

KOHINOOR INDUSTRIES LIMITED

**HALF YEAR REPORT (Un-audited)
31-12-2023**

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

DIRECTORS' REPORT

The Directors' of the Company presented before the Shareholders their report along with Interim Financial Statements of the Company for the period ended December 31, 2023.

<u>Financial Highlights</u>	<u>Half Year Ended Dec 31, 2023</u>	<u>Half Year Ended Dec 31, 2022</u>
Rental Income	42.799	35.202
Operating Profit	35.167	27.806
Profit before Tax	35.719	27.797
Profit after Tax	29.148	26.578
Earing per Share	0.96	0.88

OPERATING FINANCIAL RESULTS

During the period under review, the Company continued renting its premises and earned a gross revenue of Rs. 42.799 million as compared to Rs. 35.202 million in the corresponding period last year. The Company earned operating profit of Rs. 35.167 million as compared to Rs. 27.806 million in corresponding period last year. The said increase is mainly due to increase in value of investment and reduction in Administrative expenses of the Company.

FUTURE OUTLOOK

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

COMPOSITION OF BOARD

Composition of the Board of Directors is as under;

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

COMMITTEE'S

Detail of Committee's of Board is as under.

AUDIT COMMITTEE

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

HR & REMUNERATION COMMITTEE

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

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

For and on behalf of the Boards

Lahore
February 28, 2024


M. ZEID YOUSUF SAIGOL
Chief Executive


M. MURAD SAIGOL
Director

KOHINOOR INDUSTRIES LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	31-Dec-23 Rupees [Un-audited]	30-Jun-23 Rupees [Audited]
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
<i>Authorized share capital</i>		400,000,000	400,000,000
Issued share capital		303,025,430	303,025,430
Share premium		187,394,755	187,394,755
Revaluation reserve		651,264,077	651,264,077
Accumulated losses		(473,309,853)	(502,458,226)
Loan from directors and other shareholders		353,682,503	353,682,503
TOTAL EQUITY		1,022,056,912	992,908,539
LIABILITIES			
NON-CURRENT LIABILITIES			
Employees retirement benefits		2,802,779	2,514,871
CURRENT LIABILITIES			
Trade and other payables		31,524,168	32,179,859
Unclaimed dividend		2,243,869	2,252,941
Current taxation		8,091,902	9,613,227
		41,859,939	44,046,027
TOTAL LIABILITIES		44,662,718	46,560,898
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		1,066,719,630	1,039,469,437

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

 _____ Director	 _____ Chief Financial Officer	 _____ Chief Executive
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for identification only

KOHINOOR INDUSTRIES LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	31-Dec-23 Rupees [Un-audited]	30-Jun-23 Rupees [Audited]
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	7	2,531,759	2,714,700
Government taken over concerns	8	-	-
Investment property	9	880,877,920	880,877,920
Long term investments	10	18,767,700	10,517,850
Long term deposits		166,376	166,376
Deffered taxation		24,531,378	22,853,138
		926,875,133	917,129,984
CURRENT ASSETS			
Lease rentals receivable		20,000	160,882
Advances and other receivables		1,573,500	1,123,500
Short term Investments		90,594,734	-
Advance income tax		22,366,808	24,207,765
Cash and bank balances		25,289,455	96,847,306
		139,844,497	122,339,453
TOTAL ASSETS		1,066,719,630	1,039,469,437

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




 _____ Director	 _____ Chief Financial Officer	 _____ Chief Executive
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KOHINOOR INDUSTRIES LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2023

	Note	Six-month period ended		Three-month period ended	
		31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
		Rupees	Rupees	Rupees	Rupees
Rental income		42,799,092	35,202,317	21,399,547	17,601,158
Administrative expenses		(24,733,871)	(46,086,472)	(14,093,871)	(38,735,796)
Other expenses		(728,977)	(820,722)	(375,957)	33,523
		(25,462,848)	(46,907,194)	(14,469,828)	(38,702,273)
		17,336,244	(11,704,877)	6,929,719	(21,101,115)
Other income		17,831,161	39,511,164	12,861,650	37,763,274
Operating profit		35,167,405	27,806,287	19,791,369	16,662,159
Finance cost		(6,775)	(7,370)	(3,640)	(2,410)
		35,160,630	27,798,917	19,787,729	16,659,749
Share of profit/(loss) of associate		559,241	(1,428)	663,023	(5,173)
Profit before taxation		35,719,871	27,797,489	20,450,752	16,654,576
Provision for taxation	11	(6,571,498)	(1,219,472)	(2,094,616)	1,708,401
Profit after taxation		29,148,373	26,578,017	18,356,136	18,362,977
Earnings per share - basic and diluted		0.96	0.88	0.61	0.61

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

 Director	 Chief Financial Officer	 Chief Executive
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KOHINOOR INDUSTRIES LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2023

	Six-month period ended		Three-month period ended	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	Rupees	Rupees	Rupees	Rupees
<i>Items that may be reclassified subsequently to profit or loss</i>	-	-	-	-
<i>Items that will not be reclassified to profit or loss</i>	-	-	-	-
Other comprehensive income	-	-	-	-
Profit after taxation	29,148,373	26,578,017	18,356,136	18,362,977
Total comprehensive income	29,148,373	26,578,017	18,356,136	18,362,977

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



Director



Chief Financial Officer



Chief Executive

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KOHINOOR INDUSTRIES LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2023

	Share capital		Capital reserves			Loan from directors and other shareholders	Total equity
	Issued share capital	Share Premium	Revaluation reserve	Accumulated losses			
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
As at 01 July 2022 - [Audited]	303,025,430	187,394,755	651,264,077	(545,839,390)	353,682,503	949,527,375	
Comprehensive income							
Profit after taxation	-	-	-	26,578,017	-	26,578,017	
Other comprehensive income	-	-	-	-	-	-	
Total comprehensive income	-	-	-	26,578,017	-	26,578,017	
Transaction with owners							
Final dividend on ordinary shares @ Rs. 0.75 per ordinary share	-	-	-	-	-	-	
As at 31 December 2022 - [Un-audited]	303,025,430	187,394,755	651,264,077	(519,261,373)	353,682,503	976,105,392	
As at 01 January 2023 - [Un-audited]	303,025,430	187,394,755	651,264,077	(519,261,373)	353,682,503	976,105,392	
Comprehensive income							
Profit after taxation	-	-	-	16,986,274	-	16,986,274	
Other comprehensive (loss)/Income	-	-	-	(183,127)	-	(183,127)	
Total comprehensive income	-	-	-	16,803,147	-	16,803,147	
Transaction with owners	-	-	-	-	-	-	
As at 30 June 2023 - [Audited]	303,025,430	187,394,755	651,264,077	(502,458,226)	353,682,503	992,908,539	
As at 01 July 2023 - [Audited]	303,025,430	187,394,755	651,264,077	(502,458,226)	353,682,503	992,908,539	
Comprehensive income							
Profit after taxation	-	-	-	29,148,373	-	29,148,373	
Other comprehensive (loss)/Income	-	-	-	-	-	-	
Total comprehensive income	-	-	-	29,148,373	-	29,148,373	
Transaction with owners	-	-	-	-	-	-	
As at 31 December 2023 - [Un-audited]	303,025,430	187,394,755	651,264,077	(473,309,853)	353,682,503	1,022,056,912	

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

 Director	 Chief Financial Officer	 Chief Executive
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KOHINOOR INDUSTRIES LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2023

	Six-month period ended	
	31-Dec-23	31-Dec-22
	Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	35,719,871	27,797,489
Adjustments for non-cash and other items		
Provision for employees retirement benefits	698,908	374,176
Share of (profit)/loss of associate	(559,241)	1,428
Impairment (gain)/loss on long term investment	(7,690,609)	820,722
Revaluation gain on investment property	-	(24,364,270)
Unrealized (gain)/loss on short term investment	(414,933)	-
Depreciation	182,941	213,624
	(7,782,934)	(22,954,320)
Operating profit before changes in working capital	27,936,937	4,843,169
Changes in working capital		
Advances and other receivables	(450,000)	(1,090,600)
Lease rentals receivables	140,882	-
Trade and other payables	(655,691)	(91,987)
	(964,809)	(1,182,587)
Net cash generated from operations	26,972,128	3,660,582
Payments for:		
Income tax	(7,930,106)	(19,071,600)
Employee retirement benefits	(411,000)	(101,600)
Net cash generated from/(used in) operating activities	18,631,022	(15,512,618)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	-
Short term investment	(90,179,801)	-
Net cash used in investing activities	(90,179,801)	-
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(9,072)	(5,195)
Net cash used in financing activities	(9,072)	(5,195)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(71,557,851)	(15,517,813)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	96,847,306	93,506,211
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	25,289,455	77,988,398

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


Director


Chief Financial Officer


Chief Executive

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KOHINOOR INDUSTRIES LIMITED

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

These interim financial statements are un-audited and have been presented in condensed form and do not include all the information as is required to be provided in a full set of annual financial statements. These interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended 30 June 2023.

These interim financial statements have been subjected to limited scope review by the auditors of the company, as required under section 237 of the Companies Act, 2017. The comparative condensed interim statement of financial position as at 30 June 2023 and the related notes to the interim financial statements are based on audited financial statements. The comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and related notes to the condensed interim financial statements for the six month period ended 31 December 2022 are based on unaudited, reviewed interim financial statements. The condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months period ended 31 December 2023 and 31 December 2022 are neither audited nor reviewed.

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement

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

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

2.3 Judgments, estimates and assumptions

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

2.4 Functional currency

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

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KOHINOOR INDUSTRIES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2023

2.5 Date of authorisation for issue

These interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on 28 February 2024.

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

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

3.1 Disclosure of Accounting Policies (Amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2 - Making Materiality Judgements)

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

3.2 Definition of Accounting Estimates (Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

3.3 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 - Income Taxes)

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

3.4 International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12)

The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.

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
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	01 January 2024
IFRS S2 Climate-related Disclosures	01 January 2024
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	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
Lack of Exchangeability (Amendments to IAS 21)	01 January 2024
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 - Presentation of Financial Statements).	01 January 2025

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

KOHINOOR INDUSTRIES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2023

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

5 ACCOUNTING POLICIES AND METHODS OF COMPUTATION

The accounting policies and methods of computation adopted in the preparation of these interim financial statements are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended 30 June 2023.

6 CONTINGENCIES AND COMMITMENTS

There is no significant change in the status of contingencies and commitments since 30 June 2023.

	31-Dec-23	30-Jun-23
	<i>Rupees</i>	<i>Rupees</i>
	[Un-audited]	[Audited]
7 PROPERTY AND EQUIPMENT		
Net book value at the beginning of the period/year	2,714,700	3,092,368
Addition during the period/year	-	50,000
Depreciation for the period/year	(182,941)	(427,668)
Net book value at end of the period/year	2,531,759	2,714,700

8 GOVERNMENT TAKEN OVER CONCERNS

Gross amount due	27,229,339	27,229,339
Impairment allowance	(27,229,339)	(27,229,339)
	-	-

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

9 INVESTMENT PROPERTY

This represents Company land and building transferred from property and equipment at fair value. The Company has leased out this investment property under operating lease arrangements. For basis of determination of fair value, refer to note 14.2.1.

- 9.1 Investment property of the Company is located at Collage Road, Madina Town Faisalabad with a total area of 96.5 Kanal (30-Jun-23: 96.5 Kanal).

10 LONG TERM INVESTMENTS

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

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

KOHINOOR INDUSTRIES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2023

	31-Dec-23	30-Jun-23
	[Un-audited]	[Audited]
Percentage of ownership interest	22.50%	22.50%
Cost of investment		
2,835,000 (30-Jun-23: 2,835,000) fully paid ordinary shares of Rs. 10 each	90,000,000	90,000,000
Share of post acquisition profits	(16,936,939)	(17,496,180)
Dividend income from investment in associate	(10,800,000)	(10,800,000)
	62,263,061	61,703,820
Accumulated impairment	(43,495,361)	(51,185,970)
	18,767,700	10,517,850

10.1 Extracts of financial statements of associated company

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

	31-Dec-23	30-Jun-23
	Rupees	Rupees
	[Un-audited]	[Audited]
Non-current assets	80,343,092	82,527,146
Current assets	51,998,760	47,231,400
Non-current liabilities	-	-
Current liabilities	2,937,576	2,804,190
Revenue	8,476,674	17,552,496
Profit/(loss) for the period/year	2,485,517	(1,664,400)
Break-up value per share	10.27	10.08
Share of profit/(loss)	559,241	(374,490)
Market value per share	6.62	3.71

11 PROVISION FOR TAXATION

11.1 Provision for current tax has been made in accordance with section 18 (30-Jun-23: section 18) of the Income Tax Ordinance 2001 ['the Ordinance'].

11.2 No provision for deferred tax has been made as the impact of the same is considered immaterial.

12 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

		Six-month period ended	
		31-Dec-23	31-Dec-22
		Rupees	Rupees
		[Un-audited]	[Un-audited]
12.1 Transactions with related parties			
Nature of relationship	Nature of transaction		
Associated companies	Rental income	845,292	1,521,678
	Advertising expense	81,000	45,900

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KOHINOOR INDUSTRIES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2023

		31-Dec-23	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>
		[Un-audited]	[Audited]
12.2	Balances with related parties		
	Nature of relationship		
	Nature of balances		
	Associated companies	81,000	140,882
	Key management personnel	151,157,503	151,157,503
	Close relative of KMP	202,525,000	202,525,000

13 FINANCIAL INSTRUMENTS

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

		31-Dec-23	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>
		[Un-audited]	[Audited]
13.1	Financial assets		
	<i>Cash in hand</i>	2,229,938	403,230
	<i>Financial assets at amortized cost</i>		
	Long term deposits	166,376	166,376
	Lease rentals receivable	20,000	160,882
	Advances to employees	1,573,500	1,123,500
	Cash at bank	23,059,517	16,764,613
		24,819,393	18,215,371
		27,049,331	18,618,601

13.2 Financial liabilities

Financial liabilities at amortized cost

Creditors	403,774	734,898
Accrued liabilities	2,024,262	3,149,400
Unclaimed dividend	2,243,869	2,252,941
	4,671,905	6,137,239

14 FAIR VALUE MEASUREMENTS

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

14.1 Financial Instruments

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

14.2 Assets and liabilities other than financial instruments.

14.2.1 Recurring fair value measurements

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

KOHINOOR INDUSTRIES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED] FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2023

	Level 1	Level 2	Level 3	31-Dec-23 Rupees [Un-audited]	30-Jun-23 Rupees [Audited]
Investment property - Land	-	757,525,000	-	757,525,000	757,525,000
Investment property - Buildings	-	123,352,920	-	123,352,920	123,352,920

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

	Valuation technique	Significant inputs	Sensitivity
Land	Market comparable approach that reflects recent transaction prices for similar properties	Estimated purchase price, including non-refundable purchase taxes and other costs directly attributable to the acquisition.	A 5% increase in estimated purchase price, including non-refundable purchase taxes and other costs directly attributable to the acquisition would result in a significant increase in fair value of land by Rs. 37.88 million (30-Jun-23: Rs. 37.88 million).

	Valuation technique	Significant inputs	Sensitivity
Buildings	Cost approach that reflects the cost to the market participants to construct assets of comparable utility and age, adjusted for obsolescence and depreciation. There was no change in valuation technique during the year.	Estimated construction costs and other ancillary expenditure.	A 5% increase in estimated construction and other ancillary expenditure would results in a significant increase in fair value of buildings by Rs. 6.17 million (30-Jun-23: Rs. 6.17 million).

14.2.2 Non-recurring fair value measurements

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

15 EVENTS AFTER THE REPORTING PERIOD

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

16 RECOVERABLE AMOUNTS AND IMPAIRMENT

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

17 GENERAL

17.1 There are no other significant activities since 30 June 2023 affecting the interim financial statements.

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


Director


Chief Financial Officer


Chief Executive

RSRIR
for identification only