

AL-KHAIR GADOON LTD.



AL-KHAIR GROUP



**Condensed Interim
Financial Statements
First Quarter Ended
September 30, 2016
(Un-Audited)**





AL-Khair Gadoon Ltd.

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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
AUDIT COMMITTEE:	Mrs. Nafeesa Amin	- Director
	Mrs. Hina Ali	- Director
	Mrs. Nafeesa Amin	- Chairman
	Mrs. Parveen Afzal	- Member
HUMAN RESOURCE & REMUNERATION COMMITTEE:	Mrs. Farnaz Saeed	- Member
	Mrs. Hina Ali	- Member
	Mushtaq Ahmed Shaheen	- Secretary
	Mr. Saqib Nawaz, ACA	
CHIEF FINANCIAL OFFICER:		
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 nd 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, 2016**

The Directors are pleased to present the financial statements of the Company for the quarter ended September 30, 2016.

During the quarter ended September 30, 2016, the company achieved sales revenue of PKR 54.49 million as compared to PKR.68.058 million of the first quarter of last year thus resulting into reduction of Gross Profit margin by 0.966%. The reduction in revenue is mainly due to reduction in sales prices connected with the decline in petroleum products prices internationally.

The operations have generated earnings before tax amounting to Rs.1.8 million during the Quarter ended September 2016 against the profit of Rs.2.6 million of the corresponding period of last year resulting in a decrease of Rs.0.8 million. 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 Company expects benefits to be derived from the recent economic measures, reduced rate of inflation and improved security concerns in Pakistan by 2017. However, exorbitant price hike of TDI in the international market will create a vacuum in the supply chain of raw material and will be very challenging to the foam industry. The Company will focus on assessing the needs of our consumers and introducing improved economical products to mitigate the upcoming price hike of TDI. The Company anticipates pressure on margins as a result of aggressive pricing strategy due to increased competition.

However, your Company stays committed to effective product mix management and better trade partnering with customers. The 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



AL-Khair Gadoon Ltd.

CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2016

	Un-Audited September 30, 2016	Audited June 30, 2016
	Rs.	Rs.
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	77,333,612	79,381,848
Deferred taxation	5,815,084	5,815,084
	83,148,696	85,196,932
CURRENT ASSETS		
Stores and spares	1,254,180	1,612,164
Stock in trade	182,466,281	185,188,657
Trade debts	12,458,034	14,773,590
Advances, deposits, prepayments and other receivables	181,350,099	178,715,095
Cash and bank balances	2,576,595	2,953,241
	380,105,189	383,242,747
TOTAL ASSETS	463,253,885	468,439,679
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	100,000,000	100,000,000
Capital reserves- Share Premium	25,000,000	25,000,000
Unappropriated profit	61,929,291	60,661,230
Shareholders' equity	186,929,291	185,661,230
NON CURRENT LIABILITIES		
Deferred Liabilities	10,167,256	10,167,256
Loan from associated undertaking - Unsecured	25,000,000	25,000,000
	35,167,256	35,167,256
CURRENT LIABILITIES		
Trade and other payables	152,349,272	164,402,544
Short term borrowings-secured	72,829,244	67,774,708
Un-Claimed Dividend	1,844,946	1,844,946
Provision for taxation	14,133,876	13,588,995
	241,157,338	247,611,193
CONTINGENCIES AND COMMITMENTS		
	-	-
TOTAL EQUITY AND LIABILITIES	463,253,885	468,439,679



AL-Khair Gadoon Ltd.

CONDENSED INTERIM PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED SEPTEMBER 30, 2016 (Un-Audited)

	September 30, 2016 Rs.	September 30, 2015 Rs.
Sales - net	54,488,143	68,058,203
Cost of sales	(45,116,670)	(55,694,849)
Gross profit	9,371,473	12,363,354
Administrative expenses	(4,357,369)	(5,499,850)
Distribution expenses	(2,661,515)	(3,160,166)
	(7,018,884)	(8,660,016)
Operating profit/(Loss)	2,352,589	3,703,338
Finance cost	(539,647)	(1,092,803)
Profit/(Loss) before taxation	1,812,942	2,610,535
Provision for Taxation	(544,881)	(680,582)
Profit/(Loss) for the year	1,268,061	1,929,953
Other Comprehensive Income for the period	-	-
Total Comprehensive Income for the period	1,268,061	1,929,953
Earnings per share before tax (basic and diluted - Rupees)	0.18	0.26
Earnings per share after tax (basic and diluted - Rupees)	0.13	0.19



AL-Khair Gadoon Ltd.

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2016 (Un-Audited)

	September 30, 2016 Rs.	September 30, 2015 Rs.
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,812,942	2,610,535
Adjustments for non cash items:		
Depreciation on property, plant and equipment	2,195,756	2,125,674
Finance cost	539,647	1,092,803
Provision for Creditability debt	(121,871)	(658,447)
	2,613,532	2,560,030
Operating profit before working capital changes (Increase)/decrease in current assets	4,426,474	5,170,565
Stores and spares	357,984	470,191
Stock-in-trade	2,722,376	14,150,171
Trade debts	2,437,427	5,898,069
Advances, deposits, prepayments and other receivables	(1,593,093)	(11,225,189)
	3,924,694	9,293,242
Increase/(decrease) in current liabilities		
Trade and other payables	(12,129,218)	3,611,696
	(3,778,050)	18,075,503
Finance cost paid	(463,700)	(1,294,494)
Taxes paid	(1,041,912)	(13,407,911)
	(1,505,612)	(14,702,405)
Net cash (used in) / generated from operating activities	(5,283,662)	3,373,098
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(147,520)	(9,300)
Capital work in progress	-	80,637
Net cash (used in) / generated from investing activities	(147,520)	71,337
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings	5,054,536	(2,879,824)
Net cash (used in) generated from financing activities	5,054,536	(2,879,824)
Net (decrease) / increase in cash and cash equivalents	(376,646)	564,611
Cash and cash equivalents at the beginning of period	2,953,241	1,466,998
Cash and cash equivalents at the end of period	2,576,595	2,031,609



AL-Khair Gadoon Ltd.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED SEPTEMBER 30, 2016 (Un-Audited)

	Share capital	Share- Premium	Unappropriated profit	Total
Rupees				
Balance as at 1 July 2015	100,000,000	25,000,000	53,463,811	178,463,811
Comprehensive income for the year				
Profit for the year	-	-	7,720,854	7,720,854
Other comprehensive income for the year	-	-	(523,435)	(523,435)
Balance as at 1 July 2016	100,000,000	25,000,000	60,661,230	185,661,230
Total comprehensive income for the Period	-	-	1,268,061	1,268,061
Balance as on September 30, 2016	100,000,000	25,000,000	61,929,291	186,929,291



AL-Khair Gadoon Ltd.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the Quarter Ended September 30, 2016 (Un-Audited)

- 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, 2016 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 where necessary.

MOHAMMAD AFZAL SHEIKH

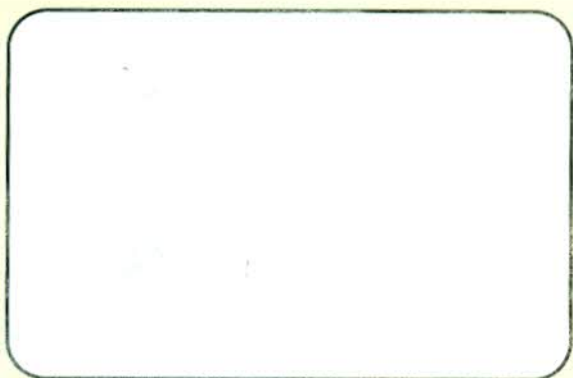
Chairman

MOHAMMAD SAEED SHEIKH

Chief Executive

Lahore: October 28, 2016

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