

**EMCO INDUSTRIES LIMITED**



**INTERIM FINANCIAL  
INFORMATION (Un-audited)  
FOR THE NINE MONTHS  
ENDED MARCH 31, 2024**

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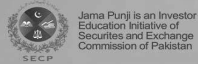
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## COMPANY INFORMATION

### Board of Directors

Mr. Javaid Shafiq Siddiqi	Chairman / Non-Executive Director
Mr. Usman Haq	Managing Director / Executive Director
Mr. Salem Rehman	Chief Executive / Executive Director
Mr. Tariq Rehman	Executive Director
Mr. Ahsan Suhail Mannan	Company Secretary / Executive Director
Mr. Pervaiz Shafiq Siddiqi	Non-Executive Director
Mr. Salman Javaid Siddiqi	Non-Executive Director
Mr. Umair Noorani	Non-Executive Director
Mrs. Ayesha Mussadaque Hamid	Independent Director
Ch. Imran Ali	Independent Director
Syed Muhammad Mohsin	Independent Director
Mr. Osman Hameed Chaudhri	Independent Director

### Chief Financial Officer

Mr. Riaz Ahmad

### Company Secretary

Mr. Ahsan Suhail Mannan

### Audit Committee

Mr. Osman Hameed Chaudhri	Chairman
Syed Muhammad Mohsin	Member
Mr. Javaid Shafiq Siddiqi	Member
Mr. Umair Noorani	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. Salman Javaid Siddiqi	Member
Mr. Ahsan Suhail Mannan	Member / Committee Secretary

### Risk Management Committee

Syed Muhammad Mohsin	Chairman
Mr. Tariq Rehman	Member
Ch. Imran Ali	Member
Mr. Salem Rehman	Member / Committee Secretary

### Nomination Committee

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

### External Auditors

M/s. Crowe Hussain Chaudhry & Co.,  
Chartered Accountants, Lahore.

### Internal Auditors

M/s. Muhammad Ali Hussain & Co.  
Chartered Accountants, Lahore.

### Legal Advisers

Cornelious Lane & Mufti  
Chaudhary Associates Law Inn  
Rizvi & Company  
Asad Ullah Khan

### Bankers

Habib Bank Limited  
National Bank of Pakistan  
The Bank of Punjab  
The Bank of Khyber  
Silk Bank Limited  
Askari Bank Limited  
Soneri Bank Limited

### BUSINESS ITEMS

#### Porcelain Insulators

- Tension Insulator
- Suspension Insulator
- Pin Insulator
- Line Post Insulator
- Cap and pin Insulator
- Station Post Insulator
- Long Road 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

Corlink (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 are pleased to present the performance review of your Company together with the un-audited financial statements for the nine months ended March 31, 2024.

### Operations and Sales Review

The Company produced 2,523 tons of porcelain insulators during the period under review (July-March 2024) as compared to 4,119 tons of the corresponding period of last year. Similarly, the Company sold 2,726 tons of porcelain insulators during the period under review (July-March 2024) as compared to 3,626 tons of the corresponding period of last year. Production and sales were impacted on account of installation of new machinery and equipment as part of the BMR projects and is aligned with the Company's vision to reconfigure production capacity and utilization to cater to the growing Switchgear Products demand. Whilst the BMR project now stands completed, it is important to note that the Company has experienced significant challenges in this quarter relating to severe cash flow constraints in the run-up to Federal Elections 2024, which also resulted in disruption in the production and sales cycle for the subject period. During this period, the Company continued its efforts to decrease its finished goods inventory levels to ease cash flow constraints.

Net sales of the Company recorded as Rs.3,202 million for the period under review (July-March 2024) as compared to Rs. 2,886 million of the corresponding period of last year, thereby registering a healthy growth of 10.95%. This increase is on account of encouraging sales of higher value Switchgear products, as well due to price increase relating to the continued inflationary trends on the costing side.

Alhamdulillah, EMCO has successfully achieved COD of the BMR Projects. However, the Company is experiencing significant uncertainties in domestic demand forecasting for its products on account of curtailment of all provincial public sector development programs of DISCOs by the interim government setup. Similarly, the Company faced significant cash flow constraints in the current quarter as all public sector energy related entities were affected by requirements to conform to stringent IMF conditions through substantial fiscal tightening measures in the run up to the elections. The new Government is working on budget planning and setting national level priorities, and the sharp softening of domestic purchasing by NTDC and DISCOs is expected to be reviewed under the budgetary allocation as part of the Federal Budget announcement. We will continue to monitor the evolving situation and expect to have clarity on the situation as we enter Fiscal year 2025-26.

### Financial Performance

For the period under review (July-March 2024), the Company posted gross profit of Rs. 881.77 million compared to Rs. 803.29 million in the corresponding period of last year. The net operating profit for the period under review (July-March 2024) is recorded at Rs. 687.10 million as compared to Rs. 658.70 million in the corresponding period of last year.

Gross Margins remained flat on account of low production resulting from synchronization of process during BMR execution. Notably, the Admin and S&D expenses increased to Rs. 194.66 million from Rs. 144.60 million mainly on account of multiple factors that are; higher freight charges on the back of higher export sales, increase in Fuel prices, implementation of domestic axle load regulations, and one time SECP fee for increase in Authorized Capital.

Finance cost for the period under review (July-March 2024) has been recorded at Rs. 293.75 million as compared to Rs. 173.85 million of the corresponding period of last year. This may be majorly attributable to complete draw down of Term Loans for BMR projects, but is also attributable to the higher short term borrowings to cover unfavourable receivables position that has ensued since middle of the previous quarter, and persisted for a large part of the current quarter.

After taking into account financial charges, Profit Before Tax is Rs. 340.91 million as compared to Profit Before Tax of Rs. 379.83 million for the corresponding period of last year.

After accounting for tax, the Company has made a Net Profit of Rs. 221.59 million for the period under review as compared to a Net Profit of Rs. 248.56 million for the corresponding period of last year.

During the period under review, the Company has paid Long Term Loans as per schedules and there is no overdue against any loans.

#### Macroeconomic Challenges

During the period under review, the Company's businesses continued to face macroeconomic challenges and demonstrated resilience amid challenging environment. The interim government setup in Pakistan and the Federal Elections held in February 2024 were key events that resulted in highly subdued economic conditions in the country. EMCO was affected by cash flow constraints experienced due to delays in processing receivables from state owned DISCOs, and was also impacted by significant demand softening experienced on account stalled decision-making due to election activity.

Similarly, Pakistan continued to experience a sluggish economic activity on account of record high KIBOR policy rates, major increases in Electricity and Natural Gas prices and in minimum wage, factors which caused significant pressure on cost of production. We continue to pray for an early recovery from these challenges, and expect the new government to be cautious, but prudent as the situation evolves.

#### Earnings per Share

The basic earnings per share is reported at Rs. 6.33 as compared to basic earnings per share of Rs. 7.10 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

The immediate economic outlook will be driven primarily by political stability and fiscal policy decision making by the new government. Regardless of how the situation develops, Company management expects a period of continued high interest rates and high inflationary trends to continue in the near term. We have already seen reduction in government spending, which may lead to further demand curtailment and economic slowdown in all sectors. The Company is aggressively pursuing its export initiatives to partially counter these pressures.

### 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

A handwritten signature in black ink, appearing to be 'Salem Rehman', with a horizontal line extending to the right.

**Salem Rehman**  
Chief Executive Officer  
April 29, 2024  
Lahore

A handwritten signature in black ink, appearing to be 'Ahsan Suhail Mannan', with a horizontal line extending to the right.

**Ahsan Suhail Mannan**  
Director / Company Secretary

### میکرو آئیٹمک چیلنجز:

زیر جائزہ مدت کے دوران، کمپنی کے کاروبار کو میکرو آئیٹمک چیلنجز کا سامنا کرنا پڑا اور چیلنجنگ ماحول کے درمیان ٹیک کا مظاہرہ کیا۔ پاکستان میں عبوری حکومت کا سیٹ اپ اور فروری 2024 میں ہونے والے وفاقی انتخابات اہم واقعات تھے جن کے نتیجے میں ملک میں معاشی حالات انتہائی خراب ہوئے۔ اینکوسرکاری ملکیت والے DISCOs سے وصولیوں کی پروسیجرنگ میں تاخیر کی وجہ سے نقدی کے بہاؤ کی رکاوٹوں سے متاثر ہوا تھا اور انتخابی سرگرمیوں کی وجہ سے فیصلہ سازی میں تعطل کی وجہ سے طلب میں نمایاں کمی کا بھی سامنا کرنا پڑا تھا۔ اسی طرح پاکستان میں KIBOR پالیسی کی بلند شرحوں، بجلی اور قدرتی گیس کی قیمتوں میں بڑے اضافے اور کم از کم اجرت میں بڑے اضافے کی وجہ سے معاشی سرگرمیوں میں سست روی کا سامنا ہونے کی وجہ سے پیداواری لاگت پر کافی دباؤ پڑا۔ ہم ان چیلنجوں سے جلد بحالی کے لیے دعاگو ہیں اور توقع کرتے ہیں کہ نئی حکومت صورتحال میں بہتری کے ساتھ ساتھ جتنا اور دانشمندانہ رویہ اختیار کرے گی۔

### فی شئیر آمدن:

فی حصص بنیادی آمدنی 6.33 روپے رپوٹ کی گئی ہے جبکہ پچھلے سال کی اسی مدت میں فی حصص بنیادی آمدنی 7.10 روپے تھی۔ زیر جائزہ مدت اور پچھلے سال کی اسی مدت کے لئے فی حصص آمدنی پر کوئی کمی کا اثر نہیں ہے۔

### قریب مدتی منظر نامہ:

معاشی منظر نامہ بنیادی طور پر نئی حکومت کی طرف سے سیاسی استحکام اور مالیاتی پالیسی کے فیصلے کرنے پر مبنی ہوگا۔ اس بات سے قطع نظر کہ صورتحال کیسے ترقی کرتی ہے، کمپنی انتظامیہ کو توقع ہے کہ مستقبل قریب میں مسلسل اعلیٰ شرح سود اور اعلیٰ اخراجات کے رجحانات کا دور جاری رہے گا۔ ہم نے پچھلے ہی سرکاری اخراجات میں کمی دیکھی ہے، جس سے طلب میں مزید کمی اور تمام شعبوں میں معاشی سست روی پیدا ہو سکتی ہے۔ کمپنی ان دباؤ کا جزوی طور پر مقابلہ کرنے کے لئے جارحانہ طور پر اپنے برآمدی اقدامات پر عمل پیرا ہے۔

### اعترافات:

ڈائریکٹرز تمام عہدوں کے ملازمین کی محنت اور پر غلوس کارکردگی کا اعتراف کرنا چاہتے ہیں اور ان کی لگن اور عزم کی تعریف کرتے ہیں۔ وہ کمپنی کے چلائرز، صارفین اور بینکرز کو ان کے مسلسل اعتماد اور حمایت پر تہ دل سے خراج تحسین پیش کرتے ہیں۔

یورڈ کی جانب سے



احسن سہیل منان  
ڈائریکٹر / ایگزیکٹو سیکرٹری



اسلم رحمان  
چیف ایگزیکٹو آفیسر  
لاہور: 29 اپریل 2024ء





## ڈائریکٹرز کا جائزہ

معزز حصص داران:

بورڈ آف ڈائریکٹرز کی جانب سے ہمیں 31 مارچ 2024ء کو ختم ہونے والے نو ماہ کے لئے آپکی کمپنی کی کارکردگی کا جائزہ مع غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرنے پر خوش ہیں۔

کاروبار کی کارکردگی اور سہولت کا جائزہ:

کمپنی نے زیر جائزہ مدت (جولائی تا مارچ 2024ء) کے دوران 2,523.76 ٹن پور سیلیٹین انسولیر فریڈ فریڈ کی پیداوار اور فروخت کی جو کہ گزشتہ سال کی اسی مدت میں 4,119 ٹن تھی۔ اسی طرح کمپنی نے زیر جائزہ مدت (جولائی تا مارچ 2024ء) کے دوران 2,726 ٹن پور سیلیٹین انسولیر فریڈ فریڈ کی پیداوار اور فروخت کی جو کہ گزشتہ سال کی اسی مدت میں 3,626 ٹن تھی۔ نی ای ایم آر BMR منصوبوں کے حصے کے طور پر نئی مشینری اور آلات کی تنصیب کی وجہ سے پیداوار اور فروخت متاثر ہوئی اور بڑھتی ہوئی سوچ گیزر مصنوعات کی طلب کو پورا کرنے کے لئے پیداواری صلاحیت اور استعمال کو دوبارہ ترتیب دینے کے لئے کمپنی کے ڈیزائن سے مطابقت رکھتی ہے۔ اگرچہ نی ای ایم آر BMR منصوبہ اب مکمل ہو چکا ہے، لیکن یہ نوٹ کرنا ضروری ہے کہ کمپنی کو اس سہ ماہی میں وفاقی انتخابات 2024ء سے قبل نقدی کے بہاؤ کی شدید رکاوٹوں سے متعلق اہم چیلنجوں کا سامنا کرنا پڑا ہے، جس کے نتیجے میں اس مدت کے لئے پیداوار اور فروخت متاثر ہوئی ہے۔ اس مدت کے دوران، کمپنی نے نقدی کے بہاؤ کی رکاوٹوں کو کم کرنے کے لئے اپنی تیار شدہ انویسٹری کی سطح کو کم کرنے کی اپنی کوششیں جاری رکھیں۔

جولائی تا مارچ 2024ء کے دوران کمپنی کی خالص فروخت 3,202.1 ملین روپے ریکارڈ کی گئی جو گزشتہ سال کے اسی عرصے سے 2,886.8 ملین روپے کے مقابلے میں 10.95 فیصد زیادہ ہے۔ یہ اضافہ بنیادی طور پر سوچ گیزر اور ویلیو ایڈڈ مصنوعات کی حوصلہ افزاء فروخت کی وجہ سے ہے، نیز آلات کی طرف مسلسل افراط زر کے رجحانات سے متعلق قیمتوں میں اضافے کی وجہ سے ہے۔

الحمد للہ، انکمونے نی ای ایم آر پورٹیفولیو کی سی او ڈی COD کامیابی سے حاصل کی ہے۔ تاہم عبوری حکومت کے سیٹ اپ کی جانب سے DISCO کے تمام صوبائی پبلک سیکٹرز ڈیولپمنٹ پروگراموں میں کوئی کمی کی وجہ سے کمپنی کو اپنی مصنوعات کی مقامی طلب کی پیش گوئی میں نمایاں غیر یقینی صورتحال کا سامنا ہے۔ اسی طرح کمپنی کو رواں سہ ماہی میں نقد رقم کے بہاؤ میں نمایاں رکاوٹوں کا سامنا کرنا پڑا کیونکہ پبلک سیکٹرز کے توانائی سے وابستہ تمام ادارے انتخابات سے قبل مالی سخت اقدامات کے ذریعے آئی ای ایم ایف کی سخت شرائط کو پورا کرنے کی ضرورت سے متاثر ہوئے تھے۔ نئی حکومت بجٹ کی منصوبہ بندی اور قومی سطح کی ترجیحات طے کرنے پر کام کر رہی ہے اور توقع ہے کہ وفاقی بجٹ کے اعلان کے حصے کے طور پر بجٹ مختص کے تحت NTDC اور DISCO کی جانب سے مقامی خریداری میں تیزی سے کمی کا جائزہ لیا جائے گا۔ ہم بدلتی ہوئی صورتحال کی نگرانی جاری رکھیں گے اور مالی سال 2025-26 میں داخل ہوتے ہی صورتحال پر بہتری کی توقع کرتے ہیں۔

مالیاتی کارکردگی:

زیر جائزہ مدت (جولائی تا مارچ 2024ء) کے دوران کمپنی نے 881.77 ملین روپے کا مجموعی منافع حاصل کیا جو گزشتہ سال کے اسی عرصے میں 803.29 ملین روپے تھا۔ زیر جائزہ مدت (جولائی تا مارچ 2024ء) کے دوران خالص آپریٹنگ منافع 687.10 ملین روپے ریکارڈ کیا گیا ہے جو گزشتہ سال کے اسی عرصے میں 658.70 ملین روپے تھا۔ نی ای ایم آر عملدرآمد کے دوران عمل کی ہم آہنگی کے نتیجے میں کم پیداوار کی وجہ سے مجموعی مارجن مستحکم رہا۔ قابل ذکر بات یہ ہے کہ ایڈمنسٹریٹو اور اینڈریڈی اخراجات 144.60 ملین روپے سے بڑھ کر 194.66 ملین روپے ہو گئے ہیں۔ جس کی بنیادی وجہ برآمدی فروخت کے اضافے سے ہونے والے فریٹ چارجز، مینڈرین کی قیمتوں میں اضافے، مقامی ایکسل لوڈرنگ لائسنسز پر عمل درآمد اور مجاز سہانے میں اضافے کے لیے ایس ای سی پی کی دن ٹائم نہیں ہے۔

زیر جائزہ مدت (جولائی تا مارچ 2024ء) کے دوران مالی لاگت 293.75 ملین روپے ریکارڈ کی گئی ہے جو گزشتہ سال کے اسی عرصے میں 173.85 ملین روپے تھی۔ اس کی بڑی وجہ نی ای ایم آر منصوبوں کے لیے ٹرم لونز میں مکمل کی ہو سکتی ہے، لیکن اس کی وجہ یہ بھی ہے کہ پچھلی سہ ماہی کے وسط سے غیر موافق وصولیوں کی صورت حال کو پورا کرنے کے لیے زیادہ قلیل مدتی قرضے لیے گئے ہیں، جو موجودہ سہ ماہی کے ایک بڑے حصے تک برقرار ہے ہیں۔


مالی اخراجات کو مد نظر رکھتے ہوئے قبل از ٹیکس منافع 340.91 ملین روپے رہا جبکہ گزشتہ سال کے اسی عرصے میں 379.83 ملین روپے کا قبل از ٹیکس منافع حاصل ہوا تھا۔ ٹیکس کو ٹھکانے کے بعد کمپنی نے زیر جائزہ مدت میں 221.59 ملین روپے کا خالص منافع حاصل کیا ہے جبکہ گزشتہ سال کے اسی عرصے میں 248.56 ملین روپے کے خالص منافع حاصل ہوا تھا۔

زیر نور مدت کے دوران، کمپنی نے شیڈول کے مطابق طویل مدتی قرضوں کی ادائیگی کی ہے اور کوئی قرضہ زائد ادا نہیں ہے۔

## CONDENSED INTERIM STATEMENT OF FINANCIAL

	Note	(Un-Audited) March 31, 2024 Rupees	(Audited) June 30, 2023 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Authorized share capital: 120,000,000 (June 30, 2023: 40,000,000) Ordinary shares of Rs. 10 each		1,200,000,000	400,000,000
Issued, subscribed and paid up capital 35,000,000 (June 30, 2023: 35,000,000) Ordinary shares of Rs. 10 each		350,000,000	350,000,000
Reserves		1,027,124,259	804,284,480
Sponsors' loan		115,708,828	115,708,828
Surplus on Revaluation of Property, Plant and Equipment	4	1,440,523,861	1,515,280,108
		2,933,356,948	2,785,273,416
<b>Non Current Liabilities</b>			
Long term financing	5	596,040,242	649,898,404
Lease liabilities		3,600,496	5,845,125
Post employment benefits		134,290,018	120,389,472
Deferred tax liability		281,585,289	244,836,598
Long term security deposit		13,181,445	4,567,584
		1,028,697,490	1,025,537,183
<b>Current Liabilities</b>			
Trade and other payables		367,520,765	524,593,748
Unclaimed dividends		524,915	524,915
Accrued finance cost		84,250,379	87,792,537
Short term borrowings	6	863,257,593	851,500,589
Current portion of non-current liabilities		133,611,839	63,439,347
		1,449,165,491	1,527,851,136
<b>Contingencies and Commitments</b>			
	7	-	-
		5,411,219,929	5,338,661,735

The annexed notes 1 to 12 form an integral part of these financial statements.

Lahore  
April 29, 2024  
10 | 

  
(Salem Rehman)  
Chief Executive Officer



## POSITION AS AT MARCH 31, 2024

	Note	(Un-Audited) March 31, 2024 Rupees	(Audited) June 30, 2023 Rupees
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant and equipment	8	2,914,750,691	2,814,375,478
Investment properties		84,988,507	84,988,507
Intangible assets		637,109	846,171
Long term prepayments and other receivables		56,167,521	27,029,063
Long term loans		1,461,005	1,858,430
Long term deposits		2,259,500	2,259,500
		<b>3,060,264,333</b>	<b>2,931,357,149</b>
<b>Current Assets</b>			
Stores, spares and loose tools		124,377,338	110,595,465
Stock-in-trade		1,053,511,359	1,240,566,496
Trade receivables		985,342,219	748,910,891
Advances, deposits, prepayments and other receivables		83,983,723	162,395,917
Income tax refundable from Government		65,658,538	126,438,566
Cash and bank balances		38,082,419	18,397,251
		<b>2,350,955,596</b>	<b>2,407,304,586</b>
		<b>5,411,219,929</b>	<b>5,338,661,735</b>

  
(Ahsan Suhail Mannan)  
Director

  
(Riaz Ahmad)  
Chief Financial Officer

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

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2024


	Note	Nine Months Ended March 31,		Quarter Ended March 31,	
		2024 Rupees	2023 Rupees	2024 Rupees	2023 Rupees
Gross revenue:					
- Local		3,617,406,612	3,374,204,683	887,679,091	1,282,708,035
- Export		136,985,813	45,331,165	33,400,240	20,436,474
		3,754,392,425	3,419,535,848	921,079,331	1,303,144,509
Less: Sales tax		(552,535,535)	(533,244,780)	(135,420,294)	(233,871,871)
Net sales		3,201,856,890	2,886,291,068	785,659,037	1,069,272,637
Cost of revenue	9	(2,320,089,045)	(2,082,997,311)	(589,742,362)	(750,514,362)
<b>Gross Profit</b>		881,767,845	803,293,757	195,916,675	318,758,275
Administrative expenses		(117,297,274)	(95,033,554)	(39,257,699)	(34,222,118)
Selling and distribution expenses		(77,367,511)	(49,563,758)	(20,703,812)	(13,867,723)
		(194,664,785)	(144,597,312)	(59,961,511)	(48,089,841)
<b>Operating Profit</b>		687,103,060	658,696,445	135,955,164	270,668,434
Other operating expenses		(60,360,772)	(121,272,691)	3,875,971	(49,686,433)
Finance cost		(293,753,633)	(173,854,696)	(101,343,519)	(67,062,134)
Other income		7,920,578	16,264,042	2,790,950	5,230,649
<b>Profit before Taxation</b>		340,909,233	379,833,101	41,278,566	159,150,517
Taxation		(119,318,231)	(131,277,312)	(15,457,426)	(60,103,409)
<b>Net Profit for the Period</b>		221,591,002	248,555,789	25,821,140	99,047,108
<b>Earnings per Share</b>		6.33	7.10	0.74	2.83

The annexed notes 1 to 12 form an integral part of these financial statements.

Lahore  
April 29, 2024

  
(Salem Rehman)  
Chief Executive Officer

  
(Ahsan Suhail Mannan)  
Director

  
(Riaz Ahmad)  
Chief Financial Officer



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

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2024


	Nine Months Ended March 31,		Quarter Ended March 31,	
	2024 Rupees	2023 Rupees	2024 Rupees	2023 Rupees
Net profit for the period	221,591,002	248,555,789	25,821,140	99,047,108
Other comprehensive income				
Items that may be reclassified to profit or loss	-	-	-	-
Total comprehensive income for the period	221,591,002	248,555,789	25,821,140	99,047,108

The annexed notes 1 to 12 form an integral part of these financial statements.

Lahore  
April 29, 2024

  
(Salem Rehman)  
Chief Executive Officer

  
(Ahsan Suhail Mannan)  
Director

  
(Riaz Ahmad)  
Chief Financial Officer

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)

FOR THE NINE MONTHS ENDED MARCH 31, 2024


Particulars	Issued, Subscribed and Paid up Capital Rupees	Capital		Reserves Revenue		Sponsors' Loan Rupees	Surplus on revaluation of property, plant and equipment Rupees	Total Rupees
		Share Premium Rupees	General Reserve Rupees	Unappropriated Profit Rupees	Total Reserve Rupees			
Balance as at June 30, 2022	350,000,000	39,898,526	90,000,000	375,213,472	505,111,998	115,708,828	1,535,459,273	2,506,280,099
Total comprehensive income for the Nine months period ended March 31, 2023	-	-	-	248,555,789	248,555,789	-	-	248,555,789
Incremental depreciation for the period on surplus on Revaluation of property plant and equipment - net of deferred tax	-	-	-	22,157,278	22,157,278	-	(22,157,278)	-
Payment of final dividend for the year ended June 30, 2022	-	-	-	(17,500,000)	(17,500,000)	-	-	(17,500,000)
Effect of change in effective tax rate	-	-	-	-	-	-	(393,394)	(393,394)
Balance as at March 31, 2023	350,000,000	39,898,526	90,000,000	628,426,539	758,325,065	115,708,828	1,512,908,601	2,736,942,494
Balance as at June 30, 2023	350,000,000	39,898,526	90,000,000	674,385,954	804,284,480	115,708,828	1,515,280,108	2,785,273,416
Total comprehensive income for the Nine months period ended March 31, 2024	-	-	-	221,591,002	221,591,002	-	-	221,591,002
Incremental depreciation for the period on surplus on Revaluation of property plant and equipment - net of deferred tax	-	-	-	18,748,778	18,748,778	-	(18,748,778)	-
Payment of final dividend for the year ended June 30, 2023	-	-	-	(17,500,000)	(17,500,000)	-	-	(17,500,000)
Effect of change in effective tax rate	-	-	-	-	-	-	(56,007,470)	(56,007,470)
<b>Balance as at March 31, 2024</b>	<b>350,000,000</b>	<b>39,898,526</b>	<b>90,000,000</b>	<b>897,225,733</b>	<b>1,027,124,259</b>	<b>115,708,828</b>	<b>1,440,523,861</b>	<b>2,933,356,948</b>

The annexed notes 1 to 12 form an integral part of these financial statements.

Lahore  
April 29, 2024

  
(Salem Rehman)  
Chief Executive Officer

  
(Ahsan Suhail Mannan)  
Director

  
(Riaz Ahmad)  
Chief Financial Officer



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

FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Nine Months Ended March 31,	
	2024 Rupees	2023 Rupees
Profit / (loss) before taxation	340,909,233	379,833,100
- Depreciation on property, plant and equipment - owned	138,839,663	99,091,130
- Depreciation on right of use assets	2,427,318	-
- Amortization	209,064	209,061
- Provision for gratuity	20,352,890	21,848,544
- Gain on disposal of non-current Assets	-	(3,525,002)
- Liabilities written back	-	(138,498)
- Exchange (gain)/ loss	2,561,189	(1,618,120)
- Workers' (Profit) Participation Fund	20,383,144	20,399,443
- Workers' Welfare Fund	7,016,802	7,751,693
- Lease Liabilities	1,293,147	656,334
- Unwinding of Liabilities	4,224,520	16,181,545
- Finance cost	288,235,966	157,016,817
	485,543,703	317,872,947
Operating profit before working capital changes	826,452,936	697,706,047
(Increase) / decrease in current assets:		
- Stores, spares and loose tools	(13,809,962)	393,371
- Stock in trade	187,638,230	(121,861,916)
- Trade receivables	(203,539,774)	(205,728,953)
- Advances, deposits and other receivables	78,133,294	27,317,511
(Decrease) / increase in current liabilities:		
- Trade and other payables	(175,887,461)	1,906,679
	(127,465,673)	(297,973,308)
Cash generated from operations	698,987,263	399,732,739
Changes in long term prepayments and other receivables		
Finance cost paid	(293,070,549)	(123,966,689)
Long term security deposit	8,613,861	-
Gratuity paid	(6,584,247)	(3,407,504)
Workers' (Profit) Participation Fund paid	(28,580,604)	(15,282,302)
Workers' welfare Fund paid	(15,905,356)	-
Income tax (paid) / refunded - net	(77,796,419)	(122,376,781)
	(413,323,314)	(265,033,276)
Net Cash Generated from / (Used in) Operating Activities	285,663,949	134,699,463

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

FOR THE NINE MONTHS ENDED MARCH 31, 2024


	Nine Months Ended March 31,	
	2024 Rupees	2023 Rupees
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment purchased	(241,643,053)	(323,734,799)
Long term loans and other receivables	(28,741,032)	12,219,102
Proceeds from disposal of non-current Assets	-	5,670,000
<b>Net Cash used in Investing Activities</b>	(270,384,085)	(305,845,697)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term financing from related parties repaid - net	(18,000,001)	(22,700,000)
Long term financing from banking companies acquired - net	27,977,092	230,859,767
Short term borrowing from related parties repaid - net	17,121,209	(412,124)
Short term borrowing from banking companies acquired - net	(5,192,998)	6,379,147
Dividend Paid	(17,499,999)	(17,500,406)
<b>Net Cash generated from / (used in) Financing Activities</b>	4,405,303	196,626,384
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	19,685,167	25,480,150
<b>Cash and cash equivalents at the beginning of the period</b>	18,397,252	15,709,101
<b>Cash and Cash Equivalents at the End of the Period</b>	38,082,419	41,189,252

The annexed notes 1 to 12 form an integral part of these financial statements.

Lahore  
April 29, 2024

  
(Salem Rehman)  
Chief Executive Officer

  
(Ahsan Suhail Mannan)  
Director

  
(Riaz Ahmad)  
Chief Financial Officer





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

FOR THE NINE MONTHS ENDED MARCH 31, 2024

### 1 The Company and its Operations

- 1.1 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 Sheikhpura Road, Lahore.
- 1.2 The Company is principally engaged in the manufacture and sale of high / low tension electrical porcelain insulators and switchgears.

### 2 Basis of Preparation

- 2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
- International Accounting Standard (IFRS), 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 IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.
- 2.2 This condensed interim financial statements should be read in conjunction with annual audited financial statements for the year ended June 30, 2023. Comparative statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2023 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 interim financial information for the period ended March 31, 2023.
- 2.3 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 this 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, 2023.
- 2.4 This 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, 2023.

	(Un-audited) March 31, 2024 Rupees	(Audited) June 30, 2023 Rupees
<b>4 Surplus on Revaluation of Property, Plant and Equipment</b>		
Land - Freehold	903,427,276	903,427,276
Buildings on freehold land	304,547,380	316,212,903
Plant and machinery	307,305,452	315,819,094
	1,515,280,108	1,535,459,273
Effect of change in effective tax rates	(56,007,470)	8,654,039
Incremental depreciation charged on revalued property, plant and equipment in current year net of deferred tax (transferred to retained earnings)	(18,748,778)	(28,833,204)
	<u>1,440,523,861</u>	<u>1,515,280,108</u>
<b>5. Long Term Financing</b>	(Un-audited) March 31, 2024 Rupees	(Audited) June 30, 2023 Rupees
<b>Banking companies - secured</b>		
The Bank of Punjab Limited	166,393,747	171,583,401
Habib Bank Limited	249,977,628	196,324,628
Askari Bank Limited	172,144,252	172,144,252
Saudi Pak Industrial and Agricultural Investment Company Limited	53,478,264	64,173,915
First Habib Modaraba - Diminishing Musharakah	67,973,653	75,519,626
	709,967,543	679,745,822
<b>Associated companies / related parties - unsecured</b>		
EMCO Industries Limited Provident Fund	19,129,818	37,129,818
Unwinding of interest	(3,740,044)	(7,964,564)
EMCO Industries Limited Provident Fund	15,389,774	29,165,254
	725,357,317	708,911,076
Less: current portion - Banking companies	(129,317,075)	(59,012,672)
	<u>596,040,242</u>	<u>649,898,404</u>



	(Un-audited) March 31, 2024 Rupees	(Audited) June 30, 2023 Rupees
<b>6. Short Term Borrowings</b>		
<b>Interest bearing</b>		
Banking companies - secured		
- Running Finance , local bills discounting and export and import finances	742,902,634	748,095,629
Related parties - unsecured:		
- Associated company - ICC (Private) Limited	20,700,000	63,750,000
	763,602,634	811,845,629
<b>Interest free</b>		
Related parties - unsecured:		
- Directors and close relatives thereof	97,039,267	37,039,268
- Associated company - The Imperial Electric Company (Private) Limited	2,615,692	2,615,692
	863,257,593	851,500,589

**7. Contingencies and Commitments**

**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, 2023.

	(Un-audited) March 31, 2024 Rupees	(Audited) June 30, 2023 Rupees
<b>Commitments</b>		
Letters of credit other than for capital expenditure	155.566	96.669
Letters of credit for capital expenditure	25.588	172.053
<b>Guarantees</b>		
NTDC/DISCOs /Local Customers	730.711	566.802
Sui Northern Gas Pipelines Limited	50.406	50.406
Collectorate of Customs	8.978	8.978
	790.095	626.186
- Commitments for future minimum payments in respect of Ijarah arrangements are as follows:		
Not later than one year	27,784,992	28,564,672
Later than one year and not later than five years	77,330,269	99,046,763
Later than five years	-	-
	105,115,261	127,611,435

		(Un-audited) March 31, 2024 Rupees	(Audited) June 30, 2023 Rupees
<b>8. Property, Plant and Equipment</b>			
Operating fixed assets	8.1	2,905,417,232	2,616,669,070
Right of Use assets		7,281,956	9,709,274
Capital work in progress - civil works		2,051,503	187,997,134
		<u>2,914,750,691</u>	<u>2,814,375,478</u>
<b>8.1 Operating fixed assets</b>			
Opening written down value		2,616,669,070	2,243,524,632
Additions during the period / year		427,587,726	518,900,484
Disposals during the period / year		-	(2,144,998)
		<u>3,044,256,796</u>	<u>2,760,280,118</u>
Depreciation charge for the period / year		(138,839,564)	(143,611,048)
		<u>2,905,417,232</u>	<u>2,616,669,070</u>



9. COST OF REVENUE	Nine Months Ended March 31,		Quarter Ended March 31,	
	2024 Rupees	2023 Rupees	2024 Rupees	2023 Rupees
Raw and packing material consumed	1,005,465,994	1,073,907,854	360,876,389	344,465,506
Stores and spares consumed	79,652,257	119,990,837	26,525,858	52,493,705
Salaries, wages and benefits	379,561,701	363,414,967	123,513,353	124,890,861
Power and gas	335,059,705	449,697,812	112,919,276	153,618,190
Vehicle maintenance	382,512	352,779	196,557	93,667
Repairs and maintenance	8,407,344	6,836,926	3,010,385	2,756,836
Entertainment	2,623,144	1,617,056	1,211,068	715,637
Insurance	6,825,560	5,350,695	2,411,744	1,869,813
Ijarah rentals	-	4,121,792	-	1,421,773
Communication and stationery	1,979,122	2,434,928	696,984	1,315,850
Rent, rates and taxes	3,314,825	1,143,799	2,532,885	495,429
Travelling and conveyance	125,453,613	93,017,919	46,521,686	43,901,889
Testing and experiment charges	34,156,649	50,865,638	9,260,260	12,047,763
Miscellaneous	4,331,345	407,186	2,760,150	183,830
RTV coating related project expenses	2,544,300	9,096,946	942,804	-
Depreciation on property, plant and equipment	127,442,018	98,382,292	43,624,411	33,680,401
	2,117,200,090	2,280,639,424	737,003,811	773,951,149
<b>Work in process:</b>				
- Opening work in process	124,210,137	97,223,798	66,123,600	119,181,137
- Closing work in process	(102,218,728)	(123,791,884)	(102,218,728)	(123,791,884)
	21,991,408	(26,568,086)	(36,095,128)	(4,610,747)
<b>Cost of goods manufactured</b>	2,139,191,498	2,254,071,338	700,908,683	769,340,403
<b>Finished goods:</b>				
- Opening finished goods	612,361,651	223,917,718	320,297,783	376,165,706
- Closing finished goods	(431,464,104)	(394,991,745)	(431,464,104)	(394,991,745)
	180,897,547	(171,074,027)	(111,166,321)	(18,826,039)
	2,320,089,045	2,082,997,311	589,742,362	750,514,362

## 10. Transactions with Related Parties

Related parties comprise associated companies, related group companies, companies where directors also hold directorship, retirement benefits fund, directors and key management personnel. 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 Period			(Un-audited) March 31, 2024 Rupees	(Un-audited) March 31, 2023 Rupees
Related party	Relationship	Nature of transaction		
EMCO Industries Limited Provident Fund	Associated undertaking	Principal amount repaid	18,000,000	22,700,000
The Imperial Electric Company (Private) Limited	Associated company	Short term borrowing obtained	141,000,000	117,500,000
		Short term borrowing repaid	141,000,000	117,500,000
		Markup on Short Term Borrowing	156,729	154,160
		Rent & Other Expense Payment Made	6,351,648 5,372,899	4,070,185 3,360,588
ICC ( Pvt ) Limited	Associated company	Short term borrowing repaid	43,050,000	-
		Markup on short term borrowing	10,493,757	11,002,796
		Markup paid on short term borrowing	27,636,449	7,000,000
		Payment made on behalf of the Company	834,408	532,613
		Payment received from the Company	1,003,306	476,775
Directors and close relatives	Associated persons	Short term borrowing obtained (Note 10.1)	301,565,381	182,301,100
		Short term borrowing repaid (Note 10.1)	241,565,381	182,750,132
		Markup on short term borrowing	4,825,697	4,708,089
		Markup on short term borrowing paid	2,637,178	3,338,096
Executive / Key Management personnel		Long Term Loan Recoverd	90,000	90,000
		Amount received against car lease	8,613,861	-



10.1 One of the directors has arranged personal finance line of Rs. 110 million from a banks for the purpose of extending short term borrowings to the Company. During the Nine months ended March 31, 2024, 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 nine months ended, by rotating the said finance line. The maximum amount outstanding towards the said director during the nine months ended March 31, 2024 was Rs. 110 million. This facility is included in short term borrowings (Note 6) as the reporting date and at any point of time during the period.

Outstanding Balance as at		(Un-audited) March 31, 2024 Rupees	(Audited) June 30, 2023 Rupees
Associated Engineers (Private) Limited	Sponsor Loan - interest Free Markup on long term financing	27,335,446 6,391,541	27,335,446 6,391,541
EMCO Industries Limited Provident Fund	Long term financing	19,129,818	37,129,818
The Imperial Electric Company (Private) Limited	Short term financing - interest Free Markup on long term financing Payable against Rent Other Payable	2,615,692 2,343,326 7,854,066 1,173,572	2,615,692 2,343,326 10,139,889 459,536
ICC ( Pvt ) Limited	Short term borrowing - interest bearing Markup on short term borrowing Advance given Other payable	20,700,000 524,721 103,851 -	63,750,000 17,667,413 - 5,047
Directors and close relatives thereof	Sponsors' loans Short term borrowing Markup on short term borrowing	115,708,828 97,039,267 2,188,519	115,708,828 37,039,268 -
Executive / Key Management personnel	Long Term Loan Receivable Other Payable	250,000 12,461,861	340,000 3,848,000

11. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial statement (un-audited) is authorized for issuance on April 29, 2024 by the Board of Directors of the Company.

12. GENERAL

Corresponding figures are rearranged / reclassified for better presentation and comparison. No material re-arrangements / reclassifications have been made in these (un-audited) financial statements:

Lahore  
April 29, 2024

  
(Salem Rehman)  
Chief Executive Officer

  
(Ahsan Sulhail Mannan)  
Director

  
(Riaz Ahmad)  
Chief Financial Officer

**BOOK POST**  
UNDER POSTAL CERTIFICATE



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Email: [info@emco.com.pk](mailto:info@emco.com.pk)

**Factory:**

19-Kilometers, Lahore Sheikhpura Road, Lahore.