

# **KOHINOOR INDUSTRIES LIMITED**

**ANNUAL REPORT 2020**

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**BOARD OF DIRECTORS**

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

Chairman  
Chief Executive Officer

**AUDIT COMMITTEE**

Mr. Rashid Ahmad Javaid  
Mr. Muhammad Omer Farooq  
Mrs. 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](http://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](mailto: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](mailto:shares@corplink.com.pk)

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 71<sup>ST</sup> Annual General Meeting of Shareholders of **KOHINOOR INDUSTRIES LIMITED** will be held on **Wednesday, October 28, 2020 at 11:00 A.M.**, at 06-Egerton Road, Opposite LDA Plaza, Lahore to transact the following business: -

1. To confirm the minutes of the last Extraordinary General Meeting held on March 24, 2020.
2. To receive and adopt the Annual Audited Accounts for the year ended June 30, 2020 along with Directors' and Auditors' Reports thereon.
3. To approve the payment of final cash dividend @ 7.5% i.e. Re. 0.75 per share as recommended by the Board of Directors.
4. To appoint Auditors of the Company to hold office till the conclusion of next Annual General Meeting and to fix their remuneration.
5. Any other business with the permission of the Chair.

By Order of the Board

  
**Khawaja Saife Sultan**  
Company Secretary

Lahore: October 07, 2020

**Notes:**

1. Share Transfer Books of the Company will remain closed from **October 22, 2020 to October 28, 2020 (both days inclusive)**. Physical transfers/CDS transactions ID's received in order at "Company Registrar office M/s Corplink (Pvt.) Limited", Wings Arcade, 1-K, Commercial Model Town, Lahore on or before **October 21, 2020** will be treated in time.
2. A member entitled to attend and vote at this Meeting may appoint another Member as his/her proxy. Proxies in order to be effective, must be received at 17-Aziz Avenue, Canal Bank, Gulberg-V, Lahore the Registered Office of the Company not later than forty-eight hours before the time for holding the meeting and must be duly stamped, signed and witnessed.
3. Members whose shares are deposited with Central Depository System are requested to bring their original National Identity Cards or original Passports along with their Account Numbers in Central Depository System for attending the meeting.
4. Members are requested to notify the Company change in their addresses, if any.
5. Annual Audited Financial Statements of the Company for the Financial Year ended June 30, 2020 have been placed on the Company's website i.e. [www.kil.com.pk](http://www.kil.com.pk)
6. **SUBMISSION OF COPY OF CNIC/NTN DETAILS (MANDATORY)**

Pursuant to the directives of the Securities and Exchange Commission of Pakistan CNIC number of individuals is mandatorily required to be mentioned on dividend warrants and pursuant to the provisions of Finance Act 2018, the rate of deduction of income tax under section 150 of the Income Tax Ordinance 2001 from dividend payment have been revised as : for filers of Income Tax return 15.00% and Non-filers of Income Tax return 30.00%.



**7. Payment of Cash Dividend Electronically**

As per provision of Section 242 of Companies Act, 2017 any dividend payable in cash shall only be paid through electronic mode directly in to the bank account designated by the entitled shareholders. The shareholders are requested to provide their folio number, name and details of bank account consisting of bank name, branch name, branch code, Account number, Title of Account and IBAN in which they desire their dividend to be credited, failing which the Company will be unable to pay the dividend through any other mode. Standard request form has also been placed on website of the Company. The members are requested to send the information on the same to our share's registrar (M/s Corplink Private Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore.) at the earliest possible.

In case shares are held in CDC then the form must be submitted directly to shareholder's broker/participant/CDC Investor account services.

**8. Transmission of Annual Financial Statements through E-mail**

The Securities and Exchange Commission of Pakistan vide SRO 787(I)/2014 dated September 08, 2014 has allowed companies to circulate annual balance sheet, profit & loss account, auditors' and directors' reports along with notice of annual general meeting to its members through e-mail. Members who wish to avail this facility can give their written consent. Standard request form has also been placed on website of the Company. The members are requested to send the information on the same to our share's registrar (M/s Corplink Private Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore.)

**9. Transmission of Annual Financial Statements through CD/DVD/USB**

SECP through its SRO 470(I)/2016 dated May 31, 2016 have allowed companies to circulate the annual balance sheet, profit and loss account, auditors' report and directors' report etc to its members through CD/DVD/USB at their registered addresses. However, a shareholder may request to the Company Secretary at 17- Aziz Avenue, Canal Bank, Gulberg-V, Lahore to provide printed copy of Annual Financial Statements and the same will be provided at his/her registered address, free of cost, within one week of the demand.

**10. ZAKAT DECLARATIONS (CZ-50)**

The Zakat will be deducted from the dividends at source at the rate of 2.5% of the paid-up value of the shares (Rs. 10/- each) under Zakat and Ushr Laws and will be deposited within the prescribed period with the relevant authority, Please submit your Zakat Declarations under Zakat and Ushr Ordinance, 1980 & Rule 4 of Zakat (Deduction & Refund) Rules, 1981 CZ-50 Form, in case you want to claim exemption, with your brokers or the Central Depository Company Ltd. (in case the shares are held in Investor Account Services on the CDC) or to our Registrars, M/s Corplink Private Limited, 1-K, Commercial Model Town, Lahore (in case the shares are held in paper certificate form). The shareholders while sending the Zakat Declarations, as the case may be must quote company name and respective folio numbers.



## اطلاع برائے سالانہ اجلاس عام

بذریعہ نوٹس کیا جاتا ہے کہ کوہ نور انڈسٹریز لمیٹڈ کے حصص داران کا اکہترواں (71st) سالانہ اجلاس عام 28 اکتوبر 2020 بروز بدھ 11 بجے صبح 06-ایچ ٹرن روڈ، بلدھماں LDA Plaza، لاہور میں درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

- 1۔ 24 مارچ 2020 کو منعقد ہونے والے غیر معمولی اجلاس عام کی کارروائی کی تصدیق۔
- 2۔ مالی سال ختم 30 جون 2020 کی بابت کمپنی کے سالانہ آڈٹ شدہ حسابات بھرہ اُن پراڈیکٹران و آڈیٹران کی رپورٹس کی وصولی اور ان کی قبولیت۔
- 3۔ بورڈ آف ڈائریکٹرز کی سفارش کے مطابق حتمی نقد منافع بشرح 7.5 فیصد یعنی 75 پیسہ فی حصص کی منظوری۔
- 4۔ اگلے سالانہ اجلاس عام کے اختتام تک عہدہ پر رہنے کیلئے کمپنی کے آڈیٹران کا تقرر اور ان کے صلہ خدمت کا تعین۔
- 5۔ صاحب صدر کی اجازت سے کسی دیگر امر پر کارروائی۔

بحکم بورڈ  
خواجہ منی سلطان  
کمپنی سیکرٹری

لاہور: 07 اکتوبر 2020

### نوٹس:

- 1۔ کمپنی کی حصص کی منتقلی کی کتابیں 22 اکتوبر 2020 تا 28 اکتوبر 2020 (بشمول دونوں ایام) بند رہیں گی۔ کمپنی کے شیئرز رجسٹر آفس ایم ایس کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، 1-K، کمرشل، ماڈل ٹاؤن، لاہور میں وصول ہونے والی منتقلیاں (بشمول CDS/Physical) 21 اکتوبر 2020 کو کاروبار بند ہونے تک قابل قبول ہوں گی۔
- 2۔ اجلاس میں شرکت اور ووٹ دینے کا اہل ممبر پر کسی مقرر کر سکتا ہے۔ پراکسیاں تا آنکہ موثر ہو سکیں، اجلاس کے وقت سے 48 گھنٹے قبل کمپنی کے صدر دفتر (17-عزیز ایونیو، کینال بینک، گلبرگ-V، لاہور) میں لازماً وصول ہونی چاہئیں اور باقاعدہ مہر زدہ، دستخط شدہ اور گواہ شدہ ہونی چاہئیں۔
- 3۔ وہ ممبران جن کے نام حصص سنٹرل ڈیپازٹری سسٹم میں ہیں التماس ہے کہ وہ اپنے اصلی شناختی کارڈ یا پاسپورٹ اور سنٹرل ڈیپازٹری سسٹم میں اپنے اکاؤنٹ نمبر اجلاس میں شرکت کیلئے ہمراہ لائیں۔
- 4۔ ممبران سے التماس ہے کہ اپنے پتہ میں کسی بھی تبدیلی کی صورت میں کمپنی کو مطلع فرمادیں۔
- 5۔ 30 جون 2020 کو ختم ہونے والے مالی سال کے کمپنی کے سالانہ آڈیٹڈ اکاؤنٹس کمپنی کی ویب سائٹ [www.kil.com.pk](http://www.kil.com.pk) پر جاری کر دیئے گئے ہیں۔

### 6۔ کمپیوٹرائزڈ قومی شناختی کارڈ / نیشنل ایکس نمبر کی نقول کی حواگی (لازمی)

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایت کے تحت ڈیویڈنڈ وارنٹ پر شیئرز ہولڈرز کے کمپیوٹرائزڈ قومی شناختی کارڈ ہونا لازمی ہے۔ فنانس ایکٹ 2019 کے تحت کی جانے والی ترمیم کے مطابق ڈیویڈنڈ پرائم ٹیکس آرڈیننس 2001 کے سیکشن 150 کے تحت وہ ہولڈنگ ٹیکس کی کوئی فائلر کیلئے 15 فیصد اور نان فائلر کیلئے 30 فیصد ہوگی۔

### 7۔ نقد منافع کی الیکٹرونک ادائیگی

کمپنیز ایکٹ 2017 کے سیکشن 242 کے تحت کوئی بھی قابل ادائیگی منافع شیئرز ہولڈر کے بتائے گئے اکاؤنٹ میں الیکٹرانکلی جمع کروایا جائے گا۔ تمام حصہ داران سے استدعا کی جاتی ہے کہ وہ اپنے نوٹیو نمبر اور نام کے ساتھ بینک اکاؤنٹ کی تفصیلات جیسے بینک کا نام، برانچ کا نام، برانچ کوڈ، اکاؤنٹ نمبر، اکاؤنٹ ٹائٹل اور IBAN جس میں وہ منافع لینا چاہتے ہیں فراہم کریں کیونکہ اس کے بغیر کمپنی کسی اور طریقے سے ادائیگی کرنے سے قاصر ہے۔ تجویز کردہ درخواست فارم کمپنی کی ویب سائٹ پر موجود ہے۔ تمام ممبرز سے التماس ہے کہ درج بالا معلومات کمپنی کے شیئرز رجسٹرار (میسرز کارپ لنک پرائیویٹ لمیٹڈ، ونگز آرکیڈ، 1-K، کمرشل، ماڈل ٹاؤن، لاہور) کو فوری ارسال کریں۔

شیئرز CDC میں ہونے کی صورت میں فارم حصہ داران کے بروکرز / شرکت دار اور CDC حصہ دار کو ارسال کر دیا جائے گا۔

#### 8۔ سالانہ مالی رپورٹ کی ترسیل بذریعہ E-mail

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکلر نمبر 2014 (I) 787 مورخہ 8 ستمبر 2014 کے تحت کمپنیوں کو اپنے سالانہ بیلنس شیٹ، منافع اور نقصان کے کھاتے، آڈیٹرز اور ڈائریکٹرز رپورٹ کے ساتھ سالانہ اجلاس عام کے نوٹس کو بذریعہ ای میل فراہم کرنے کی اجازت دی ہے۔ وہ ممبران جو اس سہولت سے فائدہ اٹھانا چاہتے ہیں وہ تحریری طور پر مطلع کریں۔ تجویز کردہ درخواست فارم ہماری ویب سائٹ پر موجود ہے۔ ممبرز سے گزارش ہے کہ درکار تفصیلات ہمارے شیئر رجسٹرار (کارپ لنک پرائیویٹ لمیٹڈ، ونگز آرکیڈ، K-1، کمرشل، ماڈل ٹاؤن، لاہور) کو ارسال کریں۔

#### 9۔ سالانہ مالی رپورٹ کی ترسیل بذریعہ CD/DVD/USB

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکلر نمبر 2016 (I) 470 مورخہ 31 مئی 2016 کے تحت کمپنی کے سالانہ اکاؤنٹس، نفع اور نقصان کے کھاتے، آڈیٹرز رپورٹ اپنے ممبرز کو CD/DVD/USB پر ممبرز کے رجسٹرڈ پتہ پر فراہم کرنے کی اجازت دی ہے۔ تاہم کوئی بھی حصہ دار چھپے ہوئے سالانہ مالیاتی گوشوارے حاصل کرنے کیلئے کمپنی سیکرٹری کو (17- عزیز ایونیو، کینال بینک بگ، لاہور) پر درخواست بھیج سکتا ہے، جو کہ اس کو بغیر کسی معاوضہ کے طلب کے 7 دن کے اندر اندر فراہم کئے جائیں گے۔

#### 10۔ زکوٰۃ ڈیکلریشنز (CZ-50)

زکوٰۃ اور عشق قوانین کے تحت ڈیویڈنڈ سے زکوٰۃ کی کوئی شیئرز کی ادا شدہ رقم (10 روپے فی حصص) پر 2.5 فیصد کے حساب سے کی جائے گی اور متعلقہ اتھارٹیز کو مقررہ مدت میں جمع کروادی جائے گی۔ برائے مہربانی استغنی کے خواہشمند افراد زکوٰۃ اور عشق آرڈیننس 1980 اور CZ-50 فارم زکوٰۃ کے قوانین (کوئی اور واپسی) کے قانون نمبر 4 کے تحت اپنے زکوٰۃ ڈیکلریشن فارم اپنے بروکر یا سنٹرل ڈیپازٹری کمپنی لمیٹڈ (شیئرز کے انویسٹر اکاؤنٹس سروسز میں CDC میں ہونے کی صورت میں) یا ہمارے شیئر رجسٹرار آفس کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، K-1، کمرشل، ماڈل ٹاؤن، لاہور کو ارسال کریں (شیئرز کے پیپر ٹھکانے کی صورت میں ہونے پر) شیئر ہولڈرز زکوٰۃ ڈیکلریشنز ارسال کرتے ہوئے اپنی کمپنی کا نام اور انکے متعلقہ فوئیو نمبرز ضرور فراہم کریں۔



**DIRECTORS' REPORT**

The Directors of the Company presented before the shareholders the 71<sup>st</sup> Annual Report along with audited Financial Statements of the Company for the year ended June 30, 2020.

During the period under review, the Company continued its business of renting the premises of the Company and earned gross revenue of Rs. 56.425 million as compared to gross revenue of Rs. 47.715 million in the preceding year. The Company earned profit after taxation of Rs. 87.611 million as compared to 27.795 million in the corresponding period last year. The said increase is mainly due to other income that includes changes in fair value of investment property.

The management is continuously evaluating viable business propositions, which may have positive impact on the Company's financials. We are hopeful that in the coming years, the Company will be able to commence more lucrative business in addition to renting the premises.

The Board takes pleasure in recommending to the shareholders of the Company for their approval in the ensuing AGM, a final dividend at the rate of Re. 0.75 per share (i.e. @ 7.5%) which will be paid to those shareholders whose names would appear on members' register on the date as mentioned in the notice of AGM.

These accounts are being prepared on going concern basis as management is confident about the Company's ability to meet all its obligation from its own sources. The company is almost debt free except sponsor's loan which doesn't have financial burden on the Company's profitability as a result of interest free loan. The Company's assets are sufficient to meet all its obligations and therefore no doubt about its going concern.

**COMPOSITION OF BOARD**

Composition of the Board of Directors is as under.

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

**COMMITTEE'S**

Detail of Committee's of Board is as under.

**AUDIT COMMITTEE**

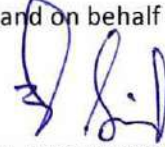
Mr. Rashid Ahmad Javaid	Chairman/Member
Mr. Muhammad Omer Farooq	Member
Mr. Muhammad Asif	Member
Mrs. Sadaf Kashif	Member

**HR & REMUNERATION COMMITTEE**

Mr. Rashid Ahmad Javaid	Chairman/Member
Mr. M. Naseem Saigol	Member
Mr. Muhammad 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  
October 07, 2020



## ڈائریکٹرز رپورٹ:

کمپنی کے ڈائریکٹرز نے (71st) اکہتر واں سالانہ رپورٹ ہمراہ آڈٹ شدہ حسابات مالی سال ختم 30 جون، 2020، خیر ہولڈرز کے سامنے پیش کیے۔

زیر نظر مدت کے دوران کمپنی نے اپنا احاطہ کرایہ پر دینے کا کاروبار جاری رکھا اور مجموعی طور پر 56.425 ملین روپیہ کمایا جبکہ گزشتہ برس مجموعی روپیہ 47.715 ملین تھا۔ زیر نظر مدت کے دوران کمپنی نے ٹیکس کی کٹوتی کے بعد 87.611 ملین منافع کمایا جبکہ گزشتہ برس منافع 27.795 ملین تھا۔ مذکورہ اضافہ بنیادی طور پر دوسری آمدنی کی وجہ سے ہے جس میں سرمایہ کاری کی جائیداد کی مناسب قیمت میں تبدیلی بھی شامل ہے۔

منجنت مسلسل قابل عمل کاروباری تجاویز کا جائزہ لے رہی ہے جن کا کمپنی کے مالی حالات پر مثبت اثر ہو سکتا ہے۔ ہم پُر امید ہیں کہ آئندہ سالوں میں کمپنی اپنا احاطہ کرایہ پر دینے کے علاوہ مزید منافع بخش کاروبار شروع کرنے کے قابل ہو جائے گی۔

بورڈ آف ڈائریکٹرز خوشی کے ساتھ، کمپنی کے شیئر ہولڈرز کے لیے اگلے سالانہ اجلاس عام میں 75 پیسہ فی شیئر (7.5% کی شرح سے) حتمی منافع منقسمہ کی منظوری کی سفارش کرتا ہے، جو ان شیئر ہولڈرز کو ادا کیا جائے گا جن کے نام اس تاریخ کو جو سالانہ اجلاس عام کے نوٹس میں درج ہوگی، ممبران کے رجسٹر میں موجود ہوں گے۔

یہ حسابات (Going Concern) کی بنیاد پر تیار کیے گئے ہیں کیونکہ منجنت پُر اعتماد ہے کہ کمپنی اپنی ذمہ داریاں اپنے اثاثہ جات سے پوری کر سکتی ہے۔ کمپنی کے ذمہ ماسوائے سپانسرز سے لیے گئے ادھار (جس کا کمپنی کے مالی حالات پر کوئی اثر نہیں ہے) کے علاوہ تقریباً کوئی واجب الادا قرض نہیں ہے۔ کمپنی کے اثاثہ جات کمپنی کی تمام تر ذمہ داریاں پوری کرنے کے لیے کافی ہیں، لہذا کمپنی کے (Going Concern) ہونے پر کوئی شک نہیں۔

## بورڈ کی ساخت

بورڈ آف ڈائریکٹرز کی ساخت درج ذیل ہے۔

کل ڈائریکٹرز کی تعداد	
مرد	6
عورت	1
ساخت	
آزاد ڈائریکٹرز	جناب رشید احمد جاوید
	جناب محمد آصف
نان ایگزیکٹو ڈائریکٹرز	جناب محمد نسیم سہگل
	جناب محمد مراد سہگل
	جناب محمد عرفان فاروق
ایگزیکٹو ڈائریکٹر	جناب محمد زید یوسف سہگل
نیمیل ڈائریکٹر	محترمہ صدف کاشف

کمیشنر

بورڈ کی کمیشنر کی تفصیل درج ذیل ہے۔

آڈٹ کمیٹی

جناب رشید احمد جاوید	چیئر مین / ممبر
جناب محمد عرفان روق	ممبر
جناب محمد آصف	ممبر
محترمہ صدف کاشف	ممبر

ایچ آر اینڈ ریجنل مینجمنٹ کمیٹی

جناب 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 ورائے بورڈ:

محمد زید یوسف سہگل  
چیف ایگزیکٹو

لاہور

107 اکتوبر، 2020



## CHAIRMAN'S REVIEW

For the year ended June 30, 2020

It gives me great pleasure to present the Annual Report for the year ended June 30, 2020, to our valued members and stakeholders and to apprise them of the overall performance and effectiveness of the Board.

I welcome to the board of directors, Mr. MUHAMMAD ASIF, Ms. SADAF KASHIF. I am highly confident they will add value to the board and Company at large with their immense experience. I would also like to appreciate the effort and contribution of outgoing directors Mr. MUHAMMAD ATHAR RAFIQ and MR. MUHAMMAD SHAMIL.

The Board of Directors of Kohinoor Industries Limited is performing its duties in accordance with law and in the best interest of the Company and its shareholders as required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of the Company is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

For the financial year ended June 30, 2020, the Board's overall performance and effectiveness has been assessed as satisfactory. This is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitor financial resource management.

I am grateful to our shareholders who show their trust by investing in us and our customers who recognize us as their business partner. I am also appreciative of the many contributions of my fellow Board members and their dedication to the success of the Company. We remain committed to maintaining this trust in years to come with stellar financial performance.

CHAIRMAN OF THE BOARD



M. NASEEM SAIGOL

## STATEMENT IN COMPLIANCE OF THE CODE OF CORPORATE GOVERNANCE

The Directors state that: -

- a) The Financial Statements, prepared by the management, present a true and fair state of affairs of the company, the results of its operations, cash flows and changes in equity.
- b) Proper books of accounts have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International Accounting Standards, as applicable in Pakistan, have been followed in preparation of Financial Statements.
- e) The system of internal control is sound in design and has been effectively implemented and maintained at all levels within the Company.
- f) There are no significant doubts upon the Company's ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- h) Significant deviation from last year in operating results of the Company and reasons thereof have been explained.
- i) The Key Operating and Financial Data of last six years are annexed.
- j) There are no outstanding statutory payments on account of taxes, duties, levies and charges except as shown in notes to the accounts.
- k) There are no significant plans for corporate restructuring, business expansion and discontinuation of operations except for improvement in the normal business activities to increase the business.
- l) Directors' Meetings of the Board of Directors of the Company during the year under review were Five held on July 30, 2019, October 04, 2019, October 30, 2019, February 28, 2020, April 27, 2020.

Following was the attendance of the Directors: -

<u>NAME OF DIRECTORS</u>	<u>NO. OF MEETINGS ATTENDED</u>
Mr. M. Naseem Saigol	3
Mr. Muhammad Zeid Yousuf Saigol	3
Mr. Muhammad Murad Saigol	3
Mr. Muhammad Omer Farooq	5
Mr. Rashid Ahmad Javaid	5
Mr. Muhammad Asif	1 (Elected as on 24-03-2020)
Mrs. Sadaf Kashif	1 (Elected as on 24-03-2020)
Mr. Muhammad Athar Rafiq	4 (Retired as on 24-03-2020)
Mr. Muhammad Shamil	3 (Retired as on 24-03-2020)

- m) During the period under review no Director, Chief Executive Officer, Chief Financial Officer, Company Secretary and their spouses and minor children sell, buy or take any position in the shares of the Company except as mentioned in Categories of Shareholding required under Code of Corporate Governance.



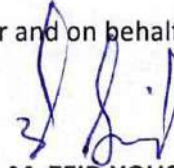
**Pattern of Shareholding**

A statement showing pattern of shareholding as on June 30, 2020 is annexed.

**Acknowledgment**

The Directors of your company take this opportunity to thank the entire stakeholders for their continued support. Your directors also placed on record their appreciation for the contribution made by the employees at all levels.

For and on behalf of the Board



**M. ZEID YOUSUF SAIGOL**  
Chief Executive Officer

Lahore: October 07, 2020

**STATEMENT OF COMPLIANCE WITH LISTED COMPANIES  
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

Name of company: **KOHINOOR INDUSTRIES LIMITED**  
Year ending: **JUNE 30, 2020**

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:

- a) Male: **Six**
- b) Female: **One**

2. The composition of board is as follows:

Category	Names
Independent Directors	Mr. Muhammad Asif
	Mr. Rashid Ahmad Javaid
Non-Executive Directors	Mr. M. Naseem Saigol
	Mr. Muhammad Murad Saigol
	Mr. Muhammad Omer Farooq
Executive Director	Mr. Muhammad Zeid Yousuf Saigol
Female Director	Mrs. Sadaf Kashif

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
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. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the 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 the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. The company stands complied with the requirement of having half of the Directors on their board under Directors Training Program certified as prescribed under the Regulation. The remaining directors shall obtain certification under the DTP in due course of time;
10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;



12. The Board has formed committees comprising of members given below. -

**a) Audit Committee:**

1. Mr. Rashid Ahmad Javaid
2. Mr. Muhammad Omer Farooq
3. Mr. Muhammad Asif
4. Mrs. Sadaf Kashif

**b) HR and Remuneration Committee:**

1. Mr. Rashid Ahmad Javaid
2. Mr. M. Naseem Saigol
3. Mr. Muhammad Zeid Yousuf Saigol

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:**

1. October 04, 2019
2. October 30, 2019
3. February 28, 2020
4. April 27, 2020

**b) HR and Remuneration Committee:**

1. October 04, 2019

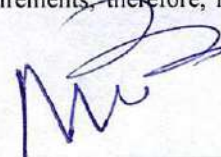
15. The Board has set up an effective internal audit function/ or has outsourced the internal audit function to who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

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 Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

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 requirements of the Regulations 3, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with. Explanation as required under the Regulation 6(1) is mentioned below;

"The Company currently has two elected independent directors out of total seven directors on the Board. Both the independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently as per laws and regulations under which hereby fulfill the necessary requirements; therefore, not warrant the appointment of a third independent director."



(M. NASEEM SAIGOL)  
Chairman



**KOHINOOR INDUSTRIES LIMITED**

**SIX YEARS AT A GLANCE**

(Rupees in '000)

PARTICULARS	2019-2020	2018-2019	2017-2018	2016--2017	2015-2016	2014-2015
<b><u>Financial Position</u></b>						
Paid up capital	303,025	303,025	303,025	303,025	303,025	303,025
Reserves	187,394	187,394	187,394	187,394	187,394	187,394
Fixed asset at cost	14,387	14,387	14,387	14,387	14,387	761,877
Investment Property	838,924	809,372	802,861	764,656	764,656	-
Accumulated Depericiation	11,913	11,609	11,265	10,873	10,426	21,085
Current Assets	79,140	41,174	19,045	14,600	14,509	13,259
Current Liabilities	411,815	404,612	409,356	411,802	427,362	445,233
<b><u>Income</u></b>						
Sales / Revenue	56,426	47,715	37,244	32,822	29,573	26,684
Other Income	34,441	6,643	40,745	1,031	58,767	12,493
Gross Profit	-	-	-	-	-	-
Pre tax profit / (Loss)	72,175	30,050	42,995	15,087	79,301	8,245
Taxation	15,437	(2,255)	(8,921)	(3,138)	(6,766)	(1,402)
Profit / Loss after taxation	87,612	27,795	34,074	11,949	72,535	6,843
Unappropriated profit / (Loss)	(600,728)	(688,371)	(716,146)	(750,218)	(762,177)	(834,702)
<b><u>STATISTICS AND RATIOS</u></b>						
Gross profit to sales %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Pre tax profit / (Loss) to caoital %	23.82%	9.92%	14.18%	4.98%	26.16%	2.26%
Current ratio	0.19	0.10	0.05	0.03	0.04	0.02
Paid up value per share (Rs.)	10	10	10	10	10	10
Earning after tax per share (Rs.)	2.89	0.92	1.12	0.39	2.39	0.23
Cash dividen %	-	-	-	-	-	-

## INDEPENDENT AUDITOR'S REPORT

### To the members of KOHINOOR INDUSTRIES LIMITED Report on the Audit of the Financial Statements

#### Opinion

We have audited the annexed financial statements of **KOHINOOR INDUSTRIES LIMITED** [‘the Company’], which comprise the statement of financial position as at **June 30, 2020**, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the 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, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2020 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing [‘ISAs’] as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. 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 the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material Uncertainty relating to Going Concern

We draw attention to note 2.2 to the financial statements which refers to the fact that as at June 30, 2019, the Company has accumulated losses of Rs. 600.728 million. Its current liabilities exceed its current assets by Rs. 332.675 million. These factors indicate existence of material uncertainty that raise doubts about the Company's ability to continue as a going concern and that the Company may not be able to discharge its liabilities and realize its assets in the normal course of business. However, these financial statements have been prepared on going concern basis for reasons explained in note 2.2. Our opinion is not qualified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the matter
<b>1. COVID-19</b>  As part of the preparation of the financial statements, management is responsible to assess the possible effects of COVID-19 on the Company's liquidity and related ability to continue as a going concern and appropriately disclose the results of its assessment in the	We considered the uncertainties arising from COVID-19 in planning and performing our audit. Our procedures included: <ul style="list-style-type: none"> <li>evaluated the Company's most recent financial results forecasts and liquidity</li> </ul>

*RSRIR*



## Key audit matter

financial statements. The COVID-19 pandemic is an unprecedented challenge for humanity and for the economy globally, and at the date of the financial statements its effects are subject to uncertainty.

Management prepared a financial and liquidity risk analysis addressing amongst others future compliance with financing conditions as well as financing and cash requirements to ensure continuation of the Company's operations.

Refer to note 40 to the financial statements regarding the impact of COVID-19.

## How our audit addressed the matter

analysis underlying their going concern assessment and tested the integrity of the forecasts, including mathematical accuracy;

- assessed the reliability of the forecasted cash flows by comparing with the historical performance and market expectations;
- discussed the most recent forecast with management to understand their views on going concern and the potential impact of COVID-19 on the Company;
- evaluated the assumptions in respect of projected available future cash flows from operating, financing and investing activities and projected key ratios for covenant calculations;
- inspected supporting documentation such as contracts and underlying calculations and correspondence with financing and other relevant parties;
- evaluated the Company's assessment of other accounting estimates within the financial statements which could be impacted by the challenging economic environment resulting from COVID-19; and
- considered the appropriateness of the disclosures made in the financial statements in respect of the potential impact of COVID-19.

## 2. First time adoption of IFRS 16 – Leases

As referred to in note 3.1 to the financial statements, the Company has adopted IFRS 16 – 'Leases'. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model with corresponding recognition of right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from accounting under IAS 17 'Leases' i.e. operating and finance leases. For lessees all leases will be classified as finance leases only with the exception of certain short-term leases.

We have considered the first time application of IFRS 16 as a key audit matter due to significance of the change in accounting methodology, involvement of significant estimates and judgments resulting in adjustments, presentation and incremental quantitative and qualitative disclosures.

Our key procedures to review the application of IFRS 16 included, amongst others, review of managements' impact assessment of all lease arrangements in light of application of the new standard, review of lease contracts to determine whether the same are in scope of IFRS 16 and are also subject to recognition exemption under IFRS 16 for short-term and low value leases.

RSRIR



### **Information other than the Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **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 for 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 is responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of user taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

R&R

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) proper books of account 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 comprehensive income, the statement of changes in equity and the statement of cash flows 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 account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **ZUBAIR IRFAN MALIK**.



**RAHMAN SARFARAZ RAHIM IQBAL RAFIQ**  
**Chartered Accountants**

**Lahore: October 07, 2020**





# KOHINOOR INDUSTRIES LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<i>Authorized capital</i>			
40,000,000 (2019: 40,000,000) ordinary shares of Rs. 10 each		400,000,000	400,000,000
Issued, subscribed and paid-up capital	6	303,025,430	303,025,430
Share premium	7	187,394,755	187,394,755
Surplus on revaluation of property and equipment	8	651,264,077	651,264,077
Accumulated losses		(600,727,626)	(688,371,198)
<b>TOTAL EQUITY</b>		<b>540,956,636</b>	<b>453,313,064</b>
<b>NON-CURRENT LIABILITIES</b>			
Employees retirement benefits	9	664,357	385,508
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	27,646,576	27,810,731
Short term borrowings	11	353,682,503	353,682,503
Unclaimed dividend	12	1,034,826	1,034,826
Current taxation		29,451,103	22,083,661
		411,815,008	404,611,721
<b>TOTAL LIABILITIES</b>		<b>412,479,365</b>	<b>404,997,229</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	13		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>953,436,001</b>	<b>858,310,293</b>

The annexed notes from 1 to 44 form an integral part of these financial statements.

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

rsr/r  
or identification only



# KOHINOOR INDUSTRIES LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	14	2,474,249	2,777,933
Government taken over concerns	15	-	-
Investment property	16	838,924,405	809,372,245
Long term investments	17	4,819,500	4,819,500
Long term deposits	18	166,376	166,376
Deferred taxation	19	27,911,283	-
		874,295,813	817,136,054
<b>CURRENT ASSETS</b>			
Trade debts		20,000	20,000
Advances, deposits and other receivables	20	125,500	-
Advance income tax		19,434,716	15,834,306
Cash and bank balances	22	59,559,972	25,319,933
		79,140,188	41,174,239
<b>TOTAL ASSETS</b>		<b>953,436,001</b>	<b>858,310,293</b>

The annexed notes from 1 to 44 form an integral part of these financial statements.

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

  
for identification only

# KOHINOOR INDUSTRIES LIMITED

## STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
Revenue	23	56,425,575	47,715,429
Administrative and general expenses	24	(15,831,058)	(19,607,298)
Other expenses	25	(67,403)	(1,471,206)
		(15,898,461)	(21,078,504)
Other income	26	40,527,114	26,636,925
		34,441,274	6,642,736
Operating profit		74,968,388	33,279,661
Finance cost	27	(10,719)	(43,582)
Share of loss of associate	17.1	74,957,669	33,236,079
		(2,783,030)	(3,186,328)
Profit before taxation		72,174,639	30,049,751
Provision for taxation	28	15,437,068	(2,254,893)
Profit after taxation		87,611,707	27,794,858
Earnings per share - basic and diluted	29	2.89	0.92

The annexed notes from 1 to 44 form an integral part of these financial statements.

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

  
Identification only



# KOHINOOR INDUSTRIES LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
<i>Items that may be reclassified subsequently to profit or loss</i>			
		-	-
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of defined benefit obligations	9.3	39,362	-
Taxation relating to remeasurements of defined benefit obligations	19.1	(1,685)	-
		37,677	-
Share of other comprehensive loss of associate	17.1	(5,812)	(20,216)
Other comprehensive income/(loss)		31,865	(20,216)
Profit for the year		87,611,707	27,794,858
Total comprehensive income		87,643,572	27,774,642

The annexed notes from 1 to 44 form an integral part of these financial statements.

  
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CHIEF FINANCIAL OFFICER

  
DIRECTOR


rsr/r  
in identification only

# KOHINOOR INDUSTRIES LIMITED


## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 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 July 01, 2018	303,025,430	187,394,755	651,264,077	(716,145,840)	425,538,422
Comprehensive income					
Profit after taxation	-	-	-	27,794,858	27,794,858
Other comprehensive loss	-	-	-	(20,216)	(20,216)
Total comprehensive income	-	-	-	27,774,642	27,774,642
Transaction with owners	-	-	-	-	-
Balance as at June 30, 2019	303,025,430	187,394,755	651,264,077	(688,371,198)	453,313,064
Balance as at July 01, 2019	303,025,430	187,394,755	651,264,077	(688,371,198)	453,313,064
Comprehensive income					
Profit after taxation	-	-	-	87,611,707	87,611,707
Other comprehensive income	-	-	-	31,865	31,865
Total comprehensive income	-	-	-	87,643,572	87,643,572
Transaction with owners	-	-	-	-	-
Balance as at June 30, 2020	303,025,430	187,394,755	651,264,077	(600,727,626)	540,956,636

The annexed notes from 1 to 44 form an integral part of these financial statements.

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

*rsr/r*  
for identification only



# KOHINOOR INDUSTRIES LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	30	43,128,252	26,858,067
Payments for:			
Income tax		(8,708,868)	(6,927,537)
Employee retirement benefits		(179,345)	-
<b>Net cash generated from operating activities</b>		<b>34,240,039</b>	<b>19,930,530</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>-</b>	<b>-</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>34,240,039</b>	<b>19,930,530</b>
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR</b>		<b>25,319,933</b>	<b>5,389,403</b>
<b>CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR</b>	31	<b>59,559,972</b>	<b>25,319,933</b>

*The annexed notes from 1 to 44 form an integral part of these financial statements.*

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

  
for identification only

# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### 1 LEGAL STATUS AND OPERATIONS

Kohinoor Industries Limited ['the Company'] was incorporated in Pakistan as a Public Limited Company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 17-Aziz Avenue, Canal Bank, Gulberg-V, Lahore. The Company was initially engaged in manufacture and sale of yarn, with the manufacturing facility located at Madina Town, Near Government Girls College, Faisalabad.

Board of Directors of the Company in its meeting held on April 30, 2008 decided to close 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 operations of the textile unit had become uneconomical and huge losses were expected to arise if the business was carried on.

Subsequently, the Company amended its memorandum of association to include in its objects, leasing out of its buildings under operating lease arrangements, as and when considered fit.

### 2 BASIS OF PREPARATION

#### 2.1 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 ['IFRS'] issued by the International Accounting Standards Board ['IASB'] as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards ['IFAS'] issued by Institute of Chartered Accountants of Pakistan 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 IFRS and IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

#### 2.2 Appropriateness of the going concern assumption

As at June 30, 2020, the Company has accumulated losses of Rs. 600.728 million. Its current liabilities exceed its current assets by Rs. 332.675 million. These factors indicate existence of material uncertainty that raise doubts about the Company's ability to continue as a going concern and that the Company may not be able to discharge its liabilities and realize its assets in the normal course of business. However, these financial statements have been prepared on going concern basis based on the following:

- (a) The Company is renting out its land and building under operating lease arrangements with a history of profitable operations for the past six years.
- (b) The Company has financial support of its directors in the form of interest free loans.

The management is confident the Company will continue to be profitable, subject to impact, if any, of uncontrollable circumstances.

#### 2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention except for employees retirement benefits liabilities measured at present value and certain financial instruments measured at fair value/amortized cost. In these financial statements, except for the amounts reflected in the statement of cash flows, all transactions have been accounted for on accrual basis.

#### 2.4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Subsequently, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

##### 2.4.1 Critical accounting judgements

Judgments made by management in the application of accounting and reporting standards that have significant effect on the financial statements and estimates with a risk of material adjustment in subsequent years are as follows:

*or identification only*



# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

**(a) Business model assessment (see note 5.3.2)**

The Company classifies its financial assets on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The Company determines the business model at a level that reflects how financial assets are managed to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed.

**2.4.2 Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

**(a) Calculation of impairment allowance for expected credit losses on financial assets (see note 5.2.1)**

The Company recognizes a loss allowance for expected credit losses on financial assets carried at amortized cost on date of initial recognition. The amount of expected credit losses is updated on each reporting date to reflect the changes in credit risk since initial recognition of the respective financial asset. Estimating expected credit losses and changes there in requires taking into account qualitative and quantitative forward looking information. When measuring expected credit losses on financial assets the Company uses reasonable and supportable forward looking information as well as historical data to calculate the difference between the contractual cash flows due and those that the Company would expect to receive, taking into account cash flows from collateral and integral credit enhancements, if any. Probability of default constitutes a key input in measuring expected credit losses. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

**(b) Depreciation method, rates and useful lives of operating fixed assets (see note 5.1.1)**

The Company reassesses useful lives, depreciation method and rates for each item of operating fixed assets annually by considering expected pattern of economic benefits that the Company expects to derive from that item.

**(c) Recoverable amount and impairment of non-financial assets (see note 5.2.2)**

The management of the Company reviews carrying amounts of its non-financial assets for possible impairment and makes formal estimates of recoverable amount if there is any such indication.

**(d) Obligation under defined benefit plan (see note 5.2.2)**

The Company's obligation under the defined benefit plan is based on assumptions of future outcomes, the principal ones being in respect of increases in remuneration, remaining working lives of employees and discount rates to be used to determine present value of defined benefit obligation. These assumptions are determined periodically by independent actuaries.

**(e) Taxation (see note 5.15)**

The Company takes into account the current income tax law and decisions taken by appellate and other relevant legal forums while estimating its provision for current tax. Provision for deferred tax is estimated after taking into account historical and expected future turnover and profit trends and their taxability under the current tax law.

**(f) Provisions (see note 5.9)**

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

**(g) Fair value of investment property (see note 5.7).**

Fair value of investment property has been determined by reference to local market values taking into account prevailing fair market prices under the position and circumstances present on the date of valuation and current market scenario for properties of similar nature in the immediate neighborhood and adjoining areas.

**2.5 Functional currency**

These financial statements have been prepared in Pak Rupees which is the Company's functional currency.

**2.6 Date of authorization for issue**

These financial statements were authorized for issue on October 07, 2020 by the Board of Directors of the Company.



# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### 3 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE DURING THE YEAR.

The following new and revised standards, interpretations and amendments are effective in the current year but are either not relevant to the Company or their application does not have any material impact on the financial statements of the Company other than presentation and disclosures, except as stated otherwise.

#### 3.1 IFRS 16 - Leases (2016)

IFRS 16 supersedes IAS 17 - Leases, IFRIC 4 - Determining whether an Arrangement contains a Lease, SIC-15 - Operating Leases-Incentives and SIC-27 - Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Whereas, for lessees all leases will be classified as finance leases only. However, as per relevant guidelines issued by Institute of Chartered Accountants of Pakistan, contracts under Ijarah will continue to be treated as operating leases under IFAS 2.

#### 3.2 IFRIC 23 - Uncertainty over Income Tax Treatments

The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers:

- Whether tax treatments should be considered collectively;
- Assumptions for taxation authorities' examinations;
- The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates;
- The effect of changes in facts and circumstances.

#### 3.3 Prepayment Features with Negative Compensation (Amendments to IFRS 9 - Financial Instruments)

IFRS 9 - Financial Instruments has been amended regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

#### 3.4 Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28 - Investments in Associates and Joint Ventures)

IAS 28 - Investments in Associates and Joint Ventures have been amended to clarify that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

#### 3.5 Annual Improvements to IFRS Standards 2015 - 2017 Cycle

The annual improvements have made amendments to the following standards:

- **IFRS 3 - Business Combinations and IFRS 11 - Joint Arrangements** - The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
- **IAS 12 - Income Taxes** - The amendments clarify that the requirements in the former paragraph 52B (to recognize the income tax consequences of dividends where the transactions or events that generated distributable profits are recognized) apply to all income tax consequences of dividends by moving the paragraph away from paragraph 52A that only deals with situations where there are different tax rates for distributed and undistributed profits.
- **IAS 23 - Borrowing Costs** - The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings.

#### 3.6 Plan Amendment, Curtailment or Settlement (Amendments to IAS 19 - Employee Benefits)

IAS 19 - Employees Benefits has been amended to provide that:

- If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.



# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### 4 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE.

The following standards, interpretations and amendments are in issue which are not effective as at the reporting date and have not been early adopted by the Company.

	Effective date (annual periods beginning on or after)
IFRS 17 - Insurance contracts (2017)	January 01, 2021
Sale or contribution of assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures).	Deferred Indefinitely
Amendments to References to the Conceptual Framework in IFRS Standards	January 01, 2020
Definition of a Business (Amendments to IFRS 3 - Business Combinations)	January 01, 2020
Definition of Material (Amendments to IAS 1 - First-time Adoption of International Financial Reporting Standards and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)	January 01, 2020
Interest Rate Benchmark Reform (Amendments to IFRS 9 - Financial Instruments, IAS 39 - Financial Instruments: Recognition and Measurements, and IFRS 7 - Financial Instruments: Disclosures).	January 01, 2020
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 - First-time Adoption of International Financial Reporting Standards).	January 01, 2022
Reference to the Conceptual Framework (Amendments to IFRS 3 - Business Combinations).	January 01, 2022
Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16 - Property, Plant and Equipment).	January 01, 2022
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37 - Impairment of Assets).	January 01, 2022
Annual Improvements to IFRS Standards 2018-2020.	January 01, 2022
COVID-19 - Related Rent Concessions (Amendment to IFRS 16 - Leases).	June 01, 2020
Other than afore mentioned standards, interpretations and amendments, IABS has also issued the following standards which have not been notified by the Securities and Exchange Commission of Pakistan ["SECP"]:	
IFRS 1 - First Time Adoption of International Financial Reporting Standards	
IFRS 14 - Regulatory Deferral Accounts	
IFRS 17 - Insurance contracts (2017)	

The Company intends to adopt these new and revised standards, interpretations and amendments on their effective dates, subject to, where required, notification by Securities and Exchange Commission of Pakistan under section 225 of the Companies Act, 2017 regarding their adoption. The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the Company's financial statements other than in presentation/disclosures.

### 5 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### 5.1 Property and equipment

##### 5.1.1 Operating fixed assets

Operating fixed assets are accounted for under the cost model and are measured at cost less accumulated depreciation and accumulated impairment losses with the exception of freehold land, which is stated at cost less accumulated impairment losses. Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition or construction, erection and installation.

Major renewals and improvements to operating fixed assets are recognized in the carrying amount if it is probable that the embodied future economic benefits will flow to the Company and the cost of renewal or improvement can be measured reliably. The cost of the day-to-day servicing of operating fixed assets are recognized in profit or loss as incurred.

# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

The Company recognizes depreciation in profit or loss by applying reducing balance method over the useful life of each operating fixed asset using rates specified in note 14 to the financial statements. Depreciation on additions to operating fixed assets is charged from the month in which the item becomes available for use. Depreciation is discontinued from the month in which it is disposed or classified as held for disposal.

An operating fixed asset is de-recognized when permanently retired from use. Any gain or loss on disposal of operating fixed assets is recognized in profit or loss.

### 5.2 Employee benefits

#### 5.2.1 Short-term employee benefits

The Company recognizes the undiscounted amount of short term employee benefits to be paid in exchange for services rendered by employees as a liability after deducting amount already paid and as an expense in profit or loss unless it is included in the cost of inventories or property, plant and equipment as permitted or required by the accounting and reporting standards as applicable in Pakistan. If the amount paid exceeds the undiscounted amount of benefits, the excess is recognized as an asset to the extent that the prepayment would lead to a reduction in future payments or cash refund.

#### 5.2.2 Post-employment benefits

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its employees who have completed the minimum qualifying service period. Liability is adjusted on each reporting date to cover the obligation and the adjustment is charged to income statement with the exception of remeasurements which are recognized in other comprehensive income. The amount recognized on statement of financial position represents the present value of defined benefit obligation.

### 5.3 Financial instruments

#### 5.3.1 Recognition

A financial instrument is recognized when the Company becomes a party to the contractual provisions of the instrument.

#### 5.3.2 Classification

The Company classifies its financial assets on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial liabilities are classified in accordance with the substance of contractual provisions. The Company determines the classification of its financial instruments at initial recognition as follows:

##### (a) *Financial assets at amortized cost*

These are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cashflows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### (b) *Financial assets at fair value through profit or loss*

These are financial assets which have not been classified as 'financial assets at amortized cost' or as 'financial assets at fair value through other comprehensive income', are mandatorily measured at fair value through profit or loss or for which the Company makes an irrevocable election at initial recognition to designate as 'financial asset at fair value through profit or loss' if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

##### (c) *Financial liabilities at amortized cost*

These are financial liabilities which are not derivatives, financial guarantee contracts, commitments to provide loans at below-market interest rate, contingent consideration payable to an acquirer in a business combination or financial liabilities that arise when transfer of a financial asset does not qualify for derecognition.

#### 5.3.3 Measurement

The particular measurement methods adopted are disclosed in individual policy statements associated with each financial instrument.

#### 5.3.4 Derecognition

A financial asset is derecognized when the Company's contractual rights to the cash flows from the financial assets expire or when the Company transfers the financial asset to another party without retaining control of substantially all risks and rewards of the financial asset. A financial liability is derecognized when the Company's obligations specified in the contract expire or a discharged or cancelled.



# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### 5.3.5 Off-setting

A financial asset and financial liability is offset and the net amount reported in the statement of financial position if the Company has legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

### 5.4 Ordinary share capital

Ordinary share capital is recognized as equity. Transaction costs directly attributable to the issue of ordinary shares are recognized as deduction from equity.

### 5.5 Loans and borrowings

Loans and borrowings are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and value at maturity recognized in the profit or loss over the period of the borrowings on an effective interest basis.

### 5.6 Investment in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of the associates have been incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post acquisition changes in the Company's share of net assets of the associates, less any impairment in the investment. Losses of an associates in excess of the Company's interest in that associate (which include any long term interest that, in substance, form part of the Company's net investment in the associate) are recognize only to the extent that the Company has incurred legal or constructive obligation or made payment on behalf of the associate.

### 5.7 Investment property

A property is recognized as investment property when it is held for capital expansion or to earn rentals or both rather than for use in the production or supply of goods or services or for administrative purposes. An investment property is initially recognized at cost including attributable transaction costs. Subsequent to initial recognition, investment property is measured at fair value, with changes in fair value recognized in profit or loss.

### 5.8 Trade and other payables

#### 5.8.1 Financial liabilities

These are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at 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.

#### 5.8.2 Non-financial liabilities

These, both on initial recognition and subsequently, are measured at cost.

### 5.9 Provisions and contingencies

Provisions are recognized when the Company has a legal and constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provision is recognized at an amount that is the best estimate of the expenditure required to settle the present obligation at the reporting date. Where outflow of resources embodying economic benefits is not probable, or where a reliable estimate of the amount of obligation cannot be made, a contingent liability is disclosed, unless the possibility of outflow is remote.

### 5.10 Trade and other receivables

#### 5.10.1 Financial assets

These are classified as 'financial assets at amortized cost'. On initial recognition, these are measured at fair value at the date of transaction, plus 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.

# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### 5.10.2 Non-financial assets

These, both on initial recognition and subsequently, are measured at cost.

### 5.11 Revenue

Revenue comprises rental income measured at fair value of consideration received or receivable. Rental income is recognized in profit or loss on a straight line basis over the term of rental agreement.

### 5.12 Rental agreements as lessor

The Company is a party to rental agreements in the capacity as lessor of investment property. All rental agreements are classified as operating lease. Rentals receivable are recognized in the profit or loss on a straight line basis over the lease term.

### 5.13 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises all components of profit or loss and other comprehensive income ['OCI']. OCI comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by accounting and reporting standards as applicable in Pakistan, and is presented in 'statement of comprehensive income'.

### 5.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss as incurred.

### 5.15 Income tax

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income, in which case it is recognized in other comprehensive income.

#### 5.15.1 Current taxation

Current tax is the amount of tax payable on taxable income for the year and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

#### 5.15.2 Deferred taxation

Deferred tax is accounted for using the 'balance sheet approach' providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. In this regard, the effects on deferred taxation of the portion of income that is subject to final tax regime is also considered in accordance with the treatment prescribed by The Institute of Chartered Accountants of Pakistan. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### 5.16 Earnings per share ['EPS']

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.



# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### 5.17 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and cash at banks. Interest income on cash and cash equivalents is recognized using effective interest method.

### 5.18 Operating segment

The Company is a single operating segment based on internal reporting to the Board of Directors of the Company.

### 5.19 Foreign currency transactions and balances

Transactions in foreign currency are translated to the functional currency of the Company using exchange rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at exchange rate prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated to the functional currency at exchange rate prevailing at the date the fair value is determined. Non-monetary assets and liabilities denominated in foreign currency that are measured at historical cost are translated to functional currency at exchange rate prevailing at the date of initial recognition. Any gain or loss arising on translation of foreign currency transactions and balances is recognized in profit or loss.

### 5.20 Impairment

#### 5.2.1 Financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets carried at amortized cost on date of initial recognition. The amount of expected credit losses is updated on each reporting date to reflect the changes in credit risk since initial recognition of the respective financial asset.

Impairment is recognized at an amount equal to lifetime expected credit losses for financial assets for which credit risk has increased significantly since initial recognition. For financial assets for which credit risk is low, impairment is recognized at an amount equal to twelve months' expected credit losses, with the exception of trade debts, for which the Company recognizes lifetime expected credit losses estimated using internal credit risk grading based on the Company's historical credit loss experience, adjusted for factors that are specific to debtors, general economic conditions, and an assessment for both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

The Company writes off a financial asset when there is information indicating that the counter-party is in severe financial condition and there is no realistic prospect of recovery. Any recoveries made post write-off are recognized in profit or loss.

#### 5.2.2 Non-financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used in determining the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

### 5.21 Dividend distribution to ordinary shareholders

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in statement of changes in equity and as a liability, to the extent it is unclaimed/unpaid, in the Company's financial statements in the year in which the dividends are approved by the Company's shareholders.



# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

		2020	2019	
		Rupees	Rupees	
6	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
	Ordinary shares of Rs. 10 each			
	12,095,482 (2019: 12,095,482) shares issued for cash	120,954,820	120,954,820	
	18,207,061 (2019: 18,207,061) shares issued as bonus shares	182,070,610	182,070,610	
		303,025,430	303,025,430	
7	SHARE PREMIUM			
	This represents premium on issue of right ordinary shares recognized under section 83(1) of the repealed Companies Ordinance, 1984.			
		2020	2019	
		Rupees	Rupees	
8	SURPLUS ON REVALUATION OF PROPERTY AND EQUIPMENT			
	As at beginning of the year	651,264,077	651,264,077	
	Surplus recognized during the year	-	-	
	As at end of the year	651,264,077	651,264,077	
9	EMPLOYEES RETIREMENT BENEFITS			
	The Company has, during the year, introduced an unfunded gratuity scheme, a defined benefit plan, for all its employees who have completed the minimum qualifying service period. Under the scheme, the Company pays a lump-sum benefit equal to last drawn monthly gross salary for each year of service to scheme members whereas the members of the scheme are not required to make any contributions to the scheme. The scheme is administered by the management of the Company under the supervision and directions of the Board of Directors of the Company. The amount recognized on statement of financial position represents present value of defined benefit obligation.			
		Note	2020	2019
			Rupees	Rupees
9.1	Movement in present value of defined benefit obligation			
	As at beginning of the year		385,508	-
	Charged to profit or loss for the year	9.2	497,556	385,508
	Benefits paid during the year		(179,345)	-
	Remeasurements recognized in other comprehensive income	9.3	(39,362)	-
	As at end of the year		664,357	385,508
9.2	Charge to profit or loss			
	Current service cost		455,399	385,508
	Interest cost		42,157	-
			497,556	385,508
9.3	Remeasurements recognized in other comprehensive income			
	Actuarial (gain)/loss arising from changes in:			
	Financial assumptions		626	11,469
	Experience adjustments		(39,988)	78,378
			(39,362)	89,847
9.4	The charge to profit or loss has been allocated as follows			
	Administrative and general expenses	24.1	497,556	385,508
			497,556	385,508

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# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### 9.5 Principal actuarial assumptions

Present value of defined benefit obligation has been determined using projected unit credit method. The liability as at the reporting date is based on actuarial valuation carried out by independent actuaries. The principal assumptions used in determining present value of defined benefit obligation are:

	2020	2019
Discount rate	8.50%	14.25%
Expected rates of increase in salary	7.50%	13.25%

### 9.6 Average duration of the defined benefit obligation

The average duration of the defined benefit obligation is seven years.

### 9.7 Expected charge to profit or loss for the next financial year

The expected charge to profit or loss for the year ending June 30, 2021 amounts to Rs. 431,081.

### 9.6 Sensitivity analysis

An analysis of sensitivity for each actuarial assumption used to determine the present value of defined benefit obligation as at the reporting date showing how the defined benefit obligation would have been affected by changes in relevant actuarial assumption that were reasonably possible at that date is as follows:

	2020		2019	
	Change in actuarial assumption	Defined benefit obligation <i>Rupees</i>	Change in actuarial assumption	Defined benefit obligation <i>Rupees</i>
Discount rate	+ 1%	618,559	+ 1%	358,633
	- 1%	717,037	- 1%	416,015
Expected rates of increase in salary	+ 1%	716,444	+ 1%	415,687
	- 1%	618,295	- 1%	358,484

A change in expected remaining working lives of employees is not expected to have a material impact on the present value of defined benefit obligation. Accordingly, the sensitivity analysis for the same has not been carried out.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of defined benefit obligation as at the reporting date has been calculated using projected unit credit method, which is the same as that applied in calculating the defined benefit obligation to be recognized in these financial statements.

### 9.7 Risk factors

The defined benefit plan exposes the Company to the following actuarial risks:

**Interest risk:** The discount rate used in determination of present value of defined benefit obligation has been determined by reference to market yield at the reporting date on government bonds since there is no deep market in long term private sector bonds in Pakistan. An increase in market yield resulting in a higher discount rate will decrease the defined benefit liability.

**Longevity risk:** The present value of defined benefit obligation is calculated by reference to the best estimate of the expected remaining working lives of employees. An increase in the expected remaining working lives will increase the defined benefit obligation. However, the increase is not expected to be material.

**Salary risk:** The present value of defined benefit obligation is calculated by reference to future salaries of employees. An increase in salary of employees will increase the defined benefit obligation.



# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	Rupees	Rupees
<b>10 TRADE AND OTHER PAYABLES</b>		
Creditors	288,388	618,838
Accrued liabilities	1,103,225	948,780
Sales tax payable	20,642,050	20,642,050
Advances from customers	5,215,503	5,215,503
Workers' Profit Participation Fund	371,704	371,704
Other payables	25,706	13,856
	<b>27,646,576</b>	<b>27,810,731</b>
<b>11 SHORT TERM BORROWINGS</b>		
This represents interest free loans provided by the directors of the Company. There is no agreement or fixed tenure, however these are repayable on demand.		
<b>12 UNCLAIMED DIVIDEND</b>		
This represent dividend on ordinary shares declared in the previous years but not claimed by the shareholders. The Company is in the process of opening a separate bank account for the amount unclaimed in compliance with section 244 of the Companies Act, 2017.		
<b>13 CONTINGENCIES AND COMMITMENTS</b>		
<b>13.1 Contingencies</b>		
<b>13.1.1</b>	Sales tax and other liabilities of Rs. 5.730 million (2019: Rs. 5.730 million) are pending in appeals. The Company has filed reference application before the Honorable Lahore High Court, Lahore and other appellate forums. The subject reference is still pending before the Honorable Lahore High Court, Lahore.	
<b>13.1.2</b>	Suit filed by United Investment Limited against the State and the Company for possession of land at Kala Shah Kaku, Tehsil Ferozewala, District Sheikhpura acquired by the State. However, no liability involving financial burden on the Company is expected to arise. Case is pending for hearing as confirmed by legal advisor.	
<b>13.1.3</b>	Securities and Exchange Commission of Pakistan ['SECP'] filed a petition with the Honorable Lahore High Court, Lahore on the request of the shareholders against the improper management of operations of the Company. In response to this petition, The Lahore High Court issued a notice of hearing to the Company. The Company in this respect attended hearing and submitted its reply accordingly. The subject reference is still pending before the Honorable Lahore High Court, Lahore.	
<b>13.2 Commitments</b>		
There are no known commitments as at the reporting date.		

# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### 14 PROPERTY AND EQUIPMENT

2020									
	COST			Rate %	DEPRECIATION			As at June 30 Rupees	Net book value as at June 30 Rupees
	As at July 01 Rupees	Additions Rupees	Disposals Rupees		As at July 01 Rupees	For the year Rupees	Adjustment Rupees		
Furniture and fixtures	1,357,000	-	-	10	635,835	72,117	-	707,952	649,048
Office equipment	3,383,000	-	-	10	1,585,136	179,786	-	1,764,922	1,618,078
Vehicles	9,647,115	-	-	20	9,388,211	51,781	-	9,439,992	207,123
	14,387,115	-	-		11,609,182	303,684	-	11,912,866	2,474,249
2019									
	COST			Rate %	DEPRECIATION			As at June 30 Rupees	Net book value as at June 30 Rupees
	As at July 01 Rupees	Additions Rupees	Disposals Rupees		As at July 01 Rupees	For the year Rupees	Adjustment Rupees		
Furniture and fixtures	1,357,000	-	-	10	555,705	80,130	-	635,835	721,165
Office equipment	3,383,000	-	-	10	1,385,373	199,763	-	1,585,136	1,797,864
Vehicles	9,647,115	-	-	20	9,323,484	64,727	-	9,388,211	258,904
	14,387,115	-	-		11,264,562	344,620	-	11,609,182	2,777,933

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# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>15</b>	<b>GOVERNMENT TAKEN OVER CONCERNS</b>		
Gross amount due		27,229,339	27,229,339
Impairment allowance	15.1	(27,229,339)	(27,229,339)
		-	-

- 15.1** Ittehad Pesticides Limited ['IPL'], owned by the Saigols, was taken over by the Government of Pakistan. The Government issued debentures of IPL to the Saigols as consideration for the takeover and the Saigols encashed the same. However, an amount of Rs. 27,229,339 was claimed by the Saigols as outstanding. The Company had filed a writ against IPL and Federal Government of Pakistan with regard to the amount due. The claim of the Company was rejected by Civil Judge vide judgement dated June 19, 2013. Amount recoverable thus stands fully impaired.

	Note	2020 Rupees	2019 Rupees
<b>16</b>	<b>INVESTMENT PROPERTY</b>		
<b>Land</b>			
As at beginning of the year		704,450,000	698,660,000
Change in fair value		24,125,000	5,790,000
As at end of the year		728,575,000	704,450,000
<b>Building</b>			
As at beginning of the year		104,922,245	104,200,585
Change in fair value		5,427,160	721,660
As at end of the year		110,349,405	104,922,245
		838,924,405	809,372,245

- 16.1** This represents company land and building transferred from property and equipment at fair value, whereas the fair value of land and building is valued by an independent valuer, Medallion Services (Private) Limited. The forced sale value of land and building as at June 30, 2020 amounts to Rs. 619,288,750 and Rs. 93,796,994 (2019: Rs. 598,782,500 and Rs. 89,183,908) respectively. The Company has leased out this investment property under operating lease arrangements. For basis of determination of fair value, refer to note 37.3.1.

- 16.2** Investment property of the Company is located at Collage Road, Madina Town Faisalabad with a total area of 96.5 Kanal (2019: 96.5 Kanal).

### 17 LONG TERM INVESTMENTS

This represents investment in ordinary shares of Kohinoor Power Company Limited, an associated company. The investment has been accounted for by using equity method. Particulars of investment are as follows:

	2020	2019
Percentage of ownership interest	22.50%	22.50%
	Note	
	2020	2019
	Rupees	Rupees
Cost of investment		
2,835,000 (2019: 2,835,000) fully paid ordinary shares of Rs. 10 each	90,000,000	90,000,000
Share of post acquisition profits	(15,907,887)	(13,119,045)
Dividend income from investment in associate	(10,800,000)	(10,800,000)
	63,292,113	66,080,955
Accumulated impairment	(58,472,613)	(61,261,455)
	4,819,500	4,819,500

# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### 17.1 Extracts of financial statements of associated company

The assets and liabilities of Kohinoor Power Company Limited as at the reporting date and related revenue and profit for the year then ended based on the un-audited financial statements are as follows:

	Note	2020 Rupees	2019 Rupees
Non-current assets		98,326,629	105,682,305
Current assets		38,665,423	43,804,368
Non-current liabilities		1,714,915	1,443,904
Current liabilities		1,263,701	1,634,481
Revenue		16,605,362	15,430,234
Loss for the year		(12,369,020)	(14,161,458)
Other comprehensive loss		(25,832)	(89,847)
Break-up value per share		10.64	11.62
Share of profit and other adjustments to net assets	17.1.1	(2,788,842)	(3,206,544)
Market value per share		1.70	1.70

#### 17.1.1 This includes the following:

Share of loss for the year		(2,783,030)	(3,186,328)
Share of other comprehensive loss for the year		(5,812)	(20,216)
		(2,788,842)	(3,206,544)

### 18 LONG TERM DEPOSITS

These have been deposited with various utility companies and regulatory authorities. These are classified as 'financial assets at amortized cost' under IFRS 9 'Financial Instruments' which are required to be carried at amortized cost. However, these, being held for an indefinite period with no fixed maturity date, are carried at cost as their amortized cost is impracticable to determine.

	Note	2020 Rupees	2019 Rupees
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### 19 DEFERRED TAXATION

Deferred tax asset on deductible temporary differences	19.1	27,911,283	-
Deferred tax liability on taxable temporary differences	19.1	-	-
Net deferred tax asset		27,911,283	-

#### 19.1 Recognized deferred liabilities and tax assets

Deferred tax liabilities and assets are attributable to the following:

	2020			
	As at July 01, 2019 Rupees	Recognized in profit or loss Rupees	Recognized in OCI Rupees	As at June 30, 2020 Rupees
<b>Deferred tax assets</b>				
Operating fixed assets	-	46,563	-	46,563
Long term investment	-	12,777,075	-	12,777,075
Provisions	-	14,894,981	-	14,894,981
Employees retirement benefits	-	194,349	(1,685)	192,664
	-	27,912,968	(1,685)	27,911,283
<b>Deferred tax liabilities</b>	-	-	-	-
	-	27,912,968	(1,685)	27,911,283

#### 19.2 Deferred tax has been calculated at 29% of the temporary differences as at the reporting date based on tax rates notified by the Government of Pakistan for future tax years.

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# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>20</b>	<b>ADVANCES, DEPOSITS AND OTHER RECEIVABLES</b>		
Advances to employees	20.1	125,500	-
Sales tax refundable	20.2	-	-
Other receivables	20.3	-	-
		<b>125,500</b>	<b>-</b>
<b>20.1</b>	These represent advances to employees against future salaries and post employment benefits in accordance with the Company policy. No advances have been given to any of the directors or executives of the Company.		
	Note	2020 Rupees	2019 Rupees
<b>20.2</b>	<b>Sales tax refundable</b>		
Gross amount due		4,236,934	4,236,934
Impairment allowance	20.2.1	(4,236,934)	(4,236,934)
		<b>-</b>	<b>-</b>
<b>20.2.1</b>	This represent sales tax paid on utilities during the financial years 2014-15 to 2016-17. Recovery of this amount is considered doubtful and thus an impairment allowance for the same has been made.		
	Note	2020 Rupees	2019 Rupees
<b>20.3</b>	<b>Rebate/claims and central excise duty receivables</b>	10,647,437	10,647,437
Impairment allowance		(10,647,437)	(10,647,437)
		<b>-</b>	<b>-</b>
<b>21</b>	<b>ADVANCE INCOME TAX/INCOME TAX REFUNDABLE</b>		
Advance income tax/income tax refundable		28,683,009	25,082,599
Impairment allowance		(9,248,293)	(9,248,293)
		<b>19,434,716</b>	<b>15,834,306</b>
<b>22</b>	<b>CASH AND BANK BALANCES</b>		
Cash in hand		859,474	423,048
Cash at banks			
Current accounts - local currency		16,150,091	12,303,131
Deposit/saving accounts - local currency	22.1	42,550,407	12,593,754
		58,700,498	24,896,885
		<b>59,559,972</b>	<b>25,319,933</b>
<b>22.1</b>	This represents term deposit/saving accounts with a banking company and carries return at 6.25% per annum. The term deposit amounting to Rs 42 million will expire/mature on July 30, 2020.		
<b>23</b>	<b>REVENUE</b>		
This represents rental income from leasing out Company's investment property under operating lease arrangements.			

# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>24 ADMINISTRATIVE AND GENERAL EXPENSES</b>			
Salaries and benefits	24.1	8,829,130	9,124,322
Printing and stationery		458,082	102,561
Communication		337,366	354,999
Repair and maintenance		1,726,707	5,700,630
Rent, rates and taxes		1,409,491	1,507,896
Electricity and gas		304,554	295,416
Insurance		70,528	70,528
Advertisement		40,800	49,300
Vehicles running and maintenance		176,850	160,235
Traveling and conveyance		85,384	34,520
Legal and professional		1,233,253	219,795
Fees and Subscription		64,900	807,879
Auditor's remuneration	24.2	500,000	500,000
Entertainment		184,568	230,243
Depreciation	14	303,684	344,620
Others		105,761	104,354
		<b>15,831,058</b>	<b>19,607,298</b>
<b>24.1</b>	These include charge in respect of employees retirement benefits amounting to Rs. 497,556 (2019: Rs. 385,508).		
	Note	2020 Rupees	2019 Rupees
<b>24.2 Auditor's remuneration</b>			
Annual statutory audit		450,000	450,000
Limited scope review		50,000	50,000
		<b>500,000</b>	<b>500,000</b>
<b>25 OTHER EXPENSES</b>			
<b>Loss on financial instruments</b>			
Impairment loss on long term investment	17	-	1,471,206
Cash and cash equivalents written off	25.1	67,403	-
		<b>67,403</b>	<b>1,471,206</b>
<b>25.1</b>	This represents balances in old dormant bank accounts written off.		
<b>26 OTHER INCOME</b>			
<b>Gain on financial instruments</b>			
Return on bank deposits		2,100,272	131,076
<b>Other income</b>			
Changes in fair value of investment property		29,552,160	6,511,660
Reversal of impairment loss on long term investment		2,788,842	-
		<b>32,341,002</b>	<b>6,511,660</b>
		<b>34,441,274</b>	<b>6,642,736</b>
<b>27 FINANCE COST</b>			
Bank charges		10,719	43,582
		<b>10,719</b>	<b>43,582</b>

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# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>28 PROVISION FOR TAXATION</b>			
Current taxation			
for the year	28.1	12,475,900	5,108,458
for prior year		-	(2,853,565)
		12,475,900	2,254,893
Deferred taxation	19.1		
attributable to origination and reversal of temporary differences		(27,912,968)	-
attributable to changes in tax rates		-	-
		(27,912,968)	-
		(15,437,068)	2,254,893

28.1 Provision for current tax has been made in accordance with section 18 (2019: section 113C) of the Income Tax Ordinance 2001 [the Ordinance].

	Unit	2020	2019
<b>28.2 Reconciliation between average effective tax rate and applicable tax rate</b>			
Profit before taxation	Rupees	72,174,639	30,049,751
Provision for taxation	Rupees	(15,437,068)	2,254,893
Average effective tax rate	%	(21.39)	7.50
Tax effects of:			
Adjustments for prior years	%	-	9.50
Adjustments for deferred taxation	%	38.67	-
Admissible deductions, losses and tax credits	%	11.71	-
Applicable tax rate	%	29.00	17.00

28.3 The income tax assessments of the Company up to and including tax year 2019 have been completed by the concerned income tax authorities or are deemed to have been so completed under the provisions of section 120 of the ordinance except as explained in note 28.4 and 28.5.

28.4 In respect of Tax Year 2017, the Company received notice under rule 44(4) of the Income Tax Rules, 2002 dated January 2018, In compliance to notice, detail/documents have been filed with the tax department. The proceedings are still under process.

28.5 In respect of Tax Year 2015, the Company received notice under section 177(1) of the Income Tax Ordinance, 2001 dated January 2017, In compliance to notice, the Company have applied for change of jurisdiction from Corporate Regional Tax Office [CRO] Faisalabad to CRO Lahore. However, neither any fresh notice has been received nor its jurisdiction has been changed. Therefore, the proceedings are still under process.

	Unit	2020	2019
<b>29 EARNING PER SHARE - BASIC AND DILUTED</b>			
Profit attributable to ordinary shareholders	Rupees	87,611,707	27,794,858
Weighted average number of ordinary shares outstanding during the year	No. of shares	30,302,543	30,302,543
Earning per share - Basic	Rupees	2.89	0.92

There is no dilutive effect on the basic earning per share of the Company.

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# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>30 CASH GENERATED FROM OPERATIONS</b>			
Profit before taxation		72,174,639	30,049,751
Adjustments for non-cash and other items			
Provision for employees retirement benefits		497,556	385,508
Share of loss of associate		2,783,030	3,186,328
Impairment loss on long term investment		-	1,471,206
Reversal of impairment loss on long term investment		(2,788,842)	-
Change in fair value of investment property		(29,552,160)	(6,511,660)
Depreciation		303,684	344,620
		(28,756,732)	(1,123,998)
Operating profit before changes in working capital		43,417,907	28,925,753
Changes in working capital			
Long term deposits		-	202,500
Rent receivables		-	196,020
Advances and other receivables		(125,500)	77,536
Trade and other payables		(164,155)	(2,543,742)
		(289,655)	(2,067,686)
Cash generated from operations		43,128,252	26,858,067
<b>31 CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	22	59,559,972	25,319,933
		59,559,972	25,319,933

### 32 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise associated companies, sponsors and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and includes the Chief Executive and Directors of the Company. Key management personnel do not draw any compensation from the Company. Transactions with sponsors are limited provision of interest free temporary loans. The Company in the normal course of business carries out various transactions with associated companies and continues to have a policy whereby all such transactions are carried out on commercial terms and conditions which are equivalent to those prevailing in an arm's length transaction. The details of Company's related parties, with whom the Company had transactions during the year or has balances outstanding as at the reporting date are as follows:

Name of related party	Nature of relationship	Basis of relationship	Aggregate %age of shareholding in the Company
Kohinoor Power Company Limited	Associated company	Investment	22.50%
Red Communication Arts (Private) Limited	Associated company	Common director	0.00%
Pak Elektron Limited	Associated company	Common director	0.00%
M. Naseem Saigol	Key management personnel	Director	17.61%
Amber Haroon Saigol	Close family member of director	Spouse of director	24.07%

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# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

		2020	2019
		Rupees	Rupees
Details of transactions and balances with related parties is as follows:			
<b>32.1 Transactions with related parties</b>			
<b>Nature of relationship</b>	<b>Nature of transactions</b>		
Associated companies	Impairment loss on long term investment	-	1,471,206
	Reversal of impairment loss on long term investment	2,788,842	-
	Advertisement expenses	40,800	49,300
	Rental income	2,638,311	2,335,572
<b>32.2 Balances with related parties</b>			
<b>Nature of relationship</b>	<b>Nature of balances</b>		
Associated companies	Long term investment	4,819,500	4,819,500
Sponsors	Short term borrowings	353,682,503	353,682,503
<b>33 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS, AND EXECUTIVES</b>			
No amount was charged to profit or loss in respect of chief executive, directors and executives on account of managerial remuneration, allowances, perquisites and post employment benefits.			
<b>34 CAPITAL MANAGEMENT</b>			
The objectives of the Company, while managing capital are to ensure that it continues to meet the going concern assumption, enhance shareholders' wealth and meet stakeholders' expectations. The Company's objective is to ensure its sustainable growth viz. maintaining optimal capital structure, keeping its finance cost low, exercising option of issuing right shares or, where possible, repurchasing shares, selling surplus property, plant and equipment without affecting the optimal production and operating level and regulating dividend payout. The Company is not subject to externally imposed capital requirements.			
<b>35 FINANCIAL INSTRUMENTS</b>			
The carrying amounts of the Company's financial instruments by class and category are as follows:			
	Note	2020	2019
		Rupees	Rupees
<b>35.1 Financial assets</b>			
<i>Cash in hand</i>	22	859,474	423,048
<i>Financial assets at amortized cost</i>			
Long term deposits	18	166,376	166,376
Trade debts		20,000	20,000
Advances to employees	20	125,500	-
Cash at bank	22	16,150,091	12,303,131
		16,461,967	12,489,507
		17,321,441	12,912,555
<b>Financial liabilities</b>			
<i>Financial liabilities at amortized cost</i>			
Creditors	10	288,388	618,838
Accrued liabilities	10	1,103,225	948,780
Short term borrowings	11	353,682,503	353,682,503
Unclaimed dividend		1,034,826	1,034,826
		356,108,942	356,284,947

# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### 36 FINANCIAL RISK EXPOSURE AND MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). These risks affect revenues, expenses, assets and liabilities of the Company.

The Board of Directors has the overall responsibility for establishment and oversight of risk management framework. The Board of Directors has developed a risk policy that sets out fundamentals of risk management framework. The risk policy focuses on unpredictability of financial markets, the Company's exposure to risk of adverse effects thereof and objectives, policies and processes for measuring and managing such risks. The management team of the Company is responsible for administering and monitoring the financial and operational financial risk management throughout the Company in accordance with the risk management framework.

The Company's exposure to financial risks, the way these risks affect the financial position and performance, and forecast transactions of the Company and the manner in which such risks are managed is as follows:

#### 36.1 Credit risk

Credit risk is the risk of financial loss to the Company, if the counterparty to a financial instrument fails to meet its obligations.

##### 36.1.1 Credit risk management practices

In order to minimize credit risk, the Company has adopted a policy of only dealing with creditworthy counterparties and limiting significant exposure to any single counterparty. The Company only transacts with counterparties that have reasonably high external credit ratings. Where an external rating is not available, the Company uses an internal credit risk grading mechanism. Particularly for customers, a dedicated team responsible for the determination of credit limits uses a credit scoring system to assess the potential as well as existing customers' credit quality and assigns or updates credit limits accordingly. The ageing profile of trade debts and individually significant balances, along with collection activities are reviewed on a regular basis.

The Company reviews the recoverable amount of each financial asset on an individual basis at each reporting date to ensure that adequate loss allowance is made in accordance with the assessment of credit risk for each financial asset.

The Company considers a financial asset to have low credit risk when the asset has reasonably high external credit rating or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has no past due amounts or otherwise there is no significant increase in credit risk if the amounts are past due in the normal course of business based on history with the counterparty.

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial asset at the reporting date with the risk of a default occurring on the financial asset at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise. This is usually the case with various customers of the Company where the Company has long standing business relationship with these customers and any amounts that are past due by more than 30 days in the normal course of business are considered 'performing' based on history with the customers. Therefore despite the foregoing, the Company considers some past due trade debts to have low credit risk where the customer has a good history of meeting its contractual cash flow obligations and is expected to maintain the same in future.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk.

The Company considers 'default' to have occurred when the financial asset is credit-impaired. A financial asset is considered to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

The Company writes off a financial asset when there is information indicating that the counter-party is in severe financial condition and there is no realistic prospect of recovery.

The Company's credit risk grading framework comprises the following categories:

Category	Description	Basis for recognizing ECL
Performing	The counterparty has low credit risk	Trade debts: Lifetime ECL Other assets: Twelve month ECL
Doubtful	Credit risk has increased significantly since initial recognition	Lifetime ECL
In default	There is evidence indicating the assets is credit-impaired	Lifetime ECL
Write-off	There is no realistic prospect of recovery	Amount is written-off

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*as identification only*



# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### 36.1.2 Exposure to credit risk

Credit risk principally arises from the Company's debt instruments. The maximum exposure to credit risk as at the reporting date is as follows:

	Note	2020 Rupees	2019 Rupees
<b>Financial assets at amortized cost</b>			
Long term deposits	18	166,376	166,376
Trade debts		20,000	20,000
Advances to employees	20	125,500	-
Cash at banks	22	16,150,091	12,303,131
		<b>16,461,967</b>	<b>12,489,507</b>

### 36.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to internal credit risk grading. The credit quality of the Company's financial assets exposed to credit risk is as follows:

	Note	External credit rating	Internal credit risk grading	12-month or life-time ECL	Gross carrying amount Rupees	Loss allowance Rupees
Long term deposits	18	N/A	Performing	12-month ECL	166,376	-
Trade debts		N/A	Performing	12-month ECL	20,000	-
Advances to employees	20	N/A	Performing	12-month ECL	125,500	-
Bank balances	22	A1 - A1+	N/A	12-month ECL	16,150,091	-
					<b>16,461,967</b>	<b>-</b>

#### (a) Long term deposits

Long term deposits comprise security deposits placed with various utility companies and regulatory authorities. These deposits are substantially perpetual in nature. Therefore, no credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

#### (b) Trade debts

This represents rent for June 2020 receivable from Kohinoor Primary School, Faisalabad. The amount is not yet due, accordingly no loss allowance has been made.

#### (c) Advances to employees

Advances to employees have been given against future salaries and post-employment benefits. Accordingly, these are considered to have no credit risk.

#### (d) Bank balances

The bankers of the Company have reasonably high credit ratings as determined by various independent credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect any credit loss.

### 36.1.4 Concentration of credit risk

There are no significant concentrations of credit risk.

### 36.1.5 Collateral held

The Company does not hold any collateral to secure its financial assets.

### 36.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### 36.2.1 Liquidity risk management

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company monitors cash flow requirements and produces cash flow projections for the short and long term. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational cash flows, including servicing of financial obligations. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of overall funding mix and avoidance of undue reliance on large individual customer.

### 36.2.2 Exposure to liquidity risk

The following presents the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The analysis have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	2020				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Trade creditors	288,388	288,388	288,388	-	-
Accrued liabilities	1,103,225	1,103,225	1,103,225	-	-
Short term borrowings	353,682,503	353,682,503	353,682,503	-	-
Unclaimed dividend	1,034,826	1,034,826	1,034,826	-	-
	<b>356,108,942</b>	<b>356,108,942</b>	<b>356,108,942</b>	<b>-</b>	<b>-</b>

	2019				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Trade creditors	618,838	618,838	618,838	-	-
Accrued liabilities	948,780	948,780	948,780	-	-
Short term borrowings	353,682,503	353,682,503	353,682,503	-	-
Unclaimed dividend	1,034,826	1,034,826	1,034,826	-	-
	<b>356,284,947</b>	<b>356,284,947</b>	<b>356,284,947</b>	<b>-</b>	<b>-</b>

### 36.3 Market risk

#### 36.3.1 Currency risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from transactions and resulting balances that are denominated in a currency other than functional currency. The Company is not exposed to currency risk.

#### 36.3.2 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

##### (a) Interest/profit rate risk management

The Company manages interest rate risk by analyzing its interest rate exposure on a dynamic basis. Cash flow interest rate risk is managed by simulating various scenarios taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Company calculates impact on profit after taxation and equity of defined interest rate shift, mostly 100 basis points.

##### (b) Interest bearing financial instruments

The effective interest rates for interest bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest bearing financial instruments as at the reporting date are as follows:

	2020 Rupees	2019 Rupees
<b>Fixed rate Instruments</b>		
Financial assets	42,550,407	12,593,754
Financial liabilities	-	-

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as identified only



# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	Rupees	Rupees

### Variable rate instruments

-

-

### (c) Fair value sensitivity analysis for fixed rate instruments

The Company does not account for its fixed rate instruments at fair value

### (d) Cash flow sensitivity analysis for variable rate instruments

The Company does not have any variable rate instrument.

### 36.3.3 Other price risk

Other price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments. The Company is exposed to price risk in respect of its investments in equity securities. However, the risk is minimal as these investments are held for strategic purposes rather than trading purposes. The Company does not actively trade in these investments.

## 37 FAIR VALUE MEASUREMENTS

### 37.1 Financial Instruments

#### 37.1.1 Financial instruments measured at fair value

The Company measures some of its financial assets at fair value. Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements and has the following levels.

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair value hierarchy of assets measured at fair value and the information about how the fair values of these financial instruments are determined are as follows:

#### a) Recurring fair value measurements

There are no recurring fair value measurements as at the reporting date.

#### b) Non-recurring fair value measurements

There are no non-recurring fair value measurements as at the reporting date.

### 37.2 Financial instruments not measured at fair value

The management considers the carrying amount of all financial instruments not measured at fair value to approximate their carrying values.

### 37.3 Assets and liabilities other than financial instruments.

#### 37.3.1 Recurring fair value measurements

For recurring fair value measurements, the fair value hierarchy and information about how the fair values are determined is as follows:

	Level 1	Level 2	Level 3	2020	2019
				Rupees	Rupees
Investment property - Land	-	728,575,000	-	728,575,000	704,450,000
Investment property - Buildings	-	110,349,405	-	110,349,405	104,922,245

For fair value measurements categorized into Level 2 following information is relevant:

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# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	Valuation technique	Significant inputs	Sensitivity
Land	Market comparable approach that reflects recent transaction prices for similar properties	Estimated purchase price, including non-refundable purchase taxes and other costs directly attributable to the acquisition.	A 5% increase in estimated purchase price, including non-refundable purchase taxes and other costs directly attributable to the acquisition would result in a significant increase in fair value of land by Rs. 36.43 million (2019: Rs. 35.22 million).
Buildings	Cost approach that reflects the cost to the market participants to construct assets of comparable utility and age, adjusted for obsolescence and depreciation. There was no change in valuation technique during the year.	Estimated construction costs and other ancillary expenditure.	A 5% increase in estimated construction and other ancillary expenditure would result in a significant increase in fair value of buildings by Rs. 5.52 million (2019: Rs. 5.25 million).

### 38 SEGMENT INFORMATION

- 38.1 The Company is a single reportable segment.  
38.2 All non-current assets of the Company are situated in Pakistan.

### 39 MINIMUM LEASE PAYMENTS UNDER OPERATING LEASE

The Company has leased out investment property under operating lease arrangements. Amounts of minimum lease payments receivable under the lease agreements are as follows:

	2020	2019
	Rupees	Rupees
- not later than one year	59,141,992	53,787,264
- later than one year but not later than five years	32,343,718	91,245,710
- later than five years	-	-
	91,485,710	145,032,974

### 40 IMPACT OF COVID - 19 ON THE FINANCIAL STATEMENTS

COVID-19 pandemic started at the end of December 2019 and broke out in China in January 2020. The slow down in Pakistan started in February 2020 following which a nationwide lockdown was imposed in Pakistan. The Company remained unaffected throughout. There is no financial impact of COVID-19 on the carrying amounts of assets and liabilities or items of income and expenses reported in these financial statements.

### 41 NUMBER OF EMPLOYEES

	2020	2019
Total number of employees	14	16
Average number of employees	15	16

### 42 RECOVERABLE AMOUNTS AND IMPAIRMENT

As at the reporting date, recoverable amounts of all assets/cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these financial statements.

### 43 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in their meeting held on October 07, 2020 has proposed dividend on ordinary shares at Rs. 0.75 per ordinary share of Rs. 10 each. The proposed dividend is subject to approval of the Company's shareholders in the forthcoming annual general meeting and thus has not been included as a liability in the financial statements.



# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### 44 GENERAL

44.1 Figures have been rounded off to the nearest rupee.

44.2 Comparative figures have been rearranged and reclassified, where necessary, for the purpose of comparison. However, there were no significant reclassifications during the year.

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

*rsr/r*  
identification only

**FORM 34**

**THE COMPANIES ACT, 2017  
(Section 227(2)(f))  
PATTERN OF SHAREHOLDING**

1.1 Name of the Company

**KOHINOOR INDUSTRIES LIMITED**

2.1. Pattern of holding of the shares held by the shareholders as at

**30-06-2020**

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
765	1	100	20,881
552	101	500	161,874
284	501	1,000	229,046
527	1,001	5,000	1,399,509
134	5,001	10,000	1,093,507
56	10,001	15,000	717,760
32	15,001	20,000	601,758
24	20,001	25,000	567,488
15	25,001	30,000	425,290
10	30,001	35,000	324,078
9	35,001	40,000	341,750
10	40,001	45,000	420,978
22	45,001	50,000	1,079,500
7	50,001	55,000	371,550
6	55,001	60,000	349,000
1	60,001	65,000	61,000
4	65,001	70,000	276,522
3	70,001	75,000	217,000
3	75,001	80,000	236,070
1	85,001	90,000	86,500
5	95,001	100,000	499,000
1	105,001	110,000	106,500
1	115,001	120,000	117,000
2	120,001	125,000	245,881
1	125,001	130,000	130,000
1	135,001	140,000	136,662
2	145,001	150,000	297,000
2	160,001	165,000	322,500
1	170,001	175,000	170,550
1	215,001	220,000	219,000
1	250,001	255,000	253,500
1	255,001	260,000	260,000
1	275,001	280,000	280,000
1	305,001	310,000	305,500
1	370,001	375,000	371,500
1	395,001	400,000	400,000
1	495,001	500,000	500,000
1	525,001	530,000	530,000
1	560,001	565,000	563,543
1	760,001	765,000	765,000
1	995,001	1,000,000	1,000,000
1	1,180,001	1,185,000	1,183,154
1	5,335,001	5,340,000	5,335,219
1	7,325,001	7,330,000	7,329,973



# KOHINOOR INDUSTRIES LIMITED

Categories of Shareholding required under Listed Companies (Code of Corporate Governance) Regulations, 2019  
As on June 30, 2020

Sr. No.	Name	No. of Shares Held	Percentage
<b>Associated Companies, Undertakings and Related Parties:</b>		-	-
<b>Mutual Funds:</b>			
1	GOLDEN ARROW SELECTED STOCKS FUND	299	0.0010
2	SECURITY STOCK FUND LTD.	560	0.0018
<b>Directors and their Spouse and Minor Children:</b>			
1	MR. M. NASEEM SAIGOL (CDC)	5,335,219	17.6065
2	MR. MUHAMMAD OMER FAROOQ	2,625	0.0087
3	MR. MUHAMMAD ASIF (CDC)	2,500	0.0083
4	MR. RASHID AHMED JAVED	2,625	0.0087
5	MR. MUHAMMAD ZEID YOUSUF SAIGOL	2,511	0.0083
6	MR. MUHAMMAD MURAD SAIGOL	2,500	0.0083
7	MRS. SADAF KASHIF	2,500	0.0083
8	MRS. SEHAR SAIGOL W/O MR. M. NASEEM SAIGOL (CDC)	170,550	0.5628
<b>Executives:</b>		-	-
<b>Public Sector Companies &amp; Corporations:</b>		-	-
<b>Banks, Development Finance Institutions, Non Banking Finance Institution, Insurance Companies, Modarabas and Pension Funds:</b>		1,712,082	5.6500
<b>Shareholders holding five percent or more voting interest in the listed company</b>			
1	MRS. AMBER HAROON SAIGOL (CDC)	7,329,973	24.1893
2	MR. M. NASEEM SAIGOL (CDC)	5,335,219	17.6065
<b>All trades in the shares of the listed company, carried out by its Directors, CEO, CFO, Company Secretary, Their spouses and minor children:</b>			
S. No.	NAME	SALE	PURCHASE
	MRS. AMBER HAROON SAIGOL W/O M. AZAM SAIGOL (Inheritance Transmission)	-	36,303

Categories of Shareholders	No. of Shareholders	Share held	Percentage
Directors, Chief Executive Officer, and their spouse and minor children	8	5,521,030	18.2197
Associated Companies, undertakings and related party	-	-	-
NIT and ICP	2	37,647	0.1242
Banks Development Financial Institutions Non Banking Financial Institution	15	25,337	0.0836
Insurance Companies	5	1,618,829	5.3422
Modarabas and Mutual Funds	4	1,447	0.0048
General Public	2,411	21,906,401	72.2923
Others (to be specified)			
Pension Funds	1	30,578	0.1009
Leasing Companies	1	36,750	0.1213
Abondond Properties	1	1,860	0.0061
Other Companies	2	18,693	0.0617
Joint Stock Companies	33	286,116	0.9442
Foreign Companies	13	817,855	2.6990
	<u>2,496</u>	<u>30,302,543</u>	<u>100.0000</u>



# پیٹرن آف شیئر ہولڈنگ

30 جون 2020

نمبر شمار	کیلکری آف شیئر ہولڈرز	تعداد حصص داران	تعداد حصص	فیصد
1	ڈائریکٹرز، چیف ایگزیکٹو آفیسر، ان کی بیویاں اور چھوٹے بچے۔	8	5,521,030	18.2197
2	ایسوسی ایٹڈ کمپنیز، انڈر ٹیکنز اور متعلقہ پارٹی۔	-	-	-
3	این آئی ٹی اور آئی سی پی	2	37,647	0.1242
4	بینک، ڈیولپمنٹ فنانس انسٹی ٹیوشنز، نان بینکنگ فنانس انسٹی ٹیوشنز	15	25,337	0.0836
5	انشورنس کمپنیز	5	1,618,829	5.3422
6	مدار بہ اور میوچل فنڈز	4	1,447	0.0048
7	عام عوام	2,411	21,906,401	72.2923
8	دوسرے (مخصوص کیا جائے گا)			
	پینشن فنڈز	1	30,578	0.1009
	لیزنگ کمپنیز	1	36,750	0.1213
	ابنڈن پراپرٹیز	1	1,860	0.0061
	دوسری کمپنیز	2	18,693	0.0617
	جوائنٹ سٹاک کمپنیز	33	286,116	0.9442
	غیر ملکی کمپنیز	13	817,855	2.6990
	کل تعداد	2,496	30,302,543	100.0000

## تعداد حصص

-	ایسوسی ایٹڈ کمپنیز، انڈر ٹیکنز اور متعلقہ پارٹی۔
859	میوچل فنڈز
5,521,030	ڈائریکٹرز، چیف ایگزیکٹو آفیسر، ان کی بیویاں اور چھوٹے بچے۔
-	ایگزیکٹوز
-	پبلک سیکورٹیز اور کارپوریٹرز
1,712,082	بینک، ڈیولپمنٹ فنانس انسٹی ٹیوشنز، نان بینکنگ فنانس انسٹی ٹیوشنز، انشورنس کمپنیز، مدار بہ اور پینشن فنڈز
12,665,192	پانچ فیصد یا اس سے زیادہ کے حصص داران
	لسٹڈ کمپنیز میں ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری، ان کی بیویاں اور چھوٹے بچوں کے حصص کی خرید و فروخت

نمبر شمار	نام	فروخت	خرید
1	محترمہ امبر ہارون سہگل زوجہ محمد اعظم سہگل	---	36,303 (دراشتی منتقلی)

# Form of Proxy

## 71<sup>st</sup> Annual General Meeting

**LEDGER FOLIO**

**SHARES HELD**

I / We \_\_\_\_\_  
of \_\_\_\_\_  
hereby appoint \_\_\_\_\_  
of \_\_\_\_\_  
(or failing him) \_\_\_\_\_ of \_\_\_\_\_  
(being a member of the Company) as my / or proxy to attend and vote for me / us and on my / our  
behalf at the 71<sup>st</sup> Annual General Meeting of the Company to be held on October 28, 2020 at  
06-Egerton Road, Lahore at 11:00 A.M. and at every adjournment thereof, if any.

A witness my / our hand (s) this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

Signed by the said

\_\_\_\_\_

REVENUE  
STAMP

Witnesses:

1)	Name _____	2)	Name _____
	Address _____		Address _____
	_____		_____
	CNIC No. _____		CNIC No. _____

### Notes:

1. A member entitled to attend and vote at this Meeting may appoint proxy. Proxies in order to be effective, must be received at 17-Aziz Avenue, Canal Bank Gulberg-V, Lahore, the Registered Office of the Company not later than forty-eight hours before the time of holding the meeting and must be duly stamped, signed and witnessed.
2. For CDC Account Holders/ Corporate Entities in addition to the above the following requirements have to be met.
  - (i) Attested copies of CNIC or the passport of the Beneficial Owners and the Proxy shall be provided with the proxy form.
  - (ii) In case of a Corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signatures shall be submitted (unless it has been provided earlier along with proxy form to the Company).
  - (ii) The Proxy shall produce his original CNIC or original passport at the time of the meeting.



71 واں سالانہ عمومی اجلاس عام۔

لیجر فولیو

موجودہ قصص

\_\_\_\_\_

\_\_\_\_\_

[illegible]

بطور گواہ آج بتاریخ-----اکتوبر 2020 میرے ہمارے دستخط ہوئے۔

گواہان:

-----م(2)

----- $\mu(1)$

.....

.....

قومی شناختی کارڈ نمبر

قومی شناختی کارڈ نمبر-----

اہم نکات:

1- کوئی رکن جو اجلاس میں شرکت کرنے اور حق رائے دہی استعمال کرنے کا حقدار ہے، پر اسی کا تقرر کر سکتا ہے۔ پر اسیاں اسی صورت موثر ہیں جو اجلاس کے انعقاد سے 48 گھنٹے پہلے کمپنی کے رجسٹرڈ آفس (17- عزیز ایونیو، کینال بینک بنگلہ برگ- ۷، لاہور) میں موصول ہونا ضروری ہیں۔ پر ایگنوں پر رسیدی نکتہ رکن کے دتھظ اور گواہاں کے دتھظ ہونا ضروری ہیں۔

2- سی ڈی سی اکاؤنٹ رکھنے والے/کارپوریٹ ادارے کے لیے

مزید بر آں درج ذیل شرائط کا پورا کرنا لازمی ہے۔

(i) پر کسی فارم کے ہمراہ مالکان کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول بھی فراہم کی جائیں گی۔

(ii) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع دستخط کے نمونے (اگر پہلے جمع نہ کرایا ہو) کمپنی میں پراسیکیوٹر کے ساتھ جمع کرانی ہوگی۔

(iii) پراسیکیوٹیشن کے وقت اپنا اصل شناختی کارڈ یا اسپورٹ دکھانا ہوگا۔

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