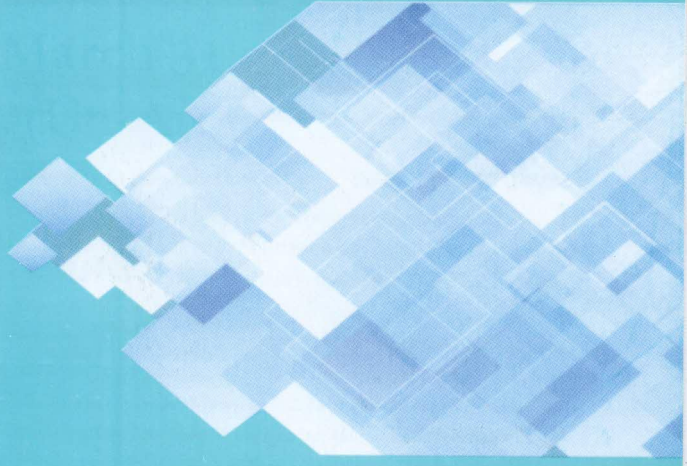


AL-KHAIR GADOON LTD.



**Condensed Interim
Financial Statements
For The Period Ended
March 31, 2020
(Un-Audited)**





AL-Khair Gadoon Ltd.

COMPANY INFORMATION

BOARD OF DIRECTORS:

Mr. Mohammad Afzal Sheikh	- Chairman
Mr. Mohammad Saeed Sheikh	- Chief Executive
Mr. Sheikh Pervaiz Afzal	- Executive Director
Mr. Mohammad Amin Sheikh	- Non-Executive Director
Mrs. Parveen Afzal	- Non-Executive Director
Mrs. Farnaz Saeed	- Non-Executive Director
Mrs. Aleeza Zahid Tariq	- Independent Director
Mr. Kamal Subhani	- Independent Director

AUDIT COMMITTEE:

Mr. Kamal Subhani	- Chairman
Mrs. Farnaz Saeed	- Member
Mrs. Aleeza Zahid Tariq	- Member
Mr. Khurram Iftikhar	- Secretary

HUMAN RESOURCE & REMUNERATION COMMITTEE:

Mr. Kamal Subhani	- Chairman
Mrs. Farnaz Saeed	- Member
Mrs. Parveen Afzal	- Member
Mushtaq Ahmed Shaheen	- Secretary

CHIEF FINANCIAL OFFICER

Abdul Hafeez Poswal

COMPANY SECRETARY:

Mr. Mohammad Amin Sheikh

AUDITORS:

M/s. Tahir Siddiqi & Co., Chartered Accountants.

LEGAL ADVISOR:

Mr. Naeem Anjum (Advocate High Court)

SHARES REGISTRAR:

Shemas International (Pvt) Limited
533-Imperial Garden Block, Main Boulevard, Paragon City,
Barki Road, Lahore.

BANKERS:

Allied Bank Limited.
Bank Alfalah Limited.

REGISTERED OFFICE & FACTORY SITE:

92/3, 94A 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



CHAIRMAN'S REVIEW REPORT

I am pleased to present the unaudited Condensed Interim Financial Statements of the Company for the nine months period ended March 31, 2020.

Operational Results

During the period of nine months ended March 31, 2020, the Company achieved the sales revenue of Rs.326.378 million as compared to Rs.459.958 million for the same period last year with a decrease of Rs.133.580 million (40.93%). The decrease was witnessed mainly due to poor economic conditions prevailed in country due to downslide in business at retail level as a result of tough fiscal measures taken by the Government to boost tax revenue. In addition, the effect of world wide outbreak of Corona Virus (COVID-19) which thrashed the economy all over the world since January 2020 including Pakistan, resulting the economy of the country badly affected during third quarter of the year 2020. Gross profit and net profit for the nine months period under review remained Rs.42.846 million and Rs.8.291 million as compared to Rs.54.940 million and Rs.10.616 million respectively for the same period last year. Administrative, distribution and finance costs were kept under strict control and no major deviation has been witnessed. The Company posted per share earning of Rs.0.83 as compared to Rs.1.06 for the same period last year.

Future Outlook

Currently, economy of the country, in particular and the globally in general, is passing through a tough phase due to spread of Corona Virus (COVID-19) all over the world. More than two million people are affected and about one hundred fifty thousand people have been died so far and most of the countries are in the termole of "Lock Down" including Pakistan which may prevail further in view of the prevailing situation. The governments of most of the countries have announced relief packages worth trillions of US Dollars to overcome this situation and for revival of their economies. The Government of Pakistan has also announced such a relief package of Rs.1,200 billion to overcome this disease scenario and rehabilitation of the economy of the country. State Bank of Pakistan has also reduced policy rate from 13.25% to 9% during the month of April 2020 which the economists and industrialists are demanding a further decrees to retain upto 5%. On the other hand exchange rate of US Dollar to Pak Rupee has touched the highest ever limit and currently is being traded at Rs.167 per US Dollar. Lending agenes and lateral institutions are predicting negative GDP growth rate of Pakistan for next fiscal year whreas the Government is striving hard to overcome poor economic conditions. Since more than 90% of raw materials of foam industry are imported resulting in cost of production will shoot up due to increase in currency exchange rate until and unless the prices of raw materials decline corresspondingly. In the presence of prevailing scenario, where social gathering is banned and marriages and other events have been deferred, the last quarter of the year is very crucial and may affect the performance of the Company very badly as this period is always peak season for a foam industry.

Acknowledgement

I would like to thank all the stakeholders for their continued cooperation and support in achieving best possible results including our valued customers and retailers for their continued confidence in us, management team, staff members, workers, bankers and vendors.

In the end, let us pray before Almighty Allah Kareem, may he save whole the humen being from Corona Disease specially our Pakistani nation, shower his countless blessing on us and help Pakistan to overcome this dangerous disease and prevailing challenges of economy.


MOHAMMAD AFZAL SHEIKH
CHAIRMAN

Lahore: April 27, 2020

