



SINCE 1980

AL-KHAIR GADOON LTD.

Condensed Interim
Financial Statements
3rd Quarter Ended

March
31, 2023
(Un-Audited)

www.alkhairgadoon.com

**COMPANY INFORMATION**

BOARD OF DIRECTORS:	Mohammad Afzal Sheikh Mohammad Saeed Sheikh Mohammad Amin 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:	Mr. Jehanzeb Chaudhury	
COMPANY SECRETARY:	Mohammad Amin Sheikh	
AUDITORS:	M/s. Tahir Siddiqi & Co., Chartered Accountants.	
LEGAL ADVISOR:	Mr. Umer Jamil (Advocate High Court)	
SHARES REGISTRAR:	Shemas International (Pvt) Limited 533-Imperial Garden Block, Main Boulevard, Paragon City, Barki Road, Lahore.	
BANKERS:	Meezan Bank Limited Bank Alfalah Limited. Habib Metropolitan Bank Limited Allied Bank Limited Soneri Bank Limited	
REGISTERED OFFICE & FACTORY SITE:	92/3, 94A & 94B Phase III, Industrial Estate, Gadoon Amazai, District Swabi, (K.P.K) Tel: (0938) 270260 Fax: (0938) 270270	
CORPORATE OFFICE:	Al-Khair House, 43-T, Gulberg II, Lahore. Tel: (0342)-4311111 Fax: (042) 35716588, 35753719 Email: info@alkhairgadoon.com Website: www.alkhairgadoon.com	

DIRECTORS' REVIEW REPORT FOR THE NINE MONTHS ENDED MARCH, 31 2023

On behalf of the board of directors of the Company, we are pleased to present before you Condensed Interim Financial Statements of the Company for the nine months ended March 31, 2023.

Operational Results

During the nine months ended March 31, 2023, the Company has recorded net sales of Rs. 781,420,025 compared to Rs. 811,409,986 for the same period of last year with a decrease of Rs. 29,989,961 (3.83%). During the period under review, the Company earned a gross profit of Rs. 104,352,948 and net profit of Rs. 10,846,472 as compared to gross profit of Rs. 124,165,044 and net profit of Rs. 37,101,923 respectively for the same period of last year.

Future Outlook

The major threat to business is facing problems in imports due to trade deficit of the country which results problems in import payments. Other problem is devaluation of rupee which increase the cost of product. Thirdly at retail level is ever rising inflation and dearness prevailing in the country 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 state of affairs of the Company and economic conditions of the country in terms of inflation, prevailing dearness in the country, in addition to intense competition from existing players and new entrants which are major challenges to meet in coming future.

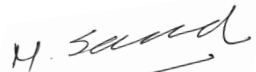
The management of the Company is fully cognizant of the situation and will overcome through the strategies of improved operational efficiencies, synergies, best product mix management, effective cost control measures and better trade partnering with customers. The Company has been exhibiting strong performance 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.

Appreciation

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



MUHAMMAD AFZAL SHEIKH
Chairman



MUHAMMAD SAEED SHEIKH
Chief Executive

Lahore: April 26, 2023

ڈائریکٹرز کی جائزہ رپورٹ 31 مارچ 2023 کو ختم ہونے والے نو ماہی کے لیے

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے، ہمیں 31 مارچ 2023 کو ختم ہونے والے نو ماہی کے لیے کمپنی کے کنڈینسڈ عبوری مالیاتی بیانات آپ کے سامنے پیش کرتے ہوئے خوشی ہو رہی ہے۔

آپریشنل نتائج

31 مارچ، 2023 کو ختم ہونے والی نو ماہ کی مدت کے دوران، کمپنی ترقی کی راہ پر گامزن رہی اور اس نے 29.990 ملین روپے (3.83%) کے گھٹنے کے ساتھ گزشتہ سال کی اسی مدت کے لیے 811.410 ملین روپے کے مقابلے میں 781.420 ملین روپے کی خالص فروخت ریکارڈ کی۔ زیر جائزہ مدت کے دوران، کمپنی نے 104.353 ملین روپے کا مجموعی منافع اور 10.846 ملین روپے کا خالص منافع حاصل کیا جو کہ گزشتہ سال کی اسی مدت کے لئے 124.165 ملین روپے کے مجموعی منافع اور 37.102 ملین روپے کے خالص منافع کے مقابلے میں تھا۔

مستقبل کے خدو خال

کاروبار کو سب سے بڑا خطرہ ملک کے تجارتی خسارے کی وجہ سے درآمدات میں مسائل کا سامنا ہے جس کے نتیجے میں درآمدی ادائیگیوں میں مشکلات کا سامنا ہے۔ دوسرا مسئلہ روپے کی قدر میں کمی ہے جس سے مصنوعات کی لاگت میں اضافہ ہوتا ہے۔ تیسرا یہ ہے کہ خوردہ سطح پر مہنگائی میں مسلسل اضافہ اور مہنگائی کا راج ہے۔ وہ ملک جس نے صارفین کی قوت خرید کو بری طرح متاثر کیا ہے جس کے نتیجے میں فوم اور اس سے منسلک مصنوعات کی فروخت کے اہداف متاثر ہوئے ہیں۔ کمپنی کی انتظامیہ کمپنی کے حالات اور ملک کے معاشی حالات سے مہنگائی، موجودہ مہنگائی کے حوالے سے

پوری طرح آگاہ ہے۔ ملک، موجودہ مینوفیکچررز اور نئے آنے والوں سے شدید مقابلے کے علاوہ جو آنے والے مستقبل میں بڑے چیلنجز کا سامنا ہے۔

کمپنی کی انتظامیہ صورتحال سے پوری طرح باخبر ہے اور بہتر آپریشنل افادیت، ہم آہنگی، بہترین پروڈکٹ مکس مینجمنٹ، لاگت پر قابو پانے کے موثر اقدامات اور صارفین کے ساتھ بہتر تجارتی شراکت داری کی حکمت عملیوں کے ذریعے قابو پائے گی۔ کمپنی کئی سالوں سے چیلنجوں کے خلاف مضبوط کارکردگی کا مظاہرہ کر رہی ہے، چاہے وہ بڑھتی ہوئی مسابقت کا خطرہ ہو، خام مال کی قیمتوں میں اتار چڑھاؤ ہو یا شرح مبادلہ۔ آپریشنل فضیلت اور انتظامی مہارتوں نے کمپنی کو پائیدار ترقی کے لیے پیش کیا ہے تاکہ آنے والے چیلنجوں کا مقابلہ کیا جاسکے۔ سماجی طور پر ذمہ دار، مالی طور پر قابل عمل اور آپریشنل طور پر ہوشیار ہونا کمپنی کے اہم مقاصد رہیں گے۔

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 بینکرز 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۔

M. Saad

محمد سعید شیخ
چیف ایگزیکٹو

M. Saad

محمد افضل شیخ
چیرمین

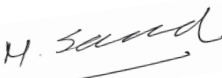
لاہور: 26 اپریل 2023

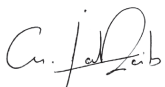


CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

	Note	Un-Audited March, 31 2023 Rupees	Audited June, 30 2022 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, Plant and Equipment	5	161,918,321 161,918,321	171,692,983 171,692,983
CURRENT ASSETS			
Stores and Spares		3,456,982	5,403,169
Stock in Trade		311,242,848	292,018,364
Trade Debts		48,014,436	55,406,221
Advances, Deposits and Prepayments		19,981,867	41,456,375
Advance Taxes - Net		40,034,976	37,180,036
Cash and Bank Balances		22,674,315	17,399,686
		445,405,424	448,863,851
TOTAL ASSETS		607,323,745	620,556,834
EQUITY AND LIABILITIES			
Authorized Capital			
12,000,000 Ordinary shares of Rs. 10 each		120,000,000	120,000,000
Issued, Subscribed and Paid up Capital		100,000,000	100,000,000
Capital Reserves - Share Premium		25,000,000	25,000,000
Unappropriated Profit		166,358,082	155,511,610
Shareholders' Equity		291,358,082	280,511,610
NON CURRENT LIABILITIES			
Long Term Loan	6	8,333,314	11,111,083
Lease Liabilities		1,267,091	1,679,918
Deferred Liabilities		27,671,328	27,671,328
		37,271,733	40,462,329
CURRENT LIABILITIES			
Current portion of Long Term Loan		3,703,692	3,337,317
Lease Liabilities		597,494	560,343
Trade and Other Payables		202,070,188	117,949,487
Taxes Payable		439,514	325,767
Short Term Borrowings	7	70,105,342	175,632,281
Un-Claimed Dividend		1,777,700	1,777,700
		278,693,930	299,582,895
CONTINGENCIES AND COMMITMENTS			
		-	-
TOTAL EQUITY AND LIABILITIES		607,323,745	620,556,834


MOHAMMAD AFZAL SHEIKH
CHAIRMAN


MOHAMMAD SAEED SHEIKH
CHIEF EXECUTIVE


JEHANZEB CHAUDHURY
CHIEF FINANCIAL OFFICER

Lahore: April 26, 2023

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

	Nine Months Ended		Quarter Ended	
	July-Mar, 2023	July-Mar, 2022	Jan-Mar, 2023	Jan-Mar, 2022
	Rupees		Rupees	
Sales - net	781,420,025	811,409,986	225,422,015	362,649,928
Cost of sales	(677,067,077)	(687,244,942)	(189,727,345)	(307,096,945)
Gross profit	104,352,948	124,165,044	35,694,670	55,552,983
Administrative expenses	(38,301,067)	(30,649,390)	(13,308,204)	(9,996,123)
Distribution expenses	(24,035,059)	(39,508,953)	(8,184,583)	(21,949,576)
	(62,336,126)	(70,158,343)	(21,492,787)	(31,945,699)
Operating profit	42,016,822	54,006,701	14,201,883	23,607,284
Finance cost	(22,095,517)	(7,169,501)	(5,994,852)	(2,258,865)
Other operating income	692,917	407,348	280,892	(5,513)
Profit before taxation	20,614,222	47,244,548	8,487,923	21,642,906
Income tax expenses	(9,767,750)	(10,142,625)	(2,817,775)	(4,533,124)
Profit after taxation	10,846,472	37,101,923	5,670,148	16,809,782
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	10,846,472	37,101,923	5,670,148	16,809,782
Earnings per share - before tax (basic and diluted - Rupees)	2.06	4.72	0.85	2.13
Earnings per share - after tax (basic and diluted - Rupees)	1.08	3.71	0.57	1.68

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

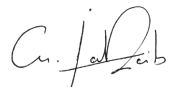
	Note	July-Mar 2023 Rupees	July-Mar-2022 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	10	152,963,978	122,528,682
Finance cost paid		(22,844,749)	(8,455,436)
Taxes (paid) / refunds received		(12,622,690)	(15,014,251)
Net cash (used in) generated from operating activities		117,496,539	99,058,995
Cash flows from investing activities			
Fixed capital expenditure		(3,907,900)	(10,145,672)
Net cash (used in) investing activities		(3,907,900)	(10,145,672)
Cash flows from financing activities			
Short term borrowings		(105,526,939)	(85,388,192)
Long Term Loans		(2,411,395)	(4,636,375)
Lease Liabilities		(375,676)	-
Net cash generated / (used in) financing activities		(108,314,010)	(90,024,567)
Net (decrease)/increase in cash and cash equivalents		5,274,629	(1,111,245)
Cash and cash equivalents at the beginning of the year		17,399,686	20,072,530
Cash and cash equivalents at the end of the period		22,674,315	18,961,285



MOHAMMAD AFZAL SHEIKH
CHAIRMAN



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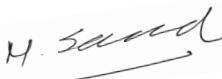
Lahore: April 26, 2023

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

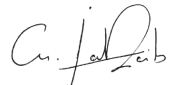
	Issued, Subscribed and Paid up			Total
	Share Capital	Share Premium	Unappropriated Profit	
	(-----Rupees-----)			
Balance as at 1 July 2021 (Audited)	100,000,000	25,000,000	126,615,042	251,615,042
Comprehensive income for the year				
Profit for the period	-	-	37,101,923	37,101,923
Other comprehensive income (loss)	-	-	-	-
	-	-	37,101,923	37,101,923
Balance as at March 31, 2022 (Un-audited)	100,000,000	25,000,000	163,716,965	288,716,965
Balance as at 1 July 2022 (Audited)	100,000,000	25,000,000	155,511,610	280,511,610
Comprehensive income for the period				
Profit for the period	-	-	10,846,472	10,846,472
Other comprehensive income (loss)	-	-	-	-
	-	-	10,846,472	10,846,472
Balance as at March 31, 2023 (Un-audited)	100,000,000	25,000,000	166,358,082	291,358,082



MOHAMMAD AFZAL SHEIKH
CHAIRMAN



MOHAMMAD SAEED SHEIKH
CHIEF EXECUTIVE



JEHANZEB CHAUDHURY
CHIEF FINANCIAL OFFICER

Lahore: April 26, 2023

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2023

1 THE COMPANY AND ITS OPERATIONS

Al-Khair Gadoon Limited (the Company) was incorporated on August 27, 1990 as a Private Limited Company under the Companies Ordinance, 1984 (the Ordinance) [now Companies Act, 2017] and converted into Public Limited Company on August 31, 1995 and is listed on the Pakistan Stock Exchange Limited. It is primarily engaged in manufacturing of foam and allied products. The company's registered office is located at 92/3, Phase-III, Industrial Estate, Gadoon Amazai, District Swabi, KPK and corporate office is located at Al-khair house, 43-T, Gulberg-II, Lahore. The manufacturing plant of the company is located at 92/3, Phase-III, Industrial Estate, Gadoon Amazai, District Swabi, KPK and 94-A, 94-B, Phase-III, Industrial Estate, Gadoon Amazai, District Swabi, KPK.

2 STATEMENT OF COMPLIANCE

2.1 These condensed interim financial statements of the Company for the nine months ended March 31, 2023 have been prepared in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprises of:

International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the Inter-national Accounting Standards Board (IASB) as notified under the Companies Act, 2017, and Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with Company's annual audited financial statements for the year ended June 30, 2022.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies for the preparation of quarterly financial statements for the quarter ended March, 31 2023 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, 2022.

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, 2022.

4.3 The provision for taxation for the nine months ended March 31, 2023 has been made on an estimated basis.

5 PROPERTY, PLANT & EQUIPMENT

	31-Mar-23 Un-audited Rupees	30-Jun-22 Audited Rupees
Operating Assets		
Book value at the beginning of the period	171,692,983	157,356,870
Addition during the period	3,907,900	33,058,018
Deletion during the period	-	-
	<u>175,600,883</u>	<u>190,414,888</u>
Depreciation charged during the period	<u>(13,682,562)</u>	<u>(18,721,905)</u>
Book value at the end of the period	<u>161,918,321</u>	<u>171,692,983</u>
	Additions	Deletions
5.1 Following additions made during the period		
Plant and Machinery	599,000	-
Tools and Equipment	11,400	-
Office Equipment	150,000	-
Furniture and Fixture	26,000	-
Computers	222,500	-
Vehicle	2,899,000	-
	<u>3,907,900</u>	<u>-</u>

6 LONG TERM LOAN

	31-Mar-23 Un-audited Rupees	30-Jun-22 Audited Rupees
6.1 Long Term Loan (Sindh Bank)-Secured	12,037,006	12,313,400
Less: Current portion of long term loan	(3,703,692)	(1,202,317)
	<u>8,333,314</u>	<u>11,111,083</u>
6.2 Long Term Loan-BAFL-Secured	-	-
Less: Current portion of long term loan-Secured	-	2,135,000
	<u>-</u>	<u>2,135,000</u>

There is no material change in the terms and conditions of the long term loans as disclosed in the annual audited financial statements as at and for the year ended June 30, 2022.

The loan from bank Al-Falah has been fully paid and settled during this period.

7 SHORT TERM BORROWINGS

	31-Mar-23 Un-audited Rupees	30-Jun-22 Audited Rupees
BAFL - Finance Against Imported Material	-	105,526,940
Loan from Directors - Unsecured 7.1	70,105,342	70,105,342
	<u>70,105,342</u>	<u>175,632,282</u>

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

8 CONTINGENCIES AND COMMITMENTS
8.1 Contingencies

There is no material change in the status of contingencies as reported in the financial statements for the preceding financial year ended June 30, 2022.

8.2 Commitments

Commitments in respect of letter of credits for raw materials at the terminal date were Rs.12.05M (June 30, 2022 Rs.143.000M)

9 TRANSACTIONS WITH RELATED PARTIES

There were no related parties transactions during the period.

The transactions with related parties are executed on arms' length prices. Directors are interested to the extent of their directorship / shareholding. There is no change in nature of relationship with related parties as reported in the financial statements for the preceding financial year ended June 30, 2022.

10 CASH GENERATED FROM OPERATIONS

	31-Mar-23 Un-audited Rupees	31-Mar-22 Un-audited Rupees
Profit before taxation	20,614,222	47,244,548
Adjustments for non cash items:		
Depreciation on property, plant and equipment	13,682,562	13,088,977
Finance cost	22,095,517	7,169,501
Provision for loss Allowance	(112,565)	(46,377)
	<u>35,665,514</u>	<u>20,212,101</u>
Operating profit before working capital changes	56,279,736	67,456,649
Decrease/(increase) in current assets		
Stores and spares	1,946,187	545,850
Stock-in-trade	(19,224,484)	(2,492,996)
Trade debts	7,504,350	3,045,482
Advances, deposits and prepayments	21,474,508	962,192
	<u>11,700,561</u>	<u>2,060,528</u>
(Decrease)/increase in current liabilities		
Trade and other payables	84,983,681	53,011,506
Net cash flow from Operating Activities	<u>152,963,978</u>	<u>122,528,682</u>

11 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

12 FINANCIAL RISK MANAGEMENT

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

The condensed interim financial statements do not include all financial risk management information and disclosures required in the audited annual financial statements and should be read in conjunction with the audited annual financial statement for the year ended June 30, 2022.

There has been no change in Company's sensitivity to these risks since June 30, 2022 except for general exposure to fluctuations in foreign currency and interest rates. There have been no change in the risk management policies during the period.




There have been no significant changes in the business or economic circumstances during the period that would have affected the fair values of the financial assets of the Company. Further, no re-classifications in the categories of financial assets have been made since June 30, 2022.

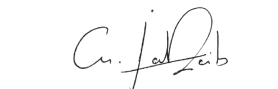
- 13 Figures have been rounded off to the nearest rupee and previous period's figures have been re-classified where necessary.
- 14 The Condensed interim financial statements were authorized for issue on April 26, 2023 by the board of directors of the company.



MOHAMMAD AFZAL SHEIKH
CHAIRMAN



MOHAMMAD SAEED SHEIKH
CHIEF EXECUTIVE



JEHANZEB CHAUDHURY
CHIEF FINANCIAL OFFICER

Lahore: April 26, 2023

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