

# **KOHINOOR INDUSTRIES LIMITED**

**ANNUAL REPORT 2021**

**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)

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 72<sup>nd</sup> Annual General Meeting of Shareholders of **KOHINOOR INDUSTRIES LIMITED** will be held on **Thursday, October 28, 2021 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 Annual General Meeting held on October 28, 2020.
2. To receive and adopt the Annual Audited Accounts for the year ended June 30, 2021 along with Directors' and Auditors' Reports thereon.
3. To appoint Auditors of the Company to hold office till the conclusion of next Annual General Meeting and to fix their remuneration.
4. Any other business with the permission of the Chair.

By Order of the Board



**Khawaja Safee Sultan**  
Company Secretary

Lahore: October 07, 2021

### **Notes:**

1. Share Transfer Books of the Company will remain closed from **October 22, 2021 to October 28, 2021 (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, 2021** 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, 2021 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 بذریعہ مطلع کیا جاتا ہے کہ کووڈ وائرس کے پھیلاؤ کے باعث داران کا بہتر (72nd) سالانہ اجلاس عام 28 اکتوبر 2021 بروز جمعرات 11 بجے صبح 06- ایجنڈن روڈ، بلقاعا LDA Plaza، لاہور میں درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

- 1- 28 اکتوبر 2020 کو منعقد ہونے والے سالانہ اجلاس عام کی کارروائی کی تصدیق۔
- 2- مالی سال ختم 30 جون 2021 کی بابت کمپنی کے سالانہ ڈٹ شدہ حسابات بھر اہ اُن پر ڈائریکٹران و آڈیٹران کی رپورٹس کی وصولی اور ان کی قبولیت۔
- 3- اگلے سالانہ اجلاس عام کے اختتام تک عہدہ پر رہنے کیلئے کمپنی کے آڈیٹران کا تقرر اور ان کے صلہ خدمت کا تعین۔
- 4- صاحبِ صدر کی اجازت سے کسی دیگر امر پر کارروائی۔

لاہور: 107 اکتوبر 2021

محکمہ پورڈ  
خواجہ صفی سلطان  
کمپنی سیکریٹری

نوٹس:

- 1- کمپنی کی حصص کی منتقلی کی کتابیں 22 اکتوبر 2021 تا 28 اکتوبر 2021 (بشمول دونوں ایام) بند رہیں گی۔ کمپنی کے شیئرز رجسٹر آف انس ایمل کاردپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، 1-K، کمرشل، ماڈل ٹاؤن، لاہور میں وصول ہونے والی منتقلیاں (بشمول CDS/Physical) 21 اکتوبر 2021 کو کاروبار بند ہونے تک قابل قبول ہوں گی۔
  - 2- اجلاس میں شرکت اور ووٹ دینے کا ہل ممبر پر کسی مقرر کر سکتا ہے۔ پراکسیاں تا آئندہ موثر ہو سکیں، اجلاس کے وقت سے 48 گھنٹے قبل کمپنی کے صدر دفتر (17- عزیز ایونیو، کینال بینک بلیگرگ-V، لاہور) میں لازماً وصول ہونی چاہئیں اور باقاعدہ ممبر زدہ، خط 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 پاپیڈورٹ اور سنٹرل ڈیپازٹری سسٹم میں اپنے اکاؤنٹ نمبر اجلاس میں شرکت کیلئے ہمراہ لائیں۔
  - 4- ممبران سے التماس ہے کہ اپنے پیسے کسی بھی تبدیلی کی صورت میں کمپنی کو مطلع فرمادیں۔
  - 5- 30 جون 2021 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/بھیل ٹیکس نمبر کی قبولی (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 پر آگم ٹیکس آرڈیننس 2001 کے سیکشن 150 کے تحت دودھولنگ ٹیکس کی کوٹنی فاکٹر کیلئے 15 فیصد اور نان فاکٹر کیلئے 30 فیصد ہوگی۔

## 7- نقد منافع کی الیکٹرونک ادائیگی

کمپنیز ایکٹ 2017 کے سیکشن 242 کے تحت کوئی بھی قابل ادائیگی منافع شیئرز ہولڈرز کے بتائے گئے اکاؤنٹ میں الیکٹرانکلی جمع کروایا جائے گا۔ تمام حصہ داران سے استدعا کی جاتی ہے کہ وہ اپنے فوئیو نمبر اور نام کے ساتھ بینک اکاؤنٹ کی تفصیلات جیسے بینک کا نام، برانچ کا نام، برانچ نمبر، 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(1)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 شیئرز رجسٹرار (کارپ لنک پرائیویٹ لمیٹڈ، ونگز آرکیڈ، 1-K، 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(1)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 سیکریٹری کو (17- عزیز ایونیو، کینال بینک بلیگرگ-V، 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 ڈیکلیریشن (CZ-50)

زکوٰۃ اور عشرتو امین کے تحت ڈیویڈنڈ سے زکوٰۃ کی کوٹنی شیئرز کی ادائیگہ رقم (10 روپے فی حصص) پر 2.5 فیصد کے حساب سے کی جائے گی اور متعلقہ اٹھارہ فیصد کوترہ مدت میں جمع کرادی جائے گی۔ برائے مہربانی استغنی کے خواہشمند افراد کو زکوٰۃ اور عشرتو امین 1980 اور CZ-50 فارم زکوٰۃ کو قائمین (کوٹنی اور واپسی) کے قانون نمبر 4 کے تحت اپنے زکوٰۃ ڈیکلیریشن فارم اپنے بروکر یا سنٹرل ڈیپازٹری کمپنی لمیٹڈ (شیئرز کے فوئیوٹراکٹس سروسز میں CDC میں ہونے کی صورت میں) یا ہمارے شیئرز رجسٹرار آف کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، 1-K، کمرشل، ماڈل ٹاؤن، لاہور کو ارسال کریں (شیئرز کے پیپر طریقہ کی صورت میں ہونے پر) شیئرز ہولڈرز زکوٰۃ ڈیکلیریشن ارسال کرتے ہوئے اپنی کمپنی کا نام اور اگلے متعلقہ فوئیو نمبر ضرور فراہم کریں۔

## **CHAIRMAN'S REVIEW**

For the year ended June 30, 2021

It gives me great pleasure to present the Annual Report for the year ended June 30, 2021, to our valued members and stakeholders and to apprise them of the overall performance and effectiveness of the Board.

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, 2021, 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**

## چیرمین جائزہ رپورٹ:

برائے سال 30 جون، 2020

میں 30 جون، 2021 کو ختم ہونے والے سال کی سالانہ رپورٹ اپنے قابلِ قدر ممبران اور اسٹیک ہولڈرز کے سامنے پیش کرنے اور بورڈ کی مجموعی کارکردگی اور تاثیر سے آگاہ کرنے میں بڑی خوشی محسوس کر رہا ہوں۔

کوہنوار انڈسٹریز لمیٹڈ کے بورڈ آف ڈائریکٹرز اپنے فرائض قانون کے مطابق انجام دے رہے ہیں اور کوڈ آف کارپوریٹ گورننس کے تحت کمپنی اور اس کے شیئر ہولڈرز کے بہترین مفاد میں کمپنی کے بورڈ آف ڈائریکٹرز کا سالانہ جائزہ لیا جاتا ہے۔ اس شخص کا مقصد یہ یقینی بنانا ہے کہ بورڈ کی مجموعی کارکردگی اور تاثیر کو کمپنی کے لیے طے شدہ مقاصد کے تناظر میں توقعات کے خلاف پینالٹس اور پیچ مارک کیا جائے۔

30 جون، 2021 کو ختم ہونے والے مالی سال کے لیے، بورڈ کی مجموعی کارکردگی اور تاثیر کا اندازہ اطمینان بخش رہا ہے۔ یہ لازمی اجزاء کی تشخیص پر مبنی ہے بشمول وژن، مشن اور اقدار، اسٹریٹجک منصوبہ بندی میں مشغولیت، پالیسیوں کی تشکیل، کمپنی کی کاروباری سرگرمیوں کی نگرانی، مالی وسائل کے انتظام کی نگرانی۔

میں، ہمارے شیئر ہولڈرز کا شکر گزار ہوں جو ہم میں سرمایہ کاری کر کے اور اپنے صارفین کو جو ہمیں اپنے بزنس پارٹنر کے طور پر، اپنے اعتماد کا اظہار کرتے ہیں۔ میں اپنے ساتھی بورڈ ممبرز کی خدمات اور کمپنی کی کامیابی کے لیے ان کی لگن کا بھی شکر گزار ہوں۔ ہم شاندار مالی کارکردگی کے ساتھ آنے والے سالوں میں اس اعتماد کو برقرار رکھنے کے لیے پُر عزم ہیں۔

ایم نسیم سہگل

چیرمین



**DIRECTORS' REPORT**

The Directors of the Company presented before the shareholders the 72<sup>nd</sup> Annual Report along with audited Financial Statements of the Company for the year ended June 30, 2021.

During the period under review, the Company continued its business of renting the premises of the Company and earned gross revenue of Rs. 61.908 million as compared to gross revenue of Rs. 56.425 million in the preceding year. The Company earned profit after taxation of Rs. 44.617 million as compared to 87.611 million with an EPS of Rs. 1.47 in comparison to Rs. 2.89 in the corresponding period last year. The said decrease is due to administrative expenses i.e. repair and maintenance of the company's buildings.

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 company is almost debt free except sponsor's loan which doesn't have financial burden on the Company's profitability as it is interest free and it is not payable on demand but payable at the discretion of the Company. The Company's assets are sufficient to meet all its obligations and therefore no doubt about its ability to continue as a going concern.

**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 Boards



**M. ZEID YOUSUF SAIGOL**  
Chief Executive



**M. OMER FAROOQ**  
Director

Lahore  
October 06, 2021

# DIRECTORS' REPORT

**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

**30-06-2021**

-----Shareholdings-----			
<b>2.2 No. of Shareholders</b>	<b>From</b>	<b>To</b>	<b>Total Shares Held</b>
756	1	100	20,368
551	101	500	161,579
289	501	1,000	235,599
491	1,001	5,000	1,268,253
122	5,001	10,000	1,039,037
54	10,001	15,000	674,098
30	15,001	20,000	559,865
24	20,001	25,000	571,298
16	25,001	30,000	460,750
9	30,001	35,000	291,578
7	35,001	40,000	271,250
3	40,001	45,000	124,478
10	45,001	50,000	495,500
5	50,001	55,000	266,050
1	55,001	60,000	60,000
3	60,001	65,000	190,500
1	65,001	70,000	66,790
1	70,001	75,000	71,000
3	75,001	80,000	236,070
2	90,001	95,000	184,500
6	95,001	100,000	600,000
1	115,001	120,000	119,000
2	120,001	125,000	245,881
2	135,001	140,000	275,162
1	145,001	150,000	150,000
2	155,001	160,000	318,000
1	165,001	170,000	167,000
1	170,001	175,000	170,550
1	190,001	195,000	193,000
1	280,001	285,000	285,000
1	525,001	530,000	530,000
1	585,001	590,000	589,541
1	1,180,001	1,185,000	1,183,154
1	5,335,001	5,340,000	5,335,219
1	5,560,001	5,565,000	5,562,500
1	7,325,001	7,330,000	7,329,973
<b>2402</b>			<b>30,302,543</b>



# DIRECTORS' REPORT

## KOHINOOR INDUSTRIES LIMITED

Categories of Shareholding required under Listed Companies (Code of Corporate Governance) Regulations, 2019  
As on June 30, 2021

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>		1,312,082	4.3299
<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	EFG HERMES OMAN LLC (CDC)	5,562,500	18.3565
3	MR. M. NASEEM SAIGOL (CDC)	5,335,219	17.6065

**All trades in the shares of the listed company, carried out by its Directors, CEO, CFO, Company Secretary, Their spouses and minor children:**

S. No.	NAME	SALE	PURCHASE
NIL			

# DIRECTORS' REPORT

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	35,647	0.1176
Banks Development Financial Institutions Non Banking Financial Institution	15	25,337	0.0836
Insurance Companies	4	1,218,829	4.0222
Modarabas and Mutual Funds	4	1,447	0.0048
General Public	2,321	17,445,030	57.5695
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	3	18,718	0.0618
Joint Stock Companies	29	357,462	1.1796
Foreign Companies	13	5,609,855	18.5128
	<u>2,402</u>	<u>30,302,543</u>	<u>100.0000</u>

# پیٹرن آف شیئر ہولڈنگ

30 جون 2021

نمبر شمار	کمپنی 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 ٹیکرز اور متعلقہ پارٹی۔	-	-	-
3	این آئی ٹی اور آئی سی پی	2	35,647	0.1176
4	بینک، ڈیولپمنٹ فنانس انسٹی ٹیوشنز، نان بینکنگ فنانس انسٹی ٹیوشنز	15	25,337	0.0836
5	انسورنس کمپنیز	4	1,218,829	4.0222
6	مدار بہ اور میوچل فنڈز	4	1,447	0.0048
7	عام عوام	2,321	17,445,030	57.5695
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	3	18,718	0.0618
	جوائنٹ سٹاک کمپنیز	29	357,462	1.1796
	غیر ملکی کمپنیز	13	5,609,855	18.5128
	کل تعداد	2,402	30,302,543	100.0000

## تعداد حصص

-	ایسوسی ایٹڈ کمپنیز، انڈر ٹیکرز اور متعلقہ پارٹی۔
859	میوچل فنڈز
5,521,030	ڈائریکٹرز، چیف ایگزیکٹو آفیسر، ان کی بیویاں اور چھوٹے بچے۔
-	ایگزیکٹوز
-	پبلک سیکورٹیز اور کارپوریشنز
1,312,082	بینک، ڈیولپمنٹ فنانس انسٹی ٹیوشنز، نان بینکنگ فنانس انسٹی ٹیوشنز، انسورنس کمپنیز، مدار بہ اور پینشن فنڈز
18,227,692	پانچ فیصد یا اس سے زیادہ کے حصص داران
	لسٹڈ کمپنیز میں ڈائریکٹرز، ای ای ایف او، کمپنی سیکرٹری، ان کی بیویاں اور چھوٹے بچوں کے حصص کی خرید و فروخت

نمبر شمار	نام	فروخت	خرید
			کوئی نہیں



## 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 Four held on October 07, 2020, October 28, 2020, February 26, 2021, April 30, 2021.

Following was the attendance of the Directors: -

<b><u>NAME OF DIRECTORS</u></b>	<b><u>NO. OF MEETINGS ATTENDED</u></b>
Mr. M. Naseem Saigol	3
Mr. Muhammad Zeid Yousuf Saigol	3
Mr. Muhammad Murad Saigol	3
Mr. Muhammad Omer Farooq	4
Mr. Rashid Ahmad Javaid	4
Mr. Muhammad Asif	4
Mrs. Sadaf Kashif	3

- 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, 2021 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 06, 2021

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

Name of company: **KOHINOOR INDUSTRIES LIMITED**  
Year ending: **JUNE 30, 2021**

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 Board has arranged Directors' Training program for the following:
- 1. Mr. M. Naseem Saigol (Exempted)
  - 2. Mr. Muhammad Zeid Yousuf Saigol (DTP)
  - 3. Mr. Muhammad Murad Saigol (DTP)
  - 4. Mr. Muhammad Omer Farooq (DTP)
  - 5. Mrs. Sadaf Kashif -
  - 6. Mr. Rashid Ahmad Javaid (Exempted)
  - 7. Mr. Muhammad Asif (DTP)
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 07, 2020
2. October 28, 2020
3. February 26, 2021
4. April 30, 2021

**b) HR and Remuneration Committee:**

1. October 07, 2020

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	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
<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	14,387
Investment Property	847,646	838,924	809,372	802,861	764,656	764,656
Accumulated Depericiation	12,056	11,913	11,609	11,265	10,873	10,426
Current Assets	84,077	79,140	41,174	19,045	14,600	14,509
Current Liabilities	59,417	411,815	404,612	409,356	411,802	427,362
<b><u>Income</u></b>						
Sales / Revenue	61,909	56,426	47,715	37,244	32,822	29,573
Other Income	24,946	34,441	6,643	40,745	1,031	58,767
Gross Profit	-	-	-	-	-	-
Pre tax profit / (Loss)	59,511	72,175	30,050	42,995	15,087	79,301
Taxation	(14,893)	15,437	(2,255)	(8,921)	(3,138)	(6,766)
Profit / Loss after taxation	44,617	87,612	27,795	34,074	11,949	72,535
Unappropriated profit / (Loss)	(578,784)	(600,728)	(688,371)	(716,146)	(750,218)	(762,177)
<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 %	19.64%	23.82%	9.92%	14.18%	4.98%	26.16%
Current ratio	1.42	0.19	0.10	0.05	0.03	0.04
Paid up value per share (Rs.)	10	10	10	10	10	10
Earning after tax per share (Rs.)	1.47	2.89	0.92	1.12	0.39	2.39
Cash dividend %	-	7.5%	-	-	-	-

## 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 **30 June 2021**, 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 30 June 2021 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.

#### 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
<p><b>1. Tax contingencies</b></p> <p>As disclosed in note 29 to the annexed financial statements, various tax matters are pending adjudication at various levels with the taxation authorities and other legal forums. Such contingencies require the management to make judgments and estimates in relation to the interpretation of tax laws and regulations and the recognition and measurement of any provisions that may be required against such contingencies. Due to inherent uncertainties and the time period such matters may take to resolve, the management's judgments and estimates in relation to such contingencies may be complex and can significantly impact the financial statements. For such reasons we have</p>	<p>Our key audit procedures in this area included, amongst others, a review of the correspondence of the Company with the relevant tax authorities and tax advisors including judgments or orders passed by the competent authorities.</p> <p>We also obtained and reviewed confirmations from the Company's external tax advisor for their views on the status of each case and an overall opinion on the open tax position of the Company.</p> <p>We involved internal tax experts to assess and review the management's conclusions on contingent tax matters and evaluated whether</p>

**RSRIR**



Key audit matter	How our audit addressed the matter
considered tax contingencies as a key audit matter.	adequate disclosures have been made in the annexed financial statements.

### 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.



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) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that ordinance.

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: 06 October 2021**





# KOHINOOR INDUSTRIES LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital	6	400,000,000	400,000,000
Issued share capital	7	303,025,430	303,025,430
Share premium	8	187,394,755	187,394,755
Revaluation reserve	9	651,264,077	651,264,077
Retained earnings		(578,784,254)	(600,727,626)
Loan from directors and sponsors	10	353,682,503	-
<b>TOTAL EQUITY</b>		<b>916,582,511</b>	<b>540,956,636</b>
<b>NON-CURRENT LIABILITIES</b>			
Employees retirement benefits	11	984,563	664,357
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	28,897,121	27,646,576
Short term borrowings	13	-	353,682,503
Unclaimed dividend	14	2,332,404	1,034,826
Current taxation		28,187,933	29,451,103
		<b>59,417,458</b>	<b>411,815,008</b>
<b>TOTAL LIABILITIES</b>		<b>60,402,021</b>	<b>412,479,365</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	15		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>976,984,532</b>	<b>953,436,001</b>


The annexed notes from 1 to 45 form an integral part of these financial statements.



Director



Chief Financial Officer



Chief Executive

RSRIR  
for identification only

# KOHINOOR INDUSTRIES LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	16	2,285,035	2,474,249
Government taken over concerns	17	-	-
Investment property	18	847,645,920	838,924,405
Long term investments	19	18,711,000	4,819,500
Long term deposits	20	166,376	166,376
Deferred taxation	21	24,099,298	27,911,283
		892,907,629	874,295,813
<b>CURRENT ASSETS</b>			
Lease rentals receivable		20,000	20,000
Advances and other receivables	22	167,670	125,500
Advance income tax		16,676,462	19,434,716
Cash and bank balances	24	67,212,771	59,559,972
		84,076,903	79,140,188
<b>TOTAL ASSETS</b>		<b>976,984,532</b>	<b>953,436,001</b>

The annexed notes from 1 to 45 form an integral part of these financial statements.

  
Director  
Chief Financial Officer  
Chief Executive

RSRIR  
for identification only

# KOHINOOR INDUSTRIES LIMITED

## STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2021

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
Rental income	25	61,908,683	56,425,575
Administrative expenses	26	(25,632,090)	(15,831,058)
Other expenses	27	(1,214,509)	(67,403)
		(26,846,599)	(15,898,461)
Other income	28	35,062,084 24,945,864	40,527,114 34,441,274
Operating profit		60,007,948	74,968,388
Finance cost	29	(11,792)	(10,719)
Share of loss of associate	19.1	59,996,156 (485,235)	74,957,669 (2,783,030)
Profit before taxation		59,510,921	72,174,639
Provision for taxation	30	(14,893,479)	15,437,068
Profit after taxation		44,617,442	87,611,707
Earnings per share - basic and diluted	31	1.47	2.89

The annexed notes from 1 to 45 form an integral part of these financial statements.



Director



Chief Financial Officer



Chief Executive

RSRIR  
for identification only

# KOHINOOR INDUSTRIES LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Note	30-Jun-21 Rupees	30-Jun-20 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	11.3	40,960	39,362
Taxation relating to remeasurements of defined benefit obligations	21.1	11,878	(1,685)
		52,838	37,677
		52,838	37,677
Share of other comprehensive loss of associate	19.1	-	(5,812)
Other comprehensive income		52,838	31,865
Profit after taxation		44,617,442	87,611,707
Total comprehensive income		44,670,280	87,643,572

The annexed notes from 1 to 45 form an integral part of these financial statements.



Director



Chief Financial Officer



Chief Executive

# KOHINOOR INDUSTRIES LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	32	38,808,112	43,128,252
Payments for:			
Income tax		(9,574,532)	(8,708,868)
Employee retirement benefits		(72,360)	(179,345)
<b>Net cash generated from operating activities</b>		<b>29,161,220</b>	<b>34,240,039</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(85,000)	-
Proceeds from disposal of property and equipment		5,909	-
<b>Net cash used in investing activities</b>		<b>(79,091)</b>	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Dividend paid		(21,429,330)	-
<b>Net cash used in financing activities</b>		<b>(21,429,330)</b>	
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>7,652,799</b>	<b>34,240,039</b>
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR</b>		<b>59,559,972</b>	<b>25,319,933</b>
<b>CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR</b>	33	<b>67,212,771</b>	<b>59,559,972</b>

The annexed notes from 1 to 45 form an integral part of these financial statements.



Director



Chief Financial Officer



Chief Executive

RSRIR  
for identification only



# KOHINOOR INDUSTRIES LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Share capital	Capital reserves		Revenue reserves	Loan from directors and sponsors	Total equity
	Issued share capital	Share Premium	Revaluation reserve	Retained earnings		
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 01 July 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 30 June 2020	303,025,430	187,394,755	651,264,077	(600,727,626)	-	540,956,636
Balance as at 01 July 2020	303,025,430	187,394,755	651,264,077	(600,727,626)	-	540,956,636
Comprehensive income						
Profit after taxation	-	-	-	44,617,442	-	44,617,442
Other comprehensive income	-	-	-	52,838	-	52,838
Total comprehensive income	-	-	-	44,670,280	-	44,670,280
Transferred from short term borrowings	-	-	-	-	353,682,503	353,682,503
Transaction with owners						
Final dividend on ordinary shares @ Rs. 0.75 per ordinary share	-	-	-	(22,726,908)	-	(22,726,908)
Balance as at 30 June 2021	303,025,430	187,394,755	651,264,077	(578,784,254)	353,682,503	916,582,511

The annexed notes from 1 to 45 form an integral part of these financial statements.

 Director	 Chief Financial Officer	 Chief Executive
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RSRIR  
for identification only

# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 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 30 April 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 Basis of measurement

These financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis as at the reporting date.

Items	Measurement basis
Financial liabilities	Amortized cost
Financial assets	Fair value/amortized cost
Investment property	Fair value
Employee retirement benefits	Present value

#### 2.3 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.

##### 2.3.1 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:



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021****(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. The Company monitors financial assets measured at amortized cost or fair value that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the year.

**(b) Significant increase in credit risk (see note 38.1.1)**

As explained in note 38.1.1, expected credit losses ('ECL') are measured, based on the Company's risk grading framework, as an allowance equal to 12-month/lifetime ECL for 'performing' assets, or lifetime ECL for assets categorized as 'doubtful' or 'in default'. An asset is categorized as 'doubtful' when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

**2.3.2 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 5.19.1)**

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. If the ECL rates on financial assets carried at amortized cost were higher (lower) by 10%, the loss allowance on those assets would have been higher (lower) by Rs. 2,000 (2020: Rs. 2,000).

**(b) 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.

**(c) Taxation (see note 5.14)**

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 and tax contingencies. 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.

**(d) 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 neighbourhood and adjoining areas.

**2.4 Functional currency**

These financial statements have been prepared in Pak Rupees which is the Company's functional currency. The amounts reported in these financial statements have been rounded to the nearest Rupees unless specified otherwise.

**2.5 Date of authorization for issue**

These financial statements were authorized for issue on 06 October 2021 by the Board of Directors of the Company.



# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 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 interim financial statements of the Company other than presentation and disclosures, except as stated otherwise.

#### 3.1 Amendments to References to the Conceptual Framework in IFRS Standards

Together with the revised Conceptual Framework published in March 2018, the IASB also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32. Not all amendments, however update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the framework they are referencing to (the IASC framework adopted by the IASB in 2001, the IASB framework of 2010, or the new revised framework of 2018) or to indicate that definitions in the standard have not been updated with the new definitions developed in the revised Conceptual Framework.

#### 3.2 Definition of a Business (Amendments to IFRS 3 - Business Combinations)

The amendments in Definition of a Business (Amendments to IFRS 3) are changes to Appendix A Defined terms, the application guidance, and the illustrative examples of IFRS 3 only. They:

- clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;
- add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
- remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and
- add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

#### 3.3 Definition of Material (Amendments to IAS 1 - Presentation of Financial Statements and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)

The amendments in Definition of Material (Amendments to IAS 1 and IAS 8) clarify the definition of 'material' and align the definition used in the Conceptual Framework and the standards.

#### 3.4 Interest Rate Benchmark Reform (Amendments to IFRS 9 - Financial Instruments, IAS 39 - Financial Instruments: Recognition and Measurements, and IFRS 7 - Financial Instruments: Disclosures)

The amendments in Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform.

#### 3.5 Covid-19 - Related Rent Concessions (Amendment to IFRS 16 - Leases)

The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

### 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)	01 January 2023
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

# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Effective date (annual periods beginning on or after)
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 - Presentation of Financial Statements).	01 January 2023
Reference to the Conceptual Framework (Amendments to IFRS 3 - Business Combinations).	01 January 2022
Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16 - Property, Plant and Equipment).	01 January 2022
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37 - Impairment of Assets).	01 January 2022
Annual Improvements to IFRS Standards 2018–2020.	01 January 2022
Amendments to IFRS 17	01 January 2023
Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9 - Financial Instruments, IAS 39 - Financial Instruments: Recognition and Measurements, and IFRS 7 - Financial Instruments: Disclosures, IFRS 4 - Insurance Contracts, IFRS 16 - Leases).	01 January 2021
Disclosure of Accounting Policies (Amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2 - Making Materiality Judgements).	01 January 2023
Definition of Accounting Estimates (Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)	01 January 2023
COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16 - Leases)	01 April 2021
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 - Income Taxes)	01 January 2023
Other than afore mentioned standards, interpretations and amendments, IASB 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	

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 not have 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

Property and equipment assets held for use in the production or supply of goods or services or for administrative purposes, are stated in the statement of financial position at their cost less accumulated depreciation and accumulated impairment losses, except for freehold land, which is not depreciated.

Assets in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes the cost of material, labour and appropriate overheads directly relating to the construction, erection and installation of the asset and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Depreciation of these assets, determined on the same basis as other assets of the same class, commences when the assets are ready for their intended use.

Depreciation is recognized in profit or loss, using rates specified in note , so as to write off the cost of assets (other than freehold land and assets under construction) over their useful lives, using the reducing balance method. Depreciation commences from the month in which the item is ready for intended use and is discontinued from the month in which the asset is disposed or classified as held for disposal.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

A property and equipment asset is derecognized upon disposal or when no future economic benefits are expected to arise from its continued use. The gain or loss arising on the disposal or retirement of such assets is determined as the difference between the sales proceeds and the carrying amount of the asset and 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 approved 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 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.

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 5.5 Loans and borrowings

Loans and borrowings, except for loan from directors and sponsors which are repayable at the Company's discretion and are not payable on demand, 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.

Loan from directors and sponsors which are repayable at the Company's discretion and are not payable on demand are stated in the statement of financial position at cost and presented as equity in accordance with guidance provided in Technical Release 32 'Accounting Directors' Loan' issued by the Institute of Chartered Accountants of Pakistan.

### 5.6 Investment in associates

Investments in associates are accounted for using the equity method of accounting. Under the equity method, an investment in an associate is recognized initially in the statement of financial position at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate, dividends received and impairment losses, if any. When the Company's share of losses of an associate exceeds the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

### 5.7 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs. Cost includes the cost of material, labour and appropriate overheads directly relating to the construction of the property and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

### 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. The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. 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 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.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 5.10.2 Non-financial assets

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

### 5.11 Leases as 'lessor'

The Company enters into lease agreements as a lessor with respect to its investment property. The Company also leases out its machinery.

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Subsequent to initial recognition, the Company regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9 - Financial Instruments, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

When a contract includes both lease and non-lease components, the Company applies IFRS 15 – Revenue from Contracts with Customers to allocate the consideration under the contract to each component.

### 5.12 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'.

### 5.13 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.

### 5.14 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.

#### 5.14.1 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.

#### 5.14.2 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.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 5.15 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.

### 5.16 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.

### 5.17 Segment reporting

Segment reporting is based on the operating segments that are reported in the manner consistent with internal reporting of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The Company is a single operating segment based on internal reporting to the Chief Executive Officer of the Company.

### 5.18 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.

### 5.19 Impairment

#### 5.19.1 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 lease rentals receivables, 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 lease rentals receivables, 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.

#### 5.19.2 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.

# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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.

### 5.20 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.

### 6 AUTHORIZED SHARE CAPITAL

30-Jun-21	30-Jun-20		30-Jun-21	30-Jun-20
No. of shares	No. of shares		Rupees	Rupees
40,000,000	40,000,000	Ordinary shares of Rs. 10 each	400,000,000	400,000,000
40,000,000	40,000,000		400,000,000	400,000,000

### 7 ISSUED SHARE CAPITAL

30-Jun-21	30-Jun-20		30-Jun-21	30-Jun-20
No. of shares	No. of shares		Rupees	Rupees
		Ordinary shares of Rs. 10 each		
12,095,482	12,095,482	shares issued for cash	120,954,820	120,954,820
18,207,061	18,207,061	shares issued as bonus shares	182,070,610	182,070,610
30,302,543	30,302,543		303,025,430	303,025,430

### 8 SHARE PREMIUM

This represents premium on issue of right ordinary shares recognized under section 83(1) of the repealed Companies Ordinance, 1984.

	30-Jun-21	30-Jun-20
	Rupees	Rupees

### 9 REVALUATION RESERVE

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

### 10 LOAN FROM DIRECTORS AND SPONSORS

This represents unsecured, interest free loan provided by the directors and sponsors of the Company. The Company has reached an understanding with the lenders that this loan shall be payable at the discretion of the Company and that this loan is not payable on demand. Accordingly, this loan has been classified as equity in accordance with guidance provided in Technical Release 32 'Accounting Directors' Loan' issued by the Institute of Chartered Accountants of Pakistan.

### 11 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.



# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
<b>11.1 Movement in present value of defined benefit obligation</b>			
As at beginning of the year		664,357	385,508
Charged to profit or loss for the year	11.2	433,526	497,556
Benefits paid during the year		(72,360)	(179,345)
Remeasurements recognized in other comprehensive income	11.3	(40,960)	(39,362)
As at end of the year		984,563	664,357
<b>11.2 Charge to profit or loss</b>			
Current service cost		380,131	455,399
Interest cost		53,395	42,157
		433,526	497,556
<b>11.3 Remeasurements recognized in other comprehensive income</b>			
Actuarial (gain)/loss arising from changes in:			
Financial assumptions		2,431	626
Experience adjustments		(43,391)	(39,988)
		(40,960)	(39,362)
<b>11.4 The charge to profit or loss has been allocated as follows</b>			
Administrative expenses	26.1	433,526	497,556
		433,526	497,556
<b>11.5 Principal actuarial assumptions</b>			
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:			
		30-Jun-21 Rupees	30-Jun-20 Rupees
Discount rate		10.00%	8.50%
Expected rates of increase in salary		9.00%	7.50%
<b>11.6 Average duration of the defined benefit obligation</b>			
The average duration of the defined benefit obligation is seven years.			
<b>11.7 Expected charge to profit or loss for the next financial year</b>			
The expected charge to profit or loss for the year ending 30 June 2022 amounts to Rs. 576,812.			
<b>11.8 Sensitivity analysis</b>			
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:			

# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	30-Jun-21		30-Jun-20	
	Change in actuarial assumption	Defined benefit obligation	Change in actuarial assumption	Defined benefit obligation
		Rupees		Rupees
Discount rate	+ 1%	916,999	+ 1%	618,559
	- 1%	1,062,061	- 1%	717,037
Expected rates of increase in salary	+ 1%	1,063,060	+ 1%	716,444
	- 1%	914,932	- 1%	618,295

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.

### 11.9 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.

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
<b>12 TRADE AND OTHER PAYABLES</b>			
Creditors		269,060	288,388
Accrued liabilities		1,163,839	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
Workers' Welfare Fund	12.1	1,214,509	-
Other payables		20,456	25,706
		<b>28,897,121</b>	<b>27,646,576</b>

### 12.1 Workers' Welfare Fund

As at beginning of the year		-	-
Charged to profit or loss for the year	27	1,214,509	-
Paid during the year		-	-
As at end of the year		<b>1,214,509</b>	<b>-</b>

### 13 SHORT TERM BORROWINGS

This represents unsecured, interest free loan provided by the directors and sponsors of the Company, which have been classified as equity as on 30 June 2021. (See note 10).

### 14 UNCLAIMED DIVIDEND

This represent dividend on ordinary shares declared in the previous years but not claimed by the shareholders. The Company is maintaining a separate bank account for the amount unclaimed in compliance with section 244 of the Companies Act, 2017.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 15 CONTINGENCIES AND COMMITMENTS

#### 15.1 Contingencies

- 15.1.1 Sales tax and other liabilities of Rs. 5.730 million (2020: 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.
- 15.1.2 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.
- 15.1.3 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.

#### 15.2 Commitments

There are no known commitments as at the reporting date.



# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 16 PROPERTY AND EQUIPMENT

	30-Jun-21									
	COST				Rate %	DEPRECIATION				Net book value as at 30-Jun-21 Rupees
	As at 01-Jul-20 Rupees	Additions Rupees	Disposals Rupees	As at 30-Jun-21 Rupees		As at 01-Jul-20 Rupees	For the year Rupees	Adjustment Rupees	As at 30-Jun-21 Rupees	
Furniture and fixtures	1,357,000	-	-	1,357,000	10	707,952	64,905	-	772,857	584,143
Office equipment	3,383,000	85,000	-	3,468,000	10	1,764,922	162,516	-	1,927,438	1,540,562
Vehicles	9,647,115	-	(131,235)	9,515,880	20	9,439,992	40,884	(125,326)	9,355,550	160,330
	14,387,115	85,000	(131,235)	14,340,880		11,912,866	268,305	(125,326)	12,055,845	2,285,035

	30-Jun-20									
	COST				Rate %	DEPRECIATION				Net book value as at 30-Jun-20 Rupees
	As at 01-Jul-19 Rupees	Additions Rupees	Disposals Rupees	As at 30-Jun-20 Rupees		As at 01-Jul-19 Rupees	For the year Rupees	Adjustment Rupees	As at 30-Jun-20 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
	14,387,115	-	-	14,387,115		11,609,182	303,684	-	11,912,866	2,474,249

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# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 16.1 Disposal of operating fixed assets

	30-Jun-21						
	Cost/revalued amount	Accumulated depreciation	Net book value	Disposal proceeds	Gain/(loss) on disposal	Mode of disposal	Particulars of buyer
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>		
<b>Vehicles</b>							
Honda CD-70	57,500	53,796	3,704	3,704	-	Book value	Mr. Farhan Ahmad , Faisalabad.
Honda CG-125	73,735	71,530	2,205	2,205	-	Book value	Mr. Abid Ali, Faisalabad.
	<b>131,235</b>	<b>125,326</b>	<b>5,909</b>	<b>5,909</b>	<b>-</b>		

16.1.1 There were no disposals during the year ended 30 June 2020.

# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
<b>17 GOVERNMENT TAKEN OVER CONCERNS</b>			
Gross amount due		27,229,339	27,229,339
Impairment allowance	17.1	(27,229,339)	(27,229,339)
		-	-

- 17.1** 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 19 June 2013. Amount recoverable thus stands fully impaired.

	30-Jun-21 Rupees	30-Jun-20 Rupees
<b>18 INVESTMENT PROPERTY</b>		
<b>Land</b>		
As at beginning of the year	728,575,000	704,450,000
Change in fair value	4,825,000	24,125,000
As at end of the year	733,400,000	728,575,000
<b>Building</b>		
As at beginning of the year	110,349,405	104,922,245
Change in fair value	3,896,515	5,427,160
As at end of the year	114,245,920	110,349,405
	847,645,920	838,924,405

- 18.1** 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 30 June 2021 amounts to Rs. 623,390,000 and Rs. 97,109,032 (2020: Rs. 619,288,750 and Rs. 93,796,994) respectively. The Company has leased out this investment property under operating lease arrangements. For basis of determination of fair value, refer to note 39.3.1.

- 18.2** Investment property of the Company is located at Collage Road, Madina Town Faisalabad with a total area of 96.5 Kanal (2020: 96.5 Kanal).

### 19 LONG TERM INVESTMENTS

This represents investment in ordinary shares of Kohinoor Power Company Limited ['KPCL'], an associate. KPCL is a Public Limited Company incorporated in Pakistan under the repealed Companies Ordinance, 1984 and is listed on Pakistan Stock Exchange Limited. KPCL was formed with the objective of generation and sale of electric power. Subsequently, it amended its memorandum of association to change its principal activity to leasing out machinery and buildings under operating lease arrangements. The Boards of Directors of KPCL and Saritow Spinning Mills Limited ['SSML'], a related party of the Company, in their respective meetings have approved amalgamation of KPCL into SSML. The proposed amalgamation, once affected, will result in the Company holding ordinary shares in SSML in accordance with the swap ratio approved with scheme of amalgamation. Registered office of KPCL is situated in the Province of Punjab at 17-Aziz Avenue, Canal Bank, Gulberg V, Lahore.

The investment has been accounted for by using equity method. Particulars of investment are as follows:

	30-Jun-21	30-Jun-20
Percentage of ownership interest	22.50%	22.50%

# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	30-Jun-21	30-Jun-20
	<i>Rupees</i>	<i>Rupees</i>
Cost of investment		
2,835,000 (2020: 2,835,000) fully paid ordinary shares of Rs. 10 each	90,000,000	90,000,000
Share of post acquisition profits	(16,393,122)	(15,907,887)
Dividend income from investment in associate	(10,800,000)	(10,800,000)
	62,806,878	63,292,113
Accumulated impairment	(44,095,878)	(58,472,613)
	18,711,000	4,819,500

### 19.1 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 audited financial statements are as follows:

	Note	30-Jun-21	30-Jun-20
		<i>Rupees</i>	<i>Rupees</i>
Non-current assets		93,026,009	98,326,629
Current assets		40,221,457	38,665,423
Non-current liabilities		-	1,714,915
Current liabilities		1,390,628	1,263,701
Revenue		17,114,327	16,605,362
Loss for the year		(2,156,598)	(12,369,020)
Other comprehensive loss		-	(25,832)
Break-up value per share		10.46	10.64
Share of profit and other adjustments to net assets	19.1.1	(485,235)	(2,788,842)
Market value per share		6.60	1.70

#### 19.1.1 This includes the following:

Share of loss for the year	(485,235)	(2,783,030)
Share of other comprehensive loss for the year	-	(5,812)
	(485,235)	(2,788,842)

### 20 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	30-Jun-21	30-Jun-20
		<i>Rupees</i>	<i>Rupees</i>

### 21 DEFERRED TAXATION

Deferred tax asset on deductible temporary differences	21.1	24,099,298	27,911,283
Deferred tax liability on taxable temporary differences	21.1	-	-
Net deferred tax asset		24,099,298	27,911,283

#### 21.1 Recognized deferred liabilities and tax assets

Deferred tax liabilities and assets are attributable to the following:



# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	30-Jun-21			
	As at 01-Jul-20 Rupees	Recognized in profit or loss Rupees	Recognized in OCI Rupees	As at 30-Jun-21 Rupees
<b>Deferred tax assets</b>				
Operating fixed assets	46,563	(38,894)	-	7,669
Long term investment	12,777,075	(3,865,950)	-	8,911,125
Impairment allowances	14,894,981	-	-	14,894,981
Employees retirement benefits	192,664	80,981	11,878	285,523
	27,911,283	(3,823,863)	11,878	24,099,298
<b>Deferred tax liabilities</b>	-	-	-	-
	27,911,283	(3,823,863)	11,878	24,099,298

	30-Jun-20			
	As at 01-Jul-19 Rupees	Recognized in profit or loss Rupees	Recognized in OCI Rupees	As at 30-Jun-20 Rupees
<b>Deferred tax assets</b>				
Operating fixed assets	-	46,563	-	46,563
Long term investment	-	12,777,075	-	12,777,075
Impairment allowances	-	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

- 21.2 Deferred tax has been calculated at 29% (2020: 29%) of the temporary differences as at the reporting date based on tax rates notified by the Government of Pakistan for future tax years.

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
<b>22 ADVANCES AND OTHER RECEIVABLES</b>			
Advances to employees	22.1	167,670	125,500
Sales tax refundable	22.2	-	-
Other receivables	22.3	-	-
		167,670	125,500

- 22.1 These represent advances to employees against future salaries and post employment benefits in accordance with the Company policy.

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
<b>22.2 Sales tax refundable</b>			
Gross amount due		4,236,934	4,236,934
Impairment allowance	22.2.1	(4,236,934)	(4,236,934)
		-	-

- 22.2.1 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.



# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
22.3			
Rebate/claims and central excise duty receivables		10,647,437	10,647,437
Impairment allowance		(10,647,437)	(10,647,437)
		-	-
23			
<b>ADVANCE INCOME TAX</b>			
Advance income tax/income tax refundable		25,924,755	28,683,009
Impairment allowance		(9,248,293)	(9,248,293)
		16,676,462	19,434,716
24			
<b>CASH AND BANK BALANCES</b>			
Cash in hand		534,646	859,474
Cash at banks			
Current accounts - local currency		64,623,401	16,150,091
Deposit/saving accounts - local currency	24.1	2,054,724	42,550,407
		66,678,125	58,700,498
		67,212,771	59,559,972
24.1	This represents term deposit/saving accounts with a banking company and carried return at 5% (2020: 6.25%) per annum. During the year, term deposit amounting to Rs. 42 million expired on 30 July 2020.		
25			
<b>RENTAL INCOME</b>			
This represents rental income from leasing out Company's investment property under operating lease arrangements.			
	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
26			
<b>ADMINISTRATIVE EXPENSES</b>			
Salaries and benefits	26.1	9,946,294	8,829,130
Printing and stationery		260,815	458,082
Communication		395,018	337,366
Repair and maintenance		6,313,856	1,726,707
Rent, rates and taxes		1,409,431	1,409,491
Utilities		1,873,070	304,554
Insurance		70,528	70,528
Advertisement		78,400	40,800
Vehicles running and maintenance		306,525	176,850
Traveling and conveyance		86,575	85,384
Legal and professional		2,277,780	1,233,253
Fees and Subscription		480,077	64,900
Auditor's remuneration	26.2	565,000	500,000
Entertainment		264,845	184,568
Depreciation	16	268,305	303,684
Others		1,035,571	105,761
		25,632,090	15,831,058
26.1	These include charge in respect of employees retirement benefits amounting to Rs. 433,526 (2020: Rs. 497,556).		
		30-Jun-21 Rupees	30-Jun-20 Rupees
26.2			
<b>Auditor's remuneration</b>			
Annual statutory audit		450,000	400,000
Limited scope review		50,000	50,000
Review report on corporate governance		50,000	50,000
Out of pocket expenses		15,000	-
		565,000	500,000

# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
<b>27 OTHER EXPENSES</b>			
Loss on financial instruments			
Cash and cash equivalents written off	27.1	-	67,403
Other expenses			
Worker's welfare fund	12.1	1,214,509	-
		<b>1,214,509</b>	<b>67,403</b>

27.1 This represents balances in old dormant bank accounts written off during the previous year.

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
<b>28 OTHER INCOME</b>			
Gain on financial instruments			
Return on bank deposits		1,847,614	2,100,272
Other income			
Changes in fair value of investment property		8,721,515	29,552,160
Reversal of impairment loss on long term investment		14,376,735	2,788,842
		<b>23,098,250</b>	<b>32,341,002</b>
		<b>24,945,864</b>	<b>34,441,274</b>

<b>29 FINANCE COST</b>			
Bank charges		11,792	10,719
		<b>11,792</b>	<b>10,719</b>

<b>30 PROVISION FOR TAXATION</b>			
Current taxation			
for the year	30.1	11,141,173	12,475,900
for prior year		(71,557)	-
		<b>11,069,616</b>	<b>12,475,900</b>
Deferred taxation	21.1		
attributable to origination and reversal of temporary differences		1,694,351	(27,912,968)
attributable to changes in tax rates		2,129,512	-
		<b>3,823,863</b>	<b>(27,912,968)</b>
		<b>14,893,479</b>	<b>(15,437,068)</b>

30.1 Provision for current tax has been made in accordance with section 18 (2020: section 18) of the Income Tax Ordinance 2001 ['the Ordinance'].

# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Unit	30-Jun-21	30-Jun-20
<b>30.2 Reconciliation between average effective tax rate and applicable tax rate</b>			
Profit before taxation	Rupees	59,510,921	72,174,639
Provision for taxation	Rupees	14,893,479	(15,437,068)
Average effective tax rate	%	25.03	(21.39)
Tax effects of:			
Adjustments for prior years	%	0.12	-
Adjustments for deferred taxation	%	(6.43)	38.67
Income chargeable to tax at different rates		3.10	-
Admissible deductions, losses and tax credits	%	7.17	11.71
Applicable tax rate	%	29.00	29.00

**30.3** 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 30.4.

**30.4** In respect of Tax Year 2017 and 2019, the Company received notice under rule 44(4) of the Income Tax Rules, 2002 dated January 2018 and September 2021 respectively, In compliance to notices, details/documents have been filed with the tax department. The proceedings are still under process.

	Unit	30-Jun-21	30-Jun-20
<b>31 EARNINGS PER SHARE - BASIC AND DILUTED</b>			
Profit attributable to ordinary shareholders	Rupees	44,617,442	87,611,707
Weighted average number of ordinary shares outstanding during the year	No. of shares	30,302,543	30,302,543
Earnings per share - Basic	Rupees	1.47	2.89

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

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
<b>32 CASH GENERATED FROM OPERATIONS</b>			
Profit before taxation		59,510,921	72,174,639
Adjustments for non-cash and other items			
Provision for employees retirement benefits		433,526	497,556
Share of loss of associate		485,235	2,783,030
Reversal of impairment loss on long term investment		(14,376,735)	(2,788,842)
Change in fair value of investment property		(8,721,515)	(29,552,160)
Depreciation		268,305	303,684
		(21,911,184)	(28,756,732)
Operating profit before changes in working capital		37,599,737	43,417,907
Changes in working capital			
Advances and other receivables		(42,170)	(125,500)
Trade and other payables		1,250,545	(164,155)
		1,208,375	(289,655)
Cash generated from operations		38,808,112	43,128,252

<b>33 CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	24	67,212,771	59,559,972
		67,212,771	59,559,972



# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 34 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%

Details of transactions and balances with related parties is as follows:

		30-Jun-21 Rupees	30-Jun-20 Rupees
<b>34.1 Transactions with related parties</b>			
<b>Nature of relationship</b>	<b>Nature of transactions</b>		
Associated companies	Reversal of impairment loss on long term investment	14,376,735	2,788,842
	Share of loss of associate	485,235	2,783,030
	Advertisement expenses	78,400	40,800
	Rental income	2,766,691	2,638,311
<b>34.2 Balances with related parties</b>			
<b>Nature of relationship</b>	<b>Nature of balances</b>		
Associated companies	Long term investment	18,711,000	4,819,500
Sponsors	Short term borrowings	-	353,682,503

### 35 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS, AND EXECUTIVES

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.

### 36 CAPITAL MANAGEMENT

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.

### 37 FINANCIAL INSTRUMENTS

The carrying amounts of the Company's financial instruments by class and category are as follows:

# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
<b>37.1 Financial assets</b>			
<i>Cash in hand</i>	24	534,646	859,474
<i>Financial assets at amortized cost</i>			
Long term deposits	20	166,376	166,376
Lease rentals receivable		20,000	20,000
Advances to employees	22	167,670	125,500
Cash at bank	24	64,623,401	16,150,091
		<b>64,977,447</b>	<b>16,461,967</b>
		<b>65,512,093</b>	<b>17,321,441</b>
<b>37.2 Financial liabilities</b>			
<i>Financial liabilities at amortized cost</i>			
Creditors	12	269,060	288,388
Accrued liabilities	12	1,163,839	1,103,225
Short term borrowings	13	-	353,682,503
Unclaimed dividend		2,332,404	1,034,826
		<b>3,765,303</b>	<b>356,108,942</b>

### 38 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:

#### 38.1 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.

##### 38.1.1 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 lease rentals receivable 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.



# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 lease rentals receivable 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	Lease rentals receivable: 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

### 38.1.2 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	30-Jun-21 Rupees	30-Jun-20 Rupees
<b>Financial assets at amortized cost</b>			
Long term deposits	20	166,376	166,376
Lease rentals receivable		20,000	20,000
Advances to employees	22	167,670	125,500
Cash at banks	24	64,623,401	16,150,091
		<b>64,977,447</b>	<b>16,461,967</b>

### 38.1.3 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 rating	Internal credit risk grading	12-month or life-time ECL	Gross carrying amount Rupees	Loss allowance Rupees
Long term deposits	20	N/A	Performing	12-month ECL	166,376	-
Lease rentals receivable		N/A	Performing	12-month ECL	20,000	-
Advances to employees	22	N/A	Performing	12-month ECL	167,670	-
Bank balances	24	A1 - A1+	N/A	12-month ECL	64,623,401	-
					<b>64,977,447</b>	<b>-</b>



# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### (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) Lease rentals receivable

This represents rent for June 2021 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.

### 38.1.4 Concentration of credit risk

There are no significant concentrations of credit risk.

### 38.1.5 Collateral held

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

### 38.2 Liquidity risk

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

#### 38.2.1 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, lease rentals receivable and creditors concentration both in terms of overall funding mix and avoidance of undue reliance on large individual customer.

#### 38.2.2 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.

	30-Jun-21				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Trade creditors	269,060	269,060	269,060	-	-
Accrued liabilities	1,163,839	1,163,839	1,163,839	-	-
Short term borrowings	-	-	-	-	-
Unclaimed dividend	2,332,404	2,332,404	2,332,404	-	-
	3,765,303	3,765,303	3,765,303	-	-

# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	30-Jun-20				
	Carrying amount <i>Rupees</i>	Contractual cash flows <i>Rupees</i>	One year or less <i>Rupees</i>	One to five years <i>Rupees</i>	More than five years <i>Rupees</i>
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	-	-
	356,108,942	356,108,942	356,108,942	-	-

### 38.3 Market risk

#### 38.3.1 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.

#### 38.3.2 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:

	30-Jun-21 <i>Rupees</i>	30-Jun-20 <i>Rupees</i>
<b>Fixed rate instruments</b>		
Financial assets	-	42,550,407
Financial liabilities	-	-
<b>Variable rate instruments</b>	-	-

##### (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.

#### 38.3.3 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.



# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 39 FAIR VALUE MEASUREMENTS

#### 39.1 Financial Instruments

##### 39.1.1 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.

#### 39.2 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.

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

##### 39.3.1 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	30-Jun-21 Rupees	30-Jun-20 Rupees
Investment property - Land	-	733,400,000	-	733,400,000	728,575,000
Investment property - Buildings	-	114,245,920	-	114,245,920	110,349,405

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

	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. 36.67 million (2020: Rs. 36.43 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. 5.71 million (2020: Rs. 5.52 million).

### 40 SEGMENT INFORMATION

#### 40.1 The Company is a single reportable segment.



# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

40.2 All non-current assets of the Company are situated in Pakistan.

### 40.3 Information about major customers

	30-Jun-21	30-Jun-20
	<i>Rupees</i>	<i>Rupees</i>
Revenue derived from Beacon Impex (Private) Limited	58,901,992	53,547,264

### 41 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:

	30-Jun-21	30-Jun-20
	<i>Rupees</i>	<i>Rupees</i>
- not later than one year	25,099,173	59,141,992
- later than one year but not later than five years	3,565,542	32,343,718
- later than five years	-	-
	28,664,715	91,485,710

### 42 NUMBER OF EMPLOYEES

	30-Jun-21	30-Jun-20
Total number of employees	15	14
Average number of employees	15	15

### 43 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.

### 44 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in their meeting held on 06 October 2021 has proposed dividend on ordinary shares at Rs. \_\_\_\_ 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.

### 45 GENERAL

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



Director



Chief Financial Officer



Chief Executive

# Form of Proxy

## 72<sup>nd</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 72<sup>nd</sup> Annual General Meeting of the Company to be held on October 28, 2021 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 \_\_\_\_\_ 2021.

Signed by the said

\_\_\_\_\_

REVENUE  
STAMP

Witnesses:

1) Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

CNIC No. \_\_\_\_\_

2) Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

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.

- 1- کوئی رکن جو اجلاس میں شرکت کرنے اور حق رائے دہی استعمال کرنے کا حق دار ہے، پر کسی کا تقرر کر سکتا ہے۔ پر اکیس اسی صورت موثر ہیں جو اجلاس کے انعقاد سے 48 گھنٹے پہلے کمپنی کے رجسٹرڈ آفس (17- عزیز، یونی، کینال بک، گلبرگ- 7، لاہور) میں موصول ہونا ضروری ہیں۔ پر اگیوں پر رسیدی ٹکٹ رکن کے دستخط اور گواہان کے دستخط ہونا ضروری ہیں۔
- 2- سی ڈی سی اکاؤنٹس رکھنے والے/ کارپوریٹ ادارے کے لیے مزید برآں 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 کر لیا ہو) کمپنی میں پر کسی فارم کے ساتھ جمع کرانی ہوگی۔
- (iii) پر کسی کو میٹنگ کے وقت اپنا اصل شناختی کارڈ یا پاسپورٹ دکھانا ہوگا۔