

**CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE NINE MONTHS ENDED  
31 MARCH 2020  
(UN-AUDITED)**

**GOC (PAK) LIMITED  
SIALKOT**








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





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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

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

### AUDIT COMMITTEE

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

### HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

### CORPORATE SECRETARY / CFO

Arfan Shahzad

### HEAD OF INTERNAL AUDIT

Saeed Ahmed Shaheen

### AUDITORS

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

### REGISTERED OFFICE AND WORKS

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

### SHARE REGISTRARS

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

## DIRECTORS' REPORT

It gives me great pleasure to present, on behalf of the Board of Directors, the condensed interim financial information (un-audited) for the quarter and nine months ended 31 March 2020.

The sales for the nine months have decreased by 11.58% from Rupees 198.457 million to Rupees 175.474 million as compared with the corresponding period. The Company earned gross profit of Rupees 53.518 million as compared to Rupees 65.093 million for the corresponding period.

The share of Profit of associated company, Grays Leasing Limited, was recorded at Rupees 0.486 million against Rupees 0.341 million for the corresponding period.

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

Sudden outbreak of pandemic COVID-19 in the world and in the country followed by lock down of businesses will have negative effect on the production and sales volume of the Company during the last quarter of current financial year. It is hoped that the Government of Pakistan will control the situation and provide the workable conditions to the industries for the continuity of the business activities in the country.

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

For and on behalf of the Board



Khawar Anwar Khawaja  
Chief Executive

Sialkot: 23 April, 2020

## ڈائریکٹرز رپورٹ

مجھے بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2020 کو ختم ہونے والی سہ ماہی اور نو ماہ کے غیر آڈٹ شدہ اکاؤنٹس پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

اس عرصہ کے دوران فروخت پچھلے سال کے مقابلے میں %11.58 کی بعد 175.474 ملین روپے رہی جو کہ پچھلے سال 198.457 ملین روپے تھی۔ کمپنی کو اس عرصہ کے دوران گراس پرافٹ 53.518 ملین روپے رہا جو کہ مقابلے میں پچھلے اسی عرصہ کے دوران 65.093 ملین روپے تھا۔

ایسوسی ایٹ کمپنی گریز لیزنگ کا منافع 0.486 ملین روپے رہا جو کہ مقابلے میں پچھلے سال اسی عرصہ کے دوران 0.341 ملین روپے منافع تھا۔

کمپنی مصنوعات کے معیار، جدت طرازی اور مارکیٹ کے بدلتے ہوئے رجحانات پر مسلسل نظر رکھے ہوئے ہے۔

کورونا وائرس (Covid-19) کی اچانک ناگہانی وبائے پوری دنیا اور پاکستان کو اپنی لپیٹ میں لے رکھا ہے۔ جس کے نتیجے میں لاک ڈاؤن کی وجہ سے کمپنی کے موجودہ مالی سال کے آخری کوارٹر میں فروخت کے حجم پر منفی اثر پڑے گا۔ ہم امید کرتے ہیں کہ گورنمنٹ ان حالات پر قابو پالے گی اور صنعتوں کے لیے قابل عمل حالات پیدا کرے گی تاکہ ملک میں کاروباری سرگرمیاں جاری رہ سکیں

بورڈ اپنے قابل قدر حصص داران اور گاہکان کا تہہ دل سے مشکور ہے جن کے تعاون مسلسل حمایت اور سرپرستی کی وجہ سے کمپنی مسلسل بہتری کی کوشش کر رہی ہے۔ زیر جائزہ عرصہ کے دوران انتظامیہ اور ملازمین کے تعلقات خوشگوار رہے اور ہم کمپنی کے تمام سٹاف ممبرز اور کارکنان کے لیے ان کی لگن، ہمت اور تہدہی سے کام کرنے پر شکرگزار ہیں

بجلم بورڈ

سیالکوٹ: 23 اپریل 2020

*Lawrence Muneer*

خاور انور خواجہ  
چیف ایگزیکٹو

**GOC (PAK) LIMITED  
SIALKOT**

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020**

	Note	Un-audited 31 March 2020 Rupees	Audited 30 June 2019 Rupees
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	73,304,616	66,898,021
Long term investments	5	25,586,927	25,457,685
Long term deposits		1,185,084	1,185,084
		<u>100,076,627</u>	<u>93,540,790</u>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		1,752,836	1,063,060
Stock in trade		147,912,173	142,849,388
Trade debts		45,117,869	58,381,797
Advances		21,207,439	25,799,497
Trade deposits and short term prepayments		3,133,999	1,368,903
Other receivables		22,989,790	20,777,727
Cash and bank balances		17,802,926	39,028,535
		<u>259,917,032</u>	<u>289,268,907</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		32,874,841	38,648,599
Unclaimed dividend		1,151,882	981,589
Provision for taxation		2,900,943	3,873,122
		<u>36,927,666</u>	<u>43,503,310</u>
<b>NET ASSETS</b>		<u><b>323,065,993</b></u>	<u><b>339,306,387</b></u>
<b>REPRESENTED BY:</b>			
<b>Share capital and reserves</b>			
Authorized share capital			
10,000,000 (30 June 2019: 10,000,000) ordinary shares of Rupees 10 each		<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid up share capital			
7,349,341 (30 June 2019: 7,349,341) ordinary shares of Rupees 10 each		73,493,410	73,493,410
Reserves		249,572,583	265,812,977
Total equity		<u>323,065,993</u>	<u>339,306,387</u>
<b>Contingencies and commitments</b>	6		

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

  
**KHAWAR ANWAR KHAWAJA**  
CHIEF EXECUTIVE

  
**MUHAMMAD TAHIR BUTT**  
DIRECTOR

  
**ARFAN SHAHZAD**  
CFO

# CONDENSED INTERIM FINANCIAL INFORMATION

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited) FOR THE PERIOD ENDED 31 MARCH 2020

	Nine months ended		Quarter Ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Note	Rupees	Rupees	Rupees	Rupees
SALES	175,473,699	198,457,385	76,053,422	92,372,464
COST OF SALES	7 (121,955,858)	(133,364,842)	(54,954,416)	(62,088,401)
GROSS PROFIT	53,517,841	65,092,543	21,099,006	30,284,063
DISTRIBUTION COST	(8,326,364)	(8,518,903)	(2,406,995)	(3,432,921)
ADMINISTRATIVE EXPENSES	(45,836,271)	(27,922,544)	(8,639,993)	(10,026,005)
OTHER EXPENSES	(760,865)	(4,481,653)	(106,685)	(273,789)
	(54,923,500)	(40,923,100)	(11,153,673)	(13,732,715)
	(1,405,659)	24,169,443	9,945,333	16,551,348
OTHER INCOME	2,071,720	779,246	268,708	253,507
PROFIT FROM OPERATIONS	666,061	24,948,689	10,214,041	16,804,855
FINANCE COST	(412,603)	(485,760)	(13,217)	(282,667)
	253,458	24,462,929	10,200,824	16,522,188
SHARE OF PROFIT / (LOSS) OF ASSOCIATED COMPANY	485,937	341,303	85,937	(193,355)
PROFIT BEFORE TAXATION	739,395	24,804,232	10,286,761	16,328,833
TAXATION				
- Current	(1,924,412)	(1,999,755)	(78,805)	(1,027,225)
- Share of tax of associated company	(280,222)	(153,062)	(120,222)	(70,664)
	(2,204,634)	(2,152,817)	(199,027)	(1,097,889)
(LOSS) / PROFIT AFTER TAXATION	<u>(1,465,239)</u>	<u>22,651,415</u>	<u>10,087,734</u>	<u>15,230,944</u>
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED	<u>(0.20)</u>	<u>3.08</u>	<u>1.37</u>	<u>2.07</u>

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

  
KHAWAR ANWAR KHAWAJA  
CHIEF EXECUTIVE

  
MUHAMMAD TAHIR BUTT  
DIRECTOR

  
ARFAN SHAHZAD  
CFO

**GOC (PAK) LIMITED  
SIALKOT**

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)  
FOR THE PERIOD ENDED 31 MARCH 2020**

	Nine months ended		Quarter Ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	Rupees	Rupees	Rupees	Rupees
<b>(LOSS) / PROFIT AFTER TAXATION FOR THE PERIOD</b>	(1,465,239)	22,651,415	10,087,734	15,230,944
<b>OTHER COMPREHENSIVE LOSS</b>				
<b>Items that will not be reclassified to profit or loss:</b>				
Deficit arising on remeasurement of investment at fair value through other comprehensive income	(76,473)	(78,922)	(67,914)	(12)
<b>Items that may be reclassified subsequently to profit or loss</b>				
Other comprehensive loss for the period	(76,473)	(78,922)	(67,914)	(12)
<b>TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD</b>	<u>(1,541,712)</u>	<u>22,572,493</u>	<u>10,019,820</u>	<u>15,230,932</u>

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

  
**KHAWAR ANWAR KHAWAJA**  
CHIEF EXECUTIVE

  
**MUHAMMAD TAHIR BUTT**  
DIRECTOR

  
**ARFAN SHAHZAD**  
CFO



# CONDENSED INTERIM FINANCIAL INFORMATION


## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited) FOR THE PERIOD ENDED 31 MARCH 2020

	SHARE CAPITAL		RESERVES				REVENUE		TOTAL RESERVES		TOTAL EQUITY	
			CAPITAL		General reserve	Unappropriated Profit	Sub total	Sub total				
			Rupees	Rupees								
	Rupees	Rupees	Fair value reserve	FV/OCI investment	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
<b>Balance as at 30 June 2018 (Audited)</b>	73,493,410	1,000,000	415,195	1,415,195	104,455,492	95,846,380	200,301,872	201,717,067	275,210,477			
Transactions with owners - Final dividend for the year ended 30 June 2018 @ Rupees 1.00 per share	-	-	-	-	-	(7,349,341)	(7,349,341)	(7,349,341)	(7,349,341)			
Profit for the period ended 31 March 2019	-	-	-	-	-	22,651,415	22,651,415	22,651,415	22,651,415			
Other comprehensive loss for the period ended 31 March 2019	-	-	(78,922)	(78,922)	-	-	-	(78,922)	(78,922)			
Total comprehensive income for the period ended 31 March 2019	-	-	(78,922)	(78,922)	-	22,651,415	22,651,415	22,572,493	22,572,493			
<b>Balance as at 31 March 2019 (Un-audited)</b>	73,493,410	1,000,000	336,273	1,336,273	104,455,492	111,148,454	215,603,946	218,940,219	290,433,629			
<b>Balance as at 30 June 2019 (Audited)</b>	73,493,410	1,000,000	343,085	1,343,065	104,455,492	160,014,420	264,469,912	265,812,977	339,306,387			
Transactions with owners - Final dividend for the year ended 30 June 2019 @ Rupees 2.00 per share	-	-	-	-	-	(14,698,682)	(14,698,682)	(14,698,682)	(14,698,682)			
Loss for the period ended 31 March 2020	-	-	-	-	-	(1,465,239)	(1,465,239)	(1,465,239)	(1,465,239)			
Other comprehensive loss for the period ended 31 March 2020	-	-	(76,473)	(76,473)	-	-	-	(76,473)	(76,473)			
Total comprehensive loss for the period ended 31 March 2020	-	-	(76,473)	(76,473)	-	(1,465,239)	(1,465,239)	(1,541,712)	(1,541,712)			
<b>Balance as at 31 March 2020 (Un-audited)</b>	73,493,410	1,000,000	266,592	1,266,592	104,455,492	143,850,499	248,305,991	249,572,583	323,065,993			

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

  
**NAWAZ ANWAR KHAWAJA**  
 CHIEF EXECUTIVE

  
**MUHAMMAD TAHIR BUTT**  
 DIRECTOR

  
**ARFAN SHAHZAD**  
 CFO

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

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)**  
**FOR THE PERIOD ENDED 31 MARCH 2020**

	Nine months ended 31 March 2020	Nine months ended 31 March 2019
	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	739,395	24,804,232
<b>Adjustments for:</b>		
Depreciation on property, plant and equipment	5,970,482	5,870,333
Profit on deposit accounts	(2,030,069)	(759,440)
Dividend income	(11,550)	(15,015)
Share of profit of associated company	(485,937)	(341,303)
Gain on disposal of property, plant and equipment	(30,101)	(4,791)
Finance cost	412,603	485,760
	<u>3,825,428</u>	<u>5,235,544</u>
Cash generated from operating activities before working capital changes	4,564,823	30,039,776
<b>Decrease / (increase) in current assets</b>		
Stores, spare parts and loose tools	(689,776)	233,391
Stock in trade	(5,062,785)	(7,890,491)
Trade debts	13,263,928	(11,725,528)
Advances	4,424,839	346,178
Trade deposits and short term prepayments	(1,765,096)	(403,847)
Other receivables	(2,158,262)	(2,475,954)
	<u>8,012,848</u>	<u>(21,916,251)</u>
<b>(Decrease) / increase in current liabilities</b>		
Trade and other payables	(5,773,758)	2,332,470
<b>Cash generated from operations</b>	<u>6,803,913</u>	<u>10,455,995</u>
Finance cost paid	(412,603)	(485,760)
Income tax paid	(2,729,372)	(2,330,278)
	<u>(3,141,975)</u>	<u>(2,816,038)</u>
<b>Net cash generated from operating activities</b>	<u>3,661,938</u>	<u>7,639,957</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure on property, plant and equipment	(13,431,976)	(17,171,096)
Proceeds from disposal of property, plant and equipment	1,085,000	1,008,201
Profit on deposit accounts received	1,976,268	746,408
Dividend income	11,550	15,015
<b>Net cash used in investing activities</b>	<u>(10,359,158)</u>	<u>(15,401,472)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(14,528,389)	(7,220,354)
<b>Net cash used in financing activities</b>	<u>(14,528,389)</u>	<u>(7,220,354)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(21,225,609)</u>	<u>(14,981,869)</u>
<b>Cash and cash equivalents at the beginning of the period</b>	<u>39,028,535</u>	<u>58,260,424</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>17,802,926</u>	<u>43,278,555</u>

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

  
**KHAWAR ANWAR KHAWAJA**  
CHIEF EXECUTIVE

  
**MUHAMMAD TAHIR BUTT**  
DIRECTOR

  
**ARFAN SHAHZAD**  
CFO

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited) FOR THE PERIOD ENDED 31 MARCH 2020

### 1. THE COMPANY AND ACTIVITIES

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

### 2. BASIS OF PREPARATION

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

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

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

2.2 These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2019. These condensed interim financial statements are un-audited.

### 3. ACCOUNTING POLICIES

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

### 3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

**GOC (PAK) LIMITED  
SIALKOT**

	Un-audited 31 March 2020 Rupees	Audited 30 June 2019 Rupees
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets (Note 4.1)	53,437,665	58,523,546
Capital work-in-progress (Note 4.2)	19,866,951	8,374,475
	<u>73,304,616</u>	<u>66,898,021</u>
<b>4.1 Operating fixed assets</b>		
Opening book value	58,523,546	57,723,166
Cost of additions during the period / year (Note 4.1.1)	1,939,500	10,012,518
Book value of deletions during the period / year (Note 4.1.2)	(1,054,899)	(1,041,588)
Depreciation charge for the period / year	(5,970,482)	(8,170,550)
Closing book value	<u>53,437,665</u>	<u>58,523,546</u>
<b>4.1.1 Cost of additions during the period / year</b>		
Freehold land	-	600,000
Electric installations	28,500	137,000
Vehicles	1,841,000	9,275,518
Security arms	70,000	-
	<u>1,939,500</u>	<u>10,012,518</u>
<b>4.1.2 Book value of deletions during the period / year</b>		
Vehicles	<u>1,054,899</u>	<u>1,041,588</u>
<b>4.2 Capital work-in-progress</b>		
Building	19,831,751	8,374,475
Plant and Machinery	35,200	-
	<u>19,866,951</u>	<u>8,374,475</u>

## CONDENSED INTERIM FINANCIAL INFORMATION

	Un-audited 31 March 2020	Audited 30 June 2019
	Rupees	Rupees
<b>5. LONG TERM INVESTMENTS</b>		
Under equity method (Note 5.1)	25,310,120	25,104,405
Fair value through other comprehensive income (FVTOCI) (Note 5.2)	276,807	353,280
	<u>25,586,927</u>	<u>25,457,685</u>
<b>5.1 Under equity method</b>		
Grays Leasing Limited - associated company 7,999,999 (30 June 2019: 7,999,999) ordinary shares of Rupees 10 each equity held 37.21% (30 June 2019: 37.21%)		
Share in net assets at the beginning of the period / year	25,104,405	25,809,941
Add: Share in profit / (loss) before taxation for the period / year	485,937	(444,225)
Share in taxation	(280,222)	(247,315)
Share in other comprehensive loss	-	(13,996)
	<u>205,715</u>	<u>(705,536)</u>
Share in net assets at the end of the period / year	<u>25,310,120</u>	<u>25,104,405</u>
<b>5.1.1</b> Grays Leasing Limited is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 (now Companies Act, 2017) on 31 August 1995. Its shares are listed on Pakistan Stock Exchange. It is engaged in leasing business. The quoted fair value of investment of the Company in Grays Leasing Limited as on 31 March 2020 is Rupees 29,919,996 (30 June 2019: Rupees 28,399,996).		
<b>5.2 Fair value through other comprehensive income (FVTOCI)</b>		
<b>Sitara Chemical Industries Limited</b>		
1,155 (30 June 2019: 1,155) shares of Rupees 10 each	10,215	10,215
Add: Fair value adjustment (Note 5.2.1)	266,592	343,065
	<u>276,807</u>	<u>353,280</u>
<b>5.2.1 Fair value adjustment</b>		
Opening balance	343,065	415,195
Deficit arising on remeasurement of investment at fair value through other comprehensive income	(76,473)	(72,130)
	<u>266,592</u>	<u>343,065</u>
<b>6. CONTINGENCIES AND COMMITMENTS</b>		
<b>Contingencies:</b>		
Post dated cheques issued to Custom authorities amounting to Rupees 49.621 million (30 June 2019: Rupees 38.759 million).		
<b>Commitments</b>	<u>Nil</u>	<u>Nil</u>

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

**7. COST OF SALES**

	Un-audited			
	Nine months ended		Quarter Ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	Rupees	Rupees	Rupees	Rupees
Raw material consumed	48,101,839	68,412,468	16,419,844	33,780,476
Processing charges - composite	5,531,491	11,038,190	1,619,157	3,979,942
Salaries, wages and other benefits	45,936,531	44,810,784	15,759,764	15,525,513
Stores, spare parts and loose tools consumed	1,406,345	1,072,955	541,070	388,463
Repair and maintenance	909,077	1,626,533	264,433	621,970
Fuel and power	5,755,239	4,286,044	2,038,137	1,727,133
Vehicles running	547,488	452,311	160,569	170,990
Insurance	672,902	628,911	223,223	213,084
Other factory overheads	195,555	304,100	4,182	10,081
Depreciation	2,299,391	2,513,767	763,322	836,026
	<u>111,355,858</u>	<u>135,146,063</u>	<u>37,793,701</u>	<u>57,253,678</u>
<b>Work-in-process</b>				
Opening stock	64,132,297	67,301,733	70,541,374	77,055,324
Closing stock	(57,689,346)	(75,860,414)	(57,689,346)	(75,860,414)
	<u>6,442,951</u>	<u>(8,558,681)</u>	<u>12,852,028</u>	<u>1,194,910</u>
Cost of goods manufactured	117,798,809	126,587,382	50,645,729	58,448,588
<b>Finished goods</b>				
Opening stock	52,174,656	39,417,968	52,326,294	36,280,321
Closing stock	(48,017,607)	(32,640,508)	(48,017,607)	(32,640,508)
	<u>4,157,049</u>	<u>6,777,460</u>	<u>4,308,687</u>	<u>3,639,813</u>
	<u>121,955,858</u>	<u>133,364,842</u>	<u>54,954,416</u>	<u>62,088,401</u>

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

(i) Fair value hierarchy

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

Recurring fair value measurements At 31 March 2020	Level 1	Level 2	Level 3	Total
	.....Rupees.....			

**Financial assets**

Investments at fair value through other comprehensive income	276,807	-	-	276,807
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**Total financial assets**

	<u>276,807</u>	<u>-</u>	<u>-</u>	<u>276,807</u>
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Recurring fair value measurements At 30 June 2019	Level 1	Level 2	Level 3	Total
	.....Rupees.....			

**Financial assets**

Investments at fair value through other comprehensive income	353,280	-	-	353,280
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**Total financial assets**

	<u>353,280</u>	<u>-</u>	<u>-</u>	<u>353,280</u>
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## CONDENSED INTERIM FINANCIAL INFORMATION

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 from 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 recognize 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 maximize 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.

### 9. TRANSACTIONS WITH RELATED PARTIES

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

	Un-audited	
	Nine months	
	31 March 2020	31 March 2019
	(Rupees in million)	
<b>Associates</b>		
Sale of goods	0.023	0.004
Purchase of goods	-	0.242
Processing charges	5.531	11.038
<b>Others</b>		
Remuneration of key management personnel	23.336	11.021
Contribution to provident fund trust	1.233	1.146

### 10. FINANCIAL RISK MANAGEMENT

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

On March 11, 2020, the World Health Organization declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe. Many governments are taking increasingly stringent steps to help contain or delay the spread of the virus. Currently, there is a significant increase in economic uncertainty. The outbreak of the COVID-19 introduces additional challenges and risks to the Company's operations. The Company has already undertaken specific measures to ensure the health and safety of its employees. In addition to human risk, the outbreak of the virus also poses an economic risk to the Company's operations and its trade volumes. In order to dampen the impacts of this situation, the Company is in active touch with its export customers. The Company is also managing its cashflows. The Company is ungeared at the moment and can avail various incentives offered by State Bank of Pakistan, if needed. The management is confident that it shall navigate through these tough times. Although, there is no significant impact on the recognition and measurement of assets and liabilities in these condensed interim financial statements. However, due to the uncertainty of the outcome of the current events, the Company cannot reasonably estimate the impact these events will have on the Company's financial position, results of operations or cash flows in the future.

### 11. DATE OF AUTHORIZATION

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on 23 April 2020.

### 12. CORRESPONDING FIGURES

There are no material reclassifications of comparative figures.

  
**KHAWAR ANWAR KHAWAJA**  
 CHIEF EXECUTIVE

  
**MUHAMMAD TAHIR BUTT**  
 DIRECTOR

  
**ARFAN SHAHZAD**  
 CFO

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