

KOHINOOR INDUSTRIES LIMITED

ANNUAL REPORT 2023

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COMPANY INFORMATION

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 Athar Rafiq	
Sheikh Aftab Ahmad	

AUDIT COMMITTEE

Mrs. Sadaf Kashif	Chairperson/Member
Mr. Muhammad Murad Saigol	Member
Mr. Muhammad Omer Farooq	Member

HR & REMUNERATION COMMITTEE

Mrs. Sadaf Kashif	Chairperson/Member
Mr. M. Naseem Saigol	Member
Mr. M. Zeid Yousuf Saigol	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

17-Aziz Avenue, Canal Bank,
Gulberg-V, Lahore.
Tel: 042-35715029-31 Fax: 042-35715105
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 74th Annual General Meeting of Shareholders of **KOHINOOR INDUSTRIES LIMITED** will be held on **Friday, October 27, 2023 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 24, 2023.
2. To receive and adopt the Annual Audited Accounts for the year ended June 30, 2023 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 and if deemed fit, to pass with or without modification(s), addition(s) or deletion(s), the following Special Resolution(s) by the members to circulate the annual balance sheet and profit and loss account, auditor's report and directors report, etc. ("annual audited financial statements") to its members through QR enabled code and web link, as recommended by the Board of Directors of the Company:

"RESOLVED THAT QR enabled code and web link of the annual audited financial statements of the company be circulated to members, subject to the requirements of Notification No. S.R.O. 389(I)/2023 of Securities & Exchange Commission of Pakistan dated 21st March 2023 instead of CD/DVD/USB.

FURTHER RESOLVED THAT notice of general meeting be dispatched to members, as per the requirement of the Companies Act, 2017, on their registered address, containing the QR code and the web/link address to view and download the annual audited financial statements together with the reports and documents required to be annexed thereto under the Act.

FURTHER RESOLVED THAT the annual audited financial statements be also circulated to members through email, in case email has been provided by the members of the company, without receiving consents from the members.

FURTHER RESOLVED THAT the company shall provide hard copy of all the future annual audited financial statements to those members only who request the company in writing to receive hard copies."

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

By Order of the Board

MUHAMMAD ISLAM
Company Secretary

Lahore : September 28, 2023

Notes:

1. Share Transfer Books of the Company will remain closed from October 21, 2023 to October 27, 2023 (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 20, 2023 will be treated in time.
2. A member entitled to attend and vote at this Meeting may appoint another Member as his/her proxy. Proxies in order to be effective, must be received at 17-Aziz Avenue, Canal Bank, Gulberg-V, Lahore the Registered Office of the Company not later than forty-eight hours before the time for holding the meeting and must be duly stamped, signed and witnessed.
3. Members whose shares are deposited with Central Depository System are requested to bring their original National Identity Cards or original Passports along with their Account Numbers in Central Depository System for attending the meeting.
4. Members are requested to notify the Company change in their addresses, if any.

5. ELECTRONIC VOTING

- a. In accordance with the Companies (Postal Ballot) Regulation, 2018, (the "Regulations") the right to vote through electronic voting facility and voting by post shall be provided to members of every listed company for, inter alia, all businesses classified as special business under the Companies Act, 2017 in the manner and subject to conditions contained in the Regulations,
- b. Detail of E-Voting facility will be shared through e-mail with those members of the company who have valid cell numbers / e-mail addresses available in the Register of Members of the Company by the end of business on October 20, 2023 by Corplink (Private) Limited being the e voting service provider.
- c. Identity of the members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- d. Members shall cast vote online from October 24, 2023 9:00 A.M. till October 26, 2023 5:00 P.M. Voting shall close on October 26, 2023 at 5:00 P.M. Once the vote on the resolution has been casted by a Member, he/she shall not be allowed to change it subsequently.

6. PROCEDURE FOR VOTING THROUGH POSTAL BALLOT

- a. Members may alternatively opt for voting through postal ballot. For convenience of the members, Ballot Paper is annexed to this notice and the same is also available on the Company's website www.kil.com.pk to download.
 - b. The members must ensure that the duly filled and signed ballot paper, along with a copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at the Company's registered address, or email one day before the AGM, i.e., on October 26, 2023 before 5:00 P.M. A 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. Annual Audited Financial Statements of the Company for the Financial Year ended June 30, 2023 have been placed on the Company's website i.e. www.kil.com.pk

8. Replacement Of Physical Shares Into CDCAccount

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

9. 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
0346-4442501	Omer.farooq@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.

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

The following statement sets out the material facts pertaining to the Special Business to be transacted at the Annual General Meeting of the Company at 11:00 A.M., on Friday, October 27, 2023 at 06-Egerton Road, Opposite LDA Plaza, Lahore;

Subject to the requirements of Notification No. S.R.O. 389(I)/2023 of Securities & Exchange Commission of Pakistan dated 21st March 2023, the company is desirous to obtain members approval in order to circulate annual audited financial statements to its members thorough QR enabled code and web/ink instead of circulating the same via CD/DVD/USB.

None of the Directors of the Company have any personal interest in the aforesaid Special Business except in their capacity as Shareholders or Directors of the Company.

Lahore
September 28, 2023

Company Secretary

KOHINOOR INDUSTRIES LIMITED

Registered Office: 17-Aziz Avenue, Canal Bank, Gulberg-V, Lahore
 Tel: 042-35920151-59 Website: www.kil.com.pk
 E-mail: omer.farooq@saigols.com

BALLOT PAPER FOR VOTING THROUGH POST

For poll at the Annual General Meeting of Kohinoor Industries Limited to be held on Friday, October 27, 2023 at 06-Egerton Road, Lahore.

Designated email address of the Chairman at which the duly filled in ballot paper may be sent: omer.farooq@saigols.com

Name of shareholder/joint shareholders	
Registered Address	
Folio No. / CDC Participant / Investor ID with sub-account No	
Number of shares held	
CNIC, NICOP/Passport No. (in case of foreigner) (Copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government.)	
Name of Authorized Signatory:	
CNIC, NICOP/Passport No. (In case of foreigner) of Authorized Signatory - (Copy to be attached)	

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (✓) mark in the appropriate box below (delete as appropriate);

Special Resolutions	
<p>To consider and if deemed fit, to pass with or without modification(s), addition(s) or deletion(s), the following Special Resolution(s) by the members to circulate the annual balance sheet and profit and loss account, auditor's report and directors report, etc. ("annual audited financial statements") to its members through QR enabled code and web link, as recommended by the Board of Directors of the Company: <i>"RESOLVED THAT QR enabled code and web link of the annual audited financial statements of the company be circulated to members, subject to the requirements of Notification No. S.R.O. 389(I)/2023 of Securities & Exchange Commission of Pakistan dated 21st March 2023 instead of CD/DVD/USB.</i> <i>FURTHER RESOLVED THAT notice of general meeting be dispatched to members, as per the requirement of the Companies Act, 2017, on their registered address, containing the QR code and the web/ink address to view and download the annual audited financial statements together with the reports and documents required to be annexed thereto under the Act.</i> <i>FURTHER RESOLVED THAT the annual audited financial statements be also circulated to members through email, in case email has been provided by the members of the company, without receiving consents from the members.</i> <i>FURTHER RESOLVED THAT the company shall provide hard copy of all the future annual audited financial statements to those members only who request the company in writing to receive hard copies."</i></p>	

Sr. No.	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
1	Special Resolution as per Agenda # 4 (as given above)			

Signature of shareholder(s)

Place: _____

Date: _____

NOTES:

- Dully filled postal ballot should be sent to Mr. M. Naseem Saigol, Chairman of the Company, at 17-Aziz Avenue, Canal Bank, Gulberg-V, Lahore.
- Copy of CNIC, NICOP/Passport No. (In case of foreigner) should be enclosed with the postal ballot form
- Postal ballot forms should reach chairman of the meeting till 5:00 p.m. October 26, 2023. Any postal ballot received after this date, will not be considered for voting.
- Signature on postal ballot should match with signature on CNIC, NICOP/Passport (In case of foreigner).
- Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

اطلاع برائے سالانہ اجلاس عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ کوہ نور انڈسٹریز لمیٹڈ کے حصص داران کا چوتھا سالانہ اجلاس عام 27 اکتوبر 2023 بروز جمعہ 11 بجے صبح 06-ایچ ٹی روڈ، بلقما بلڈ، LDA Plaza، لاہور میں درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

عام امور:

- 1- 24 مارچ 2023 کو منعقد ہونے والے غیر معمولی اجلاس عام کی کارروائی کی تصدیق۔
- 2- مالی سال ختم 30 جون 2023 کی بابت کمپنی کے سالانہ آڈٹ شدہ حسابات بھراہ آن پریڈ ایکٹران و آڈیٹران کی رپورٹس کی وصولی اور ان کی قبولیت۔
- 3- اگلے سالانہ اجلاس عام کے اختتام تک عہدہ پر رہنے کیلئے کمپنی کے آڈیٹران کا تقرر اور ان کے صلہ خدمت کا تعین۔

خصوصی امور:

4- اراکین کی جانب سے سالانہ نیٹلس شیٹ، پرافٹ اینڈ لاس اکاؤنٹ، آڈیٹرز اور ڈائریکٹرز کی رپورٹس وغیرہ (سالانہ مالیاتی آڈٹ شدہ حسابات) اپنے اراکین کو QR فعال کوڈ اور ویب لنک کے ذریعے ترسیل کی مندرجہ ذیل قراردادوں پر غور و خوض کرنا اور اگر مناسب سمجھا جائے تو ان میں ترامیم، اضافہ یا حذف کے ساتھ یا اس کے بغیر بورڈ آف ڈائریکٹرز کی مجوزہ قراردادوں پر غور و خوض اور اسکی منظوری:

"RESOLVED THAT QR enabled code and web link of the annual audited financial statements of the company be circulated to members, subject to the requirements of Notification No. S.R.O. 389(I)/2023 of Securities & Exchange Commission of Pakistan dated 21st March 2023 instead of CD/DVD/U SB.

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FURTHER RESOLVED THAT the company shall provide hard copy of all the future annual audited financial statements to those members only who request the company in writing to receive hard copies."

5- صاحبِ صدر کی اجازت سے کسی دیگر امر پر کارروائی۔

لاہور: 28 ستمبر 2023

تجلم بورڈ
کمپنی سیکریٹری

نوٹس:

1- کمپنی کی حصص کی منتقلی کی کتابیں 21 اکتوبر 2023 تا 27 اکتوبر 2023 (بشمول دونوں ایام) بند رہیں گی۔ کمپنی کے شیئر رجسٹرار آفس ایم ایس کارپ لنک (پرائیویٹ) لمیٹڈ، ونگ آر کیڈ، K-1، کمرشل، ماڈل ٹاؤن، لاہور میں وصول ہونے والی منتقلیاں (بشمول CDS/Physical) 20 اکتوبر 2023 کو کاروبار بند ہونے تک قابل قبول ہوں گی۔

2- اجلاس میں شرکت اور ووٹ دینے کا اہل ممبر پر کسی مقرر کر سکتا ہے۔ چاکیاں تا آئندہ موثر ہو سکیں، اجلاس کے وقت سے 48 گھنٹے قبل کمپنی کے صدر دفتر (17- عزیز ایونیو، کینال بینک، گلبرگ-V، لاہور) میں لازماً وصول ہونی چاہئیں اور باقاعدہ مہرزہ، دستخط شدہ اور گواہ شدہ ہونی چاہئیں۔

3- وہ ممبران جن کے نام حصص سنٹرل ڈیپازٹری سسٹم میں ہیں التماس ہے کہ وہ اپنے اصلی شناختی کارڈ یا پاسپورٹ اور سنٹرل ڈیپازٹری سسٹم میں اپنے اکاؤنٹ نمبر اجلاس میں شرکت کیلئے ہمراہ لائیں۔

4- ممبران سے التماس ہے کہ اپنے پتے میں کسی بھی تبدیلی کی صورت میں کمپنی کو مطلع فرمادیں۔

5- الیکٹرونک ووٹنگ اینڈ پوسٹل بیٹ

کمپنیز (پوسٹل بیٹ) ریگولیشنز 2018 کے مطابق کسی بھی خصوصی ایجنڈا آنسٹم کے لیے کمپنیز ایکٹ 2017 کے سیکشن 143 اور 144 سے مشروط ممبرز کو اپنا ووٹ بذریعہ بیٹ یعنی بذریعہ ڈاک یا ای ووٹنگ کے ذریعے اپنا ووٹ استعمال کرنے کی اجازت ہے جو مذکورہ ریگولیشنز میں دی گئی شرائط سے مشروط ہے۔

7- 30 جون 2023 کو ختم ہونے والے مالی سال کے کمپنی کے سالانہ آڈیٹڈ اکاؤنٹس کمپنی کی ویب سائٹ www.kil.com.pk پر جاری کر دیے گئے ہیں۔

8- فیزیکل حصص کی سی ڈی سی اکاؤنٹ میں تبدیلی

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

کمپنیز ایکٹ 2017 کے سیکشن (3) 134 کے تحت اسٹیٹمنٹ

مندرجہ ذیل اسٹیٹمنٹ کمپنی کے سالانہ عمومی اجلاس عام بمقام 06-ایچ ٹرن روڈ، بلقنابل LDA Plaza، لاہور میں مورخہ 27 اکتوبر 2023 بروز جمعہ 11 بجے صبح منظوری کے لیے پیش کیے جانے والے خصوصی امور سے متعلق اہم حقائق کا احاطہ کرنا ہے۔

سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکلر نمبر S.R.O.389(I)/2023 مورخہ 21 مارچ 2023 کی ہدایات کے پیش نظر کمپنی اپنے اراکین کو سالانہ آڈٹ شدہ مالیاتی گوشواروں کی ترسیل کو CD/DVD/USB میں کرنے کی بجائے فعال QR کوڈ اور ویب لنک کے ذریعے بھیجنے کے لئے اراکین کی منظوری حاصل کرنا چاہتی ہے۔

خصوصی قراردادوں میں ڈائریکٹران کی ماسوائے بحیثیت حصص داران یا کمپنی ڈائریکٹر ایسی کوئی دلچسپی نہیں جس کا اظہار مقصود ہو۔

لاہور: 28 ستمبر 2023

کمپنی سیکریٹری،

DIRECTORS' REPORT

The Directors of the Company presented before the shareholders the 74th Annual Report along with audited Financial Statements of the Company for the year ended June 30, 2023.

During the period under review, the Company continued its business of renting the premises of the Company and earned gross revenue of Rs. 78.277 million as compared to gross revenue of Rs. 68.075 million in the preceding year. The Company earned profit after taxation of Rs. 43.564 million as compared to 32.964 million with an EPS of Rs. 1.44 in comparison to Rs. 1.09 in the corresponding period last year. The said increase is due to other income i.e. revaluation of investment property and return on bank deposit.

The management is continuously evaluating viable business propositions, which may have positive impact on the Company's financials. We are hopeful that in the coming years, the Company will be able to commence more lucrative business in addition to renting the premises. The business (renting) of the company have not any impact on the environment and there is no trend and factor affect the future development, performance and position of the company business.

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

COMPOSITION OF BOARD

Composition of the Board of Directors is as under.

TOTAL NUMBER OF DIRECTORS	
Male	6
Female	1
COMPOSITION	
Independent Director/ Female Director	Sheikh Aftab Ahmad Mrs. Sadaf Kashif
Non-Executive Directors	Mr. M. Naseem Saigol
	Mr. Muhammad Murad Saigol
	Mr. Muhammad Omer Farooq
	Mr. Muhammad Athar Rafiq
Executive Director	Mr. Muhammad Zeid Yousuf Saigol

COMMITTEE'S

Detail of Committee's of Board is as under.

AUDIT COMMITTEE

Mrs. Sadaf Kashif	Chairperson/Member
Mr. Muhammad Murad Saigol	Member
Mr. Muhammad Omer Farooq	Member

HR & REMUNERATION COMMITTEE

Mrs. Sadaf Kashif	Chairperson/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 Board

Lahore
September 28, 2023

M. ZEID YOUSUF SAIGOL
Chief Executive

M. OMER FAROOQ
Director

FORM 34

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

1.1 Name of the Company

KOHINOOR INDUSTRIES LIMITED

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

30-06-2023

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
782	1	100	20,999
530	101	500	152,494
247	501	1,000	194,261
402	1,001	5,000	984,648
95	5,001	10,000	768,120
43	10,001	15,000	530,734
25	15,001	20,000	461,995
16	20,001	25,000	386,297
13	25,001	30,000	368,643
9	30,001	35,000	282,078
7	35,001	40,000	267,750
6	40,001	45,000	253,978
2	45,001	50,000	98,500
1	50,001	55,000	53,550
2	55,001	60,000	115,500
1	65,001	70,000	66,790
3	75,001	80,000	236,070
2	90,001	95,000	184,500
4	95,001	100,000	400,000
1	100,001	105,000	102,500
1	115,001	120,000	119,000
2	120,001	125,000	245,881
2	135,001	140,000	275,162
1	160,001	165,000	165,000
1	165,001	170,000	167,000
2	170,001	175,000	345,550
1	195,001	200,000	200,000
1	225,001	230,000	226,000
1	580,001	585,000	583,697
1	1,180,001	1,185,000	1,183,154
1	1,925,001	1,930,000	1,929,000
1	5,335,001	5,340,000	5,335,219
1	6,265,001	6,270,000	6,268,500
1	7,325,001	7,330,000	7,329,973
2208			30,302,543

KOHINOOR INDUSTRIES LIMITED

Categories of Shareholding required under Listed Companies (Code of Corporate Governance) Regulations, 2019
As on June 30, 2023

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties:			
Mutual Funds:			
1	GOLDEN ARROW SELECTED STOCKS FUND	299	0.0010
2	SECURITY STOCK FUND LTD.	560	0.0018
Directors and their Spouse and Minor Children:			
1	MR. M. NASEEM SAIGOL (CDC)	5,335,219	17.6065
2	SHEIKH AFTAB AHMED (CDC)	175,000	0.5775
3	MR. MUHAMMAD OMER FAROOQ	2,625	0.0087
4	MR. MUHAMMAD ATHAR RAFIQ	2,500	0.0083
5	MR. MUHAMMAD ZEID YOUSUF SAIGOL	2,511	0.0083
6	MR. MUHAMMAD MURAD SAIGOL	2,500	0.0083
7	MRS. SADAF KASHIF	2,500	0.0083
8	MRS. SEHAR SAIGOL W/O MR. M. NASEEM SAIGOL (CDC)	170,550	0.5628
Executives:			
Public Sector Companies & Corporations:			
Banks, Development Finance Institutions, Non Banking Finance Institution, Insurance Companies, Modarabas and Pension Funds:		1,312,082	4.3299
Shareholders holding five percent or more voting interest in the listed company			
1	MRS. AMBER HAROON SAIGOL (CDC)	7,329,973	24.1893
2	EFG HERMES UAE L.L.C (CDC)	6,268,500	20.6864
3	MR. M. NASEEM SAIGOL (CDC)	5,335,219	17.6065
4	MR. LIAQUAT ALI (CDC)	1,929,000	6.3658
All trades in the shares of the listed company, carried out by its Directors, CEO, CFO, Company Secretary, Their spouses and minor children:			

S. No.	NAME	NIL	SALE	PURCHASE
Categories of Shareholders				
		No. of Shareholders	Share held	Percentage
	Directors, Chief Executive Officer, and their spouse and minor children	8	5,693,405	18.7885
	Associated Companies, undertakings and related party	-	-	-
	NIT and ICP	2	35,647	0.1176
	Banks Development Financial Institutions Non Banking Financial Institution	15	25,337	0.0836
	Insurance Companies	4	1,218,829	4.0222
	Modarabas and Mutual Funds	4	1,447	0.0048
	General Public	2,127	16,850,156	55.6064
	Others (to be specified)			
	Pension Funds	1	30,578	0.1009
	Leasing Companies	1	36,750	0.1213
	Abandoned Properties	1	1,860	0.0061
	Other Companies	3	18,718	0.0618
	Joint Stock Companies	29	74,461	0.2457
	Foreign Companies	13	6,315,355	20.8410
		<u>2,208</u>	<u>30,302,543</u>	<u>100.0000</u>

ڈائریکٹرز رپورٹ:

کمپنی کے ڈائریکٹرز نے (74th) چوتھوں سالانہ رپورٹ ہمراہ آڈٹ شدہ حسابات مالی سال ختم 30 جون، 2023 شیئر ہولڈرز کے سامنے پیش کیے۔ زیر نظر مدت کے دوران کمپنی نے اپنا احاطہ کرایہ پر دینے کا کاروبار جاری رکھا اور مجموعی طور پر 78.277 ملین ریونیو کمایا جبکہ گزشتہ برس مجموعی ریونیو 68.075 ملین تھا۔ کمپنی نے ٹیکس کی کٹوتی کے بعد 43.564 ملین منافع کمایا جبکہ گزشتہ برس منافع 32.964 ملین تھا، کے ساتھ فی حصص آمدنی 1.44 کے موازنہ میں 1.09 تھی۔ مذکورہ اضافہ دیگر آمدن یعنی سرمایہ کاری کی جائیداد کی دوبارہ تشخیص اور بنک ڈپازٹ پرواپسی کی وجہ سے ہے۔

مینیجمنٹ مسلسل قابل عمل کاروباری تجاویز کا جائزہ لے رہی ہے جن کا کمپنی کے مالی حالات پر مثبت اثر ہو سکتا ہے۔ ہم پُر امید ہیں کہ آئندہ سالوں میں کمپنی اپنا احاطہ کرایہ پر دینے کے علاوہ مزید منافع بخش کاروبار شروع کرنے کے قابل ہو جائے گی۔ کمپنی کے کاروبار (کرائے پر دینا) کی وجہ سے ماحول پر کوئی برا اثر نہیں پڑ رہا اور کمپنی کے کاروبار کی مستقبل کی ترقی، کارکردگی اور پوزیشن پر کوئی رجحان اور عنصر متاثر نہیں ہو رہا۔

کمپنی کے ذمہ ماسوائے سپانسرز سے لیے گئے ادھار (جس کا کمپنی کے مالی حالات پر کوئی اثر نہیں ہے کیونکہ یہ سود سے پاک ہے اور یہ مطالبہ پر قابل واپسی نہیں ہے لیکن کمپنی کی صوابدید پر قابل ادائیگی ہے) کے علاوہ تقریباً کوئی واجب الادا قرض نہیں ہے۔ کمپنی کے اثاثہ جات کمپنی کی تمام تر ذمہ داریاں پوری کرنے کے لیے کافی ہیں، لہذا کمپنی کے (Going Concern) ہونے پر کوئی شک نہیں۔

بورڈ کی ساخت

بورڈ آف ڈائریکٹرز کی ساخت درج ذیل ہے۔

کل ڈائریکٹرز کی تعداد	
6	مرد
1	عورت
ساخت	
شیخ آفتاب احمد	آزاد ڈائریکٹر
محترمہ صدف کاشف	آزاد ڈائریکٹر فیملی ڈائریکٹر
جناب محمد نسیم سہگل	نان ایگزیکٹو ڈائریکٹر
جناب محمد مراد سہگل	
جناب محمد اطہر رفیق	
جناب محمد عمر فاروق	
جناب محمد زید یوسف سہگل	ایگزیکٹو ڈائریکٹر

کمیشنرز

بورڈ کی کمیشنرز کی تفصیل درج ذیل ہے۔

آڈٹ کمیٹی

چیئر پرسن امبر

ممبر

ممبر

محترمہ صدف کاشف

جناب محمد مراد سہگل

جناب محمد عمر فاروق

ایچ آر اینڈ ریٹرنیشن کمیٹی

چیئر پرسن ا ممبر

محترمہ صدف کاشف

ممبر

جناب محمد نسیم سہگل

ممبر

جناب محمد زید یوسف سہگل

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

منجانب و برائے بورڈ:

لاہور

محمد مراد سہگل

محمد زید یوسف سہگل

28 ستمبر، 2023

ڈائریکٹر

چیف ایگزیکٹو

پیرن آف شیئر ہولڈنگ

30 جون 2023

نمبر شمار	کیٹگری آف شیئر ہولڈرز	تعداد حصص داران	تعداد حصص	فیصد
1	ڈائریکٹرز، چیف ایگزیکٹو آفیسر، ان کی بیویاں اور چھوٹے بچے۔	8	5,693,405	18.7885
2	ایسوسی ایٹڈ کمپنیز، انڈر ٹیکمز اور متعلقہ پارٹی۔	-	-	-
3	این آئی ٹی اور آئی سی پی	2	35,647	0.1176
4	بینک، ڈیولپمنٹ فنانس انسٹی ٹیوشنز، نان بینکنگ فنانس انسٹی ٹیوشنز	15	25,337	0.0836
5	انسورنس کمپنیز	4	1,218,829	4.0222
6	مدار بہ اور میوچل فنڈز	4	1,447	0.0048
7	عام عوام	2,127	16,850,156	55.6064
8	دوسرے (مخصوص کیا جائے گا)			
	پینشن فنڈز	1	30,578	0.1009
	لیزنگ کمپنیز	1	36,750	0.1213
	ابڈن پراپرٹیز	1	1,860	0.0061
	دوسری کمپنیز	3	18,718	0.0618
	جوائنٹ سٹاک کمپنیز	29	74,461	0.2457
	غیر ملکی کمپنیز	13	6,315,355	20.8410
	کل تعداد	2,208	30,302,543	100.0000

تعداد حصص

-	ایسوسی ایٹڈ کمپنیز، انڈر ٹیکمز اور متعلقہ پارٹی۔
859	میوچل فنڈز
5,693,405	ڈائریکٹرز، چیف ایگزیکٹو آفیسر، ان کی بیویاں اور چھوٹے بچے۔
-	ایگزیکٹوز
-	پبلک سیکورٹیز اور کارپوریشنز
1,312,082	بینک، ڈیولپمنٹ فنانس انسٹی ٹیوشنز، نان بینکنگ فنانس انسٹی ٹیوشنز، انسورنس کمپنیز، مدار بہ اور پینشن فنڈز
20,862,692	پانچ فیصد یا اس سے زیادہ کے حصص داران

لسٹڈ کمپنیز میں ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری، ان کی بیویاں اور چھوٹے بچوں کے حصص کی خرید و فروخت

نمبر شمار	نام	فروخت	خرید
			کوئی نہیں

CHAIRMAN'S REVIEW

For the year ended June 30, 2023

It gives me great pleasure to present the Annual Report for the year ended June 30, 2023, 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, 2023, 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

28 September 2023

چیرمین جائزہ رپورٹ:

برائے سال 30 جون، 2023

میں 30 جون، 2023 کو ختم ہونے والے سال کی سالانہ رپورٹ اپنے قابل قدر ممبران اور اسٹیک ہولڈرز کے سامنے پیش کرنے اور بورڈ کی مجموعی کارکردگی اور تاثیر سے آگاہ کرنے میں بڑی خوشی محسوس کر رہا ہوں۔

کوہ نور انڈسٹریز لیمیٹڈ 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 تاثیر کو کمپنی کے لیے طے شدہ مقاصد کے تناظر میں توقعات کے خلاف پیمائش اور بیچ مارک کیا جائے۔

30 جون، 2023 کو ختم ہونے والے مالی سال کے لیے، بورڈ کی مجموعی کارکردگی اور تاثیر کا اندازہ اطمینان بخش رہا ہے۔ یہ لازمی اجزاء کی تشخیص پر مبنی ہے بشمول وژن، مشن اور اقدار، اسٹریٹجک منصوبہ بندی میں مشغولیت، پالیسیوں کی تشکیل، کمپنی کی کاروباری سرگرمیوں کی نگرانی، مالی وسائل کے انتظام کی نگرانی۔

میں، ہمارے 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

چیرمین

STATEMENT IN COMPLIANCE OF THE CODE OF CORPORATE GOVERNANCE

The Directors state that: -

- a) The Financial Statements, prepared by the management, present a true and fair state of affairs of the company, the results of its operations, cash flows and changes in equity.
- b) Proper books of accounts have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International Accounting Standards, as applicable in Pakistan, have been followed in preparation of Financial Statements.
- e) The system of internal control is sound in design and has been effectively implemented and maintained at all levels within the Company.
- f) There are no significant doubts upon the Company's ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- h) Significant deviation from last year in operating results of the Company and reasons thereof have been explained.
- i) The Key Operating and Financial Data of last six years are annexed.
- j) There are no outstanding statutory payments on account of taxes, duties, levies and charges except as shown in notes to the accounts.
- k) There are no significant plans for corporate restructuring, business expansion and discontinuation of operations except for improvement in the normal business activities to increase the business.
- l) Directors' Meetings of the Board of Directors of the Company during the year under review were held on October 06, 2022, October 27, 2023, February 28, 2023 and April 27, 2023.

Following was the attendance of the Directors: -

<u>NAME OF DIRECTORS</u>	<u>NO. OF MEETINGS ATTENDED</u>
Mr. M. Naseem Saigol	3
Mr. Muhammad Zeid Yousuf Saigol	3
Mr. Muhammad Murad Saigol	4
Mr. Muhammad Omer Farooq	4
Mrs. Sadaf Kashif	4
Mr. Rashid Ahmad Javaid	3 (Retire as on 24-03-2023)
Mr. Muhammad Asif	3 (Retire as on 24-03-2023)
Mr. Muhammad Athar Rafiq	1 (Elected as on 24-03-2023)
Sheikh Aftab Ahmad	1 (Elected as on 24-03-2023)

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

Pattern of Shareholding

A statement showing pattern of shareholding as on June 30, 2023 is annexed.

Acknowledgment

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

For and on behalf of the Board

Lahore : September 28, 2022

M. ZEID YOUSUF SAIGOL
Chief Executive Officer

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

Name of company: **KOHINOOR INDUSTRIES LIMITED**
Year ending: **JUNE 30, 2023**

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/ Female Director	Mr. Muhammad Asif
	Mrs. Sadaf Kashif
Non-Executive Directors	Mr. M. Naseem Saigol
	Mr. Muhammad Murad Saigol
	Mr. Muhammad Omer Farooq
	Mr. Muhammad Athar Rafiq
Executive Director	Mr. Muhammad Zeid Yousuf Saigol

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. Mrs. Sadaf Kashif
 2. Mr. Muhammad Murad Saigol
 3. Mr. Muhammad Omer Farooq
 - b) HR and Remuneration Committee:**
 1. Mrs. Sadaf Kashif
 2. Mr. M. Naseem Saigol
 3. Mr. Muhammad Zeid Yousuf Saigol
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following, -
 - a) Audit Committee:**
 1. October 06, 2022
 2. October 27, 2022
 3. February 28, 2023
 4. April 27, 2023
 - b) HR and Remuneration Committee:**
 1. October 06, 2022
15. The Board has set up an effective internal audit function/ or has outsourced the internal audit function to who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

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

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

(M. Naseem Saigol)
Chairman

SIX YEARS AT A GLANCE

(Rupees in '000)

PARTICULARS	2022-23	2021-22	2020-21	2019-20	2018-2019	2017-2018
<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	15,582	15,532	14,387	14,387	14,387	14,387
Investment Property	880,878	856,514	847,646	838,924	809,372	802,861
Accumulated depreciation	12,867	12,439	12,056	11,913	11,609	11,265
Current assets	122,339	115,495	84,077	79,140	41,174	19,045
Current Liabilities	44,046	60,758	59,417	411,815	404,612	409,356
<u>Income</u>						
Sales / Revenue	78,278	68,076	61,909	56,426	47,715	37,244
Other Income	43,744	12,738	24,946	34,441	6,643	40,745
Gross profit	-	-	-	-	-	-
Pre tax profit / (Loss)	55,469	44,459	59,417	72,175	30,050	42,995
Taxation	(11,904)	(11,495)	(14,894)	15,437	(2,255)	(8,921)
Profit / (Loss) after taxation	43,565	32,964	44,523	87,612	27,795	34,074
Unappropriated profit / (Loss)	(502,458)	(545,839)	(578,784)	(600,728)	(688,371)	(716,146)
<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 %	18.31%	14.67%	19.64%	23.82%	9.92%	14.18%
Current ratio	2.78	1.90	1.42	0.19	0.10	0.05
Paid up value per share (Rs.)	10	10	10	10	10	10
Earning after tax per share (Rs.)	1.44	1.09	1.47	2.89	0.92	1.12
Cash dividend %	-	-	-	7.50%	-	-

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** ['the Company'] for the year ended **30 June 2023** 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. 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 2023.

Further, we highlight below instances of non-compliance with the requirements of the Code as reflected in the paragraph reference where these are stated in the Statement of Compliance:

Reference	Description
Paragraph 27(2)(i)	The audit committee is required to meet at least once every quarter of the financial year. No meeting of the audit committee was held during the quarter ended 30 September 2022.

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Lahore | 28 September 2023

UDIN: CR202310704yaqrRWdSe

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the annexed financial statements of **KOHINOOR INDUSTRIES LIMITED** ['the Company'], which comprise the statement of financial position as at **30 June 2023**, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2023 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ['ISAs'] as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan ['the Code'] and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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

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

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) 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 | 28 September 2023

UDIN: AR202310704MuyNeGRfh

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	<i>Note</i>	30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
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		(502,458,226)	(545,839,390)
Loans from directors and other shareholders	9	353,682,503	353,682,503
TOTAL EQUITY		992,908,539	949,527,375
NON-CURRENT LIABILITIES			
Employees retirement benefits	10	2,514,871	1,596,884
CURRENT LIABILITIES			
Trade and other payables	11	32,179,859	28,904,470
Unclaimed dividend	12	2,252,941	2,259,086
Income tax payable		9,613,227	29,594,055
		44,046,027	60,757,611
TOTAL LIABILITIES		46,560,898	62,354,495
CONTINGENCIES AND COMMITMENTS	13		
TOTAL EQUITY AND LIABILITIES		1,039,469,437	1,011,881,870

The annexed notes from 1 to 43 form an integral part of these financial statements.

Director

Chief Financial Officer

Chief Executive

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	<i>Note</i>	30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	14	2,714,700	3,092,368
Government taken over concerns	15	-	-
Investment property	16	880,877,920	856,513,650
Long term investments	17	10,517,850	11,481,750
Long term deposits	18	166,376	166,376
Deferred taxation	19	22,853,138	25,133,134
		917,129,984	896,387,278
CURRENT ASSETS			
Lease rentals receivable		160,882	20,000
Advances and other receivables	20	1,123,500	312,900
Advance income tax / income tax refundable		24,207,765	21,655,481
Cash and bank balances	21	96,847,306	93,506,211
		122,339,453	115,494,592
TOTAL ASSETS		1,039,469,437	1,011,881,870

The annexed notes from 1 to 43 form an integral part of these financial statements.

Director

Chief Financial Officer

Chief Executive

**STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2023**

	<i>Note</i>	30-Jun-23 <i>Rupees</i>	30-Jun-22 <i>Rupees</i>
Rental income	22	78,277,593	68,075,548
Administrative expenses	23	(31,278,570)	(28,206,111)
Other expenses	24	(34,881,419)	(7,408,007)
		(66,159,989)	(35,614,118)
		12,117,604	32,461,430
Other income	25	43,743,502	12,738,395
Operating profit		55,861,106	45,199,825
Finance cost	26	(17,488)	(12,317)
		55,843,618	45,187,508
Share of loss of associate	17.1	(374,490)	(728,568)
Profit before taxation		55,469,128	44,458,940
Provision for taxation	27	(11,904,837)	(11,494,075)
Profit after taxation		43,564,291	32,964,865
Earnings per share - <i>basic and diluted</i>	28	1.44	1.09

The annexed notes from 1 to 43 form an integral part of these financial statements.

Director

Chief Financial Officer

Chief Executive

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	<i>Note</i>	30-Jun-23 <i>Rupees</i>	30-Jun-22 <i>Rupees</i>
<i>Items that may be reclassified subsequently to profit or loss</i>		-	-
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of defined benefit obligations	10.3	(257,925)	(28,170)
Related taxation	19.1	74,798	8,169
		(183,127)	(20,001)
Share of other comprehensive loss of associate	17.1	-	-
Other comprehensive loss		(183,127)	(20,001)
Profit after taxation		43,564,291	32,964,865
Total comprehensive income		43,381,164	32,944,864

The annexed notes from 1 to 43 form an integral part of these financial statements.

 Director

 Chief Financial Officer

 Chief Executive

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	<i>Note</i>	30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	29	35,581,995	43,650,192
Payments for:			
Income tax		(32,083,155)	(16,092,639)
Employee retirement benefits		(101,600)	-
Net cash generated from operating activities		3,397,240	27,557,553
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(50,000)	(1,190,795)
Proceeds from disposal of property and equipment		-	-
Net cash used in investing activities		(50,000)	(1,190,795)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid		(6,145)	(73,318)
Net cash used in financing activities		(6,145)	(73,318)
NET INCREASE IN CASH AND CASH EQUIVALENTS		3,341,095	26,293,440
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR		93,506,211	67,212,771
CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR	30	96,847,306	93,506,211

The annexed notes from 1 to 43 form an integral part of these financial statements.

Director

Chief Financial Officer

Chief Executive

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Share capital		Capital reserves			Loan from directors and sponsors	Total equity
	Issued share capital	Share Premium	Revaluation reserve	Accumulated losses			
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 01 July 2021	303,025,430	187,394,755	651,264,077	(578,784,254)	353,682,503	916,582,511	
Comprehensive income							
Profit after taxation	-	-	-	32,964,865	-	32,964,865	
Other comprehensive loss	-	-	-	(20,001)	-	(20,001)	
Total comprehensive income	-	-	-	32,944,864	-	32,944,864	
Balance as at 30 June 2022	303,025,430	187,394,755	651,264,077	(545,839,390)	353,682,503	949,527,375	
Balance as at 01 July 2022	303,025,430	187,394,755	651,264,077	(545,839,390)	353,682,503	949,527,375	
Comprehensive income							
Profit after taxation	-	-	-	43,564,291	-	43,564,291	
Other comprehensive loss	-	-	-	(183,127)	-	(183,127)	
Total comprehensive income	-	-	-	43,381,164	-	43,381,164	
Balance as at 30 June 2023	303,025,430	187,394,755	651,264,077	(502,458,226)	353,682,503	992,908,539	

The annexed notes from 1 to 43 form an integral part of these financial statements.

Director

Chief Financial Officer

Chief Executive

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1 LEGAL STATUS AND OPERATIONS

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

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

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS and IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

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

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

2.3 Critical accounting judgements and key sources of estimation uncertainty

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

2.3.1 Critical accounting judgements

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

(a) Business model assessment (see note 35.1)

The Company classifies its financial assets on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The Company determines the business model at a level that reflects how financial assets are managed to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Company monitors financial assets measured at amortized cost or fair value that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the year.

(b) Significant increase in credit risk (see note 36.1.1)

As explained in note 36.1.1, expected credit losses ['ECL'] are measured, based on the Company's risk grading framework, as an allowance equal to 12-month/lifetime ECL for 'performing' assets, or lifetime ECL for assets categorized as 'doubtful' or 'in default'. An asset is categorized as 'doubtful' when its credit risk has increased significantly since initial recognition. IFRS9 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. 1.822 million (30-Jun-22: Rs. 9.157 million). Further information on the Company's credit risk management practices and credit quality and impairment of financial assets is referred to in note 36.1.3.

(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 the Company's defined benefit obligation has been determined by an independent actuary, Nauman Associates, and is stated in the statement of financial position at Rs. 2.515 million (30-Jun-22: Rs. 1.597 million). Further information on the carrying amounts of the Company's defined benefit obligation and the sensitivity of those amounts to changes in assumptions is referred to in note 10.

(c) Taxation (see note 27)

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 current tax and tax contingencies. The provision for current tax is estimated at Rs. 9.55 million (30-Jun-22: Rs. 12.52 million). The management believes that the provision for current tax made in the financial statements is sufficient to discharge related tax liability.

Provision (30-Jun-22: Credit) for deferred tax of Rs. 2.355 million (30-Jun-22: Rs. 1.026 million) has been estimated after taking into account historical and future turnover and profit trends and their taxability under the current tax law.

Further information on the taxation provisions is referred to in note 27.

(d) Fair value of investment property (see note 16.1).

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

2.4 Functional currency

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

2.5 Date of authorization for issue

These financial statements were authorized for issue on 28 September 2023 by the Board of Directors of the Company.

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

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

3.1 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.

	Effective date (annual periods beginning on or after)
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
International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12 - Income Taxes)	01 January 2023
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
Supplier Finance Arrangements (Amendments to IAS 7 - Statement of Cash Flows and IFRS 7 - Financial Instruments : Disclosures)	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 SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Property and equipment

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

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

Depreciation is recognized in profit or loss, using rates specified in note 14, 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.

5.2 Employee benefits

5.2.1 Short-term employee benefits

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

5.2.2 Post-employment benefits

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

5.3 Financial instruments

5.3.1 Recognition

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

5.3.2 Classification

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

(a) Financial assets at amortized cost

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

(b) Financial assets at fair value through other comprehensive income

These are:

- (i) 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
- (ii) 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.

(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.

5.3.3 Measurement

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

5.3.4 Derecognition

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

5.3.5 Off-setting

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

5.4 Ordinary share capital

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

5.5 Loans and borrowings

Loans and borrowings, except for loan from directors and sponsors which are repayable at the Company's discretion and are not payable on demand, are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and value at maturity recognized in the profit or loss over the period of the borrowings on an effective interest basis.

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

5.6 Investment in associates

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

5.7 Investment property

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

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

5.8 Trade and other payables

5.8.1 Financial liabilities

These are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

5.8.2 Non-financial liabilities

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

5.9 Provisions and contingencies

Provisions are recognized when the Company has a legal and constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where outflow of resources embodying economic benefits is not probable, or where a reliable estimate of the amount of obligation cannot be made, a contingent liability is disclosed, unless the possibility of outflow is remote.

5.10 Receivables

5.10.1 Financial assets

These are classified as 'financial assets at amortized cost'. On initial recognition, these are measured at fair value at the date of transaction, plus attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

5.10.2 Non-financial assets

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

5.11 Leases as 'lessor'

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

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

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

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

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

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

5.12 Comprehensive income

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

5.13 Borrowing costs

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

5.14 Income tax

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

5.14.1 Current taxation

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

5.14.2 Deferred taxation

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

5.15 Earnings per share ['EPS']

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

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

5.16 Cash and cash equivalents

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

5.17 Segment reporting

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

5.18 Foreign currency transactions and balances

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

5.19 Impairment**5.19.1 Financial assets**

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

Impairments 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, impairments recognized at an amount equal to twelve months' expected credit losses, with the exception of lease rentals receivables, for which the Company recognizes lifetime expected credit losses estimated using internal credit risk grading based on the Company's historical credit loss experience, adjusted for factors that are specific to lease rentals receivables, general economic conditions, and an assessment for both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

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

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

5.19.2 Non-financial assets

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

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

5.20 Dividend distribution to ordinary shareholders

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

5.21 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.

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.

6 AUTHORIZED SHARE CAPITAL

30-Jun-23 No. of shares	30-Jun-22 No. of shares		30-Jun-23 Rupees	30-Jun-22 Rupees
40,000,000	40,000,000	Ordinary shares of Rs. 10 each	400,000,000	400,000,000
40,000,000	40,000,000		400,000,000	400,000,000

7 ISSUED SHARE CAPITAL

30-Jun-23 No. of shares	30-Jun-22 No. of shares		30-Jun-23 Rupees	30-Jun-22 Rupees
		Ordinary shares of Rs. 10 each		
12,095,482	12,095,482	Issued for cash	120,954,820	120,954,820
18,207,061	18,207,061	Issued as bonus shares	182,070,610	182,070,610
30,302,543	30,302,543		303,025,430	303,025,430

8 SHARE PREMIUM

This represents premium on issue of right ordinary shares recognized under section 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.

	<i>Note</i>	30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
10.1 Movement in present value of defined benefit obligation			
As at beginning of the year		1,596,884	984,563
Charged to profit or loss for the year	10.2	761,662	584,151
Benefits paid during the year		(101,600)	-
Remeasurements recognized in other comprehensive income	10.3	257,925	28,170
As at end of the year		2,514,871	1,596,884
10.2 Charge to profit or loss			
Current service cost		556,806	485,695
Interest cost		204,856	98,456
		761,662	584,151
10.3 Remeasurements recognized in other comprehensive income			
Actuarial loss/(gain) arising from changes in:			
Financial assumptions		55,059	(46,782)
Experience adjustments		202,866	74,952
		257,925	28,170
	<i>Note</i>	30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
10.4 The charge to profit or loss has been allocated as follows			
Administrative expenses	23.1	761,662	584,151
		761,662	584,151
10.5 Principal actuarial assumptions			
Present value of defined benefit obligation has been determined using projected unit credit method. The liability as at the reporting date is based on actuarial valuation carried out by independent actuaries, Nauman Associates. The principal assumptions used in determining present value of defined benefit obligation are:			
		30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
Discount rate		16.25%	13.25%
Expected rates of increase in salary		15.25%	10.00%
10.6 Average duration of the defined benefit obligation			
The average duration of the defined benefit obligation is six years.			
10.7 Expected charge to profit or loss for the next financial year			
The expected charge to profit or loss for the year ending 30 June 2024 amounts to Rs. 1,397,817.			

10.8 Sensitivity analysis

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

	30-Jun-23		30-Jun-22	
	Change in actuarial assumption	Defined benefit obligation <i>Rupees</i>	Change in actuarial assumption	Defined benefit obligation <i>Rupees</i>
Discount rate	+ 1%	2,365,450	+ 1%	1,496,810
	- 1%	2,684,778	- 1%	1,711,110
Expected rates of increase in salary	+ 1%	2,687,019	+ 1%	1,713,127
	- 1%	2,360,967	- 1%	1,493,324

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.

10.9 Risk factors

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

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

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

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

	Note	30-Jun-23 <i>Rupees</i>	30-Jun-22 <i>Rupees</i>
11 TRADE AND OTHER PAYABLES			
Creditors		734,898	463,770
Accrued liabilities		3,149,400	1,303,576
Sales tax payable		20,642,050	20,642,050
Security deposits		5,215,503	5,215,503
Workers' Profit Participation Fund		371,704	371,704
Workers' Welfare Fund	11.1	2,039,348	907,325
Other payables		26,956	542
		32,179,859	28,904,470
11.1 Workers' Welfare Fund			
As at beginning of the year		907,325	1,214,509
Charged to profit or loss for the year	24	1,132,023	907,325
Paid during the year		-	(1,214,509)
As at end of the year		2,039,348	907,325

12 UNCLAIMED DIVIDEND

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

13 CONTINGENCIES AND COMMITMENTS**13.1 Contingencies**

13.1.1 Sales tax and other liabilities of Rs. 5.730 million (30-Jun-22: Rs. 5.730 million) are pending in appeals. The Company has filed reference application before the Honorable Lahore High Court, Lahore and other appellate forums. The subject reference is still pending before the Honorable Lahore High Court, Lahore.

13.1.2 Suit filed by United Investment Limited against the State and the Company for possession of land at Kala Shah Kaku, Tehsil Ferozewala, District Sheikhpura acquired by the State. However, no liability involving financial burden on the Company is expected to arise. Case is pending for hearing as confirmed by legal advisor.

13.1.3 Securities and Exchange Commission of Pakistan [“SECP”] filed a petition with the Honorable Lahore High Court, Lahore on the request of the shareholders against the improper management of operations of the Company. In response to this petition, The Lahore High Court issued a notice of hearing to the Company. The Company in this respect attended hearing and submitted its reply accordingly. The subject reference is still pending before the Honorable Lahore High Court, Lahore.

13.2 Commitments

There are no known commitments as at the reporting date.

14 PROPERTY AND EQUIPMENT

	30-Jun-23									
	COST			DEPRECIATION				Net book value as at		
	As at 01-Jul-22 Rupees	Additions Rupees	Disposals Rupees	As at 30-Jun-23 Rupees	Rate %	As at 01-Jul-22 Rupees	For the year Rupees	Adjustment Rupees	As at 30-Jun-23 Rupees	30-Jun-23 Rupees
Furniture and fixtures	1,357,000	-	-	1,357,000	10	831,271	52,573	-	883,844	473,156
Office equipment	3,468,000	50,000	-	3,518,000	10	2,081,494	139,068	-	2,220,562	1,297,438
Vehicles	10,706,675	-	-	10,706,675	20	9,526,542	236,027	-	9,762,569	944,106
	15,531,675	50,000	-	15,581,675		12,439,307	427,668	-	12,866,975	2,714,700

	30-Jun-22									
	COST			DEPRECIATION				Net book value as at		
	As at 01-Jul-21 Rupees	Additions Rupees	Disposals Rupees	As at 30-Jun-22 Rupees	Rate %	As at 01-Jul-21 Rupees	For the year Rupees	Adjustment Rupees	As at 30-Jun-22 Rupees	30-Jun-22 Rupees
Furniture and fixtures	1,357,000	-	-	1,357,000	10	772,857	58,414	-	831,271	525,729
Office equipment	3,468,000	-	-	3,468,000	10	1,927,438	154,056	-	2,081,494	1,386,506
Vehicles	9,515,880	1,190,795	-	10,706,675	20	9,355,550	170,992	-	9,526,542	1,180,133
	14,340,880	1,190,795	-	15,531,675		12,055,845	383,462	-	12,439,307	3,092,368

	<i>Note</i>	30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
15 GOVERNMENT TAKEN OVER CONCERNS			
Gross amount due		27,229,339	27,229,339
Impairment allowance	15.1	(27,229,339)	(27,229,339)
		-	-

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

	30-Jun-23	30-Jun-22
	<i>Rupees</i>	<i>Rupees</i>
16 INVESTMENT PROPERTY		
Land		
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
Building		
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
	880,877,920	856,513,650

16.1 This represents Company land and building transferred from property and equipment at fair value, whereas the fair value of land and building is valued by an independent valuer, Medallion Services (Private) Limited. The forced sale value of land and building as at 30 June 2023 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 37.3.1.

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

17 LONG TERM INVESTMENTS

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

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

	30-Jun-23	30-Jun-22
Percentage of ownership interest	22.50%	22.50%

	30-Jun-23	30-Jun-22
	<i>Rupees</i>	<i>Rupees</i>
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 loss	(17,496,180)	(17,121,690)
Dividend income from investment in associate	(10,800,000)	(10,800,000)
	61,703,820	62,078,310
Accumulated impairment	(51,185,970)	(50,596,560)
	10,517,850	11,481,750

17.1 Extracts of financial statements of associated company

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

	<i>Note</i>	30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
Non-current assets		82,527,146	87,864,043
Current assets		47,231,400	42,014,320
Non-current liabilities		-	-
Current liabilities		2,804,190	1,259,607
Revenue		17,552,496	17,453,205
Loss for the year		(1,664,400)	(3,238,082)
Other comprehensive loss		-	-
Break-up value per share		10.08	10.21
Share of loss and other adjustments to net assets	17.1.1	(374,490)	(728,568)
Market value per share		3.71	4.05

17.1.1 This includes the following:

Share of loss for the year	(374,490)	(728,568)
Share of other comprehensive loss for the year	-	-
	(374,490)	(728,568)

18 LONG TERM DEPOSITS

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

	<i>Note</i>	30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
19 DEFERRED TAXATION			
Deferred tax asset on deductible temporary differences	19.1	22,877,558	25,172,858
Deferred tax liability on taxable temporary differences	19.1	(24,420)	(39,724)
Net deferred tax asset		22,853,138	25,133,134

19.1 Recognized deferred liabilities and tax assets

Deferred tax liabilities and assets are attributable to the following:

	30-Jun-23			
	As at 01-Jul-22 Rupees	Recognized in profit or loss Rupees	Recognized in OCI Rupees	As at 30-Jun-23 Rupees
Deferred tax assets				
Long term investment	9,814,781	120,488	-	9,935,269
Impairment allowances	14,894,981	(2,682,005)	-	12,212,976
Employees retirement benefits	463,096	191,419	74,798	729,313
	25,172,858	(2,370,098)	74,798	22,877,558
Deferred tax liabilities				
Operating fixed assets	(39,724)	15,304	-	(24,420)
	25,133,134	(2,354,794)	74,798	22,853,138

	30-Jun-22			
	As at 01-Jul-21 Rupees	Recognized in profit or loss Rupees	Recognized in OCI Rupees	As at 30-Jun-22 Rupees
Deferred tax assets				
Long term investment	8,911,125	903,656	-	9,814,781
Impairment allowances	14,894,981	-	-	14,894,981
Employees retirement benefits	285,523	169,404	8,169	463,096
	24,091,629	1,073,060	8,169	25,172,858
Deferred tax liabilities	-	-	-	-
Operating fixed assets	7,669	(47,393)	-	(39,724)
	24,099,298	1,025,667	8,169	25,133,134

19.2 Deferred tax arising from timing differences has been calculated at 29% (30-Jun-22: 29%) except for those pertaining to income from investment in listed equity securities taxable as a separate block under the provisions of the Ordinance which has been calculated at 12.5% (30-Jun-22: 12.5%) of the timing differences based on tax rates notified by the Government of Pakistan for future tax years for such income.

	Note	30-Jun-23 Rupees	30-Jun-22 Rupees
20 ADVANCES AND OTHER RECEIVABLES			
Advances to employees	20.1	1,123,500	312,900
Sales tax refundable	20.2	-	-
Other receivables	20.3	-	-
		1,123,500	312,900

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

	Note	30-Jun-23 Rupees	30-Jun-22 Rupees
20.2 Sales tax refundable			
Gross amount due		4,236,934	4,236,934
Impairment allowance	20.2.1	(4,236,934)	(4,236,934)
		-	-

20.2.1 This represent sales tax paid on utilities during the financial years 2014-15 to 2016-17. Recovery of this amount is considered doubtful and thus an impairment allowance for the same has been made.

	<i>Note</i>	30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
20.3 Rebate/claims and central excise duty receivables		10,647,437	10,647,437
Impairment allowance		(10,647,437)	(10,647,437)
		-	-

21 CASH AND BANK BALANCES

Cash in hand		403,230	390,690
Cash at banks			
Current accounts - <i>local currency</i>		16,764,613	91,066,495
Deposit/saving accounts - <i>local currency</i>	21.1	79,679,463	2,049,026
		96,444,076	93,115,521
		96,847,306	93,506,211

21.1 These carry return at rates ranging from 12.25% to 19.50% (30-Jun-22: 5.75% to 8.25%) per annum.

22 RENTAL INCOME

This represents rental income from leasing out Company's investment property under operating lease arrangements.

	<i>Note</i>	30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
23 ADMINISTRATIVE EXPENSES			
Salaries and benefits	23.1	17,321,333	16,131,381
Printing and stationery		194,316	158,465
Communication		421,515	420,958
Repair and maintenance		6,341,720	4,363,410
Rent, rates and taxes		2,057,419	2,260,894
Utilities		623,779	758,463
Insurance		93,508	98,211
Advertisement		180,900	43,300
Vehicles running and maintenance		908,068	556,020
Traveling and conveyance		54,771	132,320
Legal and professional		889,058	1,583,298
Fees and Subscription		356,200	209,750
Auditor's remuneration	23.2	565,000	565,000
Entertainment		468,845	339,461
Depreciation	14	427,668	383,462
Others		374,470	201,718
		31,278,570	28,206,111

23.1 These include charge in respect of employees retirement benefits amounting to Rs. 761,662 (30-Jun-22: Rs. 584,151).

	30-Jun-23	30-Jun-22
	<i>Rupees</i>	<i>Rupees</i>
23.2 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

	<i>Note</i>	30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
24 OTHER EXPENSES			
Loss on financial instruments			
Impairment loss on long term investment		589,410	6,500,682
Other expenses			
Workers' Welfare Fund	11.1	1,132,023	907,325
Others		33,159,986	-
		34,881,419	7,408,007
25 OTHER INCOME			
Gain on financial instruments			
Return on bank deposits		7,895,314	3,870,665
Other income			
Changes in fair value of investment property		24,364,270	8,867,730
Excess liability written off		11,483,918	-
		35,848,188	8,867,730
		43,743,502	12,738,395
26 FINANCE COST			
Bank charges		17,488	12,317
		17,488	12,317
27 PROVISION FOR TAXATION			
Current taxation			
for the year	27.1	9,613,227	12,547,295
for prior year		(63,184)	(27,553)
		9,550,043	12,519,742
Deferred taxation			
attributable to origination and reversal of temporary differences		2,354,794	(1,025,667)
attributable to changes in tax rates		-	-
	19.1	2,354,794	(1,025,667)
		11,904,837	11,494,075
27.1	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].		
	<i>Unit</i>	30-Jun-23	30-Jun-22
27.2 Reconciliation between average effective tax rate and applicable tax rate			
Profit before taxation	<i>Rupees</i>	55,469,128	44,458,940
Provision for taxation	<i>Rupees</i>	11,904,837	11,494,075
Average effective tax rate	%	21.46	25.85
Tax effects of:			
Adjustments for prior years	%	0.11	0.06
Adjustments for deferred taxation	%	(4.25)	2.31
Income chargeable to tax at different rates		-	-
Admissible deductions, losses and tax credits	%	11.67	0.78
Applicable tax rate	%	29.00	29.00

- 27.3** The income tax assessments of the Company up to and including tax year 2022 have been completed by the concerned income tax authorities or are deemed to have been so completed under the provisions of section 120 of the ordinance except as explained in note 27.4 to 27.7.
- 27.4** The Company's case was selected for audit by the Additional Commissioner Inland Revenue ['ACIR'] for tax year 2015 in terms of section 214C of the Ordinance in March 2017. On conclusion of audit proceedings, ACIR through order passed under section 122(1) of the Ordinance in June 2021, raised a tax demand of Rs. 5,324,709. The Company filed an appeal before Commissioner Inland Revenue (Appeals) ['CIR(A)'] against this order in July 2021 and the CIR(A), through order dated 09 March 2022, upheld the disallowances by CIR(A) against which the Company filed an appeal before Appellate Tribunal Inland Revenue ['ATIR'] in April 2022. The proceedings are still under process. Legal counsel of the Company is of the view that the Company's position in the case is weak. Accordingly, provision of the said amount has been recognised.
- 27.5** In respect of tax year 2016, the Company received a notice under section 161(1) vide order dated 13 June 2022 by Deputy Commissioner Inland Revenue (Audit) ['DCIR(A)'], wherein a tax demand of Rs. 1,256,799 was raised. The Company filed an appeal for stay before Commissioner Inland Revenue (Appeals) ['CIR(A)'] against this order in July 2022 and the CIR(A), through order dated 24 March 2023, upheld the order of DCIR(A) against which the Company filed an appeal before Appellate Tribunal Inland Revenue ['ATIR'] in April 2023. The proceedings are still under process.
- 27.6** The Company's case was selected for audit by the Additional Commissioner Inland Revenue ['ACIR'] for tax year 2016 in terms of section 122(5A) of the Ordinance in June 2022 issuing a demand notice of Rs. 2,711,572. The Company filed an appeal before Commissioner Inland Revenue (Appeals) ['CIR(A)'] against this order in July 2022 and the CIR(A), through order dated 21 March 2023, upheld the order of ACIR against which the Company filed an appeal before Appellate Tribunal Inland Revenue ['ATIR'] in April 2023. The proceedings are still under process.
- 27.7** In respect of tax year 2023, the Company received a notice under section 205/147 vide order dated 09 February 2023 by Deputy Commissioner Inland Revenue ['DCIR'], wherein a tax demand of Rs. 6,112,490 was raised. The Company filed an appeal before Commissioner Inland Revenue (Appeals) ['CIR(A)'] against this order on 08 March 2023. The proceedings are still under process.

	<i>Unit</i>	30-Jun-23	30-Jun-22
28 EARNINGS PER SHARE - BASIC AND DILUTED			
Profit attributable to ordinary shareholders	<i>Rupees</i>	43,564,291	32,964,865
Weighted average number of ordinary shares outstanding during the year	<i>No. of shares</i>	30,302,543	30,302,543
Earnings per share - Basic	<i>Rupees</i>	1.44	1.09
There is no dilutive effect on the basic earning per share of the Company.			
		30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
29 CASH GENERATED FROM OPERATIONS			
Profit before taxation		55,469,128	44,458,940
Adjustments for non-cash and other items			
Provision for employees retirement benefits		761,662	584,151
Share of loss of associate		374,490	728,568
Impairment loss on long term investment		589,410	6,500,682
Change in fair value of investment property		(24,364,270)	(8,867,730)
Depreciation		427,668	383,462
		(22,211,040)	(670,867)
Operating profit before changes in working capital		33,258,088	43,788,073
Changes in working capital			
Advances and other receivables		(810,600)	(145,230)
Lease rentals receivable		(140,882)	-
Trade and other payables		3,275,389	7,349
		2,323,907	(137,881)
Cash generated from operations		35,581,995	43,650,192

	<i>Note</i>	30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
30 CASH AND CASH EQUIVALENTS			
Cash and bank balances	21	96,847,306	93,506,211
		96,847,306	93,506,211

31 CHANGES FROM FINANCING CASH FLOWS

	30-Jun-23	30-Jun-22
	Unclaimed dividend	Unclaimed dividend
	<i>Rupees</i>	<i>Rupees</i>
As at beginning of the year	2,259,086	2,332,404
Dividend paid	(6,145)	(73,318)
As at end of the year	2,252,941	2,259,086

32 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 details of Company's related parties, with whom the Company had transactions during the year or has balances outstanding as at the reporting date are as follows:

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

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 carries out various transactions with associated companies and continues to have a policy whereby all such transactions are carried out on commercial terms and conditions which are equivalent to those prevailing in an arm's length transaction. Details of transactions and balances with related parties is as follows:

		30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
32.1 Transactions with related parties			
Nature of relationship	Nature of transactions		
Associated companies	Advertisement expenses	180,900	-
	Rental income	2,795,319	3,043,356
32.2 Balances with related parties			
Nature of relationship	Nature of balances		
Associated companies	Lease rentals receivable	140,882	-
Key management personnel	Borrowings	151,157,503	151,157,503
Close relative of KMP	Borrowings	202,525,000	202,525,000

33 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS, AND EXECUTIVES

No amount was charged to profit or loss in respect of chief executive, directors and executives on account of managerial remuneration, allowances, perquisites and post employment benefits.

34 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.

35 FINANCIAL INSTRUMENTS

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

	<i>Note</i>	30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
35.1 Financial assets			
<i>Cash in hand</i>	21	403,230	390,690
<i>Financial assets at amortized cost</i>			
Long term deposits	18	166,376	166,376
Lease rentals receivable		160,882	20,000
Advances to employees	20	1,123,500	312,900
Cash at bank	21	16,764,613	91,066,495
		18,215,371	91,565,771
		18,618,601	91,956,461
35.2 Financial liabilities			
<i>Financial liabilities at amortized cost</i>			
Creditors	11	734,898	463,770
Accrued liabilities	11	3,149,400	1,303,576
Unclaimed dividend		2,252,941	2,259,086
		6,137,239	4,026,432

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 financial of loss to Company, the counterparty if the to financial a 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.

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

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

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

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

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

36.1.2 Exposure to credit risk

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

	Note	30-Jun-23	30-Jun-22
		Rupees	Rupees
Financial assets at amortized cost			
Long term deposits	18	166,376	166,376
Lease rentals receivable		160,882	20,000
Advances to employees	20	1,123,500	312,900
Cash at banks	21	16,764,613	91,066,495
		18,215,371	91,565,771

36.1.3 Credit quality and impairment

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

	Note	External rating	Internal risk grading	12-month or life-time ECL	Gross carrying amount Rupees	Loss allowance Rupees
Long term deposits	18	N/A	Performing	12-month ECL	166,376	-
Lease rentals receivable		N/A	Performing	12-month ECL	160,882	-
Advances to employees	20	N/A	Performing	12-month ECL	1,123,500	-
Bank balances	21	A1 - A1+	N/A	12-month ECL	16,764,613	-
					18,215,371	-

(a) Long term deposits

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

(b) Lease rentals receivable

This represents rent for June 2023 receivable from Pak Elektron Limited and Kohinoor Primary School, Faisalabad. 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 Concentration of credit risk

There are no significant concentrations of credit risk.

36.1.5 Collateral held

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

36.2 Liquidity risk

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

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.

	30-Jun-23				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Trade creditors	734,898	734,898	734,898	-	-
Accrued liabilities	3,149,400	3,149,400	3,149,400	-	-
Unclaimed dividend	2,252,941	2,252,941	2,252,941	-	-
	6,137,239	6,137,239	6,137,239	-	-

	30-Jun-22				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Trade creditors	463,770	463,770	463,770	-	-
Accrued liabilities	1,303,576	1,303,576	1,303,576	-	-
Unclaimed dividend	2,259,086	2,259,086	2,259,086	-	-
	4,026,432	4,026,432	4,026,432	-	-

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-23 Rupees	30-Jun-22 Rupees
Fixed rate instruments	-	-
Variable rate instruments		
Financial assets	79,679,463	2,049,026
Financial liabilities	-	-

(c) Fair value sensitivity analysis for fixed rate instruments

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

(d) Cash flow sensitivity analysis for variable rate instruments

An increase of 100 basis points in interest rates as at the reporting date would have increase profit for the year by Rs. 796,795 (30-Jun-22: Rs. 20,490). 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 equity securities. However, the risk is minimal as these investments are held for strategic purposes rather than trading purposes. The Company does not actively trade in these investments.

37 FAIR VALUE MEASUREMENTS

37.1 Financial Instruments

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:

37.1.1 Financial instruments measured at fair value

a) Recurring fair value measurements

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

b) Non-recurring fair value measurements

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

37.2 Financial instruments not measured at fair value

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

37.3 Assets and liabilities other than financial instruments.

37.3.1 Recurring fair value measurements

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

	Level 1	Level 2	Level 3	30-Jun-23 <i>Rupees</i>	30-Jun-22 <i>Rupees</i>
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 categorized into Level 2 following information is relevant:

	Valuation technique	Significant inputs	Sensitivity
Land	Market comparable approach that reflects recent transaction prices for similar properties	Estimated purchase price, including non-refundable purchase taxes and other costs directly attributable to the acquisition.	A 5% increase in estimated purchase price, including non-refundable purchase taxes and other costs directly attributable to the acquisition would result in a significant increase in fair value of land by Rs. 37.88 million (30-Jun-22: Rs. 37.06 million).
Buildings	Cost approach that reflects the cost to the market participants to construct assets of comparable utility and age, adjusted for obsolescence and depreciation. There was no change in valuation technique during the year.	Estimated construction costs and other ancillary expenditure.	A 5% increase in estimated construction and other ancillary expenditure would result in a significant increase in fair value of buildings by Rs. 6.17 million (30-Jun-22: Rs. 5.77 million).

37.3.2 Non-recurring fair value measurements

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

38 SEGMENT INFORMATION

38.1 The Company is a single reportable segment.

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

38.3 Information about major customers

	30-Jun-23	30-Jun-22
	<i>Rupees</i>	<i>Rupees</i>
Revenue derived from Beacon Impex (Private) Limited	75,242,274	64,792,192

39 MINIMUM LEASE PAYMENTS UNDER OPERATING LEASE

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

	30-Jun-23	30-Jun-22
	<i>Rupees</i>	<i>Rupees</i>
- not later than one year	85,414,536	36,254,022
- later than one year but not later than five years	85,589,228	-
- later than five years	43,197,536	-
	214,201,300	36,254,022

40 NUMBER OF EMPLOYEES

	30-Jun-23	30-Jun-22
Total number of employees	18	14
Average number of employees	15	14

41 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.

42 EVENTS AFTER THE REPORTING PERIOD

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

43 GENERAL

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

Director

Chief Financial Officer

Chief Executive

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Form of Proxy

74th 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 74th Annual General Meeting of the Company to be held on October 27, 2023 at 06-Egerton Road, Lahore at 11:00 A.M. and at every adjournment thereof, if any.

A witness my / our hand (s) this _____ day of October 2023.

Signed by the said

REVENUE
STAMP

Witnesses:

1) Name _____

Address _____

CNIC No. _____

2) Name _____

Address _____

CNIC No. _____

Notes:

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

KOHINOOR INDUSTRIES LIMITED

17-Aziz Avenue, Canal Bank,
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