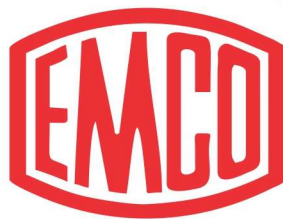


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**INTERIM
FINANCIAL
INFORMATION
(Un-audited)
FIRST QUARTER
ENDED
SEPTEMBER 30, 2024**



EMCO INDUSTRIES LIMITED



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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

Cornelius 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 Tiles
- Acid Proof Cement

Special Porcelain

- High Alumina Porcelain
- Lining Special Refractories & Grinding Media

Metal Components

- Cross Arms for Distribution Poles
- Steel Pins for Pin Insulators/ Cross Arms
- D-Shackle Assembly

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, 2024.

Operations and Sales Review

The Company produced 603.33 tons of porcelain insulators during the period under review (July-Sep 2024) as compared to 808.07 tons of the corresponding period of last year. Similarly, the Company sold 733.47 tons of porcelain insulators during the period under review (July-Sep 2024) as compared to 1,229.07 tons of the corresponding period of last year. Production and sales indicators for the domestic market were impacted on account of reprofiling the process of power sector by the Government resulting in reprioritizing and delay in budgetary allocation for maintenance and start of new projects. During this period, the Company continued its efforts to decrease its finished goods inventory levels to ease cash flow constraints.

The Company used this lean period to focus heavily on penetrating new export markets for the core porcelain insulator product. Resultantly, the company exported almost 60% of the last full year export value in the single quarter. Simultaneously, the Company successfully started the execution of orders against the metal hardware prequalification from the Distribution Companies (DISCOs). The introductory pricing and new nature of these initiatives resulted in negative pressure on profitability. However, the Company is aggressively working to improve the profitability of these new initiatives and is confident that these initiatives will yield improved profitability within this fiscal year.

Net sales of the Company recorded as Rs.755.60 million for the period under review (July Sep 2024) as compared to Rs. 1,260.15 million of the corresponding period of last year.

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.

Financial Performance

For the period under review (July-Sep 2024), the Company posted gross profit of Rs. 69.59 million compared to Rs. 401.04 million in the corresponding period of last year. The net operating Loss for the period under review (July-Sep 2024) is recorded at Rs. 1.29 million as compared to net operating profit Rs. 327.19 million in the corresponding period of last year. Gross Margins reduced substantially on account of low sales of insulators and dispatch of new products offered at introductory and penetration phase. Admin and S&D expenses decreased to Rs. 70.88 million from Rs. 73.84 million.

Finance cost for the period under review (July-Sep 2024) has been recorded at Rs. 103.13 million as compared to Rs. 94.61 million in the corresponding period of last year.

After taking into account financial charges, Loss Before Tax is Rs. 99.32 million as compared to Profit Before Tax of Rs. 198.74 million for the corresponding period of last year.



After accounting for tax, the Company has made a Net Loss of Rs. 68.54 million for the period under review as compared to a Net Profit of Rs. 129.18 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.

Earnings per Share

The basic earnings/(loss) per share is reported at Rs. (1.96) as compared to basic earnings per share of Rs. 3.69 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

While the recent slowdown in economic growth, coupled with high inflation and a significant debt burden is a cause for concern, ongoing efforts to enforce fiscal discipline and encourage export-driven growth are positive steps being taken. Your Company remains fully aligned with these national objectives.

Energy sector reforms are a key priority for the current government. These reforms focus on addressing inefficiencies, encouraging private sector involvement, and promoting the indigenization of products within the energy sector. The Management of your Company believes this national strategy presents an ideal opportunity for EMCO to expand its footprint in this critical sector.

Meanwhile, to address sluggish domestic demand, the Company continues to channel efforts into expanding its presence in export markets, building on recent successes in North America and Latin America. We remain confident that, with continued focus, we will see further growth in our export base this year, Insh'Allah.

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

Salem Rehman
Chief Executive Officer
October 30, 2024
Lahore

Ahsan Suhail Mannan
Director / Company Secretary

فیحصہ آمدنی

فیحصہ بنیادی آمدنی / (نقصان) گزشتہ سال کے اسی عرصے میں 3.69 روپے فی حصص کی بنیادی آمدنی کے مقابلے میں (1.96 روپے) تائی گئی ہے۔ زیر جائزہ مدت اور پچھلے سال کی اسی مدت کے لئے فیحصہ آمدنی پر کوئی کمی کا اثر نہیں ہے۔

قریبی مدت کے نقطہ نظر

اگرچہ معاشی نمومیں حالیہ ستروی کے ساتھ ساتھ افراتر میں اضافہ اور قرضوں کا بوجھ تشویش کا باعث ہے لیکن مالی نظم و ضبط کو نافذ کرنے اور برآمدات پر ترقی کی حوصلہ افزائی کے لئے جاری کوششیں مثبت اقدامات ہیں۔ آپ کی کمپنی ان قومی مقاصد کے ساتھ مکمل طور پر منسلک ہے۔

توانائی کے شعبے میں اصلاحات موجودہ حکومت کی اولین ترجیح ہیں۔ ان اصلاحات کی توجہ نابلوں کو دور کرنے، نجی شعبے کی شمولیت کی حوصلہ افزائی کرنے اور توانائی کے شعبے میں مصنوعات کو فروغ دینے پر مرکوز ہے۔ آپ کی کمپنی کی انتظامیہ کا ماننا ہے کہ یہ قومی حکمت عملی ایٹکو کے لئے اس اہم شعبے میں اپنے قدم ہمانے کا ایک مثالی موقع پیش کرتی ہے۔

دریں اثناء، سہستھامی طلب کو پورا کرنے کے لئے، کمپنی شمالی امریکہ اور لاطینی امریکہ میں حالیہ کامیابیوں کی بنیاد پر برآمدی مارکیٹوں میں اپنی موجودگی کو بڑھانے کے لئے کوششیں جاری رکھے ہوئے ہے۔ ہمیں یقین ہے کہ مسلسل توجہ کے ساتھ ایشیا، اللہ اس سال ہم اپنی برآمدی بنیاد میں مزید اضافہ دیکھیں گے۔

اعترافات

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

بورڈ کی جانب سے



احسن حبیب خان
ڈائریکٹر/کمپنی سیکرٹری



سالم رحمان
چیف ایگزیکٹو آفیسر
30 اکتوبر 2024ء لاہور



ڈائریکٹرز کا جائزہ

حصص داران -

بورڈ آف ڈائریکٹرز کی جانب سے ہمیں 30 ستمبر 2024 کو ختم ہونے والی پہلی سہ ماہی کے لئے غیر آڈٹ شدہ مالی بیانات کے ساتھ آپ کی کمپنی کی کارکردگی کا جائزہ پیش کرنے میں خوشی ہو رہی ہے۔

آپریٹنگ اور سٹاک کا جائزہ

کمپنی نے زیر غور مدت (جولائی تا ستمبر 2024) کے دوران 603.33 ٹن پوسٹلین انسولیز تیار کیے جبکہ گزشتہ سال کی اسی مدت میں یہ تعداد 808.07 ٹن تھی۔ اسی طرح کمپنی نے زیر جائزہ مدت (جولائی تا ستمبر 2024) کے دوران 733.47 ٹن پوسٹلین انسولیز فروخت کیے جبکہ گزشتہ سال کی اسی مدت میں یہ تعداد 1229.07 ٹن تھی۔ حکومت کی جانب سے بجلی کے شیڈ کے عمل کو دوبارہ فعال کرنے کی وجہ سے مقامی مارکیٹ کے لئے پیداوار اور فروخت کے اشارے متاثر ہوئے جس کے نتیجے میں شمالی اور سنہ منصوبوں کے آغاز کے لئے بجٹ مختص کرنے میں تاخیر ہوئی۔ اس مدت کے دوران، کمپنی نے نقد بہاؤ کی رکاوٹوں کو کم کرنے کے لئے اپنی تیار شدہ سامان کی انویٹری کی سطح کو کم کرنے کی اپنی کوششیں جاری رکھیں ہیں۔

کمپنی نے بنیادی پوسٹلین انسولیز کی مصنوعات کے لئے نئی برآمدی مارکیٹوں میں داخل ہونے پر بہت زیادہ توجہ مرکوز کرنے کے لئے اس دورانیے کا استعمال کیا۔ کمپنی نے گزشتہ پورے سال کی برآمدی قیمت کا تقریباً 60٪ ایک سہ ماہی میں برآمد کیا، اس کے ساتھ ہی، کمپنی نے ڈسٹری بیوشن کمپنیوں (DISCOS) سے دھاتی ہارڈ ویئر پری کوالیفیکیشن آرڈرز پر کامیابی سے عملدرآمد شروع کیا۔ تعارفی قیمتوں اور ان اقدامات کی نوعیت کے نتیجے میں منافع پر منفی دباؤ پڑا ہے۔ تاہم، کمپنی ان نئے اقدامات کے منافع کو بہتر بنانے کے لئے جارحانہ طور پر کام کر رہی ہے اور اسے یقین ہے کہ ان اقدامات سے رواں مالی سال کے اندر بہتر منافع حاصل ہوگا۔

جولائی تا ستمبر 2024ء کے دوران کمپنی کی خالص فروخت 755.60 ملین روپے ریکارڈ کی گئی جو گزشتہ سال کے اسی عرصے میں 1,260.15 ملین روپے تھی۔

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 DISCOS اور NTDC کی جانب سے مقامی خریداری میں کمی کا جائزہ لیا جائے گا۔

مالی کارکردگی

زیر غور مدت (جولائی تا ستمبر 2024ء) کے دوران کمپنی نے 69.59 ملین روپے کا مجموعی منافع حاصل کیا جو گزشتہ سال کے اسی عرصے میں 401.04 ملین روپے تھا۔ جولائی تا ستمبر 2024ء کی مدت کے دوران خالص آپریٹنگ خسارہ 1.29 ملین روپے ریکارڈ کیا گیا ہے جبکہ گزشتہ سال کے اسی عرصے میں خالص آپریٹنگ منافع 327.19 ملین روپے تھا۔ انسولیز کی کم فروخت اور تعارفی اور ابتدائی مراحل میں پیش کی جانے والی نئی مصنوعات کی ترسیل کی وجہ سے مجموعی مارجن میں نمایاں کمی واقع ہوئی۔ ایڈمن اسٹریٹجی اور ایڈڈ ڈی اخراجات 73.84 ملین روپے سے کم ہو کر 70.88 ملین روپے رہ گئے۔

زیر غور مدت (جولائی تا ستمبر 2024ء) کے دوران مالی لاگت 103.13 ملین روپے ریکارڈ کی گئی ہے جو گزشتہ سال کے اسی عرصے میں 94.61 ملین روپے تھی۔

مالیاتی چارجز کو مد نظر رکھتے ہوئے گزشتہ سال کے اسی عرصے میں 198.74 ملین روپے کے قفل از ٹیکس منافع کے مقابلے میں قفل از ٹیکس نقصان 99.32 ملین روپے ہوا ہے۔

ٹیکس کی مدد میں کمپنی کو 68.54 ملین روپے کا خالص خسارہ ہوا ہے جبکہ گزشتہ سال کے اسی عرصے میں 129.18 ملین روپے کا خالص منافع ہوا تھا۔

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

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	September 30, 2024 (Un-audited) Rupees	June 30, 2024 (Audited) Rupees
EQUITY AND LIABILITIES			
Share Capital and Reserves			
"Authorized share capital: 120,000,000 (June 30, 2024: 120,000,000) Ordinary shares of Rs. 10 each"		1,200,000,000	1,200,000,000
"Issued, subscribed and paid up capital 35,000,000 (June 30, 2024: 35,000,000) Ordinary shares of Rs. 10 each"		350,000,000	350,000,000
Reserves		959,995,669	1,022,310,340
Sponsors' loan		115,708,828	115,708,828
Surplus on Revaluation of Property, Plant and Equipment	4	1,451,878,932	1,458,112,397
		2,877,583,429	2,946,131,565
Non Current Liabilities			
Long term financing	5	513,346,473	550,558,968
Lease liabilities		2,108,663	2,850,000
Post employment benefits		173,023,159	163,701,914
Deferred tax liability		270,805,569	277,958,286
Long term security deposit		4,567,584	4,567,584
		963,851,448	999,636,752
Current Liabilities			
Trade and other payables		429,905,663	514,373,092
Unclaimed dividends		768,578	768,578
Accrued finance cost		94,899,366	90,446,234
Short term borrowings	6	1,214,636,855	1,054,965,902
Current portion of non-current liabilities		159,986,133	162,669,833
		1,900,196,595	1,823,223,639
Contingencies and Commitments			
	7	-	-
		5,741,631,472	5,768,991,956

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

Lahore
October 30, 2024

8 | 


(Salem Rehman)
Chief Executive Officer



AS AT SEPTEMBER 30, 2024

	Note	September 30, 2024 (Un-audited) Rupees	June 30, 2024 (Audited) Rupees
ASSETS			
Non Current Assets			
Property, plant and equipment	8	2,866,298,999	2,897,920,987
Investment properties		91,138,800	91,138,800
Intangible assets		3,597,098	3,746,254
Long term prepayments and other receivables		56,807,889	58,156,456
Long term loans		1,489,265	1,135,282
Long term deposits		4,141,616	4,091,616
		3,023,473,667	3,056,189,395
Current Assets			
Stores, spares and loose tools		107,838,727	106,992,488
Stock-in-trade		1,427,521,500	1,175,579,958
Trade receivables		805,647,149	1,242,405,524
Advances, deposits, prepayments and other receivables		131,788,067	92,631,271
Income tax refundable from government		148,971,719	85,113,389
Cash and bank balances		96,390,642	10,079,931
		2,718,157,805	2,712,802,561
		5,741,631,472	5,768,991,956

(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, 2024**

	Note	Quarter Ended September 30,	
		2024 Rupees	2023 Rupees
Gross Revenue:			
- Local		766,683,212	1,399,093,588
- Export		101,703,259	74,767,610
		868,386,471	1,473,861,198
Less: Sales tax		(112,783,230)	(213,705,966)
Net sales		755,603,241	1,260,155,232
Cost of revenue	9	(686,012,118)	(859,109,470)
Gross Profit		69,591,124	401,045,762
Administrative expenses		(42,959,488)	(42,298,041)
Selling and distribution expenses		(27,922,389)	(31,548,461)
		(70,881,877)	(73,846,502)
Operating (Loss)/ Profit		(1,290,753)	327,199,260
Other Expenses		(622,308)	(37,094,245)
Finance cost		(103,134,813)	(94,619,561)
Other income		5,722,922	3,258,104
(Loss)/Profit before Taxation		(99,324,952)	198,743,558
Taxation		30,776,816	(69,559,944)
Net (Loss)/ Profit for the Period		(68,548,136)	129,183,614
(Loss)/Earnings per Share - Basic and Diluted		(1.96)	3.69

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

Lahore
October 30, 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 FIRST QUARTER ENDED SEPTEMBER 30, 2024


	Quarter Ended September 30,	
	2024 Rupees	2023 Rupees
Net Profit for the Period	(68,548,136)	129,183,614
Other comprehensive income		
Items that may be reclassified to the profit or loss	-	-
Total Comprehensive Profit for the Period	(68,548,136)	129,183,614

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

Lahore
October 30, 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 FIRST QUARTER ENDED SEPTEMBER 30, 2024**


	Issued, Subscribed and Paid up Capital Rupees	Reserves			Sponsors' Loan Rupees	Surplus on revaluation of property, plant and equipment Rupees	Total Rupees	
		Capital Share Premium Rupees	General Reserve Rupees	Unappropriated Profit Rupees				Total Reserve Rupees
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 period ended September 30, 2023	-	-	-	129,183,614	129,183,614	-	-	129,183,614
Incremental depreciation for the period on surplus on Revaluation of property plant and equipment - net of deferred tax	-	-	-	5,044,791	5,044,791	-	(5,044,791)	-
Balance as at September 30, 2023	350,000,000	39,898,526	90,000,000	808,614,359	938,512,885	115,708,828	1,510,235,317	2,914,457,030
Balance as at June 30, 2024	350,000,000	39,898,526	90,000,000	892,411,814	1,022,310,340	115,708,828	1,458,112,397	2,946,131,565
Total comprehensive income for the period ended September 30, 2024	-	-	-	(68,548,136)	(68,548,136)	-	-	(68,548,136)
Incremental depreciation for the period on surplus on Revaluation of property plant and equipment - net of deferred tax	-	-	-	6,233,465	6,233,465	-	(6,233,465)	-
Effect of change in effective tax rate	-	-	-	-	-	-	-	-
Balance as at September 30, 2024	350,000,000	39,898,526	90,000,000	830,097,143	959,995,669	115,708,828	1,451,878,932	2,877,583,429

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

Lahore
October 30, 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 FIRST QUARTER ENDED SEPTEMBER 30, 2024**

	<u>Quarter Ended September 30,</u>	
	<u>2024</u> Rupees	<u>2023</u> Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	(99,324,952)	198,743,558
- Depreciation on property, plant and equipment - owned	45,770,408	44,198,825
- Depreciation on right of use assets	809,106	-
- Amortization	149,157	69,689
- Provision for gratuity	11,815,329	6,828,267
- Exchange (gain)/ loss	128,976	(693,290)
- Workers' (Profit) Participation Fund	-	10,570,029
- Workers' Welfare Fund	-	4,016,611
- Rental income	(2,963,262)	-
- Unwinding of Liabilities	1,902,409	108,503
- Finance cost	101,232,404	94,511,058
	<u>158,844,527</u>	<u>159,609,692</u>
Operating profit before working capital changes	59,519,575	58,353,250
(Increase) / decrease in current assets:		
- Stores, spares and loose tools	(895,191)	(17,152,876)
- Stock in trade	(251,337,588)	350,047,441
- Trade receivables	468,875,507	(494,995,232)
- Advances, deposits, prepayments and other receivables	(42,217,171)	74,744,432
(Decrease) / increase in current liabilities:		
- Trade and other payables	(117,522,195)	(41,761,328)
	<u>56,903,363</u>	<u>(129,117,564)</u>
Cash (used in)/generated from operations	116,422,938	229,235,686
Changes in long term prepayments and other receivables		
Finance cost paid	(96,778,547)	(78,304,327)
Gratuity paid	(2,494,076)	(977,094)
Income tax (paid) / refunded - net	(40,233,669)	(34,732,468)
	<u>(139,506,292)</u>	<u>(114,013,889)</u>
Net Cash (Used in)/generated from Operating Activities	(23,083,354)	115,221,797

CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024


	Quarter Ended September 30,	
	2024 Rupees	2023 Rupees
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(14,958,547)	(105,807,365)
Long term loans and other receivables	4,258,336	(9,635,450)
Rental income	2,963,262	-
Net Cash used in Investing Activities	(7,736,949)	(115,442,815)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term financing from related parties repaid - net	(8,050,000)	(4,000,000)
Long term financing from banking companies acquired - net	(34,489,939)	47,378,155
Short term borrowing from related parties repaid - net	59,691,186	5,145,475
Short term borrowing from banking companies acquired - net	99,979,765	(49,415,621)
Net Cash generated from / (used in) Financing Activities	117,131,012	(891,991)
Net Increase / (Decrease) in Cash and Cash Equivalents	86,310,709	(1,113,009)
Cash and cash equivalents at the beginning of the period	10,079,933	18,397,252
Cash and Cash Equivalents at the End of the Period	96,390,642	17,284,243

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

Lahore
October 30, 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 FIRST QUARTER ENDED SEPTEMBER 30, 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, 2024. Comparative statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2024 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, 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, 2024.
- 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, 2024.

4 Surplus on Revaluation of Property, Plant and Equipment	September 30, 2024 (Un-audited) Rupees	June 30, 2024 (Audited) Rupees
Land - Freehold	903,427,276	903,427,276
Buildings on freehold land	274,526,923	304,547,380
Plant and machinery	280,158,198	307,305,452
	1,458,112,397	1,515,280,108
Effect of change in effective tax rates	-	(31,045,668)
Incremental depreciation charged on revalued property, plant and equipment in current year net of deferred tax (transferred to retained earnings)	(6,233,465)	(26,122,043)
	1,451,878,932	1,458,112,397
	September 30, 2024 (Un-audited) Rupees	June 30, 2024 (Audited) Rupees
5 Long Term Financing		
Banking companies - secured		
The Bank of Punjab Limited	146,818,012	156,605,879
Habib Bank Limited	237,478,746	249,977,628
Askari Bank Limited	163,537,039	172,144,252
Saudi Pak Industrial and Agricultural Investment Company Limited	46,347,830	49,913,047
First Habib Modaraba - Diminishing Musharakah	65,835,061	65,124,486
	660,016,688	693,765,292
Associated companies / related parties - unsecured		
EMCO Industries Limited Provident Fund	9,079,818	17,129,818
Discounting / unwinding of discount	(58,664)	(1,961,073)
EMCO Industries Limited Provident Fund	9,021,154	15,168,745
	669,037,842	708,934,037
Less: current portion - Banking companies	(155,691,369)	(158,375,069)
	513,346,473	550,558,968



6. Short Term Borrowings	Note	September 30, 2024 (Un-audited) Rupees	June 30, 2024 (Audited) Rupees
Interest bearing			
Banking companies - secured			
- Running Finance , local bills discounting and export and import finances		1,094,590,710	994,610,943
Related parties - unsecured:			
- Associated company - ICC (Private) Limited	6.1	20,699,999	20,699,999
- Directors and close relatives thereof		60,000,000	-
		1,175,290,709	1,015,310,942
Interest free			
Related parties - unsecured:			
- Directors and close relatives thereof		36,730,454	37,039,268
- Associated company - The Imperial Electric Company (Private) Limited		2,615,692	2,615,692
		1,214,636,855	1,054,965,902

6.1 This represents loan obtained to meet the working capital requirements of the Company. The Company has also utilised personal finance line of one of the directors as disclosed in note 10.1 to the financial statements.

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, 2024.

	September 30, 2024 (Un-audited) Rs. in millions	June 30, 2024 (Audited) Rs. in millions
Commitments		
Letters of credit other than for capital expenditure	164.961	222.988
Letters of credit for capital expenditure	-	-
Guarantees		
NTDC/DISCOs /Local Customers	691.170	688.181
Sui Northern Gas Pipelines Limited	50.406	50.406
	741.576	738.587

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

	September 30, 2024 (Un-audited) Rupees	June 30, 2024 (Audited) Rupees
Not later than one year	28,471,188	27,372,048
Later than one year and not later than five years	66,996,334	67,514,879
Later than five years	-	-
	<u>95,467,522</u>	<u>94,886,927</u>

8. Property, Plant and Equipment	Note	September 30, 2024 (Un-audited) Rupees	June 30, 2024 (Audited) Rupees
Operating fixed assets	8.1	2,854,726,787	2,889,396,635
Right of Use assets		5,663,744	6,472,850
Capital work in progress - civil works		5,908,468	2,051,502
		<u>2,866,298,999</u>	<u>2,897,920,987</u>
8.1 Operating fixed assets			
Opening written down value		2,889,396,635	2,616,669,070
Additions during the period / year		11,100,560	458,740,354
Disposals during the period / year		-	-
		<u>2,900,497,195</u>	<u>3,075,409,424</u>
Depreciation charge for the period / year		(45,770,408)	(186,012,789)
		<u>2,854,726,787</u>	<u>2,889,396,635</u>



9. COST OF REVENUE	Quarter Ended September 30,	
	2024 (Un-audited) Rupees	2023 (Un-audited) Rupees
Raw and packing material consumed	289,050,015	196,685,113
Stores and spares consumed	21,389,251	18,446,639
Salaries, wages and benefits	148,514,929	115,287,132
Power and gas	103,368,984	96,866,297
Vehicle maintenance	59,357	65,760
Repairs and maintenance	3,370,283	2,140,856
Entertainment	592,135	602,625
Insurance	1,694,436	2,405,880
Communication and stationery	770,206	547,472
Rent, rates and taxes	326,864	231,553
Travelling and conveyance	36,682,627	36,956,344
Testing and experiment charges	13,367,552	11,382,487
Miscellaneous	2,097,384	700,270
RTV coating related project expenses	1,054,129	380,665
Depreciation on property, plant and equipment	42,423,777	40,948,403
	664,761,929	523,647,496
Work in process:		
- Opening work in process	98,258,475	124,210,137
- Closing work in process	(106,812,929)	(86,307,628)
	(8,554,454)	37,902,509
Cost of goods manufactured	656,207,475	561,550,004
Finished goods:		
- Opening finished goods	556,305,506	612,361,651
- Closing finished goods	(526,500,863)	(314,802,185)
	29,804,643	297,559,466
	686,012,118	859,109,470

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:

Related party	Relationship	Nature of transaction	Quarter Ended September 30,	
			2024 (Un-audited) Rupees	2023 (Un-audited) Rupees
EMCO Industries Limited Provident Fund	Associated undertaking	Principal amount repaid	8,050,000	4,000,000
The Imperial Electric Company (Private) Limited	Associated company	Short term borrowing obtained	15,000,000	40,000,000
		Short term borrowing repaid	15,000,000	40,000,000
		Payment of Lease Liability	1,073,691	1,073,691
		Interest on Lease Liability	332,356	462,749
		Markup Paid on Short Term Borrowing	351,652	91,947
		Other Expense	251,971	911,356
		Payment Made for other expense	3,991,906	160,250
ICC (Pvt) Limited	Associated company	Short term borrowing repaid	5,000,000	3,000,000
		Short Term Borrowing Received	5,000,000	-
		Markup on short term borrowing	1,059,432	3,906,788
		Markup paid on short term borrowing	2,500,000	-
		Payment made on behalf of the Company	-	110,000
		Payment received from the Company	367,267	220,000
Directors and close relatives	Associated persons	Short term borrowing obtained (Note 10.1)	170,359,109	161,800,000
		Short term borrowing repaid (Note 10.1)	110,667,923	153,800,000
		Markup on short term borrowing	11,675,407	654,835
		Markup on short term borrowing paid	4,130,469	-
Executives / Key management personal		Short Term Loan Recovered	30,000	30,000



10.1 One of the directors has arranged personal finance lines of Rs. 110 million from two banks for the purpose of extending short term borrowings to the Company. During the three months ended September 30, 2024, the Company obtained short term borrowings from the director through his aforesaid personal finance lines. The borrowed amounts were repaid and then borrowed again multiple times during the three months ended, by rotating the said finance lines. The maximum amount outstanding towards the said director during the three months ended September 30, 2024 was Rs. 110 million These facilities are included in short term borrowings (Note 6) as the reporting date and at any point of time during the period.

Outstanding Balance as at the Period end		September 30, 2024 (Un-audited) Rupees	June 30, 2024 (Audited) Rupees
Associated Engineers (Private) Limited	Sponsor Loan - interest Free	27,335,447	27,335,447
	Markup on long term financing	6,391,541	6,391,541
EMCO Industries Limited	Long term financing	9,079,818	17,129,818
Provident Fund			
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	6,403,427	7,144,762
	Other Payable	439,388	4,179,323
ICC (Pvt) Limited	Short term borrowing - interest bearing	20,700,000	20,699,999
	Markup on short term borrowing	334,953	1,775,521
	Advance given	686,993	319,726
Directors and close relatives thereof	Sponsors' loans	115,708,829	115,708,829
	Short term borrowing	96,730,453	37,039,267
	Markup on short term borrowing	2,837,411	4,010,307
Executive / Key Management personnel	Long Term Loan Receivable	190,000	220,000
	Other Payable	12,675,431	12,675,431


11. Date of Authorization


This condensed interim financial statement (un-audited) is authorized for issuance on October 30, 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
October 30, 2024


(Salem Rehman)
Chief Executive Officer


(Ahsan Suhail Mannan)
Director


(Riaz Ahmad)
Chief Financial Officer

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