

KOHINOOR INDUSTRIES LIMITED

**HALF YEAR REPORT (UN-AUDITED)
31-12-2018**

BOARD OF DIRECTORS

Mr. M. Naseem Saigol	Chairman
Mr. M. Zeid Yousuf Saigol	Chief Executive Officer
Mr. Muhammad Murad Saigol	
Mr. Muhammad Omer Farooq	
Mr. Muhammad Athar Rafiq	
Mr. Muhammad Shamil	
Mr. Rashid Ahmad Javaid	

AUDIT COMMITTEE

Mr. Rashid Ahmad Javaid	Chairman/Member
Mr. Muhammad Omer Farooq	Member
Mr. Muhammad Athar Rafiq	Member
Mr. Muhammad Shamil	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 Mudassar Ehtisham & 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

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

KOHINOOR INDUSTRIES LIMITED
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
December 31, 2018

MUDASSAR EHTISHAM & CO.
CHARTERED ACCOUNTANTS

DIRECTORS' REPORT

The Directors' of the Company presented before the Shareholders their report alongwith Interim Financial Statements of the Company for the period ended December 31, 2018.

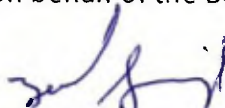
During the period under review, the Company continued renting its premises and earned a gross revenue of Rs. 21.52 million as compared to Rs. 18.32 million in the corresponding period last year. The Company earned gross profit of Rs. 19.88 million as compared to Rs. 9.78 million in corresponding period last year. This increase is due to increase in the value of its investments in the associated Company.

The following comments are being offered on the Auditors' observations contained in their report.

The auditors have pointed out that the provident fund has not been kept in a separate bank account. In management point of view, the number of members of provident fund drastically reduced to 10 only. Majority consists of Security staff. Considering the turnover of the staff, the trustees have decided to retain the liquid funds to pay any final settlement and/ for advance to members. Such a small amount cannot be invested anywhere, an early redemption will be penalized and it will not be beneficial for the members. Currently the Company opted for gratuity.

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 same spirit of devotion will continue in future.

For and on behalf of the Board



Chief Executive

Lahore
February 28, 2019

کمپنی کے ڈائریکٹران نے کمپنی شیئر ہولڈرز کے سامنے ان کی رپورٹ ہمراہ عبوری مالی شیٹمنٹ برائے دورانیہ 31 دسمبر 2018 پیش کی۔

زیر غور دورانیہ میں کمپنی نے اپنا احاطہ کرائے پردے کر بہ لحاظ 21.52 ملین کمائے جس کے مقابل گزشتہ سال کے دورانیہ میں 18.32 ملین روپے کمائے تھے۔ کمپنی نے 19.88 ملین خالص منافع کمایا، جو گزشتہ سال 9.78 ملین تھا۔ یہ اضافہ ایسوسی ایٹڈ کمپنی میں کی گئی سرمایہ کاری کی مالیت میں اضافے کی وجہ سے ہے۔

آڈیٹر رپورٹ میں بیان کردہ اعتراض پر انتظامیہ کا جواب مندرجہ ذیل ہے۔

آڈیٹر نے نشاندہی کی ہے کہ پرائیویٹ فنڈ علیحدہ بینک اکاؤنٹ میں نہیں رکھا گیا۔ انتظامیہ کے نقطہ نظر کے مطابق پرائیویٹ فنڈ کے ممبران کی تعداد کافی حد تک کم ہو کر صرف 10 رہ گئی ہے۔ جن میں زیادہ تعداد سیکورٹی شاف کی ہے۔ شاف کی تعداد کو مد نظر رکھتے ہوئے Trustees نے یہ فیصلہ کیا ہے کہ نقد فنڈ کو حتمی ادائیگی یا ممبران کو ایڈوانس ادا کرنے کے لیے رکھا جائیگا۔ اتنی چھوٹی رقم کو کہیں بھی انویسٹ نہیں کیا جاسکتا اور وقت سے پہلے انویسٹمنٹ واپس لینے پر جرمانہ عائد ہو سکتا ہے اور یہ ممبران کے لیے فائدہ کی بات نہ ہوگی۔ فی الحال کمپنی نے گریجویٹ کا انتخاب کیا ہے۔

ہم تمام شیئر ہولڈرز کے بھرپور تعاون کیلئے ان کا شکریہ ادا کرنا چاہتے 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۔

کمپنی کیلئے اور کمپنی کی جانب سے

لاہور

چیف ایگزیکٹو

28 فروری 2019

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Kohinoor Industries Limited
Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim balance sheet of **KOHINOOR INDUSTRIES LIMITED** ("the Company") as at December 31, 2018, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof, for the six- months period then ended (here-in-after referred to as "the condensed interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim profit and loss account condensed interim statement of comprehensive income for the quarters ended December 31, 2017 and December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2018.

Scope of Review

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

Basis for Qualified Opinion

The company operates a defined contribution plan i.e. provident fund for all its permanent employees. The contributions are made to the fund by the employees @ 7% of basic salary and cost of living allowance.

The Company is deducting provident fund contributions from salaries paid to its employees. Its own contributions for the year are also expensed out in the profit and loss account of the relevant year. However, the company does not recognize any liability for provident fund related benefits payable to its employees. The funds collected are also relocated out of the business. Above practice also constitutes departure from applicable laws and regulations including Section 218 of Companies Act, 2017, which requires depositing relevant amounts within fifteen days in a special account to be opened for this purpose. The Company is following the same practice since previous several years. We are unable to quantify the financial Impact of the above on the financial statements since no information was shared with us in this regard.

Conclusion

Based on our review, except for the effects of the matter described in the *Basis of Qualified Opinion* Section of our report, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as of and for the six months period ended December 31, 2018 is not prepared in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Mudassar Raza.

Mudassar Ehtisham
Mudassar Ehtisham

Mudassar Ehtisham & Co.
Chartered Accountants
Engagement Partner: Mudassar Raza
Lahore: February 27, 2019

KOHINOOR INDUSTRIES LIMITED
BALANCE SHEET AS AT DECEMBER 31, 2018

	Note	Dec 31, 2018 Rupees Un-audited	Jun 30, 2018 Rupees Audited
ASSETS			
Non current assets			
Property, plant and equipment	5	2,950,244	3,122,553
Government taken over concerns	6	-	-
Investment property	7	802,860,585	802,860,585
Long term deposits	8	166,376	368,876
Long term investment	9	6,804,000	9,497,250
		<u>812,781,205</u>	<u>815,849,264</u>
Current assets			
Loans and advances	10	28,000	77,536
Other receivables	11	20,000	216,020
Tax refunds due from Government	12	12,036,098	13,362,423
Cash and bank balances	13	15,231,530	5,389,403
		<u>27,315,628</u>	<u>19,045,382</u>
TOTAL ASSETS		<u>840,096,833</u>	<u>834,894,646</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
40,000,000 ordinary shares of Rs. 10 each		<u>400,000,000</u>	<u>400,000,000</u>
Issued, subscribed and paid-up capital	14	303,025,430	303,025,430
Reserves	15	187,394,755	187,394,755
Surplus on revaluation of fixed assets	16	651,264,077	651,264,077
Unappropriated (loss) / profit		<u>(703,389,836)</u>	<u>(716,145,840)</u>
		438,294,426	425,538,422
Non- current liabilities			
Advances against rent		5,215,503	-
Current liabilities			
Trade and other payables	17	22,866,163	30,354,473
Short term loan from directors - unsecured	18	353,682,503	353,682,503
Unclaimed Dividend		1,034,826	1,034,826
Provision for taxation	19	19,003,412	24,284,422
		396,586,904	409,356,224
TOTAL EQUITY AND LIABILITIES		<u>840,096,833</u>	<u>834,894,646</u>
Contingencies & Commitments	20	-	-

The annexed notes form an integral part of these financial statements


 (CHIEF EXECUTIVE OFFICER)



 (CHIEF FINANCIAL OFFICER)


 (DIRECTOR)

KOHINOOR INDUSTRIES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Note	QUARTER ENDED		HALF YEAR ENDED	
		Oct-Dec-2018	Oct-Dec-2017	Jul-Dec-2018	Jul-Dec-2017
		Rupees	Rupees	Rupees	Rupees
		Un-audited	Un-audited	Un-audited	Un-audited
Revenue	21	11,855,735	9,651,087	21,523,383	18,326,569
Other operating charges	22	143,360	(8,225,937)	(1,638,631)	(8,545,231)
		11,999,095	1,425,150	19,884,752	9,781,338
Operating expenses					
Administrative expenses	23	(3,673,194)	(4,987,182)	(6,885,750)	(10,234,595)
		8,325,901	(3,562,032)	12,999,002	(453,257)
Finance cost	24	(7,404)	(8,427)	(13,734)	(17,367)
Share of profit / (loss) from Associate	9	(710,360)	(1,554,813)	(1,054,619)	(2,964,869)
Profit / (loss) before taxation		7,608,137	(5,125,272)	11,930,649	(3,435,493)
Current		(1,293,383)	(1,415,794)	(2,028,210)	(1,703,056)
Prior Year		2,853,565		2,853,565	-
Profit / (loss) after tax		9,168,319	(6,541,066)	12,756,004	(5,138,549)
Un-Appropriated loss brought forward		(712,558,155)	(748,815,327)	(716,145,840)	(750,217,844)
Un-Appropriated loss carried to financial position		(703,389,836)	(755,356,393)	(703,389,836)	(755,356,393)
EARNING PER SHARE-BASIC AND DILUTED	25	0.30	(0.22)	0.42	(0.17)

The annexed notes form an integral part of these financial statements


(CHIEF EXECUTIVE OFFICER)


(CHIEF FINANCIAL OFFICER)


(DIRECTOR)

KOHINOOR INDUSTRIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DEC 31, 2018

	<u>QUARTER ENDED</u>		<u>HALF YEAR ENDED</u>	
	<u>DEC 31, 2018</u>	<u>DEC 31, 2017</u>	<u>DEC 31, 2018</u>	<u>DEC 31, 2017</u>
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
	<u>Un-audited</u>	<u>Un-audited</u>	<u>Un-audited</u>	<u>Un-audited</u>
Net Profit / (Loss) for the half year	9,168,319	(6,541,066)	12,756,004	(5,138,549)
Other Comprehensive Income	-	-	-	-
Total Comprehensive (Loss) / Income	<u>9,168,319</u>	<u>(6,541,066)</u>	<u>12,756,004</u>	<u>(5,138,549)</u>

The annexed notes form an integral part of these financial statements



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)



(DIRECTOR)

KOHINOOR INDUSTRIES LIMITED
CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

Note	DEC 31, 2018 Rupees Un-audited	DEC 31, 2017 Rupees Un-audited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	11,930,649	(3,435,493)
Adjustments for:		
Depreciation	172,309	195,949
Share of profit / (loss) from Associate	1,054,619	2,964,869
Provision for short fall in value of investment	1,638,631	8,545,231
Finance cost	13,734	17,367
	2,879,293	11,723,416
Profit before working capital changes	14,809,942	8,287,923
Effect on cash flow due to working capital changes		
Other receivables	196,020	(178,200)
Loans and advances	49,536	(117,500)
Advance against rent	5,215,503	-
Long term deposits	202,500	-
Trade and other payables	(7,488,310)	1,085,744
	(1,824,751)	790,044
Cash generated from operations	12,985,191	9,077,967
Finance cost paid	(13,734)	(17,367)
Income tax paid	(3,129,330)	(2,646,321)
	(3,143,064)	(2,663,688)
Net cash from operating activities	9,842,127	6,414,279
CASH FLOWS FROM INVESTING ACTIVITIES		
	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term loan from directors - unsecured	-	(5,797,198)
Net cash used in financing activities	-	(5,797,198)
Net increase / (decrease) in cash and cash equivalents	9,842,127	617,081
Cash and cash equivalents at the beginning of the Period	5,389,403	1,746,555
Cash and cash equivalents at the end of the Period	15,231,530	2,363,636

The annexed notes form an integral part of these financial statements


 (CHIEF EXECUTIVE OFFICER)


 (CHIEF FINANCIAL OFFICER)


 (DIRECTOR)

KOHINOOR INDUSTRIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

Share capital	Capital reserve		Revenue	Total	
	Share Premium	Surplus on Revaluation of fixed Assets	Unappropriated profit/(loss)		
----- Rupees -----					
Balance as at June 30, 2017	303,025,430	187,394,755	651,264,077	(750,205,187)	391,479,075
Total comprehensive profit / (loss) for the half year	-	-	-	(5,138,549)	(5,138,549)
Balance as at December 31, 2017	303,025,430	187,394,755	651,264,077	(755,343,736)	386,340,526
Total comprehensive profit for the half year	-	-	-	39,197,896	39,197,896
Balance as at June 30, 2018	303,025,430	187,394,755	651,264,077	(716,145,840)	425,538,422
Total comprehensive profit for the half year	-	-	-	12,756,004	12,756,004
Balance as at December 31, 2018	303,025,430	187,394,755	651,264,077	(703,389,836)	438,294,426

The annexed notes form an integral part of these financial statements


 (CHIEF EXECUTIVE OFFICER)


 (CHIEF FINANCIAL OFFICER)


 (DIRECTOR)

KOHINOOR INDUSTRIES LIMITED
NOTES TO THE FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

1 STATUS AND NATURE OF BUSINESS

Kohinoor Industries Limited is a public limited, quoted company incorporated in Pakistan under the Companies Ordinance, 1984. Its shares are quoted on Pakistan Stock Exchange. The principal activity of the company was to manufacture and sell yarn.

Board of Directors in its meeting held on April 30, 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 operation of the textile unit had become uneconomical and huge losses were expected to arise if the business was carried on.

Factory building has been leased out to other industrial units whereas school building is also rented. Subsequently the company has amended its memorandum of association to include leasing out of its building as and when considered fit vide Sub-Clause II of Memorandum of Association is authorized to lease and let out on hire its business premises as when it is considered fit.

2 STATEMENT OF COMPLIANCE

These condensed 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

International Accounting Standard (IAS) 34, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

Provision of and directives issued under the Companies Act, 2017.

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

These condensed interim financial statements have been subjected to limited scope review by the auditors, as required under section 237 of Companies Act, 2017 and should be read in conjunction with audited annual financial statements of the Company for the year ended June 30, 2018.

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2018.

There are certain IFRSs, amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2018. These are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in the condensed interim financial statements.

Taxes on income in the interim periods are accrued using tax rate that would be applicable to expected annual profit or loss.

4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements are in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including the expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparation of these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements of the Company for the year ended June 30, 2018.

5 PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	December 31, 2018											RATE %
	COST					ACCUMULATED DEPRECIATION					Book Value As On Dec 31, 2018	
	As on July 01, 2018	Additions / Disposals	Transfers	Revaluation Adjustments	As on Dec 31, 2018	As on July 01, 2018	Adjustments	For Half Year	Transfers	As on Dec 31, 2018		
----- Rupees -----												
Own:												
Furniture and fixtures	1,357,000	-		-	1,357,000	555,705	-	40,065		595,770	761,230	10
Office equipments	3,383,000	-		-	3,383,000	1,385,373	-	99,881		1,485,254	1,897,746	10
Vehicles	9,647,115	-		-	9,647,115	9,323,484		32,363		9,355,847	291,268	20
	14,387,115	-		-	14,387,115	11,264,562	-	172,309		11,436,871	2,950,244	

5 PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	30-Jun-18											RATE %
	Rs											
	COST					ACCUMULATED DEPRECIATION					Book Value As On June 30, 2018	
As on July 01, 2017	Additions / Disposals	Transfers	Revaluation Adjustments	As on June 30, 2018	As on July 01, 2017	Adjustments	For the Year	Transfers	As on June 30, 2018			
Owa:												
Furniture and fixtures	1,357,000	-	-	-	1,357,000	466,672	-	89,033	-	555,705	801,295	10
Office equipments	3,383,000	-	-	-	3,383,000	1,163,414	-	221,959	-	1,385,373	1,997,627	10
Vehicles	9,647,115	-	-	-	9,647,115	9,242,576	-	80,908	-	9,323,484	323,631	20
	14,387,115	-	-	-	14,387,115	10,872,662	-	391,900	-	11,264,562	3,122,553	

5.1 Depreciation charge to admin expenses for the year as under :
Administrative expenses

2018	2017
Rupees	Rupees
391,900	446,681
391,900	446,681

KOHINOOR INDUSTRIES LIMITED
NOTES TO THE FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Note	Dec 31, 2018	June 30, 2018
		Rupees Un-audited	Rupees Audited
6 GOVERNMENT TAKEN OVER CONCERNS (CONSIDERED DOUBTFUL)			
Balance as on July 01,		27,229,339	27,229,339
Less: Provision made		<u>(27,229,339)</u>	<u>(27,229,339)</u>
		<u>-</u>	<u>-</u>
6.1	The company had filed a writ against Ittehad Pesticides Limited, Kala Shah Kaku and Federal Government of Pakistan with regard to the amount due. As per legal advisor letter dated 10-09-2013 the claim of Company stands rejected by Civil Judge vide judgment dated 19-06-2013. Amount recoverable stands fully provided for.		
6.2	No interest has been accounted for in the current period on the above amounts due from/to government taken over concerns, as the debt is doubtful of recovery.		
7 INVESTMENT PROPERTY			
Balance at the beginning of the year			
Land		698,660,000	665,403,123
Building		<u>104,200,585</u>	<u>99,253,163</u>
		<u>802,860,585</u>	<u>764,656,286</u>
Fair value gain		-	-
Land		-	33,256,877
Building		-	4,947,422
		<u>802,860,585</u>	<u>802,860,585</u>
7.1	This represents company land and building transferred from fixed assets at fair value. Whereas the fair value of land and building is valued by an independent valuer as at June 30, 2018 PKR 802,860,558 (2017: PKR 764,656,286)		
8 LONG TERM DEPOSITS			
Long term deposits		<u>166,376</u>	<u>368,876</u>
9 Long term investment			
2,835,000 (2017:2,835,000) ordinary shares of Rs.10 each			
Balance at the beginning of the year		9,497,250	20,128,500
Share of (loss) profit of associated company		(1,054,619)	(4,286,479)
Impairment (loss) / reversal of impairment loss		<u>(1,638,631)</u>	<u>(6,329,348)</u>
		(2,693,250)	(10,615,827)
Share of other comprehensive income/ (loss) of associated company		-	(15,423)
Less dividend		-	-
		<u>6,804,000</u>	<u>9,497,250</u>
10 LOANS AND ADVANCES			
Advances to:			
Employees:			
Un-secured, considered good		<u>28,000</u>	<u>77,536</u>
		<u>28,000</u>	<u>77,536</u>

KOHINOOR INDUSTRIES LIMITED
NOTES TO THE FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Note	Dec 31, 2018 Rupees Un-audited	June 30, 2018 Rupees Audited
11 OTHER RECEIVABLES			
Rebate/claims and central excise duty receivables		10,647,437	10,647,437
Less: Provision of rebate/claims and central excise duty receivables		(10,647,437)	(10,647,437)
Rent and other receivables		20,000	216,020
		<u>20,000</u>	<u>216,020</u>
12 TAX REFUND			
Sales tax deposits		4,236,934	4,236,934
Income tax deducted at source	12.1	21,284,391	22,610,716
		25,521,325	26,847,650
Less: provision for doubtful recovery		(13,485,227)	(13,485,227)
		<u>12,036,098</u>	<u>13,362,423</u>
12.1 These are made up as follows			
Opening balance of advance tax		22,610,716	21,363,919
Paid / deducted during the period		3,129,330	5,410,318
Adjustment of Income Tax return		-	(1,611,423)
Adjusted last year provision		(4,455,655)	(2,552,098)
		<u>21,284,391</u>	<u>22,610,716</u>
13 CASH AND BANK BALANCES			
Cash in hand		124,591	304,664
Balance with banks:			
in current accounts		15,106,939	5,084,739
Cash and cash equivalents		<u>15,231,530</u>	<u>5,389,403</u>
14 SHARE CAPITAL			
Authorized			
40,000,000 ordinary shares of Rs. 10 each		400,000,000	400,000,000
Issued, subscribed and paid-up capital			
12,095,482 ordinary shares of Rs. 10 each		120,954,820	120,954,820
18,207,061 issued as fully paid bonus shares out of reserves		182,070,610	182,070,610
		<u>303,025,430</u>	<u>303,025,430</u>
15 RESERVES			
Capital- Premium on issue of shares		187,394,755	187,394,755
		<u>187,394,755</u>	<u>187,394,755</u>

KOHINOOR INDUSTRIES LIMITED
NOTES TO THE FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Note	Dec 31, 2018 Rupees Un-audited	June 30, 2018 Rupees Audited
16 SURPLUS ON REVALUATION OF FIXED ASSETS			
Revaluation surplus of land			
Opening balance		629,277,383	629,277,383
Add: Adjustment as a result of fresh revaluation		-	-
		629,277,383	629,277,383
Deficit on other assets		(3,097,355)	(3,097,355)
		626,180,028	626,180,028
Revaluation surplus of building		25,084,049	25,084,049
		651,264,077	651,264,077
17 TRADE AND OTHER PAYABLES			
Trade creditors:			
For expenses		1,537,957	3,985,935
Tax deducted at source		11,346	139,281
Sale tax payable - ONO		20,642,050	20,642,050
Advance for rent		-	5,215,503
Workers welfare fund		303,106	-
Workers' profit participation fund		371,704	371,704
		22,866,163	30,354,473
18 SHORT TERM LOAN FROM DIRECTORS - UNSECURED			
These comprises of:			
Interest free Short term loan from directors		353,682,503	353,682,503
19 PROVISION FOR TAXATION			
Opening provision		24,284,422	19,527,300
For the year		2,028,210	7,309,220
Adjusted last year provision		(7,309,220)	(2,552,098)
		19,003,412	24,284,422
20 CONTINGENCIES AND COMMITMENTS			

There have been no changes in the contingencies and commitments as disclosed in the annual financial statements of the company for the year ended 30th June 2018

PSX (Pakistan Stock Exchange) via letter Ref. No. PSX/ Gen-5244 intimated that a listed company can be placed in default segment if independent auditor issue qualified opinion indicating material uncertainty relating to going concern. Further it was also intimated that it has been observed that the company operations have been suspended which could also lead to placement of company in default segment.

The company via letter dated Nov 22, 2018 submitted a reply to PSX that the auditor had already drawn their attention that the qualified opinion was not given due to material uncertainty about going concern. Furthermore, the company also clarified that the company is in the business of leasing its property and the same has not been suspended. The management of the company is confident that the above matter will be resolved.

KOHINOOR INDUSTRIES LIMITED
NOTES TO THE FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Note	Dec 31, 2018 Rupees Un-audited	Dec 31, 2017 Rupees Un-audited
21 REVENUE			
21.1	The company had ceased the commercial operation w.e.f 12th October, 2007 and all of the stocks were disposed off. Refer to Note No. 1. The Company has earned income from renting out its premises.		
21.2	Rental Income	21,523,383	18,326,569
		<u>21,523,383</u>	<u>18,326,569</u>
22 OTHER OPERATING CHARGES			
	Provision for short fall in the value of investment	1,638,631	8,545,231
		<u>1,638,631</u>	<u>8,545,231</u>
23 ADMINISTRATIVE EXPENSES			
	Staff salaries, wages and benefits	4,582,874	6,839,921
	Travelling and conveyance	19,950	19,020
	Printing and stationery	34,344	120,205
	Telecommunication	162,097	129,850
	Postage & telegram	37,751	18,736
	Legal and professional	709,125	891,462
	Electricity and Gas	131,805	84,132
	Staff uniform	20,800	-
	Advertisement	49,300	163,500
	Vehicle & running & maintenance	40,805	29,826
	Entertainment	143,738	126,568
	Rent, rate and taxes	-	1,512,352
	Staff Welfare	24,180	14,870
	Misc Expenses	44,426	29,300
	Workers Welfare Fund	303,106	-
	Repairs and maintenance	409,140	58,904
	Depreciation	172,309	195,949
		<u>6,885,750</u>	<u>10,234,595</u>
24 FINANCE COST			
	Bank charges and commission	13,734	17,367
		<u>13,734</u>	<u>17,367</u>
25 EARNING PER SHARE-BASIC AND DILUTED			
	Net profit after taxation	12,756,004	(5,138,549)
	Weighted average number of ordinary shares issued and subscribed during the period	30,302,543	30,302,543
	Earning per share-basic and diluted	<u>0.42</u>	<u>(0.17)</u>

KOHINOOR INDUSTRIES LIMITED
NOTES TO THE FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Note	Dec 31, 2018 Rupees Un-audited	Dec 31, 2017 Rupees Un-audited
26 TRANSACTIONS WITH RELATED PARTIES			
26.1 Transactions with related parties			
26.1.1 <u>Key management personnel</u>			
Interest free short term loan repaid		-	5,797,198
26.1.2 <u>Other related parties</u>			
Red Communication Art (Private) Limited			
Advertising expenses		-	163,500
Pak Elektron Limited			
Rental Income		971,766	-
Faisalabad Grammar School			
Rental Income		392,040	2,156,220
26.2 Balances with related parties			
26.2.1 <u>Key management personnel</u>			
Short term loan payable to directors		353,682,503	353,682,503
26.2.2 <u>Associate</u>			
Kohinoor Power Company Limited			
Long term investments		6,804,000	9,497,250
26.2.3 <u>Other related parties</u>			
Red Communication Art (Private) Limited			
Payable Balance		-	424,950
Faisalabad Grammar School			
Receivable amount		-	196,020
26.3	All related party transactions are approved by the audit committee and the Board of directors of the Company.		

KOHINOOR INDUSTRIES LIMITED
NOTES TO THE FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

27 REMUNERATION OF CHIEF EXECUTIVE OFFICER AND DIRECTORS

	Chief executive	Directors	Executives
No. of persons			
Dec-18	1	6	-
Jun-18	1	6	1

27.1 There was no remuneration paid during the year to Chief Executive and Directors except Executive of the company (June 2018: Rs. Nil)

	Dec-18 Rupees Un-audited	Jun-18 Rupees Audited
Executives' remuneration:		
Managerial remuneration	-	3,801,420
	-	3,801,420

27.2 No meeting fee was paid to the directors and chief executive during the period (June 2018: Nil).

28 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

There have been no significant changes in the risk management policies since the year end.

The condensed interim financial statements does not include all financial risk management information and disclosures required in the annual financial statements and conjunction with the Company's audited annual financial statements for the year ended should be read in conjunction with the Company's audited annual financial statements for the year ended June 30, 2018.

Fair value measurement of financial instruments

The carrying values of all financial assets and liabilities reflected in the condensed interim financial statements are a reasonable approximation of their fair values.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) [Level 2].

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

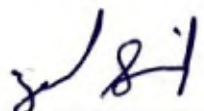
**KOHINOOR INDUSTRIES LIMITED
 NOTES TO THE FINANCIAL INFORMATION
 FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Level 1	Level 2	Level 3	Total
Assets - Recurring fair value measurement				
Financial assets at fair value through profit or loss				
6/30/2018				
Short term investments	9,497,250			9,497,250
12/31/2018				
Short term investments	6,804,000			6,804,000

There was no transfers amongst the levels and any change in valuation techniques during the period.

29 DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on 27/02/19 by the Board of Directors of the Company.


 (CHIEF EXECUTIVE OFFICER)


 (CHIEF FINANCIAL OFFICER)


 (DIRECTOR)