



**Condensed Interim  
Financial Statements  
First Quarter Ended  
September 30, 2015  
(Un-Audited)**



**AL-KHAIR GADOON LTD.**



# AL-Khair Gadoon Ltd.

| S.NO | CONTENTS  | PAGE NO. |
|------|---|----------|
| I    | COMPANY INFORMATION                                 | 2        |
| II   | DIRECTORS'REVIEW REPORT                             | 3        |
| III  | CONDENSED INTERIM BALANCE SHEET                     | 4        |
| IV   | CONDENSED INTERIM PROFIT & LOSS ACCOUNT             | 5        |
| V    | CONDENSED INTERIM CASH FLOW STATEMENT               | 6        |
| VI   | CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY    | 7        |
| VII  | NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS | 8        |

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## 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:

|                      |             |
|----------------------|-------------|
| Mrs. Nafeesa Amin    | - 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    |
| Mushtaq Ahmed Shaheen    | - Secretary |

### CHIEF FINANCIAL OFFICER

Mr. Saqib Nawaz, ACA

### 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.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



## DIRECTORS' REVIEW REPORT For the Quarter Ended September 30, 2015

The Directors are pleased to present Condensed Interim Financial Statements of the Company for the quarter ended September 30, 2015.

During the quarter ended September 30, 2015, the company has geared up itself into growth trend and has registered growth in its turnover of 18.99% compared to the corresponding period of last year.

During the period under report, Company's absolute gross profit increased by 10.98%, due to reduction in petroleum prices in the international market that supported to improve profitability to the certain extent.

The operations have generated Earnings before Tax amounting to Rs.2.6 million during the Quarter ended September 2015 against the loss of Rs.9.3 million of the corresponding period of last year resulting in an increase of Rs.11.9 million mainly due to low petrochemical prices, better product mix and production efficiencies.

### Future Prospect

We foresee intensified competition from existing players and new entrants in to the Foam Industry. 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. Being socially responsible, financially viable and operationally smart will remain the key objectives of the Company.

FOR AND ON BEHALF OF THE BOARD

MOHAMMAD AFZAL SHEIKH  
Chairman

Lahore: October 29, 2015



# AL-Khair Gadoon Ltd.

## CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2015

|   | Un-Audited<br>September 30, 2015 | Audited<br>June 30, 2015 |
|---|----------------------------------|--------------------------|
|   | Rs.                              | Rs.                      |
| <b>ASSETS</b>   |                                  |                          |
| <b>NON CURRENT ASSETS</b>                             |                                  |                          |
| Property, plant and equipment                         | 79,879,490                       | 82,076,501               |
| Deferred taxation                                     | 3,844,721                        | 3,844,721                |
|   | <b>83,724,211</b>                | <b>85,921,222</b>        |
| <b>CURRENT ASSETS</b>                                 |                                  |                          |
| Stores and spares                                     | 1,254,170                        | 1,724,361                |
| Stock in trade  | 183,041,833                      | 197,192,004              |
| Trade debts   | 8,038,351                        | 13,277,973               |
| Advances, deposits, prepayments and other receivables | 231,351,551                      | 206,718,451              |
| Cash and bank balances                                | 2,031,609                        | 1,466,998                |
|   | <b>425,717,514</b>               | <b>420,379,787</b>       |
| Non-Current Assets Held for sale                      | 13,269,569                       | 13,269,569               |
| <b>TOTAL ASSETS</b>                                   | <b>522,711,294</b>               | <b>519,570,578</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              |
| Issued, subscribed and paid up capital                | 100,000,000                      | 100,000,000              |
| Capital reserves- Share Premium                       | 25,000,000                       | 25,000,000               |
| Unappropriated profit                                 | 55,393,764                       | 53,463,811               |
| <b>Shareholders' equity</b>                           | <b>180,393,764</b>               | <b>178,463,811</b>       |
| <b>NON CURRENT LIABILITIES</b>                        |                                  |                          |
| Deferred Liabilities                                  | 8,475,515                        | 8,475,515                |
| Loan from Directors                                   | 50,105,342                       | 50,105,342               |
|   | <b>58,580,857</b>                | <b>58,580,857</b>        |
| <b>CURRENT LIABILITIES</b>                            |                                  |                          |
| Trade and other payables                              | 188,544,657                      | 185,134,652              |
| Short term borrowings-secured                         | 83,529,955                       | 86,409,779               |
| Un-Claimed Dividend                                   | 1,844,946                        | 1,844,946                |
| Provision for taxation                                | 9,817,115                        | 9,136,533                |
|   | <b>283,736,673</b>               | <b>282,525,910</b>       |
| <b>CONTINGENCIES AND COMMITMENTS</b>                  |                                  |                          |
| <b>TOTAL EQUITY AND LIABILITIES</b>                   | <b>522,711,294</b>               | <b>519,570,578</b>       |

Lahore: October 29, 2015

MOHAMMAD AFZAL SHEIKH  
Chairman

MOHAMMAD SAEED SHEIKH  
Chief Executive





Since 1980

# AL-Khair Gadoon Ltd.

## CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2015

|  | September 30,<br>2015<br>Rs. | September 30,<br>2014<br>Rs. |
|--|------------------------------|------------------------------|
| Sales - net                                      | 68,058,203                   | 57,196,410                   |
| Cost of sales                                    | (55,694,849)                 | (53,086,684)                 |
| <b>Gross profit</b>                              | <b>12,363,354</b>            | <b>4,109,726</b>             |
| Administrative expenses                          | (5,499,850)                  | (5,272,632)                  |
| Distribution expenses                            | (3,160,166)                  | (4,065,009)                  |
|  | (8,660,016)                  | (9,337,641)                  |
| <b>Operating profit/(Loss)</b>                   | <b>3,703,338</b>             | <b>(5,227,915)</b>           |
| Finance cost                                     | (1,092,803)                  | (4,072,096)                  |
| <b>Profit/(Loss) before taxation</b>             | <b>2,610,535</b>             | <b>(9,300,011)</b>           |
| Taxation   | (680,582)                    | (571,964)                    |
| <b>Profit/(Loss) for the year</b>                | <b>1,929,953</b>             | <b>(9,871,975)</b>           |
| Other Comprehensive Income for the period        | -                            | -                            |
| <b>Total Comprehensive Income for the period</b> | <b>1,929,953</b>             | <b>(9,871,975)</b>           |

### Earnings/(Loss) per share - basic and diluted (Rupees)

|            |      |        |
|------------|------|--------|
| Before tax | 0.26 | (0.93) |
| After tax  | 0.19 | (0.99) |

Lahore: October 29, 2015

MOHAMMAD AFZAL SHEIKH  
Chairman

MOHAMMAD SAEED SHEIKH  
Chief Executive



# AL-Khair Gadoon Ltd.

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2015

|   | September 30,<br>2015<br>Rs. | September 30,<br>2014<br>Rs. |
|---|------------------------------|------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |                              |                              |
| Profit / (loss) before taxation                                 | 2,610,535                    | (9,300,011)                  |
| <b>Adjustments for non cash items:</b>                          |                              |                              |
| Depreciation on property, plant and equipment                   | 2,125,674                    | 2,271,079                    |
| Finance cost  | 1,092,803                    | 4,072,096                    |
| Provision for doubtful debt                                     | (658,447)                    | (684,610)                    |
|   | 2,560,030                    | 5,658,565                    |
| <b>Operating profit / (loss) before working capital changes</b> | <b>5,170,565</b>             | <b>(3,641,446)</b>           |
| <b>(Increase)/decrease in current assets</b>                    |                              |                              |
| Stores and spares   | 470,191                      | 380,672                      |
| Stock-in-trade  | 14,150,171                   | 1,813,053                    |
| Trade debts   | 5,898,069                    | 5,381,914                    |
| Advances, deposits, prepayments and other receivables           | (11,225,189)                 | 12,794,931                   |
|   | 9,293,242                    | 20,370,570                   |
| <b>Increase/(decrease) in current liabilities</b>               |                              |                              |
| Trade and other payables  | 3,611,696                    | 21,965,207                   |
|   | 18,075,503                   | 38,694,331                   |
| Finance cost paid   | (1,294,494)                  | (3,948,501)                  |
| Taxes paid  | (13,407,911)                 | (2,110,406)                  |
|   | (14,702,405)                 | (6,058,907)                  |
| <b>Net cash generated from operating activities</b>             | <b>3,373,098</b>             | <b>32,635,424</b>            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |                              |                              |
| Fixed capital expenditure                                       | (9,300)                      | (207,750)                    |
| Capital work in progress  | 80,637                       | (420,290)                    |
| <b>Net cash generated from / (used in) investing activities</b> | <b>71,337</b>                | <b>(628,040)</b>             |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                     |                              |                              |
| Short term borrowings   | (2,879,824)                  | (33,118,595)                 |
| Dividend  | -                            | -                            |
| <b>Net cash used in financing activities</b>                    | <b>(2,879,824)</b>           | <b>(33,118,595)</b>          |
| <b>Net increase / (decrease) in cash and cash equivalents</b>   | <b>564,611</b>               | <b>(1,111,211)</b>           |
| Cash and cash equivalents at the beginning of period            | 1,466,998                    | 6,616,487                    |
| <b>Cash and cash equivalents at the end of period</b>           | <b>2,031,609</b>             | <b>5,505,276</b>             |

MOHAMMAD AFZAL SHEIKH  
Chairman

MOHAMMAD SAEED SHEIKH  
Chief Executive

Lahore: October 29, 2015




# AL-Khair Gadoon Ltd.

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2015

|   | Share capital | Share Premium | Unappropriated profit | Total       |
|---|---------------|---------------|-----------------------|-------------|
|   | Rupees        |               |                       |             |
| Balance as at 1 July 2014                 | 100,000,000   | 25,000,000    | 57,308,128            | 182,308,128 |
| Comprehensive income for the year         |               |               |                       |             |
| Loss for the year                         | -             | -             | (3,699,334)           | (3,699,334) |
| Other comprehensive income for the year   | -             | -             | (144,983)             | (144,983)   |
| Balance as at 1 July 2015                 | 100,000,000   | 25,000,000    | 53,463,811            | 178,463,811 |
| Total comprehensive income for the Period | -             | -             | 1,929,953             | 1,929,953   |
| Balance as on September 30, 2015          | 100,000,000   | 25,000,000    | 55,393,764            | 180,393,764 |

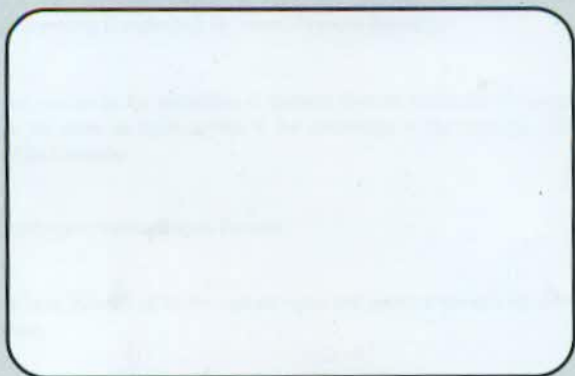
Lahore: October 29, 2015

  
MOHAMMAD AFZAL SHEIKH  
Chairman

  
MOHAMMAD SAEED SHEIKH  
Chief Executive



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