



SINCE 1980

# **AL-KHAIR GADOON LTD.**

**Condensed Interim  
Financial Statements  
Third Quarter Ended  
March 31, 2018  
(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. Kamal Subhani	- Independent Director

### AUDIT COMMITTEE:

Mr. Kamal 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 ACCOUNTANT / CFO

Abdul Hafeez Poswal

### 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  
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](http://www.alkhairgadoon.com)



**DIRECTORS' REVIEW REPORT  
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

*The Director's of your company are pleased to present the condensed interim financial statement for the nine months ended March 31, 2018.*

*During the quarter ended March 31, 2018, the Company has faced decline in sales volume from Rs.134.6 Million to Rs.108.3 Million as compared to the corresponding Quarter of the last year thus marking a decrease of 19.56% in the sales activity. During the quarter under review, the company had to suffer losses due to fire incident occurred in March, 2018. Although the assets & stocks were insured by insurance company but the insurance claim could not compensate the complete loss. The re-start of operations is expected to take time and is also dependent upon the claim from insurance company.*

*The financial results of operations for the quarter are showing a loss of Rs.8.83 Million as compared to the profit of Rs.2.997 Million for the 3rd quarter of the last year and accumulated loss of nine months is Rs.2.45 Million as compared to profit of Rs.6.65 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**

Lahore: April 27, 2018

Chairman



# AL-Khair Gadoon Ltd.

## CONDENSED INTERIM BALANCE SHEET

AS AT MARCH 31, 2018

	Notes	Un-Audited March 31, 2018 Rupees	Audited June 30, 2017 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipments	3	66,606,248	79,207,584
Deferred Tax Assets		11,373,624	11,373,624
		77,979,872	90,581,208
<b>CURRENT ASSETS</b>			
Store & Spares		96,898	1,825,410
Stock in Trade		104,251,159	158,502,062
Trade Debts		13,264,484	12,935,623
Advances, deposits, Prepayments & other receivables		221,047,792	152,229,856
Cash & Bank Balances		3,358,199	2,889,378
		342,018,532	328,382,329
		419,998,404	418,963,537
<b>EQUITY AND LIABILITIES</b>			
<b>Authorized Capital</b>			
12,000,000 ordinary shares of Rs.10 each		120,000,000	120,000,000
<b>Issued, Subscribed &amp; Paid up Capital</b>			
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		65,752,788	68,208,415
<b>Shareholders' Equity</b>		<b>190,752,788</b>	<b>193,208,415</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred Liabilities		12,358,233	12,358,233
Loan from Associated Undertakings-Unsecured		25,000,000	25,000,000
<b>CURRENT LIABILITIES</b>			
Trade & other Payables		43,543,279	131,365,160
Short Term Borrowings	4	138,211,143	50,105,342
Un-Claimed Dividend		1,844,946	1,844,946
Provision for Taxation		8,288,015	5,081,441
		191,887,383	188,396,889
<b>Contingencies &amp; Commitments</b>		<b>-</b>	<b>-</b>
		419,998,404	418,963,537

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

MOHAMMAD AFZAL SHEIKH  
Chairman

MOHAMMAD SAEED SHEIKH  
Chief Executive

Lahore: April 27, 2018



# AL-Khair Gadoon Ltd.

## CONDENSED INTERIM PROFIT & LOSS ACCOUNT (Un-Audited) FOR THE NINE MONTHS ENDED MARCH 31, 2018

	Nine Months ended		Quarter ended	
	Jul-Mar, 2018	Jul-Mar, 2017	Jan-Mar, 2018	Jan-Mar, 2017
	Rupees		Rupees	
Sales	256,525,959	296,488,022	108,312,383	134,656,057
Cost of Sales	225,437,595	261,489,390	99,078,846	120,246,056
<b>Gross Profit</b>	<b>31,088,364</b>	<b>34,998,632</b>	<b>9,233,537</b>	<b>14,410,001</b>
<b>Operating Expenses</b>				
Administrative Expenses	13,123,804	14,932,283	3,620,824	5,054,827
Distribution Expenses	7,723,743	9,182,509	3,279,688	4,518,906
	20,847,547	24,114,792	6,900,512	9,573,733
<b>Operating Profit</b>	<b>10,240,817</b>	<b>10,883,840</b>	<b>2,333,025</b>	<b>4,836,268</b>
Financial Expenses	(535,969)	(1,390,302)	(152,347)	(817,423)
Other Income / Expenses	(8,953,901)	-	(10,544,166)	-
Profit Before Taxation	750,947	9,493,538	(8,363,488)	4,018,845
Provision for Taxation	3,206,574	2,841,532	472,243	1,021,572
<b>Profit/(Loss) after taxation</b>	<b>(2,455,627)</b>	<b>6,652,006</b>	<b>(8,835,731)</b>	<b>2,997,273</b>
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income For the period</b>	<b>(2,455,627)</b>	<b>6,652,006</b>	<b>(8,835,731)</b>	<b>2,997,273</b>
Earnings/(Loss) per share-Basic & Diluted (Rupees)				
Before tax	0.08	0.95	(0.84)	0.40
After tax	(0.25)	0.67	(0.88)	0.30



# AL-Khair Gadoon Ltd.

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2018

	Jul-Mar, 2018 Rupees	Jul-Mar, 2017 Rupees
<b>CASH FLOWS OPERATING ACTIVITIES</b>		
Profit before Taxation	750,947	9,493,538
Adjustment for:		
Depreciation	7,007,543	6,800,863
Provision for bad debts	17,309	(120,041)
Finance cost	535,969	1,390,302
Gain on sale of fixed assets	(1,590,265)	-
Loss of fixed assets and stocks due to fire - net of insurance claim	10,694,583	-
	17,416,086	17,564,662
<b>(Increase) / decrease in Current Assets</b>		
Stores & Spares	1,728,512	(420,490)
Stocks in Trade	(8,002,420)	27,757,186
Trade Debts	(346,169)	2,400,827
Advances, deposits, prepayments & other receivables	(69,639,430)	3,782,698
	(76,259,507)	33,520,221
<b>Increase / (decrease) in Current Liabilities</b>		
Trade & Other Payables	(88,296,827)	(59,268,063)
<b>Cash used in Operations</b>	(147,140,248)	(8,183,180)
Finance cost Paid	(61,023)	(1,098,228)
Taxes (paid) / Refund	821,494	(11,341,436)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	(146,379,777)	(20,622,844)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of PPE	(2,995,525)	(2,487,493)
Proceeds from Insurance Company against loss due to fire	59,153,323	-
Proceeds from Sale of PPE	2,585,000	-
<b>NET CASH GENERATED / (USED IN) INVESTING ACTIVITIES</b>	58,742,798	(2,487,493)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short Term Borrowings	88,105,801	23,172,477
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	88,105,801	23,172,477
Net Increase in Cash & Cash Equivalent	468,821	62,140
Cash & Cash Equivalent At the Beginning of the period	2,889,378	2,953,241
<b>Cash &amp; Cash Equivalent at the end of the Period Note-5</b>	3,358,199	3,015,381

MOHAMMAD AFZAL SHEIKH  
Chairman

MOHAMMAD SAEED SHEIKH  
Chief Executive

Lahore: April 27, 2018



# AL-Khair Gadoon Ltd.

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-Audited) FOR THE NINE MONTHS ENDED MARCH 31, 2018

	Share Capital	Share Premium	Un-appropriated Profit	Total
	Rupees			
Balance as at July 01, 2016	100,000,000	25,000,000	60,661,230	185,661,230
Total comprehensive income for nine months	-	-	6,652,006	6,652,006
Balance as on March 31, 2017	100,000,000	25,000,000	67,313,236	192,313,236
Total comprehensive income for the 4th quarter	-	-	895,179	895,179
Balance as at July 01, 2017	<b>100,000,000</b>	<b>25,000,000</b>	<b>68,208,415</b>	<b>193,208,415</b>
Total comprehensive income for the First half	-	-	6,380,104	6,380,104
Total comprehensive income for the Third Quarter	-	-	(8,835,731)	(8,835,731)
<b>Balance as on March 31, 2018</b>	<b>100,000,000</b>	<b>25,000,000</b>	<b>65,752,788</b>	<b>190,752,788</b>

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

**MOHAMMAD AFZAL SHEIKH**  
Chairman

**MOHAMMAD SAEED SHEIKH**  
Chief Executive



## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH ENDED MARCH 31, 2018

### 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, 2018 are the same as those applied in the preparation of the preceding annual published financial statements of the Company.

### 3 PROPERTY, PLANT AND EQUIPMENTS

	March 31, 2018 Rupees	June 30, 2017 Rupees
Opening book value	79,207,584	79,381,848
Addition during the period / year	2,995,525	9,472,593
Disposal during the period / year		
Cost	58,348,362	2,050,000
Accumulated Depreciation	(49,759,044)	(1,645,024)
	8,589,318	404,976
Depreciation charge for the period / year	(7,007,543)	(9,241,881)
	66,606,248	79,207,584

### 4 SHORT TERM BORROWINGS

ABL - Running Finance	-	-
ABL - Finance Against Trust Receipts	-	-
ABL - Finance Against Imported Material	-	-
BAFL - Finance Against Imported Material	88,105,800	-
	88,105,800	-
Loan from Associated undertakings - Unsecured/Directors	50,105,342	50,105,342
	138,211,142	50,105,342

### 5 CASH AND CASH EQUIVALENT

	March 31, 2018 Rupees	March 31, 2017 Rupees
Cash and Bank Balances	3,358,199	3,015,381
Running Finance	-	-
	3,358,199	3,015,381





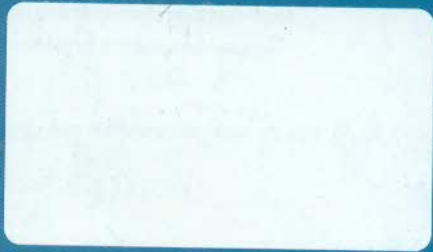
## 6 General

- 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 statements were authorized for issue on April 27, 2018 by the Board of Directors of the Company.

BOOK POST



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**Al-Khair Gadoon Ltd.**

43-T, Gulberg II, Lahore.

UAN: (+92-42) 111-111-043 Tel: (+92-42) 35716580-86 Fax: (+92-42) 35716588-35753719

E-mail: [info@alkhairgadoon.com](mailto:info@alkhairgadoon.com), [alkhairgroup@hotmail.com](mailto:alkhairgroup@hotmail.com)

URL: [www.alkhairgadoon.com](http://www.alkhairgadoon.com)