



**Condensed Interim
Financial Statements
Third Quarter Ended
March 31, 2016
(Un-Audited)**



AL-KHAIR GADOON LTD.



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. 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, 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.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 NINE MONTHS ENDED MARCH 31, 2016**

The Director's of your company are pleased to present the condensed interim financial statement for the nine months ended March 2016.

During the quarter ended March 31, 2015, the Company has faced decline in sales volume from Rs.155.03 Million to Rs.108.38 Million as compared to the corresponding Quarter of the last year thus marking a decrease of 30.09% in the sales activity. The decline in sales is mainly because of new competitors in the market coupled with cut throat competition resulting into a drastic decline in overall market share of the Company. This situation is expected to prevail in the upcoming quarter as well.

The financial results of operations for the quarter are showing a loss of Rs.1.49 Million as compared to the profit of Rs.2.724 Million for the 3rd quarter of the last year and accumulated profit of nine months is Rs.1.34 Million as compared to loss of Rs.14.40 Million during the last corresponding period. Although the summer as usual may have a seasonal effect on the activities of the Company, but the Sale Teams are endeavoring hard to cope with the decline by changing credit policies and market strategies to expand area of activity with efficient sales workforce.

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 26, 2016




AL-Khair Gadoon Ltd.

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2016

	Notes	Un-Audited March 31, 2016 Rupees	Audited June 30, 2015 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, Plant & Equipments	4	75,735,708	82,076,501
Deferred Tax Assets		5,389,002	3,844,721
		81,124,710	85,921,222
CURRENT ASSETS			
Store & Spares		1,935,241	1,724,361
Stock in Trade		192,136,082	197,192,004
Trade Debts		13,819,195	13,277,973
Advances, deposits, Prepayments & other receivables		165,606,224	206,718,451
Cash & Bank Balances		5,889,036	1,466,998
		379,385,778	420,379,787
Non-Current assets held for sale	5	13,269,569	13,269,569
		473,780,057	519,570,578
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		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		54,806,713	53,463,811
Shareholders' Equity		179,806,713	178,463,811
NON-CURRENT LIABILITIES			
Deferred Liabilities		8,475,515	8,475,515
Loan from Directors		50,105,342	50,105,342
CURRENT LIABILITIES			
Trade & other Payables		172,854,853	185,134,652
Short Term Borrowings	6	48,569,735	86,409,779
Un-Claimed Dividend		1,844,946	1,844,946
Provision for Taxation		12,122,953	9,136,533
		235,392,487	282,525,910
Contingencies & Commitments			
		473,780,057	519,570,578

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


MOHAMMAD AFZAL SHEIKH
Chairman


MOHAMMAD SAEED SHEIKH
Chief Executive

Lahore: April 26, 2016



AL-Khair Gadoon Ltd.

CONDENSED INTERIM PROFIT & LOSS ACCOUNT (Un-Audited) FOR THE NINE MONTHS ENDED MARCH 31, 2016

	Nine Months ended		Quarter ended	
	Jul-Mar, 2016	Jul-Mar, 2015	Jan-Mar, 2016	Jan-Mar, 2015
	Rupees		Rupees	
Sales	298,641,947	319,203,208	108,378,828	155,033,245
Cost of Sales	268,378,292	292,509,483	103,157,417	140,476,894
Gross Profit	30,263,655	26,693,725	5,221,411	14,556,351
Operating Expenses				
Administrative Expenses	15,388,707	16,134,469	3,524,982	3,613,484
Distribution Expenses	9,453,158	14,219,352	2,819,516	3,532,138
	24,841,865	30,353,821	6,344,498	7,145,622
Operating Profit	5,421,790	(3,660,096)	(1,123,087)	7,410,729
Financial Expenses	(2,449,461)	(10,048,480)	(513,442)	(4,572,368)
Other Income	(187,289)	432,053	233,415	432,053
Profit Before Taxation	2,785,040	(13,276,523)	(1,403,114)	3,270,414
Provision for Taxation	1,442,138	1,126,961	89,712	546,269
Profit/(Loss) after taxation	1,342,902	(14,403,484)	(1,492,826)	2,724,145
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income For the period	1,342,902	(14,403,484)	(1,492,826)	2,724,145
Earnings/(Loss) per share-Basic & Diluted (Rupees)				
Before tax	0.26	(1.33)	(0.14)	0.33
After tax	0.13	(1.44)	(0.15)	0.27

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

MOHAMMAD AFZAL SHEIKH
Chairman

MOHAMMAD SAEED SHEIKH
Chief Executive

Lahore: April 26, 2016



AL-Khair Gadoon Ltd.

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2016

	Jul-Mar, 2016 Rupees	Jul-Mar, 2015 Rupees
CASH FLOWS OPERATING ACTIVITIES		
Profit / (loss) before Taxation	2,785,040	(13,276,523)
Adjustment for:		
Depreciation	4,995,043	7,015,598
Provision for bad debts	28,485	(87,976)
Finance cost	2,449,461	10,048,480
Gain on sale of fixed assets	(233,415)	(432,053)
Loss of fixed assets due to fire - net of insurance claim	420,704	-
	10,445,318	3,267,526
(Increase) / decrease in Current Assets		
Stores & Spares	(210,880)	466,926
Stocks in Trade	5,055,922	(42,913,951)
Trade Debts	(569,707)	1,759,521
Advances, deposits, prepayments & other receivables	(3,114,027)	12,191,688
	1,161,308	(28,495,816)
Increase / (decrease) in Current Liabilities		
Trade & Other Payables	(12,078,106)	73,864,146
Cash generated / (used in) from Operations	(471,480)	48,635,856
Finance cost Paid	(2,651,152)	(9,368,555)
Taxes paid / Refund	44,226,253	(43,250,662)
NET CASH USED IN OPERATING ACTIVITIES	41,103,621	(3,983,361)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of PPE	(3,148,352)	(7,456,417)
Capital work in progress	341,050	5,422,958
Proceeds from Insurance Company against loss due to fire	3,690,763	-
Proceeds from Sale of PPE	275,000	485,034
NET CASH USED IN INVESTING ACTIVITIES	1,158,461	(1,548,425)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short Term Borrowings	(12,845,364)	5,301,308
NET CASH GENERATED FROM FINANCING ACTIVITIES	(12,845,364)	5,301,308
Net Increase / (Decrease) in Cash & Cash Equivalent	29,416,718	(230,478)
Cash & Cash Equivalent At the Beginning of the period	(23,527,682)	(27,565,800)
Cash & Cash Equivalent at the end of the Period Note-7	5,889,036	(27,796,278)

Mohammad Afzal Sheikh
Chairman

Mohammad Saeed Sheikh
Chief Executive

Lahore: April 26, 2016



AL-Khair Gadoon Ltd.


CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-Audited) FOR THE NINE MONTHS ENDED MARCH 31, 2016

	Share Capital	Share Premium	Un-appropriated Profit	Total
	Rupees			
Balance as at July 01, 2014	100,000,000	25,000,000	57,308,128	182,308,128
Total comprehensive income for nine months	-	-	(14,403,484)	(14,403,484)
Balance as on March 31, 2015	100,000,000	25,000,000	42,904,644	167,904,644
Total comprehensive income for the 4th quarter	-	-	10,559,167	10,559,167
Balance as at July 01, 2015	100,000,000	25,000,000	53,463,811	178,463,811
Total comprehensive income for the period	-	-	1,342,902	1,342,902
Balance as on March 31, 2016	100,000,000	25,000,000	54,806,713	179,806,713

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

Lahore: April 26, 2016


MOHAMMAD AFZAL SHEIKH
Chairman


MOHAMMAD SAEED SHEIKH
Chief Executive



SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH ENDED MARCH 31, 2016

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, 2015.
- 2.2 The comparative balance sheet presented in these financial information as at June 30, 2015 has been extracted from the audited financial statements for the year ended June 30, 2015 whereas comparative profit and loss account, cash flow statement and the statement of changes in equity are for the nine months ended March 31, 2015 and were subject to review but not audited. The comparative profit and loss account for the quarter ended March 31, 2016 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, 2015.
- 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, 2015.
- 3.4 The provision for taxation for the nine months ended March 31, 2016 has been made on an estimated basis.



AL-Khair Gadoon Ltd.

	March 31, 2016 Rupees	June 30, 2015 Rupees
4 PROPERTY, PLANT AND EQUIPMENTS		
Opening book value	81,735,451	83,638,564
Addition during the period/year	3,148,352	7,677,282
Disposal during the period/year		
Cost	6,302,524	452,300
Accumulated Depreciation	(2,149,472)	(383,607)
	4,153,052	68,693
Depreciation charge for the period/year	(4,995,043)	(9,511,702)
Closing net book value	75,735,708	81,735,451
Capital work in progress	-	341,050
	75,735,708	82,076,501

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	-	24,994,680
ABL - Finance Against Trust Receipts	-	2,367,025
ABL - Finance Against Imported Material	-	11,927,061
BAFL - Finance Against Imported Material	3,569,735	22,121,013
	3,569,735	61,409,779
Loan from Associated undertakings - Unsecured/Directors	45,000,000	25,000,000
	48,569,735	86,409,779

	March 31, 2016 Rupees	March 31, 2015 Rupees
7 CASH AND CASH EQUIVALENT		
Cash and Bank Balances	5,889,036	6,395,294
Running Finance	-	(34,191,572)
	5,889,036	(27,796,278)

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

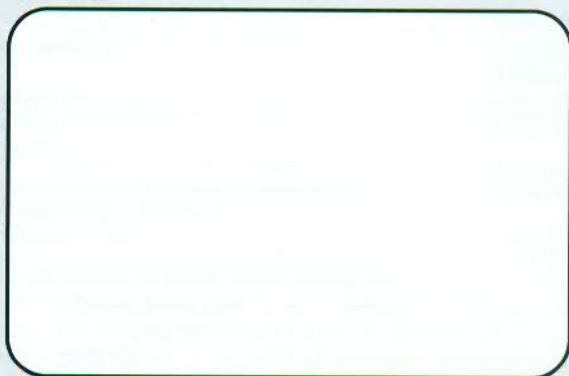
These financial instruments were authorized for issue on April 26, 2016 by the Board of Directors of the Company.

MOHAMMAD AEZAL SHEIKH
Chairman

MOHAMMAD SAEED SHEIKH
Chief Executive

Lahore: April 26, 2016

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