

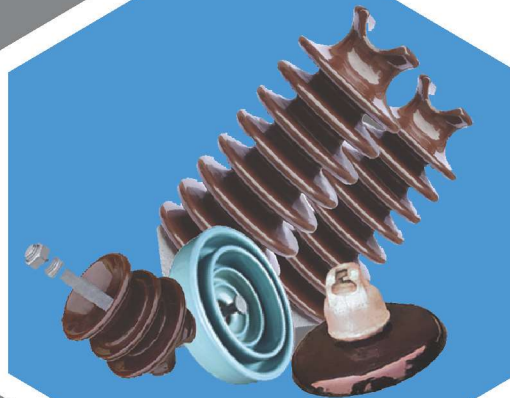
**INTERIM FINANCIAL
INFORMATION (Un-audited)
FIRST QUARTER ENDED
SEPTEMBER 30, 2022**



WWW.EMCO.COM.PK



EMCO INDUSTRIES LIMITED





CONTENTS

Company Information	3
Directors' Report	4-7
Condensed Interim Statement of Financial Position	8-9
Condensed Interim Statement of Profit or Loss	10
Condensed Interim Statement of Comprehensive Income	11
Condensed Interim Statement of Changes in Equity	12
Condensed Interim Statement of Cash Flows	13-14
Notes to and Forming Part of the Condensed Interim Financial Statements ...	15-22



COMPANY INFORMATION

Board of Directors

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

Chief Financial Officer

Mr. Riaz Ahmad

Company Secretary

Mr. Ahsan Suhail Mannan

Audit Committee

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

Mr. Ahsan Suhail Mannan

Is the Committee Secretary as required by the Chapter IX, 27 (1) (iv) of Code of Corporate Governance, Regulations 2019.

HR Committee

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

Risk Management Committee

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

Nomination Committee

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

External Auditors

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

Internal Auditors

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

Legal Advisers

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

Bankers

Habib Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) 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 are pleased to present the performance review of your Company together with the un-audited financial statements for the 1st Quarter ended September 30, 2022.

Operations and Sales Review

The Company produced 1,190 Tons of Insulators during the period under review (July-Sep 2022) as compared to 1,271 Tons in the corresponding period of last year. Similarly, your Company sold 1,200 Tons of Insulators during the period under review (July-Sep 2022) as compared to 1,309 Tons of the corresponding period of last year. The reduced production in this period is on account a variation in the product mix, along with the impact of BMR activities taking place at the plant in the first phase of the project, which resulted in partial capacity enhancement in September. A major upward trend in production and sale is expected in the subsequent quarter and beyond, inshAllah.

In terms of value, the net sales of the Company for the period under review (July- Sep 2022) increased to Rs. 778.33 Million as compared to Rs. 569.25 Million of the corresponding period of last year, thereby registering an increase of 36.7%.

Despite aggressive production efficiency improvement measures taken by the management, your Company continues to face capacity constraints to cater the growing demand in a timely manner. Resultantly, the Company incurred Liquidated Damages (LDs) on late supplies, which amounted to a significant value of Rs. 20.43 Million for the 3 month period under review. Management expects to improve its performance in this regard in the upcoming periods as the production de-bottlenecking process gains momentum.

To address this capacity constraint, the Company has arranged Financing and placed orders for machinery and equipment under a BMR project that will enhance production capacity by around 40%. The new machinery and equipment has started arriving and will be sequentially installed. The process is expected to be completed by July 2023 InshaAllah.

Financial Performance

For the period under review (July-Sep 2022), the Company posted Gross Profit of Rs. 178.45 Million compared to Rs. 157.99 Million in the corresponding period of last year.

The Net Operating Profit for the period under review (July-Sep 2022) has increased to Rs. 134.02 Million as compared to Rs. 124.33 Million of the corresponding period of last year.

Finance Cost for the period under review (July-Sep 2022) has increased and stood at Rs. 46.77 Million as compared to Rs. 19.30 Million of the corresponding period of last year. This substantial increase is owing to higher policy rate coupled with higher utilization of working capital and draw-down of BMR loans facilities.



After taking into account financial charges, Profit before Tax decreased to Rs. 68.56 Million as compared to Profit before Tax of Rs. 85.69 Million for the corresponding period of last year. Rapidly rising costs of production, unfavorable exchange rate and other inflationary trends kept the bottom line under pressure. However, management is confident to address these rising costs through improved economies of scale and additional production process efficiencies within the next 2 quarters inshAllah.

After accounting for tax, your Company recorded a net profit of Rs. 46.32 Million for the period under review as compared to a profit of Rs. 61.33 million for the corresponding period of last year.

There is no overdue against any loans.

Earnings per Share

The basic Earnings Per Share is reported at Rs. 1.32 as compared to basic Earnings Per Share of Rs. 1.75 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 stable demand for Company products in the local market. Simultaneously, the Company is allocating new capacity towards frontier export markets, and this effort is bearing fruit. New High Voltage products will be introduced later on the financial year, which will further improve your Company's standing in the market, and offer much needed indigenization of energy sector equipment. Currently, your Company maintains a healthy order book, and management is confident to meet its annual growth plans and targets, InshaAllah.

Acknowledgments

Your Directors appreciate the continued support and commitment of all the stakeholders. They are especially thankful to the Banks and financial Institutions. They also wish to acknowledge, hard and sincere work of the staff and employees of the Company.

On behalf of board

Tariq Rehman
Chief Executive Officer
October 28, 2022
Lahore

Ahsan Suhail Mannan
Director / Company Secretary

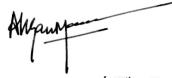
قریبی مدتی مہرہ:۔

آگے بڑھتے ہوئے آپ کی کمپنی کی انتظامیہ کمپنی کی مصنوعات کی مستحکم مانگ کی پیش گوئی کرتی ہے مقامی مارکیٹ میں اس کے ساتھ ہی کمپنی فرنیچر ایکسپورٹ مارکیٹس کے لیے نئی صلاحیت مختص کر رہی ہے اور اس کوشش کے ثمرات سامنے آرہے ہیں۔ نئی ہائی وولٹیج مصنوعات مالی سال کے آخر میں متعارف کرائی جائیں گی جو مارکیٹ میں آپ کی کمپنی کی حیثیت کو مزید بہتر بنائیں گی اور توانائی کے شعبے کے سامان کی بہت ضروری Indigenization آرائیں گی۔ فی الحال آپ کی کمپنی ایک صحت مند آرڈر بک کو برقرار رکھتی ہے اور انتظامیہ اپنے سالانہ ترقی کے منصوبوں اور اہداف کو پورا کرنے کے لیے پراعتماد ہے انشاء اللہ۔

اختراقات:۔

آپ کے ڈائریکٹرز تمام اسٹیک ہولڈرز کی مسلسل حمایت اور عزم کی تعریف کرتے ہیں۔ خاص طور پر بینکوں اور مالیاتی اداروں کے شرکزار ہیں۔ وہ کمپنی کے عملے اور ملازمین کے سخت اور مخلصانہ کام کو بھی تسلیم کرنا چاہتے ہیں۔

بورڈ کی جانب سے



احسن سہیل منان
ڈائریکٹر / کمپنی سیکرٹری



طارق رحمان
منیجنگ ڈائریکٹر

28 اکتوبر 2022

لاہور



ڈائریکٹرز کا جائزہ

حصص داران:-

بورڈ آف ڈائریکٹرز کی جانب سے ہمیں 30 ستمبر 2022 کو ختم ہونے والی پہلی سرمایہ کے غیر آڈٹ شدہ مالیاتی گوشواروں کے ساتھ آپ کی کمپنی کی کارکردگی کا جائزہ پیش کرتے ہوئے خوشی ہو رہی ہے۔

کاروباری کارکردگی اور یکٹرز کا جائزہ:-

کمپنی نے زیر جائزہ مدت (جولائی تا ستمبر 2022) کے دوران 1,190 ٹن انسولیٹرز کی پیداوار کی جو کہ گزشتہ سال کی اسی مدت کے دوران یہ تعداد 1,271 ٹن تھی۔ اسی طرح آپ کی کمپنی نے زیر جائزہ مدت (جولائی تا ستمبر 2022) کے دوران 1,200 ٹن انسولیٹرز فروخت کیے جبکہ گزشتہ سال کی اسی مدت میں 1,309 ٹن فروخت کیے گئے تھے۔ اس مدت میں کم پیداوار کی وجہ پر وڈ کٹس میں کمی تھی، اس کے ساتھ ساتھ منصوبے کے پہلے مرحلے میں پلانٹ میں ہونے والی BMR سرگرمیوں کے اثرات کے ساتھ جس کے نتیجے میں تجربہ میں جلدی صلاحیت میں اضافہ ہوا۔ آنے والی سرمایہ میں اور اس کے بعد بھی پیداوار اور فروخت میں بڑے پیمانے پر اضافے کا رجحان متوقع ہے انشاء اللہ۔ قدر کے لحاظ سے کمپنی کی زیر جائزہ مدت (جولائی تا ستمبر 2022) کے دوران خالص فروخت بڑھ کر 778.33 ملین روپے ہو گئی۔ جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 569.25 ملین روپے تھی جس میں 36.7 فیصد کا اضافہ ریکارڈ کیا گیا۔

انتظامیہ کی طرف سے پیداوار کی کارکردگی میں بہتری کے جارحانہ اقدامات کے باوجود آپ کی کمپنی کو بڑھتی ہوئی طلب کو بروقت پورا کرنے کے لئے صلاحیت کی رکاوٹوں کا سامنا کرنا پڑتا ہے۔ اس کے نتیجے میں کمپنی نے تاخیر سے فراہمی پر Liquidated Damages (LDs) کا سامنا کرنا پڑا جس کی قیمت زیر جائزہ مدت میں 20.43 ملین روپے رہی۔ انتظامیہ آنے والے ادوار میں اس سلسلے میں اپنی کارکردگی کو بہتر بنانے کی توقع کرتی ہے کیونکہ پیداوار کے خاتمے کے عمل کو رفتار ملتی ہے۔ صلاحیت کی اس رکاوٹ کو دور کرنے کے لئے کمپنی نے BMR پر وڈ کٹس کے تحت ٹرانسنگ کا انتظام کیا ہے اور مشینری اور سامان ہفت پنا شروع ہو گیا ہے اور ترتیب وار نصب کیا جائے گا۔ جو کہ پیداواری صلاحیت میں تقریباً 40 فیصد کا اضافہ کرے گا۔ توقع ہے کہ نئی مشینری اور آلات انشاء اللہ جولائی 2023 تک آن لائن ہو جائیں گی۔

مالیاتی کارکردگی:-

زیر جائزہ مدت (جولائی تا ستمبر 2022) کے دوران کمپنی نے مجموعی منافع 178.45 ملین روپے ریکارڈ کیا جو کہ گزشتہ سال کی اسی مدت میں 157.99 ملین روپے تھا۔

زیر جائزہ مدت (جولائی تا ستمبر 2022) کے لئے خالص آپریٹنگ منافع بڑھ کر 134.02 ملین روپے تک پہنچ گیا جو کہ گزشتہ سال کی اسی مدت میں 124.33 ملین روپے تھا۔

زیر جائزہ مدت (جولائی تا ستمبر 2022) کے لئے مالیاتی لاگت میں 46.77 ملین ہے اور یہ گزشتہ سال کی اسی مدت کے 19.30 ملین روپے رہی ہے۔ یہ خاطر خواہ اضافہ داخلی پالیسی شرح کے ساتھ ساتھ ورکنگ کپٹل کے زیادہ استعمال اور BMR کے قرضوں کے اجراء کی وجہ سے ہے۔

مالیاتی اخراجات کو منہا کرنے کے بعد قرض ازگیس منافع کم ہو کر 68.56 ملین روپے رہ گیا جبکہ گزشتہ سال کی اسی مدت میں قرض ازگیس منافع 85.69 ملین روپے تھا۔ پیداوار کی تیزی سے بڑھتی ہوئی لاگت، نئی تدارک لے لی شرح اور دیگر افراط زر کے رجحانات نے دباؤ کے تحت نیچے لائن کو برقرار رکھا تاہم انتظامیہ کو یقین ہے کہ وہ ان بڑھتے ہوئے اخراجات کو بہتر معیشتوں اور اضافی پیداواری عمل کی استعداد کار کے ذریعے آئندہ 2 سرمایہ میں انشاء اللہ حل کرے گی۔

فیکس کا حساب کتاب کرنے کے بعد آپ کی کمپنی نے 46.32 ملین روپے کا خالص منافع ریکارڈ کیا۔ جو کہ گزشتہ سال کی اسی مدت میں 61.33 ملین روپے تھا۔ زیر جائزہ مدت کے دوران کوئی قرضہ ذامہ ادا نہیں ہے۔

فی شیئر آمدنی:-

فی شیئر کی بنیادی آمدنی 1.32 روپے کے مقابلے میں پچھلے سال 1.75 روپے تھی۔ زیر جائزہ مدت اور گزشتہ سال کی اسی مدت کے لئے فی حصص آمدنی پر کوئی کمزور اثر نہیں ہے۔

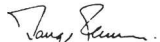
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	September 30, 2022 (Un-audited) Rupees	June 30, 2022 (Audited) Rupees
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital: 40,000,000 (June 30, 2022: 40,000,000) Ordinary shares of Rs. 10 each		400,000,000	400,000,000
Issued, subscribed and paid up capital: 35,000,000 (June 30, 2022: 35,000,000) Ordinary shares of Rs. 10 each		350,000,000	350,000,000
Reserves		558,547,085	505,111,998
Sponsors' loan		115,708,828	115,708,828
Surplus on Revaluation of Property, Plant and Equipment	4	1,528,348,282	1,535,459,273
		2,552,604,195	2,506,280,099
Non Current Liabilities			
Long term financing	5	350,241,265	291,240,523
Post employment benefits		98,107,421	91,015,646
Deferred tax liability		224,765,307	224,765,307
Long term security deposit		719,584	719,584
		673,833,577	607,741,060
Current Liabilities			
Trade and other payables		308,186,934	341,653,945
Unclaimed dividends		525,320	525,321
Accrued finance cost		55,218,452	39,452,380
Short term borrowings	6	800,348,708	690,420,249
Current portion of non-current liabilities		41,239,067	58,237,039
		1,205,518,481	1,130,288,934
Contingencies and Commitments			
	7	4,431,956,253	4,244,310,093

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

Lahore
October 28, 2022

8 | 



(Tariq Rehman)
Chief Executive Officer



AS AT SEPTEMBER 30, 2022

	Note	September 30, 2022 (Un-audited) Rupees	June 30, 2022 (Audited) Rupees
ASSETS			
Non Current Assets			
Property, plant and equipment	8	2,424,936,990	2,398,443,176
Investment properties		84,376,437	84,376,437
Intangible assets		1,055,236	1,124,919
Long term prepayments and other receivables		35,423,767	31,587,223
Long term deposits		3,751,900	3,751,900
Long term loans		1,394,900	1,431,940
		2,550,939,230	2,520,715,595
Current Assets			
Stores, spares and loose tools		175,328,872	126,248,948
Stock-in-trade		841,386,249	760,040,464
Trade receivables		613,704,734	624,141,222
Advances, deposits, prepayments and other receivables		83,698,652	127,293,766
Income tax refundable from the Government		93,081,290	70,160,997
Cash and bank balances		73,817,227	15,709,101
		1,881,017,023	1,723,594,498
		4,431,956,253	4,244,310,093


(Ahsan Suhail Mannan)
Director



(Riaz Ahmad)
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF PROFIT
OR LOSS (Un-audited)**
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022


		Quarter Ended September 30,	
	Note	2022 Rupees	2021 Rupees
Revenue	9	778,338,027	569,256,787
Cost of revenue	10	(599,885,582)	(411,262,790)
Gross Profit		178,452,444	157,993,997
- Administrative expenses		(30,435,227)	(25,460,688)
- Selling and distribution expenses		(13,989,872)	(8,203,578)
		(44,425,099)	(33,664,266)
Operating Profit		134,027,345	124,329,731
Other operating expenses		(25,856,904)	(28,138,932)
Finance cost		(46,772,390)	(19,301,397)
Other income		7,167,735	8,806,441
Profit before Taxation		68,565,787	85,695,843
Taxation		(22,241,690)	(24,358,141)
Net Profit for the Period		46,324,097	61,337,702
Earnings per Share - Basic and Diluted		1.32	1.75

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

Lahore
October 28, 2022


(Tariq Rehman)
Chief Executive Officer


(Ahsan Suhail Mannan)
Director


(Riaz Ahmad)
Chief Financial Officer

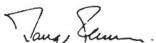


**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (Un-audited)**
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022


	Quarter Ended September 30,	
	2022 Rupees	2021 Rupees
Net Profit for the Period	46,324,097	61,337,702
Other comprehensive income		
Items that may be reclassified to the profit or loss	-	-
Total Comprehensive Profit for the Period	46,324,097	61,337,702

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

Lahore
October 28, 2022


(Tariq Rehman)
Chief Executive Officer


(Ahsan Suhail Mannan)
Director


(Riaz Ahmad)
Chief Financial Officer


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

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022


	Issued, Subscribed and Paid up Capital Rupees	Capital Share Premium Rupees	Reserves Revenue General Reserve Rupees	Accumulated Profit/(Loss) Rupees	Total Reserve Rupees	Sponsors' Loan Rupees	Surplus on revaluation of property, plant and equipment Rupees	Total Rupees
Balance as at June 30, 2021	350,000,000	39,898,526	90,000,000	173,093,613	302,992,139	115,708,828	1,302,397,360	2,071,098,327
Total comprehensive income for the Three months period ended September 30, 2021	-	-	-	61,337,702	61,337,702	-	-	61,337,702
Incremental depreciation on surplus on Revaluation	-	-	-	5,540,001	5,540,001	-	(5,540,001)	-
Final Dividend 2021: Re. 1 per share	-	-	-	(35,000,000)	(35,000,000)	-	-	(35,000,000)
Balance as at September 30, 2021	350,000,000	39,898,526	90,000,000	204,971,316	334,869,842	115,708,828	1,296,857,359	2,097,436,029
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 Three months period ended September 30, 2022	-	-	-	46,324,097	46,324,097	-	-	46,324,097
Incremental depreciation on surplus on Revaluation	-	-	-	7,110,991	7,110,991	-	(7,110,991)	-
Balance as at September 30, 2022	350,000,000	39,898,526	90,000,000	428,648,560	558,547,086	115,708,828	1,528,348,282	2,552,604,196

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

Lahore
October 28, 2022


(Tariq Rehman)
Chief Executive Officer


(Ahsan Suhail Mannan)
Director


(Riaz Ahmad)
Chief Financial Officer



**CONDENSED INTERIM STATEMENT OF
CASH FLOWS (Un-audited)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022**

	<u>Quarter Ended September 30,</u>	
	2022 Rupees	2021 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	68,565,787	85,695,698
- Depreciation on property, plant and equipment - owned	30,853,502	23,162,468
- Amortization	69,687	69,687
- Provision for gratuity	7,282,848	4,878,114
- Liabilities written back	(132,348)	(223,082)
- Exchange (gain)/ loss	(1,382,745)	(153,886)
- Workers' (Profit) Participation Fund	3,646,229	3,756,000
- Workers' Welfare Fund	1,385,567	1,427,400
- Lease Liabilities	218,778	-
- Unwinding of Liabilities	1,982,316	2,513,404
- Finance cost	44,571,296	16,787,993
	88,495,130	52,218,098
Operating profit before working capital changes	157,060,917	137,913,796
(Increase) / decrease in current assets:		
- Stores, spares and loose tools	(49,128,171)	(28,439,886)
- Stock in trade	(80,742,653)	(114,231,374)
- Trade receivables	14,705,382	47,176,545
- Advances, deposits, prepayments and others	35,357,743	4,457,438
(Decrease) / increase in current liabilities:		
- Trade and other payables	(23,907,808)	(26,787,091)
	(103,715,507)	(117,824,369)
Cash (used in)/generated from operations	53,345,410	20,089,427
Changes in long term prepayments and other receivables		
Finance cost paid	(28,835,331)	(16,337,318)
Gratuity paid	(364,500)	(1,313,414)
Workers' (Profit) Participation Fund paid	(14,566,590)	(15,041,244)
Income tax (paid) / refunded - net	(45,087,105)	(10,497,994)
	(88,853,526)	(43,189,970)
Net Cash (Used in)/generated from Operating Activities	(35,508,116)	(23,100,543)


CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022


	Quarter Ended September 30,	
	2022 Rupees	2021 Rupees
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(57,348,180)	(11,030,594)
Long term loans and other receivables	988,922	(1,555,611)
Net Cash used in Investing Activities	(56,359,258)	(12,586,205)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term financing from related parties repaid - net	(7,500,000)	(9,000,000)
Long term financing from banking companies acquired - net	47,505,941	(16,278,043)
Diminishing Musharka acquired / (repaid) - net	(323,513)	(85,000,000)
Short term borrowing from related parties repaid - net	110,293,073	125,456,265
Net Cash generated from / (used in) Financing Activities	149,975,501	15,178,222
Net Increase / (Decrease) in Cash and Cash Equivalents	58,108,127	(20,508,526)
Cash and cash equivalents at the beginning of the period	15,709,101	40,625,856
Cash and Cash Equivalents at the End of the Period	73,817,227	20,117,330

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

Lahore
October 28, 2022


(Tariq 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 FIRST QUARTER ENDED SEPTEMBER 30, 2022

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 Sheikhupura 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, 2022. Comparative statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2022 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 September 30, 2021.
- 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, 2022.
- 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, 2022.

	Note	September 30, 2022 (Un-audited) Rupees	June 30, 2022 (Audited) Rupees
4 Surplus on Revaluation of Property, Plant and Equipment			
Land - Freehold		903,427,276	903,427,276
Buildings on freehold land		316,212,903	343,902,158
Plant and machinery		315,819,094	338,375,950
		1,535,459,273	1,585,705,384
Effect of change in effective tax rates		-	(28,049,769)
Incremental depreciation charged on revalued property, plant and equipment in current year net of deferred tax (transferred to retained earnings)		(7,110,991)	(22,196,342)
		1,528,348,282	1,535,459,273
5 Long Term Financing			
Banking companies - secured			
Standard Chartered Bank (Pakistan) Limited		16,221,494	23,426,113
Unwinding of interest		(972,955)	(1,402,410)
		15,248,539	22,023,703
Habib Bank Limited		6,787,005	13,574,010
Less: Deferred income - Government Grant	5.1	-	(187,949)
		6,787,005	13,386,061
The Bank of Punjab Limited		89,814,223	37,009,635
Habib Bank Limited		56,316,750	56,316,750
Askari Bank Limited		64,675,252	58,252,682
Saudi Pak Industrial and Agricultural Investment Company Limited		74,869,566	78,434,783
First Habib Modaraba - Diminishing Musharakah		31,371,679	26,357,480
		339,083,014	291,781,094



	September 30, 2022 (Un-audited) Rupees	June 30, 2022 (Audited) Rupees
Associated companies / related parties - unsecured		
EMCO Industries Limited Provident Fund	64,129,818	71,629,818
Unwinding of interest	(15,702,200)	(17,255,061)
	48,427,618	54,374,757
Less: current portion - Banking companies	387,510,631 (37,269,367)	346,155,851 (54,915,328)
	350,241,265	291,240,523

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".

	September 30, 2022 (Un-audited) Rupees	June 30, 2022 (Audited) Rupees
6. Short Term Borrowings		
Interest bearing		
Banking companies - secured	657,686,441	547,393,367
Related parties - unsecured:		
- Associated company - ICC (Private) Limited	80,750,000	80,750,000
	738,436,441	628,143,367
Interest free		
Related parties - unsecured:		
- Directors and close relatives thereof	42,535,542	42,900,157
- Associated company - Associated Engineers (Private) Limited	16,761,033	16,761,033
- Associated company - The Imperial Electric Company (Private) Limited	2,615,692	2,615,692
	800,348,708	690,420,249

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, 2022.

	September 30, 2022 (Un-audited) Rs. in millions	June 30, 2022 (Audited) Rs. in millions
Commitments		
Letters of credit other than for capital expenditure	92.269	110.510
Letters of credit for capital expenditure	363.339	322.930
Guarantees		
NTDC/DISCOs	490.261	471.051
Sui Northern Gas Pipelines Limited	45.435	31.457
Collectorate of Customs	8.978	8.978
	<u>544.675</u>	<u>511.487</u>

- Commitments for future minimum payments in respect of Ijarah arrangements are as follows:

	September 30, 2022 (Un-audited) Rupees	June 30, 2022 (Audited) Rupees
Not later than one year	11,258,099	9,484,271
Later than one year and not later than five years	36,572,628	31,996,120
Later than five years	-	-
	<u>47,830,727</u>	<u>41,480,391</u>

	Note	September 30, 2022 (Un-audited) Rupees	June 30, 2022 (Audited) Rupees
8. Property, Plant and Equipment			
Operating fixed assets	8.1	2,284,380,496	2,243,524,632
Right of Use assets		1,824,558	2,486,706
Capital work in progress - civil works		138,731,936	152,431,838
		<u>2,424,936,990</u>	<u>2,398,443,176</u>
8.1 Operating fixed assets			
Opening written down value		2,243,524,632	1,882,605,192
Additions during the period / year		71,709,364	98,187,943
Disposals during the period / year		-	(57,082)
Revaluation adjustment		-	361,686,965
		<u>2,315,233,996</u>	<u>2,342,423,018</u>
Depreciation charge for the period / year		(30,853,500)	(98,898,386)
		<u>2,284,380,496</u>	<u>2,243,524,632</u>



	Quarter Ended September 30,	
	2022 (Un-audited) Rupees	2021 (Un-audited) Rupees
9. REVENUE		
Gross revenue:		
- Local	909,926,167	652,578,423
- Export	-	11,497,451
	909,926,167	664,075,874
Less: Sales tax	(131,588,140)	(94,819,087)
Net sales	778,338,027	569,256,787
10. COST OF REVENUE		
Raw and packing material consumed	279,727,832	177,595,979
Stores and spares consumed	27,416,970	14,016,834
Salaries, wages and benefits	112,770,497	84,562,162
Power and gas	150,173,961	68,794,897
Vehicle maintenance	133,828	145,155
Repairs and maintenance	2,279,257	1,351,658
Insurance	1,102,016	1,159,722
Ijarah rentals	1,281,215	740,634
Communication and stationery	668,466	613,565
Rent, rates and taxes	372,546	631,969
Travelling and conveyance	19,087,659	17,542,982
Testing and experiment charges	10,763,223	10,517,061
Miscellaneous	628,783	737,940
Depreciation on property, plant and equipment	30,612,141	23,030,430
	637,018,394	401,440,987
Work in process:		
- Opening work in process	97,223,798	85,445,820
- Closing work in process	(108,853,863)	(86,455,366)
	11,630,065	(1,009,546)
Cost of goods manufactured	625,388,329	400,431,441
Finished goods:		
- Opening finished goods	223,917,718	205,731,863
- Closing finished goods	(249,420,464)	(194,900,514)
	(25,502,746)	10,831,349
	599,885,582	411,262,790

11. Transactions with Related Parties

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

			Quarter Ended September 30,	
			2022 (Un-audited) Rupees	2021 (Un-audited) Rupees
Transactions during the year				
Related party	Relationship	Nature of transaction		
EMCO Industries Limited	Associated undertaking	Principal amount repaid	7,500,000	9,000,000
Provident Fund				
The Imperial Electric Company (Private) Limited	Associated company	Payment for Rent Expense	575,361	607,779
ICC (Pvt) Limited	Associated company	Short term borrowing repaid	-	75,000,000
		Markup on short term borrowing	3,549,925	4,425,686
		Markup paid on short term borrowing	2,250,000	3,869,075
		Payment made on behalf of Company	285,200	367,162
		Payment received from the Company	285,062	606,946
Directors and close relatives	Associated persons	Short term borrowing obtained	50,000,000	-
		Short term borrowing repaid	50,360,421	10,000,000
		Markup on short term borrowing	92,073	-
		Markup on short term borrowing paid	1,041,406	615,765
Executives / Key management personal		Long term loan received back during the year	30,000	30,000



11.1 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 three months ended September 30, 2022, 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 period, by rotating the said finance line. The maximum amount outstanding towards the said director during the three months ended September 30, 2022 was Rs. 50 million.

		Quarter Ended September 30,	
		2022 (Un-audited) Rupees	2021 (Un-audited) Rupees
Outstanding Balance as at the year end			
Related party	Nature of transaction		
Associated Engineers (Private) Limited	Sponsor Loan		
	- interest Free	-	10,574,413
	Short term financing		
	- interest Free	16,761,034	16,761,034
	Markup on long term financing	6,391,541	6,391,541
EMCO Industries Limited Provident Fund	Long term financing	64,129,818	71,629,818
Imperial Electric Company (Private) Limited	Short term financing		
	- interest Free	2,615,692	2,615,692
	Markup on long term financing	2,343,326	2,343,326
	Payable against Rent	2,384,966	2,960,327
	Other Payable	2,085,342	1,060,115
ICC (Pvt) Limited	Short term borrowing		
	- interest bearing	80,750,000	80,750,000
	Markup on short term borrowing	10,804,770	9,504,845
	Advance given	-	55,791
	Other payable	21,347	-
Directors, executives and close relatives thereof	Sponsors' loans	115,708,829	115,708,829
	Short term borrowing	42,539,735	42,900,156
	Markup on short term borrowing	92,072	1,046,180
Executive / Key Management personnel	Long Term Loan Receivable	430,000	460,000

12. Subsequent Events

The Board of Directors of the Company has proposed a final cash dividend for the year ended June 30, 2022 of Rs. 0.5 (2021: Rs. 1) per share amounting to Rs. 17.5 million (2021: Rs. 35 million) for approval of members at the Annual General Meeting. These financial statements do not include the effect of the above event which will be accounted for in the quarter in which it is approved.

13. Date of Authorization for Issue

This condensed interim financial statement (un-audited) is authorized for issuance on October 28, 2022 by the Board of Directors of the Company.

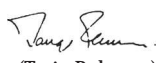
14. General

Corresponding figures are rearranged / reclassified for better presentation and comparison. Following re-arrangements / reclassifications have been made in these financial statements (un-audited) for better presentation:


Nature	From	To	2021 Rupees
"Late delivery charges / liquidity damages"	Revenue (Note 9)	Other operating expenses	22,568,532

The above mentioned re-arrangement / reclassification does not have any impact on the profitability of the Company, or on the statement of financial position, statement of other comprehensive income, statement of cash flows or statement of changes in equity.

Lahore
October 28, 2022


(Tariq Rehman)
Chief Executive Officer


(Ahsan Suhail Mannan)
Director


(Riaz Ahmad)
Chief Financial Officer

www.jamapunji.pk



**Be aware, Be alert,
Be safe**

**Learn about investing at
www.jamapunji.pk**

Key features:

- Licensed Entities Verification
- Scam meter*
- Jamapunji games*
- Tax credit calculator*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered
- Stock trading simulator (based on live feed from KSE)
- Knowledge center
- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes



Jama Punji is an Investor
Education Initiative of
Securities and Exchange
Commission of Pakistan

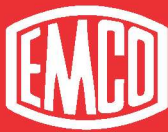
jamapunji.pk

@jamapunji_pk

*Mobile apps are also available for download for android and ios devices

BOOK POST

UNDER POSTAL CERTIFICATE



EMCO INDUSTRIES LIMITED

Head Office:

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

Tel: (+92) (42) 3630 6545 - 6, Fax: (+92) (42) 3636 8119

Email: info@emco.com.pk

Factory:

19-Kilometers, Lahore Sheikhupura Road, Lahore.