



SINCE 1980

AL-KHAIR GADOON LTD.

**Condensed Interim
Financial Statements
Half Year Ended**

**December
31, 2021
(Un-Audited)**

COMPANY INFORMATION

BOARD OF DIRECTORS:

Mohammad Afzal Sheikh	Chairman
Mohammad Saeed Sheikh	Chief Executive
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
Miss Samina Kokab	Secretary

CHIEF FINANCIAL OFFICER:

Abdul Hafeez Poswal

COMPANY SECRETARY:

Mohammad Amin Sheikh

AUDITORS:

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

LEGAL ADVISOR:

Mr. Naeem Anjum (Advocate High Court)

SHARES REGISTRAR:

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

BANKERS:

Allied Bank Limited.
Bank Alfalah Limited.

REGISTERED OFFICE & FACTORY SITE:

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

CORPORATE OFFICE:

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

DIRECTORS' REVIEW REPORT
For the Six Month Period Ended December 31, 2021

The Directors have pleasure in presenting to you the condensed interim financial statements of the Company for the half year ended December 31, 2021.

Operational Results

During the six month period ended December 31, 2021, the Company remained on the track of progress and recorded net sales of Rs.448.760 million as compared to Rs.343.496 million for the same period of last year with an increase of Rs.105.264 million (30.264%). Despite of increase in the the prices of imported material the Company was able to achieve growth mainly due to the better selling prices, increased sales volume and operational efficiency. During the period under review, the Company earned a gross profit of Rs.68.612 million and net profit of Rs.20.292 million as compared to gross profit of Rs.49.500 million and net profit of Rs.13.928 million 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.

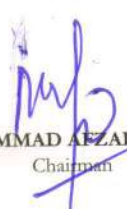
Future Outlook

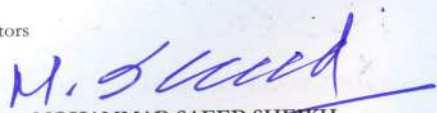
The Government is very keen and has taken various remedial measures for strengthening the economy of the Country in post coronavirus pandemic (Covid-19) scenario. Earlier Government has given financial package to mitigate negative impacts of the pandemic whereas State Bank of Pakistan also reduced policy 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 unstable, 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 and, 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 and 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 AFZAL SHEIKH
Chairman


MOHAMMAD SAEED SHEIKH
Chief Executive

Lahore: February 25, 2022

ڈائریکٹرز کی جائزہ رپورٹ

31 دسمبر 2021 کو ختم ہونے والی چھ ماہ کی مدت کے لیے

ڈائریکٹرز کو آپ کے سامنے 31 دسمبر 2021 کو ختم ہونے والے شہابی کے لیے کمپنی کے مختصر عبوری مالیاتی کو شواروں کو پیش کرتے ہوئے خوشی ہوئی ہے۔

آپیشل نتائج

31 دسمبر 2021 کو ختم ہونے والی چھ ماہ کی مدت کے دوران، کمپنی ترقی کی راہ پر گامزن رہی اور اس نے 105,264 (30.264%) ملین روپے کے اضافے کے ساتھ گزشتہ سال کی اسی مدت کے لیے 343,496 ملین روپے کے مقابلے میں 448,760 ملین روپے کی خالص فروخت ریکارڈ کی۔ درآمدی خام مال کی قیمتوں میں اضافے کے باوجود کمپنی بنیادی طور پر بہتر فروخت کی قیمتوں، فروخت کے حجم میں اضافہ اور آپریشنل کارکردگی کی وجہ سے ترقی حاصل کرنے میں کامیاب رہی۔ زیر جائزہ مدت کے دوران، کمپنی نے 68,612 ملین روپے کا مجموعی منافع اور 20,292 ملین روپے کا خالص منافع حاصل کیا جو کہ گزشتہ سال کی اسی مدت کے لیے 49,500 ملین روپے کے مجموعی منافع اور 13,928 ملین روپے کے خالص منافع کے مقابلے میں تھا۔ اس کامیابی کا سہرا آپریشنل انکمپلینس اور انتظامی مہارتوں کو بھی دیا جاتا ہے جس کی وجہ سے استعداد کار میں بہتری، بہترین پروڈکٹ مکس ٹینجمنٹ اور لائٹ پر قابو پانے کے موثر اقدامات شامل ہیں۔

مستقبل کے خط و خال

حکومت بہت پر جوش ہے اور اس نے کووڈ وائرس وبائی امراض (COVID-19) کے بعد کے منظر نامے میں ملک کی معیشت کو مضبوط بنانے کے لیے مختلف تہارکاتی اقدامات کیے ہیں۔ اس سے قبل حکومت نے وبائی امراض کے منفی اثرات کو کم کرنے کے لیے مالیاتی سہج و یا تھا جبکہ اسٹیٹ بینک آف پاکستان نے بھی کاروباری برادری کی مدد اور ملک میں معیشت کی بحالی کے لیے پالیسی ریٹ میں کمی کی تھی۔ تاہم، کاروبار کے لیے خاص طور پر خوردہ سطح پر براخطہ ملک میں برقی ہوئی مہنگائی ہے جو صارفین کی قوت خرید کو شدید متاثر کر سکتی ہے جس کے نتیجے میں فوم اور اس سے شملک مصنوعات کی فروخت کے اہداف متاثر ہوتے ہیں۔ گوکہ زرمبادلہ کی شرحیں غیر مستحکم رہیں لیکن دوسری طرف فوم سیکٹر کے لیے براخطہ بین الاقوامی مارکیٹ میں خام مال کی قیمتوں کا بے قابو ہونا ہے کیونکہ بڑے خام مال ملک میں تیار نہیں ہوتے اور پوری دنیا سے درآمد کیے جاتے ہیں۔ تاہم، کمپنی کی انتظامیہ معاملات سے پوری طرح باخبر ہے اور آپریشنل فضیلت اور انتظامی مہارتوں، بہترین مارکیٹنگ اور پیاداری حکمت عملیوں کے ذریعے صورتحال پر قابو پائے گی۔ کمپنی بہترین ممکنہ کارکردگی کے نتائج حاصل کرنے اور اپنے تجارتی شراکت دار صارفین کی ضروریات پر توجہ مرکوز رکھنے کے لیے آنے والے چیلنجوں کا مقابلہ کرنے کے لیے پرعتماد ہے۔

اظہار شکر:

ہم اپنے کارکنوں اور انتظامی ٹیم کے عملے کے ارکان کی مخلصانہ خدمات کا اعتراف اور تعریف کرنا چاہیں گے۔ ہم اپنے بینکرز اور دیگر اسٹیک ہولڈرز کے بھی مشکور 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۔

بورڈ آف ڈائریکٹرز کی جانب سے

M. Saeed
محمد سعید شیخ
چیف ایگزیکٹو

محمد افضل شیخ
چیرمین

لاہور: 25 فروری 2022

**INDEPENDENT AUDITORS' REVIEW REPORT
TO THE MEMBERS OF AL-KHAIR GADOON LIMITED
REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Al-Khair Gadoon Limited as at December 31, 2021 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 of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2021 and December 31, 2020 have not been reviewed as we are required to review only the cumulative figures for the half year ended December 31, 2021.

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 review report is Sarah Tahir Siddiqui, FCA.



Tahir Siddiqi & Co.

Chartered Accountants

Lahore : February 25, 2022

UDIN:RR202110176a9p5dszw7

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

	Note	Un-Audited December, 31 2021 Rupees	Audited June 30, 2021 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	156,934,382	157,356,869
		156,934,382	157,356,869
CURRENT ASSETS			
Stores and spares		2,154,179	3,251,471
Stock in trade		283,312,335	291,109,349
Trade debts		52,492,584	54,123,497
Advances, deposits and prepayments		7,240,176	7,571,055
Advance taxes - net		57,010,590	40,006,622
Cash and bank balances	11	16,275,214	20,072,530
		418,485,078	416,134,524
TOTAL ASSETS		575,419,460	573,491,394
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		146,907,183	126,615,042
Shareholders' equity		271,907,183	251,615,042
NON CURRENT LIABILITIES			
Long term loan	6	9,812,026	14,448,401
Deferred liabilities		23,517,413	23,517,413
		33,329,439	37,965,814
CURRENT LIABILITIES			
Current portion of long term loan	6	4,636,375	6,771,375
Trade and other payables		91,255,163	108,489,232
Taxes payables		901,038	458,358
Short term borrowings-secured	7	171,612,562	166,413,872
Un-claimed dividend		1,777,700	1,777,700
		270,182,838	283,910,537
CONTINGENCIES AND COMMITMENTS	8	-	-
TOTAL EQUITY AND LIABILITIES		575,419,460	573,491,394

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

MOHAMMAD FAZAL SHEIKH
Chairman

MOHAMMAD SAEED SHEIKH
Chief Executive

ABDUL HAFEEZ POSWAL
Chief Financial Officer

Lahore: Feb 25, 2022

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (Unaudited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Half Year Ended		Quarter Ended	
	July-Dec,2021	July-Dec,2020	Oct-Dec,2021	Oct-Dec,2020
	Rupees		Rupees	
Local sales - net	448,760,058	343,496,061	257,490,347	191,115,683
Cost of sales	(380,147,997)	(293,995,128)	(215,529,552)	(164,513,506)
Gross profit	68,612,061	49,500,933	41,960,795	26,602,177
Administrative expenses	(20,653,267)	(16,236,122)	(11,999,788)	(9,379,749)
Distribution expenses	(17,559,377)	(11,216,927)	(11,674,032)	(6,578,669)
	(38,212,644)	(27,453,049)	(23,673,820)	(15,958,418)
Operating profit	30,399,417	22,047,884	18,286,975	10,643,759
Finance cost	(4,910,636)	(3,128,415)	(3,748,463)	(1,827,043)
Other operating income	412,861	161,849	394,408	12,121
Profit before taxation	25,901,642	19,081,318	14,932,920	8,828,837
Income tax expense	(5,609,501)	(5,152,441)	(3,218,630)	(2,866,735)
Profit after taxation	20,292,141	13,928,877	11,714,290	5,962,102
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	20,292,141	13,928,877	11,714,290	5,962,102
Earnings per share - before tax (basic and diluted - Rupees)	2.59	1.91	1.49	0.88
Earnings per share - after tax (basic and diluted - Rupees)	2.03	1.39	1.17	0.60

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 25, 2022

CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Note	July-Dec 2021 2021 Rupees	July-Dec 2020 2020 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Cash (used in)/generated from operations	10	33,327,246	57,053
Finance cost paid		(6,196,571)	(3,658,775)
Dividend paid		-	(75,321)
Taxes - refund received / (paid)		(23,275,414)	12,711,524
		(29,471,985)	8,977,428
Net cash generated from operating activities		3,855,261	9,034,481
Cash flows from investing activities			
Fixed capital expenditure		(8,214,892)	(16,075,096)
Net cash (used in) generated from investing activities		(8,214,892)	(16,075,096)
Cash flows from financing activities			
Long term loan		(4,636,375)	8,540,000
Short term borrowings		5,198,690	(2,768,928)
Net cash generated from financing activities		562,315	5,771,072
Net increase / (decrease) in cash and cash equivalents		(3,797,316)	(1,269,543)
Cash and cash equivalents at the beginning of the period		20,072,530	5,275,640
Cash and cash equivalents at the end of the period		16,275,214	4,006,097

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

MOHAMMAD AIZAL SHEIKH
Chairman

MOHAMMAD SAEED SHEIKH
Chief Executive

ABDUL HAFEEZ POSWAL
Chief Financial Officer

Lahore: Feb 25, 2022

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Share Capital	Share Premium	Unappropriated Profit	Total
	(-----Rupees-----)			
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)	100,000,000	25,000,000	119,051,646	244,051,646
Balance as at July 01, 2021 (Audited)	100,000,000	25,000,000	126,615,042	251,615,042
Total other comprehensive income for the half year ended December 31, 2021				
Profit for the period	-	-	20,292,141	20,292,141
Other comprehensive income	-	-	-	-
	-	-	20,292,141	20,292,141
Balance as at December 31, 2021 (Un-audited)	100,000,000	25,000,000	146,907,183	271,907,183

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 25, 2022

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2021**

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 company's registered office is located at 92/3, Phase-III, Industrial Estate, Gadoon Amazai, District Swabi, KPK and corporate office is located at Al-khair house, 43-T, Gulberg-II, Lahore. The manufacturing plant of the company is located at 92/3, Phase-III, Industrial Estate, Gadoon Amazai, District Swabi, KPK and 94-A, 94-B, Phase-III, Industrial Estate, Gadoon Amazai, District Swabi, KPK.

2 STATEMENT OF COMPLIANCE

2.1 These condensed interim financial statements of the Company for the half year ended December 31, 2021 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, 2021.

2.3 The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2021 and 2020 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, 2021 and 2020.

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, 2021 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, 2021.**

There were certain amendments to accounting and reporting standards which became mandatory for the company during the period. However, these amendments in the standards did not have any significant impact on the financial reporting of the company and therefore have not been disclosed 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, 2022. However, these standard, amendments and interpretations 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, 2021 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, 2021.

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, 2021.

5 PROPERTY, PLANT & EQUIPMENT

	31-Dec-21 Un-audited Rupees	30-Jun-21 Audited Rupees
Operating Assets		
Book value at the beginning of the period / year	157,356,869	138,641,766
Addition during the period / year	5.1 8,214,892	38,487,544
Deletion during the period / year	-	(5,441,783)
	<u>165,571,761</u>	<u>171,687,527</u>
Depreciation charged during the period / year	<u>(8,637,379)</u>	<u>(14,330,657)</u>
Book value at the end of the period / year	<u>156,934,382</u>	<u>157,356,869</u>
	Additions	Deletions
5.1 Following additions were made during the period		
Plant and machinery	7,759,093	-
Tools and equipment	44,500	-
Office equipment	47,100	-
Furniture and fixture	159,700	-
Computers	204,500	-
	<u>8,214,892</u>	<u>-</u>

6 LONG TERM LOAN

	31-Dec-21 Un-audited Rupees	30-Jun-21 Audited Rupees
6.1 Long Term Loan (Sindh Bank)-Secured	12,313,401	14,814,776
Less: Current portion of long term loan	<u>(2,501,375)</u>	<u>(2,501,375)</u>
	<u>9,812,026</u>	<u>12,313,401</u>

6.2 Long Term Loan-BAFL-Secured	2,135,000	6,405,000
Less: Current portion of long term loan-Secured	(2,135,000)	(4,270,000)
	<u>-</u>	<u>2,135,000</u>

There is no material change in the terms and conditions of the long term loans as disclosed in the annual audited financial statements as at and for the year ended June 30, 2021.

7 SHORT TERM BORROWINGS

	31-Dec-21 Un-audited Rupees	30-Jun-21 Audited Rupees
BAFL - Finance Against Imported Material	101,507,220	96,308,530
Loan from Directors - Unsecured	70,105,342	70,105,342
	<u>171,612,562</u>	<u>166,413,872</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, 2021.

8.2 Commitments

Commitments in respect of letter of credits for raw materials at the terminal date were Rs.39.047M (June 30, 2021 Rs.96.000 M)

9 TRANSACTIONS WITH RELATED PARTIES

There were no related parties transactions during the period.

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, 2021.

10 CASH GENERATED FROM OPERATIONS

	31-Dec-21 Un-audited Rupees	31-Dec-20 Un-audited Rupees
Cash flows from operating activities		
Profit before taxation	25,901,642	19,081,318
Adjustments for:		
Depreciation	8,637,379	7,406,128
Finance cost	4,910,636	3,128,415
Provision for Gratuity	-	1,052,147
Provision for doubtful debt	(24,836)	124,643
	<u>13,523,179</u>	<u>11,711,333</u>
Operating profit before working capital changes	39,424,821	30,792,651
(Increase)/decrease in current assets		
Stores and spares	1,097,293	(80,985)
Stock-in-trade	7,797,015	17,475,833
Trade debts	1,630,913	(8,309,537)
Advances, deposits, prepayments and other receivables	330,880	874,920
	<u>10,856,100</u>	<u>9,960,231</u>
Increase/(decrease) in current liabilities		
Trade and other payables	(16,953,675)	(40,695,829)
Cash generated from operations	33,327,246	57,053

11 CASH AND CASH EQUIVALENT

Cash in hand
Cash in banks

1,797,124	448,226
14,478,090	3,557,871
16,275,214	4,006,097

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, 2021. There has been no change in Company's sensitivity to these risks since June 30, 2021 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, 2021.

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 25, 2022 by the board of Directors of the Company.

MOHAMMAD AFZAL SHEIKH
Chairman

MOHAMMAD SAEED SHEIKH
Chief Executive

ABDUL HAFEEZ POSWAL
Chief Financial Officer

Lahore; Feb 25, 2022

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