



SINCE 1980

AL-KHAIR GADOON LTD.

A detailed line drawing of a modern interior space, likely a living and bedroom area. On the left, there is a large, L-shaped sofa with several cushions. In front of it is a round coffee table with a small plant and some books. To the right, a bed with a tufted headboard and two pillows is shown. Two floor lamps with cylindrical shades stand on either side of the bed. The walls are depicted with vertical lines, suggesting a paneled or wood-grain finish. The drawing is rendered in a light, sketchy style with some blue and purple washes in the background.

**Condensed Interim
Financial Statements
First Quarter Ended**

**September
30, 2024
(Un-Audited)**

www.alkhairgadoon.com

**COMPANY INFORMATION**

BOARD OF DIRECTORS:	Mohammad Afzal Sheikh Mohammad Amin Sheikh Mohammad Saeed Sheikh Mrs. Parveen Afzal Mrs. Farnaz Saeed Mrs. Nafisa Amin Mr. Asif 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. Farnaz Saeed Mr. Asif Sajjad Mr. Khurram Iftikhar	Chairman Member Member Secretary
HUMAN RESOURCE & REMUNERATION COMMITTEE:	Mr. Kamal Subhani Mrs. Farnaz Saeed Mrs. Parveen Afzal Miss Samina Kokab	Chairman Member Member Secretary
CFO / CHIEF ACCOUNTANT:	Abdul Qadir	
COMPANY SECRETARY:	Miss Samina Kokab	
AUDITORS:	M/s. Tahir Siddiqi & Co., Chartered Accountants.	
LEGAL ADVISOR:	Mr. Umer Jamil (Advocate High Court)	
SHARES REGISTRAR:	Shemas International (Pvt) Limited 533-Imperial Garden Block, Main Boulevard, Paragon City, Barki Road, Lahore.	
BANKERS:	Meezan Bank Limited Bank Alfalah Limited. Habib Metropolitan Bank Allied Bank Limited Soneri Bank Limited United Bank 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: (0342)-4311111 Fax: (042) 35716588, 35753719 Email: info@alkhairgadoon.com Website: www.alkhairgadoon.com	

DIRECTORS' REVIEW REPORT
For the Quarter Ended September 30, 2024

On behalf of the board of directors of the Company, we are pleased to present Condensed Interim Financial Statements of the Company for the Quarter ended September 30, 2024.

Operational Results

During the quarter period ended September 30, 2024, the Company remained on track and recorded net sales of Rs.282.785 million as compared to Rs.252.817 million for the same quarter of last year with an increase of Rs.29.968 million (10.60%). During the quarter under review, the Company earned a gross profit of Rs.34.201 as compared to gross profit of Rs.36.503 million for the same quarter of last year and net (loss) of (Rs.0.133) million as compared to the net profit of 5.491 respectively for the same quarter of last year. The major factors behind the net loss is due to increased raw material costs and financial charges borne by the Company for making payments to facilitate its vendors. However, the Company continues to be committed to enhancing its product base through innovation and renovation which remains an integral part of the Company's vision to positively enhance the quality of life of our consumers and in return to achieve better financial results.

Future Outlook

The Government is very keen and is taking various remedial measures for strengthening the economy of the country, 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 has severely affected the purchasing power of the consumers resultantlly affecting the sales targets of the 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.

The management of the Company is fully cognizant of the affairs and will overcome the situation through operational excellence and, management skills, best marketing mix 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. We also thank for continued co-operation extended by our customers and retailers who are the key element of our Company.



MUHAMMAD AFZAL SHEIKH
Chairman



MUHAMMAD SAEED SHEIKH
Chief Executive

ڈائریکٹرز کی جائزہ رپورٹ 30 ستمبر 2024 کو ختم ہونے والے سہ ماہی کے لئے

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے، ہمیں 30 ستمبر، 2024 کو ختم ہونے والے سہ ماہی کے لیے کمپنی کے کنڈینسڈ عبوری مالیاتی بیانات آپ کے سامنے پیش کرتے ہوئے خوشی ہو رہی ہے۔

آپریشنل نتائج

30 ستمبر، 2024 کو ختم ہونے والی سہ ماہی کی مدت کے دوران کمپنی ترقی کی راہ پر گامزن رہی اور اس نے 282.785 ملین روپے کی خالص فروخت ریکارڈ کی جو کہ گزشتہ سال کی اسی سہ ماہی میں 252.817 ملین روپے کے مقابلے میں 29.968 ملین روپے (10.60%) کے اضافے کے ساتھ ہے۔ زیر جائزہ سہ ماہی کے دوران، کمپنی نے گزشتہ سال کی اسی سہ ماہی کے مجموعی منافع کے 36.503 ملین روپے کے مقابلے میں 34.201 روپے کا مجموعی منافع کمایا اور خالص کے مقابلے میں (0.133 ملین روپے) کا خالص نقصان حاصل کیا۔ گزشتہ سال کی اسی سہ ماہی کے لیے بالترتیب 5.491 کا منافع۔ خالص نقصان کے پیچھے بڑے عوامل خام مال کی بڑھتی ہوئی لاگت اور کمپنی کی طرف سے اپنے فروخت کنندگان کی سہولت کے لیے ادائیگیوں کے لیے اٹھائے جانے والے اخراجات ہیں۔ تاہم، کمپنی جدت اور تزئین و آرائش کے ذریعے اپنی مصنوعات کی بنیاد کو بڑھانے کے لیے پر عزم ہے جو کہ ہمارے صارفین کے معیار زندگی کو مثبت طور پر بڑھانے اور بہتر مالیاتی نتائج حاصل کرنے کے لیے کمپنی کے وژن کا ایک لازمی حصہ ہے۔

مستقبل کے حدود خال

حکومت بہت متنی ہے اور ملک کی معیشت کو مضبوط بنانے کے لیے مختلف تدارکاتی اقدامات کر رہی ہے، جب کہ اسٹیٹ بینک آف پاکستان نے بھی کاروباری برادری کی مدد اور ملک میں معیشت کی بحالی کے لیے پالیسی ریٹ میں کمی کی ہے۔ تاہم، کاروبار کے لیے بڑا خطرہ خاص طور پر ملک میں بڑھتی ہوئی مہنگائی ہے اور اس مہنگائی نے صارفین

خرید کو بری طرح متاثر کیا ہے جس کے نتیجے میں فوم اور اس سے منسلک مصنوعات کی فروخت کے اہداف متاثر ہوئے ہیں، اگرچہ غیر ملکی زر مبادلہ کی شرحیں مستحکم رہیں، لیکن دوسری طرف اہم فوم سیکٹر کے لیے خطرہ بین الاقوامی مارکیٹ میں خام مال کی قیمتوں کا بے قابو ہونا ہے کیونکہ بڑا خام مال ملک میں تیار نہیں کیا جاتا اور پوری دنیا سے درآمد کیا جاتا ہے۔

کمپنی کی انتظامیہ معاملات سے پوری طرح باخبر ہے اور آپریشنل فضیلت اور انتظامی مہارتوں، بہترین مارکیٹنگ مکس اور پیداواری حکمت عملی کے ذریعے صورتحال پر قابو پالے 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 پراعتماد ہے۔

اظہار تشکر

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

Muhammad Amn

محمد امین شیخ
چیف ایگزیکٹو


محمد افضل شیخ
چیرمین

لاہور: 28 اکتوبر، 2024


CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024

	Note	Un-Audited September,30 2024 Rupees	Audited June,30 2024 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, Plant and Equipment	5	162,574,088	177,248,160
		162,574,088	177,248,160
CURRENT ASSETS			
Stores and Spares		5,313,650	3,811,252
Stock in Trade		344,460,070	339,230,985
Trade Debts		19,898,159	23,783,443
Advances, Deposits and Prepayments		18,580,200	25,569,887
Advance Taxes - Net		67,899,230	69,611,513
Cash and Bank Balances		28,894,888	42,234,842
		485,046,197	504,241,922
TOTAL ASSETS		647,620,285	681,490,082
EQUITY AND LIABILITIES			
Authorized Capital			
30,000,000 Ordinary shares of Rs. 10 each		300,000,000	300,000,000
Issued, Subscribed and Paid up Capital		100,000,000	100,000,000
Capital Reserves - Share Premium		25,000,000	25,000,000
Unappropriated Profit		197,252,552	197,385,189
Shareholders' Equity		322,252,552	322,385,189
NON CURRENT LIABILITIES			
Long Term Loan		-	3,703,699
Deferred Liabilities		30,339,985	30,339,985
		30,339,985	34,043,684
CURRENT LIABILITIES			
Current portion of Long Term Loan		2,777,769	3,703,692
Trade and Other Payables		7,082,816	54,656,453
Taxes Payable		6,542,548	3,916,216
Short Term Borrowings	6	276,846,915	261,007,147
Un-Claimed Dividend		1,777,700	1,777,700
		295,027,748	325,061,208
CONTINGENCIES AND COMMITMENTS	7	-	-
TOTAL EQUITY AND LIABILITIES		647,620,285	681,490,082

The annexed notes from 1 to 13 form an integral part of these financial statement


MOHAMMAD AFZAL SHEIKH
CHAIRMAN


MOHAMMAD AMIN SHEIKH
CHIEF EXECUTIVE



ABDUL QADIR
CHIEF FINANCIAL OFFICER

Lahore: October 28,2024

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

	2024 Rupees	2023 Rupees
Sales - net	282,785,200	252,817,471
Cost of sales	(248,584,368)	(216,314,137)
Gross profit	34,200,832	36,503,334
Administrative expenses	(10,685,203)	(16,758,628)
Distribution expenses	(9,857,386)	(8,706,051)
	(20,542,589)	(25,464,679)
Operating profit	13,658,243	11,038,655
Finance cost	(11,033,057)	(3,094,537)
Other operating Income	776,990	707,685
	(10,256,066)	(2,386,852)
Profit before taxation	3,402,177	8,651,803
Income tax expense	(3,534,815)	(3,160,218)
(Loss)/Profit for the Period - net	(132,638)	5,491,585
Earnings per share - before tax (basic and diluted - Rupees)	<u>0.34</u>	<u>0.87</u>
Earnings per share - after tax (basic and diluted - Rupees)	<u>(0.01)</u>	<u>0.55</u>


MOHAMMAD AFZAL SHEIKH
CHAIRMAN


MOHAMMAD AMIN SHEIKH
CHIEF EXECUTIVE


ABDUL QADIR
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

	Note	2024 Rupees	2023 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	9	(17,354,272)	(39,593,822)
Finance cost paid		(15,430,739)	(3,094,537)
Income tax (paid) / refunds received		(8,362,993)	(9,472,112)
Sales tax (paid) / refunds received		2,820,137	(7,931,960)
		<u>(20,973,596)</u>	<u>(20,498,609)</u>
Net cash (used in) generated from operating activities		(38,327,868)	(60,092,431)
Cash flows from investing activities			
Fixed capital expenditure		-	(340,000)
Proceed from disposal of fixed assets		11,000,000	-
Net cash (used in) investing activities		11,000,000	(340,000)
Cash flows from financing activities			
Short term borrowings		14,913,844	65,614,345
Long Term Loans		(925,931)	(925,923)
Net cash generated / (used in) financing activities		13,987,913	64,688,422
Net (decrease)/increase in cash and cash equivalents		(13,339,954)	4,255,991
Cash and cash equivalents at the beginning of the year		42,234,842	19,266,710
Cash and cash equivalents at the end of the period/ year		28,894,888	23,522,701


MOHAMMAD AFZAL SHEIKH
 CHAIRMAN


MOHAMMAD AMIN SHEIKH
 CHIEF EXECUTIVE


ABDUL QADIR
 CHIEF FINANCIAL OFFICER


Lahore: October 28, 2024

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Issued, Subscribed and Paid up			Total
	Share Capital	Share Premium	Unappropriated Profit	
	(-----Rupees-----)			
Balance as at July 1, 2023 (Audited)	100,000,000	25,000,000	170,543,296	295,543,296
Comprehensive income for the year				
Profit for the year	-	-	27,253,316	27,253,316
Other comprehensive income (loss) for the year	-	-	(411,422)	(411,422)
	-	-	26,841,894	26,841,894
Balance as at June 30, 2024	100,000,000	25,000,000	197,385,190	322,385,190
Balance as at July 1, 2024				
Comprehensive income for the period				
(Loss)/Profit for the quarter	-	-	(132,638)	(132,638)
Other comprehensive (loss) for the period	-	-	-	-
	-	-	(132,638)	(132,638)
Balance as at September 30, 2024 (Un-audited)	100,000,000	25,000,000	197,252,552	322,252,552



MOHAMMAD AFZAL SHEIKH
CHAIRMAN



MOHAMMAD AMIN SHEIKH
CHIEF EXECUTIVE



ABDUL QADIR
CHIEF FINANCIAL OFFICER

Lahore: October 28, 2024

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the Period Ended September 30, 2024 (Un-Audited)

1 THE COMPANY AND ITS OPERATIONS

The Company was incorporated as a Private Limited Company on August 27, 1990 under the Companies Ordinance, 1984 (now 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 Company is principally engaged in manufacturing and sale of foam and allied products. The manufacturing facilities of the Company are located at 92/3, 94-A & 94-B, Industrial Estate, Gadoon Amazai, District Swabi, KPK. The registered office of the Company is situated at 92/3, Phase III, Industrial Estate, Gadoon Amazai, District Swabi, Khyber Pakhtunkhwa – Pakistan.

2 BASIS OF PREPARATION

These financial statements are un-audited and are being submitted to the shareholders as required under section 237 of the Companies Act, 2017, and prepared in accordance with requirements of the International Accounting Standard-34 (IAS 34) "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB).

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies for the preparation of quarterly financial statements for the quarter ended September 30, 2024 are the same as those applied in the preparation of the preceding annual published financial statements of the Company for the year ended June 30, 2024.

4 ACCOUNTING ESTIMATES AND JUDGMENTS

- 4.1** The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain accounting estimates. It also requires exercising judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.
- 4.2** During the preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited annual financial statements for the year ended June 30, 2024.
- 4.3** The provision for taxation for the quarter ended September 30, 2024, has been made on an estimated basis.

5 PROPERTY, PLANT & EQUIPMENT

	Note	30/Sep/24 Un-audited Rupees	30-Jun-24 Audited Rupees
Operating Assets			
Book value at the beginning of the period / year		177,248,160	157,747,546
Addition during the period / year		-	40,668,338
Deletion during the period / year	5.1	<u>(10,532,566)</u>	<u>(2,569,852)</u>
		166,715,593	195,846,032
Depreciation charged during the period / year		<u>(4,141,506)</u>	<u>(18,597,872)</u>
Book value at the end of the period / year		<u>162,574,088</u>	<u>177,248,160</u>
		30/Sep/24 Un-audited Rupees	30-Jun-24 Audited Rupees
		(Deletions)	
5.1 Following addition/(deletion) made during the period		<u>(10,532,566)</u>	-
Plant and Machinery		<u>(10,532,566)</u>	-

6 SHORT TERM BORROWINGS

Banking Companies - Secured	6.1	206,741,574	190,901,806
Loan from Directors – Unsecured	6.2	70,105,341	70,105,341
		<u>276,846,915</u>	<u>261,007,147</u>

6.1 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 months 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 (SLC) of Rs. 400 million (2023: Rs.150 million) to import raw material. The facility is secured against import documents of import letters of credit.

6.2 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.

7 CONTINGENCIES & COMMITMENTS

Contingencies

- 7.1 The commercial banks have issued guarantees on behalf of the Company amounted to Rs.Nil (2023 : Rs.Nil).
- 7.2 There has been an amount of Rs.40.231 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 in existing liability for electricity expenses payable, However any future liability if arises will be provided at that time.

7.3 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).

8 TRANSACTIONS WITH RELATED PARTIES

There were no related parties transaction 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, 2024.

**9 CASH GENERATED FROM OPERATIONS**

	30-Sep-24 Un-Audited Rupees	30-Sep-23 Un-Audited Rupees
Cash flows from operating activities		
Profit before taxation	3,402,177	8,651,803
Adjustments for non cash item		
Depreciation on property, plant and equipment	4,141,505	4,595,079
Finance cost & Others	11,033,057	3,094,537
	<u>15,174,562</u>	<u>7,689,616</u>
Operating profit before working capital changes	<u>18,576,739</u>	<u>16,341,419</u>
(Increase)/decrease in current assets		
Stores and spares	(1,502,398)	261,316
Stock-in-trade	(5,229,085)	(102,386,612)
Trade debts	3,885,285	7,504,350
Advances, deposits, prepayments and other receivables	6,989,687	7,519,066
	4,143,489	(87,101,880)
Increase/(decrease) in current liabilities		
Trade and other payables	(40,074,500)	31,166,639
Cash (used in) from operations	<u>(17,354,272)</u>	<u>(39,593,822)</u>

10 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

11 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, 2024.

There has been no change in Company's sensitivity to these risks since June 30, 2024 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, 2024.


12 GENERAL

Figures have been rounded off to the nearest rupee and previous period's figures have been re-classified where necessary.

13 DATE OF AUTHORIZATION

The Condensed interim financial statements were authorized for issue on October 28, 2024 by the board of directors of the company.


MOHAMMAD AFZAL SHEIKH
CHAIRMAN


MOHAMMAD AMIN SHEIKH
CHIEF EXECUTIVE


ABDUL QADIR
CHIEF FINANCIAL OFFICER

Lahore: October 28, 2024

AL-KHAIR GADOON LTD.



Alkhair Foam



Araamco آرامكو



i-FOAM
THE KINGDOM OF COMFORT



SERENE FOAM
No.1 Nationwide

CONTACT US

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

UAN: +92 -342-4311-111 Tel: (+92-42) 35716580-86

E-mail: info@alkhaigadoon.com

www.alkhaigadoon.com