



SINCE 1980

AL-KHAIR GADOON LTD.



2024 ANNUAL REPORT

www.alkhaigadoon.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 'AKBL'.



170+

Employees



360+

Share Holders



45%

Apparelments Country's
Rated Capacity



25%

Apparelments
Market Share



30+

Years of Experience



1100+

Dealers Nationwide



COMPANY PROFILE

Al-Khair Gadoon Limited (AKGL), established in 1980, is an ISO: 9001:2015 certified company. AKGL, innovating through an industrial partnership with Shell (Singapore) & BASF (Korea), has now become a household name of trust in the production of high-quality polyurethane foam and related products. The factory is located at Industrial Estate Gadoon Amazai, District Swabi, which is considered as a very suitable area with reference to sea level and humidity, for production. The principal activities of the company are purchase, manufacture and sale of foam mattresses, spring mattresses, sofa beds, furniture, pillows, bedsheets and technical polyurethane products. AKGL is listed with Pakistan Stock Exchange Limited.

Management Profile

Mr. Mohammed Afzal Sheikh
(Chairman)

Mr. Mohammed Amin Sheikh
(C E O)

Mr. Mohammed Saeed Sheikh
(Non-Executive Director)

Mrs. Parveen Afzal
(Non-Executive Director)

Mrs. Farnaz Saeed
(Non-Executive Director)

Mrs. Nafisa Amin
(Non-Executive Director)

Mr. Asif Sajjad
(Independent Director)

Mr. Kamel Subhani
(Independent Director)



**Registered
Number**
P-00899



**Company's
NTN Number**
0000094-9



**Company's
Symbol**
AKGL



**ST Registration
Number**
05-05-9404-004-46

Certifications



ISO 9001 : 2015

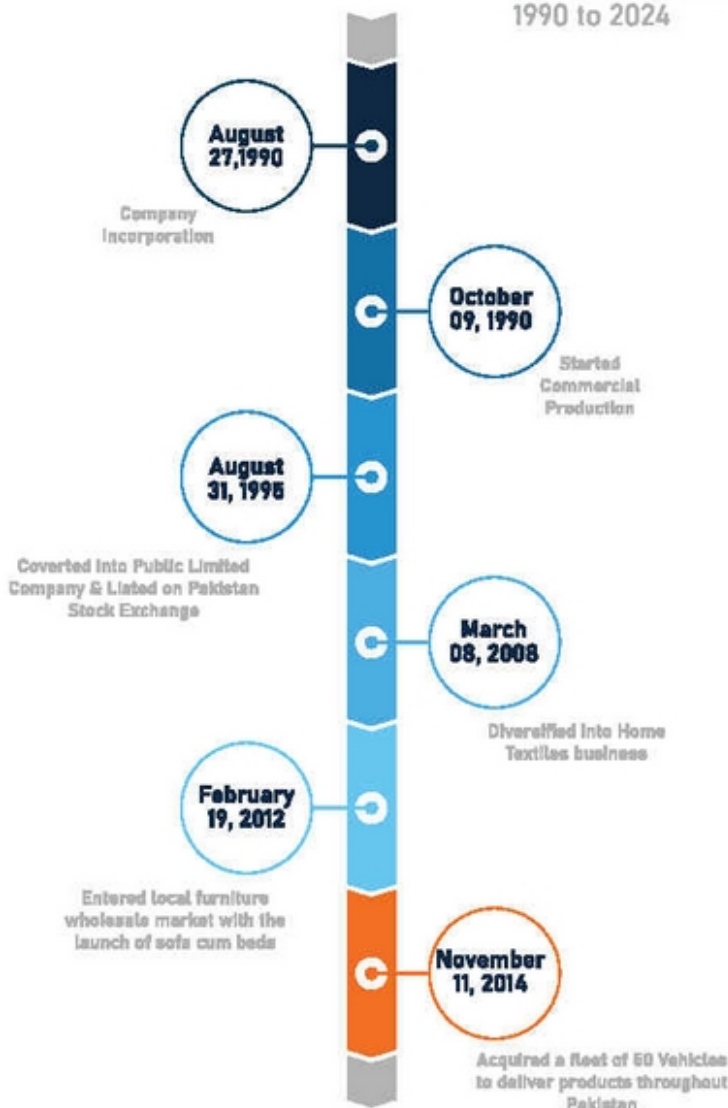
COMPANY INFORMATION

BOARD OF DIRECTORS:	Mohammad Afzal Sheikh Mohammad Amin Sheikh Mohammad Saeed Sheikh Mrs. Parveen Afzal Mrs. Faraz Saeed Mrs. Nafisa Amin Mr. Aatif Sajjad Mr. Kamal Subhani	Chairman Chief Executive Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Independent Director Independent Director
AUDIT COMMITTEE:	Mr. Kamal Subhani Mrs. Faraz Saeed Mr. Aatif Sajjad Mr. Khuram Iftikhar	Chairman Member Member Secretary
HUMAN RESOURCE & REMUNERATION COMMITTEE:	Mr. Kamal Subhani Mrs. Faraz Saeed Mrs. Parveen Afzal Miss Samina Kolah	Chairman Member Member Secretary
CFO / CHIEF ACCOUNTANT:	Abdul Qadir	
COMPANY SECRETARY:	Miss Samina Kolah	
AUDITORS:	M/s. Tahir Siddiqi & Co., Chartered Accountants.	
LEGAL ADVISOR:	Mr. Umar Jamil (Advocate High Court)	
SHARES REGISTRAR:	Shemas International (Pvt) Limited 533-Imperial Garden Block, Main Boulevard, Paragon City, Barki Road, Lahore.	
BANKERS:	United Bank Limited Meezan Bank Limited Bank Alfalah Limited Habib Metropolitan Bank Allied Bank Limited Soneri Bank Limited.	
REGISTERED OFFICE & FACTORY SITE:	92/3, 94A & 94B Phase III, Industrial Estate, Gadoon Amzai, District Swabi, (K.P.K) Tel: (0938) 270260 Fax: (0938) 270270	
CORPORATE OFFICE:	Al-Khair House, 43-T, Gulberg II, Lahore. Tel: (0342) 4311111 Fax: (042) 35716588, 35753719 Email: info@alkhairgadoon.com Website: www.alkhairgadoon.com	



Our Journey

1990 to 2024



PRODUCTS

Foam Mattresses



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

Spring Mattresses



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

Orthopedic Mattresses



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

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 tested 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 cum bed that fits 90% of all body types. Plus it comes in a box giving customers ease of buying.





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.



Tri-Fold

AlKhair® Tri-fold mattress is a versatile and portable product that is an alternative to regular mattresses, it can be folded for easy storage and transport, it has three foam panels which can be folded from two places. The best product for extra guests, hostel rooms and for camping can be taken anywhere.

BabyCot Mattress

Baby mattress is the best mattress choice for your newborn, infant, or toddler. The ideal firmness for infant safety and development, this mattress features a core made of high-quality, breathable foam to maximize air flow and comfort for your little one.



Jai Namaz

Jai Namaz Plush Quilted with High density foam and matching fabric underlining for ease of offering prayer and protects knees of elderly.



Pillow in Box

Discover the convenience of best pillow for sleeping in Pakistan. Pillow Inbox is compressed in a compact box, offering ease in one package.



Kidz Pillow

Gifting your child a peaceful sleep with Pakistan's best pillow. Our kidz pillow provides the perfect balance of support and comfort for growing bodies.



Gow Pillow

Experience a night of unparalleled comfort with Pakistan's best pillow. Our gow pillows are crafted for superior support and comfort.



Wedge Pillow

The Wedge Pillow offers versatile support for elevating your upper body, legs, or for side-lying stabilization, ideal for pregnant women and those with acid reflux or breathing issues.



Mom Cozy

Mom Cozy Pregnancy Pillow has been designed for the mothers to be who are looking for a perfect pillow for side sleeping during pregnancy.



Baby Nest

The blanket wearable and covers the complete body and makes it safer from outside pollution dust.



Back Care Office/Car

AL-Khair's BackCare protects you from sitting wrong in harmful positions.



Coccyx

It suspends the coccyx and eliminates all the pressure from the back while sitting or driving, (especially on sensitive areas like tail bone).



Ring Cushion

The ring cushion distributes body weight evenly without putting pressure on the lower abdomen. It provides effective pain relief and healing of the affected area.



Neck Pillow

Travel Pillow is easiest to handle during long travels. Its flat ergonomic design takes the shape of the neck and provides perfect support to enjoy restful sleep while traveling.



Foot Rest

Footrest is a must that only helps you elevate your feet properly above the floor but also evenly distributes your weight by reducing pressure on your legs.



Kids Butterfly Seats

Your kids will surely enjoy this colourful set of bow-tied shaped seats that keep the fun going while encouraging an exclusive learning environment. These exceptional seats offer a fresh take on the outdated way of seating.



Toddler Triangle Block Set

Creativity and Educational:

Including 6 foam blocks, this set can be rearranged into different patterns.

Reconfiguring the pieces stimulates creativity and offers a fun way to establish your sweetie's distinction for colors and geometry in their early development.



YogaMat

Yoga Mat anti-skid sports fitness comfort foam 4mm thick yoga mat for exercise yoga and pilates gymnastics.



Punching Box

Professional quality crafted from high-quality materials for durability and performance. Ideal for training designed to withstand intense workouts and practice sessions.



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
Conflict of Interest
External Activities
Recruitment Decisions
Regulatory Compliance

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

Financial Overview

Gross Sale 2024

PKR 1,671 M

Gross Sale 2023

PKR 1,386 M

Profit/(Loss) After Tax 2024

PKR 27.25 M

Profit/(Loss) After Tax 2023

PKR 13.02 M

Total Assets 2024

PKR 681.49M

Total Assets 2023

PKR 618.72M

Earning Per Share 2024

PKR 2.73

Earning Per Share 2023

PKR 1.30

YEAR WISE STATISTICAL SUMMARY

	2024	2023	2022	2021	2020	2019
	(Rupees in millions)					
Investment Measures						
Share Capital	100	100	100	100	100	100
Shareholders' Equity	322.39	295.54	280.51	252.93	230.12	222.32
Profit before taxation	40.19	25.19	45.93	39.68	16.02	27.77
Profit after taxation	27.25	13.02	30.57	22.81	8.00	19.39
Dividend Per share	-	-	-	-	-	-
Earnings per share - Rs.	2.73	1.30	3.06	2.28	0.80	1.94
Break-up value per share - Rs.	32.24	29.55	28.05	25.29	23.01	22.20
Measures of Financial Status						
Current Ratio	1.56:1	1.60:1	1.45:1	1.44:1	1.44:1	1.36:1
No of days – Stock	108	120	107	133	203	143
No of days - Debtors	10.54	18.10	17.29	23.76	41.89	31.31
Measures of Financial Performance						
Return on Capital Employed	7.65%	3.93%	9.52%	7.84%	3.25%	8.25%
Gross Profit Ratio	12.97%	12.80%	12.84%	14.41%	16.08%	14.99%
Profit before tax to sales	3.14%	2.37%	3.97%	4.94%	3.66%	4.83%
Profit after tax to sales	2.13%	1.22%	2.65%	2.84%	1.83%	3.38%
Debt Equity Ratio	45.43%	24.85%	40.39%	39.68%	26.23%	38.91%

NOTICE OF MEETING

Notice is hereby given that the 34th Annual General Meeting of Al-Khair Gadoon Ltd., will be held on Friday the October 25, 2024 at 8:00 A.M. at the Registered Office of the Company at 92/3, Phase III, Industrial Estate, Gadoon Amazai, District Swabi, Khyber Pakhtunkhwa, to transact the following business: -

- 1 To confirm the minutes of the 33rd Annual General Meeting held on October 26, 2023.
- 2 To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2024, together with the Directors' and Auditors' Reports thereon.
- 3 To appoint Auditors of the Company and fix their remuneration.
- 4 To transact any other business with the permission of the Chairman.

BY ORDER OF THE BOARD

Miss Samina Kokab
Company Secretary

Dated: October 02, 2024

NOTES:

- 1 Share Transfer Books of the Company will remain closed from October 18, 2024 to October 25, 2024 (both days inclusive). Transfers received in order upto the close of business on October 17, 2024 at the Corporate Office of the Company at Al-Khair House, 43-T, Gulberg II, Lahore will be entitled to voting rights at the Annual General Meeting.
- 2 A member of the Company entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend and vote. Votes may be given personally or by proxy or by Attorney or in case of a Corporation by representative. The instrument of proxy duly executed should be lodged at the Corporate Office of the company at Al-Khair House, 43 – T, Gulberg II, Lahore not later than 48 hours before the time of meeting.
- 3 Any individual Beneficial Owner of the Central Depository Company (CDC), entitled to vote at this meeting must bring his / her Computerized National Identity Card (CNIC) or passport (in case of foreigner) along with CDC account number to prove his / her identity and in case of proxy must enclose an attested copy of his / her CNIC or passport. Representatives of corporate members should bring the usual documents required for such purpose.
- 4 Members are requested to immediately inform the Company's Share Registrar of any change in their mailing address.
- 5 Members are requested to provide by mail, photocopy of their CNIC or passport (in case of foreigner), unless it has been provided earlier, enabling the Company to comply with relevant laws.
- 6 The Company has made arrangement that participants, including shareholders, can also now participate in the AGM proceedings via video link. Those members who are willing to attend and participate in the AGM through video link are requested to register themselves by providing their Names, Folio Number, Number of Shares, Cell Number, email address and valid copy of both sides of Computerized National Identity Card (CNIC) at "corporate@alkhairgadoon.com" with subject of Registration and attend the AGM at least 7 days before the meeting.

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 8:00 am on the date of AGM till the end of the meeting.

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

- 7 The Securities & Exchange Commission of Pakistan vide SRO 470(1)/2016 dated May 31, 2016 has allowed companies to circulate Annual Audited Accounts to its members through CD/DVD/USB at their registered addresses. In view of this, the Company is being sent its 2024 Annual Report to the shareholders in form of DVD. Any member requiring printed copy of 2024 annual report may send a request with identification details, the Company will send the hard copy of printed accounts 2024 free of cost within one week.
- 8 In accordance with Section 132 (2) of the Companies Act, 2017 if the Company receives consent from members holding in aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference at least 7 days prior to the date of Annual General Meeting, the Company will arrange video conference facility in that place subject to availability of such facility in that place. To avail this facility a request is to be submitted to the Company Secretary of the Company on given address:

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

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

نوٹس برائے سالانہ اجلاس

اطلاع دی جاتی ہے کہ الخیر گدون لمیٹڈ کا 34 واں سالانہ اجلاس جمعہ 25 اکتوبر 2024 کو صبح 8:00 بجے کمپنی کے رجسٹرڈ آفس 92/3، فیر 111، صنعتی اسٹیٹ، گدون لمڈا کی، ضلع صوابی، خیبر پختونخوا، میں درج ذیل کاروبار کے لئے منعقد ہوگا:-

1. 26 اکتوبر 2023 کو ہونے والی سالانہ جنرل میٹنگ کے منٹس کی تصدیق کرنا۔
2. 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ اکاؤنٹس کو حاصل کرنے، ان پر غور کرنے اور اپنانے کے لیے، اس پر ڈائریکٹرز اور آڈیٹرز کی رپورٹس کے ساتھ۔
3. کمپنی کے آڈیٹرز کی تقرری اور ان کے معاوضے کا تعین کرنا۔
4. چیئرمین کی اجازت سے کوئی دوسرا کاروبار کرنا۔

بورڈ کے حکم سے

شمینہ کوکب

کمپنی سیکریٹری

تاریخ: 02 اکتوبر 2024

نوٹس:

1. کمپنی کی حصص کی منتقلی کی کتابیں 18 اکتوبر 2024 سے 25 اکتوبر 2024 تک (دونوں دن سمیت) بند رہیں گی۔ 17 اکتوبر 2024 کو کمپنی کے کارپوریٹ آفس الخیر ہاؤس، 43- T، گلبرگ 11، لاہور میں کاروبار کے اختتام تک موصول ہونے والی منتقلی سالانہ جنرل میٹنگ میں ووٹنگ کے حقوق کے حقدار ہوں گے۔
2. میٹنگ میں شرکت کرنے اور ووٹ دینے کا حقدار کمپنی کا ممبر کسی دوسرے ممبر کو شرکت کرنے اور ووٹ دینے کے لیے اپنا پراکسی مقرر کر سکتا ہے۔ ووٹ ذاتی طور پر یا پراکسی کے ذریعہ یا انسانی کے ذریعہ یا کارپوریٹیشن کے معاملے میں نمائندے کے ذریعہ دیے جاسکتے ہیں۔ پراکسی کے آلے کو کمپنی کے کارپوریٹ آفس الخیر ہاؤس، 43- T، گلبرگ 11، لاہور میں میٹنگ کے وقت سے 48 گھنٹے پہلے درج کیا جانا چاہیے۔

3. سنٹرل ڈپازٹری کچنی (سی ڈی سی) کا کوئی بھی فروسٹیفیشل اوور، جو اس میٹنگ میں ووٹ دینے کا حقدار ہے، اپنا کمپیوٹر انٹرنیٹ پر شافٹی کارڈ (سی این آئی سی) یا پاسپورٹ (غیر ملکی کی صورت میں) اپنے ساتھ لانا چاہیے تاکہ وہ اپنے سی ڈی سی اکاؤنٹ نمبر کو ثابت کرے۔ اس کی شناخت اور پراسس کی صورت میں اس کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپی منسلک کرنا ضروری ہے۔ کارپوریٹ ممبران کے نمائندوں کو اس مقصد کے لیے درکار معمول کے دستاویزات ساتھ لانا چاہیے۔
4. اراکین سے درخواست کی جاتی ہے کہ وہ فوری طور پر کچنی کے شیئر رجسٹرار کو اپنے ایڈریس میں کسی بھی تبدیلی کی اطلاع دیں۔
5. اراکین سے درخواست کی جاتی ہے کہ وہ بذریعہ ڈاک، اپنے کمپیوٹر انٹرنیٹ پر شافٹی کارڈ یا پاسپورٹ (غیر ملکی کی صورت میں) کی فوٹو کاپی فراہم کریں، جب تک کہ یہ پہلے فراہم نہ کیا گیا ہو، کچنی کو متعلقہ قوانین کی تعمیل کرنے کے قابل بناتی ہے۔
6. کچنی نے یہ انتظام کیا ہے کہ شرکاء بشمول شیئر ہولڈرز بھی ویڈیو لنک کے ذریعے سالانہ جنرل میٹنگ کی کارروائی میں حصہ لے سکتے ہیں۔ وہ ممبران جو ویڈیو لنک کے ذریعے سالانہ جنرل میٹنگ میں شرکت یا شرکت کے خواہشمند ہیں ان سے درخواست کی جاتی ہے کہ وہ اپنے نام، فوٹیو نمبر، حصص کی تعداد، موبائل نمبر، ای میل ایڈریس اور کمپیوٹر انٹرنیٹ پر شافٹی کارڈ (CNIC) کی دونوں طرف کی درست کاپی رجسٹریشن کے موضوع کے ساتھ corporate@alkhairgadoon.com پر بھیج کر فوٹ نمبر 8 کے مطابق رجسٹر کروا کر سالانہ جنرل میٹنگ میں شرکت کریں۔

مندرجہ بالا تقاضوں کے مطابق ضروری تصدیق کے بعد رجسٹرڈ ہونے والے ممبران کو کچنی کی طرف سے ای میل کے ذریعے پاس ورڈ سے محفوظ ویڈیو لنک فراہم کیا جائے گا۔ مذکورہ لنک سالانہ جنرل میٹنگ کی تاریخ صبح 8:00 بجے سے میٹنگ کے اختتام تک کھلا رہے گا۔

شیئر ہولڈرز سالانہ جنرل میٹنگ کے ایجنڈا آئٹمز کے لیے اپنے تبصرے اور سوالات بذریعہ ای میل ایڈریس corporate@alkhairgadoon.com پر بھی فراہم کر سکتے ہیں۔

7. سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے بمطابق قانونی ریگولیٹری احکامات 2016/1(470) مورعہ 31 مئی 2016 کے ذریعے کمپنیوں کو اپنے ممبران کو سالانہ آڈٹ شدہ اکاؤنٹس کو ان کے رجسٹرڈ پتے پر CD/DVD/USB کے ذریعے بھیجنے کی اجازت دی ہے۔ اس کے پیش نظر، کمپنی اپنی 2024 کی سالانہ رپورٹ ڈی وی ڈی کی شکل میں شیئرز ہولڈرز کو بھیج رہی ہے۔ کوئی بھی ممبر جس کو 2024 کی سالانہ رپورٹ کی پرنٹ شدہ کاپی درکار ہو وہ شناختی تفصیلات کے ساتھ درخواست بھیج سکتا ہے، کمپنی ایک ہفتے کے اندر پرنٹ شدہ اکاؤنٹس 2024 کی بارڈر کاپی مفت بھیجے گی۔
8. کمپنیز ایکٹ 2017 کے سیکشن 132(2) کے مطابق اگر کمپنی جغرافیائی محل وقوع میں رہنے والے 10% یا اس سے زیادہ شیئرز ہولڈنگ رکھنے والے ممبران سے کم از کم 7 دن پہلے ویڈیو کانفرنس کے ذریعے میٹنگ میں شرکت کے لیے رضامندی حاصل کرتی ہے۔ سالانہ جنرل میٹنگ کی تاریخ، کمپنی اس جگہ پر ویڈیو کانفرنس کی سہولت کا انتظام کرے گی اس جگہ پر اس طرح کی سہولت کی دستیابی سے مشروط۔ اس سہولت سے فائدہ اٹھانے کے لیے کمپنی کے کمپنی سیکریٹری کو دیے گئے پتے پر درخواست جمع کرائی جائے:-

کمپنی سیکریٹری، الخیر گدون لیمیٹڈ، T-43، گلبرگ II، لاہور۔

9. کمپنیز ایکٹ، 2017 کے سیکشن 72(2) کے مطابق، ہر موجودہ کمپنی کو اپنے فزیکل شیئرز کو بک انٹری فارم کے ساتھ تبدیل کرنے کی ضرورت ہوگی جیسا کہ بیان کیا گیا ہے اور ایس ای سی پی کی طرف سے مطلع کردہ تاریخ سے، ایک مدت کے اندر ایکٹ کے آغاز سے چار (4) سال سے زیادہ نہیں، یعنی 30 مئی، 2017۔ فزیکل شیئرز ہولڈنگ رکھنے والے شیئرز ہولڈرز کی حوصلہ افزائی کی جاتی ہے کہ وہ اپنے فزیکل شیئرز کو سی ڈی سی کے ساتھ براہ راست کسی بروکر یا انویسٹر اکاؤنٹ کے ساتھ کھولیں۔ یہ انہیں کئی طریقوں سے سہولت فراہم کرے گا، بشمول حصص کی محفوظ تحویل اور فروخت، جب بھی وہ چاہیں، کیونکہ پاکستان اسٹاک ایکسچینج لیمیٹڈ کے موجودہ ضوابط کے مطابق فزیکل شیئرز کی تجارت کی اجازت نہیں ہے۔

CHAIRMAN'S REVIEW REPORT

It is my pleasure to welcome you on the 34th 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, 2024 along-with my review on the performance of the Company.

Role of the Board of Directors

The Board will maintain its vital role in shaping the Company's direction, fostering its achievements and efficiency, and guiding the management for conducting operations in alignment with Board-approved strategies while adhering to the tenets of sound corporate governance. Alkhair Gadoon Limited has an effective governance framework in place to review of the Board's own performance and effectiveness which fully complies with the requirements set out in accordance with the requirements of Companies Act, 2017 and Listed Companies Regulations, 2017 and Code of Corporate Governance Regulations, 2019. The annual evaluation of the performance of the Board as a whole and its committees has been carried out in accordance with the requirements of the Code of Corporate Governance to ensure that the Board's overall performance is in line with the developed comprehensive criteria, and found its performance satisfactory.

Performance of the Company, Economy and Foam Industry

I am delighted with performance of the management and executives of the Company whose efforts throughout the year resulted in growth of 20% sales as well as 60% profit before taxation of the Company despite political instability, inflation, unevenly rising prices and reduced purchasing power of the consumers in the country. The outgoing fiscal year has witnessed a hyperinflation and fluctuations in exchange rates. Most of the raw materials are imported and increase in raw material prices and fluctuations in exchange rates have negative impact on the business of consumer goods including foam products but due to operational excellence and leadership capabilities of management under guidance of the board of directors the Company has succeeded in achieving its corporate objectives.

Performance of the Company

During the financial year ended June 30, 2024, the performance of the Company is better than previous financial year and revenue has increased by 20% as compared to previous year.

Future Outlook

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

Social Responsibilities

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



MOHAMMAD AFZAL SHEIKH
CHAIRMAN

چیمبر مین کی جائزہ رپورٹ

آپ کی کپنی کی 34 ویں سالانہ جنرل میٹنگ میں آپ کو خوش آمدید کہتے ہوئے مجھے خوشی ہے۔ میں بورڈ آف ڈائریکٹرز کی جانب سے آپ کے سامنے کپنی کی کارکردگی پر اپنے جائزے کے ساتھ 30 جون 2024 کو ختم ہونے والے مالی سال کے لیے کپنی کے آڈٹ شدہ اکاؤنٹس پیش کرتا ہوں۔

بورڈ آف ڈائریکٹرز کا کردار

بورڈ آف ڈائریکٹرز نے کپنی کی سمت کی تشکیل، اس کی کامیابیوں اور کارکردگی کو فروغ دینے اور گورننس کے مضبوط اصولوں پر عمل کرتے ہوئے بورڈ سے منظور شدہ حکمت عملیوں کے مطابق آپریشنز کے لئے انتظامیہ کی رہنمائی میں اپنا اہم کردار برقرار رکھے گا۔ الخیر مالدون لمیٹڈ کے پاس بورڈ کی اپنی کارکردگی اور تاثیر کا جائزہ لینے کے لئے ایک موثر گورننس فریم ورک جو کہ کپنیز ایکٹ، 2017 اور لسٹڈ کپنیز ریگولیشنز، 2017 اور کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 کے تقاضوں کے مطابق موجود ہے۔ مجموعی طور پر بورڈ اور اس کی کمیٹیوں کی کارکردگی کا سالانہ جائزہ کوڈ آف کارپوریٹ گورننس کے تقاضوں کے مطابق کیا گیا ہے تاکہ یہ یقینی بنایا جاسکے کہ بورڈ کی مجموعی کارکردگی ترقی یافتہ جامع معیار کے مطابق ہے، اور اس کی کارکردگی تسلی بخش ہے۔

کپنی، معیشت اور قوم اور مملکت کی کارکردگی

میں کپنی کی انتظامیہ اور ایگزیکٹوز کی کارکردگی سے خوش ہوں جن کی کوششوں کے نتیجے میں سال بھر میں سیاسی عدم استحکام، ہجڑائی، غیر مساوی طور پر بڑھتی ہوئی قیمتوں اور صارفین کی قوت خرید میں کمی کے باوجود کپنی کی فروخت میں 20 فیصد اضافہ اور 60 فیصد منافع میں اضافہ ہو کر گزرنے والے مالی سال میں افریقہ اور مشرق وسطیٰ میں اپنا چھٹا نمبر بنا لیا ہے۔ زیادہ تر خام مال درآمد کیا جاتا ہے اور خام مال کی قیمتوں میں اضافہ اور شرح مبادلہ میں اپنا چھٹا نمبر معنوعات سمیت اشیائے خورد و نوش کے کاروبار پر حتمی اثرات مرتب کرتا ہے لیکن بورڈ آف ڈائریکٹرز کی رہنمائی میں آپریشنل عملہ کی اور انتظام کی قیادت کی صلاحیتوں کی وجہ سے اپنے کارپوریٹ مقاصد کو حاصل کرنے میں کامیاب رہا۔

کپنی کی کارکردگی

30 جون 2024 کو ختم ہونے والے مالی سال کے دوران، کپنی کی مالی کارکردگی گزشتہ مالیاتی سال کی نسبت رقی اور گزشتہ سال کے مقابلے میں آمدنی میں 20 فیصد اضافہ واقع ہوا ہے۔

مستقبل کے حدود و خاں

طویل مدتی اور جامع ترقی کے حصول میں چینلوں کا سامنا کرنے کے ساتھ ساتھ، پاکستان کی معیشت میں گزشتہ سالوں کے دوران غیر مستحکم شرح صورتی ہے۔ غیر پائیدار اقتصادی ترقی کی وجہ طویل عرصے سے حل نہ کیے جانے والے بنیادی مسائل تھے، مثال کے طور پر خسارے میں چلنے والے سرکاری اداروں، ناکافی برآمدی صلاحیت کی وجہ سے کمزور بیرونی پوزیشن اور کم الفی ڈی آئی، زیر اصلاح توانائی کا شعبہ، کم پختہ اور سرمایہ کاری۔ ان چینلوں کے پس منظر میں، موجودہ حکومت نے کارکردگی کو بہتر بنانے، کاروبار کرنے کی لاکھت کو کم کرنے، ریگولیٹری ماحول کو بہتر بنانے، پیداواری صلاحیت میں اضافہ اور سرمایہ کاری میں اضافہ کے ذریعے پائیدار اقتصادی ترقی حاصل کرنے کے معاشی وڈن پر توجہ مرکوز کی۔ کچی آنے والے مستقبل میں بہتر کارکردگی کی توقع رکھتی ہے اور اپنے صارفین کی ضروریات پر توجہ مرکوز رکھے گی۔

سماجی ذمہ داریاں

کچنی ٹیکس، ڈیولپمنٹ اور سیس کی مدد میں قومی خزانے میں کروڑوں روپے کا حصہ ڈال رہی ہے۔ سماجی طور پر ذمہ دار ہونے کے ناطے، کچنی نے ملازمین اور عوام کی صحت کے خطرے سے بچنے کے لیے محفوظ کام کے حالات فراہم کیے ہیں۔ یہ میرے لیے انتہائی خوشی کی بات ہے کہ کچنی سماجی سرگرمیوں کے ذریعے مثبت معاشرے کے لیے بھی اپنا حصہ ڈال رہی ہے اور اس نے اپنے کاروبار میں کارپوریٹ سماجی ذمہ داری کو مربوط کیا ہے۔


محمد افضل علی

چیرمین

لاہور: 25 ستمبر 2024

DIRECTORS' REPORT TO THE MEMBERS

The Directors of your Company are pleased to present the 34th Annual Report with the audited financial statements of the Company for the year ended June 30, 2024.

Financial Performance

	2024	2023
	Rupees	
Sales from Operations - net	1,278,485,442	1,063,498,648
Gross Profit	165,820,703	136,104,136
Profit before Taxation	40,189,809	25,191,444
Taxation	(12,936,493)	(12,168,996)
Profit after Taxation	27,253,316	13,022,448
Earning per Share - Basic and Diluted (Rupees)	2.73	1.38

During the financial year 2024, net sales of the Company increased by Rs.214.99 million (20%) from Rs.1,063.49 million to Rs.1,278.48 million. The Financial Year under discussion has been a year of superb performance and growth for the Company. Operating in an environment of increasing competition and bad economy of country, the Company experienced an increase in net sales by almost 20%. The Board alongwith management and executives of the Company have played pivotal role in achieving the Company's objectives and safeguarding interests of the shareholders. We are hopeful that during the next financial year the situation will further improve and the company will achieve the record growth.

Future Outlook

Considering the business performance above, the management of your Company is proactively implementing various strategies and plans to mitigate the prevailing challenges to business specially at retail level, some of which are socio-political instability, ever rising inflation and dearth prevailing in the country which has severely affected the purchasing power of customers. 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 dearth in the country, in addition to intense competition from existing players and new entrants which are major challenges to meet in coming future.

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

Principal Activity

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

Risks and Uncertainties

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

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

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

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

Internal Financial Control

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

Related Party Transactions

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, 2024 were put before the Audit Committee and upon its recommendations the same approved by the Board of Directors.

Environment, Health and Safety

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

Corporate Social Responsibility

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

Reporting

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

Corporate and Financial Reporting

The Company is committed to gain highest standards of corporate governance. The Board is pleased to give the following specific statements to comply with the requirements of the Code of Corporate Governance Regulations, 2019;

- The financial statements prepared by the management of Al-Khair Gadoon Limited present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of Al-Khair Gadoon Limited have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards as applicable in Pakistan have been followed in preparation of financial statements.
- The system of internal controls is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the Code of Corporate Governance Regulations, 2019 issued by SECP.
- Key operating and financial data for last six years in summarized form is annexed to the report.
- No trades in shares of Al-Khair Gadoon Limited were carried out by the Directors, CEO, CFO, Head of Internal Audit & Company secretary and their spouses and minor children except those notified to the regulatory authorities.

- Reasons for significant deviations from last year's operating results have been explained in the relevant section of the Directors' report.
- Information about outstanding taxes, duties, levies and charges is given in the notes to the Financial Statements.
- The Company has no significant plans and decisions regarding corporate restructuring, business operations and discontinuing of operations.
- Details of number of Board and committees' meetings held during the year and attendance by each director has been disclosed below.
- The Board has been provided with detailed in-house briefings and information package to acquaint them with the code of conduct, applicable laws, their duties and responsibilities to enable them to effectively manage the affairs of the Company for and on behalf of shareholders.

Compliance with the Code of Corporate Governance & Transfer Pricing

The Code of Corporate Governance Regulations, 2019 as formulated by the SECP & ICAP regulations have been complied with and the statement to that effect is annexed. The requirements of transfer pricing as set out in the listing rules of Pakistan Stock Exchange relevant to the year 2021 have also been complied.

Significant Features of Directors' Remuneration

The Board of Directors has approved Directors Remuneration. The Board has formulated a policy for remuneration of executive directors depending upon their responsibility in affairs of the Company. However, in accordance with the Code of Corporate Governance, it is ensured that no Director takes part in deciding his own remuneration. The Company does not pay remuneration to non-executive directors except fee for attending the meetings on demand. In order to retain the best talent, the Company's remuneration policies are structured in line with prevailing industry trends and business practices. Please refer note 29 to the Financial Statements.

Directors' Training

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

Staff Retirement Benefits

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

Dividend

Dividend as recommended by the Board of Directors, if declared at the Annual General Meeting will be paid within 30 days from the date of declaration to those Members whose names appear on the Register of Members in respect of shares held in the name. Based on capitalizing assets, the board has declared nil dividend for the year ended June, 30 2024.

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, 2024, as well as future prospects and uncertainties.

Attendance of Board and Committee Meetings

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

Sr. No.	Directors / Members of Committees	Number of attendance		
		Board of Directors	Audit Committee	HR & R Committee
1	Mohammad Afzal Sheikh	5	-	-
2	Mohammad Saeed Sheikh	5	-	-
3	Mohammad Amin Sheikh	5	-	-
4	Mrs. Parveen Afzal	4	3	2
5	Mrs. Faraz Saeed	4	3	1
6	Mrs. Nafesa Amin	5	-	-
7	Mr. Kamal Subhani	3	3	2
8	Mr. Asif Sajjad	4	4	2

External Auditors

The auditors Messrs Tahir Siddiqi & Co. Chartered Accountants are the retiring auditors of the Company and offer their services for re-appointment. They confirmed that they have been given satisfactory rating under the Quality Control Review program of The Institute of Chartered Accountants of Pakistan (ICAP) and the firm is fully compliant with the International Federation of Accountants (IFAC) guidelines on code of ethics, as adopted by the ICAP. The audit committee and the Board has 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, 2024.

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, 2024 to date of the report and the Company has not entered into any commitment during this period, which would have an adverse impact on the financial position of the Company.

Appreciation

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



MOHAMMAD AFZAL SHEIKH
CHAIRMAN



MOHAMMAD AMIN SHEIKH
CHIEF EXECUTIVE

ممبران کو ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی محشواروں کے ساتھ 34 ویں سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالیاتی کارکردگی

2024	2023	
		رقم روپوں میں
1,278,485,442	1,063,498,647	آپریٹنگ سے فروخت خالص
165,820,703	136,104,136	مجموعی منافع
40,189,809	25,191,444	قبل از ٹیکس منافع
(12,936,493)	(12,168,448)	ٹیکس
27,253,316	13,022,448	بعد از ٹیکس منافع
2.73	1.30	فی شیئر آمدنی - بنیادی اور کم از کم (روپے)

مالی سال 2024 کے دوران کمپنی کی خالص فروخت 214.99 ملین روپے (20%) بڑھی جو 1,063.49 ملین روپے سے بڑھ کر 1,278.48 ملین روپے ہو گئی۔ زیر بحث مالی سال کمپنی کے لیے شاندار کارکردگی اور ترقی کا سال رہا ہے۔ بڑھتی ہوئی مسابقت اور ملک کی خراب معیشت کے ماحول میں کام کرتے ہوئے، کمپنی نے خالص فروخت میں تقریباً 20 فیصد اضافہ دیکھا۔ بورڈ نے کمپنی کی انتظامیہ اور ایگزیکٹوز کے ساتھ مل کر کمپنی کے مقاصد کے حصول اور شیئر ہولڈرز کے مفادات کے تحفظ میں اہم کردار ادا کیا ہے۔ ہمیں امید ہے کہ اگلے مالی سال کے دوران صورتحال مزید بہتر ہوگی اور کمپنی ریکارڈ ترقی حاصل کرے گی۔

معتمدین کا نقطہ نظر:

کچنی کی انتظامیہ صورتحال سے پوری طرح باخبر ہے اور بہتر آپریشنل افادیت، ہم آہنگی، بہترین پروڈکٹ مکس منجمنٹ، لاجسٹکس پر قابو پانے کے موثر اقدامات اور صارفین کے ساتھ بہتر تجارتی شراکت داری کی حکمت عملیوں کے ذریعے قابو پائے گی۔ کچنی کئی سالوں سے درپیش چیلنجوں کے خلاف مضبوط کارکردگی کا مظاہرہ کر رہی ہے، چاہے وہ بڑھتی ہوئی مسابقت کا خطرہ ہو، خام مال کی قیمتوں میں اتار چڑھاؤ ہو یا شرح مبادلہ۔ آپریشنل فضیلت اور انتظامی مہارتوں نے کچنی کو پائیدار ترقی کے لیے پیش کیا ہے تاکہ آنے والے چیلنجوں کا مقابلہ کیا جاسکے۔ سماجی طور پر ذمہ دار، مالی طور پر قابل عمل اور آپریشنل طور پر ہو شیئر ہونا کچنی کے اہم مقاصد رہیں گے۔

اولین سرگرمی:

کچنی کی بنیادی سرگرمی فوم اور اس سے خشک مصنوعات کی تیاری اور فروخت ہے۔

خطرات اور غیر یقینی صورتحال

بورڈ آف ڈائریکٹرز کچنی کے کاموں کی نگرانی کرنے اور خطرات کے کسی بھی ممکنہ اور متوقع اثرات کو کم کرنے کے لیے ایک موثر حکمت عملی وضع کرنے کا ذمہ دار ہے۔

کچنی کی سرگرمیاں اسے متعدد مالیاتی خطرات، مارکیٹ کے خطرات (بشمول کرنسی کا خطرہ، شرح سود کا خطرہ اور قیمت کا خطرہ)، کریڈٹ ریسک اور لیکویڈیٹی کے خطرات سے دوچار کر سکتی ہیں۔

کچنی کی اصولی مالی ذمہ داریاں تجارت اور دیگر قابل ادائیگیوں اور مختصر مدت کے قرضوں پر مشتمل ہیں۔ کچنی کے اصل مالیاتی اثاثے تجارتی قرضوں، اینڈوائسز، ہئیل مدتی ڈپازٹس، دیگر قابل وصول اور نقد اور بینک بیلنس پر مشتمل ہیں جو براہ راست اس کے آپریشن سے پیدا ہوتے ہیں۔

کچنی کا مجموعی ریسک منجمنٹ پروگرام مالیاتی اور مارکیٹ کی سرگرمیوں کی غیر متوقع صلاحیت پر توجہ مرکوز کرتا ہے اور مالی کارکردگی پر ممکنہ منفی اثرات کو کم کرنے کی کوشش کرتا ہے۔ کچنی نے مالی بیانات میں خطرے سے متعلق تمام نتائج کو مناسب طور پر ظاہر کیا ہے۔

اندرونی مالیاتی کنٹرول:

یورڈ آف ڈائریکٹرز کے ذریعے کچنی کی تمام سطحوں پر ایک مضبوط اندرونی کنٹرول سسٹم قائم اور نافذ کیا جاتا ہے۔ یہ نظام کچنی کے مقاصد کے حصول اور آپریشنل تاثیر اور کارکردگی، قابل اعتماد مالیاتی رپورٹنگ، لگاؤ اور وسائل کی حفاظت اور قابل اطلاق قوانین، ضوابط اور پالیسیوں کی تعمیل کے لیے ڈیزائن میں درست ہے۔

متعلقہ پارٹوں سے لین دین:

کچنی نے بڑھتی ہوئی قیمتوں پر اپنے متعلقہ فریقوں کے ساتھ تمام لین دین کو انجام دیا ہے سوائے اس کے جہاں مالی بیانات میں اس کا انکشاف کیا گیا ہو۔ 30 جون 2024 کو ختم ہونے والے مالی سال کے دوران تمام متعلقہ فریقین کے لین دین کو آڈٹ کمپنی کے سامنے رکھا گیا تھا اور اس کی سفارشات پر یورڈ آف ڈائریکٹرز نے ان کی منظوری دی تھی۔

ماحولیات، صحت اور حفاظت:

کچنی ملازمین اور عوام کی صحت کو لاحق خطرے سے بچنے کے لیے کام کے محفوظ حالات کو برقرار رکھتی ہے۔ انتظامیہ نے اپنے تمام آپریشنز میں صاف سترا ماحولی برقرار رکھا ہے اور ان کی حفاظت کو مسلسل اپ گریڈ کیا ہے۔

کارپوریٹ سماجی ذمہ داری:

کچنی اپنے کاروبار میں کارپوریٹ سماجی ذمہ داری کے انضمام پر پختہ یقین رکھتی ہے اور ان لوگوں کی ترقی کے لیے مسلسل کوشش کرتی ہے جو ہمارے کاروبار سے، برادری سے، ماحول سے، معاشرے سے ہیں۔

رپورنگ:

بورڈ نے کمپنیز ایکٹ 2017، پاکستان اسٹاک ایکسچینج کے لسٹڈ ریگولیشنز اور انٹرنیشنل فنانس رپورنگ اسٹینڈرڈز کے تیسرے اور چوتھے شیڈول کی ضروریات کے مطابق مکمل، درست اور صحیح مندرجات اور اپنے مالیاتی گوشواروں کے بروقت اجراء کو یقینی بنایا ہے۔

کارپوریٹ اور مالیاتی رپورنگ:

آپ کی کمپنی کارپوریٹ گورننس کے اعلیٰ ترین معیارات حاصل کرنے کے لیے پرعزم ہے۔ بورڈ کو کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 کے تقاضوں کی تعمیل کرنے کے لیے درج ذیل مخصوص بیانات دینے پر خوشی ہے۔

- الحیر گدون لمیٹڈ کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشواروں میں اس کی حالت، اس کے آپریشنز کے نتائج، کمپنیز ایکٹ اور سیکورٹیز ایکٹ میں ہونے والی تبدیلیوں کو پیش کیا گیا ہے۔
- الحیر گدون لمیٹڈ کے اکاؤنٹس کی مناسب سہائیں درقرار رکھی گئی ہیں۔
- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
- مالیاتی رپورٹس کی تیاری میں پاکستان میں لاگو ہونے والے بین الاقوامی مالیاتی رپورنگ کے معیارات پر عمل کیا گیا ہے۔
- اندرونی کنٹرول کا نظام فیڈ بک میں درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔
- تصویب کے طور پر جاری رکھنے کی کمپنی کی صلاحیت پر کوئی خاص شک نہیں ہے۔
- کارپوریٹ گورننس کے بہترین طریقوں سے کوئی قابل ذکر انحراف نہیں ہوا جیسا کہ SECP کے جاری کردہ کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 میں تفصیل سے بتایا گیا ہے۔
- پچھلے چھ سالوں کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا خلاصہ کی شکل میں رپورٹ کے ساتھ منسلک ہے۔

- انٹرمیڈیٹ کے حصص میں کوئی لین دین ڈائریکٹرز، سی ای او، سی ایف او، ہیڈ آف انٹر چارج آڈٹ اینڈ کنٹری کنٹرول اور ان کی شرکت حیات اور تاباں بلچوں کے ذریعہ نہیں کیا گیا سوائے ان کے جو ریگولیٹری حکام کو مطلع کیا گیا تھا۔
- گزشتہ سال کے آپریٹنگ نتائج سے اہم انحراف کی وجوہات ڈائریکٹرز کی رپورٹ کے متعلقہ حصے میں بیان کی گئی ہیں۔
- بھائی کلس، ڈیوٹی فز، لیونز اور چارجرز کے بارے میں معلومات مالیاتی گواہوں کے نوٹس میں دی گئی ہیں۔
- کنٹری کے پاس کارپوریٹ ریٹری سٹرکچر، کاروباری آپریشنز اور آپریشنز کو بند کرنے کے حوالے سے کوئی اہم منصوبہ اور فیصلے زیر بحث نہیں ہیں۔
- سال کے دوران متفقہ بورڈ اور کمیٹیوں کے اجلاسوں کی تعداد اور ہر ڈائریکٹر کی حاضری کی تفصیلات ذیل میں ظاہر کی گئی ہیں۔
- بورڈ کو ضابطہ اخلاق، قابل اطلاق قوانین، ان کے فرائض اور ذمہ داریوں سے واقف کرانے کے لیے تفصیلی اندرون خانہ ریلیٹنگ اور معلوماتی ٹیکنالوجی فراہم کیا گیا ہے تاکہ وہ حصص یافتگان کے لیے اور ان کی جانب سے کنٹری کے معاملات کو مؤثر طریقے سے سنبھال سکیں۔

کوڈ آف کارپوریٹ گورننس اور ٹرانسپیرینس انسٹیکٹ کے ساتھ تعمیل:

کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 جیسا کہ ایس ای سی پی اور آئی سی سی پی ریگولیشنز نے وضع کیا ہے اس کی تعمیل کی گئی ہے اور اس کا بیان شک ہے۔ سال 2021 سے متعلقہ پاکستان اسٹاک ایکسچینج کے انسٹیکٹ رولز میں متعین کردہ ٹرانسپیرینس انسٹیکٹ کے تقاضوں کی بھی تعمیل کی گئی ہے۔

ڈائریکٹرز کے معاوضے کی اہم خصوصیات:

بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کے معاوضے کی منظوری دے دی ہے۔ بورڈ نے کنٹری کے معاملات میں ان کی ذمہ داری کے لحاظ سے ایگزیکٹو ڈائریکٹرز کے معاوضے کے لیے ایک پالیسی بنائی ہے۔ تاہم، کوڈ آف کارپوریٹ گورننس کے مطابق، اس بات کو یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے معاوضے کا فیصلہ کرنے کے عمل میں حصہ نہ لے۔ کنٹری نان ایگزیکٹو ڈائریکٹرز کو معاوضہ ادا نہیں کرتی ہے سوائے مینجنگ میں شرکت کی فیس کے جو ان کی ڈیوٹی لپہ کی جاتی ہے۔ بہترین ٹیلنٹ

کو برقرار رکھنے کے لیے، کمپنی کی معاوضے کی پالیسیاں صنعت کے مروجہ رجحانات اور کاروباری طریقوں کے مطابق بنائی گئی ہیں۔ برائے مہربانی نوٹ 29 کو مالیاتی بیانات سے رجوع کریں۔

ڈائریکٹرز کی تربیت:

کمپنی کے ڈائریکٹرز کی اکثریت چودہ سالہ تعلیم اور لسٹڈ کمپنی کے ڈائریکٹر کے طور پر پندرہ سالہ تجربے کے پیش نظر کمپنی کے زیادہ تر ڈائریکٹرز کو ڈائریکٹرز کے تربیتی پروگرام کی ضرورت سے مستثنیٰ ہے۔

اسٹاف رینائرمنٹ کے فوائد:

کمپنی تمام ملازمین کے لیے چھ ماہ کی کوالیفیکیشن خدمت کی مدت کے ساتھ ایک غیر فٹڈ ممبر کو جیو ٹی ایم چلاتی ہے۔

تقسیم منافع:

بورڈ آف ڈائریکٹرز کی طرف سے تجویز کردہ تقسیم منافع، اگر سالانہ جنرل میٹنگ میں اعلان کیا جاتا ہے تو اعلان کی تاریخ سے 30 دنوں کے اندر ان ممبران کو ادا کر دیا جائے گا جن کے نام رجسٹر آف ممبرز پر موجود ہوں گے۔ سرمایہ کاری کے اثاثوں کی بنیاد پر، بورڈ نے 30 جون، 2024 کو ختم ہونے والے سال کے لیے صفر ڈیویڈنڈ کا اعلان کیا ہے۔

جیئرمن کا جائزہ:

سالانہ رپورٹ میں شامل جیئرمن کا جائزہ 30 جون 2024 کو ختم ہونے والے سال کے دوران کاروبار کی نوعیت، درپیش چیلنجز اور کمپنی کی کارکردگی کے ساتھ ساتھ مستقبل کے امکانات اور غیر یقینی صورتحال سے متعلق ہے۔

بورڈ اور کمپنی کے اجلاسوں میں شرکت:

سال کے دوران بورڈ کے پانچ اجلاس، چار آڈٹ کمیٹی، اور دو ہیومن ریسورس اینڈ ریونیویشن کمیٹی کے اجلاس ہوئے۔

حاضری حسب ذیل ہے:-

نمبر شمار	نام ڈائریکٹر/کمیٹی ممبر	پور ڈاٹ ڈائریکٹرز	آڈٹ کمیٹی	تعداد حاضری	یومین رپورٹس کمیٹی
1	محمد افضل شیخ	5	-	-	-
2	محمد سعید شیخ	5	-	-	-
3	محمد امین شیخ	5	-	-	-
4	مسز وین افضل	4	3	2	-
5	مسز فخرناز سعید	4	3	1	-
6	مسز نفیسہ امین	5	-	-	-
7	جناب کمال سبحانی	3	3	2	-
9	جناب آصف سجاد	4	4	2	-

بہرہ دہنی آڈیٹرز:

آڈیٹرز میسر کے طاہر صدیقی ایجنٹ کمیٹی چارٹرڈ اکاؤنٹنٹس کمیٹی کے رہنما ہونے والے آڈیٹرز ہیں اور دوبارہ تقرری کے لیے اپنا خدمات پیش کرتے ہیں۔ انہوں نے تصدیق کی کہ انہیں دی انٹرنیٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (آئی سی اے پی) کے کوالٹی کنٹرول ریویو پروگرام کے تحت قسطی پیش درجہ بندی دی گئی ہے اور یہ فرم انٹر نیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) کے ضابطہ اخلاق سے متعلق رہنما اصولوں کی مکمل تعمیل کرتی ہے، جیسا کہ اس نے اپنا یا ہے۔ آئی سی اے پی آڈٹ کمیٹی اور بورڈ نے 30 جون 2024 کو ختم ہونے والے سال کے لیے کمیٹی کے سالانہ جنرل میٹنگ میں شیئر ہولڈرز کے ذریعے ان کی دوبارہ تقرری کی سفارش کی۔

شیئر ہولڈنگ کی ترتیب:


کمیٹی کے شیئر ہولڈنگ کا نمونہ رپورٹ کے ساتھ منسلک ہے۔


بڑی تہدیلیاں:

30 جون 2024 سے رپورٹ کی تاریخ تک کوئی قابل ذکر تہدیلیاں نہیں ہوئی ہیں اور کمپنی نے اس عرصے کے دوران کوئی ایسا عہد نہیں کیا ہے جس سے کمپنی کی مالی حالت پر متبی اثر ہے۔

انتہاء تفکر:

ہم اپنے کارکنوں، انتظامی ٹیم کے عملے کے اراکین کی مخلصانہ اور مخلصانہ خدمات کا اعتراف اور تعریف کرنا چاہیں گے۔ ہم اپنے مینگز اور دیگر اسٹیک ہولڈرز کے شکر گزار ہیں۔ ہم اپنے صارفین اور خوردہ فروشوں کی طرف سے جاری تعاون کے لیے بھی شکریہ ادا کرتے ہیں جو ہماری کمپنی کا کلیدی عنصر ہیں۔


محمد علی شیخ
مئنجر


محمد امین شیخ
چیف ایگزیکٹو

لاہور: 25 ستمبر 2024

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

**Review Report on the Statement of Compliance Contained in Listed Companies
(Code of Corporate Governance) Regulations, 2019**

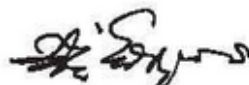
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Al-Khair Gadoon Limited (the Company) for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the Regulations as applicable to the Company for the year ended June 30, 2024.



Tahir Siddiqi & Co.
Chartered Accountants
Lahore

Engagement Partner: Muhammad Tahir Siddiqi, FCA

Date: September 25, 2024
UDIN:CR2024101761zh7R9DW

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

Name of company: Al-Khair Gadoon Limited
Year Ending: 30-06-2024

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

- 1 The total number of directors are eight as per the following:
 - a) Male: Five
 - b) Female: Three
- 2 The composition of board is as follows:
 - i) Independent Director: Mr. Kamal Subhani
Mr. Asif Sajjad
 - ii) Non-executive Directors: Mohammad Saeed Sheikh
Mohammad Afzal Sheikh
Mrs. Nafessa Amin
Mrs. Parveen Afzal
Mrs. Faraz Saeed
 - iii) Executive Directors: Mohammad Amin Sheikh
 - iv) The board consists of Three female directors as narrated above.
- 3 The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Al-Khair Gadoon Limited;
- 4 The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
- 5 The board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with the date of approval or updating is maintained by the Company;
- 6 All the powers of the board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Act and these Regulations;
- 7 The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board;
- 8 The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
- 9 Majority of the Directors of the Company are exempted from the requirement of Directors' Training Program;
- 10 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 to their remuneration and terms and conditions of employment have been complied with relevant requirements of the Regulations;
- 11 Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
- 12 The Board has formed committees comprising of members given below:

Audit Committee:

Mr. Kamal Subhani	Chairman
Mrs. Farnaz Saeed	Member
Mr. Asif Sejjad	Member
Mr. Khuram Iftikhar	Secretary

HR and Remuneration Committee

Mr. Kamal Subhani	Chairman
Mrs. Farnaz Saeed	Member
Mrs. Parveen Afzal	Member
Miss Summa Kokeb	Secretary

- 13 The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
- 14 The frequency of meetings (quarterly/half yearly/ yearly) of the committees were as per following:
- | | | |
|----|-------------------------------|------|
| a) | Audit Committee: | Four |
| b) | HR and Remuneration Committee | Two |
- 15 The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and consonant with the policies and procedures of the Company.
- 16 The statutory auditors of the Company M/S Tahir Siddiqi & Co., Chartered Accountants have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and their partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;
- 17 The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
- 18 We confirm that all other requirements of the code of corporate governance regulations, 2019 have been complied with.

Muhammad Amin

MOHAMMAD AMIN SHEIKH
CHIEF EXECUTIVE

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

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of AL-KHAIR GADOON LIMITED ("the Company"), which comprise the statement of financial position as at June 30, 2024 and the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act 2017, (XIX of 2017), in the manner so required and respectively give a true and fair view of the Company's affairs as at June 30, 2024 and of the profit or loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit matters

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

Following are the Key Audit Matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
(i)	<p>Revenue</p> <p>(Refer to Note 20 of the annexed financial statements)</p> <p>The Company recognized a net revenue of Rs. 1,278,485,442/- for the year ended June 30, 2024.</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 20% increase in revenue from last year.</p>	<p>Our audit procedures in relation to the matter, amongst others, included:</p> <p>Reviewed the adequacy of the disclosures made by the Company under the applicable financial reporting framework.</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 related revenue was recorded in the appropriate accounting period.</p> <p>Comparing the details of journal entries posted to revenue accounts during the year, which met some specific risk-based criteria, with the relevant underlying documentation;</p> <p>Assessing the appropriateness of accounting policy for revenue recognition and comparing with the applicable accounting and reporting standards; and</p> <p>Assessing the adequacy of disclosures related to revenue as required under the accounting and reporting standards as applicable in Pakistan.</p>
(ii)	<p>Short-Term Borrowings</p> <p>(Refer to Note 17 of the annexed financial statements)</p> <p>During the financial year, the company's short-term borrowings have increased substantially.</p>	<p>Our audit procedures in relation to the matter, amongst others, included:</p> <p>Reviewed the terms of new borrowing arrangements, including interest rates, repayment terms, and covenants.</p> <p>Evaluated the company's liquidity position and ability to repay short term debt, including the assessment of cash flow forecasts.</p> <p>Examined the adequacy of the company's disclosures regarding short-term borrowings, and assessed whether they are complete and transparent.</p> <p>Considered whether the increase in short-term borrowing raised any going concern issues, and assessed the appropriateness of management's assessment of the going concern assumption.</p>

<p>(iii) Recognition of Provision and Liability related to Credit from LESCO</p> <p>(Refer to Note 19.2 of the annexed financial statements)</p> <p>During our audit of the financial statements, we identified a significant audit matter related to the recognition / provisioning of liabilities in respect of credit granted by LESCO to Alkhair Gadoon Limited. The management has accounted for a provision and liability standing in the books for the amount that may be repayable in future.</p>	<p>Our audit procedures in relation to the matter, amongst others, included:</p> <ul style="list-style-type: none"> Reviewed correspondence between the company and LESCO to assess the nature of the credit and whether it was granted in error. Obtained management's assessment on the likelihood and timing of the repayment or reversal of the credit. Dispatched external confirmation directly to LESCO. Examined the assumptions used by management in estimating the provision and liability, including any relevant external evidence and advice. Evaluated whether the accounting treatment, including the provision and liability recognized, complies with the applicable financial reporting framework (such as IFRS/IAS 37 - Provisions, Contingent Liabilities, and Contingent Assets). Tested the completeness and accuracy of disclosures in the financial statements regarding the provision and liability for the utility credit.
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Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises of 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.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

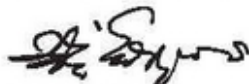
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes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

Report on Other Legal and Regulatory Requirements

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

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

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



Tahir Siddiqi & Co.
Chartered Accountants
Lahore


Date: September 25, 2024


UDIN: AR202410178EzDUuetZ


STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2024

ASSETS	Note	2024 Rupees	2023 Rupees
NON CURRENT ASSETS			
Property, Plant and Equipment	5	177,248,160	157,747,545
		177,248,160	157,747,545
CURRENT ASSETS			
Stores and Spares		3,811,252	5,498,300
Stock in Trade	6	339,230,985	307,481,742
Trade Debtors	7	23,783,443	50,050,660
Advances, Deposits and Prepayments	8	25,569,887	27,500,933
Advance Taxes - Net	9	69,611,513	51,178,846
Cash and Bank Balances	10	42,234,842	19,266,710
		504,241,922	460,977,191
TOTAL ASSETS		681,490,082	618,724,736
EQUITY AND LIABILITIES			
Authorised Capital			
30,000,000 Ordinary shares of Rs. 10 each	11	300,000,000	120,000,000
Issued, Subscribed and Paid up Capital	11	100,000,000	100,000,000
Capital Reserves - Share Premium	12	25,000,000	25,000,000
Unappropriated Profit		197,385,190	170,543,296
Shareholders' Equity		322,385,190	295,543,296
NON CURRENT LIABILITIES			
Long Term Loan	13	3,703,692	7,407,391
Deferred Liabilities	14	38,339,985	28,550,814
		34,843,684	35,958,205
CURRENT LIABILITIES			
Current portion of Long Term Loan	13	3,703,692	3,703,692
Trade and Other Payables	15	54,656,453	194,670,703
Taxes Payable	16	3,916,216	479,600
Short Term Borrowings	17	261,007,147	86,591,540
Un-Claimed Dividend	18	1,777,700	1,777,700
		325,061,200	287,223,235
CONTINGENCIES AND COMMITMENTS	19	-	-
TOTAL EQUITY AND LIABILITIES		681,490,082	618,724,736

The annexed notes from 1 to 38 form an integral part of these financial statements.


MOHAMMAD AFZAL SHEIKH
CHAIRMAN



MOHAMMAD AMIN SHEIKH
CHIEF EXECUTIVE

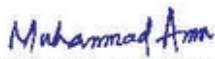

ABDUL QADIR
CHIEF FINANCIAL OFFICER


STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
Sales - net	20	1,278,485,442	1,063,498,648
Cost of sales	21	(1,112,664,739)	(927,394,511)
Gross profit		165,820,703	136,104,136
Administrative expenses	22	(66,777,634)	(49,822,901)
Distribution expenses	23	(47,389,306)	(36,456,954)
		(114,886,939)	(86,279,855)
Operating profit		51,733,764	49,824,281
Finance cost	24	(16,681,271)	(24,060,118)
Other operating expenses	25	(4,240,338)	(1,950,550)
Other operating income	26	9,377,654	1,377,831
		(11,543,955)	(24,632,837)
Profit before taxation		40,189,809	25,191,444
Income tax expense	27	(12,936,493)	(12,168,996)
Profit for the year - net		27,253,316	13,022,448
Other comprehensive income / (loss):			
Items that will not be re-classified to profit or loss			
Re-measurements of defined benefits		(318,932)	1,346,878
Deferred tax on remeasurements of defined benefit plan		(92,490)	662,360
		(411,422)	2,009,238
Total comprehensive income for the year		26,841,894	15,831,686
Earnings per share - before tax (basic and diluted - Rupees)	28	4.02	2.52
Earnings per share - after tax (basic and diluted - Rupees)	28	2.73	1.30

The annexed notes from 1 to 38 form an integral part of these financial statements.


MOHAMMAD AFZAL SHEIKH
CHAIRMAN



MOHAMMAD AMIN SHEIKH
CHIEF EXECUTIVE



ABDUL QADIR
CHIEF FINANCIAL OFFICER


**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024 Rupees	2023 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	33	(54,522,351)	156,115,185
Finance cost paid		(13,997,719)	(24,127,807)
WPPF paid		(1,950,550)	(2,464,937)
Income tax (paid) / refunds received		(32,454,046)	(18,611,693)
Sales tax (paid) / refunds received		(2,904,079)	(7,987,234)
Warranty and claims paid		-	(501,296)
Gratuity paid		(2,535,312)	(1,658,875)
		(53,841,706)	(55,351,842)
Net cash (used in) generated from operating activities		(108,364,057)	100,763,343
Cash flows from investing activities			
Fixed capital expenditure		(40,668,338)	(4,278,000)
Proceed from disposal of fixed assets		1,288,613	-
Net cash (used in) investing activities		(39,379,725)	(4,278,000)
Cash flows from financing activities			
Short term borrowings		174,415,606	(88,674,366)
Long Term Loans		(3,703,692)	(3,703,692)
Lease Liabilities		-	(2,240,261)
Net cash generated / (used in) financing activities		170,711,914	(94,618,319)
Net (decrease)/increase in cash and cash equivalents		22,968,132	1,867,024
Cash and cash equivalents at the beginning of the year		19,266,710	17,399,686
Cash and cash equivalents at the end of the year	10	42,234,842	19,266,710

The annexed notes from 1 to 38 form an integral part of these financial statements.


MOHAMMAD AFZAL SHEIKH
 CHAIRMAN



MOHAMMAD AMIN SHEIKH
 CHIEF EXECUTIVE



ABDUL QADIR
 CHIEF FINANCIAL OFFICER


STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2024

	Issued, Subscribed and Paid up Share Capital	Share Premium	Unappropriated Profit	Total
	(- - - - - Rupees - - - - -)			
Balance as at 1 July 2022	180,000,000	25,000,000	155,511,610	280,511,610
Comprehensive income for the year				
Profit for the year	-	-	13,022,448	13,022,448
Other comprehensive income for the year	-	-	2,009,238	2,009,238
	-	-	15,031,686	15,031,686
Balance as at 30 June 2023	180,000,000	25,000,000	178,543,296	295,543,296
Balance as at 1 July 2023				
Comprehensive income for the year				
Profit for the year	-	-	27,253,316	27,253,316
Other comprehensive (loss) for the year	-	-	(411,422)	(411,422)
	-	-	26,841,894	26,841,894
Balance as at 30 June 2024	180,000,000	25,000,000	197,385,190	322,385,190

The annexed notes from 1 to 38 form an integral part of these financial statements.


MOHAMMAD AFZAL SHEIKH
CHAIRMAN


MOHAMMAD AMIN SHEIKH
CHIEF EXECUTIVE


ABDUL QADIR
CHIEF FINANCIAL OFFICER

Lahore: September 25, 2024

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

1 Legal Status and Operations

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

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

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

2 Basis of Preparation

2.1 Statement of compliance

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

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

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

2.2 Basis of Measurement

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

2.3 Functional and presentation currency

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. / Rupees, unless otherwise stated.

2.4 Key Judgments and estimates

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

- Estimated useful lives, residual values and depreciation method of property, plant and equipment [Refer Note of PPE note 5 and note 5.1].
- Estimation of provisions for loss allowances [Refer Note-7]
- Current income tax expense, provision for current tax and recognition of deferred tax asset (for carried forward tax losses) [Refer Note-9]
- Obligation of defined benefit obligation [Refer Note-14]
- Estimation of contingent liabilities [Refer Note-19]
- Revenue from Contracts with Customers [Refer Note-20]

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

- IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform (Amendments)

IFRS 16 - Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments)

The adoption of above amendments to the approved accounting standards and the framework for financial reporting did not have any material impact on the Company's financial statements.

3.2 Standards, amendments and improvements to the approved accounting standards that are not yet effective

The following amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective amendment or improvements:

Amendment or Improvement		Effective date (annual periods beginning on after)
IFRS 3	Reference to the Conceptual Framework (Amendments)	01-Jan-22
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)	01-Jan-22
IAS 37	Onerous Contracts - Costs of Fulfilling a Contract (Amendments)	01-Jan-22
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)	01-Jan-23
IAS 1	Disclosure of Accounting Policies (Amendments)	01-Jan-23
IAS 8	Denition of Accounting Estimates (Amendments)	01-Jan-23
IAS 12	Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments)	01-Jan-23

4 Significant Accounting Policies

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

4.1 Owned Assets

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

Depreciation charged on all depreciable fixed assets is charged to profit and loss account on the reducing balance method over its estimated useful life at annual rates mentioned in note to the fixed assets. Depreciation on additions is charged from the month in which asset is available for use and on disposal before the month of disposal. Depreciation methods, useful lives and residual values of items of property, plant and equipment are reviewed periodically and altered if circumstances or expectations have changed significantly. Any change or adjustment in depreciation method, useful lives and residual values is accounted for as a change in accounting estimate under IAS-8,

"Accounting policies, changes in accounting estimates and errors" and is applied prospectively in the financial statements by adjusting the depreciation charge for the period in which the amendment or change has been made and for future periods.

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

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

4.2 Leased assets

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

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

4.3 Capital work in progress

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

4.4 Stock in Trade

These are valued at lower of cost and net realizable value. Cost of raw materials and components are represent invoice values plus other charges incurred thereon. Cost of inventory is based on weighted average cost. Cost in relation to work in process and finished goods, represent direct cost of raw materials, wages and 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 its net realizable value or provision is made for obsolescence if there is any change in usage pattern and physical form of related inventory. Net realizable value is the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make sale.

4.5 Stores, Spares and Loose Tools

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

4.6 Taxation

Current

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

Deferred

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

4.7 Trade debts and other receivables

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

4.8 Cash and cash equivalents

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

4.9 Trade and other payables

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

4.10 Financial Liabilities

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

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

4.11 Financial assets

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

4.11.1 Classification

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

a Financial assets at amortized cost

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

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

b Financial assets at fair value through other comprehensive income

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

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

c Financial assets at fair value through profit or loss

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

4.11.2 Recognition and measurement

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

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

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

4.13 Offsetting of financial instruments

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

4.13 Derivative financial instruments and hedging categories

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

a Fair value hedge

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

b Cash flow hedge

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

4.14 Borrowings

Loans and borrowings are recorded at the proceeds received. Financial charges are accounted 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.

4.15 Borrowing costs

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

4.16 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. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate. Where the outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

4.17 Foreign currency transactions

Transactions in foreign currencies are accounted for in Pakistan rupees at monthly average rates. Monetary assets and liabilities in foreign currencies are translated into rupees at the rate of exchange prevailing at the reporting date. Exchange gain or losses if any are charged to profit or loss account.

4.18 Impairment of Non-financial assets

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

4.19 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 financial assets measured at amortised 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 in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. If 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 taking into account 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 amortised 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 life time ECL on its 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 considerations to which the company expects to be entitled in exchange for those goods and services. The company recognizes the revenue in accordance with that core principle by applying the following steps;

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

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

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

4.21 Related Party Transactions

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

4.22 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 individual investments.

4.23 Staff Retirement benefits

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

4.24 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 effects of all dilutive potential ordinary shares.

4.25 Dividend and appropriations

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

4.26 Warranty

The Company has made a policy to provide warranty to replace the damaged products for an average period of ten 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.

PROPERTY, PLANT & EQUIPMENT

5.1 Operating Plant Assets

	Land	Buildings	Furniture & Machinery	Tools & Equipment	Office Equipment	Peripherals & Printers	Computers	Validation	Trade Allowance in Progress
	Less: Accumulated Depreciation	Less: Accumulated Depreciation	Less: Accumulated Depreciation	Less: Accumulated Depreciation	Less: Accumulated Depreciation	Less: Accumulated Depreciation	Less: Accumulated Depreciation	Less: Accumulated Depreciation	Less: Accumulated Depreciation
As at July 1, 2023:									
Cost	22,414,019	3,090,000	48,810,118	56,315,981	4,772,634	2,171,942	2,743,210	83,860,810	304,337,580
Accumulated Depreciation	-	-	17,788,819	24,879,417	3,294,934	1,295,794	1,113,107	46,366,261	131,244,000
Net Book Value	22,414,019	3,090,000	31,021,299	31,436,564	1,477,700	876,148	1,630,103	37,494,549	173,093,580
Year ended June 30, 2023									
Opening Net Book Value	22,414,019	3,090,000	31,021,299	31,436,564	1,477,700	876,148	1,630,103	37,494,549	173,093,580
Additions (Cost)	-	-	-	973,000	-	30,000	270,000	3,899,500	4,270,000
Transfers / Adjustment	-	-	-	-	-	-	-	-	-
Depreciation - Net Book Value	-	-	31,021,299	2,171,942	3,294,934	1,295,794	1,113,107	46,366,261	131,244,000
Cost	-	-	31,021,299	2,171,942	3,294,934	1,295,794	1,113,107	46,366,261	131,244,000
Accumulated Depreciation	-	-	-	-	-	-	-	-	-
Net Book Value	-	-	-	-	-	-	-	-	-
Year ended June 30, 2024									
Opening Net Book Value	22,414,019	3,090,000	31,021,299	31,436,564	1,477,700	876,148	1,630,103	37,494,549	173,093,580
Additions (Cost)	-	-	-	973,000	-	30,000	270,000	3,899,500	4,270,000
Transfers / Adjustment	-	-	-	-	-	-	-	-	-
Depreciation - Net Book Value	-	-	31,021,299	2,171,942	3,294,934	1,295,794	1,113,107	46,366,261	131,244,000
Cost	-	-	31,021,299	2,171,942	3,294,934	1,295,794	1,113,107	46,366,261	131,244,000
Accumulated Depreciation	-	-	-	-	-	-	-	-	-
Net Book Value	-	-	-	-	-	-	-	-	-
Annual Rate of Depreciation	-	-	100%	7%	100%	100%	100%	100%	200%

8.4

Cost of goods sold
Administration Expenses
Distribution Expenses

	2024	2023
Cost of goods sold	9,789,854	8,435,397
Administration Expenses	1,900,473	1,540,128
Distribution Expenses	2,259,315	8,435,397
	13,949,642	18,410,922

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

Sr.No	Location	Usage of Property	Total Area	Covered Area
1)	45-T, Gulberg II, Lahore	Head Office	2 Kacris 9 Marlas 220 Sq.ft	17100 Sq.ft
2)	92/3, Phase III, Industrial Estate, Gadoon Amnazi, District Swabi - KPK	Manufacturing Unit	2 Acres	18940 Sq.ft
3)	94A / 94B, Phase III, Industrial Estate, Gadoon Amnazi, District Swabi - KPK	Manufacturing Unit	4 Acres	69984 Sq.ft

5.3 Disposal of Assets

Sr.No.	Particulars	Cost	Acc. Dep	W.D.V	Sale Proceeds	Profit/(Loss)	Sold to	Modes of Disposal
1	Building Shed	4,704,937	2,135,085	2,569,852	1,288,613	(1,281,239)	Adan Insurance Ltd.	Claimed / Non-claim
	30-Jun-24	4,704,937	2,135,085	2,569,852	1,288,613	(1,281,239)	Damaged by Thunderstorm & Claimed from Insurance Company	

5.4 Depreciation is allocated as under:

Note

2024
Rupees

2023
Rupees

Cost of Goods Sold	21	9,789,084	8,036,787
Administrative Expenses	22	1,509,473	1,560,258
Distribution Expenses	23	7,389,315	8,626,393
		<u>18,597,872</u>	<u>18,223,438</u>

6 STOCK IN TRADE

Raw and Packing Material	295,581,996	255,124,661
Work-in-Process	11,494,844	35,089,632
Finished Goods	32,154,145	17,367,440
	<u>339,230,985</u>	<u>307,581,742</u>

7 TRADE DEBTS

Considered Good - unsecured	7.1	24,686,072	50,812,852
Provision for loss Allowances	7.2	(902,639)	(762,192)
		<u>23,783,443</u>	<u>50,050,660</u>

7.1 Trade debtors of Rs. 23,783,443/- (2023: Rs.50,050,660/-) were past due but not impaired. These relate to routine customers from there no recent history of default is found. The aging analysis of the trade debtors is as follows:

Up to 1 month	13,080,893	27,947,068
1 to 6 months	6,272,931	12,911,958
more than 6 months	4,542,467	9,350,038
more than 1 year	789,781	6,03,788
	<u>24,686,072</u>	<u>50,812,852</u>

7.2 Movement in provision in loss Allowances:

Balance as of July 01	762,192	843,749
Provision made / (reversed) during the year	140,437	(81,557)
	<u>902,639</u>	<u>762,192</u>

8 ADVANCES, DEPOSITS & PREPAYMENTS

Advances to Employees	8.1	7,687,511	7,751,749
Letters of Credit	8.2	5,471,155	9,112,753
Other receivables		2,399,153	2,442,731
Advances to Vendors		9,112,040	6,193,700
		<u>25,669,860</u>	<u>25,500,933</u>

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

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

9 ADVANCE TAXES - NET

	Note	2024 Rupees	2023 Rupees
Advance income tax		51,606,588	33,390,665
Current taxation - for the year		(15,961,060)	(13,293,733)
		35,625,528	20,096,932
Sales tax		33,965,993	31,081,914
		<u>69,611,513</u>	<u>51,178,846</u>

9.1 Advance taxes represent the amount of income tax refunds determined / retained by FBR on account of tax withheld on import stage and other sources as well as amounts of sales tax carried forward.

10 CASH AND BANK BALANCES

Cash in hand		1,283,340	1,299,289
Cash at banks - in current accounts		27,455,942	17,967,421
in profit bearing accounts	10.1	13,495,692	-
		<u>42,234,974</u>	<u>19,266,710</u>

10.1 Surplus Funds available (if any) point of time are deposited in profit bearing bank accounts attracting profit ranging from 17% to 22% as available in the financial institutions.

11 SHARE CAPITAL

AUTHORIZED

30,000,000 (2023: 12,000,000) Ordinary shares of Rs. 10 each		<u>300,000,000</u>	<u>120,000,000</u>
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
7,000,000 Ordinary shares of Rs.10 each fully paid in cash		70,000,000	70,000,000
3,000,000 Ordinary shares of Rs.10 each issued as bonus shares		30,000,000	30,000,000
		<u>100,000,000</u>	<u>100,000,000</u>

11.1 There is no agreement with any shareholder for voting rights, board selection, rights of first refusal, and block voting.

12 RESERVES

Capital Reserves

Share Premium	12.1	25,000,000	25,000,000
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Revenue Reserves

Un-appropriated Profit		197,385,189	170,543,296
		<u>222,385,189</u>	<u>195,543,296</u>

12.1 This reserve can be utilized by the Company only for the purposes specified in Section 81(3) of the Companies Act, 2017.

13 LONG TERM LOAN

13.1 Sindh Bank Term Finance		7,407,391	11,111,083
Less: Current portion of Term Finance		<u>(3,783,692)</u>	<u>(3,703,692)</u>
		<u>3,783,699</u>	<u>7,407,391</u>

The Company has obtained a long-term finance facility from Sindh bank amounting to PKR 14.814 million, in order to purchase Plant & Machinery. The amount is repayable in monthly installments, commencing from July 28, 2022 over a term of 5 years ending June 28, 2026. The facility carries mark-up at 6 months kibor plus 3% per annum.



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	Note	2024 Rupees	2023 Rupees
13.2 Movement of Long Term Loan			
As at beginning of the year		11,111,083	12,313,400
Repaid during the year		<u>(3,703,692)</u>	<u>(7,202,317)</u>
		<u>7,407,391</u>	<u>11,111,083</u>
14 DEFERRED LIABILITIES			
Deferred Taxation	14.1	1,791,567	4,743,752
Gratuity	14.2	<u>28,548,318</u>	<u>23,807,062</u>
		<u>30,339,985</u>	<u>28,550,814</u>
14.1 Deferred tax credits / (debts) arising in respect of			
Accelerated tax depreciation		<u>(14,922,978)</u>	<u>(13,173,458)</u>
Provision for loss Allowances		261,762	221,035
Provision for Gratuity		<u>8,279,012</u>	<u>6,904,048</u>
		<u>(6,382,204)</u>	<u>(6,048,375)</u>
14.2 The Company provides defined benefit plan under unfunded gratuity scheme for all its permanent employees who attain the minimum qualifying period. Annual charge is made using the actuarial techniques of Projected Unit Credit Method.			
14.2.1 Movement in Net liability recognised			
Net Liability at the beginning of the year		23,807,062	21,802,839
Re-Measurements chargeable in Other Comprehensive Income		6,997,636	4,325,457
Deferred tax on re-measurement		318,932	(662,359)
Benefits paid during the year		<u>(3,535,512)</u>	<u>(1,658,875)</u>
		<u>28,548,318</u>	<u>23,807,062</u>
14.2.2 Movement in Present value of defined benefit plan			
Present value of defined benefit obligation		23,807,062	22,487,358
Current service cost		3,719,496	1,455,783
Interest costs		3,238,140	2,869,674
Benefits Paid		<u>(2,535,512)</u>	<u>(1,658,875)</u>
Re-Measurements		<u>318,932</u>	<u>(1,346,878)</u>
		<u>28,548,318</u>	<u>23,807,062</u>
14.2.3 Expenses recognised in Profit & loss account			
Current service cost		3,719,496	1,455,783
Interest costs		3,238,140	2,869,674
		<u>6,997,636</u>	<u>4,325,457</u>
14.2.4 Principal actuarial assumptions			
Discount rate used for interest cost in P&L charge		14.75%	16.25%
Discount rate used for year-end obligation		14.75%	16.25%
Expected rate of increase in salaries per annum		13.78%	15.25%
Average expected remaining life time of employees		5 years	5 years
Expected charge to Profit & Loss Account for the year ended June 30, 2025 amounts to Rs.8,311,976/- in respect of Gratuity.			
14.2.5 Sensitivity Analysis as at 30.06.2024			
A sensitivity analysis for the above principal actuarial assumptions as of the statement of financial position date showing how the defined benefit obligation would have been affected by changes in the said assumptions is as follows:			
Present Value of Defined Benefit Obligations	Discount Rate +1%	Discount Rate -1%	Salary Increase +1%
	22,191,814	24,513,508	24,512,966
			22,191,541



	Note	2024 Rupees	2023 Rupees
15 TRADE AND OTHER PAYABLES			
Trade creditors and other payables - unsecured		15,389,665	81,417,496
Advances from Customers - unsecured	15.1	19,496,983	103,190,575
Mark up Payable		4,757,524	2,073,973
Accrued Expenses		18,148,289	4,636,585
Others		4,468,950	2,836,951
Provision for Warranty Claims		475,123	475,123
		<u>54,656,454</u>	<u>194,670,703</u>

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

16 TAXES PAYABLE

Withholding Taxes Payable	16.1	<u>3,916,216</u>	<u>479,600</u>
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16.1 This represents withholding tax withheld from vendors and employees.

17 SHORT TERM BORROWINGS

Banking Companies - Secured			
BAFL - Finance against Imported material	17.1	198,901,886	16,486,199
Loan from Directors - Unsecured	17.2	78,105,341	70,105,341
		<u>267,007,147</u>	<u>86,591,540</u>

17.1 The Company has obtained the facility of finance against imported material from Bank Al-Falah Limited amounting to Rs.415 million (2023: 181 million). The facility attracts mark-up at flexible rate linked with 1 month KIBOR plus 180 (2023: 180) basis points per annum. The facility is secured against lien over import documents, pledge of imported material and personal guarantees of Directors of the Company. The Company has also been provided the facility for sight letter of credit (BLC) of Rs. 400 million (2023: Rs.150 million) to import raw material. The facility is secured against import documents of import letters of credit.

17.2 This represents the interest free loan received from directors to meet working capital requirement of the Company. It is unsecured and interest free loan which is repayable on demand. The transactions with the directors are related party transactions.

18 UNCLAIMED DIVIDENDS

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

19 CONTINGENCIES & COMMITMENTS

19.1 Contingencies

The commercial banks have issued guarantee on behalf of the Company amounting to Rs. Nil (2023 : Rs. Nil).

19.2 There has been an amount of Rs.40,231 Million which is appearing as credit by LESCO during the year which seems to be an erroneous mistake on the part of LESCO. The company has already created provision of existing liability for electricity expenses payable. However any future liability if arises will be provided at that time.

19.3 Commitments

Commitments in respect of letters of credit for raw materials at the terminal date were Rs. 133.346 million (2023: Rs.160.000 million).

20 SALES

	Note	2024 Rupees	2023 Rupees
Local sales		1,671,339,050	1,386,391,632
Less: Sales tax		(263,904,354)	(210,024,097)
Trade Discount		<u>(128,949,256)</u>	<u>(112,868,887)</u>
		<u>1,278,485,440</u>	<u>1,063,498,648</u>

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



	Note	2024 Rupees	2023 Rupees
21 COST OF GOODS SOLD			
Opening stock of raw material and store & spares		268,633,961	185,319,871
Purchases		1,085,323,588	897,341,110
Closing stock of raw material and store & spares		(299,393,248)	(260,622,961)
Raw material and Store & Spares consumed		1,046,553,381	822,038,020
Salaries, wages and other benefits	21.1	28,236,280	24,171,345
Power & Fuel and Lubricants		16,886,883	10,754,559
Repair & Maintenance		487,767	415,443
Depreciation	5.4	9,789,886	8,036,787
Warranty and Claims		-	398,521
Insurance		2,063,330	1,835,256
Cost of goods manufactured		1,183,956,647	867,649,930
Opening stock of work in process		35,089,632	63,360,862
Closing stock of work in process		(11,494,844)	(35,089,632)
Cost of goods manufactured		1,127,551,435	895,921,160
Opening stock of finished goods		17,267,449	48,740,800
Closing stock of finished goods		(32,154,145)	(17,267,449)
Cost of Goods Sold		1,112,664,739	927,394,511
21.1 Salaries, wages and other benefits include Rs.3,609,292/- (2023: Rs.2,157,286/-) in respect of defined benefit plan under non-funded gratuity scheme.			
22 ADMINISTRATIVE EXPENSES			
Directors' remuneration		4,691,694	5,789,654
Salaries & benefits	22.1	12,954,931	9,838,567
Travelling & Conveyance		2,179,744	1,034,475
Postage, telephone & telefax		1,791,337	869,354
Vehicle running		669,737	870,152
Vehicle maintenance		765,327	702,147
Legal & professional charges		719,361	439,436
Auditors' remuneration	22.2	1,868,543	1,063,752
Printing & stationery		518,118	436,760
Staff Welfare		1,479,668	1,002,981
Entertainment		2,408,164	1,764,431
Utility charges		38,504,761	19,035,027
Fee & subscription		733,999	566,078
Depreciation	5.4	1,509,473	1,560,258
Medical Expenses		283,585	250,864
Interest charges		528,028	593,349
Provision for bad debts	7.2	(64,168)	(81,537)
Repair and maintenance		389,741	744,054
Insurance		1,448,393	1,236,414
Advertisements		198,395	186,705
Rent, Rates and Taxes		2,016,088	1,970,000
		66,777,634	49,822,901
22.1 Salaries and other benefits include Rs.2,188,399/- (2023: Rs. 820,831/-) in respect of defined benefit plan under non-funded gratuity scheme.			
22.2 Auditors' remuneration			
Audit fee		698,088	650,000
Fee for limited review of half yearly financial statements		358,088	350,000
Out of pocket expenses		68,543	63,752
		1,124,719	1,063,752

	Notes	2024 Rupiah	2023 Rupiah
23 DISTRIBUTION EXPENSES			
Salaries & benefits	23.1	38,366,483	19,853,210
Staff welfare		1,780,641	1,695,741
Entertainment		823,417	351,669
Printing and stationery		383,187	162,015
Telephone and postage		646,349	910,467
Travelling and conveyance		3,828,543	1,828,755
Vehicle repair and maintenance		-	303,814
Newspaper and periodicals		-	270,152
Utility charges		367,217	503,464
Advertisement/business promotion charges		2,155,274	1,951,274
Depreciation	5.4	7,299,318	8,626,393
		<u>47,389,346</u>	<u>36,456,954</u>
23.1 Salaries and other benefits include Rs.1,159,945/- (2023: Rs.1,147,340/-) in respect of defined benefit plan under non-funded gratuity scheme.			
24 FINANCE COST			
Mark up on short term financing		16,168,478	23,487,219
Bank & mortgage charges		513,793	572,899
		<u>16,682,271</u>	<u>24,060,118</u>
25 OTHER OPERATING EXPENSES			
Workers' Profit Participation Fund - WPPF	25.1	2,157,445	1,357,100
Workers' Welfare Fund - WWF		881,654	593,450
Loss on disposal of Assets		1,281,239	-
		<u>4,340,338</u>	<u>1,950,550</u>
25.1 Workers' Profit Participation Fund - WPPF (Movement)			
Balance as July, 01		1,357,100	2,464,937
Provision for the year		2,157,445	1,357,100
Payment during the year		(1,357,100)	(2,464,937)
Balance as June, 30		<u>2,157,445</u>	<u>1,357,100</u>
26 OTHER OPERATING INCOME			
Income From Bank Deposits		5,863,858	1,075,040
Misc. Income		3,513,796	302,791
		<u>9,377,654</u>	<u>1,377,831</u>
27 INCOME TAX EXPENSE			
Current Taxation			
- For the year		15,981,868	13,293,733
Deferred Taxation		(3,044,573)	(1,124,737)
		<u>12,936,493</u>	<u>12,168,996</u>

Note

2024
Rupees

2023
Rupees

27.1 Relationship between income tax expenses and accounting profit:

Profit before taxation	40,189,880	25,191,444
Tax at the applicable tax rate of 29% (2023: 29%)	11,655,045	7,305,519
Tax effort of:		
- amounts not deductible for tax purpose	858,159	565,660
- amounts deductible for tax purpose but not taken to the statement of profit or loss	(889,285)	733,842
- Additional provision to reach at minimum tax	4,397,087	4,688,713
Adjustment for current tax of prior years	-	-
Tax effort of deferred taxation	(3,844,575)	(1,124,737)
Income tax expense	12,936,493	12,168,997
Effective rate of tax	32.19%	48.31%

28 EARNINGS PER SHARE - basic and diluted

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

Profit for the year before taxation	(Rupees)	40,189,880	25,191,444
Profit for the year after taxation	(Rupees)	27,253,316	13,022,448
Number of shares outstanding	(Shares)	10,808,080	10,000,000
Earnings per share before taxation	(Rupees)	4.82	2.52
Earnings per share after taxation	(Rupees)	2.73	1.30

29 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVE

	CEO		Directors		Executive		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Managerial Remuneration	4,691,694	4,398,540	-	1,352,874	5,085,836	3,856,321	9,778,530	9,607,735
Utilities	1,193,764	1,147,850	-	-	-	-	1,193,764	1,147,850
Gratuity	-	-	-	-	1,091,241	685,326	1,091,241	685,326
Total	5,885,458	5,546,390	-	1,352,874	6,178,077	4,541,647	12,063,535	11,440,911
Number of Persons	1	1	-	1	1	2	2	4

Remuneration and other facilities to Chief Executive and Directors is paid in accordance with the policy formulated by the Board of Directors of the Company. No remuneration is paid to Non- Executive Directors and Independent Directors of the Company. Two Company maintained ours have been given to directors as conveyance facility by the approval of the board.

30 FINANCIAL RISK MANAGEMENT

30.1 Credit Risk

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

Exposure to Credit Risk

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

Trade debtors	24,686,872	50,812,852
Advances to staff	7,687,511	7,751,749
Other receivables	3,399,183	2,442,731
Cash at banks	40,951,494	17,867,421
	76,624,930	78,974,753

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

Past due 0-30 days	13,080,993	27,947,068
Past due 31-120 days	6,273,931	12,911,958
Past due 121-365 days	4,543,467	9,350,038
More than one year	789,781	603,788
	24,686,872	50,812,852

Based on the historic records, the company believes that no impairment allowance in respect of financial assets and liabilities is required except for the provisions provided for impairment amounting to Rs.982,629/- (2023: Rs.762,192/-).

30.2 Liquidity Risk

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

2024	Carrying amount	Contractual Cashflows	Six Months or Less	Six to twelve months	One to two Years	Two to five Years
Trade and Other Payables	25,507,874	25,507,874	19,035,394	6,472,280	-	-
Taxes Payable	3,916,216	3,916,216	3,916,216	-	-	-
Unclaimed Dividend	1,777,700	1,777,700	1,777,700	-	-	-
Financial Charges payable	4,757,524	4,757,524	4,757,524	-	-	-
Short term Borrowings	261,007,147	261,007,147	182,705,003	78,302,144	-	-
Total	296,966,461	296,966,461	212,192,837	84,774,424		

2023	Carrying amount	Contractual Cashflows	Six Months or Less	Six to twelve months	One to two Years	Two to five Years
Trade and Other Payables	86,074,081	86,074,081	64,233,942	21,840,139	-	-
Taxes Payable	479,600	479,600	479,600	-	-	-
Unclaimed Dividend	1,777,700	1,777,700	1,777,700	-	-	-
Financial Charges payable	2,073,973	2,073,973	2,073,973	-	-	-
Short term Borrowings	86,591,540	86,591,540	60,614,078	25,977,462	-	-
Total	176,996,894	176,996,894	129,179,293	47,817,601		

30.3 Market Risk

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

30.3.1 Interest Rate Risk

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

Particulars	2024 Effective rate in %	2023 Effective rate in %	2024 Carrying amount (Rs.)	2023 Carrying amount (Rs.)
Financial Liabilities				
Variable Rate Instruments:-				
Short Term Borrowings	22.65 to 25.44	16.96 to 24.50	190,901,806	27,597,282

Fair value of sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

		Increase in Profit	Decrease in Profit
As at June 30, 2024	Rupees	1,989,818	(1,989,818)
As at June 30, 2023	Rupees	273,973	(273,973)

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

30.3.2 Price Risk

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

30.3.3 Currency Risk

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

	2024 Rupees	2023 Rupees
Outstanding Letter of Credits	133,546,000	160,323,306
Average Rate	273.43	245.63
Reporting date rate	280.50	286.85

30.3.4 Sensitivity analysis

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

	2024 Rupees	2023 Rupees
The effect on Profit and (Loss) Account is:	13,354,600	16,032,331

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

30.4 Fair value of financial instruments

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

30.5 Capital Risk Management

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

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

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

	2024 Rupees	2023 Rupees
Total Debt	268,414,538	97,702,623
Total Equity	322,383,190	295,543,296
Total Capital Employed	590,797,728	393,245,919
Gearing Ratio	48.43%	34.83%

31 TRANSACTIONS WITH RELATED PARTIES

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

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

32 FINANCIAL INSTRUMENTS BY CATEGORIES
IFRS 9 Financial Instruments

	IFRS 9 Financial Instruments			
	Carrying amount before reclassification	Fair value through profit or loss	Amortized cost	Fair value through OCI
Financial Assets				
Trade debts	23,783,443	-	23,783,443	-
Advances, deposits and prepayments	25,569,887	-	25,569,887	-
Cash and bank balances	42,234,842	-	42,234,842	-
As at June 30, 2024	91,588,172	-	91,588,172	-
Trade debts	50,090,660	-	50,090,660	-
Advances, deposits and prepayments	27,600,933	-	27,600,933	-
Cash and bank balances	19,266,710	-	19,266,710	-
As at June 30, 2023	96,958,303	-	96,958,303	-
Financial Liabilities				
Trade and other payables	54,656,454	-	54,656,454	-
Short term borrowings	190,901,806	-	190,901,806	-
Un-claimed dividend	1,777,700	-	1,777,700	-
As at June 30, 2024	247,335,960	-	247,335,960	-
Trade and other payables	194,670,703	-	194,670,703	-
Short term borrowings	16,486,199	-	16,486,199	-
Un-claimed dividend	1,777,700	-	1,777,700	-
As at June 30, 2023	212,934,602	-	212,934,602	-

33 CASH GENERATED FROM OPERATIONS

	2024 Rupees	2023 Rupees
Profit before taxation	40,189,889	25,191,444
Adjustments for non cash items:		
Depreciation on property, plant and equipment	18,597,871	18,223,437
Finance cost	16,481,271	24,060,118
Provision for gratuity	6,957,606	4,325,457
Provision for Warranty	-	398,521
Provision for loss Allowance	(54,168)	(81,357)
Provision for workers' profit participation fund	2,157,445	1,082,185
Loss / (gain) on disposal of property, plant and equipment	1,281,239	1,357,100
Provision for workers' welfare fund	801,654	593,450
	46,412,986	49,876,526
Operating profit before working capital changes	86,602,765	74,067,970
Decrease/(Increase) in current assets		
Stores and spares	1,687,048	(93,131)
Stock in trade	(31,749,343)	(15,463,378)
Trade debts	26,287,217	5,355,561
Advances, deposits and prepayments	1,931,046	13,955,442
	(1,863,932)	3,752,494
(Decrease)/Increase in current liabilities		
Trade and other payables	(139,261,184)	78,294,721
Net cash flow from Operating Activities	(54,522,351)	156,115,186



	2024 Rupees	2023 Rupees
33.1 Cash and cash equivalents		
Cash in hand	1,283,348	1,299,289
Cash at banks - in current accounts	27,685,842	17,967,421
in profit bearing accounts	13,695,683	-
	<u>43,234,842</u>	<u>19,266,710</u>

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

	Short Term Borrowing	Equity Reserve	Total
Balance as on July 01, 2023	86,591,540	170,543,296	257,134,836
Increase in short term borrowing	174,415,607		174,415,607
Total comprehensive income for the year		26,841,893	26,841,893
	<u>261,007,147</u>	<u>197,385,189</u>	<u>458,392,336</u>

35 PLANT CAPACITY AND PRODUCTION

	2024 Tons	2023 Tons
Rated capacity	13,280	13,280
Capacity utilized	1,808	1,573

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


	2024	2023
36 NUMBER OF EMPLOYEES		
Number of employees as at June 30	190	200
Average number of employees during the year	188	185

37 CORRESPONDING FIGURES AND GENERAL


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

38 DATE OF AUTHORIZATION

These financial statements were authorized for issue on September 25, 2024 by the Board of Directors of the Company.


MOHAMMAD AFZAL SHEIKH
CHAIRMAN


MOHAMMAD AMIN SHEIKH
CHIEF EXECUTIVE


ABDUL QADIR
CHIEF FINANCIAL OFFICER

Lahore: September 25, 2024

THE COMPANIES ACT, 2017
COMPANIES REGULATIONS, 2024
[Section 227(2)(f) and Regulation 30]

PATTERN OF HOLDING OF THE SHARES HELD

1.1 Name of the Company AL-KHAIR GADOON LIMITED

2.1 Pattern of holding of the shares held by the shareholders as at

30 06 2024

2.2 No. of Shareholders	SHAREHOLDINGS		Total Shares Held
	From	To	
28	1	100	466
186	101	500	91,503
47	501	1000	47,000
29	1001	5000	77,502
9	5001	10000	67,500
3	10001	15000	40,640
2	15001	20000	36,000
1	30001	35000	32,000
1	40001	45000	41,000
1	120001	125000	122,737
1	185001	190000	186,000
1	295001	300000	299,500
1	370001	375000	374,500
1	385001	390000	383,000
1	495001	500000	499,000
1	505001	510000	508,550
3	600001	505000	686,000
1	685001	690000	1,805,000
1	795001	800000	800,000
1	915001	920000	917,611
1	2980001	2985000	2,984,491
320			10,000,000

Categories of Shareholders	No. of Shareholders	No. of Shares held	Percentage
Individuals	315	9,698,413	96.984%
Investment Companies	1	500	0.005%
Joint Stock Companies	4	301,087	3.011%
	320	10,000,000	100.00%

PATTERN OF SHAREHOLDING

2.3 Categories of shareholders

No. of Shares Percentage

2.3.1 Directors, Chief Executive Officer

a)	Mr. Mohammad Afzal Sheikh	Chairman/Director	2,984,491	29.845%
	Mr. Mohammad Amin Sheikh	Chief Executive	917,611	9.176%
	Mr. Mohammad Saeed Sheikh	Director	603,000	6.030%
	Mrs. Nafisa Amin	Director	686,000	6.860%
	Mrs. Parveen Afzal	Director	601,000	6.010%
	Mrs. Farnaz Saeed	Director	800,000	8.000%
	Mr. Asif Sajjad	Independent Director	500	0.005%
	Mr. Kamal Subhani	Independent Director	500	0.005%
			6,593,102	65.93%

b) Spouse and minor children. - 0.000%

2.3.2 Associated Companies, undertakings and related parties - 0.000%

2.3.3 NIT and ICP 500 0.005%

2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.

Public Sector companies 308,887 3.00%

2.3.5 Insurance Companies - 0.000%

2.3.6 Modarabas and Mutual Funds 1,000 0.01%

2.3.8 General Public - Individuals 3,105,311 31.05%

2.3.9 Others (to be specified) - 0.000%

10,008,800 100.00%

2.3.7 Share holders holding 10%

Mr. Mohammad Afzal Sheikh Chairman/Director 2,984,491 29.845%

Trade in the shares of the Company by Directors, CEO, CFO, Company Secretary, Executives and their Spouses and Minor Children.

Name	Sale	Purchase
-	-	-

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AL-KHAIR GADOON LTD.

**2024
ANNUAL
REPORT**
www.alkhairgadoon.com

PROXY FORM OF ANNUAL GENERAL MEETING

I/We _____
of _____

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

or failing him/her _____
(NAME) _____
of _____

who is also a member of the Company vide registered Folio No./CDC Participant's ID and Account
No. _____ as my / our proxy to vote for me / us and on my / our behalf at the 34th
Annual General Meeting of Al-Khair Gadoon Ltd., at Registered Office at 92/3, Phase III, Industrial
Estate, Gadoon Amazai, District Swabi, Khyber Pakhtunkhwa, on Friday the October 25, 2024 at
8:00 A.M. and at every adjournment thereof.

As witness my hand this _____ day of
_____ 2024,
signed by the said _____ in the presence
of _____

Signature:

Signature Across Two Rupees
Revenue Stamps

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

پراکسی کا فارم سالانہ اجلاس عام

میں / ہم _____ سکند _____ ضلع _____ بمبیت نمبر _____
 الخیر گدون لمیٹڈ، بذریعہ بذاتکفی کے نمبر _____ سکند _____ کو اپنا پراکسی مقرر
 کرتا ہوں / کرتے ہیں اور اس کی عدم موجودگی میں کبھی کے دوسرے نمبر _____ کو اپنی جگہ کبھی کے سالانہ اجلاس عام
 میں 25 ستمبر 2024 کو منعقد ہوگا یا کوئی ایسا شدہ اجلاس ہو، میں شرکت کرنے اور میری انٹاری جگہ دوت دینے حقدار مقرر کرتا ہوں / کرتے ہیں ۔
 میں / ہم نے آج مورخہ _____ 2024 کو درج ذیل کی موجودگی میں دستخط کئے ۔

1. دستخط _____ نام _____
 2. دستخط _____ نام _____
 پتہ _____ پتہ _____
 سی این آئی سی پلا سپورٹ نمبر _____ سی این آئی سی پلا سپورٹ نمبر _____

فیلڈ / سی ڈی سی اکاؤنٹ نمبر

دس روپے کے راجینو اسٹیپ پر دستخط

دستخط کبھی کے پاس رجسٹرڈ نمونے کے دستخط کے مطابق ہونے چاہئیں۔

اہم نوٹ:

• یہ پراکسی فارم مکمل شدہ اور دستخط کبھی کے کارپوریٹ آفس الخیر ہاؤس، 43-T، گلبرگ ٹ 11، لاہور میں اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل ارسال ہونا چاہئے۔

• کوئی شخص جو خود کبھی کا نمبر نہ ہو، پراکسی مقرر نہیں کیا جاسکتا سوائے کارپوریشن کے جو کسی ایسے شخص کو پراکسی مقرر کر سکتی ہے جو کبھی کا نمبر نہ ہو۔
 • اگر کوئی شخص ایک سے زیادہ پراکسی مقرر کرتا ہے اور کبھی کے پاس ایک سے زیادہ پراکسی فارم جمع کراتا ہے تو پراکسی کی ایسی تمام دستاویزات فیروٹر قرار دی جائیں گی۔

سی ڈی سی اکاؤنٹ ہولڈرز / کارپوریٹ اداروں کیلئے:

درج بالا کے علاوہ درج ذیل شرائط بھی پوری کرنا لازمی ہے:

- پراکسی فارم پر دو گواہان کے دستخط ہونے چاہئیں جن کے نام، پتے اور سی این آئی سی نمبر فارم پر درج ہوں۔
- تنظیمی اہلکار پراکسی کے سی این آئی سی پلا سپورٹ کی تصدیق شدہ گواہیاں پراکسی فارم کے ساتھ فراہم کی جائیں۔
- پراکسی کو اجلاس میں شرکت کے وقت اپنا اصل سی این آئی سی پلا سپورٹ پیش کرنا ہوگا۔
- کارپوریٹ ادارہ ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف ایٹارنی اور نمونے کے دستخط (اگر پہلے سے جمع نہ کرائے گئے ہوں) کبھی کو فراہم کرنا لازمی ہے۔

AL-KHAIR GADOON LTD.



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