



SINCE 1800

**AL-KHAIR GADOON LTD.**

ANNUAL  
REPORT  
**2022**

[www.alkhairgadoon.com](http://www.alkhairgadoon.com)



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# 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 'AKEL'.

# Core Values

## RESPECT

We treat others the way we want to be treated—others also respect  
 We value diversity and foster inclusivity  
 We value different views  
 We respect the environment

## RESILIENCE

We never give up  
 We succeed in adversity  
 We accept challenges  
 We view failures and mistakes as learning opportunities

## INTEGRITY

We deliver what we committed  
 We sustain the highest standards of ethics and honor  
 We are fair  
 We do the right thing  
 We speak up when our values are compromised

## DYNAMISM

We stay ahead of the curve  
 We are innovative and aggressive  
 We use theories and data calculated risks  
 We are agile and move fast

## EXCELLENCE

We give our best  
 We try to excel in every aspect of our business  
 We operate outside our comfort zone  
 We are open to best practices  
 We believe in continuous betterment

**COMPANY INFORMATION****BOARD OF DIRECTORS:**

Mohammad Afzal Sheikh  
Mohammad Saeed Sheikh  
Mohammad Asim Sheikh  
Mrs. Farzana Afzal  
Mrs. Farzana Saeed  
Mrs. Nafisa Asim  
Mrs. Khansa Zahid Tariq  
Mr. Kamal Siddiqui

Chairman  
Chief Executive  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Independent Director  
Independent Director

**AUDIT COMMITTEE:**

Mr. Kamal Siddiqui  
Mrs. Farzana Saeed  
Mrs. Khansa Zahid Tariq  
Mr. Khawar Chishti

Chairman  
Member  
Member  
Secretary

**HUMAN RESOURCE & REMUNERATION COMMITTEE:**

Mr. Kamal Siddiqui  
Mrs. Farzana Saeed  
Mrs. Farzana Afzal  
Miss Samira Khatib

Chairman  
Member  
Member  
Secretary

**CEO / CHIEF ACCOUNTANT:**

Atsahab Ch

**COMPANY SECRETARY:**

Mohammad Asim Sheikh

**AUDITORS:**

Ms. Tahira Siddiqi & Co., (Chartered Accountants)

**LEGAL ADVISOR:**

Ms. Umar (Advocate High Court)

**SHARE REGISTRAR:**

Khansa International (Pvt) Limited  
233-Imperial Garden Block, Main Boulevard,  
Feroze City, Rafiq Road, Lahore.

**BANKERS:**

Meezan Bank Limited  
Bank Afghani Limited  
Sahib Metropolitan Bank  
Citibank  
Suez Canal Bank

**REGISTERED OFFICE & FACTORY SITE:**

92/1, 94A & 94B Phase II, Industrial  
Estate, Galian Avenue,  
Dhoke Swabi, (S.P.R.)  
Tel: (9992) 270200  
Fax: (9992) 270200

**CORPORATE OFFICE:**

Al-Khair Tower,  
43, T, Gulberg II, Lahore.  
Tel: (9992) 4311111  
Fax: (9992) 20714088, 27020719  
Email: info@al-khairgadoon.com  
Website: www.al-khairgadoon.com

# 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 AJGL.



## Spring Mattresses

AJGL has made a name of its own in the industry with the array of spring mattresses at the customer's 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, AJGL was quick in establishing the collection of orthopedic mattresses. Offering a better sleeping experience, our orthopedic mattresses provide targeted and tailored support for the spine and joints of the body.



## PRODUCTS



## 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.



## SleepinBox

Our innovative mattress formula brings together a proprietary combination of materials to unlock your best night's sleep. Made up of 34 Density CertiPUR-US® certified polyurethane foam and treated for low VOC (Volatile Organic Compound) emissions for indoor air quality (less than 0.5 parts per million). Delivered to you in a Box!



## SofainBox

With the increasing prices of almost everything, you don't need to be choosing between a mattress or sofa for your house, and that's why we have invented a dreamy luxury sofa contained that fits 90% of all body types. Plus it comes in a box giving customers ease of buying.







# Organogram





## Code of Conduct

# Code of Conduct

The practices of AKGL are compliant and in accordance with applicable laws which are clearly defined in the code of conduct. Our Human Resource department plays an integral role in educating and training employees regarding the code of conduct and its implementation.

Compliance with Laws, Rules and Regulations  
Safety and Security  
Confidentiality  
Business Ethics  
Recruitment Decisions  
Regulatory Compliance

Sustainability  
Work Place Harassment and Discrimination  
Corporate Governance  
Fair Dealing  
Protection and Proper Use of Company Assets  
Corporate Social Responsibility



## Gross Sales

PKR in million

2022	2021
<b>1,503</b>	<b>1,040</b>

## Profit/(Loss) After Tax

PKR in million

2022	2021
<b>30.57</b>	<b>22.80</b>

## Total Assets

PKR in million

2022	2021
<b>171,692</b>	<b>157,356</b>

## Earning Per Share

PKR

2022	2021
<b>3.06</b>	<b>2.28</b>


**YEAR WISE STATISTICAL SUMMARY**

	2022	2021	2020	2019	2018	2017
	(Figures in million)					
<b>Investment Measures</b>						
Share Capital	100	100	100	100	100	100
Shareholders' Equity	280.51	252.95	208.12	202.52	203.76	195.47
Profit / (Loss) before taxation	43.88	39.88	18.82	27.77	31.38	-
Profit after taxation	38.57	32.81	8.88	19.28	7.98	8.33
Dividend Per share	-	-	-	-	-	-
Earnings / (Loss) per share - Rs.	3.86	3.28	0.89	1.94	0.74	0.83
Break-up value per share - Rs.	28.05	25.29	20.81	20.25	20.38	19.53
<b>Measures of Financial Status</b>						
Current Ratio	1.45:1	1.44:1	1.44:1	1.26:1	1.65:1	1.74:1
No. of days - Stock	107	115	200	143	199	194
No. of days - Debtor	17.29	13.76	41.89	31.31	28.88	33.60
<b>Measures of Financial Performance</b>						
Return on Capital Employed	8.32%	7.94%	3.22%	8.25%	3.88%	3.58%
Gross Profit Ratio	32.84%	34.47%	35.08%	34.95%	35.13%	32.00%
Profit before tax to sales	3.47%	4.94%	3.68%	4.83%	5.61%	3.28%
Profit after tax to sales	2.87%	2.94%	1.83%	3.38%	1.99%	2.27%
Debt Equity Ratio	46.99%	39.69%	35.12%	34.91%	39.89%	27.76%



## NOTICE OF MEETING

Notice is hereby given that the 11th Annual General Meeting of Al-Khair Gadoon Limited, will be held on Monday the October 26, 2022 at 9:00 A.M. at the Registered Office of the Company at 903, Phase III, Industrial Estate, Gadoon Amara, District Swabi, Khyber Pakhtunkhwa to transact the following business:-

1. To confirm the minutes of the 11th Annual General Meeting held on October 26, 2021.
2. To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2022, together with the Directors' and Auditor's Reports thereon.
3. To elect the Directors in accordance with provisions of Section 199 of the Companies Act, 2017.  
The following are the existing Directors and number of Directors for next term-(1 Year) are fixed at 8.

- (i) Mohammad Afzal Sheikh
- (ii) Mohammad Saad Sheikh
- (iii) Mohammad Amin Sheikh
- (iv) Mrs. Farwa Ahsan
- (v) Mrs. Farwa Saad
- (vi) Mrs. Nafis Amin
- (vii) Mrs. Akhla Zahid Tariq
- (viii) Mr. Kamal Nadeem

4. To appoint Auditors of the Company and fix their remuneration.
5. To transact any other business with the permission of the Chairman.

BY ORDER OF THE BOARD

**MOHAMMAD AMIN SHEIKH**  
Company Secretary

Dated: October 05, 2022

**NOTES:****1. Closure of Share Transfer Books:**

Share Transfer Books of the Company will remain closed from October 18, 2022 to October 26, 2022 (both days inclusive). Transfers received in order upto the close of business on October 16, 2022 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. Appointment of Proxies and Attending AGM:**

Due to current COVID-19 situation, the Government has suspended large public gathering at any place. Additionally, the Securities and Exchange Commission of Pakistan ("SECP") in terms of its Circular No 3, of 2020 issued on March 17, 2020 and Pakistan Stock Exchange Limited ("PSX") through its notice S&E/PSX/09-112 dated March 18, 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 sponsor 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 National Identity Card (CNIC) at [corporate@al-khairgroup.com](mailto:corporate@al-khairgroup.com) with subject of Registration for 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 08:00 a.m. 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 [corporate@al-khairgroup.com](mailto:corporate@al-khairgroup.com).

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

A member of the Company entitled to attend and vote at the meeting may appoint another member or his / her proxy to attend and vote. Proxy 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.

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 Resident) 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.



### 3 Change in Members Address

Members are requested to immediately inform the Company's Share Registrar of any change in their mailing address.

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.

### 4 Circulation of Annual Financial Statements for the year ended 30 June 2022 through EYD

The Securities and Exchange Commission of Pakistan vide SRO No. 4790(Y2014) dated May 31, 2014 has allowed companies to circulate Annual Audited Accounts to its members through CDLP/VED/500 at their registered addresses. In view of this the Company is sending its 2022 Annual Report to the shareholders in form of CD. Any member requiring printed copy of 2022 Annual Report may send a request with identification details, the Company will send the hard copy of printed accounts 2022 free of cost within one week.

### 5 Consent for Video Conference Facility

In accordance with Section 100 (1) 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 seven 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 at given address.

The Company Secretary, Al-Khair Gadoon Ltd, 40-T, Gafforgi II, Lahore.

### 6 Replacement of Physical Shares

As per Section 702 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 five (5) years from the commencement of the Act, i.e., May 30, 2017. Those Shareholders having physical shareholding are encouraged to open e-CDLP 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 self-convey 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

یہاں پر مطلع کیا جاتا ہے کہ انٹرنیشنل کمپنیز ایکٹ 1994ء کے تحت رجسٹرڈ اور 2002ء کے مطابق اجلاس عام سمر 2022 کو، 2022 کے نتائج و اہم ترین امور کے بارے میں عام اجلاس عام منعقد کیا جائے گا۔ اس اجلاس عام میں شرکت کرنے والے تمام شرکاء کو 2022 کے نتائج و اہم ترین امور کے بارے میں مطلع کیا جائے گا اور ان کے امور کو سنبھالنے کے لیے اطلاع دی جائے گی۔

1. 2022 کو، 2022 کے نتائج و اہم ترین امور کے بارے میں عام اجلاس عام منعقد کیا جائے گا۔
  2. 2022 کو، 2022 کے نتائج و اہم ترین امور کے بارے میں عام اجلاس عام منعقد کیا جائے گا اور ان کے امور کو سنبھالنے کے لیے اطلاع دی جائے گی۔
  3. 2022 کو، 2022 کے نتائج و اہم ترین امور کے بارے میں عام اجلاس عام منعقد کیا جائے گا اور ان کے امور کو سنبھالنے کے لیے اطلاع دی جائے گی۔
- |   |          |   |          |
|---|----------|---|----------|
| 1 | محمد علی | 2 | محمد علی |
| 2 | محمد علی | 3 | محمد علی |
| 4 | محمد علی | 5 | محمد علی |
| 6 | محمد علی | 7 | محمد علی |
4. اجلاس عام منعقد کرنے کے لیے اطلاع دی جائے گی۔
  5. اجلاس عام منعقد کرنے کے لیے اطلاع دی جائے گی۔

محمد علی

Muhammad Ali

محمد علی  
محمد علی

2022 کو، 2022

1. محمد علی کے بارے میں عام اجلاس عام منعقد کیا جائے گا اور ان کے امور کو سنبھالنے کے لیے اطلاع دی جائے گی۔







معمولی پیداوار کی گئی۔ 2000 ٹن کے انڈونیشیائی پلاسٹک کے ٹرانکس اور اسٹیمپس خریدنے سے ملنے والی مقدار میں یہ  
 ٹرانکس کے ضمن میں ایک ڈیڑھ ٹن کی اضافی مقدار پانچ سو سے زائد ٹن کی مقدار 200000 لٹرز پر مشتمل ہوا  
 اور یہ پلاسٹک کی صورت میں انڈونیشیا کی مقامی مارکیٹ پر پانچ سو سے زائد ٹن کی مقدار میں فروخت کی گئی۔  
 ٹرانکس کے لیے فراہم کردہ ٹرانکس اور اسٹیمپس کے ساتھ ساتھ دیگر سامان اور سامان کی مقدار

1) کمزور اور اسٹیمپس کے ساتھ ساتھ دیگر سامان کی مقدار میں فروخت کی گئی۔ انڈونیشیا اور دیگر ممالک کی طرف سے  
 فروخت کی گئی۔

2) کمزور اور اسٹیمپس کے ساتھ ساتھ دیگر سامان کی مقدار میں فروخت کی گئی۔ انڈونیشیا اور دیگر ممالک کی طرف سے  
 فروخت کی گئی۔

3) کمزور اور اسٹیمپس کے ساتھ ساتھ دیگر سامان کی مقدار میں فروخت کی گئی۔ انڈونیشیا اور دیگر ممالک کی طرف سے  
 فروخت کی گئی۔

4) کمزور اور اسٹیمپس کے ساتھ ساتھ دیگر سامان کی مقدار میں فروخت کی گئی۔ انڈونیشیا اور دیگر ممالک کی طرف سے  
 فروخت کی گئی۔

5) کمزور اور اسٹیمپس کے ساتھ ساتھ دیگر سامان کی مقدار میں فروخت کی گئی۔ انڈونیشیا اور دیگر ممالک کی طرف سے  
 فروخت کی گئی۔





## CHAIRMAN'S REVIEW REPORT

It is my pleasure to welcome you on the 12th 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, 2022 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 management and input to the management throughout the year. The Board of Directors has performed its duties diligently in upholding the best interests 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 Faux Industry

Economy is progressing towards more sustainable and inclusive growth. The economy has witnessed a V-shaped recovery with 3.9% growth in FY2022 against the growth of 1.94% last year. It is worth mentioning that after 13 years economic growth has surpassed its target. The ongoing 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. Faux sector is highly competitive sector in the country in view of intense competition from existing players and new entrants. Other factors which affect the faux industry are foreign exchange rate fluctuations. Most of the raw materials are imported and due to increase in raw material prices and fluctuations in exchange rate have negative impact on the business of consumer goods including faux products but due to operational excellence and management skills the Company has succeeded in achieving its corporate objectives.

### Performance of the Company

During the financial year ended June 30, 2022, despite of uncertainty of economy and devaluation of rupee which has affected on cost of raw material the performance of the Company has improved significantly and revenue has increased by 11.9% as compared to previous year which is indicative of operational excellence and management skills.



### Future Outlook

Pakistan's economy already had volatile growth pattern over the years, with regular booms and bust cycles being 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 years and will remain focused on the needs-of-site trade partnering customers. But now the flood situation may adversely affect the business of the company for short period of time.

### Social Responsibility

The Company is contributing millions of Rupees to the National Challenge in terms of taxes, duties and fees. 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 us that the Company is also contributing towards the society through social activities and has integrated Corporate Social Responsibility in its business.

MUHAMMAD AFZAL SHEIKH  
CHAIRMAN

Lahore, September 19, 2022



### تقدیر و شکر کا سہارا

انہی کی کھلی شہنشاہی اور اعلیٰ منزلتوں کی خاطر ان کی کامیابیوں کے سہارا کی وجہ سے یہ لوگ ان کی کامیابیوں کا سہارا بن گئے۔ ان کی کامیابیوں کے سہارا بن گئے۔ ان کی کامیابیوں کے سہارا بن گئے۔ ان کی کامیابیوں کے سہارا بن گئے۔

### یہ لوگ ان کی کامیابیوں کا سہارا بن گئے

یہ لوگ ان کی کامیابیوں کا سہارا بن گئے۔ ان کی کامیابیوں کے سہارا بن گئے۔ ان کی کامیابیوں کے سہارا بن گئے۔ ان کی کامیابیوں کے سہارا بن گئے۔ ان کی کامیابیوں کے سہارا بن گئے۔ ان کی کامیابیوں کے سہارا بن گئے۔ ان کی کامیابیوں کے سہارا بن گئے۔

### میں نے ان کی کامیابیوں کا سہارا بن گئے

میں نے ان کی کامیابیوں کا سہارا بن گئے۔ ان کی کامیابیوں کے سہارا بن گئے۔ ان کی کامیابیوں کے سہارا بن گئے۔ ان کی کامیابیوں کے سہارا بن گئے۔ ان کی کامیابیوں کے سہارا بن گئے۔ ان کی کامیابیوں کے سہارا بن گئے۔ ان کی کامیابیوں کے سہارا بن گئے۔

ان کی کامیابیوں کا سہارا بن گئے





## DIRECTORS' REPORT TO THE MEMBERS

The Directors of your Company are pleased to present the 23rd Annual Report with the audited financial statements of the Company for the year-ended June 30, 2022.

## Financial Performance

	2022	2021
	Rupees	
Sales from Operations - net	<u>1,133,795,100</u>	<u>802,546,750</u>
Gross Profit	<u>148,438,471</u>	<u>111,603,098</u>
Profit before Taxation	<u>41,807,399</u>	<u>40,398,491</u>
Taxation	<u>(13,351,290)</u>	<u>(11,333,290)</u>
Profit after Taxation	<u>28,456,109</u>	<u>29,065,201</u>
Earning per Share - Basic and Diluted (Rupees)	0.96	0.94

During the year 2022, net sales of the Company increased by Ru.331,248 million (41.28%) from Ru.802.756 million to Ru.1,133,795 million. The Financial Year 2021-22 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 44% despite of the fact that the devaluation of rupee has negatively affected the cost of raw material. The Board has playfully played 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 better improve as the market conditions show considerable improvement.

## Future Outlook

The Government is very keen and has taken various remedial measures for 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 rate to support the business continuously and revival of the economy in the country. However, the major threat to business especially at small level is over rising inflation and decrease purchasing in the country which has severely affected the purchasing power of customers resulting affecting the sales targets of them 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 decrease in the country. In addition to intense competition from existing players and new entrants which are major challenges to meet in coming future. But now the flood situation of country may adversely affect the business of the company for short time.

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 back 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 sound will remain the key objectives of the Company.

## Principal Activity

The principal activity of the Company is manufacturing and sale of shoes 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 receivables and cash and bank balances that arise directly from its operations.

The Company's overall risk management program focuses on the reproducibility 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 activities 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, 2022 were put before the Audit Committee and open to recommendations for 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 clear environment in all its operations and continuously upgrading their safety.

#### **Corporate Social Responsibility**

The Company strongly believes in the integration of Corporate Social Responsibility into its business and continuously 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, 2013, the Listing Regulations of Pakistan Stock Exchange and International Financial Reporting Standards.

#### **Corporate and Financial Reporting**

The Company is committed to gain higher 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, 2017 issued by SECP.
- Key operating and financial data for last six years is summarized therein as 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 loans, debts, liabilities 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 & Insider Trading**

The Code of Corporate Governance Regulations, 2017 as formulated by the SECP & ICAI regulations have been complied with and the commitment to fair-play is observed. The requirements of insider trading 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/her remuneration. The Company does not pay remuneration to non-executive directors except fee for attending the meetings-as-demanded. 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 No.16 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 11 years of experience as director in 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 14 days from the date of declaration to those Members whose names appear on the Register of Members in respect of shares held in their name. Based on capitalizing assets, the board has declared a dividend for the year ended June 30 2022.



### 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, 2022, as well as future prospects and opportunities.

### Attendance of Board and Committee Meetings

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

Sr. No.	Directors / Members of Committee	Number of attendances		
		Board of Directors	Audit Committee	HR & R. Committee
1	Mohammed Adel Sheikh	0	-	-
2	Mohammed Fawzi Sheikh	0	-	-
3	Mohammed Amin Sheikh	0	-	-
4	Mrs. Farwan Ajmal	0	0	1
5	Mrs. Farwan Saied	0	4	1
6	Mrs. Naboua Amal	0	-	1
7	Mr. Karim Hattabi	0	4	2
8	Mrs. Amana Fahd Faris	0	0	-
9	Sheikh Farwan Ajmal	1	8	-

### External Auditors

The auditors Messrs Taher Siddiq & Co. Chartered Accountants are the existing 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, 2023.

### 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, 2022 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 relatives who are the key element of our Company.

  
MOHAMMED ADEL SHEIKH  
CHAIRMAN  
MOHAMMED FAWZI SHEIKH  
CHIEF EXECUTIVE



### ذمہ نگر ذریعہ دولت برائے مخصوص سالوں کی

اس کی نکلنے والی رقم 300 کروڑ 300 لاکھ 2002 کے ختم ہونے والے سال کے لیے نکلنے والے کٹوتے اور سودیاتی کا مجموعی کے ساتھ اتھون سے دولت پرستی کی آگے ہونے والی صورتوں آگے ہے۔

### ماہانہ رقم کرنسی

### رقم روپوں میں

2022	2021	
1,155,785,503	802,746,762	کی نکلنے والے دولت - خاص
348,438,473	113,849,994	گھری ہوئی دولت
45,927,399	48,180,483	گھری ہوئی دولت
155,354,948	137,373,280	گھری ہوئی دولت
30,373,459	22,907,313	گھری ہوئی دولت
3.00	2.20	کی نکلنے والے دولت پرستی اور گھری ہوئی دولت

ماہانہ سال 2022 کے دوران کی نکلنے والی خاص دولت 802,746,762 روپوں پر 300 کروڑ 300 لاکھ روپوں کے ساتھ کہ 1,155,785,503 روپوں پر ہو گی۔ ماہانہ سال 2021-2022 کے لیے اعلیٰ کارکردگی اور گھری ہوئی دولت پرستی اور گھری ہوئی دولت کے مجموعی سے ہم آہنگی کے ساتھ ساتھ کی نکلنے والی رقم 300 کروڑ 300 لاکھ 2002 کے ختم ہونے والے سال کے لیے نکلنے والے کٹوتے اور سودیاتی کا مجموعی کے ساتھ اتھون سے دولت پرستی کی آگے ہونے والی صورتوں آگے ہے۔

ماہانہ سال 2022 کے دوران کی نکلنے والی خاص دولت 802,746,762 روپوں پر 300 کروڑ 300 لاکھ روپوں کے ساتھ کہ 1,155,785,503 روپوں پر ہو گی۔ ماہانہ سال 2021-2022 کے لیے اعلیٰ کارکردگی اور گھری ہوئی دولت پرستی اور گھری ہوئی دولت کے مجموعی سے ہم آہنگی کے ساتھ ساتھ کی نکلنے والی رقم 300 کروڑ 300 لاکھ 2002 کے ختم ہونے والے سال کے لیے نکلنے والے کٹوتے اور سودیاتی کا مجموعی کے ساتھ اتھون سے دولت پرستی کی آگے ہونے والی صورتوں آگے ہے۔





کھیتی باڑی سرگرمیوں سے مختلف قسم کے مالی اعانات سے کھیت کے اعزاز و تقویٰ کو نئی جھلک دینا شروع کرنا اور اعزازی  
اعانتہ اعطیاء، گرانٹس، اسکالرشپس اور دیگر اعزازات سے استفادہ کرنا ہے۔

کھیتی باڑی سے منسلک مالی اداروں سے قرضے اور دیگر مالی معاونتوں سے استفادہ کرنا اور کھیت کے اعزازی اعانتہ اعطیاء  
میں سے استفادہ کرنا اور قرضوں، اسکالرشپس اور دیگر اعزازات سے استفادہ کرنا اور کھیت کے اعزازی اعانتہ اعطیاء  
میں سے استفادہ کرنا ہے۔

کھیتی باڑی، اسکالرشپس، گرانٹس اور دیگر اعزازات سے کھیت کی سرگرمیوں کی ترقی و ترقی سے استفادہ کرنا اور کھیت کے اعزازی  
اعانتہ اعطیاء میں سے استفادہ کرنا اور کھیت کے اعزازی اعانتہ اعطیاء سے استفادہ کرنا ہے۔

### اعزازی اعانتہ اعطیاء

یہ اعزازات اور اعزازات کے ذریعے کھیتی باڑی کی تمام سطحوں پر ایکنے اور اعزازات کی اعزازی اعانتہ اعطیاء سے استفادہ کرنا ہے۔ یہ اعزاز  
کھیتی باڑی کے اعزازی اعانتہ اعطیاء میں سے استفادہ کرنا اور کھیت کے اعزازی اعانتہ اعطیاء سے استفادہ کرنا ہے۔

### اعزازی اعانتہ اعطیاء

کھیتی باڑی سے استفادہ کرنا اور کھیت کے اعزازی اعانتہ اعطیاء سے استفادہ کرنا ہے۔ یہ اعزاز  
میں سے استفادہ کرنا اور کھیت کے اعزازی اعانتہ اعطیاء سے استفادہ کرنا ہے۔

### اعزازی اعانتہ اعطیاء

کھیتی باڑی سے استفادہ کرنا اور کھیت کے اعزازی اعانتہ اعطیاء سے استفادہ کرنا ہے۔ یہ اعزاز  
میں سے استفادہ کرنا اور کھیت کے اعزازی اعانتہ اعطیاء سے استفادہ کرنا ہے۔



کارپوریٹ سوشل ریسپانسیبلٹی  
کونسل اپنے کارپوریٹ سوشل ریسپانسیبلٹی کے اعلان پر پتہ چلتی رہے گی۔ کونسل نے اس بات پر اطمینان کیا ہے کہ اس کے لیے سوشل  
کونسل کو آگے بڑھانے کے لیے کارپوریٹ سوشل ریسپانسیبلٹی کے اعلان پر پتہ چلتی رہے گی۔

ریپورٹنگ  
سالانہ ریسپانسیبلٹی ریسپورٹ 2017، پاکستانی اکیڈمی کے اعلان کے تحت اور اسی کے تحت ہی ریسپانسیبلٹی کے  
تعمیراتی کاموں کے لیے شہدائی کی طور پر اس کے اعلان کے تحت ہی ریسپانسیبلٹی کے اعلان کے تحت ہی ریسپانسیبلٹی کے  
ریپورٹنگ کے لیے تیار کیا گیا ہے۔

کارپوریٹ سوشل ریسپانسیبلٹی ریسپورٹنگ  
آپ کی کارپوریٹ سوشل ریسپانسیبلٹی کے اعلان کے تحت ہی ریسپانسیبلٹی کے اعلان کے تحت ہی ریسپانسیبلٹی کے  
ریپورٹنگ کے لیے تیار کیا گیا ہے۔

انٹرنیٹ کی ایسی ایپلیکیشنوں کی طرف سے ہونے والے حملوں کو ختم کرنے کے لیے اس کی مدد سے اس کے لیے ایسی ایپلیکیشنوں کی  
تعمیراتی کاموں کے لیے تیار کیا گیا ہے۔

انٹرنیٹ کی ایسی ایپلیکیشنوں کی طرف سے ہونے والے حملوں کو ختم کرنے کے لیے اس کی مدد سے اس کے لیے ایسی ایپلیکیشنوں کی  
تعمیراتی کاموں کے لیے تیار کیا گیا ہے۔









**فائزین کا پتہ:-**

بھارتی ریٹ میں شامل فائزین کا پتہ 28/03/2022 کو مندرجہ ذیل پتے پر جاری کیا گیا ہے اور ان پتے پر فائزین کی رقمیں جمع کی گئی ہیں۔ اس کے علاوہ ان پتے پر فائزین کی رقمیں جمع کی گئی ہیں۔ اس کے علاوہ ان پتے پر فائزین کی رقمیں جمع کی گئی ہیں۔

**بھارتی ریٹ میں فائزین کی فہرست:-**

بھارتی ریٹ میں فائزین کی فہرست مندرجہ ذیل ہے۔ اس کے علاوہ ان پتے پر فائزین کی رقمیں جمع کی گئی ہیں۔ اس کے علاوہ ان پتے پر فائزین کی رقمیں جمع کی گئی ہیں۔

نمبر	بھارتی ریٹ میں فائزین کی فہرست	رقم	بھارتی ریٹ میں فائزین کی فہرست	رقم
1	بھارتی ریٹ میں فائزین کی فہرست	5	بھارتی ریٹ میں فائزین کی فہرست	5
2	بھارتی ریٹ میں فائزین کی فہرست	5	بھارتی ریٹ میں فائزین کی فہرست	5
3	بھارتی ریٹ میں فائزین کی فہرست	5	بھارتی ریٹ میں فائزین کی فہرست	5
4	بھارتی ریٹ میں فائزین کی فہرست	5	بھارتی ریٹ میں فائزین کی فہرست	5
5	بھارتی ریٹ میں فائزین کی فہرست	5	بھارتی ریٹ میں فائزین کی فہرست	5
6	بھارتی ریٹ میں فائزین کی فہرست	5	بھارتی ریٹ میں فائزین کی فہرست	5
7	بھارتی ریٹ میں فائزین کی فہرست	5	بھارتی ریٹ میں فائزین کی فہرست	5
8	بھارتی ریٹ میں فائزین کی فہرست	5	بھارتی ریٹ میں فائزین کی فہرست	5
9	بھارتی ریٹ میں فائزین کی فہرست	5	بھارتی ریٹ میں فائزین کی فہرست	5

**بھارتی ریٹ میں فائزین کی فہرست:-**

بھارتی ریٹ میں فائزین کی فہرست مندرجہ ذیل ہے۔ اس کے علاوہ ان پتے پر فائزین کی رقمیں جمع کی گئی ہیں۔ اس کے علاوہ ان پتے پر فائزین کی رقمیں جمع کی گئی ہیں۔



اسی بات کو ملحوظ رکھ کر، برآمدہ 2022 کی رقم نے اس کے مل کے لیے کچھ کے ساتھ سولہ لاکھ میں شمار ہوا ہے۔ اس کے ساتھ ہی اس کے ساتھ لکھوں کی رقم ہے۔

شیر جو لاکھ کی رقم ہے  
کچھ کے ساتھ لاکھ لاکھوں کی رقم ہے۔

اس کی رقم ہے  
2022 سے پہلے کی رقم لاکھ لاکھوں کی رقم ہے۔ اس کے ساتھ ہی اس کے ساتھ لاکھوں کی رقم ہے۔

اس کے ساتھ ہی اس کے ساتھ لاکھوں کی رقم ہے۔ اس کے ساتھ ہی اس کے ساتھ لاکھوں کی رقم ہے۔ اس کے ساتھ ہی اس کے ساتھ لاکھوں کی رقم ہے۔

  
اس کے ساتھ ہی اس کے ساتھ لاکھوں کی رقم ہے۔

  
اس کے ساتھ ہی اس کے ساتھ لاکھوں کی رقم ہے۔

2022، 19 جنوری



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

Name of company:	Al-Khair-Gadoon Limited
Year Ending:	30/06/2022

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

- The total number of directors are eight as per the following:
  - Males: Four
  - Females: Four
- The composition of board is as follows:
  - Independent Director: Mr. Kamal Subhani  
Mrs. Ameerah Zaid Tariq
  - Non-executive Directors: Mohammed Amin (Chair)  
Mohammed Ahsan Sheikh  
Mrs. Nabeesa Amin  
Mrs. Farwa Ahsan  
Mrs. Farwa Saad
  - Executive Director: Mohammed Saad Sheikh
  - The board consists of four female directors as mentioned above.
- 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.
- 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.
- 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.
- 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 Regulations.
- 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.
- The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- Majority of the Directors of the Company are exempted from the requirement of Directors' Training Program.



10. There is new appointment of Chief Financial Officer during the year. No change in Company Secretary and Head of Internal Audit has been made during the year. However, any change in their remuneration and terms and conditions of employment have been compliant 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 Siddiqui	Chairman
Mrs. Farwa Saad	Member
Mrs. Ayesha Faisal (Mrs)	Member

**HR and Remuneration Committee:**

Mr. Kamal Siddiqui	Chairman
Mrs. Farwa Saad	Member
Mrs. Nazam Khatib	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               | Five |
| 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 consistent with the policies and procedures of the Company.
16. The statutory auditors of the Company M/S Faisal 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 statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. It is confirmed that all other requirements of the regulations 1, 4, 7, 8, 27, 31, 33 and 36 of the Regulations have been complied with.

MUBASHAR SAAD SHEIKH  
CHIEF EXECUTIVE

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF  
AL-KHAIR GADDOON 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 Gaddoon Limited (the Company) for the year ended June 30, 2022 in accordance with the requirements of regulation 34 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 assessed 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, 2022.

**Taher Makhadmeh & Co.**  
(Chartered Accountants)

Engagement Partner: Sarah Taher Makhadmeh, 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 enclosed financial statements of AL-KHAIR GADOON LIMITED ("the Company"), which comprise the statement of financial position as at June 30, 2022 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 (CXA of 2017), in the manner so required and respectively give a true and fair view of the Company's affairs as at June 30, 2022 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**

K. No.	Key Audit Matters	How the matter was addressed in our audit
1	<p><b>Capital Expenditure</b></p> <p>(Refer to Note 3 to the annual financial statements) As disclosed in item 3 to the financial statements, the company has incurred significant amount of capital expenditure during the year.</p> <p>We focused on the capital expenditure incurred during the year as this represents a significant transaction for the year and therefore certain judgemental areas, such as capitalization of elements of eligible components of cost in per the applicable financial reporting standards, therefore, we have 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 related thereto.</p> <p>We assessed the company's capitalization policy to determine compliance with relevant accounting standards and tested the</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>
2	<p><b>Revenue Recognition</b></p> <p>(Refer to Note 4 (Part II) to the annual financial statements)</p> <p>The Company recognized a net revenue of Qat. 202,760,802/- for the year ended June 30, 2022.</p> <p>We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company and significant increase increase from last year.</p>	<p>Assessed the adequacy of the disclosures made by the Company under the applicable financial reporting framework.</p> <p>Our audit procedures in relation to the matter, amongst others, included:</p> <p>Obtaining an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of the key internal controls over recording of revenue.</p> <p>Comparing a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents.</p> <p>Comparing a sample of revenue transactions recorded around the year end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the cut-off date was recorded in the appropriate accounting period.</p> <p>Comparing the details of journal entries generated revenue accounts during the year, which are more specific risk-based controls, with the relevant underlying documentation.</p> <p>Assessing the appropriateness of accounting policy for revenue recognition and comparing with the applicable accounting and auditing standards and</p> <p>Assessing the adequacy of disclosures related to revenue as required under the accounting and reporting standards as applicable to the Company.</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 for the presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Palestine and for requirements of the Companies Act, 2017 (COA of 2017) and for such internal control as management determines is necessary to enable the preparation of the financial statements free from material misstatements, 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 objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, 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 these applicable in Palestine will always detect material misstatements 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 this as applicable in Palestine, 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 is fair and not misleading.





We communicate with the board of directors regarding, among other matters, the general 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-end and therefore the key audit matters. We describe those matters in our auditor's report unless law or regulation prohibits 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 work, we further report in our opinion)

- (a) proper books of accounts have been kept by the Company as required by the Companies Act, 2017 (203) 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 (203) of 2017 and are in agreement with the books of account and returns;
- (c) investments made, expenses incurred and guarantees extended during the year were for the purposes of the Company's business; and
- (d) No order was/has been/are in course under the Labor and Labor Ordinance, 1980 (203) of 1980.

The engagement partner in the audit resulting in this independent auditor's report is/has: **Tahir Siddiqi**

Tahir Siddiqi B.Com.  
Chartered Accountant  
Liberal September 15, 2022  
CPK0222 6084450y02y02y


**STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2022**

ACCOUNT	Note	2022 Riyals	2021 Riyals
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	2	171,483,000	171,156,000
		171,483,000	171,156,000
<b>CURRENT ASSETS</b>			
Stores and Spares		1,482,000	3,371,000
Bank in Trade	4	29,088,000	29,149,000
Trade Debt	7	10,486,000	14,113,400
Advances, Deposits and Payments	8	41,484,000	7,171,000
Advance Taxes - Vat	9	27,188,000	49,000,000
Cash and Bank Balances	10	48,861,000	43,114,000
		48,861,000	43,114,000
<b>TOTAL ASSETS</b>		<b>450,361,000</b>	<b>379,857,000</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Authorized Capital			
1,000,000 Ordinary shares of Rs. 10 each	11	10,000,000	10,000,000
Issued, Subscribed and Paid-up Capital	11	100,000,000	100,000,000
Capital Reserve - Share Premium	12	15,000,000	15,000,000
Unappropriated Profit		75,021,000	54,827,000
Shareholders' Equity		200,021,000	189,827,000
<b>NON-CURRENT LIABILITIES</b>			
Long Term Loan	13	11,271,000	10,440,000
Lease Liabilities	14	1,479,000	-
Deferred Liabilities	15	27,473,000	23,473,000
		40,223,000	33,913,000
<b>CURRENT LIABILITIES</b>			
Contingencies of Long Term Loan	14	5,671,000	6,771,000
Lease Liabilities	14	780,000	-
Trade and Other Payables	16	117,249,400	116,489,000
Taxes Payable	17	124,700	489,000
Share Tax Arrears	18	17,844,000	16,613,000
Un-Cashed Dividend	19	1,773,000	1,773,000
		203,332,000	202,162,000
<b>CONTINGENCIES AND COMMITMENTS</b>	20	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>450,361,000</b>	<b>379,857,000</b>

The annexed notes from 1 to 20 form an integral part of these financial statements.

**MOHAMMED AFZAL SHEIKH**  
CHAIRMAN

**MOHAMMED NAZEEM SHEIKH**  
CHIEF EXECUTIVE

**MOHAMMED C M**  
CHIEF FINANCIAL OFFICER



**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2022**

	Notes	2022 Riyaya	2021 Riyaya
Sales - net	21	1,188,796,600	892,746,762
Cost of sales	22	(1,007,396,629)	(897,876,766)
Gross profit		181,400,071	115,609,994
Administrative expenses	23	(87,000,244)	(79,333,614)
Distribution expenses	24	(25,497,391)	(26,344,387)
Operating profit		68,902,436	95,899,709
Finance cost	25	(8,004,719)	(8,377,336)
Other operating expenses	26	(3,371,356)	(2,000,290)
Other operating income	27	731,000	1,492,340
Profit before taxation		111,000,461	(9,902,267)
Income tax expense	28	(25,252,000)	(8,388,491)
Profit for the year - net		85,748,461	(18,290,758)
Other comprehensive income / (loss):			
Items that will not be re-classified to profit or loss			
Re-measurement of defined benefits		(1,360,000)	(1,873,020)
Deferred tax on re-measurement of defined benefits plan		684,528	(37,000)
		(1,075,472)	(1,314,020)
Total comprehensive income for the year		84,672,989	(19,604,778)
Earnings per share - before tax (basic and diluted - Riyaya)	29	4.39	4.82
Earnings per share - after tax (basic and diluted - Riyaya)	29	3.94	3.29

The annexed notes from 1 to 29 form an integral part of these financial statements.

**MOHAMMAD AFDAL SHEIKH**  
CHAIRMAN

**MOHAMMAD HAMED SHEIKH**  
CHIEF EXECUTIVE

**JAWAD CH**  
CHIEF FINANCIAL OFFICER



## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Riyal	2021 Riyal
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Contributed to / generated from operations	(a)	48,709,987	(14,002,709)
Finance cost paid		(1,548,992)	(1,761,981)
WPPF paid		(1,093,400)	(863,482)
Income tax (paid) / refunds received		(1,138,656)	13,888,789
Dividend paid		-	(87,288)
Sales tax (paid) / refunds received		9,261,209	(861,885)
Charity paid		(1,498,372)	(1,472,888)
		<u>(4,917,811)</u>	<u>(4,208,734)</u>
Net cash (used to) generated from operating activities		43,792,176	(18,191,422)
<b>Cash flows from investing activities</b>			
Fixed capital expenditures		(11,698,818)	(18,265,349)
Proceeds from sale of property, plant and equipment		-	8,888,211
Net cash (used to) investing activities		<u>(11,698,818)</u>	<u>(9,377,138)</u>
<b>Cash flows from financing activities</b>			
Short term borrowings		4,784,289	9,124,082
Long Term Loans		(1,327,008)	(4,448,488)
Loans Liability		1,249,261	-
Net cash generated / (used to) financing activities		<u>4,706,542</u>	<u>(5,372,406)</u>
Net increase/decrease in cash and cash equivalents		1,789,900	(14,796,656)
Cash and cash equivalents at the beginning of the year		26,455,038	41,251,694
Cash and cash equivalents at the end of the year	(b)	<u>28,244,938</u>	<u>26,455,038</u>

The annexed notes from 1 to 19 form an integral part of these financial statements.

**MUHAMMAD AFDAL MUNEER**  
CHAIRMAN

**MUHAMMAD HAMED MUNEER**  
CHIEF EXECUTIVE

**AMR FAHMY**  
CHIEF FINANCIAL OFFICER


**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING JUNE 30, 2022**

	Issued, Subscribed and Paid up Share Capital	Share Premium	Unappropriated Profit	Total
	(Report)			
<b>Balance as at 1 July 2020</b>	100,000,000	25,000,000	104,000,799	229,000,799
<b>Comprehensive Income for the year</b>				
Profit for the year	-	-	22,897,211	22,897,211
Other comprehensive income/(loss) for the year	-	-	(1,304,055)	(1,304,055)
	-	-	11,593,156	11,593,156
<b>Balance as at 30 June 2021</b>	100,000,000	25,000,000	124,193,902	249,193,902
<b>Balance as at 1 July 2021</b>				
<b>Comprehensive Income for the year</b>				
Profit for the year	-	-	10,070,490	10,070,490
Other comprehensive (loss) for the year	-	-	(1,470,891)	(1,470,891)
	-	-	20,996,348	20,996,348
<b>Balance as at 30 June 2022</b>	100,000,000	25,000,000	145,111,248	270,111,248

The annexed notes from 1 to 20 form an integral part of these financial statements.

**MOHAMMED AFDAL SHEIKH**  
CHAIRMAN

**MOHAMMED HAMED SHEIKH**  
CHIEF EXECUTIVE

**AMR ABDEL-AZIZ**  
CHIEF FINANCIAL OFFICER

**NOTES TO THE FINANCIAL STATEMENTS**  
*For the year ended June 30, 2022***1. Legal Form and Operations**

The Company was incorporated as a private limited company on August 27, 1990 under the Companies Ordinance, 1994 (Repealed) with the enactment of the Companies Act 2017, and converted into Public Limited Company on August 31, 1993. The shares of the company are listed on Pakistan Stock Exchange Limited.

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

<b>Business Unit</b>	<b>Geographical location and address</b>
• Registered office	K20, Phase-02, Industrial Estate, Gadoom Industrial District Swat, KPK.
• Manufacturing Plant	K20, Phase-02, Industrial Estate, Gadoom Industrial District Swat, KPK. H.A. 02 B, Phase 02, Industrial Estate, Gadoom Area, Gadoom Swat, KPK.
• Corporate Office	Al-Khair House, H-T, Clifton 8, Lahore.

**1.1 Basis of Preparation****1.1.1 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.

**1.1.2 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. These financial statements have been prepared on going concern basis.

**Functional and presentation currency**

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

**1.4 Key Judgements 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 judgement in the process of applying the company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and where otherwise relevant to:

- Estimated useful lives, residual values and depreciation method of property, plant and equipment (Refer Note of PPE) note 4.1 and note 03.
- Revenue from Contracts with Customers (Refer Note-02)
- Obligation of deferred/borrowing obligation ( Refer Note-14)
- Estimation of provisions for tax liabilities (Refer Note-08)
- Estimation of contingent liabilities (Refer Note-04)
- Current income tax expense provision for current tax and recognition of deferred tax asset for carried forward tax losses (Refer Note-09)

## 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, 2022

#### • IAS 1 & IFRS 1 (Definition of Material) (Effective date is January 01, 2020)

Amendments to IAS 1, Presentation of financial statements and IAS 8<sup>1</sup> Accounting policies, changes in accounting estimates and errors<sup>2</sup> are intended to clarify the definition of material in IAS 1 (which is unchanged) and are not intended to alter the underlying concepts of materiality in IFRS standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS standards. In addition, definitions of immaterial information is material if omitting, misstating or disclosing 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 standard, amendments to approved accounting standards that are mandatory for the financial year beginning on June 30, 2022 are considered not to be relevant as to have any significant effect on the company's financial reporting and operations.

#### • IFRS 14 (Leases) (IFRS 16) (Amendments)

Effective date:

June 01, 2020

- Under IFRS 14, cost concessions often involve the inclusion of a lease modification, when they were envisaged in the original lease agreement. The amendments exempt lessees from having to consider individual lease contracts to determine whether cost concessions occurring in a lease are a result of the Covid-19 pandemic are lease modifications and allows lessees to account for such cost concessions as if they were not lease modifications. It applies to Covid-19-related cost concessions that reduce lease payments during or within lease term (e.g. rent holidays). This exemption-operative gives lessees relief to lessees and enables them to continue providing information about their leases that is useful to investors. The amendments does not affect lessees.

#### • IAS 37 (Provisions, Contingent Liabilities and Contingent Assets)

Effective date:

January 01, 2013

Under IAS 37, 'Provisions, Contingent liabilities and Contingent assets' a contract is a contract in essence when the unavoidable 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 costs 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 (Property, plant and equipment) (IFRS 16)

Effective date:

January 01, 2013

Amendments to IAS 16 'Property, plant and equipment' 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 intended 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 General Assets

Company has adopted one model for its property, Plant and equipment. Property, Plant and equipment except for freehold 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 charged on all depreciable fixed assets is charged to profit and loss account on the following balance method over its estimated useful life or asset life mentioned in note to the financials. Depreciation on addition is charged from the month in which asset is available for use and ceases to be charged when the asset is disposed. Depreciation methods, useful lives and residual values of these 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 Ind AS. Accounting policies, changes in accounting estimates and errors<sup>1</sup> and/or 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 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 as a matter 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. Dates and times of disposals are determined by comparing the carrying amount of that asset with the proceeds and an 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 substance and form of a contract are incorporated in the determination of lease terms only when the company is reasonably certain to exercise those options. Leases are recognized as right of use assets and corresponding liabilities at the date on 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 liability 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 incentives 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 debited 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 lease and leases of low-value assets are recognized as a straight line basis as an expense to profit or loss. Short term leases are leases with a maximum 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 are measured (unless value plus other charges incurred exceeds). Cost of inventory is based on weighted average cost. Cost is relative to work in progress and finished goods, represent direct cost of raw materials, wages and appropriated 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 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.





#### 4.3 Stocks, Spares and Loose Tools

Stocks 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 accumulating to the reporting date. The company reviews the carrying amounts of stocks, spares and loose tools on a regular basis and provides for write off observations if there is any change in usage.

#### 4.4 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 loss carry forward.

#### 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 the 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 these temporary differences and unused losses and credits. Current and deferred tax is recognized in profit or loss, except for the extent that it relates to items recognized in other comprehensive income or directly to equity. In this case, changes are also recognized in other comprehensive income or directly to 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 net 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 financial context and forward-looking expectations. 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 purpose 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 the goods and services received, whether or not financed by 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 as exchange or modification is treated as extinguishment 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.

#### 4.1.1 Classification

Financial assets are classified into financial assets at amortized cost, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income as per the requirements of IFRS 9. The financial assets are classified as 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 asset is 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 to specified date on each flow-date as solely payments of principal and interest on the contractual amount outstanding.

##### b) Financial assets at fair value through other comprehensive income

Debt instruments whose 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 instruments that are not held for trading and the company made an irrevocable election a initial recognition to measure that fair value to measure that 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 different basis.

#### 4.1.2 Recognition and measurement

Regular purchase and sale 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 measured 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.

A fair value recognition, financial assets are measured at amortized cost (fair value) 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 measures 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 measured from equity and recognized in the statement of profit or loss. Impairment losses recognized in

#### 4.1.3 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.

#### 4.1.4 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 measured at their fair values. The method of recognizing the resulting gain or loss depends on whether the derivative is designative 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.



#### 4 Fair value hedge

A hedge of the exposure to changes in fair value of a recognized asset or liability or an unrecognized firm commitment is a component of any such item that is attributable to systematic risk and would offset gains or loss.

#### 5 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 would offset gains or loss.

#### 4.1.1 Borrowings

Loans and borrowings are recorded at the proceeds received. Financial charges are recognized for on the accrual basis. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

#### 4.1.2 Borrowing costs

Borrowing costs are recognized in the 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.

#### 4.1.3 Provisions and Contingencies

Provisions are recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of past events and it is probable that outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are recognized as an expense in the reporting date and adjusted to reflect current best estimates. Where the outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

#### 4.1.4 Foreign currency transactions

Transactions in foreign currencies are accounted for in Pakistan rupee at monthly average rates. Monetary assets and liabilities in foreign currencies are recorded at historical rate with rate of exchange prevailing at the reporting date. Exchange gain or losses if any are charged to credit or loss account.

#### 4.1.5 Impairment of Non Financial assets

Non financial assets are reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses if any. An impairment loss is recognized for the amount by which the asset carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset 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.

#### 4.1.6 Impairment of Financial assets

IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected credit loss" (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. ECLs are based on the difference between the contractual cash flows due to accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted as an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before selling the asset or any credit enhancements held by the Company. At each reporting date, the Company assesses whether financial assets are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the respective asset. The Company uses the standard's simplified approach and calculates ECL based on the time ECL on the financial assets. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.



#### 4.20 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 consideration to which the company expects to be entitled in exchange for those goods and services. The company recognizes the revenue in accordance with the core principle by applying the following steps:

-Identify the contract with customer.

-Identify the performance obligations in the contract.

-Determine the transaction price.

-Allocate the transaction price to the performance obligations in the contract.

-Recognize revenue when the entity satisfies a performance obligation.

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

-Income Income is recognized as earned basis.

-Dividend Income is recognized when the right to receive payment is established.

#### 4.21 Related Party Transactions

The company enters into transactions with related parties on arm's length basis. Where the transactions with related parties are determined using identifiable valuation methods, except in extremely rare circumstances where, subject to approval of the Board of Directors, this is the interest of the company to do so.

#### 4.22 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 such-kind investments.

#### 4.23 Staff Retirement benefits

The company operates a defined benefit plan (a 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 present and credit method. All actuarial gains and losses are recognized in other comprehensive income.

#### 4.24 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic 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. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares.

#### 4.25 Dividend and appropriations

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

#### 4.26 Warranty

The Company has made a policy to provide warranty to replace the damaged products for an average period of two years. The Company has a history of very low claims over the years, hence the same has 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.

#### 4.27 Share Capital

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

**3. FINANCIAL STATEMENTS**
**3.1. Operating Results**

	2022		2021		2020		2019		2018		2017	
	Lev. Bal.	Unlev. Bal.	Lev. Bal.	Unlev. Bal.	Lev. Bal.	Unlev. Bal.	Lev. Bal.	Unlev. Bal.	Lev. Bal.	Unlev. Bal.	Lev. Bal.	Unlev. Bal.
<b>At the start of the year</b>												
Operating Revenue	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Operating Expenses	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
<b>Operating Profit</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>
Financial Income	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Financial Expenses	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
<b>Profit before tax</b>	<b>550,000</b>	<b>550,000</b>	<b>550,000</b>	<b>550,000</b>	<b>550,000</b>	<b>550,000</b>	<b>550,000</b>	<b>550,000</b>	<b>550,000</b>	<b>550,000</b>	<b>550,000</b>	<b>550,000</b>
Tax Expense	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
<b>Profit after tax</b>	<b>450,000</b>	<b>450,000</b>	<b>450,000</b>	<b>450,000</b>	<b>450,000</b>	<b>450,000</b>	<b>450,000</b>	<b>450,000</b>	<b>450,000</b>	<b>450,000</b>	<b>450,000</b>	<b>450,000</b>
Dividend	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Retained Profit	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
At the end of the year	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000



### 52. Distribution of Dividends that exceeds the year of Company are as follows:

Year	Location	Class of Shares	Total Area	Cumulative
2017	Cadbury & Laban	Real Estate	2 Shares 1 Share 100% <sup>1</sup>	100% <sup>1</sup>
2018	Plastic Industrial Zone, Colson Avenue, Doha	Manufacturing Unit	4 Shares	100% <sup>1</sup>
2019	Plastic Industrial Zone, Station Avenue, Doha	Manufacturing Unit	4 Shares	100% <sup>1</sup>
<b>53. Approval of assets</b>				
There was approval of asset during the year				
<b>54. Dividends is allocated as under:</b>				
		Year	2022 Rupees	2021 Rupees
Control/Share Hold	25		8,795,000	1,710,000
Administrative Expenses	10		1,440,000	1,740,000
Distribution Expenses	25		162,000	1,000,000
			<u>10,377,000</u>	<u>4,450,000</u>
<b>55. Capital Work in Progress:</b>				
Plant & Machinery			-	-
Building			-	-
			<u>0</u>	<u>0</u>
<b>Investment/ Capital Work in Progress:</b>				
Balance as on July 01,			-	10,000
Additions during the year			-	10,000
			<u>0</u>	<u>20,000</u>
Transfer during the year			-	10,000
Balance as on June 30,			<u>0</u>	<u>0</u>
<b>56. Intangible Assets:</b>				
Goodwill/ Patents/ Invention			1,800,000	10,000,000
Trade & Patents			10,000,000	10,000,000
Patented Goods			10,000,000	10,000,000
			<u>21,800,000</u>	<u>20,000,000</u>
<b>57. Fixed Assets:</b>				
Construction/ Plant/ equipment	100		10,000,000	10,000,000
Particulars/ Other Assets	100		10,000,000	10,000,000
			<u>20,000,000</u>	<u>20,000,000</u>
<b>58. Trade Allowances, (1,000,000) (200) to 10,000,000) are particular are liquidated. These relate to credit customers from date commencement of business. The aging schedule of trade receivables as follows:</b>				
Up to 1 month			10,000,000	10,000,000
Over 1 month			10,000,000	10,000,000
Over 3 to 7 months			1,000,000	1,000,000
			<u>21,000,000</u>	<u>21,000,000</u>
<b>59. Management's estimate is from Management</b>				
Balance as on July 01			10,000	10,000
Particulars/Trade in/ equipment during the year			10,000	10,000
			<u>20,000</u>	<u>20,000</u>



### 4 EMPLOYEES, EMPLOYEES' REPRESENTATIVES

Salaries and Expenses	Q1	5,647,500	1,139,000
Leases of Tools	Q1	55,000,000	26,000,000
Other Expenses		500,000	100,000
Salaries to Partners		1,000,000	1,000,000
		<u>57,192,500</u>	<u>1,505,000</u>

8.4 Salaries to employees are provided to their partners expenses and are settled in cash when expenses are incurred. Salaries are also provided to share of their personal needs and adjusted thereafter within the corporate bank.

8.5 The expenses amount reported against various forms of credit facilities will be settled for long or for materials and will be adjusted accordingly when of respective items of credit.

	2022	2021
	Expenses	Expenses
Salaries to Partners	1,000,000	1,000,000
Current salaries - 30 days per	<u>10,000,000</u>	<u>10,000,000</u>
Other salaries	1,000,000	1,000,000
Total salaries	<u>12,000,000</u>	<u>12,000,000</u>
	<u>11,000,000</u>	<u>11,000,000</u>

8.6 Salaries were reported for amount of Salaries was affected (decreased) received by 100% on account of low utilization of input stage and other items as well as amount of sales on current demand.

### 5 Cash and Cash Equivalents

Cash in hand	5,000,000	10,000,000
Cash at banks - in current account	<u>10,000,000</u>	<u>10,000,000</u>
	<u>15,000,000</u>	<u>20,000,000</u>

### 6 SALARY CONTRACTS

#### EMPLOYEES

Contractual liability - Contractual liability share of the 30 days	<u>1,000,000</u>	<u>1,000,000</u>
Contractual liability - Contractual liability share of the 30 days	1,000,000	1,000,000
Contractual liability share of the 30 days and 30 days in cash	<u>2,000,000</u>	<u>2,000,000</u>
Contractual liability share of the 30 days and 30 days in cash	<u>2,000,000</u>	<u>2,000,000</u>

8.4 There is no agreement with any shareholders for voting rights, board members, rights of the company, and their voting.

### 7 DIVIDENDS

#### Capital Reserves

Share Reserves	2,000,000	2,000,000
The amount of the company for the company only for the purpose specified in Article 10(a) of the Companies Act, 2015		

#### Reserve Reserves

Contractual liability	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>







### 12.1.1 Movement to Present value of defined benefit plan

Present value of defined benefit obligations	16,000,000	17,000,000
Current service cost	1,000,000	1,000,000
Interest cost	1,000,000	1,000,000
Benefits paid	(2,000,000)	(2,000,000)
Actuarial gains	1,000,000	1,000,000
Effect of net investment	(100,000)	(100,000)
	<u>16,000,000</u>	<u>17,000,000</u>

### 12.1.2 Expense recognized in Profit & Loss account

Present service cost	1,000,000	1,000,000
Interest cost	1,000,000	1,000,000
	<u>2,000,000</u>	<u>2,000,000</u>

### 12.1.3 Financial assets and liabilities

Insurance receivable from cost of a life claim	10,000	10,000
Insurance receivable and liabilities	10,000	10,000
Provision of expense in relation to wage	10,000	10,000
Employer's contribution for cost of employee	10,000	10,000
	<u>40,000</u>	<u>40,000</u>

Expense charge in Profit & Loss account for the year ended Dec 31, 2022 amount to the amount of 2,000,000 in respect of benefit.

### 12.2 Sensitivity analysis in a financial

A sensitivity analysis for the year ended 31st December 2022 for the movement of financial position due to changes in the defined benefit obligation value from the year ended 31st December in the assumptions is as follows:

Assume Return Defined  
Benefit Obligations

Assumption	December 31, 2022	December 31, 2021	Return Increase	Return Decrease
	16,000,000	16,000,000	16,000,000	16,000,000

### 12. FINANCIAL INSTRUMENTS BY CATEGORIES

Trade receivable and other receivable - current		16,000,000	16,000,000
Advance from customers - current	0.01	16,000,000	16,000,000
Banking facilities		1,000,000	1,000,000
Account receivable		1,000,000	1,000,000
Other		1,000,000	1,000,000
Investment Monetary items		10,000	-
		<u>34,000,000</u>	<u>34,000,000</u>

0.01 This operation account identified is shown by the customer upon the sales.

### 12.1.2.1 TRADE RECEIVABLE

Outstanding from clients	<u>34,000</u>	<u>34,000</u>
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0.01 This operation is identified with client from contract and employee.

### 12.1.2.2 OTHER TRADE RECEIVABLES

Advance Customer - Current			
Bank - Finance Investment	0.01	16,000,000	16,000,000
Over from/Advance - Current	0.01	16,000,000	16,000,000
		<u>32,000,000</u>	<u>32,000,000</u>

0.01 The Company has provided the facility of finance upon loaned capital from Bank of Al-Khair Limited amounting to 16,000 million (SD) 01 million. The facility amount used up at facility was total with 1 month/30 days plus 0.01 (SD) 160,000 per year. The facility is secured against the unrepaid balance of the company's investment guarantee of finance of the Company. The Company has also been provided by facility for sign size of (SD) 16,000,000 with 0.01 (SD) 160,000 additional/quarterly interest. The facility is secured against upon balance of investment of cash.

0.01 This operation for interest free loan received from finance or bank including capital requirement of the Company. It is secured and interest free loan which is available to clients. The transaction will be discussed on related with investment.

### 12.1.2.3 UNCLASSIFIED RECEIVABLE

This operation source of unclassified liability pending or release upon operation of investment. This amount is categorized into a profit liability account and profit will be categorized upon the responsibility and other specifications.

### 12.1.2.4 INVESTMENT IN A COMPANY/SHARES

#### 12.1.2.4.1 Investments

The investment from bank loaned guarantee is total of the Company amount to 16,000 million (SD) 16,000,000.

#### 12.1.2.4.2 Investments

Commitment in respect of share of unclassified are available in the period that was 16,000 million (SD) 16,000,000 in monthly over 16,000 (SD) 16,000 million and for operation over 16,000 million (SD) 16,000,000.



	Year	2022 Riyals	2021 Riyals
<b>11 - INDEBTEDNESS</b>			
Loans		1,000,000,000	1,000,000,000
Bank Advances		1,000,000,000	1,000,000,000
Bank Deposits		1,000,000,000	1,000,000,000
		<u>1,000,000,000</u>	<u>1,000,000,000</u>
<b>12 - INCOME TAXES</b> (the tax-exempt group companies accounted for the shares held before the sale, 100% share sales are a exempt exempt group share sales exempt from tax, except for the group sales and dividend income received from the group companies of which amounts to be Company has 100% share in the sale of the Company)			
<b>13 - COST OF COMMODITIES</b>			
Opening stock of raw material and work in process		50,000,000	1,000,000,000
Purchases		50,000,000	1,000,000,000
Closing stock of raw material and work in process		<u>50,000,000</u>	<u>1,000,000,000</u>
Raw material and work in process consumed		50,000,000	1,000,000,000
Materials waste and other benefits	10.1	10,000,000	10,000,000
Energy & Fuel and Lubricants		10,000,000	10,000,000
Repairs & Maintenance		10,000,000	10,000,000
Depreciation	10	10,000,000	10,000,000
Wages and Other		10,000,000	10,000,000
Insurance		10,000,000	10,000,000
		<u>10,000,000</u>	<u>10,000,000</u>
Opening stock of work in process		10,000,000	10,000,000
Closing stock of work in process		<u>10,000,000</u>	<u>10,000,000</u>
Cost of goods manufactured		10,000,000	10,000,000
Opening stock of finished goods		10,000,000	10,000,000
Closing stock of finished goods		<u>10,000,000</u>	<u>10,000,000</u>
Cost of Goods Sold		<u>10,000,000</u>	<u>10,000,000</u>
<b>14 - Selling, wages and other benefits include the LEKHAJI (200) &amp; LEKHAJI (company) of defined benefit plan under the Saudi regulatory system.</b>			
<b>15 - LABORATORY BUSINESS EXPENSES</b>			
Direct material		1,000,000	1,000,000
Salaries & benefits	10.1	1,000,000	1,000,000
Traveling & Conferences		1,000,000	1,000,000
Energy, telephone, & internet		1,000,000	1,000,000
Vehicle leasing		1,000,000	1,000,000
Vehicle maintenance		1,000,000	1,000,000
Legal professional charges		1,000,000	1,000,000
Software maintenance	10.1	1,000,000	1,000,000
Printing & delivery		1,000,000	1,000,000
Staff costs		1,000,000	1,000,000
Stationery		1,000,000	1,000,000
Utility charges		1,000,000	1,000,000
Fee & subscription		1,000,000	1,000,000
Depreciation	10	1,000,000	1,000,000
Wages Expenses		1,000,000	1,000,000
Energy charges		1,000,000	1,000,000
Insurance for lab sites	10	1,000,000	1,000,000
Legal and professional		1,000,000	1,000,000
Stationery		1,000,000	1,000,000
Software		1,000,000	1,000,000
Bank, Water and Power		<u>1,000,000</u>	<u>1,000,000</u>
		<u>1,000,000</u>	<u>1,000,000</u>
<b>16.1</b> Selling and other benefits include the LEKHAJI (200) & LEKHAJI (company) of defined benefit plan under the Saudi regulatory system.			
<b>16.2</b> LABORATORY LABORATORY			
Cost of		1,000,000	1,000,000
Provision for impairment of laboratory financial statements		1,000,000	1,000,000
Cost of laboratory		<u>1,000,000</u>	<u>1,000,000</u>
		<u>1,000,000</u>	<u>1,000,000</u>



## 24 OPERATING EXPENSES

	2022	2021
Salaries & benefits	1,041,229	912,178
Rent expenses	1,094,117	1,174,476
Depreciation	1,000,000	952,000
Printing and stationery	400,000	314,178
Telephone and internet	300,000	314,178
Traveling and entertainment	1,000,000	314,178
Security, guard, maintenance	1,000,000	1,000,000
Transport and petroleum	300,000	300,000
Energy charges	275,000	240,000
Administrative facilities, maintenance charges	1,000,000	1,000,000
Depreciation	14,000,000	1,000,000
	<u>19,400,346</u>	<u>10,500,346</u>

24.1 Salaries and other benefits include \$4,100,000 (2021: \$4,000,000) in respect of defined benefit plan under actuarial liability method.

## 25 FINANCIAL COSTS

	2022 Kuson	2021 Kuson
Mark up on short term financing	1,000,000	1,000,000
Bank & insurance charges	375,000	375,000
	<u>1,375,000</u>	<u>1,375,000</u>

## 26 OPERATING EXPENSES

Welfare Fund Participation Fund - WPPF	1,000,000	1,000,000
Welfare Fund (Welfare) - WF	300,000	300,000
	<u>1,300,000</u>	<u>1,300,000</u>

## 26.1 Welfare Fund Participation Fund - WPPF

Salaries including PF	1,000,000	900,000
Expenses for Welfare	1,000,000	1,000,000
Expenses during the year	17,000,000	900,000
Salaries from WF	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>

## 27 OPERATING INCOME

Share income of subsidiaries	-	1,000,000
Income from Real Estate	300,000	300,000
Income from - Other	300,000	300,000
	<u>600,000</u>	<u>1,600,000</u>

## 28 FINANCIAL EXPENSES

Current Taxation		
- Income tax	1,000,000	1,000,000
- Income tax	300,000	300,000
	<u>1,300,000</u>	<u>1,300,000</u>
Deferred Taxation	300,000	300,000
	<u>1,600,000</u>	<u>1,600,000</u>



## 10.1 Relationship between income tax expenses and accounting profits

Profit before income tax	2022 (SAR)	2021 (SAR)
Exp. on the application of tax on financial items	15,000,000	9,000,000
Exp. on the effect of:		
- tax on non-deductible expenses	60,000	60,000
- tax on non-deductible expenses that are tax-deductible in subsequent periods of time	3,000,000	3,000,000
- Additional provisions in case of losses in subsequent periods of time that are not deductible in subsequent periods of time	1,000,000	(1,000,000)
- The effect of tax losses	600,000	600,000
Income tax expense	19,600,000	13,660,000
Effective tax rate	12.0%	12.0%

## 10.2 EMPLOYEE PERFORMANCE - Total and split

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

Profit before tax before income tax	(SAR)	25,000,000	20,000,000
Profit before tax after income tax	(SAR)	24,375,000	19,375,000
Number of shares outstanding	(SAR)	10,000,000	10,000,000
Earnings per share before income tax	(SAR)	2.50	2.00
Earnings per share after income tax	(SAR)	2.44	1.94

## 10.3 RECONCILIATION OF EBITDA TO EBIT, OPERATING AND BASIC EPS

	Earnings before interest and taxes		Interest		Depreciation		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Operating Income	2,000,000	2,000,000	1,000,000	1,000,000	2,000,000	2,000,000	5,000,000	5,000,000
Other	2,000,000	2,000,000	-	-	-	-	4,000,000	4,000,000
Total	-	-	-	-	2,000,000	2,000,000	8,000,000	9,000,000
Total	4,000,000	4,000,000	1,000,000	1,000,000	2,000,000	2,000,000	14,000,000	14,000,000
Number of Shares	-	-	-	-	-	-	10,000,000	10,000,000

Reconciliation and other facilities to Cash/Debit and Debit in order to conform with the policy specified by the Board of Directors of the Company, the accounting system that, Executive Director and independent Director of the Company. For Company management and Non-executive Director is responsible for the approval of the Board.

## 11. FINANCIAL RISK MANAGEMENT

### 11.1 Credit Risk

The Company's credit risk exposure is summarized under the following table:

#### Executive Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is as follows at reporting date over:

	2022 Exposure	2021 Exposure
Trade receivables	10,000,000	10,000,000
Advances to staff	10,000,000	10,000,000
Other receivables	10,000,000	10,000,000
Trade payables	10,000,000	10,000,000
	40,000,000	40,000,000

The table table is as the reporting date as of financial assets. The aging of trade receivables at the reporting date is as under:

Due less than 30 days	10,000,000	10,000,000
Due less 31-60 days	10,000,000	10,000,000
Due less 61-90 days	10,000,000	10,000,000
More than 90 days	10,000,000	10,000,000
	40,000,000	40,000,000

Based on the financial records, the company follows the risk management objectives in respect of financial assets and liabilities in respect of the provisions provided for impairment, according to IAS 39, IAS 38, IAS 39, IAS 39, IAS 39.



**8.2 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 operations manage liquidity in a manner which provides them with always have sufficient liquidity to meet its liabilities when they come due under normal and stress conditions, without incurring unacceptable losses or taking damage to the company's reputation following the occurrence of events of financial difficulty, including interest payments and including the impact of rating agencies, if any.

2022	Contractual Amount	Contractual Maturity	Net Maturity in Year	Receivable Maturity	Days in the Period	Days in the Year
Total non-derivative liabilities	10,040,000	1,000,000	14,000,000	1,000,000	-	-
Total Payable	500,000	500,000	500,000	-	-	-
Unsecured Unpaid	1,000,000	1,000,000	1,000,000	-	-	-
Financial Guarantees payable	2,000,000	2,000,000	2,000,000	-	-	-
Total non-derivative	17,000,000	17,000,000	17,000,000	1,000,000	-	-
<b>Total</b>	<b>17,000,000</b>	<b>17,000,000</b>	<b>17,000,000</b>	<b>1,000,000</b>		

2021	Contractual Amount	Contractual Maturity	Net Maturity in Year	Receivable Maturity	Days in the Period	Days in the Year
Total non-derivative liabilities	14,000,000	14,000,000	14,000,000	1,000,000	-	-
Total Payable	400,000	400,000	400,000	-	-	-
Unsecured Unpaid	1,000,000	1,000,000	1,000,000	-	-	-
Financial Guarantees payable	2,000,000	2,000,000	2,000,000	-	-	-
Total non-derivative	16,400,000	16,400,000	16,400,000	1,000,000	-	-
<b>Total</b>	<b>16,400,000</b>	<b>16,400,000</b>	<b>16,400,000</b>	<b>1,000,000</b>		

**8.3 Market Risk**

Market risk is the risk that the value or future cash flows of financial instruments will fluctuate because of changes in interest rates, foreign exchange, commodity prices and equity prices that will affect the Company's income or the value of its holdings of financial instruments.

**8.3.1 Interest Rate Risk**

As to operating loss the interest rate profile of the Company's interest bearing financial instruments were:

Particulars	2022 Effective rate in %	2021 Effective rate in %	2022 Operating assets/ Liabilities	2021 Operating assets/ Liabilities
Financial liabilities				
Payable long-term loans				
Total Financial Liabilities	0.0 to 0.0%	0.0 to 0.0%	10,040,000	14,000,000

**Fair value of available securities for fixed investments**

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

**Fair value available securities for non-current investments**

A change in fair value of fixed rate investments at the reporting date would have increased/ decreased profit or loss to the extent shown below. This would account for all other available non-current investments/ securities (except interest account). The impact is performed on the available assets for the previous year:

	Balance 2022	Balance 2021
As at 31/12/2022	1,000,000	1,000,000
As at 31/12/2021	10,000	100,000

The sensitivity analysis prepared is on a summary indicative of the effect on profit/loss per unit account/ liabilities of the company.



## 15.3 Fair Value

This table is the net fair value of the value of those cash flows if the financial instrument will be held to maturity because of change in credit price rather than from selling them at the market rate (fair or market value). The Company's net exposure to acquisition did not have an net financial instrument at its reporting date but acquisition topline activities.

## 15.4 Contract Risk

The Company's exposure to contract risk or liquidation risk remains mostly dominated by US dollars. The Company's exposure to foreign currencies is for US Dollars in its balance.

	2022 Balance	2021 Balance
Contracting Lines of Trade	14,000,000	11,000,000
Contract Risk	100.00	100.00
Contracting Risk net	100.00	100.00

## 15.5 Credit Risk

At reporting date if the PMR risk mitigated by 10% against the foreign currency with all other variables held constant just as Profit for the year would have been higher by the amount of the above, mainly account of the foreign exchange gain or loss of the remaining lines of trade.

	2022 Balance	2021 Balance
The effect on Profit before Interest tax	1,000,000	1,100,000

The sensitivity of PMR against foreign currencies would have an impact that is positive to the year's profit. The sensitivity analysis prepared and is not necessarily indicative of the effect on (loss) gain for the year-end assets' liabilities of the Company.

## 15.6 Fair value of financial instruments

The carrying value of the financial assets and financial liabilities approximates their fair value. The value of the quoted market received is well covered in year to measure a liability to an actively traded market or market participants at measurement date.

## 15.7 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.

Capital is restricted in other capital structure. The Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets in order to do.

Consistent with other shareholders, the Company monitors capital on the basis of following ratio. The ratio is calculated as debt divided by total capital employed. Total capital employed is calculated as equity or shown in the statement of financial position (see table).

	2022 Balance	2021 Balance
Debt/Total	100.00%	100.00%
Total Capital Employed	100.00%	100.00%
Equity/Total	100.00%	100.00%

## 16 TRANSACTIONS WITH RELATED PARTIES

The Company's related parties include associated companies, entities over which it exercises or has the ability to exercise influence, subsidiaries, joint ventures and key management personnel. Details of transactions with related parties during the year which have been entered into have been disclosed elsewhere in the financial statements can be found below.



Names of Related Party	Relationship With the Company	Nature of Transactions	2021 Rupees	2020 Rupees
Al-Khair Global (Private) Limited	Associated company for its common ownership	Sales	-	(2,442,191)

We transacted with related parties as detailed in notes 14(a) and 14(b). There is no balance at the end of the reporting period.

### 20. FINANCIAL INSTRUMENTS BY COUNTERPARTY

#### 20.1 Measurement Company

As at Date 31.03.2022

Financial Assets	2022 Measurement Company			
	Carrying amount before impairment	Impairment losses	Amount due	Carrying amount
Tradeables	25,492,212	-	25,492,212	-
Advances, deposits and prepayments	41,474,375	-	41,474,375	-
Contractual balances	11,292,082	-	11,292,082	-
	<u>78,258,669</u>	<u>-</u>	<u>78,258,669</u>	<u>-</u>

As at Date 31.03.2021

Tradeables	25,492,212	-	25,492,212	-
Advances, deposits and prepayments	1,712,249	-	1,712,249	-
Contractual balances	28,012,128	-	28,012,128	-
	<u>55,216,589</u>	<u>-</u>	<u>55,216,589</u>	<u>-</u>

Financial liabilities

As at Date 31.03.2022

Trade and other payables	17,144,497	-	17,144,497	-
Bank and bank overdrafts	28,540,000	-	28,540,000	-
Contractual liabilities	1,171,249	-	1,171,249	-
	<u>46,855,746</u>	<u>-</u>	<u>46,855,746</u>	<u>-</u>

As at Date 31.03.2021

Trade and other payables	28,492,212	-	28,492,212	-
Bank and bank overdrafts	16,344,334	-	16,344,334	-
Contractual liabilities	1,171,249	-	1,171,249	-
	<u>45,997,795</u>	<u>-</u>	<u>45,997,795</u>	<u>-</u>

### 21. UNRECOGNIZED FROM OPERATIONS

Profit before taxation	2021 Rupees	2020 Rupees
Adjustments for non cash items:		
Depreciation, amortization, plant and equipment	26,17,000	12,17,000
Finance cost	2,04,754	2,07,754
Change in fair value of assets and liabilities	-	(1,40,774)
Revisions for equity	2,29,249	2,29,249
Revisions for liability	27,000	-
Revisions for loss/Advances	10,000	10,000
Revisions for employee participation fund	2,24,000	2,24,000
Revisions for contract liabilities	10,000	10,000
	<u>33,12,003</u>	<u>16,17,229</u>
Operating profit before working capital changes	26,78,246	14,96,229
Revisions/Increase in current assets:		
Bank and cash	2,24,000	(1,70,000)
Bank overdrafts	(2,04,754)	(2,07,754)
Tradeables	2,29,249	(2,29,249)
Advances, deposits and prepayments	(2,04,754)	(2,07,754)
	<u>(1,56,259)</u>	<u>(4,14,757)</u>



**Financial Income & liabilities**  
Trade and other receivables  
Net cash flow from Operating Activities

2022	2021
Q1 2022	Q1 2021
100,000	100,000
100,000	100,000
100,000	100,000
100,000	100,000
100,000	100,000

**24.1 Cash and cash equivalents**  
Cash in hand  
Cash at banks - in current accounts

**25. RECONCILIATION OF MOVEMENT OF LIABILITIES AND EQUITY TO CASH FLOW STATEMENTS**

Balance at 31/12/2021

Income from sales financing

Total comprehensive income for the year

Share Issue Premium	Equity Reserve	Total
100,000	100,000	200,000
100,000	100,000	200,000
100,000	100,000	200,000

**26. PLANT, EQUIPMENT AND PROVISIONS**

Good assets

Capacity utilized

2022	2021
100,000	100,000
100,000	100,000

In compliance with the capacity of plant is utilized according to the demand of the market. The very nature of plant is such that the producing speed is so high, therefore average the capacity level 80% in Q1 2022 which is slightly above the capacity level in past few days. There is no change in the specifications and there is no utilization of any other utilities.

**27. NUMBER OF EMPLOYEES**

Number of employees at a time 01

Average number of employees during the year

2022	2021
100	100
100	100

**28. ENVIRONMENTAL POLICIES AND GENERAL**

There has been no need to file the environmental

Compliance Report for the year as detailed / certified / certified with appropriate presentation of waste and emissions for compliance purposes.

**29. USE OF INFORMATION**

These financial statements were authorized for issue on September 15, 2022 by the Board of Directors of the Company.

**MR. MOHAMMED NAZEEM MEEZAN**  
CHAIRMAN

**MR. MOHAMMED NAZEEM MEEZAN**  
CHIEF EXECUTIVE

**MR. ISSAM CHADI**  
CHIEF FINANCIAL OFFICER

Lahore, September 15, 2022





**PATTERN OF HOLDING OF THE SHARES HELD  
BY THE MEMBERS OF AL-KHAIR GADOON LIMITED  
AS AT 30TH 06, 2022**

Sl. No.	Number of Shareholders	EGD (EGD)		Total Shares Held
		From	To	
1	20	1	100	490
2	100	100	200	69,200
3	49	50	1000	49,000
4	24	1000	2000	100,200
5	12	5000	10000	60,000
6	2	10000	15000	20,000
7	2	15000	20000	49,000
8	1	20000	25000	22,400
9	1	30000	30000	50,000
10	1	40000	40000	48,000
11	1	120000	120000	120,700
12	1	150000	150000	150,000
13	1	250000	250000	250,000
14	1	370000	37000	374,000
15	1	340000	340000	340,000
16	2	490000	500000	990,000
17	3	600000	600000	1,800,000
18	1	640000	640000	646,000
19	1	700000	800000	800,000
20	1	940000	900000	947,400
21	1	2000000	2000000	2,004,400
	<b>121</b>			<b>18,000,000</b>

Categories of Shareholders	No. of Shareholders	No. of Shares held	Percentage
Individuals	121	9,764,800	54.24%
Investment Companies	1	100	0.0005%
Joint Stock Companies	4	284,900	1.583%
	<b>126</b>	<b>10,050,000</b>	<b>100.00%</b>


**PATTERN OF SHAREHOLDING**

		No. of Shares	Percentage
<b>1</b>	<b>SHARES HELD BY SCP</b>	<b>500</b>	<b>0.005%</b>
<b>2</b>	<b>DIRECTORS</b>		
(i)	Mr. Mohammed Ahsan Sheikh - Chairman/Director	204,471	20.447%
(ii)	Mr. Mohammed Saad Sheikh - Chief Executive	60,000	6.000%
(iii)	Mr. Mohammed Amin Sheikh - Director	47,000	4.700%
(iv)	Mrs. Nafisa Amin - Director	60,000	6.000%
(v)	Mrs. Farveen Ahsan - Director	60,000	6.000%
(vi)	Mrs. Farzana Raed - Director	60,000	6.000%
(vii)	Mrs. Azeemah Zahid Tariq - Director	500	0.005%
(viii)	Mr. Kamal Subhani - Independent Director	500	0.005%
		<b>4,293,100</b>	<b>60.87%</b>
<b>3</b>	<b>SPOUSE AND CHILDREN</b>		
(i)	Mr. Nadeem Ahsan/ra M. Ahsan Sheikh	60,000	6.000%
(ii)	Mr. Muhammad Raed	490,000	4.900%
(iii)	Mr. Muhammad Ahmed	714,500	7.145%
		<b>1,474,500</b>	<b>14.79%</b>
<b>4</b>	<b>PUBLIC SECTOR COMPANIES</b>	<b>343,607</b>	<b>3.64%</b>
<b>5</b>	<b>MUTUAL FUNDS AND LEASING COMPANIES</b>	<b>1,000</b>	<b>0.01%</b>
<b>6</b>	<b>GENERAL PUBLIC</b>	<b>1,471,311</b>	<b>14.77%</b>
		<b>10,000,000</b>	<b>100.00%</b>

**SHAREHOLDING PATTERN WISE**

Please refer to Serial No. 2 and 3 above.

**Trade in the share of the Company by Directors, CEO, CFO, Company Secretary, Executives and their Spouse and Minor Children.**

Name	Sale	Purchase
Mohammed Ahsan Sheikh	-	2,000,000

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- 9) Knowledge center
- 10) Risk profiler<sup>5</sup>
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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 Photo No./CDC Participant's ID and Account No. \_\_\_\_\_ Sub-Account  
No. \_\_\_\_\_ hereby appoint \_\_\_\_\_ (Name)  
\_\_\_\_\_ of \_\_\_\_\_

or failing thereof \_\_\_\_\_

(NAME) \_\_\_\_\_

of \_\_\_\_\_

who is also a member of the Company vide registered Photo No./CDC Participant's ID and Account  
No. \_\_\_\_\_ as my / our proxy to vote for me / us and as my / our behalf at the 32nd  
Annual General Meeting of the Company to be held at Registered Office at 923, Phase III, Industrial  
Estate, Chakravartee Nagar, District Buxar, Khyber Pakhtunkhwa, on Wednesday October 26, 2022 at  
09:00 A.M. and at every adjournment thereof.As witness my hand this \_\_\_\_\_ day of  
\_\_\_\_\_, 2022.signed by the said \_\_\_\_\_ in the presence  
of \_\_\_\_\_

Signature:

**Signature Across Two Copies  
Requires Stamp**

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

# CONTACT US

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 [www.al-khairgadood.com](http://www.al-khairgadood.com)

**AL-KHAIR, GADOOD LTD.**



**Alkair Foam**



**L-FOAM**



**FOAMAGE**



**SERENE FOAM**



**Araamco** آرامكو