

Annual Report

2023

**FOR THE
YEAR ENDED
30 JUNE 2023**



**SALMAN NOMAN
ENTERPRISES LIMITED**



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COMPANY'S INFORMATION

BOARD OF DIRECTORS	MR. NOMAN ALMAS MR. ABDUL SHAKOOR MR. MUHAMMAD AKRAM MR. NAVEED AHMED MR. MUHAMMAD FIAZ MR. MUHAMMAD RAMZAN MR. ZAHID ALI	CHIEF EXECUTIVE-EXECUTIVE DIRECTOR INDEPENDENT DIRECTOR INDEPENDENT DIRECTOR INDEPENDENT DIRECTOR CHAIRMAN-NON-EXECUTIVE DIRECTOR NON-EXECUTIVE DIRECTOR NON-EXECUTIVE DIRECTOR
AUDIT COMMITTEE	MR. NAVEED AHMED MR. ABDUL SHAKOOR MR. ZAHID ALI	CHAIRMAN-INDEPENDENT DIRECTOR INDEPENDENT DIRECTOR NON-EXECUTIVE DIRECTOR
HUMAN RESOURCE AND REMUNERATION COMMITTEE	MR. MUHAMMAD AKRAM MR. MUHAMMAD FIAZ MR. MUHAMMAD RAMZAN	CHAIRMAN-INDEPENDENT DIRECTOR NON-EXECUTIVE DIRECTOR NON-EXECUTIVE DIRECTOR
COMPANY SECRETARY	MR. MUHAMMAD SAEED	
AUDITORS	MUSHTAQ & CO. CHARTERED ACCOUNTANTS	
LEGAL ADVISOR	FAISAL MAALIK BUTTER	
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 38th Annual General Meeting of Members of the Company will be held on Friday 27th October, 2023 at 09:00 A.M. at Salman Noman Enterprises Limited, 3-K.M. Balloki Road, Bhai Pheru (Distt: Kasur) to transact the following business:-

1. Recitation from HOLY QURAAAN.
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, 2023 together with the Directors' and Auditors Report thereon.
4. To appoint auditors and fix their remuneration for the year 2023-2024 M/s Mushtaq & Co 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



(MUHAMMAD SAEED)
Company Secretary

Dated: **October 06, 2023**

NOTE:

1. The Share Transfer Books of the Company will remain closed from October 21st, 2023 to October 27th, 2023 (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

سالانہ اجلاس عام کانوٹس

- اطلاع دی جاتی ہے کہ کمپنی کے اراکین کا 38 واں سالانہ اجلاس جمعہ 27 اکتوبر 2023 کو صبح 9:00 بجے منعقد ہوگا۔ سلمان نعمان انٹرپرائز لمیٹڈ میں، 3- کلومیٹر بلوکی روڈ، بھائی پھیرو (ضلع: قصور) درج ذیل کاروبار کے لیے:-
1. قرآن پاک کی تلاوت۔
 2. آخری سالانہ جنرل میٹنگ کے منٹس کی تصدیق کرنا۔
 3. 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ کھاتوں کو وصول کرنا اور اس پر ڈائریکٹرز اور آڈیٹرز کی رپورٹ کے ساتھ اپنانا۔
 4. سال 2023-2024 کے لیے آڈیٹرز کی تقرری اور ان کے معاوضے کو طے کرنے کے لیے، M/s مشتاق اینڈ کو چارٹڈ اکاؤنٹنٹس، اہل ہوتے ہوئے، خود کو دوبارہ تقرری کے لیے پیش کریں۔
 5. چیف کی اجازت سے کسی دوسرے کاروبار پر غور کرنا۔

تاریخ: 06 اکتوبر 2023

بورڈ کے حکم سے



(محمد سعید)

کمپنی سیکرٹری

نوٹ:

1. کمپنی کی حصص کی منتقلی کی کتابیں 21 اکتوبر 2023 سے 27 اکتوبر 2023 (دونوں دن سمیت) تک بند رہیں گی۔
2. اس میٹنگ میں شرکت اور ووٹ دینے کا حقدار رکن پر کسی کا تقرر کر سکتا ہے۔ پراکسیز، مؤثر ہونے کے لیے کمپنی کو میٹنگ سے کم از کم 48 گھنٹے پہلے موصول ہونا چاہیے۔
3. جن شیئرز ہولڈرز نے اپنے حصص سینٹرل ڈپازٹری کمپنی میں جمع کرائے ہیں انہیں مشورہ دیا جاتا ہے کہ وہ اپنے قومی شناختی کارڈ کے ساتھ اپنے سی ڈی سی اکاؤنٹ نمبر میٹنگ کے مقام پر لائیں۔
4. شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ ایڈریس میں تبدیلی، اگر کوئی ہو تو فوری طور پر مطلع کریں

CHAIRMAN'S REVIEW REPORT

I welcome to you the 38th Annual General Meeting of your Company and present on behalf of the Board of Directors, the Audited statements of Accounts for the year ended 30th June, 2023 along with my review of the performance of your company.

Since February, 2018 the company has closed its operations and due to un-favorable business environment the base of conventional industry has weakened in general as was evident from consistent plunge of Pakistan's share of textile in global market.

The management of the company are very confident that all the matters under litigation with the banking companies in the court of laws will be resolved soon and are also making their efforts for the revival of the company.

Currently, the management of the company planning to give factory either on lease for production of textile products or on rent and also the management of the company will plan accordingly once the amicable settlement with banking companies will be done.

On my and on behalf of the board of directors of your company I take this opportunity of acknowledging the devoted and sincere services of employees of the company. I am also grateful our bankers, shareholders and the government organizations.

Muhammad Fiaz

M. Fiaz

Chairman

October 06, 2023

چیرمین کی جائزہ رپورٹ

میں آپ کو آپ کی کمپنی کی 38 ویں سالانہ جنرل میٹنگ میں خوش آمدید کہتا ہوں اور بورڈ آف ڈائریکٹرز کی جانب سے آپ کی کمپنی کی کارکردگی کے اپنے جائزے کے ساتھ 30 جون 2023 کو ختم ہونے والے سال کے اکاؤنٹس کے آڈٹ شدہ بیانات پیش کرتا ہوں۔

فروری 2018 سے کمپنی نے اپنا کام بند کر دیا ہے اور غیر سازگار کاروباری ماحول کی وجہ سے روایتی صنعت کی بنیاد عمومی طور پر کمزور پڑ گئی ہے جیسا کہ عالمی منڈی میں ٹیکسٹائل کے پاکستان کے حصے میں مسلسل کمی سے ظاہر ہے۔

کمپنی کی انتظامیہ کو یقین ہے کہ بینکنگ کمپنیوں کے ساتھ عدالت میں زیر سماعت تمام معاملات جلد حل ہو جائیں گے اور کمپنی کی بحالی کے لیے بھی کوششیں کر رہے ہیں۔

فی الحال، کمپنی کی انتظامیہ ٹیکسٹائل مصنوعات کی تیاری کے لیے یا کرائے پر فیکٹری دینے کا منصوبہ بنا رہی ہے اور بینکنگ کمپنیوں کے ساتھ خوشگوار تصفیہ ہونے کے بعد کمپنی کی انتظامیہ بھی اسی کے مطابق منصوبہ بندی کرے گی۔

میں اپنی طرف سے اور آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کے ملازمین کی مخلصانہ اور مخلصانہ خدمات کا اعتراف کرنے کا یہ موقع لیتا ہوں۔ میں اپنے بینکرز، شیئرز، ہولڈرز اور حکومتی تنظیموں کا بھی مشکور ہوں۔

محمد فیاض

M. Fiaz

چیرمین

06 اکتوبر 2023



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 38 th Annual General Meeting and are pleased to present the annual report together with Audited Accounts of the Company for the financial year ended June 30, 2023.

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. 26.494 million for the current year where as it was Rs. 27.813 million for the last year. The Financial results are summarized hereunder:-

	2023 Rupees	2022 Rupees
SALES	-----	-----
GROSS LOSS	-----	-----
OPERATING LOSS	(26,494,508)	(27,813,523)
FINANCIAL EXPENSES	-----	-----
TAXATION	-----	-----
NET LOSS AFTER TAX	(26,494,508)	(27,813,523)
LOSS PER SHARES	(5.93)	(6.23)

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 18 of the financial statements. However, the company is trying to make negotiation with the creditors to settle their outstanding payments.

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.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

- 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.
- 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.
- 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 Mushtaq & Co, 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. 26.494 million (June 30, 2022: Rs. 27.813 million) and accumulated losses raised to Rs. 752.728 million (June 30, 2022: Rs. 735.08 million) at the year end. In addition, the Company's current liabilities exceeded its current assets by Rs. 777.835 million (June 30, 2022: Rs. 840.55 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. 105.93 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), (n), (o), (p), (q) and (r) in the Auditor's Report.

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

During the period under review the company has appointed an employee but due to the bad economic position of the company he has left the job. However, the company is trying to appoint an employee who will provide the maximum available information as highlighted in point (b) to (r) in next coming audit.

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, 2023.

STATUTORY PAYMENTS

There are no statutory payments on account of taxes, duties, levies and charges that are outstanding as on June 30, 2023 except for those disclosed in the financial statements.

For & on behalf of the Board

A handwritten signature in black ink, appearing to read 'Naeem', written over a circular stamp.

Chief Executive

A handwritten signature in black ink, appearing to read 'M. Raza', written over a circular stamp.

Director

Lahore,

Dated: October 06, 2023

حصص داران کو ڈائریکٹرز کی رپورٹ

کمپنی کے ڈائریکٹرز آپ کو پینتیسویں (38 ویں) سالانہ اجلاس عام میں خوش آمدید کہتے ہیں اور 30 جون 2023ء 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 27.813 روپے کے مقابلہ میں حالیہ برس 26.494 ملین روپے کا خسارہ علاوہ ٹیکس درج کیا۔ مالیاتی نتائج کا خلاصہ

حسب ذیل ہے:

تفصیلات	2022 ء	2023 ء
	(روپوں میں)	
فروخت	---	---
مجموعی نقصان	---	---
فعالی نقصان	(27,813,523)	(26,494,508)
مالیاتی اخراجات	---	---
ٹیکسیشن	---	---
ٹیکس کے بعد خالص نقصان	(27,813,523)	(26,494,508)
فی حصص خسارہ	(6.23)	(5.93)

فیکٹری میں کام بند رہا اور کوئی مستقل ملازم/کارکن نہیں ہے۔ کمپنی تمام بینکنگ کمپنیوں کے ساتھ قانونی چارہ جوئی میں ہے کیونکہ بینکنگ کمپنیوں کے مارک اپ کی ادائیگی کے لیے کوئی فنڈ نہیں تھے۔ قانونی چارہ جوئی کے مقدمات کی مکمل تفصیلات مالی بیانات کے نوٹ 18 میں پوری طرح سے ظاہر کی گئی ہیں۔ تاہم، کمپنی قرض دہندگان کے ساتھ ان کی بقایا ادائیگیوں کو طے کرنے کے لیے بات چیت کرنے کی کوشش کر رہی ہے۔

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

ڈائریکٹرز ابھی بھی آپریشن شروع کرنے کے لیے کافی کوششیں کر رہے ہیں اور انہیں پورا یقین ہے کہ وہ جلد ہی آپریشن شروع کر دیں گے۔

کوڈ آف کارپوریٹ گورننس کے ساتھ تعمیل

(a)۔ بورڈ نے جناب نعمان الماس کے لیے ڈائریکٹرز کے تربیتی پروگرام کا اہتمام کیا ہے اور انھوں نے نومبر 2014 میں یونیورسٹی کے زیر اہتمام ڈائریکٹر ٹریننگ پروگرام کے تحت سرٹیفائیڈ ڈائریکٹر (جیسا کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ کوڈ آف کارپوریٹ گورننس کے تحت ضروری ہے) کی سند حاصل کی۔ لاہور کے باقی ڈائریکٹرز کے لیے تربیتی پروگرام کا اہتمام نہیں کیا گیا کیونکہ کمپنی ایک خاص مدت کے لیے اپنا کام بند کر دیتی ہے۔ جب کمپنی اپنا کام شروع کرے گی تو باقی ڈائریکٹرز کے لیے تربیتی پروگرام منعقد کیا جائے گا۔

(b)۔ انٹرنل آڈٹ فنکشن مزید کام کرنے میں نہیں ہے کیونکہ کمپنی اپنا آپریشن بند کر رہی ہے بورڈ 5.19.21 کے تحت ضرورت کے مطابق ایک موثر اندرونی آڈٹ فنکشن قائم کرے گا جب آپریشن دوبارہ شروع کیا جائے گا۔

(c)۔ آڈٹ کمیٹی اور ہیومن ریسورس کمیٹی اب کام نہیں کر رہے ہیں کیونکہ تمام ملازمین کمپنی چھوڑ چکے ہیں۔ کمپنی نے اپنا کام بند کر دیا اور تمام ملازمین کمپنی چھوڑ گئے۔ لہذا ایک بار کاروبار دوبارہ شروع ہونے سے تمام متعلقہ تعمیل کی جائے گی۔

آڈیٹرز

موجودہ آڈیٹر مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہوئے اور اہل ہونے کے بعد، خود کو دوبارہ تقرری کے لیے پیش کرتے ہیں۔

شیئر ہولڈنگ کا بیٹرن

کمپنیز ایکٹ، 2017 کے سیکشن 227(2)(f) اور کوڈ آف کارپوریٹ گورننس کے تحت مطلوبہ شیئر ہولڈنگ کا بیٹرن منسلک ہے۔

اعلان دستبرداری

کمپنی نے فروری 2018 سے اپنا کام بند کر دیا ہے۔ سال کے دوران، کمپنی کو 26.494 ملین روپے کا نقصان ہوا۔ (30 جون 2022: 27.813 ملین روپے) اور جمع شدہ نقصانات بڑھ کر سال کے آخر میں 752.728 ملین (30 جون 2022: روپے 735.08 ملین)۔ اس کے علاوہ، کمپنی کی موجودہ واجبات سال کے آخر میں اس کے موجودہ اثاثوں سے 835.777 ملین روپے (30 جون 2022: روپے 840.55 ملین) سے زیادہ ہو گئیں۔ اس صورتحال کے نتیجے میں لیکویڈیٹی کے شدید بحران اور قرض کے معاہدوں کی تعمیل کرنے میں کمپنی کی نااہلی اور مالیاتی اداروں سے 93.105 ملین روپے کی طویل مدتی فنانسنگ 168.691 ملین روپے کی قلیل مدتی قرضہ جات اور 134.602 روپے جمع شدہ مارک اپ کی ادائیگی میں ناکامی ہو سکتی ہے۔

کمپنی نے فروری 2018 سے اپنا کام بند کر دیا ہے اور زیر جائزہ سال کے دوران کوئی فروخت اور پیداوار نہیں ہے۔ منفی کلیدی مالیاتی تناسب کے ساتھ یہ حالات مادی غیر یقینی صورتحال کی موجودگی کی نشاندہی کرتے ہیں جو کمپنی کی جاری تشویش کے طور پر جاری رکھنے کی صلاحیت کے بارے میں اہم شکوک پیدا کر سکتی ہے اور اس وجہ سے یہ اپنے اثاثوں کا احساس کرنے اور کاروبار کے معمول کے دوران اپنی ذمہ داریوں کو ادا کرنے سے قاصر ہو سکتی ہے۔

مزید یہ کہ آڈیٹر کی رپورٹ میں دیئے گئے پیرا گراف (b)، (c)، (d)، (e)، (f)، (g)، (h)، (i)، (j)، (k)، (l)، (m)، (n)، (o)، (p)، (q) اور (r) کے حوالے ہیں۔

مندرجہ بالا حوالہ معلومات پوائنٹ (b) سے (r) تک جو آڈیٹر کی رپورٹ میں روشنی ڈالی گئی ہے آڈیٹر کو فراہم نہیں کی گئی ہے کیونکہ تمام ملازمین کمپنی چھوڑ چکے ہیں۔

زیر نظر مدت کے دوران کمپنی نے ایک ملازم کا تقرر کیا لیکن کمپنی کی خراب معاشی حالت کی وجہ سے اس نے ملازمت چھوڑ دی۔ تاہم، کمپنی ایک ایسے ملازم کو مقرر کرنے کی کوشش کر رہی ہے جو اگلے آنے والے آڈٹ میں پوائنٹ (b) سے (r) میں نمایاں کردہ زیادہ سے زیادہ دستیاب معلومات فراہم کرے گا۔

کلیدی آپریٹنگ اور مالیاتی ڈیٹا پچھلے چھ سالوں کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا منسلک ہے۔

ڈیوڈینڈ

چونکہ اکاؤنٹس سال کے لیے کافی نقصانات دکھاتے ہیں اس لیے بورڈ آف ڈائریکٹرز نے 30 جون 2023 کو ختم ہونے والے سال کے لیے اپنے اجلاس میں کسی منافع کی سفارش نہیں کی ہے۔

قانونی ادائیگیاں

30 جون 2023 تک ٹیکسز، ڈیوٹی، لیویز اور چارجز کی مد میں کوئی قانونی ادائیگیاں نہیں ہیں، سوائے ان مالیاتی گوشواروں کے جن کا انکشاف کیا گیا ہے۔

بورڈ کے لیے اور اس کی جانب سے

M. R. J.
ڈائریکٹر

Nee
چیف ایگزیکٹو

لاہور،

بتاریخ: 06 اکتوبر 2023



KEY OPERATING AND FINANCIAL DATA OF LAST SIX YEARS:

Description	2023	2022	2021	2020	2019	2018
	-----Rupees-----					
Earning and Distribution						
Sale-net	-	-		-	-	277,110,604
Profit / (loss) before Tax	(26,494,508)	(27,813,530)	(29,170,593)	(30,745,414)	(32,203,772)	(168,658,115)
Tax	-	-	-	-	-	(2,772,714)
Net Earning / (loss)	(26,494,508)	(27,813,530)	(29,170,593)	(30,745,414)	(32,203,772)	(171,430,829)
Dividend	-	-	-	-	-	-
Retained (used) in Business	(26,494,508)	(27,813,530)	(29,170,593)	(30,745,414)	(32,203,772)	(171,430,829)
Net Earning / (loss) per share	(5.93)	(6.23)	(6.53)	(6.88)	(7.21)	(38.38)
P/E Ratio	(0.34)	(0.32)	(0.28)	(0.28)	(0.28)	(0.05)
Dividend declared per share	-	-	-	-	-	-
Break up value per share	(97.14)	(91.21)	(84.98)	(78.45)	(71.57)	(64.36)
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)	(752,728,540)	(735,079,538)	(717,081,052)	(698,242,076)	(678,902,552)	(658,890,660)
Surplus on revaluation of fixed Assets	274,130,920	282,979,426	292,791,463	303,123,080	314,528,970	326,720,850
	(433,927,260)	(407,429,752)	(379,619,229)	(350,448,636)	(319,703,222)	(287,499,450)
Long term loans & deferred liabilities	254,511,983	191,263,983	191,263,983	191,263,983	192,093,954	201,614,275
Total Capital Employed	(179,415,277)	(216,165,769)	(188,355,246)	(159,184,653)	(127,609,268)	(85,885,175)
Represented						
Fixed Assets	581,953,010	607,917,718	635,291,241	664,153,934	694,591,448	726,695,219
Long term Deposit	16,467,060	16,467,060	16,467,060	16,467,060	16,467,060	16,467,060
Net Current Assets / (Current Liabilities)	(777,835,347)	(840,550,547)	(840,113,547)	(839,805,647)	(838,667,776)	(829,047,454)



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 Directors	Mr. Abdul Shakoor, Mr. Muhammad Akram, Mr. Naveed Ahmed
Executive Director	Mr. Noman Almas
Non-Executive Directors	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.
7. 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.
8. 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.
9. CFO and CEO duly endorsed the financial statements before approval of the board.
10. 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 04
- b) HR and Remuneration Committee 01
15. Due to no business activity presently the board has not set up an effective internal audit function and there is no staff for the purpose.
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

M. Fiaz

(Muhammad Fiaz)
Chairman

Lahore
Dated: October 06, 2023



Independent Auditor's Review Report

To the members **Salman Noman Enterprises Limited** on The Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the 'Regulations') prepared by the Board of Directors of **Salman Noman Enterprises Limited** (the Company) for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the 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 prepared by 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 and internal 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 required and 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.

Mushtaq & Co.

MUSHTAQ & COMPANY
CHARTERED ACCOUNTANTS

Place: Lahore

Date: October 06, 2023

UDIN: CR2023107242mutzbFA7

Engagement Partner:
Nouman Arshad, ACA



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 financial statements of **Salman Noman Enterprises Limited** (“the Company”), which comprise the statement of financial position as at June 30, 2023 and the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these 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. 26.50 million (June 30, 2022: Rs. 27.81 million) and accumulated losses raised to Rs. 752.73 million (June 30, 2022: Rs. 735.08 million) at the year end. In addition, the Company's current liabilities exceeded its current assets by Rs. 777.84 million (June 30, 2022: 840.55 million) at the year end. The situation may result in severe liquidity crises and inability of the company to comply with loan agreements and inability to pay long term financing from financial institutions amounting to Rs. 105.93 million, short term borrowing amounting to Rs. 168.69 million, Liabilities against assets subject to finance lease amounting to Rs. 81.85 million and accrued markup Rs. 134.60 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 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. 581.95 million (June 30, 2022: 607.92 million) 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 policy the revaluation was due in financial year 2018, however revaluation was not carried out since 2018. We remain unable to determine whether any adjustment is necessary in carrying value of these assets on account of revaluation of deficit/surplus and no previous revaluation report were provided to us;
- (d) Management has not provided to us the data and records for verification of 'Long term deposits' having reported carrying value of Rs. 16.47 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, 2022 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. 30.45 million and Rs. 90.01 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;
- (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. 2.45 million and Rs. 219.17 million respectively. We were not able to circulate letters for external confirmations to customers and suppliers because we were not provided with 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;
- (g) Management has not provided the data and records for verification of 'Trade deposits and prepayments and balances due from government amounting to Rs. 1.85 million and Rs. 35.27 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. 105.93 million, liabilities against assets subject to finance lease amounting to Rs. 81.86 million, long term financing from directors and others amounting to Rs. 182.26 million, long term loans from others amounting to Rs. 49.66 million, short term borrowing amounting to Rs. 168.69 million, accrued mark-up/ interest on these financing arrangements amounting to Rs. 134.60 million, short term borrowings from related parties amounting to Rs. 9.39 million, current portion of long- term finances 232.52 million and cash at bank amounting to Rs. 0.25 million. We have not received any external confirmations from banks and we have not been able to circulate letter for external confirmation from directors and others because we were not provided with 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) As fully explained in note 9.1.1 the Company entered into settlement agreement with Soneri Bank As at September 30, 2020, the management of the Company has entered into Settlement agreement with Soneri Bank Limited and Re-Scheduled the repayment terms of loan. According to the agreement, the Company had to pay down payment of 29,783,463 and remaining principal liability of 55,312,143 on or before 31.12.2025 in 20 quarterly installments starting from 31.03.2021 (as per repayment schedule). As per agreement, the Company paid down payment of 29,783,463 and quarterly principal repayments of 9,000,000 in prior periods. However, these payments had not been reflected in the prior periods financial statements which falls within the ambit of prior periods' error as per IAS 8 "Accounting policies, changes in accounting estimates and errors" . These payments have been appropriately accounted for in the current period ended 30 June 2023, however the company should have corrected this material prior period error retrospectively by re-stating the comparatives resulting in understatement of Long term Financing by 37.283 million.
- (j) 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. 282.97 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) The long-term finances from related parties amounting to Rs. 182.27 million remain unverified in the absence of relevant records, loan agreements and confirmation of balances from directors of the company;



- (l) Management has not provided to us the data and records of deferred liabilities having carrying value of Rs. 4.07 million, Trade and other payables having carrying value of Rs. 445.51 million and Provision for taxation' having reported carrying value of Rs. 10.65 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;
- (m) We did not receive reply of external confirmations to Legal advisors. That is why we were unable to determine the impact of expected outcome of outstanding litigations on these financial statements;
- (n) These financial statements have not been prepared in accordance with the requirements of Companies Act, 2017, International financial reporting standards and disclosure requirements of Fourth schedule of Companies Act, 2017 are not complied with;
- (o) 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;
- (p) The Company's accounting policies on various items of financial statements and related disclosures are not in accordance with the requirements of International Financial Reporting Standard and related International Accounting Standards (IAS);
- (q) We were unable to verify opening balance of all assets, liabilities and equity because neither books of accounts nor any other evidence was provided to us for verification of opening balances; and
- (r) We were unable to verify admin expenses amounting Rs. 0.53 million.

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, 2017 (XIX of 2017) and 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 obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud and error, and to issue an auditor's report that includes our opinion. However, because of the 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 International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Report on Other Legal and Regulatory Requirements

Because of the significance of the matters described in Basis for Disclaimer of Opinion section of our report, we do not express an opinion as to whether,

- a) proper books of accounts 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, the statement of cash flows and the statement of changes in equity 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 accounts and returns;



- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Corporation's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter Paragraph

The financial statements of the company for the year ended June 30, 2022 were audited by another firm of Chartered Accountants who expressed a disclaimer of opinion on those financial statements as on October 07, 2022.

The engagement partner on the audit resulting in this independent auditor's report is **Nouman Arshad, ACA**.

Mushtaq & Co.

MUSHTAQ & CO
Chartered Accountants

Lahore.

Dated: October 06, 2023

UDIN: AR202310724rDJFaKRb3



SALMAN NOMAN ENTERPRISES LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023



STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	2023 ----- Rupees -----	2022
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	7	44,670,360	44,670,360
Accumulated loss		(752,249,761)	(735,079,538)
Surplus on revaluation of property, plant and equipment	8	273,652,141	282,976,426
		<u>(433,927,260)</u>	<u>(407,432,752)</u>
Non-current liabilities			
Long-term finances from financial institutions	9	68,170,283	48,505,746
Liabilities against assets subject to finance lease	10	-	-
Long-term finances from related parties	11	182,267,368	138,683,905
Deferred liabilities	12	4,074,332	4,074,332
		<u>254,511,983</u>	<u>191,263,983</u>
Current liabilities			
Trade and other payables	13	445,519,693	445,519,693
Mark-up accrued on borrowings	14	134,601,511	134,601,511
Short-term borrowings from financial institutions	15	168,690,537	168,690,537
Short-term borrowings from related parties	16	9,385,600	8,855,800
Current portion of long-term finances	17	169,271,909	232,519,909
Provision for taxation		10,652,251	10,652,251
		<u>938,121,501</u>	<u>1,000,839,701</u>
Contingencies and commitments	18	-	-
		<u>758,706,225</u>	<u>784,670,933</u>

Chief Executive Officer

Director

Chief Financial Officer



STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	2023 ----- Rupees -----	2022
ASSETS			
Non-current assets			
Property, plant and equipment	19	581,953,010	607,917,718
Long-term deposits	20	16,467,060	16,467,060
		<u>598,420,070</u>	<u>624,384,778</u>
Current assets			
Stores, spare parts and loose tools	21	30,453,008	30,453,008
Stock in trade	22	90,012,572	90,012,572
Trade debts	23	2,448,541	2,448,541
Trade deposits and prepayments	24	1,850,000	1,850,000
Balances due from government	25	35,269,523	35,269,523
Cash and bank balances	26	252,511	252,511
		<u>160,286,155</u>	<u>160,286,155</u>
		<u><u>758,706,225</u></u>	<u><u>784,670,933</u></u>

The annexed notes from 1 to 39 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer



STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 ----- Rupees -----	2022
Depreciation on property, plant and equipment	27	25,964,708	27,373,523
Administrative and general expenses	28	529,800	440,000
		26,494,508	27,813,523
Loss before taxation		(26,494,508)	(27,813,523)
Taxation	29	-	-
Loss after taxation		(26,494,508)	(27,813,523)
		(Rupees)	(Rupees)
Loss per share (basic and anti-dilutive)	30	(5.93)	(6.23)

The annexed notes from 1 to 39 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 ----- Rupees -----	2022
Loss for the year		(26,494,508)	(27,813,523)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(26,494,508)	(27,813,523)

The annexed notes from 1 to 39 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer



CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 ----- Rupees -----	2022
A Cash flow from operating activities			
Loss before taxation		(26,494,508)	(27,813,523)
Add / (Less): Adjustment for non-cash items:			
Depreciation on property, plant and equipment	19.3	25,964,708	27,373,523
Operating loss before working capital changes		(529,800)	(440,000)
Working capital changes increase in trade and other payables		-	-
Net cash used in operating activities		(529,800)	(440,000)
B Cash flow from financing activities			
Short term borrowings from associated undertakings		529,800	440,000
Net cash in flow from financing activities		529,800	440,000
Net (decrease) in cash and cash equivalents (A+B)		-	-
Cash and cash equivalents at beginning of the year	26	252,511	252,511
Cash and cash equivalents at end of the year	26	252,511	252,511

The annexed notes from 1 to 39 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Share Capital	Accumulated loss	Revaluation surplus on property, plant and equipment	Total Equity
	----- Rupees -----			
As at 30 June 2021	44,670,360	(717,081,052)	292,791,463	(379,619,229)
Total comprehensive loss for the year	-	(27,813,523)	-	(27,813,523)
Incremental depreciation on revaluation of property, plant and equipment for the year	-	9,815,037	(9,815,037)	-
As at 30 June 2022	44,670,360	(735,079,538)	282,976,426	(407,432,752)
Total comprehensive loss for the year	-	(26,494,508)	-	(26,494,508)
Incremental depreciation on revaluation of property, plant and equipment for the year	-	9,324,285	(9,324,285)	-
As at 30 June 2023	44,670,360	(752,249,761)	273,652,141	(433,927,260)

The annexed notes from 1 to 39 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1 STATUS AND ACTIVITIES

Salman Noman Enterprises Limited ('the Company') is a public limited company incorporated under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 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. 26.50 million (2022: Rs. 27.81 million) resulting in accumulated losses of Rs. 752.25 million at the close of the year ended 30 June 2023. The Company's current liabilities exceeds its current assets by Rs. 777.84 million (2022: Rs. 840.55 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 but 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

Amendments to the standards and new interpretations that are mandatory for accounting periods beginning on or after 1 July 2022 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore not detailed in these financial statements.

5 BASIS OF PREPARATION

5.1 Measurement

These financial statements have been prepared under historical cost convention.

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, building on free hold land and plant and machinery are stated at cost less accumulated depreciation and impairment in value, if any. Freehold land, building on free hold land and plant and machinery are 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 or loss account applying the reducing balance method over its estimated useful life at the rates specified in note 19 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 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 retirement 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 or loss account except to the extent that it relates to items recognized directly in 'profit or loss account / statement of comprehensive income' or 'equity', in which case it is recognized in ' statement of profit or loss and other 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.

Financial assets

a) Initial measurement

The Company classifies its financial assets in the following categories:

- (i) at fair value through profit or loss
- (ii) at fair value through comprehensive income
- (iii) measured at amortized cost

A financial asset is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition.

b) Subsequent measurement

The financial assets are subsequently measured as follows:

- (i) Financial assets at fair value through profit and loss
- (ii) Financial assets measured at amortized cost
- (iii) Debt investments at fair value through other comprehensive income
- (iv) Equity investments at fair value through other comprehensive income

These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in profit or loss.

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.

These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the statement of profit or loss.

6.7 Trade and other payable

a) Financial liabilities

These are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being their fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

b) Non-financial liabilities

These on initial recognition and subsequently are measured at cost.

6.8 Long term deposits

These are stated at cost which represents the fair value of consideration given.

6.9 Stores, spare parts and loose tools

These are normally held for internal use and valued at moving average cost less allowances for obsolete and slow moving items except stores in transit which are valued at invoice values plus other charges incurred thereon up to the balance sheet date. For items which are slow moving and/ or identified as surplus to the Company's requirements, adequate impairment is recognized. The Company reviews the carrying amount of stores, spare parts and loose tools on a regular basis and provision is made for obsolescence.



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 provision 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.



	2023	2022	2023	2022
	----- Number of shares -----		----- Rupees -----	
7 SHARE CAPITAL				
Authorized capital				
Ordinary shares of Rs. 10 each	<u>10,000,000</u>	10,000,000	<u>100,000,000</u>	100,000,000
Issued subscribed and paid up capital				
Ordinary shares of Rs. 10 each - fully paid in cash	<u>4,467,036</u>	4,467,036	<u>44,670,360</u>	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:			
8 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			2023	2022
Surplus on revaluation of property, plant and equipment		- note 8.1	<u>273,652,141</u>	282,976,426
			<u>273,652,141</u>	<u>282,976,426</u>
8.1 Company's own assets - net of deferred tax				
At the beginning of the year			383,345,454	393,160,491
Transfer to unappropriated profit in respect of:				
- Incremental depreciation on revalued assets			<u>9,324,285</u>	9,815,037
- Related deferred tax liability			-	-
			<u>9,324,285</u>	9,815,037
Related deferred tax liabilities:			374,021,169	383,345,454
- At beginning of the year			<u>100,369,028</u>	100,369,028
- Incremental depreciation on revalued assets			-	-
			<u>100,369,028</u>	100,369,028
			<u>273,652,141</u>	<u>282,976,426</u>
9 LONG-TERM FINANCES FROM FINANCIAL INSTITUTIONS				
Mark-up bearing secured finances from financial institutions				
Soneri Bank Limited		- note 9.1	78,770,283	122,353,746
National Bank of Pakistan		- note 9.2	<u>27,158,199</u>	27,158,199
			<u>105,928,482</u>	149,511,945
Less: Long-term finances transferred to current liabilities				
Current Maturity			10,600,000	-
Overdue portion of long-term finances			<u>27,158,199</u>	101,006,199
			<u>37,758,199</u>	101,006,199
			<u>68,170,283</u>	<u>48,505,746</u>
9.1 Soneri Bank Limited				
Term Finance - I		- note 9.1.1	41,512,143	85,095,606
Term Finance - II (Frozen Mark-up)			<u>37,258,140</u>	37,258,140
			<u>78,770,283</u>	122,353,746
9.1.1				
Term Finance - I				
Opening Balance			122,353,746	122,353,746
payments during the year			<u>(43,583,463)</u>	-
			<u>78,770,283</u>	122,353,746
Less: Long-term finances transferred to current liabilities				
Current Maturity			10,600,000	-
Overdue portion of long-term finances			-	73,848,000
			<u>10,600,000</u>	73,848,000
			<u>68,170,283</u>	<u>48,505,746</u>
9.2 National Bank of Pakistan				
Demand Finance - I			22,126,199	22,126,199
Demand Finance - II			<u>5,032,000</u>	5,032,000
			<u>27,158,199</u>	27,158,199
9.1.1	As at September 30, 2020, the management of the Company has entered into Settlement agreement with Soneri Bank Limited and Re-Scheduled the repayment terms of loan. According to the agreement, the Company had to pay down payment of 29,783,463 and remaining principal liability of 55,312,143 on or before 31.12.2025 in 20 quarterly installments starting from 31.03.2021 (as per repayment schedule). As per agreement, the Company paid down payment of 29,783,463 and quarterly principal repayments of 7,500,000 in prior periods. However, these payments had not been reflected in the prior periods financial statements which falls within the ambit of prior periods' error as per IAS 8 "Accounting policies, changes in accounting estimates and errors" . These payments have been appropriately accounted for in the current period ended 30 June 2023, however the company should have corrected this material prior period error retrospectively by re-stating the comparatives. As per settlement agreement accrued markup of Rs. 38,036,180/- till 31.03.2014, and present cost of Funds from 01.04.2014 till 31.10.2020 amounting Rs. 34,115,644 as well as Future/Running cost of funds till tentative date of adjustment i.e. 31.12.2025 shall be waived subject to terms and conditions of settlement agreement.			



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

Description	Interest	Other terms and conditions		2023	2022
		Security	Arrangements and repayments	Rupees	Rupees
Soneri Bank Limited	1 month kibar + 2.00% (2022: 1 month kibar + 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, outstanding amount will be repayable in 12 equal 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 guarantfee 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 Rs. 1.5 million and 96 equal monthly installments of Rs. 0.896 million along with markup due from the month of March 2014.	41,512,143	85,095,606
National Bank of Pakistan	3 months kibar + 2.50% (2022: 3 month kibar + 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.	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
				22,126,199	22,126,199
				5,032,000	5,032,000

105,928,482

149,511,945



10 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2023	2022
	----- Rupees -----	
Present value of minimum lease payments	81,855,397	81,855,397
Less: Current portion of obligation	81,855,397	81,855,397
	-	-

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 (2022: 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% (2022: 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% (2022: 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 guarantees of directors. It also includes frozen mark-up amounting to Rs. 2.170 million.

	2023	2022
	----- Rupees -----	
10.1 Movement during the year is as follows:		
At beginning of the year	81,855,397	81,855,397
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:

	2023		
	<i>Minimum lease payments</i>	<i>Future finance cost</i>	<i>Present value of lease payments</i>
	----- Rupees -----		
Not later than 1 year	93,441,246	11,585,849	81,855,397
Later than 1 but not later than 5 years	-	-	-
	93,441,246	11,585,849	81,855,397
	2022		
	<i>Minimum lease payments</i>	<i>Future finance cost</i>	<i>Present value of lease payments</i>
	----- Rupees -----		
Not later than 1 year	93,441,246	11,585,849	81,855,397
Later than 1 but not later than 5 years	-	-	-
	93,441,246	11,585,849	81,855,397

11 LONG-TERM FINANCES FROM RELATED PARTIES

From related parties - unsecured

	2023	2022
	----- Rupees -----	
Loan from related parties	182,267,368	138,683,905
Long term loans from others	49,658,313	49,658,313
	231,925,681	188,342,218
Current Portion	(49,658,313)	(49,658,313)
	182,267,368	138,683,905

11.1 Loan from related parties

As at June 30, 2015, the management of the Company has entered into agreement with directors 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, 2022: 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, 2022 and ending on June 30, 2030). These includes amount of Rs. 138.683 million (June 30, 2022: Rs. 138.683) as subordinated to the loans from banking companies. No repayment is made during the year (2022: Nil)



		2023		2022	
		----- Rupees -----			
12 DEFERRED LIABILITIES					
Employee retirement benefits	- note 12.1	4,074,332		4,074,332	
Deferred taxation	- note 12.2	-		-	
		<u>4,074,332</u>		<u>4,074,332</u>	
12.1 Employee retirement benefits					
As the company has ceased its operations and accordingly, the company has stop providing for employee retirement benefits . Hence, had not provided additional disclosures required under IAS 19.					
12.2 Deferred taxation					
As the future taxable profits are not available to the Company hence no deferred tax asset is recognized in the financial statements.					
		2023		2022	
		----- Rupees -----			
13 TRADE AND OTHER PAYABLES					
Creditors		219,165,081		219,165,081	
Accrued liabilities		112,487,875		112,487,875	
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	
		<u>445,519,693</u>		<u>445,519,693</u>	
14 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	
		<u>134,601,511</u>		<u>134,601,511</u>	
		----- Sanctioned Limits -----		----- Amount Availed -----	
		2023	2022	2023	2022
		----- Rupees -----		----- Rupees -----	
15 SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS					
Secured - from banking companies					
Running finance	- note 15.1	270,667,000	270,667,000	151,500,976	151,500,976
Forced demand draft-Guarantee	- note 15.2			17,189,561	17,189,561
		<u>270,667,000</u>	<u>270,667,000</u>	<u>168,690,537</u>	<u>168,690,537</u>
15.1 Running finance					
Various banks have sanctioned credit facilities of Rs. 270.667 million (2022 : 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% (2022 : 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.					
15.2 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 agreed to be charged on the amount outstanding at three month KIBOR plus 2.5% during current year. No markup has been charged during the year (2022: Nil).					



2023 2022

----- Rupees -----

16 SHORT-TERM BORROWINGS FROM RELATED PARTIES

Borrowings from related parties	- note 16.1	<u>9,385,600</u>	<u>8,855,800</u>
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16.1 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. 9.386 million (2022: 8.855 million).

2023 2022

----- Rupees -----

17 CURRENT PORTION OF LONG-TERM FINANCES

Long-term finances	- note 9	37,758,199	101,006,199
Liabilities against assets subject to finance lease	- note 10	81,855,397	81,855,397
Long term loans from others	- note 11	<u>49,658,313</u>	<u>49,658,313</u>
		<u>169,271,909</u>	<u>232,519,909</u>

18 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) AI - 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.



PROPERTY, PLANT AND EQUIPMENT

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

PARTICULARS	COST / REVALUED AMOUNTS			DEPRECIATION			BOOK VALUE At end of the year	Annual rate of dep. % age
	At beginning of the year	Additions / (Disposals)	At end of the year	At beginning of the year	Charge for the year	At end of the year		
As at 30 June 2023								
Freehold land	94,815,000	-	94,815,000	-	-	-	94,815,000	-
Buildings on freehold land	276,770,457	-	276,770,457	181,008,159	4,788,115	185,796,274	90,974,183	5.00
Plant and machinery	709,969,698	-	709,969,698	437,310,008	13,632,985	450,942,993	259,026,705	5.00
Electric installation	17,657,010	-	17,657,010	13,696,857	396,015	14,092,872	3,564,138	10.00
Office equipments	2,271,204	-	2,271,204	1,737,995	53,321	1,791,316	479,888	10.00
Furniture and fixtures	1,035,539	-	1,035,539	849,035	18,650	867,685	167,854	10.00
Electric appliances	3,983,717	-	3,983,717	3,299,050	68,467	3,367,517	616,200	10.00
Motor vehicles	2,842,623	-	2,842,623	2,566,988	55,127	2,622,115	220,508	20.00
Leased plant and machinery	281,093,510	-	281,093,510	142,052,948	6,952,028	149,004,976	132,068,534	5.00
Total - 30/June/2023	1,390,438,758	-	1,390,438,758	782,521,040	25,964,708	808,485,748	581,953,010	
As at 30 June 2022								
Freehold land	94,815,000	-	94,815,000	-	-	-	94,815,000	-
Buildings on freehold land	276,770,457	-	276,770,457	175,968,038	5,040,121	181,008,159	95,762,298	5.00
Plant and machinery	709,969,698	-	709,969,698	422,959,498	14,350,510	437,310,008	272,659,690	5.00
Electric installation	17,657,010	-	17,657,010	13,256,840	440,017	13,696,857	3,960,153	10.00
Office equipments	2,271,204	-	2,271,204	1,678,750	59,245	1,737,995	533,209	10.00
Furniture and fixtures	1,035,539	-	1,035,539	828,312	20,723	849,035	186,504	10.00
Electric appliances	3,983,717	-	3,983,717	3,222,976	76,074	3,299,050	684,667	10.00
Motor vehicles	2,842,623	-	2,842,623	2,498,079	68,909	2,566,988	275,635	20.00
Leased plant and machinery	281,093,510	-	281,093,510	134,735,024	7,317,924	142,052,948	139,040,562	5.00
Total - 30/June/2022	1,390,438,758	-	1,390,438,758	755,147,517	27,373,523	782,521,040	607,917,718	



19.2 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 2023			
Freehold land	3,062,215	-	3,062,215
Buildings on freehold land	78,232,439	50,370,487	27,861,952
Plant and machinery	376,526,372	231,548,840	144,977,532
	<u>457,821,026</u>	<u>281,919,327</u>	<u>175,901,699</u>
As at 30 June 2022			
Freehold land	3,062,215	-	3,062,215
Buildings on freehold land	78,232,439	48,904,068	29,328,371
Plant and machinery	376,526,372	223,918,444	152,607,928
	<u>457,821,026</u>	<u>272,822,512</u>	<u>184,998,514</u>

19.3 Depreciation for the year has been allocated as -

		2023	2022
		----- Rupees -----	
Depreciation on property, plant and equipment	- note 27	<u>25,964,708</u>	<u>27,373,523</u>

As the company's operations are NIL, the depreciation is shown separately in statement of profit or loss .

20 LONG-TERM DEPOSITS

Deposits with various institutions	- note 20.1	<u>16,467,060</u>	<u>16,467,060</u>
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20.1 Deposits with various institutions

These are interest free refundable deposits with various utility companies and regulatory authorities. These, being held for an indefinite period with no fixed maturity date, are carried at cost as their amortized cost is impracticable to determine.

21 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
		<u>30,453,008</u>	<u>30,453,008</u>

2023
----- Rupees -----
2022

22 STOCK IN TRADE

Raw material	- note 22.1	<u>90,012,572</u>	<u>90,012,572</u>
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22.1 The stocks are valued at lower of cost or net realizable value.

22.2 The value of pledge stock in raw material and finished goods is Rs. 89,138,979(2022: Rs. 89,138,979).



		2023	2022
		----- Rupees -----	
23	TRADE DEBTS		
	Local debts (unsecured, considered doubtful)	2,448,541	2,448,541
24	TRADE DEPOSITS AND PREPAYMENTS		
	Deposits - Lease Company	1,850,000	1,850,000
25	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
26	CASH AND BANK BALANCES		
	With banks:		
	- on current accounts	252,511	252,511
		252,511	252,511
27	DEPRECIATION ON PROPERTY, PLANT AND EQUIPMENT	25,964,708	27,373,523
	- note 19.3		
28	ADMINISTRATIVE AND GENERAL EXPENSES		
	Salaries and allowances	180,000	180,000
	Printing and stationery	69,800	76,000
	Legal and professional charges	72,000	72,000
	Auditor's remuneration	200,000	100,000
	Other expenses	8,000	12,000
		529,800	440,000
28.1	Auditor's remuneration		
	Statutory audit fee	150,000	75,000
	Fee for interim review and other certifications	50,000	25,000
		200,000	100,000
29	TAXATION		
29.1	Current year's taxation		
	No provision for current year's taxation has been made in the financial statements as the Company has ceased its operations.		
29.2	Prior period's taxation		
	Income tax assessments of the Company have been finalized up to tax year 2021 in accordance with deeming provision of the Income Tax Ordinance, 2001.		
29.3	Numerical reconciliation between the average tax rate and the applicable tax rate		
	No provision for taxation has been made in the financial statements during the current year as well as last year. Therefore, numerical reconciliation between the average tax rate and the applicable tax rate is not provided.		
30	LOSS PER SHARE (BASIC AND ANTI-DILUTIVE)	2023	2022
	Loss attributable to ordinary equity holders of the Company	(26,494,508)	(27,813,523)
	Weighted average number of ordinary shares	4,467,036	4,467,036
	Loss per share - basic and anti dilutive	(5.93)	(6.23)
30.1	There is no anti dilutive effect on the basic loss per share.		

31 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.



31.1 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.

31.2 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.

31.2.1 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:

	2023	2022
	----- 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
	<u>21,018,112</u>	<u>21,018,112</u>

31.2.2 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:

	2023	2022
	----- Rupees -----	
Past due 61 - 365 days	2,448,541	2,448,541
	<u>2,448,541</u>	<u>2,448,541</u>

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		Agency
	Short-term	Long-term	
Habib Bank Limited	A-1+	AAA	JCR-VIS
MCB Bank Limited	A1+	AAA	PACRA
United Bank Limited	A-1+	AAA	JCR-VIS
Al Baraka Bank Ltd.	A-1	A+	JCR-VIS
Bank Islami Pakistan	A-1	A+	PACRA
National Bank of Pakistan	A-1+	AAA	JCR-VIS
Bank Alfalah Limited	A1+	AA+	PACRA
Faysal Bank Limited	A-1+	AA	JCR-VIS
The Bank of Punjab	A1+	AA+	PACRA
JS Bank Limited	A1+	AA-	PACRA
Soneri Bank Limited	A1+	AA-	PACRA
SME Bank Limited	B-	A4	PACRA
Habib Metropolitan Bank	A1+	B-	PACRA
Meezan Bank Limited	A-1+	AAA	JCR-VIS
Allied Bank Limited	A1+	AAA	PACRA
Summit Bank Limited	A-1	AAA	JCR-VIS
Bank Al Habib Limited	A1+	AAA	PACRA
Silk Bank Limited	A-2	A-	JCR-VIS

31.2.3 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 thereby mitigating any significant concentrations of credit risk.

31.3 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.



	2023			
	Carrying amount	Contractual cash flows	Not later than 1 year	Later than 1 year
----- Rupees -----				
Long-term finances	105,928,482	105,928,482	105,928,482	-
Long-term finances from directors	182,267,368	182,267,368	-	182,267,368
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	445,519,693	445,519,693	445,519,693	-
Accrued mark-up	134,601,511	134,601,511	134,601,511	-
Short term borrowings	178,076,137	178,076,137	178,076,137	-
	<u>1,177,906,901</u>	<u>1,177,906,901</u>	<u>945,981,220</u>	<u>231,925,681</u>
	2022			
	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	445,519,693	445,519,693	445,519,693	-
Accrued mark-up	134,601,511	134,601,511	134,601,511	-
Short term borrowings	177,546,337	177,546,337	177,546,337	-
	<u>1,177,377,101</u>	<u>1,177,377,101</u>	<u>989,034,883</u>	<u>188,342,218</u>

31.4

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:

31.4.1 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.

31.4.2 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.

31.4.3 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.



32 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 repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.



	Carrying Amount				Fair Value			Total	
	----- As at 30 June 2023 -----								
	Fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3		
Financial instruments on reporting date									
	----- 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	-	-	-	-	
	<u>39,820,575</u>	<u>-</u>	<u>-</u>	<u>39,820,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Financial liabilities measured at fair value	-	-	-	-	-	-	-	-	
Financial liabilities not measured at fair value									
Long term finances	-	-	269,683,880	269,683,880	-	-	-	-	
Lease obligations	-	-	81,855,397	81,855,397	-	-	-	-	
Trade payables	-	-	445,519,693	445,519,693	-	-	-	-	
Accrued mark-up	-	-	134,601,511	134,601,511	-	-	-	-	
Short term borrowings	-	-	178,076,137	178,076,137	-	-	-	-	
	<u>-</u>	<u>-</u>	<u>1,109,736,618</u>	<u>1,109,736,618</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
	Carrying Amount				Fair Value				
	----- As at 30 June 2022 -----								
Financial instruments on reporting date									
	----- 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	-	-	-	-	
	<u>39,820,575</u>	<u>-</u>	<u>-</u>	<u>39,820,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
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	-	-	445,519,693	445,519,693	-	-	-	-	
Accrued mark-up	-	-	134,601,511	134,601,511	-	-	-	-	
Short term borrowings	-	-	177,546,337	177,546,337	-	-	-	-	
	<u>-</u>	<u>-</u>	<u>1,128,871,355</u>	<u>1,128,871,355</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	



33 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 from 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.

	2023	2022
	----- Rupees -----	
Total borrowings	360,343,505	316,230,242
Less: Cash and bank balance	252,511	252,511
Net debt	360,090,994	315,977,731
Total Equity	(433,927,260)	(407,432,752)
Total capital	(73,836,266)	(91,455,021)
Gearing ratio	-488%	-346%

34 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 2023 (2022 : NIL).

35 RELATED PARTY DISCLOSURE

35.1 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.

36 PLANT CAPACITY AND ACTUAL PRODUCTION

	2023	2022
Total number of spindles installed	28,248	28,248
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.

37 NUMBER OF EMPLOYEES

There are no employees at end of year

38 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.

39 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the board of directors of the Company and authorized for issue on October 06, 2023.

Chief Executive Officer

Director

Chief Financial Officer



FORM 34
COMBINED PATTERN OF CDC AND PHYSICAL SHAREHOLDING
AS AT JUNE 30, 2023

No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
85	1	100	2,752
229	101	500	57,513
291	501	1,000	176,302
88	1,001	5,000	216,757
16	5,001	10,000	120,271
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
747			4,467,036

Categories of Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer, 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	0	0.0000%
Modarabas and Mutual Funds	0	0.0000%
Share holders holding 10% or more	1,818,846	40.7171%
General Public		
a. Local	3,170,388	70.9730%
b. 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 SHARE HOLDING
As on 30th June, 2023

S. No.	NAME	HOLDING	%AGE
<u>DIRECTORS, CEO THEIR SPOUSE AND MINOR CHILDREN</u>			
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%
<u>ASSOCIATED COMPANIES</u>			
			0.0000%
		0	0.0000%
<u>NIT and ICP</u>			
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%
<u>FINANCIAL INSTITUTION</u>			
1	NATIONAL BANK OF PAKISTAN. (CDC)	185	0.0041%
		185	0.0041%
<u>MUTUAL FUNDS</u>			
		0	0.0000%
<u>PENSION FUNDS</u>			
1	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND (CDC)	30,069	0.6731%
		30,069	0.6731%
<u>JOINT STOCK COMPANIES</u>			
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%
<u>OTHERS</u>			
1	TRUSTEE NATIONAL BANK OF OAKISTAN EMP BENEVOLENT FUND TRUST (CDC)	1,055	0.0236%
		1,055	0.0236%
<u>SHARES HELD BY THE GENERAL PUBLIC (LOCAL)</u>			
		3,170,388	70.9730%
<u>SHARES HELD BY THE GENERAL PUBLIC (FOREIGN)</u>			
		0	0.0000%
		3,170,388	70.9730%
		TOTAL:	4,467,036 100.0000%
<u>SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL</u>			
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%
<u>SHAREHOLDERS HOLDING 5% OR MORE OF TOTAL CAPITAL</u>			
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		



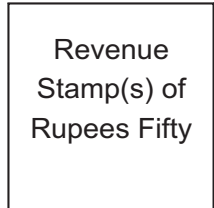
FORM OF PROXY

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.D.No. _____ as my proxy to vote for me and on my behalf at the 38th Annual General meeting of the Company to be held on Friday the October 27, 2023 at 09:00 a.m and any adjournment thereof.

Signed this _____ day of October, 2023



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

Witness: 1

Signature: _____

Name: _____

Address: _____

CNIC or: _____

Passport#: _____

Witness:2

Signature: _____

Name _____

Address: _____

CNIC or: _____

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 انٹرپرائزز لمیٹڈ

تشکیل نیابت داری برائے سالانہ اجلاس عام

میں / ہم

ساکن _____ سلمان نعمان انٹرپرائزز 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 انٹرپرائزز لمیٹڈ کا / کی کے حصص دار ہے ہیں۔ کو اپنی جگہ بروز جمعہ بتاریخ 27 اکتوبر 2023 بوقت صبح 9:00 بجے

منعقد ہونے والے 38 ویں سالانہ اجلاس عام یا کسی متبادل دن جو بھی ہوگا میں رائے دہندگی کے لئے نمائندہ مقرر کرتا / کرتی کرتے

ہوں / ہیں۔

پچاس روپے کی رسیدی ٹکٹ

چسپاں کریں

بتاریخ: _____ اکتوبر 2023 کو دستخط کیا گیا

کمپنی کے ریکارڈز کے مطابق دستخط

گواہ نمبر: 2

گواہ نمبر: 1

_____ دستخط

_____ دستخط

_____ نام

_____ نام

_____ پتہ

_____ پتہ

_____ شناختی کارڈ نمبر یا

_____ شناختی کارڈ نمبر یا

_____ پاسپورٹ نمبر

_____ 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 چاہیے۔

2- کوئی بھی فرد مختار نامہ اس وقت تک استعمال نہیں کر سکتا جب تک وہ کمپنی کا حصص دار نہ ہو۔ علاوہ اس کے کہ کوئی ایک کمپنی جو حصص دار ہے کسی فرد

کو نمائندہ مقرر کرے جو کمپنی کا حصص دار نہ ہو۔

IF UNDELIVERED PLEASE RETURN TO:-

SALMAN NOMAN ENTERPRISES LIMITED
3-K-M, BALLOKI ROAD, BHAIPHERU
TEHSIL PATOKI DISST. KASUR
