



**EMCO INDUSTRIES LIMITED**



**INTERIM FINANCIAL INFORMATION (Un-audited)  
FOR THE HALF YEAR ENDED  
DECEMBER 31, 2021**





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## COMPANY PROFILE

### 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   | Member   |

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  
Asad Ullah Khan

### 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.



## DIRECTORS' REPORT

### Dear Shareholders

On behalf of the Board of Directors we pleased to present the performance review of your Company together with the un-audited financial statements for the half-year ended December 31, 2021.

### Operations and Sales Review

The Company produced 2,736 tons during the period under review (July-December 2021) as compared to 2,367 tons of the corresponding period of last year, thereby recording an increase of 15% over the corresponding period. On Account of high demand for its products, EMCO has been aggressively investing in BMR activities to improve output from its core equipments. These activities have boosted production output for the period to 109% of plant rated capacity.

Similarly, the Company improved its operational metrics with a Sale to Production ratio of 103%. More specifically, the Company sold 2,811 tons during the period under review (July-December 2021) as compared to 2,364 tons of the corresponding period of last year. This resulted in net sales of the Company being recorded as Rs.1,237.04 million for the period under review (July- December 2021) as compared to Rs. 920.38 million of the corresponding period of last year, thereby registering a growth of 34.50%.

### Financial Performance

For the period under review (July-December 2021), the Company posted gross profit of Rs. 261.75 million compared to Rs. 243.81 million of the corresponding period of last year. The net operating profit for the period under review (July-December 2021) is recorded at Rs. 185.23 million as compared to Rs. 186.49 million of the corresponding period of last year. The Company experienced some correction in profitability indicators on account of rapid devaluation of the Pakistani Rupee coupled with significant increase in the costs of inputs for Natural Gas, Electricity and POL prices. Similarly, S&D expenses increased to Rs. 26.24 million mainly on account of higher sales volumes and increase in Freight Charges due to higher petroleum prices.

Finance cost for the period under review (July-December 2021) has been stood at Rs. 45.07 million as compared to Rs. 43.37 million of the corresponding period of last year. This may be broadly attributable to the sharp increase in the policy lending rate by the State Bank of Pakistan.

After taking into account financial charges, profit before tax increased to Rs. 143.38 million as compared to profit before tax of Rs. 137.71 million for the corresponding period of last year.

After accounting for tax, the Company has made a net profit of Rs. 104.24 million for the period under review as compared to a profit of Rs. 98.26 million for the corresponding period of last year.

During the period under review, the Company has paid Rs. 61.99 million toward Long Term Loans and there is no overdue against any loans.

#### **Earnings per Share**

The basic earnings per share is reported at Rs. 2.98 as compared to basic earnings per share of Rs. 2.81 of the comparable period of last year. There is no dilution effect on the earnings per share for the period under review and corresponding period of last year.

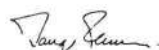
#### **Near Term Outlook**

Going forward, Management of your Company foresees growing demand for Company products. Besides, management has constantly been striving to improve productivity and efficiencies of existing facilities by undertaking aggressive measures, which have started to bear fruit. Management of your Company will endeavor to maintain the performance in ensuing quarter with further enhancement of production output. Management is also exploring capacity enhancement and related business ventures to capitalize on the market trends and improving Financial Metrics of your Company. Whilst the macroeconomic indicators continue to present a key challenge, the Company is confident to continue on its positive trajectory for the foreseeable future.

#### **Acknowledgments**

The Directors wish to acknowledge the devotion of the employees of all cadres and are appreciative of their dedication and commitment. They also extend heartfelt appreciation to the Company's suppliers, customers and bankers for their continued confidence and support.

On behalf of board



**Tariq Rehman**  
Chief Executive Officer  
February 25, 2022  
Lahore



**Ahsan Suhail Mannan**  
Director / Company Secretary



## ڈائریکٹرز رپورٹ

یورڈ آف ڈائریکٹرز کی جانب سے ہمیں 31 دسمبر 2021 کو ختم ہونے والے نصف سال کے لیے غیر آڈٹ شدہ مالیاتی گوشواروں کے ساتھ آپ کی کمپنی کی کارکردگی کا جائزہ پیش کرتے ہوئے خوشی ہو رہی ہے۔

کادربار کی کارکردگی اور سٹیل کا جائزہ:

کمپنی نے زیر جائزہ مدت (جولائی تا دسمبر 2021) کے دوران 2,736 ٹن کی پیداواری جو کہ گزشتہ سال کی اسی مدت میں 2,367 ٹن تھی۔ اس طرح اسی مدت کے مقابلے میں 15 فیصد کا اضافہ ریکارڈ کیا گیا ہے۔ اپنی مصنوعات کی زیادہ طلب کی وجہ سے ایملو اپنے بنیادی آلات سے بہتر پیداوار کو بہتر بنانے کے لیے BMR (بی ایم آر) سرگرمیوں میں کافی سرمایہ کاری کر رہی ہے۔ ان سرگرمیوں نے اس مدت کے لیے پلانٹ کی پیداواری صلاحیت کو بڑھا کر 109 فیصد کر دیا ہے۔

اسی طرح کمپنی کی فروخت پیداوار کا 103 فیصد رہی اور اپنے آپریٹنگ میٹریکس کو بہتر بنایا، مزید خاص طور پر کمپنی نے زیر جائزہ مدت (جولائی تا دسمبر 2021) میں 2,811 ٹن کی فروخت کی جو کہ گزشتہ سال کی اسی مدت میں 2,364 ٹن تھی۔ اس کے نتیجے میں کمپنی کی خالص فروخت زیر جائزہ مدت (جولائی تا دسمبر 2021) بڑھ کر 1,237.04 ملین روپے ہو گئی جو کہ گزشتہ سال اسی مدت میں 920.38 ملین روپے تھی۔ جس میں 34.50 فیصد اضافہ دیکھا گیا۔

مالیاتی کارکردگی:

زیر جائزہ مدت (جولائی تا دسمبر 2021) میں کمپنی نے 261.75 ملین روپے کا مجموعی منافع کمایا جو کہ گزشتہ سال اسی مدت میں 243.81 ملین روپے تھا۔

زیر جائزہ مدت (جولائی تا دسمبر 2021) میں آپریٹنگ منافع 185.23 ملین روپے ریکارڈ کیا گیا۔ جو کہ گزشتہ سال اسی مدت میں 186.49 ملین روپے تھا۔ پاکستانی روپے کی قدر میں تیزی سے کمی کے ساتھ ساتھ ان پٹس (قدرتی گیس، بجلی اور پی او ایل) کی قیمتوں میں نمایاں اضافے کی وجہ سے کمپنی نے منافع کے اشاریوں میں کچھ رو بہدل ہوا۔ اسی طرح فروخت کے اخراجات بڑھ کر 26.24 ملین روپے ہو گئے، جس کی بنیادی وجہ زیادہ فروخت کے حجم اور پیٹرولیم کی قیمتوں میں اضافے کی وجہ سے فریٹ چارجز میں اضافہ ہے۔

زیر جائزہ مدت (جولائی تا دسمبر 2021) میں مالیاتی اخراجات 45.07 ملین روپے رہے ہیں جو کہ گزشتہ سال اسی مدت میں 43.37 ملین روپے تھے۔ اس کی بڑی وجہ اسٹیٹ بینک آف پاکستان کی طرف سے پالیسی ریٹ دینے کی شرح میں تیزی سے اضافہ ہو سکتا ہے۔

مالیاتی اخراجات منہا کرنے کے بعد زیر جائزہ مدت (جولائی تا دسمبر 2021) میں قبل از ٹیکس منافع 143.38 ملین روپے رہا جو کہ گزشتہ سال اسی مدت میں 137.71 ملین روپے تھا۔

ٹیکس کو کٹانے کے بعد کمپنی نے زیر جائزہ مدت (جولائی تا دسمبر 2021) میں 104.24 ملین روپے کا خالص منافع کمایا۔ جو کہ گزشتہ سال اسی مدت میں 98.26 ملین روپے تھا۔

زیر جائزہ مدت کے دوران کمپنی نے طویل مدتی قرضوں کی مد میں 61.99 ملین ادا کیے ہیں۔ اور کوئی قرضہ زائد المیاد نہیں ہے۔

فی شیئر آمدنی:

گزشتہ سال اسی مدت کیلئے بنیادی فی شیئر آمدنی 2.81 روپے کے مقابلے میں زیر جائزہ مدت کی فی شیئر آمدنی 2.98 روپے رپورٹ کی گئی۔ زیر جائزہ مدت اور گزشتہ سال کی اسی مدت کیلئے فی شیئر آمدنی کے کمزور پڑنے کے کوئی آثار نہیں ہیں۔


قریب مدتی منظر نامہ:

آگے بڑھتے ہوئے، آپ کی کمپنی کی انتظامیہ کمپنی کی مصنوعات کی بڑھتی ہوئی مانگ کی پیشین گوئی کرتی ہے۔ اس کے علاوہ، انتظامیہ جارحانہ اقدامات اٹھا کر موجودہ سہولیات کی پیداواری صلاحیت اور افادیت کو بہتر بنانے کے لیے مسلسل کوشاں ہے۔ جس کے ثمرات آنا شروع ہو گئے ہیں۔ آپ کی کمپنی کی انتظامیہ پیداواری حجم میں مزید اضافے کے لیے آنے والی سرمایہ میں کارکردگی کو برقرار رکھنے کی کوشش کرے گی۔ انتظامیہ مارکیٹ کے رجحانات سے فائدہ اٹھانے اور آپ کی کمپنی کے مالیاتی میٹرس کو بہتر بنانے کے لیے صلاحیت میں اضافہ اور متعلقہ کاروباری منصوبوں کی بھی تلاش کر رہی ہے۔ جبکہ میکرو اکنامک اشارے ایک اہم چیلنج پیش کرتے ہیں، کمپنی مستقبل قریب کے لیے اپنی مثبت رفتار کو جاری رکھنے کے لیے پراعتماد ہے۔

اظہار تشکر:

ڈائریکٹرز تمام کیڈرز کے ملازمین کی لگن کو تسلیم کرنا چاہتے اور ان کی لگن اور عزم کی تعریف کرتے ہیں۔ وہ کمپنی کے سپلائرز، صارفین اور بینکاروں کو ان کے مسلسل اعتماد اور تعاون کے لئے ان کی دلی تعریف کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

  
احسن سبیل منان،  
ڈائریکٹر / کمپنی سیکرٹری

  
طارق رحمان،  
چیف ایگزیکٹو آفیسر  
25 فروری، 2022  
لاہور





## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF EMCO INDUSTRIES LIMITED ON REVIEW OF INTERIM FINANCIAL STATEMENTS

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **EMCO Industries Limited** as at December 31, 2021 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures included in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2020 and December 31, 2021 have not been reviewed, as we are required to review only the cumulative figures for half year ended December 31, 2021.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Amin Ali.

LAHORE  
Dated: February 25, 2022  
UDIN: RR2021100516ILqpN2mB

**CROWE HUSSAIN CHAUDHURY & CO.**  
Chartered Accountants



## CONDENSED INTERIM STATEMENT OF FINANCIAL

| Note                                 | (Un-Audited)<br>December 31,<br>2021<br>Rupees  | (Audited)<br>June 30,<br>2021<br>Rupees |
|--------------------------------------|---|---|
| <b>EQUITY AND LIABILITIES</b>        |   |   |
| <b>Share Capital and Reserves</b>    |   |   |
| <b>Authorized share capital</b>      |   |   |
|                                      | 40,000,000 (June 30, 2021: 40,000,000) ordinary shares of Rs. 10 each   | 400,000,000                             |
|                                      | Issued, subscribed and paid up capital<br>35,000,000 (June 30, 2021: 35,000,000) ordinary shares of Rs. 10 each | 350,000,000                             |
|                                      | Reserves  | 382,666,240                             |
|                                      | Sponsors' loan  | 115,708,828                             |
|                                      | Surplus on revaluation of property, plant and equipment 4   | 1,292,026,102                           |
|                                      |   | 2,140,401,170                           |
|                                      |   | 2,071,098,327                           |
| <b>Non Current Liabilities</b>       |   |   |
|                                      | Long term financing 5   | 169,908,424                             |
|                                      | Deferred income - government grant  | -                                       |
|                                      | Lease liabilities   | 1,004,024                               |
|                                      | Deferred liabilities  | 82,818,327                              |
|                                      | Deferred tax liability  | 133,371,658                             |
|                                      | Long term security deposit  | 719,584                                 |
|                                      |   | 387,822,017                             |
|                                      |   | 324,864,776                             |
| <b>Current Liabilities</b>           |   |   |
|                                      | Trade and other payables  | 290,442,968                             |
|                                      | Unclaimed dividends   | 243,677                                 |
|                                      | Accrued finance cost  | 30,531,048                              |
|                                      | Short term borrowings 6   | 676,224,092                             |
|                                      | Current portion of non-current liabilities  | 75,710,711                              |
|                                      |   | 1,073,152,496                           |
|                                      |   | 1,080,085,408                           |
| <b>Contingencies and Commitments</b> |   |   |
|                                      | 7   | -                                       |
|                                      |   | -                                       |
|                                      |   | 3,601,375,683                           |
|                                      |   | 3,476,048,511                           |

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Lahore  
February 25, 2022

  
(Tariq Rehman)  
Chief Executive Officer



## POSITION AS AT DECEMBER 31, 2021

|   | Note | (Un-Audited)<br>December 31,<br>2021<br>Rupees | (Audited)<br>June 30,<br>2021<br>Rupees |
|---|------|--|---|
| <b>ASSETS</b>   |      |  |   |
| <b>Non Current Assets</b>                             |      |  |   |
| Property, plant and equipment                         | 8    | 1,875,890,123                                  | 1,887,889,951                           |
| Investment properties                                 |      | 76,180,763                                     | 76,180,763                              |
| Intangible assets                                     |      | 1,264,295                                      | 1,403,667                               |
| Long term prepayments and other receivables           |      | 37,563,122                                     | 39,308,596                              |
| Long term loans                                       |      | 1,132,290                                      | 546,030                                 |
| Long term deposits                                    |      | 3,751,900                                      | 3,751,900                               |
|   |      | 1,995,782,493                                  | 2,009,080,907                           |
| <b>Current Assets</b>                                 |      |  |   |
| Stores, spares and loose tools                        |      | 91,498,498                                     | 84,461,760                              |
| Stock in trade  |      | 626,123,126                                    | 594,151,738                             |
| Trade receivables                                     |      | 703,206,311                                    | 593,083,410                             |
| Advances, deposits, prepayments and other receivables |      | 85,478,329                                     | 70,687,658                              |
| Income tax refundable from the Government             |      | 83,783,450                                     | 83,957,181                              |
| Cash and bank balances                                |      | 15,503,476                                     | 40,625,857                              |
|   |      | 1,605,593,190                                  | 1,466,967,604                           |
|   |      | 3,601,375,683                                  | 3,476,048,511                           |

  
(Ahsan Suhail Mannan)  
Director

  
(Riaz Ahmed)  
Chief Financial Officer

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

|   | Note | Half Year Ended December 31, |                    | Quarter Ended December 31, |                    |
|---|------|------------------------------|--------------------|----------------------------|--------------------|
|   |      | 2021<br>Rupees               | 2020<br>Rupees     | 2021<br>Rupees             | 2020<br>Rupees     |
| Revenue                                       |      | 1,237,043,449                | 920,379,874        | 690,355,194                | 457,495,157        |
| Cost of revenue                               | 9    | (975,293,074)                | (676,573,991)      | (564,030,283)              | (339,392,047)      |
| <b>Gross Profit</b>                           |      | <b>261,750,375</b>           | <b>243,805,883</b> | <b>126,324,911</b>         | <b>118,103,110</b> |
| Administrative expenses                       |      | (50,279,601)                 | (42,446,784)       | (24,818,913)               | (20,126,321)       |
| Selling and distribution expenses             |      | (26,236,584)                 | (14,864,864)       | (18,033,006)               | (7,390,300)        |
|   |      | (76,516,185)                 | (57,311,648)       | (42,851,919)               | (27,516,621)       |
| <b>Operating Profit</b>                       |      | <b>185,234,190</b>           | <b>186,494,235</b> | <b>83,472,992</b>          | <b>90,586,489</b>  |
| Other operating expenses                      |      | (11,452,144)                 | (14,414,688)       | (5,881,744)                | (11,062,686)       |
| Other income                                  |      | 14,672,475                   | 8,998,495          | 5,866,034                  | 8,808,899          |
| Finance cost                                  |      | (45,073,593)                 | (43,372,391)       | (25,772,196)               | (22,863,369)       |
| <b>Profit before taxation</b>                 |      | <b>143,380,928</b>           | <b>137,705,651</b> | <b>57,685,086</b>          | <b>65,469,333</b>  |
| Taxation                                      |      | (39,139,633)                 | (39,445,638)       | (14,781,492)               | (27,386,312)       |
| <b>Net profit for the period</b>              |      | <b>104,241,295</b>           | <b>98,260,013</b>  | <b>42,903,594</b>          | <b>38,083,021</b>  |
| <b>Earnings per share - basic and diluted</b> |      | <b>2.98</b>                  | <b>2.81</b>        | <b>1.23</b>                | <b>1.09</b>        |

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Lahore  
February 25, 2022

  
(Tariq Rehman)  
Chief Executive Officer

  
(Ahsan Suhail Mannan)  
Director

  
(Riaz Ahmed)  
Chief Financial Officer



## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

|   | Half Year Ended December 31, |                   | Quarter Ended December 31, |                   |
|---|------------------------------|-------------------|----------------------------|-------------------|
|   | 2021<br>Rupees               | 2020<br>Rupees    | 2021<br>Rupees             | 2020<br>Rupees    |
| <b>Net profit for the period</b>                      | 104,241,295                  | 98,260,013        | 42,903,594                 | 38,083,021        |
| <b>Other comprehensive income</b>                     |                              |                   |                            |                   |
| Items that will not be reclassified to profit or loss | -                            | -                 | -                          | -                 |
| Items that may be reclassified to profit or loss      | -                            | -                 | -                          | -                 |
| <b>Total comprehensive income for the period</b>      | <u>104,241,295</u>           | <u>98,260,013</u> | <u>42,903,594</u>          | <u>38,083,021</u> |

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Lahore  
February 25, 2022  
  
(Tariq Rehman)  
Chief Executive Officer

  
(Ahsan Suhail Mannan)  
Director

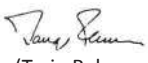
  
(Riaz Ahmed)  
Chief Financial Officer

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

| Particulars  | Issued,<br>Subscribed<br>and Paid<br>up Capital<br>Rupees | Reserves   |                              |  | Total<br>Reserves<br>Rupees | Sponsors'<br>Loan<br>Rupees | Surplus<br>on revaluation<br>of property,<br>plant and<br>equipment<br>Rupees | Total<br>Rupees      |
|--|---|--|------------------------------|--|-----------------------------|-----------------------------|---|----------------------|
|  |   | Capital<br>Share<br>Premium<br>Reserve<br>Rupees | General<br>Reserve<br>Rupees | Accumulated<br>(Loss) / Profit<br>Rupees |                             |                             |   |                      |
| <b>Balance as at<br/>June 30, 2020</b>   | <b>350,000,000</b>  | <b>39,898,526</b>                                | <b>90,000,000</b>            | <b>(48,166,062)</b>                      | <b>81,732,464</b>           | <b>115,708,828</b>          | <b>926,135,400</b>  | <b>1,473,576,692</b> |
| Net profit for<br>the period   | -   | -  | -                            | 98,260,013                               | 98,260,013                  | -                           | -   | 98,260,013           |
| Other comprehensive<br>income for the period   | -   | -  | -                            | -  | -                           | -                           | -   | -                    |
| Total Comprehensive<br>income for the period   | -   | -  | -                            | 98,260,013                               | 98,260,013                  | -                           | -   | 98,260,013           |
| Incremental<br>depreciation for<br>the period on<br>surplus on<br>revaluation of<br>property, plant and<br>equipment-net | -   | -  | -                            | 10,461,801                               | 10,461,801                  | -                           | (10,461,801)  | -                    |
| Effect of change in<br>effective tax rate  | -   | -  | -                            | -  | -                           | -                           | (1,840,572)   | (1,840,572)          |
| <b>Balance as at<br/>December<br/>31, 2020</b>   | <b>350,000,000</b>  | <b>39,898,526</b>                                | <b>90,000,000</b>            | <b>60,555,752</b>                        | <b>190,454,278</b>          | <b>115,708,828</b>          | <b>913,833,027</b>  | <b>1,569,996,133</b> |
| <b>Balance as at<br/>June 30, 2021</b>   | <b>350,000,000</b>  | <b>39,898,526</b>                                | <b>90,000,000</b>            | <b>173,093,613</b>                       | <b>302,992,139</b>          | <b>115,708,828</b>          | <b>1,302,397,360</b>  | <b>2,071,098,327</b> |
| Net profit for<br>the period   | -   | -  | -                            | 104,241,295                              | 104,241,295                 | -                           | -   | 104,241,295          |
| Other comprehensive<br>income for the period   | -   | -  | -                            | -  | -                           | -                           | -   | -                    |
| Total Comprehensive<br>income for the period   | -   | -  | -                            | 104,241,295                              | 104,241,295                 | -                           | -   | 104,241,295          |
| Incremental<br>depreciation for the<br>period on surplus on<br>revaluation of<br>property, plant and<br>equipment - net  | -   | -  | -                            | 10,432,806                               | 10,432,806                  | -                           | (10,432,806)  | -                    |
| Payment of final<br>dividend for the<br>year ended June<br>30, 2021  | -   | -  | -                            | (35,000,000)                             | (35,000,000)                | -                           | -   | (35,000,000)         |
| Effect of change<br>in effective tax rate  | -   | -  | -                            | -  | -                           | -                           | 61,548  | 61,548               |
| <b>Balance as<br/>at December<br/>31, 2021</b>   | <b>350,000,000</b>  | <b>39,898,526</b>                                | <b>90,000,000</b>            | <b>252,767,714</b>                       | <b>382,666,240</b>          | <b>115,708,828</b>          | <b>1,292,026,102</b>  | <b>2,140,401,170</b> |

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Lahore  
February 25, 2022

  
(Tariq Rehman)  
Chief Executive Officer

  
(Ahsan Suhail Mannan)  
Director

  
(Riaz Ahmed)  
Chief Financial Officer



## CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

|   | <b>Half Year Ended December 31,</b> |                        |
|---|-------------------------------------|------------------------|
|   | <b>2021<br/>Rupees</b>              | <b>2020<br/>Rupees</b> |
| Profit before taxation  | 143,380,928                         | 137,705,651            |
| Adjustment for:   |                                     |                        |
| - Depreciation  | 47,511,849                          | 38,927,649             |
| - Depreciation on right of use assets                           | 1,324,296                           | 1,324,296              |
| - Amortization  | 139,372                             | 139,374                |
| - Provision for gratuity  | 9,755,934                           | 12,879,454             |
| - Workers' (profit) participation fund                          | 7,702,954                           | 7,411,919              |
| - Workers' welfare fund   | 2,975,190                           | 3,120,819              |
| - Markup on discontinued provident fund                         | -                                   | 56,852                 |
| - Amortisation of government grant                              | (856,331)                           | (1,464,573)            |
| - Provision for obsolescence of stock in trade                  | -                                   | 3,177,946              |
| - Lease liabilities   | 437,556                             | 457,832                |
| - Liabilities written back                                      | (628,634)                           | (1,156,596)            |
| - Winding up of liabilities                                     | -                                   | (2,610,984)            |
| - Exchange gain   | (561,591)                           | (133,239)              |
| - Unwinding of liabilities                                      | 7,871,495                           | 11,340,873             |
| - Finance cost  | 36,764,542                          | 31,516,834             |
|   | 112,436,632                         | 104,988,456            |
| <b>Operating profit before working capital changes</b>          | 255,817,560                         | 242,694,107            |
| (Increase) / decrease in current assets:                        |                                     |                        |
| - Stores, spares and loose tools                                | (7,036,738)                         | (23,785,281)           |
| - Stock in trade  | (31,971,388)                        | (57,201,774)           |
| - Trade receivables   | (109,561,310)                       | (39,615,417)           |
| - Advances, deposits, prepayments and other receivables         | (14,790,671)                        | (10,653,370)           |
| Decrease in current liabilities:                                |                                     |                        |
| - Trade and other payables                                      | (31,126,873)                        | (5,261,846)            |
|   | (194,486,980)                       | (136,517,688)          |
| <b>Cash generated from operations</b>                           | 61,330,580                          | 106,176,419            |
| Changes in long term prepayments and other receivables          | 1,745,474                           | (1,406,670)            |
| Finance cost paid   | (29,380,918)                        | (40,975,575)           |
| Gratuity paid   | (868,507)                           | (1,016,560)            |
| Payments against discontinued provident fund                    | (542,116)                           | (1,049,615)            |
| Workers' profit participation fund paid                         | (15,041,244)                        | -                      |
| Income tax paid / withheld                                      | (22,194,736)                        | (20,126,832)           |
|   | (68,027,521)                        | (63,168,582)           |
| <b>Net cash (used in) / generated from operating activities</b> | (4,951,467)                         | 41,601,167             |

## CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

|   | Half Year Ended December 31, |                     |
|---|------------------------------|---------------------|
|   | 2021<br>Rupees               | 2020<br>Rupees      |
| <b>Cash flows from investing activities</b>                     |                              |                     |
| Fixed capital expenditure                                       | (36,836,317)                 | (60,467,918)        |
| Long term loans - net   | (586,260)                    | (636,290)           |
| <b>Net cash used in investing activities</b>                    | <b>(37,422,577)</b>          | <b>(61,104,208)</b> |
| <b>Cash flows from financing activities</b>                     |                              |                     |
| Repayment of long term financing                                | (60,364,077)                 | (48,125,664)        |
| Repayment of lease liabilities                                  | (1,631,502)                  | (1,852,991)         |
| Proceeds from long term financing                               | 88,670,067                   | 19,145,560          |
| Dividend paid   | (35,000,000)                 | -                   |
| Short term borrowings - net                                     | 25,577,175                   | 19,510,466          |
| <b>Net cash generated from / (used in) financing activities</b> | <b>17,251,663</b>            | <b>(11,322,629)</b> |
| <b>Net decrease in cash and cash equivalents</b>                | <b>(25,122,381)</b>          | <b>(30,825,670)</b> |
| <b>Cash and cash equivalents at the beginning of the period</b> | <b>40,625,857</b>            | <b>43,949,957</b>   |
| <b>Cash and cash equivalents at the end of the period</b>       | <b>15,503,476</b>            | <b>13,124,287</b>   |

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Lahore  
February 25, 2022



(Tariq Rehman)  
Chief Executive Officer



(Ahsan Suhail Mannan)  
Director



(Riaz Ahmed)  
Chief Financial Officer





## NOTES TO AND FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 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 and its registered office is located at 4th Floor, National Tower, 28 Egerton Road, Lahore, while its factory is located at 19-KM, Lahore Sheikhupura Road, Lahore.

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

### 2 BASIS OF PREPARATION

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

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

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

**2.2** These condensed interim financial statements should be read in conjunction with annual audited financial statements for the year ended June 30, 2021. Comparative statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2021 whereas comparative statement of profit or loss, comparative statement of comprehensive income, comparative statement of changes in equity and comparative statement of cash flows are extracted from unaudited condensed interim financial statements for the half year ended December 31, 2020.

**2.3** These condensed interim financial statements are unaudited and are being submitted to the shareholders as required under section 23 of the Companies Act, 2017. However, a limited scope review has been performed by the external auditors as required by the Code of Corporate Governance.

**2.4** The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgments made by the management in applying accounting policies and key sources of estimation were the same as those that were applied to the financial statements for the year ended June 30, 2021.

2.5 These condensed interim financial statements are presented in Pak Rupees, which is the Company's functional and presentational currency. All the figures have been rounded off to the nearest rupees, unless otherwise stated.

### 3 SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting and financial risk management policies and methods of computation adopted in the preparation of these condensed interim (un-audited) financial statements are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2021.

|   | Note | (Un-audited)<br>December 31,<br>2021<br>Rupees | (Audited)<br>June 30,<br>2021<br>Rupees |
|---|------|--|---|
| <b>4. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>   |      |  |   |
| Land - Freehold   |      | 783,655,104                                    | 783,655,104                             |
| Buildings on freehold land  |      | 271,710,324                                    | 282,355,973                             |
| Plant and machinery   |      | 247,031,932                                    | 257,315,697                             |
|   |      | 1,302,397,360                                  | 1,323,326,774                           |
| Effect of change in effective tax rates   |      | 61,548   | (1,439,802)                             |
| Incremental depreciation charged on revalued property, plant and equipment in current period-net of deferred tax (transferred to retained earnings) |      | (10,432,806)                                   | (19,489,612)                            |
|   |      | 1,292,026,102                                  | 1,302,397,360                           |
| <b>5. LONG TERM FINANCING</b>   |      |  |   |
| Banking companies - secured   |      |  |   |
| National Bank of Pakistan   |      | 13,060,812                                     | 24,280,812                              |
| Unwinding / winding up of interest  |      | (122,977)                                      | (169,290)                               |
|   |      | 12,937,835                                     | 24,111,522                              |
| Standard Chartered Bank (Pakistan) Limited  |      | 30,626,113                                     | 41,526,113                              |
| Unwinding of interest   |      | (1,418,183)                                    | (2,754,695)                             |
|   |      | 29,207,930                                     | 38,771,418                              |
| Habib Bank Limited  |      | 27,148,020                                     | 40,722,030                              |
| Less: Deferred income - Government Grant  | 5.1  | (504,114)                                      | (1,360,445)                             |
|   |      | 26,643,906                                     | 39,361,585                              |
| Saudi Pak Industrial and Agricultural Investment Company Limited  |      | 82,000,000                                     | -                                       |
|   |      | 150,789,671                                    | 102,244,525                             |
| <b>Associated companies / related parties - unsecured</b>   |      |  |   |
| Associated Engineers (Private) Limited  |      | 27,335,447                                     | 27,335,447                              |
| Unwinding of interest   |      | (2,010,779)                                    | (2,382,962)                             |
|   |      | 25,324,668                                     | 24,952,485                              |



|   | <b>(Un-audited)<br/>December 31,<br/>2021<br/>Rupees</b> | <b>(Audited)<br/>June 30,<br/>2021<br/>Rupees</b> |
|---|--|---|
| EMCO Industries Limited Provident Fund          | 82,529,818   | 100,529,818                                       |
| Unwinding of interest                           | (19,556,112)   | (24,797,428)                                      |
|   | 62,973,706   | 75,732,390  |
| The Imperial Electric Company (Private) Limited | 2,615,692  | 2,615,692   |
| Unwinding of interest                           | (209,182)  | (228,022)   |
|   | 2,406,510  | 2,387,670   |
| Less: current portion - banking companies       | 241,494,555<br>(71,586,131)                              | 205,317,070<br>(74,023,595)                       |
|   | <u>169,908,424</u>                                       | <u>131,293,475</u>                                |

- 5.1** This 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."

|  | <b>(Un-audited)<br/>December 31,<br/>2021<br/>Rupees</b> | <b>(Audited)<br/>June 30,<br/>2021<br/>Rupees</b> |
|--|--|---|
| <b>6. SHORT TERM BORROWINGS</b>              |  |   |
| <b>Interest bearing</b>                      |  |   |
| Banking companies - secured                  | 507,148,349  | 440,571,173                                       |
| Related parties - unsecured:                 |  |   |
| - Associated company - ICC (Private) Limited | 80,750,000   | 155,750,000                                       |
| - Director                                   | 49,999,999   | -   |
|  | 637,898,348  | 596,321,173                                       |
| <b>Interest free</b>                         |  |   |
| Related parties - unsecured:                 |  |   |
| - Directors and close relatives thereof      | 38,325,744   | 54,325,744  |
|  | <u>676,224,092</u>                                       | <u>650,646,917</u>                                |

## 7 CONTINGENCIES AND COMMITMENTS

### 7.1 Contingencies

There is no material change in the status of contingencies as reported in financial statements of the Company for the year ended June 30, 2021.

### 7.2 Commitments

- Letters of credit other than for capital expenditure amount to Rs. 88.281 million (June 30, 2021: Rs. 177.19 million).
- Letters of credit for capital expenditure amount to Rs. 3.877 million (June 30, 2021: Rs. Nil).
- Commitments for future minimum payments in respect of Ijarah arrangements are as follows:

|   | (Un-audited)<br>December 31,<br>2021<br>Rupees | (Audited)<br>June 30,<br>2021<br>Rupees |
|---|--|---|
| Not later than one year                       | 1,620,252                                      | 210,882                                 |
| Later than one year and later than five years | 1,350,210                                      | 2,160,336                               |
| Later than five years                         | -  | -                                       |
|   | 2,970,462                                      | 2,371,218                               |

|   | Note | (Un-audited)<br>December 31,<br>2021<br>Rupees | (Audited)<br>June 30,<br>2021<br>Rupees |
|---|------|--|---|
| <b>8. PROPERTY, PLANT AND EQUIPMENT</b>   |      |  |   |
| Operating fixed assets                    | 8.1  | 1,871,929,660                                  | 1,882,605,192                           |
| Right of use assets                       |      | 3,960,463                                      | 5,284,759                               |
|   |      | 1,875,890,123                                  | 1,887,889,951                           |
| <b>8.1 Operating fixed assets</b>         |      |  |   |
| Opening written down value                |      | 1,882,605,192                                  | 1,354,563,200                           |
| Additions during the period / year        |      | 36,836,317                                     | 209,534,589                             |
| Disposal during the period / year         |      | -  | (499,772)                               |
| Revaluation adjustment                    |      | -  | 459,322,504                             |
| Transfer to investment property           |      | -  | (43,030,862)                            |
|   |      | 1,919,441,509                                  | 1,979,889,659                           |
| Depreciation charge for the period / year |      | (47,511,849)                                   | (97,284,467)                            |
|   |      | 1,871,929,660                                  | 1,882,605,192                           |



## 9. COST OF REVENUE

|                                    | Half Year Ended December 31, |                | Quarter Ended December 31, |                |
|------------------------------------|------------------------------|----------------|----------------------------|----------------|
|                                    | 2021<br>Rupees               | 2020<br>Rupees | 2021<br>Rupees             | 2020<br>Rupees |
| Raw and packing materials consumed | 463,891,351                  | 338,201,777    | 286,295,372                | 172,749,177    |
| Salaries, wages and benefits       | 172,718,696                  | 151,630,359    | 88,156,534                 | 75,608,380     |
| Power and gas                      | 152,682,432                  | 95,519,743     | 83,887,535                 | 47,967,914     |
| Stores and spares consumed         | 38,666,940                   | 28,771,900     | 24,650,106                 | 14,582,664     |
| Testing and inspection             | 24,441,459                   | 20,678,184     | 13,924,398                 | 9,653,451      |
| Travelling and conveyance          | 35,216,863                   | 36,008,628     | 17,673,881                 | 15,031,314     |
| Rent, rates and taxes              | 1,168,289                    | 1,685,966      | 536,320                    | 468,026        |
| Repairs and maintenance            | 2,124,248                    | 2,619,827      | 772,590                    | 1,050,340      |
| Entertainment                      | 1,166,400                    | 793,157        | 645,916                    | 339,177        |
| Insurance                          | 2,334,170                    | 1,495,056      | 1,174,448                  | 747,528        |
| Ijarah rentals                     | 1,257,537                    | 1,481,268      | 516,903                    | 740,634        |
| Communication and stationery       | 1,025,538                    | 1,082,955      | 411,973                    | 652,708        |
| Vehicle maintenance                | 261,075                      | 472,705        | 115,920                    | 224,553        |
| Miscellaneous                      | 358,854                      | 422,613        | 141,398                    | 142,532        |
| Depreciation                       | 47,223,661                   | 38,927,649     | 24,193,231                 | 19,956,422     |
|                                    | 944,537,513                  | 719,791,787    | 543,096,525                | 359,914,820    |
| <b>Work in process</b>             |                              |                |                            |                |
| - Opening work in process          | 85,445,820                   | 69,305,970     | 86,455,366                 | 68,207,256     |
| - Closing work in process          | (87,563,242)                 | (89,711,986)   | (87,563,242)               | (89,711,986)   |
|                                    | (2,117,422)                  | (20,406,016)   | (1,107,876)                | (21,504,730)   |
| <b>Cost of goods manufactured</b>  | 942,420,091                  | 699,385,771    | 541,988,649                | 338,410,090    |
| <b>Finished goods</b>              |                              |                |                            |                |
| - Opening finished goods           | 205,731,863                  | 252,998,539    | 194,900,514                | 276,792,276    |
| - Closing finished goods           | (172,858,880)                | (275,810,319)  | (172,858,880)              | (275,810,319)  |
|                                    | 32,872,983                   | (22,811,780)   | 22,041,634                 | 981,957        |
|                                    | 975,293,074                  | 676,573,991    | 564,030,283                | 339,392,047    |

## 10. TRANSACTION WITH RELATED PARTIES

Related parties comprise associated companies, directors of the Company and their close relatives, key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. These are un-secured amounts due from and due to related parties are shown under respective notes to these financial statements. Significant transactions with related parties are given below:

| Transactions during the year                          |                        |                                       | (Un-audited)<br>December 31,<br>2021<br>Rupees | (Un-audited)<br>December 31,<br>2020<br>Rupees |
|---|------------------------|---------------------------------------|--|--|
| Related party   | Relationship           | Nature of transaction                 |  |  |
| EMCO Industries Limited Provident Fund                | Associated undertaking | Principal amount repaid               | 18,000,000                                     | 27,050,000                                     |
| The Imperial Electric Company (Private) Limited       | Associated company     | Interest expense on lease liabilities | 437,556  | 457,832  |
|   |                        | Repayment of lease liability          | 1,631,502                                      | 1,852,991                                      |
|   |                        | Other expense                         | 161,346  | -  |
| ICC (Private) Limited                                 | Associated company     | Short term borrowings repaid          | 75,000,000                                     | -  |
|   |                        | Markup on short term borrowings       | 6,602,931                                      | 7,749,441                                      |
|   |                        | Markup paid on short term borrowings  | 3,915,856                                      | 12,903,195                                     |
|   |                        | Payment made on behalf of Company     | 972,395  | -  |
|   |                        | Payment received from the Company     | 1,148,892                                      | -  |
|   |                        | Directors and close family members    | Associated persons                             | Short term borrowings obtained (Note 10.1)     |
| Short term borrowings repaid (Note 10.1)              | 106,495,586            | 135,300,958                           |  |  |
| Conversion of short term borrowings to sponsors' loan | -                      | 16,550,000                            |  |  |
| Conversion of sponsors' loan to short term borrowings | -                      | 16,550,000                            |  |  |
| Markup on short term borrowings                       | 809,510                | 312,257                               |  |  |
| Markup on short term borrowings paid                  | 620,540                | 826,939                               |  |  |
| Long term loans recovered                             | 60,000                 | -                                     |  |  |

**10.1** One of the directors has arranged personal finance line of Rs. 50 million from a bank for the purpose of extending short term borrowings to the Company. During the half year ended December 31, 2021, the Company obtained short term borrowings from the director through his aforesaid personal finance line. The borrowed amounts were repaid and then borrowed again multiple times during the half year, by rotating the said finance line. The maximum amount outstanding towards the said director during the half year ended December 31, 2021 was Rs. 50 million.



| Outstanding Balance as at the year end          |   | December 31,<br>2021<br>(Un-audited)<br>Rupees | June 30,<br>2021<br>(Audited)<br>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                     | 82,529,818                                     | 100,529,818                             |
| 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                               |
|   | Lease liability payable against rent    | 4,451,052                                      | 5,644,998                               |
|   | Other payable                           | 401,095  | 239,749                                 |
| ICC (Private) Limited                           | Short term borrowing - interest bearing | 80,750,000                                     | 155,750,000                             |
|   | Markup on borrowing                     | 6,140,915                                      | 3,453,840                               |
|   | Other payable                           | -  | 117,988                                 |
|   | Advance                                 | 58,509   | -                                       |
| Directors and close family members              | Sponsors' loan                          | 115,708,828                                    | 115,708,828                             |
|   | Short term borrowing                    | 88,325,743                                     | 54,325,744                              |
|   | Markup on short term borrowing          | 809,510  | 620,540                                 |
| Executive / Key Management personnel            | Long Term Loan Receivable               | 520,000  | 580,000                                 |

## 11 SEGMENT REPORTING

There is only one reportable segment of the Company.

## 12 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in preceding audited financial statements for the year ended June 30, 2021.

## 13 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements (un-audited) is approved by the Board of Directors of the Company for issuance on 25 February 2022.

## 14 GENERAL

Corresponding figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. No material reclassifications have been made in these condensed interim financial statements (un-audited).

Lahore  
February 25, 2022

  
(Tariq Rehman)  
Chief Executive Officer

  
(Ahsan Suhail Mannan)  
Director

  
(Riaz Ahmed)  
Chief Financial Officer



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