

# AL-KHAIR GADOON LTD.



**Condensed Interim  
Financial Statements  
Third Quarter Ended  
March 31, 2015  
(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
Mrs. Hina Ali	- 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, 2<sup>nd</sup> 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 NINE MONTHS ENDED MARCH 31, 2015**

The Director's of your company are pleased to present the condensed financial statement for the nine months ended March 2015.

During the period under review, the sale value of the Company could not achieve targets but reduction in petroleum prices in the international market supported to improve profitability to certain extent. The company has improved its performance as compared to the corresponding period of last year and has registered profit for the current period. Other reasons for the profitable quarterly results is that the Company has undertaken concerted measures to expand its customer base and improve the quality of its products along with adoption of cost control measures.

During the period under report, the Company has registered positive activity and the loss for the quarter is now converted into profit as compared to the corresponding results of the last year. Although the Company is still sustaining loss but it is decreasing day by day and more favorable results are expected in upcoming period.

Results from operations after tax showed profit 1.76% as compared to the loss of 2.01% of corresponded period of the last year.

**Future Prospect**

The inflation affect on the purchases of raw material which directly hampers the company's sales volume and profit margin. The prices of the products go high with the withdrawal of tax incentives that is why a sharp decline is seen during the period. To surmount these barriers, adequate measures are being taken to streamline the operations, maximize capacity utilization, adopting cost control measures and by introducing new products which has been proved to be a successful strategy. The management is committed to deliver sustainable value to its shareholders and customers by improving effectively and innovations across all the categories.

The company appraises efforts of all team members and staff who were involved in the operational activities of the company.

FOR AND ON BEHALF OF THE BOARD

  
MOHAMMAD AFZAL SHEIKH

Chairman

Lahore: April 24, 2015



# AL-Khair Gadoon Ltd.

## CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2015

	Notes	Un-Audited March 31, 2015 Rupees	Audited June 30, 2014 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipments	4	84,026,401	89,061,521
Deferred Tax Assets		2,184,097	119,026
		<b>86,210,498</b>	<b>89,180,547</b>
<b>CURRENT ASSETS</b>			
Store & Spares		1,165,221	1,632,147
Stock in Trade		185,718,431	142,804,480
Trade Debts		12,213,252	13,884,797
Advances, deposits, Prepayments & other receivables		213,112,540	182,053,567
Cash & Bank Balances		6,395,294	6,616,487
		<b>418,604,738</b>	<b>346,991,478</b>
Non-Current assets held for sale	5	13,269,569	13,269,569
		<b>518,084,805</b>	<b>449,441,594</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Authorized Capital</b>			
12,000,000 ordinary shares of Rs.10 each		120,000,000	120,000,000
<b>Issued, Subscribed &amp; Paid up Capital</b>			
7,000,000 ordinary shares of Rs.10 each		70,000,000	70,000,000
3,000,000 ordinary shares of Rs.10 each issued as fully paid bonus shares.		30,000,000	30,000,000
Capital Reserves -Share Premium		25,000,000	25,000,000
Un-Appropriated Profit		42,904,644	57,308,128
<b>Shareholders' Equity</b>		<b>167,904,644</b>	<b>182,308,128</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred Liabilities		6,801,167	6,801,167
<b>CURRENT LIABILITIES</b>			
Trade & other Payables		190,016,031	115,471,961
Short Term Borrowings	6	143,192,370	137,881,778
Un-Claimed Dividend		1,844,946	1,844,946
Provision for Taxation		8,325,647	5,133,614
		<b>343,378,994</b>	<b>260,332,299</b>
<b>Contingencies &amp; Commitments</b>			
		<b>518,084,805</b>	<b>449,441,594</b>
The annexed notes form an integral part of these condensed financial statements.			
		<b>MOHAMMAD AFZAL SHEIKH</b>	<b>MOHAMMAD SAEED SHEIKH</b>
Lahore: April 24, 2015	Chairman	Chief Executive	



# AL-Khair Gadoon Ltd.

## CONDENSED INTERIM PROFIT & LOSS ACCOUNT (Un-Audited) FOR THE NINE MONTHS ENDED MARCH 31, 2015

	Nine Months ended		Quarter ended	
	Jul-Mar, 2015	Jul-Mar, 2014	Jan-Mar, 2015	Jan-Mar, 2014
	Rupees		Rupees	
Sales	319,203,208	306,880,836	155,033,245	200,485,106
Cost of Sales	292,509,483	367,627,148	140,476,894	188,835,982
Gross Profit	26,693,725	29,253,688	14,556,351	11,649,124
Operating Expenses				
Administrative Expenses	16,134,469	20,752,747	3,613,484	4,815,727
Distribution Expenses	14,219,352	18,849,995	3,532,138	6,904,745
	30,353,821	39,602,742	7,145,622	11,720,472
Operating Profit	(3,660,096)	(10,349,054)	7,410,729	(71,348)
Financial Expenses	(10,048,480)	(4,315,410)	(4,572,368)	(2,378,677)
Other Income	432,053	839,625	432,053	415,499
Profit Before Taxation	(13,276,523)	(13,824,839)	3,270,414	(2,034,526)
Provision for Taxation	1,126,961	5,213,015	546,269	2,002,791
Profit/(Loss) after taxation	(14,403,484)	(19,037,854)	2,724,145	(4,037,317)
Other Comprehensive Income				
Total Comprehensive Income For the period	(14,403,484)	(19,037,854)	2,724,145	(4,037,317)
Earnings/(Loss) per share-Basic & Diluted (Rupees)				
Before tax	(1.33)	(1.38)	0.33	(0.20)
After tax	(1.44)	(1.90)	0.27	(0.40)

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

MOHAMMAD AFZAL SHEIKH

Chairman

MOHAMMAD SAEED SHEIKH

Chief Executive

Lahore: April 24, 2015



# AL-Khair Gaddoon Ltd.

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2015

	Jul-Mar, 2015 Rupees	Jul-Mar, 2014 Rupees
<b>CASH FLOWS OPERATING ACTIVITIES</b>		
Loss before Taxation	(13,276,523)	(13,824,839)
Adjustment for:		
Depreciation	7,015,598	7,394,331
Provision for bad debts	(87,976)	(106,661)
Finance cost	10,048,480	4,315,410
Provision for Gratuity	-	633,006
Gain on Sale of Fixed Assets	(432,053)	(309,870)
	3,267,526	(1,898,623)
<b>(Increase) / decrease in Current Assets</b>		
Stores & Spares	466,926	379,182
Stocks in Trade	(42,913,951)	(71,741,198)
Trade Debts	1,759,521	2,133,220
Advances, deposits, prepayments & other receivables	12,191,688	(10,913,901)
	(28,495,816)	(80,142,697)
<b>Increase / (decrease) in Current Liabilities</b>		
Trade & Other Payables	73,864,146	562,840
<b>Cash generated / (used in) from Operations</b>	48,635,856	(81,478,480)
Finance cost Paid	(9,368,555)	(4,329,595)
Taxes paid / Refund	(43,250,662)	20,194,937
Gratuity Paid	-	(670,209)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	(3,983,361)	(66,283,347)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of PPE	(7,456,417)	(2,796,410)
Capital work in progress	5,422,958	(2,915,224)
Proceeds from Sale of PPE	485,034	350,000
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(1,548,425)	(5,361,634)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of obligation under finance lease	-	(205,671)
Short Term Borrowings	5,301,308	65,587,767
Dividend paid	-	-
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	5,301,308	65,382,096
Net Increase / (Decrease) in Cash & Cash Equivalent	(230,478)	(6,262,885)
Cash & Cash Equivalent At the Beginning of the period	(27,565,800)	(21,640,385)
<b>Cash &amp; Cash Equivalent at the end of the Period Note-7</b>	(27,796,278)	(27,903,270)

MOHAMMAD AFZAL SHEIKH

Chairman

MOHAMMAD SAEED SHEIKH

Chief Executive

Lahore: April 24, 2015



# AL-Khair Gadoon Ltd.

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-Audited) FOR THE NINE MONTHS ENDED MARCH 31, 2015

	Share Capital	Share Premium	Un-appropriated Profit	Total
			Rupees	
Balance as at July 01, 2013 - restated	100,000,000	25,000,000	83,801,165	208,801,165
Total comprehensive income for the period			(19,037,854)	(19,037,854)
Balance as on March 31, 2014	100,000,000	25,000,000	64,763,311	189,763,311
Total comprehensive income for the period			(7,455,183)	(7,455,183)
Balance as at July 01, 2014	100,000,000	25,000,000	57,308,128	182,308,128
Total comprehensive income for the first half			(17,127,629)	(17,127,629)
Total comprehensive income for the third quarter			2,724,145	2,724,145
Balance as on March 31, 2015	100,000,000	25,000,000	42,904,644	167,904,644

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

  
MOHAMMAD AFZAL SHEIKH

Chairman

  
MOHAMMAD SAEED SHEIKH

Chief Executive

Lahore: April 24, 2015



## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH ENDED MARCH 31, 2015

### 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 Karachi, Lahore and Islamabad Stock Exchanges. It is primarily engaged in manufacturing of foam and allied products.

### 2. Basis of Preparation and significant accounting policies

- 2.1 The condensed interim financial statements have been presented in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. This condensed interim financial information is unaudited but subject to limited scope review by the auditors and is being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984. This condensed financial information does not include all the information required for full annual financial statements and should be read in conjunction with the annual statements as at and for the year ended June 30, 2014.
- 2.2 The comparative balance sheet presented in these financial information as at June 30, 2014 has been extracted from the audited financial statements for the year ended June 30, 2014 whereas comparative profit and loss account, cash flow statement and the statement of changes in equity are for the nine months ended March 31, 2014 and were subject to review but not audited. The comparative profit and loss account for the quarter ended March 31, 2015 is also included in the financial statements.

### 3. Significant Accounting Policies

- 3.1 The accounting policies and methods of computation adopted in the preparation of the condensed interim financial information are the same as those applied in preparation of preceding annual financial statements for the year ended June 30, 2014.
- 3.2 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.
- 3.3 During the preparation of this condensed interim financial information, 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, 2014.
- 3.4 The provision for taxation for the nine months ended March 31, 2015 has been made on an estimated basis.

### 4. PROPERTY, PLANT AND EQUIPMENTS

	March 31, 2015	June 30, 2014
	Rupees	Rupees
Opening book value	83,638,563	84,748,920
Addition during the period/year	7,456,417	9,013,084
Disposal during the period/year		
Cost	429,000	877,500
Accumulated Depreciation	(376,019)	(833,372)
	52,981	44,128
Depreciation charge for the period/year	(7,015,598)	(10,079,313)
Closing net book value	84,026,401	83,638,563
Capital work in progress		5,422,958
	84,026,401	89,061,521

### 5. NON-CURRENT ASSETS HELD FOR SALE

Investment in associated Company	13,269,569	13,269,569
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The members of the Company in Annual General Meeting held on October 31, 2013, had approved the divestment of 1,499,500 Ordinary Shares of Rs.10/- each of Al-Khair Mripur (Private) Limited due to the reason that such investment was not giving the desired results for the last many years. Therefore, "Investment in associated company" having book value of Rs.13.269 Million have been classified as Non-Current Assets Held for Sale.





## 6 SHORT TERM BORROWINGS

ABL-Running Finance	34,191,572	34,182,287
Finance Against Trust Receipts	5,396,500	
ABL-Finance Against Imported Material	28,862,725	4,307,000
BAFL-Finance Against Imported Material	54,623,746	74,392,491
	123,074,542	112,881,778
Loan from Associated undertakings - Unsecured/Directors	20,117,828	25,000,000
	143,192,370	137,881,778

## 7 CASH AND CASH EQUIVALENT

	March 31, 2015 Rupees	March 31, 2014 Rupees
Cash and Bank Balances	6,395,294	2,107,299
Running Finance	(34,191,572)	(30,010,569)
	(27,796,278)	(27,903,270)

## 8 General

- Corresponding figures have been re-arranged wherever necessary for the purposes of comparison, however no significant re-arrangements have been made.
- Figures have been rounded off to the nearest rupees.

## 9 Date of authorization

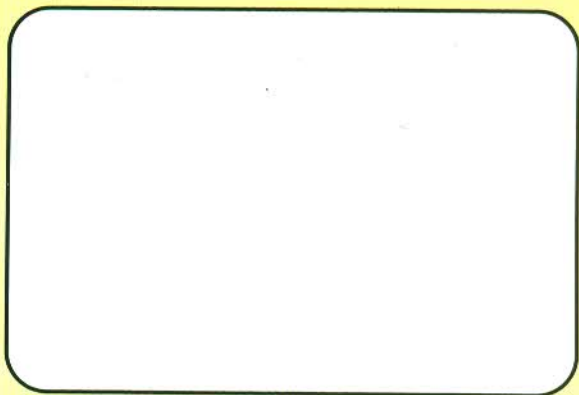
These financial instruments were authorized for issue on April 24, 2015 by the Board of Directors of the Company.

MOHAMMAD AFZAL SHEIKH  
Chairman

MOHAMMAD SAEED SHEIKH  
Chief Executive

Lahore: April 24, 2015

## BOOK POST



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