

KOHINOOR INDUSTRIES LIMITED

ANNUAL REPORT 2026

BOARD OF DIRECTORS

Mr. M. Naseem Saigol
Mr. M. Zeid Yousuf Saigol
Mr. Muhammad Murad Saigol
Mr. Muhammad Omer Farooq
Mrs. Tehreem Imran
Syed Haroon Rashid
Sheikh Aftab Ahmad

Chairman
Chief Executive Officer

AUDIT COMMITTEE

Syed Haroon Rashid
Mrs. Tehreem Imran
Mr. Muhammad Omer Farooq

Chairperson/Member
Member
Member

HR & REMUNERATION COMMITTEE

Syed Haroon Rashid
Mr. M. Naseem Saigol
Mr. M. Zeid Yousuf Saigol

Chairperson/Member
Member
Member

COMPANY SECRETARY

Mr. Muhammad Islam

CHIEF FINANCIAL OFFICER

Mr. Zahoor Ahmed

AUDITORS

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

REGISTRATION NUMBER

0000214

NTN

0452891-3

WEBSITE

www.kil.com.pk

BANKERS

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

REGISTERED OFFICE

10-G, Mushtaq Ahmed Gurmani Road,
Gulberg-II, Lahore
Tel: 042-35920151-59 (Pabx) & 042-35920133 (Direct)
E-mail: shares@saigols.com

WORKS

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

SHARE REGISTRAR

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 77th Annual General Meeting of Shareholders of **KOHINOOR INDUSTRIES LIMITED** will be held on **Wednesday, October 28, 2026 at 11:00 A.M.**, at 06-Egerton Road, Opposite LDA Plaza, Lahore to transact the following business: -

Ordinary Business

1. To confirm the minutes of the last Extraordinary General Meeting held on March 19, 2026.
2. To receive and adopt the Annual Audited Accounts for the year ended June 30, 2026 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.

Special Business

4. To consider, ratify and approve the transactions carried out with related parties during financial year ended June 30, 2025 & June 30, 2026 and to authorize the Board of Directors to approve all the transactions with the related parties carried out or to be carried out during the financial year ending June 30, 2027 and till the next Annual General Meeting and if thought fit, to pass, with or without modification, resolutions as Special Resolutions as proposed in the Statement of Material Facts.

“Resolved that, the related party transactions carried out by the Company during the financial year ended June 30, 2025 & June 30, 2026 and as disclosed in Financial Statements for the Year ended June 30, 2025 & June 30, 2026 (Notes No. 34.1) be and are hereby ratified and approved.”

Further Resolved that, the Board of Directors of the Company be and is hereby authorized to undertake the transactions to be conducted with the Related Parties during the financial year ending on June 30, 2027 and to take all necessary steps including but not limited to signing/executing any purchase order/document on behalf of the Company as may be required and to authorize any other officer of the Company to do so in order to implement this resolution.

Resolved further that, these transactions shall be placed before the shareholders in the next annual general meeting for their ratification/approval.

5. Any other business with the permission of the Chair.

Attached to this Notice is a statement of material facts along with draft resolutions proposed to be passed as special resolutions in relation to the aforesaid special businesses, as required under Section 134(3) of the Companies Act, 2017.

By Order of the Board

MUHAMMAD ISLAM
Company Secretary

Lahore: October 05, 2026

Notes:

1. Share Transfer Books of the Company will remain closed from **October 22, 2026 to October 28, 2026 (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, 2026** 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 10-G, Mushtaq Ahmed Gurmani Road, Gulberg-II, 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. TRANSMISSION OF ANNUAL REPORT

In terms of approval of the shareholders of the Company in their Annual General Meeting held on October 27, 2023 and pursuant to SECP's Notification No. SRO 389(1)/2023 dated 21st March, 2023. The Annual Report for the financial year ended on 30th June, 2026 of the Company containing inter alia the audited financial statements, auditors' report, directors, and chairman's reports thereon may be viewed and downloaded by following QR code and weblink:

Weblink	QR Code
https://kil.com.pk/investor_information.php	

The Annual Report has been emailed to those shareholders who have provided their valid email address to the Company.

The shareholders who wish to receive a hard copy of the Annual Report may send to the Company Secretary/Share Registrar, the Standard Request Form available on the website of the Company www.kil.com.pk. The Company then will provide a free of Cost hard copy of Annual Report to the shareholders within one week of the request.

6. Voting through Postal Ballot (electronic voting and by ballot paper)

In terms of SECP's Notification No. 451(I)/2025 dated 13th March, 2025; the members of Kohinoor Industries Limited can only cast their votes through postal ballot (by post or through e-voting) in respect of all Special Business. Accordingly, the members shall be provided e-voting and postal ballot facilities for casting their votes in respect of Special Business in the manner and subject to the conditions contained in the Companies (Postal Ballot) Regulations, 2018.

Procedure for E-Voting

- i. Details of e-voting facility (including web address, login details and password) will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers and e-mails address available in the register of members of the Company.
- ii. The security codes will be communicated to members through SMS from the web portal of M/s Corplink (Private) Limited (being the e-voting service provider).
- iii. Identity of the members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- iv. E-voting lines will start from October 24, 2026, 09:00 a.m. and shall close on October 27, 2026 at 05:00 p.m. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

Procedure for voting through ballot paper

- i. The members may alternatively opt for voting through postal ballot. Ballot paper in prescribed form is attached with this Notice and is also available on the Company's website www.kil.com.pk to download.
- ii. The members must ensure that the duly filled and signed ballot paper, along with Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at the Company's registered address, 10-G, Mushtaq Ahmed Gurmani Road, Gulberg-II, Lahore or email at umer.islam@saigols.com, by 5:00 pm, October 27, 2026. Postal ballot received after this time/ date shall not be considered for voting. The signature on the ballot paper shall match with signature on the CNIC.

7. Participation in the AGM through Video link Facility

The SECP through its Circular No. 4 dated February 15, 2021 & Circular No. 6 dated March 03, 2021 has directed listed companies to arrange participation of shareholders in Annual General Meeting through Video Link Facility in addition to allowing physical attendance by the members. The members who are willing to attend and participate in the AGM can do so through video-link via smartphones, computers, tablets, etc. To attend the AGM through video-link, members are requested to get their following particulars registered by sending an email or WhatsApp at the number/address given below, at least 48 hours before the time of the AGM, and download video-link from <https://zoom.us/download>.

Name	Folio/CDS Account No.	CNIC No	Cell phone	Email

Signature of Member

WhatsApp	Email
0321-8561366	umer.islam@saigols.com

Upon receipt of requests, the video-link login credentials will be shared with the interested shareholders on their email addresses or WhatsApp messages. The members can send their comments/suggestions related to the agenda items of the meeting through the above-mentioned means.

8. Attendance through Video-Conference

Pursuant to SECP's Circular No. 10 dated 21st May 2014, if the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location other than the city of the Meeting, to participate in the meeting through video conference at least 07 (seven) days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard, please fill the following and submit to Head Office address of the Company at least 07 (seven) days before the date of general meeting.

I/We _____ of _____, being member(s) of Kohinoor Industries Limited holder of _____ Ordinary share(s) as per Register Folio No. ____ hereby opt for video conference facility at _____.

9. Replacement Of Physical Shares Into CDC Account

Members, who hold physical shares, are advised to convert their shares into electronic form in terms of section 72 of the Companies Act, 2017.

10. Prohibition of Distribution of Gifts

No gifts will be distributed at the Annual General Meeting as prohibited under Section 185 of the Companies Act, 2017.

**STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3)
OF THE COMPANIES ACT, 2017**

This statement sets out the material facts pertaining to the Special Business to be transacted at the 77th Annual General Meeting of Kohinoor Industries Limited.

Item No. 4 of the Agenda - Ratification and Approval of Related Party Transactions and Authorization for Future Transactions

The transactions conducted with related parties during the financial year ended June 30, 2025 & June 30, 2026 were executed on commercial terms and placed before the Board of Directors for review and approval as required under the Companies Act, 2017, and the applicable regulations of the Securities and Exchange Commission of Pakistan (SECP).

Since some of the related party transactions contemplated during the upcoming financial year ending June 30, 2027, may be ongoing or routine in nature, the Board seeks the approval of shareholders by way of Special Resolutions to authorize the Board of Directors and/or its delegates to conduct and approve these transactions from time to time until the next Annual General Meeting.

- **Nature and Scope of Transactions:** Sale and purchase of goods, materials, services, sharing of expenses, and financial/corporate arrangements with associated companies and related parties as disclosed in the financial statements.
- **Pricing/Commercial Basis:** All transactions are conducted at arm's length basis in accordance with the comparable uncontrolled price method or other applicable transfer pricing principles as reviewed by the Audit Committee and approved by the Board.
- **Interest of Directors:** The Directors are interested in the resolution to the extent of their shareholding and/or directorships in the respective associated undertakings, but only to the extent normal corporate governance permits. No director has a personal or direct material conflict of interest apart from their common fiduciary positions.

The related party transactions for the preceding year are available for inspection by members in the annual financial statements, and details for the upcoming year will be presented to shareholders in the next AGM for statutory ratification.

2026 کو شام 05:00 بجے تک پہنچ جائے۔ اس تاریخ اور وقت کے بعد موصول ہونے والا پوسٹل بیلٹ ووٹنگ کے لیے قابل قبول نہیں ہوگا۔ بیلٹ پیپر پر موجود دستخط قومی شناختی کارڈ پر موجود دستخط سے مطابقت رکھتے ہوں گے۔

7۔ ویڈیو لنک سہولت کے ذریعے سالانہ اجلاس عام میں شرکت

اہلس ای سی پی نے اپنے سرکاری نمبر 4 مودی 15 فروری 2021 اور سرکاری نمبر 6 مودی 03 مارچ 2021 کے ذریعے لنک سہولت کو ہدایت کی ہے کہ وہ شیئر ہولڈرز کی جسمانی حاضری کی اجازت دینے کے علاوہ ویڈیو لنک کی سہولت کے ذریعے سالانہ اجلاس عام میں ممبرز کی شرکت کا اہتمام کریں۔ جو ممبر سالانہ اجلاس عام میں شرکت اور حصہ لینے کے خواہشمند ہیں وہ ویڈیو لنک کے ذریعے سارٹ فون، کمپیوٹر، ٹیلیفون وغیرہ کے ذریعے ایسا کر سکتے ہیں۔ ویڈیو لنک کے ذریعے سالانہ اجلاس عام میں شرکت کے لیے ممبر سے درخواست کی جاتی ہے کہ وہ ای میل بھیج کر اپنی درج ذیل تفصیلات رجسٹرڈ ایس ایس ایس سالانہ اجلاس عام کے وقت سے کم از کم 48 گھنٹے پہلے بھیجے گئے نمبر پر پتہ پڑاؤں ایپ کریں اور <https://zoom.us/download> سے ویڈیو لنک ڈاؤن لوڈ کریں۔

نام فوٹو/سی ڈی ایس اکاؤنٹ نمبر سی این آئی سی نمبر موبائل نمبر ای میل

ممبر کے دستخط

ڈس ایپ

ای میل

0321-8561366 umer.islam@saigols.com

درخواستوں کی وصولی پر، ویڈیو لنک لاگ ان کی اسناد دلچسپی رکھنے والے شیئر ہولڈرز کے ساتھ ان کے ای میل چوں یا ڈس ایپ پیغام پر شیئر کی جائیں گی۔ ممبرز اجلاس عام کے ایجنڈا آئٹمز سے متعلق اپنے تبصرے/مشورے مذکورہ ذرائع سے بھیج سکتے ہیں۔

8۔ ویڈیو لنک فرانس کے ذریعے سالانہ اجلاس عام میں شرکت

اہلس ای سی پی کے سرکاری نمبر 10 مودی 21 مئی 2014 کے تحت، اگر کوئی کو ایس ممبر سے، جو مجموعی طور پر 10 فیصد یا اس سے زائد حصص رکھتے ہوں اور اجلاس کے شہر کے علاوہ کسی دوسرے جغرافیائی مقام پر مقیم ہوں، اجلاس میں ویڈیو لنک فرانس کے ذریعے شرکت کرنے کے لیے اجلاس کی تاریخ سے کم از کم 07 (سات) دن قبل رضامندی معمول ہو، تو کمپنی اس شہر میں ویڈیو لنک فرانس کی سہولت فراہم کرے گی، بشرطیکہ اس شہر میں ایسی سہولت دستیاب ہو۔ اس سلسلے میں، براہ کرم درج ذیل معلومات پُر کر کے کمپنی کے ہیڈ آفس کے پتے پر اجلاس عام کی تاریخ سے کم از کم 07 (سات) دن پہلے جمع کروائیں۔

میں/ہم، _____، _____ کے رہائشی کو جو فرانڈسٹریز لمیٹڈ کے ممبر ہونے کی حیثیت سے، رجسٹرڈ فوٹو نمبر _____ کے مطابق _____ عام حصص رکھنے والا/والے، بذریعہ ہذا _____ میں ویڈیو لنک فرانس کی سہولت حاصل کرنے کا انتخاب کرتا/کرتے ہوں۔

9۔ فیزیکل حصص کی سی ڈی ایس اکاؤنٹ میں تبدیلی

فیزیکل حصص رکھنے والے ممبر کو ہدایت کی جاتی ہے کہ کمپنیز ایکٹ 2017 کے سیکشن 72 کے تحت ایکٹیوٹک شکل میں تبدیل کروالیں۔

10۔ تحائف کی تسلیم پر معافیت

اجلاس عام میں کوئی تحائف تسلیم نہیں کئے جائیں گے جیسا کہ کمپنیز ایکٹ 2017 کی دفعہ 185 میں معافیت کی گئی ہے۔

کمپنیز ایکٹ، 2017 کی دفعہ (3) 134 کے تحت مادی حقائق کا بیان

یہ بیان کو جو فرانڈسٹریز لمیٹڈ کے 77 ویں سالانہ اجلاس عام میں زیر غور لائے جانے والے خصوصی کاروبار سے متعلق مادی حقائق پر مشتمل ہے۔

ایجنڈا آئٹمز نمبر 4۔ متعلقہ فریقوں کے ساتھ لین دین کی توثیق منظوری اور مستقبل کے لین دین کے لیے اجازت

30 جون 2025 اور 30 جون 2026 کو اختتام پذیر ہونے والے مالی سالوں کے دوران متعلقہ فریقوں کے ساتھ کیے گئے لین دین تجارتی بنیادوں پر انجام دیے گئے اوپنیز ایکٹ، 2017 اور یکم ریڈرائیڈ کیپیٹل کمیشن آف پاکستان (SECP) کے قابل اطلاق قواعد و ضوابط کے تحت مطلوبہ کارروائی کے مطابق جائزے اور منظوری کے لیے بورڈ آف ڈائریکٹرز کے سامنے پیش کیے گئے۔

چونکہ 30 جون 2027 کو اختتام پذیر ہونے والے آئندہ مالی سال کے دوران متعلقہ فریقوں کے ساتھ بعض متوقع لین دین جاری یا معمول کے کاروباری نوعیت کے ہو سکتے ہیں، اس لیے بورڈ آف ڈائریکٹرز خصوصی قراردادوں کے ذریعے شیئر ہولڈرز کی منظوری حاصل کرنا چاہتا ہے تاکہ بورڈ آف ڈائریکٹرز اور/یا ان کے نامزد کردہ افراد کو اگلے سالانہ اجلاس عام تک وقتاً فوقتاً ایسے لین دین کرنے اور ان کی منظوری دینے کا اختیار دیا جاسکے۔

لین دین کی قیمت اور دائر کار: متعلقہ کمپنیوں اور متعلقہ فریقوں کے ساتھ شایا، خام مال، خدمات کی خرید و فروخت، اخراجات میں اشتراک، اور مالیاتی/کارپوریٹ انتظامات، جیسا کہ مالیاتی بیانات میں ظاہر کیا گیا ہے۔

قیمت کا قیاس/تجارتی بنیاد: تمام لین دین آراء فریقوں کے درمیان طے شدہ بنیاد (Arm's Length Basis) پر کیے جاتے ہیں، جن میں تقابلی فیئر کنٹرول شدہ قیمت کے طریقہ کار یا قابل اطلاق دیگر فرانس پر انکسٹ اصولوں کو مد نظر رکھا جاتا ہے، جیسا کہ آڈٹ کمیٹی کے جائزے اور بورڈ آف ڈائریکٹرز کی منظوری سے طے کیا جائے۔

ڈائریکٹرز کا مفاد: ڈائریکٹرز کو قرارداد میں اپنے حصص رکھنے اور/یا متعلقہ منسلک اداروں میں ڈائریکٹرشپ کی حد تک مفاد حاصل ہے، تاہم یہ مفاد صرف اس حد تک ہے جس کی عام کارپوریٹ گورننس کے تحت اجازت ہے۔ کسی بھی ڈائریکٹر کا اپنے مشن کے ذمہ دارانہ/امانتی عہدوں کے علاوہ کوئی ذاتی یا براہ راست مادی مفاد ذاتی تصادم نہیں ہے۔

گزشتہ سال کے متعلقہ فریقوں کے ساتھ کیے گئے لین دین کی تفصیلات اراکین کے معائنے کے لیے سالانہ مالیاتی بیانات میں دستیاب ہیں، جبکہ آئندہ سال کے لین دین کی تفصیلات قانونی توثیق کے لیے اگلے سالانہ اجلاس عام میں شیئر ہولڈرز کے سامنے پیش کی جائیں گی۔

CHAIRMAN'S REVIEW

For the year ended June 30, 2026

It gives me great pleasure to present the Annual Report for the year ended June 30, 2026, 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, 2026, 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

Chairman

05 October 2026

چیمبرمین جائزہ رپورٹ:

برائے سال 30 جون، 2026

میں 30 جون، 2026 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 تاثر سے آگاہ کرنے میں بڑی خوشی محسوس کر رہا ہوں۔

کوہنورا 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 شیئرز ہولڈرز کے بہترین مفاد میں کمپنی کے بورڈ آف ڈائریکٹرز کا سالانہ جائزہ لیا جاتا ہے۔ اس تشخیص کا مقصد یہ یقینی بنانا ہے کہ بورڈ کی مجموعی کارکردگی اور تاثر کو کمپنی کے لیے طے شدہ مقاصد کے تناظر میں توقعات کے خلاف پیمائش اور پیٹنچ مارک کیا جائے۔

30 جون، 2026 کو ختم ہونے والے مالی سال کے لیے، بورڈ کی مجموعی کارکردگی اور تاثر 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 شیئرز 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
چیمبرمین
105 اکتوبر 2026

DIRECTORS' REPORT

The Directors of the Company presented before the shareholders the 77th Annual Report along with audited Financial Statements of the Company for the year ended June 30, 2026.

During the period under review, the Company continued its business of renting the premises of the Company and earned gross revenue of Rs. 43.520 million as compared to gross revenue of Rs. 85.829 million in the preceding year. The Company earned profit after taxation of Rs. 37.467 million as compared to 75.414 million with an EPS of Rs. 1.25 in comparison to Rs. 2.49 in the corresponding period last year. The reduction in profit mainly due to reduction in rental income as major tenant has vacated the area and space has not been occupied yet, due to current economic conditions of the country.

FUTURE OUTLOOK

The management is hopeful that in the coming periods, the Company will be able to rent out vacant area in addition to existing rented premises. The business (renting) of the company have no impact on the environment and there is no trend and factor affect the future development, performance and position of the company business.

GOING CONCERN

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.

DIVIDENDS

The Board of Directors did not recommend any cash dividend or bonus shares to the shareholders. The management intends to retain the earnings to strengthen the Company's financial position and enhance long-term shareholder value.

DIRECTORS' REMUNERATION

The Board of Directors has approved a formal policy for remuneration of Executive and Non-executive Directors, as recommended by the Human Resource and Remuneration Committee. As per policy, the Company have not pay any remuneration to directors.

CASH FLOW MANAGEMENT

The Board places importance for an effective cash flow management so as to ensure smooth running of the business.

INTERNAL FINANCIAL CONTROLS

A system of sound internal control is established and prevailing in the Company. The system of internal control is designed in a manner to ensure achievement of Company's business objectives and operational efficiency, reliable financial reporting and compliance with various statutory laws.

HEALTH SAFETY AND ENVIRONMENT

Your company is well aware of the importance of staff therefore the company is strongly committed towards all aspects of safety, health and environment connected with our business.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

We are pleased to inform you that as a member of business community, we are in touch with social bodies and authorities to find ways and means to help them in their social programs and projects.

STATEMENT OF COMPLIANCE ON CORPORATE GOVERNANCE & FINANCIAL REPORTING FRAMEWORK

In compliance with Corporate and Financial Reporting Framework of the Securities and Exchange Commission of Pakistan and Listed Companies (Code of Corporate Governance) Regulations, 2019 the Directors are pleased to report that:

- i) The financial statements prepared by the management of the Company present fair state of Company's operations, cash flows and changes in equity.
- ii) Proper books of account of the Company have been maintained as required under the Companies Act, 2017.
- iii) Appropriate accounting policies have been consistently applied in the preparation of financial statements and changes, wherever made, have been adequately disclosed. Accounting estimates are based on reasonable and prudent judgment.
- iv) International Accounting Standards (IASs) and International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of financial statements, and any departure there from has been adequately disclosed and explained.
- v) The system of internal control is sound in design and has been effectively implemented and monitored.
- vi) Key operating and financial data for the last six years is annexed.
- vii) Outstanding taxes and levies are given in the notes to the financial statements.
- viii) No adverse material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which this balance sheet relates and the date of the Director's Report.
- ix) The figures in the financial statements for the year ending June 30, 2026, have been audited by external auditors of the Company.
- x) The Company has fulfilled its major statutory and financial obligations.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The requirements of the Code of Corporate Governance set out by the Pakistan Stock Exchange in its Listing Regulations relevant for the year ended June 30, 2026 have been adopted by the Company and have been duly complied with. A statement to this effect is annexed to the Report.

BOARD EVALUATION

In compliance with Code of Corporate Governance Regulations 2019, the Board has put in place a mechanism for the annual evaluation of Board's performance. The evaluation of the performance of the Board is essentially an assessment of how the board has performed on all of the selected parameters.

PATTERN OF SHAREHOLDING

Statement showing the Pattern of Shareholding as at June 30, 2026 required under the Companies Act, 2017 and the Code of Corporate Governance are annexed.

GENDER PAY GAP STATEMENT

Gender Pay Gap statement is annexed.

COMPOSITION OF BOARD

Composition of the Board of Directors and meetings attended are as under;

Name of Directors'	Category	Meeting attended
Sheikh Aftab Ahmad	Independent Directors/ Female Director	5
Syed Haroon Rashid		1
Mrs. Sadaf Kashif (Resigned on 14-09-2026)		5
Mr. M. Naseem Saigol	Non-Executive Directors	5
Mr. Muhammad Murad Saigol		5
Mr. Muhammad Omer Farooq		5
Mrs. Tehreem Imran (Appointed on 14-09-2026)	Female Director	0
Mr. Muhammad Zeid Yousuf Saigol	Executive Director	5
Mr. Muhammad Athar Rafiq (Retired on 24-03-2026)	Outgoing Director	4

COMMITTEE'S

Detail of Committee's of Board is as under;

AUDIT COMMITTEE

Syed Haroon Rashid	Chairman/Member
Mrs. Tehreem Imran	Member
Mr. Muhammad Omer Farooq	Member

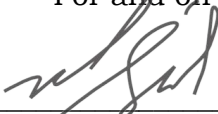
HR & REMUNERATION COMMITTEE

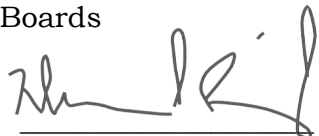
Syed Haroon Rashid	Chairman/Member
Mr. M. Naseem Saigol	Member
Mr. M. Zeid Yousuf Saigol	Member

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

For and on behalf of the Boards

Lahore
October 05, 2026


M. ZEID YOUSUF SAIGOL
Chief Executive


M. MURAD SAIGOL
Director

ڈائریکٹرز رپورٹ:

کمپنی کے ڈائریکٹرز نے (77th) ستمبر ویں سالانہ رپورٹ ہمراہ آڈٹ شدہ حسابات مالی سال ختم 30 جون، 2026 شمیر ہولڈرز کے سامنے پیش کیے۔

زیر جائزہ مدت کے دوران، کمپنی نے کمپنی کی جائیداد کو کرایہ پر دینے کا کاروبار جاری رکھا اور 43.520 ملین روپے کی مجموعی آمدنی حاصل کی، جبکہ گزشتہ سال یہ مجموعی آمدنی 85.829 ملین روپے تھی۔ کمپنی نے بعد از ٹیکس 37.467 ملین روپے کا منافع حاصل کیا، جبکہ گزشتہ سال اسی مدت میں یہ منافع 75.414 ملین روپے تھا۔ فی حصص آمدنی (EPS) 1.25 روپے رہی، جبکہ گزشتہ سال کی اسی مدت میں فی حصص آمدنی 2.49 روپے تھی۔

منافع میں کمی کی بنیادی وجہ کرایہ کی آمدنی میں کمی ہے، کیونکہ کمپنی کے ایک بڑے کرایہ دار نے زیر استعمال عمارت خالی کر دی ہے اور ملک کی موجودہ معاشی صورتحال کے باعث تاحال یہ جگہ دوبارہ کرایہ پر نہیں دی جاسکی۔

مستقبل کا جائزہ

انتظامیہ اُمید ہے کہ آنے والے ادوار میں کمپنی موجودہ کرایہ پر دی گئی جگہوں کے علاوہ خالی جگہ کو بھی کرایہ پر دینے میں کامیاب ہوگی۔ کمپنی کے کاروبار (کرایہ پر دینے) کا ماحول پر کوئی اثر نہیں پڑتا اور کوئی ایسا رجحان یا عنصر موجود نہیں جو کمپنی کے کاروبار کی مستقبل کی ترقی، کارکردگی اور حیثیت کو متاثر کرے۔

گواہک کنسرن

کمپنی تقریباً قرض سے پاک ہے، ماسوائے اسپانسرز کے قرض کے، جو کمپنی کے منافع پر کسی مالی بوجھ کا باعث نہیں بنتا کیونکہ یہ بغیر سود ہے اور قابل ادائیگی صرف کمپنی کی صوابدید پر ہے، کسی مطالبے پر نہیں۔ کمپنی کے اثاثے تمام ذمہ داریوں کی ادائیگی کے لیے کافی ہیں، اس لیے کمپنی کے بطور گواہک کنسرن جاری رہنے پر کسی قسم کا شک نہیں۔

منافع کی تقسیم

بورڈ آف ڈائریکٹرز نے شمیر ہولڈرز کے لیے کسی نقد منافع (کیٹش ڈویڈنڈ) یا بونس حصص کی سفارش نہیں کی۔ انتظامیہ کا ارادہ ہے کہ کمپنی کی مالی حیثیت کو مستحکم کرنے اور طویل مدتی بنیادوں پر شمیر ہولڈرز کی قدر میں اضافہ کرنے کے لیے منافع کو کمپنی میں برقرار رکھا جائے۔

ڈائریکٹرز کا معاوضہ

بورڈ آف ڈائریکٹرز نے ہیومن ریسورس اینڈ ریورنیشن کمیٹی کی سفارش پر ایگزیکٹو اور نائٹ ایگزیکٹوز کی تنخواہوں و مراعات سے متعلق باضابطہ پالیسی منظور کی ہے۔ منظور شدہ پالیسی کے مطابق، کمپنی اپنے ڈائریکٹرز کو کوئی معاوضہ ادا نہیں کرتی۔

نقدی کے بہاؤ کا انتظام

بورڈ مقرر شدہ نقد بہاؤ کے انتظام کو خصوصی اہمیت دیتا ہے تاکہ کاروباری امور کی روانی اور بلا قطل انجام دہی کو یقینی بنایا جاسکے۔

اندرونی مالی کنٹرولز

کمپنی میں ایک مضبوط اور مؤثر اندرونی کنٹرول کا نظام رائج ہے جو کمپنی کے کاروباری مقاصد کے حصول، آپریشنل کارکردگی، قابل اعتماد مالی رپورٹنگ اور تمام قانونی تقاضوں کی تکمیل کو یقینی بناتا ہے۔

صحت، حفاظت اور ماحول

آپ کی کمپنی عملی اہمیت سے بخوبی آگاہ ہے، لہذا کمپنی اپنے کاروبار سے متعلق تمام امور میں عملی حفاظت، صحت اور ماحول کے تحفظ کے لیے پُر عزم ہے۔

کارپوریٹ سماجی ذمہ داری

ہمیں یہ بتاتے ہوئے خوش محسوس ہو رہی ہے کہ کمپنی بطور ایک ذمہ دار کاروباری ادارہ مختلف سماجی تنظیموں اور اداروں کے ساتھ رابطے میں ہے تاکہ ان کے سماجی پروگراموں اور منصوبوں میں تعاون کے طریقے تلاش کیے جاسکیں۔

کارپوریٹ گورننس اور فیڈرل رپورٹنگ فریم ورک کی تعمیل کا بیان

سیکپو ریٹز اینڈ آئی سی سی جی کمپنیز آف پاکستان (SECP) اور سیکپو ریٹز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی تعمیل میں ڈائریکٹرز یہ رپورٹ کرتے ہیں کہ:

ا۔ کمپنی کے مالی بیانات کمپنی کے آپریشنر، نقد بہاؤ اور ایکویٹی میں تبدیلیوں کی مضغافہ کا سی کرتے ہیں۔

ب۔ کمپنیز ایکٹ 2017 کے مطابق درست اکاؤنٹس کی کتب رکھی گئی ہیں۔

پ۔ مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ اپنایا گیا ہے اور جہاں تبدیلی کی گئی ہے وہاں مناسب وضاحت دی گئی ہے۔ تمام تخمینے معقول اور محتاط فیصلے پر مبنی ہیں۔

ت۔ بین الاقوامی اکاؤنٹنگ اسٹینڈرڈز (IASs) اور انٹرنیشنل فیڈرل رپورٹنگ اسٹینڈرڈز (IFRSs)، جو پاکستان میں قابل اطلاق ہیں، کی مکمل پیروی کی گئی ہے۔ کسی انحراف کی صورت میں مناسب وضاحت کی گئی ہے۔

ث۔ کمپنی کا اندرونی کنٹرول سسٹم مضبوط، مؤثر اور تسلسل سے نافذ ہے۔

ج۔ گزشتہ چھ سالوں کے کلیدی مالی و آپریشنل اعداد و شمار منسلک ہیں۔

ج۔ واجب الادا فیکسز اور لیویز مالی بیانات کے نوٹسز میں درج ہیں۔

ج۔ مالی سال کے اختتام کے بعد سے تاحال کمپنی کی مالی پوزیشن پر کوئی منفی مادی اثر یا عزم ظاہر نہیں ہوا۔

ح۔ مالی سال ختم شدہ 30 جون 2026 کے مالی بیانات کمپنی کے بیرونی آڈیٹرز نے آڈٹ کیے ہیں۔

خ۔ کمپنی نے اپنی تمام اہم قانونی اور مالی ذمہ داریاں پوری کی ہیں۔

کارپوریٹ گورننس کوڈ کی تعمیل کا بیان

پاکستان اسٹاک ایکسچینج کے سسٹم ریگولیشنز کے تحت مقرر کردہ کارپوریٹ گورننس کوڈ کی تمام ضروریات، مالی سال ختم شدہ 30 جون 2026 کے لیے، کمپنی نے اپنائی ہیں اور ان پر مکمل طور پر عمل کیا گیا ہے۔ اس حوالے سے ایک تفصیلی بیان رپورٹ کے ساتھ منسلک ہے۔

بورڈ کی کارکردگی کا جائزہ

کارپوریٹ گورننس ریگولیشنز 2019 کی تعمیل میں بورڈ نے اپنی سالانہ کارکردگی کے جائزے کا ایک باضابطہ طریقہ کار وضع کیا ہے۔ اس جائزے کا مقصد یہ جانچنا ہے کہ بورڈ نے اپنے تمام طے شدہ اہداف اور معیار پر کس حد تک کارکردگی دکھائی ہے۔

شمیر ہولڈنگ کا خاکہ

کمپنیز ایکٹ 2017 اور کارپوریٹ گورننس کوڈ کے مطابق 30 جون 2026 کو شمیر ہولڈنگ کے پٹرن کی تفصیلی فہرست منسلک ہے۔

جوبڈرپے گیپ بیان

جوبڈرپے گیپ بیان منسلک ہے۔

پورڈ کی ساخت

پورڈ آف ڈائریکٹرز کی ساخت درج ذیل ہے۔

کل ڈائریکٹرز کی تعداد		
مرد	6	
عورت	1	
کمپنی	ڈائریکٹرز کے نام	مینگ میں شرکت
آزاد ڈائریکٹر	شیخ آفتاب احمد	5
	سید ہارون رشید	1
آزاد ڈائریکٹر فی میل ڈائریکٹر	محترمہ مصطفیٰ کاشف (استعفیٰ تاریخ 14-09-2026)	5
نان ایگزیکٹو ڈائریکٹرز	جناب محمد نسیم سہگل	5
	جناب محمد مراد سہگل	5
	جناب محمد عمر فاروق	5
فی میل ڈائریکٹر	محترمہ قریم عمران (مقرر کردہ تاریخ 14-09-2026)	0
ایگزیکٹو ڈائریکٹر	جناب محمد زید یوسف سہگل	5
آڈٹ گونگ ڈائریکٹر	محترمہ محمد اطہر رفیق (ریٹائرمنٹ تاریخ 24-03-2026)	4

کمپنیز

پورڈ کی کمپنیز کی تفصیل درج ذیل ہے۔

آڈٹ کمیٹی

سید ہارون رشید	چیئر مین / ممبر
محترمہ قریم عمران	ممبر
جناب محمد عمر فاروق	ممبر

ایچ آر اینڈ مینجمنٹ کمیٹی

سید ہارون رشید	چیئر مین / ممبر
جناب محمد نسیم سہگل	ممبر
جناب محمد زید یوسف سہگل	ممبر

ہم تمام شیئر ہولڈرز کے بحریہ اور تعاون کے تہدول سے مشکور ہیں۔ ہم یہ اعلان کرتے ہوئے خوشی محسوس کرتے ہیں کہ کمپنی اپنے ملازمین کو سراہتے ہوئے یہ امید کرتی ہے کہ وہ اسی انداز میں آئندہ بھی اپنے فرائض سرانجام دیتے رہیں گے۔

منجانب دہرائے پورڈ:

محمد زید یوسف سہگل
چیئر ایگزیکٹو

محمد مراد سہگل
ڈائریکٹر

لاہور

105 اکتوبر، 2026

KOHINOOR INDUSTRIES LIMITED

SIX YEARS AT A GLANCE

(Rupees in '000)

PARTICULARS	2025-26	2024-25	2023-24	2022-23	2021-22	2020-21
<u>Financial Position</u>						
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	18,551	18,551	18,551	15,582	15,532	14,387
Investment Property	945,849	923,305	901,394	880,878	856,514	847,646
Accumulated Depericiation	14,940	14,216	13,332	12,867	12,439	12,056
Current Assets	188,413	216,940	163,303	122,339	115,495	84,077
Current Liabilities	39,623	54,370	51,925	44,046	60,758	59,417
<u>Income</u>						
Sales / Revenue	43,521	85,829	85,655	78,278	68,076	61,909
Other Income	45,808	44,413	50,899	43,744	12,738	24,946
Gross Profit	-	-	-	-	-	-
Pre tax profit / (Loss)	37,702	87,933	73,799	55,469	44,459	59,511
Taxation	(235)	(12,519)	(35,079)	(11,904)	(11,495)	(14,894)
Profit / Loss after taxation	37,467	75,414	38,720	43,565	32,964	44,523
Unappropriated profit / (Loss)	(373,650)	(388,419)	(463,788)	(502,458)	(545,839)	(578,784)
<u>STATISTICS AND RATIOS</u>						
Gross profit to sales %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Pre tax profit / (Loss) to capital %	12.44%	29.01%	24.35%	18.31%	14.67%	19.64%
Current ratio	4.76	3.99	3.14	2.78	1.90	1.42
Paid up value per share (Rs.)	10	10	10	10	10	10
Earning after tax per share (Rs.)	1.24	2.49	1.28	1.44	1.09	1.47
Cash dividend %	-	7.50%	-	-	-	-

FORM 20

**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

30-06-2026

-----Shareholdings-----			
2.2 No. of Shareholders	From	To	Total Shares Held
1525	1	100	45,913
1171	101	500	346,266
636	501	1,000	516,331
1176	1,001	5,000	2,963,359
271	5,001	10,000	2,038,300
105	10,001	15,000	1,318,303
60	15,001	20,000	1,054,039
27	20,001	25,000	637,750
20	25,001	30,000	561,945
11	30,001	35,000	356,517
10	35,001	40,000	375,903
11	40,001	45,000	469,202
12	45,001	50,000	591,542
6	50,001	55,000	317,213
5	55,001	60,000	290,580
2	60,001	65,000	129,000
1	65,001	70,000	66,790
2	70,001	75,000	149,056
5	75,001	80,000	396,070
1	80,001	85,000	80,038
1	85,001	90,000	86,028
2	90,001	95,000	184,711
4	95,001	100,000	400,000
3	110,001	115,000	335,961
1	115,001	120,000	118,742
1	120,001	125,000	120,881
1	125,001	130,000	125,050
1	135,001	140,000	136,662
1	150,001	155,000	150,149
1	155,001	160,000	156,000
1	170,001	175,000	170,550
1	195,001	200,000	198,500
1	460,001	465,000	462,892
1	2,285,001	2,290,000	2,287,108
1	5,335,001	5,340,000	5,335,219
1	7,325,001	7,330,000	7,329,973
5079			30,302,543

KOHINOOR INDUSTRIES LIMITED
Categories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2026

Sr. No.	Name	No. of Shares Held	Percentage
---------	------	--------------------	------------

Associated Companies, Undertakings and Related Parties (Name Wise Detail):

- -

Mutual Funds (Name Wise Detail)

1	GOLDEN ARROW SELECTED STOCKS FUND	299	0.0010
2	SECURITY STOCK FUND LTD.	560	0.0018

Directors and their Spouse and Minor Children (Name Wise Detail):

1	MR. M. NASEEM SAIGOL (CDC)	5,335,219	17.6065
2	MR. MUHAMMAD OMER FAROOQ	2,625	0.0087
3	SHEIKH AFTAB AHMED (CDC)	100,000	0.3300
4	MR. MUHAMMAD ZEID YOUSUF SAIGOL	465,403	1.5359
5	MR. MUHAMMAD MURAD SAIGOL	2,289,608	7.5558
6	MRS. SADAF KASHIF	2,500	0.0083
7	SYED HAROON RASHID	2,500	0.0083
8	MRS. SEHYR SAIGOL W/O MR. M. NASEEM SAIGOL (CDC)	170,550	0.5628

Executives:

- -

Public Sector Companies & Corporations:

- -

Banks, Development Finance Institutions, Non Banking Finance

97,928 0.3232

Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:

Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)

1	MRS. AMBER HAROON SAIGOL (CDC)	7,329,973	24.1893
2	MR. M. NASEEM SAIGOL (CDC)	5,335,219	17.6065
3	MR. MUHAMMAD MURAD SAIGOL (CDC)	2,289,608	7.5558

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

S. No.	NAME	SALE	PURCHASE
1	SHEIKH AFTAB AHMED (CDC)	75,000	0
2	MR. MUHAMMAD ZEID YOUSUF SAIGOL (CDC)	-	462,892
3	MR. MUHAMMAD MURAD SAIGOL (CDC)	-	2,287,108

Categories of Shareholders	No. of Shareholders	Share held	Percentage
Directors, Chief Executive Officer, and their spouse and minor children	8	8,368,405	27.6162
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	2	4,675	0.0154
Modarabas and Mutual Funds	4	1,447	0.0048
General Public	4,993	21,413,835	70.6668
Others (to be specified)			
Pension Funds	1	30,578	0.1009
Leasing Companies	1	36,750	0.1213
Abondond Properties	1	1,860	0.0061
Other Companies	2	1,098	0.0036
Joint Stock Companies	38	336,056	1.1090
Foreign Companies	12	46,855	0.1546
	<u>5,079</u>	<u>30,302,543</u>	<u>100.0000</u>

پیٹرن آف شیئر ہولڈنگ

30 جون 2026

نمبر شمار	کمپنی آف شیئر ہولڈرز	تعداد حصص داران	تعداد حصص	فیصد
1	ڈائریکٹرز، چیف ایگزیکٹو آفیسر، ان کی بیویاں اور چھوٹے بچے۔	8	8,368,405	27.6162
2	ایسوسی ایٹڈ کمپنیز، انڈر ٹیکنز 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	انشورنس کمپنیز	2	4,675	0.0154
6	مدار بہ اور میوچل فنڈز	4	1,447	0.0048
7	عام عوام	4,993	21,413,835	70.6668
8	دوسرے (مخصوص کیا جائے گا)			
	پینشن فنڈز	1	30,578	0.1009
	لیزنگ کمپنیز	1	36,750	0.1213
	ابنڈن پراپرٹیز	1	1,860	0.0061
	دوسری کمپنیز	2	1,098	0.0036
	جوائنٹ سٹاک کمپنیز	38	336,056	1.1090
	غیر ملکی کمپنیز	12	46,855	0.1546
	کل تعداد	5,079	30,302,543	100.0000

تعداد حصص

-	ایسوسی ایٹڈ کمپنیز، انڈر ٹیکنز اور متعلقہ پارٹی۔
859	میوچل فنڈز
8,368,405	ڈائریکٹرز، چیف ایگزیکٹو آفیسر، ان کی بیویاں اور چھوٹے بچے۔
-	ایگزیکٹوز
-	پبلک سیکورٹیز اور کارپوریشنز
97,928	بینک، ڈیولپمنٹ فنانس انسٹی ٹیوشنز، نان بینکنگ فنانس انسٹی ٹیوشنز، انشورنس کمپنیز، مدار بہ اور پینشن فنڈز
14,954,800	پانچ فیصد یا اس سے زیادہ کے حصص داران
	لہڈ کمپنیز میں ڈائریکٹرز، ای ای او، ای ای او، کمپنی سیکرٹری، ان کی بیویاں اور چھوٹے بچوں کے حصص کی خرید و فروخت

نمبر شمار	نام	فروخت	خرید
1	شیخ آفتاب احمد	75,000	-
2	محترم محمد زید یوسف سہگل	-	462,892
3	محترم محمد مراد سہگل	-	2,287,108

GENDER PAY GAP STATEMENT UNDER SECTION 10 OF 2024

KOHINOOR INDUSTRIES LIMITED

Gender Pay Gap Statement under circular 10 of 2024

Following is the gender pay gap calculated for the year ended 30-06-2026.

(i)	Mean Gender Pay Gap:	$5474/5474 \times 100 =$	100
	Houly rate Male Employees	5,474	
	Houly rate Female Employees	-	
(ii)	Median Gender Pay Gap:	$5474/5474 \times 100 =$	100
	Houly rate Male Employees	5,474	
	Houly rate Female Employees	-	
(iii)	Any other data / detail as deemed relevant:		Nil

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

Name of company: **KOHINOOR INDUSTRIES LIMITED**
Year ending: **JUNE 30, 2026**

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	Sheikh Aftab Ahmad
	Syed Haroon Rashid
	Mrs. Sadaf Kashif (Resigned on 14-09-2026)
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. Tehreem Imran (Appointed on 14-09-2026)

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. Five out of Seven Directors already attended Directors' Training Program (DTP). Two directors already exempted from the requirement of DTP as per Regulation No. 19(2) of the CCG Regulation, 2019.
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. Syed Haroon Rashid (Appointed on 14-09-2026)
2. Mrs. Sadaf Kashif (Resigned on 14-09-2026)
3. Mrs. Tehreem Imran (Appointed on 14-09-2026)
4. Mr. Muhammad Murad Saigol (Resigned on 14-09-2026)
5. Mr. Muhammad Omer Farooq

b) HR and Remuneration Committee:

1. Syed Haroon Rashid (Appointed on 14-09-2026)
2. Mrs. Sadaf Kashif (Resigned on 14-09-2026)
3. Mr. M. Naseem Saigol
4. 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. September 23, 2025 (Budget)
2. October 06, 2025 (Annual)
3. October 29, 2025 (1st Quarter)
4. February 25, 2026 (2nd Quarter)
5. April 30, 2026 (3rd Quarter)

b) HR and Remuneration Committee:

1. October 06, 2025

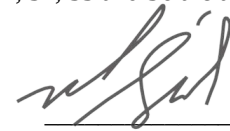
15. The Board has set up an effective internal audit function/ or has outsourced the internal audit function to who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

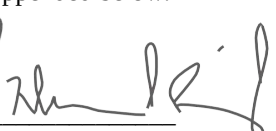
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance 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.

19. Explanation for non-compliance with requirements, other than Regulations 3, 7, 8, 27, 32, 33 and 36 are appended below.


Chief Executive


Director

**EXPLANATION FOR NON-COMPLIANCE OF NON-MANDATORY
Requirements of the Code of Corporate Governance, 2019 (“CCG”)**

Sr.#	Requirement	Explanation of Non-Compliance	Regulation Number
1	It is mandatory that each listed company shall have at least two or one third members of the Board, whichever is higher, as independent directors.	The Company currently has two elected independent directors out of Total seven directors on the Board. Fractional requirement for Independent directors have not been rounded up as both 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.	6(1)
2	The Board constitute the anti-harassment policy to safeguard the rights and well-being of employees	Currently, the Board has not constituted an anti-harassment policy and the functions are being performed by the Human Resource department according to the company’s Grievance Policy.	10
3	As per CCG 2019 "10A.- Role of the Board and its members to address Sustainability Risks and Opportunities	The board will take appropriate measures to proactively understand and address the principal as well as emerging sustainability risks and opportunities relevant to the company and its business, including climate-related risks and opportunities, assess their potential financial and operational impacts and implement strategies for management and mitigation thereof	10
4	Nomination Committee: The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the board has not constituted a separate Nomination Committee and the functions are being performed by the Human Resource & Remuneration Committee.	29(I)
5	Risk Management Committee: The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Board has not constituted a separate risk management committee however the risk is managed at respective department level which is also supervised by the departmental head.	30(I)
6	Disclosure of significant policies on website The company may post key elements of its significant policies, brief synopsis of reference of the Board Committees on its website and key elements of the directors’ remuneration policy	The requirement to disclose significant policies on the website is non-mandatory in regulation No. 35(1), and thus the Company has uploaded limited information in this respect on its website. The Company is, however, considering placing key elements and synopsis of other policies on its website.	35



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of KOHINOOR INDUSTRIES LIMITED

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 [the 'Regulations'] prepared by the Board of Directors of **KOHINOOR INDUSTRIES LIMITED** for the year ended **30 June 2026** in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended **30 June 2026**.

The engagement partner on the review resulting in this independent auditor's review report is **ALI RAZA JAFFERY**.


RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Lahore | 05 October 2026

UDIN: CR202610704A8x5PjXua



INDEPENDENT AUDITORS' REPORT

To the members of KOHINOOR INDUSTRIES LIMITED Report on the Audit of 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 2026**, 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 material 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 2026** 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. We have determined that there are no key audit matters to report.

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.

The 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) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).



The engagement partner on the audit resulting in this independent auditor's report is **ALI RAZA JAFFERY**.


RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Lahore | 05 October 2026

UDIN: AR202610704AzNjPqYfI



KOHINOOR INDUSTRIES LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
EQUITY AND LIABILITIES			
EQUITY			
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		651,264,077	651,264,077
Accumulated losses		(373,649,547)	(388,419,162)
Loans from directors and other shareholders	9	353,682,503	353,682,503
TOTAL EQUITY		1,121,717,218	1,106,947,603
LIABILITIES			
NON-CURRENT LIABILITIES			
Employees retirement benefits	10	5,616,273	4,926,895
Long term deposits	11	2,839,800	-
		8,456,073	4,926,895
CURRENT LIABILITIES			
Trade and other payables	12	34,493,358	39,712,264
Unclaimed dividend	13	2,783,793	2,190,252
Income tax payable	14	2,345,482	12,467,239
		39,622,633	54,369,755
TOTAL LIABILITIES		48,078,706	59,296,650
CONTINGENCIES AND COMMITMENTS			
	15		
TOTAL EQUITY AND LIABILITIES		1,169,795,924	1,166,244,253

The annexed notes from 1 to 46 form an integral part of these financial statements


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

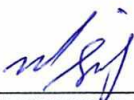
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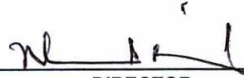
KOHINOOR INDUSTRIES LIMITED

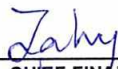
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	16	3,610,965	4,334,435
Investment property	17	945,848,555	923,304,760
Long term investments	18	26,705,700	20,270,250
Long term deposits	19	166,376	166,376
Deferred taxation	20	5,050,984	1,228,276
		981,382,580	949,304,097
CURRENT ASSETS			
Lease rentals receivable		-	20,000
Advances, deposits and prepayments	21	11,613,069	5,830,358
Short term investments	22	137,789,000	164,817,932
Advance income tax / income tax refundable		27,820,838	28,585,490
Cash and bank balances	23	11,190,437	17,686,376
		188,413,344	216,940,156
TOTAL ASSETS		1,169,795,924	1,166,244,253

The annexed notes from 1 to 46 form an integral part of these financial statements


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KOHINOOR INDUSTRIES LIMITED

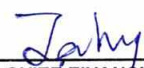
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2026

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
Rental income		43,520,704	85,829,232
Other income	25	45,807,608	44,413,451
Operating expenses	26	(46,293,625)	(37,719,814)
Other expenses	27	(900,483)	(2,451,931)
		(47,194,108)	(40,171,745)
Operating profit		42,134,204	90,070,938
Finance costs		(15,550)	(11,226)
Share of (loss)/profit of associate	18	(780,459)	2,456,679
Notional interest income	11.1	1,660,200	-
Profit before levies and income taxes		42,998,395	92,516,391
Provision for levies	28	(5,296,172)	(4,582,979)
Profit before income taxes		37,702,223	87,933,412
Provision for income taxes	29	(235,150)	(12,519,353)
Profit after income taxes		37,467,073	75,414,059
Basic earnings per share	30	1.24	2.49

The annexed notes from 1 to 46 form an integral part of these financial statements


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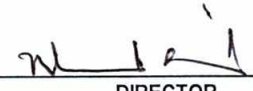
KOHINOOR INDUSTRIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2026

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
Profit after income taxes		37,467,073	75,414,059
Other comprehensive income:			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurements of defined benefit obligations	10.1	41,478	(63,107)
Income tax relating to items that will not be reclassified	20.3	(12,029)	18,301
		29,449	(44,806)
<i>Items that may be reclassified subsequently to profit or loss</i>		-	-
Other comprehensive income/(loss) after income taxes		29,449	(44,806)
Total comprehensive income		37,496,522	75,369,253

The annexed notes from 1 to 46 form an integral part of these financial statements


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KOHINOOR INDUSTRIES LIMITED

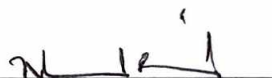
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2026

	Issued share capital <i>Rupees</i>	Share Premium <i>Rupees</i>	Revaluation reserve <i>Rupees</i>	Accumulated losses <i>Rupees</i>	Loans from directors and sponsors <i>Rupees</i>	Total equity <i>Rupees</i>
As at 01 July 2024	303,025,430	187,394,755	651,264,077	(463,788,415)	353,682,503	1,031,578,350
Total comprehensive income for the year						
Profit after income taxes	-	-	-	75,414,059	-	75,414,059
Other comprehensive loss after income taxes	-	-	-	(44,806)	-	(44,806)
	-	-	-	75,369,253	-	75,369,253
Transaction with owners	-	-	-	-	-	-
As at 30 June 2025	303,025,430	187,394,755	651,264,077	(388,419,162)	353,682,503	1,106,947,603
As at 01 July 2025	303,025,430	187,394,755	651,264,077	(388,419,162)	353,682,503	1,106,947,603
Total comprehensive income for the year						
Profit after income taxes	-	-	-	37,467,073	-	37,467,073
Other comprehensive income after income taxes	-	-	-	29,449	-	29,449
	-	-	-	37,496,522	-	37,496,522
Transaction with owners						
Final dividend @ 7.5% i.e. Rs. 0.75 per ordinary share	-	-	-	(22,726,907)	-	(22,726,907)
As at 30 June 2026	303,025,430	187,394,755	651,264,077	(373,649,547)	353,682,503	1,121,717,218

The annexed notes from 1 to 46 form an integral part of these financial statements



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KOHINOOR INDUSTRIES LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2026

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in)/generated from operations	31	(11,067,274)	50,317,856
Payments for:			
Income taxes and levies under Income Tax Ordinance, 2001		(15,386,219)	(23,640,480)
Employees retirement benefits		-	(396,000)
Net cash (used in)/generated from operating activities		(26,453,493)	26,281,376
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of short term investments		(282,826,640)	(48,248,936)
Proceeds from disposal of short term investments		324,917,560	4,000,000
Dividend income		-	18,331,915
Net cash generated from/(used in) investing activities		42,090,920	(25,917,021)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(22,133,366)	(48,847)
Net cash used in financing activities		(22,133,366)	(48,847)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(6,495,939)	315,508
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		17,686,376	17,370,868
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	32	11,190,437	17,686,376

The annexed notes from 1 to 46 form an integral part of these financial statements


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KOHINOOR INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

1 LEGAL STATUS AND OPERATIONS

Kohinoor Industries Limited ['the Company'] was incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) on 31 August 1948. The Company is a 'Public Company Limited by Shares' and is listed on Pakistan Stock Exchange Limited. The Company was initially engaged in manufacture and sale of yarn. However, the Board of Directors of the Company in its meeting held on 30 April 2008 decided to close 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 land and buildings under operating lease arrangements, as and when considered fit.

1.1 Location of business units

Registered office	10-G, Mushtaq Ahmed Gurmani Road, Gulberg - II, Lahore, Pakistan
Investment property	College Road, Madina Town, Faisalabad, Pakistan

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards 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 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 Standards, 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
Employees retirement benefits	Present value
Financial instruments	Fair value/Amortized cost
Investment property	Fair 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

Critical accounting judgements made by the management in the application of accounting and reporting standards that have significant effect on the financial statements are as follows:

(a) Business model assessment (see note 5.1.2)

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.

KOHINOOR INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

(b) Significant increase in credit risk (see note 5.16.1)

Expected credit losses ['ECL'] are measured, based on the Company's risk grading framework, at 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 36.1.3)

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. 1.197 million (30-Jun-25: Rs. 1.843 million).

(b) Present value of defined benefit obligation (see note 10)

The determination of the Company's defined benefit obligation depends on certain assumptions, which include selection of the discount rate, average rate of increase in salaries and mortality rates. The discount rate is set by reference to market yields at the end of the reporting period on government bonds as there is no deep market for high quality corporate bonds in Pakistan. Average rate of increase in salary are based on market expectations, inflation and historical trends. Mortality rates are based upon SLIC(2001-05) mortality table. These assumptions are considered to be a key source of estimation uncertainty as relatively small changes in the assumptions used may have a significant effect on the Company's financial statements within the next year.

Present value of defined benefit obligation has been determined using projected unit credit method. The liability as at the reporting date has been determined by an independent actuary, Nauman Associates, Consulting Actuaries. The principal assumptions used in determining present value of defined benefit obligation are:

	30-Jun-26	30-Jun-25
	Rupees	Rupees
Discount rate	11.75%	11.75%
Expected rates of increase in salary	10.75%	11.25%

An analysis of sensitivity for discount rate and expected rate of increase in salary 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:

	30-Jun-26		30-Jun-25	
	Change in actuarial assumption	Defined benefit obligation Rupees	Change in actuarial assumption	Defined benefit obligation Rupees
Discount rate	+ 1%	5,343,677	+ 1%	4,682,170
	- 1%	5,931,844	- 1%	5,206,969
	30-Jun-26		30-Jun-25	
	Change in actuarial assumption	Defined benefit obligation Rupees	Change in actuarial assumption	Defined benefit obligation Rupees
Expected rate of increase in salary	+ 1%	5,936,241	+ 1%	5,210,726
	- 1%	5,335,107	- 1%	4,674,604

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KOHINOOR INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

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.

(c) Fair value of investment property (see note 17.1).

Most recent revaluation of investment property, comprising land and building, was carried out by an independent valuer, The Custodial Management Services (Private) Limited, on 30 June 2026. Revalued amounts of investment property have been determined by reference to local market values taking into account prevailing fair market prices under the position and circumstances present on the date of valuation and current market scenario for properties of similar nature in the immediate neighborhood and adjoining areas. Land is valued using market comparable approach that reflects recent transaction prices for similar properties. Significant inputs include estimated purchase price, including non-refundable purchase taxes and other costs directly attributable to the acquisition. Building is valued using cost approach that reflects the cost to the market participants to construct assets of comparable utility and age, adjusted for obsolescence and depreciation. Significant inputs include estimated construction costs and other ancillary expenditure.

A 5% increase in estimated purchase price of land, including non-refundable purchase taxes and other costs directly attributable to the acquisition of land or in estimated construction cost of buildings and other ancillary expenditure would result in a significant increase in fair value of land and building by Rs. 40.168 million (30-Jun-25: Rs. 39.372 million) and Rs. 7.124 million (30-Jun-25: Rs. 6.793 million) respectively.

(d) Provisions for levies and income taxes under Income Tax Ordinance, 2001 (see note 28 and 29)

The Company takes into account the current income tax law and decisions taken by appellate and other relevant legal forums while estimating its provisions for income taxes, levies and tax contingencies under the Income Tax Ordinance, 2001 [the Ordinance].

The provision for levies and current tax under the Ordinance are estimated at Rs. 3.66 million (30-Jun-25: Rs. 4.58 million) and Rs. 2.35 million (30-Jun-25: Rs. 12.80 million) respectively. The management believes that the provision for current tax and levies made in the financial statements is sufficient to discharge related liabilities under the Ordinance.

The credit (30-Jun-25: credit) for deferred tax is estimated at Rs. 3.84 million (30-Jun-25: Rs. 0.35 million) has been estimated after taking into account turnover and profit trends and their taxability under the current tax law.

2.4 Functional currency

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

2.5 Date of authorization for issue

These financial statements have been approved by the Board of Directors of the Company and authorized for issue on 05 October 2026.

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

The following new and revised International Financial Reporting Standards [IFRS] and International Accounting Standards [IAS], interpretations of and amendments to IFRS and IAS are effective in the current period 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 Lack of Exchangeability (Amendments to IAS 21)

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

KOHINOOR INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

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)
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	01 January 2026
Amendments IFRS 9 and IFRS 7 regarding the power purchase agreements	01 January 2026
Annual Improvements to IFRS Accounting Standards — Volume 11	01 January 2026
IFRS 17 Insurance Contracts	01 January 2027
IFRS 18 Presentation and Disclosures in Financial Statements	01 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	01 January 2027
Amendments to IAS 21 regarding translation to hyperinflationary presentation currency	01 January 2027
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	01 July 2027
IFRS S2 Climate-related Disclosures	01 July 2027

Other than aforementioned standards, interpretations and amendments, IASB has also issued the following standards which have not been notified by the Securities and Exchange Commission of Pakistan for adoption.

- IFRS 1 First Time Adoption of International Financial Reporting Standards
- IFRS 20 Regulatory Assets and Regulatory Liabilities

The Company intends to adopt these new standards on their effective dates, subject to 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 a material impact on the Company's interim financial statements other than in presentation/disclosures.

5 MATERIAL ACCOUNTING POLICIES

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

5.1 Financial instruments

5.1.1 Recognition

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

5.1.2 Classification

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

(a) Financial assets at amortized cost

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

(b) Financial assets at fair value through other comprehensive income ['fair value through OCI']

These are:

- financial assets held within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets 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; and
- investments in equity instruments, that are not held for trading nor contingent consideration recognized by the Company as acquirer in a business combination, for which the Company makes an irrevocable election at initial recognition to present changes in fair value on subsequent measurement in other comprehensive income.

KOHINOOR INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

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

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

(d) *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.

(e) *Financial liabilities at fair value through profit or loss*

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

5.1.3 Measurement

Measurement methods adopted are explained in individual policy statements associated with each financial instrument.

5.1.4 De-recognition

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.

5.1.5 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.

5.2 Ordinary share capital

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

5.3 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.

5.4 Trade and other payables

5.4.1 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.

5.4.2 Non-financial liabilities

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

5.5 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.

KOHINOOR INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

5.6 Property, plant 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.

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 16, 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.

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.

5.7 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 recognized in profit or loss in the period in which the property is derecognised.

5.8 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.

5.9 Trade and other receivables

5.9.1 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.

5.9.2 Non-financial assets

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

5.10 Investments in mutual funds

Investments in mutual funds held for trading are mandatorily classified as 'financial assets at fair value through profit or loss'. On initial recognition, these are measured at fair value on the date of acquisition. Subsequent to initial recognition, these are measured at fair value. Cumulative gains and losses from changes in fair value recognized in profit or loss. Dividend income is recognized in profit or loss when right to receive payment is established. Any gain or loss arising on derecognition of these investments, calculated as the difference between the net disposal proceeds and their carrying amount, is recognized in profit or loss in the period in which the investment is derecognised.

5.11 Cash and cash equivalents

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

KOHINOOR INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

5.12 Leases as 'lessor'

The Company enters into operating lease agreements as a lessor with respect to its investment property. 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 an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

5.13 Employee benefits

5.13.1 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.

5.13.2 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.

5.14 Borrowing costs

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

5.15 Income tax

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

5.15.1 Current taxation

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

5.15.2 Deferred taxation

Deferred tax is accounted for by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. 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.

5.16 Impairment

5.16.1 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.

KOHINOOR INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

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.

5.16.2 Non-financial assets

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

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

5.17 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.

5.18 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'.

5.19 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.

5.20 Fair value measurements

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

KOHINOOR INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- *Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3:* inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

5.21 Dividend distribution to ordinary shareholders

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

	30-Jun-26	30-Jun-25
	<i>Rupees</i>	<i>Rupees</i>
6 AUTHORIZED SHARE CAPITAL		
40,000,000 (30-Jun-25: 40,000,000) ordinary shares of Rs. 10 each	400,000,000	400,000,000
	400,000,000	400,000,000
7 ISSUED SHARE CAPITAL		
12,095,482 (30-Jun-25: 12,095,482) shares issued for cash	120,954,820	120,954,820
18,207,061 (30-Jun-25: 18,207,061) shares issued as fully paid bonus shares	182,070,610	182,070,610
	303,025,430	303,025,430

8 SHARE PREMIUM

This represents premium on issue of right ordinary shares recognized under section 81 of the Companies Act, 2017.

9 LOANS FROM DIRECTORS AND OTHER SHAREHOLDERS

These represent unsecured, interest free loans provided by the directors and other shareholders of the Company. The Company has reached an understanding with the lenders that these loans shall be payable at the discretion of the Company and that these loans are not payable on demand. Accordingly, these loans have 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.

10 EMPLOYEES RETIREMENT BENEFITS

The Company operates 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 2026

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
10.1 Movement in present value of defined benefit obligation			
As at beginning of the year		4,926,895	3,571,373
Charged to profit or loss for the year	10.2 & 26.1	1,921,856	1,688,415
Benefits paid during the year		-	(396,000)
Benefits due but unpaid	12.1	(1,191,000)	-
Remeasurements recognized in other comprehensive income	10.3	(41,478)	63,107
As at end of the year		5,616,273	4,926,895
10.2 Charge to profit or loss			
Current service cost		1,412,917	1,190,842
Interest cost		508,939	497,573
		1,921,856	1,688,415
10.3 Remeasurements recognized in other comprehensive income			
Actuarial (gain)/loss arising from:			
Changes in financial assumptions		-	(17,545)
Experience adjustments		(41,478)	80,652
		(41,478)	63,107
10.4 Average duration of the defined benefit obligation			
The average duration of the defined benefit obligation is five years.			
10.5 Expected charge to profit or loss for the next financial year			
The expected charge to profit or loss for the year ending 30 June 2027 amounts to Rs. 1.834 million.			
10.6 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 corporate bonds in Pakistan. An increase in market yield resulting in a higher discount rate will decrease the defined benefit liability.			
Mortality risk: The present value of defined benefit obligation has been calculated with reference to the assumed mortality rates. The risk arises from actual mortality experience differing from the assumed mortality rates. This risk is more pronounced where the age and service distribution of employees is relatively higher.			
Withdrawal risk: The present value of defined benefit obligation has been calculated with reference to the assumed withdrawal probabilities. The risk arises from actual employee withdrawal experience differing from the assumed withdrawal probabilities. The significance of withdrawal risk varies with the age and service profile of employees and the benefits to which they are entitled.			
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.			
11 LONG TERM DEPOSITS			
This represents deposits received from lessees under operating lease arrangements. The deposits are refundable or adjustable upon termination or expiry of the respective lease arrangements. Since these deposits are not expected to be settled within twelve months from the reporting date, they have been classified as non-current liabilities. These are classified as 'financial liabilities at amortized cost' under IFRS 9 'Financial Instruments' and are accordingly carried at amortized cost. The movement in the face value of the deposits and the related unamortized notional interest is as follows:			
	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
As at beginning of the year		-	-
Received during the year		4,500,000	-
As at end of the year		4,500,000	-
Un-amortized notional interest	11.1	(1,660,200)	-
		2,839,800	-

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KOHINOOR INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
11.1 Un-amortized notional interest			
As at beginning of the year		-	-
Recognized during the year	11.1.1	1,858,035	-
Amortized during the year	11.1.1	(197,835)	-
		1,660,200	-

11.1.1 Notional interest has been recognized and amortized at 11.44%, applied on the amortized cost of the deposit.

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
12 TRADE AND OTHER PAYABLES			
Creditors		20,706	643,380
Accrued liabilities	12.1	2,218,952	1,771,420
Advances from customers		375,044	340,946
Sales tax payable	12.2	20,642,050	20,642,050
Levies payable	12.3	3,655,163	4,582,979
Workers' Profit Participation Fund		371,704	371,704
Workers' Welfare Fund	12.4	6,365,687	6,100,498
Security deposits		-	5,215,503
Other payables	12.5	844,052	43,784
		34,493,358	39,712,264

12.1 This includes employee benefits due but unpaid as at the reporting date amounting to Rs. 1.19 million (30-June-25: Rs. nil).

12.2 This represents provision recognized for sales tax liabilities arising out of sales tax order in original no. 33/FD/2000 by the Collectorate of Customs, Sales Tax and Central Excise (now Commissioner Inland Revenue), Faisalabad whereby liability for sales tax along with additional sales tax and penalty was determined amounting to Rs. 5.730 million, 14.530 million and 0.382 million respectively. 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. However, on the merits of the case the Company has recognized related liability in full.

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
12.3 Levies payable			
As at beginning of the year		4,582,979	2,341,098
Charged to profit or loss for the year	28	5,296,172	4,582,979
Paid/adjusted during the year		(6,223,988)	(2,341,098)
As at end of the year		3,655,163	4,582,979
12.4 Workers' Welfare Fund			
As at beginning of the year		6,100,498	3,648,567
Charged to profit or loss for the year	28	265,189	2,451,931
		6,365,687	6,100,498

12.5 This includes insurance claim proceeds amounting to Rs. 0.80 million (30-June-25: Rs. nil) received from the insurance company in respect of a deceased employee, which remain payable to the legal representative of the deceased employee pending completion of the requisite documentation.

13 UNCLAIMED DIVIDEND

This represents dividend on ordinary shares declared in the previous years but not claimed by the shareholders as at the reporting date.

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KOHINOOR INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
14	INCOME TAX PAYABLE		
As at beginning of the year		12,467,239	12,869,963
Charged to profit or loss for the year	29	4,069,887	12,868,808
Paid/adjusted during the year		(14,191,644)	(13,271,532)
As at end of the year		2,345,482	12,467,239

15 CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

15.1.1 United Investment Limited [‘the plaintiff’] filed a suit before the Civil Court, Lahore, against the Company. The suit concerns land measuring 497 kanals and 11 marlas at Mauza Kala Shah Kaku, Tehsil Ferozwala, District Sheikhpura. The plaintiff sought a declaration that Mutation No. 602 dated 27 February 1988, relating to this land, is void. It also sought possession of the land, a permanent injunction, and compensation for use and occupation of Rs. 1.5 million, plus Rs. 0.5 million per annum until possession is delivered. The suit was dismissed by the Civil Court, Lahore vide its order dated 25 September 2013. Being aggrieved by the decree, the plaintiff filed an appeal reference (RFA No. 285/14) before the Honourable Lahore High Court. The reference appeal was last heard on 10 June 2026 and is presently pending before the Honourable Lahore High Court. No further date is fixed for hearing. The management of the Company expects the favourable outcome of the case based on the advice of the Company’s legal counsel.

15.1.2 The Securities and Exchange Commission of Pakistan [‘SECP’], upon a request made by certain shareholders concerning the alleged improper management of the Company’s operations, filed a reference (C.O. No. 16/2016) dated 07 April 2016 before the Honourable Lahore High Court, Lahore. The Honourable Lahore High Court issued a notice of hearing to the Company. The Company in this respect attended the hearing and submitted its response on the matters raised therein. The reference remains pending before the Honourable Lahore High Court, Lahore, with the next date of hearing fixed for 30 September 2026.

15.1.3 The Company, through Civil Appeal No. 296-14 of 2024 filed before the Civil Court, Faisalabad, challenged claims amounting to Rs. 20.246 million raised by the Faisalabad Development Authority [‘FDA’] on account of alleged arrears and sought interim relief against the recovery thereof. The Company took the position that its industrial connections had been disconnected in December 2012 and that no services had been availed by the Company thereafter. The Civil Court, Faisalabad, vide its order dated 19 November 2024, declined to grant the interim injunction sought by the Company. Aggrieved by the said order, the Company filed an appeal before the Additional District Court, Faisalabad, which, vide its order dated 13 May 2025, dismissed the appeal and upheld the decision of the Civil Court, Faisalabad. Aggrieved by the orders dated 19 November 2024 and 13 May 2025, the Company filed Writ Petition No. 52338 of 2025 before the Honourable Lahore High Court [‘LHC’], seeking interim relief against the recovery of the amount claimed by the FDA. The LHC, vide its order dated 15 September 2025, granted interim relief to the Company subject to the deposit of 50% of the amount claimed by the FDA under protest, while the remaining 50% remained subject to the final outcome of the proceedings. Accordingly, the Company deposited Rs. 10.123 million under protest. Subsequently, the LHC, vide its order dated 8 December 2025, disposed of the writ petition and remanded the matter to the lower courts for adjudication on a priority basis. The matter remains pending before the lower courts, and no date has yet been fixed for the next hearing.

Further, being aggrieved by the order dated 15 September 2025, pursuant to which the Company was directed to deposit 50% of the claim with the respondent, Water and Sanitation Agency [‘WASA’], the Company has filed a civil appeal before the LHC seeking a restraining order against the said order. The matter is pending adjudication before the LHC. The Company expects a favourable outcome of the proceedings.

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 2026

16 PROPERTY AND EQUIPMENT

30-Jun-26									
	COST			Rate %	DEPRECIATION				Net book value as at 30-Jun-26 Rupees
	As at 01-Jul-25 Rupees	Additions Rupees	Disposals Rupees		As at 01-Jul-25 Rupees	For the year Rupees	Disposals Rupees	As at 30-Jun-26 Rupees	
Operating fixed assets									
Furniture and fixtures	1,357,000	-	-	10	973,744	38,326	-	1,012,070	344,930
Office equipment	3,518,000	-	-	10	2,467,075	105,093	-	2,572,168	945,832
Vehicles	13,675,675	-	-	20	10,775,421	580,051	-	11,355,472	2,320,203
	18,550,675	-	-		14,216,240	723,470	-	14,939,710	3,610,965

30-Jun-25									
	COST			Rate %	DEPRECIATION				Net book value as at 30-Jun-25 Rupees
	As at 01-Jul-24 Rupees	Additions Rupees	Disposals Rupees		As at 01-Jul-24 Rupees	For the year Rupees	Disposals Rupees	As at 30-Jun-25 Rupees	
Operating fixed assets									
Furniture and fixtures	1,357,000	-	-	10	931,160	42,584	-	973,744	383,256
Office equipment	3,518,000	-	-	10	2,350,306	116,769	-	2,467,075	1,050,925
Vehicles	13,675,675	-	-	20	10,050,357	725,064	-	10,775,421	2,900,254
	18,550,675	-	-		13,331,823	884,417	-	14,216,240	4,334,435

KOHINOOR INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
17	INVESTMENT PROPERTY		
	Land		
	As at beginning of the year	787,440,000	772,000,000
	Changes in fair value	17.1 15,922,500	15,440,000
	As at end of the year	803,362,500	787,440,000
	Building		
	As at beginning of the year	135,864,760	129,394,450
	Changes in fair value	17.1 6,621,295	6,470,310
	As at end of the year	142,486,055	135,864,760
		945,848,555	923,304,760

- 17.1 Most recent valuation of land and building is carried out by an independent valuer, The Custodial Management Services (Private) Limited, on 30 June 2026 and is incorporated in these financial statements. For basis of valuation, refer to note 2.3.2(c). As per most recent valuation, forced sale values of land and building are as follows:

	30-Jun-26 Rupees	30-Jun-25 Rupees
Land	682,858,125	669,324,000
Building	121,113,147	115,485,046

- 17.2 Investment property of the Company is situated at College Road, Madina Town Faisalabad with a total land area of 13.25 Acres. The land can be disposed-off only with the prior approval of the Government of Punjab.

18 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. Registered office of KPCL is situated in the Province of Punjab at 10-G, Mushtaq Ahmed Gurmani Road, Gulberg II, Lahore.

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

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
Percentage of ownership interest		22.50%	22.50%
Cost of investment			
2,835,000 fully paid ordinary shares of Rs. 10 each		90,000,000	90,000,000
Share of post acquisition loss		(19,358,793)	(18,578,334)
Dividend income from investment in associate		(10,800,000)	(10,800,000)
		59,841,207	60,621,666
Accumulated impairment	18.1.1.1	(33,135,507)	(40,351,416)
		26,705,700	20,270,250

KOHINOOR INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

18.1 Extracts of financial statements of associate

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-26 Rupees	30-Jun-25 Rupees
Non-current assets		68,909,048	81,646,578
Current assets		53,975,759	42,696,997
Non-current liabilities		-	-
Current liabilities		4,244,326	2,234,387
Revenue		10,220,441	6,742,067
(Loss)/profit for the year		(3,468,707)	10,918,575
Other comprehensive income for the year		-	-
Break-up value per share		9.42	9.69
Share of (loss)/profit of associate	18.1.1	(780,459)	2,456,679
Market value per share		27.05	7.15

18.1.1 Share of (loss)/profit of associate

Share of (loss)/profit for the year		(780,459)	2,456,679
Share of other comprehensive income for the year		-	-
		(780,459)	2,456,679

18.1.1.1 Changes in accumulated impairment of long term investment

As at the beginning of the year		40,351,416	42,033,837
Reversed during the year	25	(7,215,909)	(1,682,421)
		33,135,507	40,351,416

19 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-26 Rupees	30-Jun-25 Rupees
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20 DEFERRED TAXATION

Deferred tax asset on deductible temporary differences	20.1	5,145,747	1,428,800
Deferred tax liability on taxable temporary differences	20.1	(94,763)	(200,524)
Net deferred tax asset		5,050,984	1,228,276

KOHINOOR INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

20.1 Recognized deferred liabilities and tax assets

Deferred tax liabilities and assets are attributable to the following:

	30-Jun-26			
	As at 01-Jul-25 Rupees	Recognized in profit or loss Rupees	Recognized in OCI Rupees	As at 30-Jun-26 Rupees
Deferred tax assets				
Employees retirement benefits	1,428,800	557,338	(12,029)	1,974,109
Unused tax losses and credits	-	3,171,638	-	3,171,638
	1,428,800	3,728,976	(12,029)	5,145,747
Deferred tax liabilities				
Property and equipment	(83,753)	33,822	-	(49,931)
Short term investments	(116,771)	71,939	-	(44,832)
	(200,524)	105,761	-	(94,763)
	1,228,276	3,834,737	(12,029)	5,050,984

	30-Jun-25			
	As at 01-Jul-24 Rupees	Recognized in profit or loss Rupees	Recognized in OCI Rupees	As at 30-Jun-25 Rupees
Deferred tax assets				
Employees retirement benefits	1,035,698	374,801	18,301	1,428,800
Unused tax losses and credits	-	-	-	-
	1,035,698	374,801	18,301	1,428,800
Deferred tax liabilities				
Property and equipment	(133,192)	49,439	-	(83,753)
Short term investments	(41,986)	(74,785)	-	(116,771)
	(175,178)	(25,346)	-	(200,524)
	860,520	349,455	18,301	1,228,276

20.2 Deferred tax arising from timing differences has been calculated at 29% (30-Jun-25: 29%) except for those pertaining to income from investment in mutual funds taxable as a separate block under the provisions of the Income Tax Ordinance 2001 which has been calculated at 15% (30-Jun-25: 12.5%) of the timing differences based on tax rates notified by the Government of Pakistan for future tax years for such income.

20.3 Deferred tax on items of income and expenses recognized in other comprehensive income are attributable to:

	30-Jun-26		
	Origination and reversal of temporary differences Rupees	Changes in tax rates Rupees	Total Rupees
Remeasurements of defined benefit obligation	12,029	-	12,029
	12,029	-	12,029

KOHINOOR INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

		30-Jun-25		
		Origination and reversal of temporary differences <i>Rupees</i>	Changes in tax rates <i>Rupees</i>	Total <i>Rupees</i>
Remeasurements of defined benefit obligation		(18,301)	-	(18,301)
		(18,301)	-	(18,301)
		Note	30-Jun-26 <i>Rupees</i>	30-Jun-25 <i>Rupees</i>
21	ADVANCES, DEPOSITS AND PREPAYMENTS			
	Advances to employees	21.1	1,171,820	1,247,380
	Security deposits	21.2	10,123,032	-
	Prepaid levies		318,217	4,582,978
			11,613,069	5,830,358
21.1	These represent advances to employees against future salaries and post employment benefits in accordance with the Company policy.			
21.2	This represents deposit placed with the Faisalabad Development Authority ['FDA'] under protest, being 50% of the claim raised by the FDA against the Company on account of water and sanitation arrears, pursuant to the order dated 15 September 2025 of the Honourable Lahore High Court ['LHC']. The Company continues to contest the claim before the LHC and the matter remains pending adjudication (see note 15.1.3).			
22	SHORT TERM INVESTMENTS			
These represent investment in Atlas Money Market Fund managed by Atlas Asset Managemnet Limited. These, being held for trading, are required to be measured at fair value through profit or loss mandatorily. Accordingly, these have been classified as 'financial assets at fair value through profit or loss'. Particulars of investments are as follows:				
		Note	30-Jun-26 <i>Rupees</i>	30-Jun-25 <i>Rupees</i>
Atlas Asset Management Fund				
267,834.4768 (30-Jun-25: 321,548.5944) units				
Market value per unit: Rs. 514.4558 (30-Jun-25: Rs. 512.5755)				
Cost of investment			137,490,122	163,883,761
Changes in fair value			298,878	934,171
			137,789,000	164,817,932
23	CASH AND BANK BALANCES			
	Cash in hand		558,428	694,339
	Bank balances			
	Current accounts - local currency		6,519,377	9,488,490
	Deposit/saving accounts - local currency	23.1	4,112,632	7,503,547
			10,632,009	16,992,037
			11,190,437	17,686,376
23.1	These carry return at rates ranging from 6.98% to 9.5% (30-Jun-25: 9.5% to 19%) per annum.			
24	RENTAL INCOME			
This represents rental income from leasing out Company's investment property under operating lease arrangements.				

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KOHINOOR INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
25	OTHER INCOME		
	Gains on financial instruments		
	Return on bank deposits	350,622	1,465,936
	Changes in fair value of short term investments	-	654,264
	Gain on disposal of short term investments	15,697,282	368,605
	Impairment reversal on long term investment	18.1.1.1 7,215,909	1,682,421
	Dividend income	-	18,331,915
		23,263,813	22,503,141
	Other income		
	Changes in fair value of investment property	22,543,795	21,910,310
		22,543,795	21,910,310
		45,807,608	44,413,451
26	OPERATING EXPENSES		
	Salaries and benefits	26.1 25,294,954	22,267,147
	Printing and stationery	188,645	194,176
	Communication	455,008	349,141
	Repair and maintenance	9,743,579	7,185,080
	Rent, rates and taxes	3,000,449	2,671,885
	Utilities	3,157,676	1,157,913
	Insurance	268,844	277,596
	Advertisement	303,500	55,900
	Vehicles running and maintenance	446,295	405,213
	Traveling and conveyance	37,000	23,010
	Legal and professional	900,240	182,700
	Fees and subscription	381,443	689,315
	Auditor's remuneration	26.2 565,000	565,000
	Entertainment	484,270	529,388
	Depreciation on property and equipment	16 723,470	884,417
	Miscellaneous	343,252	281,933
		46,293,625	37,719,814
26.1	These include charge in respect of employees retirement benefits amounting to Rs. 1.92 million (30-Jun-25: Rs.1.69 million).		
	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
26.2	Auditor's remuneration		
	Annual statutory audit	450,000	450,000
	Limited scope review	50,000	50,000
	Review report on corporate governance	50,000	50,000
	Out of pocket expenses	15,000	15,000
		565,000	565,000
27	OTHER EXPENSES		
	Loss on financial instrumrnts		
	Changes in fair value of short term investments	22 635,294	-
		635,294	-
	Others		
	Workers' Welfare Fund	12.4 265,189	2,451,931
		265,189	2,451,931
		900,483	2,451,931

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KOHINOOR INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
28	PROVISION FOR LEVIES		
Levies under Income Tax Ordinance, 2001			
Current year	28.1	3,655,163	4,582,979
Prior year		1,641,009	-
		5,296,172	4,582,979

28.1 Levies under Income Tax Ordinance, 2001 ['the Ordinance'] have been recognized under section 113C (30-June-25: section 150) of the Ordinance.

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
29	PROVISION FOR INCOME TAXES		
Current taxation			
Current year	29.1	2,345,482	12,794,946
Prior year		1,724,405	73,862
		4,069,887	12,868,808
Deferred taxation			
attributable to origination and reversal of temporary differences		(3,858,092)	(342,457)
attributable to changes in tax rates		23,355	(6,998)
	20.1	(3,834,737)	(349,455)
		235,150	12,519,353

29.1 Provision for current taxation has been recognized under section 37A (30-Jun-25: section 18 and 37A) of the Income Tax Ordinance, 2001 ['the Ordinance'].

29.2 The income tax assessments of the Company up to and including tax year 2025 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.

29.3 Estimated liability payable with return of income to be filed under section 114 of the Ordinance, subject to adjustment of taxes and levies paid/deducted in advance and available refunds, comprises the following:

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
Levies under income tax ordinance, 2001	28	3,655,163	4,582,979
Income Taxes	29	2,345,482	12,794,946
		6,000,645	17,377,925

KOHINOOR INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

29.4 Reconciliation between average effective tax rate and applicable tax rate

	Unit	30-Jun-26	30-Jun-25
Profit before income taxes	Rupees	37,702,223	87,933,412
Provision for income taxes	Rupees	235,150	12,519,353
Average effective tax rate	%	0.62	14.24
Tax effects of:			
Adjustments for prior years	%	(4.57)	(0.08)
Provision for deferred taxation	%	10.17	0.40
Provision for levies	%	(4.07)	(1.51)
Income chargeable to tax at different rates	%	5.81	6.11
Income not chargeable to tax	%	36.24	8.81
Inadmissible deductions	%	(3.33)	(0.85)
Admissible deductions, losses and tax credits	%	(11.87)	1.89
Applicable tax rate	%	29.00	29.00
	Unit	30-Jun-26	30-Jun-25

30 BASIC EARNINGS PER SHARE

Profit attributable to ordinary shareholders	Rupees	37,467,073	75,414,059
Weighted average number of ordinary shares outstanding during the year	No. of shares	30,302,543	30,302,543
Basic earnings per share	Rupees	1.24	2.49
		30-Jun-26	30-Jun-25
	Rupees		Rupees

31 CASH GENERATED FROM OPERATIONS

Profit before income taxes		37,702,223	87,933,412
Adjustments for non-cash and other items:			
Provision for employees retirement benefits		1,921,856	1,688,415
Dividend income		-	(18,331,915)
Share of loss/(profit) of associate		780,459	(2,456,679)
Changes in fair value of short term investments		635,294	(654,264)
Gain on disposal of short term investments		(15,697,282)	(368,605)
Impairment reversal on long term investment		(7,215,909)	(1,682,421)
Changes in fair value of investment property		(22,543,795)	(21,910,310)
Depreciation on property and equipment		723,470	884,417
Notional interest income		(1,660,200)	-
Provision for levies		5,296,172	4,582,979
		(37,759,935)	(38,248,383)
		(57,712)	49,685,029
Changes in working capital			
Advances, deposits and prepayments		(10,047,472)	(21,880)
Lease rentals receivable		20,000	-
Trade and other payables		(5,482,090)	654,707
Long term deposits		4,500,000	-
		(11,009,562)	632,827
Cash (used in)/generated from operations		(11,067,274)	50,317,856

KOHINOOR INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
32	CASH AND CASH EQUIVALENTS		
	Cash and bank balances	23	11,190,437
			17,686,376
		11,190,437	17,686,376

33 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	30-Jun-26 Unclaimed dividend Rupees	30-Jun-25 Unclaimed dividend Rupees
As at beginning of the year	2,190,252	2,239,099
Dividend declared during the year	22,726,907	-
Dividend paid during the year	(22,133,366)	(48,847)
As at end of the year	2,783,793	2,190,252

34 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The details of the 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 and basis of relationship
Kohinoor Power Company Limited	Associate [Common Directorship]
Red Communication Arts (Private) Limited	Associated company [Common Directorship]
Pak Elektron Limited	Associated company [Common Directorship]
M. Naseem Saigol	Key Management Personnel [Director]
Amber Haroon Saigol	Close relative of KMP [Spouse of Director]

The Company continues to have a policy whereby all transactions with related parties entered into in the ordinary course of business are carried out on commercial terms and conditions which are equivalent to those prevailing in an arm's length transaction, except as stated otherwise in these financial statements. Detail of transactions and balances with related parties is as follows:

		30-Jun-26 Rupees	30-Jun-25 Rupees
34.1	Transactions with related parties		
	Nature of relationship	Nature of transactions	
	Associated companies	Advertisement expenses	303,500
		Rental income	55,900
		2,113,804	1,921,632
34.2	Balances with related parties		
	Nature of relationship	Nature of transactions	
	Associated companies	Advances from customers	375,044
	Key management personnel	Borrowings	151,157,503
	Close relative of KMP	Borrowings	202,525,000
		340,946	151,157,503
		202,525,000	202,525,000

34.3 Further, a portion of investment property (land) owned by the Company is in the possession and use of Kohinoor Power Company Limited, a related party without any compensation.

KOHINOOR INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

35 FINANCIAL INSTRUMENTS

The carrying amounts of the Company's financial instruments as at the reporting date are as follows:

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
35.1 Financial assets			
<i>Cash in hand</i>	23	558,428	694,339
<i>Financial assets at amortized cost</i>			
Long term deposits	19	166,376	166,376
Lease rentals receivable		-	20,000
Advances to employees	21	1,171,820	1,247,380
Bank balances	23	10,632,009	16,992,037
		11,970,205	18,425,793
<i>Financial assets mandatorily classified as FVTPL</i>			
Short term investments	22	137,789,000	164,817,932
		150,317,633	183,938,064
35.2 Financial liabilities			
<i>Financial liabilities at amortized cost</i>			
Long term deposits	11	2,839,800	-
Creditors	12	20,706	643,380
Accrued liabilities	12	2,218,952	1,771,420
Other payables	12.5	800,000	-
Unclaimed dividend		2,783,793	2,190,252
		8,663,251	4,605,052

36 FINANCIAL RISK EXPOSURE AND MANAGEMENT

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

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

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

36.1 Credit risk

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

36.1.1 Credit risk management practices

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

KOHINOOR INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

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

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial asset at the reporting date with the risk of a default occurring on the financial asset at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise. This is usually the case with various customers of the Company where the Company has long standing business relationship with these customers and any amounts that are past due by more than 30 days in the normal course of business are considered 'performing' based on history with the customers. Therefore, despite the foregoing, the Company considers some past due 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 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 asset is credit-impaired	Lifetime ECL
Write-off	There is no realistic prospect of recovery	Amount is written-off

36.1.2 Exposure to credit risk

Credit risk principally arises from 'financial assets carried at amortized cost' held by the Company as at the reporting date. The maximum exposure to credit risk as at the reporting date is as follows:

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
Long term deposits	19	166,376	166,376
Lease rentals receivable		-	20,000
Advances to employees	21	1,171,820	1,247,380
Bank balances	23	10,632,009	16,992,037
		11,970,205	18,425,793

36.1.3 Credit quality and impairment

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

			30-Jun-26	
		Credit rating / risk grading	12-month or life-time ECL	Gross carrying amount Rupees
				Loss allowance Rupees
Long term deposits	19	Performing	Lifetime ECL	166,376
Lease rentals receivable		Performing	12-month ECL	-
Advances to employees	21	Performing	12-month ECL	1,171,820
Bank balances	23	A1+	12-month ECL	10,632,009
				11,970,205

KOHINOOR INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

		30-Jun-25			
		Credit rating / risk grading	12-month or life-time ECL	Gross carrying amount	Loss allowance
				Rupees	Rupees
Long term deposits	19	Performing	Lifetime ECL	166,376	-
Lease rentals receivable		Performing	12-month ECL	20,000	-
Advances to employees	21	Performing	12-month ECL	1,247,380	-
Bank balances	23	A1 - A1+	12-month ECL	16,992,037	-
				18,425,793	-

(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 receivable from a customer the Company has a long standing relationship with. No credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

(c) Advances to employees

Advances to employees have been given against future salaries and post-employment benefits. Therefore, no credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

(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. Therefore, no credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

36.1.4 Concentrations of credit risk

There are no significant concentrations of credit risk.

36.1.5 Collateral held

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

36.2 Liquidity risk

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

36.2.1 Liquidity risk management

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

36.2.2 Exposure to liquidity risk

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

KOHINOOR INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

	30-Jun-26				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Long term deposits	2,839,800	4,500,000	-	4,500,000	-
Creditors	20,706	20,706	20,706	-	-
Accrued liabilities	2,218,952	2,218,952	2,218,952	-	-
Unclaimed dividend	2,783,793	2,783,793	2,783,793	-	-
	7,863,251	9,523,451	5,023,451	4,500,000	-

	30-Jun-25				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Long term deposits	-	-	-	-	-
Creditors	643,380	643,380	643,380	-	-
Accrued liabilities	1,771,420	1,771,420	1,771,420	-	-
Unclaimed dividend	2,190,252	2,190,252	2,190,252	-	-
	4,605,052	4,605,052	4,605,052	-	-

36.3 Market risk

36.3.1 Currency risk

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

36.3.2 Interest rate risk

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

(a) Interest 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-26 Rupees	30-Jun-25 Rupees
Fixed rate instruments	-	-
Variable rate instruments		
Financial assets	4,112,632	7,503,547
Financial liabilities	-	-

(c) Fair value sensitivity analysis for fixed rate instruments

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

KOHINOOR INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

(d) Cash flow sensitivity analysis for variable rate instruments

An increase of 100 basis points in interest rates as at the reporting date would have increased profit for the year and equity by Rs. 41,126 (30-Jun-25: Rs. 75,035). A decrease of 100 basis points would have had an equal but opposite effect on profit for the year. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant and ignores the impact, if any, on provision for taxation for the year.

36.3.3 Other price risk

Other price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments. The Company is exposed to price risk in respect of its investments in mutual funds.

(a) Equity price risk management

The Company manages equity price risk by investing in low to medium risk securities portfolio to reduce the risk of loss from volatility in equity prices.

(b) Sensitivity analysis

A one percent appreciation in prices of listed equity securities as at reporting date would have increased equity as at the reporting date by Rs 1.378 million (30-Jun-25: 1.648 million). A one percent diminution in prices of equity securities and mutual fund units as at the reporting date would have had equal but opposite effect on equity and profit for the year. The analysis assumes that all other variables remain constant and ignores the impact, if any, on provision for taxation for the year.

37 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS, AND EXECUTIVES

The aggregate amount charged to profit or loss in respect of chief executive, directors and executives on account of managerial remuneration, allowances and perquisites, post employment benefits and the number of such directors and executives is as follows:

	30-Jun-26		
	Chief Executive Rupees	Directors Rupees	Executives Rupees
Managerial remuneration	-	-	10,517,509
Post employment benefits	-	-	887,948
	-	-	11,405,457
Number of persons	-	-	3

	30-Jun-25		
	Chief Executive Rupees	Directors Rupees	Executives Rupees
Managerial remuneration	-	-	9,271,713
Post employment benefits	-	-	772,643
	-	-	10,044,356
Number of persons	-	-	3

38 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.

KOHINOOR INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

39 FAIR VALUE MEASUREMENTS

The Company measures some of its 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. The fair value hierarchy of financial instruments measured at fair value and the information about how the fair values of these financial instruments are determined are as follows:

39.1 Financial instruments measured at fair value

39.1.1 Recurring fair value measurements

Nature of asset	Hierarchy	Valuation techniques/Key	30-Jun-26 Rupees	30-Jun-25 Rupees
Investments in mutual funds	Level 1	Quoted prices in an active	137,789,000	164,817,932

39.1.2 Non-recurring fair value measurements

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

39.1.3 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.

39.2 Assets and liabilities other than financial instruments

39.2.1 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:

Assets/liabilities	Hierarchy	Valuation technique and key inputs	30-Jun-26 Rupees	30-Jun-25 Rupees
Land	Level 2	Land is valued using market comparable approach that reflects recent transaction prices for similar properties. Significant inputs include estimated purchase price, including non-refundable purchase taxes and other costs directly attributable to the acquisition.	803,362,500	787,440,000
Buildings	Level 2	Building is valued using cost approach that reflects the cost to the market participants to construct assets of comparable utility and age, adjusted for obsolescence and depreciation. Significant inputs include estimated construction costs and other ancillary expenditure.	142,486,055	135,864,760

39.2.2 Non-recurring fair value measurements

There are no non-recurring fair value measurements of assets and liabilities other than financial instruments as at the reporting date.

40 SEGMENT REPORTING

40.1 The Company is a single reportable segment.

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

40.3 All revenue of the Company have originated from Pakistan.

40.4 Rental income derived from two (30-Jun-25: one) individual significant external customers, from whom rental income in excess of 10% of the Company's total rental income is earned during the year, amounts to Rs. 41.2 million. (30-Jun-25: Rs. 83.668 million).

KOHINOOR INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

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-26	30-Jun-25
	Rupees	Rupees
- not later than one year	31,350,186	43,197,536
- later than one year but not later than five years	119,935,550	-
	151,285,736	43,197,536
	30-Jun-26	30-Jun-25

42 NUMBER OF EMPLOYEES

Total number of employees	19	18
Average number of employees	18	19

43 SHAHRIAH DISCLOSURES UNDER CLAUSE VII OF PART I OF SCHEDULE IV OF THE COMPANIES ACT, 2017

	30-Jun-26	30-Jun-25
	Rupees	Rupees

Statement of financial position

Liabilities

Short term borrowings as per Islamic mode	-	-
Long term borrowings as per Islamic mode	-	-
Lease liability as per Islamic mode	-	-
Interest or mark up accrued on conventional loans or advances	-	-

Assets

Long term and short term shariah compliant investments	26,705,700	20,270,250
Shariah compliant bank deposits, bank balances, and TDRs	-	-

Statement of profit or loss

Revenue earned from a shariah compliant business segment	43,520,704	85,829,232
Late payments or liquidated damages	-	-
Gain/(loss) or dividend earned on shariah compliant investments or share of (loss)/profit from shariah compliant associates	(780,459)	2,456,679
Profit earned from shariah compliant bank balances/ deposits or TDRs	-	-
Exchange gain earned from actual currency	-	-
Exchange gain earned using conventional derivative financial instruments	-	-
Total interest earned on any conventional loan or advance	-	-

Statement of cashflows

Profit paid on islamic mode of financing	-	-
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43.1 Source and detail of other income:

Shariah compliant

Impairment reversal on long term investment	7,215,909	1,682,421
Changes in fair value of investment property	22,543,795	21,910,310

Non-shariah compliant

Return on bank deposits	350,622	1,465,936
Changes in fair value of short term investments	-	654,264
Gain on disposal of short term investments	15,697,282	368,605
Dividend income	-	18,331,915

KOHINOOR INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

43.2 Relationship with shariah compliant banks:

There is no shariah compliant banks with whom the Company has transactions during the year or has balances outstanding as at the reporting date.

44 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.

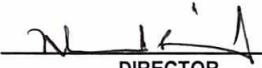
45 EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period that require adjustment or disclosure in these financial statements.

46 GENERAL

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

RSRIR
for identification only

KOHINOOR INDUSTRIES LIMITED

Form of Proxy

77th 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 77th Annual General Meeting of the Company to be held on Wednesday, October 28, 2026 at 06-Egerton Road, Opposite LDA Plaza, Lahore at 11:00 A.M. and at every adjournment thereof, if any.

A witness my / our hand (s) this _____ day of October 2026.

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 10-G, Mushtaq Ahmed Gurmani Road, Gulberg-II, 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.

(iii) پر کسی کو میٹنگ کے وقت اپنا اصل شناختی کارڈ یا اسپورٹ دکھانا ہوگا۔