

KHINDOR
INDUSTRIES LIMITED

Annual Report 2013



KHINDOR

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. M. Naseem Saigol	Chairman
Mr. M. Azam Saigol	Chief Executive
Mr. Rana Assad Iqbal	
Mr. M. Omer Farooq	
Mr. Rashid Ahmad Javaid	
Mr. Muhammad Athar Rafiq	
Mr. Muhammad Shamil	

AUDIT COMMITTEE

Mr. M. Naseem Saigol	Chairman / Member
Mr. M. Azam Saigol	Member
Mr. Rashid Ahmad Javaid	Member

HR & REMUNERATION COMMITTEE

Mr. M. Naseem Saigol	Chairman / Member
Mr. M. Azam Saigol	Member
Mr. Rashid Ahmad Javaid	Member

COMPANY SECRETARY

Kh. Safee Sultan

CHIEF FINANCIAL OFFICER

Mr. Asif Ali Mughal

AUDITORS

M/s Manzoor Hussain Mir & Co.
Chartered Accountants

BANKERS

Askari Bank Ltd.
Bank Alfalah Ltd.
Faysal Bank Ltd.
Habib Bank Ltd.
NIB Bank Ltd.
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Ltd.

REGISTERED OFFICE

17-Aziz Avenue, Canal Bank,
Gulberg-V, Lahore.
Tel: 35717364-65 & 35718274-75
Fax: 35715105
E-mail: shares@saigols.com

MILLS

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

REGISTRARS

M/s Corplinks (Pvt) Ltd.
Wings Arcade, 1-K, Commercial, Model Town, Lahore.
Tel: 35839182, 35887262, 35916719 Fax: 35869037

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 64th Annual General Meeting of Shareholders of **Kohinoor Industries Limited** will be held on Thursday, October 31, 2013 at 11:30 A.M. at 17-Aziz Avenue, Canal Bank, Gulberg-V, Lahore the Registered Office of the Company to transact the following business:-

1. To confirm the minutes of Last Annual General Meeting held on October 31, 2012.
2. To receive and adopt the Annual Audited Accounts for the year ended 30 June 2013 alongwith Directors' and Auditors' Reports thereon.
3. To appoint Auditors of the Company to hold office till the conclusion of next Annual General Meeting and to fix their remuneration.
4. Any other business with the permission of the Chair.

By Order of the Board


(KHAWAJA SAIFE SULTAN)

Company Secretary

Lahore : October 10, 2013

Notes:

1. Share Transfer Books of the Company will remain closed from October 24, 2013 to October 30, 2013 (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 October 23, 2013 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.

DIRECTORS' REPORT

The Directors of the company presented before the shareholders the 64th Annual Report along with audited Financial Statements of the company for the year ended June 30, 2013.

During the period under review, the company suffered loss of Rs 0.783 million as compared to last year of Rs 13.066 million. The company has rented out its premises to different companies on medium to long term basis subject to termination clause of three to six months. The management is continuously evaluating viable avenues for the use of company's premises. At the moment we are evaluating proposal for conversion of factory premises into commercial plaza and also construction of new commercial plaza on the company premises. We are hopeful that we will be able to increase the company's revenue will manage further reduction in expenditure, in the coming years which will have positive impact on company's financials.

The following comments are being offered on the Auditors' observation contained in their report:

- a. As mentioned at note 18.1 that there were paid on utility bills and there expenses were properly recognized/recorded in the books. These matters are pending at different stages in the concerned departments. We are hopeful that these will be recovered in the succeeding years, therefore no provision has been made in these accounts.
- b. These matters are pending in the courts and legal advisor in the preceding years has confirmed that these cases will be resolved in the company's favor. The legal advisor was out of the country for more than two months, therefore he could not respond to the Auditor's letter. The management is confident that these liabilities will be settled in favour of company as previously and subsequently conveyed by the legal advisor to the management. Therefore no provisions for these liabilities have been made in the accounts.

Clarification on attention invited by the Auditors is as follows

- g (i) These accounts are prepared on going concern basis as management is confident that leasing business and other possible feasible avenues along with further reduction in expenses will have positive impact on the company's profitability in future and company will be able to meet all its obligations from own sources.
- (ii) This is interest free loan from directors and at present company doesn't have definite sources of its repayment, therefore amortization plan has not made in term of IAS 39. The company will devise its repayment plan as soon it has definite source of its repayment from sale of assets or from operational results.

STATEMENTS 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 monitored.
- 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 for the last six years is annexed to the Directors' Report.
- 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) The Company is operating a funded Provident Fund Scheme the value of investments as per funds audited accounts is Rs. 1.086 Million.
- m) Directors' meetings of the Board of Directors of the Company during the year under review were Four held on October 10, 2012, October 31, 2012, February 28, 2013, April 27, 2013.

Following was the attendance of the Directors: -

<u>NAME OF DIRECTOR</u>	<u>NO. OF MEETINGS ATTENDED</u>
Mr. M. Naseem Saigol	3
Mr. M. Azam Saigol	4
Mr. Rana Assad Iqbal	4
Mr. M. Omer Farooq	4
Mr. Rashid Aamad Javaid	4
Mr. Muhammad Shamil	3
Mr. M. Athar Rafiq	4

- n) During the period under review no Director, Chief Executive Officer, Chief Financial Officer, Company Secretary and their spouse and minor children sell, buy or take any position in shares of the Company.

PATTERN OF SHAREHOLDING

A statement showing pattern of shareholding as on June 30, 2013 is annexed.

ACKNOWLEDGEMENT

We wish to thank to our banks and shareholders for their continued support and confidence on the Company. 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
October 10, 2013


CHIEF EXECUTIVE

STATEMENT WITH COMPLIANCE OF CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the code of Corporate Governance contained in regulation No. 37, 43 & 36 of listing regulations of Karachi, Lahore & Islamabad Stock Exchanges respectively for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best of practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:


Category	Names
Independent Director	Mr. Rashid Ahmad Javaid
Executive Directors	Mr. Rana Asad Iqbal
	Mr. M. Azam Saigol
Non-Executive Directors	Mr. M. Naseem Saigol
	Mr. M. Omer Farooq
	Mr. Muhammad Ather Rafiq
	Mr. Muhammad Shamil

The independent directors meet the criteria of independence under clause 1 (b) of the CCG.

1. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.
2. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in the payment of any loan to a banking company, a DFI or an NBF1 or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
3. No casual vacancy occurred in the Board of Directors during the period.
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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on material transactions including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board/shareholders.
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 and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

8. One training program for its directors by the board arranged during the year.
9. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
10. The Director's report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
11. Financial statements of the company were duly endorsed by CEO and CFO before approval of the Board.
12. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
13. The Company has complied with all the corporate and financial reporting requirements of the CCG.
14. The Board has formed an audit committee. It comprises of 3 members, of whom majority are non executive directors including the chairman of the committee.
15. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
16. The Board has formed an HR and remuneration committee. Its comprises 3 members, of whom 2 are none executive directors including the chairman of the committee.
17. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
18. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the ICAP, that they or any of the partner of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regards.
20. The 'closed period' prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
21. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
22. We confirm that all other material principles enshrined in the CCG have been complied with.

For and on behalf of the Board


CHIEF EXECUTIVE

Lahore
October 10, 2013

SIX YEARS AT A GLANCE

(Rupees in '000)

PARTICULARS	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
<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	761,877	812,141	832,784	834,381	836,367	873,955
Accumulated depreciation	8,659	67,967	73,497	59,355	43,586	24,863
Current assets	8,887	16,941	21,971	26,906	41,134	80,631
Current Liabilities	23,491	11,756	8,595	30,122	42,926	199,212
<u>Income</u>						
Sales / Revenue	28,495	-	-	-	-	241,479
Other Income	22,449	30,087	9,018	13,016	6,922	4,229
Gross profit	-	-	-	-	-	6,547
Pre tax profit / (Loss)	16,023	(12,114)	(30,244)	(35,849)	(301,194)	(151,579)
Taxation	(16,808)	(953)	(712)	(379)	(485)	(1,880)
Profit / (Loss) after taxation	(784)	(13,067)	(30,956)	(36,228)	(301,679)	(153,459)
Unappropriated profit / (Loss)	(818,929)	(819,365)	(807,654)	(778,204)	(743,650)	(483,461)
<u>STATISTICS AND RATIOS</u>						
Gross profit to sales %	0.00%	0.00%	0.00%	0.00%	0.00%	2.71%
Pre tax profit / (Loss) to capital %	5.29%	(4.00)%	(9.98)%	(11.83)%	(99.40)%	(50.02)%
Current ratio	0.38	1.44	2.56	0.89	0.95	0.40
Paid up value per share (Rs.)	10	10	10	10	10	10
Earning after tax per share (Rs.)	(0.03)	(0.43)	(1.02)	(1.20)	(9.96)	(5.06)
Cash dividend %	-	-	-	-	-	-

FORM 34

THE COMPANIES ORDINANCE 1984
(Section 236(1) and 464)
PATTERN OF SHAREHOLDING

1. Incorporation Number 54/LR of 1948-49
2. Name of the Company KOHINOOR INDUSTRIES LIMITED
3. Pattern of holding of the shares held by the shareholders as at 30-06-2013

4. No. of Shareholders	-----Shareholding-----		Total Shares Held
	From	To	
719	1	100	20,526
527	101	500	140,403
277	501	1,000	214,184
591	1,001	5,000	1,623,346
154	5,001	10,000	1,264,565
50	10,001	15,000	628,338
49	15,001	20,000	915,550
31	20,001	25,000	738,303
18	25,001	30,000	510,040
17	30,001	35,000	568,628
7	35,001	40,000	273,053
2	40,001	45,000	86,500
16	45,001	50,000	790,103
5	50,001	55,000	264,550
3	55,001	60,000	179,000
4	60,001	65,000	254,319
3	65,001	70,000	209,732
2	75,001	80,000	156,975
1	80,001	85,000	85,000
2	85,001	90,000	179,816
3	90,001	95,000	279,500
5	95,001	100,000	500,000
1	110,001	115,000	112,500
1	120,001	125,000	120,881
1	135,001	140,000	136,662
1	140,001	145,000	140,500
1	145,001	150,000	150,000
1	170,001	175,000	170,550
1	175,001	180,000	180,000
1	180,001	185,000	182,500
1	235,001	240,000	239,868
1	330,001	335,000	331,000
1	355,001	360,000	357,500
1	380,001	385,000	380,625
1	405,001	410,000	409,825
1	1,180,001	1,185,000	1,183,154
1	1,370,001	1,375,000	1,373,500
1	2,015,001	2,020,000	2,016,158
1	5,335,001	5,340,000	5,335,219
1	7,595,001	7,600,000	7,599,670
2504			30,302,543

Categories of Shareholders	No. of Shareholders	Share held	Percentage
Directors, Chief Executive Officer, and their spouse and minor children	7	13,149,492	43.3940
Associated Companies, undertakings and related party	-	-	-
NIT and ICP	1	24,597	0.0812
Banks Development Financial Institutions Non Banking			
Financial Institution	21	441,612	1.4573
Insurance Companies	4	1,199,510	3.9584
Modarabas and Mutual Funds	5	1,388,562	4.5823
General Public	2407	13,065,025	43.1153
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	1	1,073	0.0035
Joint Stock Companies	44	911,579	3.0083
Foreign Companies	11	51,905	0.1713
	<u>2504</u>	<u>30,302,543</u>	<u>100.0000</u>

**Catagories of Shareholding required under Code of Coprorate Governance (CCG)
As on June 30, 2013**

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 LIMITED	9,675	0.0319
	Directors and their Spouse and Minor Children:		
1	MR. M. NASEEM SAIGOL (CDC)	5,335,219	17.6065
2	MR. M. AZAM SAIGOL (CDC)	36,303	0.1198
3	MRS. AMBER HAROON SAIGOL (CDC)	7,599,670	25.0793
4	MRS. SEHYR SAIGOL (CDC)	170,550	0.5628
5	MR. MUHAMMAD ATHAR RAFIQ	2,500	0.0083
6	MR. MUHAMMAD OMER FAROOQ	2,625	0.0087
7	MR. RASHID AHMAD JAVED	2,625	0.0087
	Executives:	-	-
	Public Sector Companies & Corporations:	-	-
	Banks, Development Finance Institutions, Non Banking Finance Institution, Insurance Companies, Modarabas and Pension Funds:	2,738,763	9.0381
	Shareholders holding five percent or more voting intrest in the listed company		
1	MRS. AMBER HAROON SAIGOL (CDC)	7,599,670	25.0793
2	MR. M. NASEEM SAIGOL (CDC)	5,335,219	17.6065
3	MR. MUHAMMAD SHAFI KHAN (CDC)	2,016,158	6.6534
	All trades in the shares of the listed company, carried out by its Directors, CEO, CFO, Company Secretary, Their spouses and minor children:		
S. No.	NAME	SALE	PURCHASE
1	MR. M. NASEEM SAIGOL (CDC)	1,000,000	-
2	MRS. SEHYR SAIGOL (CDC)	2,350,000	-

**REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH
BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE**

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **KOHINOOR INDUSTRIES LIMITED** to comply with the Listing Regulation No. 37 of the Karachi Stock Exchange (Guarantee) Limited, Listing Regulation's of Chapter No. XIII of the Lahore Stock Exchange (Guarantee) Limited and Listing Regulation's No. 36 of the Islamabad Stock Exchange (Guarantee) Limited where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of 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's 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.

Further, sub- Regulation (Xiii) of listing Regulations 37 notified by The Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N-269 dated January 19, 2009 requires the company to place before the board of directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the board of directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, except for the observations expressed in our audit report if any affecting the compliance with the Code of Corporate Governance, 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 best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2013.

(MANZOOR HUSSAIN MIR & CO.)

CHARTERED ACCOUNTANTS

Audit Engagement Partner: Manzoor Hussain Mir

Lahore,
October 10, 2013

(e) in our opinion, except for the effect of matters referred in paragraph (a) & (b) and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2013 and of the comprehensive loss, its cash flows and changes in equity for the year then ended; and

(f) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

(g) Attention is invited to the followings:

(i) The financial statements as on 30-06-2013 are drawn up by the management on ongoing concern basis for the reason that it has decided to hold the business premises for doing business of leasing & renting out premises on hire.

A perusal of the balance sheet on aforesaid date depicts equity adverse balance of Rs. 328.509 million while current liabilities have exceeded current assets by Rs. 14.604 million.

A reference to the Profit and Loss account reveals that net loss after taxation is Rs. 0.784 million. This loss is after adjustment of reversal of provision for short value in the value of investment of Rs. 22.146 million not being regular income is when excluded the loss for the year will amount to Rs. 22.929 million. If the unprovided Sales tax liability and irrecoverable refunds aggregating to Rs. 30.398 million are considered the Equity adverse balance will be Rs. 358.907 million and loss for the year will amount to Rs. 53.327 million. The management has not placed before us all of its future planning respecting leasing and renting business that would be undertaken to meet with the expenses and pay taxes and recoup heavy sustained previous losses.

In view of factual position as well as uncertainty involved the material doubt is created about the going concern conception of the Company.

(ii) There being no agreement regarding repayment of directors loan, the amortization of the liability in the terms of IAS-39 is not made.

Lahore
October 10, 2013

(MANZOOR HUSSAIN MIR & CO.)
CHARTERED ACCOUNTANTS
 Audit Engagement Partner: Manzoor Hussain Mir

(M. AZAM SAIGOL)
 Chief Executive

(M. NASEEM SAIGOL)
 Director

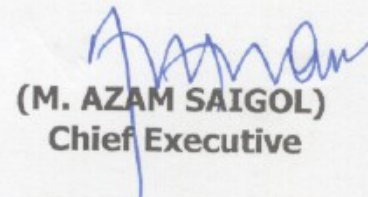
BALANCE SHEET

	Note	2013 Rupees	2012 Rupees
Equity and liabilities			
Share capital and reserves			
Authorized capital			
40,000,000 (2012: 40,000,000) Ordinary shares of Rs. 10/- each		400,000,000	400,000,000
Issued, subscribed and paid up capital	3	303,025,430	303,025,430
Reserves	4	187,394,755	187,394,755
Unappropriated losses		(818,928,961)	(819,365,199)
		(328,508,776)	(328,945,014)
Surplus on revaluation of			
fixed assets	5	657,147,995	637,457,981
Non current liabilities			
Long term finances	6	425,879,116	446,404,116
Current liabilities			
Trade and other payables	8	12,062,871	7,886,966
Current portion of :			
Liabilities against finance lease	7	864,742	864,742
Provision for taxation	9	10,563,434	3,004,062
		23,491,047	11,755,770
Contingencies & commitments	10	-	-
		778,009,382	766,672,853

The annexed notes form an integral part of these financial statements.

Certified to be true copy
For Kohinoor Industries Limited.


Secretary

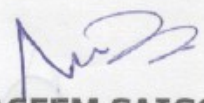

(M. AZAM SAIGOL)
Chief Executive

AS AT 30 JUNE, 2013

	Note	2013 Rupees	2012 Rupees
Assets			
Non-current assets			
Property and equipment	11	753,217,645	744,174,862
Government taken over concerns	12	-	-
Long term deposits	13	368,876	368,876
Long term investments	14	15,535,800	5,188,050
Current assets			
Loans and advances	15	142,236	134,841
Trade deposits and short term prepayments	16	604,100	1,041,215
Other receivables	17	20,000	878,900
Tax refunds due from Government	18	6,519,877	13,742,442
Cash and bank balances	19	1,600,848	1,143,667
		8,887,061	16,941,065
		778,009,382	766,672,853

Certified to be true copy
For Kohinoor Industries Limited.


Secretary


(M. NASEEM SAIGOL)
Director


**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2013**

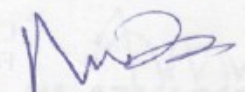
	Note	2013 Rupees	2012 Rupees Restated
Revenue	20	28,494,592	9,844,920
Other operating income	21	22,449,371	20,241,785
		<u>50,943,963</u>	<u>30,086,705</u>
Administrative expenses	22	(20,420,359)	(27,628,068)
Other operating charges	23	(2,693,808)	-
		<u>(23,114,167)</u>	<u>(27,628,068)</u>
		<u>27,829,796</u>	<u>2,458,637</u>
Finance cost	24	(7,849)	(18,154)
Share of (loss) / profit from Associate		(11,798,008)	(14,554,461)
Loss before taxation		<u>16,023,939</u>	<u>(12,113,978)</u>
Provision for taxation:			
Current year		(2,920,724)	(952,770)
Prior years:			
Refunds doubtful of recovery		(9,248,293)	-
Additional taxes on late payments		(4,638,648)	-
		<u>(16,807,665)</u>	<u>(952,770)</u>
Loss after taxation		<u>(783,726)</u>	<u>(13,066,748)</u>
Earnings per share - basic and diluted	25	<u>(0.03)</u>	<u>(0.43)</u>

The annexed notes form an integral part of these financial statements.

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For Kohinoor Industries Limited.


Secretary


(M. AZAM SAIGOL)
Chief Executive


(M. NASEEM SAIGOL)
Director

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2013**

	Note	2013 Rupees	2012 Rupees
Net Loss for the year after tax	25	(783,726)	(13,066,748)
Other Comprehensive Income		-	-
Total Comprehensive (Loss) for the year		(783,726)	(13,066,748)

The annexed notes form an integral part of these financial statements.

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For Kohinoor Industries Limited.

Secretary


(M. AZAM SAIGOL)
Chief Executive

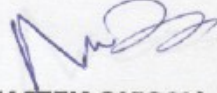
(M. NASEEM SAIGOL)
Director

**CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2013**

	Note	2013 Rupees	2012 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Net loss before taxation		16,023,939	(12,113,978)
Adjustments for:			
Depreciation		11,742,818	13,184,803
Profit on sale of fixed assets		(300,623)	(6,633,559)
Share of loss / (profit) of associate		11,798,008	14,554,461
(Reversal) / Provision for short fall in value of investment		(22,145,758)	(11,974,611)
Margin deposits doubtful of recovery written off		423,500	-
Delayed period mark-up/additional lease rentals		2,270,308	-
Finance cost		7,849	18,154
		3,796,102	9,149,248
Operating (loss) before working capital changes		19,820,041	(2,964,730)
Changes in working capital:			
(Increase) / decrease in loans and advances		(7,395)	819,863
(Increase) / decrease in trade deposit & short term prepayments		13,615	2,874,384
(Increase) / decrease in other receivables		858,900	(858,900)
Increase / (decrease) in trade and other payables		1,905,597	2,207,938
		2,770,717	5,043,285
Cash (used) / generated from operations		22,590,758	2,078,555
Payments for:			
Finance cost		(7,849)	(18,154)
Income Tax		(2,025,728)	(257,215)
		(2,033,577)	(275,369)
Net cash used in operating activities		20,557,181	1,803,186
CASH FLOW FROM INVESTING ACTIVITIES			
Sale proceeds of fixed assets		425,000	8,559,959
(Increase) / decrease long term deposits		-	2,787,500
Net cash generated from/ (used in) investing activities		425,000	11,347,459
CASH FLOW FROM FINANCING ACTIVITIES			
Long term loans		(20,525,000)	(15,602,005)
Net cash generated from / (used in) financing activities		(20,525,000)	(15,602,005)
Net increase / (decrease) in cash and cash equivalents		457,181	(2,451,360)
Cash and cash equivalents at beginning of the year		1,143,667	3,595,027
Cash and cash equivalents at end of the year	26	1,600,848	1,143,667

The annexed notes form an integral part of these financial statements.


(M. AZAM SAIGOL)
Chief Executive


(M. NASEEM SAIGOL)
Director

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For Kohinoor Industries Limited.