

**CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE HALF YEAR ENDED  
31 DECEMBER 2019  
(UN-AUDITED)**

**GOC (PAK) LIMITED  
SIALKOT**

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Khawar Anwar Khawaja (Chief Executive)  
Mr. Khurram Anwar Khawaja (Chairman)  
Mr. Muhammad Tahir Butt  
Mrs. Nuzhat Khawar Khawaja  
Mr. Ameer Khawar Khawaja  
Mr. Omer Khawar Khawaja  
Dr. Aamir Matin

### AUDIT COMMITTEE

Mr. Khurram Anwar Khawaja  
Mr. Omer Khawar Khawaja  
Dr. Aamir Matin

### HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Khawar Anwar Khawaja  
Mr. Khurram Anwar Khawaja  
Dr. Aamir Matin

### CORPORATE SECRETARY / CFO

Arfan Shahzad

### HEAD OF INTERNAL AUDIT

Saeed Ahmed Shaheen

### AUDITORS

Tabussum Saleem & Company  
Chartered Accountants  
Office # 1, 3<sup>rd</sup> Floor, Madina Heights  
87-E, Maulana Shaukat Ali Road  
Johar Town, Lahore - Pakistan  
Phone: 042-35173258 - 35173260  
E-mail: [matabussum@yahoo.com](mailto:matabussum@yahoo.com)

### REGISTERED OFFICE AND WORKS

Small Industries Estate  
Sialkot 4 - Pakistan  
Phone: 052-3555338, 3563051-52  
Fax: 052- 3551252, 3553609  
E-mail: [info@gocpak.com](mailto:info@gocpak.com)  
Web: [www.gocpak.com](http://www.gocpak.com)

### SHARE REGISTRARS

CorpTec Associates (Pvt) Limited  
Share Registrar & Corporate Consultants  
503 – E, Johar Town, Lahore  
Phone: 042-35170336-37  
Fax: 042- 35170338

## DIRECTORS' REPORT

It gives me great pleasure to present, on behalf of the Board of Directors, the condensed interim financial information (un-audited) for the quarter and half year ended 31 December 2019 together with the review report of the statutory auditors.

The sales for the half year have decreased by 6.28% to Rupees 99.420 million as against Rupees 106.085 million for the corresponding period. Company earned gross profit of Rupees 32.419 million as compared to Rupees 34.808 million for the corresponding period. Loss per share was Rupees (1.57) as compared to Profit Rupees 1.01 for the corresponding period. There is decreasing trend in the sales of wooden and composite hockey sticks whereas there is increase in the export and local sales of cricket balls.

The share of profit of associated company, Grays Leasing Limited, was recorded at Rupees 0.400 million against Rupees 0.535 million for the corresponding period.

The Company has continued to focus on reassessing the changing needs of the markets and investing in product quality and innovation.

Keeping in view the present market situation the directors are satisfied with the results and express their commitment and are confident of further improvements in the business of the company.

The Board places on record its profound gratitude for its valued shareholders and customers, whose cooperation, continued support and patronage have enabled the company to strive for constant improvement. During the period under review, relations between the management and employees remained cordial and we wish to place on record our appreciation for the dedication, perseverance and diligence of the staff and workers of the company.

For and on behalf of the Board



Khawar Anwar Khawaja  
Chief Executive

Sialkot: 24 February 2020

## ڈائریکٹرز رپورٹ

مجھے بورڈ آف ڈائریکٹرز کی جانب سے 31 دسمبر 2019 کو ختم ہونے والی سہ ماہی اور آدھے سال کے غیر آڈٹ شدہ (قانونی آڈیٹرز کے محدود جائزہ لینے کے بعد) اکاؤنٹس پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

اس عرصہ کے دوران فروخت پچھلے سال کے مقابلے میں 6.28% کمی کے بعد 99.420 ملین روپے رہی جو کہ پچھلے سال 106.085 ملین روپے تھی۔ کمپنی کو اس عرصہ کے دوران گلاس پرافٹ 32.419 ملین روپے رہا جو کہ مقابلے میں پچھلے اسی عرصہ کے دوران 34.808 ملین روپے تھا۔ فی حصہ خسارہ (1.57) روپے فی شیئر رہا جو کہ پچھلے سال انہی چھ ماہ کے دوران 1.01 روپے فی شیئر منافع تھا۔ ان چھ ماہ کے دوران لکڑی اور کیپوزٹ ہاکی کی فروخت میں کمی کا رجحان رہا۔ جبکہ کرکٹ بال کی اندرون ملک اور بیرون ملک فروخت میں اضافے کا رجحان رہا۔

ایسوی ایٹ کمپنی گریزننگ کا منافع 0.400 ملین روپے رہا جو کہ مقابلے میں پچھلے سال اسی عرصہ کے دوران 0.535 ملین روپے تھا۔

کمپنی مصنوعات کے معیار، جدت طرازی اور مارکیٹ کے بدلنے ہوئے رجحانات پر مسلسل نظر رکھے ہوئے ہے۔ مارکیٹ کی موجودہ صورت حال دیکھتے ہوئے ڈائریکٹرز کمپنی کی کارکردگی سے مطمئن ہیں اور کمپنی کے کاروبار میں مزید بہتری کے لیے پرامید ہیں۔ بورڈ اپنے قابل قدر حصہ داران اور گاہکان کا تہ دل سے مشکور ہے جن کے تعاون، مسلسل حمایت اور سرپرستی کی وجہ سے کمپنی مسلسل بہتری کی کوشش کر رہی ہے۔

زیر جائزہ عرصہ کے دوران انتظامیہ اور ملازمین کے تعلقات خوشگوار رہے اور ہم کمپنی کے تمام شاف ممبرز اور کارکنان کے لیے ان کی لگن، ہمت اور تہدہی سے کام کرنے پر شکرگزار ہیں

بحکم بورڈ

سیالکوٹ: 24 فروری 2020

Lawrence Muneer

خاور انور خواجہ  
چیف ایگزیکٹو

**TABUSSUM SALEEM & CO.**

**CHARTERED ACCOUNTANTS**

**INDEPENDENT AUDITORS' REVIEW REPORT**

**TO THE MEMBERS OF GOC (PAK) LIMITED  
REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of GOC (PAK) LIMITED as at December 31, 2019 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the financial statements for the six month period then ended (herein-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2019 and 2018 have not been reviewed, and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended December 31, 2019.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as of and for the six month ended December 31, 2019 is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Aslam Tabussum (FCA)

*Matabussum*  
**TABUSSUM SALEEM & CO.**  
Chartered Accountants



Place: Lahore  
Date: February 24, 2020

Office # 1, 3rd Floor, Madina Heights 87-E, Maulana Shaukat Ali Road, Johar Town, Lahore - Pakistan.  
Tel: 042-35173258, 35173260 E-mail: matabussum@yahoo.com

## CONDENSED INTERIM FINANCIAL INFORMATION

### CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

		Un-audited 31 December 2019	Audited 30 June 2019
	Note	Rupees	Rupees
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	75,315,900	66,898,021
Long term investments	5	25,689,126	25,457,685
Long term deposits		1,185,084	1,185,084
		<u>102,190,110</u>	<u>93,540,790</u>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		1,204,993	1,063,060
Stock in trade		160,511,328	142,849,388
Trade debts		19,644,371	58,381,797
Advances		15,854,985	25,799,497
Trade deposits and short term prepayments		2,136,379	1,368,903
Other receivables		21,550,390	20,777,727
Cash and bank balances		24,762,473	39,028,535
		<u>245,664,919</u>	<u>289,268,907</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		30,834,836	38,648,599
Provision for taxation		2,822,138	3,873,122
Unclaimed dividend		1,151,882	981,589
		<u>34,808,856</u>	<u>43,503,310</u>
<b>NET ASSETS</b>		<u><b>313,046,173</b></u>	<u><b>339,306,387</b></u>
<b>REPRESENTED BY:</b>			
<b>Share capital and reserves</b>			
Authorized share capital			
10,000,000 (30 June 2019: 10,000,000) ordinary shares of Rupees 10 each		<u>100,000,000</u>	<u>100,000,000</u>
<b>Issued, subscribed and paid up share capital</b>			
7,349,341 (30 June 2019: 7,349,341) ordinary shares of Rupees 10 each		73,493,410	73,493,410
<b>Reserves</b>		<u>239,552,763</u>	<u>265,812,977</u>
<b>Total equity</b>		<u><b>313,046,173</b></u>	<u><b>339,306,387</b></u>

Contingencies and commitments

6

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

  
**KHAWAR ANWAR KHAWAJA**  
 CHIEF EXECUTIVE

  
**MUHAMMAD TAHIR BUTT**  
 DIRECTOR

  
**ARFAN SHAHZAD**  
 CFO

**GOC (PAK) LIMITED**  
**SIALKOT**

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	Note	Half Year Ended		Quarter Ended	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
		Rupees	Rupees	Rupees	Rupees
SALES		99,420,277	106,084,921	58,480,530	68,239,141
COST OF SALES	7	(67,001,442)	(71,276,441)	(40,012,565)	(45,200,503)
GROSS PROFIT		32,418,835	34,808,480	18,467,965	23,038,638
DISTRIBUTION COST		(5,919,369)	(5,085,982)	(3,244,103)	(3,019,051)
ADMINISTRATIVE EXPENSES		(37,196,278)	(17,896,539)	(26,315,574)	(9,931,691)
OTHER EXPENSES		(654,180)	(4,207,864)	(260,498)	(3,631,672)
		(43,769,827)	(27,190,385)	(29,820,175)	(16,582,414)
		(11,350,992)	7,618,095	(11,352,210)	6,456,224
OTHER INCOME		1,803,012	525,739	754,257	204,232
(LOSS) / PROFIT FROM OPERATIONS		(9,547,980)	8,143,834	(10,597,953)	6,660,456
FINANCE COST		(399,386)	(203,093)	(189,293)	(116,306)
		(9,947,366)	7,940,741	(10,787,246)	6,544,150
SHARE OF PROFIT OF ASSOCIATED COMPANY		400,000	534,658	550,006	523,915
(LOSS) / PROFIT BEFORE TAXATION		(9,547,366)	8,475,399	(10,237,240)	7,068,065
TAXATION					
- Current		(1,845,607)	(972,530)	(596,370)	(521,087)
- Share of tax of associate		(160,000)	(82,398)	(74,720)	(24,085)
		(2,005,607)	(1,054,928)	(671,090)	(545,172)
(LOSS) / PROFIT AFTER TAXATION		<u>(11,552,973)</u>	<u>7,420,471</u>	<u>(10,908,330)</u>	<u>6,522,893</u>
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED		<u>(1.57)</u>	<u>1.01</u>	<u>(1.48)</u>	<u>0.89</u>

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

  
**KHAWAR ANWAR KHAWAJA**  
CHIEF EXECUTIVE

  
**MUHAMMAD TAHIR BUTT**  
DIRECTOR

  
**ARFAN SHAHZAD**  
CFO

# CONDENSED INTERIM FINANCIAL INFORMATION

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited) FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Half Year Ended		Quarter Ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	Rupees	Rupees	Rupees	Rupees
(LOSS) / PROFIT AFTER TAXATION	(11,552,973)	7,420,471	(10,908,330)	6,522,893
<b>OTHER COMPREHENSIVE (LOSS) / INCOME</b>				
Items that will not be reclassified to profit or loss:				
Deficit arising on remeasurement of investment at fair value through other comprehensive income	(8,559)	(78,910)	39,662	(213,525)
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive (loss) / income for the period	(8,559)	(78,910)	39,662	(213,525)
<b>TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD</b>	<u>(11,561,532)</u>	<u>7,341,561</u>	<u>(10,868,668)</u>	<u>6,309,368</u>

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

  
KHAWAR ANWAR KHAWAJA  
CHIEF EXECUTIVE

  
MUHAMMAD TAHIR BUTT  
DIRECTOR

  
ARFAN SHAHZAD  
CFO



**GOC (PAK) LIMITED  
SIALKOT**


**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	SHARE CAPITAL	RESERVES								TOTAL EQUITY
		CAPITAL			REVENUE				TOTAL RESERVES	
		Capital reserve	Fair value reserve AFS investments	Fair value reserve FVTOCI investments	Sub total	General reserve	Unappropriated Profit	Sub total		
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
	73,493,410	1,000,000	415,195	-	1,415,195	104,455,492	95,846,380	200,301,872	201,717,067	275,210,477
	-	-	(415,195)	415,195	-	-	-	-	-	-
<b>Adjusted total equity as at 01 July 2018</b>	73,493,410	1,000,000	-	415,195	1,415,195	104,455,492	95,846,380	200,301,872	201,717,067	275,210,477
Transaction with owners - Final dividend for the year ended 30 June 2018 @ Rupees 1.00 per share	-	-	-	-	-	-	(7,349,341)	(7,349,341)	(7,349,341)	(7,349,341)
Profit for the period ended 31 December 2018	-	-	-	-	-	-	7,420,471	7,420,471	7,420,471	7,420,471
Other comprehensive loss for the period ended 31 December 2018	-	-	-	(78,910)	(78,910)	-	-	-	(78,910)	(78,910)
Total comprehensive income for the period ended 31 December 2018	-	-	-	(78,910)	(78,910)	-	7,420,471	7,420,471	7,341,561	7,341,561
<b>Balance as at 31 December 2018 (Un-audited)</b>	73,493,410	1,000,000	-	336,285	1,336,285	104,455,492	95,917,510	200,373,002	201,709,287	275,202,697
<b>Balance as at 30 June 2019 (Audited)</b>	73,493,410	1,000,000	-	343,065	1,343,065	104,455,492	160,014,420	264,469,912	265,812,977	339,306,387
Transaction with owners - Final dividend for the year ended 30 June 2019 @ Rupees 2.00 per share	-	-	-	-	-	-	160,014,420	264,469,912	265,812,977	339,306,387
Profit for the period ended 31 December 2019	-	-	-	-	-	-	(14,698,682)	(14,698,682)	(14,698,682)	(14,698,682)
Other comprehensive loss for the period ended 31 December 2019	-	-	-	(8,559)	(8,559)	-	(11,552,973)	(11,552,973)	(11,552,973)	(11,552,973)
Total comprehensive income for the period ended 31 December 2019	-	-	-	(8,559)	(8,559)	-	(11,552,973)	(11,552,973)	(11,561,532)	(11,561,532)
<b>Balance as at 31 December 2019 (Un-audited)</b>	73,493,410	1,000,000	-	334,506	1,334,506	104,455,492	133,762,765	238,257	239,552,763	313,046,173

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

  
**KHAWAR ANWAR KHAWAJA**  
CHIEF EXECUTIVE

  
**MUHAMMAD TAHIR BUTT**  
DIRECTOR

  
**ARFAN SHAHZAD**  
CFO

# CONDENSED INTERIM FINANCIAL INFORMATION

## CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited) FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	31 December 2019	31 December 2018
	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / profit before taxation	(9,547,366)	8,475,399
Adjustment for:		
Depreciation on property, plant and equipment	3,979,896	3,872,367
Profit on deposit accounts	(1,774,272)	(505,933)
Dividend income	(11,550)	(15,015)
Share of loss of associated company	(400,000)	(534,658)
Gain on disposal of property, plant and equipment	(17,190)	(4,791)
Finance cost	399,386	203,093
	2,176,270	3,015,063
Net cash (used in) / generated from operating activities before working capital changes	(7,371,096)	11,490,462
<b>Decrease / (increase) in current assets</b>		
Stores, spare parts and loose tools	(141,933)	594,649
Stock in trade	(17,661,940)	(25,013,132)
Trade debts	38,737,426	(17,163,208)
Advances	9,590,659	(1,779,604)
Trade deposits and short term prepayments	(767,476)	(516,252)
Other receivables	(778,340)	(3,615,422)
	28,978,396	(47,492,969)
<b>(Decrease) / increase in current liabilities</b>		
Trade and other payables	(7,820,259)	3,073,246
<b>Cash generated from / (used in) operations</b>	13,787,041	(32,929,261)
Finance cost paid	(399,386)	(203,093)
Income tax paid	(2,536,242)	(1,089,879)
<b>Net cash generated from / (used in) operating activities</b>	10,851,413	(34,222,233)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure on property, plant and equipment	(12,420,585)	(2,697,182)
Proceeds from disposal of property, plant and equipment	40,000	22,000
Profit on deposit accounts received	1,779,949	537,959
Dividend income	11,550	15,015
<b>Net cash used in investing activities</b>	(10,589,086)	(2,122,208)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(14,528,389)	(7,220,354)
<b>Net cash used in financing activities</b>	(14,528,389)	(7,220,354)
<b>Net decrease in cash and cash equivalents</b>	(14,266,062)	(43,564,795)
<b>Cash and cash equivalents at the beginning of the period</b>	39,028,535	58,260,424
<b>Cash and cash equivalents at the end of the period</b>	24,762,473	14,695,629

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



**KHAWAR ANWAR KHAWAJA**  
CHIEF EXECUTIVE



**MUHAMMAD TAHIR BUTT**  
DIRECTOR



**ARFAN SHAHZAD**  
CFO

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)  
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

**1. THE COMPANY AND ITS OPERATIONS**

GOC (Pak) Limited was incorporated in Pakistan on 02 June 1964 as a private Company limited by shares under the Companies Act, 1913 (Now Companies Act, 2017) and converted into a public limited Company on 17 April 1986. The Company's shares are quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at Small Industries Estate, Sialkot. The Company is engaged in manufacturing and sale of hockey sticks, cricket ball and other quality sports goods.

**2. BASIS OF PREPARATION**

- 2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standard as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2 These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2019. These condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

**3. ACCOUNTING POLICIES**

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2019. The Company has adopted IFRS 16 from 01 July 2019. The new standard eliminates the classification of leases as either operating leases or finance leases and instead introduces a single lessee accounting model. IFRS 16 is not applicable on short-term leases and leases of low-value assets. The adoption of IFRS 16 does not have any impact on the amounts recognized in prior periods and is not expected to significantly affect the current or future periods.

**3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

## CONDENSED INTERIM FINANCIAL INFORMATION

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2019.

	Un-audited 31 December 2019	Audited 30 June 2019
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>	<b>Rupees</b>	<b>Rupees</b>
Operating fixed assets (Note 4.1)	56,361,840	58,523,546
Capital work-in-progress (Note 4.2)	18,954,060	8,374,475
	<u>75,315,900</u>	<u>66,898,021</u>
<b>4.1 Operating fixed assets</b>		
Opening book value	58,523,546	57,723,166
Add: Cost of additions during the period / year (Note 4.1.1)	1,841,000	10,012,518
Less: Book value of deletions during the period / year (Note 4.1.2)	(22,810)	(1,041,588)
Less: Depreciation charge for the period / year	(3,979,896)	(8,170,550)
Closing book value	<u>56,361,840</u>	<u>58,523,546</u>
<b>4.1.1 Cost of additions during the period / year</b>		
Freehold land	-	600,000
Electric Installations	-	137,000
Vehicles	1,841,000	9,275,518
	<u>1,841,000</u>	<u>10,012,518</u>
<b>4.1.2 Book value of deletions during the period / year</b>		
Vehicles	22,810	1,041,588
	<u>22,810</u>	<u>1,041,588</u>
<b>4.2 Capital work-in-progress</b>		
Building	18,918,860	8,374,475
Plant and machinery	35,200	-
	<u>18,954,060</u>	<u>8,374,475</u>

	Un-audited 31 December 2019	Audited 30 June 2019
	Rupees	Rupees
<b>5. LONG TERM INVESTMENTS</b>		
Under equity method (Note 5.1)	25,344,405	25,104,405
Fair value through other comprehensive income (FVTOCI) (Note 5.2)	344,721	353,280
	<u>25,689,126</u>	<u>25,457,685</u>
<b>5.1 Under equity method</b>		
Grays Leasing Limited - associated company		
7,999,999 (30 June 2019: 7,999,999) ordinary shares of Rupees 10 each equity held 37.21% (30 June 2019: 37.21%)		
Share in net assets at the beginning of the period / year	25,104,405	25,809,941
Add: Share in (loss) / profit before taxation for the period / year	400,000	(444,225)
Share in taxation	(160,000)	(247,315)
Share in other comprehensive income / (loss)	-	(13,996)
	<u>240,000</u>	<u>(705,536)</u>
Share in net assets at the end of the period / year	<u>25,344,405</u>	<u>25,104,405</u>
<b>5.1.1</b> Grays Leasing Limited is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) on 31 August 1995. Its shares are listed on Pakistan Stock Exchange Limited. It is engaged in leasing business. The quoted fair value of investment of the Company in Grays Leasing Limited as on 31 December 2019 is Rupees 22,479,997 (30 June 2019: Rupees 28,399,996).		
<b>5.2 Fair value through other comprehensive income (FVTOCI)</b>		
<b>Sitara Chemical Industries Limited</b>		
1,155 (30 June 2019: 1,155) shares of Rupees 10 each	10,215	10,215
Add : Fair value adjustment (Note 5.2.1)	334,506	343,065
	<u>344,721</u>	<u>353,280</u>
<b>5.2.1 Fair value adjustment</b>		
Opening balance	343,065	415,195
Less: Deficit arising on remeasurement	(8,559)	(72,130)
	<u>334,506</u>	<u>343,065</u>
<b>6 CONTINGENCIES AND COMMITMENTS</b>		
<b>Commitments</b>	<u>Nil</u>	<u>Nil</u>
<b>Contingencies:</b>		
Post dated cheques issued to Custom authorities amounting to Rupees 44.219 million (30 June 2019: Rupees 38.759 million).		

# CONDENSED INTERIM FINANCIAL INFORMATION

## 7. COST OF SALES

	Un-audited			
	Half Year Ended		Quarter Ended	
	31 December	31 December	31 December	31 December
	2019	2018	2019	2018
	Rupees	Rupees	Rupees	Rupees
Raw material consumed	31,681,995	34,631,992	22,642,129	19,304,544
Processing charges	3,912,334	7,058,248	2,345,237	3,933,390
Salaries, wages and other benefits	30,176,767	29,285,271	16,495,735	16,189,482
Stores, spare parts and loose tools consumed	865,275	684,492	270,106	345,896
Repair and maintenance	644,644	1,004,563	209,309	-
Fuel and power	3,717,102	2,558,911	1,740,157	1,351,504
Vehicles running	386,919	281,321	218,220	137,273
Insurance	449,679	415,827	239,207	208,355
Other factory overheads	191,373	294,019	59,468	229,015
Depreciation	1,536,069	1,677,741	943,583	1,002,303
	<u>73,562,157</u>	<u>77,892,385</u>	<u>45,163,151</u>	<u>42,701,762</u>
<b>Work-in-process</b>				
Opening stock	64,132,297	67,301,733	71,478,973	72,533,304
Closing stock	(70,541,374)	(77,055,324)	(70,541,374)	(77,055,324)
	<u>(6,409,077)</u>	<u>(9,753,591)</u>	<u>937,599</u>	<u>(4,522,020)</u>
<b>Cost of goods manufactured</b>	<u>67,153,080</u>	<u>68,138,794</u>	<u>46,100,750</u>	<u>38,179,742</u>
<b>Finished goods</b>				
Opening stock	52,174,656	39,417,968	46,238,109	43,301,082
Closing stock	(52,326,294)	(36,280,321)	(52,326,294)	(36,280,321)
	<u>(151,638)</u>	<u>3,137,647</u>	<u>(6,088,185)</u>	<u>7,020,761</u>
	<u><u>67,001,442</u></u>	<u><u>71,276,441</u></u>	<u><u>40,012,565</u></u>	<u><u>45,200,503</u></u>

**8. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS**

**(i) Fair value hierarchy**

Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements At 31 December 2019	Level 1	Level 2	Level 3	Total
	.....Rupees.....			

**Financial assets**

Investment at fair value through other comprehensive income	344,721	-	-	344,721
---	---------	---	---	---------

<b>Total financial assets</b>	<b>344,721</b>	<b>-</b>	<b>-</b>	<b>344,721</b>
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Recurring fair value measurements At 30 June 2019	Level 1	Level 2	Level 3	Total
	.....Rupees.....			

**Financial assets**

Investment at fair value through other comprehensive income	353,280	-	-	353,280
---	---------	---	---	---------

<b>Total financial assets</b>	<b>353,280</b>	<b>-</b>	<b>-</b>	<b>353,280</b>
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The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period. Further, there was no transfer in and out of level 3 measurements.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

**(ii) Valuation techniques used to determine fair values**

Specific valuation techniques used to value financial instruments include the use of quoted market prices.

## CONDENSED INTERIM FINANCIAL INFORMATION

### 9. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, key management personnel and staff retirement fund. Detail of transactions with the related parties is as follows:

	Un-audited	
	Half Year Ended	
	31 December 2019	31 December 2018
	(Rupees in million)	
<b>Associates</b>		
Sale of goods	-	0.004
Processing charges	3.912	7.058
Purchase of goods	-	-
<b>Others</b>		
Remuneration of key management personnel	20.670	6.870
Contribution to provident fund trust	0.842	0.763

### 10. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2019.

### 11. DATE OF AUTHORIZATION

This condensed interim financial information was approved by the Board of Directors and authorized for issue on 24 February 2020.

### 12. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.

### 13. GENERAL

Figures have been rounded off to the nearest of Rupee unless otherwise stated.

  
**KHAWAR ANWAR KHAWAJA**  
CHIEF EXECUTIVE

  
**MUHAMMAD TAHIR BUTT**  
DIRECTOR

  
**ARFAN SHAHZAD**  
CFO



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