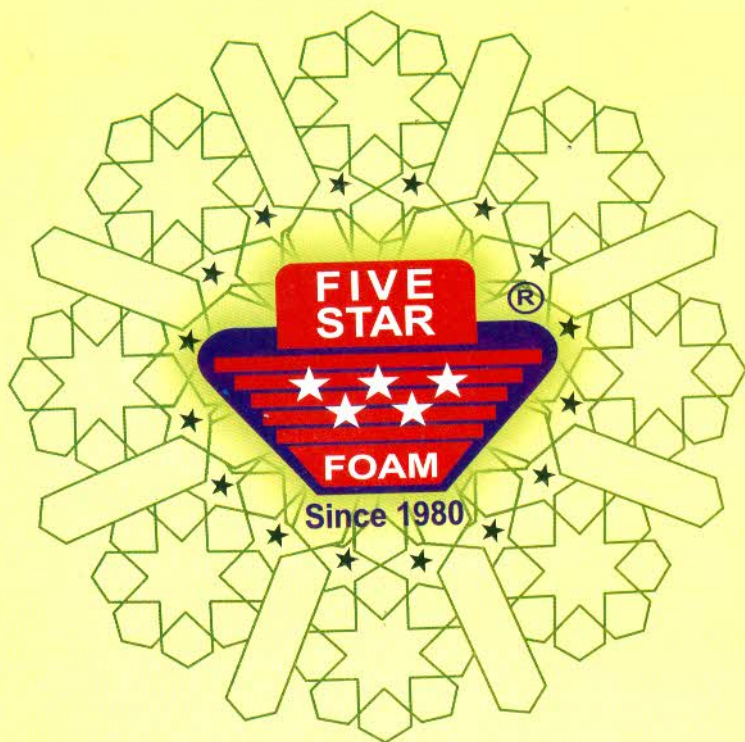


AL-KHAIR GADOON LTD.



September 30, 2014
(Un-Audited)

QUARTERLY REPORT
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CONTENTS	PAGE NO.
COMPANY INFORMATION	2
DIRECTORS' REVIEW REPORT	3
CONDENSED INTERIM BALANCE SHEET	4
CONDENSED INTERIM PROFIT & LOSS ACCOUNT	5
CONDENSED INTERIM CASH FLOW STATEMENT	6
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY	7
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	8



AL-Khair Gadoon Ltd.

COMPANY INFORMATION

BOARD OF DIRECTORS:

Mr. Mohammad Afzal Sheikh	- Chairman
Mr. Mohammad Saeed Sheikh	- Chief Executive
Mr. Mohammad Amin Sheikh	- Director
Mr. Sheikh Pervaiz Afzal	- Director
Mrs. Parveen Afzal	- Director
Mrs. Farnaz Saeed	- Director
Mrs. Nafeesa Amin	- Director
Mrs. Munawar Pervaiz	- Director

AUDIT COMMITTEE:

Sheikh Pervaiz Afzal	- Chairman
Mrs. Parveen Afzal	- Member
Mrs. Farnaz Saeed	- Member
Mr. Khurram Iftikhar	- Secretary

HUMAN RESOURCE & REMUNERATION COMMITTEE:

Mrs. Munawar Pervaiz	- Chairman
Sheikh Pervaiz Afzal	- Member
Mrs. Nafeesa Amin	- Member
Mushtaq Ahmed Shaheen	- Secretary

COMPANY SECRETARY:

Mr. Mohammad Amin Sheikh

AUDITORS:

M/s. Tahir Siddiqi & Co., Chartered Accountants.
(A member firm of TIAG International)

LEGAL ADVISOR:

Mr. Naeem Anjum (Advocate High Court)

SHARES REGISTRAR:

Shemas International (Pvt) Limited
Suite No.31, 2nd Floor, Sadiq plaza, 69-The Mall, Lahore

BANKERS:

Allied Bank Limited.
Bank Alfalah Limited.

REGISTERED OFFICE & FACTORY SITE:

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

CORPORATE OFFICE:

Al-Khair House,
43-T, Gulberg II,
Lahore.
Tel: (042) 111-111-043



DIRECTORS' REVIEW REPORT
For the Quarter Ended September 30, 2014

The Directors are pleased to present the financial statements of the Company for the first quarter ended September 30, 2014.

During the quarter ended September 30, 2014, the company has faced decline in growth trend and has registered decline in its turnover by 17.61% as compared to the corresponding period of last year.

During the period under report, Company's absolute gross profit decreased by 49.80%, because cost pressures on company's key raw materials remained high. The company managed to mitigate the effect of this increase through selective price increases.

Future Prospect

Economic growth is expected to remain slow in the short term as a result of weakened industrial activity due to continuing energy crises and poor law and order situation in the country.

Under the prevailing circumstances, the outlook for 2014 – 2015 remains challenging. The Government must work together with all its stakeholders to provide a solution to the worsening energy crisis and political uncertainty. The geopolitical situation of KPK is deteriorating economic situation of the province.

However, your Company has been exhibiting strong performance against challenges over the years, be it vulnerability of increased competition, rise in raw material prices or fluctuating exchange rate. Operational excellence and management skills have positioned the Company for sustainable growth to meet challenges ahead.

FOR AND ON BEHALF OF THE BOARD

MOHAMMAD AFZAL SHEIKH
Chairman

Lahore: October 28, 2014



CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2014

	Un-Audited September 30, 2014	Audited June 30, 2014
	Rupees	Rupees
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	87,418,482	89,061,521
Deferred taxation	119,026	119,026
	87,537,508	89,180,547
CURRENT ASSETS		
Stores and spares	1,251,475	1,632,147
Stock in trade	140,991,427	142,804,480
Trade debts	9,187,493	13,884,797
Advances, deposits, prepayments and other receivables	171,369,042	182,053,567
Cash and bank balances	5,505,276	6,616,487
	328,304,713	346,991,478
Non-Current assets held for sale	13,269,569	13,269,569
TOTAL ASSETS	429,111,790	449,441,594
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		
Issued, subscribed and paid up capital	100,000,000	100,000,000
Capital reserves- Share Premium	25,000,000	25,000,000
Unappropriated profit	47,436,153	57,308,128
Shareholders' equity	172,436,153	182,308,128
NON CURRENT LIABILITIES		
Deferred Liabilities	6,801,167	6,801,167
CURRENT LIABILITIES		
Trade and other payables	137,560,763	115,471,961
Short term borrowings-secured	104,763,183	137,881,778
Un-Claimed Dividend	1,844,946	1,844,946
Provision for taxation	5,705,578	5,133,614
	249,874,470	260,332,299
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	429,111,790	449,441,594

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



CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2014

	Jul-Sep 30, 2014 Rupees	Jul-Sep 30, 2013 Rupees
Sales - net	57,196,410	69,422,756
Cost of sales	(53,086,684)	(61,236,559)
Gross profit	4,109,726	8,186,197
Administrative expenses	(5,272,632)	(9,077,392)
Distribution expenses	(4,065,009)	(7,531,034)
	(9,337,641)	(16,608,426)
Operating Loss	(5,227,915)	(8,422,229)
Finance cost	(4,072,096)	(1,181,815)
Loss before taxation	(9,300,011)	(9,604,044)
Taxation	(571,964)	(694,228)
Loss after taxation	(9,871,975)	(10,298,272)
Other Comprehensive Income for the period	-	-
Total Comprehensive Income for the period	(9,871,975)	(10,298,272)
Loss per share - basic and diluted (Rupees)		
Before tax	(0.93)	(0.96)
After tax	(0.99)	(1.03)

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



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2014

	Jul-Sep 30, 2014 Rupees	Jul-Sep 30, 2013 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(9,300,011)	(9,604,044)
Adjustments for non cash items:		
Depreciation on property, plant and equipment	2,271,079	2,431,958
Finance cost	4,072,096	1,181,815
Provision for Gratuity	-	327,941
Provision for doubtful debt	(684,610)	(212,763)
	5,658,565	3,728,951
Operating loss before working capital changes	(3,641,446)	(5,875,093)
(Increase)/decrease in current assets		
Stores and spares	380,672	(104,810)
Stock-in-trade	1,813,053	(14,993,042)
Trade debts	5,381,914	4,255,265
Advances, deposits, prepayments and other receivables	12,794,931	344,908
	20,370,570	(10,497,679)
Increase/(decrease) in current liabilities		
Trade and other payables	21,965,207	6,236,278
	38,694,331	(10,136,494)
Finance cost paid	(3,948,501)	(1,224,198)
Taxes paid	(2,110,406)	(11,830,738)
Gratuity paid	-	(28,654)
	(6,058,907)	(13,083,590)
Net cash generated / (used in) operating activities	32,635,424	(23,220,084)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(207,750)	(114,810)
Capital work in progress	(420,290)	(1,287,539)
Net cash used in investing activities	(628,040)	(1,402,349)
CASH FLOWS FROM FINANCING ACTIVITIES		
Liabilities against assets subject to finance lease	-	(79,617)
Short term borrowings	(33,118,595)	31,305,431
Net cash (used in) / generated from financing activities	(33,118,595)	31,225,814
Net (decrease) / increase in cash and cash equivalents	(1,111,211)	6,603,380
Cash and cash equivalents at the beginning of the period	6,616,487	11,453,827
Cash and cash equivalents at the end of the period	5,505,276	18,057,207

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

MOHAMMAD AFZAL SHEIKH
Chairman

MOHAMMAD SAEED SHEIKH
Chief Executive

Lahore: October 28, 2014



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2014

	Share capital	Share Premium	Unappropriated profit	Total
	Rupees			
Balance as at 1 July 2013 - restated	100,000,000	25,000,000	83,801,165	208,801,165
Total comprehensive income for the first Quarter	-	-	(10,298,272)	(10,298,272)
Balance as on September 30, 2013	100,000,000	25,000,000	73,502,893	198,502,893
Balance as at 1 July 2014	100,000,000	25,000,000	57,308,128	182,308,128
Total comprehensive income for the first Quarter	-	-	(9,871,975)	(9,871,975)
Balance as on September 30, 2014	100,000,000	25,000,000	47,436,153	172,436,153

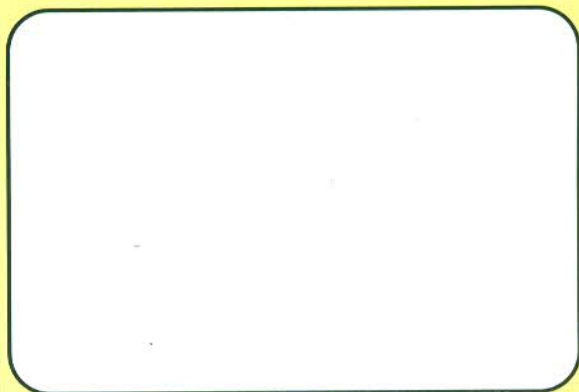
The annexed notes form an integral part of these condensed financial statements.



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2014

- 1 These Financial statements are un-audited and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984, and prepared in accordance with requirements of the International Accounting Standard IAS 34 "Interim Financial Reporting."
- 2 The accounting policies for the preparation of quarterly financial statements for the quarter ended September 30, 2014 are the same as those applied in the preparation of the preceding annual published financial statements of the Company.
- 3 There is no contingency outstanding on the date.
- 4 Figures have been rounded off to the nearest rupee and previous period's figures have been re-classified / restated where necessary.

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