

# **KOHINOOR INDUSTRIES LIMITED**

**1<sup>st</sup> QUARTER REPORT**  
**(Un-Audited)**  
**30-09-2020**

**BOARD OF DIRECTORS**

|                           |                         |
|---------------------------|-------------------------|
| Mr. M. Naseem Saigol      | Chairman                |
| Mr. M. Zeid Yousuf Saigol | Chief Executive Officer |
| Mr. Muhammad Murad Saigol |                         |
| Mr. Muhammad Omer Farooq  |                         |
| Mrs. Sadaf Kashif         |                         |
| Mr. Muhammad Asif         |                         |
| Mr. Rashid Ahmad Javaid   |                         |

**AUDIT COMMITTEE**

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

**HR & REMUNERATION COMMITTEE**

|                           |          |
|---------------------------|----------|
| Mr. Rashid Ahmad Javaid   | Chairman |
| Mr. M. Naseem Saigol      | Member   |
| Mr. M. Zeid Yousuf Saigol | 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  
Allied Bank 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)

**DIRECTOR'S REPORT**

The Directors' of your company presented before you the report of the company for the 1st Quarter ended September 30, 2020.

During the period under review, the revenue of the company for the period is Rs. 14.556 million as compared to Rs. 13.145 million in the corresponding period last year. During the period the company earned profit Rs. 7.020 million as compare to profit of Rs. 5.926 million. The said increase is mainly due to other income that includes change in fair value of investment.

**COMPOSITION OF BOARD**

Composition of the Board of Directors is as under.

| <b>TOTAL NUMBER OF DIRECTORS</b> |                                 |
|----------------------------------|---------------------------------|
| Male                             | 6                               |
| Female                           | 1                               |
| <b>COMPOSITION</b>               |                                 |
| 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**

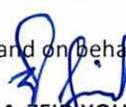
|                          |                 |
|--------------------------|-----------------|
| Mr. Rashid Ahmad Javaid  | Chairman/Member |
| Mr. Muhammad Omer Farooq | Member          |
| Mr. Muhammad Asif        | Member          |
| Mrs. Sadaf Kashif        | Member          |

**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 28, 2020

## ڈائریکٹرز رپورٹ:

کمپنی کے ڈائریکٹران، حصہ داران کے سامنے کمپنی کارکردگی برائے دورانیہ 30 ستمبر، 2020 پیش کی۔

زیر نو رو دورانیہ میں کمپنی نے 14.556 ملین سرمایہ کمایا جبکہ گزشتہ سال اسی عرصہ میں 13.145 ملین سرمایہ کمایا تھا۔ کمپنی نے زیر جائزہ دورانیہ میں 7.020 ملین کا منافع کمایا جو کہ گزشتہ سال اسی عرصہ میں 5.927 ملین تھا۔ یہ اضافہ بنیادی طور پر دوسری آمدنی کی وجہ سے ہے جس میں سرمایہ کاری کی قیمت میں مناسب اضافہ بھی شامل ہے۔

## بورڈ کی ساخت

بورڈ آف ڈائریکٹرز کی ساخت درج ذیل ہے۔

| کل ڈائریکٹرز کی تعداد   |                        |
|-------------------------|------------------------|
| 6                       | مرد                    |
| 1                       | عورت                   |
| ساخت                    |                        |
| جناب رشید احمد جاوید    | آزاد ڈائریکٹرز         |
| جناب محمد آصف           |                        |
| جناب محمد نسیم سہگل     | ٹان ایگزیکٹو ڈائریکٹرز |
| جناب محمد مراد سہگل     |                        |
| جناب محمد عمر فاروق     |                        |
| جناب محمد زید یوسف سہگل | ایگزیکٹو ڈائریکٹرز     |
| محترمہ صدقہ کاشف        | نیمیل ڈائریکٹرز        |

## کمیشنز

بورڈ کی کمیشنز کی تفصیل درج ذیل ہے۔

## آڈٹ کمیٹی

|                      |                 |
|----------------------|-----------------|
| جناب رشید احمد جاوید | چیئر مین ا ممبر |
| جناب محمد عمر فاروق  | ممبر            |
| جناب محمد آصف        | ممبر            |
| محترمہ صدقہ کاشف     | ممبر            |

## ایچ آر اینڈ ریگولیشن کمیٹی

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

ہم تمام حصہ داران کے بھرپور تعاون کے تہد 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۔

لاہور

28 اکتوبر 2020

منجانب و برائے بورڈ:  
محمد زید یوسف سہگل  
چیف ایگزیکٹو

# KOHINOOR INDUSTRIES LIMITED

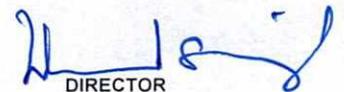
## STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2020

|  | Note | Sep 30, 2020<br>Rupees | Jun 30, 2020<br>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                       | 3    | 303,025,430            | 303,025,430            |
| Share premium  | 4    | 187,394,755            | 187,394,755            |
| Surplus on revaluation of property and equipment             | 5    | 651,264,077            | 651,264,077            |
| Accumulated losses   |      | (616,434,288)          | (600,727,626)          |
| <b>TOTAL EQUITY</b>  |      | <b>525,249,975</b>     | <b>540,956,636</b>     |
| <b>NON-CURRENT LIABILITIES</b>                               |      |                        |                        |
| Employees retirement benefits                                | 6    | 772,127                | 664,357                |
| <b>CURRENT LIABILITIES</b>                                   |      |                        |                        |
| Trade and other payables                                     | 7    | 27,512,553             | 27,646,576             |
| Short term borrowings  |      | 353,682,503            | 353,682,503            |
| Unclaimed dividend   |      | 1,034,826              | 1,034,826              |
| Dividend payable   |      | 22,726,908             |                        |
| Current taxation   |      | 31,791,831             | 29,451,103             |
|  |      | 436,748,621            | 411,815,008            |
| <b>TOTAL LIABILITIES</b>                                     |      | <b>437,520,748</b>     | <b>412,479,365</b>     |
| <b>CONTINGENCIES AND COMMITMENTS</b>                         |      |                        |                        |
|  | 11   |                        |                        |
| <b>TOTAL EQUITY AND LIABILITIES</b>                          |      | <b>962,770,723</b>     | <b>953,436,001</b>     |

The annexed notes form an integral part of these financial statements

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# KOHINOOR INDUSTRIES LIMITED

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

|  | Note | Sep 30, 2020<br>Rupees | Jun 30, 2020<br>Rupees |
|--|------|------------------------|------------------------|
| <b>ASSETS</b>                            |      |                        |                        |
| <b>NON-CURRENT ASSETS</b>                |      |                        |                        |
| Property and equipment                   | 12   | 2,407,215              | 2,474,249              |
| Government taken over concerns           | 13   | -                      | -                      |
| Investment property                      | 14   | 838,924,405            | 838,924,405            |
| Long term investments                    | 15   | 6,463,800              | 4,819,500              |
| Long term deposits                       | 16   | 166,376                | 166,376                |
| Deferred taxation                        | 17   | 27,911,283             | 27,911,283             |
|  |      | <b>875,873,079</b>     | <b>874,295,813</b>     |
| <b>CURRENT ASSETS</b>                    |      |                        |                        |
| Trade debts                              |      | 711,673                | 20,000                 |
| Advances, deposits and other receivables | 18   | 92,000                 | 125,500                |
| Advance income tax                       |      | 21,576,011             | 19,434,716             |
| Cash and bank balances                   | 20   | 64,517,960             | 59,559,972             |
|  |      | <b>86,897,644</b>      | <b>79,140,188</b>      |
| <b>TOTAL ASSETS</b>                      |      | <b>962,770,723</b>     | <b>953,436,001</b>     |

The annexed notes form an integral part of these financial statements

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# KOHINOOR INDUSTRIES LIMITED

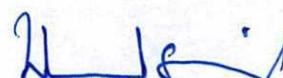
## STATEMENT OF PROFIT OR LOSS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

|   | Note | Sep 30, 2020<br>Rupees | Sep 30, 2019<br>Rupees |
|---|------|------------------------|------------------------|
| Revenue                                       | 21   | 14,556,827             | 13,144,614             |
| Administrative and general expenses           | 22   | (7,055,467)            | (4,938,663)            |
| Other expenses                                | 23   | -                      | (899,392)              |
|   |      | (7,055,467)            | (5,838,055)            |
|   |      | 7,501,361              | 7,306,559              |
| Other income                                  | 24   | 1,805,024              | 359,966                |
| <b>Operating profit</b>                       |      | <b>9,306,385</b>       | <b>7,666,525</b>       |
| Finance cost                                  | 25   | (882)                  | (7,755)                |
|   |      | 9,305,503              | 7,658,770              |
| Share of profit /(loss) of associate          |      | 55,472                 | (518,108)              |
| <b>Profit before taxation</b>                 |      | <b>9,360,975</b>       | <b>7,140,662</b>       |
| Provision for taxation                        | 26   | (2,340,728)            | (1,213,913)            |
| <b>Profit after taxation</b>                  |      | <b>7,020,247</b>       | <b>5,926,749</b>       |
| Earnings per share - <i>basic and diluted</i> | 27   | 0.23                   | 0.20                   |

The annexed notes form an integral part of these financial statements

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# KOHINOOR INDUSTRIES LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED SEPTEMBER 30, 2020

|  | Note | Sep 30, 2020<br>Rupees | Sep 30, 2019<br>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                        |      | -                      | -                      |
| Taxation relating to remeasurements of defined benefit obligations   |      | -                      | -                      |
|  |      | -                      | -                      |
| Share of other comprehensive loss of associate                       |      | -                      | -                      |
| Other comprehensive income/(loss)                                    |      | -                      | -                      |
| Profit for the year  |      | 7,020,247              | 5,926,749              |
| Total comprehensive income   |      | 7,020,247              | 5,926,749              |

The annexed notes form an integral part of these financial statements

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# KOHINOOR INDUSTRIES LIMITED

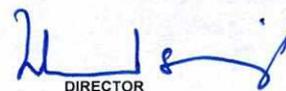
## CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2020

|   | Sep 30, 2020<br>Rupees | Sep 30, 2019<br>Rupees |
|---|------------------------|------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |                        |                        |
| <b>Cash generated from operations</b>                           |                        |                        |
| Profit before taxation  | 9,360,975              | 7,140,662              |
| <i>Adjustments for non-cash and other items:</i>                |                        |                        |
| Depreciation  | 67,035                 | 75,921                 |
| Gratuity Provision  | 107,770                | 126,388                |
| Share of (profit) / loss from associate                         | (55,472)               | 518,108                |
| Impairment (loss)/ reversal of impairment loss                  | (1,588,828)            | 899,392                |
| Finance cost  | 882                    | 7,755                  |
|   | (1,468,614)            | 1,627,564              |
| <b>Profit / (Loss) before working capital changes</b>           | <b>7,892,361</b>       | <b>8,768,226</b>       |
| <b>Changes in working capital:</b>                              |                        |                        |
| (Increase)/ decrease in:  |                        |                        |
| Loans and advances  | 33,500                 | (82,000)               |
| Trade debts   | (691,673)              | -                      |
| Other receivables   | -                      | -                      |
| Long term deposits  | -                      | -                      |
| Trade and other payables  | (134,023)              | 980,788                |
|   | (792,196)              | 898,788                |
| <b>Cash generated from operations</b>                           | <b>7,100,165</b>       | <b>9,667,014</b>       |
| Finance cost paid   | (882)                  | (7,755)                |
| Gratuity paid   | -                      | (16,567)               |
| Income tax paid   | (2,141,295)            | (1,921,753)            |
|   | (2,142,177)            | (1,946,075)            |
| <b>Net cash generated from / (used in) operating activities</b> | <b>4,957,988</b>       |                        |
| Long term financing   |                        |                        |
| Net increase / (decrease) in cash and cash equivalents          | 4,957,988              | 7,720,939              |
| Cash and cash equivalents at the beginning of year              | 59,559,972             | 25,319,933             |
| <b>Cash and cash equivalents at the end of year</b>             | <b>64,517,960</b>      | <b>33,040,872</b>      |

The annexed notes form an integral part of these financial statements

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# KOHINOOR INDUSTRIES LIMITED

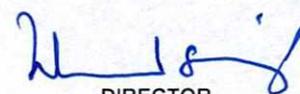
## STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED SEPTEMBER 30, 2020

|   | Share capital  | Capital reserves               |  | Revenue reserves                    | Total equity       |
|---|--|--------------------------------|--|-------------------------------------|--------------------|
|   | Issued subscribed and paid-up capital<br><i>Rupees</i> | Share Premium<br><i>Rupees</i> | Surplus on revaluation of investment property<br><i>Rupees</i> | Accumulated losses<br><i>Rupees</i> |                    |
| Balance as at July 01, 2020             | 303,025,430  | 187,394,755                    | 651,264,077  | (600,727,626)                       | 540,956,636        |
| <b>Comprehensive income</b>             |  |                                |  |                                     |                    |
| Profit after taxation                   | -  | -                              | -  | 7,020,247                           | 7,020,247          |
| Other comprehensive loss                | -  | -                              | -  | -                                   | -                  |
| <b>Total comprehensive income</b>       | -  | -                              | -  | 7,020,247                           | 7,020,247          |
| Transaction with owners                 | -  | -                              | -  | (22,726,908)                        | (22,726,908)       |
| <b>Balance as at September 30, 2020</b> | <b>303,025,430</b>                                     | <b>187,394,755</b>             | <b>651,264,077</b>   | <b>(616,434,288)</b>                | <b>525,249,975</b> |

*The annexed notes form an integral part of these financial statements*

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

|  | Sep 30, 2020        | Jun 30, 2020        |
|--|---------------------|---------------------|
|  | <i>Rupees</i>       | <i>Rupees</i>       |
| <b>3 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>  |                     |                     |
| 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         |
|  | <b>303,025,430</b>  | <b>303,025,430</b>  |
| <b>4 SHARE PREMIUM</b>   |                     |                     |
| <b>5 SURPLUS ON REVALUATION OF PROPERTY AND EQUIPMENT</b>  |                     |                     |
| As at beginning of the year  | 651,264,077         | 651,264,077         |
| Surplus recognized during the year   | -                   | -                   |
| As at end of the year  | <b>651,264,077</b>  | <b>651,264,077</b>  |
| <b>6 EMPLOYEES RETIREMENT BENEFITS</b>   |                     |                     |
| Gratuity Payable   | 772,127             | 664,357             |
|  | <b>772,127</b>      | <b>664,357</b>      |
|  | <b>Sep 30, 2020</b> | <b>Jun 30, 2020</b> |
|  | <i>Rupees</i>       | <i>Rupees</i>       |
| <b>7 TRADE AND OTHER PAYABLES</b>  |                     |                     |
| Creditors  | 321,020             | 288,388             |
| Accrued liabilities  | 942,297             | 1,103,225           |
| 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   | 19,979              | 25,706              |
|  | <b>27,512,553</b>   | <b>27,646,576</b>   |
| <b>11 CONTINGENCIES AND COMMITMENTS</b>  |                     |                     |
| <b>11.1 Contingencies</b>  |                     |                     |
| <b>11.1.1</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>11.1.2</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>11.1.3</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>11.2 Commitments</b>  |                     |                     |
| There are no known commitments as at the reporting date.   |                     |                     |

# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED September 30, 2020

### 12 PROPERTY AND EQUIPMENT

| Sep 30, 2020           |                            |                     |                     |                   |                            |                            |                               |                      |  |                            |
|------------------------|----------------------------|---------------------|---------------------|-------------------|----------------------------|----------------------------|-------------------------------|----------------------|--|----------------------------|
|                        | COST                       |                     |                     | Rate<br>%         | DEPRECIATION               |                            |                               |                      | Net book<br>value as at<br>June 30<br>Rupees |                            |
|                        | As at<br>July 01<br>Rupees | Additions<br>Rupees | Disposals<br>Rupees |                   | As at<br>June 30<br>Rupees | As at<br>July 01<br>Rupees | For<br>three months<br>Rupees | Adjustment<br>Rupees |  | As at<br>June 30<br>Rupees |
| Furniture and fixtures | 1,357,000                  | -                   | -                   | 1,357,000         | 10                         | 707,952                    | 16,226                        | -                    | 724,178                                      | 632,822                    |
| Office equipment       | 3,383,000                  | -                   | -                   | 3,383,000         | 10                         | 1,764,922                  | 40,452                        | -                    | 1,805,374                                    | 1,577,626                  |
| Vehicles               | 9,647,115                  | -                   | -                   | 9,647,115         | 20                         | 9,439,992                  | 10,356                        | -                    | 9,450,348                                    | 196,767                    |
|                        | <b>14,387,115</b>          | <b>-</b>            | <b>-</b>            | <b>14,387,115</b> |                            | <b>11,912,866</b>          | <b>67,035</b>                 | <b>-</b>             | <b>11,979,901</b>                            | <b>2,407,215</b>           |
| June 30, 2020          |                            |                     |                     |                   |                            |                            |                               |                      |  |                            |
|                        | COST                       |                     |                     | Rate<br>%         | DEPRECIATION               |                            |                               |                      | Net book<br>value as at<br>June 30<br>Rupees |                            |
|                        | As at<br>July 01<br>Rupees | Additions<br>Rupees | Disposals<br>Rupees |                   | As at<br>June 30<br>Rupees | As at<br>July 01<br>Rupees | For the year<br>Rupees        | Adjustment<br>Rupees |  | As at<br>June 30<br>Rupees |
| Furniture and fixtures | 1,357,000                  | -                   | -                   | 1,357,000         | 10                         | 635,835                    | 72,117                        | -                    | 707,952                                      | 649,048                    |
| Office equipment       | 3,383,000                  | -                   | -                   | 3,383,000         | 10                         | 1,585,136                  | 179,786                       | -                    | 1,764,922                                    | 1,618,078                  |
| Vehicles               | 9,647,115                  | -                   | -                   | 9,647,115         | 20                         | 9,388,211                  | 51,781                        | -                    | 9,439,992                                    | 207,123                    |
|                        | <b>14,387,115</b>          | <b>-</b>            | <b>-</b>            | <b>14,387,115</b> |                            | <b>11,609,182</b>          | <b>303,684</b>                | <b>-</b>             | <b>11,912,866</b>                            | <b>2,474,249</b>           |

# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

|           | <i>Note</i>  | Sep 30, 2020       | Jun 30, 2020       |
|-----------|--|--------------------|--------------------|
|           |  | <i>Rupees</i>      | <i>Rupees</i>      |
| <b>13</b> | <b>GOVERNMENT TAKEN OVER CONCERNS</b>  |                    |                    |
|           | Gross amount due   | 27,229,339         | 27,229,339         |
|           | Impairment allowance   | (27,229,339)       | (27,229,339)       |
|           |  | -                  | -                  |
| <b>14</b> | <b>INVESTMENT PROPERTY</b>   |                    |                    |
|           | <b>Land</b>  |                    |                    |
|           | As at beginning of the year  | 728,575,000        | 704,450,000        |
|           | Change in fair value   | -                  | 24,125,000         |
|           | As at end of the year  | 728,575,000        | 728,575,000        |
|           | <b>Building</b>  |                    |                    |
|           | As at beginning of the year  | 110,349,405        | 104,922,245        |
|           | Change in fair value   | -                  | 5,427,160          |
|           | As at end of the year  | 110,349,405        | 110,349,405        |
|           |  | <b>838,924,405</b> | <b>838,924,405</b> |
| <b>15</b> | <b>LONG TERM INVESTMENTS</b>   |                    |                    |
|           | 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:  |                    |                    |
|           |  | Sep 30, 2020       | Jun 30, 2020       |
|           | Percentage of ownership interest   | 22.50%             | 22.50%             |
|           |  |                    |                    |
|           |  | <i>Note</i>        | Sep 30, 2020       |
|           |  |                    | Jun 30, 2020       |
|           |  | <i>Rupees</i>      | <i>Rupees</i>      |
|           | 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  | (15,852,415)       | (15,907,887)       |
|           | Dividend income from investment in associate   | (10,800,000)       | (10,800,000)       |
|           |  | 63,347,585         | 63,292,113         |
|           | Accumulated impairment   | (56,883,785)       | (58,472,613)       |
|           |  | 6,463,800          | 4,819,500          |
| <b>16</b> | <b>LONG TERM DEPOSITS</b>  |                    |                    |
|           | 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. |                    |                    |
|           |  | <i>Note</i>        | Sep 30, 2020       |
|           |  |                    | Jun 30, 2020       |
|           |  | <i>Rupees</i>      | <i>Rupees</i>      |
| <b>17</b> | <b>DEFERRED TAXATION</b>   |                    |                    |
|           | Deferred tax asset on deductible temporary differences   | 27,911,283         | 27,911,283         |
|           | Deferred tax liability on taxable temporary differences  | -                  | -                  |
|           | Net deferred tax asset   | 27,911,283         | 27,911,283         |
|           |  |                    |                    |
|           |  | <i>Note</i>        | Sep 30, 2020       |
|           |  |                    | Jun 30, 2020       |
|           |  | <i>Rupees</i>      | <i>Rupees</i>      |
| <b>18</b> | <b>ADVANCES, DEPOSITS AND OTHER RECEIVABLES</b>  |                    |                    |
|           | Advances to employees  | 92,000             | 125,500            |

# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

|             |  |                     |                     |
|-------------|--|---------------------|---------------------|
|             | Sales tax refundable   | -                   | -                   |
|             | Other receivables  | -                   | -                   |
|             |  | <b>92,000</b>       | <b>125,500</b>      |
| <b>19</b>   | <b>ADVANCE INCOME TAX/INCOME TAX REFUNDABLE</b>  |                     |                     |
|             | Advance income tax/income tax refundable   | 30,824,304          | 28,683,009          |
|             | Impairment allowance   | (9,248,293)         | (9,248,293)         |
|             |  | <b>21,576,011</b>   | <b>19,434,716</b>   |
| <b>20</b>   | <b>CASH AND BANK BALANCES</b>  |                     |                     |
|             | Cash in hand   | 785,061             | 859,474             |
|             | Cash at banks  |                     |                     |
|             | Current accounts - local currency  | 8,732,899           | 16,150,091          |
|             | Deposit/saving accounts - local currency   | 55,000,000          | 42,550,407          |
|             |  | <b>63,732,899</b>   | <b>58,700,498</b>   |
|             |  | <b>64,517,960</b>   | <b>59,559,972</b>   |
| <b>21</b>   | <b>REVENUE</b>   |                     |                     |
|             | This represents rental income from leasing out Company's investment property under operating lease arrangements. |                     |                     |
|             |  | <i>Note</i>         |                     |
|             |  | <b>Sep 30, 2020</b> | <b>Sep 30, 2019</b> |
|             |  | <i>Rupees</i>       | <i>Rupees</i>       |
| <b>22</b>   | <b>ADMINISTRATIVE AND GENERAL EXPENSES</b>   |                     |                     |
|             | Salaries and benefits  | 2,859,760           | 2,191,115           |
|             | Printing and stationery  | 39,710              | 27,715              |
|             | Communication  | 66,974              | 60,141              |
|             | Repair and maintenance   | 1,687,010           | 51,558              |
|             | Rent, rates and taxes  | 1,409,431           | 1,409,491           |
|             | Electricity and gas  | 178,957             | 178,783             |
|             | Paper & periodical   | 4,050               | 4,060               |
|             | Insurance  | -                   | -                   |
|             | Advertisement  | -                   | -                   |
|             | Vehicles running and maintenance   | 52,220              | 48,440              |
|             | Traveling and conveyance   | 3,380               | 25,720              |
|             | Legal and professional   | 302,510             | 13,120              |
|             | Fees and Subscription  | 269,358             | 765,877             |
|             | Staff Welfare  | 7,250               | 12,920              |
|             | Entertainment  | 69,786              | 49,472              |
|             | Depreciation   | 67,035              | 75,921              |
|             | Others   | 38,036              | 24,330              |
|             |  | <b>7,055,467</b>    | <b>4,938,663</b>    |
| <b>23</b>   | <b>OTHER EXPENSES</b>  |                     |                     |
|             | <b>Loss on financial instruments</b>   |                     |                     |
|             | Impairment loss on long term investment  | -                   | 899,392             |
|             | Cash and cash equivalents written off  | -                   | -                   |
|             |  | -                   | <b>899,392</b>      |
| <b>23.1</b> | This represents balances in old dormant bank accounts writtenoff.  |                     |                     |
| <b>24</b>   | <b>OTHER INCOME</b>  |                     |                     |
|             | <b>Gain on financial instruments</b>   |                     |                     |

# KOHINOOR INDUSTRIES LIMITED

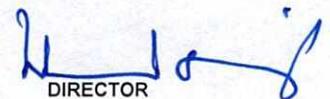
## NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

|           |  |                      |                     |
|-----------|--|----------------------|---------------------|
|           | Return on bank deposits  | 216,196              | 359,966             |
|           | <b>Other income</b>  |                      |                     |
|           | Changes in fair value of investment property                           | -                    | -                   |
|           | Reversal of impairment loss on long term investment                    | 1,588,828            | -                   |
|           |  | 1,588,828            | -                   |
|           |  | 1,805,024            | 359,966             |
| <b>25</b> | <b>FINANCE COST</b>  |                      |                     |
|           | Bank charges   | 882                  | 7,755               |
|           |  | 882                  | 7,755               |
|           |  |                      |                     |
|           |  | <i>Note</i>          |                     |
|           |  | <b>Sep 30, 2020</b>  | <b>Sep 30, 2019</b> |
|           |  | <i>Rupees</i>        | <i>Rupees</i>       |
| <b>26</b> | <b>PROVISION FOR TAXATION</b>  |                      |                     |
|           | Current taxation   |                      |                     |
|           | for the year   | 2,340,728            | 1,213,913           |
|           | for prior year   | -                    | -                   |
|           |  | 2,340,728            | 1,213,913           |
|           | Deferred taxation  |                      |                     |
|           | attributable to origination and reversal of temporary differences      | -                    | -                   |
|           | attributable to changes in tax rates                                   | -                    | -                   |
|           |  | -                    | -                   |
|           |  | 2,340,728            | 1,213,913           |
|           |  |                      |                     |
|           |  | <i>Unit</i>          |                     |
|           |  | <b>Sep 30, 2020</b>  | <b>Sep 30, 2019</b> |
| <b>27</b> | <b>EARNING PER SHARE - BASIC AND DILUTED</b>                           |                      |                     |
|           | Profit attributable to ordinary shareholders                           | <i>Rupees</i>        |                     |
|           |  | 7,020,247            | 5,926,749           |
|           | Weighted average number of ordinary shares outstanding during the year | <i>No. of shares</i> |                     |
|           |  | 30,302,543           | 30,302,543          |
|           | Earning per share - Basic  | <i>Rupees</i>        |                     |
|           |  | 0.23                 | 0.20                |

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

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR