

A C C O U N T S
(UN-AUDITED)
FOR THE
3rd QUARTER ENDED
March 31, 2021



SALMAN NOMAN
ENTERPRISES LIMITED

BOOK POST
PRINTED MATTER

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

SALMAN NOMAN ENTERPRISES LIMITED

DIRECTORS REPORT FOR THE PERIOD ENDED MARCH, 2021

The Directors of your company have the pleasure to submit un-audited accounts for the Period Ended as on 31st March 2021.

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

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

Going Concern

The Company has incurred net loss for the period ended of Rs. 21.887 million (Mar 2020: Rs. 23.096 million) resulting in accumulated losses at the end of the period of Rs. 714.055 million (Jun 2020: Rs. 698.242 million) at the close of the period ended on 31 March 2021. The Company's current liabilities exceed its current assets by Rs. 853.914 million (Jun 2020: Rs. 853.674 million). The Company is facing operational crisis and have lost key management without replacement and the commercial operations of the Company had been ceased. The Company is in severe liquidity crisis and inability of the Company to comply with the loan agreements and to pay the finances obtained. These conditions indicate the existence of material uncertainty which may cast a significant doubt about the Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in normal course of business.

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

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

FOR AND ON BEHALF OF THE BOARD

Lahore:

Dated: April 28, 2021


(NAUMAN ALMAS)
Chief Executive

SALMAN NOMAN ENTERPRISES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

	Note	Un-Audited 31/Mar/2021 Rupees	Audited 30/Jun/2020 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
10,000,000 (30 June 2020: 10,000,000) ordinary shares of Rs. 10 each		100,000,000	100,000,000
Share capital	5	44,670,360	44,670,360
Accumulated loss		(714,055,460)	(698,242,076)
Surplus on revaluation of property, plant and equipment		297,049,444	303,123,080
		(372,335,656)	(350,448,636)
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	124,815,514	124,815,514
Deferred liabilities		4,074,332	4,074,332
		177,395,592	177,395,592
Current liabilities			
Trade and other payables		445,419,693	445,419,693
Mark-up accrued on borrowings		134,601,511	134,601,511
Short term borrowings	9	177,138,437	176,898,437
Current portion of long-term finances	10	246,388,301	246,388,301
Provision for taxation		10,652,251	10,652,251
		1,014,200,193	1,013,960,193
CONTINGENCIES AND COMMITMENTS			
		819,260,129	840,907,149
ASSETS			
Non-current assets			
Property, plant and equipment	11	642,506,914	664,153,934
Long-term deposits		16,467,060	16,467,060
		658,973,974	680,620,994
Current assets			
Stores, spare parts and loose tools		30,453,008	30,453,008
Stock in trade		90,012,572	90,012,572
Trade debts		2,448,541	2,448,541
Trade deposits and prepayments		1,850,000	1,850,000
Balances due from government		35,269,523	35,269,523
Cash and bank balances		252,511	252,511
		160,286,155	160,286,155
		819,260,129	840,907,149

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

Lahore:

Dated: April 28, 2021

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

SALMAN NOMAN ENTERPRISES LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS/ AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2021

Note	Nine months ended		Quarter ended	
	31/Mar/2021	31/Mar/2020	31/Mar/2021	31/Mar/2020
	Rupees		Rupees	
Operating expenses				
Administrative and selling expenses	(240,000)	(267,900)	(38,000)	(65,900)
Other operating expenses	(21,647,020)	(22,828,136)	(7,215,673)	(7,609,379)
	(21,887,020)	(23,096,036)	(7,253,673)	(7,675,279)
Finance cost	-	-	-	-
Loss before taxation	(21,887,020)	(23,096,036)	(7,253,673)	(7,675,279)
Taxation	-	-	-	-
Loss after taxation	(21,887,020)	(23,096,036)	(7,253,673)	(7,675,279)
Total comprehensive loss	(21,887,020)	(23,096,036)	(7,253,673)	(7,675,279)
Loss per share - basic and diluted	(4.90)	(5.17)	(1.62)	(1.72)

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

Lahore:

Dated: April 28, 2021 CHIEF EXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	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 nine months period ended 31 March 2020				
Loss for the period	-	(23,096,036)	-	(23,096,036)
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	6,781,362	(6,781,362)	-
Balance as at 31 March 2020	44,670,360	(695,217,226)	307,747,608	(342,799,258)
Total comprehensive income for the three months period ended 30 June 2021				
Income for the period	-	(7,649,378)	-	(7,649,378)
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	4,624,528	(4,624,528)	-
Balance as at 30 June 2020	44,670,360	(698,242,076)	303,123,080	(350,448,636)
Total comprehensive income for the nine months period ended 31 March 2021				
Loss for the period	-	(21,887,020)	-	(21,887,020)
Incremental depreciation on revaluation of property, plant and equipment for the period (net of deferred taxation)	-	6,073,636	(6,073,636)	-
Balance as at 31 March 2021	44,670,360	(714,055,460)	297,049,444	(372,335,656)

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

Lahore:

Dated: April 28, 2021 CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

SALMAN NOMAN ENTERPRISES LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2021

	— Nine months ended —	
	31/Mar/2021	31/Mar/2020
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(21,887,020)	(23,096,036)
Adjustments for non-cash charges / items:		
Depreciation of property, plant and equipment	21,647,020	22,828,136
Finance cost	-	-
	21,647,020	22,828,136
Loss before working capital changes	(240,000)	(267,900)
Working capital changes		
(Increase) / Decrease in current assets	-	-
(Decrease) in trade and other payables	-	68,000
	-	68,000
Cash used in operations	(240,000)	(199,900)
Net cash used in operating activities	(240,000)	(199,900)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short term finances	240,000	199,900
Net cash in flow from financing activities	240,000	199,900
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: April 28, 2021

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

SALMAN NOMAN ENTERPRISES LIMITED

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2021

1 STATUS AND ACTIVITIES

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

1.2 Going concern assumption

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

The Company incurred a net loss for the period ended of Rs. 21,887,020 (Mar 2020: Rs. 23,096,036) resulting in accumulated losses at the end of the period of Rs. 714,055,460 (June 2020: Rs. 698,242,076). The Company's current liabilities exceed its current assets at reporting date by Rs. 853,914,038 (June 2020: Rs. 853,674,038).

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 2020.

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.

5 SHARE CAPITAL

Authorized capital

10,000,000 (June 30, 2020: 10,000,000) Ordinary shares of Rs. 10 each

Un-Audited 31/Mar/2021	Audited 30/Jun/2020
Rupees	Rupees

100,000,000 100,000,000

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

44,670,360 44,670,360

6 LONG-TERM FINANCES FROM FINANCIAL INSTITUTIONS

Mark-up bearing secured finances from financial institutions

Sonari Bank Limited

122,353,746 122,353,746

National Bank of Pakistan

27,158,199 27,158,199

149,511,945 149,511,945

Less: Long-term finances transferred to current liabilities

Current Maturity

101,006,199 101,006,199

Overdue portion of long-term finances

101,006,199 101,006,199

48,505,746 48,505,746

SALMAN NOMAN ENTERPRISES LIMITED

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2021

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	138,683,905	138,683,905
	Less: Current portion	(13,868,391)	(13,868,391)
		<u>124,815,514</u>	<u>124,815,514</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. 138,683,905) as subordinated to the loans from banking companies.

	Un-Audited 31/Mar/2021 Rupees	Audited 30/Jun/2020 Rupees
9	SHORT TERM BORROWINGS	
	<i>Secured - from banking companies</i>	
	Running finance	168,690,537
	Forced demand draft-Guarantee	-
		<u>168,690,537</u>
	<i>Unsecured - from related parties</i>	
	Borrowings from related parties	8,207,900
		<u>8,207,900</u>
		<u>176,898,437</u>
10	CURRENT PORTION OF LONG-TERM FINANCES	
	Long-term finances from financial institutions	101,006,199
	Liabilities against assets subject to finance lease	81,855,397
	Long term finances from related parties	13,868,391
	Long term loans from others	49,658,313
		<u>246,388,300</u>
11	PROPERTY, PLANT AND EQUIPMENT	
	Opening WDV	664,153,934
	Less: Depreciation	(21,647,020)
	Book value as at period end	<u>642,506,914</u>

12 AUTHORIZATION FOR ISSUE

These financial statements have been approved by the board of directors of the Company and authorized for issue on 28th April, 2021.

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: April 28, 2021

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

ڈائریکٹر زرپورٹ

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

کاروبار جاری رکھنے کی صلاحیت

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

منجانب برائے بورڈ

(نعمان الماس)

لاہور: اپریل 28، 2021

