


AL-KHAIR GADOON LTD.



AL-KHAIR GROUP



Condensed Interim
Financial Statements
Third Quarter Ended
March 31, 2017
(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. Tahir Subhani	- Independent Director

AUDIT COMMITTEE:

Mr. Tahir 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
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, 2017

The Directors are pleased to present the financial statements of the Company for the nine months ended March 31, 2017.

During the quarter ended March 31, 2017, the company achieved sales revenue of PKR 135 million as compared to PKR 108 million of the third quarter of the last year thus resulting into increase of Rs.27 million during the quarter resulting into a gross profit margin to the tune of Rs.14.4 million.

On nine months basis, the profit margins are also improved slightly and the operations have generated earnings before tax amounting to Rs.9.5 million during the nine months ended March 2017 against the profit of Rs.2.8 million of the corresponding period of last year. The company has tried its best to keep the operating expenses at 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 vacuum in the supply chain of raw material and will be very challenging to 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

MOHAMMAD AFZAL SHEIKH
Chairman

Lahore: April 25, 2017



AL-Khair Gadoon Ltd.

CONDENSED INTERIM BALANCE SHEET

AS AT MARCH 31, 2017

	Notes	Un-Audited March 31, 2017 Rupees	Audited June 30, 2016 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, Plant & Equipments	3	75,068,478	79,381,848
Deferred Tax Assets		5,938,432	5,815,084
		81,006,910	85,196,932
CURRENT ASSETS			
Store & Spares		2,032,654	1,612,164
Stock in Trade		157,431,471	185,188,657
Trade Debts		12,492,804	14,773,590
Advances, deposits, Prepayments & other receivables		186,273,833	178,715,095
Cash & Bank Balances		3,015,381	2,953,241
		361,246,143	383,242,747
		442,253,053	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 & 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		67,313,236	60,661,230
Shareholders' Equity		192,313,236	185,661,230
NON-CURRENT LIABILITIES			
Deferred Liabilities		10,167,256	10,167,256
Loan from Associated Undertakings-Unsecured		25,000,000	25,000,000
CURRENT LIABILITIES			
Trade & other Payables		105,426,555	164,402,544
Short Term Borrowings	4	90,947,185	67,774,708
Un-Claimed Dividend		1,844,946	1,844,946
Provision for Taxation		16,553,875	13,588,995
		214,772,561	247,611,193
Contingencies & Commitments		-	-
		442,253,053	468,439,679

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


MOHAMMAD AFZAL SHEIKH
 Chairman


MOHAMMAD SAEED SHEIKH
 Chief Executive

Lahore: April 25, 2017



AL-Khair Gadoon Ltd.

CONDENSED INTERIM PROFIT & LOSS ACCOUNT (Un-Audited) FOR THE NINE MONTHS ENDED MARCH 31, 2017

	Nine Months ended		Quarter ended	
	Jul-Mar, 2017	Jul-Mar, 2016	Jan-Mar, 2017	Jan-Mar, 2016
	Rupees		Rupees	
Sales	296,488,022	298,641,947	134,656,057	108,378,828
Cost of Sales	261,489,390	268,378,292	120,246,056	103,157,417
Gross Profit	34,998,632	30,263,655	14,410,001	5,221,411
Operating Expenses				
Administrative Expenses	14,932,283	15,388,707	5,054,827	3,524,982
Distribution Expenses	9,182,509	9,453,158	4,518,906	2,819,516
	24,114,792	24,841,865	9,573,733	6,344,498
Operating Profit	10,883,840	5,421,790	4,836,268	(1,123,087)
Financial Expenses	(1,390,302)	(2,449,461)	(817,423)	(513,442)
Other Income	-	(187,289)	-	233,415
Profit Before Taxation	9,493,538	2,785,040	4,018,845	(1,403,114)
Provision for Taxation	2,841,532	1,442,138	1,021,572	89,712
Profit / (Loss) after taxation	6,652,006	1,342,902	2,997,273	(1,492,826)
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income For the period	6,652,006	1,342,902	2,997,273	(1,492,826)
Earnings/(Loss) per share-Basic & Diluted (Rupees)				
Before tax	0.95	0.28	0.40	(0.14)
After tax	0.67	0.13	0.30	(0.15)

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


MOHAMMAD AFZAL SHEIKH
 Chairman


MOHAMMAD SAEED SHEIKH
 Chief Executive

Lahore: April 25, 2017



AL-Khair Gadoon Ltd.

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2017


	Jul-Mar, 2017 Rupees	Jul-Mar, 2016 Rupees
CASH FLOWS OPERATING ACTIVITIES		
Profit before Taxation	9,493,538	2,785,040
Adjustment for:		
Depreciation	6,800,863	4,995,043
Provision for bad debts	(120,041)	28,485
Finance cost	1,390,302	2,449,461
Gain on sale of fixed assets	-	(233,415)
Loss of fixed assets due to fire - net of insurance claim	-	420,704
	17,564,662	10,445,318
(Increase) / decrease in Current Assets		
Stores & Spares	(420,490)	(210,880)
Stocks in Trade	27,757,186	5,055,922
Trade Debts	2,400,827	(569,707)
Advances, deposits, prepayments & other receivables	3,782,698	(3,114,027)
	33,520,221	1,161,308
Increase / (decrease) in Current Liabilities		
Trade & Other Payables	(59,268,063)	(12,078,106)
Cash used in Operations	(8,183,180)	(471,480)
Finance cost Paid	(1,098,228)	(2,651,152)
Taxes paid / Refund	(11,341,436)	44,226,253
NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES	(20,622,844)	41,103,621
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of PPE	(2,487,493)	(3,148,352)
Capital work in progress	-	341,050
Proceeds from Insurance Company against loss due to fire	-	3,690,763
Proceeds from Sale of PPE	-	275,000
NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES	(2,487,493)	1,158,461
CASH FLOWS FROM FINANCING ACTIVITIES		
Short Term Borrowings	23,172,477	12,845,364
NET CASH GENERATED FROM FINANCING ACTIVITIES	23,172,477	12,845,364
Net Increase in Cash & Cash Equivalent	62,140	29,416,718
Cash & Cash Equivalent At the Beginning of the period	2,953,241	(23,527,682)
Cash & Cash Equivalent at the end of the Period Note-5	3,015,381	5,889,036

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

Lahore:

April 25, 2017


MOHAMMAD AFZAL SHEIKH
Chairman


MOHAMMAD SAEED SHEIKH
Chief Executive



AL-Khair Gadoon Ltd.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-Audited) FOR THE NINE MONTHS ENDED MARCH 31, 2017

	Share Capital	Share Premium	Un-appropriated Profit	Total
	Rupees			
Balance as at July 01, 2015	100,000,000	25,000,000	53,463,811	178,463,811
Total comprehensive income for nine months	-	-	1,342,902	1,342,902
Balance as on March 31, 2016	100,000,000	25,000,000	54,806,713	179,806,713
Total comprehensive income for the 4th quarter	-	-	5,854,517	5,854,517
Balance as at July 01, 2016	100,000,000	25,000,000	60,661,230	185,661,230
Total comprehensive income for the period	-	-	6,652,006	6,652,006
Balance as on March 31, 2017	100,000,000	25,000,000	67,313,236	192,313,236

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

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH ENDED MARCH 31, 2017

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 (the then Karachi, Lahore and Islamabad Stock Exchange). It is primarily engaged in manufacturing of foam and allied products.

2 Basis of Preparation and significant accounting policies

- 2.1 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."
- 2.2 The accounting policies for the preparation of quarterly financial statements for the quarter ended March 31, 2017 are the same as those applied in the preparation of the preceding annual published financial statements of the Company.
- 2.3 There is no contingency outstanding on the date.

	March 31, 2017	June 30, 2016
3 PROPERTY, PLANT AND EQUIPMENTS	Rupees	Rupees
Opening book value	79,381,848	81,735,451
Addition during the period / year	2,487,493	10,524,416
Disposal during the period / year		
Cost	-	6,302,523
Accumulated Depreciation	-	(2,149,472)
	-	4,153,051
Depreciation charge for the period / year	(6,800,863)	(8,724,968)
Closing net book value	75,068,478	79,381,848
Capital work in progress	-	-
	75,068,478	79,381,848

4 SHORT TERM BORROWINGS

ABL - Running Finance	-	-
ABL - Finance Against Trust Receipts	-	-
ABL - Finance Against Imported Material	-	-
BAFL - Finance Against Imported Material	42,693,015	17,669,366
	42,693,015	17,669,366
Loan from Associated undertakings - Unsecured/Directors	48,254,170	50,105,342
	90,947,185	67,774,708



AL-Khair Gadoon Ltd.

	March 31, 2017 Rupees	March 31, 2016 Rupees
5 CASH AND CASH EQUIVALENT		
Cash and Bank Balances	3,015,381	5,889,036
Running Finance	-	-
	<u>3,015,381</u>	<u>5,889,036</u>

6 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.

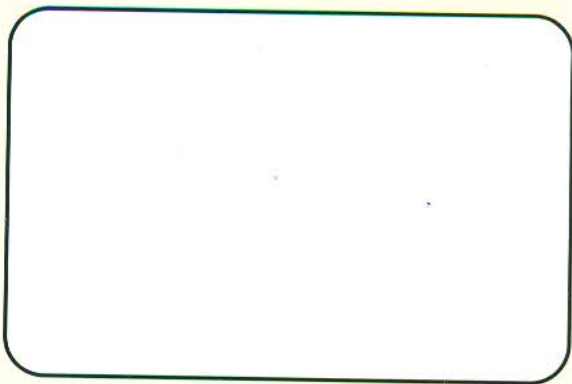
7 Date of authorization

These financial instruments were authorized for issue on April 25, 2017 by the Board of Directors of the Company.


MOHAMMAD AFZAL SHEIKH
Chairman


MOHAMMAD SAEED SHEIKH
Chief Executive

BOOK POST



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