

Emco Industries Limited

Manufacturers of High Tension Electrical Porcelain Insulators, High Voltage Switchgear



27.10.2020

The General Manager,
Pakistan Stock Exchange
(Guarantee) Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

SUB: Transmission of Quarterly Report for the Period Ended 30.09.2020.

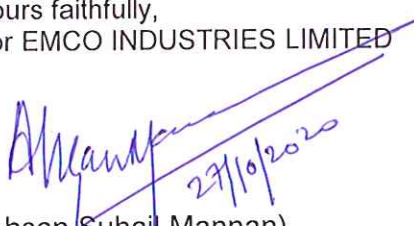
Dear Sir,

We have to inform you that the Quarterly Report of the Company for the period ended 30.09.2020 have been transmitted through **PUCARS** and is also available on Company's website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Please acknowledge receipt.

Yours faithfully,
For EMCO INDUSTRIES LIMITED


(Ahsan Suhail Mannan)
Company Secretary/Director

Encl. a. a.



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PABX: (042) 3630 6545 - 46 FAX : (042) 3636 8119 WEBSITE: www.emco.com.pk E-MAIL : info@emco.com.pk
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Interim Financial Information (un-audited)

First Quarter Ended

September 30, 2020



EMCO INDUSTRIES LIMITED



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COMPANY INFORMATION

Board of Directors

Mr. Javaid S. Siddiqi	Chairman / Non-Executive Director
Mr. Tariq Rehman	Chief Executive / Executive Director
Mr. Suhail Mannan	Non-Executive Director
Mr. Pervaiz S. Siddiqi	Non-Executive Director
Mr. Usman Haq	Non-Executive Director
Mr. Salem Rehman	Executive Director
Mr. Ahsan Suhail Mannan	Executive Director / Company secretary
Mr. Awais Noorani	Non-Executive Director
Mrs. Ayesha Mussadaque Hamid	Independent Director
Ch. Imran Ali	Independent Director
Syed Muhammad Mohsin	Independent Director

Chief Financial Officer

Mr. Riaz Ahmad

Company Secretary

Mr. Ahsan Suhail Mannan

Audit Committee

Ch. Imran Ali	Chairman
Syed Muhammad Mohsin	Member
Mr. Javaid Shafiq Siddiqi	Member
Mr. Usman Haq	Member

Mr. Ahsan Suhail Mannan
will be the Committee Secretary as required by the
Chapter IX, 27 (1) (iv) of Code of Corporate Governance, Regulations 2019.

HR Committee

Mrs. Ayesha Mussadaque Hamid	Chairman
Mr. Pervaiz Shafiq Siddiqi	Member
Mr. Ahsan Suhail Mannan	Member / Committee Secretary
Mr. Awais Noorani	Member

Risk Management Committee

Syed Muhammad Mohsin	Chairman
Mr. Tariq Rehman	Member
Mr. Salem Rehman	Member / Committee Secretary
Mr. Javaid Shafiq Siddiqi	Member

Nomination Committee

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

External Auditors

M/s. Crowe 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
Askari 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

RTV Coating

- Room Temperature Vulcanised
- Silicone Rubber Coating

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 Shekhupura Road, Lahore.

DIRECTORS' REPORT



On behalf of the Board of Directors of EMCO Industries Limited, we are pleased to present the un-audited condensed interim financial statements of the Company for the 1st quarter ended on September 30, 2020.

Business Overview:

During the 1st Quarter under review, Sales were Rs. 462.88 million compared to Rs. 411.55 million in the previous corresponding period, registering an increase of 12.47% and Gross Profit increase to Rs. 125.70 million as compared to Rs 97.82 million in the corresponding quarter of the last year witnessing an increase of 28.51%. Your Company has earned after tax profit of Rs. 60.18 million compared to Rs. 39.46 million in the same period last year. Financial cost of the company also decreased due to lower borrowing as well as rates prevalent during the quarter under review compared with corresponding quarter of the last year.

Despite a challenging period owing to COVID-19, 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 continuously working on evaluation of number of options to have a, reliable and cheaper source of electricity to add value to the company. Furthermore, a grid-tied solar power deployment project for approximately 1MW has been finalized and is presently in the execution phase and to allow the company to play its role in sustainable environmental initiatives. 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.

Future Outlook:

Any probable increase of RLNG tariff, devaluation of Pak rupee against US\$, increase in SBP policy rates, and risk of resurgence of COVID-19 till such time that vaccine is developed and is widely available in the country, could happen to be the key challenges for the Company. However, your company is resilient enough to cope with such challenges.

Acknowledgments:

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 26, 2020
Lahore

Ahsan Suhail Mannan
Director / Company Secretary



ڈائریکٹرز کی جائزہ رپورٹ

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

ہم بورڈ آف ڈائریکٹرز کی جانب سے آپ کی کمپنی کے 30 ستمبر 2020 کو ختم ہونے والی پہلی سہ ماہی کے لیے کمپنی کے غیر آڈٹ عبوری مالی بیانات پیش کرنے پر خوشی ہے۔

کاروباری جائزہ:-

زیر غور پہلی سہ ماہی کے دوران ہیکل پچھلے اسی عرصے میں 411.55 ملین کے مقابلے میں 426.88 ملین روپے تھیں۔ جو کہ 12.47 فیصد کا اضافہ درج کیا گیا۔ مجموعی منافع پچھلے سال اسی سہ ماہی میں اس وقت 97.82 ملین روپے کے مقابلے میں 125.70 ملین روپے کا اضافہ ہوا ہے جس میں 28.51 فیصد کا اضافہ دیکھا گیا ہے۔ آپ کی کمپنی نے گزشتہ سال اسی عرصے میں بعد از ٹکونی ٹیکس منافع 39.46 ملین روپے کے مقابلے میں 60.18 ملین روپے کمایا ہے۔ گزشتہ سال اسی سہ ماہی کے مقابلے میں کم قرضے کے ساتھ ساتھ زیر جائزہ سہ ماہی کے دوران ہونے والی شرحوں کے سبب کمپنی کی مالی لاگت میں بھی کمی واقع ہوئی ہے۔

COVID-19 کی وجہ سے ایک مشکل دور کے باوجود کمپنی لاگت پر قابو پانے کے اقدامات بروقت وضع کر رہی ہے اور اس پر عمل پیرا ہے۔ مصنوعات کی طلب مستحکم ہے اور ہم توقع کرتے ہیں کہ اسی مالی سال کے دوران زیادہ سے زیادہ صلاحیت کے تحت پلانٹ کو کام کرنے کے لیے ضروریات کو پورا کریں گے۔


بجلی کا ایک قابل اعتماد اور مستند ذریعہ حاصل کرنے کے لیے انتظامیہ مختلف ذرائع پر مسلسل کام کر رہی ہے تاکہ کمپنی کی قدر میں اضافہ کیا جائے۔ مزید برآں، تقریباً ایک میگا واٹ کے لیے ایک گروڈ سے منسلک سٹی توانائی کی تعیناتی کے منصوبے کو حتمی شکل دے دی گئی ہے اور وہ اس وقت آخری مراحل میں ہے اور کمپنی کو پائیدار ماحولیاتی اقدامات میں اپنا کردار ادا کرنے کی اجازت دے گی۔ کمپنی عمل کو جدید بنانے کے لیے اضافی پیداواری ساز و سامان اور معروف بین الاقوامی لیبارٹریوں سے مصنوعات سرٹیفیکیشن میں سرمایہ کاری جاری رکھے گی تاکہ بین الاقوامی معیار اور وضاحتوں کے ساتھ مصنوعات کا اعتراف یقینی بنایا جاسکے۔


مستقبل پر نظر:-

RLNG کے ٹیرف میں کمزور اضافہ، امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی، سٹیٹ بینک کا منافع کی شرح میں اضافہ اور COVID-19 کے دوبارہ پھیلنے کا خدشہ جب تک اس کی ویکسین تیار نہیں ہوتی اور ملک میں وسیع پیمانے پر دستیاب نہیں ہوتی یہ عوامل ہیں جن کا کمپنی کو سامنا ہے۔ تاہم، آپ کی کمپنی اس طرح کے چیلنجوں کا مقابلہ کرنے کے لیے ہمہ وقت تیار ہے۔

اعترافات:-

ڈائریکٹرز ہمارے قابل قدر کسٹمرز، مالیاتی اداروں اور دیگر سٹیک ہولڈرز کا ان کے مسلسل اعتماد پر شکریہ ادا کرتے ہیں۔ تمام ملازمین کی محنت کو تسلیم کیا جاتا ہے اور ان کی تعریف کی جاتی ہے۔


احسن سہیل مemon،
ڈائریکٹر / کمپنی سیکرٹری


طارق رحمان
چیف ایگزیکٹو آفیسر
26 اکتوبر 2020ء
لاہور

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	September 30, 2020 (Un-audited) Rupees	June 30, 2020 (Audited) Rupees
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital: 40,000,000 (June 30, 2020: 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, 2020: 35,000,000) Ordinary shares of Rs. 10 each		350,000,000	350,000,000
Reserves		147,160,939	81,732,464
Sponsors' loan		115,708,828	115,708,828
Surplus on Revaluation of Property, Plant and Equipment	5	920,883,918	926,135,400
		1,533,753,685	1,473,576,692
Non Current Liabilities			
Long term financing	6	198,251,111	213,797,385
Lease liabilities		3,977,821	4,799,669
Deferred liabilities		67,103,783	64,031,075
Deferred taxation		23,628,740	23,628,740
		292,961,455	306,256,869
Current Liabilities			
Trade and other payables		240,648,876	272,258,522
Unclaimed dividends		243,677	243,677
Accrued finance cost		21,748,387	26,626,525
Short term borrowings		637,981,912	547,187,306
Current portion of non-current liabilities		80,523,084	65,011,707
		981,145,936	911,327,737
Contingencies and Commitments	7	-	-
Total Equity and Liabilities		2,807,861,072	2,691,161,298

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

Lahore
October 26, 2020

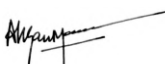
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(Tariq Rehman)
Chief Executive



(UN-AUDITED) AS AT SEPTEMBER 30, 2020

	Note	September 30, 2020 (Un-audited) Rupees	June 30, 2020 (Audited) Rupees
ASSETS			
Non Current Assets			
Property, plant and equipment	4	1,353,084,147	1,362,665,573
Intangible assets		1,612,732	1,682,417
Long term prepayments and other receivables		51,076,878	46,803,001
Long term deposits		3,751,900	3,751,900
Long term loans		1,417,200	730,120
		1,410,942,857	1,415,633,011
Current Assets			
Stores, spares and loose tools		79,106,186	80,613,844
Stock-in-trade		655,982,534	610,421,620
Trade debts		450,974,609	366,066,725
Advances, deposits, prepayments and other receivables		97,343,829	83,381,045
Income tax refundable from the Government		93,491,915	91,095,096
Cash and bank balances		20,019,142	43,949,957
		1,396,918,215	1,275,528,287
Total Assets		2,807,861,072	2,691,161,298


 (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, 2020


		Quarter Ended September 30,	
	Note	2020 Rupees	2019 Rupees
Sales - net		462,884,717	411,549,234
Cost of sales	8	(337,181,943)	(313,733,906)
Gross Profit		125,702,774	97,815,328
- Administrative expenses		(22,320,463)	(20,002,291)
- Selling and distribution expenses		(7,474,564)	(7,638,841)
		(29,795,027)	(27,641,132)
Operating Profit		95,907,747	70,174,196
Other operating expenses		(3,352,002)	(2,211,223)
Finance cost		(20,509,022)	(23,490,885)
Other income		189,596	1,397,602
Profit before Taxation		72,236,319	45,869,690
Taxation		(12,059,326)	(6,407,051)
Net Profit for the Period		60,176,993	39,462,639
Earnings per Share - Basic and Diluted (Rupees)		1.72	1.13

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

Lahore
October 26, 2020


(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, 2020**


	Quarter Ended September 30,	
	2020 Rupees	2019 Rupees
Net Profit for the Period	60,176,993	39,462,639
Other comprehensive income		
Items that may be re-classified to profit or loss	-	-
Total Comprehensive Profit for the Period	60,176,993	39,462,639

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

Lahore
October 26, 2020


(Tariq Rehman)
Chief Executive


(Ahsan Suhail Mannan)
Director


(Riaz Ahmad)
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020

Three Months Ended September 30,


	2020 Rupees	2019 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	72,236,319	45,869,690
- Depreciation on property, plant and equipment - owned	18,971,227	18,119,885
- Amortization of intangible assets	69,687	69,690
- Provision for gratuity	4,110,290	4,020,936
- Exchange (gain)/ loss	(179,633)	(1,887,035)
- Finance cost	20,509,022	23,490,885
	43,480,594	43,814,361
Operating profit before working capital changes	115,716,912	89,684,051
(Increase) / decrease in current assets:		
- Stores, spares and loose tools	1,507,658	(366,235)
- Stock in trade	(45,006,032)	(34,424,888)
- Trade debts	(95,347,291)	59,989,389
- Advances, deposits, prepayments and other receivables	(13,962,665)	2,653,944
(Decrease) / increase in current liabilities:		
- Trade and other payables	(21,546,040)	(32,229,664)
	(174,354,370)	(4,377,454)
Cash (used in) / generated from operations	(58,637,458)	85,306,596
Finance cost paid	(25,387,159)	(18,188,141)
Gratuity paid	(1,037,578)	(3,975,176)
Income tax (paid) / refunded - net	(14,455,583)	(11,872,680)
Net Cash (used in) / generated from Operating Activities	(99,517,778)	51,270,599
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(9,389,941)	(1,668,718)
Long term loans and other receivables	(4,960,957)	1,052,025
Proceeds from disposal of Assets Held for Sales	-	17,570,905
Net Cash used in Investing Activities	(14,350,898)	16,954,212
CASH FLOW FROM FINANCING ACTIVITIES		
Long term financing from related parties acquired / (repaid) -net	(9,117,254)	(7,945,000)
Long term financing from banking companies repaid -net	8,260,510	(9,169,722)
Short term borrowing from related parties acquired -net	(9,854,193)	(53,266,651)
Short term borrowing from banking companies repaid -net	100,648,799	11,577,729
Net Cash generated from / (used in) Financing Activities	89,937,862	(58,803,643)
Net Increase / (Decrease) in Cash and Cash Equivalents	(23,930,815)	9,421,168
Cash and cash equivalents at the beginning of the period	43,949,957	5,273,337
Cash and Cash Equivalents at the End of the Period	20,019,142	14,694,506

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

Lahore
October 26, 2020


(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, 2020

	Issued, Subscribed and Paid up Capital Rupees	Capital	Reserves			Sponsors' Loan Rupees	Surplus on revaluation of property, plant and equipment Rupees	Total Rupees
		Share Premium Rupees	General Reserve Rupees	Accumulated Profit/ (Loss) Rupees	Total Reserve Rupees			
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
Incremental depreciation for the period on surplus on revaluation of property, plant and equipment-net	-	-	-	4,574,450	4,574,450	-	(4,574,450)	-
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
Balance as at June 30, 2020	350,000,000	39,898,526	90,000,000	(48,166,062)	81,732,464	115,708,828	926,135,400	1,473,576,692
Total comprehensive income for the three months period ended September 30, 2020	-	-	-	60,176,993	60,176,993	-	-	60,176,993
Incremental depreciation for the period on surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	5,251,481	5,251,481	-	(5,251,481)	-
Balance as at September 30, 2020	350,000,000	39,898,526	90,000,000	17,262,412	147,160,938	115,708,828	920,883,919	1,533,753,685

Lahore
October 26, 2020


(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, 2020

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, 2020. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2020 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, 2019.
- 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, 2020.
- 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, 2020.

	Note	September 30, 2020 (Un-audited) Rupees	June 30, 2020 (Audited) Rupees
4 Property, Plant and Equipment			
Operating fixed assets	4.1	1,346,021,224	1,354,563,200
Right of Use assets		7,062,923	7,725,071
Capital work in progress - civil works		-	377,302
		<u>1,353,084,147</u>	<u>1,362,665,573</u>
4.1 Operating fixed assets			
Opening written down value		1,354,563,200	1,149,254,897
Additions during the period / year		10,429,251	88,632,548
Revaluation adjustment		-	191,552,505
		<u>1,364,992,451</u>	<u>1,429,439,950</u>
Depreciation charge for the period / year		(18,971,227)	(74,876,750)
		<u>1,346,021,224</u>	<u>1,354,563,200</u>
5 Surplus on Revaluation of Property, Plant and Equipment			
Land - Freehold		542,838,745	360,253,745
Buildings on freehold land		178,855,927	230,850,681
Plant and machinery		204,440,727	166,749,185
		<u>926,135,399</u>	<u>757,853,611</u>
Revaluation surplus arisen during the period / year		-	189,027,865
		<u>926,135,399</u>	<u>946,881,476</u>
Effect of change in effective tax rates		-	259,846
Incremental depreciation charged on revalued property, plant and equipment in current year net of deferred tax transferred to retained earnings		(5,251,481)	(21,005,922)
		<u>920,883,918</u>	<u>926,135,400</u>

	September 30, 2020 (Un-audited) Rupees	June 30, 2020 (Audited) Rupees
6 Long Term Financing		
Banking companies - secured		
National Bank of Pakistan	41,110,812	46,720,813
Unwinding / winding up of interest	(144,372)	(625,551)
	40,966,441	46,095,262
Standard Chartered Bank (Pakistan) Limited	55,826,112	60,760,494
Unwinding / winding up of interest	(6,554,709)	(6,554,709)
	49,271,403	54,205,785
Habib Bank Limited	54,296,040	35,150,480
	144,533,884	135,451,527
Associated companies / related parties - unsecured		
Associated Engineers (Private) Limited	27,335,447	27,335,447
Unwinding / winding up of interest	(1,888,998)	(3,088,998)
	25,446,449	24,246,449
EMCO Industries Limited Provident Fund	135,429,818	148,979,818
Unwinding / winding up of interest	(32,185,140)	(35,417,886)
	103,244,678	113,561,932
Imperial Electric Company (Private) Limited	2,615,692	2,615,692
Unwinding / winding up of interest	(295,582)	(295,582)
	2,320,110	2,320,110
	275,545,121	275,580,018
Less: current portion:		
- Banking companies	(53,294,010)	(56,802,815)
- Associated companies / related parties	(24,000,000)	(4,979,818)
	(77,294,010)	(61,782,633)
	198,251,111	213,797,385

7 Contingencies and Commitments

Contingencies

There has been no material change in contingencies since last audited annual financial statements.



	2020 (Un-audited) Rs. in millions	2020 (Audited) Rs. in millions
Commitments		
Letters of credit other than for capital expenditure	31.803	47.219
Letters of credit for capital expenditure	15.186	8.337
Guarantees		
NTDC/DISCOs	275.109	301.508
Sui Northern Gas Pipelines Limited	22.406	22.406
Collectorate of Customs	8.978	8.978
	306.493	332.892

	Quarter Ended September 30,	
	2020 (Un-audited) Rupees	2019 (Un-audited) Rupees
8 Cost of Sales		
Raw and packing material consumed	165,452,600	117,382,000
Stores and spares consumed	14,189,236	10,792,801
Salaries, wages and benefits	76,021,979	79,979,375
Power and gas	47,551,829	62,281,550
Vehicle maintenance	248,152	252,302
Repairs and maintenance	1,569,487	923,470
Insurance	747,528	918,824
Communication and stationery	430,247	316,028
Rent, rates and taxes	1,958,574	879,360
Travelling and conveyance	20,977,314	9,649,599
Testing and experiment charges	11,024,733	8,372,898
Miscellaneous	734,061	625,200
Depreciation on property, plant and equipment	18,971,227	18,119,885
	359,876,966	310,493,293
Work in process:		
- Opening work in process	69,305,970	51,996,616
- Closing work in process	(68,207,256)	(59,756,970)
	1,098,714	(7,760,354)
Cost of goods manufactured	360,975,680	302,732,939
Finished goods:		
- Opening finished goods	252,998,539	222,498,720
- Closing finished goods	(276,792,276)	(211,497,753)
	(23,793,737)	11,000,967
	337,181,943	313,733,906

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,	
	2020 (Un-audited) Rupees	2019 (Un-audited) Rupees
Associates and related parties		
Mark-up on short term borrowing	4,055,928	4,894,655
Long term financing obtained	-	400,000
Short term borrowing obtained	50,000,000	128,652,009
Short term borrowing repaid	59,850,000	181,918,660
Mark-up on short term borrowing paid	9,744,255	5,468,557
Rent paid	625,669	526,856
Managerial services and expenses charged - net	5,388,073	4,755,971
Staff retirement fund		
Principal repaid	13,550,000	8,345,000
Expense charged to Gratuity Fund	4,110,285	4,020,936
	September 30, 2020 (Un-audited) Rupees	June 30, 2020 (Audited) Rupees
Accrued mark-up on long term financing	8,734,867	8,734,867
Accrued mark-up on short term borrowing	3,555,553	9,243,880
Long term financing	281,089,785	294,639,785
Short term borrowings	238,708,225	248,558,225
Payable for expenses	7,900,347	8,079,283

10 Date of Authorization for Issue

This condensed interim financial statement (un-audited) is authorized for issuance on 26 October 2020 by the Board of Directors of the Company.


11 General

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

Lahore
October 26, 2020


(Tariq Rehman)
Chief Executive


(Ahsan Suhail Mannan)
Director


(Riaz Ahmad)
Chief Financial Officer

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