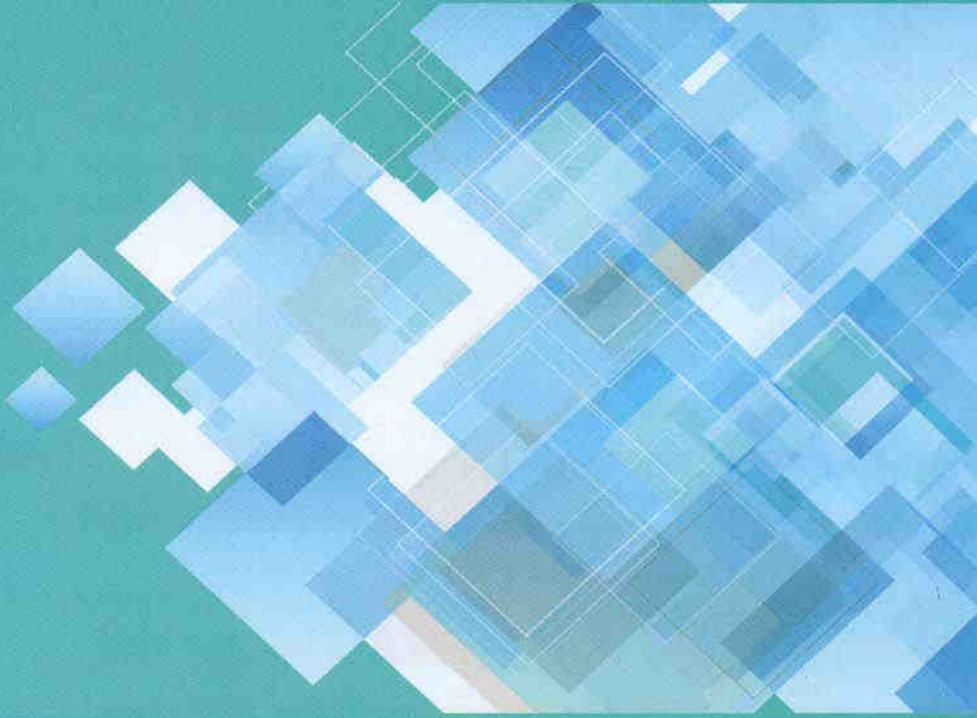
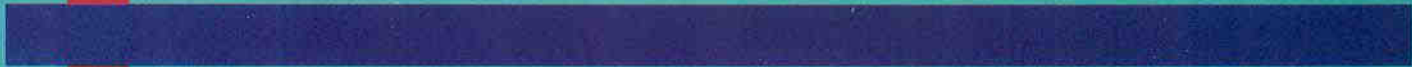


AL-KHAIR GADOON LTD.



ANNUAL REPORT 2019



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COMPANY INFORMATION

BOARD OF DIRECTORS:

Mohammad Afzal Sheikh	Chairman
Mohammad Saeed Sheikh	Chief Executive
Sheikh Pervaiz Afzal	Executive Director
Mohammad Amin Sheikh	Non-Executive Director
Sheikh Pervaiz Afzal	Non-Executive Director
Mrs. Parveen Afzal	Non-Executive Director
Mrs. Farnaz Saeed	Non-Executive Director
Mrs. Nafeesa Amin	Non-Executive Director
Mr. Kamal Subhani	Independent Director

AUDIT COMMITTEE:

Mr. Kamal Subhani	Chairman
Mrs. Parveen Afzal	Member
Mrs. Farnaz Saeed	Member
Mr. Khurram Iftikhar	Secretary

**HUMAN RESOURCE &
REMUNERATION COMMITTEE:**

Mr. Kamal Subhani	Chairman
Mrs. Nafeesa Amin	Member
Sheikh Pervaiz Afzal	Member
Mr. Mushtaq Ahmed Shaheen	Secretary

CFO / CHIEF ACCOUNTANT:

Abdul Hafeez Poswal

COMPANY SECRETARY:

Mohammad Amin Sheikh

AUDITORS:

M/s. Tahir Siddiqi & Co. Chartered Accountants.

LEGAL ADVISOR:

Mr. Naeem Anjum (Advocate High Court)

SHARES REGISTRAR:

Shemas International (Pvt) Limited
533-Imperial Garden Block, Main Boulevard,
Paragon City, Barki Road, Lahore.

BANKERS:

Allied Bank Limited.
Bank Alfalah Limited.

**REGISTERED OFFICE
& FACTORY SITE:**

92/3, 94A & 94B Phase III, Industrial
Estate, Gadoon Amazai,
District Swabi, (K.P.K)
Tel: (0938) 270260
Fax: (0938) 270270

CORPORATE OFFICE:

Al-Khair House,
43-T, Gulberg II, Lahore.
Tel: (042) 111-111-043
Fax: (042) 35716588, 35753719
Website: www.alkhairgadoon.com

Mission

Offer value to our customers by continuous improving our products and services. Provide ongoing product development and design improvements to meet our customers' needs. Maintain our technical advantage in all aspects of our business while remaining competitive in the market.

Vision

AKGL'S Ambition is to become a clear benchmark in foam products, sleeping products & services.

NOTICE OF MEETING

Notice is hereby given that the 29th Annual General Meeting of Al-Khair Gadoon Limited, will be held on Friday the October 25, 2019 at 9:00 A.M. at the Registered Office of the Company at 92/3, Phase III, Industrial Estate, Gadoon Amazai, District Swabi, Khyber Pakhtunkhwa to transact the following business:-

- 1 To confirm the minutes of the 28th Annual General Meeting held on October 26, 2018.
- 2 To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2019, together with the Directors' and Auditors' Reports thereon.
- 3 To elect the Directors in accordance with provisions of Section 159 of the Companies Act, 2017. The following are the retiring Directors and number of Directors for next term (3 Year) are fixed at 8.

(i) Mr. Mohammad Afzal Sheikh	(ii) Mr. Mohammad Saeed Sheikh
(iii) Mr. Mohammad Amin Sheikh	(iv) Mr. Sheikh Pervaiz Afzal
(v) Mrs. Parveen Afzal	(vi) Mrs. Farnaz Saeed
(vii) Mrs. Nafisa Amin	(viii) Mr. Kamal Subhani
- 4 To appoint Auditors of the Company and fix their remuneration.
- 5 To transact any other business with the permission of the Chairman.

BY ORDER OF THE BOARD

Muhammad Amin

MUHAMMAD AMIN SHEIKH

Company Secretary

Dated: October 02, 2019

NOTES:

- 1 Share Transfer Books of the Company will remain closed from October 18, 2019 to October 25, 2019 (both days inclusive). Transfers received in order upto the close of business on October 17, 2019 at the Corporate Office of the Company at Al-Khair House, 43-T, Gulberg II, Lahore will be entitled to voting rights at the Annual General Meeting.
- 2 A member of the Company entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend and vote. Votes may be given personally or by proxy or by Attorney or in case of a Corporation by representative. The instrument of proxy duly executed should be lodged at the Corporate Office of the Company at Al-Khair House, 43 – T, Gulberg II, Lahore not later than 48 hours before the time of meeting.
- 3 Any individual Beneficial Owner of the Central Depository Company (CDC), entitled to vote at this meeting must bring his / her Computerized National Identity Card (CNIC) or passport (in case of foreigner) along with CDC account number to prove his / her identity and in case of proxy must enclose an attested copy of his / her CNIC or passport. Representatives of corporate members should bring the usual documents required for such purpose.

- 4 Members are requested to immediately inform the Company's Share Registrar of any change in their mailing address.
- 5 Members are requested to provide by mail, photocopy of their CNIC or passport (in case of foreigner), unless it has been provided earlier, enabling the Company to comply with relevant laws.
- 6 The Security and Exchange Commission of Pakistan vide SRO No. 470(I)/2016 dated May 31, 2016 has allowed companies to circulate Annual Audited Accounts to its members through CD/DVD/USB at their registered addresses. In view of this the Company is being sent its 2019 Annual Report to the shareholders in form of CD. Any member requiring printed copy of 2019 Annual Report may send a request with identification details, the Company will send the hard copy of printed accounts 2019 free of cost within one week.
- 7 In accordance with Section 132 (2) of the Companies Act, 2017 if the Company receives consent from members holding in aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference at least 10 days prior to the date of Annual General Meeting, the Company will arrange video conference facility subject to availability of such facility in that place. To avail this facility a request is to be submitted to the Company Secretary of the Company on given address:

The Company Secretary, Al-Khair Gadoon Ltd, 43-T, Gulberg II, Lahore.

اطلاع برائے سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ الخیر گدون لمیٹڈ کے حصص داران کا 29 واں سالانہ اجلاس عام مورخہ 25 اکتوبر، 2019 بروز جمعہ بوقت صبح 9:00 بجے بمقام رجسٹرڈ دفتر 3/92، فیز 3، انڈسٹریل اسٹیٹ، گدون امانی، ضلع صوابی، خیبر پختونخواہ میں درج ذیل امور کے انجام دہی کے لیے منعقد ہوگا۔

- 1 26 اکتوبر، 2018 کو منعقدہ 28 ویں سالانہ اجلاس عام کی کارروائی کی توثیق کرنا۔
- 2 30 جون، 2019 کو ختم شدہ سال کے لیے کمپنی کے پڑتال شدہ سالانہ مالیاتی گوشوارے بشمول ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خوض اور منظوری دینا۔
- 3 کمپنی ایکٹ 2017 کی دفعہ 159 کے تحت ڈائریکٹرز کا انتخاب - سبکدوش ہونے والے ڈائریکٹرز مندرجہ ذیل ہیں اور اگلی مدت (تین سال) کیلئے ڈائریکٹرز کی تعداد آٹھ مقرر کی گئی ہے۔

محمد سعید شیخ	2	محمد افضل شیخ	1
شیخ پرویز افضل	4	محمد امین شیخ	3
محترمہ فرناز سعید	6	محترمہ پروین افضل	5
کمال سبحانی	8	محترمہ نفیسہ امین	7
		محاسب کا تقرر اور ان کے مشاہرہ کا تعین کرنا۔	4
		جناب چیئرمین کی اجازت سے کسی دیگر امر پر کارروائی۔	5

حسب احکام بورڈ

Muhammad Amin

محمد امین شیخ

کمپنی سیکرٹری

تاریخ: 02 اکتوبر، 2019

نوٹس:

- 1 کمپنی کی حصص منتقلی کی کتابیں 18 اکتوبر 2019 سے 25 اکتوبر، 2019 (بشمول دونوں دن) بند رہیں گی۔ تمام ٹرانسفرز جو قواعد و ضوابط کے مطابق کمپنی کے کارپوریٹ دفتر الخیر ہاؤس، 43-ٹی، گلبرگ 2، لاہور میں 17 اکتوبر، 2019 تک وصول ہوں گی۔ وہ سالانہ اجلاس عام میں ووٹ کے اہل تصور ہوں گے۔

2 سالانہ اجلاس عام میں شرکت کرنے اور ووٹ دینے کا اہل ایک رکن اپنی جگہ دوسرے کسی رکن کو بطور پراکسی اجلاس میں شرکت کرنے اور ووٹ دینے کے لیے مقرر کر سکتا/ کر سکتی ہے۔ ووٹ ذاتی طور پر، بذریعہ پراکسی، بذریعہ اٹارنی یا ادارے کی صورت میں بذریعہ نمائندہ دیئے جاسکتے ہیں۔ پراکسی کے مؤثر ہونے کیلئے ضروری ہے کہ وہ کمپنی کے کارپوریٹ آفس، الخیر ہاؤس، 43-ٹی، گلبرگ 2، لاہور میں اجلاس کے وقت سے کم سے کم 48 گھنٹے قبل وصول ہو جائیں۔

3 سینٹرل ڈیپازٹری کمپنی (CDC) کے/کی شیئرز ہولڈرز جو اجلاس ہذا میں شرکت کرنے اور ووٹ دینے کے/کی حقدار ہیں وہ شناخت کے طور پر اپنا کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ (اگر غیر ملکی ہوتو) اور CDC کا وٹ نمبر ضرور ساتھ لائیں۔ پراکسی کی صورت میں کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپی منسلک کرنا لازمی ہے مذکورہ مقصد کے لیے کارپوریٹ ممبر کے نمائندے اپنے ساتھ مطلوبہ دستاویز ضرور لائیں۔

4 ممبرز سے درخواست ہے کہ وہ اپنے پتے میں کسی بھی قسم کی تبدیلی کی صورت میں کمپنی کے شیئرز رجسٹرار کو فوری اطلاع دیں۔

5 ممبرز سے درخواست ہے کہ وہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ (غیر ملکی ہونے کی صورت میں) کی نقل بذریعہ ڈاک ارسال کریں (اگر پہلے نہ دی ہو) تاکہ کمپنی متعلقہ قوانین کے مطابق عمل کر سکے۔

6 سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے بذریعہ ایس آر او 470 (I)/2016 مورخہ 31 مئی 2016 کو کمپنیوں کو اجلاس عام میں شیئرز ہولڈرز کی رائے حاصل کرنے کے بعد سالانہ آڈٹ شدہ اکاؤنٹس، اجلاس عام کے نوٹس اور کمپنی کی دیگر معلومات بذریعہ سی ڈی/ ڈی وی ڈی/ یو ایس بی ممبران کو ارسال کرنے کی اجازت دی ہے۔ اس بنا پر کمپنی سالانہ رپورٹ 2019 سی ڈی میں اپنے ممبران کو بھجوا رہی ہے تاہم کمپنی کسی بھی ممبر کی شناختی تفصیلات کے ساتھ طلب کرنے پر ایک ہفتے کے اندر بلا معاوضہ ہارڈ کاپی سالانہ اکاؤنٹس 2019 ارسال کر دے گی۔

7 کمپنیز ایکٹ 2017 کے سیکشن 132 (2) کے تحت کمپنی کو مجموعی طور پر %10 یا اس سے زیادہ کے حصص داران جنغرافیائی لحاظ سے ویڈیو کانفرنس کی درخواست کم از کم سالانہ اجلاس عام کے 10 دن پہلے وصول کروائیں تاکہ کمپنی اگر متعلقہ جگہ ویڈیو کانفرنس کی سہولت ہو تو اس جگہ اس سہولت کا انتظام کرے گی۔ اس سہولت کو حاصل کرنے کے لیے درخواست کمپنی کے کمپنی سیکرٹری کے نام مندرجہ ذیل پتے پر ارسال کریں۔

کمپنی سیکرٹری، الخیر گدون لمیٹڈ، 43-ٹی، گلبرگ II، لاہور۔

CHAIRMAN'S REVIEW REPORT

It is my pleasure to welcome you on the 29th Annual General Meeting of your Company. I present before you on behalf of the Board of Directors, the Audited Accounts of the Company for the financial year ended June 30, 2019 along-with my review on the performance of the Company.

Role of the Board of Directors

Board of Directors is continuously providing valuable guidance and oversight to ensure strong governance and effective encouragement and input to the management throughout the year. The Board of Directors has performed its duties diligently in upholding the best interest of shareholders of the Company and in managing the affairs of the Company. A review of the Board's own performance and effectiveness on a self-assessment basis in accordance with the requirements of Companies Act, 2017, Listed Companies Regulations, 2017 and Code of Corporate Governance Regulations, 2017, has been conducted and appreciated, during the year under review, to ensure Best Practices.

Foam Industry and Economy

Foam sector is highly competitive sector in the country in view of intense competition from existing players and new entrants in the industry. Other factors which always remained major risks for foam industry are fluctuation in raw material prices as major raw materials are not manufactured in the country and imported from all over the world, unpredictable currency exchange rates and duty structure on imported materials. Uncertain economic conditions prevailed in the country throughout the year with substantial decline in country's growth rate resulting drastic increase in foreign currency exchange rates. Substantial depreciation in value of Pak Rupee in relation to US Dollar was witnessed. Exchange rate of one US Dollar was Rs.157.95 on June 30, 2019 as compared to Rs.121.60 on June 30, 2018. Inflation rose to five years ever high at almost 9% in June 2019 resulting a negative effect on purchase power of the consumers.

Performance of the Company

During the financial year ended June 30, 2019, the Company sustained the track of growth and successfully faced the challenges in terms of uncertain economical conditions, rising foreign currency rates, volatile raw material prices and increasing inflation rate. Operational excellence and management skills enabled the Company to maintain sustainable growth despite various factors which put immense pressure on margins and always keeps alert the management to concentrate on the issues and make visionary decisions to overcome the challenges. Despite the challenges faced, the Company performed considerably well and posted per share earning of Rs.1.94 as compared to Rs.0.74 for last year resulting the Company has been able to generate stable cash flows which enabled it to discharge its operational and financial liabilities well in time.

Future Outlook

The Government of Pakistan through Federal Budget 2019-2020 has put the Foam Industry in 3rd Schedule to the Sales Tax Act, 1990 resulting covered Foam products fall now in retail tax regime and uncovered products under the charge of 3% further tax for unregistered customers. Government has also imposed the condition of providing CNIC number for every sale of Rs.50,000/- or more and also some trade bodies and retailers are still reluctant for its implementation. Trade bodies are still negotiating with FBR but there is no final outcome so far. The rising dearness as a result of inflation and poor economic conditions has squeezed the purchase power of customers specially of consumer goods. However, the management of the Company is confident to meet these challenges and is always committed to stand out the competition by focusing the best possible operational efficiencies and synergies, taking every necessary step for continuous progress and financial health of the Company. The Company expects better performance in coming future and focused the needs of its trade partnering customers.

Social Responsibilities

The Company is contributing million of Rupees to the National Exchequer in terms of taxes. Being socially responsible, the Company has provided safe working conditions avoiding the risk of health of employees and public at large. It is a matter of immense pleasure that the Company is also contributing towards the society through social activities and has integrated Corporate Social Responsibility in its business.



MOHAMMAD AFZAL SHEIKH
CHAIRMAN

Lahore: September 23, 2019

چیرمین کا جائزہ

آپ کی کمپنی کے اٹھویں سالانہ اجلاس میں آپ کو خوش آمدید کہنا میرے لئے خوشی کا باعث ہے۔ بورڈ آف ڈائریکٹرز کے ایماء پر میں 30 جون 2019 کو ختم ہونے والے مالی سال کے آڈٹ شدہ حسابات کے ساتھ کمپنی کی کارکردگی پر اپنا جائزہ آپ کے سامنے رکھتا ہوں۔

بورڈ آف ڈائریکٹرز کا کردار

بورڈ آف ڈائریکٹرز نے سارا سال انتظامیہ کو مضبوط انتظامی گرفت اور بھرپور حوصلہ افزائی کو یقینی بنانے کے لئے قابل قدر رہنمائی اور نگرانی فراہم کی ہے۔ بورڈ آف ڈائریکٹرز نے کمپنی کے معاملات کو منظم طور پر چلانے اور کمپنی کے حصہ داران کے بہترین مفاد کو برقرار رکھنے کے لئے اپنی ذمہ داریاں تندہی سے انجام دی ہیں۔ زیر جائزہ سال کے دوران، بہترین روایات کو یقینی بنانے کے لئے کمپنیز ایکٹ 2017، سیکورٹیز ریگولیشنز 2017 اور کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2017 کی ضروریات کے مطابق خود تشخیصی بنیاد پر بورڈ کی اپنی کارکردگی اور تاثیر کا جائزہ لیا گیا اور سراہا گیا ہے۔

فوم کی صنعت اور معیشت

فوم سیکٹر موجودہ اور نئے آنے والے مقابل کاروں کے ساتھ سخت مقابلے کے باعث انتہائی مقابلے والا سیکٹر ہے۔ دوسرے محرکات جو فوم کی صنعت کے لئے ہمیشہ بڑے خطرات رہے ہیں وہ خام مال کی قیمتوں میں اتار چڑھاؤ، کیونکہ خام مال ملک میں نہیں بنتے اور پوری دنیا سے درآمد کرنے پڑتے ہیں، زیر مبادلہ کے غیر متوقع نرخ اور خام مال پر درآمدی ڈیوٹی کا ڈھانچہ ہیں۔ ملک میں سارا سال جاری رہنے والی غیر یقینی معاشی صورت حال کے ساتھ ملکی ترقی کی پیداوار کی شرح میں نمایاں کمی کی وجہ سے غیر ملکی کرنسی کے زیر مبادلہ کے نرخوں میں غیر معمولی اضافہ ہوا۔ امریکی ڈالر کے مقابلے میں پاکستانی روپے میں نمایاں کمی دیکھی گئی۔ ایک امریکی ڈالر کے تبادلے کا نرخ 30 جون 2018 کو 121.60 روپے کے مقابلے میں 30 جون 2019 کو 157.95 روپے تھا۔ افراط زر پچھلے پانچ سال کی بلند ترین سطح پر جو کہ جون 2019 میں کم و بیش 9% رہی جس کے نتیجے میں گاہکوں کی قوت خرید پر منفی اثر پڑا۔

کمپنی کی کارکردگی

30 جون 2019 کو ختم ہونے والے مالی سال کے دوران کمپنی نے ترقی کا سفر برقرار رکھا اور غیر یقینی معاشی صورت حال، غیر ملکی کرنسی کے بڑھتے ہوئے بھاؤ، خام مال کی قیمتوں میں اتار چڑھاؤ اور افراط زر میں اضافے جیسے چیلنجز کا کامیابی کے ساتھ مقابلہ کیا۔ آپریشنل فضیلت اور انتظامی مہارت نے باوجود دیگر عوامل کے جو کمپنی کے منافع پر شدید باؤ کا باعث بنے، پائیدار ترقی کو برقرار رکھا اور دانشمندانہ فیصلوں کے ذریعے چیلنجز پر قابو پانے کے لئے انتظامیہ کی بھرپور توجہ مبذول کرائے رکھی۔ چیلنجز کا سامنا کرنے کے باوجود کمپنی کی کارکردگی نمایاں

رہی اور کمپنی کافی شیر منافع پچھلے سال کے 0.74 روپے کے مقابلے میں 1.94 روپے رہا جس کے نتیجے میں کمپنی ایک مستحکم نقد بہاؤ بنانے میں کامیاب رہی جس نے کمپنی کو اپنی آپریشنل اور مالی ذمہ داریوں کو وقت پر نبھانے کے قابل بنایا۔

مستقبل کا خاکہ

حکومت پاکستان نے وفاقی بجٹ 20-2019 میں نوم انڈسٹری کو سیلز ٹیکس ایکٹ 1990 کے تھرڈ جدول میں ڈال دیا ہے جس کے نتیجے میں نوم کی کورڈ مصنوعات خوردہ فروشی ٹیکس کے نظام میں آگئی ہیں اور ان کورڈ مصنوعات پر 3% اضافی سیلز ٹیکس (برائے غیر رجسٹرڈ افراد) کا نفاذ کر دیا ہے۔ حکومت نے 50,000 روپے یا زیادہ کی فروخت پر قومی شناختی کارڈ نمبر مہیا کرنے کی شرط بھی عائد کر دی ہے جس پر تجارتی تنظیمیں اور پرچون فروش آمادہ نظر نہیں آتے۔ تجارتی تنظیمیں ایف بی آر کے ساتھ مذاکرات کر رہی ہیں لیکن ابھی تک کوئی حتمی نتیجہ سامنے نہیں آیا۔ افراط زر کی وجہ سے بڑھتی ہوئی مہنگائی اور کمزور معاشی صورت حال نے گاہکوں بالخصوص عوام کی قوت خرید کو سکڑ دیا ہے۔ تاہم انتظامیہ ہر ممکن آپریشنل کارکردگی، اور کمپنی کی مسلسل ترقی اور مالی سلامتی کو بہتر بنانے کی حکمت عملی کے ذریعے مقابلوں کا سامنا کرنے کے دعوے پر ہمیشہ سے قائم پر اعتماد ہے۔ کمپنی مستقبل میں بھی اچھی کارکردگی کی توقع کرتی ہے اور اپنے تجارتی شراکت دار اور گاہکوں پر توجہ مرکوز رکھے ہوئے ہے۔

سماجی ذمہ داریاں

کمپنی ٹیکسوں کی مد میں کئی بلین روپے سے قومی خزانے میں اپنا حصہ ڈال رہی ہے۔ سماجی طور پر ذمہ دار ہونے کے ناطے، کمپنی اپنے ملازمین اور عام لوگوں کو صحت کے خطرات سے بچانے کے لئے کام کرنے کے محفوظ حالات مہیا کرتی ہے۔ یہ بڑی خوشی کی بات ہے کہ کمپنی معاشرے کی سماجی سرگرمیوں میں مربوط کارپوریٹ سماجی ذمہ داریوں کے ذریعے مدد کر رہی ہے۔


محمد افضل شیخ

چیرمین

لاہور: 23 ستمبر، 2019

DIRECTORS' REPORT TO THE MEMBERS

The Directors of your Company are pleased to present the 29th Annual Report with the audited financial statements of the Company for the year ended June 30, 2019.

Financial Performance

	2019	2018
	Rupees	
		(Restated)
Sales from Operations - net	574,519,446	370,231,633
Gross Profit	86,141,162	56,018,090
Profit before Taxation	27,773,775	11,162,348
Taxation	(8,378,987)	(3,785,838)
Profit after Taxation	19,394,788	7,376,510
Earning per Share - Basic and Diluted (Rupees)	1.94	0.74

During the year 2018 - 2019, performance of the Company was progressive and the Company remained on the track of profitability. The Company posted sales revenue of PKR 575 million as compared to PKR 370 million of last year. Increase in sales value was due to enhanced sales volume, better product mix and continued operations of the Company through out the year as compared to ten months operations of last year due to fire incident in the factory. Gross profit in relations to sales has been witnessed 14.99% as compared to 15.13% of last year. A slight decrease in gross profit was due to increased cost of imported raw materials as a result of drastic devaluation of Pak Rupee against US Dollar. During the year under review, the net profit remained Rs.19.395 million as compared to Rs.7.377 million for the last year.

During the year under review, administrative expenses and distribution expenses were kept strictly under control and no major deviation has been witnessed in relation to sales revenue. However, finance cost was increased from Rs.3.4 million to Rs.12.4 million mainly due to utilization of finance facilities for import of raw materials as well as increase in interest rates by State Bank of Pakistan. By the grace of Almighty Allah, the Company has acquired land measuring 8 Acres and built on structure of 69,984 sq.ft.s on lease during the year under review.

Future Outlook

The management of the Company is well aware of state of affairs of the Company and economic conditions prevailing in the country in terms of higher rate of inflation, rising dearness in the country, unpredictable foreign currency exchange rates and rising rate of interest. The Government through Federal Budget 2019-20 has put the foam products under retail tax regime and has also imposed the condition of providing CNIC number for every sale of Rs.50,000/- or more which may lead to affect sales targets of the Company due to reluctance in this regard and squeezed buying power of the people. In addition, intense competition from existing players and new entrants will remain the greatest challenges to meet in future.

However, the management is cognizant of the situation and will overcome through improved operational efficiencies, synergies, best product mix management, effective cost control measures and better trade partnering customers. The Company has been exhibiting strong performance against challenges over the years, be it vulnerability of increased competition, fluctuation in raw material prices or exchange rate. Operational excellence and management skills have positioned the Company for sustainable growth to meet challenges ahead. Being socially responsible, financially viable and operationally smart will remain the key objectives of the Company.

Principal Activity

The principal activity of the Company is manufacturing and sale of foam and allied products.

Risks and Uncertainties

The Board of Directors is responsible to oversee the Company's operations and to devise an effective strategy to mitigate any potential and adverse impact of risks.

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

The Company's principle financial liabilities comprise of trade and other payables and short term borrowings. The Company's principal financial assets comprise of trade debts, advances, short term deposits, other receivable and cash and bank balances that arise directly from its operation.

The Company's overall risk management program focuses on the unpredictability of financial and market activities and seek to minimize potential adverse effects on the financial performance. The Company has adequately disclosed all the risk related outcomes in the financial statements.

Internal Financial Control

A sound internal control system is established and implemented at all levels of the Company by the Board of Directors. The system is sound in design for achievement of Company's objectives and operational effectiveness and efficiency, reliable financial reporting, to safe guard the assets and resources and compliance with applicable laws, regulations and policies.

Related Party Transactions

All related party transactions during the financial year ended June 30, 2019 were reviewed by the Audit Committee and approved by the Board of Directors.

Environment, Health and Safety

The Company maintains safe working conditions avoiding the risk to health of employees and public at large. The management has maintained environment in all its operations and consistently upgrading their safety.

Corporate Social Responsibility

The Company strongly believes in the integration of Corporate Social Responsibility into its business and consistently endeavors to uplift the people that are influenced directly or indirectly by our business.

Reporting

The Board has ensured completeness, true and fair presentation and timely issuance of its financial statements in accordance with the requirements of third and fourth schedules to the Companies Act, 2017, the Listing Regulations of Pakistan Stock Exchange and International Financial Reporting Standards.

Corporate and Financial Reporting

The Company is committed to gain highest standards of corporate governance. The Board is pleased to give the following specific statements to comply with the requirements of the Code of Corporate Governance Regulations, 2017.

- The financial statements prepared by the management of Al-Khair Gadoon Limited present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of Al-Khair Gadoon Limited have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards as applicable in Pakistan have been followed in preparation of financial statements.
- The system of internal controls is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the Code of Corporate Governance Regulations, 2017 issued by SECP.
- Key operating and financial data for last six years in summarized form is annexed to the report.
- No trades in shares of Al-Khair Gadoon Limited were carried out by the Directors, CEO, CFO, Head of Internal Audit & Company secretary and their spouses and minor children except those notified to the regulatory authorities.
- Reasons for significant deviations from last year's operating results have been explained in the relevant section of the Directors' report.
- Information about outstanding taxes, duties, levies and charges is given in the notes to the Financial Statements.

- The Company has no significant plans and decisions regarding corporate restructuring, business operations and discontinuing of operations.
- Details of number of board and committees' meetings held during the year and attendance by each director has been disclosed below.
- The board has been provided with detailed in-house briefings and information package to acquaint them with the code of conduct, applicable laws, their duties and responsibilities to enable them to effectively manage the affairs of the Company for and on behalf of shareholders.

Compliance with the Code of Corporate Governance & Transfer Pricing

The Code of Corporate Governance Regulations, 2017 as formulated by the SECP & ICAP regulations have been complied with and the statement to that effect is annexed. The requirements of transfer pricing as set out in the listing rules of Pakistan Stock Exchange relevant to the year 2019 have also been complied.

Significant Features of Directors' Remuneration

The Board of Directors has formulated a policy for remuneration of executive directors depending upon their responsibility in affairs of the Company. However, in accordance with the Code of Corporate Governance, it is ensured that no Director takes part in deciding his own remuneration. The Company does not pay remuneration to non-executive directors except fee for attending the meetings on demand. In order to retain the best talent, the Company's remuneration policies are structured in line with prevailing industry trends and business practices. Please refer note 26 to the Financial Statements.

Directors' Training

Majority of the Directors of the Company are exempted from the requirement of Directors' Training Program in view of 14 years of education and 15 years of experience as director on listed company.

Staff Retirement Benefits

The Company operates an un-funded gratuity scheme for all employees with qualifying services period of six months.

Dividend

No dividend is being recommended by the Board of Directors for the year ended June 30, 2019 because of liquidity problems being faced by the Company. The Company is expecting positive performance in future.

Chairman's Review

The Chairman's review included in the Annual Report deals with the nature of business, challenges faced and performance of the Company during the year ended June 30, 2019, as well as future prospects and uncertainties.

Attendance of Board and Committee Meetings

During the year four Board meetings, four Audit Committee, and two Human Resource and Remuneration Committee meetings were held. The attendance is as follows:

Sr. No.	Directors / Members of Committees	Number of attendance		
		Board of Directors	Audit Committee	HR & R Committee
1	Mohammad Afzal Sheikh	4	N/A	N/A
2	Mohammad Saeed Sheikh	4	N/A	N/A
3	Mohammad Amin Sheikh	4	N/A	N/A
4	Sheikh Pervaiz Afzal	4	N/A	2
5	Mrs. Parveen Afzal	4	4	N/A
6	Mrs. Farnaz Saeed	4	4	2
7	Mrs. Nafeesa Amin	4	N/A	2
8	Mr. Kamal Subhani	4	4	-
9	Mr. Khurram IfiKhar	-	4	-
10	Mr. Mushtaq Ahmed Shaheen	-	-	2

Recomposition of Human Resource and Remuneration Committee.

In the meeting of Board of Directors held in last quarter of the year 2019, Mr. Kamal Subhani, Independent Director, joined as member of the Humamn Resource and Remuneration Committee in place of Mrs. Farnaz Saeed who left as member of the Committee. Mr. Kamal Subhani was also elected as Chairman of Human Resouce and Remuneration Committee of the Baord of Directors.

New composition of Human Resource and Remuneration Committee is as under:

Mr. Kamal Subhani	Chaiman
Mrs. Nafeesa Amin	Member
Sheikh Pervaiz Afzal	Member

External Auditors

The auditors Messers Tahir Siddiqi & Co. Chartered Accountants are the retiring auditors of the Company and offer their services for re-appointment. They confirmed that they have been given satisfactory rating under the Quality Control Review program of The Institute of Chartered Accountants of Pakistan (ICAP) and the firm is fully compliant with the International Federation of Accountants (IFAC) guidelines on code of ethics, as adopted by the ICAP. The audit committee and the Board recommended their re-appointment by the shareholders at the Annual General Meeting of the Company as auditors of the Company for the year ending June 30, 2020.

Pattern of Shareholding

The pattern of shareholding of the Company is annexed to the report.

Material Changes

There have been no material changes since June 30, 2019 to date of the report and the Company has not entered into any commitment during this period, which would have an adverse impact on the financial position of the Company.

Appreciation

We would like to acknowledge and appreciate the devoted and sincere services of our workers, staff members of the management team. We are grateful to our bankers and other stakeholders. We also thank for continued co-operation extended by our customers and retailers who are the key element of our Company.



MOHAMMAD AFZAL SHEIKH
CHAIRMAN



MOHAMMAD SAEED SHEIKH
CHIEF EXECUTIVE

Lahore: September 23, 2019

ڈائریکٹرز رپورٹ برائے حصص داران

آپ کی کمپنی کے ڈائریکٹرز کمپنی کے 29 ویں سالانہ اجلاس میں 30 جون 2019 کو ختم ہونے والے سال کے کمپنی کے آڈٹ شدہ حسابات کے ساتھ آپ کو سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔
مالی کارکردگی

رقم روپوں میں		
2019	2018	
		(دوبارہ مرتب کیا گیا)
574,519,446	370,231,633	فروخت - خالص
86,141,162	56,018,090	مجموعی منافع
27,773,775	11,162,348	قبل از ٹیکس منافع
(8,378,987)	(3,785,838)	ٹیکس
19,394,788	7,376,510	بعد از ٹیکس منافع
1.94	0.74	فی شیئر آمدنی - بنیادی اور کم از کم (روپے)

مالی سال 2018-19 کے دوران سخت معاشی حالات کے باوجود کمپنی منافع کے راستے پر گامزن رہی۔ کمپنی کی سیل پچھلے سال کے 370 ملین روپے کے مقابلے میں 575 ملین روپے رہی۔ سیل میں اضافہ فروخت کا حجم، مصنوعات کا بہتر تال میل اور پچھلے سال فیکٹری میں آگ لگنے کی وجہ کے دس مہینے کے آپریشنز کے مقابلے میں پورے سال کے آپریشنز کی وجہ سے ہوا۔ سیل کے تناسب سے مجموعی منافع پچھلے سال کے 15.3 فیصد کے مقابلے میں 14.99 فیصد رہا۔ مجموعی منافع کے تناسب میں معمولی کمی کی وجہ امریکی ڈالر کے مقابلے میں روپے کی قدر میں نمایاں کمی کے باعث درآمدی خام مال کی قیمتوں میں اضافہ تھی۔ زیر جائزہ سال کے دوران خالص منافع پچھلے سال 7.377 ملین روپے کے مقابلے میں 19.395 ملین روپے رہا۔

زیر جائزہ سال کے انتظامی اور کاروباری اخراجات کو سختی سے کنٹرول کیا گیا اور سیل کے تناسب سے کوئی خاص فرق دیکھنے میں نہیں آیا۔ تاہم مالی اخراجات 3.4 ملین روپے سے بڑھ کر 12.4 ملین روپے ہو گئے جس کی بنیادی وجہ خام مال کی درآمد کے لئے مالی سہولیات کا استعمال اور سٹیٹ بینک آف پاکستان کی جانب سے سود کے نرخوں میں اضافہ تھا۔ اللہ تعالیٰ کے فضل سے کمپنی نے 18 ایکڑ زمین اور اس پر 69,984

مربح فٹ تعمیری ڈھانچہ لیز پر حاصل کیا۔

مستقبل کا نقطہ نظر:

کمپنی کی انتظامیہ، کمپنی کے معاملات اور ملک میں افراط زر کے زیادہ نرخ، بڑھتی ہوئی مہنگائی، بیرونی کرنسی کے غیر متوقع نرخ اور سود کے بڑھتے ہوئے نرخوں کے تناظر میں جاری معاشی حالات پوری طرح باخبر ہے۔ حکومت نے وفاقی بجٹ 20-2019 میں فوم کی مصنوعات کو خوردہ فروشی ٹیکس کے نظام میں شامل کر دیا ہے اور 50,000 روپے یا زائد کی ہر فروخت پر قومی شناختی کارڈ نمبر دینے کی شرط عائد کر دی ہے جو لوگوں کی ہچکچاہٹ اور سکتی ہوئی قوت خرید کی وجہ سے کمپنی کے سیلز اہداف کو متاثر کر سکتی ہے۔ اس کے علاوہ مستقبل میں موجودہ اور نئے آنے والے مقابل کاروں کے ساتھ شدید مقابلے کا چیلنج بھی درپیش ہوگا۔

البتہ انتظامیہ اس صورت حال سے پوری طرح آگاہ ہے اور آپریشنل کارکردگی میں اضافے، مصنوعات کے میل کا بہتر انتظام، کم لاگت کی موثر تدابیر اور گاہکوں سے بہتر تجارتی شراکت داری کے ذریعے قابو پائے گی۔ کمپنی سالوں سے اپنی پائیدار کارکردگی سے چیلنجز کا مقابلہ کرتی آرہی ہے خواہ وہ مقابلے کی کمزوری ہو یا خام مال یا زر مبادلہ کی قیمتوں میں اتار چڑھاؤ ہو۔ آپریشنل اور انتظامی مہارت نے پیش آنے والے چیلنجز کو پورا کرنے کے لئے کمپنی کو متواتر ترقی کے راستے پر کھڑا کیا ہے۔ سماجی طور پر ذمہ دار، مالی طور پر مستحکم اور آپریشنل طور پر مستعد ہونا کمپنی کے بنیادی مقاصد رہیں گے۔

اولین سرگرمی:

کمپنی کی اولین سرگرمی فوم اور متعلقہ مصنوعات کی تیاری اور فروخت ہے۔

خطرات اور خدشات:

بورڈ آف ڈائریکٹرز کمپنی کی سرگرمیوں اور ممکنہ خطرات سے نمٹنے کے موثر حکمت عملی وضع کرنے کا ذمہ دار ہے۔

کمپنی کو اپنی سرگرمیوں کی وجہ سے بہت سے مالی خطرات، منڈی کے خطرات (بشمول نقد رقم کا خطرہ، شرح سود کا خطرہ اور قیمت کا خطرہ)، ادھار کے خطرات اور مالی ممانعت کے خطرات لاحق ہو سکتے ہیں۔

کمپنی کے اولین مالی واجبات تجارتی ادائیگیوں اور کم مدتی ادھار پر مشتمل ہیں۔ کمپنی کے اولین مالی اثاثہ جات تجارتی ادھار، پیشگی ادائیگیاں، مختصر

مدت کے لئے جمع کرائی گئی رقوم، دیگر وصولیاں اور نقدی اور بینک بیلنس پر مشتمل ہیں۔

کمپنی کی توجہ مجموعی طور پر مالیاتی اور منڈی کی غیر یقینی سرگرمیوں کے خطرات کو کم کرنے اور کمپنی کی مالی کارکردگی پر ہونے والے ممکنہ منفی اثرات پر مرکوز ہے۔ کمپنی نے خطرات سے متعلقہ اثرات کو مالی حسابات میں مناسب طور پر ظاہر کر دیا ہے۔

اندرونی مالی کنٹرول:

بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کی تمام سطحوں پر ایک مربوط اندرونی مالی کنٹرول کا نظام وضع اور لاگو کیا گیا ہے۔ کمپنی کا اندرونی مالی کنٹرول کا نظام اپنے ڈیزائن میں مربوط ہے جو کمپنی کے مقاصد کو حاصل کرنے اور کارکردگی کو موثر بنانے، مالی حسابات کی پُر اعتماد رپورٹنگ کرنے اور قوانین اور پالیسیوں پر عملدرآمد کو یقینی بناتا ہے۔

متعلقہ پارٹیوں سے لین دین:

30 جون 2019 کو ختم ہونے والے مالی سال کے دوران متعلقہ پارٹیوں سے لین دین کا آڈٹ کمیٹی نے جائزہ لیا ہے اور بورڈ آف ڈائریکٹرز نے اس کی منظوری دے دی ہے۔

ماحول، صحت اور حفاظت:

کمپنی ملازمین اور عوام کی صحت کو لاحق خطرات کو دور کرنے کے لئے کام کرنے کا محفوظ ماحول مہیا کرتی ہے۔ انتظامیہ نے تمام شعبوں میں محفوظ ماحول فراہم کیا ہے اور تسلسل کے ساتھ ان کی حفاظت کو بہتر بنا رہی ہے۔

منظم سماجی ذمہ داری:

کمپنی اپنے کاروبار میں منظم سماجی ذمہ داری کو مربوط بنانے اور لوگوں جو کہ بلاواسطہ یا بلاواسطہ اس کے کاروبار سے وابستہ ہیں کی مسلسل ترقی کے لئے کوشاں رہتی ہے۔

رپورٹنگ:

بورڈ نے کامل سچ اور مناسبت پر مبنی کمپنیز ایکٹ 2017 اور اس سے منسلک تیسرے اور چوتھے جدول اور پاکستان اسٹاک ایکسچینج اور بین الاقوامی معیارات کو مدنظر رکھتے ہوئے متواتر مالیاتی حسابات کو بروقت اور یقینی بنایا ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ:

- آپ کی کمپنی کارپوریٹ گورننس کے اعلیٰ ترین معیارات کو حاصل کرنے میں مصروف عمل ہے۔ بورڈ کارپوریٹ گورننس ریگولیشنز، 2017 کے درجہ ذیل ضوابط کے تقاضوں کو پورا کرنے میں خوشی محسوس کرتا ہے۔
- الخیر گدون لمیٹڈ کی طرف سے بنائے گئے مالی حسابات، اس کے معاملات، اس کی کاروباری سرگرمیوں کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
- الخیر گدون لمیٹڈ نے باضابطہ طور پر اکاؤنٹس کی کتابوں کو برقرار رکھا ہے۔
- ان مالیاتی حسابات کی تیاری میں مخصوص مالیاتی پالیسیوں کے تسلسل کی پیروی کی گئی ہے اور مالیاتی تخمینے معقول اور دانش مندانہ رائے پر مبنی ہیں۔
- ان مالیاتی حسابات کی تیاری میں فنانشل رپورٹنگ کے بین الاقوامی معیارات، جن کا اطلاق پاکستانی کمپنیوں پر ہوتا ہے، کی پیروی کی گئی ہے۔
- انٹرنل کنٹرول کا نظام اپنے ڈیزائن کے اعتبار سے مستحکم ہے اور اس کے اطلاق کی موثر طریقے سے نگرانی کی گئی ہے۔
- بطور ادارہ کمپنی کے کام جاری رکھنے کی صلاحیت میں کوئی شک و شبہ نہیں ہے۔
- متعین شدہ اصول و ضوابط میں تفصیلاً درج کارپوریٹ گورننس کے رہنما اصولوں، جن کی تفصیل ایس ای سی پی کی جانب سے جاری شدہ کوڈ آف کارپوریٹس گورننس ریگولیشنز، 2017 میں دی گئی ہے، سے کوئی انحراف نہیں کیا گیا۔
- گزشتہ 6 سال کا اہم کاروباری اور مالیاتی ڈیٹا کا خلاصہ اس رپورٹ کے ساتھ منسلک ہے۔
- کمپنی کے ڈائریکٹرز، سی ای او، سی ایف او، انٹرنل آڈٹ کے ہیڈ، کمپنی سیکرٹری اور ان کے اہل و عیال نے کمپنی کے حصص کی خرید و فروخت میں کوئی حصہ نہیں لیا۔ سوائے اس کے جو ریگولیٹری حکام کو مطلع کیے جا چکے ہیں۔
- گزشتہ سال کے آپریٹنگ نتائج سے انحراف کے اسباب ڈائریکٹرز رپورٹ کے متعلقہ سیکشن میں دیے گئے ہیں۔
- ٹیکسوں اور محصولات سے متعلق معلومات مالیاتی حسابات کے نوٹس کا حصہ ہیں۔
- کمپنی رواں سال میں کارپوریٹ تنظیم نو، کاروبار کی توسیع اور آپریشن کے بند کرنے کا کوئی ارادہ نہیں رکھتی۔
- دوران سال منعقد ہونی والی بورڈ اور اس کی ذیلی کمیٹیوں کے اجلاس اور حاضری کی تعداد آگے دی گئی ہے۔
- بورڈ کو دوران خانہ بریفنگ میں تمام معلومات برائے کوڈ، لاگو قوانین، انکی ذمہ داریاں اور فرائض فراہم کر دی گئی ہیں۔ تاکہ وہ حصص یافتگان کی جانب سے کمپنی کے امور کو موثر طور پر منظم کرنے کے قابل ہو سکیں۔

کوڈ آف کارپوریٹ گورننس اور ٹرانسفر پرائسنگ کا اطلاق:

SECP کے جاری شدہ کارپوریٹ گورننس ریگولیشنز 2017 اور ICAP کی طرف سے تیار کردہ کوڈ کا اطلاق منسلکہ مالیاتی حسابات کی تیاری پر کیا گیا ہے اور ٹرانسفر پرائسنگ سے متعلقہ پاکستان ٹاک ایکسچینج کے لسٹنگ قوانین برائے سال 2019 پر بھی عمل کیا گیا ہے۔

ڈائریکٹرز کے معاوضہ کے نمایاں خدو خال:

بورڈ آف ڈائریکٹرز نے ایگزیکٹو ڈائریکٹرز کے معاوضے کی ایک پالیسی بنائی ہے جس کا انحصار کمپنی کے معاملات میں ان کی ذمہ داریوں پر ہے۔ تاہم کوڈ آف کارپوریٹ گورننس کے مطابق یہ یقین دہانی کرائی جاتی ہے کہ کوئی ڈائریکٹر اپنے ہی معاوضے کے فیصلہ میں حصہ نہیں لیتا۔ کمپنی کسی نان ایگزیکٹو ڈائریکٹر کو، سوائے میٹنگ فیس کے وہ بھی طلب کرنے پر، کوئی معاوضہ ادا نہیں کرتی۔ بہترین صلاحیتوں کو برقرار رکھنے کے لئے، کمپنی کی معاوضہ پالیسیاں انڈسٹری کے رجحانات اور کاروباری روایات کے مطابق بنائی جاتی ہیں۔ برائے مہربانی مالی دستاویزات کے نوٹ نمبر 26 کو ملاحظہ فرمائیں۔

ڈائریکٹرز کی ٹریننگ:

کمپنی کے ڈائریکٹرز کی اکثریت چودہ سالہ تعلیم اور لسٹڈ کمپنی کے ڈائریکٹر کے طور پر پندرہ سالہ تجربہ کی بنیاد پر ڈائریکٹرز ٹریننگ پروگرام کی ضروریات سے مستثنیٰ ہے۔

ملازمین کی ریٹائرمنٹ کے فوائد:

کمپنی اپنے ملازمین کی ریٹائرمنٹ کے وقت مالی فوائد کے لیے ایک غیر شرائطی گریجویٹ سکیم کا انتظام کرتی ہے جس میں ملازمین، جن کی مدت ملازمت چھ ماہ سے زیادہ ہے، فائدہ حاصل کر سکتے ہیں۔

تقسیم منافع:

مالیاتی سال 30 جون 2019 کے لیے بورڈ نے منافع تقسیم نہ کرنے کی سفارش کی ہے جس کی وجہ کمپنی کو درپیش لیکویڈیٹی مسائل ہیں۔ مستقبل میں کمپنی بہتر اور مثبت کارکردگی کی توقع رکھتی ہے۔

چیئر مین کا جائزہ:

سالانہ رپورٹ میں شامل چیئر مین کا جائزہ 30 جون 2019 کو ختم ہونے والے سال کے دوران کمپنی کے کاروبار کی نوعیت، چیلنجز کا سامنا، اور کمپنی کی کارکردگی کے ساتھ مستقبل کی توقعات اور غیر متوقع خدشات کا احاطہ کرتا ہے۔

حاضری برائے بورڈ اور کمیٹی میٹنگ:

سال کے دوران بورڈ ممبران کے چار، آڈٹ کمیٹی کے چار اور ہیومن ریسورس کمیٹی کے دو اجلاس ہوئے۔ ممبران بورڈ، آڈٹ کمیٹی اور ہیومن ریسورس کمیٹی کے اجلاس اور حاضری کی تفصیلات درج ذیل ہیں۔

حاضری کی تعداد			نام ڈائریکٹر / کمیٹی ممبر	نمبر شمار
بورڈ	آڈٹ کمیٹی	ہیومن ریسورس کمیٹی		
4	-	-	محمد افضل شیخ	1
4	-	-	محمد سعید شیخ	2
4	-	-	محمد امین شیخ	3
4	-	2	شیخ پرویز افضل	4
4	4	-	مسز پروین افضل	5
4	4	2	مسز فرناز سعید	6
4	-	2	مسز نفیسہ امین	7
4	4	-	کمال سبحانی	8
-	4	-	مسٹر خرم افتخار	9
-	-	2	مسٹر مشتاق احمد شاہین	10

ہیومن ریسورس اور معاوضہ کمیٹی کی تشکیل نو:

سال کی آخری سہ ماہی میں منعقدہ بورڈ آف ڈائریکٹرز کی میٹنگ میں مسٹر کمال سبحانی انڈپنڈنٹ ڈائریکٹر، مسز فرناز سعید جنہوں نے کمیٹی کی رکنیت چھوڑ دی، کی جگہ بطور ممبر ہیومن ریسورس کمیٹی شامل ہوئے۔ مسٹر کمال سبحانی بورڈ آف ڈائریکٹرز کی ہیومن ریسورس اور معاوضہ کمیٹی کے چیئرمین بھی منتخب ہوئے۔

ہیومن ریسورس اور معاوضہ کمیٹی کی نئی تشکیل اس طرح ہے۔

مسٹر کمال سبحانی
چیئرمین
مسز نفیسہ امین
ممبر
شیخ پرویز افضل
ممبر

آڈیٹران:

موجودہ آڈیٹرز طاہر صدیقی اینڈ کو، چارٹرڈ اکاؤنٹنٹس جو کہ ریٹائر ہو رہے ہیں اور انہوں نے دوبارہ تعیناتی کے لیے رضامندی ظاہر کی ہے۔ انہوں نے یقین دہانی کرائی ہے کہ انہیں انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس (ICAP) کی طرف سے تسلی بخش درجہ بندی عطا کی گئی ہے اور کوڈ آف ایتھکس آف انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) جو کہ ICAP نے اختیار کئے ہیں سے بھی مطابقت کی تصدیق کی ہے۔ بورڈ آف ڈائریکٹرز اور آڈٹ کمیٹی نے کمپنی کے شیئر ہولڈرز کے سالانہ اجلاس عام میں برائے مالی سال 2019-20 بطور آڈیٹرز ان کی دوبارہ تعیناتی کی سفارش کی ہے۔

شیئر ہولڈنگ کی ترتیب:

کمپنی کے شیئر ہولڈنگ کی ترتیب اور اضافی معلومات کی نشاندہی کرنے والی ایک اسٹیٹمنٹ رپورٹ ساتھ منسلک ہے۔

بڑی تبدیلی:

30 جون 2019 سے رپورٹ کی تاریخ تک کوئی بڑی تبدیلی رونما نہیں ہوئی اور کمپنی نے کوئی کمیٹنٹ نہیں کی جس سے کمپنی کی مالی حالت پر کوئی برا اثر پڑے۔

اظہار تشکر:

ہم محنت کشوں، انتظامی ٹیم کے کارکنوں اور عملے کی سخت محنت کا اعتراف اور انکی تعریف کرتے ہیں۔ ہم بینکرز اور دیگر متعلقہ افراد کے بھی مشکور ہیں۔ صارفین اور خوردہ فروش ہماری کمپنی کے اہم عناصر ہیں اور ہم ان کے مسلسل تعاون پر ان کا شکریہ ادا کرتے ہیں۔

M. Saad
محمد سعید شیخ
چیف ایگزیکٹو

M. Saad
محمد افضل شیخ
چیرمین

لاہور: 23 ستمبر، 2019

**Statement of Compliance with Listed Companies
(Code of Corporate Governance) Regulations, 2017**

Name of company: Al-Khair Gadoon Limited
 Year Ending: 30-06-2019

The Company has complied with the requirements of the Regulations in the following manner:

- 1 The total number of directors are eight as per the following:
 - a) Male: Five
 - b) Female: Three
- 2 The composition of board is as follows:
 - a) Independent Director: Mr. Kamal Subhani
 - b) Other Non-executive Directors: Mohammad Afzal Sheikh
 Mohammad Amin Sheikh
 Mrs. Parveen Afzal
 Mrs. Farnaz Saeed
 Mrs. Nafeesa Amin
 - c) Executive Directors: Mohammad Saeed Sheikh
 Sheikh Pervaiz Afzal
- 3 The directors have confirmed that none of them is serving as a director on more than five listed companies, including this Al-Khair Gadoon Limited.
- 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 relevant matters have been taken by board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 and Code of Corporate Governance Regulations, 2017.
- 7 The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
- 8 The board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- 9 Majority of the Directors of the Company are exempted from the requirement of Directors' Training Program.
- 10 No new appointment of CFO, Company Secretary and Head of Internal Audit has been made during the year. However, any change to their remuneration and terms and conditions of employment have been complied with relevant requirements of the Regulations.
- 11 CFO and CEO duly endorsed the financial statements before approval of the board.
- 12 The board has formed committees comprising of members given below:

Audit Committee:

Mr. Kamal Subhani	Chairman
Mrs. Parveen Afzal	Member
Mrs. Farnaz Saeed	Member

HR and Remuneration Committee

Mr. Kamal Subhani	Chairman
Mrs. Nafeesa Amin	Member
Sheikh Pervaiz Afzal	Member

- 13 The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
- 14 The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:
- a)

Audit Committee:	Four
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- b)

HR and Remuneration Committee	Two
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- 15 The board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and conversant with the policies and procedures of the Company.
- 16 The statutory auditors of the Company M/S Tahir Siddiqi & Co., Chartered Accountants have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners 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 the ICAP.
- 17 The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 18 We confirm that all other requirements of the Regulations have been complied with.



**MOHAMMAD SAEED SHEIKH
CHIEF EXECUTIVE**

Lahore: September 23, 2019

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AL-KHAIR GADOON LIMITED**

**Review Report on the Statement of Compliance Contained in Listed Companies
(Code of Corporate Governance) Regulations, 2017.**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Al-Khair Gadoon Limited (the Company) for the year ended June 30, 2019 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions and also ensure compliance with the requirements of Section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to assess and determine the Company's process for identifications of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the Regulations as applicable to the Company for the year ended June 30, 2019.



Tahir Siddiqi & Co.
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AL-KHAIR GADOON LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of AL-KHAIR GADOON LIMITED ("the Company"), which comprise the statement of financial position as at June 30, 2019 and the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion and to the best of our information and according to explanations given to us, the statement of financial position, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof confirm with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act 2017 (XIX 2017), in the manner so required and respectively give a true and fair view of the Company's affairs as at June 30, 2019 and of the profit or loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit matters

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

Following are the Key Audit Matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
(i)	<p>Capitalization of property, plant and equipment</p> <p>As disclosed in note 5 to the financial statements, the Company, during the year incurred sufficient capital expenditure with additions of Rs.77.337 million made to its operating fixed assets which includes Rs.56.527 million on account of lease hold land and building for expansion of operations.</p> <p>We identified capital expenditure incurred during the year as key audit matter as this represents significant transactions and involves certain judgmental area such as capitalization of eligible cost as per accounting and reporting standards.</p> <p>As disclosed in note 5 and 6 to the financial statements, the Company, during the year has transferred the cost of "Freehold Land" account amounting to Rs.3.00 million from "Building on Freehold Land" account. The figures were restated incorporating retrospective effect of change in accordance with IAS 8, with effect from the earliest period presented in these financial statements. We identified restatement of fixed assets as key audit matter.</p>	<p>Our audit procedures in respect of this area included:</p> <p>Obtained an understanding of the management controls over capitalization and on a sample basis, tested relevant controls over authorization and recording in the system.</p> <p>On a sample basis, tested the costs incurred with underlying supporting documentations i.e purchase contract / orders, delivery challans, supplier invoices, payment and other relevant documents.</p> <p>Evaluate the nature of costs on a sample basis to ensure capitalization criteria of relevant accounting and reporting standards.</p> <p>Ensured the adequacy of the related disclosures and assessed these are in accordance with the applicable financial reporting standards and the Companies Act, 2017.</p> <p>Our audit procedures in respect of this area included:</p> <p>Evaluated the amount of accumulated depreciation charged on transferred amount since the transaction was initially recorded, its retrospective effect on each account which hit the Statement of Financial Position, Statement of Profit or Loss and Statement of Changes in equity for restated periods.</p>
(ii)	<p>Revenue recognition</p> <p>Refer note 17 to the financial statements. The Company has generated revenue from sales of foam and allied products. The revenue recognition is identified as a key audit matter due to its significance as key indicator for performance of management and creates an inherent risk that revenue be misstated to meet targets.</p>	<p>Our audit procedures in respect of this area included:</p> <p>Obtained an understanding of Company's processes and related internal controls for revenue recognition and on a sample basis, tested the effectiveness of those controls.</p> <p>On a sample basis compared sales transactions near the statement of financial position date to assess whether transactions are recorded in relevant accounting period.</p>

		<p>Performed test of details on a sample basis with underlying documentations by inspecting and comparing orders, delivery challans and other documents.</p> <p>Ensured the adequacy of the related disclosures in accordance with the applicable financial reporting standards and the Companies Act, 2017.</p>
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Information Other than the Financial Statements and Auditor’s Report Thereon

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

The Board of directors are responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of

the Company's internal control

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Sarah Tahir Siddiqi, ACA

Tahir Siddiqi & Co.
Chartered Accountants


STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2019

	<u>Note</u>	2019 Rupees	2018 Rupees (Restated)	2017 Rupees (Restated)
ASSETS				
NON CURRENT ASSETS				
Property, Plant and Equipment	5	132,334,174	73,055,996	81,290,615
Deferred Taxation	7	3,342,348	4,394,101	11,565,009
		135,676,522	77,450,097	92,855,624
CURRENT ASSETS				
Stores and Spares		2,154,781	2,924,178	1,825,410
Stock in Trade	8	198,861,532	178,643,988	158,502,062
Trade Debts	9	50,007,957	48,557,302	12,935,623
Advances, Deposits and Prepayments	10	124,150,516	175,921,578	152,229,856
Cash and Bank Balances	11	3,130,415	2,781,299	2,889,378
		378,305,201	408,828,345	328,382,329
TOTAL ASSETS		513,981,723	486,278,442	421,237,953
EQUITY AND LIABILITIES				
Authorized Capital				
12,000,000 Ordinary shares of Rs. 10 each	12	120,000,000	120,000,000	120,000,000
Issued, Subscribed and Paid up Capital	12	100,000,000	100,000,000	100,000,000
Capital Reserves - Share Premium		25,000,000	25,000,000	25,000,000
Unappropriated Profit		96,974,308	78,757,918	70,470,187
Shareholders' Equity		221,974,308	203,757,918	195,470,187
NON CURRENT LIABILITIES				
Deferred Liabilities	13	12,759,381	10,295,080	12,358,233
Loan from associated undertakings – Unsecured		-	25,000,000	25,000,000
		12,759,381	35,295,080	37,358,233
CURRENT LIABILITIES				
Trade and Other Payables	14	128,859,253	54,507,449	131,368,193
Short Term Borrowings - secured	15	141,362,342	185,377,085	50,105,342
Un-Claimed Dividend		1,844,946	1,844,946	1,844,946
Provision for Taxation		7,181,493	5,495,964	5,091,052
		279,248,034	247,225,444	188,409,533
CONTINGENCIES AND COMMITMENTS	16	-	-	-
TOTAL EQUITY AND LIABILITIES		513,981,723	486,278,442	421,237,953

The annexed notes 1 to 33 form an integral part of these financial statements.



MOHAMMAD AFZAL SHEIKH
CHAIRMAN



MOHAMMAD SAEED SHEIKH
CHIEF EXECUTIVE



ABDUL HAFEEZ POSWAL
CHIEF FINANCIAL OFFICER

Lahore: September 23, 2019


**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019**

	Note	2019 Rupees	2018 Rupees (Restated)	2017 Rupees (Restated)
Sales - net	17	574,519,446	370,231,633	366,692,651
Cost of sales	18	(488,378,284)	(314,213,543)	(320,662,620)
Gross profit		86,141,162	56,018,090	46,030,031
Administrative expenses	19	(25,275,044)	(20,274,084)	(19,503,139)
Distribution expenses	20	(18,957,782)	(12,814,397)	(12,755,334)
		(44,232,826)	(33,088,481)	(32,258,473)
Operating profit		41,908,336	22,929,609	13,771,558
Finance cost	21	(12,375,856)	(3,381,832)	(1,916,553)
Other operating expenses	22	(1,955,950)	(9,975,694)	(971,956)
Other operating income	23	197,245	1,590,265	1,015,024
		(14,134,561)	(11,767,261)	(1,873,485)
Profit before taxation		27,773,775	11,162,348	11,898,073
Provision for Taxation	24	(8,378,987)	(3,785,838)	(3,569,502)
Profit for the year		19,394,788	7,376,510	8,328,571
Other comprehensive income:				
Items that will not be re-classified to profit or loss				
Re-measurement of retirement benefits		(1,178,398)	911,221	(554,383)
Total comprehensive income for the year		18,216,390	8,287,731	7,774,188
Earnings per share - before tax (basic and diluted - Rupees)	25	2.78	1.12	1.19
Earnings per share - after tax (basic and diluted - Rupees)	25	1.94	0.74	0.83

The annexed notes 1 to 33 form an integral part of these financial statements.



MOHAMMAD AFZAL SHEIKH
CHAIRMAN



MOHAMMAD SAEED SHEIKH
CHIEF EXECUTIVE



ABDUL HAFEEZ POSWAL
CHIEF FINANCIAL OFFICER

Lahore: September 23, 2019

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees (Restated)
CASH FLOW FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operation	28	142,195,603	(152,634,456)
Finance cost paid		(13,164,299)	(931,217)
WPPF paid		(1,059,315)	(641,088)
Taxes (paid) / Refunds received		11,687,880	21,870,050
Gratuity paid		(709,000)	(2,797,894)
		(3,244,734)	17,499,851
Net cash (used in) generated from operating activities		138,950,869	(135,134,605)
Cash flows from investing activities			
Fixed capital expenditure		(77,336,762)	(4,932,511)
Capital work in progress		6,572,652	(8,701,223)
Proceeds from sale of property, plant and equipment		2,177,100	2,548,517
Proceeds from Insurance Company against loss due to fire		-	10,840,000
Net cash (used in) investing activities		(69,587,010)	(245,217)
Cash flows from financing activities			
Short term borrowings		(44,014,743)	135,271,743
Loan from associated undertaking		(25,000,000)	-
Net cash generated / (used in) financing activities		(69,014,743)	135,271,743
Net (decrease)/increase in cash and cash equivalents		349,116	(108,079)
Cash and cash equivalents at the beginning of year		2,781,299	2,889,378
Cash and cash equivalents at the end of year	11	3,130,415	2,781,299

The annexed notes 1 to 33 form an integral part of these financial statements.


MOHAMMAD AFZAL SHEIKH
CHAIRMAN


MOHAMMAD SAEED SHEIKH
CHIEF EXECUTIVE


ABDUL HAFEEZ POSWAL
CHIEF FINANCIAL OFFICER

Lahore: September 23, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2019

	Issued, Subscribed and paid up Share Capital	Share Premium	Unappropriated Profit	Total
	(-----Rupees-----)			
Balance as at 1 July 2017 as previously reported	100,000,000	25,000,000	68,208,415	193,208,415
Effect of restatement			2,261,772	2,261,772
Balance as at 1 July 2017 as restated	100,000,000	25,000,000	70,470,187	195,470,187
Comprehensive income for the year				
Profit for the year	-	-	7,376,510	7,376,510
Other comprehensive income for the year	-	-	911,221	911,221
	-	-	8,287,731	8,287,731
Balance as at 1 July 2018 as restated	100,000,000	25,000,000	78,757,918	203,757,918
Balance as at 1 July 2018 as previously reported	100,000,000	25,000,000	76,617,029	201,617,029
Effect of restatement			2,140,889	2,140,889
Balance as at 1 July 2018 as restated	100,000,000	25,000,000	78,757,918	203,757,918
Comprehensive income for the year				
Profit for the year	-	-	19,394,788	19,394,788
Other comprehensive (loss) for the year	-	-	(1,178,398)	(1,178,398)
	-	-	18,216,390	18,216,390
Balance as at 30 June 2019	100,000,000	25,000,000	96,974,308	221,974,308

The annexed notes 1 to 33 form an integral part of these financial statements.



MOHAMMAD AFZAL SHEIKH
CHAIRMAN



MOHAMMAD SAEED SHEIKH
CHIEF EXECUTIVE



ABDUL HAFEEZ POSWAL
CHIEF FINANCIAL OFFICER

Lahore: September 23, 2019

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2019

1 THE COMPANY AND ITS OPERATIONS

The Company was incorporated as a Private Limited Company on August 27, 1990 and converted into Public Limited Company on August 31, 1995 and is enlisted on Pakistan Stock Exchange. It is principally engaged in manufacturing of foam and allied products. The registered office of the Company is situated at 92/3, Phase III, Industrial Estate, Gadoon Amazai, District Swabi, Khyber Pakhtunkhwa - Pakistan

2 BASIS OF PREPARATION

2.1 Accounting Convention

These financial statements have been prepared under the historical cost convention except for those as stated in the respective policies and notes given here under.

2.2 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standard Board (IASB) as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017 have been followed.

2.3 Standard, interpretations and amendments to approved accounting standards that are effective in current year.

There were certain amendments to the approved accounting standards and new interpretations which became effective on or after July 1, 2018 but are considered not to be relevant or do not have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

2.3.1 The following standards, amendments and interpretation with respect to published accounting and reporting standards are effective from the date mentioned below against the respective standards, amendments or interpretations:

Standard, interpretations and amendments	Effective date (accounting period ending on or after)
- IFRS 9 - 'Financial Instruments'	June 30, 2019
Standard, interpretations and amendments	Effective date (accounting period beginning on or after)
- IFRS 15 - 'Revenue from contracts and customers'	July 01, 2018
- IFRS 16 - 'Leases'	January 01, 2019
- IFRIC 23 - 'Uncertainty over income tax treatments'	January 01, 2019
- IAS 12 - 'Income taxes' (amendments)	January 01, 2019
- IAS 19 - 'Employee benefits' (amendments)	January 01, 2019
- IAS 23 - 'Borrowing Costs'	January 01, 2019

The standards / amendments highlighted above may impact the financial statements of the Company on adoption. The management is currently in the process of assessing the impact of these standards and amendments on the financial statements of the Company.

2.4 Standard, interpretations and amendments to approved accounting standards that are not effective in current year.

2.4.1 There are certain other new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after July 1, 2019 but are considered not to be relevant or will not have any significant effect on the Company's operations and are, therefore, not disclosed in these financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Property, Plant and Equipment

Owned

Property, plant and equipment are stated at cost less accumulated depreciation and any identified impairment loss except the leasehold land which is stated at cost and is not amortized for the reason that it is a lease of 99 years.

Depreciation on all property, plant and equipment is charged to Profit and Loss Account on the reducing balance method over its estimated useful life at annual rates mentioned in note 5 after taking into account their residual values. Depreciation on additions is charged from the month in which asset is put to use and, on disposal, before the month of disposal. Residual values and the useful lives of the assets are reviewed at least at each financial year end and adjusted if impact on depreciation is significant.

Maintenance and repairs are charged to Profit & Loss Account as and when incurred. Major renewals and improvements are capitalized.

The carrying value of fixed assets is reviewed for impairment, when events or changes in circumstances indicate that the carrying value may not be recoverable. If such indications exist and where carrying value exceeds the estimated recoverable amount, the assets are written down to the recoverable amount.

An item of property, plant & equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) included in the Profit & Loss Account in the year the asset is derecognized.

Leased

Leases wherein the Company has substantially all the risks and rewards of ownership are classified as finance leases. At inception, finance leases are capitalized at the lower of present value of minimum lease payments under the lease agreements and the fair value of the assets, less accumulated depreciation and impairment loss, if any.

The related rental obligations, net of finance costs, are included in liabilities against assets subject to finance lease. The liabilities are classified as current and non-current depending upon the timing of the payment.

Minimum lease payments made under finance leases are apportioned between the finance cost and principal liability. The finance cost is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments, if any, are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed. The interest element of the rental is charged to Profit & Loss Account over the lease term.

Assets acquired under a finance lease are depreciated on systematic basis over the estimated useful life of the assets on reducing balance method at the rates mentioned in note 5. Depreciation of leased assets is charged to Profit & Loss Account.

Residual values and the useful lives of the assets are reviewed at least at each financial year-end and adjusted if impact of depreciation is significant.

3.2 Capital Work in Progress

Capital work in progress is stated at cost less any identified impairment loss.

3.3 Stock - in - Trade

Stock of raw materials, work in process and finished goods are valued at lower of cost and net realizable value. The cost is determined as follows:-

Raw Materials	- weighted average cost
Work in Process & Finished Goods	- manufacturing cost and appropriate overheads

Stock in transit is valued at cost comprising invoice value and other charges incurred thereon as accumulated to the balance sheet date.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

3.4 Stores, Spares & Loose Tools

These are valued at lower of cost and estimated net realizable value. The cost is determined on weighted average cost basis. Items in transit are valued at cost comprising invoice value and other charges thereon accumulated at the balance sheet date.

3.5 Taxation
Current

Provision for current taxation is the amount computed on taxable income at the current rates of taxation or alternative corporate tax computed on accounting income or minimum tax on turnover, whichever is higher, and taxes paid / payable on final tax basis, after taking into account tax credit available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from the assessments made / finalized during the year.

Deferred

Deferred tax is accounted for using the balance sheet method in respect of all temporary differences arising from differences between carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of tax. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent to which it is probable that taxable profits will be available against which the deductible temporary difference, unused tax loss, and tax credits can be utilized. Deferred tax is charged or credited to profit & loss account.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantially enacted at the balance sheet date.

3.6 Trade Debts

Debtors originated by the company are recognized and carried at the original invoice amount less an allowance for any uncollectible. A provision for doubtful debt is established based on the review of all outstanding amounts at the year end. Bad debts are written off with the approval of Board of Directors, when identified.

3.7 Cash and Cash Equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents consist of cash and bank balances, cheques in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and running finance under mark-up arrangements which form an integral part of the Company's cash management.

3.8 Creditors, Accrued and Other Liabilities

Creditors, Accrued and other Liabilities for trade and other amounts payable are carried at the cost which is the fair value of the consideration to be paid in future for the goods and services received.

3.9 Mark-up Bearing Borrowings

Mark-up bearing borrowings are recognized initially at amortized cost. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost less subsequent repayments. The company accounts for lease obligations by recording the asset and corresponding liability there against determined on the basis of discounted value of minimum lease payments. Financial Charges are recognized in the profit & loss account using the effective mark-up rate method.

3.10 Borrowing Costs

Mark-up, interest and other direct charges on borrowings are capitalized to the related qualifying asset till substantially all the activities necessary to prepare the qualifying asset for its intended use are complete. All other mark-up, interest and related charges are charged to the profit & loss account in the year in which they are incurred.

3.11 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past event, and it is probable that outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimates.

3.12 Foreign Currency Transactions

Transactions in foreign currencies are accounted for in Pakistan rupees at monthly average rates. Monetary assets and liabilities in foreign currencies are translated into rupees at the rate of exchange prevailing at the balance sheet date. Exchange gains or losses are charged to Profit & Loss Account.

3.13 Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. The particular measurement methods adopted are considered in individual policy statement associated with each item.

3.14 Offsetting of Financial Assets and Liabilities

A financial asset and financial liability is offset and net amount is reported in the balance sheet if the company has a legal enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the assets' value and settle the liability simultaneously.

3.15 Impairments

The carrying amount of Company's assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and impairment losses are recognized.

3.16 Related Party Transactions

The Company enters into transactions with related parties on an arm's length basis. Prices for transactions with related parties are determined using admissible valuation methods, except in extremely rare circumstances where, subject to approval of the Board of Directors, it is in the interest of the Company to do so.

Long Term Investments in Associates

Investment in associated companies is accounted for using the equity method. Under this method investments are stated at cost plus the Company's equity in undistributed earnings and losses after acquisition, less any impairment in the value of individual investments.

3.17 Staff Retirement Benefits

The Company operates a defined benefit plan i.e. gratuity scheme for all its permanent employees subject to attainment of retirement age and minimum service of prescribed period. Contributions are made to the fund on the basis of actuarial recommendations. Actuarial valuation is carried out using the projected unit credit method. All actuarial gains and losses are recognized in 'other comprehensive income' as they occur.

3.18 Dividend and Appropriations

Dividend is recognized as liability in the period in which it is declared. Appropriations of profit are reflected in the statement of changes in equity in the period in which appropriations are approved.

3.19 Revenue Recognition

- Revenue from sale is recognized on dispatch of goods to the customers.
- Income from property is recognized when the rental becomes due.
- Income from Banks is recognized when earned.

3.20 Critical Accounting Estimates and Judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimate. 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 historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the process of applying the Company's accounting policies, the management has made the following estimates and judgments which are significant to the financial statements:

- (a) Assumptions and estimates used in calculating the provision for impairment for trade debts (note-9);
- (b) Assumptions and estimates used in the recognition of deferred taxation (note-7);
- (c) Assumptions and estimates used in accounting for defined benefit plan (note-13); and
- (d) Assumptions and estimates used in disclosure and assessment of provision for contingencies (note-16).

4 Significant Transactions and Events during the Year

During the year, the Company acquired land measuring eight (8) Acres on lease inclusive of built in super structure for a period of 99 years for a total sum of Rs.50.00 million for expansion in operations of the Company.

NOTES TO THE FINANCIAL STATEMENTS

5 PROPERTY, PLANT AND EQUIPMENT

Operating Fixed Assets
Capital Work in Progress

Note

**2019
Rupees**

**2018
Rupees
(Restated)**

129,205,603

64,354,773

3,128,571

8,701,223

132,334,174

73,055,996

5.1 Operating Fixed Assets

	Land		Building		Plant & Machinery	Tools & Equipment	Office Equipment	Furniture & Fixture	Computers	Vehicles	Total Amount in Rupees
	Lease Hold	Free Hold	Lease Hold	Free Hold							
As at July 1, 2017 as previously reported											
Cost	1,459,819	-	14,410,404	57,968,953	38,680,297	2,657,961	3,872,702	1,267,927	1,145,910	57,379,914	178,843,887
Accumulated Depreciation	-	-	7,798,875	30,993,214	24,790,652	1,505,681	2,419,460	1,223,353	707,272	30,197,796	99,636,303
	1,459,819	-	6,611,529	26,975,739	13,889,645	1,152,280	1,453,242	44,574	438,638	27,182,118	79,207,584
As at July 1, 2017 - as restated											
Cost	1,459,819	3,000,000	14,410,404	54,968,953	38,680,297	2,657,961	3,872,702	1,267,927	1,145,910	57,379,914	178,843,887
Accumulated Depreciation	-	-	7,798,875	28,910,183	24,790,652	1,505,681	2,419,460	1,223,353	707,272	30,197,796	97,551,272
Net Book Value	1,459,819	3,000,000	6,611,529	26,058,770	13,889,645	1,152,280	1,453,242	44,574	438,638	27,182,118	81,290,615
Year ended June 30, 2018											
Opening Net Book Value	1,459,819	3,000,000	6,611,529	26,058,770	13,889,645	1,152,280	1,453,242	44,574	438,638	27,182,118	81,290,615
Addition (Cost)	-	-	-	-	1,668,001	252,855	153,500	13,565	24,650	2,819,910	4,932,511
Transfer / Adjustment	-	-	-	-	-	-	-	-	-	-	-
	1,459,819	3,000,000	6,611,529	26,058,770	15,557,646	1,405,165	1,606,742	58,139	463,288	30,002,028	86,223,126
Disposal (NBV)											
Cost	-	-	6,624,227	-	12,938,068	-	-	-	-	2,599,700	22,161,995
Accumulated Depreciation	-	-	(2,980,819)	-	(4,513,120)	-	-	-	-	(1,641,448)	(9,135,387)
	-	-	3,643,408	-	8,424,948	-	-	-	-	958,252	13,026,608
Depreciation Charge	-	-	531,031	1,302,939	1,115,874	121,248	153,524	5,467	44,551	5,567,112	8,841,745
Closing Net Book Value (restated)	1,459,819	3,000,000	2,437,090	24,755,831	6,016,824	1,283,917	1,453,218	52,672	418,737	23,476,664	64,354,773
As at July 1, 2018 as previously reported											
Cost	1,459,819	-	7,786,177	57,968,953	27,410,230	2,910,846	4,026,202	1,281,492	1,170,560	57,600,124	161,614,403
Accumulated Depreciation	-	-	5,349,087	32,342,001	21,393,406	1,626,929	2,572,984	1,228,820	751,823	34,123,460	99,388,510
	1,459,819	-	2,437,090	25,626,952	6,016,824	1,283,917	1,453,218	52,672	418,737	23,476,664	62,225,893
As at July 1, 2018 - as restated											
Cost	1,459,819	3,000,000	7,786,177	54,968,953	27,410,230	2,910,846	4,026,202	1,281,492	1,170,560	57,600,124	161,614,404
Accumulated Depreciation	-	-	5,349,087	30,213,122	21,393,406	1,626,929	2,572,984	1,228,820	751,823	34,123,460	97,259,631
Net Book Value (restated)	1,459,819	3,000,000	2,437,090	24,755,831	6,016,824	1,283,917	1,453,218	52,672	418,737	23,476,664	64,354,773
Year ended June 30, 2019											
Opening Net Book Value	1,459,819	3,000,000	2,437,090	24,755,831	6,016,824	1,283,917	1,453,218	52,672	418,737	23,476,664	64,354,772
Addition (Cost)	20,954,200	-	35,572,652	-	573,200	666,280	677,500	266,600	203,950	18,422,380	77,336,762
Transfer / Adjustment	-	-	-	-	-	-	-	-	-	-	-
	22,414,019	3,000,000	38,009,742	24,755,831	6,590,024	1,950,197	2,130,718	319,272	622,687	41,899,044	141,691,534
Disposal (NBV)											
Cost	-	-	-	-	-	-	-	-	-	2,177,100	2,177,100
Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	2,177,100	2,177,100
Depreciation Charge	-	-	1,429,464	1,237,792	629,369	177,760	197,810	21,130	55,289	6,560,218	10,308,831
Closing Net Book Value as at June 30, 2019	22,414,019	3,000,000	36,580,278	23,518,039	5,960,655	1,772,437	1,932,908	298,142	567,398	33,161,726	129,205,603
Annual Rate of Depreciation	-	-	10%	5%	10%	10%	10%	10%	10%	20%	-

5.2 Particulars of immovable fixed assets in the name of company are as follows:

Sr. No.	Location	Usage of Property	Total Area	Covered Area
1)	43-T, Gulberg II, Lahore	Head Office	2 Kanals 9 Marlas 220 Sq.ft	17100 Sq.ft
2)	92/3, Phase III, Industrial Estate, Gadoon Amazai, District Swabi - KPK	Manufacturing Unit	2 Acres	18940 Sq.ft
3)	94A / 94B, Phase III, Industrial Estate, Gadoon Amazai, District Swabi - KPK	Manufacturing Unit	8 Acres	69984 Sq.ft

5.3 DISPOSAL OF ASSETS

Sr. No.	Particulars	Cost	Acc. Dep.	W.D.V	Sale Proceed	Profit / (loss)	Sold to	Mode of Disposal
1	Motor Vehicle	2,177,100	-	2,177,100	2,177,100	-	Mr. Bilal Ahmad	Negotiation
June 30, 2019		2,177,100	-	2,177,100	2,177,100	-		
June 30, 2018		22,161,995	9,135,387	13,026,608	13,388,517	361,909		

5.4 Depreciation is allocated as under:	Note	2019 Rupees	2018 Rupees (Restated)
Cost of Goods Sold	18	2,236,593	1,768,153
Administrative Expenses	19	1,512,020	1,506,481
Distribution Expenses	20	6,560,218	5,567,111
		10,308,831	8,841,745
5.5 Capital Work in Progress			
Building		3,128,571	8,701,223

6 RESTATEMENT OF FIXED ASSETS

The Company had purchased freehold land and built on structure in 1997 but since than total cost of purchased asset was being reported under the head of "Building on Freehold Land" instead of separate accounts of "Freehold Land" and "Building on Freehold Land". The Company has reclassified this treatment and has restated the operating fixed assets. Effect of changes has been applied retrospectively in accordance with the requirements of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" with effect from earliest period presented in these financial statements.

In view of above, for better presentation and treatment of fixed assets, restated data is given below.

	As at June 30, 2018		As at June 30, 2017	
	Rupees	Rupees	Rupees	Rupees
	As previously Reported	As Restated	As previously Reported	As Restated
Effect on Statement of Financial Position				
Plant, Property and Equipment	70,927,116	73,055,996	79,207,584	81,290,615
Deferred Taxation	4,281,083	4,394,101	11,373,624	11,565,009
Unappropriated Profit	76,617,029	78,757,918	68,208,415	70,470,187
Trade and Other Payables	54,487,132	54,507,449	131,365,160	131,368,193
Provision for Taxation	5,415,272	5,495,964	5,081,441	5,091,052
Effect on Statement of Profit or Loss				
Administrative Expenses	(20,319,932)	(20,274,084)	(19,551,401)	(19,503,139)
Other Operating Expenses	(9,968,022)	(9,975,694)	(968,923)	(971,956)
Profit before Taxation	11,124,172	11,162,348	11,852,844	11,898,073
Provision for Taxation	(3,626,279)	(3,785,838)	(3,751,276)	(3,569,502)
Profit for the Year	7,497,393	7,376,510	8,101,568	8,328,571
Earning per share - after tax (basic and diluted) - Rupees	0.75	0.74	0.81	0.83
Effect on Statement of Changes in Equity				
Unappropriated Profit	76,617,029	78,757,918	68,208,415	70,470,187

7 DEFERRED TAX ASSETS

	Note	2019 Rupees	2018 Rupees (Restated)
Deferred Tax Assets			
Trade debts		220,847	206,927
Deferred liability - Employee benefits		3,700,220	2,985,573
Unutilized Tax Credits		9,136,533	9,136,533
Deferred Tax Liabilities			
Accelerated Tax Depreciation		(9,715,252)	(7,934,932)
Net Deferred Tax Assets		3,342,348	4,394,101

8 STOCK IN TRADE

	2019 Rupees	2018 Rupees
Raw and Packing Material	112,239,404	107,823,546
Work-in-Process	46,856,980	39,251,472
Finished Goods	39,765,148	31,568,970
	198,861,532	178,643,988

9 TRADE DEBTS

	Note	2019 Rupees	2018 Rupees
Considered Good - unsecured	9.1	50,769,499	49,270,844
Provision for Doubtful Debts	9.3	(761,542)	(713,542)
		50,007,957	48,557,302

9.1 These includes the following amounts due from related parties:
Noble Foam (Private) Limited

	5,129,356	-
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9.2 Trade debtors of Rs.50,007,957(2018: Rs.48,557,302) were past due but not impaired. These relates to routine customers from there no recent history of default is found. The aging analysis of the trade debtors is as follows:

Upto 1 month	28,509,536	28,954,216
1 to 6 months	14,792,354	15,408,672
more than 6 months	6,706,067	4,194,414
	50,007,957	48,557,302

9.3 Movement in provision in doubtful debts:

Balance as of July 01	713,542	680,822
Provision made / (reversed) during the year	48,000	32,720
	761,542	713,542

10 ADVANCES, DEPOSITS & PREPAYMENTS

	Note	2019 Rupees	2018 Rupees
Advances to Employees	10.1	6,150,553	4,395,960
Advance Taxes	10.2	102,477,506	119,816,702
Letters of Credit	10.3	13,592,293	44,603,067
Prepayments		1,439,836	-
Other receivables		490,328	7,105,849
		124,150,516	175,921,578

10.1 Advances to employees are provided to meet business expenses and are settled as and when expenses are incurred. Advances are also provided in view of their personal needs and adjusted from their salaries for respective month.

10.2 Advance taxes represents the amount of income tax refunds determined / retained by FBR on account of tax withheld on import stage and other sources as well as amounts of sales tax carried forward detail of which is as follows:

	Note	2019 Rupees	2018 Rupees
Income Tax		58,946,300	72,162,556
Sales Tax		43,531,206	47,654,146
		<u>102,477,506</u>	<u>119,816,702</u>

10.3 This represents amount deposited against various letters of credit established with banks for import of raw materials and will be adjusted on maturity dates of respective letters of credit.

11 CASH AND BANK BALANCES

Cash in Hand		547,015	350,970
Cash at Bank - in current accounts		2,583,400	2,430,329
		<u>3,130,415</u>	<u>2,781,299</u>

12 SHARE CAPITAL

AUTHORISED

12,000,000 (2018: 12,000,000) Ordinary shares of Rs. 10 each		<u>120,000,000</u>	<u>120,000,000</u>
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ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

7,000,000 Ordinary shares of Rs.10 each fully paid in cash		70,000,000	70,000,000
3,000,000 Ordinary shares of Rs.10 each issued as bonus shares		30,000,000	30,000,000
		<u>100,000,000</u>	<u>100,000,000</u>

13 DEFERRED LIABILITIES

Gratuity	13.1	<u>12,759,381</u>	<u>10,295,080</u>
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13.1 The scheme provides for terminal benefits for all its permanent employees who attain the minimum qualifying period. Annual charge is made using the actuarial techniques of Projected Unit Credit Method.

13.1.1 Movement in Net liability recognized

Net Liability at the beginning of the year		10,295,080	12,358,233
Re-Measurements chargeable in Other Comprehensive Income		1,178,398	(911,221)
Charge for the year		1,994,903	1,645,962
Benefits paid during the year		(709,000)	(2,797,894)
		<u>12,759,381</u>	<u>10,295,080</u>

13.1.2 Movement in Present value of defined benefit plan

Present value of defined benefit obligation		10,295,080	12,358,233
Current service cost		1,100,251	796,617
Interest costs		894,652	849,345
Benefits Paid		(709,000)	(2,797,894)
Re-Measurements		1,178,398	(911,221)
		<u>12,759,381</u>	<u>10,295,080</u>

13.1.3 Expense recognized in Profit & loss account

	Note	2019 Rupees	2018 Rupees
Current service cost		1,100,251	796,617
Interest costs		894,652	849,345
		<u>1,994,903</u>	<u>1,645,962</u>

13.1.4 Principal actuarial assumptions

Discount rate used for Interest cost in P&L charge	12.50%	7.75%
Discount rate used for year-end obligation	12.50%	9.00%
Expected rate of increase in salaries per annum	11.50%	8.00%
Average expected remaining life time of employees	8 years	9 years

Expected charge to Profit & Loss Account for the year ended June 30, 2020 amounts to Rs.2,748,809 in respect of Gratuity.

13.1.5 Sensitivity analysis as at 30.06.2019

A sensitivity analysis for the above principal actuarial assumptions as of the statement of financial position date showing how the defined benefit obligation would have been affected by changes in the said assumptions is as follows:

Present value of defined benefit obligations	Discount Rate +1%	Discount Rate -1%	Salary Increase +1%	Salary Increase -1%
	11,906,476	13,722,552	13,722,552	11,891,959

14 TRADE AND OTHER PAYABLES

		2019 Rupees	2018 Rupees
Trade creditors and other payables	14.1	115,236,133	39,594,278
Advances from Customers	14.2	4,137,821	6,798,055
Taxes Payable		31,252	209,715
Mark up Payable		1,662,172	2,450,615
Accrued Expenses		4,862,793	3,412,728
Others		2,929,082	2,042,060
		<u>128,859,253</u>	<u>54,507,449</u>

(Restated)

14.1 These includes the following amounts due to related parties:

Al-Khair Global (Private) Limited	614,227	8,256,641
Noble Foam (Private) Limited	-	8,216,800
	<u>614,227</u>	<u>16,473,441</u>

14.2 These represent amounts deposited in advance by the customers against sales orders.

15 SHORT TERM BORROWINGS

		2019 Rupees	2018 Rupees
Banking Companies - Secured			
BAFL - Finance against Imported material	15.1	46,257,000	135,271,743
Loan from Directors - Unsecured	15.2	70,105,342	50,105,342
Loan from Associated Undertaking - Unsecured	15.3	25,000,000	-
		<u>141,362,342</u>	<u>185,377,085</u>

15.1 The Company has obtained the facility of finance against imported material from Bank Al-Falah Limited amounting to Rs.150 million (2018: 150 million). The facility attracts mark-up at flexible rate linked with 3 months KIBOR plus 200 (2018: 200) basis points per annum. The facility is secured against lien over imported documents, pledge of imported material and personal guarantees of Directors of the Company. The Company has also been provided the facility for sight letter of credit (SLC) of Rs. 150 million (2018: Rs.150 million) to retire import documents under SLCs. The facility is secured against import documents of import letters of credit.

15.2 This represents the interest free loan received from directors to meet working capital requirement of the Company. It is unsecured and interest free loan which is repayable on demand.

15.3 This represents the interest free loan received from an associated undertaking. It is unsecured and interest free loan which is repayable on demand expected to be repaid in upcoming financial year.

16 CONTINGENCIES & COMMITMENTS

16.1 Contingencies

The commercial banks have issued guarantees on behalf of the Company amounted to Rs.6.237 million (2018 : Rs.7.378 million).

16.2 Commitments

Commitments in respect of letters of credit for raw materials at the terminal date were Rs.21.256 million (2018: Rs.37.729 million), for machinery were Rs.8.816 million (2018: Rs.Nil) and for spare parts were Rs.1.456 million (2018: Rs.Nil).

17 SALES	Note	2019	2018
		Rupees	Rupees
Local sales		673,226,772	431,976,338
Less: Sales tax		98,707,326	61,744,705
		<u>574,519,446</u>	<u>370,231,633</u>
18 COST OF GOODS SOLD			
Opening stock of raw material		110,747,724	78,150,880
Purchases		490,632,879	320,000,081
Closing stock of raw material		(114,394,185)	(110,747,724)
Raw material and Store & Spares consumed		486,986,418	287,403,237
Salaries, wages and other benefits	18.1	12,492,772	10,946,575
Power & Fuel and Lubricants		1,772,270	1,868,451
Repair & Maintenance		237,514	375,108
Depreciation	5.4	2,236,593	1,768,153
Insurance		454,403	495,869
		<u>504,179,970</u>	<u>302,857,393</u>
Opening stock of work in process		39,251,472	42,517,851
Closing stock of work in process		(46,856,980)	(39,251,472)
Cost of goods manufactured		496,574,462	306,123,772
Opening stock of finished goods		31,568,970	39,658,741
Closing stock of finished goods		(39,765,148)	(31,568,970)
Cost of Goods Sold		<u>488,378,284</u>	<u>314,213,543</u>

18.1 Salaries, wages and other benefits include Rs.799,859 (2018: Rs.702,825) in respect of defined benefit plan under non-funded gratuity scheme.

19 ADMINISTRATIVE EXPENSES

(Restated)

Directors' remuneration		6,179,872	5,477,899
Salaries & benefits	19.1	6,802,751	4,902,465
Travelling & Conveyance		965,549	585,402
Postage, telephone & telefaxes		872,723	786,885
Rent, rates & taxes		-	16,000
Vehicle running & maintenance		656,980	386,060
Legal & professional charges		68,750	80,316
Auditors' remuneration	19.2	747,076	661,700
Printing & stationery		119,211	68,570
Staff welfare		821,471	487,094
Entertainment		132,654	129,665
Utility charges		2,880,756	2,737,400
Fee & subscription		492,959	248,241
Depreciation	5.4	1,512,020	1,506,481
Medical Expenses		51,274	40,253
Internet charges		29,300	14,300
Provision for bad debts	9.3	48,000	32,720
Repair and maintenance		729,524	239,549
Insurance		1,469,715	1,297,223
Advertisements		551,302	424,976
Property tax		143,156	150,885
		<u>25,275,044</u>	<u>20,274,084</u>

19.1 Salaries and other benefits include Rs.652,834 (2018: Rs.524,239) in respect of defined benefit plan under non-funded gratuity scheme.

19.2 Auditors' remuneration

Note	2019 Rupees	2018 Rupees
Audit fee	700,000	635,000
Out of pocket expenses	47,076	26,700
	747,076	661,700

20 DISTRIBUTION EXPENSES

Salaries & benefits	20.1	7,120,434	5,691,498
Staff welfare		603,654	235,041
Entertainment		415,367	122,128
Printing and stationery		124,598	61,725
Telephone and postage		361,630	249,309
Travelling and conveyance		715,417	368,602
Vehicle repair and maintenance		696,587	378,541
Newspaper and periodicals		66,249	89,650
Utility charges		63,812	50,791
Advertisement/business promotion charges		2,229,816	-
Depreciation	5.4	6,560,218	5,567,112
		18,957,782	12,814,397

20.1 Salaries and other benefits include Rs.542,210 (2018: Rs.418,898) in respect of defined benefit plan under non-funded gratuity scheme.

21 FINANCE COST

Mark up on short term financing	11,758,196	3,065,347
Bank & muccadam charges	617,661	316,485
	12,375,856	3,381,832

22 OTHER OPERATING EXPENSES

Loss of fixed assets due to fire - net		
Written down value	-	12,068,356
Insurance claim received	-	(10,840,000)
	-	1,228,356
Loss of materials due to fire - net		
Cost of materials	-	55,637,361
Insurance claim received	-	(48,313,323)
	-	7,324,038
Workers' Profit Participation Fund - WPPF	1,486,486	1,056,902
Workers' Welfare Fund - WWF	469,464	366,398
	1,955,950	9,975,694

23 OTHER OPERATING INCOME

	Note	2019 Rupees	2018 Rupees
Gain on sale of fixed assets		-	1,590,265
Insurance Claim - Others		197,245	-
		<u>197,245</u>	<u>1,590,265</u>

24 PROVISION FOR TAXATION

			(Restated)
Current Taxation			
- For the year		7,181,493	5,495,964
- For prior year		145,741	(8,881,034)
		7,327,234	(3,385,070)
Deferred Taxation		1,051,753	7,170,908
		<u>8,378,987</u>	<u>3,785,838</u>

24.1 Relationship between income tax expenses and accounting profit:

Profit before taxation		<u>27,773,775</u>	<u>11,162,348</u>
Tax at the applicable tax rate of 29% (2018: 30%)		8,054,395	3,348,704
Tax effect of:			
-amounts not deductible for tax purpose		567,226	426,990
-amounts deductible for tax purpose but not taken to the statement of profit or loss		(1,814,389)	1,720,270
-Additional provision to reach at minimum tax		374,261	-
Adjustment for current tax of prior years		145,741	(8,881,034)
Tax effect of deferred taxation		1,051,753	7,170,908
Income tax expense		<u>8,378,987</u>	<u>3,785,838</u>
Effective rate of tax		30.17%	33.92%

24.2 In view of the assessment of the management, sufficient tax provisions have been made in the Company's financial statements. Comparison of tax provisions as per the financial statements via-a-via tax assessment for last three years is as follows:

	2018	2017 (Rupees) (Restated)	2016
Tax assessed as per the most recent tax Assessment	5,495,964	5,081,441	4,452,462
Provision in accounts for income tax	5,495,964	5,091,052	4,452,462

25 EARNINGS PER SHARE - basic and diluted

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

		2019 Rupees	2018 Rupees (Restated)
Profit for the year before taxation	(Rupees)	27,773,775	11,162,348
Profit for the year after taxation	(Rupees)	19,394,788	7,376,510
Number of Shares	(Shares)	10,000,000	10,000,000
Earnings per share before taxation	(Rupees)	2.78	1.12
Earnings per share after taxation	(Rupees)	1.94	0.74

26 CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVE REMUNERATION

	Chief Executive		Directors		Executives		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	Rupees		Rupees		Rupees		Rupees	
Managerial Remuneration	2,887,374	2,557,392	2,887,374	2,557,392	2,012,772	3,316,140	7,787,520	8,430,924
Utilities	405,124	363,115	-	-	-	-	405,124	363,115
Total	3,292,498	2,920,507	2,887,374	2,557,392	2,012,772	3,316,140	8,192,644	8,794,039
Number of Persons	1	1	1	1	1	2	3	4

In addition to above, the Chief Executive and an Executive Director are provided with free use of Company maintained cars for Company's as well as for their personal use, whereas, no remuneration is paid to Non-Executive Directors and Independent Director of the Company.

27 FINANCIAL RISK MANAGEMENT

27.1 Credit Risk

The Company's Credit risk exposures are categorized under the following heads:-

Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at reporting date was:-

	2019	2018
	Rupees	Rupees
Trade debtors	50,769,499	49,270,844
Advances to staff	6,150,553	4,395,960
Other receivables	490,328	7,105,849
Cash at banks	2,583,400	2,430,329
	59,993,779	63,202,982

The trade debts as at the balance sheet date are all domestic debts. The aging of trade receivables at the reporting dates is as under:-

Past due 0-30 days	28,509,536	28,954,216
Past due 31-120 days	10,026,637	12,365,050
Past due 121-365 days	11,222,763	7,085,643
More than one year	1,010,563	865,935
	50,769,499	49,270,844

Based on the historic records, the company believes that no impairment allowance in respect of loans and receivables is required except for the provisions provided for impairment amounting to Rs.761,541/- (2018: Rs.713,542/-).

27.2 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements, if any.

2019	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years
Trade and other payables	120,130,178	120,130,178	75,682,012	44,448,166	-	-
Unclaimed dividend	1,844,946	1,844,946	1,844,946	-	-	-
Financial charges payable	1,662,172	1,662,172	1,662,172	-	-	-
Short term borrowings	141,362,342	141,362,342	71,257,000	70,105,342	-	-
Total	264,999,638	264,999,638	150,446,130	114,553,508	-	-

2018	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years
Trade and other payables	43,216,719	43,216,719	27,226,533	15,990,186	-	-
Unclaimed dividend	1,844,946	1,844,946	1,844,946	-	-	-
Financial charges payable	2,450,615	2,450,615	2,450,615	-	-	-
Short term borrowings	185,377,085	185,377,085	-	160,377,085	25,000,000	-
Total	232,889,365	232,889,365	31,522,094	176,367,271	25,000,000	-

27.3 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rate, foreign currency, commodity price and equity price that will affect the Company's income or the value of its holdings of financial instruments.

27.3.1 Interest Rate Risk

At the reporting date the interest rate profile of the Company's interest bearing financial instrument were:-

Particulars	2019	2018	2019	2018
	Effective rate in %		Carrying amount (Rs.)	
Financial Liabilities				
Variable Rate instruments:-				
Short Term Borrowings	8.93 to 14.90	8.15 to 9.18	46,257,000	135,271,743

Fair value of sensitivity analysis for fixed rate instruments

The company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore a change in interest rate at the reporting date would not affect profit and loss account.

Cash flow sensitivity analysis for various rate instruments

A change of 100 basis points in interest rate at the reporting date would have increased/ (decreased) profit or loss by amounts shown below. This analysis assumes that all other variables, in a particular foreign currency rate (if any), remains constant. The analysis is performed on the same basis as for the previous year:

		Increase Profit	Decrease Profit
As at June 30, 2019	Rupees	462,570	(462,570)
As at June 30, 2018	Rupees	1,352,717	(1,352,717)

The sensitivity analysis prepared is not necessarily indicative of the effect on Profit for the year and assets / liabilities of the company.

27.3.2 Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company is not exposed to any price risk as there are no financial instruments at the reporting date that are sensitive to price fluctuations.

27.3.3 Currency Risk

The Company is exposed to currency risk on import of raw materials mainly dominated in US dollars. The Company's exposure to foreign currency risk for US Dollar is as follows:-

	2019 Rupees	2018 Rupees
Outstanding Letter of Credits	31,497,228	37,729,440
Average Rate	138.08	110.64
Reporting date rate	157.95	121.60

27.3.4 Sensitivity analysis

At reporting date, if the PKR had strengthened by 10% against the foreign currencies with all other variables held constant, post-tax Profit for the year would have been higher by the amount shown below, mainly as a result of net foreign exchange gain on translation of outstanding letter of credits.

The effect on Profit and loss Account is:

Rupees	3,149,723	3,272,944
--------	-----------	-----------

The weakening of PKR against foreign currencies would have an equal but opposite impact on the post tax profit. The sensitivity analysis prepared is not necessarily indicative of the effects on (loss) /profit for the year and assets/liabilities of the Company.

27.4 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

27.5 Capital Risk Management

The Company's prime objective when managing capital is to safeguard its ability to continue as going concern in order to provide adequate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as debt divided by total capital employed. Total capital employed is calculated as equity as shown in the balance sheet plus debt.

	2019 Rupees	2018 Rupees
Total Debt	141,362,342	210,377,085
Total Equity	221,974,308	203,757,918
Total Capital Employed	<u>363,336,650</u>	<u>414,135,003</u>
Gearing Ratio	38.91%	50.80%

28 TRANSACTIONS WITH RELATED PARTIES

28.1 The Company's related parties include associated companies, entities over which directors are able to exercise influence, subsidiaries, staff retirement fund, directors and key management personnel. Detail of transactions with related parties during the year other than those which have been disclosed elsewhere in the financial statements are as follows:-

Description	Relationship	Nature of Transactions	Amount	
			2019 Rupees	2018 Rupees
Al-Khair Global (Private) Limited	Associate	Purchases	-	26,427,661
Al-Khair Global (Private) Limited	Associate	Sales	7,641,480	2,046,365
Noble Foam (Private) Limited	Associate	Purchases	-	16,860,000
Noble Foam (Private) Limited	Associate	Sales	13,346,156	20,033,366

The transaction with related parties are executed on arms' length prices. Directors are interested to the extent of their directorship / shareholding.

Name and nature of relationship

Related party	Nature	Relationship
Al-Khair Global (Private) Limited	Associated Undertaking	Common Directorship
Noble Foam (Private) Limited	Associated Undertaking	Common Directorship

28.2 Loan from Directors

This represents the Interest free loan received from directors to meet working capital requirement of the Company. It is unsecured and interest free loan which is repayable on demand.

29 CASH GENERATED FROM OPERATIONS

	2019 Rupees	2018 Rupees (Restated)
Profit before taxation	27,773,775	11,162,348
Adjustments for non cash items:		
Depreciation on property, plant and equipment	10,308,831	8,841,745
Finance cost	12,375,856	3,381,832
Gain on sale of property, plant and equipment	-	(361,909)
Provision for Gratuity	1,994,903	1,645,962
Provision for doubtful debt	48,000	32,720
Provision for Workers' profit participation fund	1,486,486	1,056,903
Provision for Workers' welfare fund	469,464	366,398
	26,683,541	14,963,651
Operating profit before working capital changes	54,457,316	26,125,999
(Increase)/decrease in current assets		
Stores and spares	769,397	(1,098,768)
Stock-in-trade	(20,217,544)	(20,141,926)
Trade debts	(1,498,655)	(35,654,399)
Advances, deposits and prepayments	34,431,866	(41,762,179)
	13,485,064	(98,657,272)
Increase/(decrease) in current liabilities		
Trade and other payables	74,241,199	(80,103,184)
Net cash flow from Operating Activities	142,183,579	(152,634,456)
29.1 Cash and cash equivalents		
Cash in hand	547,015	350,970
Cash at Bank - in current accounts	2,583,400	2,430,329
	3,130,415	2,781,299

30 CAPACITY AND PRODUCTION

	2019	2018
	Tons	Tons
Rated capacity	13,280	13,280
Capacity utilized	1,455	1,105

It is important to disclose that the capacity of plant is utilized according to the demand of the products. The very nature of plant is such that the producing speed is so high, it can run on average ranging from 90 Kgs to 125 Kgs per minute flow, resulting it can produce one month's stock in just two days. The plant is working as per its specifications and there is no indication of any under utilization.

31 NUMBER OF EMPLOYEES

	2019	2018
Number of employees as at June 30 - factory	138	136
- Others	37	35
	175	171
Average number of employees during the year - factory	139	140
- Others	39	37
	178	177

32 FIGURES

- have been rounded off to the nearest rupee
- Corresponding figures have been re-classified / restated to reflect more appropriate presentation of events and transactions for comparison purpose.

33 DATE OF AUTHORIZATION

These financial statements were authorized for issue on September 23, 2019 by the Board of Directors of the Company.



MOHAMMAD AFZAL SHEIKH
CHAIRMAN



MOHAMMAD SAEED SHEIKH
CHIEF EXECUTIVE



ABDUL HAFEEZ POSWAL
CHIEF FINANCIAL OFFICER

Lahore: September 23, 2019

YEAR WISE STATISTICAL SUMMARY

	2019	2018	2017	2016	2015	2014
	(Rupees in millions)					
		(Restated)	(Restated)			
Investment Measures						
Share Capital	100	100	100	100	100	100
Shareholders' Equity	221.97	203.76	195.47	185.66	178.46	182.30
Profit / (loss) before taxation	27.77	11.16	11.90	10.20	1.40	(18.33)
Profit after taxation	19.39	7.38	8.33	7.72	(3.70)	(26.27)
Dividend Per share	-	-	-	-	-	-
Earnings / (Loss) per share - Rs.	1.94	0.74	0.83	0.77	(0.37)	(2.63)
Break-up value per share - Rs.	22.20	20.38	19.55	18.57	17.85	18.23
Measures of Financial Status						
Current Ratio	1.35:1	1.65:1	1.74:1	1.55:1	1.37:1	1.33:1
No of days - Stock	143	199	195	232	179	96
No of days - Debtors	31.31	29.90	13.60	14.37	12.38	9.12
Measures of Financial Performance						
Return on Capital Employed	7.47%	3.09%	3.58%	3.50%	-1.31%	-10.05%
Gross Profit Ratio	14.99%	15.13%	12.55%	13.57%	13.78%	7.15%
Profit before tax to sales	4.83%	3.01%	3.24%	2.90%	0.35%	-3.57%
Profit after tax to sales	3.38%	1.99%	2.27%	2.20%	-0.92%	-5.12%
Debt Equity Ratio	38.91%	50.80%	27.76%	33.32%	43.34%	43.06%

**PATTERN OF HOLDING OF THE SHARES HELD
BY THE MEMBERS OF AL-KHAIR GADOON LIMITED
AS AT JUNE 30, 2019**

Sr. No.	Number of Shareholders	HOLDING		Total Shares Held
		From	To	
1	27	1	100	384
2	186	101	500	92,255
3	61	501	1000	61,000
4	56	1001	5000	160,599
5	14	5001	10000	108,000
6	3	10001	15000	40,000
7	2	15001	20000	35,500
8	2	30001	35000	67,000
9	1	65001	70000	62,000
10	1	100001	105000	106,923
11	1	120001	125000	122,737
12	1	185001	190000	186,000
13	1	375001	380000	377,000
14	1	385001	390000	383,500
15	1	450001	455000	452,200
16	2	490001	495000	985,000
17	2	495001	500000	997,000
18	3	600001	605000	1,805,000
19	1	675001	680000	676,291
20	1	685001	690000	686,000
21	1	795001	800000	800,000
22	1	875001	880000	878,000
23	1	915001	920000	917,611
	<u>370</u>			<u>10,000,000</u>

Categories of Shareholders	No. of Shareholders	No. of Shares held	Percentage
Individuals	366	9,997,913	99.979%
Investment Companies	1	500	0.005%
Joint Stock Companies	3	1,587	0.016%
	<u>370</u>	<u>10,000,000</u>	<u>100.000%</u>

PATTERN OF SHAREHOLDING

		No. of Shares	Percentage
1	SHARES HELD BY ICP	500	0.01%
2	DIRECTORS		
	a) Mr. Mohammad Afzal Sheikh	676,291	6.76%
	b) Mr. Mohammad Saeed Sheikh	603,000	6.03%
	c) Mr. Mohammad Amin Sheikh	917,611	9.18%
	d) Mr. Sheikh Pervaiz Afzal	878,000	8.78%
	e) Mrs. Parveen Afzal	601,000	6.01%
	f) Mrs. Farnaz Saeed	800,000	8.00%
	g) Mrs. Nafeesa Amin	686,000	6.86%
	h) Mr. Kamal Subhani	500	0.01%
		5,162,402	51.62%
3	SPOUSE AND CHILDREN		
	a) Mr. Nadeem Afzal s/o M. Afzal Sheikh	601,000	6.01%
	b) Mr. Ali Afzal s/o M. Afzal Sheikh	452,200	4.52%
	c) Miss Huma Afzal d/o Sheikh Pervaiz Afzal	492,500	4.93%
	d) Mr. Muhammad Saad	499,000	4.99%
	e) Mr. Muhammad Ahmed	377,000	3.77%
		2,421,700	24.22%
4	PUBLIC SECTOR COMPANIES	1,587	0.02%
5	GENERAL PUBLIC	2,413,811	24.14%
		10,000,000	100.00%

6 SHAREHOLDING 5% OR MORE

Please refer to Serial No. 2 and 3 above.

7 There was no trading in the shares of the Company by Directors, CEO, CFO, Company Secretary, Executives and their Spouses and Minor Children.

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FORM OF PROXY

I/We _____
of _____
being a member of Al-Khair Gadoon Limited and holder of _____ Ordinary Shares as
per registered Folio No./CDC Participant's ID and Account No. _____ Sub-Account
No. _____ hereby appoint _____ (Name)
_____ of _____

or failing him/her _____
(NAME) _____
of _____
who is also a member of the Company vide registered Folio No./CDC Participant's ID and Account
No. _____ as my / our proxy to vote for me / us and on my / our behalf at the 29th
Annual General Meeting of the Company to be held at Registered Office at 92/3, Phase III, Industrial
Estate, Gadoon Amazai, District Swabi, Khyber Pakhtunkhwa, on Friday October 25, 2019 at 09:00
A.M. and at every adjournment thereof.

As witness my hand this _____ day of
_____ 2019.

signed by the said _____ in the presence
of _____

Signature:

Signature Across Two Rupees Revenue Stamps

Note: Proxies, in order to be effective, must be received at the Corporate Office of the Company at Al-Khair House, 43 – T, Gulberg II, Lahore, not less than forty eight hours before the time for holding the meeting and must be stamped, signed and witnessed.

مختار نامہ (پراکسی فارم)

میں اہم

ساکن

نحشیت رکن (ممبر) الخیر گدون لمیٹڈ مقرر کرتا / کرتی / کرتے ہیں مستی / مسماة _____ ساکن

جو خود بھی الخیر گدون لمیٹڈ کا رکن ہے کہ وہ بطور میرا / ہمارا مختار نامہ (پراکسی فارم) الخیر گدون لمیٹڈ کے 29 ویں سالانہ اجلاس عام میں جو بروز جمعہ المبارک 25 اکتوبر 2019 صبح 9:00 بجے کو کمپنی کے رجسٹرڈ آفس واقع 92/3 فیئر III، انڈسٹریل اسٹیٹ، گدون امازنی ضلع صوابی خیبر پختونخواہ میں منعقد ہو رہا ہے یا اس کے کسی ملتوی شدہ اجلاس میں شرکت کرے اور وہ میری / ہماری جگہ میری / ہماری طرف سے حق رائے دہی استعمال کرے۔

2019 کو میرے / ہمارے دستخط سے جاری ہوا۔

رسیدی ٹکٹ پر دستخط

فولیو نمبر	سی ڈی سی کھاتہ نمبر	حصص کی تعداد

گواہ نمبر ۲	گواہ نمبر ۱
دستخط _____	دستخط _____
نام _____	نام _____
کمپیوٹرائزڈ شناختی کارڈ کا نمبر _____	کمپیوٹرائزڈ شناختی کارڈ کا نمبر _____
پتہ _____	پتہ _____

ہدایات

- 1- مختار (پراکسی) کا کمپنی کارکن (ممبر) ہونا ضروری ہے۔
- 2- رکن (ممبر) کے دستخط / اندراج شدہ دستخط سے مماثلت ہونا ضروری ہے۔
- 3- سی ڈی سی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر کو مختار نامہ (پراکسی فارم) کے ہمراہ کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل منسلک کرنا ضروری ہے۔ کارپوریٹ ادارے کے نمائندوں کو معمول کے مطابق دستاویزات لانا ضروری ہے۔

if Undelivered, Please Return To:



Since 1980

Al-Khair Gadoon Ltd.

43-T, Gulberg II, Lahore.

UAN: (+92-42) 111-111-043 Tel: (+92-42) 35716580-86 Fax: (+92-42) 35716588-35753719

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