



SINCE 1980

AL-KHAIR GADOON LTD.

Condensed Interim
Financial Statements
First Quarter Ended
September 30, 2017
(Un-Audited)



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COMPANY INFORMATION

BOARD OF DIRECTORS:	Mohammad Afzal Sheikh	- Chairman
	Mohammad Saeed Sheikh	- Chief Executive
	Mohammad Amin Sheikh	- Director
	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
	Sheikh Pervaiz Afzal	- Member
	Mr. Mushtaq Ahmed Shaheen	- Secretary
CFO / CHIEF ACCOUNTANT:	Abdul Hafeez Poswal	
COMPANY SECRETARY:	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 533-Imperial Garden Block, Main Boulevard, Barki Road, 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 Website: www.alkhairgadoon.com	



DIRECTORS' REVIEW REPORT
For the Quarter Ended September 30, 2017

The Directors are pleased to present Condensed Interim Financial Statements of the Company for the quarter ended September 30, 2017.

During the quarter ended September 30, 2017, the company has geared up itself into growth trend and has registered Sales at Rs.65.11 million against Rs.54.49 million making an increase of Rs.10.629 million by recording growth in its turnover of 19.51% compared to the corresponding period of last year.

During the period under report, Company's absolute gross profit recorded at Rs.10.29 million against Rs.9.37 million from corresponding period. There was a stress on cost due to increase in petroleum prices in the international market that has suppressed the profitability of the Company to the certain extent. The Company could not rise prices of its products due to off season effect as well as cut throat competition.

The operations have generated Earnings before Tax amounting to Rs.3.22 million during the Quarter ended September 2017 against Rs.1.81 million of the corresponding period of last year resulting in an increase of Rs.1.41 million mainly due to 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 27, 2017



AL-Khair Gadoon Ltd.

CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2017

Note	Un-Audited 30-Sep-2017 Rs.	Audited 30-Jun-2017 Rs.
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	76,931,932	79,207,584
Deferred taxation	11,373,624	11,373,624
	88,305,556	90,581,208
CURRENT ASSETS		
Stores and spares	1,125,417	1,825,410
Stock in trade	147,309,727	158,502,062
Trade debts	13,134,743	12,935,623
Advances, deposits, prepayments and other receivables	164,302,415	152,229,856
Cash and bank balances	2,496,703	2,889,378
	328,369,005	328,382,329
TOTAL ASSETS	416,674,561	418,963,537
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	70,623,151	68,208,415
Shareholders' equity	195,623,151	193,208,415
NON CURRENT LIABILITIES		
Deferred Liabilities	10,560,339	12,358,233
Loan from Directors	25,000,000	25,000,000
	35,560,339	37,358,233
CURRENT LIABILITIES		
Trade and other payables	121,293,305	131,365,160
Short term borrowings-secured	56,457,404	50,105,342
Un-Claimed Dividend	1,844,946	1,844,946
Provision for taxation	5,895,416	5,081,441
	185,491,071	188,396,889
CONTINGENCIES AND COMMITMENTS		
	-	-
TOTAL EQUITY AND LIABILITIES	416,674,561	418,963,537



AL-Khair Gadoon Ltd.

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED SEPTEMBER 30, 2017(Un-audited)

	30-Sep-2017 Rs.	30-Sep-2016 Rs.
Sales - net	65,117,960	54,488,143
Cost of sales	(54,825,057)	(45,116,670)
Gross profit	10,292,903	9,371,473
	<i>15.88%</i>	<i>17.19</i>
Administrative expenses	(4,601,391)	(4,357,369)
Distribution expenses	(2,340,894)	(2,661,515)
	(6,942,285)	(7,018,884)
	<i>12.87%</i>	
Operating profit	3,350,618	2,352,589
Finance cost	(121,907)	(539,647)
Other operating expenses	-	-
Profit before taxation	3,228,711	1,812,942
Provision for Taxation	(813,975)	(544,881)
Profit for the period	2,414,736	1,268,061
	<i>3.70%</i>	<i>2.32%</i>
Other Comprehensive Income for the period	-	-
Total Comprehensive Income for the period	2,414,736	1,268,061
Earnings per share - before tax (basic and diluted (Rupees)	0.32	0.18
Earnings per share - after tax (basic and diluted (Rupees)	0.24	0.13



CONDENSED INTERIM CASH FLOW STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2017(Un-audited)

	30-Sep-2017 Rs.	30-Sep-2016 Rs.
Cash flows from operating activities		
Profit before taxation	3,228,711	1,812,942
Adjustments for non cash items:		
Depreciation on property, plant and equipment	2,286,317	2,195,756
Finance cost	121,907	539,647
Provision for doubtful debt	10,480	(121,871)
	<u>2,418,704</u>	<u>2,613,532</u>
Operating profit before working capital changes	5,647,415	4,426,474
(Increase)/decrease in current assets		
Stores and spares	699,993	357,984
Stock-in-trade	11,192,336	2,722,376
Trade debts	(209,601)	2,437,427
Advances, deposits, prepayments and other receivables	3,949,700	(1,593,093)
	<u>15,632,428</u>	<u>3,924,694</u>
Increase/(decrease) in current liabilities		
Trade and other payables	(10,144,190)	(12,129,218)
Cash generated from operations	11,135,653	(3,778,050)
Finance cost paid	(49,572)	(463,700)
Taxes (paid) / Refund	(16,022,259)	(1,041,912)
Gratuity paid	(1,797,894)	-
	<u>(17,869,725)</u>	<u>(1,505,612)</u>
Net cash generated from operating activities	(6,734,072)	(5,283,662)
Cash flows from investing activities		
Fixed capital expenditure	(10,665)	(147,520)
Net cash used in investing activities	(10,665)	(147,520)
Cash flows from financing activities		
Short term borrowings	6,352,062	5,054,536
Net cash (used in) generated from financing activities	6,352,062	5,054,536
Net (decrease) / increase in cash and cash equivalents	(392,675)	(376,646)
Cash and cash equivalents at the beginning of year	2,889,378	2,953,241
Cash and cash equivalents at the end of year	2,496,703	2,576,595

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2017 (Un-audited)**

	Share capital	Share Premium	Unappropriated profit	Total
	-----Rupees-----			
Balance as at 01 July 2016	100,000,000	25,000,000	60,661,230	185,661,230
Comprehensive income for the year				
Profit for the year	-	-	8,101,568	8,101,568
Other comprehensive income for the year	-	-	(554,383)	(554,383)
	-	-	7,547,185	7,547,185
Balance as at 30 June 2017	100,000,000	25,000,000	68,208,415	193,208,415
Comprehensive income for the year				
Profit for the year	-	-	2,414,736	2,414,736
Other comprehensive income for the year	-	-	-	-
	-	-	2,414,736	2,414,736
Balance as at 30 September 2017	100,000,000	25,000,000	70,623,151	195,623,151



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Period Ended September 30, 2017 (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, 2017 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.

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