

ANNUAL REPORT 2020



GOC (PAK) LIMITED

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CORPORATE INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

**HUMAN RESOURCE AND
REMUNERATION COMMITTEE**

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

CORPORATE SECRETARY / CFO

Arfan Shahzad

HEAD OF INTERNAL AUDIT

Asif Asghar

AUDITORS

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

**REGISTERED OFFICE
AND WORKS**

Small Industries Estate
Sialkot 4, Pakistan
Phone: (052) 3555338-3563051-3563052
Fax: (052) 3551252
E-mail: info@gocpak.com
Website: www.gocpak.com

SHARE REGISTRARS

CorpTec Associates (Pvt) Limited
503-E, Johar Town, Lahore
Phone: (042) 35170336-7
Fax: (042) 35170338

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ASSOCIATED COMPANIES

Grays Leasing Limited

Head Office:

701-A, 7th Floor, City Towers

7K Gulberg II, Lahore

Tel: (042) 35770382-7

Fax: (042) 35770389

E-mail: gll@ms.net.pk

Liaison Offices:

Small Industries Estate,

Shahabpura Road, Sialkot

Tel: (052) 3554531

Fax: (052) 3551252

E-mail: grays@cyber.net.pk

15-A, Al Mubashar Apartment

Block – 13-C, Gulshan-e-Iqbal

Karachi

Tel: (021) 34293974

Fax: (021) 34965085

Anwar Khawaja Industries (Private) Limited

Small Industries Estate, Sialkot 51310

Tel: (052) 3551004, 3554531, 3554535

Fax: (052) 3553609

Anwar Khawaja Composites

Sadra Badra Daska Road, Sialkot

Tel: (052) 3575476-3575390

VISION

We continuously strive to maintain an edge through building a sustainable relationship with customers all over the globe by establishing and maintaining a strong production and marketing network with a team of adroit, enchanting, and skillfull craftsmen and experienced professionals.

We aim at the best of our Customer's Satisfaction. We also aim at a sustainable growth to ensure our company's prosperous future & healthy returns to all our stakeholders.

MISSION

To endeavour consistently to be a dynamic, profitable and growth oriented company through excellence in all spheres of business activities optimizing value for our associates and shareholders.

To seek a high standard of performance and to strive for a long-term leadership position through operating efficiency and dedicated service to customers in a competitive environment.

To be an exemplary corporate citizen maintaining high moral standards and fulfilling its social responsibilities. GOC firmly believes in behavioral conformance.

To create further opportunities for employees at all levels so that they become a real team of dedicated workers and professionals who are rewarded according to their ability and performance; honesty, integrity and talent are the only pre-requisites.

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 57th Annual General Meeting of the members of **GOC (Pak) Limited** will be held at its Registered Office, Small Industries Estate, Sialkot on Wednesday, the 14th October 2020 at 03:00 p.m. to transact the following business:

Ordinary Business:

1. To confirm the minutes of the last meeting.
2. To receive, consider and adopt Audited Financial Statements of the Company for the year ended 30 June 2020 together with the Chairman Review, Directors' and Auditors' Report thereon.
3. To approve the payment of final cash dividend @ Rs. 1.00 per share (10%) for the year ended 30 June 2020 as recommended by the Board of Directors.
4. To appoint statutory auditors and fix their remuneration for the year ending 30 June 2021.
5. To elect Eight (8) Directors of the Company, as fixed by the Board of Directors, for the next term of three years, in accordance with the provisions of Section 159 of the Companies Act 2017, in place of following retiring Directors.
 1. Mr. Khawar Anwar Khawaja
 2. Mr. Khurram Anwar Khawaja
 3. Mr. Muhammad Tahir Butt
 4. Mr. Ameer Khawar Khawaja
 5. Mr. Omer Khawar Khawaja
 6. Mrs. Nuzhat Khawar Khawaja
 7. Dr. Aamir Matin

Special Business:

6. To ratify and approve transactions conducted with the Related Parties for the year ended 30 June 2020 by passing the following special resolution with or without modification:

"Resolved that the transactions conducted with the Related Parties as disclosed in the note 27 of the financial statements for the year ended 30 June 2020 be and are hereby ratified, approved and confirmed."

7. To authorize the Board of Directors of the Company to approve transactions with the related parties for the financial year ending on 30 June 2021 by passing the following special resolution with or without modification:

"Resolved that the Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with the Related Parties on case to case basis for the financial year ending on 30 June 2021.

Resolved further that the approval of these transactions by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval."

8. To consider and approve the sale of **surplus** freehold land of the Company by passing following resolution(s) as special resolution(s) with or without any modification, addition or deletion in terms of Section 183(3)(a) of the Companies Act, 2017:

"Resolved that approval of the members of GOC (Pak) Limited (the "Company") be and is hereby accorded in terms of Section 183(3)(a) of the Companies Act, 2017 to the disposal and sale of Company's surplus freehold land (the "Assets") to Anwar Khawaja Industries (Private) Limited – holding company at a price not less than the fair value / assessed market value of the Assets.

Resolved further that as part and parcel of the foregoing consent, the Board of Directors be and is hereby authorized and empowered to sell / dispose of the Assets and delegate any or all of its powers in this regard to the Chief Executive Officer (CEO) or any other person on such terms and conditions as they deem fit, to act on behalf of the Company in carrying out and performing all acts, matters, things and deeds to implement and/or give effect to the Assets sale/disposal and utilization of the proceeds thereof, which shall include, but not be limited to:-

- a) entering into an agreement to sell, executing a sale deed or any other agreement with the buyer, Anwar Khawaja Industries (Private) Limited – holding company, receiving the sale consideration, executing, preparing and signing any sale deed, conveyance deed and/or transfer documents in favor of the buyer, Anwar Khawaja Industries (Private) Limited – holding company to effect the Assets sale in favor of the buyer, Anwar Khawaja Industries (Private) Limited – holding company by representing the same before all parties & authorities concerned and admitting execution thereof;
- b) representing before the Sub-Registrar or any other competent authority and getting any sale deed or other documents registered and collecting the consideration amount in respect of the sale of Assets; and
- c) generally performing and executing, in respect of the Assets, all lawful deeds, agreements, acts and things as they may think fit and proper in order to implement and complete the sale/disposal of the Assets.

Resolved further that the Company be and is hereby authorized to take all actions incidental or ancillary thereto with regard to the Assets sale.

Resolved further that the Board be and is hereby empowered to agree upon modification in these resolutions that may be directed/required by the SECP without the need for passing any fresh resolution by the members of Company.

Resolved further that certified copies of this resolution may be communicated to the concerned parties, organizations or authorities, wherever required, and shall remain in force until notice in writing to the contrary be given."

9. To transact any other business with the permission of the Chair.

By Order of the Board



(Arfan Shahzad)

Company Secretary

Sialkot:

Dated: 23 September 2020

Notes:

1. **Book Closure:** The share transfer books of the company will remain closed from 07 October 2020 to 14 October 2020 (both days inclusive). Transfers received in order at the office of the company's Independent Share Registrar, M/s Corptec Associates (Private) Limited, 503-E, Johar Town, Lahore by the close of business on 06 October 2020 will be considered in time to be eligible for the purpose of attending and voting at the Annual General Meeting.

2. **Appointment of Proxy:** A member entitled to attend and vote at the Annual General Meeting is entitled to appoint another member as a proxy to attend and vote instead of him/her. The instrument appointing a proxy must be received at the Registered Office of the company not less than 48 hours before the time appointed for the Meeting.

3. **Participation in AGM:** Members who have deposited their shares in the Central Depository System of the Central Depository Company of Pakistan Limited will have to follow the under mentioned guidelines as laid down by Securities and Exchange Commission of Pakistan:

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A. For Attending the Meeting

a. In case of Individuals, the account holder and/or sub-account holder whose registration details are Uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or original Passport along with Participant ID number and the Account number at the time of attending the Meeting.

In case of corporate entity, the Board's resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. For Appointing Proxies

a. In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.

b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.

c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.

d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.

e. In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

4. Electronic Transmission of Financial Statements: The members, who desire to opt to receive annual Audited Financial Statements and notice of AGM through e-mail, are requested to provide their written consent on the Standard Request Form available on the Company's website. The Company shall, however, provide hard copy of the annual Audited Financial Statements to its shareholders, on request, free of cost, within seven days of receipt of such request.

5. Video Conferencing Facility: If the Company receives consent from members holding aggregate 10% or more shareholding, residing in geographical location to participate in the meeting through video conference at least 7 days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard, please fill the following and submit to registered address of the company, Small Industries Estate, Sialkot at least 7 days prior to the date of Annual General Meeting.

"I/We, _____ of _____, being a member of GOC (Pak) Limited, holder of _____ ordinary share(s) as per Registered Folio / CDC Account No. _____ hereby opt for video conference facility at _____.

Signature of member _____"

E-voting and Postal Ballot Facility

The shareholders will be allowed to exercise their right to vote through e-voting and postal ballot subject to Section 142 and 143 of the Companies Act, 2017 and Regulation 11 of the Companies (Postal Ballot) Regulations, 2018.

6. Placement of Financial Statements on Website: The Company has placed the Audited Annual Financial Statements for the year ended 30 June 2020 along with Auditors' and Directors' Reports thereon on company's website www.gocpak.com

7. Deduction of Withholding Tax on the Amount of Dividend: Pursuant to the provisions of the Finance Act, 2019, the rates of deduction of income tax from dividend payments under the Income Tax Ordinance, 2001 have been revised as follows:

-Active 15%

- Non-Active 30%

All shareholders are advised to check their status on Active Taxpayers List (ATL) available on FBR Website and may, if required, take necessary actions for inclusion of their name in ATL to avail the lower rate of tax deduction. In the case of shares registered in the name of two or more shareholders, each joint-holder is to be treated individually as either active or non-active and tax will be deducted by the company on the basis of shareholding of each joint-holder as may be notified to the Company in writing. The joint-holders are, therefore, requested to submit their shareholdings otherwise each joint holder shall be presumed to have an equal number of shares.

8. **Dividend Mandate:** The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. The shareholders who have not provided their bank account details so far are advised to provide their below electronic dividend mandate information to Company's Share Registrar at the address given above and update their CDC accounts / Sub accounts as the case may be, enabling the Company to credit your future dividend promptly, if any

1. Shareholder's Name 2. Father's / Husband's Name 3. Folio Number 4. Postal Address 5. Name of Bank 6. Name of Branch

7. Address of Branch 8. Title of Bank Account 9. Bank Account Number (Complete with code) 10. IBAN Number (Complete with code)

11. Cell Number 12. Telephone Number (if any) 13. CNIC Number (attach copy) 14. NTN (in case of corporate entity, attach copy)

Signature of Shareholder as on CNIC

9. Submission of copy of CNIC (Mandatory): Individuals including all joint holders holding physical share certificates are requested to submit a copy of their valid CNIC to the Company or the Company's Share Registrar. All shareholders are once again requested to send a copy of their valid CNIC to our Share Registrar, M/s Corptec Associates (Private) Limited, 503-E, Johar Town, Lahore. The Shareholders while sending CNIC must quote their respective folio numbers and name of the Company.

STATEMENT OF MATERIAL FACTS UNDER SECTION 166(3) OF THE COMPANIES ACT, 2017

Section 166 of the Companies Act, 2017 provides that a statement of material facts is annexed to the notice of the general meeting called for the purpose of election of directors which shall indicate the justification for choosing the appointee for appointment as an independent director. The Company is required to have at least [two] independent directors on its board in accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The Company shall ensure that the Independent Directors will be elected in accordance with the procedures for election of directors laid down in Section 159 of the Companies Act, 2017. Once the contestants will file their consent to offer themselves for elections as independent directors, the Company shall ensure that;

- Names of these contestants are included in the data bank maintained by Pakistan Institute of Corporate Governance (PICG) as authorized by SECP and
- These contestants meet the independence criteria as mentioned in Section 166(2) of the Companies Act, 2017 and
- Experience, competencies and skills of the contestants shall be assessed.

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STATEMENT UNDER SECTION 134(3) OF THE ACT:

Agenda Item No. 6 of The Notice - Ratification and Approval of the Related Party Transactions:

Transactions conducted with the related parties have to be approved by the Board of Directors duly recommended by the Audit Committee on quarterly basis pursuant to regulation 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019. However, since majority of the Company's Directors were interested due to their common directorships and therefore these transactions are being placed for the approval by shareholders in the Annual General Meeting. All transactions with related parties to be ratified have been disclosed in the note 27 to the financial statements for the year ended 30 June 2020. The Company carries out transactions in the normal course of business. All transactions entered into with related parties require the approval of the Audit Committee of the Company. Upon the recommendation of the Audit Committee, such transactions were placed before the Board of Directors for approval. The nature of relationship with these related parties has also been indicated in the financial statements for the year ended 30 June 2020. The Directors are interested in the resolution only to the extent of their shareholding and having their common directorships in such related parties.

Agenda Item No. 7 of the Notice - Authorization for the Board of Directors to approve the Related Party Transactions during the Year Ending On 30 June 2021.

The Company shall be conducting transactions with its related parties during the year ending on 30 June 2021 in the normal course of business. The majority of Directors are interested due to their common directorship in the associated undertakings. In order to promote transparent business practices, the shareholders are required to authorize the Board of Directors to approve transactions with the related parties from time-to-time and on case to case basis for the year ending on 30 June 2021, which transactions shall be deemed to be approved by the Shareholders. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification. The Directors are interested in the resolution only to the extent of their shareholding and/or only their common directorships in such related parties.

Agenda Item No.8 of the Notice - Disposal and sale of Company's surplus freehold land

The Board of Directors has approved the sale/disposal of the Company's surplus freehold land (the Assets) subject to approval of members of Company in Annual General Meeting. The information required under SRO 423(I)/2018 dated 03 April 2018 is as follows:

Description of the Assets	Cost as at 30-06-20	Book Value as at 30-06-2020 (without surplus on revaluation)	Revalued Amount / Fair Value / Current Market Value	Date of acquisition
----- Rupees -----				
Freehold land				
Location – Plot Bearing Plot No. 279 – A & 280 – A situated at Small Industrial Estate II in Silakot, Export Processing Zone, Sambrial (Industrial land) 8 Kanals	1,264,000	1,264,000	20,000,000	1990
Location – Plot Bearing Plot No. 275 – A, 276 – A, 277 – A, 278 – A situated at Small Industrial Estate II, Export Processing Zone, Sambrial, Sialkot (Industrial land) 16 Kanals	2,624,800	2,624,800	40,000,000	1991

The Assets of the Company have been revalued by A.E.Z Engineering Consultants, Architects, Structural Design Engineers, Planners and Valuers (Approved Pakistan Banks Association, Registered PEC, Registered Pakistan Council of Architects & Town Planners) on 11 September 2020.

The proposed manner of disposal

The market value / fair value of the Assets has been determined / assessed by A.E.Z Engineering Consultants, Architects, Structural Design Engineers, Planners and Valuers (Approved Pakistan Banks Association, Registered PEC, Registered Pakistan Council of Architects & Town Planners) on 11 September 2020. Anwar Khawaja Industries (Private) Limited – holding company shall be required to purchase the Assets from the Company at the market value / fair value of the Assets as determined / assessed by A.E.Z Engineering Consultants.

Purpose of the disposal of the Assets

- a) Utilization of the proceeds received from the transaction;
To finance the working capital requirements of the Company.
- b) Effect on operational capacity of the company, if any;
None as the Assets represents surplus freehold land of the Company.
- c) Quantitative and qualitative benefits expected to accrue to the members.

The disposal of Assets of the Company shall result in a capital gain of Rupees 56,111,200 that shall be exempt from income tax. The liquidity generated from this Assets disposal transaction shall enhance the shareholders' value and shall make sure that the Company needs not to borrow from banks for its working capital requirements.

The disposal of the Assets under reference is expected before the end of the financial year 2020-2021.

None of the Directors have any direct or indirect interest in the sale/disposal of the said Assets except as shareholders of the Company. All five directors of Anwar Khawaja Industries (Private) Limited – holding company are the directors of the Company. The directors of the Company (except the independent director) and their relatives own all shares of Anwar Khawaja Industries (Private) Limited – holding company.

The documents pertaining to above resolutions are available for inspection at the Registered Office of the Company on any working day up to 13 October 2020 during business hours and also at the time of the Meeting.

The Directors of the Company have certified that they have carried out necessary due diligence for the sale of Assets. A due diligence report duly signed by the directors with recommendations shall be made available for inspection of members in the Meeting.

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COMPANY PROFILE

INDUSTRIAL PROFILE

GOC (Pak) Limited was incorporated in Pakistan on June 02, 1964 to incarnate a strong yearn of Late Anwar Khawaja, the first Managing Director of the Company, of making the WORLD'S BEST hockey stick in collaboration with Messrs H.J. Gray & Sons of Cambridge, England [presently named as "Grays of Cambridge (International) Limited" under an agreement made and signed in 1963.

The formal inauguration of this Pak-British joint enterprise was held on May 08, 1965 although the unit commenced its commercial production on April 01, 1965 under the elite supervision of an English technician, Mr. D. Fosket who had actually made hockey sticks with his own hands for more than half a century. This great expert gave training to Pakistani workers and carved them into a team of adroit and enchanting craftsmen by inculcating them with all his expertise, elegance and excellence.

During 1983, while the Company continued progressively conventional hockey sticks (around 90,000 sticks a year), the management acquired technical know-how from Mr. Toon Coolen of Netherlands and started making a Novelty Stick with a U-Shaped head approved by the Rules Committee of the International Hockey Federation. By virtue of this blending mechanization with the skills of the local craftsmen, the hockey sticks produced by this unit have met with a global acceptance as the best ever-made and the venture proved to be an International success. The fact that the first mark of 17,590 hockey sticks produced and exported during 1965 has culminated to its present volume of more than hundred thousand sticks a year has evidently placed GOC fairly and squarely on the World Hockey Map.

Equally important was the year 1973 which also witnessed expansion in Company's Product Line. A Cricket Ball manufacturing unit was established to produce balls with the World's most famous brand names "DUKE & SONS" and "GRAY-NICOLLS". This unit has also shown a tremendous growth as evidenced by rising production of completely hand-sewn cricket balls from a few thousand in its first year of inception to around hundred thousand a year at present. These balls are being used in first class as well as the Test Cricket in Pakistan and abroad.

The Company has a global net work of marketing agents as well as a full fledged quality control wing consisting of on job trained supervisors headed by a professional, all working under a regular control of the Company's Chief Executive / Technical Director Mr. Khawar Anwar Khawaja who did his B.E. from the University of Engineering and Technology, Lahore.

CORPORATE PROFILE

The Company which was incorporated as a private limited went public in April 1986 and was listed on Pakistan Stock Exchange in January 1987. The issue was very well received by public and was over-subscribed by 200 times, a record response by public. Since then, the share of the Company has a very strong demand which is well supported by the fact that its 10 rupees shares has touched a 450 rupees price and is being quoted at rupees 50.00 at present.

At the same time, a plan for diversification in financial and economic activities is also underway, and as a result thereof, the Company co-sponsored a leasing company named GRAYS LEASING LIMITED, listed on Pakistan Stock Exchange with an equity capital of 100 million Rupees which was also over subscribed even under the prevailing crunch in the investment market.

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The financial performance of the Company is also revealed by a simple statistic that the shareholders' equity was 225 thousand rupees in 1965 and 344 million rupees in 2020.

YEAR	CASH DIVIDEND
2011	10.00 Percent
2012	-
2013	-
2014	-
2015	20.00 Percent
2016	21.00 Percent
2017	6.50 Percent
2018	10.00 Percent
2019	20.00 Percent
2020	10.00 Percent

The Company has been declared as one of the Top 25 Companies by the Pakistan Stock Exchange for eight consecutive years from 1989 to 1996. For the years 1997 and 1998, company was not ranked among Top 25 Companies just for lack of some membership criteria. For 1999 to 2002 it has again been ranked among the Top 25 Companies.

GOC under the chairmanship of Mr. Khurram Anwar Khawaja and Chief Executive Officer, Mr. Khawar Anwar Khawaja, has pledged itself to very strong commitment to realism and honesty with its principals which legislates for the benefits of the public and not least of the sports and sportsmen.

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Chairman's Review

Review Report by Chairman u/s 192 of the Companies Act 2017

The year under review, the board members diligently performed their duties and thoroughly reviewed, discussed and approved business strategies, Corporate Objectives, Plans, Financial Statements and other reports. All the significant issues throughout the year were presented before the Board regularly by the management, internal and external auditors and other independent consultants. The Board has exercised its powers in accordance with the laws and regulations applicable on the company. All the directors on the Board are fully conversant with their duties and responsibilities as directors of the company. The Board of your company has been assigned the role and responsibilities as defined by the Code of Corporate Governance and the Companies Act 2017, briefly enumerated below:

- Performance of fiduciary and statutory duties with a sense of objective judgment and in good faith, in the best interest of the company and its stakeholders.
- Maintenance of high corporate governance standards, including governance of risk management.
- Adherence to the Company objectives, vision and mission.
- Performance of specific tasks as outlined in Regulation 10 of Code of Corporate Governance.

During the year under review, the overall performance of the Board on basis of approved criteria was satisfactory.

Sialkot:
18 September 2020


Khurram Anwar Khawaja
Chairman

چیئر مین رپورٹ

جائزہ رپورٹ چیئر مین انڈر سیکشن 192 کمپنیز ایکٹ 2017

سال زیر غور بورڈ ممبران نے اپنی ڈیوٹی کو جانفشانی سے انجام دیا بذریعہ جائزہ، طے شدہ اور منظورہ کاروباری حکمت عملی پر بحث و مباحثہ کر کے، کارپوریٹ مقاصد، منصوبے و مالی دستاویزات اور دوسری رپورٹوں کے مطالعہ سے۔ تمام تراہم معلومات کو پورے سال تو اتر سے کمپنی انتظامیہ نے بورڈ کے سامنے پیش کیا انٹرنل آڈٹ، ایکسٹرنل آڈٹ اور دوسرے ماہرین کے مشورے سے۔ بورڈ نے اپنے اختیارات کو قانون اور ضابطوں کے مطابق جو کہ کمپنی پر لاگو ہوتے ہیں استعمال کیا۔ تمام ڈائریکٹران بورڈ با حثیت ڈائریکٹر اپنی ڈیوٹی اور ذمہ داریوں سے پوری طرح آگاہ ہیں۔ آپ کی کمپنی کا بورڈ اپنے کردار اور ذمہ داریوں کو پورا کر رہا ہے بمطابق کوڈ آف کارپوریٹ اور کمپنی ایکٹ 2017 کے تحت مختصر بیان نیچے درج ہے۔

• قانونی ذمہ داریوں کو ایمانداری بمقصد فیصلے مبنی نیک نیت سے کمپنی اور اس کے حصہ داران کو فائدہ پہنچانے کیلئے

• کارپوریٹ گورننس کا معیار جس میں انتظامی خدشات بھی شامل ہیں کو برقرار رکھنا ہے

• ثابت قدمی سے کمپنی کے مقاصد و ویژن اور مشن کی تکمیل کرنا

• اپنی کارکردگی کو خاص مقصد ریگولیشن (3) 10 کوڈ آف کارپوریٹ کے بیان کے مطابق کرنا

دوران زیر جائزہ بورڈ کی تمام تر کارکردگی تسلی بخش ہے بورڈ کے منظور شدہ احاطے کے مطابق۔


خرم انور خواجہ

چیئر مین

سیالکوٹ: 18 ستمبر 2020

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DIRECTORS' REPORT

The Directors have the pleasure to present you the Annual Report for the year ended 30 June 2020 of the GOC (Pak) Limited along with the audited financial statements and the Auditors' Report thereon. The statement of compliance with best practices of Code of Corporate Governance and the Auditors' Report thereon are also given for your perusal.

NATIONAL ECONOMY

The year under review was marred by COVID-19 and less than satisfactory macro-economic conditions. However, inspite of these developments your company managed to earn profit.

The government should extend its support to industry in order to revive exports of the country which have fallen sharply. Measures such as rationalizing the currency exchange rates, lowering the energy cost and providing uninterrupted supply of energy to industries, timely payment of sale tax, income tax and custom duty refunds are required to improve the situation.

PERFORMANCE REVIEW

Revenue for the year is Rs. 256,996,458 compared to Rs. 305,077,473 showing 15.76% decline over the same period of last year. Decline in sales revenue is mainly due to decrease in sales volume. Export sales of wooden hockey sticks, composites hockey sticks, cricket balls and other products have decreased. In future we expect further decrease in our export of all items mainly due to COVID-19.

We kept on putting efforts for increasing our share in the composite sticks market and to make it possible we kept our focus on research and development which resulted in very good feedback from the customers and international players. The Company overheads remained under control due to management strategies despite of inflationary trend in the cost of inputs.

In order to increase our market share in an increasingly competitive environment, the Company has continued to invest in its brands and their distribution. We believe that in the coming years, the Company will need to increase investment in distribution and promotion to withstand challenges surrounding the business environment.

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 your Directors express their satisfaction over the progress and show determination for gaining the position of one of the top supplier of sports goods in the world.

The financial results in a summarized form are given hereunder:

	Rupees 2020	Rupees 2019
Profit before taxation	21,518,382	74,990,011
Profit after taxation	18,879,446	71,531,377
Earnings per share	2.57	9.73

RISK MITIGATION

The Board of Directors and the Audit Committee of the Board regularly review the risk matrix in terms of impact and probability of occurrence. The senior management team, led by the Chief Executive Officer and Executive Director is responsible for risk mitigation measures. The Company's ability to continually assess market conditions and then react decisively, allows the Company to manage risks responsibility and take opportunities to strengthen the position of the Company when they arise. The major risk to which company is exposed and their mitigation is explained in note 28 of the financial statements.

MATERIAL CHANGES

No adverse material changes affecting the financial position of the Company have occurred between the end of the financial year to which this balance sheet relates and the date of the Director's Report.

ENVIRONMENT, HEALTH & SAFETY

Your Company is striving to meet the environmental, health and operational practices through introducing products that are pollution free through with low emissions. Firefighting drills and safety workshops executed at company office and plant location. Your Company continued focusing on safety and risk control which enables minimizing the risks of injuries and accidents through use of helmets and other precautionary measures.

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CORPORATE SOCIAL RESPONSIBILITY

On CSR, the Company's management continued its focus on helping the community during the current year.

FUTURE OUTLOOK

Your Company has successfully developed a range of composite sticks and hopefully the sales will grow in this area in the years to come due to which we hope to increase our profitability. We expect further growth in export of cricket ball in the cricket playing countries like South Africa, Australia and England as well as in local sale in Pakistan.

DIVIDEND

The Directors have recommended payment of cash dividend @ 10.00 percent i.e. Rs. 1.00 per share.

GRAYS LEASING LIMITED

GOC (Pak) Limited holds 37.21 percent of the paid up capital of Grays Leasing Limited. The shareholders' equity of this company as on 30 June 2020 is Rupees 63.743 million as compared with Rupees 67.467 million on 30 June 2019.

CODE OF CORPORATE GOVERNANCE

The requirements of the Code of Corporate Governance, relevant for the year ended 30 June 2020 have been adopted by the Company and have been duly complied with. A statement to this effect is annexed to the report.

BOARD OF DIRECTORS

The Board of Directors is responsible for the overall governance and administration of the company. All directors are aware of their duties and powers. They exercise their fiduciary responsibilities through board meetings which are held every quarter for reviewing and approving the adoption of company's financial statements in addition to review and adoption of company's significant plans, decisions, projections, forecasts, and budgets having regard to the recommendations of the Sub-committees. The responsibilities include establishing the company's strategic objectives, providing leadership supervising the management of the business and reporting to shareholders on their stewardship.

MEETINGS OF BOARD OF DIRECTORS

During the year, four meetings of the board were held. Attendance of each director is as under:

Name of director	Attended	Leave granted
Mr. Khawar Anwar Khawaja	4	-
Mr. Khurram Anwar Khawaja	4	-
Mr. Muhammad Tahir Butt	4	-
Mr. Ameer Khawar Khawaja	4	-
Mr. Omer Khawar Khawaja	4	-
Mrs. Nuzhat Khawar Khawaja	4	-
Dr. Aamir Matin	4	-

ANNUAL BOARD PERFORMANCE

The Board considers its performance assessment as a key contributor to good governance as it provides feedback from the directors on their perceptions of how the Board is currently performing its roles and responsibilities. Envisaging the same, the Board devised in-house questionnaires based on emerging and leading practices to assist performance of the Board as a whole, of its committees and of its members. The Company Secretary presents the summarized report for discussion and review of the Board annually.

DIRECTORS' REMUNERATION

The remuneration of the Board members is approved by the Board itself. However, in accordance with the Code of Corporate Governance (CCG), it is ensured that no director takes part in deciding his own remuneration. The company does not pay remuneration to non-executive directors except fee for attending the meetings, in order to retain the best talent, the company's remuneration policies are structured in line with prevailing industry trends and business practices. For information on remuneration of directors and CEO in 2019-20, please refer notes to the financial statements.

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MEETINGS OF AUDIT COMMITTEE

During the year, four meetings of the audit committee were held. Attendance of each director is as under:

Name of director	Attended	Leave granted
Dr. Aamir Matin	4	-
Mr. Khurram Anwar Khawaja	4	-
Mr. Omer Khawar Khawaja	4	-

MEETING OF HUMAN RESOURCE AND REMUNERATION COMMITTEE

During the year, one meeting of the human resource and remuneration committee was held. Attendance of each director is as under:

Name of director	Attended	Leave granted
Dr. Aamir Matin	1	-
Mr. Khurram Anwar Khawaja	1	-
Mr. Khawar Anwar Khawaja	1	-

CORPORATE AND FINANCIAL REPORTING FRAME WORK

In compliance with the Code of Corporate Governance, we give below statements on Corporate and Financial Reporting Framework:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practice of corporate governance.

INFORMATION SYSTEM

The Company has implemented a computer-based management information system which provide a centralized database, support integration between the manufacturing and financial systems, and assist the Company in providing meaningful data in time for management decision making. This system is being continuously reviewed by internal and statutory auditors.

PERSONNEL AND WORKING ENVIRONMENT

Your Company is well aware of the importance of a team of skilled workers and staff. Therefore, in-house programs designed for this purpose are regularly undertaken. Fresh apprentices are trained through on-job practical working methods. At the same time, other important areas like health, safety and better working environment are also being looked after very well.

The Company also affords opportunity to its employees to attend workshops and training seminars arranged by various management training institutions.

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RETIREMENT BENEFITS

The Company operates a funded contributory provident fund scheme for its employees. Fair value of investment based on respective un-audited accounts is Rupees 14.517 million (2019: Rupees 13.515 million).

AUDITORS

The present auditors Messrs Tabussum Saleem & Company, Chartered Accountants, Lahore retire, and being eligible, have offered themselves for re-appointment. The Audit Committee has been recommended their re-appointment.

KEY OPERATING AND FINANCIAL DATA

Key operating and financial data for the last decade is given in a summarized form hereafter this report.

PATTERN OF SHAREHOLDING

A statement of the pattern of shareholding of certain class of shareholders as at 30 June 2020, whose disclosure is required under the reporting framework, is included in the report.

During the year, following purchase transaction were made by the directors in the share of GOC (Pak) Limited.

- i. Khawar Anwar Khawaja 32,500 shares on 22-08-2019 and 36,500 shares on 05-03-2020
- ii. Khurram Anwar Khawaja 32,500 shares on 22-08-2019 and 36,000 shares on 05-03-2020

Beside above no trade was carried out by the other Directors, CFO, Company Secretary and their spouses or minor children in the shares of the Company during the year. No training program was attended by the directors during the year as two (2) directors of the Company are exempt from directors' training program due to 14 years of education and 15 years of experience on the board of a listed company. Five (5) remaining directors have completed the directors' training program.

APPRECIATION

Before conclusion, I, on behalf of the Board of Directors, wish to place on record my very special thanks to all whose contributions helped us to achieve this performance.

ON BEHALF OF THE BOARD OF DIRECTORS



(Khawar Anwar Khawaja)
Chief Executive Officer



(Muhammad Tahir Butt)
Director

Sialkot: 18 September 2020

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ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز 30 جون 2020 کو ختم ہونے والے سال کی رپورٹ بمعہ آڈٹ شدہ مالیاتی گوشوارے واڈیٹر رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ کوڈ آف کارپوریٹ گورننس کے بہترین طریقوں کی تعمیل اور ان پراڈیٹرز کی رپورٹ آپ کے مطالعہ کے لئے پیش کی گئی ہے۔

قومی معیشت

زیرِ جائزہ سال ایک غیر مستحکم سال رہا ہے۔ Covid-19 کی وجہ سے ملکی مجموعی معاشی صورت حال غیر اطمینان بخش اور غیر تسلی بخش رہی ہے۔ تاہم ان نامساعد حالات کے باوجود آپ کی کمپنی نے ایک معقول منافع کمایا ہے۔

ملکی برآمدات جو کہ تیزی سے گر چکی ہیں انکی بحالی کیلئے حکومت کو انڈسٹری کی مدد میں اضافہ کرنا چاہئے۔ اقدامات جیسے کہ کرنسی ایکسیچ ریٹ کو مناسب کرنا، صنعتوں کو توانائی کی بلا تعلق فراہمی، سبزی ٹیکس، اکٹم ٹیکس اور کسٹم ڈیوٹی ری فنڈ کی بروقت ادائیگی سے صورتحال کو بہتر کرنے کی ضرورت ہے۔

کارکردگی کا جائزہ

اس سال کے لئے فروخت آمدنی 256,996,458 روپے کے مقابلے میں 305,077,473 روپے ہے جو گزشتہ سال کی اسی مدت سے 15.76 فیصد کمی ظاہر کر رہی ہے۔

لکڑی کی ہاکی، کمپوزٹس ہاکی، کرکٹ بال اور متفرق اشیاء کی برآمدات مزید تیزی کا شکار ہیں۔ Covid-19 کی وجہ سے ہم مستقبل میں اپنی برآمدات میں مزید کمی کی توقع کر رہے ہیں۔

ہم کمپوزٹ سکلز مارکیٹ میں اپنی فروخت بڑھانے کیلئے کوشاں ہیں اور اسے ممکن بنانے کے لئے ریسرچ اور ڈویلپمنٹ کی طرف متوجہ ہیں جس کے نتیجے میں گاہکوں اور انٹرنیشنل کھلاڑیوں کی طرف سے اچھا فیڈ بیک ملا ہے۔ انتظامی حکمت عملی کی وجہ سے، اخراجات کی قیمت میں افراط زر کے رجحان کے باوجود کمپنی اخراجات قابو میں ہیں۔ تیزی سے بڑھتے مسابقتی ماحول میں ہمارے مارکیٹ شیئر میں اضافہ کرنے کیلئے کمپنی نے اپنے برانڈز اور ان کی ڈسٹری بیوشن میں سرمایہ کاری جاری رکھی ہے۔ ہمیں یقین ہے کہ کاروباری ماحول کے ارد گرد کے چیلنجوں کا سامنا کرنے کے لئے آئیو الے سالوں میں ہمیں کمپنی کی ڈسٹری بیوشن اور پروموشن میں سرمایہ کاری بڑھانے کی ضرورت ہوگی۔ کمپنی مارکیٹوں کی بدلتی ہوئی ضروریات کی جانچ اور مصنوعات کے معیار میں سرمایہ کاری اور جدت طرازی پر توجہ مرکوز کئے ہوئے ہے۔ مختلف اقسام کی پراڈکٹ رینج کی اصلی طاقت کیساتھ ساتھ ان تبدیلیوں نے کمپنی کی مجموعی ترقی کے حصول میں مدد کی ہے۔

مارکیٹ کی موجودہ صورت حال کے پیش نظر آپ کے ڈائریکٹرز کمپنی کی کارکردگی پر اطمینان کا اظہار کرتے ہیں اور پر عزم ہیں کہ دنیا میں کھیلوں کے سامان کے بہتر سپلائرز کی پوزیشن حاصل کر لیں گے۔

مختصر مالی نتائج درج ذیل ہیں۔

2019	2020	
74,990,011	21,518,382	منافع قبل از ٹیکس
71,531,377	18,879,446	منافع بعد از ٹیکس
9.73	2.57	نی شیئر آمدن

خطرات میں کمی

کمپنی کے ڈائریکٹرز اور بورڈ آف آڈٹ کمیٹی باقاعدگی کے ساتھ خطرات کا باعث بننے والے ذرائع اجازتہ لیتے رہتے ہیں۔ تجربہ کار انتظامی امور کی ٹیم چیف ایگزیکٹو اور ایگزیکٹو ڈائریکٹرز کی سربراہی میں اس طرح کے خطرات سے نمٹنے کے امور کے ذمہ دار ہیں کمپنی مسلسل مارکیٹ کے حالات کو پرکھنے اور موقع کی مناسبت سے فیصلہ کرنے کی اہلیت رکھتی ہے اور اسی وجہ سے کمپنی کی ساکھ ان خطرات کے وقت (جب کبھی وہ پیدا ہوں) مناسب اقدامات کی وجہ سے مضبوط رہتی ہے کمپنی کیلئے سب سے بڑے خطرے اور اسکے تدارک کی وضاحت مالیاتی گوشوارے کے نوٹ 28 میں دی گئی ہے۔

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اہم تبدیلیاں

اس بیلنس شیٹ سے متعلقہ مالی سال کے اختتام اور ڈائریکٹرز رپورٹ کی تاریخ کے درمیان، کمپنی کی مالی حیثیت پر اثر انداز ہونے والی کوئی اہم منفی تبدیلیاں رونما نہیں ہوئے۔
ماحول صحت اور حفاظت

آپ کی کمپنی ماحولیاتی صحت اور عملیاتی طریقوں کے لیے جدید آلودگی سے مبراہ اور کم اخراج والی مصنوعات متعارف کر رہی ہے۔ کمپنی میں دفتر اور کام والی جگہ پر آگ سے بچاؤ کی مشینیں اور حفاظتی تدابیر کی ورکشاپ منعقد کی جاتی ہیں۔ آپ کی کمپنی حفاظت اور خطرات کو قابو میں رکھنے پر مستقل توجہ دے ہوئے ہے۔ ہیلمٹ اور دیگر حفاظتی اقدامات کی وجہ سے ملازمین کے زخمی ہونے اور حادثات کی صورتحال قابو میں ہے۔

کارپوریٹ سماجی ذمہ داری

سی ایس آر کے حوالے سے کمپنی انتظامیہ مستقل تعلیم، سماجی بہبود اور معاشرے کی بنیادی ڈھانچے کی ترقی کے لیے رواں سال توجہ دے ہوئے ہے۔

مستقبل کا نقطہ نظر

آپ کی کمپنی نے کامیابی سے کمپوزٹ سٹیکس کی ایک ریٹج تیار کی ہے اور امید ہے کہ آنے والے سالوں میں انکی فروخت بھی بڑھے گی جس کی وجہ سے منافع میں بھی اضافہ ہوگا۔ ہم آئیو الے سالوں میں جدید مشینری کے استعمال، ہنرمند مزدور اور کام کی جگہ میں اضافہ کر کے کرکٹ کے گیندوں کی پیداواری صلاحیت میں اضافہ کر رہے ہیں۔ ہم پاکستان میں مقامی سطح پر فروخت سمیت کرکٹ کھیلنے والے ممالک جیسا کہ جنوبی افریقہ، آسٹریلیا اور انگلینڈ کو کرکٹ گیندیں برآمد کر کے مزید ترقی کیلئے پرامید ہیں۔

منافع منقسمہ

ڈائریکٹرز نے منافع منقسمہ بحساب 10 فیصد یعنی 1.00 روپے فی شیئر ریکیش کی ادائیگی کی منظوری دی ہے۔

گریزیلیننگ لمیٹڈ

جی اوس (پاک) لمیٹڈ، گریزیلیننگ لمیٹڈ کے ادا شدہ سرمائے کا 37.21 فیصد کا حصہ دار ہے۔ اس کمپنی کے حصص یافتگان کی ایکویٹی 30 جون 2020 کو 63.743 ملین روپے ہے۔ نسبت 30 جون 2019 کے جس میں 67.467 ملین روپے تھی۔

کوڈ آف کارپوریٹ گورننس

کمپنی کی طرف سے 30 جون 2020 مختتمہ سال کیلئے پاکستان سٹاک ایکسچینج کی لسٹنگ کے ضابطہ کار کی طرف سے مقرر کردہ کوڈ آف کارپوریٹ گورننس کی ضروریات کو اپنایا گیا ہے اور ان پر باضابطہ عمل کیا گیا اس سلسلے میں ایک بیان ساتھ لف ہے۔

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز کمپنی کے مجموعی انتظام اور معاملات کے ذمہ دار ہیں۔ تمام ڈائریکٹرز اپنی ذمہ داریوں اور اختیارات سے اچھی طرح آگاہ ہیں۔ تمام ڈائریکٹرز بورڈ کے ہر سہ ماہی میں منعقد ہونے والے اجلاس کے ذریعے اپنی قانونی ذمہ داریاں ادا کرتے ہیں۔ جن میں کمپنی کے مالیاتی گوشواروں پر نظر ثانی کرنے اور ان کی منظوری کے علاوہ کمپنی کے اہم منصوبے، فیصلے، اندازے اور مالی تخمینہ وغیرہ پر ذیلی کمیٹی کی دی گئی سفارشات کی روشنی میں مشاورت اور ان پر عمل کروانا شامل ہے۔ ان کے فرائض میں کمپنی کی حکمت عملی کے مقاصد کو قائم کرنا، قیادت کی فراہمی، کاروبار کے انتظام کی نگرانی اور حصص داران کو رپورٹ کرنا شامل ہیں۔

بورڈ آف ڈائریکٹرز کے اجلاس

سال کے دوران بورڈ کے چار اجلاس منعقد ہوئے، ہر ایک ڈائریکٹر کی حاضری ذیل ہے

رضخت	حاضری	ڈائریکٹر کا نام
-	4	خاور انور خواجہ
-	4	خرم انور خواجہ
-	4	محمد طاہر بٹ
-	4	امیر خاور خواجہ
-	4	عمر خاور خواجہ
-	4	نزیبت خاور خواجہ
-	4	ڈاکٹر عامر متین

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بورڈ کی سالانہ کارکردگی کا جائزہ

بورڈ اپنی کارکردگی جانچنے کے عمل کو گورننس کا اہم حصہ سمجھتا ہے۔ کیونکہ یہ عمل ڈائریکٹرز کو بورڈ کی حالیہ کارکردگی، اس کے کردار اور ذمہ داریوں کے متعلق رائے فراہم کرتا ہے۔ اس بات کا ادراک کرتے ہوئے بورڈ نے اپنی کمیٹیوں اور ارکان کی کارکردگی میں مدد فراہم کرنے کیلئے معروف طریقوں سے متعلق ایک سوال نامہ وضع کیا ہے۔ کمیٹی سیکریٹری مشاورت اور بحث کیلئے بورڈ کو سالانہ خلاصہ رپورٹ پیش کرتا ہے۔

ڈائریکٹرز کا معاوضہ

بورڈ ممبرز کا معاوضہ بورڈ خود ہی طے کرتا ہے۔ تاہم کوڈ آف کارپوریٹ گورننس کے مطابق اس بات کو یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر خود اپنے معاوضہ کے طے کرنے کے عمل میں شامل نہیں ہوتا۔ کمیٹی نان ایگزیکٹو ڈائریکٹرز کو بورڈ مینٹنگ فیس کے علاوہ کوئی معاوضہ ادا نہیں کرتی۔ بہترین ٹیلنٹ کو برقرار رکھنے کیلئے کمیٹی کے معاوضہ کی پالیسی مسابقتی صنعتوں کے کاروباری معاملات اور انڈسٹری کے موجودہ رجحانات کو مد نظر رکھ کر طے کی جاتی ہے۔

2019-20 کے لئے ڈائریکٹرز اور چیف ایگزیکٹو آفیسر کی معاوضہ کی معلومات کے لئے ملاحظہ نوٹس دیکھیں۔

آڈٹ کمیٹی کے اجلاس

سال کے دوران آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے، ہر ڈائریکٹر کی حاضری درج ذیل ہے۔

رخصت	حاضری	ڈائریکٹر کا نام
-	4	ڈاکٹر عامر متین
-	4	خرم انور خواجہ
-	4	عمر خاور خواجہ

انسانی وسائل اور معاوضہ کمیٹی کے اجلاس

سال کے دوران انسانی وسائل اور معاوضہ کمیٹی کا ایک اجلاس ہوا، ہر ڈائریکٹر کی حاضری درج ذیل ہے۔

رخصت	حاضری	ڈائریکٹر کا نام
-	1	ڈاکٹر عامر متین
-	1	خرم انور خواجہ
-	1	خاور انور خواجہ

کارپوریٹ اینڈ فنانشل رپورٹنگ فریم ورک

کوڈ آف کارپوریٹ گورننس کے تحت ہم کارپوریٹ اینڈ فنانشل رپورٹنگ فریم ورک سے متعلق درج ذیل رپورٹ دیتے ہیں۔

1- کمیٹی کی انتظامیہ کی طرف سے تیار کردہ مالی گوشوارہ اس کے موجودہ معاملات، آپریشنز کے نتائج اور خالص آمدنی اور ایکویٹی میں تبدیلیوں کا واضح طور پر بتاتے ہیں۔
2- کمیٹی کے کھاتوں کا حساب کتاب مکمل طور پر برقرار رکھا گیا ہے۔

3- مالی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل سے لاگو کیا گیا ہے، کھاتوں کے اندازے مناسب اور دانشمندانہ فیصلے پر مبنی ہیں۔

4- مالی گوشواروں کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ سٹینڈرڈز کو ملحوظ خاطر رکھا گیا ہے اور ان سے ہٹ کر کی گئی کوئی بھی تبدیلی مناسب طور پر بیان کی گئی ہے۔

5- اندرونی کنٹرول کا نظام ڈیزائن میں مضبوط ہے اور اس پر موثر طریقے سے عملدرآمد اور نگرانی کی گئی ہے۔

6- کمیٹی کی موجودہ جاری صورتحال میں اسکی صلاحیت پر کوئی قابل ذکر شک نہیں ہے

7- لسٹنگ کے ضابطہ کار میں تفصیلی طور پر بیان کئے گئے کارپوریٹ گورننس کے بہترین طریقوں میں سے کسی سے انحراف نہیں کیا گیا۔

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انفارمیشن سسٹم

کمپنی نے ایک کمپیوٹر بیسڈ مینجمنٹ انفارمیشن سسٹم لاگو کر رکھا ہے۔ ہم نے ان ہاؤس پروگرامز کی ڈویلپمنٹ اور نئے سافٹ ویئر اور اسکی اپلیکیشنز کے نفاذ میں اہم پیش رفت کی ہے جو کہ ایک مرکزی ڈیٹا بیس فراہم کرنے میں فیکٹوری اور فنانشل سسٹم کے درمیان انضمام اور انتظامی فیصلہ سازی کیلئے کمپنی کو بروقت با معنی اعداد و شمار فراہم کرنے میں مدد کرتا ہے۔ اندرونی اور قانونی آڈیٹرز اس نظام مسلسل کا جائزہ لے رہے ہیں۔

ورکرز اور کام کرنے کا ماحول

آپ کی کمپنی ہنرمند ورکرز اور عملے کی اہمیت سے اچھی طرح واقف ہے۔ لہذا اس مقصد کے لئے ڈیزائن کئے گئے ان ہاؤس پروگرامز پر باقاعدگی سے عمل کیا جاتا ہے۔ فریش اپرینٹسز کو عملی کام کرنے کے طریقوں کے ذریعے تربیت دی جاتی ہے۔ دوسری طرف صحت، حفاظتی اقدامات اور بہتر کام کرنے کے ماحول کیسے دیگر اہم حصوں کی بھی بہت اچھی طرح سے دیکھ بھال کی جا رہی ہے۔

کمپنی اپنے ملازمین کو مختلف مینجمنٹ ٹریننگ انسٹیٹیوٹ کے زیر اہتمام ورکشاپس اور تربیتی سیمینار میں شرکت کے مواقع بھی فراہم کرتی ہے۔

ریٹائرمنٹ بینیفٹس

کمپنی اپنے ملازمین کے لئے ایک فنڈ ڈکسٹری بیوٹی پروویڈنٹ فنڈ سکیم چلاتی ہے۔ متعلقہ غیر تنفیج شدہ اکاؤنٹس پر مبنی سرمایہ کاری کی اصل رقم 14.517 ملین روپے ہے جو کہ (2019 میں 13.515 ملین روپے تھی)۔

آڈیٹرز

موجودہ آڈیٹرز میسرز تبسم سلیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس لاہور سبکدوش ہو رہی ہے اور دوبارہ تقرری کے اہل ہیں۔ آڈٹ کمیٹی نے ان کی 30 جون 2021 کو ختم ہونے والے سال کے لیے ان کی تقرری کی سفارش کی ہے۔

کلیدی آپرینٹنگ اور مالی اعداد و شمار

گزشتہ دہائی کے کلیدی آپرینٹنگ اور مالی اعداد و شمار کا ایک خلاصہ اس رپورٹ میں دیا گیا ہے۔

شیر ہولڈنگ کا نمونہ

30 جون 2020 تک حصص یافتگان کے بعض طبقے کے شیر ہولڈنگ کا نمونہ جن کے انکشافات رپورٹنگ فریم ورک کے تحت ضروری تھے اس رپورٹ میں شامل کیے گئے ہیں۔ اس سال کے دوران ڈائریکٹرز صاحبان نے جی اوی کے حصص میں مندرجہ ذیل کاروبار کیا ہے۔

1.	خاور انور خواجہ	32,500	حصص	مورخہ 22-08-2019	کو خریدے
		36,500	حصص	مورخہ 05-03-2020	کو خریدے
2.	خرم انور خواجہ	32,500	حصص	مورخہ 22-08-2019	کو خریدے
		36,000	حصص	مورخہ 05-03-2020	کو خریدے

درج بالا کے علاوہ ڈائریکٹرز، چیف فنانشل آفیسر، کمپنی سیکریٹری انکی بیویوں اور چھوٹے بچوں کی جانب سے کمپنی کے شیر میں سال کے دوران کوئی ٹریڈنگ نہیں ہوئی۔ رواں سال ڈائریکٹرز نے کسی تربیتی پروگرام میں شرکت نہیں کی ہے چونکہ کمپنی کے دو ڈائریکٹرز صاحبان 14 سالہ تعلیم اور 15 سالہ تجربے کی بناء پر پہلے ہی چھوٹ حاصل کر چکے ہیں جب کہ باقی پانچ ڈائریکٹرز، ڈائریکٹرز تربیتی پروگرام مکمل کر چکے ہیں۔

اعتراف

میں بورڈ آف ڈائریکٹرز کی جانب سے اپنے ان تمام شرکاء داروں کا خصوصی شکریہ ادا کرنا چاہتا ہوں جنکی وجہ سے ہم نے یہ کارکردگی حاصل کی۔

بجلم بورڈ

Lawrence Muneer

خاور انور خواجہ

چیف ایگزیکٹو آفیسر

M. A. H. M. H.

محمد طاہر بٹ

ڈائریکٹر

سیالکوٹ: 18 ستمبر 2020

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DECADE AT A GLANCE

(Rupees in thousand)

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011
INCOME										
Sales and revenues	262,297	328,732	238,865	215,542	266,459	243,531	229,679	198,855	186,727	180,742
Cost of sales	171,261	192,918	157,764	150,304	177,480	164,864	161,980	142,369	133,843	131,991
Operating and other costs	69,518	60,825	51,033	51,286	47,560	40,896	52,019	51,365	48,029	48,705
Taxes on income	2,639	3,457	3,769	2,125	3,512	1,346	2,404	2,671	2,656	3,116
Profit / (loss) after taxation	18,879	71,531	26,300	11,827	37,907	36,424	13,275	2,451	2,199	(3,070)
FINANCIAL POSITION										
Current assets	295,858	289,269	241,790	221,079	239,659	210,362	168,330	149,314	153,352	144,705
Less: Current liabilities	57,674	43,503	51,665	41,967	52,519	50,767	41,813	29,086	35,424	26,303
Net working capital	238,184	245,766	190,126	179,111	187,140	159,595	126,517	120,228	117,927	118,402
Fixed assets and long term deposits	105,324	93,541	85,085	74,675	70,142	74,372	71,019	63,598	63,339	68,008
Shareholders' equity	343,508	339,306	275,210	253,786	257,283	233,968	197,536	183,826	181,266	186,410
STATISTICS AND RATIOS										
Dividend	Percent	20.00	10.00	6.50	21.00	20.00	-	-	-	10.00
Profit/(loss) on shareholders' equity	Percent	6.26	22.10	10.93	16.10	16.14	7.94	2.79	2.68	0.02
Profit/(loss) before tax to sales	Percent	8.37	24.58	12.58	15.64	15.54	6.84	2.61	2.61	0.02
Current ratio		5.13:1	6.65:1	4.68:1	4.56:1	4.14:1	4.03:1	5.13:1	4.33:1	5.5:1

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Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: GOC (Pak) Limited

Year ended: June 30, 2020

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of Directors are seven (7) as per the following:

a. Male:	6
b. Female:	1

2. The composition of the Board is as follows:

Category	Names
Independent Director	Dr. Aamir Matin
Non-Executive Directors	Mr. Khurram Anwar Khawaja Mr. Muhammad Tahir Butt Mr. Omer Khawar Khawaja Mrs. Nuzhat Khawar Khawaja
Executive Directors	Mr. Khawar Anwar Khawaja (Chief Executive Officer) Mr. Ameer Khawar Khawaja

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this company;
4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;
9. The Board has arranged Directors' Training program for the following:

Names of Directors
Dr. Aamir Matin Mr. Muhammad Tahir Butt Mr. Omer Khawar Khawaja Mrs. Nuzhat Khawar Khawaja Mr. Ameer Khawar Khawaja

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

a) Audit Committee

Names	Designation held
Dr. Aamir Matin	Chairman
Mr. Omer Khawar Khawaja	Member
Mr. Khurram Anwar Khawaja	Member

b) HR and Remuneration Committee

Names	Designation held
Dr. Aamir Matin	Chairman
Mr. Khawar Anwar Khawaja	Member
Mr. Khurram Anwar Khawaja	Member

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13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly / half yearly / yearly) of the committee were as per following:
- a) Audit Committee**
Four quarterly meetings were held during the financial year ended June 30, 2020.
- b) HR and Remuneration Committee**
One meeting of HR and Remuneration Committee was held during the financial year ended June 30, 2020.
15. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with;
19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
1	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the Board has not constituted a separate nomination committee and the functions are being performed by the human resource and remuneration committee. The Board shall consider to constitute nomination committee after next election of directors.	29
2	Risk Management Committee The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted a risk management committee and senior officer of the Company performs the requisite functions and apprise the Board accordingly. The Board shall consider to constitute risk management committee after next election of directors.	30
3	Disclosure of significant policies on website The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the directors' remuneration policy.	Although these are well circulated among the relevant employees and directors, the Board shall consider posting such policies and synopsis on its website in near future.	35
4	Responsibilities of the Board and its members The Board is responsible for adoption of corporate governance practices by the company.	Non-mandatory provisions of the Regulations are partially complied. The company is deliberating on full compliance with all the provisions of the Regulations.	10(1)

20. There is currently one independent director who possess the requisite competencies, skills, knowledge and experience to discharge and execute his duties competently, as per applicable laws and regulations. As per regulation 6 of the Regulations, each listed company shall have at least two or one third members of the Board, whichever is higher, as independent directors. However, for the purpose of electing independent director, the Board shall be reconstituted not later than expiry of its current term. The election of Board of Directors of the Company is due on October 14, 2020 and compliance shall be made.



(KHURRAM ANWAR KHAWAJA)
Chairman

September 18, 2020
Sialkot

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TABUSSUM SALEEM & CO.
CHARTERED ACCOUNTANTS

To the members of GOC (PAK) LIMITED

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of GOC (PAK) LIMITED for the year ended June 30, 2020 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach.

We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2020.


TABUSSUM SALEEM & COMPANY
CHARTERED ACCOUNTANTS
ENGAGEMENT PARTNER:
Mrs. Saira Muddassar



Dated: September 18, 2020
Place: Lahore

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

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TABUSSUM SALEEM & CO.

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the members of GOC (Pak) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of GOC (Pak) Limited (the Company), which comprise the statement of financial position as at June 30, 2020, and the statement of profit or loss, statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2020 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the key audit matters
<p>1. Stock in trade (Referred to note # 10)</p> <p>Stock in trade to the annexed financial statements includes:</p> <ul style="list-style-type: none"> • Raw materials comprising Wooden logs. • Work-in-progress & Finished Goods mainly comprising of finished and unfinished Hockey sticks, wooden or composite and cricket balls. <p>The Company has total inventory (including Raw material, Work in process and finished goods) amounting to Rupees 139.420 Million which, which comprise 35.04% of the Company's total assets presented in its statement of financial position.</p> <p>Due to the significance of inventory in manufacturing, this is considered as a key audit matter.</p>	<p>The Company performs annual inventory counts at year end and issues prior notification of procedures to be performed for such inventory counts.</p> <p>Our audit procedures to assess the existence of inventory included the following:</p> <ul style="list-style-type: none"> • Attended physical inventory counts performed by the Company. • We traced the valuation compiled from the physical inventory count to the company's general ledger, to verify that the counted balance was carried forward into the company's accounting records. • compared the amounts in supplier invoices on sample basis to the average costs listed in inventory valuation. • compared the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete; • Reviewed the bill of materials for a selection of finished goods items on sample basis, and tested them to see if they showed an accurate compilation of the components in the finished goods items, as well as correct costs. • Traced the labor charged during production on labor routings to the cost of the inventory and also investigated whether the labor costs listed in the valuation are supported by payroll records. • Verified that the management is consistently using the same general ledger accounts as the source for their overhead costs, whether overhead included any abnormal costs if any and tested the validity and consistency of the method used to apply overhead costs to inventory. • Tested how management determined the percentage of completion for WIP items

GOC (PAK) LIMITED

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TABUSSUM SALEEM & CO.

CHARTERED ACCOUNTANTS

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
4. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

GOC (PAK) LIMITED

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TABUSSUM SALEEM & CO.

CHARTERED ACCOUNTANTS

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) Investments made, expenditure incurred and guarantees extended during the year were for the Purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditors' report is Mrs. Saira Muddassar



TABUSSUM SALEEM & COMPANY
CHARTERED ACCOUNTANTS
ENGAGEMENT PARTNER:
Mrs. Saira Muddassar



Dated: September 18, 2020
Place: Lahore


GOC (PAK) LIMITED
ANNUAL REPORT 2020

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

EQUITY AND LIABILITIES	NOTE	2020 Rupees	2019 Rupees
SHARE CAPITAL AND RESERVES			
Authorized share capital 10,000,000 (2019: 10,000,000) ordinary shares of Rupees 10 each		<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid up share capital	3	73,493,410	73,493,410
Reserves	4	<u>270,015,136</u>	<u>265,812,977</u>
Total equity		343,508,546	339,306,387
LIABILITIES			
NON-CURRENT LIABILITIES			
		-	-
CURRENT LIABILITIES			
Trade and other payables	5	<u>53,299,253</u>	<u>38,648,599</u>
Unclaimed dividend		<u>1,102,635</u>	<u>981,589</u>
Total liabilities		54,401,888	39,630,188
CONTINGENCIES AND COMMITMENTS			
	6		
TOTAL EQUITY AND LIABILITIES		<u>397,910,434</u>	<u>378,936,575</u>

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


KHAWAR ANWAR KHAWAJA
CHIEF EXECUTIVE


ARFAN SHAHZAD
CHIEF FINANCIAL OFFICER

GOC (PAK) LIMITED
ANNUAL REPORT 2020

ASSETS	NOTE	2020 Rupees	2019 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	7	80,100,360	66,898,021
Long term investments	8	24,038,810	25,457,685
Long term deposits		1,185,084	1,185,084
		105,324,254	93,540,790
CURRENT ASSETS			
Stores and spare parts	9	1,168,501	1,063,060
Stock-in-trade	10	139,420,186	142,849,388
Trade debts	11	61,406,688	58,381,797
Advances	12	15,138,887	21,926,375
Trade deposits and short term prepayments	13	4,906,379	1,368,903
Other receivables	14	22,726,006	20,777,727
Cash and bank balances	15	47,819,533	39,028,535
		292,586,180	285,395,785
TOTAL ASSETS		397,910,434	378,936,575


MUHAMMAD TAHIR BUTT
 DIRECTOR


GOC (PAK) LIMITED
ANNUAL REPORT 2020

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Rupees	2019 Rupees
SALES	16	256,996,458	305,077,473
COST OF SALES	17	(171,261,184)	(192,917,523)
GROSS PROFIT		<u>85,735,274</u>	<u>112,159,950</u>
DISTRIBUTION COST	18	(10,541,365)	(12,189,869)
ADMINISTRATIVE EXPENSES	19	(54,751,594)	(41,821,419)
OTHER EXPENSES	20	(3,211,429)	(5,982,060)
		<u>(68,504,388)</u>	<u>(59,993,348)</u>
		17,230,886	52,166,602
OTHER INCOME	21	6,397,626	24,099,243
PROFIT FROM OPERATIONS		<u>23,628,512</u>	<u>76,265,845</u>
FINANCE COST	22	(1,013,561)	(831,609)
		<u>22,614,951</u>	<u>75,434,236</u>
SHARE OF LOSS FROM ASSOCIATED COMPANY	8.1	(1,096,569)	(444,225)
PROFIT BEFORE TAXATION		<u>21,518,382</u>	<u>74,990,011</u>
TAXATION			
- Current	23	(2,295,235)	(3,211,319)
- Share of tax of associated company	8.1	(343,701)	(247,315)
		<u>(2,638,936)</u>	<u>(3,458,634)</u>
PROFIT AFTER TAXATION		<u><u>18,879,446</u></u>	<u><u>71,531,377</u></u>
EARNINGS PER SHARE - BASIC AND DILUTED	24	<u>2.57</u>	<u>9.73</u>

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


KHAWAR ANWAR KHAWAJA
CHIEF EXECUTIVE


ARFAN SHAHZAD
CHIEF FINANCIAL OFFICER


MUHAMMAD TAHIR BUTT
DIRECTOR


GOC (PAK) LIMITED
ANNUAL REPORT 2020

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	2020 Rupees	2019 Rupees
PROFIT AFTER TAXATION	18,879,446	71,531,377
OTHER COMPREHENSIVE LOSS		
Items that will not be reclassified to profit or loss:		
Deficit arising on re-measurement of investment at fair value through other comprehensive income	(33,218)	(72,130)
Share of other comprehensive income / (loss) of associate	54,613	(13,996)
	21,395	(86,126)
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income / (loss) for the year	21,395	(86,126)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	18,900,841	71,445,251

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


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CHIEF EXECUTIVE


ARFAN SHAHZAD
CHIEF FINANCIAL OFFICER


MUHAMMAD TAHIR BUTT
DIRECTOR


GOC (PAK) LIMITED
ANNUAL REPORT 2020

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Rupees	2019 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	25	44,928,059	8,275,555
Finance cost paid		(1,013,561)	(831,609)
Income tax paid		(1,988,490)	(3,178,837)
Net increase in long term deposits		-	(58,836)
Net cash generated from operating activities		41,926,008	4,206,273
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(22,355,373)	(18,386,993)
Proceeds from disposal of operating fixed assets		1,085,000	1,046,379
Profit on deposit accounts received		2,701,449	1,162,444
Dividend income received		11,550	15,015
Net cash used in investing activities		(18,557,374)	(16,163,155)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(14,577,636)	(7,275,007)
Net cash used in financing activities		(14,577,636)	(7,275,007)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		8,790,998	(19,231,889)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		39,028,535	58,260,424
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		47,819,533	39,028,535

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


KHAWAR ANWAR KHAWAJA
CHIEF EXECUTIVE


ARFAN SHAHZAD
CHIEF FINANCIAL OFFICER


MUHAMMAD TAHIR BUTT
DIRECTOR

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

**GOC (PAK) LIMITED
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	RESERVES										TOTAL EQUITY	
	CAPITAL					REVENUE						TOTAL RESERVES
	SHARE CAPITAL	Capital reserve	Fair value reserve FVTOCI investment	Sub total	General reserve	Unappropriated profit	Sub total					
Balance as at 01 July 2018	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 @ Rs. 1.00/- per share	-	-	-	-	-	(7,349,341)	(7,349,341)	(7,349,341)			(7,349,341)	
Profit for the year	-	-	-	-	-	71,531,377	71,531,377	71,531,377			71,531,377	
Other comprehensive loss for the year	-	-	(72,130)	(72,130)	-	(13,996)	(13,996)	(86,126)			(86,126)	
Total comprehensive income for the year	-	-	(72,130)	(72,130)	-	71,517,381	71,517,381	71,445,251			71,445,251	
Balance as at 30 June 2019	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 @ Rs. 2.00/- per share	-	-	-	-	-	(14,698,682)	(14,698,682)	(14,698,682)			(14,698,682)	
Profit for the year	-	-	-	-	-	18,879,446	18,879,446	18,879,446			18,879,446	
Other comprehensive income for the year	-	-	(33,218)	(33,218)	-	54,613	54,613	21,395			21,395	
Total comprehensive income for the year	-	-	(33,218)	(33,218)	-	18,934,059	18,934,059	18,900,841			18,900,841	
Balance as at 30 June 2020	73,493,410	1,000,000	309,847	1,309,847	104,455,492	164,249,797	288,705,289	270,015,136			343,508,546	

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


KHAWAR ANWAR KHAWAJA
CHIEF EXECUTIVE


ARFAN SHAHZAD
CHIEF FINANCIAL OFFICER


MUHAMMAD TAHIR BUTT
DIRECTOR

GOC (PAK) LIMITED

ANNUAL REPORT 2020

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. THE COMPANY AND ITS OPERATIONS

GOC (Pak) Limited ("the Company") 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 April 17, 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.

Geographical location and addresses of all business units are as follows:

Sr. No.	Business Units	Address
1	Unit 1 (Hockey Sticks & Cricket balls) and Admin Block	Plot No. 29-A & 30-A, Small Industrial Estate, Ugoki Road Shahab Pura, Sialkot.
2	Unit 2 (Hockey Sticks & Accessories) and Admin Block	Khawat No. 61, Khaitoni No. 227, Khasra No. 115/1 Mozia Shatab Garha, Dist. Sialkot.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

2.1 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

b) Accounting convention

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies.

c) Critical accounting estimates and judgments

The preparation of 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. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment and investment properties with a corresponding effect on the depreciation charge and impairment.

Inventories

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines.

Income tax

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

GOC (PAK) LIMITED

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Revenue from contracts with customers involving sale of goods

When recognizing revenue in relation to the sale of goods to customers, the key performance obligation of the Company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Impairment of investment in associate

In making the estimates of recoverable amount of the Company's investment in associate, the management considers future cash flows.

d) **Standard, interpretation and amendments to published approved accounting standards that are effective in current year and are relevant to the Company**

Following standard, interpretation and amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2019:

- IFRS 16 'Leases'
- IFRS 9 (Amendments) 'Financial Instruments'
- IAS 28 (Amendments) 'Investments in Associates and Joint Ventures'
- IFRIC 23 'Uncertainty over Income Tax Treatments'
- IASB's Annual Improvements to IFRSs: 2015 – 2017 Cycle

The above mentioned accounting standards did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

e) **Standard and amendments to published approved accounting standards that are effective in current year but not relevant to the Company**

There are other standard and amendments to published standards that are mandatory for accounting period beginning on or after 01 July 2019 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) **Amendments to published approved accounting standards that are not yet effective but relevant to the Company**

Following amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2020 or later periods:

Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (effective for annual periods beginning on or after 01 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS. In addition, the IASB has also issued guidance on how to make materiality judgements when preparing general purpose financial statements in accordance with IFRS.

On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework. The new Framework: reintroduces the terms stewardship and prudence; introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument; removes from the asset and liability definitions references to the expected flow of economic benefits—this lowers the hurdle for identifying the existence of an asset or liability and puts more emphasis on reflecting uncertainty in measurement; discusses historical cost and current value measures, and provides some guidance on how the IASB would go about selecting a measurement basis for a particular asset or liability; states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances will the IASB use other comprehensive income and only for income or expenses that arise from a change in the current value of an asset or liability; and discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements. The Framework is not an IFRS standard and does not override any standard, so nothing will change in the short term. The revised Framework will be used in future standard-setting decisions, but no changes will be made to current IFRS. Preparers might also use the Framework to assist them in developing accounting policies where an issue is not addressed by an IFRS. It is effective for annual periods beginning on or after 1 January 2020 for preparers that develop an accounting policy based on the Framework.

Interest Rate Benchmark Reform which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' is applicable for annual financial periods beginning on or after 1 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published a report setting out its recommended reforms of some major interest rate benchmarks such as IBORs. Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term interest rate benchmark reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provide relief from the potential effects of the uncertainty caused by the reform. A company shall apply the exceptions to all hedging relationships directly affected by interest rate benchmark reform.

GOC (PAK) LIMITED

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Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 1 January 2022. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets') effective for the annual period beginning on or after 1 January 2022 amends IAS 1 'Presentation of Financial Statements' by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16 'Property, Plant and Equipment') effective for the annual period beginning on or after 1 January 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc, are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2 'Inventories'. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022.

- IFRS 9 'Financial Instruments' – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
- IFRS 16 'Leases' – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 'Leases' by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

The above amendments and improvements do not have a material impact on the financial statements.

g) **Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Company**

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2020 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 **Employee benefit**

The Company operates a funded contributory provident fund scheme for its employees. Equal monthly *contributions* are made both by the Company and employees at the rate of 6.25 percent of the basic salary to the fund. The Company's contributions to the fund are charged to statement of profit or loss.

2.3 **Taxation**

Current

The Company falls under the ambit of presumptive tax regime under section 169 of the Income Tax Ordinance, 2001. Provision for income tax has been made in the financial statements accordingly. However, tax on other income is based on taxable income at the current rates after considering the rebates and tax credits available, if any.

Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

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Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

However, provision for the deferred income tax is not considered necessary as the company is chargeable to tax under section 169 of the Income Tax Ordinance, 2001 and no temporary differences are expected to arise in the foreseeable future.

2.4 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made.

2.5 Property, plant, equipment and depreciation

These are stated at cost less accumulated depreciation and any identified impairment loss except freehold land and capital work-in-progress which are stated at cost less any identified impairment loss. Cost of property, plant and equipment consists of historical cost and other directly attributable costs of bringing the assets to working condition. Leasehold land is stated at cost less the amount amortized over the lease period in equal proportions.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the company and cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

Depreciation

Depreciation on property, plant and equipment is charged to the statement of profit or loss applying the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives. The Company charges the depreciation on additions from the date when the asset is available for use and on deletions up to the date when the asset is derecognized. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

De-recognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and carrying value of the asset) is included in the income statement in the year the asset is derecognized.

2.6 IFRS 16 "Leases"

The Company has adopted IFRS 16 from 01 July 2019. The standard replaces IAS 17 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognized in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognized lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under IFRS 16 will be higher when compared to lease expenses under IAS 17, as the operating expense is now replaced by interest expense and depreciation in the statement of profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The adoption of IFRS 16 has no financial impact on the financial statements of the Company.

Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to income as incurred.

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Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

2.7 Investment and other financial assets

a) *Classification*

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) *Measurement*

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/ (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

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Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognised in other income/ (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

2.8 Financial liabilities - classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

2.9 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.10 De-recognition of financial assets and financial liabilities

a) Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

b) Financial liabilities

The Company derecognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

2.11 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

2.12 Investment in associate – (with significant influence)

Investments in associate over which the Company has significant influence is accounted for using the equity method. In case of investment accounted for under the equity method, the method is applied from the date when significant influence is established until the date when that significant influence ceases.

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2.13 Inventories

Inventories, except for stock in transit and waste stock are stated at lower of cost and net realizable value. Cost is determined as follows:

Stores and spare parts

Useable stores and spare parts are valued principally at moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

Stock-in-trade

Cost of raw material is based on moving average cost.

Cost of work-in-process and finished goods comprise cost of direct material, labour and appropriate manufacturing overheads.

Materials in transit are stated at cost comprising invoice values plus other charges paid thereon. Waste stock is valued at net realizable value.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the costs necessary to make a sale.

2.14 Trade debts and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables generally do not include amounts over due by 365 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

2.15 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost.

2.16 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

2.17 Foreign currency transactions and translation

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

2.18 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at book value which approximates their fair value. For the purposes of the cash flow statement, cash equivalents comprise cash in hand, cash at banks and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.19 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss.

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2.20 Revenue from contracts with customers

i) Revenue recognition

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Interest

Profit on deposits with banks is recognized on a time proportion basis taking into account the principal outstanding and rate of profit / interest applicable thereon.

Dividend

Dividend on equity investments is recognized when right to receive the dividend is established.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

ii) Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

iii) Customer acquisition costs

Customer acquisition costs are capitalised as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortised on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

iv) Customer fulfilment costs

Customer fulfilment costs are capitalised as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the Company that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfilment costs are amortised on a straight-line basis over the term of the contract.

v) Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

vi) Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

vii) Refund liabilities

Refund liabilities are recognised where the Company receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Company does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

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2.21 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

2.22 Share capital

Ordinary shares are classified as equity.

2.23 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss over the expected lives of the related assets.

2.24 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

2.25 Contingent assets

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

2.26 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

2.27 Borrowing

Financing and borrowings are initially recognized at fair value of the consideration received, net of transaction costs. They are subsequently measured at amortized cost using the effective interest method.

2.28 Borrowing cost

Interest, mark-up and other charges on long-term finances are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such long-term finances. All other interest, mark-up and other charges are recognized in statement of profit or loss.

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3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	NOTE	2020	2019
2020		Rupees	Rupees
2019			
Number of shares			
204,700	204,700	2,047,000	2,047,000
4,400	4,400	44,000	44,000
7,140,241	7,140,241	71,402,410	71,402,410
<u>7,349,341</u>	<u>7,349,341</u>	<u>73,493,410</u>	<u>73,493,410</u>
<p>3.1 Anwar Khawaja Industries (Private) Limited - holding company holds 3,497,321 (2019: 3,497,321) ordinary shares of Rupees 10 each.</p>			
4 RESERVES			
Composition of reserves is as follows:			
Capital reserves			
Capital reserve	4.1	1,000,000	1,000,000
Fair value reserve FVTOCI investment	4.2	309,847	343,065
		<u>1,309,847</u>	<u>1,343,065</u>
Revenue reserves			
General reserve		104,455,492	104,455,492
Unappropriated profit		164,249,797	160,014,420
		<u>268,705,289</u>	<u>264,469,912</u>
		<u>270,015,136</u>	<u>265,812,977</u>
<p>4.1 This reserve is not available for distribution being a capital reserve.</p> <p>4.2 This represents the unrealized gain on re-measurement of investment at fair value through other comprehensive income and is not available for distribution.</p>			
5 TRADE AND OTHER PAYABLES			
Trade creditors	5.1	40,482,526	21,566,493
Advances from customers - un-secured		1,353,938	3,739,905
Salaries payable to directors		3,208,647	1,361,443
Payable to employees' provident fund trust		495,264	408,035
Workers' profit participation fund	5.2	1,190,261	3,970,223
Accrued liabilities		6,568,617	7,602,500
		<u>53,299,253</u>	<u>38,648,599</u>
<p>5.1 These include Rupees 35,155,290 (2019: Rupees 16,087,838) due to Anwar Khawaja Composites - related party.</p>			
5.2 Workers' profit participation fund			
Balance at the beginning of the year		3,970,223	1,635,404
Add: Provision for the year	20	1,190,261	3,970,223
		<u>5,160,484</u>	<u>5,605,627</u>
Less: Payments during the year		3,970,223	1,635,404
		<u>1,190,261</u>	<u>3,970,223</u>
6. CONTINGENCIES AND COMMITMENTS			
Contingencies:			
i) Post dated cheques issued to the Custom Authorities amounting to Rupees 27.109 million (2019: Rupees 38.759 million).			
Commitments			
		<u>Nil</u>	<u>Nil</u>
7. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	60,243,609	58,523,546
Capital work-in-progress - civil works		19,856,751	8,374,475
		<u>80,100,360</u>	<u>66,898,021</u>

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7.1 Operating fixed assets

	Freehold land	Leasehold land	Factory building on freehold land	Plant and machinery	Office equipment	Tools and equipment	Electric installations	Furniture and fixtures	Vehicles	Computers	Security arms	TOTAL
Rupees												
As at 30 June 2018												
Cost	5,371,287	164,219	25,849,793	32,855,536	972,295	10,478,269	6,387,243	3,032,116	30,810,055	3,108,127	22,800	119,051,740
Accumulated depreciation	-	(49,761)	(21,395,708)	(16,361,663)	(814,412)	(6,305,162)	(5,457,865)	(2,281,629)	(6,092,110)	(2,549,756)	(20,508)	(61,328,574)
Net book value	5,371,287	114,458	4,454,085	16,493,873	157,883	4,173,107	929,378	750,487	24,717,945	558,371	2,292	57,723,166
Year ended 30 June 2019												
Opening net book value	5,371,287	114,458	4,454,085	16,493,873	157,883	4,173,107	929,378	750,487	24,717,945	558,371	2,292	57,723,166
Additions	600,000	-	-	-	-	-	137,000	-	9,275,518	-	-	10,012,518
Disposals:												
Cost	-	-	-	-	-	-	-	-	(2,446,580)	-	-	(2,446,580)
Accumulated depreciation	-	-	-	-	-	-	-	-	1,404,992	-	-	1,404,992
Depreciation charge	-	(2,488)	(445,409)	(1,560,821)	(12,871)	(385,877)	(343,922)	(65,953)	(1,041,588)	(232,568)	(161)	(1,041,588)
Closing net book value	5,971,287	111,970	4,008,676	14,943,052	145,012	3,787,230	722,456	684,534	27,821,395	325,803	2,131	58,523,546
As at 30 June 2019												
Cost	5,971,287	164,219	25,849,793	32,855,536	972,295	10,478,269	6,524,243	3,032,116	37,638,993	3,108,127	22,800	126,617,678
Accumulated depreciation	-	(52,249)	(21,841,117)	(17,912,484)	(827,283)	(6,691,039)	(5,801,787)	(2,347,582)	(9,817,598)	(2,762,324)	(20,669)	(68,094,132)
Net book value	5,971,287	111,970	4,008,676	14,943,052	145,012	3,787,230	722,456	684,534	27,821,395	325,803	2,131	58,523,546
Year ended 30 June 2020												
Opening net book value	5,971,287	111,970	4,008,676	14,943,052	145,012	3,787,230	722,456	684,534	27,821,395	325,803	2,131	58,523,546
Additions	-	-	-	4,182,297	-	-	28,500	-	6,592,300	-	70,000	10,873,097
Disposals:												
Cost	-	-	-	-	-	-	-	-	(1,981,250)	-	-	(1,981,250)
Accumulated depreciation	-	-	-	-	-	-	-	-	926,350	-	-	926,350
Depreciation charge	-	(2,488)	(400,868)	(1,540,941)	(11,584)	(347,288)	(214,408)	(69,357)	(1,054,900)	(116,280)	(2,854)	(1,054,900)
Closing net book value	5,971,287	109,482	3,607,808	17,584,408	133,428	3,439,942	536,548	625,177	27,956,729	209,523	69,277	60,243,609
As at 30 June 2020												
Cost	5,971,287	164,219	25,849,793	37,037,833	972,295	10,478,269	6,552,743	3,032,116	42,250,043	3,108,127	92,800	135,509,525
Accumulated depreciation / amortization	-	(54,737)	(22,241,985)	(19,453,425)	(838,867)	(7,038,327)	(6,016,195)	(2,406,939)	(14,293,314)	(2,898,604)	(23,523)	(75,265,916)
Net book value	5,971,287	109,482	3,607,808	17,584,408	133,428	3,439,942	536,548	625,177	27,956,729	209,523	69,277	60,243,609
Annual rate of depreciation %	-	1.52	10	10	10	10	40	10	20	50	10	

7.1.1 The depreciation / amortization charge for the year has been allocated as follows:

	2020	2019
	Rupees	Rupees
Cost of sales (Note 17)	3,208,262	3,395,479
Administrative expenses (Note 19)	4,889,872	4,775,071
	<u>8,098,134</u>	<u>8,170,550</u>

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7.1.2 Detail of operating fixed assets, exceeding the book value of Rupees 500,000 disposed of during the year is as follows:

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain on disposal	Mode of disposal	Particulars
Vehicles							
Honda LEB-17-4074	1,909,250	877,160	1,032,090	1,045,000	12,910	Negotiation	Mr. Muhammad Naeem Hanif
Aggregate of other items of property, plant and equipment with individual book values not exceeding Rupees 500,000	72,000	49,190	22,810	40,000	17,190		
	<u>1,981,250</u>	<u>926,350</u>	<u>1,054,900</u>	<u>1,085,000</u>	<u>30,100</u>		

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7.2 Particulars of immovable properties (i.e. land and buildings) are as follows:

Immovable properties	Address	Area of land	Covered Area
		Acres	Square feet
Manufacturing Unit 1 (Hockey Sticks & Cricket balls) and Admin Block	Plot No. 29-A & 30-A, Small Industrial Estate, Ugoki Road Shahab Pura, Sialkot.	1.01	38,146
Manufacturing Unit 2 (Hockey Sticks & Accessories) and Admin Block	Khawat No. 61, Khaitoni No. 227, Khasra No. 115/1 Moza Shatab Garha, Sialkot.	0.48	17,194
Freehold land	Plot No. 279-A & 280-A Small Industrial Estate II, Sialkot, Export Processing Zone Sambrial.	1.00	-
Freehold land	Plot No. 275-A, 276-A, 277-A, 278-A Small Industrial Estate II, Sialkot, Export Processing Zone Sambrial.	2.00	-
Freehold land	Plot No. 33-B, 34-B, 35-B, 36-B Small Industrial Estate, Daska.	1.00	-
		5.49	55,340

	NOTE	2020	2019
		Rupees	Rupees
8. LONG TERM INVESTMENTS			
Investment in associate (with significant influence) - under equity method	8.1	23,718,748	25,104,405
Other investment - at FVTOCI	8.2	320,062	353,280
		24,038,810	25,457,685

8.1 Investment in associate (with significant influence) - under equity method

Grays Leasing Limited - associated company	8.1.1 to 8.1.3		
7,999,999 (2019: 7,999,999) ordinary shares of Rupees 10 each			
Equity held 37.21% (2019: 37.21%)			
Share in net assets at the beginning of the year		25,104,405	25,809,941
Add: Share in loss before taxation		(1,096,569)	(444,225)
Share in taxation		(343,701)	(247,315)
Share in other comprehensive income / (loss)		54,613	(13,996)
		(1,385,657)	(705,536)
Share in net assets at the end of the year		23,718,748	25,104,405

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	2020 Rupees	2019 Rupees
8.1.1 Summarized financial information of Grays Leasing Limited - associated company		
Assets:		
Current assets	206,720,886	198,394,732
Non-current assets	90,823,250	94,098,978
Liabilities:		
Current liabilities	(192,902,208)	(183,498,149)
Non-current liabilities	(40,898,988)	(41,528,737)
Net assets	63,742,940	67,466,824
Reconciliation to carrying amounts:		
As at 01 July	67,466,824	69,362,917
Loss after income tax	(3,870,652)	(1,858,479)
Other comprehensive (income) / loss	146,768	(37,614)
As at 30 June	63,742,940	67,466,824
Company's share (%)	37.21%	37.21%
Company's share	23,718,748	25,104,405
Goodwill	-	-
Carrying amount	23,718,748	25,104,405
Summarized statement of comprehensive income		
Revenue	17,037,787	14,044,807
Loss for the year	(3,870,652)	(1,858,479)
Other comprehensive (income) / loss	146,768	(37,614)
Total comprehensive loss	(3,723,884)	(1,896,093)
Dividend received from associate	-	-

8.1.2 Interest in Grays Leasing Limited - associated company

Country of incorporation	% of ownership interest		Measurement method		Quoted fair value		Carrying amount	
	2020	2019	2020	2019	2020	2019	2020	2019
					-----Rupees-----		-----Rupees-----	
			Equity	Equity				
Pakistan	37.21%	37.21%	method	method	26,639,997	28,399,996	23,718,748	25,104,405

8.1.3 Grays Leasing Limited is engaged in leasing business. It is a Non-Banking Finance Company (NBFC). Its registered office is situated at 701-A, 7th Floor, City Towers, 6-K, Main Boulevard, Gulberg-II, Lahore. There were NIL (2019: NIL) contingencies and commitments of Grays Leasing Limited as at the reporting date.

8.2 Other investment - at FVTOCI

Sitara Chemical Industries Limited

1,155 (2019: 1,155) ordinary shares of Rupees 10

Add: Fair value adjustment

	10,215	10,215
8.2.1	309,847	343,065
	320,062	353,280

8.2.1 Fair value adjustment

Opening balance

Deficit on remeasurement

	343,065	415,195
	(33,218)	(72,130)
	309,847	343,065

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	NOTE	2020 Rupees	2019 Rupees
9. STORES AND SPARE PARTS			
Stores		640,632	638,863
Spares		527,869	424,197
		1,168,501	1,063,060
10. STOCK-IN-TRADE			
Raw materials		31,421,524	26,542,435
Work-in-process		79,555,687	64,132,297
Finished goods		28,442,975	52,174,656
		139,420,186	142,849,388
11. TRADE DEBTS			
Considered good:			
Related parties			
Unsecured	11.1 to 11.3	478,484	34,618
Others			
Unsecured	11.4	60,928,204	58,347,179
		61,406,688	58,381,797
11.1	This represents amount due from Anwar Khawaja Industries (Private) Limited- holding company.		
11.2	The maximum aggregate amount receivable from Anwar Khawaja Industries (Private) Limited - holding company at the end of any month during the year was Rupees 535,917 (2019: Rupees 34,618).		
11.3	As at 30 June 2020, trade debts due from related parties amounting to Rupees 478,484 (2019: Rupees 34,618) were past due but not impaired. The ageing analysis of these trade debts is as follows:		
		-	-
Upto 1 month		-	-
1 to 6 months		-	-
More than 6 months		478,484	34,618
		478,484	34,618
11.4	As at 30 June 2020, trade debts of Rupees 60.858 million (2019: Rupees 56.768 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:		
		60,185,355	55,510,182
Upto 1 month		60,185,355	55,510,182
1 to 6 months		672,880	877,888
More than 6 months		-	379,983
		60,858,235	56,768,053
11.5	During the year, trade debts of Rupees 451,897 (2019: Rupees 53,274) have been written off. The ageing of these trade debts was more than 3 years. These trade debts do not include amounts due from related parties.		
12. ADVANCES			
Considered good:			
Employees - interest free (Note 12.1)		3,354,264	2,370,662
Suppliers		2,018,721	9,532,257
Letter of credit		178,280	129,089
Income tax - net		9,587,622	9,894,367
		15,138,887	21,926,375
12.1	During the current year, advances to employees of Rupees 228,052 (2019: Rupees Nil) have been written off.		
13. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Deposits		4,781,945	1,221,166
Prepayments		124,434	147,737
		4,906,379	1,368,903

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	NOTE	2020 Rupees	2019 Rupees
14. OTHER RECEIVABLES			
Export rebate receivable		651,360	1,271,918
Drawback receivable		9,824,842	6,492,378
Accrued interest		192,963	147,322
Insurance claim receivable		135,225	413,504
Sales tax refundable		11,921,616	12,452,605
		<u>22,726,006</u>	<u>20,777,727</u>
15. CASH AND BANK BALANCES			
Cash in hand		814,593	585,145
Cash with banks:			
Current accounts		13,657,341	27,446,494
Deposit accounts	15.1	33,347,599	10,996,896
		<u>47,004,940</u>	<u>38,443,390</u>
		<u>47,819,533</u>	<u>39,028,535</u>
15.1	The balance in deposit accounts carries interest ranging from 6.50% to 11.25% (2019: 4.50% to 10.25%) per annum.		
16. SALES			
Export		247,993,290	294,970,959
Export rebate		195,982	226,011
Duty drawback		3,538,652	4,392,937
		<u>251,727,924</u>	<u>299,589,907</u>
Local - net of sales tax	16.1	5,268,534	5,487,566
		<u>256,996,458</u>	<u>305,077,473</u>
16.1	Local sales are exclusive of sales tax amounting to Rupees 1.008 million (2019: Rupees 0.987 million).		
17. COST OF SALES			
Raw material consumed	17.1	62,688,319	96,831,342
Processing charges		27,381,695	27,270,986
Salaries, wages and other benefits	17.2	58,589,911	63,384,551
Stores and spares consumed		1,278,020	2,101,350
Repair and maintenance		1,296,065	1,507,439
Fuel and power		6,778,537	6,371,554
Vehicles' running		642,125	588,812
Insurance		896,124	840,057
Other factory overheads		193,835	213,205
Depreciation	7.1.1	3,208,262	3,395,479
		<u>162,952,893</u>	<u>202,504,775</u>
Work-in-process			
Opening stock		64,132,297	67,301,733
Closing stock		(79,555,687)	(64,132,297)
		<u>3,169,436</u>	<u>3,169,436</u>
Cost of goods manufactured		147,529,503	205,674,211
Finished goods			
Opening stock		52,174,656	39,417,968
Closing stock		(28,442,975)	(52,174,656)
		<u>23,731,681</u>	<u>(12,756,688)</u>
		<u>171,261,184</u>	<u>192,917,523</u>
17.1 Raw material consumed			
Opening stock		26,542,435	19,492,619
Purchases during the year		67,567,408	103,881,158
		<u>94,109,843</u>	<u>123,373,777</u>
Closing stock		(31,421,524)	(26,542,435)
		<u>62,688,319</u>	<u>96,831,342</u>
17.2 Salaries, wages and other benefits			

This includes employer's contribution towards provident fund and bonus of Rupees 0.992 million (2019: Rupees 0.960 million) and Rupees 2.963 million (2019: Rupees 3.993 million) respectively.

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	NOTE	2020 Rupees	2019 Rupees
18. DISTRIBUTION COST			
Salaries and other benefits	18.1	2,097,842	2,210,414
Electricity and gas		193,672	182,044
Vehicles' running		94,934	88,269
Free samples		746,466	1,368,022
Export development surcharge		600,188	617,722
Advertisement and publicity		1,227,500	1,490,920
Clearing and forwarding		5,580,763	6,232,478
		<u>10,541,365</u>	<u>12,189,869</u>
18.1 Salaries and other benefits			
This includes employer's contribution towards provident fund and bonus of Rupees 0.0676 million (2019: Rupees 0.0612 million) and Rupees 0.1865 million (2019: Rupees 0.2450 million) respectively.			
19. ADMINISTRATIVE EXPENSES			
Salaries and other benefits	19.1	35,385,168	22,247,042
Traveling and conveyance		4,596,220	6,373,964
Vehicles' running		3,337,669	2,275,340
Electricity and gas		774,690	728,178
Postage and telephone		806,492	882,245
Legal and professional		864,747	702,168
Printing and stationery		247,467	311,955
Boarding, lodging and entertainment		775,881	790,348
Fee and subscription		1,232,913	1,112,371
Books and periodicals		15,360	39,855
Computer expenses		554,907	339,718
Repairs and maintenance		5,600	69,330
Insurance		958,903	867,341
Miscellaneous		305,705	306,493
Depreciation	7.1.1	4,889,872	4,775,071
		<u>54,751,594</u>	<u>41,821,419</u>
19.1 Salaries and other benefits			
This includes employer's contribution towards provident fund and bonus of Rupees 0.562 million (2019: Rupees 0.512 million) and Rupees 14.091 million (2019: Rupees 2.091 million) respectively.			
20. OTHER EXPENSES			
Auditor's remuneration	20.1	359,800	340,000
Research and development		7,000	112,275
Workers' profit participation fund	5.2	1,190,261	3,970,223
Bad debts written off	11.5	451,897	53,274
Advances written off	12.1	228,052	-
Donations	20.2	974,419	1,506,288
		<u>3,211,429</u>	<u>5,982,060</u>
20.1 Auditor's remuneration			
Audit fee		310,000	300,000
Half yearly review		34,800	30,000
Reimbursable expenses		15,000	10,000
		<u>359,800</u>	<u>340,000</u>
20.2			
None of the directors and their spouses had any interest in the donees fund.			
21. OTHER INCOME			
Income from financial assets:			
Profit on deposit accounts		2,747,090	1,243,767
Dividend income	21.1	11,550	15,015
Net exchange gain		3,608,886	5,277,062
Credit balances written back		-	17,558,608
		<u>6,367,526</u>	<u>24,094,452</u>
Income from non - financial assets:			
Gain on disposal of operating fixed assets		30,100	4,791
		<u>6,397,626</u>	<u>24,099,243</u>
21.1			
This represents dividend income received from Sitara Chemical Industries Limited.			

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		2020 Rupees	2019 Rupees
22. FINANCE COST			
Bank charges		1,013,561	831,609
23. TAXATION			
Current	23.1	3,271,766	3,873,122
Prior year adjustment		(976,531)	(661,803)
		<u>2,295,235</u>	<u>3,211,319</u>
23.1	The Company falls under the ambit of presumptive tax regime under section 169 of the Income Tax Ordinance, 2001. Provision for income tax is made accordingly.		
23.2	Reconciliation of tax expense and product of accounting profit multiplied by the applicable tax rate is impracticable in view of presumptive taxation.		
24. EARNINGS PER SHARE - BASIC AND DILUTED			
Profit after taxation attributable to ordinary shareholders	Rupees	<u>18,879,446</u>	<u>71,531,377</u>
Weighted average number of ordinary shares	Number	<u>7,349,341</u>	<u>7,349,341</u>
Earnings per share	Rupees	<u>2.57</u>	<u>9.73</u>
	No figure for diluted earnings per share has been presented as the Company has not issued any instrument carrying options which would have an impact on the basic earnings per share, when exercised.		
25. CASH GENERATED FROM OPERATIONS			
Profit before taxation		21,518,382	74,990,011
Adjustments for:			
Depreciation on operating fixed assets		8,098,134	8,170,550
Profit on deposit accounts		(2,747,090)	(1,243,767)
Dividend income		(11,550)	(15,015)
Share of loss from associated company		1,096,569	444,225
(Gain) / loss on disposal of operating fixed assets		(30,100)	(4,791)
Trade debts written off		451,897	53,274
Advances to employees written off		228,052	-
Net exchange gain		(3,608,886)	(5,277,062)
Finance cost		1,013,561	831,609
Working capital changes	25.1	18,919,090	(69,673,479)
		<u>23,409,677</u>	<u>(66,714,456)</u>
		<u>44,928,059</u>	<u>8,275,555</u>
25.1 Working capital changes			
Decrease / (increase) in current assets			
Stores and spare parts		(105,441)	851,681
Stock in trade		3,429,202	(16,637,068)
Trade debts		132,098	(42,199,997)
Advances		6,252,691	(4,623,675)
Trade deposits and short term prepayments		(3,537,476)	27,085
Other receivables		(1,902,638)	1,877,292
Increase / (decrease) in current liabilities			
Trade and other payables		14,650,654	(8,968,797)
		<u>18,919,090</u>	<u>(69,673,479)</u>
25.2 Reconciliation of movement of liabilities to cash flows arising from financing activity			
			Liabilities from financing activity
			Unclaimed Dividend
			Rupees
Balance as at 01 July 2019			981,589
Dividend declared			14,698,682
Dividend paid			(14,577,636)
Balance as at 30 June 2020			<u>1,102,635</u>

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26. REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

The aggregate amount charged in the financial statements for the year for remuneration including certain benefits to the chief executive and directors is as follows:

	Chief Executive		Directors	
	2020	2019	2020	2019
	Rupees		Rupees	
Managerial remuneration	3,542,400	3,220,800	2,124,800	1,932,000
Allowances :				
Housing	1,771,200	1,610,400	1,062,400	966,000
Bonus	664,200	805,200	398,400	483,000
Special Allowance	10,000,000	-	2,500,000	-
Provident fund	221,400	201,300	132,804	120,744
Utilities	1,244,507	2,194,589	553,869	1,814,340
Income tax	2,245,400	750,674	695,341	261,620
Medical expenses	407,020	363,783	842,760	436,343
	<u>20,096,127</u>	<u>9,146,746</u>	<u>8,310,374</u>	<u>6,014,047</u>
Number of persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

26.1 Chief executive and one director has been provided with the Company maintained vehicles.

26.2 Aggregate amount charged in the financial statements for meeting fee to seven directors (2019: seven directors) was Rupees 0.14 million (2019: Rupees 0.28 million).

26.3 No remuneration was paid to non-executive directors of the Company.

26.4 Number of executive employees during the year are Nil (2019: Nil).

27. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise holding company, associated undertakings, key management personnel and staff retirement fund. Detail of transactions with the related parties, other than those which have been specifically disclosed elsewhere in these financial statements, are as follows:

	2020	2019
	(Rupees in Million)	
Holding company		
Sale of goods	0.02	0.004
Dividend paid	6.99	3.50
Purchase of goods	-	0.242
Associated undertaking		
Processing charges	27.382	27.271
Other related parties		
Dividend paid to key management personnel and their close family members	3.93	1.90
Contribution to provident fund	1.616	1.533

27.1 Detail of compensation to key management personnel comprising of chief executive officer and directors is disclosed in note 26.

27.2 Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place:

Name of related party	Basis of relationship	Transactions entered or agreements and / or arrangements in place during the financial year	Percentage of holding
Anwar Khawaja Industries (Private) Limited	Common directorship and control	Yes	None
Grays Leasing Limited	Common directorship and shareholding	No	37.21
Anwar Khawaja Composites	Directors of the company are partners in business	Yes	None
Sialkot International Airport Limited	Common Directorship	No	None
Synthetic Products Enterprises Limited	Common Directorship	No	None
Port Services Limited	Common Directorship	No	None
Grays Of Cambridge (Pakistan) Limited - Employees Provident Fund	Post-employment benefit plan	Yes	None

28. FINANCIAL RISK MANAGEMENT

28.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non derivative financial instruments and investment of excess liquidity.

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(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD), Great Britain Pound (GBP) and Canadian Dollar (CAD). Currently, the Company's foreign exchange risk exposure is restricted to the amounts receivable / payable from / to the foreign entities. The Company's exposure to currency risk was as follows:

	2020	2019
Trade debts - USD	362,957	355,482
Trade debts - GBP	129	360
Trade and other payable - USD	11,150	17,004
Trade and other payable - GBP	-	-
Trade and other payable - CAD	9,500	1,861
Net exposure - USD	351,807	338,478
Net exposure - GBP	129	360
Net exposure - CAD	(9,500)	(1,861)

The following significant exchange rates were applied during the year:

Rupees per USD

Average rate	158.92	137.83
Reporting date rate	168.10	164.00

Rupees per GBP

Average rate	199.20	177.37
Reporting date rate	205.90	207.79

Rupees per CAD

Average rate	118.13	103.91
Reporting date rate	122.85	125.22

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD, GBP, Euro and CAD with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 2.755 million (2019: Rupees 2.622 million) higher / lower respectively, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to commodity price risk.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Pakistan Stock Exchange (PSX) Index on the Company's equity (fair value reserve). The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index:

Index	Impact on statement of comprehensive income (fair value reserve)	
	2020	2019
	(Rupees)	
PSX 100 (5% increase)	16,003	17,664
PSX 100 (5% decrease)	(16,003)	(17,664)

Equity (fair value reserve) would increase / decrease as a result of gain / loss on equity investment classified as FVTOCI.

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is ungeared. The Company's interest rate risk arises from bank balances in deposit accounts. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

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	2020 Rupees	2019 Rupees
At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:	-	-
Fixed rate instruments		
Floating rate instruments		
Financial assets		
Bank balances - deposit accounts	33,347,599	10,996,896

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rs. 0.225 million (2019: Rupees 0.073 million) higher / lower, mainly as a result of higher / lower interest income on floating rate bank deposits. This analysis is prepared assuming the amount of assets held at reporting dates were held for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

Investment	320,062	353,280
Deposits	5,967,029	2,406,250
Trade debts	61,406,688	58,381,797
Advances	3,354,264	2,370,662
Other receivables	328,188	560,826
Bank balances	47,004,940	38,443,390
	118,381,171	102,516,205

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating			2020	2019
	Short Term	Long term	Agency	Rupees	Rupees
Banks					
National Bank of Pakistan	A-1+	AAA	PACRA	275,756	275,756
Bank Alfalah Limited	A-1+	AA+	PACRA	45,382	41,377
Habib Bank Limited	A-1+	AAA	JCR-VIS	521,099	516,866
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA	34,368,244	23,427,396
The Bank of Punjab	A1+	AA	PACRA	27,881	25,694
Meezan Bank Limited	A-1+	AA+	JCR-VIS	11,765,889	14,156,301
Dubai Islamic Bank Limited	A-1+	AA+	JCR-VIS	689	-
				47,004,940	38,443,390
Investment					
Sitara Chemical Industries Limited	A-1	A+	JCR-VIS	320,062	353,280
				47,325,002	38,796,670

The Company's exposure to credit risk and allowance for expected credit losses related to trade debts is disclosed in Note 11.

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements. Following are the contractual maturities of financial liabilities. The amounts disclosed in the table are undiscounted cash flows.

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Contractual maturities of financial liabilities as at 30 June 2020

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
----- (Rupees) -----						
Non-derivative financial liabilities:						
Trade and other payables	50,259,790	50,259,790	50,259,790	-	-	-
Unclaimed dividend	1,102,635	1,102,635	1,102,635	-	-	-
	<u>51,362,425</u>	<u>51,362,425</u>	<u>51,362,425</u>	<u>-</u>	<u>-</u>	<u>-</u>

Contractual maturities of financial liabilities as at 30 June 2019

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
----- (Rupees) -----						
Non-derivative financial liabilities:						
Trade and other payables	30,530,436	30,530,436	30,530,436	-	-	-
Unclaimed dividend	981,589	981,589	981,589	-	-	-
	<u>31,512,025</u>	<u>31,512,025</u>	<u>31,512,025</u>	<u>-</u>	<u>-</u>	<u>-</u>

28.2 Financial instruments by categories

	Amortised cost	FVTOCI	Total
	Rupees	Rupees	Rupees
As at 30 June 2020			
Assets as per statement of financial position			
Investment	-	320,062	320,062
Deposits	5,967,029	-	5,967,029
Trade debts	61,406,688	-	61,406,688
Advances	3,354,264	-	3,354,264
Other receivables	328,188	-	328,188
Cash and bank balances	47,819,533	-	47,819,533
	<u>118,875,702</u>	<u>320,062</u>	<u>119,195,764</u>

Financial liabilities at amortized cost

Rupees

Liabilities as per statement of financial position

Trade and other payables	50,259,790
Unclaimed dividend	1,102,635
	<u>51,362,425</u>

As at 30 June 2019

Assets as per statement of financial position

	Amortised cost	FVTOCI	Total
	Rupees	Rupees	Rupees
Investment	-	353,280	353,280
Deposits	2,406,250	-	2,406,250
Trade debts	58,381,797	-	58,381,797
Advances	2,370,662	-	2,370,662
Other receivables	560,826	-	560,826
Cash and bank balances	39,028,535	-	39,028,535
	<u>102,748,070</u>	<u>353,280</u>	<u>103,101,350</u>

Financial liabilities at amortized cost

Rupees

Liabilities as per statement of financial position

Trade and other payables	30,530,436
Unclaimed dividend	981,589
	<u>31,512,025</u>

28.3 Capital risk management

The Company's objectives when managing capital are to be safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares.

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29. 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 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	Level 1	Level 2	Level 3	Total
At 30 June 2020				
Rupees.....			
Financial assets				
Fair value through other comprehensive income	320,062	-	-	320,062
Total financial assets	<u>320,062</u>	<u>-</u>	<u>-</u>	<u>320,062</u>

Recurring fair value measurements	Level 1	Level 2	Level 3	Total
At 30 June 2019				
Rupees.....			
Financial assets				
Fair value through other comprehensive income	353,280	-	-	353,280
Total financial assets	<u>353,280</u>	<u>-</u>	<u>-</u>	<u>353,280</u>

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 year. 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.

30. PROVIDENT FUND RELATED DISCLOSURES

The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

31. NUMBER OF EMPLOYEES

	2020	2019
Number of employees as on 30 June		
Permanent	136	139
Contractual	38	44
Average number of employees during the year		
Permanent	135	136
Contractual	39	38

32. PLANT CAPACITY AND ACTUAL PRODUCTION

As the Company is engaged in manufacturing of man made sports goods and its production is dependent upon the efficiency of the person engaged, hence the capacity of the unit could not be determined.

33. DIVIDENDS

The Board of Directors of the Company at their meeting held on has proposed cash dividend of Rupees 1.00 per ordinary share (2019: Rupees 2.00 per ordinary share) in respect of the year ended 30 June 2020. However, this event has been considered as non-adjusting events under IAS 10 'Events after the Reporting Period' and has not been recognized in these financial statements.

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34 IMPACT OF COVID-19 (CORONA VIRUS)

The pandemic of COVID-19 that rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. On 23 March 2020, the Government of the Punjab and the Government of Sindh announced a temporary lock down as a measure to reduce the spread of the COVID-19. Complying with the lockdown, the Company temporarily suspended its operations. After implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the Company resumed its operations and took all necessary steps to ensure smooth and adequate continuation of its business in order to maintain business performance despite slowdown in economic activity. The lockdown caused disruptions in supply chain including supply of goods to the customers resulting in a decline in sales. Subsequent to the year ended 30 June 2020, due to significant reduction in outbreak, demand for the Company's goods is fast reverting back to normal levels. Due to this, management has assessed the accounting implications of these developments on these financial statements, including but not limited to the following areas:

- expected credit losses under IFRS 9 'Financial Instruments';
- the impairment of tangible assets under IAS 36 'Impairment of Assets';
- the net realisable value of inventory under IAS 2, 'Inventories';
- provisions and contingent liabilities under IAS 37 Provisions, Contingent Liabilities and Contingent Assets'; and
- going concern assumption used for the preparation of these financial statements.

According to management's assessment, there is no significant accounting impact of the effects of COVID-19 in these financial statements.

35 DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

Description	Note	2020 (Rupees)	2019
Loan / advances obtained as per Islamic mode:			
Loans		-	-
Advances	5	1,353,938	3,739,905
Shariah compliant bank deposits / bank balances			
Bank balances	15	11,766,578	14,156,301
Profit earned from shariah compliant bank deposits / bank balances			
Profit on deposits with banks	21	9	-
Revenue earned from shariah compliant business			
	16	256,996,458	305,077,473
Gain or dividend earned from shariah complaint investments			
Dividend income	21	11,550	15,015
Unrealized gain on remeasurement of investment at FVTOCI	8.2.1	309,847	343,065
Exchange gain earned			
	21	3,608,886	5,277,062
Mark-up paid on Islamic mode of financing			
		-	-
Profits earned or interest paid on any conventional loan / advance			
Interest paid on loans		-	-
Profit earned on deposits with banks	21	2,746,083	1,229,496

Relationship with shariah compliant banks

Name	Relationship
Dubai Islamic Bank Limited	Bank balance
Meezan Bank Limited	Bank balance

36 OPERATING SEGMENTS

These financial statements have been prepared on the basis of single reportable segment.

Sales of sports goods represent total sales of the Company.

2.08% (2019: 1.83%) of the sales of the Company relates to customers in Pakistan. Of the remaining sales of the Company relating to customers outside Pakistan, 97.92% (2019: 98.17%) of those sales are made to customers in England, Australia, South Africa, Germany, Sri Lanka, Argentina and The Netherland.

All non-current assets of the Company at 30 June 2020 are located in Pakistan.

35.78% (2019: 33.07%) of the total sales of the Company are made to a single customer in England.


37 DATE OF AUTHORIZATION

These financial statements were authorized for issue on 18 September 2020 by the Board of Directors of the Company.

38 CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant rearrangements have been made in these financial statements.


KHAWAR ANWAR KHAWAJA
 CHIEF EXECUTIVE


ARFAN SHAHZAD
 CHIEF FINANCIAL OFFICER


MUHAMMAD TAHIR BUTT
 DIRECTOR

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The Companies ACT, 2017
The Companies (General Provisions and Forms) Regulations,
2018[Section 227(2)(f)]
Pattern of Shareholding

1.1 Name of The Company

PART - I
GOC (Pak) Limited
PART - II

Form - 34

2.1 Pattern of Holding of the Shares held by the Shareholders as at June 30, 2020

2.2

No. of Shareholders	Shareholding		Total Shares held
	From	To	
97	1	100	2,886
74	101	500	28,417
82	501	1,000	74,229
53	1,001	5,000	143,671
10	5,001	10,000	82,912
3	10,001	15,000	40,432
5	15,001	20,000	88,568
3	20,001	25,000	69,556
2	25,001	30,000	56,882
1	40,001	45,000	44,293
2	65,001	70,000	137,500
2	100,001	105,000	204,232
2	145,001	150,000	296,143
1	160,001	165,000	160,985
1	225,001	230,000	225,072
1	295,001	300,000	296,424
1	315,001	320,000	315,909
2	865,001	870,000	1,732,344
1	3,345,001	3,350,000	3,348,886
343			7,349,341

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As On: June 30, 2020

2.3 Categories of Shareholder	Folios	Physical	CDC	Share held	Percentage
2.3.1 - Directors, CEO, Their Spouse and Minor Childern	11	1,897,135	138,000	2,035,135	27.69
2.3.2 - Associated Companies, Undertakings & Related Parties	2	3,348,886	148,435	3,497,321	47.58
2.3.3 - NIT & ICP	1	-	315,909	315,909	4.30
2.3.4 - Banks, DFIs, NBFCs	3	-	161,469	161,469	2.20
2.3.8 - A. General Public (Local)	320	967,680	326,306	1,293,986	17.61
2.3.9 - A. Other Companies (Local)	6	-	45,521	45,521	0.62
	343	6,213,701	1,135,640	7,349,341	100.00

Shareholders More Than 10.00%			
Anwar Khawaja Industries (Pvt) Limited	2		3,497,321 47.59
Mr. Khurram Anwar Khawaja	2		935,797 12.73
Mr. Khawar Anwar Khawaja	2		934,047 12.71

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جی اوسی (پاک) لمیٹڈ

پراکسی فارم (مختار نامہ)

حصہ دار (شیمز ہولڈنگ)	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر	سب اکاؤنٹ (ذیلی کھاتہ) نمبر	سی ڈی سی شرکت آئی ڈی نمبر

میں/ہم
ساکن

بحیثیت رکن جی اوسی (پاک) لمیٹڈ، محترم/محترمہ۔

اس کی غیر موجودگی میں

(بحیثیت کفنی کے رکن) کو اپنے/ہمارے ایماء پر مورخہ 14 اکتوبر، 2020 بروز بدھ 03:00 بجے ہونے والے جی اوسی (پاک) لمیٹڈ کے 57 ویں سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے، تقرر اور شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا/ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں/کرتے ہیں۔

آج بروز _____ بتاریخ _____ 2020ء کو میرے/ہمارے دستخط سے گواہوں کی تصدیق سے جاری ہوا۔

گواہان

:1

دستخط:

نام:

پتہ:

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر:

:2

دستخط:

نام:

پتہ:

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر:

نوٹ:

1: اجلاس عام میں شرکت اور رائے دہی کا مستحق رکن، پراکسی مقرر کر سکتا ہے۔

2: پراکسی اور مختار نامہ یا دیگر اختاری (اگر کوئی ہوں) تقرری کے آلات، جس کے تحت یہ دستخط شدہ ہو یا اس مختار نامہ کی نوٹریلی مصدقہ کاپی، کفنی کے میں اجلاس منعقد ہونے سے کم از کم 48 (اڑتالیس) گھنٹے قبل جمع کروائے جانے چاہئیں۔

3: سی ڈی سی اکاؤنٹ ہولڈرز کو پراکسی تقرری کے لئے سیکورٹیز اینڈ ایکسچینج کمیشن پاکستان کے مورخہ 26 جنوری 2000 کو جاری کردہ سرکلر نمبر 1 میں دی گئی مندرجہ ذیل گائیڈ لائنز کی پیروی کرنا ہوگی۔

(i) بصورت افزاء، اکاؤنٹ ہولڈر اور/یا سب اکاؤنٹ ہولڈرز جن کی سیکورٹیز اینڈ ایکسچینج کمیشن تفصیلات قواعد و ضوابط کے مطابق اپ لوڈ ہوں، انہیں درج بالا شرائط کے مطابق پراکسی فارم (مختار نامہ) جمع کرانا ہو گئے۔

(ii) پراکسی فارم پر بطور گواہان دو افراد کے دستخط ہونے چاہئیں اور ان کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر فارم پر درج ہوں۔

(iii) پیشکش اور زاور پراکسی کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول، پراکسی فارم (مختار نامہ) کے ہمراہ جمع کرانا ہوگی۔

(iv) پراکسی، اجلاس کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ مہیا کرے گا/گی۔

(v) بصورت کارپوریٹ، بورڈ کی قرارداد مختار نامہ مع پراکسی ہولڈر کے دستخط (اگر پہلے فراہم نہ کئے گئے ہوں) پراکسی فارم (مختار نامہ) کے ہمراہ کفنی میں جمع کرانا ہوگا۔