



SINCE 1980

AL-KHAIR GADOON LTD.

ANNUAL
REPORT
2021



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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
Mrs. Parveen Afzal	Non-Executive Director
Mrs. Farnaz Saeed	Non-Executive Director
Mrs. Aleeza Zahid Tariq	Independent Director
Mr. Kamal Subhani	Independent Director

AUDIT COMMITTEE:

Mr. Kamal Subhani	Chairman
Mrs. Farnaz Saeed	Member
Mrs. Aleeza Zahid Tariq	Member
Mr. Khurram Iftikhar	Secretary

HUMAN RESOURCE & REMUNERATION COMMITTEE:

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

Our VISION

To be the preferred choice of customers by creating innovative, comfortable and affordable brands in their everyday lives for the greater good.

Our MISSION

To provide a wide range of affordable, well-designed and functional home furnishing products in Pakistan, with an outstanding quality and service, that ensures the satisfaction of all our stakeholders, improving every life associated with 'AKGL'.

PRODUCTS



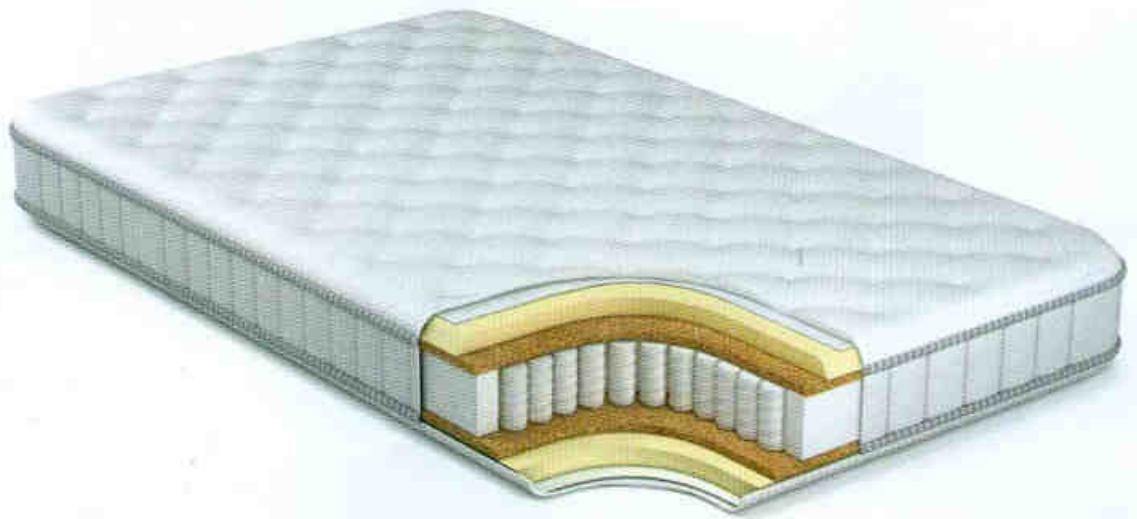
Foam Mattresses

Our range of foam mattresses combine comfort, durability and affordability in a single purchase. Evenly distributing your weight and reducing pressure points, get a tossing-and-turning free sleeping experience with the range of foam mattresses from AKGL.



Spring Mattresses

AKGL has made a name of its own in the industry with the array of spring mattresses at the customers disposal. Providing excellent value for money, our light and sturdy spring mattresses offer a great sleeping experience. We use state of the art technology to ensure that our springs provide excellent support for your body.



Orthopedic Mattresses

Keeping in line with the need of the industry, AKGL was quick in establishing the collection of orthopedic mattresses. Offering a firmer sleeping experience, our orthopedic mattresses provide targeted and tailored support for the spine and joints of the body.



Accessories

Our aim at AKGL is to enrich the lives of people with a comfortable and rewarding experience. That is exactly what our range of accessories does. From back support for the office, to pillows from home, whether you are on the move or looking for a great nap, we have your back.



Furniture

At AKGL, we not only take care of your comfortable sleep, but also delve into the aesthetics of your surroundings. Introducing contemporary designs of beds, sofas and other furniture, we don't just want your home to be an ideal place to rest, but also the home of your dreams.

NOTICE OF MEETING

Notice is hereby given that the 31st Annual General Meeting of Al-Khair Gadoon Limited, will be held on Tuesday the October 26, 2021 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 30th Annual General Meeting held on October 26, 2020.
- 2 To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2021, together with the Directors' and Auditors' Reports thereon.
- 3 To appoint Auditors of the Company and fix their remuneration.
- 4 To transact any other business with the permission of the Chairman.

BY ORDER OF THE BOARD



MOHAMMAD AMIN SHEIKH

Company Secretary

Dated: October 04, 2021

NOTES:

- 1 Share Transfer Books of the Company will remain closed from October 18, 2021 to October 26, 2021 (both days inclusive). Transfers received in order upto the close of business on October 16, 2021 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 Due to current COVID-19 situation, the Government has suspended large public gatherings at one place. Additionally, the Securities and Exchange Commission of Pakistan ("SECP") in terms of its Circular No. 5 of 2020 issued on March 17, 2020 and Pakistan Stock Exchange Limited ("PSX") through its notice Ref: PSX/N-372 dated March 19, 2020 has advised companies to modify their usual planning for general meetings for the safety and well-being of shareholders and the public at large.

Considering the SECP's directives, the Company intends to convene this AGM with minimal physical interaction of shareholders while ensuring compliance with the quorum requirements and requests the members to consolidate their attendance and voting at the AGM through proxies.

Accordingly, the Company has made arrangement to ensure that all participants, including shareholders, can now participate in the AGM proceedings via video link. Those members who are willing to attend and participate in the AGM are requested to register themselves by providing their Names, Folio Number, Number of Shares, Cell Number, email address and valid copy of both sides of Computerized National Identity Card (CNIC) at "info@alkhairgadoon.com" with subject of Registration for AGM as per Note No. 8.

Members who will be registered, after necessary verification as per the above requirements, will be provided a password protected video link by the Company via email. The said link will remain open from 9:00 am on the date of AGM till the end of the meeting.

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address "info@alkhairgadoon.com".

Members are therefore, encouraged to attend the AGM through video link or by consolidating their attendance through proxies.

- 3 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.
- 4 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.
- 5 Members are requested to immediately inform the Company's Share Registrar of any change in their mailing address.
- 6 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.
- 7 The Securities and Exchange Commission of Pakistan vide SRO 470(1)/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 sending its 2021 Annual Report to the shareholders in the form of CD. Any member requiring printed copy of 2021 annual report may send a request with identification details, the Company will send the hard copy of printed accounts 2021 free of cost within one week.
- 8 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 7 days prior to the date of Annual General Meeting, the Company will arrange video conference facility in that place 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.

- 9 As per Section 72(2) of the Companies Act, 2017, every existing Company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by SECP; within a period not exceeding four (4) years from the commencement of the Act, i.e., May 30, 2017. Those Shareholders having physical shareholding are encouraged to open a CDC Sub – Account with any Broker or Investor Account directly with CDC to place their physical shares into scrip less form. This will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.

اطلاع برائے سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ الخیر گڈون لمیٹڈ کے حصص داران کا 31 واں سالانہ اجلاس عام مورخہ 26 اکتوبر، 2021 بروز منگل بوقت صبح 9:00 بجے بمقام رجسٹرڈ دفتر 92/3، فیئر 3، انڈسٹریل اسٹیٹ، گڈون امانی، ضلع صوابی، خیبر پختونخواہ میں درج ذیل امور کی انجام دہی کے لیے منعقد ہوگا۔

- 1 26 اکتوبر، 2020 کو منعقدہ 30 ویں سالانہ اجلاس عام کی کاروائی کی توثیق کرنا۔
- 2 30 جون، 2021 کو ختم شدہ سال کے لیے کمپنی کے پرماتل شدہ سالانہ مالیاتی گوشوارے بشمول ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خوض اور منظوری دینا۔
- 3 محاسب کا تقرر اور ان کے مشاہرہ کا تعین کرنا۔
- 5 جناب چیئرمین کی اجازت سے کسی دیگر امر پر کاروائی۔

حسب الحکم بورڈ

Muhammad Asim
محمد امین شیخ
کمپنی سیکرٹری

تاریخ: 04 اکتوبر، 2021

نوٹس:

1 کمپنی کی حصص منتقلی کی کتابیں 18 اکتوبر 2021 سے 26 اکتوبر، 2021 (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 16 اکتوبر، 2021 تک وصول ہو گئی۔ وہ سالانہ اجلاس عام میں ووٹ کے اہل تصور ہوں گے۔

2 COVID-19 کی موجودہ صورتحال کے تحت، حکومت نے ایک مقام پر عوامی اجتماعات کو معطل کر دیا ہے۔ مزید برآں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے 2020 کے سرکلرز نمبر 5 جاری کردہ 17 مارچ 2020 اور پاکستان سٹاک ایکسچینج لمیٹڈ کے نوٹس ریفرنس نمبر PSX/N-372 بتاریخ 19 مارچ 2020 میں کمپنیوں کو مشورہ دیا ہے کہ وہ اپنے حصص داران اور عوام کی حفاظت اور فلاح و بہبود کے لیے بڑے پیمانے پر عام اجلاسوں کے لیے اپنی معمول کی منصوبہ بندی میں ردوبدل کریں۔

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایت پر غور کرتے ہوئے کمپنی اپنے کورم کی ضروریات کی تعمیل کو یقینی بناتے ہوئے حصص داران کے کم سے کم جسمانی تعامل کے ساتھ سالانہ اجلاس عام کو طلب کرنے کا ارادہ رکھتی ہے اور اراکین سے درخواست کی جاتی ہے کہ وہ اپنی حاضری کو یقینی بناتے ہوئے پراکسز کے ذریعے اجلاس میں شرکت کریں۔

مزید یہ کہ کمپنی نے ایسا یقینی بنانے کے لیے انتظامات کیے ہیں کہ حصص داران سمیت تمام شرکاء اب ویڈیولنک کے ذریعے سالانہ اجلاس عام کی کاروائی میں حصہ لے سکتے ہیں۔ وہ تمام اراکین جو سالانہ اجلاس عام میں شرکت کرنا چاہتے ہیں، ان سے التماس ہے کہ اپنا نام، فوٹیو نمبر، تعداد حصص، موبائل نمبر، ای میل ایڈریس اور صحیح تجدید شدہ کمپیوٹرائزڈ قومی شناختی کارڈ کی نقل (دونوں جانب سے کاپی) کے ساتھ بعنوان "رجسٹریشن برائے سالانہ اجلاس عام" کے info@alkhairgadoon.com پر بذریعہ ای میل درج ذیل نمبر 8 کے مطابق عمل کریں۔

مندرجہ بالا معلومات مہیا کرنے کے بعد رجسٹریشن کروانے والے اراکین کی ضروری تصدیق کے بعد انہیں کمپنی کی جانب سے بذریعہ ای میل، پاسورڈ سے محفوظ کردہ ویڈیولنک مہیا کیا جائے گا۔ وہ لنک سالانہ اجلاس عام والے دن صبح 9:00 بجے سے اجلاس کے اختتام تک دستیاب رہے گا۔

حصص داران سالانہ اجلاس عام کے ایجنڈا آئٹمز سے متعلق اپنے سوالات اور تبصرے بذریعہ ای میل info@alkhairgadoon.com پر ارسال کر سکتے ہیں۔

اراکین کو ترغیب دی جاتی ہے کہ وہ ویڈیولنک یا پراسیز کے ذریعے اپنی حاضری کو یقینی بناتے ہوئے سالانہ اجلاس عام میں شرکت کریں۔

3 سالانہ اجلاس عام میں شرکت کرنے اور ووٹ دینے کا اہل ایکٹ رکن اپنی جگہ دوسرے کسی رکن کو بطور پراکسی اجلاس میں شرکت کرنے اور ووٹ دینے کے لیے مقرر کر سکتا / سکتی ہے۔ ووٹ ذاتی طور پر، بذریعہ پراکسی، بذریعہ انارنی یا ادارے کی صورت میں نمائندہ دیئے جاسکتے ہیں۔ پراکسی کے مؤثر ہونے کے لیے 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۔

4 سینٹرل ڈیپازٹری کمپنی (CDC) کے اراکین کی شیئرز ہولڈرز جو اجلاس ہذا میں شرکت کرنے اور ووٹ دینے کے اراکین کے حق دار ہیں وہ شناخت کے طور پر اپنا کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ (اگر غیر ملکی ہوتو) اور CDC اکاؤنٹ 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۔

5 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۔

6 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۔

- 7 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 ایو ایس بی ممبران کو ارسال کرنے کی اجازت دی ہے۔ اس بنا پر کمپنی کی سالانہ رپورٹ 2021 کی ڈی میں اپنے ممبران کو بھجوا رہی ہے تاہم کمپنی کسی بھی ممبر کی شناختی تفصیلات کے ساتھ طلب کرنے پر ایکٹ ہفتے کے اندر بلا معاوضہ ہارڈ کاپی سالانہ اکاؤنٹس 2021 ارسال کر دے گی۔
- 8 کمپنیز ایکٹ 2017 کے سیکشن (2) 132 کے تحت کمپنی کو مجموعی طور پر 10% یا اس سے زیادہ کے حصص داران جغرافیائی لحاظ سے ویڈیو کانفرنس کی درخواست کم از کم سالانہ اجلاس عام کے سات 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 پتہ پر ارسال کریں۔
کمپنی سیکرٹری، الخیر گدون لمیٹڈ، 43-ٹی، گلبرگ II، لاہور۔
- 9 کمپنیز ایکٹ 2017 کے سیکشن 72(2) کے مطابق تمام کمپنیز کے لیے لازم ہے کہ ایس ای سی پی کی جانب سے دی گئی تاریخ، ایکٹ کے نفاذ کی تاریخ یعنی 30 مئی 2017 سے 4 سال کے اندر فزیکل صورت میں موجود شیئرز کو بکٹ انٹری صورت میں تبدیل کریں۔ فزیکل صورت میں شیئرز رکھنے والے تمام شیئرز ہولڈرز کی ہمت افزائی کی جاتی ہے کہ وہ اپنے فزیکل شیئرز کو اسکرپ لیس فارم میں سی ڈی سی میں رکھنے کے لیے کسی بروکر کے پاس سب اکاؤنٹ یا براہ راست سی ڈی سی میں اکاؤنٹ کھولیں۔ اس سے انہیں کئی طریقوں سے سہولت ہوگی کہ وہ شیئرز کو محفوظ رکھنے کے ساتھ ان کی فروخت کسی بھی وقت کر سکتے ہیں کیونکہ پاکستان اسٹاک ایکسچینج لمیٹڈ کے موجودہ قوانین کے مطابق فزیکل شیئرز کی بڑیڈنگٹ ممنوع ہے۔

CHAIRMAN'S REVIEW REPORT

It is my pleasure to welcome you on the 31st 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, 2021 along-with my review on the performance of the Company.

Role of the Board of Directors

Board of Directors has continuously provided 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 and Listed Companies Regulations, 2017 and Code of Corporate Governance Regulations, 2019, has been conducted and appreciated, during the year under review, to ensure Best Practices.

Economy and Foam Industry

Economy is progressing towards more sustainable and inclusive growth. The economy has witnessed a V-shaped recovery with 3.94% growth in FY2021 against the negative growth of .4% last year. It is worth mentioning that after 15 years economic growth has surpassed its target. The outgoing fiscal year has witnessed a broad based recovery across all sectors supported by various sector specific measures implemented by the Government. The performance in manufacturing, construction and export sectors is encouraging. Foam sector is highly competitive sector in the country in view of intense competition from existing players and new entrants. Other factors which affect the foam industry are foreign exchange rates fluctuations. Most of the raw materials are imported and due to increase in raw material prices and fluctuations in exchange rates have negative impact on the business of consumer goods including foam products but due to operational excellence and management skills company has succeeded in achieving its corporate objectives.

Performance of the Company

During the financial year ended June 30, 2021, the performance of the Company has improved significantly and revenue has increased by 83.54% as compared to previous year which is indicative of operational excellence and management skills.

Future Outlook

Government took several important policy decisions: monetary and fiscal measures, smart lockdowns, rapid vaccination etc. These measures have resulted in positive growth in economy. Pakistan's economy already had volatile growth pattern over the years, with regular boom and bust cycles facing challenges in achieving long-term and inclusive growth. Unsustainable economic growth was caused by unaddressed long-standing structural issues for example, loss-making State-Owned Enterprises (SOEs), weak external position due to insufficient export capacity and low FDI, under-reformed energy sector, low savings and investment. In the backdrop of these challenges, the present government focused on an economic vision of getting sustainable economic growth through improving efficiency, reducing cost of doing business, improving regulatory environment, enhancing productivity and increasing investment. The company expects better performance in the coming future and will remain focussed on the needs of nits trade partnering customers.



Social Responsibilities

The Company is contributing million of Rupees to the National Exchequer in terms of taxes, duties and cess. 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 for me 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

چیرمین کا جائزہ

آپ کی کمپنی کے اکتیسویں سالانہ اجلاس میں آپ کو خوش آمدید کہنا میرے لئے خوشی کا باعث ہے۔ بورڈ آف ڈائریکٹرز کے ایما پر میں 30 جون 2021 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 مسلسل 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 لسٹڈ کمپنیز ریگولیشنز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی ضروریات کے مطابق خود تشخیصی بنیاد پر بورڈ کی اپنی کارکردگی اور تاثیر کا جائزہ لیا گیا اور سراہا گیا ہے۔

معیشت اور فوم کی صنعت

معیشت مزید پائیدار اور جامع ترقی کی طرف بڑھ رہی ہے۔ معیشت نے مالی سال 2021 میں 3.94 فیصد اضافے کے ساتھ وی شکل کی بحالی دیکھی ہے جبکہ گزشتہ سال 0.4 فیصد کی منفی نمو ہوئی تھی۔ یہ بات قابل ذکر ہے کہ 15 سال کے بعد معاشی نمو اپنے ہدف سے بڑھ گئی ہے۔ جاری مالی سال میں تمام شعبوں میں وسیع پیمانے پر بحالی دیکھنے میں آئی ہے جس کی تائید حکومت کے مختلف شعبوں کے مخصوص اقدامات سے ہوتی ہے۔ مینوفیکچرنگ، کنسٹرکشن اور ایکسپورٹ سیکٹرز میں کارکردگی حوصلہ افزا ہے۔ فوم سیکٹرز کے موجودہ کھلاڑیوں اور نئے آنے والوں کے شدید مقابلے کے پیش نظر ملک میں انتہائی مسابقتی رویہ پایا جاتا ہے۔ فوم انڈسٹری کو متاثر کرنے والے دیگر عوامل زر مبادلہ کی شرح میں اتار چڑھاؤ ہیں۔ زیادہ تر خام مال درآمد کیا جاتا ہے اور خام مال کی قیمتوں میں اضافے اور شرح تبادلہ میں اتار چڑھاؤ کی وجہ سے صارفین کے سامان کے کاروبار پر منفی اثر پڑتا ہے جن میں فوم کی مصنوعات بھی شامل ہیں لیکن بہترین آپریشنل اور انتظامی امور میں مہارت کی وجہ سے کمپنی اپنے کارپوریٹ مقاصد کو حاصل کرنے میں کامیاب ہوئی ہے۔

کمپنی کی کارکردگی

30 جون 2021 کو ختم ہونے والے مالی سال کے دوران، کمپنی کی کارکردگی میں نمایاں بہتری آئی ہے اور آمدنی میں پچھلے سال کے مقابلے میں 83.54 فیصد اضافہ ہوا ہے جو بہترین آپریشنل اور مینجمنٹ کی مہارت کی نشاندہی کرتا ہے۔

مستقبل کا خاکہ

حکومت نے کئی اہم پالیسی فیصلے کیے: مالیاتی اور مالی اقدامات، سمارٹ لاک ڈاؤن، تیزی سے ویکسینیشن وغیرہ ان اقدامات کے نتیجے میں معیشت میں مثبت ترقی ہوئی ہے۔ پاکستان کی معیشت پہلے ہی کئی سالوں سے غیر مستحکم نمو کا نمونہ رکھتی ہے، جس میں باقاعدہ تیزی اور اتار چڑھاؤ کو طویل مدتی اور جامع ترقی کے حصول میں چیلنجوں کا سامنا ہے۔

غیر مستحکم معاشی نمو غیر سنجیدہ طویل المیعاد ساختی مسائل کی وجہ سے ہوئی، مثال کے طور پر، نقصان اٹھانے والے ریاستی ملکیت والے کاروباری ادارے (ایس او ای)، ناکافی برآمدی صلاحیت اور کم ایف ڈی آئی کی وجہ سے کمزور بیرونی پوزیشن، کم اصلاح شدہ توانائی کا شعبہ، کم بچت اور سرمایہ کاری۔ ان چیلنجوں کے پس منظر میں، موجودہ حکومت نے کارکردگی کو بہتر بنانے، کاروبار کرنے کی لاگت کو کم کرنے، ریگولیٹری ماحول کو بہتر بنانے، پیداواری صلاحیت کو بڑھانے اور سرمایہ کاری کو بڑھانے کے ذریعے پائیدار معاشی نمو حاصل کرنے کے معاشی وژن پر توجہ دی۔ کمپنی آنے والے مستقبل میں بہتر کارکردگی کی توقع رکھتی ہے اور مستقل مزاج ٹریڈ پارٹنرز کی ضروریات پر توجہ مرکوز رکھے گی۔

سماجی ذمہ داریاں

کمپنی ٹیکسوں، ڈیویڈنڈوں اور سیس کی مدد میں لاکھوں روپے قومی خزانے کو دے رہی ہے۔ سماجی طور پر ذمہ دار ہونے کی وجہ سے، کمپنی نے ملازمین اور عوام کی صحت کے خطرے کو مد نظر رکھتے ہوئے کام کرنے کے محفوظ حالات فراہم کیے ہیں۔ یہ میرے لیے بے حد خوشی کی بات ہے کہ کمپنی سماجی سرگرمیوں کے ذریعے بھی معاشرے میں اپنا حصہ ڈال رہی ہے اور اپنے کاروبار میں کارپوریٹ سماجی ذمہ داری کو مربوط کیا ہے۔

محمد افضل شیخ
چیئرمین

DIRECTORS' REPORT TO THE MEMBERS

The Directors of your Company are pleased to present the 31st Annual Report with the audited financial statements of the Company for the year ended June 30, 2021.

Financial Performance

	2021	2020
	Rupees	
Sales from Operations - net	802,746,762	437,357,519
Gross Profit	115,669,994	70,337,531
Profit before Taxation	40,180,491	16,015,968
Taxation	(17,373,280)	(8,017,470)
Profit after Taxation	22,807,211	7,998,498
Earning per Share - Basic and Diluted (Rupees)	2.28	0.80

During the year 2021, net sales of the Company increased by Rs.365.389 million (83.54%) from Rs.437.357 million to Rs.802.746 million. The Financial Year 2020-21 has been a year of high performance and growth for the Company. Operating in an environment of increasing competition, the Company posted increase in net sales by almost 83% despite of the fact that the operations of the Company have been partially affected by the Covid-19 pandemic as compared to last year. The Board has played a pivotal role in achieving the Company's objectives and safeguarding interests of the shareholders. We are hopeful that during the next financial year the situation will considerably further improve as the market conditions show considerable improvement.

Future Outlook

The Government is very keen and has taken various remedial measures strengthening of the economy of the Country in post coronavirus pandemic (Covid-19) scenario. Earlier Government has given financial packages to mitigate negative impacts of the pandemic whereas State Bank of Pakistan also reduced policy rates to support the business community and revival of the economy in the Country. However, the major threat to business specially at retail level is ever rising inflation and dearness prevailing in the country which may severely affect the purchasing power of customers resultantly affecting the sales targets of foam and allied products. The management of the Company is fully aware of state of affairs of the Company and economic conditions of the country in terms of inflation, prevailing dearness in the country, in addition to intense competition from existing players and new entrants which are major challenges to meet in coming future.

The management of the Company is fully cognizant of the situation and will overcome through the strategies of improved operational efficiencies, synergies, best product mix management, effective cost control measures and better trade partnering with 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 principal 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

The Company has executed all transactions with its related parties on arm's length prices except where it has been disclosed in the financial statements. All related party transactions during the financial year ended June 30, 2021 were put before the Audit Committee and upon its recommendations the same 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 clean 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 endeavours 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, 2019.

- 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, 2019 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, 2019 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 2021 have also been complied.

Significant Features of Directors' Remuneration

The Board of Directors has approved Directors Remuneration. The Board 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 30 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

Dividend as recommended by the Board of Directors, if declared at the Annual General Meeting will be paid within 30 days from the date of declaration to those Members whose names appear on the Register of Members in respect of shares held in the name.

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, 2021, 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	-	-
2	Mohammad Saeed Sheikh	4	-	-
3	Mohammad Amin Sheikh	4	-	-
4	Sheikh Pervaiz Afzal	4	-	-
5	Mrs. Parveen Afzal	4	2	1
6	Mrs. Farnaz Saeed	4	4	1
7	Mr. Khurram Iftikhar	0	4	-
8	Mr. Kamal Subhani	4	4	2
9	Mrs. Aleeza Zahid Tariq	2	2	-
10	Mr. Mushtaq Shaheen	-	-	2

External Auditors

The auditors Messer's 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, 2022.

Pattern of Shareholding

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

Material Changes

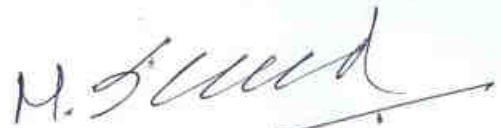
There have been no material changes since June 30, 2021 to date of the report and the Company has not entered into any commitment during this period, which would have an adverse impact on the financial position of the Company.

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

ڈائریکٹرز رپورٹ برائے حصص داران

آپ کی کمپنی کے ڈائریکٹرز کمپنی کے 31 ویں سالانہ اجلاس میں 30 جون 2021 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

2021	2020	
802,746,762	437,357,519	فروخت۔ خالص
115,669,994	70,337,531	مجموعی منافع
40,180,491	16,015,968	قبل از ٹیکس منافع
(17,373,280)	(8,017,470)	ٹیکس
22,807,211	7,998,498	بعد از ٹیکس منافع
2.28	0.80	فی شیئر آمدنی۔ بنیادی اور کم از کم (روپے)

مالی سال 2021 کے دوران کمپنی کی خالص فروخت 365.389 ملین روپے بڑھی جو 437.357 ملین روپے سے بڑھ کر 802.746 ملین روپے ہو گئی۔ مالی سال 2020-21 کمپنی کے لیے اعلیٰ کارکردگی اور ترقی کا سال رہا ہے۔ بڑھتے ہوئے مقابلے کے ماحول میں کام کرتے ہوئے، کمپنی نے خالص فروخت میں تقریباً 83 فیصد اضافہ کیا حالانکہ اس حقیقت کے باوجود کہ کمپنی کے آپریشنز کو ویڈ 19 وبائی امراض سے جزوی طور پر متاثر ہوئے ہیں۔ بورڈ نے کمپنی کے مقاصد کے حصول اور حصص یافتگان کے مفادات کے تحفظ میں اہم کردار ادا کیا ہے۔ ہم پر امید ہیں کہ اگلے مالی سال کے دوران صورتحال کافی بہتر ہو جائے گی کیونکہ مارکیٹ کے حالات میں کافی بہتری دکھائی دیتی ہے۔

مستقبل کا نقطہ نظر:

حکومت نے بہت احتیاطی تدابیر اختیار کی ہیں اور کورونا وائرس وبائی امراض (کوویڈ 19) کے بعد ملک کی معیشت کو مضبوط بنانے کے لیے عملی اقدامات کیے ہیں۔ اس سے قبل حکومت نے وبا کے منفی اثرات کو کم کرنے کے لیے مالی سٹیمیولنگ دی ہے جن کے اسٹیٹ بینک آف پاکستان نے کاروباری برادری کی مدد اور ملک میں معیشت کی بحالی کے لیے پالیسی کی شرح میں کمی کی ہے۔ تاہم، خاص طور پر خوردہ سطح پر کاروبار کے لیے سب سے بڑا خطرہ ملک میں بڑھتی ہوئی مہنگائی ہے جو کابو کی قوت خرید کو شدید متاثر کر سکتی ہے۔ جس کے نتیجے میں فوم اور اس سے وابستہ مصنوعات کی فروخت کے لہداف متاثر ہوتے ہیں۔ کمپنی کے معاملات اور افراط زر کے لحاظ سے ملک کے معاشی حالات، ملک میں مروجہ مہنگائی، موجودہ کمپنیوں اور نئے آنے والوں سے شدید مقابلہ مستقبل میں بڑے چیلنجز ہیں۔

کمپنی کی انتظامیہ صورتحال سے پوری طرح باخبر ہے اور آپریشنل افادیت، ہم آہنگی، بہترین پروڈکٹ مکس مینجمنٹ، موثر لاگت کنٹرول کے اقدامات اور صارفین کے ساتھ بہتر تجارتی شراکت داری کی حکمت عملی کے ذریعے قابو پائے گی۔ کمپنی کئی سالوں سے چیلنجوں کے خلاف مضبوط کارکردگی کا مظاہرہ کر رہی ہے، چاہے وہ بڑھتے ہوئے مقابلے کی فضا ہو، خام مال کی قیمتوں میں اتار چڑھاؤ ہو یا شرح تبادلہ۔ آپریشنل ایکسی لینس اور مینجمنٹ کی مہارت نے کمپنی کو پائیدار ترقی کے لیے پیش کیا ہے تاکہ وہ آگے کے چیلنجز سے نمٹ سکے۔ سماجی طور پر ذمہ دار، مالی طور پر قابل اور آپریشنل طور پر ہوشیار ہونا کمپنی کے اہم مقاصد ہیں۔

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 رقم، 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 بھرپور اعتماد پرورنگ کرنے اور قوانین اور پالیسیوں پر عملدرآمد کو یقینی بناتا ہے۔

متعلقہ پارٹیوں سے لین دین:

کمپنی نے متعلقہ پارٹیوں کے ساتھ تمام لین دین مروجہ مناسب قیمتوں پر کئے ہیں ماسوائے جو ان مالی حسابات میں افشائے کئے گئے ہیں۔ 30 جون 2021 کو ختم ہونے والے مالی سال کے دوران متعلقہ پارٹیوں سے لین دین آڈٹ کمیٹی کے سامنے پیش کئے گئے اور اس کی سفارش پر 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 صاف ستھرا اور 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 مد نظر 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 برقرار رکھنے کی پابند ہے۔ بورڈ کارپوریٹ گورننس ریگولیشنز، 2019 کے درجہ ذیل ضوابط کے تقاضوں کو پورا کرنے میں خوشی محسوس کرتا ہے۔

- الخیر گڈون لیمیٹڈ 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 گڈون لیمیٹڈ 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 کارپوریٹ گورننس ریگولیشنز 2019 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 درون خانہ ریفرننگ میں تمام معلومات برائے کوڈ، لاگو قوانین، انکی ذمہ داریاں اور فرائنس فراہم کر دی گئی ہیں۔ تاکہ وہ حصص یا فنڈنگ کی جانب سے کمپنی کے امور کو موثر طور پر منظم کرنے کے قابل ہو سکیں۔

کوڈ آف کارپوریٹ گورننس اور ٹرانسفرپرائسنگ کا اطلاق :

SECP کے جاری شدہ کارپوریٹ گورننس ریگولیشنز 2019 اور ICAP کی طرف سے تیار کردہ کوڈ کا اطلاق منسلک مالیاتی حسابات کی تیاری پر کیا گیا ہے اور ٹرانسفرپرائسنگ سے متعلقہ پاکستان سٹاک ایکسچینج کے سٹینڈرڈ قوانین برائے سال 2021 پر بھی عمل کیا گیا ہے۔

ڈائریکٹرز کے معاوضہ کے نمایاں خدوخال :

بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کے معاوضہ کی منظوری دی ہے۔ 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 مینٹنگ 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 و ستادرات کے نوٹ نمبر 30 کو ملاحظہ فرمائیں۔

ڈائریکٹرز کی ٹریننگ :

کمپنی کے ڈائریکٹرز کی اکثریت چودہ سالہ تعلیم اور لسٹڈ کمپنی کے ڈائریکٹرز 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 شرابھری گریجویٹ سیکم 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 2021 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۔

چیئرمین کا جائزہ:

سالانہ رپورٹ میں شامل چیئرمین کا جائزہ 30 جون 2021 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۔

نمبر شمار	نام ڈائریکٹر/کمیٹی ممبر	بورڈ	آڈٹ کمیٹی	ہیومن ریسورس کمیٹی
1	محمد افضل شیخ	4	-	-
2	محمد سعید شیخ	4	-	-
3	محمد امین شیخ	4	-	-
4	شیخ پرویز افضل	4	-	-
5	مسز پروین افضل	4	2	1
6	مسز فرناز سعید	4	4	1
7	خرم افتخار	0	4	0
8	کمال سبحانی	4	4	2
9	مسز علیضاز اہد طارق	2	2	-
10	مسٹر مشتاق شاہین	-	-	2

آڈیٹران:

موجودہ آڈیٹرز ظاہر 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 ایٹھکس آف انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) جو کہ ICAP نے اختیار کئے ہیں سے بھی مطابقت کی تصدیق کی ہے۔ آڈٹ کمیٹی اور بورڈ نے کمپنی کے شیئر ہولڈرز کے سالانہ اجلاس عام میں 30 جون 2022 کو ختم ہونے والے سال کے لئے بطور آڈیٹران کی دوبارہ تعیناتی کی سفارش کی ہے۔

شیئر ہولڈنگز کی ترتیب:

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

بڑی تبدیلی:

30 جون 2021 سے رپورٹ کی تاریخ تک کوئی بڑی تبدیلی رونما نہیں ہوئی اور کمپنی نے کوئی کمینٹ نہیں کی جس سے کمپنی کی مالی حالت پر کوئی برا اثر پڑے۔

اظہار شکر:

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: 27 ستمبر، 2021

**Statement of Compliance with Listed Companies
(Code of Corporate Governance) Regulations, 2019**

Name of company: Al-Khair Gadoon Limited
Year Ending: 30-06-2021

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:
 - i) Independent Director: Mr. Kamal Subhani
Mrs. Aleeza Zahid Tariq
 - ii) Non-executive Directors: Mohammad Afzal Sheikh
Mohammad Amin Sheikh
Mrs. Parveen Afzal
Mrs. Farnaz Saeed
 - iii) Executive Directors: Mohammad Saeed Sheikh
Sheikh Pervaiz Afzal
 - iv) The board consists of three female directors as narrated above.
- 3 The directors have confirmed that none of them is serving as a director on more than seven 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. The Board has ensured that complete record of particulars of significant policies along with the date of approval or updating is maintained by the Company;
- 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 Act and these
- 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 have 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 Chief Financial Officer, 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 Chief Financial Officer and Chief Executive Officer 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. Farnaz Saeed	Member
Mrs. Aleeza Zahid Tariq	Member
Mr. Khurram Iftikhar	Secretary

HR and Remuneration Committee

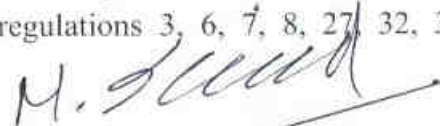
Mr. Kamal Subhani	Chairman
Mrs. Farnaz Saeed	Member
Mrs. Parveen Afzal	Member
Mr. Mushtaq Shaheen	Secretary

- 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 committees were as per following:

a)	Audit Committee:	Four
b)	HR and Remuneration Committee	Two

- 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 Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and their partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;
- 17 The fraction contrived in one-third number is not rounded up as the one because elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations.
- 18 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;
- 19 We confirm that all other requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.



MOHAMMAD SAEED SHEIKH
CHIEF EXECUTIVE

**INDEPENDENT AUDITOR'S REVIEW 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, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Al-Khair Gadoon Limited (the Company) for the year ended June 30, 2021 in accordance with the requirements of regulation 36 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 require 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. 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.

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, 2021.



Tahir Siddiqi & Co.
Chartered Accountants

Engagement Partner: Sarah Tahir Siddiqi, FCA

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, 2021 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 the explanations given to us, 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 forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the profit and other comprehensive loss, 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 our 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>Capital Expenditure (Refer to Note 5 to the annexed financial statements)</p> <p>As disclosed in note 5 to the financial statements, the Company has incurred significant amount of capital expenditure during the year.</p> <p>We focused on capital expenditure incurred during the year as this represents a significant transaction for the year and involves certain judgemental areas, such as capitalization of elements of eligible components of cost as per the applicable financial reporting standards, therefore, we have identified this as a key audit matter.</p>	<p>We obtained an understanding of the Company's process with respect to capital expenditure and tested controls relevant to such process.</p> <p>We assessed the company's capitalization policy to determine compliance with relevant accounting standards and tested the operating effectiveness of controls over the application of the policy.</p> <p>Assessed the nature of costs incurred and examined the title documents including the title deeds to assess whether the title documents are in the name of the company.</p>
(ii)	<p>Revenue Recognition (Refer to note 21 to the financial statements)</p> <p>The company recognized net revenue of Rs.802,746 million as against 437,357 million in the previous year.</p> <p>The Company generates revenue from sales of foam and allied products to domestic customers.</p> <p>We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the company and also has increased significantly as compared to previous year which gives rise to an inherent risk that revenue could be recorded in the incorrect period or could be subject to manipulations in order to achieve financial targets.</p>	<p>Our audit procedures to assess the timing of revenue recognized from the sale of products included the following:</p> <p>Obtained an understanding of the processes relating to the recognition of revenue and accessing the design, implementation and operating effectiveness of key internal controls over the recording of revenue</p> <p>Comparing a sample of revenue transactions recognized during the year with the sales invoices, delivery orders and other relevant underlying documentations:</p> <p>Comparing a sample of revenue transactions recorded around the year end the year with the sales invoices, delivery orders and other relevant underlying documentations to access if the related revenue was recorded in the appropriate accounting period.</p>

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 financial statements and our auditor's report 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.

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 Usher Ordinance, 1980 (XVIII of 1980).

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



Tahir Siddiqi & Co.
Chartered Accountants
Lahore
Dated: 27 September, 2021

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, Plant and Equipment	5	157,356,869	138,843,726
Deferred Taxation	6	-	1,517,928
		157,356,869	140,361,654
CURRENT ASSETS			
Stores and Spares		3,251,471	2,073,193
Stock in Trade	7	291,109,349	204,980,630
Trade Debts	8	54,123,497	50,386,778
Advances, Deposits and Prepayments	9	7,571,055	7,446,183
Advance Taxes - Net	10	40,006,622	75,331,615
Cash and Bank Balances	11	20,072,530	5,275,640
		416,134,524	345,494,039
TOTAL ASSETS		573,491,394	485,855,693
EQUITY AND LIABILITIES			
Authorized Capital			
12,000,000 Ordinary shares of Rs. 10 each	12	120,000,000	120,000,000
Issued, Subscribed and Paid up Capital	12	100,000,000	100,000,000
Capital Reserves - Share Premium	13	25,000,000	25,000,000
Unappropriated Profit		126,615,042	105,122,769
Shareholders' Equity		251,615,042	230,122,769
NON CURRENT LIABILITIES			
Long Term Loan	14	14,448,401	-
Deferred Liabilities	15	23,517,413	15,902,464
		37,965,814	15,902,464
CURRENT LIABILITIES			
Current portion of Long Term Loan		6,771,375	-
Trade and Other Payables	16	108,489,232	155,482,086
Taxes Payable	17	458,358	663,266
Short Term Borrowings	18	166,413,872	81,840,162
Un-Claimed Dividend	19	1,777,700	1,844,946
		283,910,537	239,830,460
CONTINGENCIES AND COMMITMENTS	20	-	-
TOTAL EQUITY AND LIABILITIES		573,491,394	485,855,693

The annexed notes from 1 to 39 form an integral part of these financial statements.

MOHAMMAD AZAL SHEIKH
CHAIRMAN

MOHAMMAD SAEED SHEIKH
CHIEF EXECUTIVE

ABDUL HAFEEZ POSWAL
CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
Sales - net	21	802,746,762	437,357,519
Cost of sales	22	(687,076,768)	(367,019,988)
Gross profit		115,669,994	70,337,531
Administrative expenses	23	(39,335,054)	(27,358,887)
Distribution expenses	24	(26,244,182)	(20,104,208)
		(65,579,236)	(47,463,095)
Operating profit		50,090,758	22,874,436
Finance cost	25	(8,517,556)	(8,090,267)
Other operating expenses	26	(2,888,259)	(1,253,686)
Other operating income	27	1,495,548	2,485,485
		(9,910,267)	(6,858,468)
Profit before taxation		40,180,491	16,015,968
Income tax expense	28	(17,373,280)	(8,017,470)
Profit for the year - net		22,807,211	7,998,498
Other comprehensive income / (loss):			
Items that will not be re-classified to profit or loss			
Re-measurement of defined benefits		(1,852,026)	(270,101)
Deferred tax on remeasurements of defined benefit plan		537,088	78,329
		(1,314,938)	(191,772)
Total comprehensive income for the year		21,492,273	7,806,726
Earnings per share - before tax (basic and diluted - Rupees)	29	4.02	1.60
Earnings per share - after tax (basic and diluted - Rupees)	29	2.28	0.80

The annexed notes from 1 to 39 form an integral part of these financial statements.

MOHAMMAD AFZAL SHEIKH
CHAIRMAN

MOHAMMAD SAEED SHEIKH
CHIEF EXECUTIVE

ABDUL HAFEEZ POSWAL
CHIEF FINANCIAL OFFICER

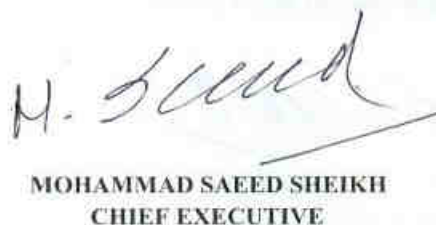
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	34	(74,132,729)	75,313,059
Finance cost paid		(7,761,981)	(9,222,079)
WPPF paid		(863,483)	(1,486,486)
Income tax (paid) / refunds received		25,899,749	2,354,269
Dividend paid		(67,246)	-
Sales tax (paid) / refunds received		(661,945)	11,837,143
Gratuity paid		(1,992,888)	-
		<u>14,552,206</u>	<u>3,482,847</u>
Net cash (used in) generated from operating activities		(59,580,523)	78,795,906
Cash flows from investing activities			
Fixed capital expenditure		(38,285,584)	(20,546,541)
Capital work in progress		-	(201,960)
Proceeds from sale of property, plant and equipment		6,869,511	3,620,000
Net cash (used in) investing activities		(31,416,073)	(17,128,501)
Cash flows from financing activities			
Short term borrowings		91,345,085	(59,522,180)
Long Term Loans		14,448,401	-
Loan from associated undertaking		-	-
Net cash generated / (used in) financing activities		105,793,486	(59,522,180)
Net (decrease)/increase in cash and cash equivalents		14,796,890	2,145,225
Cash and cash equivalents at the beginning of the year		5,275,640	3,130,415
Cash and cash equivalents at the end of the year	11	20,072,530	5,275,640

The annexed notes from 1 to 39 form an integral part of these financial statements.



MOHAMMAD AFZAL SHEIKH
CHAIRMAN



MOHAMMAD SAEED SHEIKH
CHIEF EXECUTIVE



ABDUL HAFEEZ POSWAL
CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2021

	Issued, Subscribed and Paid up Share Capital	Share Premium	Unappropriated Profit	Total
	(-----Rupees-----)			
Balance as at 1 July 2019 as restated	100,000,000	25,000,000	97,316,043	222,316,043
Comprehensive income for the year				
Profit for the year	-	-	7,998,498	7,998,498
Other comprehensive income (loss) for the year	-	-	(191,772)	(191,772)
	-	-	7,806,726	7,806,726
Balance as at 30 June 2020	100,000,000	25,000,000	105,122,769	230,122,769
Balance as at 1 July 2020				
Comprehensive income for the year				
Profit for the year	-	-	22,807,211	22,807,211
Other comprehensive income / (loss) for the year	-	-	(1,314,938)	(1,314,938)
	-	-	21,492,273	21,492,273
Balance as at 30 June 2021	100,000,000	25,000,000	126,615,042	251,615,042

The annexed notes from 1 to 39 form an integral part of these financial statements.



MOHAMMAD AFZAL SHEIKH
CHAIRMAN



MOHAMMAD SAEED SHEIKH
CHIEF EXECUTIVE



ABDUL HAFEEZ POSWAL
CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2021

1 Legal Status and Operations

The Company was incorporated as a private limited Company on August 27, 1990 under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act 2017), and converted into Public Limited Company on August 31, 1995. The shares of the company are listed on Pakistan Stock Exchange Limited.

The principal activities of the Company are to manufacture and sale foam and allied products. The geographical location and addresses of the Company's business units including plants are as follows:

Business Unit	Geographical location and address
- Registered office	92/3, Phase-III, Industrial Estate, Gadoon Amazai, District Swabi, KPK.
- Manufacturing Plant;	92/3, Phase-III, Industrial Estate, Gadoon Amazai, District Swabi, KPK. 94-A, 94-B, Phase-III, Industrial Estate, Gadoon Amazai, District Swabi, KPK.
- Corporate Office	Al-Khair House, 43-T, Gulberg II, Lahore.

2 Basis of Preparation

2.1 Statement of Compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention, except for certain items, as disclosed in the relevant accounting policies below.

Functional and presentation currency

- 2.3 These financial statements are presented in Pakistan Rupee (Rs. / Rupees) which is the Company's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Rs. / Rupees, unless otherwise stated.

2.4 Key Judgments and estimates

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan, requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgment in the process of applying the company's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- useful lives, residual values and depreciation method of property, plant and equipment [Refer Note of PPE Note 4.1 and Note 5].
- Revenue from Sales to Customers [Refer Note-21]
- Obligation of defined benefit obligation [Refer Note-15]
- Estimation of provisions for loss allowance [Refer Note-8]
- Estimation of contingent liabilities [Refer Note-20]
- Current income tax expense, provision for current tax and recognition of deferred tax asset/ liabilities (for carried forward tax losses) [Refer Note-10 & Note-28]

3 New and Amended Standards and Interpretations

3.1 Standards, amendments to approved accounting standards effective in current year

New and amended standards and interpretations mandatory for the first time for the financial year beginning on or after June 30, 2020

- IAS-1 & 8 Definition of Material (Effective date is January 01, 2020)

Amendments to IAS-1, "Presentation of financial statements" and IAS-8 "Accounting policies, changes in accounting estimates and errors" are intended to make the definition of material in IAS-1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS standards. In addition, the IASB has also issued guidance on how to make materiality judgements when preparing their general purpose financial statements in accordance with IFRS standards. Redefined, definition of materiality- Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that primary users of general purpose financial statements make on the basis of those financial statements which provide financial information about a specific reporting entity.

The other new standards, amendments to approved accounting standards that are mandatory for the financial year beginning on June 30, 2020 are considered not to be relevant or to have any significant effect on the company's financial reporting and operations.

3.1.1 IFRS-16 Leases (Rent Concessions)

Effective date June 01, 2020

Under IFRS-16, rent concessions often met the definition of a lease modification, unless they were envisaged in the original lease agreement. The amendment exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the Covid-19, pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to Covid-19, related rent concessions that reduce lease payments due on or before June 30, 2021. This optional exemption gives timely relief to lessees and enables them to continue providing information about their leases that is useful to investors. The amendment does not affect lessors.

IAS-37 Onerous Contracts

Effective date January 01, 2022

Under IAS-37, "Provisions, Contingent liabilities and Contingent assets" a contract is onerous when the un-avoidable costs of meeting the contractual obligations, i.e the lower of the costs of fulfilling the contract and the costs of terminating it, outweigh the economic benefits. The amendments clarify that the cost of fulfilling a contract comprise both the incremental costs-e.g, direct labour and materials and an allocation of other direct costs. Such as an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

- IAS-16 Proceeds before an assets intended Use

Effective date January 01, 2022

Amendments to IAS-16' Property, plant and equipment's" prohibit a company from deducting from the cost of property, plant and equipment amounts received from the selling the items produced while the company is preparing the asset for its intending use. Instead a company will, recognize such sale proceeds and related costs in profit or loss. The amendments apply retrospectively, but only to items of PPE, made available for use on or after beginning of the earliest period presented in the financial statements, in which the company first applies the amendments.

4 Significant Accounting Policies

The principal 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.

4.1 Owned Assets

Company has adopted cost model for its property, plant and equipment. Property, Plant and Equipment except for leasehold and freehold land and capital work in progress are stated at cost less accumulated depreciation and impairment loss, if any. Freehold land is stated at cost less impairment loss if any.

Depreciation charge on all depreciable fixed assets is charged to profit and loss account on the reducing balance method over its estimated useful life. Depreciation on additions is charged from the month in which asset is available for use and on disposal before the month of disposal. Depreciation methods, useful lives and residual values of items of property, plant and equipment are reviewed periodically and altered if circumstances or expectations have changed significantly. Any change or adjustment in depreciation method, useful lives and residual values is accounted for as a change in accounting estimate under IAS-8, "Accounting policies, changes in accounting estimates and errors" and is applied prospectively in the financial statements by adjusting the depreciation charge for the period in which the amendment or change has been made and for future periods.

Subsequent costs including major renewals and improvements are included in the carrying amount of the assets or are recognized as a separate asset, only when it is probable that the future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognized at the time of replacement. Normal repair and maintenance and day to day servicing are charged to the statement of profit or loss as incurred.

Disposal of an item of property, plant and equipment is recognized when significant risks and rewards, incidental to the ownership of that asset, have been transferred to the buyer. Gains and losses on disposals are determined by comparing the carrying amount of that asset with sale proceeds and are recognized within other income/ other operating expenses, in the statement of profit or loss.

4.2 Leased assets

At the inception of a contract, the Company assesses whether a contract is or contains a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The extension and termination options are incorporated in determination of lease term only when the company is reasonably certain to exercise these options. Leases are recognized as right of use assets and corresponding liabilities at the date at which the leased assets are available for use by the Company.

The lease liabilities are initially measured at the present value of the remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease liabilities are subsequently measured at amortized cost using the effective interest rate. Right of use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentive received. The depreciable right of use assets are depreciated over the useful life of assets on reducing balance method. The carrying amount of the right of use assets is deducted by impairment losses if any. At transition, the Company recognizes right to use assets equal to the present value of lease payments. Payments associated with the short term leases and leases of low value assets are recognized on a straight line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less.

4.3 Capital work in progress

Capital work in progress is stated at cost less expected impairment loss if any. These are transferred to specific assets as and when these are available for use.

4.4 Stock in Trade

These are valued at lower of cost and net realizable value. Cost of raw materials and components is represent invoice values plus other charges incurred thereon. Cost of inventory is based on weighted average cost. Cost in relation to work in process and finished goods, represent direct cost of raw materials, wages and appropriate manufacturing overheads. Goods in transit are valued at cost accumulated upto the reporting date.

The Company reviews the carrying amount of stock in trade on an ongoing basis and as appropriate, inventory is written down to its net realizable value or provision is made for obsolescence if there is any change in usage pattern and physical form of related inventory. Net realizable value is the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make sale.

4.5 Stores, Spares and Loose Tools

These are valued at lower of cost and net realizable value. The cost of inventory is based on weighted average cost. Items in transit at cost accumulated up to the reporting date. The company reviews the carrying amounts of stores, spares and loose tools on an ongoing basis and provision is made for obsolescence if there is any change in usage

4.6 Taxation

Current

Current tax is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available if any and taxes paid if any.

Deferred

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized for deductible temporary differences and unused tax losses and credits only if it is probable that future taxable amounts will be available to utilize those temporary differences and unused tax losses and credits. Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

4.7 Trade debts and other receivables

Trade debts and other receivables are classified as financial assets at amortized cost according to IFRS-9. Under, IAS-39, trade and other receivables were previously classified as loans and receivables. Trade debts are initially recognized at original invoice value which is the fair value of the consideration to be received in future and subsequently measured at cost less provisions for loss Allowance. The company uses simplified approach for measuring expected credit losses. The company estimates the credit losses using a provision matrix, where trade receivables are grouped based on different customer attributes along with historical, current and forward looking assumptions. Bad debts are written off with the approval of board of Directors when identified.

4.8 Cash and cash equivalents

These are stated at the cost in the statement of financial position. For the purposes of cash flow statement cash and cash equivalents comprise of cash in hand and balances held with banks.

4.9 Trade and other payables

Trade and other payables are initially measured at cost, which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the company.

4.10 Financial Liabilities

Financial liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value less directly attributable transaction costs, if any and subsequently measured at amortized cost using effective interest rate method.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of original liability and recognition of a new liability and the difference in respective carrying amounts is recognized in the statement of profit or loss.

4.11 Financial assets

The detail of new accounting policies after the application of IFRS-9 are as follows: The new IFRS effectively eliminated loans and receivables category of the previous IAS-39.

4.11.1 Classification

Financial assets are classified into financial assets at amortized cost, financial assets at fair value through or loss and financial assets fair value through other comprehensive income as per the requirements of IFRS-9. The financial assets are classified at initial recognition based on the business model used for managing the financial assets and contractual terms of the cash flows.

a Financial assets at amortized cost

A financial asset shall be classified as financial asset at amortized cost if both of the following conditions are met:

- The assets held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- Contractual terms of the financial assets give rise on specified dates to cash flows that are solely Payments of principal and interest on the principal amount outstanding.

b Financial assets at fair value through other comprehensive income

Debt instruments where contractual cash flows are solely payments of principal and interest and the objective of the company is achieved by collecting cash flows and selling the financial assets.

Equity investments that are not held for trading and the company made an irrevocable action at initial recognition to measure it at fair value to measure it at fair value with only dividend income recognized in profit or loss.

c Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income. A debt instrument is classified as financial asset at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains or losses on them on different basis.

4.11.2 Recognition and measurement

Regular purchase and sales of the financial assets are recognized on the trade date, the date on which the company commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the statement of profit or loss. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

After initial recognition, financial assets are measured at amortized cost. Gains or losses arising from changes in fair value of the financial assets at 'fair value through profit or loss' category are presented in the statement of profit or loss within other income/ other operating expenses, in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in the statement of profit or loss as part of other income, when the company's right to receive payments is established. Gains or losses arising from changes in fair value through other income category are recognized in other comprehensive income with only dividend income recognized in profit or loss.

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available for sale financial assets, the cumulative loss-measured as difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss- is removed from equity and recognized in the statement of profit or loss. Impairment losses recognized in the statement of profit or loss on equity instruments are not reversed through the statement of profit or loss.

4.12 Offsetting of financial instruments

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

4.13 Derivative financial instruments and hedging categories

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair values. The method of recognizing the resulting gain or loss depends on whether the derivative is designed as a hedging instrument, if so, the nature of the item being hedged. The company designates certain derivatives as either fair value hedge or cash flow hedge.

a Fair value hedge

A hedge of the exposure to changes in fair value of a recognized asset or liability or an unrecognized firm commitment or a component of any such item that is attributable to a particular risk and could affect profit or loss.

b Cash flow hedge

A hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with all or a component of a recognized asset or liability or a highly probable forecast transaction and could affect profit or loss.

4.14 Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalized as part of the cost of the asset.

4.15 Provisions

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.16 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 reporting date. Exchange gain or losses if any are charged to profit or loss account.

4.17 Impairment of Non-financial assets

Non-financial assets are reviewed at each reporting date to identify circumstances indicating occurrences of impairment loss or reversal of previous impairment losses if any. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less cost to sell and value in use. The reversal of impairment loss is restricted only to the original cost of the asset.

4.18 Revenue Recognition

According to the core principles of IFRS-15, the company recognizes the revenue to depict the transfer of promised goods and services to customers in an amount that reflects the considerations to which the company expects to be entitled in exchange for those goods and services. The company recognizes the revenue in accordance with that core principle by applying the following steps.

- Identify the contract with customers.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligation in the contract.
- Recognize revenue when the entity satisfies a performance obligation.

The company is involved in the sale of foam and allied products. Revenue from sale of goods is recognized when the company satisfies a performance obligation (at a point of time) by transferring promised goods to customers being when the goods are dispatched to customers. Revenue is measured at fair value of the consideration received or receivable and is reduced for allowances such as taxes, duties, commissions, sales returns and discounts if any. Income from different sources other than above is recognized on the following basis.

- Interest income is recognized on accrual basis.
- Dividend income is recognized when the right to receive payment is established.

4.19 Related Party Transactions

The Company enters into transactions with related parties on 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.

4.20 Long term investment in associates

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

4.21 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 fund on the basis of actuarial recommendations. Actuarial valuation is carried out using the project unit credit method. All actuarial gains and losses are recognized in other comprehensive income.

4.22 Earnings per share

The Company presents earning per share data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

4.23 Dividend and appropriations

Dividend is recognized as liability in 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.

4.24 Warranty

The Company has made a policy to provide warranty to replace the damaged products for an average period of twelve years. The Company has a history of very low claims over the years, hence the same has not been accounted for in the financial statements and this has no material impact on statement of profit or loss and other comprehensive income and statement of cash flows.

4.25 Share Capital

Ordinary shares are classified as equity and recognized at face value.

5 PROPERTY, PLANT & EQUIPMENT

	Note	2021 Rupees	2020 Rupees
Operating Fixed Assets	5.1	157,356,870	138,641,766
Capital Work in Progress	5.5	-	201,960
		<u>157,356,870</u>	<u>138,843,726</u>

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, 2019 -											
Cost	22,414,019	3,000,000	43,358,829	54,968,953	27,983,430	3,577,126	4,703,702	1,548,092	1,374,510	73,845,404	236,774,066
Accumulated Depreciation	-	-	6,778,551	31,450,914	22,022,775	1,804,689	2,770,794	1,249,950	807,112	40,683,678	107,568,463
Net Book Value	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
Year ended June 30, 2020											
Opening Net Book Value	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
Addition (Cost)	-	-	3,146,151	-	4,195,673	-	909,088	118,200	43,500	15,262,500	23,675,112
Transfer / Adjustment	-	-	-	-	-	-	-	-	-	-	-
	22,414,019	3,000,000	39,726,429	23,518,039	10,156,328	1,772,437	2,841,996	416,342	610,898	48,424,226	152,880,714
Disposal - Net Book Value											
Cost	-	-	-	-	-	-	-	-	-	3,809,000	3,809,000
Accumulated Depreciation	-	-	-	-	-	-	-	-	-	(2,186,393)	(2,186,393)
	-	-	-	-	-	-	-	-	-	1,622,607	1,622,607
Depreciation Charge	-	-	3,840,821	1,175,902	847,869	177,244	251,732	35,357	59,165	6,228,251	12,616,341
Closing Net Book Value	22,414,019	3,000,000	35,885,608	22,342,137	9,308,459	1,595,193	2,590,264	380,985	551,733	40,573,368	138,641,766
As at July 1, 2020 -											
Cost	22,414,019	3,000,000	46,504,980	54,968,953	32,179,103	3,577,126	5,612,790	1,666,292	1,418,010	85,298,904	256,640,178
Accumulated Depreciation	-	-	10,619,372	32,626,816	22,870,644	1,981,933	3,022,526	1,285,307	866,277	44,725,536	117,998,411
Net Book Value	22,414,019	3,000,000	35,885,608	22,342,137	9,308,459	1,595,193	2,590,264	380,985	551,733	40,573,368	138,641,767
Year ended June 30, 2021											
Opening Net Book Value	22,414,019	3,000,000	35,885,608	22,342,137	9,308,459	1,595,193	2,590,264	380,985	551,733	40,573,368	138,641,766
Addition (Cost)	-	-	2,305,438	1,047,028	14,703,816	619,600	419,250	141,350	851,000	18,400,062	38,487,544
Transfer / Adjustment	-	-	-	-	-	-	-	-	-	-	-
	22,414,019	3,000,000	38,191,046	23,389,165	24,012,275	2,214,793	3,009,514	522,335	1,402,733	58,973,430	177,129,310
Disposal - Net Book Value											
Cost	-	-	-	-	-	-	-	-	-	21,948,156	21,948,156
Accumulated Depreciation	-	-	-	-	-	-	-	-	-	(16,506,373)	(16,506,373)
	-	-	-	-	-	-	-	-	-	5,441,783	5,441,783
Depreciation Charge	-	-	3,719,269	1,135,098	1,824,708	192,499	278,753	41,036	90,833	7,048,461	14,330,657
Closing Net Book Value as at June 30, 2021	22,414,019	3,000,000	34,471,777	22,254,067	22,187,567	2,022,294	2,730,761	481,299	1,311,900	46,483,185	157,356,870
Annual Rate of Depreciation	-	-	10%	5%	10%	10%	10%	10%	10%	20%	



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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	8,477,000	7,149,609	1,327,391	1,425,471	98,080	Shahzad	Negotiation
2	Motor Vehicle	3,404,000	1,624,843	1,779,157	1,865,410	86,253	Bilal	Negotiation
3	Motor Vehicle	2,637,000	1,421,870	1,215,130	1,635,241	420,111	Imran	Negotiation

June 30, 2021 **14,518,000** **10,196,322** **4,321,678** **4,926,122** **604,444**

5.4 Depreciation is allocated as under:

	Note	2021 Rupees	2020 Rupees
Cost of Goods Sold	22	5,736,476	4,865,934
Administrative Expenses	23	1,545,721	1,522,156
Distribution Expenses	24	7,048,461	6,228,251
		14,330,658	12,616,341

5.5 Capital Work in Progress

Plant & Machinery	-	201,960
Building	-	-
	-	201,960

Movement in Capital Work in Progress

	Plant & Machinery	Plant & Machinery
Balance as on July 01,	201,960	
Addition during the year	-	201,960
	201,960	201,960
Transfer during the year	201,960	-
Balance as on June 30,	-	201,960

6 DEFERRED TAX ASSETS

Deferred Tax Assets

Trade debts	-	222,520
Deferred liability - Employee benefits	-	4,611,715
Unutilized Tax Credits	-	6,769,348
Remeasurement of defined benefit plan	-	78,329

Deferred Tax Liabilities

Accelerated Tax Depreciation	-	(10,163,984)
Net Deferred Tax Assets	-	1,517,928

	Note	2021 Rupees	2020 Rupees
7 STOCK IN TRADE			
Raw and Packing Material		160,241,700	138,625,232
Work-in-Process		67,658,741	34,170,455
Finished Goods		63,208,908	32,184,943
		<u>291,109,349</u>	<u>204,980,630</u>
8 TRADE DEBTS			
Considered Good - unsecured	8.1	54,947,712	51,154,089
Provision for loss Allowances	8.2	(824,215)	(767,311)
		<u>54,123,497</u>	<u>50,386,778</u>
8.1	Trade debtors of Rs.54,123,497 (2020: Rs.50,386,778) were past due but not impaired. These relate 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		29,767,923	27,712,728
1 to 6 months		17,319,519	16,123,769
more than 6 months		7,036,055	6,550,281
		<u>54,123,497</u>	<u>50,386,778</u>
8.2	Movement in provision for loss Allowances:		
Balance as of July 01		767,311	761,542
Provision made / (reversed) during the year		56,904	5,769
		<u>824,215</u>	<u>767,311</u>
9 ADVANCES, DEPOSITS & PREPAYMENTS			
Advances to Employees	9.1	7,108,423	6,263,530
Letters of Credit	9.2	265,683	112,966
Prepayments		-	-
Other receivables		196,949	1,069,687
		<u>7,571,055</u>	<u>7,446,183</u>
9.1	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.		
9.2	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.		
10 ADVANCE TAXES - NET			
Advance income tax		18,305,514	50,197,915
Current taxation - for the year		(10,654,900)	(6,560,363)
		7,650,614	43,637,552
Sales tax		32,356,008	31,694,063
		<u>40,006,622</u>	<u>75,331,615</u>
10.1	Advance taxes represent 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.		
11 CASH AND BANK BALANCES			
Cash in hand		335,946	446,496
Cash at banks - in current accounts		19,736,584	4,829,144
		<u>20,072,530</u>	<u>5,275,640</u>



	2021 Rupees	2020 Rupees
12 SHARE CAPITAL		
AUTHORIZED		
12,000,000 (2020: 12,000,000) Ordinary shares of Rs. 10 each	<u>120,000,000</u>	<u>120,000,000</u>
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
7,000,000 Ordinary shares of Rs.10 each fully paid in cash	<u>70,000,000</u>	<u>70,000,000</u>
3,000,000 Ordinary shares of Rs.10 each issued as bonus shares	<u>30,000,000</u>	<u>30,000,000</u>
	<u>100,000,000</u>	<u>100,000,000</u>
12.1 There is no agreement with any shareholder for voting rights, board selection, rights of first refusal, and block voting.		
13 CAPITAL RESERVE- SHARE PREMIUM	<u>25,000,000</u>	<u>25,000,000</u>
This reserve can be utilized by the Company only for the purposes specified in Section 81(3) of the Companies Act, 2017.		
14 LONG TERM LOAN		
14.1 Long term loan-Secured	6,405,000	-
Less: Current portion of long term loan	<u>(4,270,000)</u>	<u>-</u>
	<u>2,135,000</u>	<u>-</u>
14.2 Sindh Modaraba Term Finance-Secured	14,814,776	-
Less: Current portion of Term Finance	<u>(2,501,375)</u>	<u>-</u>
	<u>12,313,401</u>	<u>-</u>
14.1 This represent long term loan received from Bank Al falah Limited under refinance scheme for payment of salaries and wages of workers and employees of business concerns introduced by the State Bank of Pakistan. This loan carries markup at the rate of 3%Per annum and is repayable in eight quarterly installments starting from january 2021 and is secured by 1st charge over (Factory land and building) of Al-Khair global (Pvt) Limited supported by TRM.		
14.2 The Company has obtained a long-term finance lease facility from Sindh Modaraba amounting to PKR 14.814 million, in order to lease Plant & Machinery. The amount is repayable in monthly installments, commencing from July 28, 2021 over a term of 5 years ending June 28,2026. The facility carries mark-up at 10.69% and is secured by Mortgage of plant and machinery of Al-Khair Gadoon Limited.		
15 DEFERRED LIABILITIES		
Deferred Taxation	15.1	5,209,438
Gratuity	15.2	18,307,976
		<u>23,517,414</u>
15.1 Deferred tax credits / (debits) arising in respect of		
Accelerated tax depreciation		(13,524,202)
Provision for loss Allowances		239,022
Provision for Gratuity		5,309,313
		<u>(7,975,867)</u>
15.2 The Company provides defined benefit plan under unfunded gratuity scheme for all its permanent employees who attain the minimum qualifying period. Annual charge is made using the actuarial techniques of Projected Unit Credit Method.		
15.2.1 Movement in net liability recognized		
Net Liability at the beginning of the year		15,902,464
Re-Measurements chargeable in Other Comprehensive Income		1,852,026
Charge for the year		2,546,374
Benefits paid during the year		<u>(1,992,888)</u>
		<u>18,307,976</u>
		<u>12,759,381</u>

	2021 Rupees	2020 Rupees
15.2.2 Movement in present value of defined benefit plan		
Present value of defined benefit obligation	15,902,464	12,759,381
Current service cost	1,279,362	1,278,059
Interest costs	1,267,012	1,594,923
Benefits Paid	(1,992,888)	-
Re-Measurements	1,852,026	270,101
	<u>18,307,976</u>	<u>15,902,464</u>

15.2.3 Expense recognized in profit & loss account

Current service cost	1,279,362	1,278,059
Interest costs	1,267,012	1,594,923
	<u>2,546,374</u>	<u>2,872,982</u>

15.2.4 Principal actuarial assumptions

Discount rate used for interest cost in P&L charge	10.00%	8.50%
Discount rate used for year-end obligation	10.00%	8.50%
Expected rate of increase in salaries per annum	9.00%	7.50%
Average expected remaining life time of employees	5 years	6 years

Expected charge to Profit & Loss Account for the year ended June 30, 2022 amounts to Rs.3,357,717/- in respect of Gratuity.

15.2.5 Sensitivity Analysis as at 30.06.2021

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	Discount Rate	Salary Increase	Salary Increase
	+1%	-1%	+1%	-1%
	17,419,625	19,242,056	19,241,630	17,419,411

16 TRADE AND OTHER PAYABLES

Trade creditors and other payables - unsecured		85,937,185	141,151,954
Advances from Customers - unsecured	16.1	9,882,923	4,208,277
Mark up Payable		1,285,935	530,360
Accrued Expenses		8,494,930	6,897,625
Others		2,888,259	2,693,870
		<u>108,489,232</u>	<u>155,482,086</u>

16.1 These represent amounts deposited in advance by the customers against sales orders and company will deliver goods against the deposits.

17 TAXES PAYABLE

Withholding Taxes Payable		<u>458,358</u>	<u>663,266</u>
This represents withholding tax withheld from vendors and employees.			

18 SHORT TERM BORROWINGS

Banking Companies - Secured			
BAFL - Finance against Imported material	18.1	96,308,530	11,734,820
Loan from Directors - Unsecured	18.2	70,105,342	70,105,342
		<u>166,413,872</u>	<u>81,840,162</u>

18.1 The Company has obtained the facility of finance against imported material from Bank Al-Falah Limited amounting to Rs.181 million (2020: 150 million). The facility attracts mark-up at flexible rate linked with 3 months KIBOR plus 200 (2020: 3MK+ 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. 181 million (2020: Rs.150 million) to retire import documents under SLCs. The facility is secured against import documents of import letters of credit.

18.2 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.

19 UNCLAIMED DIVIDENDS

This represents amount of unclaimed dividends pertaining to various past years and are still unclaimed. This amount is being transferred to a profit bearing account and profit will be utilized for corporate social responsibilities and other specific purposes.

20 CONTINGENCIES & COMMITMENTS

20.1 Contingencies

The commercial banks have issued guarantees on behalf of the Company amounted to Rs.96.308 million (2020 : Rs.11.861 million).

20.2 Commitments

Commitments in respect of letters of credit for raw materials at the terminal date were Rs.96.000 million (2020: Rs.99.000 million), for machinery were Rs.18.99 million (2020: Rs.Nil million).

21 SALES

	2021 Rupees	2020 Rupees
Local sales	1,040,002,797	563,418,090
Less: Sales tax	(154,214,642)	(84,044,814)
Trade Discount	(83,041,393)	(42,015,757)
	<u>802,746,762</u>	<u>437,357,519</u>

21.1 In Finance Act 2019, the foam and spring mattresses are included in 3rd schedule to the Sales Tax Act, 1990, where in sales tax is charged at retail price. Sales tax and trade discount / retailers margin is subtracted from gross sales and disclosed in accordance with the requirements of fourth schedule to the Companies Act, 2017 to arrive at net sales of the Company.

22 COST OF GOODS SOLD

Opening stock of raw material and store & spares		140,698,425	114,394,185
Purchases imported & local		742,938,963	350,622,793
Closing stock of raw material and store & spares		(163,493,171)	(140,698,425)
Raw material and Store & Spares consumed		<u>720,144,217</u>	<u>324,318,553</u>
Salaries, wages and other benefits	22.1	18,759,987	14,118,404
Power & Fuel and Lubricants		5,309,885	2,287,147
Repair & Maintenance		625,147	297,046
Depreciation	5.4	5,736,476	4,865,934
Insurance		1,013,307	866,174
		<u>751,589,019</u>	<u>346,753,258</u>
Opening stock of work in process		34,170,455	46,856,980
Closing stock of work in process		(67,658,741)	(34,170,455)
Cost of goods manufactured		<u>718,100,733</u>	<u>359,439,783</u>
Opening stock of finished goods		32,184,943	39,765,148
Closing stock of finished goods		(63,208,908)	(32,184,943)
Cost of Goods Sold		<u>687,076,768</u>	<u>367,019,988</u>

22.1 Salaries, wages and other benefits include Rs.1,212,329/- (2020: Rs.1,367,944/-) in respect of defined benefit plan under non-funded gratuity scheme.

	Note	2021 Rupees	2020 Rupees
23 ADMINISTRATIVE EXPENSES			
Directors' remuneration		7,861,160	6,981,717
Salaries & benefits	23.1	12,157,372	7,280,323
Travelling & Conveyance		384,384	816,107
Postage, telephone & telefaxes		953,366	946,405
Vehicle running & maintenance		1,124,171	744,103
Legal & professional charges		263,680	31,550
Auditors' remuneration	23.2	952,311	843,477
Printing & stationery		663,214	158,395
Staff welfare		1,062,514	880,323
Entertainment		1,124,171	209,314
Utility charges		6,486,817	2,926,404
Fee & subscription		1,099,943	498,535
Depreciation	5.4	1,545,721	1,522,156
Medical Expenses		452,697	52,734
Internet charges		224,171	27,044
Provision for loss allowances	8.2	56,905	5,769
Repair and maintenance		925,147	528,591
Insurance		1,548,994	1,953,378
Advertisements		268,651	568,645
Property tax		179,665	383,917
		39,335,054	27,358,887
23.1 Salaries and other benefits include Rs.733,610/- (2020: Rs.827,770/-) in respect of defined benefit plan under non-funded gratuity scheme.			
23.2 Auditors' remuneration			
Audit fee		550,000	800,000
Fee for limited review of half yearly financial statements		350,000	-
Out of pocket expenses		52,311	43,477
		952,311	843,477
24 DISTRIBUTION EXPENSES			
Salaries & benefits	24.1	10,251,474	8,341,097
Staff welfare		2,251,470	720,180
Entertainment		885,647	583,305
Printing and stationery		524,170	136,592
Telephone and postage		952,147	405,100
Travelling and conveyance		924,170	770,894
Vehicle repair and maintenance		1,095,647	650,280
Newspaper and periodicals		385,647	75,420
Utility charges		59,079	71,246
Advertisement/business promotion charges		1,866,270	2,121,843
Depreciation	5.4	7,048,461	6,228,251
		26,244,182	20,104,208
24.1 Salaries and other benefits include Rs.600,435/- (2020: Rs.677,268/-) in respect of defined benefit plan under non-funded gratuity scheme.			
25 FINANCE COST			
Mark up on short term financing		7,884,066	7,492,530
Bank & muceddam charges		633,490	597,737
		8,517,556	8,090,267



	2021 Rupees	2020 Rupees
26 OTHER OPERATING EXPENSES		
Workers' Profit Participation Fund - WPPF	2,153,438	863,483
Workers' Welfare Fund - WWF	734,821	390,203
	<u>2,888,259</u>	<u>1,253,686</u>
27 OTHER OPERATING INCOME		
Gain on sale of fixed assets	1,427,728	1,997,393
Insurance Claim - Others	67,820	488,092
	<u>1,495,548</u>	<u>2,485,485</u>
28 INCOME TAX EXPENSE		
Current Taxation		
- For the year	10,654,900	6,560,363
- For prior year	(546,073)	(787,377)
	10,108,827	5,772,986
Deferred Taxation	7,264,453	2,244,484
	<u>17,373,280</u>	<u>8,017,470</u>
28.1 Relationship between income tax expenses and accounting profit:		
Profit before taxation	40,180,491	16,015,968
Tax at the applicable tax rate of 29% (2020: 29%)	11,652,343	4,644,631
Tax effect of:		
- amounts not deductible for tax purpose	837,595	363,569
- amounts deductible for tax purpose but not taken to the statement of profit or loss	(1,835,038)	649,741
- Additional provision to reach at minimum tax	-	902,422
Adjustment for current tax of prior years	(546,073)	(787,377)
Tax effect of deferred taxation	7,264,453	2,244,484
Income tax expense	<u>17,373,280</u>	<u>8,017,470</u>
Effective rate of tax	43.24%	50.06%

29 EARNINGS PER SHARE - basic and diluted

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

	(Rupees)	(Rupees)	(Shares)	(Rupees)	(Rupees)
Profit for the year before taxation	40,180,491	16,015,968			
Profit for the year after taxation	22,807,211	7,998,498			
Number of shares	10,000,000	10,000,000			
Earnings per share before taxation	4.02	1.60			
Earnings per share after taxation	2.28	0.80			

30 CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVE REMUNERATION

	Chief Executive		Directors		Executives		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	Rupees		Rupees		Rupees		Rupees	
Managerial Remuneration	3,930,580	3,259,938	3,930,580	3,259,938	2,731,541	2,012,772	10,592,701	8,532,648
Utilities	787,364	461,841	-	-	-	-	787,364	461,841
Gratuity	-	-	-	-	562,417	201,275	562,417	201,275
Total	<u>4,717,944</u>	<u>3,721,779</u>	<u>3,930,580</u>	<u>3,259,938</u>	<u>3,293,958</u>	<u>2,214,047</u>	<u>11,942,482</u>	<u>9,195,764</u>
Number of Persons	1	1	1	1	1	1	3	3

Remuneration to Chief Executive and Directors is paid in accordance with the policy formulated by the Board of Directors of the Company. No remuneration is paid to Non-Executive Directors and Independent Directors of the Company.

31 FINANCIAL RISK MANAGEMENT

31.1 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:-

	2021 Rupees	2020 Rupees
Trade debtors	54,947,712	51,154,089
Advances to staff	7,108,423	6,263,530
Other receivables	196,949	1,069,687
Cash at banks	19,736,584	4,829,144
	<u>81,989,668</u>	<u>63,316,450</u>

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

	2021	2020
Past due 0-30 days	29,767,923	27,712,728
Past due 31-120 days	12,911,958	12,036,620
Past due 121-365 days	9,350,038	10,225,376
More than one year	2,917,793	1,179,365
	<u>54,947,712</u>	<u>51,154,089</u>

Based on the historic records, the Company believes that no impairment allowance in respect of financial assets and liabilities is required except for the provisions provided for impairment amounting to Rs.824,215/- (2020: Rs.767,311/-).

31.2 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.

2021	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	94,432,115	94,432,115	61,380,875	33,051,240	-	-
Taxes payable	458,358	458,358	458,358	-	-	-
Unclaimed dividend	1,777,700	1,777,700	1,777,700	-	-	-
Financial charges payable	1,285,935	1,285,935	1,285,935	-	-	-
Short term borrowings	166,413,872	166,413,872	116,489,710	49,924,162	-	-
Total	<u>264,367,981</u>	<u>264,367,981</u>	<u>181,392,578</u>	<u>82,975,402</u>	-	-

2020	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 - restated	148,049,579	148,049,579	96,232,226	51,817,353	-	-
Taxes payable	663,266	663,266	663,266	-	-	-
Unclaimed dividend	1,844,946	1,844,946	1,844,946	-	-	-
Financial charges payable	530,360	530,360	530,360	-	-	-
Short term borrowings	81,840,162	81,840,162	57,288,113	24,552,049	-	-
Total	<u>232,928,313</u>	<u>232,928,313</u>	<u>156,558,911</u>	<u>76,369,402</u>	-	-

31.3 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.

31.3.1 Interest Rate Risk

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

Particulars	2021	2020	2021	2020
	Effective rate in %		Carrying amount (Rs.)	
Financial Liabilities				
Variable Rate instruments:-				
Short Term Borrowings	8.25 to 15.41	8.25 to 15.41	96,308,530	11,734,820

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, 2021	Rupees	963,085	(963,085)
As at June 30, 2020	Rupees	117,348	(117,348)

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

31.3.2 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.

31.3.3 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 Dollars is as follows:-

Outstanding Letter of Credits:	37,415,225	99,000,056
Average Rate	160.28	159.29
Reporting date rate	154.35	168.75

31.3.4 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.

	2021	2020
The effect on Profit and loss Account is:	Rupees 3,741,523	9,900,006

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.

31.4 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date.

31.5 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 statement of financial position plus debt.

	2021 Rupees	2020 Rupees
Total Debt	166,413,872	81,840,162
Total Equity	251,615,042	230,122,769
Total Capital Employed	<u>418,028,914</u>	<u>311,962,931</u>
Gearing Ratio	39.81%	26.23%

32 TRANSACTIONS WITH RELATED PARTIES

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:-

Name of Related Party	Relationship	Nature of Transaction	2021 Rupees	2020 Rupees
Al-Khair Global (Private) Limited	Associate	Sales	18,853,965	6,995,781

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

33 FINANCIAL INSTRUMENTS BY CATEGORIES

IAS 39 Measurement Category

As at June 30, 2021

	IFRS 9 Measurement Category			
	Carrying amount before reclassification	Fair value through profit or loss	Amortized cost	Fair value through OCI
Financial Assets				
Trade debts	54,123,497	-	54,123,497	-
Advances, deposits and prepayments	7,571,055	-	7,571,055	-
Cash and bank balances	20,072,530	-	20,072,530	-
	<u>81,767,082</u>	<u>-</u>	<u>81,767,083</u>	<u>-</u>
As at June 30, 2020				
Trade debts	50,386,778	-	50,386,778	-
Advances, deposits and prepayments	7,446,183	-	7,446,183	-
Cash and bank balances	5,275,640	-	5,275,640	-
	<u>63,108,601</u>	<u>-</u>	<u>63,108,601</u>	<u>-</u>
Financial Liabilities				
As at June 30, 2021				
Trade and other payables	108,489,232	-	108,489,232	-
Short term borrowings	96,308,530	-	96,308,530	-
Un-claimed dividend	1,777,700	-	1,777,700	-
	<u>206,575,462</u>	<u>-</u>	<u>206,575,462</u>	<u>-</u>

			2021 Rupees	2020 Rupees
As at June 30, 2020				
Trade and other payables	155,482,086	-	155,482,086	-
Short term borrowings	11,734,820	-	11,734,820	-
Un-claimed dividend	1,844,946	-	1,844,946	-
	<u>169,061,852</u>	<u>-</u>	<u>169,061,852</u>	<u>-</u>

34 CASH GENERATED FROM OPERATIONS

Profit before taxation			40,180,491	16,015,968
Adjustments for non cash items:				
Depreciation on property, plant and equipment			14,330,657	12,616,341
Finance cost			8,517,556	8,090,267
Gain on sale of property, plant and equipment			(1,427,728)	(1,997,393)
Provision for gratuity			2,546,374	2,872,982
Provision for loss Allowance			56,905	5,769
Provision for workers' profit participation fund			2,153,438	863,483
Provision for workers' welfare fund			734,821	390,203
			<u>26,912,023</u>	22,841,652
Operating profit before working capital changes			67,092,514	38,857,620
Decrease/(increase) in current assets				
Stores and spares			(1,178,278)	81,588
Stock-in-trade			(86,128,719)	(6,119,098)
Trade debts			(3,793,624)	(384,590)
Advances, deposits and prepayments			(124,872)	14,226,827
			<u>(91,225,493)</u>	7,804,727
(Decrease)/increase in current liabilities				
Trade and other payables			(49,999,750)	28,650,712
Net cash flow from Operating Activities			<u>(74,132,729)</u>	<u>75,313,059</u>
34.1 Cash and cash equivalents				
Cash in hand			335,946	446,496
Cash at banks - in current accounts			19,736,584	4,829,144
			<u>20,072,530</u>	<u>5,275,640</u>

35 RECONCILIATION OF MOVEMENT OF LIABILITIES AND EQUITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Short Term Borrowing	Equity Reserve	Total
Balance as on July 01, 2020	81,840,162	105,122,769	186,962,931
Increase in short term borrowing	84,573,710		84,573,710
Total comprehensive income for the year		21,492,273	21,492,273
	<u>166,413,872</u>	<u>126,615,042</u>	<u>293,028,914</u>

36 CAPACITY AND PRODUCTION

	2021 Tons	2020 Tons
Rated capacity	13,280	13,280
Capacity utilized	1,205	1,205

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.



37 NUMBER OF EMPLOYEES

Number of employees as at June 30

Average number of employees during the year

	2021	2020
Number of employees as at June 30	211	179
Average number of employees during the year	193	180

38 CORRESPONDING FIGURES AND GENERAL

- Have been rounded off to the nearest rupee

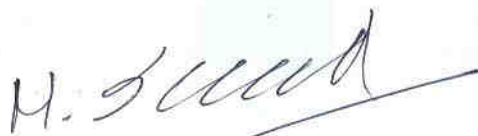
- Corresponding figures have been re-classified / restated to reflect more appropriate presentation of events and transactions for comparison purpose.

39 DATE OF AUTHORIZATION

These financial statements were authorized for issue on September 27, 2021 by the Board of Directors of the Company.



MOHAMMAD AFZAL SHEIKH
CHAIRMAN



MOHAMMAD SAEED SHEIKH
CHIEF EXECUTIVE



ABDUL HAFEEZ POSWAL
CHIEF FINANCIAL OFFICER

YEAR WISE STATISTICAL SUMMARY

	2021	2020	2019	2018	2017	2016
	(Rupees in millions)					
Investment Measures						
Share Capital	100	100	100	100	100	100
Shareholders' Equity	252.93	230.12	222.32	203.76	195.47	185.66
Profit / (loss) before taxation	39.68	16.02	27.77	11.16	11.90	10.2
Profit after taxation	22.81	8.00	19.39	7.38	8.33	7.72
Dividend Per share	-	-	-	-	-	-
Earnings / (Loss) per share - Rs.	2.28	0.80	1.94	0.74	0.83	0.77
Break-up value per share - Rs.	25.29	23.01	22.20	20.38	19.55	18.57
Measures of Financial Status						
Current Ratio	1.44:1	1.44:1	1.36:1	1.65:1	1.74:1	1.55:1
No of days – Stock	133	203	143	199	195	232
No of days - Debtors	23.76	41.89	31.31	29.90	13.60	14.37
Measures of Financial Performance						
Return on Capital Employed	7.84%	3.25%	8.25%	3.09%	3.58%	3.50%
Gross Profit Ratio	14.41%	16.08%	14.99%	15.13%	12.55%	13.57%
Profit before tax to sales	4.94%	3.66%	4.83%	3.01%	3.24%	2.90%
Profit after tax to sales	2.84%	1.83%	3.38%	1.99%	2.27%	2.20%
Debt Equity Ratio	39.68%	26.23%	38.91%	50.80%	27.76%	33.20%

PATTERN OF HOLDING OF THE SHARES HELD
BY THE MEMBERS OF AL-KHAIR GADOON LIMITED
AS AT JUNE 30, 2021

Sr. No.	Number of Shareholders	HOLDING		Total Shares Held
		From	To	
1	30	1	100	495
2	180	101	500	89,255
3	50	501	1000	50,000
4	40	1001	5000	117,002
5	11	5001	10000	82,000
6	2	10001	15000	27,000
7	1	15001	20000	20,000
8	1	25001	30000	25,909
9	1	30001	35000	32,000
10	1	40001	45000	41,000
11	1	120001	125000	122,737
12	1	185001	190000	186,000
13	1	250001	255000	252,000
14	1	370001	37500	374,500
15	1	385001	390000	383,000
16	1	450001	455000	452,200
17	2	490001	495000	985,000
18	2	495001	500000	997,000
19	3	600001	605000	1,805,000
20	1	675000	680000	676,291
21	1	685001	690000	686,000
22	1	795001	800000	800,000
23	1	875001	880000	878,000
24	1	915001	920000	917,611
	335			10,000,000

Categories of Shareholders	No. of Shareholders	No. of Shares held	Percentage
Individuals	330	9,745,913	97.459%
Investment Companies	1	500	0.005%
Joint Stock Companies	4	253,587	2.536%
	335	10,000,000	100.00%

PATTERN OF SHAREHOLDING

		No. of Shares	Percentage	
1	SHARES HELD BY ICP	500	0.01%	
2	DIRECTORS			
	a) Mr. Mohammad Afzal Sheikh	Chairman/Director	676,291	6.76%
	b) Mr. Mohammad Saeed Sheikh	Chief Executive	603,000	6.03%
	c) Mr. Mohammad Amin Sheikh	Director	917,611	9.18%
	d) Mr. Sheikh Pervaiz Afzal	Director	878,000	8.78%
	e) Mrs. Parveen Afzal	Director	601,000	6.01%
	f) Mrs. Farnaz Saeed	Director	800,000	8.00%
	g) Mrs. Aleeza Zahid Tariq	Director	500	0.01%
	h) Mr. Kamal Subhani	Independent Director	500	0.01%
			4,476,902	44.77%
3	SPOUSE AND CHILDREN			
	a) Mrs. Nafisa Amin		686,000	6.86%
	b) Mr. Nadeem Afzal s/o M. Afzal Sheikh		601,000	6.01%
	c) Mr. Ali Afzal s/o M. Afzal Sheikh		452,200	4.52%
	d) Miss Huma Afzal d/o Sheikh Pervaiz Afzal		492,500	4.93%
	e) Mr. Muhammad Saad		499,000	4.99%
	f) Mr. Muhammad Ahmed		374,500	3.75%
			3,105,200	31.05%
4	PUBLIC SECTOR COMPANIES		253,587	2.54%
5	GENERAL PUBLIC		2,163,811	21.64%
			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 31st
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 Tuesday October 26, 2021 at
09:00 A.M. and at every adjournment thereof.

As witness my hand this _____ day of _____
_____ 2021.

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.

CONTACT US

Al-Khair House, 43-T, GulbergII, Lahore.

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

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