



SINCE 1980

AL-KHAIR GADOON LTD.

2025 ANNUAL REPORT

www.alkhairegadoon.com

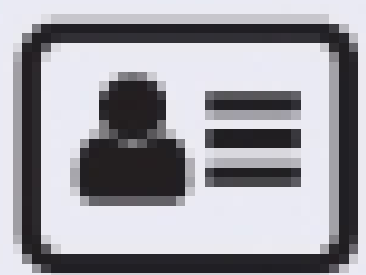
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Our VISION

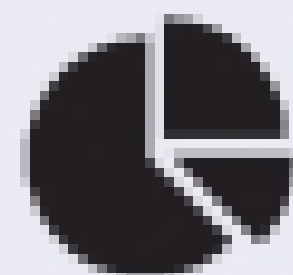
To be the preferred choice of customers by creating innovative, comfortable and affordable brands in their everyday lives for the greater good.

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 'AKGL'.



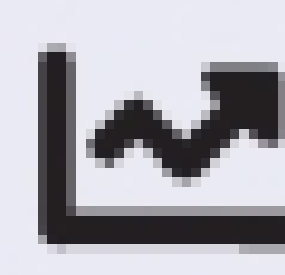
170+
Employees



360+
Share Holders



45%
Approximate Country's
Rated Capacity



25%
Approximate
Market Share



30+
Years of Experience



1'100+
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 principle 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. Muhammed Afzal Sheikh
(Chairman)

Mr. Muhammed Amin Sheikh
(C E O)

Mr. Muhammed Saeed Sheikh
(Non-Executive Director)

Mrs. Parveen Afzal
(Non-Executive Director)

Mrs. Farnaz Saeed
(Non-Executive Director)

Mrs. Nafisa Amin
(Non-Executive Director)

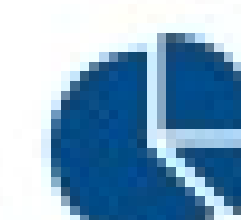
Mr. Asif Sajjad
(Independent Director)

Mr. Kamal Subhani
(Independent Director)



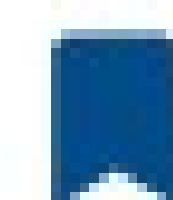
**Registered
Number**

P-00599



**Company's
NTN Number**

0000094-9



**Company's
Symbol**

AKGL



**ST Registration
Number**

05-06-9404-004-46

Certifications



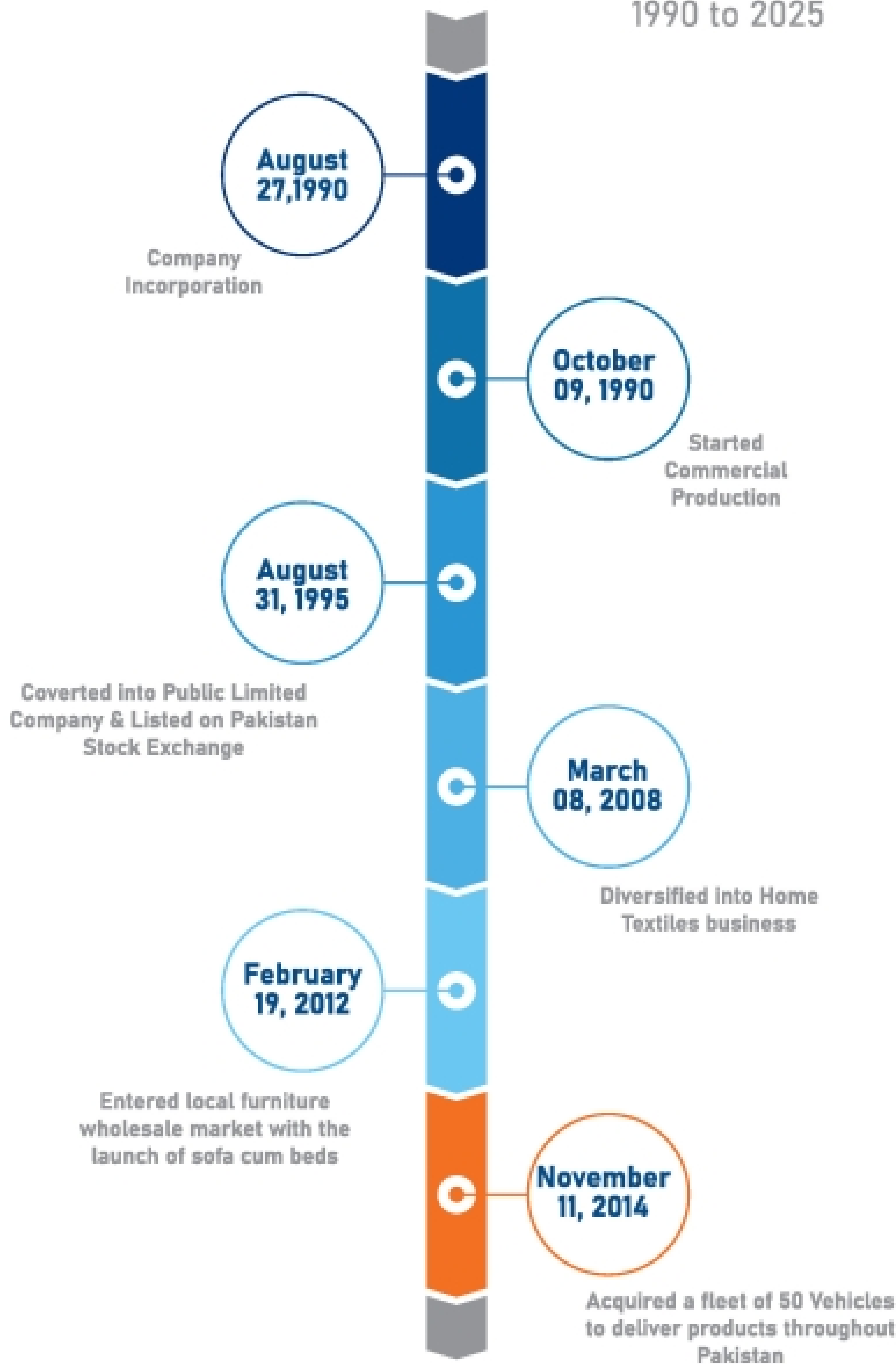
ISO 14001 : 2015

COMPANY INFORMATION

BOARD OF DIRECTORS:	Muhammad Afzal Sheikh Muhammad Amin Sheikh Muhammad 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:	Muhammad Tariq Amin	
COMPANY SECRETARY:	Miss Samina Kokab	
AUDITORS:	M/s. Tahir Siddiqi & Co., Chartered Accountants.	
LEGAL ADVISOR:	Mr. Umer Jamil (Advocate High Court)	
SHARES REGISTRAR:	Corplink (Private) Limited Wings Arcade, I-K Commercial, Model Town , Lahore	
BANKERS:	Meezan Bank Limited Bank Alfalah Limited. Habib Metropolitan Bank Limited Allied Bank Limited United Bank Limited Soneri Bank Limited Muslim Commerical 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)-111111605 Fax: (042) 35716588, 35753719 Email: info@alkhaigadoon.com Website: www.alkhaigadoon.com	

Our Journey

1990 to 2025



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.



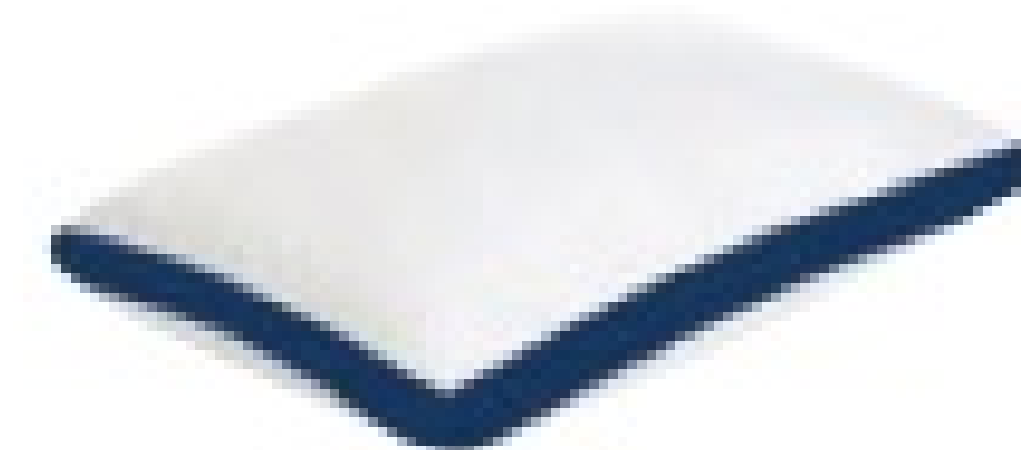
Pillow in Box

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.



Sleep Mask

Sleep Mask is designed for a comfortable and restful sleep. It has a soft cotton stretch front for breathability and a plush velvet back for a gentle feel.



Head Rest

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.



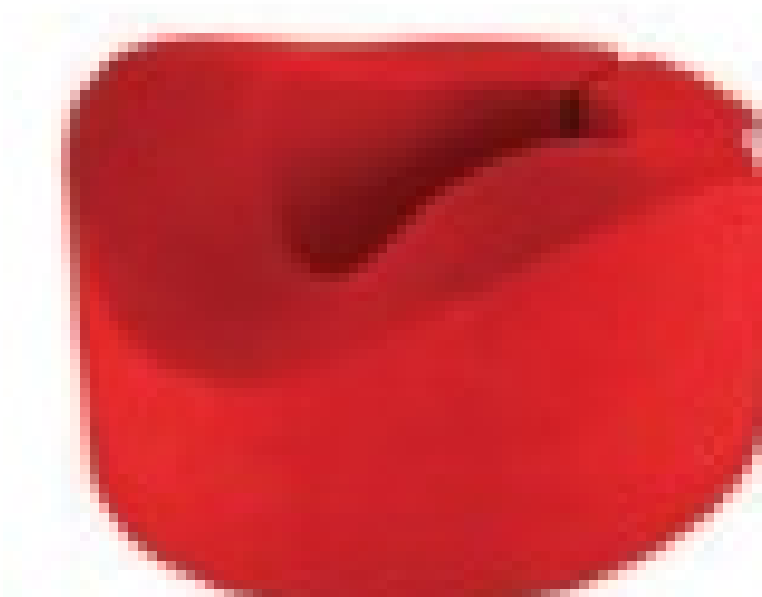
Neck Pillow

Neck Support Pillow - Say goodbye to neck pain with this Neck Support Pillow. This expertly crafted pillow is designed to alleviate tension and promote proper spinal alignment.



Cervical Collar

Alkhair Ortho Cervical Collar fits the neck comfortably and helps release pain and accelerate tissue recovery by keeping them warm. It is multi-purpose, can be used during flight, computer work, reading, watching TV and stabilize neck while sleeping.



Back Care Office/Car

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



Lumbar Support

Lumbar support is designed to provide relief from low back pain due to driving, long working hours, and some injury. Besides providing extreme contour cushioning, the high-end memory foam also absorbs jerks and shocks while driving to prevent muscle spasms and backaches.



Coccyx

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



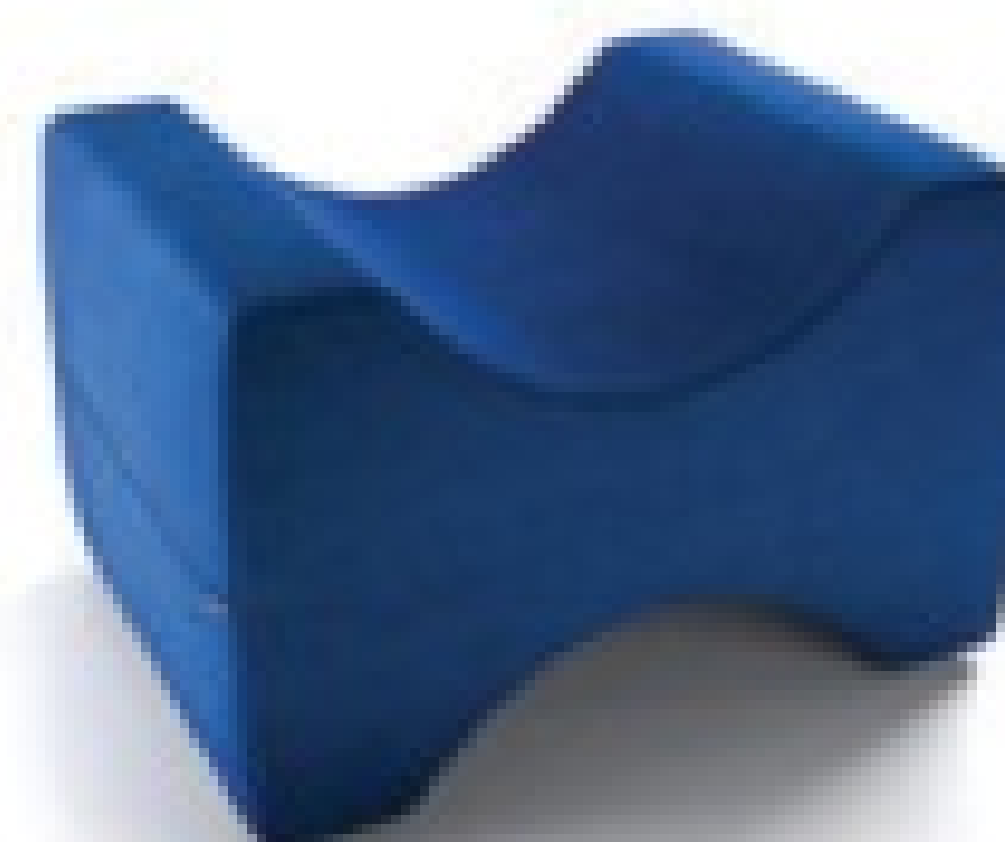
Ring Cushion

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.



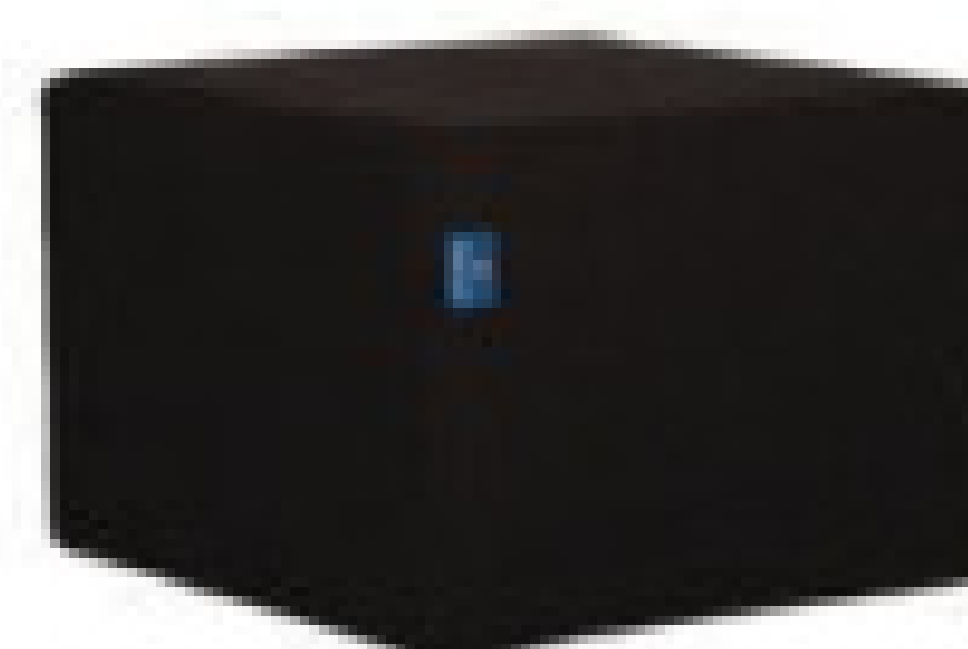
Knee Pillow

The pillow is designed to alleviate joint pains and the rubbing of the knees. It also helps reduce back pain and provides adequate alignment to reduce Sciatica.



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.



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.



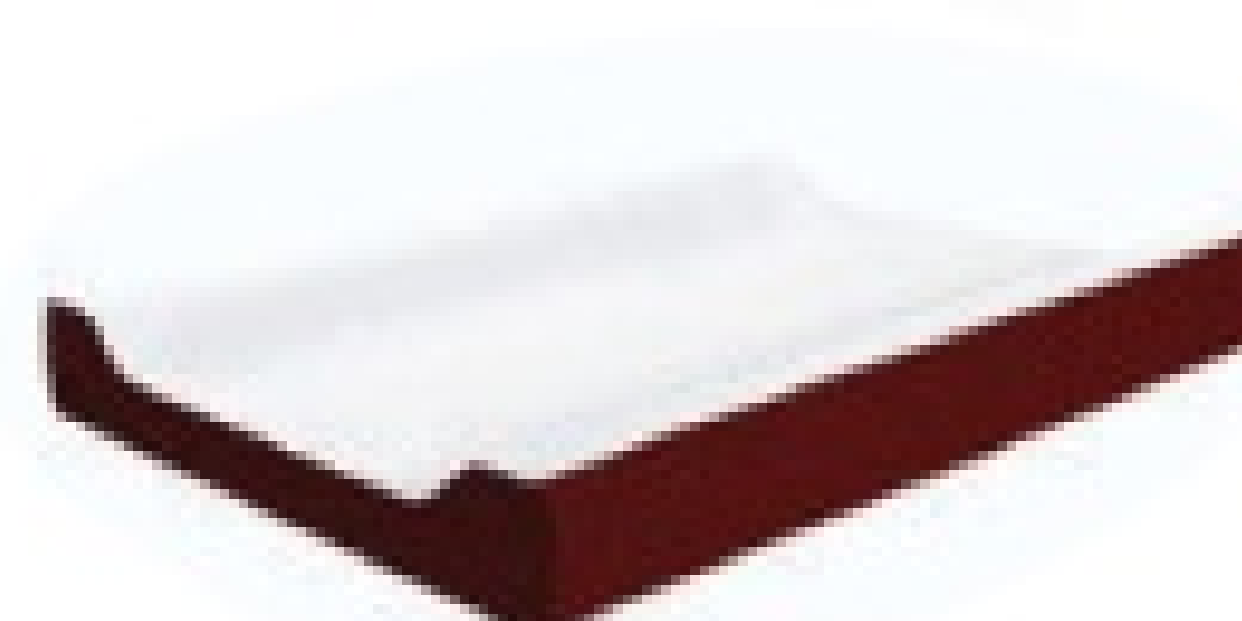
Baby Nest

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



Baby Mat

Baby Mat is Crafted with waterproof fabric, this changing mat ensures easy cleaning and maintenance while being anti-allergic, soft, and gentle on your baby's delicate skin.



Razai Winter Quilt

Al-Khair Razai is made with 100% polyester siliconized and fill and is incredibly lightweight, soft, fluffy, and warm.



D-Section Pillow

D-Section Pillow is here to put an end to your quest! It helps relieve the debilitating effects of sciatica, arthritis, back pain, and post-surgery pain, helps the vertebrae stay relaxed.



Bolster Pillow

This ergonomic bolster shape pillow helps reduce head, shoulder, neck, and back discomfort. Simply place it under the problem areas for instant pain relief. Made with premium quality HD foam.



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.

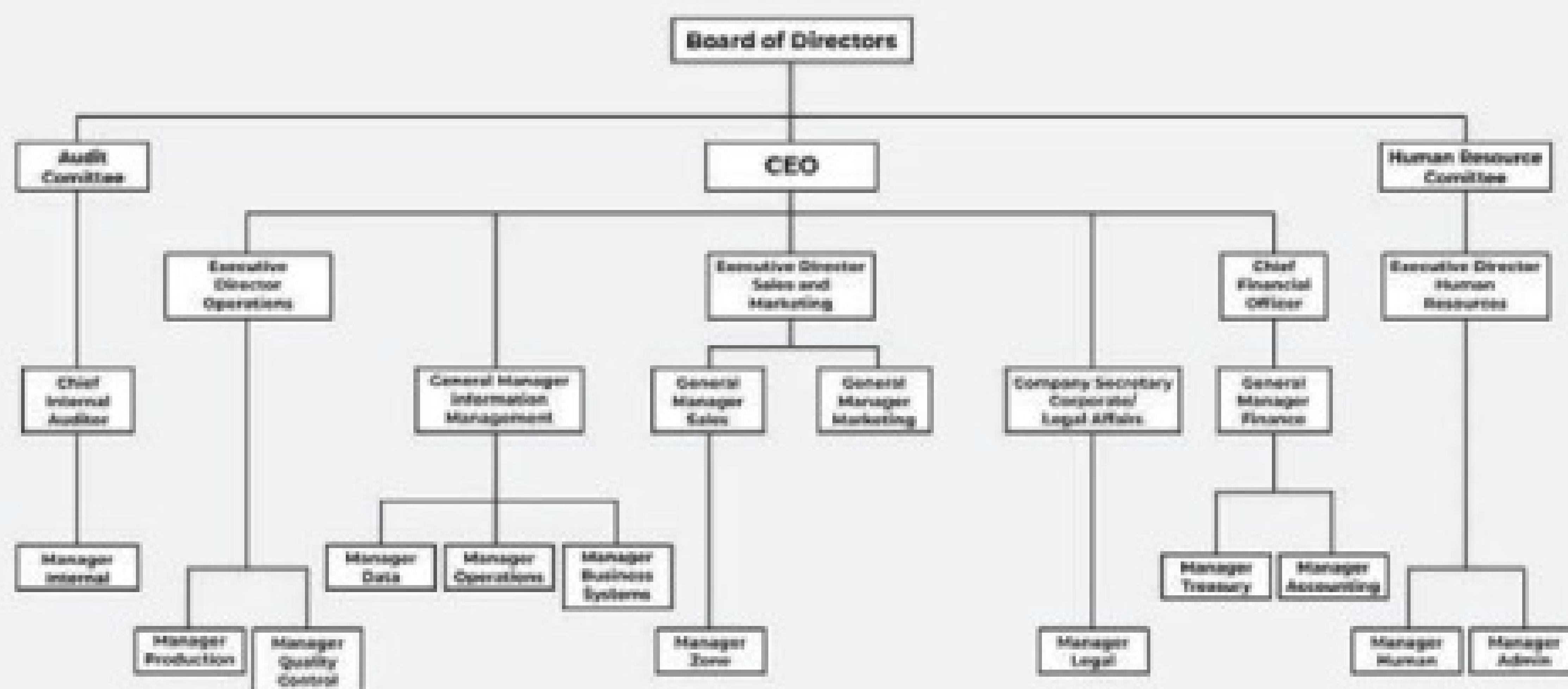


Punching Box

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 2025

PKR 1,834 M

Gross Sale 2024

PKR 1,671 M

Profit/(Loss) After Tax 2025

PKR 17.14 M

Profit/(Loss) After Tax 2024

PKR 27.25 M

Total Assets 2025

PKR 799.48M

Total Assets 2024

PKR 681.49M

Earning Per Share 2025

PKR 1.71

Earning Per Share 2024

PKR 2.73

YEAR WISE STATISTICAL SUMMARY

	2025	2024	2023	2022	2021	2020
Investment Measures						
Share Capital	100	100	100	100	100	100
Shareholders' Equity	342.09	322.39	295.54	280.51	252.93	230.12
Profit / (loss) before taxation	30.74	40.19	25.19	45.93	39.68	16.02
Profit after taxation	17.15	27.25	13.02	30.57	22.81	8.00
Dividend Per share	-	-	-	-	-	-
Earnings / (Loss) per share - Rs.	1.71	2.73	1.30	3.06	2.28	0.80
Break-up value per share - Rs.	34.21	32.24	29.55	28.05	25.29	23.01
Measures of Financial Status						
Current Ratio	1.49:1	1.56:1	1.60:1	1.45:1	1.44:1	1.44:1
No of days – Stock	113	108	120	107	133	203
No of days - Debtors	4.72	10.54	18.10	17.29	23.76	41.89
Measures of Financial Performance						
Return on Capital Employed	16.69%	7.65%	3.93%	9.52%	7.84%	3.25%
Gross Profit Ratio	12.41%	12.97%	12.80%	12.84%	14.41%	16.08%
Profit before tax to sales	2.20%	3.14%	2.37%	3.97%	4.94%	3.66%
Profit after tax to sales	1.23%	2.13%	1.22%	2.65%	2.84%	1.83%
Debt Equity Ratio / Gearing ratio	52.02%	45.43%	24.85%	40.39%	39.68%	26.23%

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 35th Annual General Meeting of Al-Khair Gadoon Ltd., will be held on Friday the October 24, 2025 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 34th Annual General Meeting held on October 25, 2024.
- 2 To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2025, together with the Directors' and Auditors' Reports thereon.
- 3 To elect the Directors in accordance with provisions of Section 159 of the Companies Act, 2017. The following are the retiring Directors and number of Directors for next term (3 Years) are fixed at 8.
 (i) Mr. Muhammed Afzal Sheikh (ii) Mr. Muhammed Saeed Sheikh
 (iii) Mr. Muhammed Amin Sheikh (iv) Mrs. Parveen Afzal
 (v) Mrs. Farnaz Saeed (vi) Mrs. Nafisa Amin
 (vii) Mr. Kamal Subhani (viii) Mr. Asif Sajjad
- 4 To appoint Auditors of the Company and fix their remuneration.
- 5 To transact any other business with the permission of the Chairman.

BY ORDER OF THE BOARD

Dated: October 02, 2025

Miss Samina Kokab
Company Secretary

NOTES:

- 1 Share Transfer Books of the Company will remain closed from October 18, 2025 to October 24, 2025 (both days inclusive). Transfers received in order upto the close of business on October 17, 2025 at the Company's Share Registrar, Corplink (Pvt) Limited, Wings Arcade, I-K, Commercial Model Town, Lahore will be entitled to voting rights at the Annual General Meeting.
- 2 Any member (including a retiring Director) who seeks to contest the election of Directors shall file with the Company at its Corporate Office, Al-Khair House, 43-T, Gulberg II, Lahore not later than 14 days before the said meeting his/her intention to offer himself/herself for election of the Directors in terms of Section 159 (3) of the Companies Act, 2017 together with:
 - (a) Notice of his/her intention to stand for election and nomination form alongwith duly completed and signed Form 28 giving his/her consent to act as Director of the Company if elected (under section 167(1) of the Companies Act, 2017), and certify that he is not ineligible to become a Director under any applicable laws, Rules and Regulations; and that he/she confirms to hold the qualification shares in accordance with Article 70 of the Articles of Association of the Company.
 - (b) Detailed profile alongwith office address and other information for placement on the Company's website seven days prior to the date of election accordance with SECP's SRO 1196(1)/2019 of October 03, 2019.
 - (c) Declaration in respect of being compliant with the requirements of the Listed Companies (code of Corporate Governance) Regulations, 2019 and the eligibility criteria as set out in the Companies Act, 2017 to act as the Director of a Listed Company.
 - (d) Attested Copy of Valid CNIC / Passport.
 - (e) Declaration by Independent Director(s) under Clause 6(3) of the Listed Companies (Code of Corporate Governance) Regulation 2019.
 - (f) Undertaking by Independent Director(s) on non-judicial stamp paper that he/she meet the requirements of sub regulation (1) of Regulation 4 of the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

- 3 If the number of persons who offer themselves to be elected is more than the number of Directors fixed under sub-section (1) of Section 159 of the Companies Act, 2017 then, subject to requirements of Section 143 and 144 of the Companies Act, 2017, the Company shall provide its members with options of e-voting or voting by postal ballot in accordance with the provisions of the Companies (Postal Ballot) Regulations, 2018.
- 4 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.
- 5 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.
- 6 Members are requested to immediately inform the Company's Share Registrar of any change in their mailing address.
- 7 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.
- 8 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@alkhaigadoon.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@alkhaigadoon.com".
- 9 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 2025 Annual Report to the shareholders in form of DVD. Annual Report including Notice of Meeting and Proxy can also be downloaded from Company's and Pakistan Stock Exchange websites. Any member requiring printed copy of 2025 annual report may send a request with identification details, the Company will send the hard copy of printed accounts 2025 free of cost within one week.
- 10 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.

- 11 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.

اطلاع برائے سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ الخیر گدون لمیٹڈ کے حصص داران کا 35 واں سالانہ اجلاس عام مورخہ 24 اکتوبر، 2025 بروز جمعہ بوقت صبح 8:00 بجے بمقام رجسٹرڈ دفتر 92/3، فیز 3، انڈسٹریل اسٹیٹ، گدون امدادی، ضلع صوابی، خیبر پختونخواہ میں درج ذیل امور کے انجام دہی کے لیے منعقد ہوگا۔

- 1 25 اکتوبر 2024 کو منعقدہ 34 ویں سالانہ اجلاس عام کی کاروائی کی توثیق کرنا۔
 - 2 30 جون، 2025 کو ختم شدہ سال کے لیے کمپنی کے پڑتال شدہ سالانہ مالیاتی گوشوارے بشمول ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خوض اور منظوری دینا۔
 - 3 کمپنی ایکٹ 2017 کی دفعہ 159 کے تحت ڈائریکٹرز کا انتخاب - سبکدوش ہونے والے ڈائریکٹرز مندرجہ ذیل ہیں اور انکی مدت (تین سال) کے لیے ڈائریکٹرز کی تعداد آٹھ مقرر کی گئی ہے۔
- | | | | | | |
|---|-------------------|---|-------------------|---|-------------------|
| 1 | محمد افضل شیخ | 2 | محمد سعید شیخ | 3 | محمد امین شیخ |
| 4 | محترمہ پروین افضل | 5 | محترمہ فرناز سعید | 6 | محترمہ نفیسہ امین |
| 7 | کمال سبحانی | 8 | آصف سجاد | | |
- 4 کمپنی کے آڈیٹرز کی تقرری اور ان کے مشاہرہ کا تعین کرنا۔
 - 5 جناب چیئرمین کی اجازت سے کسی دیگر امر پر کاروائی۔

حسب الحکم بورڈ

شمینہ کوکب

کمپنی سیکرٹری

تاریخ: 02 اکتوبر، 2025

نوٹس:

- 1 کمپنی کی حصص منتقلی کی کتابیں 18 اکتوبر 2025 سے 24 اکتوبر، 2025 (بشمول دونوں دن) بند رہیں گی۔ تمام ٹرانسفرز جو قواعد و ضوابط کے مطابق کمپنی کے شیئر رجسٹرار، کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، 1-K کمرشل، ماڈل ٹاؤن، لاہور میں 17 اکتوبر، 2025 تک وصول ہو گئی۔ وہ سالانہ اجلاس عام میں ووٹ کے اہل تصور ہوں گے۔
- 2 کوئی بھی رکن (بشمول سبکدوش ہونے والے ڈائریکٹر) جو ڈائریکٹر کے انتخاب میں حصہ لینے کے خواہشمند ہو، کے لئے لازم ہے کہ وہ کمپنیز ایکٹ 2017 کے سیکشن 159 (3) کے تحت ڈائریکٹر کے انتخاب کے لئے خود کو پیش کرنے کی بابت اظہار آمادگی کمپنی کے کارپوریٹ آفس الخیر ہاؤس، 43-ٹی، گلبرگ II، لاہور میں مذکورہ بالا اجلاس کے 14 دن قبل، مندرجہ ذیل دستاویزات کے ہمراہ درج کردائے۔

- (a) مکمل طور پر پر کیے گئے فارم 28 پر اپنے دستخط کے ساتھ انتخاب میں کھڑا اور نامزد کیے جانے کی آمادگی کا اظہار جس میں اس کی جانب سے تسلیم کیا جائے کہ اگر اسے منتخب کیا جاتا ہے (کمپنیز ایکٹ 2017 کے سیکشن 167(1) کے تحت) تو وہ کمپنی کے ڈائریکٹر کے طور پر اپنی خدمات سرانجام دے گا دے گی۔ نیز یہ بھی تصدیق کرے کہ وہ مردہ قوانین کے مطابق ڈائریکٹر بننے کے لئے نااہل نہیں ہے۔ مزید برآں اس کی جانب سے یہ بھی تصدیق کی جائے کہ وہ کمپنی کے آرٹیکلز آف ایسوسی ایشن کے آرٹیکل 70 کے مطابق اہلیت کے لئے معینہ حصص کی تعداد رکھتا رکھتی ہے۔
- (b) ایس ای سی پی کے ایس آر او 1196(1)/2019 بحریہ 13 اکتوبر 2019 کے مطابق، کمپنی کی ویب سائٹ پر درج کرنے کے لئے انتخاب سے 7 دن پہلے بکٹ اپنے دفتر کے پتے اور دیگر تفصیلات کے ساتھ تفصیلی پروفائل کا اندراج۔
- (c) لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی پاسداری نیز کمپنیز ایکٹ 2017 کے مطابق لسٹڈ کمپنی میں ڈائریکٹر کے عہدے کے لئے درکار اہلیت پر پورا اترنے کا حلف نامہ
- (d) قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقل
- (e) لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تحت آزاد ڈائریکٹر (ڈائریکٹروں) کی ڈیکلریشن
- (f) آزاد ڈائریکٹر (ڈائریکٹرز) کی جانب سے سادہ اسٹامپ پیچہ پر حلف نامہ کہ امیدوار کمپنیز (میزر اینڈ سلیکشن آف انڈیپنڈنٹ ڈائریکٹرز) ریگولیشنز، 2018 کے ریگولیشن 4 کی سب ریگولیشن (1) کے تقاضوں پر پورا اترتا ہے۔
- 3 اگر انتخاب کے لئے خود کو پیش کرنے والے افراد کی تعداد کمپنیز ایکٹ، 2017 کے سیکشن 159 کے سب سیکشن (1) کے تحت معینہ تعداد سے زیادہ ہو تو کمپنیز ایکٹ، 2017 کے سیکشنز 143 اور 144 کے مطابق کمپنی اپنے ممبران کو ای ووٹنگ یا کمپنیز (پوسٹل بیلٹ) ریگولیشنز، 2018 کی پاسداری کرتے ہوئے پوسٹل بیلٹ کے ذریعے رائے دہی کا موقع دے گی۔
- 4 سالانہ اجلاس عام میں شرکت کرنے اور ووٹ دینے کا اہل ایک رکن اپنی جگہ دوسرے کسی رکن کو بطور پراکسی اجلاس میں شرکت کرنے اور ووٹ دینے کے لیے مقرر کر سکتا کر سکتی ہے۔ ووٹ ذاتی طور پر، بذریعہ پراکسی، بذریعہ اٹارنی یا ادارے کی صورت میں نمائندہ دیے جاسکتے ہیں۔ پراکسی کے مؤثر ہونے کے لیے ضروری ہے کہ وہ کمپنی کے کارپوریٹ آفس، الخیر ہاؤس، 43-ٹی، گلبرگ 2، لاہور میں اجلاس کے وقت سے کم سے کم 48 گھنٹے قبل وصول ہو جائیں۔
- 5 سینٹرل ڈیپازٹری کمپنی (CDC) کے/کی شیئرز ہولڈرز جو اجلاس ہذا میں شرکت کرنے اور ووٹ دینے کے/کی حقدار ہیں وہ شناخت کے طور پر اپنا کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ (اگر غیر ملکی ہو تو) اور CDC کاؤنٹ نمبر ضرور ساتھ لائیں۔ پراکسی کی صورت میں کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپی منسلک کرنا لازمی ہے مذکورہ مقصد کے لیے کارپوریٹ ممبر کے نمائندے اپنے ساتھ مطلوبہ دستاویز ضرور لائیں۔
- 6 ممبرز سے درخواست ہے کہ وہ اپنے پتے میں کسی بھی قسم کی تبدیلی کی صورت میں کمپنی کے شیئرز رجسٹرار کو فوری اطلاع دیں۔
- 7 ممبرز سے درخواست ہے کہ وہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ (غیر ملکی ہونے کی صورت میں) کی نقل بذریعہ ڈاک ارسال کریں (اگر پہلے نہ دی ہو) تاکہ کمپنی متعلقہ قوانین کے مطابق عمل کر سکے۔

8 کمپنی نے انتظامات کیے ہیں کہ حصہ داران سمیت تمام شرکاء اب ویڈیو لنک کے ذریعے سالانہ اجلاس عام کی کارروائی میں حصہ لے سکتے ہیں۔ وہ تمام اراکین جو ویڈیو لنک کے ذریعے سالانہ اجلاس عام میں شرکت کرنا چاہتے ہیں، ان سے التماس ہے کہ اپنا نام، فوٹیو نمبر، تعداد حصص، موبائل نمبر، ای میل ایڈریس اور لاگو کمپیوٹر انٹرنیٹ قومی شناختی کارڈ کی نقل (دونوں جانب سے کاپی) کے ساتھ بعنوان "رجسٹریشن اور شمولیت" برائے سالانہ اجلاس عام کو corporate@alkhairgadoon.com پر بذریعہ ای میل اجلاس سے کم از کم سات دن قبل بھیجیں۔

مندرجہ بالا معلومات مہیا کرنے کے بعد رجسٹریشن کروانے والے اراکین کی ضروری تصدیق کے بعد انہیں کمپنی کی جانب سے بذریعہ ای میل، پاسورڈ سے محفوظ کردہ ویڈیو لنک مہیا کیا جائے گا۔ وہ لنک سالانہ اجلاس عام والے دن صبح 8:00 بجے سے اجلاس کے اختتام تک دستیاب رہے گا۔

حصص داران سالانہ اجلاس عام کے ایجنڈا آئٹمز سے متعلق اپنے سوالات اور تبصرے بذریعہ ای میل corporate@alkhairgadoon.com پر ارسال کر سکتے ہیں۔

9 سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے بذریعہ ایس آر او 470/1/2016 مورخہ 31 مئی 2016 کو کمپنیوں کو اجلاس عام میں شیئر ہولڈرز کی رائے حاصل کرنے کے بعد سالانہ آڈٹ شدہ اکاؤنٹس، اجلاس عام کے نوٹس اور کمپنی کی دیگر معلومات بذریعہ سی ڈی/ڈی وی ڈی/ایو ایس بی ممبران کو ارسال کرنے کی اجازت دی ہے۔ اس بنا پر کمپنی کی سالانہ رپورٹ 2025 ڈی وی ڈی میں اپنے ممبران کو بھجوا رہی ہے۔ تاہم اطلاع برائے سالانہ اجلاس اور پرانے سمیت سالانہ رپورٹ کمپنی اور پاکستان سٹاک ایکسچینج کی ویب سائٹس سے بھی ڈاؤن لوڈ کی جاسکتی ہے۔ کمپنی کسی بھی ممبر کی شناختی تفصیلات کے ساتھ طلب کرنے پر ایک ہفتے کے اندر بلا معاوضہ ہارڈ کاپی سالانہ اکاؤنٹس 2025 ارسال کر دے گی۔

10 کمپنیز ایکٹ 2017 کے سیکشن 132(2) کے تحت کمپنی میں مجموعی طور پر 10% یا اس سے زیادہ کے حصص داران جغرافیائی لحاظ سے ویڈیو کانفرنس کی درخواست کم از کم سالانہ اجلاس عام کے سات دن پہلے وصول کروائیں تاکہ کمپنی اگر متعلقہ جگہ ویڈیو کانفرنس کی سہولت ہو تو اس جگہ اس سہولت کا انتظام کرے گی۔ اس سہولت کو حاصل کرنے کے لیے درخواست کمپنی کے کمپنی سیکرٹری کے نام مندرجہ ذیل پتہ پر ارسال کریں۔

کمپنی سیکرٹری، الخیر گدون لیٹڈ، 43-ٹی، گلبرگ II، لاہور۔

11 کمپنیز ایکٹ 2017 کے سیکشن 72(2) کے مطابق تمام کمپنیز کے لیے لازم ہے کہ ایس ای سی پی کی جانب سے دی گئی تاریخ، ایکٹ کے نفاذ کی تاریخ یعنی 30 مئی 2017 سے 4 سال کے اندر فزیکل صورت میں موجود شیئرز کو بک انٹری صورت میں تبدیل کریں۔ فزیکل صورت میں شیئرز رکھنے والے تمام شیئر ہولڈرز کی ہمت افزائی کی جاتی ہے کہ وہ اپنے فزیکل شیئرز کو

اسکرپ لیس فارم میں سی ڈی سی میں رکھنے کے لیے کسی بروکر کے پاس سب اکاؤنٹ یا براہ راست سی ڈی سی میں اکاؤنٹ کھولیں۔ اس سے انہیں کئی طریقوں سے سہولت ہوگی کہ وہ شیئرز کو محفوظ رکھنے کے ساتھ ان کی فروخت کسی بھی وقت کر سکتے ہیں کیونکہ پاکستان اسٹاک ایکسچینج لمیٹڈ کے موجودہ قوانین کے مطابق فزیکل شیئرز کی ٹریڈنگ ممنوع ہے۔

کمپنیز ایکٹ 2017 کے سیکشن 166(3) کے تحت آزاد ڈائریکٹرز کے انتخاب کے ضمن میں شرائط، حقائق و ضوابط: کوئی بھی رکن جو کمپنیز ایکٹ 2017 کے سیکشن 166(2) کے مطابق آزاد امیدوار کی اہلیت کے معیار پر اترتا ہو، کمپنی کے آزاد ڈائریکٹر کے انتخاب کے لئے کاغذات نامزدگی جمع کروا سکتا ہے۔ آزاد ڈائریکٹر کو بھی دیگر ڈائریکٹرز کے لئے اختیار کئے گئے طریقہ انتخاب کی طرح منتخب کیا جائے گا۔ جس طریقہ کار کا ذکر کمپنیز ایکٹ 2017 کے سیکشن 159 میں موجود ہے۔ الیکشن میں کھڑا ہونے کی آمادگی انوٹس کے پر ہونے کے بعد کمپنی مندرجہ ذیل معیارات کی بنیاد پر آزاد ڈائریکٹر منتخب کرے گی۔

• الیکشن لڑنے والوں کے انتخاب سے قبل ان کی متعلقہ اہلیت، ہنر، تعلیم اور تجربے کو جانچا جائے گا: اور کمپنی کسی فرد کے بطور آزاد ڈائریکٹر انتخاب سے قبل مطلوبہ احتیاط کے ساتھ یہ یقین دہانی کرے گی کہ اس کا نام سیکیورٹیز ایکسچینج کمیشن آف پاکستان (SECP) کے باقاعدہ مجاز، پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس کے مارجن، آزاد ڈائریکٹر کی ڈیٹا بینک میں باقاعدہ شامل ہے۔ جب تک کہ اسے کمپنیز (آف انڈی پینڈنٹ ڈائریکٹر کے طریقہ انتخاب) اینڈ ریگولیشن 2018 کے مطابق استثنیٰ حاصل نہ ہو۔

کمپنی ایک تہائی تعداد میں آزاد ڈائریکٹرز کو لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق آن بورڈ لانا چاہتی ہے۔ اس طرح دو (2) آزاد ڈائریکٹرز کا انتخاب کمپنیز ایکٹ، 2017 کے سیکشن 159 کے مطابق کیا جائے گا۔ مروجہ قوانین کے مطابق چیف ایگزیکٹو آفیسر بھی ڈائریکٹر ہی ہوگا اور یوں ڈائریکٹرز کی کل تعداد آٹھ (8) ہوگی بشمول منتخب ڈائریکٹر اور چیف ایگزیکٹو آفیسر (جو خود بھی ڈائریکٹر ہوگا) کے۔

اجلاس میں عام تحائف کی ممانعت:

ایس ای سی پی نے اپنے سرکلر نمبر 2، مورخہ 09 فروری، 2018 کے ذریعے، کمپنیوں کو سختی سے منع کیا ہے کہ جنرل میٹنگز میں، شیئر ہولڈرز کو تحائف یا اس کے بدلے میں (ٹوکن / کوپن / انچ / ٹیک وے / ٹیکیز) یا کسی بھی شکل یا انداز میں مراعات فراہم نہ کی جائیں۔ ایکٹ کے سیکشن کے تحت، اس ہدایت کی کسی بھی خلاف ورزی کو جرم سمجھا جاتا ہے۔ اور تعمیل کرنے میں ناکام ہونے والی کمپنیوں کو جرمانے کا سامنا کرنا پڑ سکتا ہے۔

CHAIRMAN'S REVIEW REPORT

It is my pleasure to welcome you on the 35th 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, 2025 along-with my review on the performance of the Company.

Board of Directors has continuously provided valuable guidance and oversight to ensure strong governance and effective encouragement and input to the management throughout the year. The Board of Directors has performed its duties diligently in upholding the best interest of shareholders of the Company and in managing the affairs of the Company. A review of the Board's own performance and effectiveness on a self-assessment basis in accordance with the requirements of Companies Act, 2017 and Listed Companies Regulations, 2017 and Code of Corporate Governance Regulations, 2019, has been conducted and appreciated, during the year under review, to ensure Best Practices.

Despite erratic economic conditions, supply chain disruptions, and regular shift in trade policies, Al Khair Gadoon Limited achieved sales of around PKR 1.4 billion. Instability and uncertainty resulting from economic volatility can deter investors, creating a vicious cycle that further slows growth. Consumers may alter spending patterns, saving more and buying less, due to fears about running out money and rising costs. However, the broader economic landscape remains uncertain, with foreign exchange constraints, global trade shifts, and competitive pressures requiring careful planning and adaptability. The inflation effects the buying power of consumer which impact on foam industry sales. The foreign exchange rates fluctuations and increase in most of the imported raw materials have negative impact on the business of consumer goods including foam products. The higher cost of imports disturbed the supply chain and production to some extent but due to operational excellence and management skills the Company has succeeded in achieving its corporate objectives.

Shifting trade policies and uncertainty surrounding geopolitical events, like the war in the country, which add to the general economic volatility. Consistent and well-managed economic policies provide a more predictable environment, building investor confidence and fostering growth. The company expects better performance in the coming future and will remain focussed on the needs of nits trade partnering customers.

Being socially responsible, the Company has provided safe working conditions avoiding the risk of health of employees and public at large. I place on the record appreciation to our employees, and business partners for their continued trust and support.



MUHAMMAD AFZAL SHEIKH
CHAIRMAN

چیرمین کی جائزہ رپورٹ

آپ کی کمپنی کی 35 ویں سالانہ جنرل میٹنگ میں آپ کو خوش آمدید کہتے ہوئے مجھے خوشی ہے۔ میں بورڈ آف ڈائریکٹرز کی جانب سے آپ کے سامنے کمپنی کی کارکردگی پر اپنے جائزے کے ساتھ 30 جون 2025 کو ختم ہونے والے مالی سال کے لیے کمپنی کے آڈٹ شدہ اکاؤنٹس پیش کرتا ہوں۔

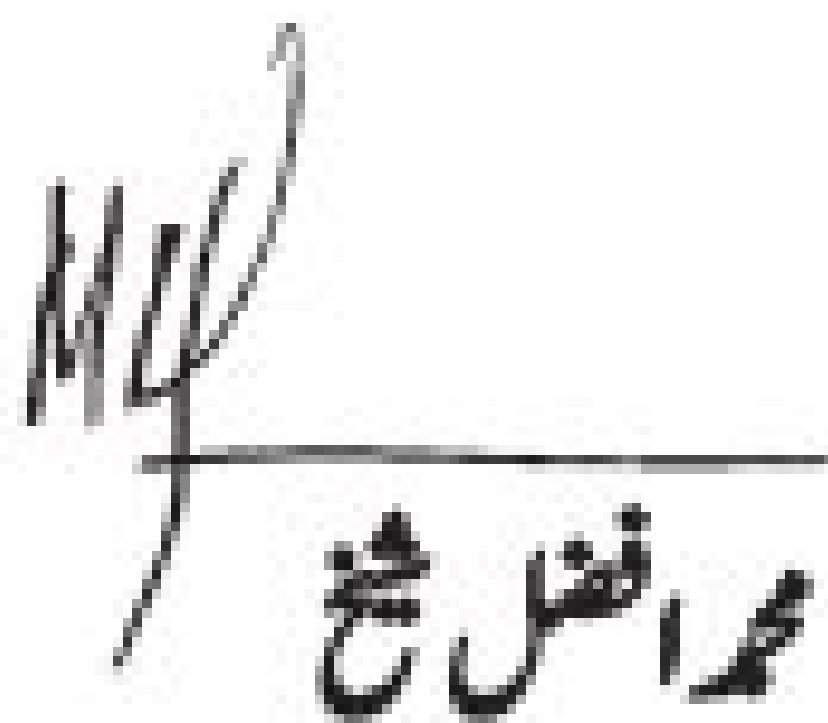
بورڈ آف ڈائریکٹرز کا کردار

بورڈ آف ڈائریکٹرز نے سال بھر انتظامیہ کو مضبوط گورننس اور موثر حوصلہ افزائی اور ان پٹ کو یقینی بنانے کے لیے مسلسل قیمتی رہنمائی اور نگرانی فراہم کی ہے۔ بورڈ آف ڈائریکٹرز نے کمپنی کے حصص یافتگان کے بہترین مفاد کو برقرار رکھنے اور کمپنی کے معاملات کو سنبھالنے میں اپنے فرائض سرمدی سے ادا کیے ہیں۔ کمپنیز ایکٹ، 2017 اور لسٹڈ کمپنیز ریگولیشنز، 2017 اور کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 کے تقاضوں کے مطابق خود تشخیص کی بنیاد پر بورڈ کی اپنی کارکردگی اور تاثیر کا جائزہ لیا گیا اور اس کی تعریف کی گئی، زیر جائزہ سال کے دوران، بہترین پریکٹس کو یقینی بنانے کے لیے۔

غیر مستحکم معاشی حالات، سپلائی چین میں رکاوٹوں اور تجارتی پالیسیوں میں مسلسل تبدیلیوں کے باوجود، الخیر گڈون لمیٹڈ نے تقریباً 1.4 ارب روپے کی فروخت حاصل کی۔ معاشی اتار چڑھاؤ سے پیدا ہونے والی غیر یقینی اور عدم استحکام سرمایہ کاروں کو روک سکتا ہے، جو ایک ایسے متفی سلسلے کو جنم دیتا ہے جو ترقی کو مزید سست کر دیتا ہے۔ صارفین اپنے اخراجات کے انداز بدل سکتے ہیں، زیادہ بچت اور کم خریداری کرتے ہیں، اس خوف سے کہ پیسہ ختم نہ ہو جائے اور قیمتیں بڑھتی رہیں۔ تاہم، مجموعی معاشی منظر نامہ غیر یقینی ہے، جہاں زبرد مبادلہ کی پابندیاں، عالمی تجارتی تبدیلیاں اور مسابقتی دباؤ محتاط منصوبہ بندی اور موافقت کا تقاضا کرتے ہیں۔ مہنگائی صارفین کی قوت خرید کو متاثر کرتی ہے جو فوم انڈسٹری کی فروخت پر براہ راست اثر انداز ہوتی ہے۔ زبرد مبادلہ کی شرح میں اتار چڑھاؤ اور درآمد شدہ خام مال کی قیمتوں میں اضافے نے صارفین کی مصنوعات بشمول فوم مصنوعات کے کاروبار پر متفی اثر ڈالا ہے۔ درآمدات کی بلند لاگت نے سپلائی چین اور پیداوار کو کسی حد تک متاثر کیا، لیکن عملی مہارت اور انتظامی صلاحیتوں کے باعث کمپنی اپنے کارپوریٹ مقاصد کے حصول میں کامیاب رہی۔

جارتی پالیسیوں میں تبدیلی اور جغرافیائی سیاسی واقعات، جیسے کہ ملک میں جنگ، مجموعی معاشی عدم استحکام میں اضافہ کرتے ہیں۔ مستقل مزاج اور موثر انداز میں مرتب کی گئی معاشی پالیسیاں ایک زیادہ قابل پیش گوئی ماحول فراہم کرتی ہیں، جو سرمایہ کاروں کے اعتماد کو بڑھاتی ہیں اور ترقی کو فروغ دیتی ہیں۔ کمپنی مستقبل میں بہتر کارکردگی کی توقع رکھتی ہے اور اپنے تجارتی شراکت دار صارفین کی ضروریات پر توجہ مرکوز رکھے گی۔

سماجی ذمہ داری کا مظاہرہ کرتے ہوئے کمپنی نے اپنے ملازمین اور عوام الناس کی صحت کو کسی بھی خطرے سے محفوظ رکھنے کے لیے محفوظ اور صحت مند کام کرنے کے حالات فراہم کیے ہیں۔ میں اپنے ملازمین اور کاروباری شراکت داروں کے جاری اعتماد اور تعاون پر اُن کا شکریہ ادا کرتا ہوں اور اپنی جانب سے خراج تحسین پیش کرتا ہوں۔


محمد انور علی

چیرمین

لاہور: 26 ستمبر 2025

DIRECTORS' REPORT TO THE MEMBERS

The Directors of your Company are pleased to present the 35th Annual Report with the audited financial statements of the Company for the year ended June 30, 2025.

Financial Performance

	2025	2024
	Rupees	
Sales from Operations - net	1,399,036,050	1,278,485,442
Gross Profit	173,645,717	165,820,703
Profit before Taxation	30,737,575	40,189,809
Taxation	(13,592,204)	(12,936,493)
Profit after Taxation	17,145,371	27,253,316
Earning per Share - Basic and Diluted (Rupees)	1.71	2.73

During the financial year 2025 net sales of the Company increased by Rs.120.550 million (9.43%) from Rs.1,278.49 million to Rs.1,399.04 million. The Financial Year 2024-25 has been a year of adequate performance as to sales volume and marginal decline is witnessed as regards to profit of the Company. The volatile economic environment of the country coupled with geopolitical tensions and increasing inflation led to the decreased overall profit margin of the Company. Economic pressures such as increasing labor costs, energy prices and higher costs of imported raw materials have placed a significant burden on local industry.

Future Outlook

Increase in input cost due to rising inflation and increased conversion cost is the major threat to business specially at retail level which has severely affected the purchasing power of customers resultantly affecting the sales targets of foam and allied products. The management of the Company is fully aware of the state of affairs of the Company and economic conditions of the country in terms of inflation, prevailing dearthness in the country, in addition to intense competition from existing players and new entrants which are major challenges to meet in coming future. Pakistan's economy continues to demonstrate remarkable resilience and stability on fiscal and external fronts during the current fiscal year. But now the flood situation of country may adversely affect the business of the company for short time.

The management of the Company is fully cognizant of the situation and will overcome through the strategies of improved operational efficiencies, synergies, best product mix management, effective cost control measures and better 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 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.

Principle 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 risks.

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

The Company's 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, 2025 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 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 2025 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 30 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 2025.

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, 2025, 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	Muhammad Afzal Sheikh	5	-	-
2	Muhammad Saeed Sheikh	5	-	-
3	Muhammad Amin Sheikh	5	-	-
4	Mrs. Parveen Afzal	4	1	2
5	Mrs. Farnaz Saeed	5	3	1
6	Mrs. Nafeesa Amin	4	-	2
7	Mr. Kamal Subhani	5	4	2
8	Mrs. Asif Sajjad	5	4	-

External Auditors

The auditors Messer's 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 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, 2025.

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, 2025 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.



MUHAMMAD AFZAL SHEIKH
CHAIRMAN



MUHAMMAD AMIN SHEIKH
CHIEF EXECUTIVE

ممبران کو ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2025 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ 35 ویں سالانہ رپورٹ پیش کرتے ہوئے خوشی ہے۔

مالیاتی کارکردگی

رقم روپوں میں

2025	2024	
1,399,036,050	1,278,485,442	آپریٹنگ سے فروخت - خالص
173,645,717	165,820,703	مجموعی منافع
30,737,575	40,189,809	قبل از ٹیکس منافع
(13,592,204)	(12,936,493)	ٹیکس
17,145,371	27,253,316	بعد از ٹیکس منافع
1.71	2.73	فی شیئر آمدنی - بنیادی اور کم از کم (روپے)

مالی سال 2025 کے دوران کمپنی کی خالص فروخت میں 120.550 ملین روپے (9.43 فیصد) کا اضافہ ہوا جو کہ 1,278.49 ملین روپے سے بڑھ کر 1,399.04 ملین روپے تک پہنچ گئی۔ مالی سال 2024-25 فروخت کے حجم کے لحاظ سے ایک مناسب کارکردگی کا حاصل رہا، تاہم کمپنی کے منافع میں معمولی کمی دیکھنے میں آئی۔ ملک کے غیر مستحکم معاشی حالات، جغرافیائی سیاسی تناؤ اور بڑھتی ہوئی مہنگائی نے کمپنی کے مجموعی منافع کے مارجن میں کمی کا باعث بنایا۔ معاشی دباؤ جیسے بڑھتی ہوئی مزدوری لاگت، توانائی کی قیمتیں اور درآمد شدہ خام مال کی زیادہ لاگت نے مقامی صنعت پر نمایاں بوجھ ڈال دیا ہے۔

مستقبل کی جھلک

افزوں مہنگائی اور بڑھتی ہوئی تہدیلی کی لاگت کے باعث ان پٹ کاسٹ میں اضافہ کاروبار کے لیے بالخصوص ریشیل سطح پر ایک بڑا خطرہ ہے، جس نے صارفین کی قوت خرید کو شدید متاثر کیا ہے اور نتیجتاً فوم اور متعلقہ مصنوعات کے فروخت اہداف بھی متاثر ہوئے ہیں۔ کمپنی کی انتظامیہ کمپنی کے معاملات اور ملکی معاشی حالات سے مکمل طور پر آگاہ ہے، جن میں افراط زر، بڑھتی ہوئی مہنگائی، موجودہ حریف کمپنیوں کے ساتھ سخت مقابلہ اور نئے حربوں کا داخل ہونا شامل ہے، جو مستقبل میں بڑے چیلنجز ثابت ہوں گے۔ پاکستان کی معیشت موجودہ مالی سال کے دوران مالیاتی اور بیرونی

محاذوں پر غیر معمولی استحکام اور لچک کا مظاہرہ کر رہی ہے۔ تاہم، ملک میں سیلابی صورتحال قلیل مدت کے لیے کمپنی کے کاروبار پر منفی اثر ڈال سکتی ہے۔

کمپنی کی انتظامیہ اس صورتحال سے بخوبی واقف ہے اور اس پر قابو پانے کے لیے بہتر عملی کارکردگی، ہم آہنگی، بہترین مصنوعات کے استخراج کا انتظام، موثر لاگت کنٹرول اقدامات اور صارفین کے ساتھ بہتر تجارتی تعلقات کی حکمت عملی پر عمل پیرا ہے۔ کمپنی نے برسوں سے مختلف چیلنجز جیسے سخت مقابلہ، خام مال کی قیمتوں میں اتار چڑھاؤ اور زبردستی کی شرح میں تبدیلی کے باوجود شاندار کارکردگی کا مظاہرہ کیا ہے۔ عملی مہارت اور انتظامی صلاحیتوں نے کمپنی کو پائیدار ترقی اور مستقبل کے چیلنجز کا مقابلہ کرنے کے لیے تیار کیا ہے۔ سماجی ذمہ داری کا مظاہرہ کرتے ہوئے، مالی طور پر مستحکم اور عملی طور پر موثر رہنا کمپنی کے اہم مقاصد میں شامل رہے گا۔

بنیادی سرگرمی

کمپنی کی بنیادی سرگرمی قوم اور اس سے متعلقہ مصنوعات کی تیاری اور فروخت ہے۔

خطرات اور غیر یقینی صورتحال

ڈائریکٹرز بورڈ کمپنی کے آپریشنز کی نگرانی کرنے اور موثر حکمت عملی وضع کرنے کا ذمہ دار ہے تاکہ ممکنہ خطرات اور ان کے منفی اثرات کو کم کیا جاسکے۔

کمپنی کی سرگرمیاں مختلف مالی خطرات سے دوچار ہو سکتی ہیں، جن میں مارکیٹ سے متعلق خطرات (بشمول کرنسی ریسک، شرح سود کا خطرہ اور قیمتوں میں اتار چڑھاؤ)، کریڈٹ ریسک اور لیکویڈیٹی ریسک شامل ہیں۔

کمپنی کی بنیادی مالی ذمہ داریوں میں تجارتی اور دیگر واجبات کے ساتھ ساتھ قلیل مدتی قرضے شامل ہیں۔ کمپنی کے بنیادی مالی اثاثوں میں تجارتی واجبات کی وصولیاں، ایڈوانسز، قلیل مدتی ڈپازٹس، دیگر وصولیاں، نقد رقم اور بینک بیلنس شامل ہیں جو براہ راست آپریشنز سے پیدا ہوتے ہیں۔ کمپنی کا مجموعی ریسک منجھنت پر وگرم مالی اور مارکیٹ سرگرمیوں کی غیر یقینی صورتحال پر مرکوز ہے اور اس کا مقصد مالی کارکردگی پر ممکنہ منفی اثرات کو کم سے کم کرنا ہے۔ کمپنی نے مالیاتی گوشواروں میں خطرات سے متعلق تمام نتائج کو مناسب طور پر ظاہر کیا ہے۔

اندرونی مالی کنٹرول

کمپنی میں ڈائریکٹرز بورڈ کی نگرانی میں ایک مضبوط اندرونی کنٹرول سسٹم قائم اور نافذ کیا گیا ہے جو تمام سطحوں پر موثر انداز میں کام کرتا ہے۔ یہ نظام کمپنی کے مقاصد کے حصول، عملی افادیت اور کارکردگی میں بہتری، قابل اعتماد مالیاتی رپورٹنگ، اثاثوں اور وسائل کے تحفظ اور متعلقہ قوانین، ضوابط اور پالیسیوں کی پاسداری کو یقینی بنانے کے لیے موثر انداز میں تیار کیا گیا ہے۔

فریقین سے متعلق لین دین

کمپنی نے اپنے متعلقہ فریقین کے ساتھ تمام لین دین بازو کی لمبائی (arm's length) قیمتوں پر انجام دیے، سوائے اُن معاملات کے جنہیں مالیاتی گوشواروں میں ظاہر کیا گیا ہے۔ مالی سال جو 30 جون 2025 کو ختم ہوا، اس کے دوران تمام متعلقہ فریقین کے لین دین آڈٹ کمپنی کے سامنے پیش کیے گئے اور کمپنی کی سفارشات پر ڈائریکٹرز بورڈ نے ان کی منظوری دی۔

ماحولیات، صحت اور حفاظت

کمپنی نے ملازمین اور عوام الناس کی صحت کو لاحق خطرات سے محفوظ رکھنے کے لیے محفوظ کام کرنے کے حالات قائم رکھے ہیں۔ انتظامیہ نے اپنی تمام کارروائیوں میں صاف ستھرا ماحول برقرار رکھا ہے اور ان کی حفاظت میں مسلسل بہتری کی جارہی ہے۔

کارپوریٹ سماجی ذمہ داری

کمپنی کارپوریٹ سماجی ذمہ داری (CSR) کو اپنے کاروبار کا لازمی جزو سمجھتی ہے اور مستقل طور پر اُن لوگوں کو بااختیار بنانے کی کوشش کرتی ہے جو براہ راست یا بالواسطہ ہمارے کاروبار سے متاثر ہوتے ہیں۔

رپورٹنگ

ڈائریکٹرز بورڈ نے یقینی بنایا ہے کہ مالیاتی گوشوارے مکمل، درست اور منصفانہ انداز میں پیش کیے جائیں اور بروقت جاری ہوں، تاکہ کمپنیز ایکٹ 2017 کے تیسرے اور چوتھے شیڈول، پاکستان اسٹاک ایکسچینج کی لسٹنگ ریگولیشنز اور بین الاقوامی مالیاتی رپورٹنگ معیارات کی ضروریات پوری کی جا سکیں۔

کارپوریٹ اور مالیاتی رپورٹنگ

کمپنی اعلیٰ معیار کی کارپوریٹ گورننس حاصل کرنے کے لیے پرعزم ہے۔ بورڈ کو خوشی ہے کہ وہ 2019 کے کوڈ آف کارپوریٹ گورننس ریگولیشنز کی ضروریات پوری کرنے کے لیے درج ذیل بیانات پیش کرتا ہے:

- الخیر گدون لمیٹڈ کے انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کی مالی حالت، آپریشنز کے نتائج، کیش فلو اور انکویٹی میں تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔
- الخیر گدون لمیٹڈ کی اکاؤنٹس کی مناسب کتابیں برقرار رکھی گئی ہیں۔
- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر اپنایا گیا ہے اور تخمینے معقول اور محتاط فیصلے پر مبنی ہیں۔
- پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات کو مالیاتی گوشواروں کی تیاری میں مد نظر رکھا گیا ہے۔
- اندرونی کنٹرول کا نظام ڈیزائن کے اعتبار سے مضبوط ہے اور اسے موثر انداز میں نافذ اور مانیٹر کیا گیا ہے۔
- کمپنی کی بطور "Going Concern" جاری رہنے کی صلاحیت پر کوئی نمایاں شبہ نہیں ہے۔

- کارپوریٹ گورننس کی بہترین پریکٹسز سے کوئی مادی انحراف نہیں ہوا جیسا کہ SECP کی جانب سے جاری کردہ 2019 کے کوڈ آف کارپوریٹ گورننس ریگولیشنز میں بیان کیا گیا ہے۔
- گزشتہ چھ برسوں کے کلیدی عملی اور مالیاتی ڈیٹا کی خلاصہ شکل رپورٹ کے ساتھ منسلک ہے۔
- الخیر گدون لمیٹڈ کے شیئرز میں کوئی لین دین ڈائریکٹرز، سی ای او، سی ایف او، ہیڈ آف انٹرئل آڈٹ اور کمپنی سیکرٹری یا ان کے شریک حیات اور کم عمر بچوں کی طرف سے نہیں کیا گیا، سوائے ان معاملات کے جو ریگولیٹری اتھارٹیز کو رپورٹ کیے گئے ہیں۔
- گزشتہ سال کے آپریشنل نتائج سے نمایاں انحراف کی وجوہات ڈائریکٹرز کی رپورٹ کے متعلقہ حصے میں بیان کی گئی ہیں۔
- واجب الادا ٹیکسز، ڈیویڈنڈ، لیونز اور چارجز کی تفصیلات مالیاتی گوشواروں کے نوٹس میں فراہم کی گئی ہیں۔
- کمپنی کے پاس کارپوریٹ ری اسٹرکچرنگ، کاروباری آپریشنز یا آپریشنز ختم کرنے کے حوالے سے کوئی نمایاں منصوبہ یا فیصلہ موجود نہیں ہے۔
- دوران سال بورڈ اور کمیٹیوں کے اجلاسوں کی تعداد اور ہر ڈائریکٹر کی حاضری کی تفصیلات درج ذیل میں ظاہر کی گئی ہیں۔
- بورڈ کو تفصیلی ان ہاؤس بریفنگز اور معلوماتی چیکز فراہم کیے گئے ہیں تاکہ انہیں ضابطہ اخلاق، قابل اطلاق قوانین اور اپنی ذمہ داریوں سے آگاہ کیا جاسکے تاکہ وہ کمپنی کے امور کو موثر انداز میں حصص داروں کی جانب سے اور ان کے مفاد میں منظم کر سکیں۔

کارپوریٹ گورننس کے ضابطہ اخلاق اور ٹرانسفر انسٹک کی تعمیل

کارپوریٹ گورننس ریگولیشنز 2019، جو SECP اور ICAP کی طرف سے مرتب کیے گئے ہیں، کی تعمیل کی گئی ہے اور اس حوالے سے بیان رپورٹ کے ساتھ منسلک ہے۔ پاکستان اسٹاک ایکسچینج کے لسٹنگ قوانین میں سال 2025 کے لیے طے شدہ ٹرانسفر انسٹک کی ضروریات کی بھی تعمیل کی گئی ہے۔

ڈائریکٹرز کے معاوضہ کے نمایاں پہلو

ڈائریکٹرز کے معاوضہ بورڈ آف ڈائریکٹرز نے منظور کی ہے۔ بورڈ نے ایگزیکٹو ڈائریکٹرز کے معاوضے کے لیے ایک پالیسی مرتب کی ہے جو کمپنی کے معاملات میں ان کی ذمہ داریوں پر منحصر ہے۔ تاہم، کارپوریٹ گورننس کے کوڈ کے مطابق یہ یقینی بنایا گیا ہے کہ کوئی بھی ڈائریکٹر اپنے ہی معاوضے کے تعین میں حصہ نہ لے۔ کمپنی نان ایگزیکٹو ڈائریکٹرز کو کسی قسم کا معاوضہ ادا نہیں کرتی سوائے اس فیس کے جو میٹنگز میں شرکت کے لیے طلب پر دی جاتی ہے۔ بہترین صلاحیتوں کو برقرار رکھنے کے لیے، کمپنی کی معاوضے کی پالیسیز موجودہ صنعت کے رجحانات اور کاروباری طریقہ کار کے مطابق ترتیب دی گئی ہیں۔ براہ کرم مالی بیانات کے نوٹ نمبر 30 کو ملاحظہ فرمائیں۔

ڈائریکٹرز کی تربیت

کمپنی کے زیادہ تر ڈائریکٹرز کو ڈائریکٹرز ٹریننگ پروگرام کی ضرورت سے استثنیٰ حاصل ہے کیونکہ ان کے پاس 14 سالہ تعلیم اور لسٹڈ کمپنی میں بطور ڈائریکٹر 15 سال کا تجربہ موجود ہے۔

اسٹاف ریٹائرمنٹ کے فوائد:

کمپنی تمام اہل ملازمین کے لیے چھ ماہ کی خدمات کے بعد ایکٹ غیر فنڈڈ گریجویٹی اسکیم چلاتی ہے۔

تقسیم منافع:

بورڈ آف ڈائریکٹرز کی جانب سے تجویز کردہ ڈیویڈنڈ، اگر سالانہ جنرل میٹنگ میں منظور کیا گیا تو اعلان کی تاریخ سے 30 دن کے اندر ان ممبران کو ادا کر دیا جائے گا جن کے نام رجسٹر آف ممبرز میں درج ہیں اور جن کے نام پر حصص ہیں۔ سرمایہ کاری شدہ اثاثوں کی بنیاد پر، بورڈ نے 30 جون 2025 کو ختم ہونے والے سال کے لیے کوئی ڈیویڈنڈ (Nil Dividend) اعلان نہیں کیا۔

چیئر مین کا جائزہ:

سالانہ رپورٹ میں شامل چیئر مین کا جائزہ کاروبار کی نوعیت، کمپنی کو درپیش چیلنجز اور کارکردگی، نیز مستقبل کے امکانات اور غیر یقینی صورتحال سے متعلق ہے، جو 30 جون 2025 کو ختم ہونے والے سال کے دوران درپیش آئیں۔

بورڈ اور کمیٹی کے اجلاسوں میں شرکت:

سال کے دوران پانچ بورڈ میٹنگز، چار آڈٹ کمیٹی میٹنگز اور دو ہیومن ریسورس اینڈ ریفرنڈیشن کمیٹی میٹنگز منعقد ہوئیں۔ حاضری کی تفصیل درج ذیل ہے:

حاضری حسب ذیل ہے:-

نمبر شمار	نام ڈائریکٹر / کمیٹی ممبر	بورڈ آف ڈائریکٹرز	آڈٹ کمیٹی	تعداد حاضری	ہیومن ریسورس کمیٹی
1	محمد افضل شیخ	5	-	-	-
2	محمد سعید شیخ	5	-	-	-
3	محمد امین شیخ	5	-	-	-
4	مسز پروین افضل	4	1	2	2
5	مسز فرناز سعید	5	3	1	1
6	مسز نفیسہ امین	4	-	2	2
7	جناب کمال سبحانی	5	4	2	2
9	جناب آصف سجاد	5	4	-	-

بیرونی آڈیٹرز:

کمپنی کے ریٹائر ہونے والے آڈیٹرز مسرز طاہر صدیقی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ہیں اور وہ دوبارہ تقرری کے لیے اپنی خدمات پیش کر رہے ہیں۔ انہوں نے تصدیق کی ہے کہ انہیں انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کے کوالٹی کنٹرول ریویو پروگرام کے تحت تسلی بخش درجہ بندی دی گئی ہے اور یہ فرم انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) کے ضابطہ اخلاق کی ہدایات، جو ICAP نے اختیار کی ہیں، کی مکمل طور پر پابند ہے۔ آڈٹ کمیٹی اور بورڈ نے کمپنی کے حصص یافتگان کو سفارش کی ہے کہ انہیں کمپنی کے آڈیٹرز کے طور پر مالی سال ختم ہونے 30 جون 2025 کے لیے سالانہ جنرل میٹنگ میں دوبارہ تقرری کی جائے۔

شیئر ہولڈنگز کی ترتیب:

کمپنی کے شیئر ہولڈنگز کا نمونہ رپورٹ کے ساتھ منسلک ہے۔

بڑی تبدیلیاں:

30 جون 2025 سے رپورٹ کی تاریخ تک کوئی مادی تبدیلیاں نہیں ہوئی ہیں اور کمپنی نے اس مدت کے دوران کوئی ایسا عہد نہیں کیا ہے جس سے کمپنی کی مالی حالت پر منفی اثر پڑے۔

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 مینجرز 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۔

Muhammad Arman

محمد امین شیخ

چیف ایگزیکٹو

لاہور: 26 ستمبر 2025

**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**

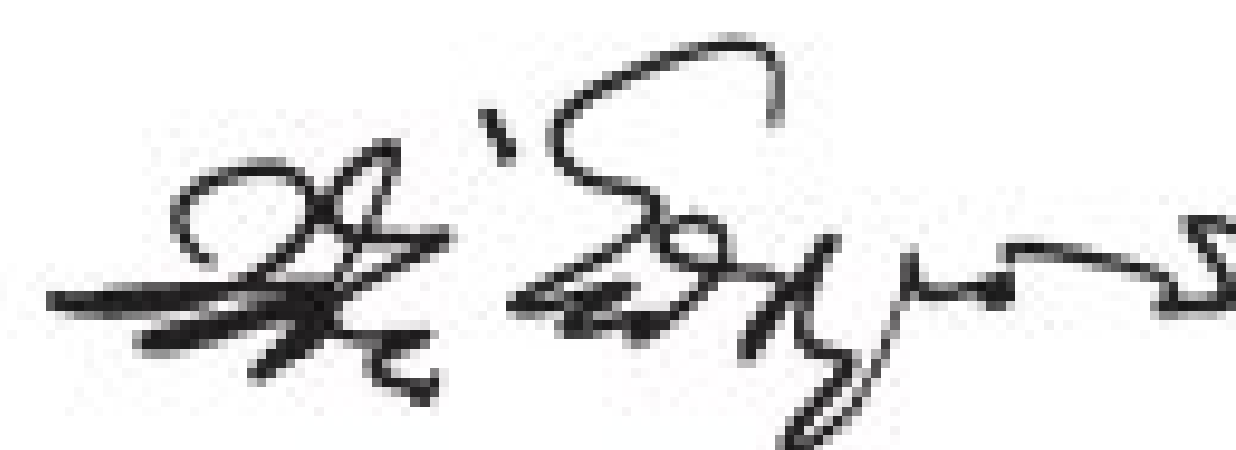
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Al-Khair Gadoon Limited (the Company) for the year ended June 30, 2025 in accordance with the requirements of regulation 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, 2025.



Tahir Siddiqi & Co.

Chartered Accountants Lahore

Engagement Partner: Muhammad Tahir Siddiqi

Date: September 26, 2025

UDIN: CR2025101761yqMfBoE5

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

Name of company: Al-Khair Gadoon Limited
Year Ending: 30-06-2025

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. Nafeesa Amin
Mrs. Parveen Afzal
Mrs. Farnaz 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 Sajjad	Member
Mr. Khurram Iftikhar	Secretary

HR and Remuneration Committee

Mr. Kamal Subhani	Chairman
Mrs. Farnaz Saeed	Member
Mrs. Parveen Afzal	Member
Miss. Samina Kokab	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 conversant 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 regulations, 2019 have been complied with.

Muhammad Amin

MUHAMMAD AMIN SHEIKH
CHIEF EXECUTIVE

Lahore: September 26, 2025

**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, 2025 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, 2025 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit matters

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

Following are the Key Audit Matters:

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. 1,399,036,050/- for the year ended June 30, 2025.</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 9.4% 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 and other relevant underlying documents;</p> <p>Comparing a sample of revenue transactions recorded around the year end with the sales orders, sales invoices 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)</p>	<p>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 Al Khair 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> <p>Reviewed correspondence between the company and LESCO to assess the nature of the credit and whether it was granted in error.</p> <p>Obtained management's assessment on the likelihood and timing of the repayment or reversal of the credit.</p> <p>Dispatched external confirmation directly to LESCO.</p> <p>Examined the assumptions used by management in estimating the provision and liability, including any relevant external evidence and advice.</p> <p>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).</p> <p>Tested the completeness and accuracy of disclosures in the financial statements regarding the provision and liability for the utility credit.</p>
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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 the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and 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 year 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

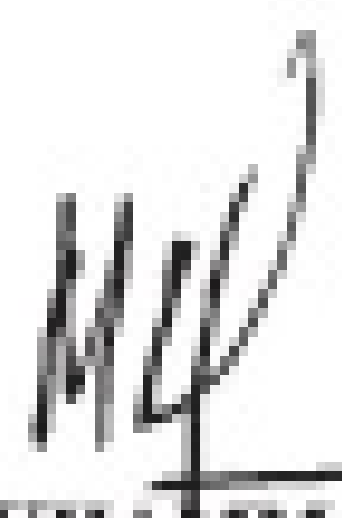
September 26, 2025

UDIN: AR202510176wRJmA8rSq

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, Plant and Equipment	5	156,667,775	177,248,160
		156,667,775	177,248,160
CURRENT ASSETS			
Stores and Spares		4,603,877	3,811,252
Stock in Trade	6	411,554,165	339,230,985
Trade Debts	7	12,415,183	23,783,443
Advances, Deposits and Prepayments	8	94,561,315	25,569,887
Advance Taxes - Net	9	87,581,006	69,611,513
Cash and Bank Balances	10	32,106,299	42,234,842
		642,821,845	504,241,922
TOTAL ASSETS		799,489,621	681,490,082
EQUITY AND LIABILITIES			
Authorized Capital			
12,000,000 Ordinary shares of Rs. 10 each	11	300,000,000	300,000,000
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		217,086,171	197,385,190
Shareholders' Equity		342,086,171	322,385,190
NON CURRENT LIABILITIES			
Long Term Loan	13	-	3,703,699
Deferred Liabilities	14	27,737,054	30,339,985
		27,737,054	34,043,684
CURRENT LIABILITIES			
Current portion of Long Term Loan	13	3,703,699	3,703,692
Trade and Other Payables	15	47,974,312	54,656,453
Taxes Payable	16	9,061,719	3,916,216
Short Term Borrowings	17	367,148,965	261,007,147
Un-Claimed Dividend	18	1,777,700	1,777,700
		429,666,395	325,061,208
CONTINGENCIES AND COMMITMENTS	19	-	-
TOTAL EQUITY AND LIABILITIES		799,489,621	681,490,082

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


MUHAMMAD AFZAL SHEIKH
CHAIRMAN


MUHAMMAD AMIN SHEIKH
CHIEF EXECUTIVE

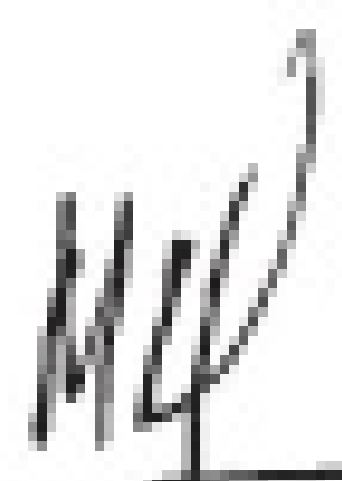

MUHAMMAD TARIQ AMIN
CHIEF FINANCIAL OFFICER

Lahore: September 26, 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
Sales - net	20	1,399,036,050	1,278,485,442
Cost of sales	21	(1,225,390,333)	(1,112,664,739)
Gross profit		173,645,717	165,820,703
Administrative expenses	22	(60,711,443)	(66,777,634)
Distribution expenses	23	(53,189,052)	(47,309,306)
		(113,900,495)	(114,086,939)
Operating profit		59,745,222	51,733,764
Finance cost	24	(30,982,980)	(16,681,271)
Other operating expenses	25	(2,487,732)	(4,240,338)
Other operating income	26	4,463,065	9,377,654
		(29,007,647)	(11,543,955)
Profit before taxation		30,737,575	40,189,809
Income tax expense	27	(13,592,204)	(12,936,493)
Profit for the year - net		17,145,371	27,253,316
Other comprehensive income / (loss):			
Items that will not be re-classified to profit or loss			
Re-measurements of defined benefits		3,599,452	(318,932)
Deferred tax on remeasurements of defined benefit plan		(1,043,841)	(92,490)
		2,555,611	(411,422)
Total comprehensive income for the year		19,700,981	26,841,894
Earnings per share - before tax (basic and diluted - Rupees)	28	3.07	4.02
Earnings per share - after tax (basic and diluted - Rupees)	28	1.71	2.73

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


MUHAMMAD AFZAL SHEIKH
CHAIRMAN


MUHAMMAD AMIN SHEIKH
CHIEF EXECUTIVE

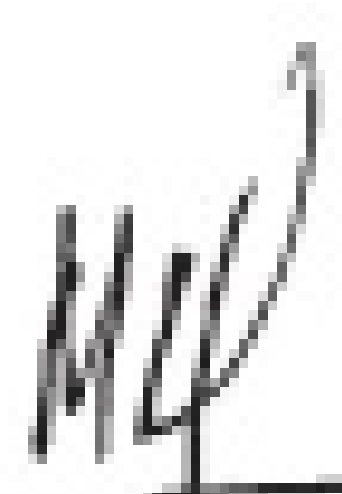

MUHAMMAD TARIQ AMIN
CHIEF FINANCIAL OFFICER

Lahore: September 26, 2025


STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	33	(43,588,135)	(54,522,351)
Finance cost paid		(31,513,984)	(13,997,719)
WPPF paid		(2,157,445)	(1,950,550)
Income tax (paid) / refunds received		(33,387,375)	(32,454,046)
Sales tax (paid) / refunds received		(2,070,067)	(2,904,079)
Warranty and claims paid		(475,123)	-
Gratuity paid		(3,306,539)	(2,535,312)
		(72,910,533)	(53,841,706)
Net cash (used in) generated from operating activities		(116,498,668)	(108,364,057)
Cash flows from investing activities			
Fixed capital expenditure		(7,068,000)	(40,668,338)
Proceed from disposal of fixed assets		11,000,000	1,288,613
Net cash (used in) investing activities		3,932,000	(39,379,725)
Cash flows from financing activities			
Short term borrowings		106,141,823	174,415,606
Long Term Loans		(3,703,699)	(3,703,692)
Lease Liabilities		-	-
Net cash generated / (used in) financing activities		102,438,124	170,711,914
Net (decrease)/increase in cash and cash equivalents		(10,128,543)	22,968,132
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 year	10	32,106,299	42,234,842

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


MUHAMMAD AFZAL SHEIKH
CHAIRMAN


MUHAMMAD AMIN SHEIKH
CHIEF EXECUTIVE

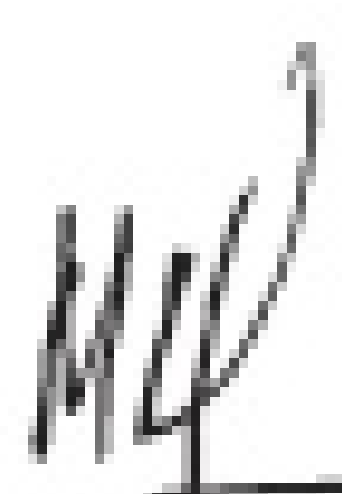

MUHAMMAD TARIQ AMIN
CHIEF FINANCIAL OFFICER

Lahore: September 26, 2025

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2025

	Issued, Subscribed and Paid up Share Capital	Share Premium	Unappropriated Profit	Total
	(-----Rupees-----)			
Balance as at 1 July 2023	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 30 June 2024	100,000,000	25,000,000	197,385,190	322,385,190
Balance as at 1 July 2024				
Comprehensive income for the year				
Profit for the year	-	-	17,145,371	17,145,371
Other comprehensive (loss) for the year	-	-	2,555,611	2,555,611
	-	-	19,700,981	19,700,981
Balance as at 30 June 2025	100,000,000	25,000,000	217,086,171	342,086,171

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


MUHAMMAD AFZAL SHEIKH
CHAIRMAN


MUHAMMAD AMIN SHEIKH
CHIEF EXECUTIVE


MUHAMMAD TARIQ AMIN
CHIEF FINANCIAL OFFICER

Lahore: September 26, 2025

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

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 allied 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. / Rupees) 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 allowance [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

- (i) The assets held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- (ii) 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 purchase 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.

4.12 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 assets 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. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before 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 foam 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 taxes, 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 recognized 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.

Operating Fixed Assets
Capital Work in Progress

5.1 Operating Fixed Assets

	Land		Building		Plant & Machinery	Tools & Equipment	Office Equipment	Furniture & Fixture	Computers	Vehicles	Total Amount in Rupees
	Lease Held	Free Held	Lease Held	Free Held							
As at July 1, 2023											
Cost	22,414,019	3,000,000	48,810,418	56,015,981	75,391,539	4,772,634	6,032,040	2,197,942	3,121,210	88,759,810	310,515,363
Accumulated Depreciation	-	-	20,888,279	35,931,685	32,716,271	2,632,793	3,820,124	1,475,142	1,291,180	54,012,654	152,768,038
Net Book Value	22,414,019	3,000,000	27,922,139	20,084,296	42,675,268	2,139,841	2,211,916	722,800	1,830,030	34,747,156	157,747,325
Year ended June 30, 2024											
Opening Net Book Value	22,414,019	3,000,000	27,922,139	20,084,296	42,675,268	2,139,841	2,211,916	722,800	1,830,030	34,747,156	157,747,325
Addition (Cost)	-	-	3,775,215	-	33,363,223	-	340,200	8,100	382,600	2,999,000	40,668,338
Transfer / Adjustment	-	-	-	-	-	-	-	-	-	-	-
Disposal - Net Book Value	22,414,019	3,000,000	31,697,354	20,084,296	75,938,491	2,139,841	2,452,116	750,900	2,212,630	37,746,156	198,415,883
Cost	-	-	4,704,937	-	-	-	-	-	-	-	4,704,937
Accumulated Depreciation	-	-	(2,135,085)	-	-	-	-	-	-	-	(2,135,085)
Depreciation Charge	-	-	4,648,415	1,004,215	4,926,680	213,990	224,542	72,482	208,233	7,299,315	18,597,873
Closing Net Book Value	22,414,019	3,000,000	24,479,087	19,080,081	71,011,811	1,925,931	2,227,574	658,418	2,004,397	30,446,841	177,248,158
As at July 1, 2024											
Cost	22,414,019	3,000,000	47,880,696	56,015,981	108,654,762	4,772,634	6,272,340	2,206,042	3,503,810	91,758,810	346,478,984
Accumulated Depreciation	-	-	23,401,608	36,935,900	37,642,951	2,846,693	4,044,666	1,547,625	1,499,413	61,311,969	169,230,824
Closing Net Book Value	22,414,019	3,000,000	24,479,088	19,080,081	71,011,811	1,925,941	2,227,674	658,417	2,004,397	30,446,841	177,248,160
Year ended June 30, 2025											
Opening Net Book Value	22,414,019	3,000,000	24,479,088	19,080,081	71,011,811	1,925,941	2,227,674	658,417	2,004,397	30,446,841	177,248,160
Addition (Cost)	-	-	-	-	249,000	-	-	129,700	464,900	6,224,400	7,068,000
Transfer / Adjustment	-	-	-	-	-	-	-	-	-	-	-
Disposal - Net Book Value	22,414,019	3,000,000	24,479,088	19,080,081	71,260,811	1,925,941	2,227,674	788,117	2,469,297	36,071,241	184,316,159
Cost	-	-	-	-	10,710,328	-	-	-	-	-	10,710,328
Accumulated Depreciation	-	-	-	-	(177,762)	-	-	-	-	-	(177,762)
Depreciation Charge	-	-	2,447,900	954,004	6,344,324	192,993	222,757	70,979	220,881	6,862,369	17,315,817
Closing Net Book Value	22,414,019	3,000,000	22,031,179	18,126,077	64,983,921	1,733,338	2,044,817	717,138	2,248,416	29,808,872	156,667,775
as at June 30, 2025											
Annual Rate of Depreciation	-	-	10%	5%	10%	10%	10%	10%	10%	20%	

5.4

Allocation

2025

2024

Cost of goods sold
Administrative Expenses
Distribution Expenses

8,784,826

1,468,623

6,862,369

17,115,818

9,789,084

1,409,473

7,299,315

18,597,872

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)	43-T, Gulberg II, Lahore	Head Office	2 Kanals 9 Marlas 220 Sq.ft	17100 Sq.ft
2)	92/3, Phase III, Industrial Estate, Gadoon Amazai, District Swabi - KPK	Manufacturing Unit	2 Acres	18940 Sq.ft
3)	94A / 94B, Phase III, Industrial Estate, Gadoon Amazai, 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	Mode of Disposal
1	Machinery	10,710,328	(177,762)	10,532,566	11,000,000	467,434	AKFL	Negotiation
	30-Jun-25	10,710,328	(177,762)	10,532,566	11,000,000	467,434		
	30-Jun-24	4,704,937	(2,135,085)	2,569,852	1,288,613	(1,281,239)		

5.4 Depreciation is allocated as under:

Note

2025

2024

Rupees

Rupees

Cost of Goods Sold

21

8,784,826

9,789,084

Administrative Expenses

22

1,468,623

1,509,473

Distribution Expenses

23

6,862,369

7,299,315

17,115,818

18,597,872

6 STOCK IN TRADE

Raw and Packing Material

352,947,437

295,581,996

Work-in-Process

19,789,787

11,494,844

Finished Goods

38,816,941

32,154,145

411,554,165

339,230,985

7 TRADE DEBTS

Considered Good - unsecured

7.1

12,932,482

24,686,072

Provision for loss Allowances

7.2

(517,299)

(902,629)

12,415,183

23,783,443

7.1 Trade debtors of Rs. 12,415,183/- (2024: Rs.23,783,443/-) 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:

Upto 30 days

6,852,788

13,080,893

31 to 90 days

3,286,249

6,272,931

91 to 120 days

2,379,697

4,542,467

121 to 180 days

413,749

789,781

12,932,482

24,686,072

7.2 Movement in provision in loss Allowances:

Balance as of July 01

902,629

762,192

Provision made / (reversed) during the year

(385,330)

140,437

517,299

902,629

8 ADVANCES, DEPOSITS & PREPAYMENTS

Advances to Employees	8.1	4,817,206	7,687,511
LC/ LC in transit	8.2	55,617,905	5,471,155
Other receivables		3,607,925	3,299,153
Advances to Vendors		30,518,279	9,112,068
		<u>94,561,315</u>	<u>25,569,887</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 month.

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

	Note	2025 Rupees	2024 Rupees
9 ADVANCE TAXES - NET			
Advance income tax		69,012,897	51,606,588
Current taxation - for the year		<u>(17,487,951)</u>	<u>(15,981,068)</u>
		51,524,946	35,625,520
Sales tax		<u>36,056,060</u>	<u>33,985,993</u>
		<u>87,581,006</u>	<u>69,611,513</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		6,856,094	1,283,348
Cash at banks - in current accounts		12,982,410	27,455,842
- in Profit bearing accounts	10.1	12,267,795	13,495,652
		<u>32,106,299</u>	<u>42,234,842</u>

10.1 Surplus funds available (if any) point of time are deposited in profit bearing bank accounts attracting profits 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>300,000,000</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		<u>30,000,000</u>	<u>30,000,000</u>
		<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
Revenue Reserves			
Un-appropriated Profit		217,086,171	197,385,189
		<u>242,086,171</u>	<u>222,385,189</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

Note

2025
Rupees

2024
Rupees

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

The Company has obtained a long-term finance lease facility from Sindh bank amounting to PKR 14.814 million, in order to lease 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 kibar plus 3% per annum.

13.2 Movement of Long Term Loan

As at beginning of the year	7,407,391	11,111,083
Repaid during the year	(3,703,692)	(3,703,692)
	<u>3,703,699</u>	<u>7,407,391</u>

14 DEFERRED LIABILITIES

Deferred Taxation	14.1	(1,060,239)	1,791,667
Gratuity	14.2	28,797,293	28,548,318
		<u>27,737,054</u>	<u>30,339,985</u>

14.1	Deferred tax credits / (debits) arising in respect of		(12,664,182)	(14,922,975)
	Accelerated tax depreciation		150,016	261,762
	Provision for loss Allowances		8,351,215	8,279,012
	Provision for Gratuity		<u>(4,162,951)</u>	<u>(6,382,201)</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 recognized

Net Liability at the beginning of the year	28,548,318	23,807,062
Re-Measurements chargeable in Other Comprehensive Income	7,154,966	6,957,636
Deferred tax on re-measurement	(3,599,452)	318,932
Benefits paid during the year	<u>(3,306,539)</u>	<u>(2,535,312)</u>
	<u>28,797,293</u>	<u>28,548,318</u>

14.2.2 Movement in Present value of defined benefit plan

Present value of defined benefit obligation	28,548,318	23,807,062
Current service cost	3,799,156	3,719,496
Interest costs	3,355,810	3,238,140
Benefits Paid	(3,306,539)	(2,535,312)
Re-Measurements	<u>(3,599,452)</u>	<u>318,932</u>
	<u>28,797,293</u>	<u>28,548,318</u>

14.2.3 Expense recognized in Profit & loss account

Current service cost	3,799,156	3,719,496
Interest costs	3,355,810	3,238,140
	<u>7,154,966</u>	<u>6,957,636</u>

14.2.4 Principal actuarial assumptions

Discount rate used for Interest cost in P&L charge	11.75%	14.75%
Discount rate used for year-end obligation	11.75%	14.75%
Expected rate of increase in salaries per annum	10.75%	13.75%
Average expected remaining life time of employees	5 years	5 years

Expected charge to Profit & Loss Account for the year ended June 30, 2026 amounts to Rs.7,113,758/- in respect of Gratuity.

14.2.5 Sensitivity Analysis as at 30.06.2025

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:

	Discount Rate +1%	Discount Rate -1%	Salary Increase +1%	Salary Increase -1%
Present Value of Defined Benefit Obligations	24,441,664	27,046,873	27,092,080	24,439,235

15 TRADE AND OTHER PAYABLES

Note

Trade creditors and other payables - unsecured		5,329,311	15,359,665
Advances from Customers - unsecured	15.1	4,254,514	19,456,983
Mark up Payable		4,226,519	4,757,524
Accrued Expenses		28,815,117	10,148,209
Others		4,789,237	4,458,950
Provision for Warranty Claims		559,614	475,123
		<u>47,974,312</u>	<u>54,656,453</u>

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

16 TAXES PAYABLE

Withholding Taxes Payable	16.1	<u>9,061,719</u>	<u>3,916,216</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	297,043,624	190,901,806
Loan from Directors - Unsecured	17.2	70,105,341	70,105,341
		<u>367,148,965</u>	<u>261,007,147</u>

17.1 The Company has obtained the facility of finance against imported material from Bank Al-Falah Limited amounting to Rs.415 million (2024: 415 million). The facility attracts mark-up at flexible rate linked with 1 months KIBOR plus 180 (2024: 180) basis points per annum. The facility is secured against lien over imported 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 (2024: Rs 150 million) to import raw material. The facility is secured against import documents of import letters of credit.

The Company has obtained the letter of credit facility from Habib Metropolitan Bank Limited amounting to Rs.170 million (2025: Rs.170 million). The facility attracts commission at the rate of 0.1% per quarter. The facility is secured against lien over import documents. The Company has also been provided the facility for Murabaha Import (Pledge/Spot/Deferred) amounting to Rs.150 million (2025: Rs.150 million) which carries profit at 3MK + 1.80% per annum and is secured against pledge of imported goods and specific charge on pledged goods and ranking charge over current assets of the Company. Further, the Company has also obtained Al-Bai / Istisna Finance facility of Rs.30 million (2025: Rs.30 million) which carries profit at 3MK + 1.80% per annum and is secured against ranking charge over current assets of the Company with 25% margin. In addition, a collateral security in shape of an equitable mortgage charge of Rs 313 million was also created against the company's fixed assets along with Token Registered Mortgage of 500k

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 utilized for corporate social responsibilities and other specific purposes.

19 CONTINGENCIES & COMMITMENTS

19.1 Contingencies

The commercial banks have issued guarantees on behalf of the Company amounted to Rs.Null million (2024 : Rs.Null million).

19.2 An amount of Rs. 40.231 Million which is appearing as credit by LESCO in previous year which seems to be an erroneous mistake on the part of LESCO. The company has already created provision of exiting 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. 95.056 million (2024: Rs.133.346 million).

	Note	2025 Rupees	2024 Rupees
20 SALES			
Local sales		1,834,962,224	1,671,339,050
Less: Sales tax		(288,216,403)	(263,904,354)
Trade Discount		(147,709,771)	(128,949,254)
		<u>1,399,036,050</u>	<u>1,278,485,442</u>
20.1 In Finance Act 2019, the foam 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.			
21 COST OF GOODS SOLD			
Opening stock of raw material and store & spares		299,393,248	260,622,961
Purchases		1,243,642,731	1,085,323,588
Closing stock of raw material and store & spares		(357,551,314)	(299,393,248)
Raw material and Store & Spares consumed		<u>1,185,484,665</u>	<u>1,046,553,301</u>
Salaries, wages and other benefits	21.1	30,231,979	28,256,280
Power & Fuel and Lubricants		10,971,079	16,806,883
Repair & Maintenance		298,626	487,767
Depreciation	5.4	8,784,826	9,789,086
Warranty and Claims		559,614	-
Insurance		4,017,283	2,063,330
Cost of goods Manufacturing		<u>1,240,348,072</u>	<u>1,103,956,647</u>
Opening stock of work in process		11,494,844	35,089,632
Closing stock of work in process		(19,789,787)	(11,494,844)
Cost of goods manufactured		<u>1,232,053,129</u>	<u>1,127,551,435</u>
Opening stock of finished goods		32,154,145	17,267,449
Closing stock of finished goods		(38,816,941)	(32,154,145)
Cost of Goods Sold		<u>1,225,390,333</u>	<u>1,112,664,739</u>
21.1 Salaries, wages and other benefits include Rs.3,179,985/- (2024: Rs.3,609,292/-) in respect of defined benefit plan under non-funded gratuity scheme.			
22 ADMINISTRATIVE EXPENSES			
Directors' remuneration		5,297,076	4,691,694
Salaries & benefits	22.1	23,706,374	12,954,331
Travelling & Conveyance/Running		-	2,179,744
Postage, telephone & telephones		1,165,415	1,791,337
Vehicle running		-	669,737
Vehicle maintenance		617,220	765,327
Legal & professional charges		759,571	719,361
Auditors' remuneration	22.2	1,170,127	1,068,542
Printing & stationery		912,641	518,110
Staff Welfare		1,505,240	1,479,660
Entertainment		2,497,333	2,408,164
Utility charges		16,895,869	30,504,761
Fee & subscription		663,836	733,399
Depreciation	5.4	1,468,623	1,509,473
Medical Expenses		342,028	283,605
Internet charges		700,000	520,020
Provision for bad debts	7.2	(385,330)	(64,160)
Repair and maintenance		418,392	389,741
Insurance		1,818,969	1,440,393
Advertisements		102,060	198,395
Rent, Rates and Taxes		1,056,000	2,016,000
		<u>60,711,443</u>	<u>66,777,634</u>

22.1 Salaries and other benefits include Rs.1,589,992/- (2024: Rs.2,188,399/-) in respect of defined benefit plan under non-funded gratuity scheme.

22.2 Auditors' remuneration

Audit fee	715,000	650,000
Fee for limited review of half yearly financial statements	385,000	350,000
Out of pocket expenses	70,127	63,752
	1,170,127	1,063,752

23 DISTRIBUTION EXPENSES

Salaries & benefits	23.1	36,397,133	30,366,403
Staff welfare		315,214	1,780,641
Entertainment		545,236	822,417
Printing and stationery		179,010	383,187
Telephone and postage		439,572	666,309
Travelling and conveyance/Running		6,738,175	3,528,543
Vehicle repair and maintenance		61,030	-
Utility charges		-	307,217
Advertisement/business promotion charges		1,651,313	2,155,274
Depreciation	5.4	6,862,369	7,299,315
		53,189,052	47,309,306

23.1 Salaries and other benefits include Rs.2,384,989/- (2024: Rs.1,159,945/-) in respect of defined benefit plan under non-funded gratuity scheme.

24 FINANCE COST

Mark up on short term financing	30,262,134	16,168,478
Bank & muddadam charges	720,846	512,793
	30,982,980	16,681,271

25 OTHER OPERATING EXPENSES

Workers' Profit Participation Fund - WPPF	25.1	1,661,265	2,157,445
Workers' Welfare Fund - WWF		826,467	801,654
Loss on Disposal of Assets		-	1,281,239
		2,487,732	4,240,338

25.1 Workers' Profit Participation Fund - WPPF (Movement)

Balance as July,01	2,157,445	1,357,100
Provision for the year	1,661,265	2,157,445
Payment during the year	(2,157,445)	(1,357,100)
Balance as June, 30	1,661,266	2,157,445

26 OTHER OPERATING INCOME

Income From Bank Deposits	737,970	5,863,858
Insurance Claim - Others	3,257,661	-
Income /(Loss) Disposal of Assets	467,434	-
Misc. Income	-	3,513,796
	4,463,065	9,377,654

27 INCOME TAX EXPENSE

Note

Current Taxation

- For the year

17,487,951 **15,981,068**

17,487,951 **15,981,068**

Deferred Taxation

(3,895,747) **(3,044,575)**

13,592,204 **12,936,493**

27.1 Relationship between income tax expenses and accounting profit:

Profit before taxation	30,737,575	40,189,809
Tax at the applicable tax rate of 29% (2024: 29%)	8,913,897	11,655,045
Tax effect of:		
-amounts not deductible for tax purpose	721,442	858,139
-amounts deductible for tax purpose but not taken to the statement of profit or loss	2,348,429	(889,203)
- Additional provision to reach at minimum tax	5,504,183	4,357,087
Adjustment for current tax of prior years	-	-
Tax effect of deferred taxation	(3,895,747)	(3,044,575)
Income tax expense	13,592,204	12,936,493
Effective rate of tax	44.22%	32.19%

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)	30,737,575	40,189,809
Profit for the year after taxation	(Rupees)	17,145,371	27,253,316
Number of shares outstanding	(Shares)	10,000,000	10,000,000
Earnings per share before taxation	(Rupees)	3.07	4.02
Earnings per share after taxation	(Rupees)	1.71	2.73

29 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVE

	CEO		Directors		Executives		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Managerial Remuneration	5,297,076	4,691,694	-	-	3,015,066	5,086,836	8,312,142	9,778,530
Utilities	1,241,515	1,193,764	-	-	-	-	1,241,515	1,193,764
Gratuity	-	-	-	-	486,301	1,091,241	486,301	1,091,241
Total	6,538,591	5,885,458	-	-	3,501,367	6,178,077	10,039,958	12,063,535
Number of Persons	1	1	-	-	1	1	2	2

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 cars 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	12,932,482	24,686,072
Advances to staff	4,817,206	7,687,511
Other receivables	3,607,925	3,299,153
Cash at banks	12,982,410	40,951,494
	34,340,023	76,624,230

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

Up to 30 days	10,770,436	13,080,893
31 to 90 days	2,086,265	6,272,931
91 to 120 days	75,781	4,542,467
121 to 180 days	-	789,781
	12,932,482	24,686,072

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.517,299/- (2024: Rs.902,629/-).

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.

2025	Carrying amount	Contractual Cashflows	Six Months or Less	Six to twelve months	One to two Years	Two to five Years
Trade and Other Payables	34,144,428	34,144,428	25,480,739	8,663,689	-	-
Taxes Payable	9,061,719	9,061,719	-	-	-	-
Unclaimed Dividend	1,777,700	1,777,700	1,777,700	-	-	-
Financial Charges payable	4,226,519	4,226,519	2,141,662	-	-	-
Short term Borrowings	367,148,965	367,148,965	257,004,276	110,144,689	-	-
Total	416,359,331	416,359,331	286,404,376	118,808,379		

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	19,035,594	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	212,192,037	84,774,424		

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	2025 Effective rate in %	2024	2025 Carrying amount (Rs.)	2024
Financial Liabilities				
Variable Rate instruments:-				
Short Term Borrowings	9.25 to 16.96	22.65 to 25.50	297,043,624	190,901,806

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 various 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 Profit	Decrease Profit
As at June 30, 2025	Rupees	2,970,436	(2,970,436)
As at June 30, 2024	Rupees	1,909,018	(1,909,018)

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:-

	2025 Rupees	2024 Rupees
Outstanding Letter of Credits	155,473,032	133,346,080
Average Rate	286.00	273.42
Reporting date rate	283.50	280.60

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.

	2025 Rupees	2024 Rupees
The effect on Profit and loss Account is:	15,547,303	13,334,608

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.

	2025 Rupees	2024 Rupees
Total Debt	370,852,664	268,414,538
Total Equity	342,086,171	322,385,189
Total Capital Employed	<u>712,938,835</u>	<u>590,799,727</u>
Gearing Ratio	52.02%	45.43%

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:-

- 31.1 The company has entered into a transaction with Al-Khair Foam (Pvt) Ltd which is a related party because of common management personnel. The machinery was disposed off to related party at arm's length basis:

Nature	Amount	Outstanding
Disposal	11,000,000	Nil

32 FINANCIAL INSTRUMENTS BY CATEGORIES

IAS 9 Financial Instrument

	IFRS 9 Measurement Category			
	Carrying amount before reclassification	Fair value through profit or loss	Amortized cost	Fair value through OCI
Financial Assets				
Trade debts	12,415,183	-	12,415,183	-
Advances, deposits and prepayments	94,561,315	-	94,561,315	-
Cash and bank balances	32,106,299	-	32,106,299	-
As at June 30, 2025	139,082,797	-	139,082,797	-
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	-
Financial Liabilities				
Trade and other payables	47,974,312	-	47,974,312	-
Short term borrowings	297,043,624	-	297,043,624	-
Un-claimed dividend	1,777,700	-	1,777,700	-
As at June 30, 2025	346,795,636	-	346,795,636	-
Trade and other payables	54,656,453	-	54,656,453	-
Short term borrowings	190,901,806	-	190,901,806	-
Un-claimed dividend	1,777,700	-	1,777,700	-
As at June 30, 2024	247,335,959	-	247,335,959	-

33 CASH GENERATED FROM OPERATIONS

	2025 Rupees	2024 Rupees
Profit before taxation	30,737,575	40,189,809
Adjustments for non cash items:		
Depreciation on property, plant and equipment	17,115,817	18,597,871
Finance cost	30,982,980	16,681,271
Provision for gratuity	7,154,966	6,957,636
Provision for Warranty	559,614	-
Provision for loss Allowance	(385,330)	(64,160)
Provision for workers' profit participation fund	1,661,265	2,157,445
Loss / (gain) on disposal of property, plant and equipment	(467,434)	1,281,239
Provision for workers' welfare fund	826,467	801,654
	57,448,345	46,412,956
Operating profit before working capital changes	88,185,920	86,602,765
Decrease/(increase) in current assets		
Stores and spares	(792,625)	1,687,048
Stock-in-trade	(72,323,180)	(31,749,243)
Trade debts	11,753,590	26,267,217
Advances, deposits and prepayments	(68,991,428)	1,931,046
	(130,353,643)	(1,863,932)
(Decrease)/increase in current liabilities		
Trade and other payables	(1,420,412)	(139,261,184)
Net cash flow from Operating Activities	(43,588,135)	(54,522,351)

	2025 Rupees	2024 Rupees
33.1 Cash and cash equivalents		
Cash in hand	6,856,094	1,283,348
Cash at banks - in current accounts	12,982,410	27,455,842
-in profit bearing accounts	12,267,795	13,495,652
	<u>32,106,299</u>	<u>42,234,842</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, 2024	261,007,147	197,385,190	458,392,337
Increase in short term borrowing	106,141,818		106,141,818
Total comprehensive income for the year		19,700,981	19,700,981
	<u>367,148,965</u>	<u>217,086,171</u>	<u>584,235,136</u>

35 PLANT CAPACITY AND PRODUCTION

	2025 Tons	2024 Tons
Rated capacity	13,280	13,280
Capacity utilized	1,800	1,800

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.

36 NUMBER OF EMPLOYEES

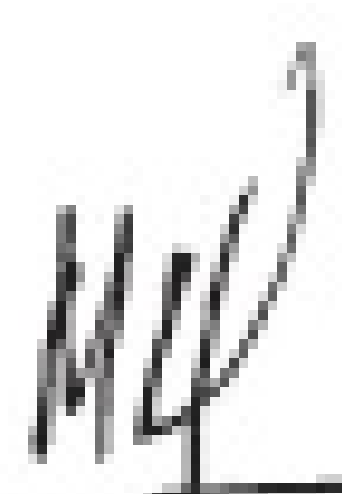
	2025	2024
Number of employees as at June 30	165	190
Average number of employees during the year	162	180

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 purpose.

38 DATE OF AUTHORIZATION

These financial statements were authorized for issue on September 26, 2025 by the Board of Directors of the Company.


MUHAMMAD AFZAL SHEIKH
CHAIRMAN


MUHAMMAD AMIN SHEIKH
CHIEF EXECUTIVE


MUHAMMAD TARIQ AMIN
CHIEF FINANCIAL OFFICER

Lahore: September 26, 2025

AL-KHAIR GDAOON LIMITED

Gender pay gap statement under circular 10 of 2024

The following is the gender pay gap calculated for the year ended June 30,2025

i Mean Gender Pay Gap:	-22.59%
ii Median Gender Pay Gap:	-19.59%
iii Any other Details as deemed relevant :	

Al-Khair Gadoon Limited is committed to fostering a workplace where diversity, equity and inclusion are at the core of everything we do. We are putting efforts into promoting gender diversity with an enviroment where all employees can thrive, contribute , and reach their full potential.



Muhammad Amin Sheikh

CEO- Al-Khair Gadoon Limited

THE COMPANIES ACT, 2017
COMPANIES REGULATIONS, 2025
[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

3 0 0 6 2 0 2 5

2.2 No. of Shareholders	SHAREHOLDINGS		Total Shares Held
	From	To	
47	1	100	909
186	101	500	90,183
41	501	1000	40,750
29	1001	5000	72,972
9	5001	10000	67,500
4	10001	15000	50,600
3	15001	20000	51,291
1	20001	35000	32,000
1	35001	40000	37,500
2	40001	120000	84,083
1	120001	125000	122,737
1	125001	300000	186,000
1	300001	330000	309,664
1	330001	335000	333,500
1	335001	480000	383,000
2	480001	500000	997,000
3	500001	605000	1,805,000
1	605001	700000	686,000
1	700001	800000	800,000
1	800001	1000000	880,111
1	1000001	2985000	2,969,200
337			10,000,000

Categories of Shareholders	No. of Shareholders	No. of Shares held	Percentage
Individuals	332	9,688,249	96.882%
Investment Companies	1	500	0.005%
Joint Stock Companies	4	311,251	3.113%
	337	10,000,000	100.00%

PATTERN OF SHAREHOLDING

2.3 Categories of shareholders

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.

Mr. Nadeem Afzal s/o M. Afzal Sheikh	601,000	6.010%
Mr. Muhammad Saad	499,000	4.990%
Mr. Muhammad Ahmed	374,500	3.745%
	1,474,500	14.75%

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 **310,251** **3.10%**

2.3.5 Insurance Companies - **0.000%**

2.3.6 Modarabas and Mutual Funds **1,000** **0.01%**

2.3.8 General Public - Individuals **1,620,647** **16.21%**

2.3.9 Others (to be specified) - **0.000%**

10,000,000 **100.00%**

2.3.7 Share holders holding 10%

Mr. Mohammad Afzal Sheikh	Chairman/Director	2,984,491	29.84%
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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.

2025
ANNUAL
REPORT
www.alkhaigadoon.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 35th
Annual General Meeting of the Company to be held at Registered Office at 92/3, Phase III, Industrial
Estate, Gadoon Amazai, District Swabi, Khyber Pakhtunkhwa, on Friday October 24, 2025 at 08:00
A.M. and at every adjournment thereof.

As witness my hand this _____ day of _____
_____ 2025.
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 اہم _____ سکند _____ ضلع _____ بحیثیت ممبر
الخیر گدون لیمنڈ، بذریعہ پراکسی کے ممبر _____ سکند _____ کو اپنا پراکسی مقرر
کرتا ہوں کرتے ہیں اور اس کی عدم موجودگی میں کمپنی کے دوسرے ممبر _____ کو اپنی جگہ کمپنی کے سالانہ اجلاس عام
میں جو 24 اکتوبر 2025 کو منعقد ہوگا یا کوئی اتنا شدہ اجلاس ہو، میں شرکت کرنے اور میری اتنا شدہ جگہ ووٹ دینے کا حقدار مقرر کرتا ہوں کرتے ہیں۔
میں اہم نے آج مورخہ _____ 2025 کو درج ذیل کی موجودگی میں دھنلا گئے۔

1. دھنلا _____	2. دھنلا _____
نام _____	نام _____
پتہ _____	پتہ _____
سی این آئی سی یا پاسپورٹ نمبر _____	سی این آئی سی یا پاسپورٹ نمبر _____

فیلو اسی ڈی سی اکاؤنٹ نمبر

دس روپے کے درجہ بیچ اسٹیپ پر دھنلا

دھنلا، کمپنی کے پاس رجسٹر اٹھانے کے دھنلا کے مطابق ہونے چاہئیں۔

اہم نوٹ:

- یہ پراکسی فارم، مکمل پر شدہ اور دھنلا شدہ، کمپنی کے کارپوریٹ آفس الخیر ہاؤس، 43-T، گلبرگ II، لاہور میں اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل لازماً وصول ہو جانا چاہئے۔
- کوئی شخص جو خود کمپنی کا ممبر نہ ہو، پراکسی مقرر نہیں کیا جاسکتا سوائے کارپوریشن کے جو کسی ایسے شخص کو پراکسی مقرر کر سکتی ہے جو کمپنی کا ممبر نہ ہو۔
- اگر کوئی شخص ایک سے زیادہ پراکسی مقرر کرتا ہے اور کمپنی کے پاس ایک سے زیادہ پراکسی فارم جمع کراتا ہے تو پراکسی کی ایسی تمام دستاویزات غیر موثر قرار دی جائیں گی۔

سی ڈی سی اکاؤنٹ ہولڈرز کا کارپوریٹ اداروں کیلئے:

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

- پراکسی فارم پر دو گواہان کے دھنلا ہونے چاہئیں جن کے نام، پتے اور سی این آئی سی نمبر فارم پر درج ہوں۔
- مختلط احوال اور پراکسی کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں پراکسی فارم کے ساتھ فراہم کی جائیں۔
- پراکسی کو اجلاس میں شرکت کے وقت اپنا اصل سی این آئی سی یا پاسپورٹ پیش کرنا ہوگا۔
- کارپوریٹ ادارہ ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد اور آف ایجری اور نمونے کے دھنلا (اگر پہلے سے جمع نہ کرائے گئے ہوں) کمپنی کو فراہم کرنا لازمی ہے۔

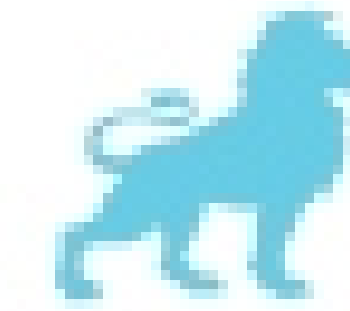
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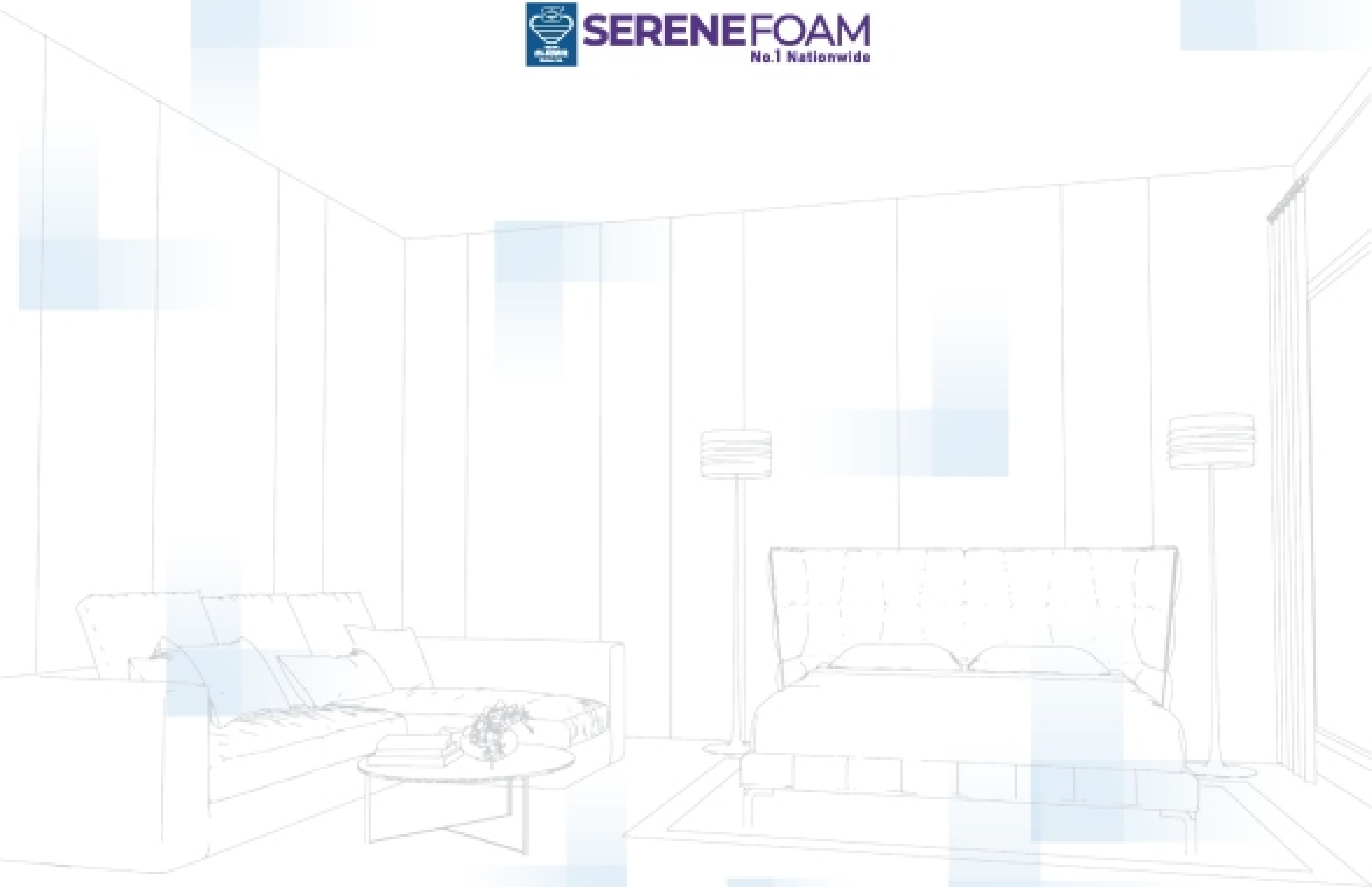


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