

KOHINOOR INDUSTRIES LIMITED

1st QUARTER REPORT
(Un-Audited)
30-09-2020

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

HR & REMUNERATION COMMITTEE

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

COMPANY SECRETARY

Khawaja Safee Sultan

CHIEF FINANCIAL OFFICER

Mr. Zahoor Ahmed

AUDITORS

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

REGISTRATION NUMBER

0000214

NTN

0452891-3

WEBSITE

www.kil.com.pk

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

DIRECTOR'S REPORT

The Directors' of your company presented before you the report of the company for the 1st Quarter ended September 30, 2020.

During the period under review, the revenue of the company for the period is Rs. 14.556 million as compared to Rs. 13.145 million in the corresponding period last year. During the period the company earned profit Rs. 7.020 million as compare to profit of Rs. 5.926 million. The said increase is mainly due to other income that includes change in fair value of investment.

COMPOSITION OF BOARD

Composition of the Board of Directors is as under.

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

COMMITTEE'S

Detail of Committee's of Board is as under.

AUDIT COMMITTEE

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

HR & REMUNERATION COMMITTEE

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

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

For and on behalf of the Board

M. ZEID YOUSUF SAIGOL
 Chief Executive

Lahore
 October 28, 2020

ڈائریکٹرز رپورٹ:

کمپنی کے ڈائریکٹران، حصہ داران کے سامنے کمپنی کا کردگی برائے دورانیہ 30 ستمبر، 2020 پیش کی۔

زیر غور دورانیہ میں کمپنی نے 14,556 ملین سرمایہ کمایا جبکہ گزشتہ سال اسی عرصہ میں 13,145 ملین سرمایہ کمایا تھا۔ کمپنی نے زیر جائزہ دورانیہ میں 7,020 ملین کا منافع کمایا جو کہ گزشتہ سال اسی عرصہ میں 5,927 ملین تھا۔ یہ اضافہ بنیادی طور پر دوسری آمدنی کی وجہ سے ہے جس میں سرمایہ کاری کی قیمت میں مناسب اضافہ بھی شامل ہے۔

بورڈ کی ساخت

بورڈ آف ڈائریکٹرز کی ساخت درج ذیل ہے۔

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

کمیٹی

بورڈ کی کمیٹی کی تفصیل درج ذیل ہے۔

آڈٹ کمیٹی

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

ایچ آر اینڈ مینجمنٹ کمیٹی

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

ہم تمام حصہ داران کے بھرپور تعاون کے قہد 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

28 اکتوبر 2020

محمد زید یوسف سہگل

چیف ایگزیکٹو

KOHINOOR INDUSTRIES LIMITED

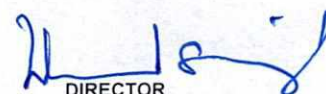
STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2020

	Note	Sep 30, 2020 Rupees	Jun 30, 2020 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
<i>Authorized capital</i>			
40,000,000 (2019: 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
Share premium	4	187,394,755	187,394,755
Surplus on revaluation of property and equipment	5	651,264,077	651,264,077
Accumulated losses		(616,434,288)	(600,727,626)
TOTAL EQUITY		525,249,975	540,956,636
NON-CURRENT LIABILITIES			
Employees retirement benefits	6	772,127	664,357
CURRENT LIABILITIES			
Trade and other payables	7	27,512,553	27,646,576
Short term borrowings		353,682,503	353,682,503
Unclaimed dividend		1,034,826	1,034,826
Dividend payable		22,726,908	
Current taxation		31,791,831	29,451,103
		436,748,621	411,815,008
TOTAL LIABILITIES		437,520,748	412,479,365
CONTINGENCIES AND COMMITMENTS			
	11		
TOTAL EQUITY AND LIABILITIES		962,770,723	953,436,001

The annexed notes form an integral part of these financial statements


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

KOHINOOR INDUSTRIES LIMITED

STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2020

	Note	Sep 30, 2020 Rupees	Jun 30, 2020 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	12	2,407,215	2,474,249
Government taken over concerns	13	-	-
Investment property	14	838,924,405	838,924,405
Long term investments	15	6,463,800	4,819,500
Long term deposits	16	166,376	166,376
Deferred taxation	17	27,911,283	27,911,283
		875,873,079	874,295,813
CURRENT ASSETS			
Trade debts		711,673	20,000
Advances, deposits and other receivables	18	92,000	125,500
Advance income tax		21,576,011	19,434,716
Cash and bank balances	20	64,517,960	59,559,972
		86,897,644	79,140,188
TOTAL ASSETS		962,770,723	953,436,001

The annexed notes form an integral part of these financial statements


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

KOHINOOR INDUSTRIES LIMITED

STATEMENT OF PROFIT OR LOSS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Note	Sep 30, 2020 Rupees	Sep 30, 2019 Rupees
Revenue	21	14,556,827	13,144,614
Administrative and general expenses	22	(7,055,467)	(4,938,663)
Other expenses	23	-	(899,392)
		(7,055,467)	(5,838,055)
Other income	24	7,501,361	7,306,559
		1,805,024	359,966
Operating profit		9,306,385	7,666,525
Finance cost	25	(882)	(7,755)
		9,305,503	7,658,770
Share of profit /(loss) of associate		55,472	(518,108)
Profit before taxation		9,360,975	7,140,662
Provision for taxation	26	(2,340,728)	(1,213,913)
Profit after taxation		7,020,247	5,926,749
Earnings per share - <i>basic and diluted</i>	27	0.23	0.20

The annexed notes form an integral part of these financial statements


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

KOHINOOR INDUSTRIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Note	Sep 30, 2020 Rupees	Sep 30, 2019 Rupees
Items that may be reclassified subsequently to profit or loss		-	-
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit obligations		-	-
Taxation relating to remeasurements of defined benefit obligations		-	-
		-	-
Share of other comprehensive loss of associate		-	-
Other comprehensive income/(loss)		-	-
Profit for the year		7,020,247	5,926,749
Total comprehensive income		7,020,247	5,926,749

The annexed notes form an integral part of these financial statements


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

KOHINOOR INDUSTRIES LIMITED

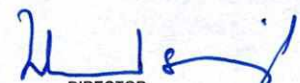
CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2020

Note	Sep 30, 2020 Rupees	Sep 30, 2019 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations		
Profit before taxation	9,360,975	7,140,662
<i>Adjustments for non-cash and other items:</i>		
Depreciation	67,035	75,921
Gratuity Provision	107,770	126,388
Share of (profit) / loss from associate	(55,472)	518,108
Impairment (loss)/ reversal of impairment loss	(1,588,828)	899,392
Finance cost	882	7,755
	(1,468,614)	1,627,564
Profit / (Loss) before working capital changes	7,892,361	8,768,226
Changes in working capital:		
(Increase)/ decrease in:		
Loans and advances	33,500	(82,000)
Trade debts	(691,673)	-
Other receivables	-	-
Long term deposits	-	-
Trade and other payables	(134,023)	980,788
	(792,196)	898,788
Cash generated from operations	7,100,165	9,667,014
Finance cost paid	(882)	(7,755)
Gratuity paid	-	(16,567)
Income tax paid	(2,141,295)	(1,921,753)
	(2,142,177)	(1,946,075)
Net cash generated from / (used in) operating activities	4,957,988	
Long term financing		
Net increase / (decrease) in cash and cash equivalents	4,957,988	7,720,939
Cash and cash equivalents at the beginning of year	59,559,972	25,319,933
Cash and cash equivalents at the end of year	64,517,960	33,040,872

The annexed notes form an integral part of these financial statements


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

KOHINOOR INDUSTRIES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Share capital	Capital reserves		Revenue reserves	
	Issued subscribed and paid-up capital <i>Rupees</i>	Share Premium <i>Rupees</i>	Surplus on revaluation of investment property <i>Rupees</i>	Accumulated losses <i>Rupees</i>	Total equity <i>Rupees</i>
Balance as at July 01, 2020	303,025,430	187,394,755	651,264,077	(600,727,626)	540,956,636
Comprehensive income					
Profit after taxation	-	-	-	7,020,247	7,020,247
Other comprehensive loss	-	-	-	-	-
Total comprehensive income	-	-	-	7,020,247	7,020,247
Transaction with owners	-	-	-	(22,726,908)	(22,726,908)
Balance as at September 30, 2020	303,025,430	187,394,755	651,264,077	(616,434,288)	525,249,975

The annexed notes form an integral part of these financial statements


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

KOHINOOR INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Sep 30, 2020	Jun 30, 2020
	Rupees	Rupees
3 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
Ordinary shares of Rs. 10 each		
12,095,482 (2019: 12,095,482) shares issued for cash	120,954,820	120,954,820
18,207,061 (2019: 18,207,061) shares issued as bonus shares	182,070,610	182,070,610
	303,025,430	303,025,430
4 SHARE PREMIUM		
5 SURPLUS ON REVALUATION OF PROPERTY AND EQUIPMENT		
As at beginning of the year	651,264,077	651,264,077
Surplus recognized during the year	-	-
As at end of the year	651,264,077	651,264,077
6 EMPLOYEES RETIREMENT BENEFITS		
Gratuity Payable	772,127	664,357
	772,127	664,357
	Sep 30, 2020	Jun 30, 2020
	Rupees	Rupees
7 TRADE AND OTHER PAYABLES		
Creditors	321,020	288,388
Accrued liabilities	942,297	1,103,225
Sales tax payable	20,642,050	20,642,050
Advances from customers	5,215,503	5,215,503
Workers' Profit Participation Fund	371,704	371,704
Other payables	19,979	25,706
	27,512,553	27,646,576
11 CONTINGENCIES AND COMMITMENTS		
11.1 Contingencies		
11.1.1	Sales tax and other liabilities of Rs. 5.730 million (2019: 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.	
11.1.2	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.	
11.1.3	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.	
11.2 Commitments		
There are no known commitments as at the reporting date.		

KOHINOOR INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED September 30, 2020

12 PROPERTY AND EQUIPMENT

Sep 30, 2020									
	COST			Rate %	DEPRECIATION				Net book value as at June 30 Rupees
	As at July 01 Rupees	Additions Rupees	Disposals Rupees	As at June 30 Rupees	As at July 01 Rupees	For three months Rupees	Adjustment Rupees	As at June 30 Rupees	
Furniture and fixtures	1,357,000	-	-	1,357,000	10	707,952	16,226	-	632,822
Office equipment	3,383,000	-	-	3,383,000	10	1,764,922	40,452	-	1,577,626
Vehicles	9,647,115	-	-	9,647,115	20	9,439,992	10,356	-	196,767
	14,387,115	-	-	14,387,115		11,912,866	67,035	-	2,407,215
June 30, 2020									
	COST			Rate %	DEPRECIATION				Net book value as at June 30 Rupees
	As at July 01 Rupees	Additions Rupees	Disposals Rupees	As at June 30 Rupees	As at July 01 Rupees	For the year Rupees	Adjustment Rupees	As at June 30 Rupees	
Furniture and fixtures	1,357,000	-	-	1,357,000	10	635,835	72,117	-	649,048
Office equipment	3,383,000	-	-	3,383,000	10	1,585,136	179,786	-	1,618,078
Vehicles	9,647,115	-	-	9,647,115	20	9,388,211	51,781	-	207,123
	14,387,115	-	-	14,387,115		11,609,182	303,684	-	2,474,249

KOHINOOR INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Note	Sep 30, 2020 Rupees	Jun 30, 2020 Rupees
13	GOVERNMENT TAKEN OVER CONCERNS		
Gross amount due		27,229,339	27,229,339
Impairment allowance		(27,229,339)	(27,229,339)
		-	-
14	INVESTMENT PROPERTY		
Land			
As at beginning of the year		728,575,000	704,450,000
Change in fair value		-	24,125,000
As at end of the year		728,575,000	728,575,000
Building			
As at beginning of the year		110,349,405	104,922,245
Change in fair value		-	5,427,160
As at end of the year		110,349,405	110,349,405
		838,924,405	838,924,405
15	LONG TERM INVESTMENTS		
This represents investment in ordinary shares of Kohinoor Power Company Limited, an associated company. The investment has been accounted for by using equity method. Particulars of investment are as follows:			
		Sep 30, 2020	Jun 30, 2020
Percentage of ownership interest		22.50%	22.50%
	Note	Sep 30, 2020 Rupees	Jun 30, 2020 Rupees
Cost of investment			
2,835,000 (2019: 2,835,000) fully paid ordinary shares of Rs. 10 each		90,000,000	90,000,000
Share of post acquisition profits		(15,852,415)	(15,907,887)
Dividend income from investment in associate		(10,800,000)	(10,800,000)
		63,347,585	63,292,113
Accumulated impairment		(56,883,785)	(58,472,613)
		6,463,800	4,819,500
16	LONG TERM DEPOSITS		
These have been deposited with various utility companies and regulatory authorities. These are classified as 'financial assets at amortized cost' under IFRS 9 'Financial Instruments' which are required to be carried at amortized cost. However, these, being held for an indefinite period with no fixed maturity date, are carried at cost as their amortized cost is impracticable to determine.			
	Note	Sep 30, 2020 Rupees	Jun 30, 2020 Rupees
17	DEFERRED TAXATION		
Deferred tax asset on deductible temporary differences		27,911,283	27,911,283
Deferred tax liability on taxable temporary differences		-	-
Net deferred tax asset		27,911,283	27,911,283
	Note	Sep 30, 2020 Rupees	Jun 30, 2020 Rupees
18	ADVANCES, DEPOSITS AND OTHER RECEIVABLES		
Advances to employees		92,000	125,500

KOHINOOR INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Sales tax refundable	-	-
	Other receivables	-	-
		92,000	125,500
19	ADVANCE INCOME TAX/INCOME TAX REFUNDABLE		
	Advance income tax/income tax refundable	30,824,304	28,683,009
	Impairment allowance	(9,248,293)	(9,248,293)
		21,576,011	19,434,716
20	CASH AND BANK BALANCES		
	Cash in hand	785,061	859,474
	Cash at banks		
	Current accounts - local currency	8,732,899	16,150,091
	Deposit/saving accounts - local currency	55,000,000	42,550,407
		63,732,899	58,700,498
		64,517,960	59,559,972
21	REVENUE		
	This represents rental income from leasing out Company's investment property under operating lease arrangements.		
	<i>Note</i>	Sep 30, 2020	Sep 30, 2019
		<i>Rupees</i>	<i>Rupees</i>
22	ADMINISTRATIVE AND GENERAL EXPENSES		
	Salaries and benefits	2,859,760	2,191,115
	Printing and stationery	39,710	27,715
	Communication	66,974	60,141
	Repair and maintenance	1,687,010	51,558
	Rent, rates and taxes	1,409,431	1,409,491
	Electricity and gas	178,957	178,783
	Paper & periodical	4,050	4,060
	Insurance	-	-
	Advertisement	-	-
	Vehicles running and maintenance	52,220	48,440
	Traveling and conveyance	3,380	25,720
	Legal and professional	302,510	13,120
	Fees and Subscription	269,358	765,877
	Staff Welfare	7,250	12,920
	Entertainment	69,786	49,472
	Depreciation	67,035	75,921
	Others	38,036	24,330
		7,055,467	4,938,663
23	OTHER EXPENSES		
	Loss on financial instruments		
	Impairment loss on long term investment	-	899,392
	Cash and cash equivalents written off	-	-
		-	899,392
23.1	This represents balances in old dormant bank accounts written off.		
24	OTHER INCOME		
	Gain on financial instruments		

KOHINOOR INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

Return on bank deposits	216,196	359,966
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Other income

Changes in fair value of investment property	-	-
Reversal of impairment loss on long term investment	1,588,828	-
	1,588,828	-
	1,805,024	359,966

25 FINANCE COST

Bank charges	882	7,755
	882	7,755

26 PROVISION FOR TAXATION

	Note	Sep 30, 2020 Rupees	Sep 30, 2019 Rupees
Current taxation			
for the year		2,340,728	1,213,913
for prior year		-	-
		2,340,728	1,213,913
Deferred taxation			
attributable to origination and reversal of temporary differences		-	-
attributable to changes in tax rates		-	-
		-	-
		2,340,728	1,213,913

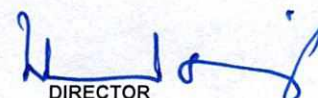
27 EARNING PER SHARE - BASIC AND DILUTED

Profit attributable to ordinary shareholders	Rupees	7,020,247	5,926,749
Weighted average number of ordinary shares outstanding during the year	No. of shares	30,302,543	30,302,543
Earning per share - Basic	Rupees	0.23	0.20

There is no dilutive effect on the basic earning per share of the Company.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR