

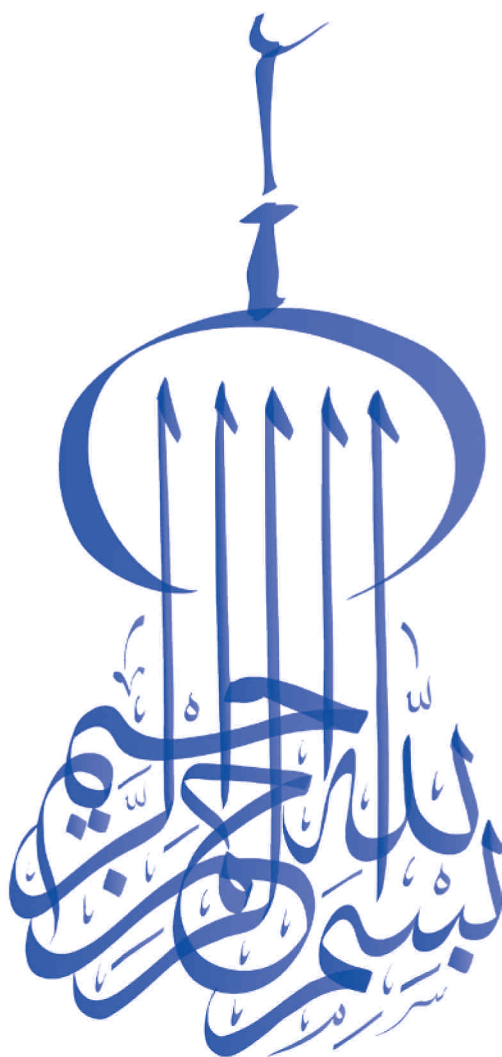


EMCO INDUSTRIES LIMITED



2021
ANNUA REPORT





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Company Information

Board of Directors

Mr. Javaid Shafiq Siddiqi	Chairman / Non-Executive Director
Mr. Tariq Rehman	Chief Executive / Executive Director
Mr. Suhail Mannan	Non-Executive Director
Mr. Pervaiz Shafiq 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

Is 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
Chaudhary Associates Law Inn
Rizvi & Company

Bankers

Habib Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
Faysal Bank Limited
The Bank of Punjab
The Bank of Khyber
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 Sheikhpura Road, Lahore.

Notice of Annual General Meeting

**NOTICE TO THE SHAREHOLDERS FOR THE 66TH ANNUAL GENERAL MEETING OF
EMCO INDUSTRIES LIMITED TO BE HELD AT ICC HOUSE, 2-CHAMBA HOUSE LANE, GOLF ROAD, GOR-1,
LAHORE ON THURSDAY, 30th SEPTEMBER 2021, AT 11:00 AM**

NOTICE is hereby given that the 66th Annual General Meeting of the Shareholders of **EMCO Industries Limited** (the "Company") will be held at ICC House, 2-Chamba House Lane, Golf Road, GOR-1, Lahore on Thursday 30th September 2021 at 11:00 A.M. to conduct the following business:

Ordinary Business:

1. To confirm the minutes of the last Annual General Meeting (AGM) of the Company held on 18.09.2020.
2. To receive, consider, approve and adopt the Annual Audited Accounts of the Company for the year ended 30th June 2021 together with the Director's and Auditor's Reports thereon.
3. To approve Cash Dividend @ 10% (i.e.; Rs.1) per share as recommended by the Board of Directors, to be paid to all shareholders of the Company.
4. To Appoint Auditors for the next financial year ending 30th June 2022 and to fix their remuneration. The present Auditors, M/s CROWE HUSSAIN CHAUDHURY & CO., Chartered Accountants, retires and being eligible, offer themselves for re-appointment.

Other Business:

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

By order of the Board of Directors



Ahsan Suhail Mannan
(Company Secretary / Director)

Place: Lahore
Dated: August 12, 2021

NOTES:

- (a) The Share Transfer Books of the Company will remain closed from 23rd September 2021 to 30th September 2021 (both days inclusive).
- (b) A member entitled to attend and vote at the AGM may appoint another member as his/her proxy to attend and vote instead of him/her at the meeting. Proxies must be deposited at the Company's Registered Office at 4th Floor, National Tower, 28-Egerton Road, Lahore not less than 48 (forty-eight) hours before the time of holding the meeting. Form of Proxy is enclosed.
- (c) Any individual beneficial owner of CDC, entitled to vote at the AGM (Annual General Meeting), must bring his/her CNIC with him/her to prove his/her identity, and in case of proxy, attested copy of shareholder's CNIC must be attached with the proxy form. The representative of corporate member should bring the usual documents required for such purpose.
- (d) Members are requested to promptly notify the change in their address, if any, to the Company's Share Registrar M/S. Corplink (Pvt) Limited, Wings Arcade, 1-K Commercial, Model Town, Lahore.



نوٹس بنام حصص داران برائے 66 ویں سالانہ اجلاس ایکوائٹڈ سٹریٹمنٹ بمقام آئی سی ہاؤس، 2۔ چیمبر ہاؤس لین، گولف روڈ، جی او آر-1، لاہور بروز جمعرات 30 ستمبر 2021 بوقت 11 بجے صبح

نوٹس ہذا کے ذریعے مطلع کیا جاتا ہے ایکوائٹڈ سٹریٹمنٹ (کمپنی) کے حصص داران کا 66 ویں سالانہ عام اجلاس بروز جمعرات 30 ستمبر 2021 کو بمقام آئی سی ہاؤس، 2۔ چیمبر ہاؤس لین، گولف روڈ، جی او آر-1، لاہور، بوقت 11 بجے صبح مندرجہ ذیل کاروبار کو چلانے کے لیے منعقد ہوگا۔

عام کاروبار:-

- 1- 18-09-2020 کو کمپنی کے عام اجلاس کی کارروائی کی تصدیق کرنا۔
- 2- 30 جون 2021 کو ختم ہونے والے مالی سال کے لیے کمپنی کے سالانہ آڈٹ شدہ کھاتوں بشمول ان پریڈائیجریٹرز اور آڈیٹرز کی رپورٹس کو وصول کرنا، غور کرنا، منظور کرنا اور اپنانا۔
- 3- بورڈ آف ڈائریکٹرز کی سفارش کے مطابق 10% (یعنی ایک روپیہ) فی حصص نقد منافع (ڈیویڈنڈ) کی منظوری، شیئرز ہولڈرز کی منظوری سے تمام شیئرز ہولڈرز کو ادا کی جائے۔
- 4- 30 جون 2022 کو ختم ہونے والے اگلے مالی سال کے لیے آڈیٹرز کی تقرری اور ان کے معاوضے کا تعین کرنا۔ موجودہ آڈیٹرز میسرز کرو حسین چوہدری اینڈ کمپنی چارٹرڈ اکاؤنٹنٹ ریٹائر ہوتے ہیں اور اہلیت کے باعث دوبارہ تقرری کے لیے خود کو پیش کرتے ہیں۔

دیگر کاروبار:-

- 1- چیئرمین کی اجازت سے کسی دوسرے کاروبار کا لین دین کرنا۔

بورڈ آف ڈائریکٹرز کے حکم سے



احسن سہیل منان،

کمپنی سیکرٹری / ڈائریکٹر

بمقام: لاہور

بتاریخ: 12 اگست 2021

نوٹ۔

(الف) کمپنی کے شیئرز انسفر کی کتابیں 23 ستمبر 2021 سے 30 ستمبر 2021 تک بند رہیں گی (دونوں دن شامل ہیں)۔

(ب) عام سالانہ اجلاس میں شرکت اور ووٹ ڈالنے کا حقدار ممبر اجلاس میں شریک ہونے اور اس کی بجائے ووٹ دینے کے لیے کسی دوسرے ممبر کو اپنا پراکسی مقرر کر سکتا ہے۔ اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے پہلے کمپنی کے رجسٹرڈ آفس واقع چوتھی منزل نیپٹل ٹاور 28 ایجنٹ روڈ لاہور میں پراکسیز جمع کروانا ضروری ہے۔ پراکسی فارم منسلک ہے۔

(ج) سی ڈی سی کا کوئی بھی فرد فائدہ مند مالک، اے جی ایم (سالانہ عام اجلاس) میں ووٹ ڈالنے کا حقدار ہے۔ اپنی شناخت ثابت کرنے کے لیے اپنا کمپیوٹرائزڈ قومی شناختی کارڈ ضرور ہمراہ لائے۔ اور پراکسی کی صورت میں حصص دار کی کمپیوٹرائزڈ قومی شناختی کارڈ کی تصدیق شدہ کاپی پراکسی فارم کے ساتھ منسلک ہونا ضروری ہے۔ کارپوریٹ ممبر کا نمائندہ اس مقصد کے لیے درکار معمول کی دستاویزات لائے۔

(د) ممبران سے گزارش ہے کہ کمپنی کے شیئرز رجسٹرار میسرز کارپ لنک (پرائیویٹ) لمیٹڈ ونگز آر کیڈ-1 کمرشل ماڈل ٹاؤن لاہور کو اپنے پتے کی تبدیلی (اگر کوئی ہو تو) فوری طور پر مطلع کریں۔

Chairman Review

The Fiscal year ending in June 2021 continues to witness the challenges that the world faced in 2020. The COVID-19 pandemic has changed the way of doing business all around the world. We have seen higher use of technology and computers to transact business and communicate. It has created a great depression in some industries but has been an opportunity for others. After more than 18 months of struggle on account of the ongoing pandemic, the country's economy began to improve and show an upward trend. EMCO experienced significant buoyancy this year, and with the strong focus on improvement of the Energy sector infrastructure in Pakistan, we expect the trend to continue positively in the next few years.

Financial indicators and significant events of the year have been made available to you over the fiscal year 2020-2021. Over the year, the Board has thoroughly discussed and deliberated upon the Company's performance. The Board has ensured that every board member has had an adequate opportunity to present their opinions on all operational and strategic matters of the Company. For this very reason, the Company is well-poised to address the new challenges and expedite the development of new ceramic products related to Insulators. I am confident that the Management will successfully devise necessary strategy to execute on the Board's vision.

The significant devaluation of the Rupee has opened up new export opportunities for the Company. Your Company continues to successfully take strides in tapping into the lucrative export markets, which is yielding positive results.

The Company is extremely grateful to the Government of Punjab Health Department for its support to conduct an on-site vaccination drive for the Company's team members. In the meantime, all COVID-19 related SOPs are being strongly enforced at the workplace to keep your employees safe and healthy. This is demonstrated in the production and sales achieved this year due to good health practices and uninterrupted operations.

Your Company is pleased to report significant progress as it strives to be fully compliant to the updated Code of Corporate Governance. Company management believes that the continued focus on this matter will be beneficial for more effective governance, additional transparency and most importantly, value creation for valued Shareholders.

I would like to put on record the appreciation to the entire Board in guiding your Company well through the year through overall strategic direction, and through the additional specific insights of the Audit Committee, the HR & Remuneration Committee, the Risk Management Committee and the Nomination Committee. I look forward to the continued support of every member and employee of our EMCO family to make the next year an even better one for your Company.

Dated: August 12, 2021



Javaid S. Siddiqi
(Chairman)



چیرمین کا جائزہ

جون 2021 میں ختم ہونے والا مالیاتی سال، 2020 میں دنیا کو درپیش چیلنجوں کا گواہ رہا ہے۔ کوویڈ-19 نے پوری دنیا میں کاروبار کرنے کا طریقہ بدل دیا ہے۔ ہم نے ٹرانزیکشن اور بات چیت کے لیے ٹیکنالوجی اور کمپیوٹرز کا زیادہ استعمال دیکھا ہے۔ اس نے کچھ صنعتوں میں ایک بڑا ڈپریشن پیدا کیا ہے۔ لیکن دوسروں کے لیے ایک موقع رہا ہے۔ 18 ماہ سے زیادہ جاری وبائی بیماری کی وجہ سے جدوجہد کے بعد، ملک کی معیشت میں بہتری آنا شروع ہوئی اور اوپر کارخانہ دکان شروع ہوا۔ ایملو نے اس سال نمایاں تیزی کا تجربہ کیا، اور پاکستان میں توانائی کے شعبے کے بنیادی ڈھانچے کی بہتری پر بھرپور توجہ کی وجہ سے ہم امید کرتے ہیں کہ یہ رجحان اگلے چند سالوں میں مثبت طور پر جاری رہے گا۔

مالی سال 2020-2021 کے دوران مالی اعشارے اور سال کے اہم واقعات آپ کے لیے دستیاب کر دیے گئے ہیں۔ سال کے دوران، بورڈ نے کمپنی کی کارکردگی پر اچھی طرح سے تبادلہ خیال کیا اور اس بات کو یقینی بنایا ہے کہ ہر بورڈ ممبر کو کمپنی کے تمام آپریشنل اور اسٹریٹجک امور پر اپنی رائے پیش کرنے کا مناسب موقع ملا ہے۔ اسی وجہ سے، کمپنی نئے چیلنجوں سے نمٹنے اور انسولیٹرز سے متعلق نئی سرامک مصنوعات کی ترقی میں تیزی لانے کے لیے تیار ہے۔ مجھے یقین ہے کہ مینجمنٹ کامیابی کے ساتھ بورڈ کے وژن پر عمل کرنے کے لیے ضروری حکمت عملی وضع کرے گی۔

روپے کی قدر میں نمایاں کمی نے کمپنی کے لیے برآمد کے نئے مواقع کھولے ہیں۔ آپ کی کمپنی منافع بخش برآمدی منڈیوں میں کامیابی کے ساتھ آگے بڑھ رہی ہے، جس کے مثبت نتائج برآمد ہو رہے ہیں۔

کمپنی کی ٹیم کے ارکان کے لیے سائٹ پروکسی نیشن مہم چلانے میں مدد کے لیے کمپنی حکومت پنجاب کے محکمہ صحت کی بے حد مشکور ہے۔ اسی دوران، آپ کے ملازمین کو محفوظ اور صحت مندرکھنے کے لیے کوویڈ-19 سے متعلق تمام ایس او بیز کو کام کی جگہ پر سختی سے نافذ کیا جا رہا ہے۔

اس سال حاصل ہونے والی پیداوار اور فروخت، اچھی صحت کے طریقوں اور بلا تعلق آپریشن کی مظہر ہیں۔

آپ کی کمپنی اہم پیش رفت کی اطلاع دیتے ہوئے خوش ہے کیونکہ یہ کارپوریٹ گورننس کے تازہ ترین جاری شدہ ضابطہ کے مطابق، ہونے کی پوری کوشش کر رہی ہے۔ کمپنی انتظامیہ اس بات پر یقین رکھتی ہے کہ اس معاملہ پر مسلسل توجہ، زیادہ موثر گورننس، اضافی شفافیت اور سب سے اہم، قابل قدر حصص یافتگان کے لیے قدر کی تخلیق میں فائدہ مند ہوگی۔

میں آپ کی کمپنی کو سال بھر کے دوران اسٹریٹجک سمت کے ذریعے اچھی طرح رہنمائی کرنے پر اور آڈٹ کمیٹی، ایچ آر اینڈ معاضہ کمیٹی، رسک مینجمنٹ کمیٹی اور نامزدگی کمیٹی کو اضافی مخصوص بصیرت کے ذریعے پورے بورڈ کی تعریف کو ریکارڈ پر لانا چاہتا ہوں۔ میں اپنے ایکو خاندان کے ہر ممبر اور ملازم کی مسلسل حمایت کا منتظر ہوں تاکہ اگلے سال کو آپ کی کمپنی کیلئے مزید بہتر بنایا جاسکے۔



جاوید شفیق صدیقی

چیرمین

لاہور 12 اگست 2021

Directors' Report

On behalf of the Board of Directors, we welcome you to the 66th Annual General Meeting of the Company and present to you the audited financial statements and Auditor's Report thereon for the year ended June 30, 2021. Financial Results are as follows:

	2021 Rupees	2020 Rupees
Profit before Tax	279,765,332	163,078,319
Taxation	(77,837,235)	(45,179,356)
Profit after Tax	201,928,097	117,898,963
Gain / (Loss) on Actuarial Valuation	(158,034)	568,655
Total Comprehensive Profit	201,770,063	118,467,618
Reserves Including Accumulated Profit / (Loss) brought forward	81,732,464	(57,741,076)
Incremental Depreciation on Revaluation	19,489,612	21,005,922
	101,222,076	(36,735,154)
Reserves including Accumulated Profit / (Loss) carried forward	302,992,139	81,732,464
Profit / (Loss) per Share	5.77	3.37

REVIEW OF OPERATING RESULTS

In the period under review, the Company has made a pretax profit of Rs. 279.77 Million and an after tax profit of Rs. 201.93 Million. This is the sixth year in continuation that your Company has made profits, despite challenges on account of the continued COVID-19 pandemic. Under the prevailing investment horizon foreseen for the Energy Sector, the current trajectory is expected to be maintained.

Natural Gas is a crucial input for the Company on account of the high-temperature combustion process of its kilns. Under the current pricing regime of using RLNG as the basis for Industrial Natural Gas tariff, fluctuations in the underlying crude oil price and US\$ to PKR exchange rate has caused significant fluctuations to the Company's Natural Gas input costs. Over the course of the year, the overall upward trend in this cost has exerted a nominal negative pressure on the gross margin in the period under review.

By the grace of ALLAH Almighty, your Company has been able to achieve its targets effectively. Production of Insulator was recorded at 4794 tons (96% capacity utilization) during this year as compared to 4198 tons during last year. During the previous year, production was compromised on account of Federal Government mandated lockdown due to COVID-19.

The market demand for the Insulators continues on a positive trajectory. This trend may be attributed to the Government of Pakistan's efforts to augment and rehabilitate the electricity transmission and distribution network to bring about more efficiency in order to reduce the circular debt. The current orders in hand are more than 5 months of production capacity.

Whilst your Company has undertaken some BMR activity to streamline production, capacity constraints and growing demand has led to delay penalties of over Rs.41.87 Million for the year. We are constantly improving our efficiencies to achieve higher production levels and higher sales volumes. Considering the increasing demand in the energy sector, the Company is planning to invest in additional machinery and to develop new products to add to its portfolio, which would further enhance profitability in the future.

Your Company has executed a 982kWp Grid tied PV solar power facility that came online in May 2021, which is a testament to the Company's vision for reducing its carbon footprint whilst reducing production power costs by 25%. Your Company is also the proud recipient of a substantial grant given by UNIDO for the deployment of this PV solar system. The system is yielding excellent results.



Direct export sales stood at Rs. 34.36 Million in the period under review, including sales to Qatar, UAE, Afghanistan & Turkey. Management is fully committed to enhancing the export base through a push into the further regional and international markets.

Your Company is pleased to inform its stakeholders that our relationships with all banks are current and we are meeting our obligations on time as per agreements.

The Company's contribution to the exchequer in the year under review is Rs. 467 Million (Rs 342 Million in last year) in the shape of import duty, sales tax, income tax and other government levies.

COVID-19 EFFECTS AND MEASURES

Your Company continues to operate under the challenge of the COVID-19 Pandemic. Company management is pleased to announce that it has been able to maintain strict SOPs for combating the COVID-19 pandemic to keep the team and the workplace safe under these challenging circumstances. Unlike last year, where there was a complete shutdown on account of a Federal Government mandated lockdown, production continued without any interruption this year. Despite the additional costs of these safety measures, your Company continues to keep the health and safety of our employees as its top priority. We will continue to adopt these measures till the Pandemic is fully eradicated. The Company has pursued an aggressive strategy to get its team members vaccinated for COVID-19. For this purpose, company management would like to place on record the support extended by the Government of Punjab and the Provincial Health Department for a mass vaccination drive conducted at the Company's production premises.

CODE OF CORPORATE GOVERNANCE

The requirements of the Code of Corporate Governance set out by the Pakistan Stock Exchange in its Listing Regulations, relevant for the year ended June 30, 2021, have been adopted by the Company and have been duly complied with. A statement to this effect is annexed with the report.

In compliance with the provisions of the Code, the Board members are pleased to place the following statement on record:

- The financial statements for the year ended June 30, 2021, present fairly its state of affairs, the results of its operations, cash flow and changes in equity.
- Proper books of accounts have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements for the year ended June 30, 2021, and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards (IAS), 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 has been no material departure from the best practices of corporate governance, as detailed in listing regulations.
- The Board had arranged Directors' Training Program (DTP) for the following during this year:
 - Ch. Imran Ali (Independent Director) completed the Course in June 2021.
 - Mr. Salem Rehman (Executive Director) completed the Course in June 2021.
- Out of 11 Board Directors, 04 Directors are exempted from DTP (Mr. Tariq Rehman, Mr. Javaid Shafiq Siddiqi, Mr. Suhail Mannan and Mr. Usman Haq) since they qualify for exemption based on having minimum of 14 years of education and 15 years of experience on the Board of a listed Company.
- Out of 11 Board Directors, 05 have completed DTP (Mr. Ahsan Suhail Mannan, Syed Muhammad Mohsin, Mrs. Ayesha Mussadaque Hamid, Ch. Imran Ali and Mr. Salem Rehman).
- Overall, 81.81% of the Board of Directors have either completed the DTP or are exempted from it.
- The value of Assets of Provident Fund based on its audited accounts as on December 31, 2020 was Rs. 128.50 Million. The value of investment includes accrued interest.

BOARD MEETINGS

The Board of Directors, which consists of eleven members, have responsibility to independently and transparently monitor the performance of the Company and take strategic decisions to achieve sustainable growth in the Company value. All members of the Board are elected in the general meeting after every three years. The current Board of Directors was elected on 30th June 2020. The current Board members are as follows:

Sr. #	NAME OF DIRECTOR	
1.	Mr. Javaid S. Siddiqi	Non-Executive Director / Chairman
2.	Mr. Tariq Rehman	Chief Executive / Managing Director / Executive Director
3.	Mr. Suhail Mannan	Non-Executive Director
4.	Mr. Pervaiz S. Siddiqi	Non-Executive Director
5.	Mr. Usman Haq	Non-Executive Director
6.	Mr. Salem Rehman	Executive Director
7.	Mr. Ahsan Suhail Mannan	Executive Director / Company Secretary
8.	Mr. Awais Noorani	Non-Executive Director
9.	Mrs. Ayesha Mussadaque Hamid	Independent Director
10.	Ch. Imran Ali	Independent Director
11.	Syed Muhammad Mohsin	Independent Director

The term of the existing members of the Board will expire on 30-06-2023, along with their consent to act so, filed a declaration on the prescribed form as requirements of the Code of Corporate Governance.

A written notice of the Board meeting along with working papers was sent to the members seven days before meetings. A total of five meetings of the Board of Directors were held during the year ended June 30, 2021. The attendance of the Board members was as follows: -

SR. #	NAME OF DIRECTOR	MEETINGS ATTENDED
1.	Mr. Javaid S. Siddiqi	04
2.	Mr. Tariq Rehman	05
3.	Mr. Suhail Mannan	05
4.	Mr. Pervaiz S. Siddiqi	03
5.	Mr. Usman Haq	05
6.	Mr. Salem Rehman	05
7.	Mr. Ahsan Suhail Mannan	05
8.	Mr. Awais Noorani	04
9.	Mrs. Ayesha Mussadaque Hamid	04
10.	Ch. Imran Ali	05
11.	Syed Muhammad Mohsin	05

Leave of absence was granted to Directors who could not attend the meetings.

TRANSACTION / TRADE OF COMPANY'S SHARE

During the financial year, Directors, CEO, CFO, Company Secretary (including their spouses and minor children) executed the following transactions in the shares of the Company.

Mr. Ahsan Suhail Mannan bought / received gift from mother 287,714 shares
Mrs. Amina Suhail Mannan (Spouse of Mr. Suhail Mannan) gifted to her son Mr. Ahsan Suhail Mannan 246,312 shares

COMMITTEES OF THE BOARD

Audit Committee

The Audit Committee (AC) reviews the annual and quarterly financial statements, internal audit reports, and information before dissemination to Pakistan Stock Exchange, and proposes appointment of the external auditors for approval of the shareholders, apart from other matters of significant nature. The AC holds its meeting prior to the Board meeting. A total of six meetings of Audit Committee were held during the year under review. It includes statutory meetings with external auditors before start of annual audit and meeting with external auditors without CFO and head of internal audit being present.



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

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

HR & Remuneration Committee:

A total of two meetings of HR & Remuneration Committee were held during the year under review.

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

Risk Management Committee:

A total of one meeting of Risk Management Committee was held during the year under review.

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

Nomination Committee:

A total of one meeting of Nomination Committee was held during the year under review.

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

DIRECTORS' REMUNERATION

The Company has an approved Director Remuneration policy governing remuneration of executive, non-executive and independent director of the Company. The significant features of the policy are:

1. All directors including independent director are entitled to receive remuneration as per approval from the Board in The Board of Directors ("BOD") meetings.
2. The BOD on recommendation of Human Resource & Remuneration (HR & R) Committee from time to time, determines and approves the remuneration of the members of the BOD for attending Board Meetings.

Please note that the Company does not pay remuneration to its non-executive director. Aggregate amount of the remuneration paid to Chief executive, executive directors and non-executive directors have been disclosed in note 38 of the annexed financial statements

RISK MANAGEMENT

It is our policy to view risk management as integral to the creation, protection and enhancement of shareholder value by managing the significant uncertainties and risks that could possibly influence the achievement of our corporate goals and objectives.

Following are the risk which may be face by the Company in future:

1. Devaluation of Rupee.
2. Constant fluctuations in costs of Natural Gas & Power.
3. Uncertainties relating COVID-19 on the Production & Sales.

ENVIRONMENT PROTECTION

The Company has entered a new stage of its environmental impact lifecycle with the successful induction of its new PV Solar Energy project, which will generate 1400MWh of clean energy, and has the potential to save the environment up to 1,000 tons of Carbon Dioxide emissions annually. This renewable energy project complements the Company's existing focus on routine measures such as tree plantation drives, control of combustion process exhaust emissions, wastewater treatment and managing hazardous and non-hazardous waste as per legal requirements through approved vendors. Furthermore, aggressive measures were taken at the corporate office and production facility to vaccinate all team members against COVID-19. Similarly, the Company took steps for educating employees on keeping themselves safe during the Pandemic and complemented the campaign with effective distribution of COVID-19 related personal protective material like face masks, Soaps, Sanitizer, gloves etc

EMPLOYEES' RELATIONS

Despite the inflationary pressure, the management would like to place on record a very positive and cooperative role of employees during the year. The management would like to place on record its appreciation in this regard and will look forward to their continuous support during the difficult time that the nation is presently undergoing. The management would also like to place on record the continuous research and development by the Engineering team and the very cooperative role played by the Union in increasing the output on virtually each stage of production and reducing losses wherever possible. The support of all other departments is also acknowledged.

ACKNOWLEDGEMENT

We would like to thank our valued customers and the banks which have shown not only cooperation but patience in some payments which may have been delayed over which the management has no control and finally we would like to thank our Shareholders for their unwavering support.

DIVIDEND

The Board has recommended Cash Dividend @ 10% (i.e.; Rs.1) per share to all the shareholders for the year ended June 30, 2021 subject to the approval of shareholders in AGM meeting.

PATTERN OF SHAREHOLDING

The pattern of shareholding as on June 30, 2021 and its disclosure, as required by the Code of Corporate Governance is annexed with this report.

FINANCIAL HIGHLIGHTS

The key financial highlights for the last 10 years performance of the Company is available in this report.

AUDITORS

As proposed by the Audit Committee and recommended by the Board, the present auditors M/s Crowe Hussain Chaudhury & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment if approved by the shareholders in Annual General Meeting.

For and on behalf of the board of Directors



Tariq Rehman
Managing Director



Ahsan Suhail Mannan
Director / Company Secretary

Lahore: August 12, 2021



ڈائریکٹر رپورٹ

بورڈ آف ڈائریکٹرز کی طرف سے ہم آپ کو کمپنی کے 66 ویں سالانہ جنرل اجلاس میں خوش آمدید کہتے ہیں اور 30 جون 2021ء کو ختم ہونے والے سال کیلئے آڈٹ شدہ مالی بیانات اور آڈیٹرز کی رپورٹ آپ کے سامنے پیش کرتے ہیں۔ مالی نتائج اس طرح سے ہیں:-

تفصیل	2021 روپے	2020 روپے
قبل از ٹیکس نفع	279,765,332	163,078,319
ٹیکس	(77,837,235)	(45,179,356)
بعد از ٹیکس نفع	201,928,097	117,898,963
حقیقی قیمت پر نفع/(نقصان)	(158,034)	568,655
کلی جامع نفع	201,770,063	118,467,618
جمع شدہ نفع/(نقصان) آگے آیا	81,732,464	(57,741,076)
از سر نو تین پراضافی تخفیر	19,489,612	21,005,922
	101,222,076	(36,735,154)
ذخائر بشمول جمع شدہ نفع/(نقصان) C/F	302,992,139	81,732,464
نفع فی شیئر	5.77	3.37

زیر عمل نتائج کا جائزہ:-

زیر جائزہ مدت میں کمپنی نے 279.77 ملین روپے قبل از ٹیکس اور 201.93 ملین بعد از ٹیکس منافع بنایا ہے۔ COVID-19 وبائی مرض کی وجہ سے چیلنجز کے باوجود تسلسل میں یہ چھٹا سال ہے کہ آپ کی کمپنی نے منافع کمایا۔ توانائی کے شعبے کے لیے موجودہ سرمایہ کاری میں اضافے کے تحت موجودہ رفتار کو برقرار رکھنے کی توقع ہے۔ قدرتی گیس کمپنی کے لیے اپنے کلنز کو اعلیٰ درجہ حرارت پر رکھنے کے لیے ایک اہم ذریعہ ہے۔ آرائل این جی کے نرخوں کو صنعتی قدرتی گیس کے نرخوں کی بنیاد کے طور پر استعمال کرنے کے نظام کے تحت، خام تیل کی بنیادی قیمت اور پاکستانی کرنسی سے امریکی ڈالر کی شرح میں اتار چڑھاؤ نے کمپنی کے قدرتی گیس کے اخراجات میں نمایاں اتار چڑھاؤ پیدا کیا ہے۔ سال کے دوران، اس لاگت میں مجموعی طور پر اوپر کے رجحان نے زیر نظر مدت میں مجموعی مارجن پر معمولی منفی دباؤ ڈالا ہے۔

اللہ تعالیٰ کے فضل و کرم سے آپ کی کمپنی اپنے اہداف کو مؤثر انداز میں حاصل کرنے میں کامیاب رہی ہے۔ پچھلے سال کے دوران 4198 ٹن کے مقابلے میں انسولیٹر کی پیداوار اس سال کے دوران 4794 ٹن ریکارڈ کی گئی (96% صلاحیت کا استعمال کیا گیا)۔ پچھلے سال کے دوران کوویڈ-19 کی وجہ سے وفاقی حکومت کے لاک ڈاؤن کے سبب پیداوار کم ہوئی تھی۔

مارکیٹ میں اس مثبت رجحان کی وجہ سے انسولیٹرز کی طلب میں اضافہ جاری ہے۔ یہ رجحان سرکریڈیٹ کو کم کرنے کے لیے بجلی کی ترسیل اور تقسیم کے نیٹ ورک کو بڑھانے اور بحال کرنے کے لیے حکومت پاکستان کی کوششوں سے منسوب کیا جاسکتا ہے۔ موجودہ آرڈرز 05 ماہ سے زیادہ پیداواری صلاحیت پر کھڑے ہیں آپ کی کمپنی نے پیداوار کو ہموار کرنے کے لیے کچھ بی ایم آر "BMR" کا عمل شروع کیا۔ پیداواری رکاوٹوں اور بڑھتی ہوئی مانگ کی وجہ سے اس سال سپلائی میں تاخیر کی بنا 41.87 ملین روپے سے زائد کے جرمانے ہوئے ہیں۔ اعلیٰ پیداواری سطح اور زیادہ فروخت کے حجم کے حصول کے لیے ہم اپنی افادیت کو مسلسل بہتر بنا رہے ہیں۔ توانائی کے شعبے میں بڑھتی ہوئی طلب کو مد نظر رکھتے ہوئے کمپنی اضافی مشینری اور نئی ویلیو ایڈڈ مصنوعات کو بھی شامل کرنے کی منصوبہ بندی کر رہی ہے۔ جس سے مستقبل میں مزید نفع ہوگا۔

آپ کی کمپنی نے 982KWp گرڈ سے منسلک PV شمسی توانائی کی سہولت پر عمل کیا ہے۔ جو مئی 2021ء میں آن لائن آئی تھی، جو کہ کمپنی کے اپنے نقشے قدم پر چلتے ہوئے کاربن کو کم کرنے کے وژن کا منہ بولتا ثبوت ہے۔ جبکہ پیداواری بجلی کے اخراجات کو 25% تک کم کرتی ہے۔ آپ کی کمپنی اس PV شمسی نظام کی تعیناتی کے لیے UNIDO کی طرف سے دی جانے خاطر خواہ گرانٹ میں سے ایک وصول کنندہ بھی ہے۔ شمسی منصوبہ بہترین نتائج دے رہا ہے۔

براہ راست برآمدات کی فروخت زیر جائزہ مدت میں 34.36 ملین روپے رہی بشمول قطر، متحدہ عرب امارات، افغانستان اور ترکی کو برآمدت۔ انتظامیہ علاقائی اور وسیع ترین الاقوامی منڈیوں میں اضافے کے ذریعے برآمدی بنیاد کو مزید بڑھانے کے لیے پوری طرح پرعزم ہے۔

آپ کی کمپنی اپنے اسٹیک ہولڈرز کو مطلع کرتے ہوئے خوش ہے کہ تمام بینکوں کے ساتھ ہمارے تعلقات استوار ہیں اور ہم معاہدوں کے مطابق وقت پر اپنی ذمہ داریوں کو پورا کر رہے ہیں۔ زیر جائزہ سال میں حکومتی خزانہ میں کمپنی کی شراکت سیزنگس، انکم ٹیکس اور دیگر سرمایہ کاری محصولات کی شکل میں 467 ملین روپے ہے۔ (گزشتہ سال 342 ملین روپے)

کوویڈ-19 اثرات اور اقدامات:

آپ کی کمپنی COVID-19 وبائی مرض کے چیلنج کے تحت کام جاری رکھے ہوئے ہے۔ کمپنی انتظامیہ کو یہ اعلان کرتے ہوئے خوش ہوئی ہے کہ وہ ان مشکل حالات میں ٹیم اور کام کی جگہ کو محفوظ رکھنے کے لیے کوویڈ-19 وبائی امراض سے نمٹنے کے لیے سخت ایس او پیز کو برقرار رکھنے میں کامیاب رہی ہے۔ پچھلے سال کے برعکس، جہاں وفاقی حکومت کی جانب سے لاک ڈاؤن کی وجہ سے مکمل بند تھا، اس سال پیداوار بغیر کسی رکاوٹ کے جاری رہی۔ ان حفاظتی اقدامات کے اضافی اخراجات کے باوجود آپ کی کمپنی ہمارے ملازمین کی صحت اور حفاظت کو اپنی اولین ترجیح کے طور پر برقرار رکھے گی۔ ہم ان اقدامات کو اپناتے رہیں گے جب تک کہ وبائی بیماری کا مکمل خاتمہ نہیں ہو جاتا۔ کمپنی نے اپنی ٹیم کے ممبروں کو COVID-19 کے لیے ویکسینیشن کروانے کے لیے ایک جارحانہ حکمت عملی اختیار کی ہے۔ اس مقصد کے لیے کمپنی انتظامیہ حکومت پنجاب اور صوبائی محکمہ صحت کی طرف سے کمپنی کے پروڈکشن احاطے میں بڑے پیمانے پر ویکسینیشن مہم کے لیے دی گئی حمایت کو ریکارڈ پر رکھنا چاہتی ہے۔

کارپوریٹ گورننس کا ضابطہ:

کمپنی کی طرف سے 30 جون 2021ء کو ختم ہونے والے سال کے کارپوریٹ نظم و نسق کے ضابطہ میں پاکستان اسٹاک ایکسچینج کی طرف سے جاری کردہ لسٹنگ ضابطے کو اپنایا گیا ہے اور ان کی تعمیل کی گئی ہے۔ اس بارے میں ایک بیان اس رپورٹ کے ساتھ منسلک ہے۔

ضابطہ کی دفعات کے مطابق، بورڈ ممبران مندرجہ ذیل بیان ریکارڈ پر لانے میں خوشی محسوس کرتے ہیں۔

☆ 30 جون 2021ء کو ختم ہونے والے سال کے مالی بیانات اس کی کارکردگی، اس کے آپریشنز کے نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلیوں کا واضح اظہار ہے۔

☆ اکاؤنٹنگ کی مناسب اور درست کتابیں برقرار رکھی گئی ہیں۔

☆ مناسب اکاؤنٹنگ پالیسیاں 30 جون 2021ء کو ختم ہونے والے سال کے لیے مالی بیانات کی تیاری کے لیے مستقل طور پر لاگو کی گئیں، اکاؤنٹنگ کے تخمینے معقول اور محتاط

فیصلے پر مبنی ہیں۔

☆ بین الاقوامی اکاؤنٹنگ معیارات (IAS) جیسے کہ پاکستان میں قابل اطلاق ہیں پر مالی بیانات کی تیاری میں عمل کیا گیا ہے۔

☆ اندرونی انحطاط کا نظام ڈیزائن میں مستحکم ہے اور اس کو موثر انداز میں نافذ اور نگرانی کی گئی ہے۔

☆ کارپوریٹ گورننس کے بہترین طریقہ کار سے انحراف نہیں ہے جیسا کہ فہرست سازی کے ضوابط میں تفصیل ہے۔

☆ بورڈ نے اس سال کے دوران مندرجہ ذیل ڈائریکٹرز ٹینگ پروگرام (DTP) کا اہتمام کیا تھا۔

☆ چوہدری عمران علی (آزاد ڈائریکٹر) نے جون 2021ء میں کورس مکمل کیا۔

☆ جناب سالم رحمان (ایگزیکٹو ڈائریکٹر) نے جون 2021ء میں کورس مکمل کیا۔

☆ 11 بورڈ ڈائریکٹرز میں سے 04 ڈائریکٹرز کو 14 سالہ تعلیم اور درج کمپنی کے بورڈ میں 15 سالہ تجربے کی بنیاد پر ڈائریکٹرز ٹینگ پروگرام (DTP) سے استثنیٰ کے اہل ہیں۔

(جناب طارق رحمان، جناب جاوید شفیق صدیقی، جناب سہیل منان، جناب عثمان حق)۔

☆ 11 بورڈ ڈائریکٹرز میں سے 05 ڈائریکٹرز نے ڈائریکٹرز ٹینگ پروگرام (DTP) مکمل کر لیا ہے۔ (جناب احسن سہیل منان، سید محمد محسن، مسز عائشہ مصدق حمید، چوہدری

عمران علی اور جناب سالم رحمان)

☆ مجموعی طور پر، بورڈ آف ڈائریکٹرز کے 81.81 فیصد نے یا تو ڈائریکٹرز ٹینگ پروگرام مکمل کر لیا ہے یا وہ اس سے مستثنیٰ ہیں۔

☆ پراویڈنٹ فنڈ کے اثاثوں کی مالیت 31 دسمبر 2020ء کو اس کے آڈٹ شدہ اکاؤنٹس کی بنیاد پر 128.50 ملین روپے تھی۔ سرمایہ کاری کی قدر میں جمع شدہ سود بھی شامل ہے۔



بورڈ کے اجلاس:

بورڈ آف ڈائریکٹرز جو گیارہ ممبروں پر مشتمل ہوتا ہے پر ذمہ داری عائد ہوتی ہے کہ وہ آزادانہ اور شفاف طور پر کمپنی کی کارکردگی کی نگرانی کرے اور کمپنی کی قدر میں پائیدار ترقی کے حصول کے لیے حکمت عملی سے فیصلے کرے۔ بورڈ کے تمام ممبران کا انتخاب ہر تین سال کے بعد عام اجلاس میں ہوتا ہے۔ موجودہ بورڈ آف ڈائریکٹرز 30 جون 2020ء کو منتخب ہوئے تھے۔ موجودہ بورڈ ممبران درج ذیل ہیں۔

نمبر شمار	نام ڈائریکٹر	
1	مسٹر جاوید شفیق صدیقی	نان ایگزیکٹو ڈائریکٹر ایگزیکٹو
2	مسٹر طارق رحمن	چیف ایگزیکٹو ایگزیکٹو ڈائریکٹر ایگزیکٹو
3	مسٹر سہیل منان	نان ایگزیکٹو ڈائریکٹر
4	مسٹر پرویز شفیق صدیقی	نان ایگزیکٹو ڈائریکٹر
5	مسٹر عثمان حق	نان ایگزیکٹو ڈائریکٹر
6	مسٹر سالم رحمن	ایگزیکٹو ڈائریکٹر
7	مسٹر احسن سہیل منان	ایگزیکٹو ڈائریکٹر ایگزیکٹو ایگزیکٹو
8	مسٹر اویس نورانی	نان ایگزیکٹو ڈائریکٹر
9	مسز عائشہ صدیق حمید	آزاد ڈائریکٹر
10	چوہدری عمران علی	آزاد ڈائریکٹر
11	سید محمد حسن	آزاد ڈائریکٹر

بورڈ کے موجودہ ممبران کی میعاد بشمول اس پر عمل کرنے کی رضامندی، کارپوریٹ گورننس کے ضوابط کے مطابق مقررہ فارم پر اعلامیہ دائر کرنے 30 جون 2023ء کو ختم ہو جائے گی۔

ورکنگ پیپرز کے ساتھ بورڈ کے اجلاس کا تحریری نوٹس ممبروں کو اجلاسوں سے سات دن پہلے بھیجا گیا تھا۔ 30 جون 2021ء کو ختم ہونے والے سال کے دوران بورڈ آف ڈائریکٹرز کے کل پانچ اجلاس منعقد ہوئے تھے۔ بورڈ آف ممبران کی حاضری کچھ یوں ہے:

نمبر شمار	نام ڈائریکٹر	اجلاس میں شمولیت
1	مسٹر جاوید شفیق صدیقی	04
2	مسٹر طارق رحمن	05
3	مسٹر سہیل منان	05
4	مسٹر پرویز شفیق صدیقی	03
5	مسٹر عثمان حق	05
6	مسٹر سالم رحمن	05
7	مسٹر احسن سہیل منان	05
8	مسٹر اویس نورانی	04
9	مسز عائشہ صدیق حمید	04
10	چوہدری عمران علی	05
11	سید محمد حسن	05

غیر حاضری کی اجازت ان ڈائریکٹرز کو دی گئی جو اجلاس میں شرکت نہیں کر سکتے تھے۔

کمپنی کے حصص کی تجارت / لین دین:

مالی سال کے دوران کسی بھی ڈائریکٹر، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری (بشمول ان کے بیوی اور چھوٹے بچوں کے) کمپنی حصص میں درج ذیل لین دین کو انجام دیا۔

☆ مسٹر احسن سہیل منان نے 287,714 حصص خریدے / تحفہ لیا۔

☆ مسز آئینہ سہیل منان (جناب سہیل منان کی شریک حیات) نے 246,312 حصص تحفہ دیا۔

بورڈ کی کمیٹیاں:-

محاسبہ کمیٹی:

محاسبہ کمیٹی کا کام اکاؤنٹ کا جائزہ، سالانہ اور سہ ماہی مالیاتی گوشوارے، داخلی محاسبہ کی رپورٹ اور پاکستان اسٹاک ایکسچینج کو جاری کرنے سے قبل معلومات اور بیرونی محاسبہ کاروں کی مجوزہ تقرری کی حصص داران سے منظوری دیگر معاملات کے علاوہ اہم اہمیت کے حامل ہیں۔ محاسبہ کمیٹی کا اجلاس بورڈ کے اجلاس سے قبل منعقد ہوتا ہے۔

زیر جائزہ سال کے دوران محاسبہ کمیٹی کے کل چھ اجلاس منعقد ہوئے۔ اس میں بیرونی محاسبہ کاروں کے ساتھ چیف فنانشل آفیسر اور اندرونی محاسبہ کے سربراہ اجلاس میں بھی شامل ہیں۔

محاسبہ کمیٹی کے موجودہ اراکین کے نام مندرجہ ذیل ہیں:

نمبر شمار	نام ڈائریکٹر	اجلاس میں شمولیت
1	چوہدری عمران علی	چیرمین
2	سید محمد حسن	ممبر
3	مسٹر جاوید ایس صدیقی	ممبر
4	مسٹر عثمان حق	ممبر

مسٹر احسن سہیل منان، کارپوریٹ گورننس کے ضابطے 2019ء کے باب 27:09(1)(iv) کے مطابق کمیٹی کے سیکرٹری ہیں۔

ایچ آر اینڈ معاوضہ کمیٹی:-

ایچ آر اینڈ معاوضہ کمیٹی کی کل دو میٹنگز زیر جائزہ سال کے دوران منعقد ہوئیں۔

1	مسز عائشہ مصدق حمید	چیرمین
2	مسٹر پرویز شفیق صدیقی	ممبر
3	مسٹر احسن سہیل منان	ممبر / کمیٹی سیکرٹری
4	مسٹر او ایس نورانی	ممبر

رسک مینجمنٹ کمیٹی:

رسک مینجمنٹ کمیٹی کی کل ایک میٹنگ زیر جائزہ سال کے دوران منعقد ہوئی۔

1	سید محمد حسن	چیرمین
2	مسٹر طارق رحمن	ممبر
3	مسٹر سالم رحمن	ممبر / کمیٹی سیکرٹری
4	مسٹر جاوید شفیق صدیقی	ممبر



نامزدگی کمیٹی:

نامزدگی کمیٹی کی کل ایک میٹنگ زیر جائزہ سال کے دوران منعقد ہوئی۔

1	چوہدری عمران علی	چیئر مین
2	مسٹر احسن سہیل منان	ممبر کمیٹی سیکرٹری
3	مسٹر سالم رحمن	ممبر
4	مسٹر پرویز شفیق صدیقی	ممبر

ڈائریکٹرز کا معاوضہ:

کمپنی کے پاس ایک منظور شدہ ڈائریکٹر معاوضہ کی پالیسی ہے۔ جس میں کمپنی کے ایگزیکٹو، غیر ایگزیکٹو اور آزاد ڈائریکٹر کے معاوضے پر کام کیا گیا ہے۔ پالیسی کی اہم خصوصیات یہ ہیں۔

- 1- آزاد ڈائریکٹر سمیت تمام ڈائریکٹرز بورڈ آف ڈائریکٹرز (بی او ڈی) کے اجلاسوں میں بورڈ سے منظوری کے مطابق معاوضے کے حقدار ہیں۔
 - 2- بی او ڈی انسانی وسائل اور معاوضہ کمیٹی (ایچ آر اینڈ آر) کمیٹی کی وقتاً فوقتاً فہرست پر بورڈ اجلاسوں میں شرکت کے لیے بی او ڈی کے ممبروں کے معاوضے کا تعین اور منظوری دیتا ہے۔
- براہ کرم نوٹ فرمائیں کہ کمپنی اپنے نان ایگزیکٹو ڈائریکٹرز کو معاوضے کی ادائیگی نہیں کرتی ہے۔ چیف ایگزیکٹو، ایگزیکٹو ڈائریکٹرز اور نان ایگزیکٹو ڈائریکٹرز کو ادا کی جانے والی اجرت کی مجموعی رقم منسلک مالیاتی بیانات کے نوٹ 38 میں ظاہر کر دی گئی ہے۔

رسک مینجمنٹ:

غیر یقینی صورتحال اور خطرات کا نظم و نسق کے ذریعے حصص یافتگان کی قدر کی تشکیل، حفاظت اور اضافہ کے لیے لازمی طور پر رسک مینجمنٹ کو دیکھنا ہماری پالیسی ہے۔ جو کہ ممکنہ طور پر ہمارے کارپوریٹ اہداف اور مقاصد کی کامیابی پر اثر انداز ہو سکتی ہے۔ مندرجہ ذیل خطرے کمپنی کو مستقبل میں درپیش آ سکتے ہیں۔

- 1- روپے کی قدر میں کمی۔
- 2- قدرتی گیس اور بجلی کے اخراجات میں مسلسل اتار چڑھاؤ۔
- 3- فروخت کے ساتھ ساتھ پیداوار کی طرف کووڈ-19 سے متعلق غیر یقینی صورتحال۔

ماحولیاتی تحفظ:

کمپنی نے اپنے نئے PV سولر انرجی پروجیکٹ کی کامیاب شمولیت کے ساتھ اپنے ماحولیاتی اثرات لائف سائیکل کے ایک نئے مرحلے میں داخل کیا ہے۔ 1400MWh صاف توانائی پیدا کرے گا، اور سالانہ 1000 ٹن کاربن ڈائی آکسائیڈ کے اخراج کو ختم کرتا ہے۔ یہ قابل تجدید توانائی منصوبہ کمپنی کی موجودہ توجہ کو معمول کے اقدامات مثلاً درخت لگانے کی مہم، دہن کے عمل کے راستے کو کنٹرول کرنا، گندے پانی کا اخراج اور منظور شدہ وینڈرز کے ذریعے قانونی تقاضوں کے مطابق خطرناک اور غیر مضرت فضلہ کا انتظام۔ مزید یہ کہ، کارپوریٹ آفس اور فیکٹری کے تمام ٹیم ممبروں کو کووڈ-19 کے خلاف ویکسینیشن کیا جاسکے۔ اسی طرح، کمپنی نے وبائی امراض کے دوران ملازمین کو اپنے آپ کو محفوظ رکھنے کے بارے میں تعلیم دینے کے لیے اقدامات کیے، اور اس مہم کو کووڈ-19 سے متعلق ذاتی حفاظتی مواد جیسے چہرے کے ماسک، صابن، سینیٹائزر، دستانے وغیرہ کی موثر تقسیم کے ساتھ مکمل کیا۔

ملازمین کے باہمی روابط:

افراط زر کے دباؤ کے باوجود انتظامیہ دوران سال ملازمین کے مثبت اور باہمی تعاون پر مبنی کردار کو ریکارڈ پر لانا پسند کرے گی۔ انتظامیہ اس سلسلے میں ان سے اس مشکل وقت کے دوران جس سے تمام قوم گزر رہی ہے مزید لگا تار حمایت کی توقع رکھے گی۔ انتظامیہ انجینئرنگ ٹیم کی جانب سے جاری لگا تار تحقیق اور ترقی کو اور یونین کی جانب سے پیداوار کے ہر مرحلے پر پیداوار میں اضافے اور ہر ممکن حد تک نقصانات کو کم کرنے میں انتہائی تعاون کے کردار کو ریکارڈ پر لانا چاہے گی۔ دیگر تمام محکموں کی کاوش بھی تسلیم کی جاتی ہے۔

اعتراف:

ہم اپنے قابل قدر صارفین اور بنکوں کا شکریہ ادا کرنا چاہتے ہیں جنہوں نے نہ صرف تعاون کیا بلکہ کچھ ادائیگیوں میں نخل کا مظاہرہ کیا جن میں تاخیر ہوئی تھی کیونکہ وہ انتظامیہ کے قابو سے باہر تھا۔ اور آخر میں ہم اپنے حصص داران کو ان کی غیر متزلزل حمایت کیلئے شکریہ ادا کرنا چاہتے ہیں۔

حصص داران کا منافع:

بورڈ نے 30 جون 2021 کو ختم ہونے والے سال کے لیے تمام حصص داران کو 10% (یعنی ایک روپیہ) فی حصص نقد منافع (ڈیویڈنڈ) کی سفارش کی ہے۔ جو کہ سالانہ عام اجلاس میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔

ملکیتی تفصیل:

30 جون 2021ء کو ملکیتی تفصیل کا رپورٹ گورنرس کے ضابطہ کے مطابق اس رپورٹ کے ساتھ منسلک ہے۔

مالیاتی جھلکیاں:

کمپنی کے آخری 10 سال کی کارکردگی کیلئے اہم مالیاتی جھلکیاں اس رپورٹ میں دستیاب ہیں۔

آڈٹرز:

جیسا کہ آڈٹ کمیٹی کی سفارش اور بورڈ کی منظوری کے مطابق موجودہ آڈٹرز، میسرز کروشین چوہدری اینڈ کمپنی چارٹرڈ اکاؤنٹنٹ ریٹائر ہوئے اور اہل ہونے کے بعد دوبارہ تقرری کیلئے خود کو پیش کرتے ہیں۔ اگر سالانہ عام اجلاس میں حصص یافتگان کی طرف سے منظوری دی جائے۔

بورڈ آف ڈائریکٹرز کی جانب سے

Taqi Raza

طارق رحمن

مینجنگ ڈائریکٹر

لاہور، 12 اگست 2021ء

Asim

احسن سہیل منان

ڈائریکٹر / کمپنی سیکرٹری



Financial Highlights of Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
.....(Rupees in Million).....										
Net Total sales	2,035	1,598	1,386	1,148	1,006	1,058	783	932	1,596	1,856
Exports (Direct & Indirect)	34	42	22	72	118	74	44	51	46	61
Employees Costs	388	359	311	293	276	254	222	213	313	285
Profit/(Loss) before tax	280	163	139	(25)	68	38	(125)	(106)	(39)	(14)
Profit/(Loss) after tax	202	118	145	36	29	27	(98)	(104)	(35)	(21)
Earning per share	5.77	3.37	4.13	1.03	0.83	0.78	(2.80)	(2.96)	(0.99)	(0.61)
Capital Expenditure	192	78	75	60	22	35	18	13	23	37
Cash Dividend Rate	-	-	-	-	-	-	-	-	-	-
Stock Dividend Rate	-	-	-	-	-	-	-	-	-	-
Shareholder's Equity (Excl. Rev.Surplus)	769	547	408	125	72	21	(28)	50	17	33
Shareholder's Equity (Incl. Rev.Surplus)	2,071	1,474	1,166	1,016	993	768	422	528	621	448

Statement of Compliance

WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE)
REGULATIONS, 2019 OF EMCO INDUSTRIES LIMITED FOR THE YEAR ENDED JUNE 30, 2021

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

1. The total number of Directors are 11 as per the following, -
 - a) Male: 10
 - b) Female: 1
2. The composition of the Board is as follows:

Category	Names
Independent Directors*	Ch. Imran Ali Syed Muhammad Mohsin Mrs. Ayesha Mussadaque Hamid
Executive Directors	Mr. Tariq Rehman Mr. Salem Rehman Mr. Ahsan Suhail Mannan
Non-Executive Directors	Mr. Suhail Mannan Mr. Usman Haq Mr. Javaid Shafiq Siddiqi Mr. Pervaiz Shafiq Siddiqi Mr. Awais Noorani
Female Directors	Mrs. Ayesha Mussadaque Hamid

*The Board has been reconstituted with 11 directors in the last elections held on 30th June 2020. Two additional independent directors were added including one female director. The Company is continuously improving its governance structure. The Company could not round up independent director's fraction in last Election of Directors due to challenges in inducting further independent directors. The Company will strive to fill the gap in the next Election of Directors.

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 during this year:
Ch. Imran Ali (Independent Director) completed the Course in June 2021.
Mr. Salem Rehman (Director Operations) completed the Course in June 2021.



NOTE:

- Ch. Imran Ali (Independent Director), completed the Course on June 2021.
 - Mr. Salem Rehman (Director Operations), completed the Course on June 2021.
 - Out of 11 Board Directors, 04 Directors are exempted from DTP (Mr. Tariq Rehman, Mr. Javaid Shafiq Siddiqi, Mr. Suhail Mannan and Mr. Usman Haq) because they have minimum of 14 years of education and 15 years of experience on the Board of a listed Company.
 - Out of 11, 05 have completed Directors' Training Program DTP (Mr. Ahsan Suhail Mannan, Syed Muhammad Mohsin, Mrs. Ayesha Mussadaque Hamid, Ch. Imran Ali and Mr. Salem Rehman).
 - Overall, 81.81% of the Board of Directors have either completed the Directors' Training Program or are exempted from it.
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 02 Directors including 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:

The Board has appointed the following members of Audit Committee for a period of three years w.e.f. 01.07.2020 in the meeting of Board of Directors held on 13.07.2020:

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

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

b) HR & Remuneration Committee:

The Board has appointed the following members of HR & Remuneration Committee for a period of three years w.e.f. 01.07.2020 in the meeting of Board of Directors held on 13.07.2020:

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

c) Risk Management Committee:

The Board has appointed the following members of Risk Committee for a period of three years w.e.f. 01.07.2020 in the meeting of Board of Directors held on 13.07.2020:

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

d) Nomination Committee:

The Board has appointed the following members of Nomination Committee for a period of three years w.e.f. 01.07.2020 in the meeting of Board of Directors held on 13.07.2020:

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

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 meetings: (Quarterly).
 - b) HR & Remuneration Committee: (Half Yearly).
 - c) Risk Management Committee: (Yearly).
 - d) Nomination Committee: (Yearly).
15. The Board has set up an effective internal audit function and has outsourced the internal audit function to M/s Zeeshan & Co., Chartered Accountants, 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 and all other requirements of the Regulations have been complied with.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below (if applicable):

This is not applicable because we confirm that all other requirements of the Regulations have been complied with.



(JAVAID SHAFIQ SIDDIQI)
Chairman





INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF EMCO INDUSTRIES 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 EMCO Industries Limited ("the Company") for the year ended June 30, 2021 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. 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.

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, 2021.

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore
Dated: 12 August 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EMCO INDUSTRIES LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of EMCO INDUSTRIES LIMITED (the Company), which comprise the statement of financial position as at June 30, 2021 and the statement of profit or loss account, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statement, 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 account, statement of 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, 2021 and of the profit, its 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 the 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 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 Matters

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 our 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.

Following are the key audit matters:

Key Audit Matters	How the matter was addressed in our report
1. Revenue	
Refer to note 3.18 & 27 to the financial statements. The Company is primarily engaged in manufacturing and sale of insulators. We identified recognition of revenue as a key audit matter due to revenue being one of the key performance indicators of the Company, inherent risk of material misstatement and significant increase in revenue from last year.	Our key audit procedures included: <ul style="list-style-type: none">• Obtained an understanding of the Company's processes and related internal controls for revenue recognition and on a sample basis, tested the operating effectiveness of those controls.• Assessed the appropriateness of the Company's revenue accounting policies and their compliance with applicable financial accounting and reporting standards.• Compared a sample of revenue transactions recorded during the year with purchase orders, sales invoices, receipt vouchers, delivery orders and other relevant underlying documents.



Key Audit Matters

How the matter was addressed in our report

- Performed cut-off procedures on near year end sales to ensure revenue has been recorded in the correct period.
- Performed test of details and vouched sale transactions.
- Checked receipts from customers to whom sales are made.
- Checked that the presentation and disclosure related to revenue are in accordance with applicable accounting and reporting standards.

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 auditors' 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:

- 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.

- 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.
- 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.
- 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.

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 account, the statement of 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) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Nasir Muneer.



CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore
Dated: August 12, 2021





STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital 40,000,000 (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 (2020: 35,000,000) ordinary shares of Rs. 10 each	4	350,000,000	350,000,000
Reserves	5	302,992,139	81,732,464
Sponsors' loan	6	115,708,828	115,708,828
Surplus on revaluation of property, plant and equipment	7	1,302,397,360	926,135,400
		2,071,098,327	1,473,576,692
Non Current Liabilities			
Long term financing	8	131,293,475	213,797,385
Deferred income - government grant		60,807	-
Lease liabilities	9	2,197,970	4,799,669
Deferred liabilities	10	73,930,900	64,031,075
Deferred tax liability	11	116,662,040	23,628,740
Long term security deposit		719,584	-
		324,864,776	306,256,869
Current Liabilities			
Trade and other payables	12	326,561,575	272,258,522
Unclaimed dividends		243,677	243,677
Accrued finance cost	13	23,147,424	26,626,525
Short term borrowings	14	650,646,917	547,187,306
Current portion of non-current liabilities	15	79,485,815	65,011,707
		1,080,085,408	911,327,737
Contingencies and Commitments			
	16	-	-
		3,476,048,511	2,691,161,298
ASSETS			
Non Current Assets			
Property, plant and equipment	17	1,887,889,951	1,362,665,573
Investment properties	18	76,180,763	-
Intangible assets	19	1,403,667	1,682,417
Long term prepayments and other receivables	20	39,308,596	46,803,001
Long term loans	21	546,030	730,120
Long term deposits		3,751,900	3,751,900
		2,009,080,907	1,415,633,011
Current Assets			
Stores, spares and loose tools	22	84,461,760	80,613,844
Stock in trade	23	594,151,738	610,421,620
Trade receivables	24	593,083,410	366,066,725
Advances, deposits, prepayments and other receivables	25	70,687,658	83,381,045
Income tax refundable from the Government		83,957,181	91,095,096
Cash and bank balances	26	40,625,857	43,949,957
		1,466,967,604	1,275,528,287
		3,476,048,511	2,691,161,298

The annexed notes from 1 to 48 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR


CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
Revenue	27	2,035,456,797	1,598,032,861
Cost of revenue	28	(1,549,957,546)	(1,218,460,167)
Gross Profit		485,499,251	379,572,694
Administrative expenses	29	(87,383,452)	(78,744,789)
Selling and distribution expenses	30	(32,307,553)	(30,876,341)
		(119,691,005)	(109,621,130)
Operating Profit		365,808,246	269,951,564
Other operating expenses	31	(31,925,727)	(14,924,431)
Other income	32	33,404,722	5,429,419
Finance cost	33	(87,521,909)	(97,378,233)
Profit before Taxation		279,765,332	163,078,319
Taxation	34	(77,837,235)	(45,179,356)
Net Profit for the Year		201,928,097	117,898,963
Earnings per Share - Basic and Diluted	35	5.77	3.37

The annexed notes from 1 to 48 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER





STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
Net Profit for the Year		201,928,097	117,898,963
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial (losses) / gains due to experience adjustments	10.2.1	(220,824)	791,483
Related tax impact	11.1	62,790	(222,828)
Revaluation surplus on property, plant and equipment - net	7	459,322,504	191,552,505
Related tax impact	11.1	(62,131,130)	(2,524,640)
<i>Items that may be reclassified to profit or loss</i>		-	-
Other comprehensive income - net of tax		397,033,340	189,596,520
Total Comprehensive Income for the Year		598,961,437	307,495,483

The annexed notes from 1 to 48 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR


CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2021

Particulars	Issued, Subscribed and Paid up Capital	Reserves				Sponsors' Loan	Surplus on Revaluation of Property, Plant and Equipment	Total
		Capital	Revenue		Total Reserves			
		Share Premium Reserve	General Reserve	Accumulated (Loss) / Unappropriated Profit				
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	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
Net profit or the year	-	-	-	117,898,963	117,898,963	-	-	117,898,963
Other comprehensive income for the year	-	-	-	568,655	568,655	-	189,027,865	189,596,520
Incremental depreciation for the year on surplus on revaluation of property, plant and equipment-net	-	-	-	21,005,922	21,005,922	-	(21,005,922)	-
Effect of change in effective tax rate	-	-	-	-	-	-	259,846	259,846
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
Net profit for the year	-	-	-	201,928,097	201,928,097	-	-	201,928,097
Other comprehensive income for the year	-	-	-	(158,034)	(158,034)	-	397,191,374	397,033,340
Incremental depreciation for the year on surplus on revaluation of property, plant and equipment - net	-	-	-	19,489,612	19,489,612	-	(19,489,612)	-
Effect of change in effective tax rate	-	-	-	-	-	-	(1,439,802)	(1,439,802)
Balance as at June 30, 2021	350,000,000	39,898,526	90,000,000	173,093,613	302,992,139	115,708,828	1,302,397,360	2,071,098,327

The annexed notes from 1 to 48 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER





STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Generated from Operations	36	287,173,417	326,102,759
Changes in:			
Long term prepayments and other receivables		3,885,091	4,586,847
Long term security deposit		719,584	-
		4,604,675	4,586,847
Finance cost paid		(69,967,338)	(83,240,883)
Gratuity paid		(2,273,782)	(4,311,565)
Payments against discontinued provident fund		(4,961,553)	(1,070,403)
Workers' Profit Participation Fund paid		(9,360,652)	(7,033,260)
Income tax paid / withheld		(41,174,159)	(35,799,771)
		(127,737,484)	(131,455,882)
Net Cash Generated from Operating Activities		164,040,608	199,233,724
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(36,653,874)	(77,143,634)
Capital work in progress		(138,867,557)	(377,302)
Investment properties		(16,760,683)	-
Recoveries of long term loans - net		192,330	733,380
Rental income		8,639,238	-
Proceeds from disposal of assets held for sale		-	23,419,000
Proceeds from disposal of property, plant and equipment		750,000	-
Net Cash Used in Investing Activities		(182,700,546)	(53,368,556)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(103,698,392)	(79,092,329)
Repayment of lease liabilities		(3,570,941)	-
Proceeds from long term financing		19,145,560	39,150,480
Short term borrowings obtained / (repaid) - net		103,459,611	(67,246,699)
Net Cash Generated from / (Used in) Financing Activities	37	15,335,838	(107,188,548)
Net (Decrease) / Increase in Cash and Cash Equivalents		(3,324,100)	38,676,620
Cash and cash equivalents at the beginning of the year		43,949,957	5,273,337
Cash and Cash Equivalents at the End of the Year		40,625,857	43,949,957

The annexed notes from 1 to 48 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

NOTES TO AND THE FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

1. THE COMPANY AND ITS OPERATIONS

EMCO Industries Limited ("the Company") was incorporated as a Joint Stock Company in Pakistan under the repealed Companies Act, 1913, (now the Companies Act, 2017) 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 the stock exchange on December 29, 1983. The Company is domiciled in Pakistan.

The Company is principally engaged in the manufacture and sale of high / low tension electrical porcelain insulators and switchgear.

The geographical location and address of Company including mills/plant is as under:

Business unit	Geographical location
Head / Registered office Factory	4th Floor, National Tower, 28 Egerton Road, Lahore. 19-KM, Lahore Sheikhpura Road, Lahore.

2. BASIS FOR PREPARATION

2.1 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 (IFRS), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are 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 IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The financial statements provide comparative information in respect of the previous year. In addition, the Company presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except to the extent of the following:

- a) Employee retirement benefits (Gratuity) - Note 10.2

The Company uses the valuation performed by an independent actuary to determine the present value of its retirement benefit obligations.

- b) Certain property, plant and equipment - Note 17



The Company is using the revaluation model for certain property, plant and equipment. Revaluation is performed by an independent valuer periodically.

c) Deferred markup, interest free loans from related parties and provident fund loan

The Company is carrying deferred / frozen markup on certain bank borrowings, interest free loans from related parties and provident fund loan at amortized cost.

2.3 Functional and presentation currency

These financial statements are prepared and presented in Pak Rupees (PKR or Rupee) which is the Company's functional and presentation currency. All the figures have been rounded off to the nearest rupee, unless otherwise stated.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and related assumptions are reviewed on an on going basis. Accounting estimates are revised in the period in which such revisions are made. Significant management estimates in these financial statements relate primarily to:

- Useful lives, residual values, depreciation method and fair value of property, plant and equipment – Note 3.5 & 17
- Fair value of investment property - Note 3.7 & 18
- Useful lives, residual values and amortization method of intangible assets – Note 3.8 & 19
- Provision for impairment of inventories - Note 3.11, 3.12, 22 & 23
- Impairment loss of non-financial assets other than inventories – Note 3.9 & 17
- Provision for expected credit losses – Note 3.13.1.5, 24 & 25
- Obligation of defined benefit obligation - Note 3.2 & 10
- Estimation of provisions - Note 3.1 & 12
- Estimation of contingent liabilities - Note 3.19 & 16
- Current income tax expense, provision for current tax and recognition of deferred tax asset (for carried forward tax losses) - Note 3.3, 11 & 34

However, the management believes that the change in outcome of estimates would not have a material effect on the amounts disclosed in these financial statements.

2.5 Changes in accounting standards, interpretations and pronouncements

2.5.1 Standards, interpretations and amendments to approved accounting standards that are effective in the current year

There are certain standards, amendments and interpretations to the accounting and reporting standards which are mandatory for accounting periods beginning on or after July 1, 2020. These are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements.

2.5.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective

There are certain standards, amendments and interpretations to the accounting and reporting standards which are mandatory for companies having accounting periods beginning on or after July 1, 2021 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements, except for the following:

Standard or Interpretation	Effective Date (Period beginning on or after)
IAS 1 Presentation of Financial Statements [Amendments]	January 1, 2022 & January 1, 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors [Amendments]	January 1, 2023
IAS 12 Income Taxes [Amendments]	January 1, 2023
IAS 16 Property, Plant and Equipment [Amendments]	January 1, 2022
IAS 37 Provisions, Contingent Liabilities and Contingent Assets [Amendments]	January 1, 2022
Annual Improvements to IFRS Standards 2018–2020	January 1, 2022

The Company has assessed that the impact of these amendments is not expected to be significant.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented except otherwise stated.

3.1 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources shall be required to settle the obligation and the amount has been reliably estimated. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.2 Employee retirement benefits

Defined benefit plan

The Company operates an unfunded gratuity scheme for its employees. The unfunded gratuity scheme is a defined benefit final salary plan. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method, which is carried out by an independent actuary.

The gratuity fund is governed under the Trusts Act, 1882, Trust Deed and Rules of Fund, Companies Act, 2017, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002. Responsibility for governance of plan, including investment decisions and contribution schedule lie with Board of Trustees of the Fund.

Retirement benefits are payable to staff on resignation, retirement or termination from service, subject to the completion of prescribed qualifying period of service under these schemes.

3.3 Taxation

Income tax comprises current and deferred tax. Income tax is recognized in the statement of profit or loss account except to the extent that relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income.

3.3.1 Current

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date.

The charge for current tax is higher of corporate tax (higher of tax based on taxable income and minimum tax) and alternative corporate tax.

Corporate tax is based on taxable income for the year determined in accordance with the prevailing laws of taxation. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such



years. However, in case of loss for the year, income tax expense is recognized as minimum tax liability on turnover of the Company in accordance with the provisions of the Income Tax Ordinance, 2001.

Alternative corporate tax is calculated at 17% of accounting profit, after taking into account the required adjustments.

Current tax for current and prior periods, to the extent unpaid, is recognized as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognized as an asset.

The Company offsets current tax assets and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.3.2 Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary timing differences arising from the difference between the carrying amount of the assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss.

Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred tax assets are recognized for all major deductible temporary differences to the extent that it is probable that taxable profit will be available against which deductible temporary differences, unused tax losses and tax credits can be utilized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent of probable future taxable profit available that will allow deferred tax asset to be recovered.

Deferred tax is calculated at rates that are expected to apply to the period when the differences reverse based on the tax rates and tax laws that have been enacted or have been notified for subsequent enactment by the reporting date.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average rates that are expected to apply to the taxable profit (tax loss) of the periods in which temporary differences are expected to reverse.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.4 Leases

For contracts entered into, or modified, on or after January 1, 2019; the Company assesses whether a contract contains a lease or not at the inception of a contract. The Company reassesses whether a contract is, or contains, a lease further when the terms and conditions of the contract are modified.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain to not to exercise that option.

The Company reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the Company and affects whether the Company is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in the determination of the lease term.

The Company revises the lease term if there is a change in the non-cancellable period of a lease.

3.4.1 Company as a lessee

3.4.1.1 Recognition

The Company recognizes a right-of-use asset and a lease liability at the commencement date. A commencement date is the date on which the lessor makes an underlying asset available for use by the lessee (the Company).

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of all underlying assets that have a lease term of 12 months or less and leases for which the underlying asset, when new, is of low-value as per the threshold set by the Company. The Company recognizes the lease payments associated with these leases as an expense on straight-line basis over the lease term.

3.4.1.2 Initial measurement

Lease liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid. The lease payments are discounted using the interest rate implicit in the lease, or the Company's incremental borrowing rate if the implicit rate is not readily available. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments comprise fixed payments less any lease incentives receivable; variable lease payments that depend on an index or a rate; amounts expected to be payable by the Company under residual value guarantees; the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

Right-of-use asset

The Company initially measures the right-of-use asset at cost. This cost comprises the amount of lease liability as initially measured, plus any lease payments made on or before the commencement date, less lease incentives received, initial direct costs and estimated terminal costs (i.e. dismantling or other site restoration costs required by the terms and conditions of the lease contract).

3.4.1.3 Subsequent measurement

Lease liability

After the commencement date, the Company re-measures the lease liability to reflect the affect of interest on outstanding lease liability, lease payments made, reassessments and lease modifications etc. Variable lease payments not included in the measurement of the lease liability and interest on lease liability are recognized in the statement of profit or loss account, unless these are included in the carrying amount of another asset.

Lease payments are apportioned between the finance charges and reduction of the lease liability using the incremental borrowing rate implicit in the lease to achieve a constant rate of interest on the remaining balance of the liability.

Lease liability payable in foreign currency is translated to local currency of the Company i.e. PKR at the reporting date. Any foreign exchange differences arising on translation of lease liability are recognized in profit or loss.



Right-of-use asset

After the commencement date, the Company measures the right-of-use asset at cost less accumulated depreciation and accumulated identified impairment losses, if any, adjusted for any remeasurement of the lease liability.

The Company depreciates the cost of right-of-use asset, net of residual value, from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. However, if the lease contract transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise the purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

Depreciation is charged to profit or loss account at rates given in note 17.2.

3.5 Property, plant and equipment

Property, plant and equipment, except freehold land, buildings thereon and plant and machinery, are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at revalued amount less any identified impairment loss while buildings on freehold land and plant and machinery are stated at revalued amount less accumulated depreciation and any accumulated impairment loss. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from their fair value. Additions, subsequent to revaluation, are stated at cost less accumulated depreciation and any identified impairment loss.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Cost in relation to certain assets may also include cost of borrowing during construction period in respect of loans taken for specific projects.

Depreciation on property, plant and equipment, except freehold land, is charged to profit or loss on straight line method with the exception of tools and equipment, furniture and fixture, office equipment and vehicles, whose depreciation is charged profit or loss on diminishing balance method so as to write off the cost or revalued amount of an asset over its estimated useful life. Incremental depreciation representing the difference between actual depreciation based on revalued carrying amount of the asset and equivalent depreciation based on the original carrying amount of the asset is transferred to accumulated profit / loss from surplus on revaluation of property, plant and equipment. All transfers to / from surplus on revaluation of property, plant and equipment are net of applicable deferred income taxes.

Depreciation on additions is charged from the month in which the assets are available for use while no depreciation is charged in the month in which the assets are disposed off. Rates of depreciation are disclosed in Note 17.1.

Depreciation method, residual value and useful lives of assets are reviewed at least at each reporting date and adjusted if impact on depreciation is significant.

Day to day maintenance and normal repairs are charged to income as and when incurred. Gains or losses on disposal of property, plant and equipment are included in profit or loss.

Increases in the carrying amounts arising due to revaluation are credited to revaluation surplus on property, plant and equipment through other comprehensive income. Decreases that offset previous increases of any other property, plant and equipment of the Company are debited against revaluation surplus directly in equity. All other decreases are charged to the statement of profit or loss account.

3.6 Capital work-in-progress

Capital work-in-progress is stated at cost less identified impairment loss, if any, and represents expenditure incurred on property, plant and equipment during construction and installation. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. Cost may also include applicable borrowing costs. Transfers are made to relevant property, plant and equipment category as and when the assets are available for use.

3.7 Investment Properties

Investment property, which is property held to earn rentals and/or for capital appreciation, including property under construction for such purposes, is measured initially at its cost, including transaction costs.

Subsequent to initial recognition, investment property is measured at fair value. The changes in fair value are recognized in the statement of profit or loss account. Any other investment property (whose fair value cannot be measured reliably) is measured at cost less accumulated depreciation and any impairment loss.

The fair value of investment property is determined at the end of each year using current market prices for comparable real estate, adjusted for any differences in nature, location and condition.

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis. Further, determining adjustments for any differences in nature, location and condition of the investment property involves significant judgment.

3.8 Intangible assets

An intangible asset is recognized as an asset if it is probable that future economic benefits attributable to the asset will flow to the Company and the cost of such asset can be measured reliably. Cost of intangible assets i.e. ERP software includes purchase cost and directly attributable expenses incidental to bring the software to its intended use.

Costs that are directly associated with identifiable software and have probable economic benefits beyond one year, are recognized as an intangible asset. However, costs associated with the maintenance of software are recognized as an expense.

All intangibles are measured initially at cost and subsequently stated at cost less accumulated amortization and identified impairment losses, if any. Amortization is charged to income using the straight line method so as to write off the cost of an asset over its estimated useful life. The amortization period and the amortization method for intangible assets are reviewed, at each reporting date, and adjusted if impact on amortization is significant. ERP software is being amortized over 10 years based on estimated useful life.

3.9 Impairment of non-financial assets

Assets that have an indefinite useful life - for example, goodwill or intangible assets not ready to use - are not subject to amortization and are tested annually for impairment. Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses on fixed assets that offset available revaluation surplus are charged against this surplus, all other impairment losses are charged to profit or loss. The recoverable amount is the higher of an asset's fair value less costs of disposal 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). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date. Where impairment loss is recognized, the depreciation / amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value, over its remaining useful life.

3.10 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are charged to profit or loss account in the period in which they are incurred.



3.11 Stores, spares and loose tools

Stores and spares are valued at weighted average cost except for items in transit, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon. Provision is made for obsolete and slow moving stores and spares based on management estimate.

3.12 Stock-in-trade

Raw materials, packing material and components, except for those in transit, are valued at the lower of weighted average cost and net realizable value. Work-in-process and finished goods are valued at the lower of average cost and net realizable value. Work-in-process and finished goods comprise cost of direct materials, labor and appropriate manufacturing overheads. Cost of goods purchased for resale comprises invoice value plus charges paid thereon.

Materials in transit are stated at cost comprising invoice value plus other charges paid thereon.

Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make a sale. If the net realizable value is lower than the carrying amount, a write-down is recognized for the amount by which the carrying amount exceeds its net realizable value. Provision is made in the financial statements for obsolete and slow moving stock in trade based on management estimate.

3.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.13.1 Financial assets

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognized and derecognized, as applicable, using trade-date accounting or settlement date accounting.

3.13.1.1 Classification

The Company classifies its financial assets in the following categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. The classification is based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The management determines the classification of its financial assets at the time of initial recognition.

a) Financial assets at amortized cost

A financial asset is measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss

A financial asset is measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income. However, the Company can make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair

value in other comprehensive income unless these are held for trading in which case these have to be measured at fair value through profit or loss. The equity investments of the Company held in short term investments are classified at fair value through profit or loss because they are frequently traded.

3.13.1.2 Initial recognition and measurement

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognized on trade-date – the date on which the Company commits to purchase or sell the asset.

Except for trade receivables, financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit and loss account. Dividend income from financial assets at fair value through profit or loss is recognized in the profit and loss account when the Company's right to receive payments is established. Trade receivables are initially measured at the transaction price if these do not contain a significant financing component in accordance with IFRS 15. Where the Company uses settlement date accounting for an asset that is subsequently measured at amortized cost, the asset is recognized initially at its fair value on the trade debt.

3.13.1.3 Subsequent measurement

For the purpose of measuring financial assets after initial recognition, these are classified into the following categories:

- financial assets at amortized cost;
- financial assets at fair value through other comprehensive income; and
- financial assets at fair value through profit or loss.

Financial assets carried at amortized cost are subsequently measured using the effective interest method. Gain or loss on financial assets not part of hedging relationship is recognized in profit or loss when the financial asset is derecognized, reclassified, through the amortization process or in order to recognize impairment gains or losses.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Company recalculates the gross carrying amount of the financial asset and recognizes a modification gain or loss in profit or loss.

Financial assets 'at fair value through other comprehensive income' are marked to market using the closing market rates and are carried in the statement of financial position at fair value. Net gains and losses arising on changes in fair values of these financial assets are recognized in other comprehensive income. Interest calculated using the effective interest rate method is credited to the statement of profit or loss account. Dividends on equity instruments are credited to the statement of profit or loss account when the Company's right to receive payments is established.

Financial assets 'at fair value through profit or loss' are marked to market using the closing market rates and are carried in the balance sheet at fair value. Net gains and losses arising on changes in fair values of these financial assets are taken to the profit and loss account in the period in which these arise.

Fair values of quoted investments are based on current prices. If the market for a financial asset is not active (and for unlisted securities), the Company measures the investments at cost less impairment in value, if any.

3.13.1.4 Derecognition

Financial assets are derecognized when:

- the contractual rights to receive cash flows from the assets have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:



- a) the Company has transferred substantially all the risks and rewards of the asset; or
- b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The difference between the carrying amount and the consideration received is recognized in profit or loss.

If the Company transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognizes either a servicing asset or a servicing liability for that servicing contract.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability which cannot be offset with the related asset. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

If the Company's continuing involvement is in only a part of a financial asset, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the consideration received for the part no longer recognized is recognized in profit or loss.

3.13.1.5 Impairment of financial assets

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

The Company recognizes a loss allowance for expected credit losses on a financial asset measured at amortized cost and through other comprehensive income, a lease receivable, a contract asset or a loan commitment and a financial guarantee contract. In case of financial assets measured at fair value through other comprehensive income, loss allowance is recognized in other comprehensive income and carrying amount of the financial asset in the statement of financial position is not reduced.

The Company measures, at each reporting date, the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. Where the credit risk on a financial instrument has not increased significantly since the initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Company always measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables or contract assets that result from transactions under IFRS 15 and lease receivables.

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The Company recognizes the amount of expected credit losses (or reversal), that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized, in the profit or loss.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

3.13.2 Financial liabilities

3.13.2.1 Initial recognition and measurement

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost except for financial liabilities at fair value through profit or loss, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts, commitments to provide a loan at a below-market interest rate and contingent consideration recognized in a business combination.

The Company does not reclassify any of its financial liabilities.

Financial liabilities are initially recognized at fair value minus transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities carried at fair value through profit or loss are initially recognized at fair value and transaction costs are credited in the profit and loss account.

3.13.2.2 Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

The amount of change in the fair value that is attributable to changes in the credit risk of financial liability is presented in other comprehensive income and the remaining amount of change in the fair value of the liability is presented in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if it eliminates or significantly reduces a measurement or recognition inconsistency or a group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Company's key management personnel. The Company has not designated any financial liability as at fair value through profit or loss.

All other liabilities

All other financial liabilities are measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as



well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss account.

3.13.2.3 Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the profit and loss account. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss account.

3.13.3 Offsetting of financial assets and liabilities

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

3.14 Balances from contract with customers

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. The Company recognizes a contract asset for the earned consideration that is conditional if the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional. Trade receivables are carried at original invoice amount less expected credit loss based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. A contract liability is recognized at earlier of when the payment is made or the payment is due if a customer pays consideration before the Company transfers goods or services to the customer.

Right of return assets

"Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

3.15 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 noncurrent liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

3.16 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand and cash at banks.

3.17 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 date of transaction. Exchange gains and losses are included in the statement of profit or loss account.

3.18 Revenue recognition

Revenue is recognized in accordance by applying the following steps:

- i) Identify the contract with a customer
- ii) Identify the performance obligation in the contract
- iii) Determine the transaction price of the contract
- iv) Allocate the transaction price to each of the separate performance obligations in the contract
- v) Recognize the revenue when (or as) the entity satisfies a performance obligation

Revenue is recognized at a point in time, when the Company satisfies performance obligations by transferring the promised goods to its customers. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The normal credit term is 30 to 90 days upon delivery. Control is transferred to the customer on dispatch of goods and transaction price is fixed and decided mostly through tendering process. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

3.19 Contingent liabilities

Contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent liability is also disclosed when there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.20 Dividend and other appropriations

Dividend to the shareholders is recognized in the period in which it is declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

3.21 Earnings per Share

The Company presents basic and diluted earnings per share (EPS). Basis 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. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

3.22 Related party transactions

Related parties comprise the parent Company, associated companies / undertakings, directors of the Company and their close relatives and key management personnel of the Company. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and due to related parties are shown under respective notes to these financial statements. Following are the key related parties of the Company:



Name of Related party	Basis of Relationship	% of Holding in the Company
Mr. Tariq Rehman	Director / CEO	0.379%
Mr. Suhail Mannan	Director	6.239%
Mr. Javaid Shafiq	Director	6.861%
Mr. Pervaiz Shafiq Siddiqi	Director	6.861%
Mr. Usman Haq	Director	5.228%
Mr. Salem Rehman	Director	3.429%
Mr. Ahsan Suhail Mannan	Director	6.391%
Mr. Awais Noorani	Director	0.059%
Ch. Imran Ali	Director	0.001%
Syed Muhammad Mohsin	Director	0.001%
Ms. Ayesha Mussadaque Hamid	Director	0.001%
Directors' close family members	Directors' close family members	20.631%
Associated Engineers (Private) Limited	Common Directorship	5.745%
ICC (Private) Limited	Common Directorship	8.410%
The Imperial Electric Company (Private) Limited	Common Directorship	1.662%

4. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2021 No. of Share	2020 No. of Share		2021 Rupees	2020 Rupees
18,570,460	18,570,460	Ordinary shares of Rs. 10 each fully paid in cash	185,704,600	185,704,600
2,800,000	2,800,000	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	28,000,000	28,000,000
13,629,540	13,629,540	Ordinary shares of Rs. 10 each issued as right shares	136,295,400	136,295,400
35,000,000	35,000,000		350,000,000	350,000,000

4.1 There has been no movement in ordinary share capital during the year ended June 30, 2021.

4.2 Ordinary shares of the Company held by its associated companies as at the reporting date are as follows:

	2021 (Number of Shares)	2020 (Number of Shares)
Associated Engineers (Private) Limited	2,010,575	2,010,575
ICC (Private) Limited	2,943,411	2,943,411
The Imperial Electric Company (Private) Limited	581,549	581,549
	5,535,535	5,535,535

4.3 All ordinary shares rank equally with regard to residual assets of the Company. Ordinary shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. Voting and other rights are in proportion to the shareholding.

4.4 The terms of agreement between the Company and certain lenders impose certain restrictions on distribution of dividends by the Company.

5. RESERVES	Note	2021 Rupees	2020 Rupees
Capital - share premium	5.1	39,898,526	39,898,526
Revenue - general reserve		90,000,000	90,000,000
Accumulated profit / (loss)		173,093,613	(48,166,062)
		302,992,139	81,732,464

5.1 This reserve can be utilized by the Company only for the purposes specified in Section 81(2) of the Companies Act, 2017.

6. SPONSORS' LOAN

This represents unsecured, interest free loans to meet the liquidity requirements of the Company. These loans are repayable at the discretion of the Company and are sub-ordinated to facilities obtained from various financial institutions.

7. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

	2021 (Rupees)	2020 (Rupees)
Land - Freehold:		
Opening balance	542,838,745	360,253,745
Revaluation surplus arisen during the year	240,816,359	182,585,000
	783,655,104	542,838,745
Buildings on freehold land:		
Opening balance	178,855,927	230,850,681
Revaluation surplus / (deficit) arisen during the year-net	144,622,823	(54,126,680)
Related deferred taxation	(41,122,777)	15,238,392
	282,355,973	191,962,393
Plant and machinery:		
Opening balance	204,440,728	166,749,185
Revaluation surplus arisen during the year-net	73,883,322	63,094,185
Related deferred taxation	(21,008,353)	(17,763,032)
	257,315,697	212,080,338
Effect of change in tax rates	(1,439,802)	259,846
Incremental depreciation charged on revalued property, plant and equipment in current year-net of deferred tax (transferred to retained earnings)	(19,489,612)	(21,005,922)
	1,302,397,360	926,135,400

7.1 This represents surplus over book value resulting from the revaluation of freehold land, buildings on freehold land and plant and machinery, adjusted by incremental depreciation arising on revaluation of the above-mentioned assets except freehold land. Latest revaluation was carried out by an independent valuer on June 30, 2021 using current market price / replacement cost methods, wherever applicable for the respective assets. This resulted in additional revaluation surplus of Rs. 459.323 million.

7.2 The revaluation surplus relating to the above-mentioned property, plant and equipment excluding freehold land is net of applicable deferred income taxes. Incremental depreciation charged on revalued property, plant and equipment has been transferred to the statement of changes in equity to record realization of surplus to the extent of incremental depreciation. Incremental depreciation represents the difference between actual depreciation based on revalued carrying amount of the asset and equivalent depreciation based on the original carrying amount of the asset.

7.3 The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.



8. LONG TERM FINANCING	Note	2021 (Rupees)	2020 (Rupees)
Banking companies - secured			
National Bank of Pakistan	8.1	24,280,812	46,720,813
Discounting / unwinding of discount	8.2	(169,290)	(625,551)
		24,111,522	46,095,262
Standard Chartered Bank (Pakistan) Limited	8.3	41,526,113	60,760,494
Discounting / unwinding of discount	8.2	(2,754,695)	(6,554,709)
		38,771,418	54,205,785
Habib Bank Limited	8.4	40,722,030	35,150,480
Less: Impact of deferred income - Government Grant	8.4	(1,360,445)	-
		39,361,585	35,150,480
		102,244,525	135,451,527
Associated companies / related parties - unsecured			
Associated Engineers (Private) Limited	8.5	27,335,447	27,335,447
Discounting / unwinding of discount	8.2	(2,382,962)	(3,088,998)
		24,952,485	24,246,449
EMCO Industries Limited Provident Fund	8.6	100,529,818	148,979,818
Discounting / unwinding of discount	8.2	(24,797,428)	(35,417,886)
		75,732,390	113,561,932
The Imperial Electric Company (Private) Limited	8.7	2,615,692	2,615,692
Discounting / unwinding of discount	8.2	(228,022)	(295,582)
		2,387,670	2,320,110
		205,317,070	275,580,018
Less: current portion			
Banking companies		(74,023,595)	(56,802,815)
Associated companies / related parties		-	(4,979,818)
	15	(74,023,595)	(61,782,633)
		131,293,475	213,797,385

8.1 This represents long term financing (Demand Finance - I and Demand Finance II) created during the year ended June 30, 2017 by restructuring short term borrowings obtained from National Bank of Pakistan and accrued / unpaid markup thereon effective from March 30, 2017.

Repayment schedule was further revised in July 2018. Under the latest rescheduling terms, remaining loan will be repaid in 48 equal monthly installments of DF-I of Rs. 1.442 million and DF-II of Rs. 0.428 million each. These loans are secured by Joint Pari Passu charge on fixed assets along with the personal guarantees of certain directors of the Company. This loan will be fully repaid by June 30, 2022.

8.2 In accordance with the requirements of IFRS 9, amortization and unwinding have been carried out and the relevant difference is charged to the statement of profit or loss account.

8.3 The loan was restructured during the year ended June 30, 2013 and further restructured during the year ended June 30, 2015. It carries markup @ 3 months KIBOR per annum. Under the restructured agreement the outstanding principal of Rs. 109 million is repayable by way of quarterly staggered installments over the period of 5 years. The outstanding markup payable and markup accrued after restructured agreement shall be paid after the principal amount has been fully repaid. Deferred markup as at the reporting date is Rs. 41.526 million (2020: Rs. 55.826 million). These loans are secured by Joint Pari Passu charge on fixed assets and Joint Pari Passu charge on current assets along with the personal guarantees of certain directors of the Company. This loan will be fully repaid by February 28, 2023.

8.4 This represents a term finance facility under the refinance scheme for payment of wages and salaries (RFWS Scheme) to the workers and employees for an amount up to the equivalent of Rs. 60 million. The facility is sanctioned to finance wages and salaries of permanent, contractual, daily wagers as well as outsourced employees. It carries markup @ 3% (2020: 3 months KIBOR plus 1% per annum). These loans are secured by Joint Pari Passu charge on fixed assets.

Impact of deferred income represents deferred grant recognized in line with Guideline issued by the Institute of Chartered Accountants of Pakistan "Accounting considerations for lenders and borrowers under the State Bank of Pakistan introduced Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns.

8.5 This represents unsecured interest free loan obtain from associated company. The terms of repayment have yet not been formalized; however, this loan is not repayable within next 12 months.

8.6 This represents loan obtained from EMCO Industries Limited Provident Fund on July 01, 2000. Owing to liquidity issues, this loan has been rescheduled a number of times. Latest rescheduling of the loan was carried out on March 06, 2018 by the Trustees of the fund whereby the Company decided to discontinue the contributions to the provident fund and to discontinue the charging of markup on loan obtained from the fund on the basis of the following covenants:

- Amount of loan to be repaid through monthly installments of Rs. 2.0 million till complete settlement of the loan. This loan is due to mature on July 31, 2027.
- The payment will represent the principal repayment and no markup will be charged on the outstanding principal amount.
- The employees who are the members of the fund, will be inducted in a new gratuity scheme of the Company with effect from the effective date.

8.7 This represents unsecured interest free loan obtain from associated company. The terms of repayment have yet not been formalized; however, this loan is not repayable within next 12 months.

9. LEASE LIABILITIES

	Note	2021 Rupees	2020 Rupees
Opening balance		8,028,743	-
Add: Additions during the year		316,940	7,945,787
Add: Interest expense	33	870,256	82,956
Less: Payments made		(3,570,941)	-
Gross liability		5,644,998	8,028,743
Less: Current portion	15	(3,447,028)	(3,229,074)
Closing balance		2,197,970	4,799,669



9.1 Summary of amounts relating to leases charged in different line items of the financial statements is as follows:

	Included in	Note	2021 Rupees	2020 Rupees
Carrying amount of ROU assets	Statement of financial position	17.2	5,284,759	7,725,071
Expense relating to short-term leases	Administrative expenses	29	-	1,716,551
Expense relating to short-term leases	Selling and distribution expenses	30	-	93,727
Depreciation charge	Administrative expenses	29	2,757,252	220,716
Interest expense	Finance cost	33	870,256	82,956

9.2 Maturity analysis of contractually undiscounted cash flows

At June 30, 2021	Within One Year	Between Two to Five Years	Later than Five Years
	----- Rupees -----		
	3,306,228	3,030,709	-

9.3 Nature of leasing activities

The Company's leases comprise space taken from a related party for office operations. Periodic rentals are fixed over the lease term. These neither contain any variable lease payments nor any lease incentives. The Company is not committed to any lease not yet commenced as at the reporting date.

Remaining lease term of existing lease contract is 2 years for which lease liability is recorded.

10. DEFERRED LIABILITIES

	Note	2021 Rupees	2020 Rupees
Payable to employees against discontinued provident fund	10.1	-	4,632,632
Staff gratuity - unfunded	10.2	73,930,900	59,398,443
		<u>73,930,900</u>	<u>64,031,075</u>

10.1 This represents outstanding balance of employer contribution payable to non-workmen employees on termination of provident fund scheme with effect from December 31, 2002. The outstanding balance of employer contribution payable includes both, principal and interest portions. Interest is being charged on the principal portion @ 5% (2020: 5%) per annum.

10.2 Staff gratuity - unfunded

Latest actuarial valuation of the gratuity scheme was conducted as on June 30, 2021. Results of actuarial valuation are as under:

10.2.1 Movement in net liability for staff gratuity

	Note	2021 Rupees	2020 Rupees
Opening balance		59,398,443	53,106,698
Benefit due but not paid at the beginning of the year		4,658,884	-
Charge for the year - statement of profit or loss account	10.2.2	16,349,442	16,053,677
Actuarial losses / (gains) due to experience adjustments		220,824	(791,483)
Payments made during the year		(2,273,782)	(4,311,565)
Benefits due but not paid		(4,422,911)	(4,658,884)
Closing balance		73,930,900	59,398,443

10.2.2 Charge for the year

The amounts recognized in the statement of profit or loss account against defined benefit scheme are as follows:

Current service cost	11,095,284	10,089,816
Interest cost	5,254,158	5,963,861
	16,349,442	16,053,677

10.2.3 Actuarial assumptions

	2021	2020
Discount rate - per annum	10.25%	9.00%
Expected rate of increase in salary level - per annum	9.25%	8.00%
Average expected remaining working lives of employees	9 Years	9 Years
Average duration of liability	9 Years	8 Years
Expected mortality rate for active employees	SLIC (2001-2005) Mortality Table	
Actuarial valuation method	Projected Unit Credit Method	

10.2.4 The Company does not have any plan assets covering its post-employment benefits payable. The comparative statement of present value of defined benefit obligations is as under:

	2021 Rupees	2020 Rupees	2019 Rupees	2018 Rupees	2017 Rupees
Present value of defined benefit obligation	73,930,900	65,690,188	53,106,698	40,931,971	33,479,360
Fair value of plan asset	-	-	-	-	-
Net liability	73,930,900	65,690,188	53,106,698	40,931,971	33,479,360

10.2.5 Estimated charge for the year 2021-2022

	Rupees
Current and past service cost	11,933,971
Interest cost	7,577,917
	19,511,888



10.2.6 Year end sensitivity analysis on defined benefit obligation

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have resulted in present value of defined benefit obligation as stated below:

	Rupees
Discount rate + 1%	67,079,533
Discount rate - 1%	81,924,156
Salary increase + 1%	81,924,156
Salary increase - 1%	66,962,420

10.2.7 The charge for the year has been allocated as follows:

	Note	2021 Rupees	2020 Rupees
Cost of revenue	28	11,620,926	11,094,009
Administrative expenses	29	3,973,357	4,168,927
Selling and distribution expenses	30	755,159	790,741
		<u>16,349,442</u>	<u>16,053,677</u>

11. DEFERRED TAXATION

	Note	2021 Rupees	2020 Rupees
Taxable temporary differences			
- Accelerated tax depreciation and amortization		25,380,624	16,024,914
- Revaluation of property, plant and equipment		201,160,474	144,098,949
		226,541,098	160,123,863
Deductible temporary differences			
- Provision for doubtful debts		(30,552,558)	(28,498,165)
- Provision for obsolete stores and spares		(622,462)	(616,294)
- Provision for obsolete stock		(5,287,079)	(4,425,412)
- Provision for staff gratuity		(21,022,251)	(16,722,562)
- Unused tax losses / tax credits		(42,622,952)	(79,199,575)
- Others		(9,771,756)	(7,033,115)
		(109,879,058)	(136,495,123)
		<u>116,662,040</u>	<u>23,628,740</u>
11.1 Reconciliation of deferred tax liabilities / (assets), net			
Opening balance		23,628,740	(27,349,030)
Effect of change in tax rates on revaluation surplus		1,439,802	(259,846)
Recognized in statement of profit or loss account		29,525,158	16,171,674
Recognized in statement of comprehensive income		(62,790)	222,828
Charged to revaluation surplus through other comprehensive income		62,131,130	2,524,640
Adjustment with provision for tax payable against minimum tax credit availed		-	32,318,474
Closing balance		<u>116,662,040</u>	<u>23,628,740</u>

12	TRADE AND OTHER PAYABLES	Note	2021 Rupees	2020 Rupees
	Trade creditors	12.1	172,289,876	135,928,481
	Accrued liabilities		56,355,895	47,837,326
	Employee retirement benefit funds		1,768,463	2,440,506
	Contract liabilities	12.2	45,030,368	35,376,182
	Sales tax payable		15,622,785	28,986,815
	Withholding tax payable		3,902,604	2,082,982
	Workers' (profit) participation fund	12.3	15,081,149	8,805,292
	Workers' welfare fund	12.4	16,510,435	10,800,938
			326,561,575	272,258,522

12.1 Trade creditors include Rs. 239,749 (2020: Rs. 21,119) due to related parties.

12.2 Contract liabilities amounting to Rs. 45.03 million are expected to be satisfied during year ending June 30, 2022..

12.3	Workers' (Profit) Participation Fund	Note	2021 Rupees	2020 Rupees
	Balance at the beginning of the year		8,805,292	7,036,777
	Expense recognised during the year	31	15,055,567	8,801,775
	Interest on workers' (profit) participation fund		580,942	-
			24,441,801	15,838,552
	Payments made during the year		(9,360,652)	(7,033,260)
	Closing balance		15,081,149	8,805,292
12.4	Workers' welfare fund			
	Balance at the beginning of the year		10,800,938	6,645,525
	Expense recognised during the year	31	5,709,497	4,155,413
			16,510,435	10,800,938
	Payments made during the year		-	-
	Closing balance		16,510,435	10,800,938

13	ACCRUED FINANCE COST		2021 Rupees	2020 Rupees
	Accrued finance cost on:			
	- Long term financing from banking companies		1,858,686	1,948,976
	- Long term financing from associated companies / related parties		8,734,867	8,734,867
	- Short term borrowings from banking companies		8,479,491	6,698,802
	- Short term borrowings from associated companies / related parties		4,074,380	9,243,880
			23,147,424	26,626,525



14 SHORT TERM BORROWINGS

	Note	2021 Rupees	2020 Rupees
Interest bearing			
Banking companies - secured	14.1 & 14.2	440,571,173	298,629,081
Related parties - unsecured:			
- Associated company - ICC (Private) Limited	14.3	155,750,000	155,750,000
		596,321,173	454,379,081
Interest free			
Related parties - unsecured:			
- Directors and close relatives thereof	14.4	54,325,744	92,808,225
		650,646,917	547,187,306

14.1 Short-term running finance and local bill discounting facilities available from various commercial banks under mark-up arrangements amount to Rs. 301 million (2020: Rs. 231 million) towards the working capital requirement. Rates of mark-up range from 1 month KIBOR + 1% to 3 months KIBOR + 2% (2020: from 1 month KIBOR + 1% to 3 months KIBOR + 2%) per annum on the balance outstanding. Aggregate short term finances are secured by first joint pari passu charge and ranking charge on present and future current assets, ranking charge over the Company's present and future fixed assets, lien over sale documents, personal guarantees, subordination of sponsor's loan. One of the banks, Faysal Bank Limited, is also secured by mortgage over properties of certain directors and over commercial properties owned by Associated Engineering (Private) Limited, an associated company.

14.2 Export and import finances available from various commercial banks under mark-up arrangements amount to Rs. 188.79 million (2020: Rs. 190.57 million). The rates of mark-up range from 1 month KIBOR + 1% to 6 months KIBOR plus 2% (2020: from 1 month KIBOR to 6 months KIBOR plus 2%). The aggregate export and import finances are secured by hypothecation of stores, spares and loose tools, stock-in-trade, trade debts, charge on property, plant and equipment of the Company, joint Pari Passu charge on all present and future assets of the Company, ranking charge on current assets of the Company, lien over export LCs / contracts, personal guarantees and subordination of sponsors' loan. One of the banks, Faysal Bank Limited, is also secured by mortgage over properties of certain directors and over commercial properties owned by Associated Engineering (Private) Limited, an associated company.

The unutilized portion in respect of above funded facilities mentioned in note 14.1 & 14.2 amounts to Rs. 49.22 million (2020: Rs. 122.94 million).

14.3 This represents unsecured borrowings obtained from the associated company, to meet working capital requirements, that carries mark-up @ 3 months KIBOR + 3% per annum on the balance outstanding.

14.4 This represents loan obtained to meet the working capital requirements of the Company.

14.5 Letters of credit and guarantee

The main facilities for opening letters of credit and guarantees aggregate to Rs. 826.01 million (2020: Rs. 578.42 million). The amount utilized as at June 30, 2021, for letters of credit was Rs. 177.19 million (2020: Rs. 55.56 million) and for letters of guarantee was Rs. 375.25 million (2020: Rs. 332.89 million). The amounts unavailed as at the reporting date amount to Rs. 273.57 million (2020: Rs. 189.97 million). The aggregate facilities for opening letters of credit and letters of guarantee are secured by charge on present and future fixed assets of the Company, ranking charge on current assets of the Company, lien over import documents, personal guarantees, subordination of sponsors' loan and counter guarantees of the Company. Mortgage over properties of certain directors is registered in favor of Faysal Bank Limited and Silk Bank Limited only and mortgage over commercial properties owned by Associated Engineering (Private) Limited, an associated company is registered in favour of Faysal Bank Limited.

15 CURRENT PORTION OF NON-CURRENT LIABILITIES

	Note	2021 Rupees	2020 Rupees
Long term financing	8	74,023,595	61,782,633
Lease liabilities	9	3,447,028	3,229,074
Deferred income - government grant		1,299,641	-
Payable to employees against discontinued provident fund		715,551	-
		79,485,815	65,011,707

16 CONTINGENCIES AND COMMITMENTS**Contingencies**

- 16.1** The Company has indemnified the Trustees of EMCO Industries Limited Provident Fund and the beneficiaries thereof, from any and all events wherein they or anyone suffers any loss and / or damage for allowing the Company rescheduled time frame to repatriate the borrowed sum into the fund.
- 16.2** The Collector of Customs has raised a demand of Rs. 10.978 million including penalty of Rs. 2 million on account of duty / taxes, which has been challenged by the Company in Lahore High Court on April 22, 2017. The Honourable Court has granted interim injunction against recovery of the claimed amount and the matter is pending adjudication. The management is confident about the favorable outcome of this litigation and therefore has not incorporated any provision in these financial statements.
- 16.3** A demand of Rs. 4.148 million (including default surcharge of Rs. 2.27 million) was raised against the Company under section 161/205 (3) of the Income Tax Ordinance, 2001 for the period relevant to Tax Year 2011 alleging non-compliance with various applicable withholding provisions contained in the Ordinance. The Company preferred appeal before Commissioner Inland Revenue (Appeals - 1), Lahore who vide order dated July 25, 2014 has given relief on various issues to the Company and has deleted the entire amount of default surcharge. The tax demand after appellate order works out to Rs. 703,172. The Company has contested this order before Appellate Tribunal Inland Revenue, Lahore (ATIR) on August 22, 2014 hearing whereof is still pending. The Company's management feel that there are strong grounds to defend the Company's stance and the liability will not materialize, hence, no provision / adjustment has been made in these financial statements.
- 16.4** Through amendment order passed under section 122(1) read with 122 (4) / 122 (5) of the Income Tax Ordinance, 2001; the Company's return of total income for Tax Year 2011 was amended and taxable income was assessed at Rs. 78.211 million against declared income of Rs. 20.222 million, however no tax liability emerged due to availability of unused tax losses. The Company preferred an appeal filed on May 5, 2015 before Commissioner Inland Revenue (Appeals - 1), Lahore. Order against this appeal is yet to be issued. The Commissioner Inland Revenue (Appeals - 1), vide its order dated February 26, 2021, has given decision on most of the points in favor of the Company, few points have been remanded back and few are decided against the Company. The management is assessing appeal before next appellate forum. The Company's management feel that there are strong grounds to defend the Company's stance and the liability will not materialize, hence, no adjustment has been made in these financial statements.
- 16.5** Through amendment order passed under section 122(1) read with 122(5) of the Income Tax Ordinance, 2001; the Company's return of total income for Tax Year 2016 was amended and taxable income was assessed at Rs. 130.951 million against declared loss of Rs. 308.518 million; however no tax liability emerged due to availability of unused tax losses. The Company preferred an appeal filed on March 16, 2020 before Commissioner Inland Revenue (Appeals - 1), Lahore which is pending adjudication. The Company's management feel that there are strong grounds to defend the Company's stance and the liability will not materialize, hence, no adjustment has been made in these financial statements.



- 16.6** The Honorable Supreme Court of Pakistan issued judgment on August 13, 2020 regarding applicability of Gas Infrastructure Development Cess (GIDC). The Court has ordered that GIDC shall be recovered in 24 equal monthly installments starting from August 1, 2020 without the component of late payment surcharge. SNGPL raised a demand of Rs. 14.18 million along with impugned bill of Rs. 590,925 for the month of September 2020. The Company has filed an appeal in the Lahore High Court against the said demand. The Honorable High Court has allowed dispensation sought by the Company vide its order sheet dated October 14, 2020. The management believes that it may not be liable to pay GIDC arrears as these pertain to years before 2015 and the same has not been passed on to the customers. The management strongly believes that impact of GIDC, if any, will not be material. Hence, no provision has been made in these financial statements.
- 16.7** 4 (2020: 4) ex-employees have filed cases against the Company in various courts on various dates. Because of their uncertain nature, it is not possible to quantify their financial impact. The cases are pending adjudication. The management and the legal advisors of the Company are of the view that the outcome of these cases is expected to be favorable and liability, if any, arising out on the settlement is not likely to be material. No provision has been made in these financial statements.
- 16.8** Bank guarantees amount to Rs. 375.25 million (2020: Rs. 332.89 million) that have been issued in favour of the following:

	2021 Rupees	2020 Rupees
Sui Northern Gas Pipeline Limited	25,177,004	22,406,004
NTDC / DISCOS	341,094,346	301,508,214
Collector of Customs	8,978,358	8,978,358
	<u>375,249,708</u>	<u>332,892,576</u>

Commitments

- 16.9** Letters of credit other than for capital expenditure amount to Rs. 177.19 million (2020: Rs. 47.22 million).
- 16.10** Letters of credit for capital expenditure amount to Nil (2020: Rs. 8.337 million).
- 16.11** Commitments for future minimum payments in respect of Ijarah arrangements are as follows:

Not later than one year	Later than one year and later than five years	Later than five years
----- Rupees -----		
2,108,812	2,160,336	-

17. PROPERTY, PLANT AND EQUIPMENT	Note	2021 Rupees	2020 Rupees
Operating fixed assets	17.1	1,882,605,192	1,354,563,200
Right of use assets	17.2	5,284,759	7,725,071
Capital work in progress	17.3	-	377,302
		<u>1,887,889,951</u>	<u>1,362,665,573</u>

17.1 Operating fixed assets - owned

Reconciliation of carrying amounts of property, plant and equipment at the beginning and at end of the year is as follows:

Description	Freehold Land Rupees	Buildings on Freehold Land Rupees	Plant and Machinery Rupees	Tools and Equipment Rupees	Furniture and Fittings Rupees	Vehicles Rupees	Office Equipment Rupees	Total Rupees
NET CARRYING VALUE BASIS								
Year Ended June 30, 2021								
Opening net book value	568,360,000	423,456,000	356,461,000	62,270	484,490	870,904	4,868,536	1,354,563,200
Additions	-	32,035,276	169,376,128	89,034	2,730,640	-	5,303,511	209,534,589
Depreciation charge	-	(33,206,359)	(62,130,678)	(25,883)	(152,590)	(173,874)	(1,595,083)	(97,284,467)
Revaluation adjustment	240,816,359	144,622,823	73,883,322	-	-	-	-	459,322,504
Transfer to investment properties:								
- Cost	21,475,188	21,587,591	-	-	-	-	-	43,062,779
- Accumulated depreciation	-	(31,917)	-	-	-	-	-	(31,917)
	(21,475,188)	(21,555,674)	-	-	-	-	-	(43,030,862)
Disposal during the year								
- Cost	-	-	1,915,000	-	-	-	-	1,915,000
- Accumulated depreciation	-	-	(1,415,228)	-	-	-	-	(1,415,228)
	-	-	(499,772)	-	-	-	-	(499,772)
Closing net book value	787,701,171	545,352,066	537,090,000	125,421	3,062,540	697,030	8,576,964	1,882,605,192
Depreciation rates		5%	4%-35%	20%-40%	20%	20%	20%	
Gross Carrying Value Basis								
As at June 30, 2021								
Cost / revalued amount	787,701,171	953,970,640	1,325,831,778	9,377,757	11,457,041	8,829,914	39,925,147	3,137,093,448
Accumulated depreciation	-	(408,618,574)	(788,741,778)	(9,252,336)	(8,394,501)	(8,132,884)	(31,348,183)	(1,254,488,256)
Net book value	787,701,171	545,352,066	537,090,000	125,421	3,062,540	697,030	8,576,964	1,882,605,192
NET CARRYING VALUE BASIS								
Year Ended June 30, 2020								
Opening net book value	385,775,000	457,163,958	300,420,184	78,627	604,742	861,752	4,350,634	1,149,254,897
Additions	-	55,023,334	31,885,577	-	-	205,128	1,518,509	88,632,548
Depreciation charge	-	(34,604,612)	(38,938,946)	(16,357)	(120,252)	(195,976)	(1,000,607)	(74,876,750)
Revaluation adjustment	182,585,000	(54,126,680)	63,094,185	-	-	-	-	191,552,505
Closing net book value	568,360,000	423,456,000	356,461,000	62,270	484,490	870,904	4,868,536	1,354,563,200
Depreciation rates		5%	4%-35%	20%-40%	20%	20%	20%	
Gross Carrying Value Basis								
As at June 30, 2020								
Cost / revalued amount	568,360,000	798,900,132	1,084,487,328	9,288,723	8,726,401	8,829,914	34,621,636	2,513,214,134
Accumulated depreciation	-	(375,444,132)	(728,026,328)	(9,226,453)	(8,241,911)	(7,959,010)	(29,753,100)	(1,158,650,934)
Net book value	568,360,000	423,456,000	356,461,000	62,270	484,490	870,904	4,868,536	1,354,563,200

17.1.1 Apportionment of depreciation charge for the year

Depreciation charge for the year has been apportioned as follows:

	Note	2021 Rupees	2020 Rupees
Cost of revenue	28	96,900,699	74,613,384
Administrative expenses	29	383,768	263,366
		97,284,467	74,876,750

17.1.2 Particulars of immovable property (land and building) of the Company are as follow:

Location	Usage of immovable property	Total area
19-KM Lahore Sheikhpura Road	Production plant	222 Kanals 18 Marlas



17.1.3 Cost, accumulated depreciation and book value of revalued assets

Had there been no revaluation, the carrying amounts of the following classes of assets would have been as follows:

	2021 Rupees	2020 Rupees
Freehold land	25,081,443	25,521,255
Buildings on freehold land	193,348,819	176,494,849
Plant and machinery	195,366,800	76,026,548
	413,797,062	278,042,652

17.1.4 Fair value of the properties was determined using the market comparable method. Fair values are categorized as level 2 fair value hierarchy where inputs are observable. The valuations have been performed by an independent professional valuer and are based on proprietary databases of prices of transactions for properties of similar nature, location and condition. Gain from the revaluation of the assets carried out as at June 30, 2021 amounted to Rs. 459.323 million (note 7). Forced sale value of land, buildings and plant and machinery is Rs. 669.546 million; Rs. 463.549 million; and Rs. 429.672 million respectively.

17.1.5 The property, plant and equipment of the Company are subject to first and joint pari passu charge as security for certain financing by banks (refer Note to 8 and 14).

17.2 Right of use assets

	Note	2021 Rupees	2020 Rupees
Opening balance		7,725,071	-
Add: Additions during the year		316,940	7,945,787
Less: Depreciation charge for the year	29	(2,757,252)	(220,716)
Closing balance		5,284,759	7,725,071
Lease Term (Years)		3 Years	3 Years

Right-of-use assets comprise office space taken from a related party for office operations. There are no variable lease payments in the lease contracts. There were no leases with residual value guarantees or leases not yet commenced to which the Company is committed.

17.3 The reconciliation of the carrying amount is as follows:

	2021 Rupees	2020 Rupees
Opening balance	377,302	-
Additions during the year	140,085,481	377,302
Transfers during the year	(140,462,783)	-
Closing balance	-	377,302

18 INVESTMENT PROPERTIES

		2021 Land Rupees	2021 Building Rupees	2021 Total Rupees	2020 Total Rupees
Opening balance		-	-	-	-
Transferred from owner					
- occupied property	17.1	21,475,188	21,555,674	43,030,862	-
Additions during the year					
- renovation		-	16,760,683	16,760,683	-
Fair value gain on revaluation	32	9,498,641	6,890,577	16,389,218	-
Closing balance		30,973,829	45,206,934	76,180,763	-

These represent portion of land and building on the same land given on rent to a third party during the year. The property, plant and equipment of the Company are subject to first and joint pari passu charge as security for certain financing by banks (refer Note to 8 and 14). These are held to earn rental income. Particulars of investment properties as at the reporting date are as follows:

Property Type	Location	Area	Independent Valuer	Fair Value Rupees	Forced Sale Value Rupees
Land	District Sheikhpura	44,974 sq. ft.	M/s Hamid Mukhtar & Co. (Private) Limited	30,973,829	26,327,755
Building on land	District Sheikhpura	44,974 sq. ft.	M/s Hamid Mukhtar & Co. (Private) Limited	45,206,934	38,425,894
				<u>76,180,763</u>	<u>64,753,649</u>

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value measurements

There are no level 1 and level 3 assets or transfers between levels 1, 2 and 3 during the year.

Valuation techniques used to derive level 2 fair values

Description	Valuation Technique	Significant Unobservable Inputs	Range (weighted average)
Land	Inquiries in the vicinity of land and also information obtained from the estate dealers of the area.	Price per kanal	Reasonable fair value estimates
Building	Physically inspection and checking of measurements with the lay-out plan of the buildings provided. Construction details, covered areas and quality of construction were noted. Conditions of buildings were noted and accordingly depreciated rate of construction was calculated which was applied to arrive at fair depreciated market value.	Price per sq. ft.	Reasonable fair value estimates

The Company as a lessor has entered into operating lease on its investment property. The lease has term of 5 years. The Company has received security deposit of Rs. 719,584 from the tenant which is disclosed on face of the statement of financial position. The deposit is received and is utilizable in accordance with requirements of written agreements, in terms of section 217 of the Companies Act, 2017.

Future minimum rentals receivable under non-cancellable operating lease as at the reporting date are as follows:

	Within one year Rupees	After one year but not more than five years Rupees	More than five years Rupees
Undiscounted	9,412,164	33,630,852	-



19 INTANGIBLE ASSETS

	Note	2021 Rupees	2020 Rupees
Intangible asset	19.1	1,403,667	1,682,417
19.1 Net Carrying Value			
Net carrying value - opening balance		1,682,416	1,961,166
Additions during the year		-	-
Amortization during the year	19.2	1,682,416 (278,750)	1,961,166 (278,750)
Net carrying value as at June 30,		1,403,666	1,682,416
Gross Carrying Value			
Cost		2,787,496	2,787,496
Accumulated amortization		(1,383,829)	(1,105,079)
Net book value		1,403,667	1,682,417
		10%	10%

19.2 The Company has implemented ERP (SAP). Amortization charge for the year has been allocated to administrative expenses.

20 LONG TERM PREPAYMENTS AND OTHER RECEIVABLES

	Note	2021 Rupees	2020 Rupees
Long term prepayments	20.1	24,950,784	31,232,373
Recoverable from employees	20.2	14,357,812	15,570,628
		39,308,596	46,803,001
20.1 Long term prepayments			
Opening balance		48,266,200	50,093,295
Addition during the year		15,468,374	14,367,455
Charge to profit or loss	20.1.1	(18,690,028)	(16,194,550)
Current portion of long term prepayments	25	45,044,546 (20,093,762)	48,266,200 (17,033,827)
		24,950,784	31,232,373

20.1.1 Long term prepayments comprise expenses incurred on product testing and international assurance on product quality whose benefits will be availed through a number of successive years. Thus, these amounts will be charged to profit or loss on time proportionate basis.

20.2 Recoverable from employees

	Note	2021 Rupees	2020 Rupees
Recoverable from employees	20.2.1	15,257,144	15,920,581
Current portion	25	(899,332)	(349,953)
		14,357,812	15,570,628

20.2.1 This represents recoveries imposed on employees, falling under bonus policy on account of production of faulty finished goods.

21 LONG TERM LOANS

	Note	2021 Rupees	2020 Rupees
Loans to employees - (Secured - considered good)	21.1	702,010	894,340
Less: current portion	25	(155,980)	(164,220)
		<u>546,030</u>	<u>730,120</u>

21.1 These represent loans for purchase of motorcycles, bicycles and for the construction of residential houses etc. These loans are secured against gratuity and are interest free. The loans are repayable over a period of two to eight years. This also includes loan given to an executive amounting to Rs. 580,000 (2020: Rs. 700,000). Maximum aggregate balance outstanding at any time during the year calculated by reference to month end balances amounted to Rs. 690,000 (2020: Rs. 760,000).

22 STORES, SPARES AND LOOSE TOOLS

	Note	2021 Rupees	2020 Rupees
Stores		38,675,571	37,853,463
Spare parts		45,659,692	42,906,451
Loose tools		2,315,567	2,043,000
		<u>86,650,830</u>	<u>82,802,914</u>
Less: Provision for obsolescence of stock	22.1	(2,189,070)	(2,189,070)
		<u>84,461,760</u>	<u>80,613,844</u>
22.1 Provision for obsolescence of stock			
Opening balance		2,189,069	2,189,069
Provision for the year		-	-
		<u>2,189,069</u>	<u>2,189,069</u>
Less: Obsolete stocks written off		-	-
		<u>2,189,069</u>	<u>2,189,069</u>

22.2 Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.

23 STOCK-IN-TRADE

	Note	2021 Rupees	2020 Rupees
Raw materials		294,183,083	261,692,586
Materials in transit		27,384,534	42,143,564
Work-in-process		85,445,820	69,305,970
Finished goods		205,731,863	252,998,539
		<u>612,745,300</u>	<u>626,140,659</u>
Less: Provision for obsolescence of stock	23.1	(18,593,562)	(15,719,039)
		<u>594,151,738</u>	<u>610,421,620</u>



23.1 Provision for obsolescence of stock	Note	2021 Rupees	2020 Rupees
Opening balance		15,719,039	14,934,796
Provision for the year	31	2,874,523	784,243
		18,593,562	15,719,039
Less: Obsolete stocks written off		-	-
		18,593,562	15,719,039

23.2 Stocks are under charge by way of hypothecation as security against financing obtained from banks (refer to Note 8 and 14).

24 TRADE RECEIVABLES		2021 Rupees	2020 Rupees
Local - (Unsecured - considered good)		588,214,170	356,309,595
Local - (Unsecured - considered doubtful)		107,447,013	101,225,313
Foreign - (Unsecured - considered good)		4,869,240	9,757,130
		700,530,423	467,292,038
Less: Loss allowance	24.1	(107,447,013)	(101,225,313)
		593,083,410	366,066,725
24.1 Loss allowance			
Opening balance		101,225,313	101,225,313
Loss allowance for the year	31	6,221,700	-
		107,447,013	101,225,313
Less: Bad debts written off		-	-
		107,447,013	101,225,313

25 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		2021 Rupees	2020 Rupees
Advances:			
- to employees - considered good	25.1	131,081	1,533,252
- to suppliers			
- Considered good		37,361,075	54,337,330
- Considered doubtful		575,685	575,685
		38,067,841	56,446,267
Security deposits		5,235,631	5,350,631
Margins held by bank		2,028,613	3,628,540
Claim receivable		235,223	655,316
Prepayments		4,546,961	327,976
Current portion of loans to employees-considered good	21	155,980	164,220
Current portion of long term prepayments	20.1	20,093,762	17,033,827
Current portion of recoverable from employees	20.2	899,332	349,953
		71,263,343	83,956,730
Less: Provision for doubtful advances	25.2	(575,685)	(575,685)
		70,687,658	83,381,045

- 25.1 These advances are extended to employees and executives against salary and for expenses. This does not include any amount due from directors (2020: Nil). These balances are secured against employees' retirement benefit balances.

	Note	2021 Rupees	2020 Rupees
25.2 Provision for doubtful advances			
Opening balance		575,685	575,685
Add: Provision for the year	31	-	-
		<u>575,685</u>	<u>575,685</u>

26 CASH AND BANK BALANCES

	Note	2021 Rupees	2020 Rupees
Cash in hand		1,045,760	1,094,228
Cash at bank - in current accounts		39,580,097	42,855,729
		<u>40,625,857</u>	<u>43,949,957</u>

27 REVENUE

	Note	2021 Rupees	2020 Rupees
Gross revenue:			
- Local		2,391,245,465	1,834,961,323
- Export		34,362,279	42,118,019
		<u>2,431,193,879</u>	<u>1,852,259,498</u>
Less: Sales tax		(348,245,287)	(267,987,948)
Less: Trade discounts		(38,922)	(332,767)
Less: Late delivery charges / liquidity damages		(41,866,738)	(10,725,766)
Net sales		<u>2,035,456,797</u>	<u>1,598,032,861</u>

28 COST OF REVENUE

	Note	2021 Rupees	2020 Rupees
Raw and packing materials consumed		724,957,865	497,696,602
Salaries, wages and benefits	28.1	314,252,356	294,591,809
Power and gas		195,034,844	234,335,239
Stores and spares consumed		59,282,554	48,462,232
Testing and inspection		40,703,406	38,588,221
Travelling and conveyance		69,856,404	61,329,427
Rent, rates and taxes		2,849,033	3,015,087
Repairs and maintenance		4,517,940	3,905,573
Entertainment		1,546,789	2,065,767
Insurance		3,226,869	2,994,323
Ijarah rentals	28.2	2,962,536	2,422,448
Communication and stationery		1,871,424	1,373,886
Vehicle maintenance		806,321	794,784
Miscellaneous		61,680	80,560
Depreciation	17.1.1	96,900,699	74,613,384
		<u>1,518,830,720</u>	<u>1,266,269,342</u>



	Note	2021 Rupees	2020 Rupees
Work in process			
- Opening work in process		69,305,970	51,773,493
- Closing work in process		(85,445,820)	(69,305,970)
		(16,139,850)	(17,532,477)
Cost of goods manufactured		1,502,690,870	1,248,736,865
Finished goods			
- Opening finished goods		252,998,539	222,721,841
- Closing finished goods		(205,731,863)	(252,998,539)
		47,266,676	(30,276,698)
		1,549,957,546	1,218,460,167

28.1 This includes provision for gratuity expense amounting to Rs. 11.621 million (2020: Rs. 11.094 million).

28.2 The Company has entered into ijarah agreements with a Modaraba for machinery. Under the agreement, the term of Ijarah is 5 years and payments of Rs. 257,161 are payable monthly.

29 ADMINISTRATIVE EXPENSES

	Note	2021 Rupees	2020 Rupees
Salaries, wages and benefits	29.1	66,465,063	57,390,130
Communication and stationery		1,967,217	1,791,370
Travelling		3,484,036	4,527,095
Rent, rates and taxes	29.2	-	1,716,551
Legal and professional charges		4,807,283	6,252,058
Fees and subscription		2,398,182	2,248,158
Vehicle maintenance		1,559,689	516,707
Utilities		1,039,161	912,332
Insurance		212,149	212,149
Repairs and maintenance		752,751	442,034
Computer charges		216,960	583,344
Security charges		4,588	203,599
Miscellaneous		161,061	149,861
Entertainment		895,542	1,036,569
Depreciation on owned assets	17.1.1	383,768	263,366
Depreciation on right of use assets	17.2	2,757,252	220,716
Amortization	19.1	278,750	278,750
		87,383,452	78,744,789

29.1 This includes provision for gratuity expense amounting to Rs. 3.973 million (2020: Rs. 4.169 million).

29.2 This represents expense relating to short term leases.

30 SELLING AND DISTRIBUTION EXPENSES

	Note	2021 Rupees	2020 Rupees
Handling, freight and transportation		19,740,438	17,408,654
Salaries, wages and benefits	30.1	7,186,255	6,651,809
Travelling		2,368,870	3,999,277
Insurance		178,886	177,074
Vehicle maintenance		296,142	176,001
Rent, rates and taxes	30.2	-	93,727
Communication		215,654	228,218
Advertisement and sales promotion		1,923,977	1,516,906
Entertainment		396,772	572,803
Miscellaneous		559	51,872
		32,307,553	30,876,341

30.1 This includes provision for gratuity expense amounting to Rs. 0.755 million (2020: Rs. 0.791 million).

30.2 This represents expense relating to short term leases.

31 OTHER OPERATING EXPENSES

	Note	2021 Rupees	2020 Rupees
Auditor's remuneration:			
- statutory audit		950,000	908,000
- half yearly review		300,000	275,000
		1,250,000	1,183,000
Exchange loss		233,498	-
Workers' (profit) participation fund	12.3	15,055,567	8,801,775
Interest on workers' (profit) participation fund	12.3	580,942	-
Workers' welfare fund	12.4	5,709,497	4,155,413
Provision for expected credit loss allowance	24.1	6,221,700	-
Provision for obsolescence of stock in trade	23.1	2,874,523	784,243
		31,925,727	14,924,431

32 OTHER INCOME

	Note	2021 Rupees	2020 Rupees
Exchange gain		426,172	1,615,022
Gain on disposal of non-current assets held for sale		-	329,515
Gain on disposal of property, plant and equipment		250,228	-
Effect of discounting of interest free loans	8.2	2,610,984	2,370,583
Amortisation of government grant		2,715,507	-
Rental income		8,639,238	42,624
Liabilities written back		2,358,118	623,543
Fair value gain on investment properties	18	16,389,218	-
Miscellaneous income		15,257	448,132
		33,404,722	5,429,419



33 FINANCE COST

	Note	2021 Rupees	2020 Rupees
Short term borrowings from banking companies		34,379,330	42,643,050
Short term borrowings from associated companies / related parties		16,497,922	27,098,384
Unwinding of discount on interest free loans	8.2	20,976,820	13,952,845
Long term financing from banking companies		7,041,326	5,963,026
Commission on bank guarantees		5,047,540	4,937,898
Interest on lease liabilities	9	870,256	82,956
Discontinued provident fund	10.1	56,852	113,704
Bank charges		2,651,863	2,586,370
		87,521,909	97,378,233

34 TAXATION

	Note	2021 Rupees	2020 Rupees
Current		47,197,993	29,007,682
Prior year adjustment		1,114,084	-
Deferred	11.1	48,312,077 29,525,158	29,007,682 16,171,674
		77,837,235	45,179,356

34.1 RELATIONSHIP BETWEEN TAX EXPENSE AND ACCOUNTING PROFIT

Profit before taxation		279,765,332	163,078,319
Tax at the applicable rate of 29% (2020: 29%)		81,131,946	47,292,713
Tax effect of amounts that are:			
Taxable under final tax regime		1,547,526	(2,261,909)
Not deductible for tax purposes		42,914,895	33,804,942
Deductible for tax purposes but not taken to the statement of profit or loss		(79,916,816)	(48,233,785)
Prior year adjustment		1,114,084	-
Impact of tax credit / minimum tax		1,520,442	(1,594,279)
Deferred tax		29,525,158	16,171,674
		77,837,235	45,179,356

35 EARNINGS PER SHARE

	2021	2020
Earnings for the year attributable to ordinary shareholders Rupees	201,928,097	117,898,963
Weighted average number of ordinary shares outstanding during the year Numbers	35,000,000	35,000,000
Earnings per share - Basic and diluted Rupees	5.77	3.37

35.1 Diluted earnings per share

There is no dilution effect on the earnings per share of the Company as the Company does not have any convertible instruments in issue as at June 30, 2021 and June 30, 2020 which would have any effect on the earnings per share if the option to convert is exercised.

36 CASH GENERATED FROM OPERATIONS

	Note	2021 Rupees	2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		279,765,332	163,078,319
Adjustment for:			
- Depreciation		97,284,467	74,876,750
- Depreciation on right of use assets		2,757,252	220,716
- Amortization		278,750	278,750
- Provision for gratuity		16,349,442	16,053,677
- Workers' (profit) participation fund		15,055,567	8,801,775
- Interest on workers' (profit) participation fund		580,942	
- Workers' welfare fund		5,709,497	4,155,413
- Markup payable to employees against discontinued provident fund		56,852	113,704
- Amortisation of government grant		(2,715,507)	-
- Provision for expected credit loss allowance		6,221,700	-
- Provision for obsolescence of stock in trade		2,874,523	784,243
- Gain on disposal of property, plant and equipment		(250,228)	-
- Interest on lease liabilities		870,256	82,956
- Gain on disposal of non-current assets held for sale		-	(329,515)
- Liabilities written back		(2,358,118)	(623,543)
- Effect of discounting of interest free loans		(2,610,984)	(2,370,583)
- Exchange gain		(426,172)	(1,615,022)
- Exchange loss		233,498	-
- Rental income		(8,639,238)	-
- Fair value gain on investment properties		(16,389,218)	-
- Unwinding of discount on interest free loans		20,976,820	13,952,845
- Finance cost		66,488,237	83,311,684
		202,348,338	197,693,850
Operating profit before working capital changes		482,113,670	360,772,169
(Increase) / decrease in current assets			
- Stores, spares and loose tools		(37,483,772)	(20,399,617)
- Stock in trade		13,395,359	(161,422,376)
- Trade receivables		(232,812,213)	169,080,818
- Advances, deposits, prepayments and other receivables		16,294,461	(7,436,235)
Increase / (decrease) in current liabilities			
- Trade and other payables		45,665,912	(14,492,000)
		(194,940,253)	(34,669,410)
Cash generated from operations		287,173,417	326,102,759

37. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	As at June 30, 2020 Rupees	Non-cash changes Rupees	Cash flows (Net) Rupees	As at June 30, 2021 Rupees
Long term financing - net	275,580,018	14,289,884	(84,552,832)	205,317,070
Short term borrowings - net	547,187,306	-	103,459,611	650,646,917
Lease liabilities	8,028,743	1,187,196	(3,570,941)	5,644,998
	830,796,067	15,477,080	15,335,838	861,608,985



	As at June 30, 2018	Non-cash changes	Cash flows (Net)	As at June 30, 2020
	Rupees	Rupees	Rupees	Rupees
Long term financing - net	303,939,605	11,582,262	(39,941,849)	275,580,018
Short term borrowings - net	614,434,005	-	(67,246,699)	547,187,306
	918,373,610	11,582,262	(107,188,548)	822,767,324

38. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Aggregate amounts charged in the financial statements for the year as remuneration and benefits to the chief executive, full time working directors and other executives of the company are as follows:

	Chief Executive Officer		Executive Directors		Non-Executive Directors		Executives		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Rupees		Rupees		Rupees		Rupees		Rupees	
Managerial remuneration	8,700,408	8,093,400	8,865,408	8,059,464	-	-	6,401,070	4,015,952	23,966,886	20,168,816
House rent allowance	3,915,180	3,642,030	3,989,424	3,626,759	-	-	1,389,582	701,573	9,294,186	7,970,362
Utilities	1,556,762	1,063,023	1,071,236	1,699,923	-	-	398,862	239,905	3,026,860	3,002,851
Gratuity	-	-	2,137,048	973,852	-	-	476,796	201,378	2,613,844	1,175,230
Medical expenses	398,394	318,651	1,773,018	1,333,712	-	-	163,012	125,890	2,334,424	1,778,253
Meeting fee	-	-	-	-	210,000	-	-	-	210,000	-
Reimbursable expenses	1,649,007	1,028,456	4,228,646	4,291,326	-	-	670,547	254,271	6,548,200	5,574,053
	16,219,751	14,145,560	22,064,780	19,985,036	210,000	-	9,499,869	5,538,969	47,994,400	39,669,565
Number of persons	1	1	2	2	8	8	3	2	14	13

38.1 An executive is defined as an employee, other than the Chief Executive Officer and directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

38.2 The Company provides the Chief Executive Officer and certain directors and executives with company maintained vehicles, residential telephone expenses, reimbursable club expenses, and staff salaries.

39. TRANSACTION WITH RELATED PARTIES

Related parties comprise associated companies, related group companies, directors of the Company and their close relatives, companies where directors also hold directorship, key management personnel and post employment benefit plans. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that Company. The Company in the normal course of business carries out transactions with various related parties. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Transactions during the year

Related party	Relationship	Nature of transaction	2021 Rupees	2020 Rupees
Associated Engineers (Private) Limited	Associated company	Loan term financing obtained	-	4,000,000
		Conversion of interest bearing to interest free	-	7,396,095
EMCO Industries Limited Provident Fund	Associated undertaking	Principal repaid	48,450,000	45,741,070
The Imperial Electric Company (Private) Limited	Associated company	Rent expense	-	1,978,748
		Short term borrowings received	27,500,000	-
		Short term borrowings repaid	27,500,000	-
		Conversion of interest bearing to interest free	-	1,985,640
		Payment of rent expense	3,570,941	992,248
ICC (Private) Limited	Associated company	Short term borrowings obtained	5,000,000	143,700,000
		Short term borrowings repaid	5,000,000	143,700,000
		Markup on short term borrowings	15,534,253	23,553,102
		Markup paid on short term borrowings	20,681,152	22,512,069
		Conversion of interest free to interest bearing	-	80,750,000
		Payments made on behalf of the Company	1,760,023	-
		Payments received from the Company	1,612,491	-
Nur Enterprises	Associated undertaking	Short term borrowings repaid	-	1,037,484
Directors and close family members	Associated persons	Short term borrowings obtained	306,350,000	429,810,009
		Short term borrowings repaid	344,832,481	507,998,296
		Markup on short term borrowings accrued	963,669	3,545,282
		Markup on short term borrowings paid	986,270	4,332,344
Executives / Key management personnel		Long term loan received back during the year	120,000	60,000

Outstanding Balance as at the year end

		2021 Rupees	2020 Rupees
Associated Engineers (Private) Limited	Long term financing - interest free	27,335,447	27,335,447
	Mark-up on long term financing	6,391,541	6,391,541
EMCO Industries Limited Provident Fund	Long term financing	100,529,818	148,979,818
The Imperial Electric Company (Private) Limited	Long term financing - interest free	2,615,692	2,615,692
	Markup on long term financing	2,343,326	2,343,326
	Payable against rent	5,644,998	8,028,743
	Other payable	239,749	21,119
ICC (Private) Limited	Short term borrowing - interest bearing	155,750,000	155,750,000
	Markup on borrowing	3,453,840	8,600,739
	Other payable	117,988	-
	Advance given	-	29,544
Directors and close family members	Sponsors' loan	115,708,828	115,708,828
	Short term borrowing	54,325,744	92,808,225
	Markup on short term borrowing	620,540	643,141
Executives / Key management personnel	Long term loan receivable	580,000	700,000



40 FINANCIAL RISK MANAGEMENT

40.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on having cost efficient funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

Risk management is carried out by the Company's finance department under policies approved by the senior management.

(a) Market risk

(i) Currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

This exists due to the Company's exposure resulting from outstanding import and export payments.

At June 30, 2021, if Pakistani Rupee had weakened / strengthened by 1% against the US dollars with all other variables held constant, pre-tax profit for the year would have been lower / higher by Rs. 0.05 million (2020: Rs. 1.57 million), mainly as a result of foreign exchange losses / gains on translation of US dollar-denominated financial assets and liabilities.

(ii) Interest rate risk

Interest rate risk is 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's interest rate risk arises from short and long-term borrowings. These are benchmarked to variable rates which expose the Company to cash flow interest rate risk. The Company analyses its interest rate exposure on a regular basis by monitoring interest rate trends and taking into consideration refinancing, renewal of existing positions, alternative financing and hedging etc.

As the Company has no significant floating interest rate assets, the Company's income is substantially independent of changes in market interest rates.

The interest rate profile of the Company's interest-bearing financial instruments as at the reporting date is as follows:

	2021 Rupees	2020 Rupees
Fixed rate instruments		
Financial liabilities	87,796,143	71,444,494
Floating rate instruments		
Financial liabilities	615,053,985	525,566,374

Cash flow sensitivity analysis for variable rate instruments

As at June 30, 2021, if interest rates on the Company's borrowings had been 1% higher / lower with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 6.15 million (2020: Rs. 5.3 million), mainly as a result of interest exposure on variable rate borrowings.

(iii) Other price risk

Other price risk is 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 currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company is not exposed to any market price risk.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Credit risk of the Company arises from deposits with banks, trade receivables and other receivables. The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The utilization of credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings, if any. As at June 30, 2021, the maximum exposure to credit risk is equal to the carrying amount of the financial assets as detailed below:

	Note	2021 Rupees	2020 Rupees
Long term loans	21	702,010	894,340
Long term deposits		3,751,900	3,751,900
Trade receivables	24	593,083,410	366,066,725
Security deposits	25	5,235,631	5,350,631
Margins held by bank	25	2,028,613	3,628,540
Claim receivable	25	235,223	655,316
Bank balances	26	39,580,097	42,855,729
The aging of trade receivables as at the reporting date is as follows:			
Past due 1 - 90 days		480,386,323	284,961,488
Past due 91 - 180 days		58,489,457	1,719,474
Past due 181 - 365 days		17,510,747	40,774,730
More than 365 days		36,696,883	38,611,033
		593,083,410	366,066,725

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. The credit risk on liquid funds is limited because most of the counter parties are public sector power distribution companies (DISCOs), thereby, expected credit loss rate for receivables from these DISCOs is estimated as Nil. The Company believes that it is not exposed to major concentration of credit risk as its exposure is spread over a large number of counter parties which mostly include public sector power companies where shareholding is with the Governments.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Company does not hold collateral as security. The letters of credit are considered integral part of foreign trade receivables and considered in the calculation of impairment.



The Company evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and operate in largely independent markets. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings and DISCOs.

The management estimates the recoverability of trade receivables on the basis of financial position and past history of its customers based on the objective evidence that it shall not receive the amount due from the particular customer. The provision is written off by the Company when it expects that it cannot recover the balance due. Any subsequent repayments in relation to amounts written off are credited directly to the statement of profit or loss account.

The credit quality of bank balances 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 Short term	Rating Long term	Rating Agency	2021 Rupees	2020 Rupees
Allied Bank Limited	A1+	AAA	PACRA	1,582,330	38,481,701
Askari Bank Limited	A1+	AA+	PACRA	7,913	145,015
Bank Alfalah Limited	A1+	AA+	PACRA	14,024	21,796
The Bank of Punjab	A1+	AA+	PACRA	137,703	605,650
Faysal Bank Limited	A1+	AA	PACRA	80,156	8,354
Habib Bank Limited	A-1+	AAA	JCR-VIS	3,167,911	234,346
MCB Bank Limited	A1+	AAA	PACRA	47,612	2,455,581
National Bank of Pakistan	A1+	AAA	PACRA	97,603	188,451
Silk Bank Limited	A-2	A-	JCR-VIS	292,113	511,887
The Bank of Khyber	A1	A	PACRA	2,332	-
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	33,745,168	100,000
United Bank Limited	A-1+	AAA	JCR-VIS	405,232	102,948
				39,580,097	42,855,729

(c) Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to dynamic nature of the business, the Company maintains flexibility in funding by maintaining committed credit lines available. The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

Description	Carrying Amount Rupees	Contractual cash flows Rupees	Within 1 year Rupees	1-2 Years Rupees	2-5 Years Rupees	Above 5 Years Rupees
Contractual maturities of financial liabilities as at June 30, 2021:						
Long term financing	205,317,070	240,043,754	76,650,217	66,863,719	96,529,818	-
Creditors and accrued liabilities	228,645,771	228,645,771	228,645,771	-	-	-
Accrued finance cost	23,147,424	23,147,424	23,147,424	-	-	-
Lease liabilities	5,644,998	6,336,937	3,306,228	3,030,709	-	-
Discontinued provident fund payable	715,551	715,551	715,551	-	-	-
Short term borrowings	650,646,917	650,646,917	650,646,917	-	-	-
	1,114,117,731	1,149,536,354	983,112,108	69,894,428	96,529,818	-

Description	Carrying Amount Rupees	Contractual cash flows Rupees	Within 1 year Rupees	1-2 Years Rupees	2-5 Years Rupees	Above 5 Years Rupees
Contractual maturities of financial liabilities as at June 30, 2020:						
Long term financing	275,580,018	347,975,701	62,540,565	118,029,543	119,405,593	48,000,000
Creditors and accrued liabilities	183,765,807	183,765,807	183,765,807	-	-	-
Lease liabilities	8,028,743	9,529,668	3,441,269	3,176,556	2,911,843	-
Discontinued provident fund payable	4,632,632	4,632,632	-	4,632,632	-	-
Accrued finance cost	26,626,525	26,626,525	26,626,525	-	-	-
Short term borrowings	547,187,306	547,187,306	547,187,306	-	-	+
	<u>1,045,821,031</u>	<u>1,119,717,639</u>	<u>823,561,472</u>	<u>125,838,731</u>	<u>122,317,436</u>	<u>48,000,000</u>

(d) Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. Fair value is determined on the basis of objective evidence at each reporting date. The management assessed that the fair values of financial assets and financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

40.2 Financial instruments by categories

	At fair value through profit or loss Rupees	At amortized cost Rupees	At fair value through other comprehensive income Rupees	Total Rupees
Financial assets as at June 30, 2021				
Long term loans	-	702,010	-	702,010
Long term deposits	-	3,751,900	-	3,751,900
Trade receivables	-	593,083,410	-	593,083,410
Security deposits	-	5,235,631	-	5,235,631
Margins held by bank	-	2,028,613	-	2,028,613
Claim receivable	-	235,223	-	235,223
Cash and bank balances	-	40,625,857	-	40,625,857
	-	<u>645,662,644</u>	-	<u>645,662,644</u>
Financial assets as at June 30, 2020				
Long term loans	-	894,340	-	894,340
Long term deposits	-	3,751,900	-	3,751,900
Trade receivables	-	366,066,725	-	366,066,725
Security deposits	-	5,350,631	-	5,350,631
Margins held by bank	-	3,628,540	-	3,628,540
Claim receivable	-	655,316	-	655,316
Cash and bank balances	-	43,949,957	-	43,949,957
	-	<u>424,297,409</u>	-	<u>424,297,409</u>



	2021 Rupees	2020 Rupees
Financial liabilities at amortized cost		
Long term financing	205,317,070	275,580,018
Creditors and accrued liabilities	228,645,771	183,765,807
Accrued finance cost	23,147,424	26,626,525
Lease liabilities	5,644,998	8,028,743
Payable to employees against discontinued provident fund	715,551	4,632,632
Short term borrowings	650,646,917	547,187,306
	1,114,117,731	1,045,821,031

41 SHARIAH SCREENING DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

	2021 Rupees	2020 Rupees
Loans / advances obtained as per Islamic mode		
Shariah compliant bank deposits / bank balances	-	-
Profit earned from shariah compliant bank deposits / bank balances	-	-
Revenue earned from a shariah compliant business segment	2,035,456,797	1,598,032,861
Gain / loss or dividend earned from shariah compliant investments	-	-
Shariah compliant exchange gain earned	-	-
Mark up paid on Islamic mode of financing	-	-
Profits earned on any conventional loan or advance	-	-
Interest paid on any conventional loan or advance	69,967,338	83,240,883

42 CAPITAL RISK MANAGEMENT

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stake holders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

In line with the norms, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non current and excluding sponsors' loans) less cash and cash equivalents. Total capital is calculated as equity as shown in the statement of financial position plus net debt. As at the reporting date, the gearing ratio of the Company was worked out as under:

	2021 Rupees	2020 Rupees
Borrowings	887,656,829	868,750,050
Cash and bank balances	(40,625,857)	(43,949,957)
Net debt	847,030,972	824,800,093
Equity	2,071,098,327	1,473,576,692
Total capital employed	2,918,129,299	2,298,376,785
Gearing ratio	29.03%	35.89%

43. PLANT CAPACITY AND PRODUCTION

	Capacity 2021	2020	Total Production 2021	2020
Insulators - tons	5,000	5,000	4,794	4,198

43.1 The Gap in actual production and capacity available is due to production of different product mix.

44 PROVIDENT FUND RELATED DISCLOSURES

The Company operated a recognized provident fund for all its permanent workers that was discontinued effective from March 06, 2018 pursuant to a rescheduling agreement between the Company and the Trustees of the fund as detailed in note 8.6.

Owing to its working capital needs, the Company has utilized funds of the Provident Fund (the Fund). Except for the this, the investments of the 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.

45 NUMBER OF EMPLOYEES	2021 Number	2020 Number
Number of employees as at June 30,	462	455
Average number of employees during the year	453	463

46 SUBSEQUENT EVENTS


The Board of Directors of the Company has proposed a final cash dividend for the year ended June 30, 2021 of Rs. 1 (2020: Rs. Nil) per share amounting to Rs. 35 million (2020: Rs. Nil) for approval of members at the Annual General Meeting. These financial statements do not include the effect of the above which will be accounted for in the year in which it is approved.

47 AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were approved and authorized for issue on August 12, 2021 by the Board of Directors of the Company.

48 CORRESPONDING FIGURES

Corresponding figures are rearranged for better presentation and comparison. No material re-arrangement has been made in these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER





PATTERN OF SHARE HOLDING

AS ON JUNE 30, 2021

No. of Shareholders	Shareholding		Total Shares Held
	From	To	
141	1	100	3,334
302	101	500	81,021
88	501	1,000	76,674
156	1,001	5,000	393,661
50	5,001	10,000	401,234
16	10,001	15,000	203,486
8	15,001	20,000	143,379
5	20,001	25,000	106,022
3	25,001	30,000	85,750
2	30,001	35,000	62,815
1	35,001	40,000	39,500
2	40,001	45,000	81,304
3	45,001	50,000	145,931
3	65,001	70,000	208,519
1	70,001	75,000	75,000
1	95,001	100,000	100,000
1	105,001	110,000	107,500
1	120,001	125,000	125,000
1	125,001	130,000	125,811
1	130,001	135,000	132,582
2	135,001	140,000	279,400
1	170,001	175,000	174,000
1	175,001	180,000	177,125
1	205,001	210,000	205,500
1	225,001	230,000	228,052
1	275,001	280,000	276,902
1	290,001	295,000	291,777
1	395,001	400,000	399,378
1	435,001	440,000	436,046
1	530,001	535,000	532,618
1	560,001	565,000	564,063
1	580,001	585,000	581,842
1	635,001	640,000	637,654
1	660,001	665,000	660,492
1	755,001	760,000	756,711
1	760,001	765,000	763,954
1	1,160,001	1,165,000	1,164,915
1	1,195,001	1,200,000	1,200,000
1	1,285,001	1,290,000	1,288,942
1	1,475,001	1,480,000	1,475,634
1	1,825,001	1,830,000	1,829,810
1	2,000,001	2,005,000	2,000,001
1	2,010,001	2,015,000	2,010,575
1	2,105,001	2,110,000	2,109,524
1	2,180,001	2,185,000	2,183,611
1	2,235,001	2,240,000	2,236,739
1	2,400,001	2,405,000	2,401,301
1	2,490,001	2,495,000	2,491,500
1	2,940,001	2,945,000	2,943,411
816			35,000,000

2.3 Categories of Shareholders

	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	14,210,058	40.6002%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	5,535,535	15.8158%
2.3.3 NIT and ICP	1,057	0.0030%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	924	0.0026%
2.3.5 Insurance Companies	12,550	0.0359%
2.3.6 Modarabas and Mutual Funds	229,000	0.6543%
2.3.7 Shareholders holding 10% or more	0	0.0000%
2.3.8 General Public		
a. Local	14,727,048	42.0773%
b. Foreign	3,065	0.0088%
2.3.9 Others (to be specified)		
1- Joint Stock Companies	85,322	0.2438%
2- Pension Funds	76,019	0.2172%
3- Others	119,422	0.3412%

PATTERN OF SHARE HOLDING

AS ON JUNE 30, 2021

CATEGORY OF SHAREHOLDER		HOLDING	% AGE
DIRECTORS, CEO THEIR SPOUSE AND MINOR CHILDREN:			
1	MR. TARIQ REHMAN - (CDC)	132,582	0.3788
2	MR. SUHAIL MANNAN (CDC)	2,183,611	6.2389
3	MR. JAVAID SHAFIQ	291,777	0.8336
	MR. JAVAID SHAFIQ SIDDIQI (CDC)	2,109,524	6.0272
4	MR. PERVAIZ SHAFIQ SIDDIQI (CDC)	2,401,301	6.8609
5	MR. USMAN HAQ (CDC)	1,829,810	5.2280
6	MR SALEM REHMAN (CDC)	436,046	1.2458
	MR SALEM REHMAN (CDC)	763,954	2.1827
7	MR. AHSAN SUHAIL MANNAN (CDC)	2,236,739	6.3907
8	MR. AWAIS NOORANI	20,511	0.0586
9	CH. IMRAN ALI	500	0.0014
10	SYED MUHAMMAD MOHSIN	500	0.0014
11	MRS. AYESHA MUSSADAQUE HAMID	500	0.0014
12	MRS. SHAHIMA REHMAN W/O TARIQ REHMAN	290	0.0008
	MRS. SHAHIMA REHMAN W/O TARIQ REHMAN - (CDC)	399,378	1.1411
13	MRS. NAILA SUHAIL MANNAN W/O SUHAIL MANNAN- (CDC)	228,052	0.6516
14	MRS. FAUZIA JAVAID SIDDIQI W/O JAVAID S. SIDDIQI (CDC)	10,068	0.0288
15	MRS. AMBREEN HAQ W/O USMAN HAQ (CDC)	1,164,915	3.3283
		14,210,058	40.6002
ASSOCIATED COMPANIES:			
1	ASSOCIATED ENGINEERS (PVT) LTD.	2,010,575	5.7445
2	ICC (PVT) LIMITED (CDC)	2,943,411	8.4097
3	THE IMPERIAL ELECTRIC CO PVT LTD (CDC)	532,618	1.5218
4	THE IMPERIAL ELECTRIC COMPANY (PVT.) LIMITED (CDC)	48,931	0.1398
		5,535,535	15.8158
NIT & ICP:			
1	IDBP (ICP UNIT)	1,057	0.0030
		1,057	0.0030
FINANCIAL INSTITUTION:			
1	PAKISTAN INDUSTRIAL CREDIT & INVESTMENT CORP. LTD.	500	0.0014
2	NATIONAL BANK OF PAKISTAN (CDC)	424	0.0012
		924	0.0026
INSURANCE COMPANIES:			
1	GULF INSURANCE COMPANY LIMITED	12,550	0.0359
		12,550	0.0359
MODARABAS & MUTUAL FUNDS:			
1	CDC - TRUSTEE UBL DEDICATED EQUITY FUND (CDC)	12,500	0.0357
2	CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND (CDC)	205,500	0.5871
3	CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND- EQUITY SUB FUND (CDC)	11,000	0.0314
		229,000	0.6543
PENSION FUNDS			
1	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND (CDC)	69,019	0.1972
2	TRUSTEE-ANP MANAGEMENT STAFF PENSION FUND (CDC)	7,000	0.0200
		76,019	0.217





PATTERN OF SHARE HOLDING

AS ON JUNE 30, 2021

SR. #	NAME	HOLDING	% AGE
JOINT STOCK COMPANIES:			
1	MUNIR HOLDING (PVT) LTD.	2,300	0.0066
2	ASIAN SECURITIES LIMITED	49	0.0001
3	NAEEM'S SECURITIES (PVT) LTD.	1,310	0.0037
4	HONDA SOUTH (PRIVATE) LIMITED (CDC)	12,000	0.0343
5	ALI USMAN STOCK BROKERAGE (PVT) LIMITED - (CDC)	150	0.0004
6	AXIS GLOBAL LIMITED - MF (CDC)	1,500	0.0043
7	BAWA SECURITIES (PVT) LTD. - MF (CDC)	4,500	0.0129
8	CLIKTRADE LIMITED - (CDC)	82	0.0002
9	DJM SECURITIES LIMITED (CDC)	5,000	0.0143
10	MAPLE LEAF CAPITAL LIMITED - (CDC)	1	0.0000
11	MRA SECURITIES LIMITED - MF (CDC)	2,000	0.0057
12	MSMANIAR FINANCIALS (PVT) LIMITED - (CDC)	400	0.0011
13	N. U. A. SECURITIES (PRIVATE) LIMITED - MF (CDC)	10,000	0.0286
14	NH SECURITIES (PVT) LIMITED - (CDC)	1,000	0.0029
15	PEARL SECURITIES LIMITED - MF (CDC)	15,000	0.0429
16	WASI SECURITIES (SMC-PVT) LIMITED - (CDC)	30	0.0001
17	ISPI CORPORATION (PRIVATE) LIMITED (CDC)	30,000	0.0857
		85,322	0.2438
OTHERS			
1	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST (CDC)	2,422	0.0069
2	TRUSTEES UBL FUND MANAGERS LTD. EMPLOYEES GRATUITY FUND (CDC)	4,000	0.0114
3	ESSITY PAKISTAN LIMITED EMPLOYEES GRATUITY FUND (CDC)	2,500	0.0071
4	TRUSTEE-ANPL MANAGEMENT STAFF GRATUITY FUND (CDC)	7,000	0.0200
5	PAKISTAN HUMAN DEVELOPMENT FUND (CDC)	69,500	0.1986
6	ESSITY PAKISTAN LIMITED EMPLOYEES PROVIDENT FUND (CDC)	6,500	0.0186
7	GATRON (INDUSTRIES) LIMITED STAFF PROVIDENT FUND (CDC)	6,000	0.0171
8	I2C PAKISTAN (PRIVATE) LIMITED EMPLOYEES PROVIDENT FUND TRUST (CDC)	1,500	0.0043
9	NOVO NORDISK PHARMA (PVT.) LTD. STAFF PROV. FUND (CDC)	5,000	0.0143
10	TRUSTEE-ANPL MANAGEMENT STAFF PROVIDENT FUND (CDC)	8,000	0.0229
11	TRUSTEE-ANPL MAN STAFF DEFINED CONTRIBUTIO SUPERANNUATION FD (CDC)	7,000	0.0200
		119,422	0.3412
	SHARES HELD BY THE GENERAL PUBLIC (LOCAL):	14,727,048	42.0773
	SHARES HELD BY THE GENERAL PUBLIC (FOREIGN):	3,065	0.0088
		14,730,113	42.0860
	TOTAL:	35,000,000	100.0000
SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL:			
S. No.	Name	Holding	% AGE
	NIL		

PATTERN OF SHARE HOLDING

AS ON JUNE 30, 2021

CATEGORY OF SHAREHOLDER		HOLDING	% AGE
SHAREHOLDERS HOLDING 5% OR MORE OF TOTAL CAPITAL:			
S. No.	Name	Holding	% AGE
1	ICC (PVT) LIMITED (CDC)	2,943,411	8.4097
2	MR. MUNAF IBRAHIM (CDC)	2,491,500	7.1186
3	MR. JAVAID SHAFIQ	2,401,301	6.8609
4	MR. PERVAIZ SHAFIQ SIDDIQI (CDC)	2,401,301	6.8609
5	MR. AHSAN SUHAIL MANNAN (CDC)	2,236,739	6.3907
6	MR. SUHAIL MANNAN	2,183,611	6.2389
7	ASSOCIATED ENGINEERS (PVT) LTD.	2,010,575	5.7445
8	MRS. AYESHA NOORANI (1288942+564063)	1,853,005	5.2943
9	MR. USMAN HAQ (CDC)	1,829,810	5.2280
10	MR. MUHAMMAD ZULQARNAIN MAHMOOD KHAN (CDC)	2,000,001	5.7143
		22,351,254	63.8607

All trades in the shares of the listed company, carries out by its Directors, CEO, CFO, Company

Secretary and their spouses and minor children:

S.No	NAME	SALE	PURCHASE
1	MR. AHSAN SUHAIL MANNAN (CDC)	-	287,714
2	MRS. AMINA SUHAIL MANNAN W/O SUHAIL MANNAN - (CDC)	246,312	-



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FORM OF PROXY

I/We
 of being member of EMCO Industries Limited
 and holder Of Ordinary shares as per share Register Folio No.
 and/or CDC Participant I.D.No. and Sub Account No.
 hereby appoint
 of
 or failing him / her
 of

as my/our proxy to vote on my/our behalf at the 66th Annual General Meeting of the Company to be held at ICC House, 2-Chamba House, Golf Road, GOR-1, Lahore on 30th September 2021 at 11:00 A.M. and at any adjournment thereof

Signed this..... day of

.....
 Signature on Revenue Stamp
 (Signature should agree with the specimen
 Signature registered with the Company)

WITNESS 1:

Signature -----

Name -----

Address -----

CNIC #: -----

Passport #:-----

WITNESS 2:

Signature -----

Name -----

Address -----

CNIC #: -----

Passport #:-----

Note:

1. Proxies, in order to be effective must be received by the Company EMCO Industries Limited at its Registered Head Office Address: 4th Floor, National Tower, 28-Egerton Road Lahore, not less than 48 (Forty Eight) hours before the meeting, duly completed in all respects.
2. CDC shareholders and their Proxies are requested to attach an attested photocopy of their National Identity Card or Passport with the proxy form before submission to the Company.

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EMCO INDUSTRIES LIMITED

Head Office:

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Lahore - Pakistan. Tel: (+92 42) 3630 6545 - 6

Fax: (+92 42) 3636 8119

Email: info@emco.com.pk

Factory:

19-km, Lahore Sheikhpura Road,
Lahore - Pakistan

