

KOHINOOR INDUSTRIES LIMITED

3RD QUARTER REPORT

31-03-2020

(Un-audited)

BOARD OF DIRECTORS

Mr. M. Naseem Saigol
Mr. M. Zeid Yousuf Saigol
Mr. Muhammad Murad Saigol
Mr. Muhammad Omer Farooq
Ms. Sadaf Kashif
Mr. Muhammad Asif
Mr. Rashid Ahmad Javaid

Chairman
Chief Executive Officer

AUDIT COMMITTEE

Mr. Rashid Ahmad Javaid
Mr. Muhammad Omer Farooq
Ms. Sadaf Kashif
Mr. Muhammad Asif

Chairman/Member
Member
Member
Member

HR & REMUNERATION COMMITTEE

Mr. Rashid Ahmad Javaid
Mr. M. Naseem Saigol
Mr. M. Zeid Yousuf Saigol

Chairman
Member
Member

COMPANY SECRETARY

Khawaja Safee Sultan

CHIEF FINANCIAL OFFICER

Mr. Zahoor Ahmed

AUDITORS

M/s Rahman Sarfaraz Rahim Iqbal Rafiq & Co.
Chartered Accountants

REGISTRATION NUMBER

0000214

NTN

0452891-3

WEBSITE

www.kil.com.pk

BANKERS

Askari Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
NIB Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited

REGISTERED OFFICE

17-Aziz Avenue, Canal Bank,
Gulberg-V, Lahore.
Tel: 042-35715029-31 Fax: 042-35715105
E-mail: shares@saigols.com

WORKS

Kohinoor Nagar, College Road,
Madina Town, Faisalabad.
Tel: 8540211-12 Fax: 8541444

SHARE REGISTRAR

M/s Corplink (Pvt.) Limited
Wings Arcade, 1-K, Commercial,
Model Town, Lahore
Tel: 35916714-19, 35839182 Fax: 35869037
E-mail: shares@corplink.com.pk

ڈائریکٹرز رپورٹ

کوہ نور انڈسٹریز لمیٹڈ کے ڈائریکٹرز آپ کے سامنے کمپنی کی رپورٹ ہمراہ عبوری مالی سٹیٹمنٹ برائے دورانیہ تیسری سہ ماہی اختتام پزیر ۱۳ مارچ ۲۰۲۰ پیش کرتے ہیں۔
زیر جائزہ دورانیہ میں کمپنی کی آمدنی 41.525 ملین رہی جبکہ گزشتہ سال اسی عرصہ میں 34.619 ملین آمدنی کمائی گئی۔ اسی دورانیہ میں کمپنی نے 31.231 ملین کل منافع کمایا، جو گزشتہ سال اسی عرصہ میں 16.767 ملین تھا۔ اسکی وجہ کمپنی کی پراپرٹیز کے کرایہ میں اضافہ ہے۔ زیر جائزہ دورانیہ میں کمپنی نے 23.697 ملین خالص منافع کمایا جبکہ گزشتہ سال اسی عرصہ میں 15.924 ملین منافع کمایا تھا۔

بورڈ کی ساخت

بورڈ آف ڈائریکٹرز کی ساخت درج ذیل ہے۔

| کل ڈائریکٹرز کی تعداد | |
|------------------------|--------------------------|
| مرد | چھ |
| عورت | ایک |
| مرکب | |
| آزاد ڈائریکٹرز | محترم رشید احمد جاوید |
| | محترم محمد آصف |
| نان ایگزیکٹو ڈائریکٹرز | محترم محمد نسیم سہگل |
| | محترم محمد مراد سہگل |
| | محترمہ صدف کاشف |
| ایگزیکٹو ڈائریکٹر | محترم محمد زید یوسف سہگل |
| | محترم محمد عرفان فاروق |

بورڈ کی کمیٹیوں کی تفصیل درج ذیل ہے۔

آڈٹ کمیٹی

| | |
|------------------------|-----------------|
| محترم رشید احمد جاوید | چیئر مین / ممبر |
| محترم محمد عرفان فاروق | ممبر |
| محترمہ صدف کاشف | ممبر |
| محترم محمد آصف | ممبر |

ایچ آر اینڈ ریسرچیشن کمیٹی

| | |
|-------------------------|-----------------|
| محترم رشید احمد جاوید | چیئر مین / ممبر |
| جناب محمد نسیم سہگل | ممبر |
| جناب محمد زید یوسف سہگل | ممبر |

ہم تمام حصہ داران کے بھرپور تعاون کے تہہ دل سے مشکور ہیں۔ ہم یہ اعلان کرتے ہوئے خوشی محسوس کرتے ہیں کہ کمپنی اپنے ملازمین کو سراہتے ہوئے یہ امید کرتی ہے کہ وہ اسی انداز میں آئندہ بھی اپنے فرائض سرانجام دیتے رہیں گے۔

منجانب و برائے بورڈ:

لاہور

۰۳ اپریل ۲۰۲۰

محمد زید یوسف سہگل

چیف ایگزیکٹو

DIRECTORS' REPORT

The Directors' of Kohinoor Industries Limited presented before you the report of the company for the 3rd Quarter ended March 31, 2020.

During the period under review, the revenue of the Company for the period is Rs. 41.525 million as compared to Rs. 34.619 million in the corresponding period last year. During the period, the company earned gross profit of Rs. 31.231 million as compared to profit of Rs. 16.767 million in the corresponding period last year. This is due to increase in rates of rent of the Company's properties. The company has earned net profit after tax of Rs. 23.697 million as compared to profit of Rs. 15.924 million in the corresponding period last year.

COMPOSITION OF BOARD

Composition of the Board of Directors is as under.

| TOTAL NUMBER OF DIRECTORS | |
|---------------------------|---------------------------|
| Male | 6 |
| Female | 1 |
| COMPOSITION | |
| Independent Director | Mr. Rashid Ahmad Javaid |
| | Mr. Muhammad Asif |
| Non-Executive Directors | Mr. M. Naseem Saigol |
| | Mr. M. Murad Saigol |
| | Mrs. Sadaf Kashif |
| Executive Directors | Mr. M. Zeid Yousuf Saigol |
| | Mr. M. Omer Farooq |

COMMITTEE'S

Detail of Committee's of Board is as under.

AUDIT COMMITTEE

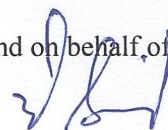
| | |
|-------------------------|-----------------|
| Mr. Rashid Ahmad Javaid | Chairman/Member |
| Mr. M. Omer Farooq | Member |
| Mrs. Sadaf Kashif | Member |
| M. Muhammad Asif | Member |

HR & REMUNERATION COMMITTEE

| | |
|---------------------------|-----------------|
| Mr. Rashid Ahmad Javaid | Chairman/Member |
| Mr. M. Naseem Saigol | Member |
| Mr. M. Zeid Yousuf Saigol | Member |

We wish to thank to the shareholders for their support. We are pleased to record our appreciation of the services rendered by the employees of the company and hope that the same spirit of devotion will continue in future.

For and on behalf of the Board



M. ZEID YOUSUF SAIGOL
Chief Executive

Lahore
April 30, 2020


KOHINOOR INDUSTRIES LIMITED


CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2020

| | Note | March 31, 2020 | June 30, 2019 |
|--|------|--------------------------------------|-----------------------------------|
| | | <i>Rupees</i> <i>(Un-audited)</i> | <i>Rupees</i> <i>(Audited)</i> |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| <i>Authorized capital</i> | | | |
| 40,000,000 (2018: 40,000,000) ordinary shares of Rs. 10 each | | 400,000,000 | 400,000,000 |
| Issued, subscribed and paid-up capital | | 303,025,430 | 303,025,430 |
| Share premium | | 187,394,755 | 187,394,755 |
| Surplus on revaluation of property and equipment | | 651,264,077 | 651,264,077 |
| Accumulated losses | | (664,673,991) | (688,371,198) |
| TOTAL EQUITY | | 477,010,271 | 453,313,064 |
| NON CURRENT LIABILITIES | | | |
| Employees retirement benefits | | 585,327 | 385,508 |
| | | 585,327 | 385,508 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 27,479,536 | 27,810,731 |
| Short term borrowings | | 353,682,503 | 353,682,503 |
| Unclaimed dividend | | 1,034,826 | 1,034,826 |
| Current taxation | | 21,828,847 | 22,083,661 |
| | | 404,025,712 | 404,611,721 |
| TOTAL LIABILITIES | | 404,611,039 | 404,997,229 |
| CONTINGENCIES AND COMMITMENTS | 3 | | |
| TOTAL EQUITY AND LIABILITIES | | 881,621,310 | 858,310,293 |

The annexed notes form an integral part of these financial statements


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR


KOHINOOR INDUSTRIES LIMITED


CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT March 31, 2020

| | Note | March 31, 2020 | June 30, 2019 |
|--|------|------------------------|---------------------|
| | | Rupees (Un-audited) | Rupees (Audited) |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property and equipment | 14 | 2,550,170 | 2,777,933 |
| Government taken over concerns | 15 | - | - |
| Investment property | 16 | 809,372,245 | 809,372,245 |
| Long term investments | 17 | 4,252,500 | 4,819,500 |
| Long term deposits | 18 | 166,376 | 166,376 |
| | | 816,341,291 | 817,136,054 |
| CURRENT ASSETS | | | |
| Rent receivables | 19 | 20,000 | 20,000 |
| Advances, deposits and other receivables | | 128,000 | - |
| Advance income tax | 20 | 16,810,314 | 15,834,306 |
| Cash and bank balances | 22 | 48,321,705 | 25,319,933 |
| | | 65,280,019 | 41,174,239 |
| TOTAL ASSETS | | 881,621,310 | 858,310,293 |

The annexed notes form an integral part of these financial statements


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

KOHINOOR INDUSTRIES LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2020

| Note | Nine month ended | | Three month ended | |
|--|------------------|----------------|-------------------|----------------|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| | Rupees | Rupees | Rupees | Rupees |
| Revenue | 41,525,532 | 34,619,406 | 14,399,628 | 13,096,023 |
| Administrative and general expenses | (13,537,638) | (14,376,287) | (3,277,195) | (7,490,537) |
| Other expenses | - | (3,536,052) | - | (1,897,421) |
| | (13,537,638) | (17,912,339) | (3,277,195) | (9,387,958) |
| Other income | 3,243,548 | 60,066 | 1,515,233 | 60,066 |
| Operating profit | 31,231,442 | 16,767,133 | 12,637,666 | 3,768,131 |
| Finance cost | (9,174) | (19,249) | (102) | (5,515) |
| | 31,222,268 | 16,747,884 | 12,637,564 | 3,762,616 |
| Share of loss of associate - <i>unrealised</i> | (2,671,416) | (999,948) | (2,096,867) | 54,671 |
| Profit before taxation | 28,550,852 | 15,747,936 | 10,540,697 | 3,817,287 |
| Taxation | (4,853,645) | 176,416 | (1,791,918) | (648,939) |
| Profit after taxation | 23,697,207 | 15,924,352 | 8,748,779 | 3,168,348 |
| Earnings per share - <i>basic and diluted</i> | 0.78 | 0.53 | 0.29 | 0.10 |

The annexed notes form an integral part of these financial statements


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

KOHINOOR INDUSTRIES LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2020

| | Nine month ended | | Three month ended | |
|---|------------------|----------------|-------------------|----------------|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| | Rupees | Rupees | Rupees | Rupees |
| Items that may be reclassified subsequently to profit or loss | - | - | - | - |
| Items that will not be reclassified to profit or loss | - | - | - | - |
| Share of other comprehensive loss of associate - unrealised | - | - | - | - |
| Other comprehensive loss | - | - | - | - |
| Profit for nine months | 23,697,207 | 15,924,352 | 8,748,779 | 3,168,348 |
| Total comprehensive income | 23,697,207 | 15,924,352 | 8,748,779 | 3,168,348 |

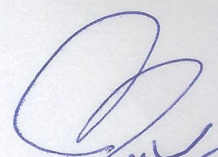
The annexed notes form an integral part of these financial statements



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

KOHINOOR INDUSTRIES LIMITED

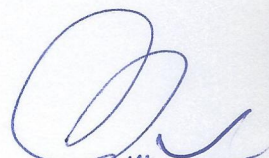
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2020

| | Nine month ended | |
|---|------------------|----------------|
| | March 31, 2020 | March 31, 2019 |
| | Rupees | Rupees |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash generated from operations | | |
| Profit before taxation | 28,550,852 | 15,747,936 |
| <i>Adjustments for non-cash and other items:</i> | | |
| Depreciation | 227,763 | 258,464 |
| Gratuity Provision | 379,164 | - |
| Share of (loss) from Associate | 2,671,416 | 999,948 |
| Impairment (loss)/ reversal of impairment loss | (2,104,416) | 3,536,052 |
| Finance cost | 9,174 | 19,249 |
| | 1,183,101 | 4,813,713 |
| Profit / (Loss) before working capital changes | 29,733,953 | 20,561,649 |
| Changes in working capital: | | |
| (Increase)/ decrease in: | | |
| Loans and advances | (128,000) | 196,020 |
| Other receivables | - | 62,536 |
| Long term deposits | - | 202,500 |
| Trade and other payables | (331,195) | (2,810,250) |
| | (459,195) | (2,349,194) |
| Cash generated from operations | 29,274,758 | 18,212,455 |
| Finance cost paid | (9,174) | (19,249) |
| Gratuity paid | (179,345) | - |
| Income tax paid | (6,084,467) | (5,042,016) |
| | (6,272,986) | (5,061,265) |
| Net cash generated from / (used in) operating activities | 23,001,772 | 13,151,190 |
| Long term financing | | |
| Net increase / (decrease) in cash and cash equivalents | 23,001,772 | 13,151,190 |
| Cash and cash equivalents at the beginning of year | 25,319,933 | 5,389,403 |
| Cash and cash equivalents at the end of year | 48,321,705 | 18,540,593 |

The annexed notes form an integral part of these financial statements


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER

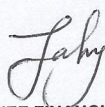

DIRECTOR


KOHINOOR INDUSTRIES LIMITED

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

| | Share capital | Capital reserves | | Revenue reserves | |
|--|--|-----------------------------------|---|--|----------------------------------|
| | Issued subscribed and paid-up capital <i>Rupees</i> | Share Premium <i>Rupees</i> | Surplus on revaluation of investment property <i>Rupees</i> | Accumulated losses <i>Rupees</i> | Total equity <i>Rupees</i> |
| Balance as at June 30, 2019 | 303,025,430 | 187,394,755 | 651,264,077 | (688,371,198) | 453,313,064 |
| Comprehensive income | | | | | |
| Profit after taxation | - | - | - | 23,697,207 | 23,697,207 |
| Other comprehensive loss | - | - | - | - | - |
| Total comprehensive income | - | - | - | 23,697,207 | 23,697,207 |
| Transaction with owners | - | - | - | - | - |
| Balance as at March 31, 2020 -Un-audited | 303,025,430 | 187,394,755 | 651,264,077 | (664,673,991) | 477,010,271 |


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER

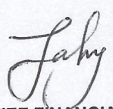

DIRECTOR


KOHINOOR INDUSTRIES LIMITED

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

| | Share capital | Capital reserves | | Revenue reserves | |
|--|---|------------------|--|-----------------------|-----------------|
| | Issued subscribed and paid-up capital | Share Premium | Surplus on revaluation of investment property | Accumulated losses | Total equity |
| | Rupees | Rupees | Rupees | Rupees | Rupees |
| Balance as at June 30, 2019 | 303,025,430 | 187,394,755 | 651,264,077 | (688,371,198) | 453,313,064 |
| Comprehensive income | | | | | |
| Profit after taxation | - | - | - | 23,697,207 | 23,697,207 |
| Other comprehensive loss | - | - | - | - | - |
| Total comprehensive income | - | - | - | 23,697,207 | 23,697,207 |
| Transaction with owners | - | - | - | - | - |
| Balance as at March 31, 2020 -Un-audited | 303,025,430 | 187,394,755 | 651,264,077 | (664,673,991) | 477,010,271 |


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

KOHINOOR INDUSTRIES LIMITED
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED MARCH 31, 2020

1- THE COMPANY AND ITS OPERATIONS

Kohinoor Industries Limited is a public limited, quoted company incorporated in Pakistan under the Companies Act 1913(now the Companies Ordinance ,1984).The principal activity of company was to manufacture and sell yarn. The operational activities have been closed down with effect from 12th October 2007.

Board of director's in its meeting held on 30th April, 2008 decided to closed down the business as due to increase in prices of raw material and other inputs without increase in yarn sales prices in the local and international market, the operation of the textile unit had become most uneconomical and huge losses were expected to arise if the business was carried on.It was unanimously decided that business be closed down and machinery be disposed off and for that purpose a committee was formed consisting of Managers;Manager sale,Mnager accounts, headed by chief operational officer.

Factory building has been leased out to other Industrial units whereas school building is also rented. The company vide Sub-Clause II of the Memorandum of Association is authorised to lease and let out on hire it's business premises as when it is considered fit.

GOING CONCERN ASSUMPTION

Our paid-up capital as on 31-03-2019 stands at Rs. 303.025 million while adverse balance of reserves and Unappropriated losses are amounting to Rs. 700.221 million leaving adverse balance of equity at Rs. 441.462 million. Our current liabilities are Rs. 396.698 million whereas the current assets are Rs. 32.524 million and current liabilities are more by Rs.364.174 million than the current assets. This situation creates doubts about going concern situation of the company. We have leased out the factory building to industrial unit and to some other institutions and our rental income during the period is aggregating to Rs. 34.619 million which is quite sizeable to meet the expenses. As per regulations, our Board of Directors in the meeting held on 27-04-2013 that the management does not have any plan to dispose of the fixed assets of the company and our leasing business is quite viable.

2- BASIS OF PREPARATION

As stated above the textile business has been closed down. As per resolution of Board of Directors in the meeting held on 27-04-2013, it is stated that management has no plan to dispose off fixed assets of the company. It will continue leasing business of renting out the property which is quite viable activity. The financial statements thus have been prepared on going concern basis.

3- CONTINGENCIES AND COMMITMENTS

There have been no changes in the contingencies and commitments as disclosed in the annual financial statements of the company for the year ended 30th June, 2019.

4- TAXATION

Provision in respect of taxation, for this quarter , is estimated only and final liability will be determine on the basis of annual results.

5- These accounts are un-audited and are being submitted to share holders as requirements of the Companies Ordinance, 1984.

6- Figures have been rounded off nearest to the rupee and comparative figures have been r-arranged, wherever necessary, for the purpose of comparison.