

AL-KHAIR GADOON LTD.

**Condensed Interim
Financial Statements
Half Year Ended**

**December
31, 2020
(Un-Audited)**



AL-Khair Gadoon Ltd.

COMPANY INFORMATION

BOARD OF DIRECTORS:	Mr. Mohammad Afzal Sheikh	- Chairman
	Mr. Mohammad Saeed Sheikh	- Chief Executive
	Mr. Sheikh Pervaiz Afzal	- Executive Director
	Mr. Mohammad Amin Sheikh	- Non-Executive Director
	Mrs. Parveen Afzal	- Non-Executive Director
	Mrs. Farnaz Saeed	- Non-Executive Director
	Mrs. Aleeza Zahid Tariq	- Independent Director
	Mr. Kamal Subhani	- Independent Director
AUDIT COMMITTEE:	Mr. Kamal Subhani	- Chairman
	Mrs. Farnaz Saeed	- Member
	Mrs. Aleeza Zahid Tariq	- Member
	Mr. Khurram Iftikhar	- Secretary
HUMAN RESOURCE & REMUNERATION COMMITTEE:	Mr. Kamal Subhani	- Chairman
	Mrs. Farnaz Saeed	- Member
	Mrs. Parveen Afzal	- Member
	Mr. Mushtaq Ahmed Shaheen	- Secretary
CHIEF FINANCIAL OFFICER	Abdul Hafeez Poswal	
COMPANY SECRETARY:	Mr. Mohammad Amin Sheikh	
AUDITORS:	M/s. Tahir Siddiqi & Co., Chartered Accountants.	
LEGAL ADVISOR:	Mr. Naeem Anjum (Advocate High Court)	
SHARES REGISTRAR:	Shemas International (Pvt) Limited 533-Imperial Garden Block, Main Boulevard, Paragon City, Barki Road, Lahore.	
BANKERS:	Allied Bank Limited. Bank Alfalah Limited.	
REGISTERED OFFICE & FACTORY SITE:	92/3, 94A & 94B Phase III, Industrial Estate, Gadoon Amazai, District Swabi, (K.P.K) Tel: (0938) 270260, Fax: (0938) 270270	
CORPORATE OFFICE:	Al-Khair House, 43-T, Gulberg II, Lahore. Tel: (042) 111-111-043 , Fax:(042) 35716588,35753719 Website: www.alkhairgadoon.com	



DIRECTORS' REVIEW REPORT

For the Six Month Period Ended December 31, 2020

On behalf of the board of directors of the Company, we are pleased to present before you Condensed Interim Financial Statements of the Company for the six month period ended December 31, 2020.

Operational Results

During the six month period ended December 31, 2020, the Company remained on the track of progress and recorded net sales of Rs.343.496 million as compared to Rs.245.649 million for the same period of last year with an increase of Rs.97.847 million (39.83%). Increase in sales was mainly due to restoration of post coronavirus pandemic (Covid-19) scenario business activities in the country and relaxation by the Government in the condition for providing CNIC number for every sale from Rs.50,000/- to Rs.100,000/-. During the period under review, the Company earned a gross profit of Rs.49.501 million and net profit of Rs. 13.929 million as compared to gross profit of Rs.32.056 million and net profit of Rs.7.036 million respectively for the same period of last year. This achievement is also attributed to operational excellence and management skills which led in improving efficiencies, best product mix management and effective cost control measures.

Future Outlook

The Government is very keen and has taken various remedial measures for strengthening the economy of the Country in post coronavirus pandemic (Covid-19) scenario. Earlier Government has given financial package to mitigate negative impacts of the pandemic whereas State Bank of Pakistan also reduced policy rates to support the business community and revival of the economy in the Country. However, the major threat to business specially at retail level is ever rising inflation and dearness prevailing in the Country which may severely affect the purchasing power of consumers resultantly affecting the sales targets of foam and allied products. Though, foreign exchange rates remained stable, but on the other hand major risk for foam sector is uncontrollable raw material prices in international market as major raw materials are not manufactured in the Country and imported from all over the world. However, the management of the Company is fully cognizant of the affairs and will overcome the situation through operational excellence management skills, best marketing and production strategies. The Company is confident to meet the challenges ahead to achieve best possible performance results and remain focused on the needs of its trade partnering customers.

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 as well. We also thank for continued co-operation extended by our customers and retailers who are the key element of our Company.

On behalf of Board of Directors


MOHAMMAD AEFZAL SHEIKH

Chairman


MOHAMMAD SAEED SHEIKH

Chief Executive

Lahore: February 24, 2021

ڈائریکٹرز کی جائزہ رپورٹ

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے ہم نہایت مسرت کے ساتھ 31 دسمبر 2020 کو ختم ہونے والی ششماہی کے لئے کمپنی کے غیر پڑتال شدہ عبوری مالیاتی حسابات پیش کرتے ہیں۔

آپریٹل نتائج

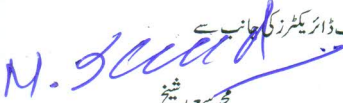
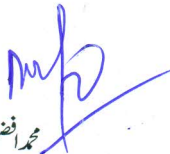
31 دسمبر 2020 کو ختم ہونے والی سہ ماہی کے دوران کمپنی ترقی کی راہ پر گامزن رہی اور گزشتہ سال کی اسی ششماہی میں 245,649 ملین روپے کے مقابلے میں 343,496 ملین روپے کی خالص فروخت ریکارڈ کی گئی جس میں 97,847 ملین روپے (39.83%) کا اضافہ ہوا۔ فروخت میں اضافہ بنیادی طور پر ملک میں کورونا وائرس وباء (کوویڈ-19) کے بعد کی کاروباری سرگرمیوں کی بحالی اور حکومت کی طرف سے ہر فروخت کے لیے لازمی شناختی کارڈ کی فراہمی کی شرط میں نرمی جو -/50,000 روپے سے بڑھا کر -/100,000 روپے کی گئی ہے کی وجہ سے ہوا۔ زبردستی ششماہی کے دوران کمپنی نے گزشتہ سال کی اسی ششماہی میں 32,056 ملین روپے کے مجموعی منافع اور 7,036 ملین روپے کے خالص منافع کے مقابلے میں بالترتیب 49,501 ملین روپے کا مجموعی منافع اور 13,929 ملین روپے کا خالص منافع حاصل کیا۔ اس کارکردگی کا سہرا آپریٹل کارکردگی اور انتظامی مہارت کے سر ہے جس نے کارکردگی کو بڑھانے، مصنوعات کا بہتر سٹراٹجی اور لاگت پر قابو پانے کے موثر اقدامات کی جانب راہنمائی کی۔

مستقبل کے خدوخال

حکومت پر عزم ہے اور اس نے کورونا وائرس وباء کے بعد کے منظر نامے میں ملک کی معیشت کو مستحکم کرنے کے لئے بہت سی اصلاحاتی تدابیر اختیار کی ہیں۔ اس سے قبل حکومت نے وباء کے منفی اثرات کو کم کرنے کے لئے مالیاتی سنج دیا ہے جبکہ اسٹیٹ بینک آف پاکستان نے کاروباری برادری کی مدد اور معیشت کی بحالی کے لئے پالیسی نرغ بھی کم کر دیے ہیں۔ تاہم کاروبار کو خاص کر خوردہ سطح پر سب سے بڑا خطرہ ملک میں جاری برہنہ ہوئی افراط زار اور مہنگائی کا رجحان جو صارفین کی قوت خرید پر سخت اثر ڈال رہا ہے اور نتیجے کے طور پر فوم اور متعلقہ مصنوعات کی فروخت کے اہداف کو متاثر کر سکتا ہے۔ اگرچہ زبردستی کی شرح مستحکم رہی لیکن دوسری طرف فوم کیلئے لئے اہم خطرہ بین الاقوامی منڈی میں خام مال کی بے قابو قیمتیں ہیں کیونکہ زیادہ تر خام مال ملک میں تیار نہیں ہوتے اور دنیا بھر سے درآمد کرنے پڑتے ہیں۔ تاہم کمپنی کی انتظامیہ معاملات سے پوری طرح باخبر ہے اور آپریٹل کارکردگی، انتظامی مہارت، بہتر مارکیٹنگ اور پیداواری حکمت عملی کے ذریعے صورت حال پر قابو پالے گی۔ کمپنی درپیش چیلنجز پر قابو پا کر بہترین ممکنہ کارکردگی اور اپنے تجارتی شراکت داروں اور گاہکوں کی ضروریات کو مد نظر رکھتے ہوئے نتائج حاصل کرنے کے لئے پراعتماد ہے۔

انتظامیہ تحفہ:

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

بورڈ آف ڈائریکٹرز کی جانب سے

 محمد سعید شیخ
 چیف ایگزیکٹو

 محمد افضل شیخ
 چیئرمین

لاہور: 24 فروری، 2021

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Al-Khair Gadoon Limited

Review Report on Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Al-Khair Gadoon Limited as at December 31, 2020 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2020 and December 31, 2019 have not been reviewed as we are required to review only the cumulative figures for the half year ended December 31, 2020.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's report is Sarah Tahir Siddiqui, ACA.



Tahir Siddiqui & Co.
Chartered Accountants
Lahore : February 24, 2021



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

		Un-Audited December,31 2020	Audited June 30, 2020
	Note	Rupees	Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	147,512,694	138,843,726
Deferred taxation		1,517,928	1,517,928
		149,030,622	140,361,654
CURRENT ASSETS			
Stores and spares		2,154,178	2,073,193
Stock in trade		187,504,797	204,980,630
Trade debts		58,571,672	50,386,778
Advances, deposits and prepayments		6,571,263	7,446,183
Advance taxes - net		57,467,650	75,331,615
Cash and bank balances	11	4,006,097	5,275,640
		316,275,657	345,494,039
TOTAL ASSETS		465,306,279	485,855,693
EQUITY AND LIABILITIES			
Authorized capital			
12,000,000 Ordinary shares of Rs. 10 each		120,000,000	120,000,000
Issued, subscribed and paid up capital		100,000,000	100,000,000
Capital reserves - Share Premium		25,000,000	25,000,000
Unappropriated profit		119,051,646	105,122,769
Shareholders' equity		244,051,646	230,122,769
NON CURRENT LIABILITIES			
Long term loan	6	4,270,000	-
Deferred liabilities		16,954,611	15,902,464
		21,224,611	15,902,464
CURRENT LIABILITIES			
Current portion of long term loan	6	4,270,000	-
Trade and other payables		114,864,028	155,482,086
Taxes payables		55,135	663,266
Short term borrowings	7	79,071,234	81,840,162
Un-claimed dividend		1,769,625	1,844,946
		200,030,022	239,830,460
CONTINGENCIES AND COMMITMENTS			
	8	-	-
TOTAL EQUITY AND LIABILITIES		465,306,279	485,855,693

The Annexed notes form an integral part of these condensed interim financial statements.

MOHAMMAD METAL SHEIKH
Chairman

MOHAMMAD SAEED SHEIKH
Chief Executive

ABDUL HAFEEZ POSWAL
Chief Financial Officer

Lahore: Feb 24, 2021


**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (Unaudited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

	Half Year Ended		Quarter Ended	
	July-Dec,2020	July-Dec,2019	Oct-Dec,2020	Oct-Dec,2019
	Rupees		Rupees	
Sales - net	343,496,061	245,649,437	191,115,683	146,157,788
Cost of sales	<u>(293,995,128)</u>	<u>(213,593,780)</u>	<u>(164,513,506)</u>	<u>(128,413,818)</u>
Gross profit	49,500,933	32,055,657	26,602,177	17,743,970
Administrative expenses	<u>(16,236,122)</u>	<u>(12,460,238)</u>	<u>(9,379,749)</u>	<u>(6,928,385)</u>
Distribution expenses	<u>(11,216,927)</u>	<u>(7,105,774)</u>	<u>(6,578,669)</u>	<u>(3,481,261)</u>
	<u>(27,453,049)</u>	<u>(19,566,012)</u>	<u>(15,958,418)</u>	<u>(10,409,646)</u>
Operating profit	22,047,884	12,489,645	10,643,759	7,334,324
Finance cost	<u>(3,128,415)</u>	<u>(3,766,145)</u>	<u>(1,827,043)</u>	<u>(2,772,792)</u>
Other operating income	<u>161,849</u>	<u>1,996,923</u>	<u>12,121</u>	<u>436,833</u>
Profit before taxation	19,081,318	10,720,423	8,828,837	4,998,365
Income tax expenses	<u>(5,152,441)</u>	<u>(3,684,742)</u>	<u>(2,866,735)</u>	<u>(2,192,367)</u>
Profit after taxation	13,928,877	7,035,681	5,962,102	2,805,998
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>13,928,877</u>	<u>7,035,681</u>	<u>5,962,102</u>	<u>2,805,998</u>
Earnings per share - before tax (basic and diluted - Rupees)	<u>1.91</u>	<u>1.07</u>	<u>0.88</u>	<u>0.50</u>
Earnings per share - after tax (basic and diluted - Rupees)	<u>1.39</u>	<u>0.70</u>	<u>0.60</u>	<u>0.28</u>

The Annexed notes form an integral part of these condensed interim financial statements.


MOHAMMAD AFZAL SHEIKH
Chairman


MOHAMMAD SAEED SHEIKH
Chief Executive


ABDUL HAFEEZ POSWAL
Chief Financial Officer

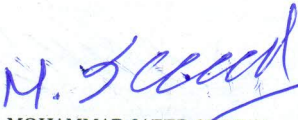
Lahore: Feb 24, 2021

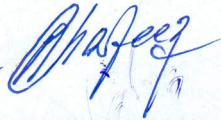
CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Note	July-Dec 2020 Rupees	July-Dec 2019 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Cash (used in) generated from operations	10	57,053	41,480,731
Finance cost paid		(3,658,775)	(5,232,702)
Dividend paid		(75,321)	-
Taxes - refund received/(paid)		12,711,524	1,210,455
		<u>8,977,428</u>	<u>(4,022,247)</u>
Net cash generated in operating activities		9,034,481	37,458,484
Cash flows from investing activities			
Fixed capital expenditure		(16,075,096)	(30,445,434)
Capital work in progress		-	201,960
Proceeds from sale of property, plant and equipment		-	3,620,000
Net cash (used in) generated from investing activities		(16,075,096)	(26,623,474)
Cash flows from financing activities			
Long term loan		8,540,000	-
Short term borrowings		(2,768,928)	(8,879,442)
Net cash generated from financing activities		5,771,072	(8,879,442)
Net increase / (decrease) in cash and cash equivalents		(1,269,543)	1,955,568
Cash and cash equivalents at the beginning of the year		5,275,640	3,130,415
Cash and cash equivalents at the end of the period		4,006,097	5,085,983

The Annexed notes form an integral part of these condensed interim financial statements.


MOHAMMAD AFZAL SHEIKH
Chairman


MOHAMMAD SAEED SHEIKH
Chief Executive


ABDUL HAFEEZ POSWAL
Chief Financial Officer


Lahore: Feb 24, 2021

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Share Capital	Share Premium	Unappropriated Profit	Total
	(-----Rupees-----)			
Balance as at July 01, 2019 (as restated)	100,000,000	25,000,000	97,316,043	222,316,043
Total other comprehensive income for the half year ended December 31, 2019				
Profit for the period	-	-	7,035,681	7,035,681
Other comprehensive income	-	-	-	-
	-	-	7,035,681	7,035,681
Balance as at December 31, 2019 (Un-audited)	<u>100,000,000</u>	<u>25,000,000</u>	<u>104,351,724</u>	<u>229,351,724</u>
Balance as at July 01, 2020 (Audited)	100,000,000	25,000,000	105,122,769	230,122,769
Total other comprehensive income for the half year ended December 31, 2020				
Profit for the period	-	-	13,928,877	13,928,877
Other comprehensive income	-	-	-	-
	-	-	13,928,877	13,928,877
Balance as at December 31, 2020 (Un-audited)	<u>100,000,000</u>	<u>25,000,000</u>	<u>119,051,646</u>	<u>244,051,646</u>

The annexed notes form an integral part of these condensed interim financial statements.


MOHAMMAD AFZAL SHEIKH
Chairman


MOHAMMAD SAEED SHEIKH
Chief Executive


ABDUL HAFEEZ POSWAL
Chief Financial Officer

Lahore: Feb 24, 2021



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2020

1 Legal Status and Operations

Al-Khair Gadoon Limited (the Company) was incorporated on August 27, 1990 as a Private Limited Company under the Companies Ordinance, 1984 (the Ordinance) [now Companies Act, 2017] and converted into Public Limited Company on August 31, 1995 and is listed on the Pakistan Stock Exchange Limited. It is primarily engaged in manufacturing of foam and allied products. The registered office of the Company is situated at 92/3, Phase III, Industrial Estate, Gadoon Amazai, District Swabi, Khyber Pakhtunkhwa – Pakistan.

2 Statement of Compliance

- 2.1 These condensed interim financial statements of the Company for the half year ended December 31, 2020 have been prepared in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprises of:
- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, and
 - Provisions of and directives issued under the Companies Act, 2017.
 - Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.
- 2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with Company's annual audited financial statements for the year ended June 30, 2020.
- 2.3 The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2020 and 2019 and the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the half years ended December 31, 2020 and 2019.

3 Significant Accounting Policies

- 3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in preparation of annual audited financial statements for the year ended June 30, 2020 except as stated in note 3.2 (a) below.
- 3.2 **Change in accounting standards, interpretations and amendments to published approved accounting and reporting standards**
- (a) **Standards and amendments to published approved accounting and reporting standards which are effective during the half year ended December 31, 2020.**

There are certain amendments to accounting and reporting standards which became mandatory for the Company's annual accounting period which began on July 01, 2020. However, these do not have any significant impact on Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

- (b) **New standards and amendments to published approved accounting and reporting standards that are not yet effective**

There is a new standard and certain amendments and interpretation to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2021. However, these standard, amendments and interpretation will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

- 3.3 The provision for taxation for the half year ended December 31, 2020 has been made on an estimated basis.

4 Accounting Estimates and Accounting Judgments

The preparation of interim financial statements require measurement to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgments, estimates and assumptions.

Judgments and estimates made by the management in the preparation of these condensed interim financial statements are same as those applied in the Company's annual audited financial statements for the year ended June 30, 2020.

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's annual audited financial statements for the year ended June 30, 2020.

5	PROPERTY, PLANT & EQUIPMENT	31-Dec-20 Un-audited Rupees	30-Jun-20 Audited Rupees
	Operating Assets		
	Book value at the beginning of the period / year	138,641,766	129,205,603
	Addition during the period / year	16,277,056	23,675,112
	Deletion during the period / year	-	<u>(1,622,607)</u>
		<u>154,918,822</u>	<u>151,258,108</u>
	Depreciation charged during the period / year	<u>(7,406,128)</u>	<u>(12,616,342)</u>
	Book value at the end of the period / year	<u>147,512,694</u>	<u>138,641,766</u>
	Capital work in progress		
	Balance at the beginning of the period / year	<u>201,960</u>	<u>3,128,571</u>
	Addition during the period / year	-	<u>201,960</u>
		<u>201,960</u>	<u>3,330,531</u>
	Less transfer to operating assets during the period / year	<u>(201,960)</u>	<u>(3,128,571)</u>
	Balance at the end of the period / year	<u>-</u>	<u>201,960</u>
		<u>147,512,694</u>	<u>138,843,726</u>

6	LONG TERM LOAN	31-Dec-20	30-Jun-20
		Un-audited	Audited
		Rupees	Rupees
	Long Term Loan	8,540,000	-
	Less: Current portion of long term loan	<u>4,270,000</u>	<u>-</u>
		<u>4,270,000</u>	<u>-</u>

6.1 This represents long term loan received from Bank Alfalah Limited under 'Refinance Scheme for payment of Wages and Salaries to the Workers and Employees of Business Concerns introduced by State Bank of Pakistan. This loan carries mark-up at the rate of 3% per annum and is repayable in eight quarterly installments starting from January 2021.

7	Short Term Borrowings	31-Dec-20	30-Jun-20
		Un-audited	Audited
		Rupees	Rupees
	BAFL - Finance Against Imported Material	8,965,892	11,734,820
	Loan from Directors - Unsecured 7.1	<u>70,105,342</u>	<u>70,105,342</u>
		<u>79,071,234</u>	<u>81,840,162</u>

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

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

There is no material change in the status of contingencies as reported in the financial statements for the preceding financial year ended June 30, 2020.

8.2 Commitments

Commitments in respect of letter of credits for raw materials at the terminal date were Rs.59.148 M (June 30, 2020 Rs.99.000 M).

9 TRANSACTIONS WITH RELATED PARTIES

Detail of transactions with related parties during the six month period other than those which have been disclosed elsewhere in the financial statements are as follows:-

Al-Khair Global (Pvt) Ltd.	Sales	-	6,995,781
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The transactions with related parties are executed on arms' length prices. Directors are interested to the extent of their directorship/shareholding. There is no change in nature of relationship with related parties as reported in the financial statements for the preceding financial year ended June 30, 2020.

10	CASH GENERATED FROM OPERATIONS	31-Dec-20	31-Dec-19
		Un-audited	Un-audited
		Rupees	Rupees
	Cash flows from operating activities		
	Profit before taxation	19,081,318	10,720,423
	Adjustments for:		
	Depreciation	<u>7,406,128</u>	<u>7,057,752</u>
	Finance cost	<u>3,128,415</u>	<u>3,766,145</u>
	Gain on disposal of plant, property and equipment	<u>-</u>	<u>(1,996,923)</u>
	Provision for Gratuity	<u>1,052,147</u>	<u>-</u>
	Provision for doubtful debt	<u>124,643</u>	<u>215,042</u>
		<u>11,711,333</u>	<u>9,042,016</u>

Operating profit before working capital changes	30,792,651	19,762,439
(Increase)/decrease in current assets		
Stores and spares	(80,985)	1,031,240
Stock-in-trade	17,475,833	(3,554,181)
Trade debts	(8,309,537)	1,940,281
Advances, deposits, prepayments and other receivables	874,920	2,778,203
	9,960,231	2,195,543

Increase/(decrease) in current liabilities		
Trade and other payables	(40,695,829)	19,522,749
Cash generated from operations	57,053	41,480,731

11 CASH AND CASH EQUIVALENT		
Cash in hand	448,226	895,943
Cash in banks	3,557,871	4,190,040
	4,006,097	5,085,983

12 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The carrying value of all financial assets and liabilities in these financial statements approximate their fair values.

13 FINANCIAL RISK MANAGEMENT

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

The condensed interim financial statements do not include all financial risk management information and disclosures required in the audited annual financial statements and should be read in conjunction with the audited annual financial statement for the year ended June 30, 2020.

There has been no change in Company's sensitivity to these risks since June 30, 2020 except for general exposure to fluctuations in foreign currency and interest rates. There have been no change in the risk management policies during the period.

There have been no significant changes in the business or economic circumstances during the period that would have affected the fair values of the financial assets of the Company. Further, no re-classifications in the categories of financial assets have been made since June 30, 2020.

14 General



Corresponding figures have been re-classified where necessary for comparison purpose, however no significant re-arrangement have been made. Figures have been rounded off to the nearest rupee.

15 Date of Authorization

The condensed interim financial statements were authorized for issue on February 24, 2021 by the board of Directors of the Company.



MOHAMMAD APZAL SHEIKH
Chairman

MOHAMMAD SAEED SHEIKH
Chief Executive

ABDUL HAFEEZ POSWAL
Chief Financial Officer

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