

# **KOHINOOR INDUSTRIES LIMITED**

**HALF YEAR REPORT (Un-audited)  
31-12-2022**

**BOARD OF DIRECTORS**

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

**AUDIT COMMITTEE**

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

**HR & REMUNERATION COMMITTEE**

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

**COMPANY SECRETARY**

Khawaja Safee Sultan

**CHIEF FINANCIAL OFFICER**

Mr. Zahoor Ahmed

**AUDITORS**

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

**REGISTRATION NUMBER**

0000214

**NTN**

0452891-3

**WEBSITE**

[www.kil.com.pk](http://www.kil.com.pk)

**BANKERS**

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

**REGISTERED OFFICE**

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

**WORKS**

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

**SHARE REGISTRAR**

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

**DIRECTORS' REPORT**

The Directors' of the Company presented before the Shareholders their report along with Interim Financial Statements of the Company for the period ended December 31, 2022.

<b><u>Financial Highlights</u></b>	<b><u>Half Year Ended Dec 31, 2022</u></b>	<b><u>Half Year Ended Dec 31, 2021</u></b>
Rental Income	35.202	33.025
Operating Profit	27.806	14.922
Profit before Tax	27.797	14.562
Profit after Tax	26.578	8.620
Earing per Share	0.88	0.28

**OPERATING FINANCIAL RESULTS**

During the period under review, the Company continued renting its premises and earned a gross revenue of Rs. 35.202 million as compared to Rs. 33.025 million in the corresponding period last year. The Company earned operating profit of Rs. 27.806 million as compared to Rs. 14.922 million in corresponding period last year. The said increase is mainly due to revaluation of building and investment of the Company.

**FUTURE OUTLOOK**

The management is continuously evaluating viable business propositions, which may have positive impact on the Company's financials.

**COMPOSITION OF BOARD**

Composition of the Board of Directors is as under;

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

**COMMITTEE'S**

Detail of Committee's of Board is as under.

**AUDIT COMMITTEE**

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

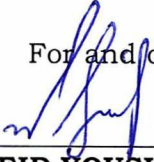
**HR & REMUNERATION COMMITTEE**

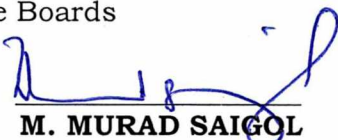
Mr. Rashid Ahmad Javaid	Chairman/Member
Mr. M. Naseem Saigol	Member
Mr. Muhammad Zeid Yousuf Saigol	Member

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

For and on behalf of the Boards

Lahore  
February 28, 2023

  
**M. ZEID YOUSUF SAIGOL**  
Chief Executive

  
**M. MURAD SAIGOL**  
Director

## ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹران نے کمپنی شیئر ہولڈرز کے سامنے ان کی رپورٹ ہمراہ عبوری مالی سٹیٹمنٹ برائے دورانیہ 31 دسمبر 2022 پیش کی۔

### آپریٹنگ نتائج

زیر غور دورانیہ میں کمپنی نے اپنا احاطہ کرائے پر دے کر بلحاظ 35.202 ملین کمائے جس کے مقابل گذشتہ سال کے دورانیہ میں 33.025 ملین روپے کمائے تھے۔ کمپنی نے 27.806 ملین خالص منافع کمایا، جو گذشتہ سال 14.922 ملین تھا۔ یہ اضافہ کمپنی کی عمارت کی دوبارہ تفتیش اور سرمایہ کاری کی قیمت میں اضافہ کی وجہ سے ہے۔

### مستقبل کا نقطہ نظر

مینیجمنٹ مسلسل قابل عمل کاروباری تجاویز کا جائزہ لے رہی ہے جن کا کمپنی کے مالی حالات پر مثبت اثر ہو سکتا ہے۔

### بورڈ کی ساخت

بورڈ آف ڈائریکٹرز کی ساخت درج ذیل ہے۔

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

### کمپنیز

بورڈ کی کمپنیز کی تفصیل درج ذیل ہے۔

### آڈٹ کمیٹی

جناب رشید احمد جاوید	چیئر مین / ممبر
جناب محمد عمر فاروق	ممبر
جناب محمد آصف	ممبر
محترمہ صدف کاشف	ممبر

### ایچ آر اینڈ ریگولیشن کمیٹی

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

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

لاہور

28 فروری، 2023

ڈائریکٹر

چیئر ایگزیکٹو



## INDEPENDENT AUDITOR'S REVIEW REPORT

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

#### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **KOHINOOR INDUSTRIES LIMITED** ['the Company'] as at **31 December 2022** and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the 'interim financial statements'). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures for the three-month period ended **31 December 2022** of the condensed interim statement of profit or loss, condensed interim statement of comprehensive income have not been reviewed as we are required to review only cumulative figures for the six-month period ended on that date.

#### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity." A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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 | 28 February 2023

UDIN: RR202210704o7Tzw9bqs




# KOHINOOR INDUSTRIES LIMITED


## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note	31-Dec-22 Rupees [Un-audited]	30-Jun-22 Rupees [Audited]
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<i>Authorized share capital</i>		400,000,000	400,000,000
Issued share capital		303,025,430	303,025,430
Share premium		187,394,755	187,394,755
Revaluation reserve		651,264,077	651,264,077
Accumulated losses		(519,261,373)	(545,839,390)
Loan from directors and other shareholders		353,682,503	353,682,503
<b>TOTAL EQUITY</b>		<b>976,105,392</b>	<b>949,527,375</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Employees retirement benefits		1,869,460	1,596,884
<b>CURRENT LIABILITIES</b>			
Trade and other payables		28,812,483	28,904,470
Unclaimed dividend		2,253,891	2,259,086
Current taxation		1,219,472	29,594,055
		<b>32,285,846</b>	<b>60,757,611</b>
<b>TOTAL LIABILITIES</b>		<b>34,155,306</b>	<b>62,354,495</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	6		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,010,260,698</b>	<b>1,011,881,870</b>

The annexed notes from 1 to 17 form an integral part of these interim financial statements.

  
Director

  
Chief Financial Officer

  
Chief Executive

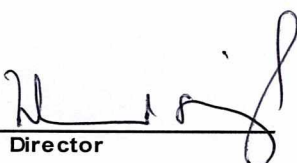
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# KOHINOOR INDUSTRIES LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note	31-Dec-22 Rupees [Un-audited]	30-Jun-22 Rupees [Audited]
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	7	2,878,744	3,092,368
Government taken over concerns	8	-	-
Investment property	9	880,877,920	856,513,650
Long term investments	10	10,659,600	11,481,750
Long term deposits		166,376	166,376
Deferred taxation		25,133,134	25,133,134
		<b>919,715,774</b>	<b>896,387,278</b>
<b>CURRENT ASSETS</b>			
Lease rentals receivable		20,000	20,000
Advances and other receivables		1,403,500	312,900
Advance income tax		11,133,026	21,655,481
Cash and bank balances		77,988,398	93,506,211
		<b>90,544,924</b>	<b>115,494,592</b>
<b>TOTAL ASSETS</b>		<b>1,010,260,698</b>	<b>1,011,881,870</b>

The annexed notes from 1 to 17 form an integral part of these interim financial statements.

  
Director

  
Chief Financial Officer

  
Chief Executive

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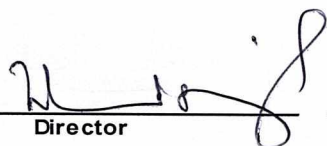


# KOHINOOR INDUSTRIES LIMITED

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2022

	Note	Six-month period ended		Three-month period ended	
		31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
		Rupees	Rupees	Rupees	Rupees
Rental income		35,202,317	33,025,396	17,601,158	17,018,887
Administrative expenses		(46,086,472)	(13,773,208)	(38,735,796)	(9,237,173)
Other expenses		(820,722)	(5,622,601)	33,523	(256,259)
		(46,907,194)	(19,395,809)	(38,702,273)	(9,493,432)
Other income		(11,704,877)	13,629,587	(21,101,115)	7,525,455
		39,511,164	1,293,118	37,763,274	818,500
<b>Operating profit</b>		<b>27,806,287</b>	<b>14,922,705</b>	<b>16,662,159</b>	<b>8,343,955</b>
Finance cost		(7,370)	(6,499)	(2,410)	(3,657)
Share of loss of associate		27,798,917	14,916,206	16,659,749	8,340,298
		(1,428)	(354,049)	(5,173)	(107,091)
<b>Profit before taxation</b>		<b>27,797,489</b>	<b>14,562,157</b>	<b>16,654,576</b>	<b>8,233,207</b>
Provision for taxation	11	(1,219,472)	(5,941,363)	1,708,401	(2,478,110)
<b>Profit after taxation</b>		<b>26,578,017</b>	<b>8,620,794</b>	<b>18,362,977</b>	<b>5,755,097</b>
<b>Earnings per share - basic and diluted</b>		<b>0.88</b>	<b>0.28</b>	<b>0.61</b>	<b>0.19</b>

The annexed notes from 1 to 17 form an integral part of these interim financial statements.

  
Director

  
Chief Financial Officer

  
Chief Executive

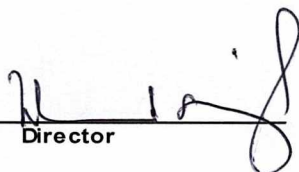
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# KOHINOOR INDUSTRIES LIMITED

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2022

	Six-month period ended		Three-month period ended	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	Rupees	Rupees	Rupees	Rupees
<i>Items that may be reclassified subsequently to profit or loss</i>	-	-	-	-
<i>Items that will not be reclassified to profit or loss</i>	-	-	-	-
Other comprehensive income	-	-	-	-
Profit after taxation	26,578,017	8,620,794	18,362,977	5,755,097
<b>Total comprehensive income</b>	<b>26,578,017</b>	<b>8,620,794</b>	<b>18,362,977</b>	<b>5,755,097</b>

The annexed notes from 1 to 17 form an integral part of these interim financial statements.

  
Director

  
Chief Financial Officer

  
Chief Executive

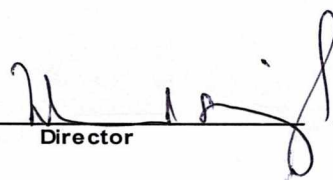

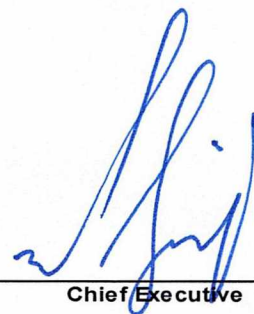
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# KOHINOOR INDUSTRIES LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2022

	Share capital		Capital reserves			Loan from directors and other shareholders	Total equity
	Issued share capital	Share Premium	Revaluation reserve	Accumulated losses			
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
<b>As at 01 July 2021 - [Audited]</b>	303,025,430	187,394,755	651,264,077	(578,784,254)	353,682,503	916,582,511	
<b>Comprehensive income</b>							
Profit after taxation	-	-	-	8,620,794	-	8,620,794	
Other comprehensive income	-	-	-	-	-	-	
<b>Total comprehensive income</b>	-	-	-	8,620,794	-	8,620,794	
<b>Transaction with owners</b>							
Final dividend on ordinary shares @ Rs. 0.75 per ordinary share	-	-	-	-	-	-	
<b>As at 31 December 2021 - [Un-audited]</b>	303,025,430	187,394,755	651,264,077	(570,163,460)	353,682,503	925,203,305	
<b>As at 01 January 2022 - [Un-audited]</b>	303,025,430	187,394,755	651,264,077	(570,163,460)	353,682,503	925,203,305	
<b>Comprehensive income</b>							
Profit after taxation	-	-	-	24,344,071	-	24,344,071	
Other comprehensive income	-	-	-	(20,001)	-	(20,001)	
<b>Total comprehensive income</b>	-	-	-	24,324,070	-	24,324,070	
<b>Transaction with owners</b>	-	-	-	-	-	-	
<b>As at 30 June 2022 - [Audited]</b>	303,025,430	187,394,755	651,264,077	(545,839,390)	353,682,503	949,527,375	
<b>As at 01 July 2022 - [Audited]</b>	303,025,430	187,394,755	651,264,077	(545,839,390)	353,682,503	949,527,375	
<b>Comprehensive income</b>							
Profit after taxation	-	-	-	26,578,017	-	26,578,017	
Other comprehensive income	-	-	-	-	-	-	
<b>Total comprehensive income</b>	-	-	-	26,578,017	-	26,578,017	
<b>Transaction with owners</b>	-	-	-	-	-	-	
<b>As at 31 December 2022 - [Un-audited]</b>	303,025,430	187,394,755	651,264,077	(519,261,373)	353,682,503	976,105,392	

The annexed notes from 1 to 17 form an integral part of these interim financial statements.

 Director
  Chief Financial Officer
  Chief Executive

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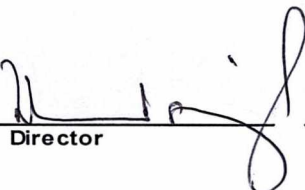


# KOHINOOR INDUSTRIES LIMITED

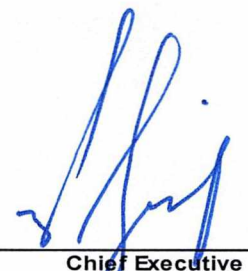
## CONDENSED INTERIM STATEMENT OF CASH FLOWS [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2022

	Six-month period ended	
	31-Dec-22	31-Dec-21
	Rupees	Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	27,797,489	14,562,157
Adjustments for non-cash and other items		
Provision for employees retirement benefits	374,176	288,406
Share of loss of associate	1,428	354,049
Impairment loss on long term investment	820,722	5,202,551
Revaluation gain on investment property	(24,364,270)	-
Depreciation	213,624	141,543
	(22,954,320)	5,986,549
Operating (loss)/profit before changes in working capital	4,843,169	20,548,706
Changes in working capital		
Advances and other receivables	(1,090,600)	(94,330)
Trade and other payables	(91,987)	(80,134)
	(1,182,587)	(174,464)
Net cash (used in)/generated from operations	3,660,582	20,374,242
Payments for:		
Income tax	(19,071,600)	(5,135,924)
Employee retirement benefits	(101,600)	-
Net cash (used in)/generated from operating activities	(15,512,618)	15,238,318
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	-	(1,156,500)
Net cash used in investing activities	-	(1,156,500)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(5,195)	(18,857)
Net cash used in financing activities	(5,195)	(18,857)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(15,517,813)	14,062,961
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	93,506,211	67,212,771
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	77,988,398	81,275,732

The annexed notes from 1 to 17 form an integral part of these interim financial statements.

  
Director

  
Chief Financial Officer

  
Chief Executive

RSRIR  
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# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2022

### 1 LEGAL STATUS AND OPERATIONS

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

Board of Directors of the Company in its meeting held on 30 April 2008 decided to close down the business as due to increase in prices of raw material and other inputs without increase in yarn sales prices in the local and international market, the operations of the textile unit had become uneconomical and huge losses were expected to arise if the business was carried on.

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

### 2 BASIS OF PREPARATION

These interim financial statements are un-audited and have been presented in condensed form and do not include all the information as is required to be provided in a full set of annual financial statements. These interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended 30 June 2022.

These interim financial statements have been subjected to limited scope review by the auditors of the company, as required under section 237 of the Companies Act, 2017. The comparative condensed interim statement of financial position as at 30 June 2022 and the related notes to the interim financial statements are based on audited financial statements. The comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and related notes to the condensed interim financial statements for the six month period ended 31 December 2021 are based on unaudited, reviewed interim financial statements. The condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months period ended 31 December 2022 and 31 December 2021 are neither audited nor reviewed.

#### 2.1 Statement of compliance

These interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprises of:

- International Accounting Standard 34 - Interim Financial Reporting, issued by International Accounting Standards Board [IASB] as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

#### 2.2 Basis of measurement

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

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

#### 2.3 Judgments, estimates and assumptions

The preparation of interim financial statements requires management to make judgements, 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 judgements 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 judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

#### 2.4 Functional currency

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



# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2022

### 2.5 Date of authorisation for issue

These interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on 28 February 2023.

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

The following new and revised standards, interpretations and amendments 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 Reference to the Conceptual Framework (Amendments to IFRS 3 - Business Combinations)

The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.

#### 3.2 Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16 - Property, Plant and Equipment)

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

#### 3.3 Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37 - Impairment of Assets)

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

#### 3.4 Annual Improvements to IFRS Standards 2018–2020

The annual improvements have made amendments to the following standards:

- **IFRS 1 - First Time Adoption of International Financial Reporting Standards** - The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
- **IFRS 9 - Financial Instruments** - The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
- **IFRS 16 - Leases** - The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
- **IAS 41 - Agriculture** - The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

### 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.

	<b>Effective date (annual periods beginning on or after)</b>
Sale or contribution of assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures).	Deferred Indefinitely
Disclosure of Accounting Policies (Amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2 - Making Materiality Judgements)	01 January 2023
Definition of Accounting Estimates (Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)	01 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 - Income Taxes)	01 January 2023

# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2022

	Effective date (annual periods beginning on or after)
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 - Presentation of Financial Statements).	01 January 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16 - Leases)	01 January 2024
Non-current Liabilities with Covenants (Amendments to IAS 1 - Presentation of Financial Statements)	01 January 2024
Other than afore mentioned standards, interpretations and amendments, IASB has also issued the following standards which have not been notified by the Securities and Exchange Commission of Pakistan ['SECP']:	
IFRS 1 - First Time Adoption of International Financial Reporting Standards	
IFRS 17 - Insurance contracts	

The Company intends to adopt these new and revised standards, interpretations and amendments on their effective dates, subject to, where required, notification by Securities and Exchange Commission of Pakistan under section 225 of the Companies Act, 2017 regarding their adoption. The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will not have a material impact on the Company's financial statements other than in presentation/disclosures.

### 5 ACCOUNTING POLICIES AND METHODS OF COMPUTATION

The accounting policies and methods of computation adopted in the preparation of these interim financial statements are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended 30 June 2022.

### 6 CONTINGENCIES AND COMMITMENTS

There is no significant change in the status of contingencies and commitments since 30 June 2022.

	31-Dec-22	30-Jun-22
	<i>Rupees</i>	<i>Rupees</i>
	[Un-audited]	[Audited]
<b>7 PROPERTY AND EQUIPMENT</b>		
Net book value at the beginning of the period/year	3,092,368	2,285,035
Addition during the period/year	-	1,190,795
Depreciation for the period/year	(213,624)	(383,462)
<b>Net book value at end of the period/year</b>	<b>2,878,744</b>	<b>3,092,368</b>
<b>8 GOVERNMENT TAKEN OVER CONCERNS</b>		
Gross amount due	27,229,339	27,229,339
Impairment allowance	(27,229,339)	(27,229,339)
	-	-

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



# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2022

	31-Dec-22	30-Jun-22
	<i>Rupees</i>	<i>Rupees</i>
	[Un-audited]	[Audited]
<b>9 INVESTMENT PROPERTY</b>		
<b>Land</b>		
As at beginning of the year	741,120,000	733,400,000
Change in fair value	16,405,000	7,720,000
As at end of the year	757,525,000	741,120,000
<b>Building</b>		
As at beginning of the year	115,393,650	114,245,920
Change in fair value	7,959,270	1,147,730
As at end of the year	123,352,920	115,393,650
	<b>880,877,920</b>	<b>856,513,650</b>

9.1 This represents Company land and building transferred from property and equipment at fair value, whereas the fair value of land and building is valued by an independent valuer, Medallion Services (Private) Limited. The forced sale value of land and building as at 31 December 2022 amounts to Rs. 643,896,250 and Rs. 104,849,982 (30-Jun-22: Rs. 629,952,000 and Rs. 98,084,603) respectively. The Company has leased out this investment property under operating lease arrangements. For basis of determination of fair value, refer to note 14.2.1.

9.2 Investment property of the Company is located at Collage Road, Madina Town Faisalabad with a total area of 96.5 Kanal (30-Jun-22: 96.5 Kanal).

### 10 LONG TERM INVESTMENTS

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

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

	31-Dec-22	30-Jun-22
	[Un-audited]	[Audited]
Percentage of ownership interest	22.50%	22.50%
	31-Dec-22	30-Jun-22
	<i>Rupees</i>	<i>Rupees</i>
	[Un-audited]	[Audited]
Cost of investment		
2,835,000 (30-Jun-22: 2,835,000) fully paid ordinary shares of Rs. 10 each	90,000,000	90,000,000
Share of post acquisition profits	(17,123,118)	(17,121,690)
Dividend income from investment in associate	(10,800,000)	(10,800,000)
	<b>62,076,882</b>	<b>62,078,310</b>
Accumulated impairment	(51,417,282)	(50,596,560)
	<b>10,659,600</b>	<b>11,481,750</b>

### 10.1 Extracts of financial statements of associated company

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

# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2022

	31-Dec-22	30-Jun-22
	<i>Rupees</i>	<i>Rupees</i>
	[Un-audited]	[Audited]
Non-current assets	84,870,594	87,864,043
Current assets	45,059,904	42,014,320
Non-current liabilities	-	-
Current liabilities	1,318,090	1,259,607
Revenue	8,926,011	17,453,205
Loss for the period/year	(6,348)	(3,238,082)
Break-up value per share	10.21	10.21
Share of loss	(1,428)	(728,568)
Market value per share	3.76	4.05

### 11 PROVISION FOR TAXATION

- 11.1 Provision for current tax has been made in accordance with section 18 (30-Jun-22: section 18) of the Income Tax Ordinance 2001 [the Ordinance].
- 11.2 No provision for deferred tax has been made as the impact of the same is considered immaterial.

### 12 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise associated companies, key management personnel ['KMP'] and their close relatives. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and includes the Chief Executive and Directors of the Company.

The Company has lease agreements with associated companies which are priced as mutually agreed. Key management personnel do not draw any compensation from the Company. Transactions with key management personnel ['KMP'] and their close relatives are limited to provision of interest free temporary loans. The Company in the normal course of business obtains advertising services from associated companies and continues to have a policy whereby such transactions are carried out on commercial terms and conditions which are equivalent to those prevailing in an arm's length transaction. Details of transactions and balances with related parties is as follows:

		Six-month period ended	
		31-Dec-22	31-Dec-21
		<i>Rupees</i>	<i>Rupees</i>
		[Un-audited]	[Un-audited]
<b>12.1 Transactions with related parties</b>			
<b>Nature of relationship</b>	<b>Nature of transaction</b>		
Associated companies	Rental income	1,521,678	1,175,842
	Advertising expense	45,900	-
		31-Dec-22	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
		[Un-audited]	[Audited]
<b>12.2 Balances with related parties</b>			
<b>Nature of relationship</b>	<b>Nature of balances</b>		
Associated companies	Trade creditors	44,626	-
	Key management personnel	151,157,503	151,157,503
Close relative of KMP	Borrowings	202,525,000	202,525,000

### 13 FINANCIAL INSTRUMENTS

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



# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2022

	31-Dec-22	30-Jun-22
	<i>Rupees</i>	<i>Rupees</i>
	[Un-audited]	[Audited]
<b>13.1 Financial assets</b>		
<i>Cash in hand</i>	906,993	534,646
<i>Financial assets at amortized cost</i>		
Long term deposits	166,376	166,376
Lease rentals receivable	20,000	20,000
Advances to employees	1,403,500	167,670
Cash at bank	77,081,405	64,623,401
	<b>78,671,281</b>	<b>64,977,447</b>
	<b>79,578,274</b>	<b>65,512,093</b>
<b>13.2 Financial liabilities</b>		
<i>Financial liabilities at amortized cost</i>		
Creditors	379,210	269,060
Accrued liabilities	1,283,846	1,163,839
Unclaimed dividend	2,253,891	2,332,404
	<b>3,916,947</b>	<b>3,765,303</b>

### 14 FAIR VALUE MEASUREMENTS

The Company measures some of its assets at fair value. 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:

#### 14.1 Financial Instruments

There are no recurring or non-recurring fair value measurements as at the reporting date. The management considers the carrying amount of all the financial instruments to approximate their fair values.

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

##### 14.2.1 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:

	Level 1	Level 2	Level 3	31-Dec-22	30-Jun-22
				<i>Rupees</i>	<i>Rupees</i>
				[Un-audited]	[Audited]
Investment property - Land	-	757,525,000	-	757,525,000	741,120,000
Investment property - Buildings	-	123,352,920	-	123,352,920	115,393,650

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

	Valuation technique	Significant inputs	Sensitivity
Land	Market comparable approach that reflects recent transaction prices for similar properties	Estimated purchase price, including non-refundable purchase taxes and other costs directly attributable to the acquisition.	A 5% increase in estimated purchase price, including non-refundable purchase taxes and other costs directly attributable to the acquisition would result in a significant increase in fair value of land by Rs. 37.88 million (30-Jun-22: Rs. 37.06 million).



# KOHINOOR INDUSTRIES LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2022

	Valuation technique	Significant inputs	Sensitivity
Buildings	Cost approach that reflects the cost to the market participants to construct assets of comparable utility and age, adjusted for obsolescence and depreciation. There was no change in valuation technique during the year.	Estimated construction costs and other ancillary expenditure.	A 5% increase in estimated construction and other ancillary expenditure would result in a significant increase in fair value of buildings by Rs. 6.17 million (30-Jun-22: Rs. 5.77 million).

### 14.2.2 Non-recurring fair value measurements

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

### 15 EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period that may require adjustment of and/or disclosure in these interim financial statements.

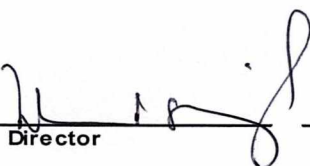
### 16 RECOVERABLE AMOUNTS AND IMPAIRMENT

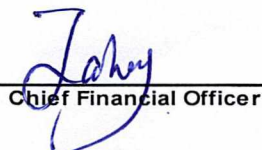
As at the reporting date, recoverable amounts of all assets/cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these interim financial statements.

### 17 GENERAL

17.1 There are no other significant activities since 30 June 2022 affecting the interim financial statements.

17.2 Corresponding figures have been re-arranged where necessary to facilitate comparison. However, there are no significant reclassifications during the period.

  
Director

  
Chief Financial Officer

  
Chief Executive