

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

FOR THE
1st QUARTER ENDED
September 30, 2020



SALMAN NOMAN
ENTERPRISES LIMITED

SALMAN NOMAN ENTERPRISES LIMITED

DIRECTORS' REPORT TO THE SHARE HOLDERS

The Directors of your company have the pleasure to submit un-audited accounts for the first quarter ended as on 30th September 2020.

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

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

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

FOR AND ON BEHALF OF THE BOARD

Lahore:
October 27, 2020

(NAUMAN ALMAS)
Chief Executive

SALMAN NOMAN ENTERPRISES LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT 30 SEPTEMBER 2020

		Un-Audited 30/Sep/2020	Audited 30/Jun/2020
	Note	Rupees	Rupees
EQUITY AND LIABILITIES			
Share capital	5	44,670,360	44,670,360
Accumulated loss		(702,766,851)	(698,242,076)
Surplus on revaluation of property, plant and equipment		300,414,181	303,123,080
		<u>(357,682,310)</u>	<u>(350,448,636)</u>
Non-current liabilities			
Long-term finances from financial institutions	6	48,505,746	48,505,746
Liabilities against assets subject to finance lease	7	-	-
Long-term finances from related parties	8	138,683,905	138,683,905
Deferred liabilities		4,074,332	4,074,332
		<u>191,263,983</u>	<u>191,263,983</u>
Current liabilities			
Trade and other payables		445,437,694	445,419,694
Mark-up accrued on borrowings		134,601,511	134,601,511
Short term borrowings	9	176,898,437	176,898,437
Current portion of long-term finances	10	232,519,909	232,519,909
Provision for taxation		10,652,251	10,652,251
		<u>1,000,109,802</u>	<u>1,000,091,802</u>
CONTINGENCIES AND COMMITMENTS			
		-	-
		<u>833,691,475</u>	<u>840,907,149</u>
ASSETS			
Non-current assets			
Property, plant and equipment	11	656,938,260	664,153,934
Long-term deposits		16,467,060	16,467,060
		<u>673,405,320</u>	<u>680,620,994</u>
Current assets			
Stores, spare parts and loose tools		30,453,008	30,453,008
Stock in trade		90,012,572	90,012,572
Trade debts		2,448,541	2,448,541
Trade deposits and prepayments		1,850,000	1,850,000
Balances due from government		35,269,523	35,269,523
Cash and bank balances		252,511	252,511
		<u>160,286,155</u>	<u>160,286,155</u>
		<u>833,691,475</u>	<u>840,907,149</u>

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

Lahore:

Dated: October 27, 2020

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

SALMAN NOMAN ENTERPRISES LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

	Quarter ended	
	30/Sep/2020	30/Sep/2019
Note	Rupees	
Operating expenses		
Administrative and selling expenses	(18,000)	(36,000)
Other operating expenses	(7,215,674)	-
	(7,233,674)	(36,000)
Finance cost	-	-
Loss before taxation	(7,233,674)	(36,000)
Taxation	-	-
Loss after taxation	(7,233,674)	(36,000)
Total comprehensive loss	(7,233,674)	(36,000)
Loss per share - basic and diluted	(1.62)	(0.01)

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

Lahore:

Dated: October 27, 2020

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

SALMAN NOMAN ENTERPRISES LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

	Share capital	Accumulated loss	Revaluation surplus on property, plant and equipment	Total Equity
	-----Rupees-----			
Balance as at 30 June 2019	44,670,360	(678,902,552)	314,528,970	(319,703,222)
Total comprehensive loss for the three months period ended 30 September 2020				
Loss for the period	-	(36,000)	-	(36,000)
Balance as at 30 September 2019	44,670,360	(678,938,552)	314,528,970	(319,739,222)
Total comprehensive income for the nine months period ended 30 June 2020				
Loss for the period	-	(30,709,414)	-	(30,709,414)
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	11,405,890	(11,405,890)	-
Balance as at 30 June 2019	44,670,360	(698,242,076)	303,123,080	(350,448,636)
Total comprehensive income for the three months period ended 30 September 2020				
Loss for the period	-	(7,233,674)	-	(7,233,674)
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	2,708,899	(2,708,899)	-
Balance as at 30 September 2020	44,670,360	(702,766,851)	300,414,181	(357,682,310)

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

Lahore:

Dated: October 27, 2020 CHIEF EXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

	----- Three months ended -----	
	30/Sep/2020	30/Sep/2019
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(7,233,674)	(36,000)
Adjustments for non-cash charges / items:		
Depreciation of property, plant and equipment	7,215,674	-
Finance cost	-	-
	7,215,674	-
Loss before working capital changes	(18,000)	(36,000)
Working capital changes		
(Increase) / Decrease in current assets	-	-
(Decrease) in trade and other payables	18,000	36,000
	18,000	36,000
Cash used in operations	-	-
Net cash used in operating activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from short term finances	-	-
Net cash in flow from financing activities	-	-
Net decrease in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of period	252,511	252,511
Cash and cash equivalents at end of period	252,511	252,511

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

Lahore:

Dated: October 27, 2020 CHIEF EXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

SALMAN NOMAN ENTERPRISES LIMITED

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

1 STATUS AND ACTIVITIES

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

1.2 Going concern assumption

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

The Company incurred a net loss for the period ended of Rs. 7,233,674 (Sep 2019: Rs. 36,000) resulting in accumulated losses at the end of the period of Rs. 702,766,851 (June 2020: Rs. 698,242,076). The Company's current liabilities exceed its current assets at reporting date by Rs. 839,823,647 (June 2020: Rs. 839,805,647).

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

2 STATEMENT OF COMPLIANCE

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

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

3 BASIS OF MEASUREMENT

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

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method for computation adopted for the preparation of this condensed interim financial information is the same as those applied in preparation of the financial statements for the year ended June 30, 2020.

	Un-Audited 30/Sep/2020 Rupees	Audited 30/Jun/2020 Rupees
5 SHARE CAPITAL		
Authorized capital		
10,000,000 (June 30, 2020: 10,000,000) Ordinary shares of Rs. 10 each	<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid-up share capital		
4,467,036 (June 30, 2020: 4,467,036) ordinary shares of Rs 10/- each fully paid in cash	<u>44,670,360</u>	<u>44,670,360</u>
6 LONG-TERM FINANCES FROM FINANCIAL INSTITUTIONS		
<i>Mark-up bearing secured finances from financial institutions</i>		
Soneri Bank Limited	122,353,746	122,353,746
National Bank of Pakistan	27,158,199	27,158,199
	<u>149,511,945</u>	<u>149,511,945</u>
Less: Long-term finances transferred to current liabilities		
Current Maturity		
Overdue portion of long-term finances	<u>101,006,199</u>	<u>101,006,199</u>
	<u>101,006,199</u>	<u>101,006,199</u>
	<u>48,505,746</u>	<u>48,505,746</u>

SALMAN NOMAN ENTERPRISES LIMITED

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

	Un-Audited 30/Sep/2020 Rupees	Audited 30/Jun/2020 Rupees
7 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
Present value of minimum lease payments	81,855,397	81,855,397
Less: Current portion of obligation	81,855,397	81,855,397
	<u>-</u>	<u>-</u>
8 LONG-TERM FINANCES FROM RELATED PARTIES		
<i>From related parties - unsecured</i>		
Loan from related parties	<u>138,683,905</u>	<u>138,683,905</u>
8.1 Loan from related parties		
As at June 30, 2015, the management of the Company has entered into agreement with director and decided repayment terms of unsecured loan (previously repayment of the loan were not determined). According to the agreement, the tenure of loans is fifteen years with grace period of five years. These loans are unsecured and carrying markup of one month Kibor plus 0.5 percent (June 30, 2020: one month Kibor plus 0.5 percent) payable annually from July 1, 2015. The outstanding amount will be repayable in 10 equal annual installments of Rs. 13.868 million each (Starting from June 30, 2021 and ending on June 30, 2030). These includes amount of Rs. 138.683 million (June 30, 2020: Rs. 138.683 million) as subordinated to the loans from banking companies.		
9 SHORT TERM BORROWINGS		
<i>Secured - from banking companies</i>		
Running finance	151,500,976	151,500,976
Forced demand draft-Guarantee	17,189,561	17,189,561
	<u>168,690,537</u>	<u>168,690,537</u>
<i>Unsecured - from related parties</i>		
Borrowings from related parties	<u>8,207,900</u>	<u>8,207,900</u>
	<u>176,898,437</u>	<u>176,898,437</u>
10 CURRENT PORTION OF LONG-TERM FINANCES		
Long-term finances	101,006,199	101,006,199
Liabilities against assets subject to finance lease	81,855,397	81,855,397
Long term loans from others	49,658,313	49,658,313
	<u>232,519,909</u>	<u>232,519,909</u>
11 PROPERTY, PLANT AND EQUIPMENT		
Opening WDV	664,153,934	694,591,448
Less: Depreciation	(7,215,674)	(30,437,514)
Book value as at period end	<u>656,938,260</u>	<u>664,153,934</u>
12 AUTHORIZATION FOR ISSUE		
These financial statements have been approved by the board of directors of the Company and authorized for issue on October 27, 2020.		
13 CORRESPONDING FIGURES		
13.1	Corresponding figures have been re-arranged, wherever necessary to the facilitation of comparison.	
13.2	Figures have been rounded off to the nearest of rupees.	

Lahore:

Dated: October 27, 2020

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

SALMAN NOMAN ENTERPRISES LIMITED

حصص داران کیلئے مجلسِ نظاماء کی رپورٹ

آپ کی کمپنی کے ڈائریکٹر 30 ستمبر 2020 کو ختم ہونے والی پہلی سد ماہی کیلئے غیر آڈٹ شدہ اکاؤنٹس جمع کرواتے ہوئے خوش محسوس کرتے ہیں۔ زیر جائزہ مدت کے دوران ورکنگ سرمایہ کی عدم دستیابی کی وجہ سے کمپنی بند رہی۔

بینکوں کے ساتھ بھی کچھ معاملات عدالت میں زیرِ سماعت ہے اور کمپنی کو کسی قسم کی قرضہ کی سہولت فراہم نہیں کی جارہی۔ ڈائریکٹر کام کے دوبارہ آغاز کیلئے کوشش کر رہے ہیں اور وہ پُر امید ہیں کہ کام کا آغاز بہت جلد ہو جائے گا۔ ڈائریکٹر اپنے گاہکوں کا شکریہ ادا کرتے ہیں۔ جنہوں نے کمپنی کیلئے اپنا پورا تعاون کیا۔

میری اور بورڈ کی جانب سے

(نعمان الماس)

چیف ایگزیکٹو

لاہور

تاریخ 27 اکتوبر 2020



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