

INTERIM FINANCIAL INFORMATION (Un-audited)

FIRST QUARTER ENDED

SEPTEMBER 30, 2019



EMCO INDUSTRIES LIMITED



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## COMPANY INFORMATION

### Board of Directors

Mr. Javaid Shafiq Siddiqi	(Chairman)
Mr. Tariq Rehman	(Chief Executive Officer)
Mr. Suhail Mannan	
Mr. Pervaiz Shafiq Siddiqi	
Mr. Usman Haq	
Mr. Salem Rehman	
Mr. Ahsan Suhail Mannan	
Mr. Awais Noorani	
Ch. Imran Ali	(Independent Director)

### Chief Financial Officer

Mr. Riaz Ahmad

### Company Secretary

Mr. Ahsan Suhail Mannan

### Audit Committee

Ch. Imran Ali	(Chairman)
Mr. Javaid Shafiq Siddiqi	(Member)
Mr. Usman Haq	(Member)

### HR Committee

Ch. Imran Ali	(Chairman)
Mr. Pervaiz Shafiq Siddiqi	(Member)
Mr. Usman Haq	(Member)
Mr. Salem Rehman	(Member)
Mr. Ahsan Suhail Mannan	(Member)

### Risk Management Committee

Ch. Imran Ali	Chairman
Mr. Pervaiz Shafiq Siddiqi	Member
Mr. Usman Haq	Member
Mr. Salem Rehman	Member
Mr. Ahsan Suhail Mannan	Member / Committee Secretary

### Nomination Committee

Ch. Imran Ali	Chairman
Mr. Javaid Shafiq Siddiqi	Member
Mr. Awais Noorani	Member
Mr. Salem Rehman	Member
Mr. Ahsan Suhail Mannan	Member / Committee Secretary

### External Auditors

M/s. Horwath Hussain Chaudhury & Co.,  
Chartered Accountants, Lahore.

### Internal Auditors

M/s. Zeeshan & Co.  
Chartered Accountants, Lahore.

### Legal Advisers

Cornelius Lane & Mufti  
Law Associates  
Rizvi & Company

### Bankers

Habib Bank Limited  
National Bank of Pakistan  
Standard Chartered Bank (Pakistan) Limited  
Faysal Bank Limited  
The Bank of Punjab  
Silk Bank Limited

### BUSINESS ITEMS

#### Porcelain Insulators

- Tension Insulator
- Suspension Insulator
- Pin Insulator
- Line Post Insulator
- Cap and pin Insulator
- Station Post Insulator
- Insulator for Railway Electrification
- Telephone Insulator
- Low Voltage Insulator
- Dropout Cutout Insulator
- HT & LT Bushings

#### Switchgear

- Disconnect Switch upto 245 kv
- Metal Oxide Surge Arresters upto 245 kv

#### Chemical Porcelain

- Acid Proof Wares and Bricks
- Rasching Ring and Saddles
- Acid Proof Porcelain Pipes and Fitting
- Acid Proof Cement

#### Special Porcelain

- High Alumina Porcelain
- Lining Special Refractories  
& Grinding Media

#### Share Registrar

Corplink (Pvt) Limited  
Wings Arcade, I-K, Commercial,  
Model Town, Lahore.

#### Registered Office

4th Floor, National Tower,  
28-Egerton Road,  
Lahore.

#### Factory

19-Kilometre,  
Lahore Sheikhpura Road,  
Lahore.

## DIRECTORS' REVIEW

Dear Shareholders

The Board of Directors of EMCO Industries Limited (the Company) is pleased to present their report together with the unaudited Interim Financial Information for the 1st quarter ended September 30, 2019.

During the 1st Quarter under review, Sales are Rs. 411.55 million compared to Rs. 308.43 million in the previous corresponding period, registering an increase of 33.44%. Your Company has earned after tax profit of Rs. 39.46 million compared to Rs. 20.09 million in the same period last year.

Despite a challenging period owing to rising input costs resulting from devaluation of the local currency and inflationary pressures, the Company is timely devising and implementing the measures to control costs. The demand for product continues to be strong and we expect to operate the plant at optimum capacity during this financial year to service the requirements.

The management is devoted to value creation through adoption of advance technology and further focus on higher value added products. The Company continues to invest in additional production equipment to modernize processes, and in product certifications from renowned international laboratories to ensure product conformance with international standards and specifications.

Pursuant to the approval of the board and general body, the sale of Tile Division assets, classified as 'Held for sale', has been completed.

The directors are thankful to our valued customers, financial institutions and other stakeholders for their continued trust. The hard work of all employees is recognized and appreciated.

On behalf of board



Tariq Rehman  
Chief Executive Officer

October 24, 2019  
Lahore



## ڈائریکٹرز کی جائزہ رپورٹ

محترم حصص داران :-

ایمکو انڈسٹریز لمیٹڈ (کمپنی) کے بورڈ آف ڈائریکٹرز اپنی رپورٹ بعد 30 ستمبر 2019 کو ختم ہونے والی پہلی سہ ماہی کی عبوری غور شدہ مالیاتی معلومات پیش کرنے میں خوش محسوس کرتے ہیں۔

پہلی زیر جائزہ سہ ماہی کے دوران سیلز 411.55 ملین روپے ہے جو کہ گزشتہ برس اسی مدت کے دوران 308.43 ملین روپے تھی، 33.44 فیصد کا اضافہ ریکارڈ کیا گیا۔ آپ کی کمپنی نے پچھلے سال کی اسی مدت میں ٹیکس کے بعد 20.09 ملین روپے کے مقابلے میں 39.46 ملین روپے منافع کمایا ہے۔

مقامی کرنسی کی قدر میں کمی اور افراط زر کے دباؤ کے نتیجے میں بڑھتی ہوئی INPUT لاگوں کی وجہ سے ایک مشکل دور کے باوجود کمپنی وقت پر اخراجات پر قابو پانے کے اقدامات تکمیل دے رہی ہے اور اس پر عمل پیرا ہے۔ مصنوعات کی طلب میں استحکام جاری ہے اور ہم توقع کرتے ہیں کہ اسی مالی سال کے دوران پلانٹ کے زیادہ سے زیادہ صلاحیت کے تحت کام کرنے کے لیے ضروریات کو پورا کریں گے۔

انتظامیہ جدید ٹکنالوجی کو اپناتا کر اور اعلیٰ ویلویوڈ مصنوعات پر مزید توجہ دے کر قدر پیدا کرنے کے لیے مختص ہے۔

کمپنی پیداواری عمل کو جدید بنانے کی غرض سے اضافی پیداواری آلات سرمایہ کاری کرتی رہتی ہے اور نامور بین الاقوامی لیبارٹریوں سے مصنوعات کی سرٹیفیکیشن میں بین الاقوامی معیار اور وضاحتوں کے ساتھ مصنوعات کی مطابقت کو یقینی بناتی ہے۔

بورڈ اور جنرل باڈی کی منظوری کے نتیجے میں ٹاکل ڈویژن کے اثاثوں کی فروخت، جس کو بطور فروخت "فروخت کے لیے رکھا ہے" کے طور پر درجہ بندی کی گئی تھی۔ مکمل ہوئی ہے۔

ڈائریکٹرز اپنے قابل قدر کسٹمرز، مالیاتی اداروں اور دیگر سٹیک ہولڈرز کے مسلسل اعتماد کے لیے شکریہ ادا کرتے ہیں۔ تمام ملازمین کی محنت کی قدر افزائی اور تعریف کی جاتی ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

*Taqi Rahman*

24 اکتوبر، 2019

لاہور

طارق رحمان،  
چیف ایگزیکٹو آفیسر

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

Note	September 30, 2019 (Un-audited) Rupees	June 30, 2019 (Audited) Rupees
<b>CAPITAL AND LIABILITIES</b>		
<b>Share Capital and Reserves</b>		
Authorized share capital: 40,000,000 (June 30, 2019: 40,000,000) Ordinary shares of Rs. 10 each	400,000,000	400,000,000
Issued, subscribed and paid up capital: 35,000,000 (June 30, 2019: 35,000,000) Ordinary shares of Rs. 10 each	350,000,000	350,000,000
Reserves	(13,703,987)	(57,741,076)
Sponsors' loan	115,708,828	115,708,828
Surplus on Revaluation of Property, Plant & Equipment	753,279,161	757,853,611
	1,205,284,002	1,165,821,363
<b>Non Current Liabilities</b>		
Long term financing	228,422,173	237,092,262
Deferred liabilities	57,704,209	57,658,457
Deferred taxation	-	-
	286,126,382	294,750,719
<b>Current Liabilities</b>		
Trade and other payables	235,070,453	271,980,730
Unclaimed dividends	243,677	243,677
Accrued finance cost	26,541,179	26,555,724
Short term borrowings	572,740,894	614,434,005
Current portion of non-current liabilities	63,720,000	66,847,343
	898,316,203	980,061,479
Liabilities against non current assets classified as held for sale	-	16,830,375
Contingencies and Commitments	-	-
<b>Total Equity and Liabilities</b>	<b>2,389,726,584</b>	<b>2,457,463,936</b>

The annexed notes form an integral part of this condensed interim financial statement (un-audited).

Lahore  
October 24, 2019

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(Tariq Rehman)  
Chief Executive



(UN-AUDITED) AS AT SEPTEMBER 30, 2019

	Note	September 30, 2019 (Un-audited) Rupees	June 30, 2019 (Audited) Rupees
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant and equipment	4	1,132,802,878	1,149,254,897
Intangible assets		1,891,478	1,961,168
Deferred tax asset		27,349,030	27,349,030
Long term prepayments and other receivables		56,471,419	51,389,848
Long term deposits		1,659,900	1,463,500
Long term loans		1,470,910	1,659,900
		<b>1,221,645,615</b>	<b>1,233,078,343</b>
<b>Current Assets</b>			
Stores, spares and loose tools		71,740,563	79,567,641
Stock-in-trade		484,763,273	449,783,487
Trade debts		470,109,865	533,532,521
Advances, deposits, prepayments and other receivables		69,322,039	78,036,810
Income tax refundable from the Government		57,450,723	51,984,532
Cash and bank balances		14,694,506	5,273,337
		<b>1,168,080,969</b>	<b>1,198,178,328</b>
Non current assets classified as held for sale		-	26,207,265
		<b>2,389,726,584</b>	<b>2,457,463,936</b>

  
 (Ahsan Suhail Mannan)  
 Director

  
 (Riaz Ahmad)  
 Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF  
PROFIT OR LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019**


		Quarter Ended September 30,	
	Note	2019 Rupees	2018 Rupees
Sales - net		411,549,234	308,430,833
Cost of sales	8	(313,733,906)	(239,623,408)
Gross Profit		97,815,328	68,807,425
- Administrative expenses		(20,002,291)	(16,780,709)
- Selling and distribution expenses		(7,638,841)	(11,237,301)
		(27,641,132)	(28,018,010)
Operating Profit		70,174,196	40,789,414
Other operating expenses		(2,211,223)	(71,430)
Finance cost		(23,490,885)	(16,960,196)
Other income		1,397,602	185,705
Profit / (Loss) before Taxation		45,869,690	23,943,494
Taxation		(6,407,051)	(3,855,385)
Net Profit for the Period		39,462,639	20,088,109
Earnings per Share - Basic and Diluted (Rupees)		1.13	0.57

The annexed notes form an integral part of this condensed interim financial statement (un-audited).

Lahore  
October 24, 2019

  
(Tariq Rehman)  
Chief Executive

  
(Ahsan Suhail Mannan)  
Director

  
(Riaz Ahmad)  
Chief Financial Officer






**CONDENSED INTERIM STATEMENT OF  
COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019**


	Quarter Ended September 30,	
	2019 Rupees	2018 Rupees
Net Profit for the Period	39,462,639	20,088,109
Other comprehensive income		
Items that will not be re-classified subsequently to the profit or loss	-	-
Items that will be reclassified subsequently to the profit or loss	-	-
Total Comprehensive Profit for the Period	39,462,639	20,088,109

The annexed notes form an integral part of this condensed interim financial statement (un-audited).

Lahore  
October 24, 2019

  
(Tariq Rehman)  
Chief Executive

  
(Ahsan Suhail Mannan)  
Director

  
(Riaz Ahmad)  
Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF CASH FLOW STATEMENT (UN-AUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019

Three Months Ended September 30,

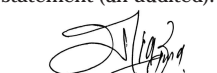
	2019 Rupees	2018 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before taxation	45,869,690	23,943,493
- Depreciation on property, plant and equipment - owned	18,119,885	16,613,379
- Amortization of intangible assets	69,690	66,898
- Provision for gratuity	4,020,936	2,989,086
- Loss / Gain on disposal of property, plant and equipment	-	(71,288)
- Exchange (gain)/ loss	(1,887,035)	-
- Finance cost	23,490,885	16,960,196
	43,814,361	36,558,270
Operating profit before working capital changes	89,684,051	60,501,764
(Increase) / decrease in current assets:		
- Stores, spares and loose tools	(366,235)	(2,249,521)
- Stock in trade	(34,424,888)	(1,245,052)
- Trade debts	59,989,389	(75,338,474)
- Advances, deposits, prepayments and other receivables	2,653,944	348,203
(Decrease) / increase in current liabilities:		
- Trade and other payables	(32,229,664)	(3,535,812)
	(4,377,454)	(82,020,656)
Cash (used in) / generated from operations	85,306,596	(21,518,892)
Finance cost paid	(18,188,141)	(11,327,372)
Payment to gratuity fund	(3,975,176)	-
Income tax (paid) / refunded - net	(11,872,680)	(8,100,870)
Net Cash (used in) / generated from Operating Activities	51,270,599	(40,947,134)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment purchased	(1,668,718)	(16,558,906)
Long term loans and other receivables	1,052,025	(6,481,514)
Proceeds from disposal of Assets Held for Sales	17,570,905	23,400,000
Net Cash used in Investing Activities	16,954,212	359,580
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term financing from related parties acquired / (repaid) -net	(7,945,000)	-
Long term financing from banking companies repaid -net	(9,169,722)	(44,309,892)
Short term borrowing from related parties acquired -net	(53,266,651)	-
Short term borrowing from banking companies repaid -net	11,577,729	78,414,470
Net Cash generated from / (used in) Financing Activities	(58,803,643)	34,104,578
Net Increase / (Decrease) in Cash and Cash Equivalents	9,421,168	(6,482,976)
Cash and cash equivalents at the beginning of the period	5,273,337	10,135,269
Cash and Cash Equivalents at the End of the Period	14,694,506	3,652,293

The annexed notes form an integral part of this condensed interim financial statement (un-audited).

Lahore  
October 24, 2019

  
(Tariq Rehman)  
Chief Executive

  
(Ahsan Suhail Mannan)  
Director

  
(Riaz Ahmad)  
Chief Financial Officer



# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019

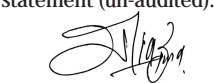
	Issued, Subscribed and Paid up Capital Rupees	Reserves				Sponsors' Loan Rupees	Surplus on revaluation of property, plant and equipment Rupees	Total Rupees
		Capital	Revenue		Total Reserve Rupees			
		Share Premium Rupees	General Reserve Rupees	Accumulated Loss Rupees				
Balance as at June 30, 2018	350,000,000	39,898,526	90,000,000	(480,295,290)	(350,396,764)	115,708,828	900,814,205	1,016,126,269
Total comprehensive income for the nine months period ended September 30, 2018	-	-	-	20,088,109	20,088,109	-	-	20,088,109
Reversal of surplus on revaluation of property, plant and equipment due to impairment of property plant and equipment during the period-net	-	-	-	4,929,764	4,929,764	-	(4,929,764)	-
Incremental depreciation for the period on surplus on revaluation of property, plant and equipment-net	-	-	-	-	-	-	-	-
Effect of change in effective tax rate	-	-	-	-	-	-	-	-
Balance as at September 30, 2018	350,000,000	39,898,526	90,000,000	(455,277,417)	(325,378,891)	115,708,828	895,884,441	1,036,214,378
Balance as at June 30, 2019	350,000,000	39,898,526	90,000,000	(187,639,602)	(57,741,076)	115,708,828	757,853,611	1,165,821,363
Total comprehensive income for the nine months period ended September 30, 2019	-	-	-	39,462,639	39,462,639	-	-	39,462,639
Transfer of Surplus on revaluation of Land on sales	-	-	-	-	-	-	-	-
Incremental depreciation for the period on surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	4,574,450	4,574,450	-	(4,574,450)	-
Effect of change in effective tax rate	-	-	-	-	-	-	-	-
Balance as at September 30, 2019	350,000,000	39,898,526	90,000,000	(143,602,513)	(13,703,987)	115,708,828	753,279,161	1,205,284,002

The annexed notes form an integral part of this condensed interim financial statement (un-audited).

Lahore  
October 24, 2019

  
(Tariq Rehman)  
Chief Executive

  
(Ahsan Suhail Mannan)  
Director

  
(Riaz Ahmad)  
Chief Financial Officer

**NOTES TO AND FORMING PART OF THE  
CONDENSED INTERIM FINANCIAL  
STATEMENTS (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019**

**1 The Company and its Operations**

- 1.1 EMCO Industries Limited ("the Company") is incorporated in Pakistan and is listed on Pakistan Stock Exchange Limited. The Company was incorporated as a Joint Stock Company in Pakistan under the Companies Act, 1913, (now the Companies Act, 2017) as a private limited company on August 17, 1954 by the name of Electric Equipment Manufacturing Company (Private) Limited. Later, it was converted into a public company on August 20, 1983 and its name was changed to EMCO Industries Limited on September 12, 1983. The Company was listed on stock exchanges on December 29, 1983. Its registered office is situated at 4th Floor, National Tower, 28 Egerton Road, Lahore.
- 1.2 The Company is principally engaged in the manufacture and sale of high / low tension electrical porcelain insulators and switchgears.

**2 Basis of Preparation**

- 2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards 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 This condensed interim financial information should be read in conjunction with annual audited financial statements for the year ended June 30, 2019. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2019 whereas comparative statement of profit or loss account, comparative statement of comprehensive income, comparative cash flows statement and comparative statement of changes in equity are extracted from unaudited interim financial information for the period ended September 30, 2018.
- 2.3 The preparation of these condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by the management in applying accounting policies and key sources of estimation were the same as those that were applied to the financial statements for the year ended June 30, 2019.
- 2.4 This condensed interim financial information is presented in Pak Rupees, which is the Company's functional and presentational currency. All the figures have been rounded off to the nearest rupees, unless otherwise stated.



### 3 Significant Accounting Policies

The Company's accounting and financial risk management policies and methods of computation of this condensed interim financial information are the same as those followed in the preparation of annual financial statements for the preceding financial year ended June 30, 2019.

	Note	September 30, 2019 (Un-audited) Rupees	June 30, 2019 (Audited) Rupees
4 Property, Plant and Equipment			
Operating fixed assets	4.1	1,132,802,878	1,149,254,897
Capital work in progress - civil works		-	-
		1,132,802,878	1,149,254,897
4.1 Operating fixed assets			
Opening written down value		1,149,254,897	1,131,168,371
Additions during the period / year		1,667,866	86,702,578
Disposals during the period / year		-	(117,348)
Transferred in from assets classified as held for sale to non current assets		-	3,500,000
		1,150,922,763	1,221,253,601
Depreciation charge for the period / year		(18,119,885)	(71,998,704)
		1,132,802,878	1,149,254,897
5 Surplus on Revaluation of Property, Plant and Equipment			
Land - Freehold		360,253,745	479,521,964
Buildings on freehold land		230,850,681	239,785,858
Plant and machinery		166,749,185	171,497,455
		757,853,611	890,805,277
Revaluation surplus arisen during the period / year		-	-
		757,853,611	890,805,277
Less: Transfer of Surplus on sales of land during the period / year		-	(119,268,218)
Effect of change in effective tax rates		-	5,414,472
Incremental depreciation charged on revalued property, plant and equipment in current year net of deferred tax transferred to retained earnings		(4,574,450)	(19,097,919)
		753,279,161	757,853,611

	September 30, 2019 (Un-audited) Rupees	June 30, 2019 (Audited) Rupees
6 Long Term Financing		
Banking companies - secured		
National Bank of Pakistan	63,550,812	69,160,813
Adjustment due to impact of IFRS 9	(898,444)	(1,379,623)
	62,652,369	67,781,190
Standard Chartered Bank (Pakistan) Limited	68,515,396	71,671,753
Adjustment due to impact of IFRS 9	(9,926,244)	(11,126,244)
	58,589,152	60,545,509
	121,241,521	128,326,699
Associated companies / related parties - unsecured		
Associated Engineers (Private) Limited	23,735,447	23,335,447
Adjustment due to impact of IFRS 9	(1,462,260)	(1,462,260)
	22,273,187	21,873,187
EMCO Industries Limited Provident Fund	186,375,888	194,720,888
Adjustment due to impact of IFRS 9	(40,306,838)	(43,539,584)
	146,069,050	151,181,304
ICC (Private) Limited	-	-
Imperial Electric Company (Private) Limited	2,615,692	2,615,692
Adjustment due to impact of IFRS 9	(57,277)	(57,277)
	2,558,415	2,558,415
	292,142,173	303,939,605
Less: current portion:		
- Banking companies	(39,720,000)	(40,126,455)
- Associated companies / related parties	(24,000,000)	(26,720,888)
	(63,720,000)	(66,847,343)
	228,422,173	237,092,262
7 Contingencies and Commitments		
Contingencies		
There has been no material change in contingencies since last audited annual financial statements.		



	2019 (Un-audited) Rs. in millions	2019 (Audited) Rs. in millions
Commitments		
Letters of credit other than for capital expenditure	42.912	29.830
Letters of credit for capital expenditure	15.180	-
Guarantees		
NTDC/DISCOs	221.437	212.111
Sui Northern Gas Pipelines Limited	22.406	22.406
Collectorate of Customs	8.978	8.978
	252.821	243.495

Quarter Ended September 30,		
	2019 (Un-audited) Rupees	2018 (Un-audited) Rupees
8 Cost of Sales		
Raw and packing material consumed	117,382,000	111,298,214
Stores and spares consumed	10,792,801	9,131,373
Salaries, wages and benefits	79,979,375	61,524,492
Power and gas	62,281,550	30,662,771
Vehicle maintenance	252,302	106,345
Repairs and maintenance	923,470	620,158
Insurance	918,824	859,353
Communication and stationery	316,028	245,331
Rent, rates and taxes	879,360	773,184
Travelling and conveyance	9,649,599	3,513,301
Testing and experiment charges	8,372,898	6,177,695
Miscellaneous	625,200	563,098
Depreciation on property, plant and equipment	18,119,885	16,535,568
	310,493,293	242,010,883
Work in process:		
- Opening work in process	51,996,616	75,085,894
- Closing work in process	(59,756,970)	(44,220,934)
	(7,760,354)	30,864,960
Cost of goods manufactured	302,732,939	272,875,843
Finished goods:		
- Opening finished goods	222,498,720	155,380,362
- Closing finished goods	(211,497,753)	(188,632,795)
	11,000,967	(33,252,433)
	313,733,906	239,623,408

## 9 Transactions with Related Parties

Related parties and associated companies comprise related group companies, associated companies, staff retirement funds, directors and key management personnel. Transactions along with balances with related parties and associated companies, other than remuneration and benefits to key management personnel under the terms of their employment, are as follows:

	Three Months Ended September 30,	
	2019 (Un-audited) Rupees	2018 (Un-audited) Rupees
Associates and related parties		
Mark-up on long term financing	-	463,158
Mark-up on short term borrowing	4,894,655	3,628,163
Long term financing obtained	400,000	-
Long term financing repaid	-	4,374,999
Short term borrowing obtained	128,652,009	261,500,000
Short term borrowing repaid	181,918,660	215,599,081
Mark-up on short term borrowing paid	5,468,557	3,613,576
Rent paid	526,856	537,579
Managerial services and expenses charged - net	4,755,971	5,135,082
Staff retirement fund		
Principal repaid	8,345,000	8,400,000
Expense charged to Gratuity Fund	4,020,936	2,989,086
	September 30, 2019 (Un-audited) Rupees	June 30, 2019 (Audited) Rupees
Outstanding balances as at;		
Accrued mark-up on long term financing	8,734,867	8,734,867
Accrued mark-up on short term borrowing	9,845,594	8,989,910
Long term financing	288,129,017	292,841,271
Short term borrowings	274,517,346	277,895,230
Payable for expenses	321,164	7,063,362

## 10 Date of Authorization for Issue

This condensed interim financial statement (un-audited) is authorized for issuance on 24 October 2019 by the Board of Directors of the Company.


## 11 General

Corresponding figures are re-arranged / reclassified, wherever necessary, to facilitate comparison.

Lahore  
October 24, 2019

  
(Tariq Rehman)  
Chief Executive

  
(Ahsan Suhail Mannan)  
Director

  
(Riaz Ahmad)  
Chief Financial Officer



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