



AL-KHAIR GADOON LTD.

Condensed Interim
Financial Statements
Half Year Ended
December 31, 2018
(Un-Audited)





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
Mr. Kamal Subhani	- Independent Director

AUDIT COMMITTEE:

Mr. Kamal Subhani	- Chairman
Mrs. Parveen Afzal	- Member
Mrs. Farnaz Saeed	- Member
Mr. Khurram Iftikhar	- Secretary

HUMAN RESOURCE &

REMUNERATION COMMITTEE:

Mrs. Nafeesa Amin	- Chairman
Mrs. Farnaz Saeed	- Member
Mr. Sheikh Pervaiz Afzal	- Member
Mr. Mushtaq Ahmed Shaheen	- Secretary

CHIEF FINANCIAL OFFICER

Mr. Abdul Hafeez Poswal

COMPANY SECRETARY:

Mr. Mohammad Amin Sheikh

AUDITORS:

M/s. Tahir Siddiqi & Co., Chartered Accountants.

LEGAL ADVISOR:

Mr. Naeem Anjum (Advocate High Court)

SHARES REGISTRAR:

Shemas International (Pvt) Limited
533-Imperial Garden Block, Main Boulevard, Paragone City,
Barki Road, Lahore.

BANKERS:

Allied Bank Limited.
Bank Alfalah Limited.

**REGISTERED OFFICE
& FACTORY SITE:**

92/3, 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: (042) 111-111-043 ,Fax:(042) 35716588,35753719
Website: www.alkhaigadoon.com



CHAIRMANS' REVIEW

For the Half Year Ended December 31, 2018

I am pleased to present the unaudited Condensed Interim Financial Statements of the Company for the half year ended December 31, 2018.

During the half year ended December 31, 2018, the Company achieved net sales of Rs.260.180 million as compared to Rs. 148.214 million in the same period of last year up by 75.5%. The growth was mainly due to volume growth as well as better sales mix resulting an increase in gross profit to the tune of Rs.9.813 million up by 44.9%.

During the period under review, despite the substantial growth in sales revenue and gross margin, net profit of the Company remained at Rs.6.484 million as compared to Rs.6.380 for the same period last year. This slight increase is due to significant surge in raw material prices on account of continued downside in value of Pak Rupee against US Dollar, which the Company could not transfer to the customers due to cut throat competition in the foam industry. Yet your Company has managed to tackle the increase in raw material prices by managing the better product mix and increase in sales volume.

During the period under review, administrative and selling expenses are increased by Rs.1.319 million and Rs.1.653 million respectively as compared to the same period of last year which are attributed to higher sales volume. An increase in finance cost of Rs.4.718 million as compared to the same period last year was mainly due to dependency on finance facilities to meet working capital requirement of the Company. However, the Company has tried its best to keep the operating expenses at its low level with a commitment to ensure the same quality standards.

Future Prospect

The management is well aware of the state of economy prevailing in the country. Recovery of current scenario depends upon the restoration of macroeconomic stability, supportive environment for industry and consistent implementation of policies to lift the economy out of frequent boom-and-bust cycles. As soon as the economy regains its balance, it is expected that the country will resume its growth momentum which will also boost the growth of consumer products.

Despite intensified competition from existing players and new entrants in the Foam Industry, your 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.

Acknowledgement

I would like to thank our valued customers and retailers for their continued confidence in us, management team, staff members, workers, bankers, vendors and other stakeholders for their continued support and co-operation.


MOHAMMAD AFZAL SHEIKH
Chairman



چیسر ملین کا جائزہ

میں نہایت سرت کے ساتھ 31 دسمبر 2018 کو ختم ہونے والی ششماہی کے لئے کھپنی کے غیر پڑا مال شدہ عبوری مالیاتی حسابات پیش کرتا ہوں۔

31 دسمبر 2018 کو ختم ہونے والی ششماہی کے دوران کھپنی نے 260.180 ملین روپے کی خالص فروخت کیں جو کہ پچھلے سال کے اسی عرصے کے دوران ہونے والی 148.214 ملین روپے کے مقابلے میں 75.5 فیصد زیادہ ہے۔ اس اضافے کی بنیادی وجہ حجم میں اضافے کے ساتھ بہتر نیکولنس ہے جس کے نتیجے میں کھپنی کا خام نتائج 44.9 فیصد بڑھ گئی کے ساتھ 9.813 ملین روپے رہا۔

زیر جائزہ عرصہ کے دوران، فروخت اور مجموعی منافع میں معقول اضافے کے باوجود کھپنی کا خالص نتائج 6.484 ملین روپے رہا جو کہ پچھلے سال کے اسی عرصہ کے دوران 6.380 ملین روپے تھا۔ اس معمولی اضافے کی وجہ خام مال کی قیمتوں میں امریکی ڈالر کے مقابلے میں روپے کی قیمت میں کمی کی وجہ سے ہوشیار اضافہ ہے جو کہ کھپنی فوم کی صنعت میں نہایت سخت مقابلے کی وجہ سے اپنی گاؤں کو تلاش نہیں کر سکی۔ باوجود اس کے کھپنی نے اپنی مصنوعات کی بہتر منسلک اور فروخت میں اضافے سے خام مال کی قیمتوں میں اضافے کے مسئلے پر اچھے طریقے سے قابو پایا۔ زیر جائزہ عرصہ کے دوران، انتظامی اور فروخت کے اخراجات میں پچھلے سال کے اسی عرصہ کے مقابلے میں بالترتیب 1.319 ملین روپے اور 1.653 ملین روپے اضافہ ہوا جو کہ حجم میں اضافے کی وجہ سے ہے۔ پچھلے سال کے اسی عرصہ کے مقابلے میں مالی اخراجات میں 4.718 ملین روپے کا اضافہ کھپنی کے کام کرنے کے لئے سرمایہ کی ضروریات کو پورا کرنے کے لئے مالی بھولیات پر انحصار ہے۔ بہر حال، کھپنی نے اپنے معیاری اصولوں کو یقینی بنانے کے حوالہ کے ساتھ کھپنی کے عملیاتی اخراجات کو کم سطح پر رکھنے کی پوری کوشش کی ہے۔

مستقبل کا منظر نامہ

انتظامیہ ملگت میں جاری معاشی صورت حال سے پوری طرح ناخبر ہے۔ جاری معاشی منظر نامہ کی بحالی کا انحصار بڑے اقتصادی مسائل میں یکسوئی ہمنگتوں کے لئے امدادی ماحول اور وقتوں سے جاری اتار چڑھاؤ کے جنگوں سے نکلنے اور معیشت کو اوپر اٹھانے کے لئے تسلسل کے ساتھ پالیسیاں نافذ کرنے پر ہے۔ جتنی جلدی معیشت مثبت طور پر بحال ہوگی، ملگت میں متحرک نشوونما کی توقع کی جاسکتی جس کے نتیجے میں صارف سے متعلقہ مصنوعات میں بھی اضافہ ہوگا۔

فوم انڈسٹری میں پرانے کھلاڑیوں اور نئے آنے والوں میں شدید مقابلے، خام مال یا زرمبادلہ کے نرخ میں اتار چڑھاؤ کے باوجود آپ کی کھپنی سالوں سے اپنی زبردست کارکردگی کی وجہ سے ان چیلنجز سے تہرہ آزا رہا ہے۔ عملیاتی برتری اور انتظامی مہارت سے کھپنی اس مقام پر ہے کہ وہ آنے والے چیلنجز کا مسلسل جدوجہد سے مقابلہ کر سکے۔ سماجی طور پر ذمہ دار، مالی طور پر مستحکم اور عملیاتی طور پر منظم ہونا کھپنی کے مستقبل کے مقاصد ہیں گے۔

توثیقی بیان

میں، اپنے مختصر حسابات اور خوردہ فریوٹوں کا ہم پر اعتماد کرنے، انتظامی ٹیم، دفتر میٹنگ، کارکنان، بینکاروں، سپلائرز اور دوسرے سٹیک ہولڈرز کی مسلسل حمایت اور تعاون پر مشکور ہوں۔

محمد فضل شیخ
چیسر ملین



INDEPENDENT AUDITORS' REVIEW REPORT
To the members of Al-Khair Gadoon Limited
Review Report of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Al-Khair Gadoon Limited as at December 31, 2018 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's report is Sarah Tahir Siddiqui, ACA.

Tahir Siddiqi & Co.
Chartered Accountants
Lahore : February 25, 2019



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

	Notes	Un-Audited December 31, 2018 Rupees	Audited June 30, 2018 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, Plant & Equipment	5	85,892,911	70,927,116
Deferred Tax Assets		4,281,083	4,281,083
		<u>90,173,994</u>	<u>75,208,199</u>
CURRENT ASSETS			
Store & Spares		2,536,417	2,924,178
Stock in Trade		215,918,809	178,643,988
Trade Debts		35,302,423	48,557,302
Advances, deposits, Prepayments & other receivables		181,557,380	175,921,578
Cash & Bank Balances		2,929,795	2,781,299
		<u>438,244,824</u>	<u>408,828,345</u>
		<u>528,418,818</u>	<u>484,036,544</u>
EQUITY AND LIABILITIES			
Authorized Capital			
12,000,000 ordinary shares of Rs.10 each		120,000,000	120,000,000
Issued, Subscribed & Paid up Capital			
7,000,000 ordinary shares of Rs.10 each - issued for cash		70,000,000	70,000,000
3,000,000 ordinary shares of Rs.10 each - issued as bonus shares		30,000,000	30,000,000
Capital Reserves - Share Premium		25,000,000	25,000,000
Un-Appropriated Profit		83,101,267	76,617,029
Shareholders' Equity		<u>208,101,267</u>	<u>201,617,029</u>
NON-CURRENT LIABILITIES			
Deferred Liabilities		10,295,080	10,295,080
Loan from Directors		25,000,000	25,000,000
CURRENT LIABILITIES			
Trade & other Payables		139,673,752	54,487,132
Short Term Borrowings	6	134,836,254	185,377,085
Un-Claimed Dividend		1,844,946	1,844,946
Provision for Taxation		8,667,519	5,415,272
		<u>285,022,471</u>	<u>247,124,435</u>
Contingencies & Commitments	7	-	-
		<u>528,418,818</u>	<u>484,036,544</u>

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

MOHAMMAD AFZAL SHEIKH
Chairman

MOHAMMAD SAEED SHEIKH
Chief Executive

ABDUL HAFEEZ POSWAL
Chief Financial Officer

Lahore: February 25, 2019



CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
For the Half Year and Quarter Ended December 31, 2018

	Half year ended		Quarter ended	
	Jul-Dec, 2018	Jul-Dec, 2017	Oct-Dec, 2018	Oct-Dec, 2017
	Rupees		Rupees	
Sales	260,179,796	148,213,576	181,773,400	83,095,616
Cost of Sales	228,512,188	126,358,749	161,511,826	71,533,692
Gross Profit	<u>31,667,608</u>	<u>21,854,827</u>	<u>20,261,574</u>	<u>11,561,924</u>
Operating Expenses				
Administrative Expenses	10,822,326	9,502,980	6,241,509	4,901,589
Distribution Expenses	6,096,872	4,444,055	3,529,026	2,103,161
	<u>16,919,198</u>	<u>13,947,035</u>	<u>9,770,535</u>	<u>7,004,750</u>
Operating Profit	<u>14,748,410</u>	<u>7,907,792</u>	<u>10,491,039</u>	<u>4,557,174</u>
Finance Cost	5,102,246	383,622	4,408,093	261,715
Other Income	90,321	1,590,265	-	1,590,265
Profit Before Taxation	<u>9,736,485</u>	<u>9,114,435</u>	<u>6,082,946</u>	<u>5,885,724</u>
Provision for Taxation	3,252,247	2,734,331	2,272,167	1,920,356
Profit after taxation	<u>6,484,238</u>	<u>6,380,104</u>	<u>3,810,779</u>	<u>3,965,368</u>
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the period	<u>6,484,238</u>	<u>6,380,104</u>	<u>3,810,779</u>	<u>3,965,368</u>
Earnings per share - Basic & Diluted (Rupees)				
Before tax	0.97	0.91	0.61	0.59
After tax	<u>0.65</u>	<u>0.64</u>	<u>0.38</u>	<u>0.40</u>

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

MOHAMMAD AFZAL SHEIKH
Chairman

MOHAMMAD SAEED SHEIKH
Chief Executive

ABDUL HAFEEZ POSWAL
Chief Financial Officer

Lahore: February 25, 2019



CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Notes	Jul-Dec, 2018	Jul-Dec, 2017
		Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES	9	75,690,364	(2,412,491)
Finance cost Paid		(7,551,182)	(381,943)
Taxes (paid) / refund received		1,665,329	(3,219,530)
Gratuity Paid		-	(1,797,894)
Net Cash Generated / Used in Operating Activities		69,804,511	(7,811,858)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital expenditure		(13,745,310)	(38,565)
Payments for capital work in progress		(5,369,874)	-
Proceeds from sale of fixed assets		-	2,585,000
Net Cash Used in / Generated From Investing Activities		(19,115,184)	2,546,435
CASH FLOWS FROM FINANCING ACTIVITIES			
Short Term Borrowings		(50,540,831)	6,239,762
Net Cash (Used in)/Generated From Financing Activities		(50,540,831)	6,239,762
Net Increase in Cash & Cash Equivalent		148,496	974,339
Cash & Cash Equivalent At the Beginning of the period		2,781,299	2,889,378
CASH & CASH EQUIVALANT AT THE END OF THE PERIOD	10	2,929,795	3,863,717

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

MOHAMMAD AFZAL SHEIKH
Chairman

MOHAMMAD SAEED SHEIKH
Chief Executive

ABDUL HAFEEZ POSWAL
Chief Financial Officer

Lahore: February 25, 2019



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Share Capital	Share Premium	Un-appropriated Profit	Total
	Rupees			
Balance as at July 01, 2017 (Audited)	100,000,000	25,000,000	68,208,415	193,208,415
Total other comprehensive income for the half year ended December 31, 2017				
Profit for the period	-	-	6,380,104	6,380,104
Other comprehensive income	-	-	-	-
Balance as at December 31, 2017 (Un-audited)	100,000,000	25,000,000	74,588,519	199,588,519
Total other comprehensive income for the period ended June 30, 2018				
Profit for the period	-	-	1,117,289	1,117,289
Other comprehensive income	-	-	911,221	911,221
Balance as at July 01, 2018 (Audited)	100,000,000	25,000,000	76,617,029	201,617,029
Total other comprehensive income for the half year ended December 31, 2018				
Profit for the period	-	-	6,484,238	6,484,238
Other comprehensive income	-	-	-	-
Balance as at December 31, 2018 (Un-audited)	100,000,000	25,000,000	83,101,267	208,101,267

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

MOHAMMAD AFZAL SHEIKH
Chairman

MOHAMMAD SAEED SHEIKH
Chief Executive

ABDUL HAFEEZ POSWAL
Chief Financial Officer

Lahore: February 25, 2019

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

1 Legal Status and Operations

The company was incorporated as a Private Limited Company on August 27, 1990 and converted into Public Limited Company on August 31, 1995 and is enlisted on Pakistan Stock Exchange Limited. It is primarily engaged in manufacturing of foam and allied products. 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

2.1 Statement of Compliance

The condensed interim financial statements have been prepared in accordance with approved 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 International 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 have been subjected to limited scope review by the auditors, as required under section 237 of Companies Act, 2017 and should be read in conjunction with audited annual financial statements of the Company for the year ended June 30, 2018.

3 Significant Accounting Policies

- 3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in preparation of annual audited financial statements for the year ended June 30, 2018 except as stated in note 3.2 (a) below.

3.2 Change in accounting standards, interpretations and amendments to published approved accounting and reporting standards

- (a) **New standards, amendments and interpretation to published approved accounting and reporting standards which are effective during the half year ended December 31, 2018.**

There are certain amendments and interpretations to approved accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2018. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

In addition to that one new standard (i.e. IFRS 15) has become applicable to the Company effective from July 1, 2018. Because of this new standard certain changes to the Company's accounting policies have been made in light of the following paragraphs:

- IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.
- IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognize revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The changes laid down by these standard do not have any significant impact on these condensed interim financial statements of the Company.

- (b) **New standards and amendments to published approved accounting and reporting standards that are not yet effective:**

Standards, Interpretation or Amendments	Effective Date
- IFRS 9 - Financial Instruments	on or after June 30, 2019
- IFRS 16 - Leases	January 01, 2019

IFRS 9 was applicable to the Company in place of IAS 39 (Financial Instruments: Recognition and Measurement) effective from July 01, 2018 but SECP has modified effective date of applicability of this IFRS as on or after June 30, 2019 vide S.R.O. 229 (1)/2019 of February 14, 2019.

However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

- 3.3 The provision for taxation for the half year ended December 31, 2018 has been made on an estimated basis.

4 Accounting Estimates and Accounting Judgments

- 4.1 The preparation of these condensed interim financial statements are 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, there were no significant changes in the accounting judgment and estimates. Hence, the same judgments and estimates are applied in preparation of this condensed interim financial statement as were applied in preparation of financial statements for the year ended June 30, 2018.



5 Property, Plant & Equipment

	31-Dec-18 Un-audited Rupees	30-Jun-18 Audited Rupees
Operating Assets		
Opening net book value	62,225,893	79,207,584
Addition during the period	13,745,310	4,932,511
Deletion during the period	-	(13,026,608)
	<u>75,971,203</u>	<u>71,113,487</u>
Depreciation charged during the period	(4,149,389)	(8,887,594)
	<u>71,821,814</u>	<u>62,225,893</u>
Capital work in progress		
Opening balance	8,701,223	-
Addition during the period	5,369,874	8,701,223
	<u>14,071,097</u>	<u>8,701,223</u>
Less transfer to operating assets	-	-
	<u>14,071,097</u>	<u>8,701,223</u>
	<u>85,892,911</u>	<u>70,927,116</u>

6 Short Term Borrowings

BAFL - Finance Against Imported Material	84,730,911	135,271,743
Loan from Directors - Unsecured	6.1 50,105,342	50,105,342
	<u>134,836,253</u>	<u>185,377,085</u>

6.1 This represents the interest free loan received from directors. It is unsecured and repayable on demand.

7 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, 2018 except financial commitments for imported material.

8 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 period other than those which have been disclosed elsewhere in the interim financial statements are as follows:-

	31-Dec-18 Un-audited Rupees	30-Jun-18 Audited Rupees
Al-Khair Global (Pvt) Ltd. Purchases	-	26,427,661
Al-Khair Global (Pvt) Ltd. Sales	1,413,600	2,046,365
Noble Foam (Pvt) Ltd. Purchases	-	16,860,000
Noble Foam (Pvt) Ltd. Sales	-	20,033,366



Sales and purchase transactions have been carried out on commercial terms and conditions under comparable uncontrolled method.

9 Cash Generated From Operations

	31-Dec-18 Un-audited Rupees	31-Dec-17 Un-audited Rupees
Cash flows from operating activities		
Profit before taxation	9,736,485	9,114,435
Adjustments for:		
Depreciation	4,149,389	4,575,089
Provision for doubtful debt	1,144,480	(179,097)
Finance cost	5,102,246	383,622
Gain on sale of property, plant and equipment	-	(1,590,265)
	<u>10,396,115</u>	<u>3,189,349</u>
Operating profit before working capital changes (Increase)/decrease in current assets	<u>20,132,600</u>	<u>12,303,784</u>
Stores and spares	387,761	972,934
Stock-in-trade	(37,274,821)	48,814,867
Trade debts	12,110,399	3,581,947
Advances, deposits, prepayments and other receivables	(7,301,131)	3,094,839
	<u>(32,077,792)</u>	<u>56,464,587</u>
Increase/(decrease) in current liabilities		
Trade and other payables	87,635,556	(71,180,862)
Cash generated from / (used in) operations	<u>75,690,364</u>	<u>(2,412,491)</u>
10 Cash and cash equivalent		
Cash in hand	749,917	1,897,867
Cash in banks	2,179,878	1,965,850
	<u>2,929,795</u>	<u>3,863,717</u>
11 Financial Risk Management		

The Company's activities expose it to a variety of financial risks 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, 2018.

There has been no change in Company's sensitivity to these risks since June 30, 2018 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 other 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, 2018.



12 Fair Value of Financial Instruments

The carrying values of all financial assets and liabilities reflected in the interim financial statements are a reasonable approximation of their fair values.

13 General

Corresponding figures have been re-classified where necessary for comparison purpose, however no significant re-arrangement have been made. Figures have been rounded off to the nearest rupee.

14 Date of Authorization

The condensed interim financial statements were authorized for issue on February 25, 2019 by the board of Directors of the Company.


MOHAMMAD AFZAL SHEIKH
Chairman


MOHAMMAD SAEED SHEIKH
Chief Executive


ABDUL HAFEEZ POSWAL
Chief Financial Officer



Since 1980

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