



SINCE 1980

AL-KHAIR GADOON LTD.

**Condensed Interim
Financial Statements
First Quarter Ended**

**September
30, 2025
(Un-Audited)**

www.alkhairgadoon.com



COMPANY INFORMATION

BOARD OF DIRECTORS:

Muhammad Afzal Sheikh	Chairman
Muhammad Amin Sheikh	Chief Executive
Muhammad 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

AUDIT COMMITTEE:

Mr. Kamal Subhani	Chairman
Mrs. Farnaz Saeed	Member
Mr. Asif Sajjad	Member
Mr. Khurram Iftikhar	Secretary

**HUMAN RESOURCE &
REMUNERATION COMMITTEE:**

Mr. Kamal Subhani	Chairman
Mrs. Farnaz Saeed	Member
Mrs. Parveen Afzal	Member
Miss Samina Kokab	Secretary

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, 1-K Commercial,
Model Town, Lahore

BANKERS:

Meezan Bank Limited
Bank Alfalah Limited.
Habib Metropolitan Bank Limited
Allied Bank Limited
Soneri Bank Limited
United Bank Limited

**REGISTERED OFFICE
& FACTORY SITE:**

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

CORPORATE OFFICE:

Al-Khair House,
43-T, Gulberg II, Lahore.
Tel: (0342)-111111605
Fax: (042) 35716588, 35753719
Email: info@alkhairgadoon.com
Website: www.alkhairgadoon.com

**DIRECTORS' REVIEW REPORT**
For the Quarter Ended September 30, 2025

On behalf of the board of directors of the Company, we are pleased to present Condensed Interim Financial Statements of the Company for the Quarter ended September 30, 2025.

Operational Results

During the quarter ended September 30, 2025, the Company recorded net sales of Rs. 277.785 million, as compared to Rs. 282.785 million in the corresponding quarter of the previous year, showing a marginal decline of Rs. 4.999 million (1.77%). The gross profit for the quarter stood at Rs. 31.083 million, against Rs. 34.201 million in the same period last year. Consequently, the Company reported a net loss of Rs. 10.212 million, compared to a net loss of Rs. 0.133 million in the corresponding quarter of the previous year. The decline in profitability was primarily due to reduced sales volume, increased input costs, and inflationary pressures affecting overall margins. Management remains focused on cost optimization, operational efficiency, and revenue diversification to improve performance in the coming quarters.

Future Outlook

Management is optimistic that ongoing efficiency initiatives, cost optimization measures, and portfolio innovation will contribute positively to future profitability. The net loss reported for the quarter reflects the challenging business environment, marked by increased cost pressures and market volatility. Nevertheless, the Company has maintained strong operational control and continues to implement strategic measures aimed at restoring profitability. Management remains dedicated to enhancing value for all stakeholders through prudent financial management and sustainable growth initiatives. Despite these efforts, a significant challenge persists for businesses, particularly in the retail sector, due to the continuous rise in inflation and overall cost of living. The foam industry continues to face considerable risk from the sharp increase in international raw material prices. As most key raw materials are not produced locally and must be imported, the sector remains highly vulnerable to global market fluctuations.

The management of the Company is fully cognizant of the affairs and will overcome the situation through operational excellence and, management skills, best marketing mix and production strategies. The Company is confident to meet the challenges ahead to achieve best possible performance results and remain focused on the needs of its trade partnering customers.

Appreciation

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

MUHAMMAD AFZAL SHEIKH
Chairman**MUHAMMAD AMIN SHEIKH**
Chief Executive

Lahore: October 29, 2025

ڈائریکٹرز کی جائزہ رپورٹ

30 ستمبر 2025 کو ختم ہونے والے سہ ماہی کے لیے

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے، ہمیں 30 ستمبر 2025 کو ختم ہونے والی سہ ماہی کے لیے کمپنی کے مجموعی عبوری مالیاتی بیانات آپ کے سامنے پیش کرتے ہوئے خوشی ہو رہی ہے۔

آپریٹنگ نتائج

30 ستمبر 2025 کو ختم ہونے والی سہ ماہی کے دوران، کمپنی نے 277.785 ملین روپے کے مقابلے میں پچھلے سال کی اسی سہ ماہی میں 282.785 ملین روپے کی خالص فروخت ریکارڈ کی۔ جو 4.999 ملین (1.77%) کی معمولی کمی کو ظاہر کرتا ہے۔ سہ ماہی کے لیے 31.083 ملین روپے کے مقابلے میں گزشتہ سال کی اسی مدت میں 34.201 ملین روپے مجموعی منافع رہا۔ نتیجتاً، کمپنی نے پچھلے سال کی اسی سہ ماہی میں 0.133 ملین روپے کے خالص نقصان کے مقابلے میں 10.212 ملین کا خالص نقصان رپورٹ کیا۔ منافع میں کمی بنیادی طور پر فروخت کے حجم میں کمی، ان پٹ لاگت میں اضافہ اور مجموعی مارجن کو متاثر کرنے والے افراط زر کے دباؤ کی وجہ سے تھی۔ انتظامیہ آنے والی سہ ماہیوں میں کارکردگی کو بہتر بنانے کے لیے لاگت کی اصلاح، آپریٹنگ کارکردگی، اور محصول کے تنوع پر مرکوز ہے۔

مستقبل کے خدوخال

انتظامیہ پر امید ہے کہ کارکردگی کے جاری اقدامات، لاگت کو بہتر بنانے کے اقدامات، اور پورٹ فولیو کی جدت مستقبل کے منافع میں مثبت کردار ادا کرے گی۔ سہ ماہی کے لیے رپورٹ کردہ خالص نقصان چیلنجنگ کاروباری ماحول کی عکاسی کرتا ہے، جس کی نشاندہی لاگت کے بڑھتے ہوئے دباؤ اور مارکیٹ سے ہوتی ہے۔ اس کے باوجود، کمپنی نے مضبوط آپریٹنگ کنٹرول کو برقرار رکھا ہے اور منافع کی بحالی کے مقصد سے اسٹریٹجک اقدامات پر عمل درآمد جاری رکھا ہوا ہے۔ انتظامیہ سمجھدار مالیاتی انتظام اور پائیدار ترقی کے اقدامات کے ذریعے تمام اسٹیک


ہولڈرز کے لیے قدر بڑھانے کے لیے وقف ہے۔ ان کوششوں کے باوجود، کاروباروں کے لیے ایک اہم چیلنج برقرار ہے، خاص طور پر خوردہ شعبے میں، افراط زر میں مسلسل اضافے اور زندگی کی مجموعی لاگت کی وجہ سے۔ بین الاقوامی خام مال کی قیمتوں میں تیزی سے اضافے سے نوم انڈسٹری کو کافی خطرے کا سامنا ہے۔ چونکہ زیادہ تر کلیدی خام مال مقامی طور پر تیار نہیں کیا جاتا ہے اور اسے درآمد کرنا ضروری ہے، اس لیے یہ شعبہ عالمی منڈی کے اتار چڑھاؤ کے لیے انتہائی کمزور ہے۔

کمپنی کی انتظامیہ معاملات سے پوری طرح باخبر ہے اور آپریشنل فضیلت اور انتظامی مہارتوں، بہترین مارکیٹنگ مکس اور پیداواری حکمت عملی کے ذریعے صورتحال پر قابو پالے گی۔ کمپنی بہترین کارکردگی کے نتائج حاصل کرنے اور اپنے تجارتی شراکت دار صارفین کی ضروریات پر توجہ مرکوز رکھنے کے لیے آنے والے چیلنجوں کا مقابلہ کرنے کے لیے پراعتماد ہے۔"

اظہار تشکر

ہم اپنے کارکنوں، انتظامی ٹیم کے عملے کے اراکین کی مخلصانہ 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 Amn
محمد امین شیخ
چیف ایگزیکٹو


محمد افضل شیخ
چیرمین

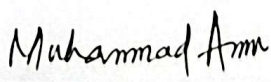
لاہور: 29 اکتوبر 2025

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2025**

	Note	Un-Audited September,30 2025 Rupees	Audited June,30 2025 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, Plant and Equipment	5	154,287,848	156,667,775
		154,287,848	156,667,775
CURRENT ASSETS			
Stores and Spares		3,610,880	4,603,877
Stock in Trade		425,038,788	411,554,165
Trade Debts		19,339,643	12,415,183
Advances, Deposits and Prepayments		64,334,123	94,561,315
Advance Taxes - Net		97,912,871	87,581,006
Cash and Bank Balances		24,989,556	32,106,299
		635,225,861	642,821,845
TOTAL ASSETS		789,513,709	799,489,621
EQUITY AND LIABILITIES			
Authorized Capital			
12,000,000 Ordinary shares of Rs. 10 each		300,000,000	300,000,000
Issued, Subscribed and Paid up Capital			
Capital Reserves - Share Premium		100,000,000	100,000,000
Unappropriated Profit		25,000,000	25,000,000
		206,874,212	217,086,171
Shareholders' Equity		331,874,212	342,086,171
NON CURRENT LIABILITIES			
Long Term Loan		-	-
Deferred Liabilities		27,737,054	27,737,054
		27,737,054	27,737,054
CURRENT LIABILITIES			
Current portion of Long Term Loan		2,777,776	3,703,699
Trade and Other Payables		89,511,748	47,974,312
Taxes Payable		4,167,629	9,061,719
Short Term Borrowings	6	331,667,590	367,148,965
Un-Claimed Dividend		1,777,700	1,777,700
		429,902,443	429,666,395
CONTINGENCIES AND COMMITMENTS	7	-	-
TOTAL EQUITY AND LIABILITIES		789,513,709	799,489,621

The annexed notes from 1 to 11 form an integral part of these financial statements.


MUHAMMAD AFZAL SHEIKH
CHAIRMAN


MUHAMMAD AMIN SHEIKH
CHIEF EXECUTIVE


MUHAMMAD TARIQ AMIN
CHIEF FINANCIAL OFFICER

Lahore: Oct 29, 2025

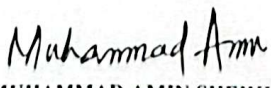


**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2025**

	2025	2024
	Rupees	Rupees
Sales - net	277,785,442	282,785,200
Cost of sales	(246,702,609)	(248,584,368)
Gross profit	31,082,833	34,200,832
Administrative expenses	(15,216,564)	(10,685,203)
Distribution expenses	(12,069,752)	(9,857,386)
	(27,286,316)	(20,542,589)
Operating profit	3,796,517	13,658,243
Finance cost	(10,592,911)	(11,033,057)
Other operating income	56,752	776,990
	(10,536,159)	(10,256,066)
Profit before taxation	(6,739,642)	3,402,177
Income tax expense	(3,472,318)	(3,534,815)
Profit/(Loss) for the Period - net	(10,211,960)	(132,638)
Earnings per share - before tax (basic and diluted - Rupees)	(0.67)	0.34
Earnings per share - after tax (basic and diluted - Rupees)	(1.02)	(0.01)

The annexed notes from 1 to 11 form an integral part of these financial statements.


AHMAD AFZAL SHEIKH
CHAIRMAN


MUHAMMAD AMIN SHEIKH
CHIEF EXECUTIVE


MUHAMMAD TARIQ AMIN
CHIEF FINANCIAL OFFICER


Lahore: Oct 29, 2025

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2025**

	Note	2025 Rupees	2024 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	8	54,114,894	(17,354,272)
Finance cost paid		(9,576,561)	(15,430,739)
Income tax (paid) / refunds received		(6,997,372)	(8,362,993)
Sales tax (paid) / refunds received		(6,806,809)	2,820,137
		<u>(23,380,742)</u>	<u>(20,973,596)</u>
Net cash (used in) generated from operating activities		30,734,152	(38,327,868)
Cash flows from investing activities			
Fixed capital expenditure		(1,443,594)	-
Proceed from disposal of fixed assets		-	11,000,000
Net cash (used in) investing activities		(1,443,594)	11,000,000
Cash flows from financing activities			
Short term borrowings		(36,407,300)	14,913,844
Long Term Loans		-	(925,931)
Net cash generated / (used in) financing activities		<u>(36,407,300)</u>	<u>13,987,913</u>
Net (decrease)/increase in cash and cash equivalents		(7,116,743)	(13,339,954)
Cash and cash equivalents at the beginning of the year		32,106,299	42,234,842
Cash and cash equivalents at the end of the year		<u>24,989,556</u>	<u>28,894,888</u>

The annexed notes from 1 to 11 form an integral part of these financial statements.


MAMAD AFZAL SHEIKH
CHAIRMAN


MUHAMMAD AMIN SHEIKH
CHIEF EXECUTIVE


MUHAMMAD TARIQ AMIN
CHIEF FINANCIAL OFFICER


Lahore: Oct 29, 2025


**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2025**

	Issued, Subscribed and Paid up Share Capital	Share Premium	Unappropriated Profit	Total
	(Rupees)			
Balance as at 1 July 2024(Audited)	100,000,000	25,000,000	197,385,190	322,385,190
Comprehensive income for the year				
Profit for the year	-	-	17,145,371	17,145,371
Other comprehensive income (loss) for the year	-	-	2,555,611	2,555,611
	-	-	19,700,982	19,700,982
Balance as at 30 June 2025	100,000,000	25,000,000	217,086,172	342,086,171
Balance as at 1 July 2025 (Audited)				
Comprehensive income for the period				
Profit for the year	-	-	(10,211,960)	(10,211,960)
Other comprehensive (loss) for the Period	-	-	-	-
	-	-	(10,211,960)	(10,211,960)
Balance as at 30 Sep 2025 (Un-audited)	100,000,000	25,000,000	206,874,212	331,874,211

The annexed notes from 1 to 11 form an integral part of these financial statements.


MUHAMMAD AFZAL SHEIKH
CHAIRMAN


MUHAMMAD AMIN SHEIKH
CHIEF EXECUTIVE


MUHAMMAD TARIQ AMIN
CHIEF FINANCIAL OFFICER

Lahore: Oct 29, 2025

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**
For the Period Ended September 30, 2025 (Un-Audited)**1 THE COMPANY AND ITS OPERATIONS**

The Company was incorporated as a Private Limited Company on August 27, 1990 under the Companies Ordinance, 1984 (now the Companies Act, 2017) and converted into Public Limited Company on August 31, 1995. The shares of the Company are listed on Pakistan Stock Exchange Limited. The Company is principally engaged in manufacturing and sale of foam and allied products. The manufacturing facilities of the Company are located at 92/3, 94-A & 94-B, Industrial Estate, Gadoon Amazai, District Swabi, KPK. The registered office of the Company is situated at 92/3, Phase III, Industrial Estate, Gadoon Amazai, District Swabi, Khyber Pakhtunkhwa – Pakistan.

2 BASIS OF PREPARATION

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

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies for the preparation of quarterly financial statements for the quarter ended September 30, 2025 are the same as those applied in the preparation of the preceding annual published financial statements of the Company for the year ended June 30, 2025.

4 ACCOUNTING ESTIMATES AND JUDGMENTS

- 4.1 The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain accounting estimates. It also requires exercising judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.
- 4.2 During the preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited annual financial statements for the year ended June 30, 2025.
- 4.3 The provision for taxation for the quarter ended September 30, 2025, has been made on an estimated basis.

5 PROPERTY, PLANT & EQUIPMENT

	Note	30-Sep-25 Un-audited Rupees	30-Jun-25 Audited Rupees
Operating Assets			
Book value at the beginning of the period		156,667,777	177,248,160
Addition during the period		1,443,594	7,068,000
Deletion during the period		-	(10,532,566)
		<u>158,111,371</u>	<u>173,783,592</u>
Depreciation charged during the period		<u>(3,823,523)</u>	<u>(17,115,817)</u>
Book value at the end of the period		<u><u>154,287,848</u></u>	<u><u>156,667,775</u></u>

6 SHORT TERM BORROWINGS

Banking Companies - Secured	6.1	261,562,249	297,043,624
Loan from Directors – Unsecured	6.2	<u>70,105,341</u>	<u>70,105,341</u>
		<u><u>331,667,590</u></u>	<u><u>367,148,965</u></u>

- 6.1** 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.

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

7 CONTINGENCIES & COMMITMENTS

Contingencies

The commercial banks have issued guarantees on behalf of the Company amounting to Rs.0.000 million (2024 : Rs.0.000 million).

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.



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).

8 TRANSACTIONS WITH RELATED PARTIES

There were no related parties transactions during the period.

The transactions with related parties are executed on arm's length prices. Directors are interested to the extent of their directorship/shareholding. There is no change in nature of relationship with related parties as reported in the financial statements for the proceeding financial year ended June 30, 2025.

9 CASH GENERATED FROM OPERATIONS


	30-Sep-25 Un-Audited Rupees	30-Sep-24 Un-Audited Rupees
Cash flows from operating activities		
Profit before taxation	(6,739,642)	3,402,177
Adjustments for:		
Depreciation	3,823,523	4,141,505
Finance cost	10,592,911	11,033,057
	<u>14,416,434</u>	<u>15,174,562</u>
Operating profit before working capital changes	7,676,792	18,576,739
(Increase)/decrease in current assets		
Stores and spares	992,997	(1,502,398)
Stock-in-trade	(13,484,623)	(5,229,085)
Trade debts	(6,924,460)	3,885,285
Advances, deposits, prepayments and other receivables	30,227,192	6,989,687
	<u>10,811,106</u>	<u>4,143,489</u>
Increase/(decrease) in current liabilities		
Trade and other payables	35,626,996	(40,074,500)
Cash (used in) from operations	<u>54,114,894</u>	<u>(17,354,272)</u>


10 CORRESPONDING FIGURES AND GENERAL

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

11 DATE OF AUTHORIZATION

These Condensed interim financial statements were authorized for issue on October 29, 2025 by the board of directors of the Company.


MAMAD AFZAL SHEIKH
CHAIRMAN


MUHAMMAD AMIN SHEIKH
CHIEF EXECUTIVE


MUHAMMAD TARIQ AMIN
CHIEF FINANCIAL OFFICER

Labore: Oct 29, 2025



AL-KHAIR GADOON LTD.

September
30, 2025

AL-KHAIR GADOON LTD.



Alkhair Foam



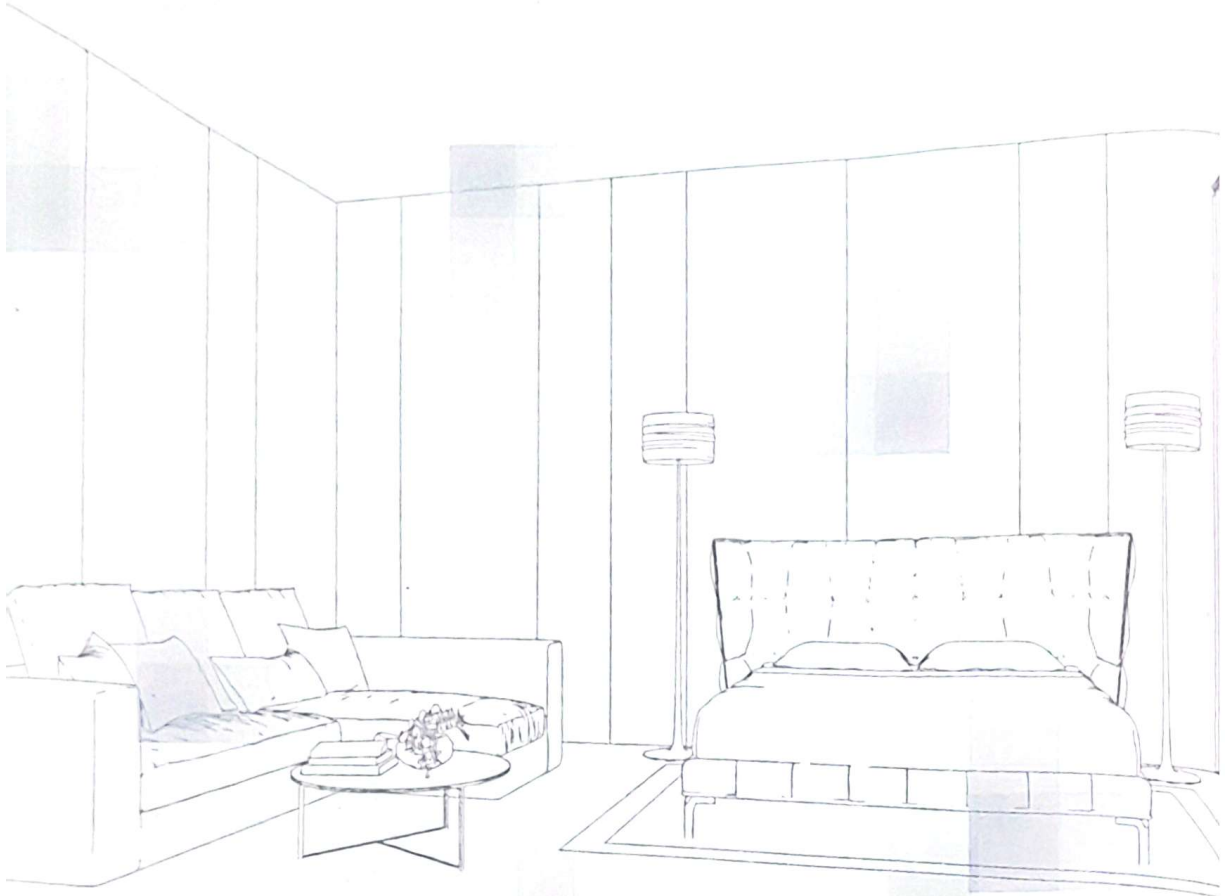
Araamco آرا مكو



8-FOAM
THE KINGDOM OF COMFORT



SERENEFOAM
No.1 Nationwide



CONTACT US

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

UAN: 042-111-111-605

E-mail: info@alkhaigadoon.com

🌐 www.alkhaigadoon.com