs. 138,683) as subordinated to the loans from banking companies.</p>		
	Un-Audited 31/Mar/2020 Rupees	Audited 30/Jun/2019 Rupees
9 SHORT TERM BORROWINGS		
<i>Secured - from banking companies</i>		
Running finance	151,500,976	151,500,976
Forced demand draft-Guarantee	17,189,561	17,189,561
	<u>168,690,537</u>	<u>168,690,537</u>
<i>Unsecured - from related parties</i>		
Borrowings from related parties	<u>8,199,900</u>	<u>8,000,000</u>
	<u>176,890,437</u>	<u>176,690,537</u>
10 CURRENT PORTION OF LONG-TERM FINANCES		
Long-term finances	101,006,199	101,006,199
Liabilities against assets subject to finance lease	81,855,397	81,025,426
Long term loans from others	49,658,313	49,658,313
	<u>232,519,909</u>	<u>231,689,938</u>
11 PROPERTY, PLANT AND EQUIPMENT		
Opening WDV	694,591,448	726,695,220
Less: Depreciation	(22,828,136)	(32,103,772)
Book value as at period end	<u>671,763,312</u>	<u>694,591,448</u>
12 AUTHORIZATION FOR ISSUE		
<p>These financial statements have been approved by the board of directors of the Company and authorized for issue on 30th April, 2020.</p>		
13 CORRESPONDING FIGURES		
<p>13.1 Corresponding figures have been re-arranged, wherever necessary to the facilitation of comparison. 13.2 Figures have been rounded off to the nearest of rupees.</p>		

Lahore:

Dated: April 30, 2020

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

SALMAN NOMAN ENTERPRISES LIMITED

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز کو 31 مارچ 2020 کو ختم ہونے والی سہ ماہی کیلئے غیر آڈٹ شدہ اکاؤنٹس جمع کرواتے ہوئے خوشی محسوس کرتے ہیں۔

زیر جائزہ مدت کے دوران ورکنگ سرمایہ کی عدم دستیابی کی وجہ سے کمپنی بند رہی۔

بینکنگ کمپنیوں کے ساتھ معاملات قانونی عدالت میں زیر بحث ہیں اور کمپنی کے پاس کریڈٹ لائن دستیاب نہیں ہے۔ تاہم کمپنی کے ڈائریکٹرز اپنے آپریشنز کے آغاز کیلئے مسلسل کوشش جاری رکھے ہوئے ہیں۔

کاروبار جاری رکھنے کی صلاحیت

زیر جائزہ مدت کے دوران کمپنی کو 23.096 ملین روپے (مارچ 2019: 64.437 ملین روپے) خالص خسارہ کا سامنا رہا۔ جس کے نتیجے میں 31 مارچ 2020 کو اختتام پذیر مدت پر 695.925 ملین روپے (جون 2019: 678.903 ملین روپے) کا مجموعی خسارہ ہوا۔ کمپنی کے حالیہ واجبات حالیہ اثاثہ جات سے 839.766 ملین روپے (جون 2019: 838.903 ملین روپے) زائد ہیں۔ کمپنی کو آپریشنل بحران کا سامنا ہے اور بغیر تباہی کے اپنی بنیادی انتظامیہ سے محروم ہو چکی ہے، اور کمپنی کے تجارتی آپریشنز بند ہو چکے ہیں۔ کمپنی ایصالیت کے بحران سے دوچار ہے اور کمپنی قرضوں کے معاہدہ پر عمل درآمد اور قرضوں کی واپسی کی صلاحیت کھو چکی ہے۔

یہ حالات غیر یقینی صورت حال کا اشارہ کرتے ہیں جس سے کمپنی کی کاروبار جاری رکھنے کی صلاحیت پر نمایاں ابہام موجود ہے لہذا کمپنی اپنے اثاثہ جات اور واجبات میں توازن رکھنے میں ناکام ہو چکی ہے۔ یہ مالیاتی اسٹیٹمنٹس جاری کاروبار کے مفروضہ پر تیار کی گئی ہے کیونکہ کمپنی کے ڈائریکٹرز نے مالی مدد فراہم کرنے کا وعدہ کیا ہے۔ انتظامیہ نے مستقبل قریب میں آپریشنز کے دوبارہ آغاز کا منصوبہ بنایا ہے۔ مزید برآں انتظامیہ نے کمپنی کے واجبات کی ادائیگی اور ری سٹرکچرنگ کے لیے مالی اداروں سے درخواست کی ہے۔ انتظامیہ پر عزم ہے کہ مالی ادارے اس درخواست پر مثبت جواب دیں گے۔

ڈائریکٹرز کمپنی کے ساتھ صارفین کی حمایت اور تعاون کے شکرگزار ہیں۔

مخائبہ برائے بورڈ

(نعمان الماس)

لاہور: اپریل 2020، 30

چیف ایگزیکٹو



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