EMCO INDUSTRIES LIMITED

ANNUAL REPORT 2026

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بسم الله الرحمن الرحيم

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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. Ahsan Suhail Mannan	Company Secretary / Executive Director
Mr. Pervaiz Shafiq Siddiqi	Non-Executive Director
Mr. Tahir Rehman	Non-Executive Director
Mrs. Ayesha Mussadaque Hamid	Independent Director
Mr. Osman Hameed Chaudhri	Independent Director
Mr. Muhammad Farooq Naseem	Independent Director

Chief Financial Officer
Mr. Riaz Ahmad

Company Secretary
Mr. Ahsan Suhail Mannan

Audit Committee

Mr. Osman Hameed Chaudhri	Chairman
Mr. Javaid Shafiq Siddiqi	Member
Mr. Tahir Rehman	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."

Human Resource & Remuneration Committee

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

Risk Management Committee

Mr. Muhammad Farooq Naseem	Chairman
Mr. Usman Haq	Member
Mr. Salem Rehman	Member / Committee Secretary

Nomination Committee

Mr. Osman Hameed Chaudhri	Chairman
Mr. Tahir Rehman	Member
Mr. Ahsan Suhail Mannan	Member / Committee Secretary

External Auditors
M/s. Crowe Hussain Chaudhury & 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

Share Registrar
Corplink (Pvt) Limited
Wings Arcade. I-K , Commercial,
Model Town, Lahore.

Bankers
Habib Bank Limited
National Bank of Pakistan
The Bank of Punjab
The Bank of Khyber
Al Baraka Bank (Pakistan) Limited
Askari 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
- CTs, CVTs & PT,s 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-Shakle Assembly

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

Factory
19-Kilometre,
Lahore Sheikhupura Road, Lahore.

Notice of Annual General Meeting

NOTICE TO THE SHAREHOLDERS FOR THE 71ST ANNUAL GENERAL MEETING OF EMCO INDUSTRIES LIMITED TO BE HELD AT ICC HOUSE, 2 - CHAMBA HOUSE LANE, GOLF ROAD, GOR-1, LAHORE ON MONDAY 26TH OCTOBER 2026, AT 11:30 AM

NOTICE is hereby given that the 71st Annual General Meeting ("AGM") of the Shareholders of EMCO Industries Limited ("Company", "EMCO") will be held at ICC House, 2-Chamba House Lane, Golf Road, GOR-1, Lahore on Monday 26th October 2026, at 11:30 AM, to conduct the following business:

Ordinary Business:

1. To confirm the minutes of the Extra-Ordinary General Meeting of the Company held on 29.06.2026.

2. To receive, consider, approve and adopt the Annual Audited Accounts of the Company for the year ended 30th June 2026 together with the Director's and Auditor's Reports and notes thereon. In accordance with section 223 of the Companies act, 2017, and pursuant to S.R.O 389(1)/2023 dated March 21, 2023, the financial statement of the Company has been uploaded on the website of the Company which can be downloaded for the following link and QR enabled code:

   Weblink: http://emco.com.pk/images/financials/EMCO_FY2026_Annual_Accounts.pdf

   QR Code:

3. To appoint Auditors for the next financial year ending 30th June 2027 and to fix their remuneration. The present Auditors, M/s. CROWE HUSSAIN CHAUDHURY & CO., Chartered Accountants, retire and being eligible, offer themselves for re-appointment. The Audit Committee and the Board of Directors have recommended the Appointment of M/s. CROWE HUSSAIN CHAUDHURY & CO., Chartered Accountants, as external auditors of the Company.

Other Business:

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

By order of the Board of Directors

Ahsan Suhail Mannan
(Company Secretary / Director)

Place: Lahore
Dated: September 29, 2026

NOTES:

(a) The Share Transfer Books of the Company will remain closed from 19th October 2026 to 26th October 2026 (both days inclusive). Transfer received in order at M/S. Corplink (Pvt) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore up to the close of business on 17th October 2026, will be treated in time for purpose of attending the Annual General Meeting.

(b) A member entitled to attend and vote at the Annual General Meeting may appoint another member as his/her proxy to attend and vote instead of him/her at the meeting. Proxies must be deposited at the Company's Registered Office at 4th Floor, National Tower, 28-Egerton Road, Lahore not less than 48 (forty-eight) hours before the time of holding the meeting. (Form of Proxy is available in the Financial Statements & on Company website).

(c) Any individual beneficial owner of CDC, entitled to vote at the Annual General Meeting, must bring his/her CNIC with him/her to prove his/her identity, and in case of proxy, attested copy of shareholder's CNIC must be attached with the proxy form. The representative of corporate member should bring the usual documents required for such purpose. (Form of Proxy is attached)

(d) Members are requested to promptly notify the change in their address, if any, to the Company's Share Registrar M/S. Corplink (Pvt) Limited, Wings Arcade, 1-K Commercial, Model Town, Lahore.

(e) Consent for Video Conference Facility:- Pursuant of Section 132(2) of the Companies Act, 2017, Members may avail video conference facility for this Annual General Meeting provided, the Company receives consent from the members holding aggregate 10% or more shareholding at least 7 days prior to the date of meeting. The requisite form for availing the facility is provided at the website of the Company www.emco.com.pk

(f) Unclaimed Dividend and Share Certificates:- Members, whose dividend and share certificates are still un-claimed/undelivered, are hereby once again requested to approach the Company to claim their outstanding dividend amounts and / or undelivered share certificates.

(g) Deposit of Physical Shares into CDC Account:- As per Section 72 of the Companies Act, 2017, every existing listed Company is required to replace its physical shares with book-entry form in a manner as specified by the Commission. The Members having physical shareholding are encouraged to open Investor Account directly with CDC to place their physical shares into scrip-less form. This will facilitate them in many ways, including safe custody and sale of shares any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange.

(h) Provision of International Bank Account Number (IBAN Detail):- Under the provision of Section 242 of the Companies Act, 2017 and Circular No. 421(1) dated 19th March 2021 issued by SECP, Listed Company deposit cash dividend directly into shareholders' designated bank accounts. Shareholders are required to provide their International Bank Account Number (IBAN) details as directed by SECP.

(i) Prohibition of Distribution of Gifts:- Considering S.R.O.452(1)/2025 dated 17th March 2025, No gifts will be distributed to the shareholders of the Company at the Annual General Meeting being prohibited under Section 185 of the Companies Act, 2017.

سالانہ جنرل میٹنگ کا نوٹس

71ویں سالانہ جنرل میٹنگ کے لیے شیئر ہولڈرز کو نوٹس

ایمکو انڈسٹریز لمیٹڈ کا انعقاد پیر 26 اکتوبر 2026 کو صبح 11:30 بجے آئی سی سی ہاؤس، 2-چمبا ہاؤس لین، گولف روڈ، جی او آر-1، لاہور میں ہوگا

نوٹس جاری کیا جاتا ہے کہ ایمکو انڈسٹریز لمیٹڈ ("کمپنی"، "ایمکو") کے حصص یافتگان کی 71ویں سالانہ جنرل میٹنگ ("اے جی ایم") پیر 26 اکتوبر 2026 کو صبح 11:30 بجے آئی سی سی ہاؤس، 2-چمبا ہاؤس لین، گالف روڈ، جی او آر-1، لاہور میں منعقد ہوگی، جس کا مقصد درج ذیل کاروبار کرنا ہوگا:

عام کاروبار:

1. 29.06.2026 کو منعقدہ کمپنی کی غیر معمولی سالانہ اجلاس کے منٹس کی تصدیق کرنا۔
2. 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ آڈٹ شدہ اکاؤنٹس کو وصول کرنے، غور کرنے، منظور کرنے اور اپنانے کے لیے ڈائریکٹر اور آڈیٹر کی رپورٹس کے ساتھ۔

کمپنیز ایکٹ 2017 کے سیکشن 223 اور S.R.O 389(1)/2023 مورخہ 21 مارچ 2023 کے مطابق، کمپنی کا مالیاتی بیان کمپنی کی ویب سائٹ پر اپ لوڈ کیا گیا ہے جسے درج ذیل لنک درج ذیل لنک اور QR فعال کوڈ کے لیے ڈاؤن لوڈ کیا جا سکتا ہے: ویب لنک

Weblink: http://emco.com.pk/images/financials/EMCO_FY2026_Annual_Accounts.pdf

QR Code

3. اگلے مالی سال کے لیے آڈیٹرز کی تقرری جو 30 جون 2027 کو ختم ہو جائے گی اور ان کی تنخواہ مقرر کرنا۔ موجودہ آڈیٹرز، میسرز کروحسین چودھری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو چکے ہیں اور اہل ہو کر دوبارہ تقرری کے لیے خود کو پیش کرتے ہیں۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے میسرز کروحسین چودھری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، کو کمپنی کے بیرونی آڈیٹرز کے طور پر مقرر کرنے کی سفارش کی ہے۔

دیگر کاروبار:

1. چیئر کی اجازت سے کسی بھی دوسرے کاروبار کا لین دین کرنا۔

بورڈ آف ڈائریکٹرز کے حکم سے

احسن سہیل منان
(کمپنی سکریٹری/ڈائریکٹر)

جگہ: لاہور
تاریخ: 29 ستمبر 2026

نوٹس:

(ا) کمپنی کی شیئر ٹرانسفر بکس 19 اکتوبر 2026 سے 26 اکتوبر 2026 تک بند رہیں گی (دونوں دن شامل ہیں)۔ میسرز کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، K-1، کمرشل ماڈل ٹاؤن، لاہور میں 17 اکتوبر 2026 کو کاروبار کے اختتام تک آرڈر میں موصول ہونے والی منتقلی کو سالانہ جنرل میٹنگ میں شرکت کے مقصد سے بروقت ٹریٹ کیا جائے گا۔

(ب) سالانہ جنرل میٹنگ میں شرکت اور ووٹ دینے کا حقدار ممبر اجلاس میں شرکت کرنے اور ووٹ دینے کے لئے کسی دوسرے ممبر کو اپنی پراکسی کے طور پر مقرر کر سکتا ہے۔ پراکسی اجلاس کے انعقاد کے وقت سے کم از کم 48 (اڑتالیس) گھنٹے پہلے چوتھی منزل، نیشنل ٹاور، 28-ایجرٹن روڈ، لاہور میں کمپنی کے رجسٹرڈ آفس میں جمع کرانا ضروری ہے۔ (پراکسی کا فارم مالیاتی بیانات اور کمپنی کی ویب سائٹ پر دستیاب ہے)۔

(پ) سی ڈی سی اکاؤنٹ ہولڈر کا کوئی بھی انفرادی فائدہ مند مالک، جو سالانہ جنرل میٹنگ میں ووٹ دینے کا حقدار ہے، کو اپنی شناخت ثابت کرنے کے لیے اپنا شناختی کارڈ اپنے ساتھ لانا ہوگا، اور پراکسی کی صورت میں، شیئر ہولڈر کے شناختی کارڈ کی تصدیق شدہ کاپی پراکسی فارم کے ساتھ منسلک ہونی چاہیے۔ کارپوریٹ ممبر کا نمائندہ اس مقصد کے لئے درکار معمول کی دستاویزات لائیں۔

(ت) ممبران سے درخواست کی جاتی ہے کہ وہ اپنے پتے میں تبدیلی کے بارے میں فوری طور پر کمپنی کے شیئر رجسٹرار میسرز کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، K-1 کمرشل، ماڈل ٹاؤن، لاہور کو مطلع کریں۔

(ٹ) **ویڈیو کانفرنس کی سہولت:-** کمپنیز ایکٹ، 2017 کے سیکشن 132(2) کے مطابق، ممبران اس سالانہ جنرل میٹنگ کے لئے ویڈیو کانفرنس کی سہولت حاصل کر سکتے ہیں بشرطیکہ کمپنی میٹنگ کی تاریخ سے کم از کم 7 دن پہلے مجموعی طور پر 10٪ یا اس سے زیادہ شیئر ہولڈنگ رکھنے والے ممبران سے رضامندی حاصل ہو۔ سہولت حاصل کرنے کے لیے مطلوبہ فارم کمپنی کی ویب سائٹ www.emco.com.pk پر دستیاب ہے

(ٹ) **غیر دعویٰ شدہ ڈیویڈنڈ اور شیئر سرٹیفکیٹ:-** ممبران، جن کے ڈیویڈنڈ اور شیئر سرٹیفکیٹ ابھی تک دعویٰ نہیں کیے گئے ہیں/فراہم نہیں کیے گئے ہیں، ایک بار پھر درخواست کی جاتی ہے کہ وہ اپنی بقایا ڈیویڈنڈ کی رقم اور/یا غیر فراہم شدہ شیئر سرٹیفکیٹ کا دعویٰ کرنے کے لیے کمپنی سے رجوع کریں۔

(ج) **سی ڈی سی اکاؤنٹ میں فزیکل حصص جمع کرنا:** کمپنیز ایکٹ 2017 کے سیکشن 72 کے مطابق، ہر موجودہ لسٹڈ کمپنی کو کمیشن کی طرف سے بیان کردہ طریقے سے اپنے فزیکل شیئرز کو بک انٹری فارم سے تبدیل کرنے کی ضرورت ہے۔ فزیکل شیئر ہولڈنگ رکھنے والے اراکین کی حوصلہ افزائی کی جاتی ہے کہ وہ اپنے فزیکل حصص کو بغیر اسکرپٹ شکل میں رکھنے کے لیے براہ راست سی ڈی سی کے ساتھ انویسٹر اکاؤنٹ کھولیں۔ اس سے انہیں کئی طریقوں سے سہولت ملے گی جن میں جب چاہیں محفوظ تحویل اور حصص کی فروخت شامل ہے، کیونکہ پاکستان اسٹاک ایکسچینج کے موجودہ قواعد وضوابط کے مطابق فزیکل شیئرز کی تجارت کی اجازت نہیں ہے۔

(چ) **بین الاقوامی بینک اکاؤنٹ نمبر کی فراہمی (IBAN کی تفصیل):** کمپنیز ایکٹ 2017 کے سیکشن 242 اور ایس ای سی پی کی جانب سے جاری کردہ سرکلر نمبر 421(1) مورخہ 19 مارچ 2021 کے تحت لسٹڈ کمپنی براہ راست حصص یافتگان کے نامزد بینک اکاؤنٹس میں نقد منافع جمع کراتی ہے۔ ایس ای سی پی کی ہدایت کے مطابق حصص یافتگان کو اپنا انٹرنیشنل بینک اکاؤنٹ نمبر (آئی بی اے این) کی تفصیلات فراہم کرنا ہوں گی۔

(ح) **تحائف کی تقسیم کی ممانعت:-** ایس آر او 452(1)/2025 مورخہ 17 مارچ 2025 کو مد نظر رکھتے ہوئے، سالانہ جنرل میٹنگ میں کمپنی کے حصص یافتگان کو کوئی تحائف تقسیم نہیں کیے جائیں گے جو کمپنیز ایکٹ، 2017 کے سیکشن 185 کے تحت ممنوع ہے۔

Chairman Review

Financial year ended 30 June 2026

I am pleased to present my review of EMCO Industries Limited's performance and the effectiveness of the Board during the financial year ended 30 June 2026. By the grace of Allah, the Company achieved higher sales, stronger exports and improved profitability in a demanding operating environment. These results provide a firmer foundation for growth, while reinforcing the importance of cost discipline, reliable delivery and prudent financial management.

Global operating environment

The year was shaped by significant changes in international trade policy and heightened geopolitical risk. Higher United States tariffs taking effect in August 2025, alongside continuing uncertainty over trading arrangements, affected sourcing decisions and the timing of international orders. The WTO's October 2025 assessment highlighted how advance purchasing had supported trade initially while shifting part of the tariff impact into 2026. For exporters such as EMCO, this environment requires close attention to customers' landed costs and changing competitive conditions.

The continuing Russia-Ukraine war and the unresolved humanitarian crisis in Gaza formed part of a difficult geopolitical backdrop. The escalation of conflict involving Iran during the second half of FY 2025-26, and the closure of the Strait of Hormuz, added a more immediate shock to energy markets and international logistics. In June 2026, the World Bank projected global growth of 2.5% for calendar 2026, compared with 2.9% in 2025, reflecting higher energy prices, inflation and borrowing costs. These were forecasts at the reporting date.

Red Sea shipping disruption and associated rerouting further demonstrated the vulnerability of international supply chains. UNCTAD's September 2025 review highlighted volatile freight rates and longer routes, while the State Bank of Pakistan subsequently reported energy prices, freight charges and insurance premiums significantly above pre-conflict levels. For EMCO, these conditions increase the importance of realistic shipment schedules and coordination with customers, including where buyers arrange freight under FOB or ex-works contracts.

At the same time, electrification, renewable energy integration and growing demand from data centres continued to strengthen the long-term need for transmission and distribution investment. The IEA's Electricity 2026 report identified a substantial requirement to expand grid investment and related supply chains. COP30, held in Belém in November 2025, also kept climate action and resilience on the international agenda. These developments support the long-term relevance of EMCO's insulators and substation products, although the conversion of market opportunity into orders depends on project funding, product qualification and execution.

Pakistan specific challenges

Pakistan made progress in economic stabilisation under its IMF-supported programme, with further reviews completed in December 2025 and May 2026. However, severe monsoon flooding in 2025 created relief and recovery pressures, while the subsequent Middle East shock increased exposure to imported energy costs and external financing risks. Fiscal constraints, the need to broaden the tax base and continuing energy-sector reforms remained central challenges for sustainable industrial growth.

Financing conditions also changed during the year. After earlier monetary easing, the State Bank raised its policy rate by 100 basis points to 11.5%, effective 28 April 2026, in response to renewed inflation risks. For an energy-intensive manufacturer, the combined exposure to fuel costs, transport charges and borrowing rates underscores the need to protect margins and working capital.

For EMCO, the financial health of power-sector customers and the pace of public infrastructure expenditure remain important considerations. Power-sector reform and constrained fiscal resources can affect tender timing, project execution and payment cycles. These risks require disciplined credit management and careful alignment of production with confirmed customer requirements. Export diversification offers a means of reducing dependence on domestic procurement cycles, while introducing its own logistics and collection risks.

Business performance and export development

Net sales increased by approximately 30% to Rs. 4,679 million, compared with Rs. 3,607 million in the preceding year. Exports rose by 43% to Rs. 660 million, representing approximately 14% of total sales. Gross profit increased to Rs. 849 million from Rs. 620 million, with the gross margin improving to 18.1% from 17.2%. Finance cost declined by 21% to Rs. 257 million. Profit after tax reached Rs. 69 million, compared with Rs. 56 million, and earnings per share increased to Rs. 1.98 from Rs. 1.59.

The expansion in exports is particularly encouraging. It provides a stronger commercial base from which to develop international business and broadens the Company's sources of revenue. The Board sees further potential in serving overseas demand for reliable electrical infrastructure products. Realising that potential will require consistent product quality, dependable delivery and competitive total delivered cost, supported by appropriate manufacturing capacity and working capital. Our focus must remain on converting export growth into repeat business and sustainable returns.

Board effectiveness and governance

The Board comprises executive, non-executive and independent directors with complementary professional experience, financial understanding and independent judgement. During the year, the Board monitored business performance and provided guidance on productivity, operating efficiency and cost management in support of the Company's objectives.

The Company complies with the requirements of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 relating to the composition, procedures and meetings of the Board and its committees. The Board reviews the Company's policies and internal systems and updates them as necessary to reflect changing business conditions and applicable legal and regulatory requirements.

The annual evaluation of the Board, its individual members and its committees was conducted through a comprehensive questionnaire circulated to all directors. The results were satisfactory against the criteria established for the year. The evaluation provides a basis for identifying improvements and strengthening the Board's contribution to the Company's strategic direction and oversight.

Outlook and appreciation

The Board will continue to guide the Company towards a stronger financial position and sustainable shareholder value. Our priorities are to build on export progress, improve operational reliability and maintain financial discipline while responding carefully to changes in domestic demand and international markets. On behalf of the Board, I thank our management and employees for their commitment, our customers and business partners for their support, and our shareholders for their continued confidence.

Javaid S. Siddiqi
Chairman
29 September 2026

چیئرمین کا جائزہ

مالی سال 30 جون 2026

مجھے خوشی ہو رہی ہے کہ میں 30 جون 2026 کو ختم ہونے والے مالی سال میں ایمکو انڈسٹریز لمیٹڈ کی کارکردگی اور بورڈ کی موثریت کا جائزہ پیش کر رہا ہوں۔ اللہ کے فضل سے، کمپنی نے ایک موثر ماحول میں زیادہ فروخت، مضبوط برآمدات اور منافع میں بہتری حاصل کی۔ یہ نتائج ترقی کے لیے مضبوط بنیاد فراہم کرتے ہیں، جبکہ لاگت کی نظم وضبط، قابل اعتماد فراہمی اور محتاط مالی انتظام کی اہمیت کو مضبوط کرتے ہیں۔

عالمی آپریٹنگ ماحول

یہ سال بین الاقوامی تجارتی پالیسی میں نمایاں تبدیلیوں اور بڑھتے ہوئے جغرافیائی سیاسی خطرات کی وجہ سے تشکیل پایا۔ اگست 2025 میں نافذ العمل ہونے والے امریکی ٹیرف کے بڑھتے ہوئے، تجارتی انتظامات کے حوالے سے جاری غیر یقینی صورتحال نے سورسنگ کے فیصلوں اور بین الاقوامی آرڈرز کے وقت کو متاثر کیا۔ ڈبلیو ٹی او کے اکتوبر 2025 کے جائزے نے اس بات کو اجاگر کیا کہ پیشگی خریداری نے ابتدا میں تجارت کی حمایت کی جبکہ ٹیرف کے اثرات کا ایک حصہ 2026 میں منتقل کر دیا۔ ای ایم سی او جیسے برآمد کنندگان کے لیے، یہ ماحول صارفین کی زمین کی قیمتوں اور بدلتے ہوئے مسابقتی حالات پر گہری توجہ کا تقاضا کرتا ہے۔

جاری روس-یوکرین جنگ اور غزہ میں حل نہ ہونے والا انسانی بحران ایک مشکل جغرافیائی سیاسی پس منظر کا حصہ تھے۔ مالی سال 2025–26 کے دوسرے نصف میں ایران کے درمیان تنازع میں اضافہ اور آبنائے ہرمز کی بندش نے توانائی کی منڈیوں اور بین الاقوامی لاجسٹکس کو فوری طور پر دھچکا دیا۔ جون 2026 میں، ورلڈ بینک نے 2026 کے کیلنڈر کے لیے عالمی ترقی 2.5٪ کی پیش گوئی کی، جو 2025 میں 2.9٪ تھی، جو توانائی کی قیمتوں میں اضافہ، مہنگائی اور قرض لینے کی لاگت کی عکاسی کرتی ہے۔ یہ رپورٹنگ تاریخ کی پیش گوئیاں تھیں۔

بحیرہ احمر کی شپنگ میں خلل اور اس سے منسلک راستہ بدلنے نے بین الاقوامی سپلائی چینز کی کمزوری کو مزید ظاہر کیا۔ UNCTAD کے ستمبر 2025 کے جائزے میں اتار چڑھاؤ والے مال برداری کی شرحوں اور طویل راستوں کو اجاگر کیا گیا، جبکہ اسٹیٹ بینک آف پاکستان نے بعد میں توانائی کی قیمتیں، فریٹ چارجز اور انشورنس پریمیم کو تنازعہ سے پہلے کی سطح سے نمایاں طور پر زیادہ رپورٹ کیا۔ ایمکو کے لیے، یہ حالات حقیقت پسندانہ شپمنٹ شیڈولز اور صارفین کے ساتھ ہم آہنگی کی اہمیت کو بڑھاتے ہیں، بشمول وہ جگہیں جہاں خریدار FOB یا سابقہ کام کے معاہدوں کے تحت مال برداری کا انتظام کرتے ہیں۔

اسی وقت، بجلی کاری، قابل تجدید توانائی کے انضمام اور ڈیٹا سینٹرز سے بڑھتی ہوئی طلب نے ترسیل اور تقسیم کی طویل مدتی سرمایہ کاری کی ضرورت کو مضبوط کیا۔ IEA کی الیکٹریسٹی 2026 رپورٹ نے گرڈ سرمایہ کاری اور متعلقہ سپلائی چینز کو وسعت دینے کی ایک اہم ضرورت کی نشاندہی کی۔ COP30، جو نومبر 2025 میں بیلیم میں منعقد ہوا، جس نے موسمیاتی کارروائی اور لچک کو بین الاقوامی ایجنڈے پر برقرار رکھا۔ یہ ترقی ایمکو کے انسولیٹرز اور سب اسٹیشن مصنوعات کی طویل مدتی مطابقت کو برقرار رکھتی ہیں، اگرچہ مارکیٹ کے مواقع کو آرڈرز میں تبدیل کرنا پروجیکٹ فنڈنگ، مصنوعات کی قابلیت اور عمل درآمد پر منحصر ہے۔

پاکستان کے مخصوص چیلنجز

پاکستان نے اپنے آئی ایم ایف کی معاونت یافتہ پروگرام کے تحت معاشی استحکام میں پیش رفت کی، اور مزید جائزے دسمبر 2025 اور مئی 2026 میں مکمل ہوئے۔ تاہم، 2025 میں شدید مون سون سیلاب نے ریلیف اور بحالی کے دباؤ کو جنم دیا، جبکہ مشرق وسطیٰ کے بعد آنے والے جھٹکے نے درآمدی توانائی کی لاگت اور بیرونی مالیاتی خطرات میں اضافہ کیا۔ مالی رکاوٹیں، ٹیکس بیس کو وسیع کرنے کی ضرورت اور توانائی کے شعبے میں جاری اصلاحات پائیدار صنعتی ترقی کے لیے مرکزی چیلنجز رہے۔

مالی حالات بھی سال کے دوران تبدیل ہوئے۔ پہلے مالیاتی نرمی کے بعد، اسٹیٹ بینک نے اپنی پالیسی شرح سود 100 بیسس پوائنٹس بڑھا کر 11.5٪ کر دی، جو 28 اپریل 2026 سے مؤثر ہوئی، اور یہ مہنگائی کے نئے خطرات کے جواب میں ہوا۔ ایک توانائی سے زیادہ استعمال کرنے والے مینوفیکچرر کے لیے، ایندھن کے اخراجات، ٹرانسپورٹ چارجز اور قرض لینے کی شرحوں کا مشترکہ سامنا مارجن اور ورکنگ کیپیٹل کے تحفظ کی ضرورت کو اجاگر کرتا ہے۔

ایمکو کے لیے، بجلی کے شعبے کے صارفین کی مالی صحت اور عوامی انفراسٹرکچر کے اخراجات کی رفتار اہم غور و فکر ہیں۔ پاور سیکٹر اصلاحات اور محدود مالی وسائل ٹینڈر کے وقت، منصوبے کی تکمیل اور ادائیگی کے چکروں کو متاثر کر سکتے ہیں۔ یہ خطرات منظم کریڈٹ مینجمنٹ اور پیداوار کو تصدیق شدہ صارفین کی ضروریات کے ساتھ محتاط ہم آہنگی کا تقاضا کرتے ہیں۔ برآمدات میں تنوع ملکی خریداری کے چکروں پر انحصار کم کرنے کا ذریعہ فراہم کرتا ہے، جبکہ اپنی لاجسٹکس اور وصولی کے خطرات بھی متعارف کراتا ہے۔

کاروباری کارکردگی اور برآمدات کی ترقی

خالص فروخت تقریباً 30٪ بڑھ کر 4,679 ملین روپے ہو گئی، جبکہ پچھلے سال یہ 3,607 ملین روپے تھی۔ برآمدات 43٪ بڑھ کر 660 ملین روپے تک پہنچ گئیں، جو کل فروخت کا تقریباً 14٪ بنتی ہیں۔ مجموعی منافع 620 ملین روپے سے بڑھ کر 849 ملین روپے ہو گیا، جبکہ مجموعی منافع 17.2٪ سے بڑھ کر 18.1٪ ہو گیا۔ مالیاتی لاگت 21٪ کم ہو کر 257 ملین روپے ہو گئی۔ ٹیکس کے بعد منافع 56 ملین روپے کے مقابلے میں 69 ملین روپے تک پہنچ گیا، اور فی شیئر آمدنی 1.59 روپے سے بڑھ کر 1.98 روپے ہو گئی۔

برآمدات میں اضافہ خاص طور پر حوصلہ افزا ہے۔ یہ بین الاقوامی کاروبار کی ترقی کے لیے مضبوط تجارتی بنیاد فراہم کرتا ہے اور کمپنی کے آمدنی کے ذرائع کو وسیع کرتا ہے۔ بورڈ بیرون ملک قابل اعتماد برقی انفراسٹرکچر مصنوعات کی طلب کو پورا کرنے میں مزید امکانات دیکھتا ہے۔ اس صلاحیت کو سمجھنے کے لیے مستقل مصنوعات کا معیار، قابل اعتماد ترسیل اور مسابقتی کل ترسیل لاگت درکار ہو گی، جس کی حمایت مناسب مینوفیکچرنگ صلاحیت اور ورکنگ کیپیٹل سے ہو گی۔ ہماری توجہ برآمدات کی ترقی کو بار بار کاروبار اور پائیدار منافع میں تبدیل کرنے پر مرکوز رہنی چاہیے۔

بورڈ کی مؤثریت اور حکمرانی

بورڈ میں ایگزیکٹو، غیر ایگزیکٹو اور آزاد ڈائریکٹرز شامل ہیں جن کے پاس تکمیلی پیشہ ورانہ تجربہ، مالی سمجھ بوجھ اور آزاد فیصلہ ہے۔ سال کے دوران، بورڈ نے کاروباری کارکردگی کی نگرانی کی اور کمپنی کے مقاصد کی حمایت میں پیداواریت، آپریٹنگ کارکردگی اور لاگت کے انتظام پر رہنمائی فراہم کی۔

کمپنی کمپنیز ایکٹ، 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی شرائط پر عمل کرتی ہے جو بورڈ اور اس کی کمیٹیوں کی تشکیل، طریقہ کار اور اجلاسوں سے متعلق ہیں۔ بورڈ کمپنی کی پالیسیوں اور اندرونی نظاموں کا جائزہ لیتا ہے اور انہیں ضرورت کے مطابق اپ ڈیٹ کرتا ہے تاکہ کاروباری حالات میں تبدیلی اور قانونی و ضابطہ کاری کی ضروریات کو ظاہر کیا جا سکے۔

بورڈ، اس کے انفرادی اراکین اور اس کی کمیٹیوں کا سالانہ جائزہ ایک جامع سوالنامے کے ذریعے کیا گیا جو تمام ڈائریکٹرز کو تقسیم کیا گیا۔ نتائج سال کے لیے مقرر کردہ معیار کے مقابلے میں تسلی بخش تھے۔ یہ جائزہ بہتریوں کی نشاندہی اور کمپنی کی اسٹریٹجک سمت اور نگرانی میں بورڈ کی شراکت کو مضبوط بنانے کی بنیاد فراہم کرتا ہے۔

نقطہ نظر اور قدردانی

بورڈ کمپنی کو مضبوط مالی پوزیشن اور پائیدار شیئر ہولڈر ویلیو کی طرف رہنمائی جاری رکھے گا۔ ہماری ترجیحات برآمدات کی پیش رفت کو بڑھانا، آپریشنل قابل اعتمادیت کو بہتر بنانا اور مالی نظم و ضبط برقرار رکھنا ہے، جبکہ ملکی طلب اور بین الاقوامی منڈیوں میں تبدیلیوں کا احتیاط سے جواب دینا ہے۔ بورڈ کی جانب سے، میں اپنی انتظامیہ اور ملازمین کی وابستگی کے لیے، ہمارے صارفین اور کاروباری شراکت داروں کی حمایت کے لیے، اور ہمارے شیئر ہولڈرز کا ان کے مسلسل اعتماد کا شکریہ ادا کرتا ہوں۔

جاوید شفیق صدیقی
چیئرمین
29 ستمبر 2026

Directors Report for FY2026

EMCO Industries Limited | Year ended June 30, 2026

On behalf of the Board of Directors, we welcome shareholders to the 71st Annual General Meeting of EMCO Industries Limited and present the audited financial statements, together with the Auditors' Report, for the year ended June 30, 2026. EMCO increased revenue, production and exports during a year of significant disruption, while delivery-related charges and financing costs constrained profitability. The financial results are summarised below:

	2026 Rupees	2025 Rupees
Profit before levy and taxation	112,693,454	42,089,544
Taxation	(43,250,977)	13,650,830
Profit after Tax	69,442,477	55,740,374
Net Loss on Actuarial Valuation	(1,713,518)	(1,510,064)
Total Comprehensive Profit	67,728,959	54,230,310
Incremental Depreciation on Revaluation Surplus-PPE	28,071,846	24,932,674
	95,800,805	79,162,984
Reserves Including Accumulated Profit brought forward	1,101,473,324	1,022,310,340
Reserves including Accumulated Profit carried forward	1,197,274,129	1,101,473,324
Earnings per Share	1.98	1.59

REVIEW OF OPERATING RESULTS

Global Economic and Industry Environment

The financial year from July 1, 2025 to June 30, 2026 was marked by changing trade policies, persistent geopolitical conflict and renewed disruption to energy and transport markets. Higher United States tariffs, including measures introduced in August 2025, and continuing uncertainty in United States-China trade relations influenced sourcing decisions, investment and cross-border trade. For EMCO, customer interest in a broader supplier base presents an opportunity, although tariff changes can also affect the landed cost and competitiveness of Pakistani products. Any benefit therefore depends on product-specific market access and commercial terms.

The continuing Russia-Ukraine war and instability in the Middle East, including the Gaza conflict and Red Sea shipping insecurity, sustained uncertainty over international supply chains. Diversion of shipping away from established routes increased voyage distances and complicated delivery planning. The escalation involving Iran from late February 2026, and the effective closure of the Strait of Hormuz during part of the second half of the financial year, added a major energy and logistics shock. Despite an agreement announced on June 14, 2026 that included reopening the Strait; this did not imply an immediate return to normal shipping conditions.

These developments exposed manufacturers and customers to volatile fuel prices, freight charges, insurance costs and delivery lead times. For EMCO, the principal implications are pressure on production and transport costs, greater uncertainty over shipment schedules and the need to assess customers' ability to receive goods on agreed dates.

Alongside these risks, the long-term requirement for electricity networks continued to strengthen. Electrification, renewable generation, energy storage and the expansion of data centres are increasing the need for reliable transmission and distribution infrastructure. The International Energy Agency's Electricity 2026 report identifies inadequate grid capacity as a major constraint and estimates that annual grid investment needs to rise by approximately 50% by 2030 from about US$400 billion. Management considers this a favourable demand backdrop for EMCO's substation insulators and substation products in particular, subject to customer qualification, competitive pricing and dependable delivery.

Pakistan Economic and Operating Environment

Pakistan's economy entered FY2025-26 with improving macroeconomic conditions under the IMF-supported reform programme. The IMF's May 2026 assessment recorded a recovery in activity during the first half, broadly balanced external accounts and stronger reserve accumulation. However, the Middle East conflict weakened the near-term outlook through higher import costs and renewed inflationary pressure. The year therefore combined progress towards stability with continuing vulnerability to external shocks. The earlier easing of financial conditions was followed by renewed monetary tightening: the State Bank of Pakistan increased its policy rate by 100 basis points to 11.50%, effective April 28, 2026. Its July assessment reported headline inflation of 11.1% in June and a slowdown in economic activity during the final quarter of FY2026.

The severe monsoon floods of 2025 added to Pakistan's economic and humanitarian challenges, disrupting communities, agriculture and infrastructure. They also reinforced the importance of resilient transport routes, supplier continuity and industrial contingency planning.

For the power-equipment industry, fiscal restraint and the financial condition of public-sector utilities continued to influence the timing of tenders, project execution and collections. Structural inefficiencies and circular debt in the power and gas sectors remained central reform issues. Energy tariff adjustments, tax compliance requirements and exposure to imported fuel and materials continued to affect industrial competitiveness. Although reform can improve sector viability over time, it does not immediately translate into predictable procurement or lower manufacturing costs presently.

Company Financial Performance

Sales revenue increased by 29.7% to Rs. 4,679.41 million. Profit before levy and taxation was Rs. 112.69 million, compared with Rs. 42.09 million in the preceding year, while profit after tax rose to Rs. 69.44 million from Rs. 55.74 million. Earnings per share increased to Rs. 1.98 from Rs. 1.59. The improvement demonstrates progress in expanding the business, although the post-tax margin remained modest at approximately 1.5%. Domestic demand remained uneven, with constrained public-sector expenditure affecting the timing and composition of orders. Management continued to adapt EMCO's business through production improvements, export development and a broader portfolio of high-voltage switchgear and metal components for the energy sector. Finished goods inventories remained elevated at year end. There was an improvement in demand during the subsequent audit period, which is expected to support inventory conversion, subject to delivery and collection schedules.

Direct exports increased by 43%, providing a growing contribution to revenue and a broader market base. This progress supports the Company's strategy of reducing its dependence on the timing of domestic utility procurement, while recognising that international business also carries freight, tariff, credit and execution risks.

Liquidated damages of Rs. 99.17 million were recognised during the year, equivalent to approximately 2.1% of annual sales. Management attributes delivery pressure in part to higher logistics costs, regional supply-chain disruption and conflict zone triggered transshipment delays. These charges materially affected profitability and underline the importance of realistic delivery commitments, closer coordination between production and sales, and timely shipment planning. Management expects further exposure to reduce as delayed orders are completed.

Financing costs and working-capital requirements remained significant constraints. Management continued to pursue component localisation to reduce import dependence and exposure to foreign-currency procurement. Export receipts can provide a partial offset to foreign-currency input costs, although the benefit depends on the timing, currency and value of receipts and payments. Sustained improvement in profitability will require tighter control over inventories, collections, production losses and delivery-related charges.

Production Capacity and Product Diversification

Insulator production increased to 3,737 tons from 3,224 tons, an improvement of approximately 15.9%. EMCO's product mix is increasingly directed towards larger apparatus and substation insulators and products developed for export customers. These products differ from conventional line insulators in physical dimensions, less dense kiln loading density and longer firing cycle requirements, which affects the annual tonnage achievable from the installed infrastructure.

Accordingly, the historical rated tonnage should be understood in the context of its underlying product mix. A lower achievable tonnage under the present mix does not, by itself, establish a reduction in installed capability or operating efficiency. Production planning and capacity utilisation may be assessed more accurately against the relevant product mix and available kiln cycles in the relevant production mix configuration.

Tenders announced towards the end of the financial year and orders received subsequently indicate improving domestic demand. The order book presently exceeds four months of production capacity. Converting these orders into revenue will depend on product-specific production availability, customer requirements and delivery schedules.

The development of high-voltage disconnect switches, instrument transformers and metal components broadens EMCO's participation in the energy sector and supports import substitution. We foresee encouraging demand for these products. Further expansion will depend on the completion and maintenance of relevant testing, customer approvals and economically viable local manufacturing arrangements.

Export Development and Growth Potential

Direct export sales reached Rs. 660.41 million, representing growth of 43% over the previous year and approximately 14.1% of total revenue. Products were supplied to the United States, the United Arab Emirates, Turkey, Brazil, Argentina, Hong Kong and Colombia. The presence established in North America and Latin America is particularly significant in extending EMCO's reach beyond its domestic customer base.

The principal achievement over the past year is the broader commercial foundation created through actual overseas deliveries, experience in meeting different customer specifications and a larger base of international business. Management reports that substantially larger export orders have been secured and are under execution. These developments provide a basis for deeper customer relationships and further repeat business.

Management sees the United States as a potential leading export market, alongside opportunities to deepen existing relationships in Latin America, Turkey and other destinations. International grid investment and customers' interest in diversifying supply sources support this opportunity. EMCO's ability to capture it will depend on consistent product quality, customer acceptance, competitive total landed cost and reliable lead times.

The immediate priority is to convert the export order book into sustainable earnings and cash flows. This requires production commitments aligned with kiln availability, pricing that reflects the full cost of quality and delivery, and shipment schedules agreed with customers. Freight increases can delay customer collection even where freight is contractually borne by the buyer. Customer and geographic diversification, together with careful credit assessment, will remain important as the export business grows.

CODE OF CORPORATE GOVERNANCE

The requirements of the Code of Corporate Governance set out in the Pakistan Stock Exchange Listing Regulations, as applicable for the year ended June 30, 2026, have been adopted and duly complied with by the Company. A statement to this effect is annexed to this report.

The Board confirms that:

- The financial statements for the year ended June 30, 2026 fairly present the Company's state of affairs, results of operations, cash flows and changes in equity.
- Proper books of account have been maintained.
- Appropriate accounting policies have been applied consistently in preparing the financial statements, and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparing the financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There has been no material departure from the applicable best practices of corporate governance, as detailed in the relevant regulations.
- All members of the Board of Directors have either completed the Directors' Training Program or are exempt from it.
- The value of Provident Fund assets, including accrued interest, was Rs. 9.9 million, based on its audited accounts as at December 31, 2025.

BOARD MEETINGS

The following directors served on the Board during the year ended June 30, 2026:

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

Following the completion of the outgoing Board's term, nine directors were elected on June 29, 2026 for a three-year term commencing July 1, 2026. The reconstituted Board is responsible for overseeing the Company's performance and strategic direction in the interests of sustainable shareholder value. Its composition is set out below:

Sr. #	NAME OF DIRECTOR	DESIGNATION
1.	Mr. Javaid Shafiq Siddiqi	Chairman / Non-Executive Director
2.	Mr. Usman Haq	Managing Director / Executive Director
3.	Mr. Salem Rehman	Chief Executive / Executive Director
4.	Mr. Ahsan Suhail Mannan	Company Secretary / Executive Director
5.	Mr. Pervaiz Shafiq Siddiqi	Non-Executive Director
6.	Mr. Tahir Rehman	Non-Executive Director
7.	Mrs. Ayesha Mussadaque Hamid	Independent Director
8.	Mr. Osman Hameed Chaudhri	Independent Director
9.	Mr. Muhammad Farooq Naseem	Independent Director

The reconstituted Board comprises three Executive Directors, three Non-Executive Directors and three Independent Directors, including one female Independent Director.

The current Board's term expires on June 30, 2029. Each director has consented to act and submitted the prescribed declaration under the applicable corporate governance requirements.

Notices of Board meetings and the relevant working papers were circulated at least seven days in advance. Four Board meetings were held during the year ended June 30, 2026. Attendance is summarised below:

Sr. #	NAME OF DIRECTOR	MEETINGS ATTENDED
1.	Mr. Javaid S. Siddiqi	03
2.	Mr. Usman Haq	04
3.	Mr. Salem Rehman	03
4.	Mr. Tariq Rehman	04
5.	Mr. Ahsan Suhail Mannan	04
6.	Mr. Pervaiz S. Siddiqi	01
7.	Mr. Salman Javaid Siddiqi	03
8.	Mr. Umair Noorani	04
9.	Mrs. Ayesha Mussadaque Hamid	02
10.	Ch. Imran Ali	04
11.	Syed Muhammad Mohsin	04
12.	Mr. Osman Hameed Chaudhri	03

Leave of absence was granted to directors who were unable to attend.

Trading in Company Shares

During the financial year, no trading in the Company's shares was reported by the directors, Chief Executive Officer, Chief Financial Officer or Company Secretary, or by their spouses or minor children.

COMMITTEES OF THE BOARD

Audit Committee

The Audit Committee reviews the annual and quarterly financial statements, internal audit reports and other significant matters before submission to the Board. It also recommends the appointment of external auditors for shareholder approval. Six Committee meetings were held during the year, including meetings with the external auditors before commencement of the annual audit and separately in the absence of the Chief Financial Officer and Head of Internal Audit.

Members during the year:

- Mr. Osman Hameed Chaudhri — Chairman
- Syed Muhammad Mohsin — Member
- Mr. Javaid Shafiq Siddiqi — Member
- Mr. Umair Noorani — Member

The Board appointed the following members of the Audit Committee for a three-year term with effect from July 1, 2026, at its meeting held on July 8, 2026:

- Mr. Osman Hameed Chaudhri — Chairman
- Mr. Javaid Shafiq Siddiqi — Member
- Mr. Tahir Rehman — Member

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

HR & Remuneration Committee

Two meetings of the HR & Remuneration Committee were held during the year under review. Members during the year:

- Mrs. Ayesha Mussadaque Hamid — Chairman
- Mr. Pervaiz Shafiq Siddiqi — Member
- Mr. Salman Javaid Siddiqi — Member
- Mr. Ahsan Suhail Mannan — Member / Committee Secretary

The Board appointed the following members of the HR & Remuneration Committee for a three-year term with effect from July 1, 2026, at its meeting held on July 8, 2026:

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

Risk Management Committee

One meeting of the Risk Management Committee was held during the year under review. Members during the year:

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

The Board appointed the following members of the Risk Management Committee for a three-year term with effect from July 1, 2026, at its meeting held on July 8, 2026:

• Mr. Muhammad Farooq Naseem	Chairman
• Mr. Usman Haq	Member
• Mr. Salem Rehman	Member / Committee Secretary

Nomination Committee

One meeting of the Nomination Committee was held during the year under review. Members during the year:

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

The Board appointed the following members of the Nomination Committee for a three-year term with effect from July 1, 2026, at its meeting held on July 8, 2026:

• Mr. Osman Hameed Chaudhri	Chairman
• Mr. Tahir Rehman	Member
• Mr. Ahsan Suhail Mannan	Member / Committee Secretary

DIRECTORS' REMUNERATION

The Company maintains a Board-approved Directors' Remuneration Policy covering executive, non-executive and independent directors. The principal provisions are summarised below:

1. Directors, including Independent Directors, are entitled to remuneration as approved by the Board in accordance with the Company's policy.

2. The Board determines and approves remuneration for attendance at Board meetings on the recommendation of the HR and Remuneration Committee.

Non-Executive Directors do not receive remuneration from the Company. The remuneration disclosures relating to the Chief Executive and directors are set out in Note 39 to the financial statements.

RISK MANAGEMENT

Risk management supports the protection of shareholder value and the delivery of the Company's strategic objectives. The principal exposures and management priorities are:

1. Market and policy risk: Changes in tariffs, trade restrictions, customer sourcing policies and domestic utility procurement can affect demand and price competitiveness. The priorities are broader market coverage, product-specific tariff review and disciplined commercial terms.

2. Energy and foreign-exchange risk: Changes in gas and electricity tariffs, imported input costs and exchange rates can materially affect margins. Priorities include energy efficiency, commercially viable localisation and closer alignment of foreign-currency receipts and payments.

3. Execution and logistics risk: Kiln constraints, shipping disruption and customer collection delays can lead to excess inventory, late delivery and liquidated damages. Production scheduling, quality control and shipment readiness must be coordinated with contractual commitments.

Business continuity risk: Geopolitical escalation, flooding, transport disruption and interruptions to utilities or critical suppliers can affect operations. Continuity planning must address these exposures alongside plant reliability and information-system security.

BUSINESS CONTINUITY

The Company maintains a Business Continuity Management strategy and policy. The Company's risk-management processes have been reviewed and updated. Continued attention to operational resilience, critical inputs and recovery arrangements remains necessary in the prevailing environment.

CORPORATE SOCIAL RESPONSIBILITY

The Company remains committed to supporting the economic and social development of local communities through financial assistance as part of its Corporate Social Responsibility (CSR) initiatives. During the year, the Company made donations to Khairun Nisa Hospital Foundation and Aitchison College Old Boys Association.

SUSTAINABILITY RISKS

The Board acknowledges that the requirement under CCG Section 10A(6) relating to disclosures on the assessment of sustainability risks, their management or mitigation, and measures taken to promote Diversity, Equity & Inclusion will become applicable to EMCO Industries Ltd. effective July 2027. In anticipation of this regulatory requirement, the Company has initiated preparatory measures including:

- Establishing a framework for identification and monitoring of sustainability-related risks across operations.
- Integrating mitigation strategies into enterprise risk management and governance processes.
- Developing DE&I policies to foster inclusivity, equal opportunity, and representation across the workforce.

The Board is committed to ensuring full compliance with these disclosure requirements from the financial year ending after July 2027, thereby strengthening transparency and accountability to stakeholders.

ENVIRONMENTAL PROTECTION AND ENERGY MANAGEMENT

The Company has renewed its ISO 14001:2015 certification and continues to use its ISO 50001 energy-management framework to improve the monitoring and control of energy consumption. Management intends to evaluate further expansion of the photovoltaic solar installation, subject to technical and financial feasibility. Solar investment supports energy-cost savings and environmental performance; its benefit should be assessed separately from investment that increases manufacturing throughput.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board has established and implemented internal financial controls through approved policies, procedures, authority limits and monitoring arrangements. These controls are designed to support the efficient conduct of business, safeguard the Company's assets, prevent and detect fraud and error, maintain accurate and complete accounting records and facilitate the timely preparation of reliable financial information. The internal financial-control framework provides reasonable assurance regarding the reliability of financial reporting and compliance with applicable laws and regulations. The controls are continuously monitored and periodically reviewed to ensure that they remain appropriate and effective in view of changes in the Company's operations and regulatory environment. The Board considers the Company's internal financial controls to be sound in design and effectively implemented and monitored during the year.

EMPLOYEE RELATIONS

The Board appreciates the commitment of employees throughout a demanding year. It acknowledges the Engineering team's research and development efforts, the Union's cooperation in improving output and reducing production losses, and the contributions of all departments to the Company's performance. Management will continue to emphasise skills, accountability and constructive employee relations.

EQUALITY AND DIVERSITY

EMCO is committed to equal treatment, fairness and respect in employment and decision-making. Its policies seek to provide a safe and inclusive workplace, free from discrimination on the basis of gender, race or other personal characteristics, in which employees can contribute and develop their capabilities.

Gender Pay Gap Statement Under Circular 10 of 2024

The Gender Pay Gap calculation for the year ended June 30, 2026 is as follows:

1.	Mean Gender Pay Gap:	N.A.
2.	Median Gender Pay Gap:	N.A.
3.	Any other relevant data or details:	Nil.

Note: The Company has female representation on its Board of Directors.

FUTURE OUTLOOK

The Board remains cautiously optimistic about EMCO's prospects. The Company enters FY2026-27 with a broader product portfolio, a growing overseas customer base and a stronger reported order book. At the same time, geopolitical uncertainty, energy costs, public-sector spending constraints and the working capital required to execute orders remain material considerations.

Domestic opportunities will depend on investment in transmission and distribution networks and the pace of power-sector reform. EMCO's high-voltage switchgear, instrument transformers and metal components offer scope to serve these requirements and increase local value addition. Management will assess growth opportunities against customer approvals, project economics and funding requirements.

The Company continues to develop its recently pre-qualified foundry products. It has also pursued ISO/IEC 17025 accreditation for its High Voltage and Mechanical Testing Laboratories and the final Pakistan National Accreditation Council audit has been completed. These laboratories will support external testing services and strengthen customer confidence in EMCO's testing capabilities.

Exports will remain a central growth priority. The progress made in North America and Latin America provides a stronger base for expansion, but the next stage must deliver repeat orders, reliable execution and acceptable returns. Management's focus will be on relieving production constraints where economically justified, improving delivery performance, strengthening export margins and converting inventory and receivables into cash. The Board will evaluate additional investment against these requirements and the Company's financing capacity.

The Company's banking relationships remain in good standing and that financial obligations continue to be met in accordance with agreed terms.

The Company contributed Rs. 929 million to the national exchequer through import duty, sales tax, income tax and other levies, compared with Rs. 794 million in the preceding year.

ACKNOWLEDGEMENT

We thank our shareholders, customers, financial institutions and other business partners for their continued support. We also acknowledge the guidance of the Board and the commitment of management and employees in delivering progress during a challenging year.

DIVIDEND

The Board has not recommended a dividend for the year ended June 30, 2026.

Although the Company earned profits during the year, the Board has decided not to declare dividends under Section 240. The decision is based on the need to conserve funds for strategic investments, debt reduction, and future expansion. The Board remains committed to evaluating dividend prospects in subsequent years.

PATTERN OF SHAREHOLDING

The pattern of shareholding as at June 30, 2026, together with the required corporate governance disclosures, is annexed to this report.

FINANCIAL HIGHLIGHTS

Key financial highlights for the last ten years are presented elsewhere in the Annual Report.

AUDITORS

The external auditors, M/s Crowe Hussain Chaudhury & Co., Chartered Accountants, retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for reappointment. Their reappointment has been proposed by the Audit Committee and recommended by the Board, subject to shareholder approval.

VIS CREDIT RATING

VIS Credit Rating Company Limited has reaffirmed the Company's entity ratings at A-/A-2, with a Stable outlook. The medium-to-long-term rating reflects good credit quality and adequate protection factors, while the short-term rating reflects good certainty of timely payment. The ratings remain subject to the Company's performance and changes in its operating environment.

For and on behalf of the board of Directors

Salem Rehman
Chief Executive Officer
Lahore: September 29, 2026

Ahsan Suhail Mannan
Director / Company Secretary

ڈائریکٹرز رپورٹ 2026 کے مالی سال۔

ایمکو انڈسٹریز لمیٹڈ | 30 جون، 2026 کو ختم ہونے والے سال کیلئے۔

بورڈ آف ڈائریکٹرز کی جانب سے، ہم شیئر ہولڈرز کو ایمکو انڈسٹریز لمیٹڈ کی 71 ویں سالانہ جنرل میٹنگ میں خوش آمدید کہتے ہیں اور 30 جون 2026 کو ختم ہونے والے سال کے آڈیٹرز رپورٹ کے ساتھ آڈٹ شدہ مالیاتی بیانات پیش کرتے ہیں۔ ایمکو نے ایک نمایاں تعطل کے سال کے دوران آمدنی، پیداوار اور برآمدات میں اضافہ کیا، جبکہ ترسیل سے متعلق چار جزاور مالیاتی اخراجات نے منافع کو محدود کیا۔ مالی نتائج کا خلاصہ ذیل میں دیا گیا ہے:

	2026 روپے	2025 روپے
لیوی سے پہلے منافع اور ٹیکس	112,693,454	2,089,544
ٹیکس	(43,250,977)	13,650,830
ٹیکس کے بعد منافع	69,442,477	55,740,374
ایکچوریل ویلیوایشن پر خالص نقصان	(1,713,518)	(1,510,064)
کل جامع منافع	67,728,959	54,230,310
ری ویلیوایشن سرپلس - پی پی ای پر بڑھتی ہوئی قدر میں کمی	28,071,846	24,932,674
	95,800,805	79,162,984
ریزروز بشمول جمع شدہ منافع آگے بڑھائے گئے	1,101,473,324	1,022,310,340
ریزروز بشمول جمع شدہ منافع کو آگے منتقل کیا جاتا ہے	1,197,274,129	1,101,473,324
فی شیئر آمدنی	1.98	1.59

آپریٹنگ نتائج کا جائزہ

عالمی اقتصادی اور صنعتی ماحول

یکم جولائی 2025 سے 30 جون 2026 تک کا مالی سال تجارتی پالیسیوں میں تبدیلی، مسلسل جغرافیائی سیاسی تنازعات اور توانائی و نقل و حمل کی منڈیوں میں دوبارہ تعطل کے ساتھ نمایاں رہا۔ امریکہ میں زیادہ ٹیرف، جن میں اگست 2025 میں متعارف کرائے گئے اقدامات شامل ہیں، اور امریکہ-چین تجارتی تعلقات میں جاری غیر یقینی صورتحال نے سورسنگ فیصلوں، سرمایہ کاری اور سرحد پار تجارت کو متاثر کیا۔ ایمکو کے لیے، صارفین کی وسیع تر سپلائر بیس میں دلچسپی ایک موقع فراہم کرتی ہے، اگرچہ ٹیرف میں تبدیلیاں پاکستانی مصنوعات کی لاگت کو بھی متاثر کر سکتی ہیں۔ اس لیے کوئی بھی فائدہ مخصوص مصنوعات کی مارکیٹ رسائی اور تجارتی شرائط پر منحصر ہے۔

روس-یوکرین جنگ اور مشرق وسطیٰ میں جاری عدم استحکام، جس میں غزہ تنازعہ اور بحر احمر کی شپنگ عدم تحفظ شامل ہے، بین الاقوامی سپلائی چینز پر غیر یقینی صورتحال کو برقرار رکھے ہوئے ہے۔ جہاز رانی کو مقررہ راستوں سے ہٹانے سے سفر کے فاصلے بڑھ گئے اور ترسیل کی منصوبہ بندی پیچیدہ ہو گئی۔ فروری 2026 کے آخر سے ایران کے ساتھ کشیدگی اور مالی سال کے دوسرے نصف حصے میں آبنائے ہرمز کی مؤثر بندش نے توانائی اور لاجسٹکس کے لیے ایک بڑا جھٹکا پیدا کیا۔ اگرچہ 14 جون 2026 کو ایک معاہدے کا اعلان کیا گیا تھا جس میں آبنائے کو دوبارہ کھولنا شامل تھا؛ لیکن اس کا مطلب فوری طور پر معمول کی شپنگ حالات کی واپسی نہیں تھا۔

ان ترقیات نے مینوفیکچررز اور صارفین کو ایندھن کی قیمتوں میں اتار چڑھاؤ، فریٹ چارجز، انشورنس کے اخراجات اور ترسیل کے اوقات کا سامنا کیا۔ ایمکو کے لیے بنیادی اثرات پیداوار اور نقل و حمل کے اخراجات پر دباؤ، شپمنٹ شیڈولز میں زیادہ غیر یقینی صورتحال اور صارفین کی متفقہ تاریخوں پر سامان وصول کرنے کی صلاحیت کا جائزہ لینے کی ضرورت ہیں۔

ان خطرات کے ساتھ ساتھ، بجلی کے نیٹ ورکس کی طویل مدتی ضرورت بھی مضبوط ہوتی رہی۔ بجلی کاری، قابل تجدید پیداوار، توانائی ذخیرہ کرنے اور ڈیٹا سینٹرز کی توسیع قابل اعتماد ترسیل اور تقسیم کے انفراسٹرکچر کی ضرورت کو بڑھا رہی ہے۔ انٹرنیشنل انرجی ایجنسی کی الیکٹریسٹی 2026 رپورٹ ناکافی گرڈ صلاحیت کو ایک بڑی رکاوٹ کے طور پر شناخت کرتی ہے اور اندازہ لگاتی ہے کہ سالانہ گرڈ سرمایہ کاری کو 2030 تک تقریباً 50٪ بڑھنا ہوگا، جو تقریباً 400 ارب امریکی ڈالر سے بڑھ سکتا ہے۔ انتظامیہ اسے ایمکو کے سب اسٹیشن انسولیٹرز اور خاص طور پر سب اسٹیشن مصنوعات کے لیے ایک سازگار طلب کا پس منظر دیکھتی ہے، بشرطیکہ کسٹمر کی اہلیت، مسابقتی قیمتوں اور قابل اعتماد فراہمی کی شرط ہو۔

پاکستان کا اقتصادی اور آپریٹنگ ماحول

پاکستان کی معیشت مالی سال 2025–26 میں آئی ایم ایف کی حمایت یافتہ اصلاحاتی پروگرام کے تحت بہتر معاشی حالات کے ساتھ داخل ہوئی۔ آئی ایم ایف کے مئی 2026 کے جائزے میں پہلے نصف میں سرگرمی میں بحالی، بیرونی حسابات میں مجموعی توازن اور مضبوط ذخائر جمع ہونے کا ریکارڈ رکھا۔ تاہم، مشرق وسطیٰ کے تنازعے نے قریبی مدت کے منظرنامے کو کمزور کر دیا کیونکہ درآمدی اخراجات میں اضافہ ہوا اور مہنگائی کے دباؤ میں اضافہ ہوا۔ اس سال استحکام کی طرف پیش رفت کو بیرونی جھٹکوں کے مسلسل خطرے کے ساتھ ملایا گیا۔

مالیاتی حالات میں پہلے نرمی کے بعد مالیاتی سختی دوبارہ ہوئی: اسٹیٹ بینک آف پاکستان نے اپنی پالیسی شرح سود 100 بیسس پوائنٹس بڑھا کر 28 اپریل 2026 سے 11.50٪ کر لی۔ اس کی جولائی کی تشخیص میں جون میں 11.1٪ کی ہیڈلائن افراط زر اور مالی سال 2026 کی آخری سہ ماہی میں معاشی سرگرمیوں میں سست روی کی اطلاع دی گئی۔

2025 کے شدید مون سون سیلابوں نے پاکستان کے معاشی اور انسانی مسائل میں اضافہ کیا، کمیونٹیز، زراعت اور انفراسٹرکچر کو متاثر کیا۔ انہوں نے مضبوط ٹرانسپورٹ راستوں، سپلائرز کی تسلسل اور صنعتی ہنگامی منصوبہ بندی کی اہمیت کو بھی اجاگر کیا۔

بجلی کے آلات کی صنعت کے لیے، مالی پابندیاں اور عوامی شعبے کی یوٹیلیٹیز کی مالی حالت ٹینڈرز کے وقت، منصوبوں کی تکمیل اور وصولیوں پر اثرانداز ہوتی رہی۔ بجلی اور گیس کے شعبوں میں ساختی غیر موثریت اور سرکلر قرض مرکزی اصلاحاتی مسائل رہے۔ توانائی کے ٹیرف ایڈجسٹمنٹس، ٹیکس تعمیل کی ضروریات اور درآمد شدہ ایندھن اور مواد کی نمائش صنعتی مسابقت کو متاثر کرتی رہی۔ اگرچہ اصلاحات وقت کے ساتھ شعبے کی بقا کو بہتر بنا سکتی ہیں، لیکن اس وقت یہ فوری طور پر متوقع خریداری یا کم مینوفیکچرنگ لاگت میں تبدیل نہیں ہوتی۔

کمپنی کی مالی کارکردگی

سیلز ریونیو 29.7٪ بڑھ کر 4,679.41 ملین روپے ہوگئی۔ لیوی اور ٹیکس سے پہلے منافع 112.69 ملین روپے تھا، جبکہ پچھلے سال 42.09 ملین روپے تھا، جبکہ ٹیکس کے بعد منافع 55.74 ملین روپے سے بڑھ کر 69.44 ملین روپے ہوگیا۔ فی شیئر آمدنی 1.59 روپے سے بڑھ کر 1.98 روپے ہوگئی۔ یہ بہتری کاروبار کو وسعت دینے میں پیش رفت کو ظاہر کرتی ہے، اگرچہ ٹیکس کے بعد مارجن تقریباً 1.5٪ پر معتدل رہا۔

ملکی طلب غیر متوازن رہی، جس کی وجہ سے عوامی شعبے کے محدود اخراجات آرڈرز کے وقت اور ترتیب کو متاثر کر رہے تھے۔ انتظامیہ نے ایمکو کے کاروبار کو پیداوار میں بہتری، برآمدات کی ترقی اور توانائی کے شعبے کے لیے ہائی وولٹیج سوئچ گیئر اور دھات کے اجزاء کے وسیع تر پورٹ فولیو کے ذریعے ڈھالنا جاری رکھا۔ سال کے آخر تک تیار شدہ اشیاء کے ذخائر بلند رہے۔ بعد کے آؤٹ دور میں طلب میں بہتری آئی، جس کی توقع ہے کہ انوینٹری کنورژن کی حمایت ہوگی، جس کی ترسیل اور وصولی کے شیڈول کے تابع ہیں۔

براہ راست برآمدات میں 43٪ اضافہ ہوا، جس سے آمدنی میں اضافہ اور وسیع تر مارکیٹ بیس میں اضافہ ہوا۔ یہ پیش رفت کمپنی کی اس حکمت عملی کی حمایت کرتی ہے کہ وہ ملکی یوٹیلیٹی خریداری کے وقت پر انحصار کم کرے، جبکہ اس بات کو تسلیم کرتی ہے کہ بین الاقوامی کاروبار بھی مال برداری، ٹیرف، کریڈٹ اور عملدرآمد کے خطرات لے کر چلتا ہے۔

سال کے دوران 99.17 ملین روپے کے لیکویڈیٹڈ نقصانات کو تسلیم کیا گیا، جو سالانہ فروخت کا تقریباً 2.1٪ بنتا ہے۔ انتظامیہ نے ترسیل کے دباؤ کو جزوی طور پر زیادہ لاجسٹکس

لاگت، علاقائی سپلائی چین میں تعطل اور متنازعہ زون کی وجہ سے ٹرانس شپمنٹ میں تاخیر قرار دی ہے۔ یہ چار جز منافع بخش ہونے پر نمایاں اثر ڈالتے ہیں اور حقیقت پسندانہ ترسیل کے وعدوں، پیداوار اور فروخت کے درمیان قریبی ہم آہنگی، اور بروقت شپمنٹ پلاننگ کی اہمیت کو اجاگر کرتے ہیں۔ انتظامیہ توقع کرتی ہے کہ جیسے جیسے تاخیر سے آرڈرز مکمل ہوں گے، مزید نمائش میں کمی آئے گی۔

مالی اخراجات اور ورکنگ کیپیٹل کی ضروریات اہم رکاوٹیں رہیں۔ انتظامیہ نے درآمدی انحصار اور غیر ملکی کرنسی کی خریداری کے اثرات کو کم کرنے کے لیے اجزاء کی لوکلائزیشن جاری رکھی۔ برآمدی آمدنی غیر ملکی کرنسی کے ان پٹ اخراجات میں جزوی تلافی فراہم کر سکتی ہے، اگرچہ فائدہ وقت، کرنسی اور وصولیوں اور ادائیگیوں کی قدر پر منحصر ہے۔ منافع میں مسلسل بہتری کے لیے انونٹری، وصولیوں، پیداوار کے نقصانات اور ترسیل سے متعلق چار جز پر سخت کنٹرول درکار ہوگا۔

پیداواری صلاحیت اور مصنوعات کی تنوع

انسولیٹر کی پیداوار 3,224 ٹن سے بڑھ کر 3,737 ٹن ہوگئی، جو تقریباً 15.9٪ کی بہتری ہے۔ ایمکو کی مصنوعات کا مجموعہ اب بڑے آلات اور سب اسٹیشن انسولیٹرز اور برآمدی صارفین کے لیے تیار کردہ مصنوعات کی طرف بڑھ رہا ہے۔ یہ مصنوعات روایتی لائن انسولیٹرز سے جسمانی سائز، کم گھنی بھٹی لوڈنگ کثافت اور طویل فائرنگ سائیکل کی ضروریات میں مختلف ہیں، جو نصب شدہ انفراسٹرکچر سے حاصل ہونے والے سالانہ ٹنیج کو متاثر کرتے ہیں۔

اسی مناسبت سے، تاریخی درجہ بندی شدہ ٹنیج کو اس کے بنیادی مصنوعات کے مکس کے تناظر میں سمجھنا چاہیے۔ موجودہ مکس کے تحت کم قابل حصول ٹنیج بذات خود نصب شدہ صلاحیت یا آپریٹنگ افادیت میں کمی کا باعث نہیں بنتا۔ پیداوار کی منصوبہ بندی اور صلاحیت کے استعمال کو متعلقہ مصنوعات کے مکس اور دستیاب کلن سائیکلز کے مقابلے میں زیادہ درست طریقے سے پرکھا جاسکتا ہے۔

مالی سال کے آخر میں اعلان کیے گئے ٹینڈرز اور بعد میں موصول ہونے والے آرڈرز ملکی طلب میں بہتری کی نشاندہی کرتے ہیں۔ آرڈر بک اس وقت چار ماہ کی پیداواری صلاحیت سے زیادہ ہے۔ ان آرڈرز کو آمدنی میں تبدیل کرنا مصنوعات کی مخصوص پیداوار، صارفین کی ضروریات اور ترسیل کے شیڈول پر منحصر ہوگا۔

ہائی وولٹیج ڈسکنیکٹ سوئچز، انسٹرومنٹ ٹرانسفارمرز اور دھات کے اجزاء کی ترقی ایمکو کی توانائی کے شعبے میں شرکت کو بڑھاتی ہے اور درآمدی متبادل کی حمایت کرتی ہے۔ ہم ان مصنوعات کی حوصلہ افزا طلب کی پیش گوئی کرتے ہیں۔ مزید توسیع متعلقہ ٹیسٹنگ کی تکمیل اور دیکھ بھال، صارفین کی منظوری اور معاشی طور پر قابل عمل مقامی مینوفیکچرنگ انتظامات پر منحصر ہوگی۔

برآمدات کی ترقی اور ترقی کی صلاحیت

براہ راست برآمدی فروخت 660.41 ملین روپے تک پہنچی، جو پچھلے سال کے مقابلے میں 43٪ اضافہ اور کل آمدنی کا تقریباً 14.1٪ ہے۔ مصنوعات امریکہ، متحدہ عرب امارات، ترکی، برازیل، ارجنٹینا، ہانگ کانگ اور کولمبیا کو فراہم کی گئیں۔ شمالی امریکہ اور لاطینی امریکہ میں قائم ہونے والی موجودگی خاص طور پر ایمکو کی پہنچ کو اس کے ملکی صارفین سے آگے بڑھانے میں اہم ہے۔

گزشتہ سال کی سب سے بڑی کامیابی وہ وسیع تجارتی بنیاد ہے جو حقیقی بیرون ملک ترسیلات، مختلف صارفین کی وضاحتوں پر پورا اترنے کے تجربے اور بین الاقوامی کاروبار کی وسیع بنیاد کے ذریعے قائم ہوئی۔ انتظامیہ رپورٹ کرتی ہے کہ نمایاں طور پر بڑے برآمدی آرڈرز حاصل کیے جا چکے ہیں اور ان پر عمل درآمد جاری ہے۔ یہ ترقیات صارفین کے تعلقات اور مزید دہرائے جانے والے کاروبار کی بنیاد فراہم کرتی ہیں۔

انتظامیہ امریکہ کو ایک ممکنہ نمایاں برآمدی مارکیٹ کے طور پر دیکھتی ہے، ساتھ ہی لاطینی امریکہ، ترکی اور دیگر مقامات میں موجودہ تعلقات کو گہرا کرنے کے مواقع بھی ہیں۔ بین الاقوامی گرڈ سرمایہ کاری اور صارفین کی سپلائی ذرائع کو متنوع بنانے میں دلچسپی اس موقع کی حمایت کرتی ہے۔ ایمکو کی اسے حاصل کرنے کی صلاحیت مستقل مصنوعات کے معیار، صارفین کی قبولیت، مسابقتی کل لینڈڈ لاگت اور قابل اعتماد لیڈ ٹائمز پر منحصر ہوگی۔

فوری ترجیح یہ ہے کہ برآمدی آرڈر بک کو پائیدار آمدنی اور نقد بہاؤ میں تبدیل کیا جائے۔ اس کے لیے پیداواری وعدے ایسے ہوتے ہیں جو کلن کی دستیابی، معیار اور ترسیل کی مکمل لاگت کی عکاسی کرنے والی قیمتیں، اور صارفین کے ساتھ طے شدہ شپمنٹ شیڈولز کے مطابق ہوں۔ مال برداری میں اضافہ صارف کی وصولی میں تاخیر کا باعث بن سکتا ہے، چاہے کرایہ خریدار کے معاہدے کے تحت ہو۔ صارف اور جغرافیائی تنوع، محتاط کریڈٹ اسیسمنٹ کے ساتھ، برآمدی کاروبار کے بڑھنے کے ساتھ اہم رہے گی۔

کوڈ آف کارپوریٹ گورننس

پاکستان اسٹاک ایکسچینج لسٹنگ ریگولیشنز میں درج کوڈ آف کارپوریٹ گورننس کی تقاضے، جو 30 جون 2026 کو ختم ہونے والے سال کے لیے لاگو ہوتے ہیں، کمپنی نے اپنائے اور باضابطہ طور پر ان کی تعمیل کی ہے۔ اس حوالے سے ایک بیان اس رپورٹ کے ساتھ منسلک ہے۔

بورڈ تصدیق کرتا ہے کہ:

- 30 جون 2026 کو ختم ہونے والے سال کے مالی بیانات کمپنی کی صورتحال، آپریشنز کے نتائج، نقد بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔
- مناسب حسابات کی کتابیں برقرار رکھی گئی ہیں۔
- مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر نافذ کی گئی ہیں، اور اکاؤنٹنگ کے تخمینے معقول اور محتاط فیصلے پر مبنی ہوتے ہیں۔
- پاکستان میں لاگو ہونے والے بین الاقوامی اکاؤنٹنگ اسٹینڈرڈز مالیاتی بیانات کی تیاری میں اپنائے گئے ہیں۔
- اندرونی کنٹرول کا نظام ڈیزائن میں مضبوط ہے اور مؤثر طریقے سے نافذ اور نگرانی کیا گیا ہے۔
- متعلقہ ضوابط میں بیان کردہ کارپوریٹ گورننس کے بہترین طریقہ کار سے کوئی نمایاں انحراف نہیں ہوا۔
- بورڈ آف ڈائریکٹرز کے تمام اراکین یا تو ڈائریکٹرز ٹریننگ پروگرام مکمل کر چکے ہیں یا اس سے مستثنیٰ ہیں۔
- پراویڈنٹ فنڈ کے اثاثوں کی مالیت، بشمول جمع شدہ سود، اس کے آڈٹ شدہ اکاؤنٹس کے مطابق 9.9 ملین روپے تھی، جو 31 دسمبر 2025 تک تھی۔

بورڈ میٹنگز

مندرجہ ذیل ڈائریکٹرز نے 30 جون 2026 کو ختم ہونے والے سال کے دوران بورڈ میں خدمات انجام دیں:

سینئر۔#	ڈائریکٹر کا نام	نامزدگی
1	مسٹر جاوید شفیق صدیقی	چیئرمین/نان ایگزیکٹو ڈائریکٹر
2	مسٹر عثمان حق	منیجنگ ڈائریکٹر/ایگزیکٹو ڈائریکٹر
3	مسٹر سالم رحمان	چیف ایگزیکٹو/ایگزیکٹو ڈائریکٹر
4	مسٹر طارق رحمان	ایگزیکٹو ڈائریکٹر
5	مسٹر احسن سہیل منان	کمپنی سیکرٹری/ایگزیکٹو ڈائریکٹر
6	مسٹر پرویز شفیق صدیقی	نان ایگزیکٹو ڈائریکٹر
7	مسٹر سلمان جاوید صدیقی	نان ایگزیکٹو ڈائریکٹر
8	مسٹر عمیر نورانی	نان ایگزیکٹو ڈائریکٹر
9	محترمہ عائشہ مصدق حمید	آزاد ڈائریکٹر
10	مسٹر چودھری عمران علی	آزاد ڈائریکٹر
11	مسٹر سید محمد محسن	آزاد ڈائریکٹر
12	مسٹر عثمان حمید چودھری	آزاد ڈائریکٹر

سبکدوش ہونے والے بورڈ کی مدت مکمل ہونے کے بعد، نو ڈائریکٹرز کو 29 جون 2026 کو تین سالہ مدت کے لیے منتخب کیا گیا جو یکم جولائی 2026 سے شروع ہو گی۔ دوبارہ تشکیل شدہ بورڈ کمپنی کی کارکردگی اور پائیدار شیئر ہولڈر ویلیو کے مفاد میں اسٹریٹجک سمت کی نگرانی کا ذمہ دار ہے۔ اس کی تشکیل درج ذیل ہے:

سینئر۔#	ڈائریکٹر کا نام	نامزدگی
1	مسٹر جاوید شفیق صدیقی	چیئرمین/نان ایگزیکٹو ڈائریکٹر
2	مسٹر عثمان حق	مینجنگ ڈائریکٹر/ایگزیکٹو ڈائریکٹر
3	مسٹر سالم رحمان	چیف ایگزیکٹو/ایگزیکٹو ڈائریکٹر
4	مسٹر احسن سہیل منان	کمپنی سیکرٹری/ایگزیکٹو ڈائریکٹر
5	مسٹر پرویز شفیق صدیقی	نان ایگزیکٹو ڈائریکٹر
6	مسٹر طاہر رحمان	نان ایگزیکٹو ڈائریکٹر
7	محترمہ عائشہ مصدق حمید	آزاد ڈائریکٹر
8	مسٹر عثمان حمید چودھری	آزاد ڈائریکٹر
9	مسٹر محمد فاروق نسیم	آزاد ڈائریکٹر

دوبارہ تشکیل شدہ بورڈ میں تین ایگزیکٹو ڈائریکٹرز، تین نان ایگزیکٹو ڈائریکٹرز اور تین آزاد ڈائریکٹرز شامل ہیں، جن میں ایک خاتون آزاد ڈائریکٹر بھی شامل ہے۔

موجودہ بورڈ کی مدت 30 جون 2029 کو ختم ہو رہی ہے۔ ہر ڈائریکٹر نے عمل کرنے کی رضامندی دی ہے اور متعلقہ کارپوریٹ گورننس تقاضوں کے تحت مقررہ اعلامیہ جمع کروا دیا ہے۔

بورڈ میٹنگز کے نوٹس اور متعلقہ ورکنگ پیپرز کم از کم سات دن پہلے گردش میں دیے گئے۔ 30 جون 2026 کو ختم ہونے والے سال کے دوران چار بورڈ میٹنگز منعقد کی گئیں۔ حاضری کا خلاصہ درج ذیل ہے:

سینئر۔#	ڈائریکٹر کا نام	شرکت کی گئی میٹنگز
1	مسٹر جاوید ایس۔ صدیقی	03
2	مسٹر عثمان حق	04
3	مسٹر سالم رحمان	03
4	مسٹر طارق رحمان	04
5	مسٹر احسن سہیل منان	04
6	مسٹر پرویز ایس۔ صدیقی	01
7	مسٹر سلمان جاوید صدیقی	03
8	مسٹر عمیر نورانی	04
9	محترمہ عائشہ مصدق حمید	02
10	مسٹر چودھری عمران علی	04
11	مسٹر سید محمد محسن	04
12	مسٹر عثمان حمید چودھری	03

ان ڈائریکٹرز کو رخصت دی گئی جو شرکت نہیں کر سکتے تھے۔

کمپنی کے حصص کی تجارت

مالی سال کے دوران، ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر یا کمپنی سیکرٹری، یا ان کے شریک حیات یا نابالغ بچوں کی طرف سے کمپنی کے شیئرز کی کوئی تجارت نہیں کی گئی۔

بورڈ کی کمیٹیاں

آڈٹ کمیٹی

آڈٹ کمیٹی سالانہ اور سہ ماہی مالی بیانات، اندرونی آڈٹ رپورٹس اور دیگر اہم معاملات کا جائزہ لیتی ہے اس سے پہلے کہ انہیں بورڈ کو جمع کرائیں۔ یہ شیئر ہولڈرز کی منظوری کے لیے بیرونی آڈیٹرز کی تقرری کی بھی سفارش کرتی ہے۔ سال کے دوران چھ کمیٹی اجلاس منعقد کیے گئے، جن میں سالانہ آڈٹ کے آغاز سے پہلے بیرونی آڈیٹرز کے ساتھ ملاقاتیں اور چیف فنانشل آفیسر اور ہیڈ آف انٹرنل آڈٹ کی غیر موجودگی میں الگ الگ ملاقاتیں شامل تھیں۔

سال بھر کے اراکین:

- مسٹر عثمان حمید چودھری — چیئرمین
- مسٹر سید محمد محسن — رکن
- مسٹر جاوید شفیق صدیقی — رکن
- مسٹر عمیر نورانی — رکن

بورڈ نے 8 جولائی 2026 کو ہونے والے اجلاس میں آڈٹ کمیٹی کے درج ذیل اراکین کو تین سالہ مدت کے لیے مقرر کیا، جو یکم جولائی 2026 سے مؤثر ہے:

- مسٹر عثمان حمید چودھری — چیئرمین
- مسٹر جاوید شفیق صدیقی — رکن
- مسٹر طاہر رحمان — رکن

مسٹر احسن سہیل منان کمیٹی سیکرٹری ہیں، جیسا کہ کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 کے چیپٹر IX، ریگولیشن 27(1)(iv) کے تحت ضروری ہے۔

ایچ آر اور معاوضہ کمیٹی

جائزہ سال کے دوران ایچ آر اور معاوضہ کمیٹی کی دو میٹنگز منعقد کی گئیں۔ سال کے دوران اراکین:

- محترمہ عائشہ مصدق حمید — چیئرمین
- مسٹر جاوید شفیق صدیقی — رکن
- مسٹر سلمان جاوید صدیقی — رکن
- مسٹر احسن سہیل منان — رکن/ کمیٹی سیکرٹری

بورڈ نے ایچ آر اینڈ معاوضہ کمیٹی کے درج ذیل اراکین کو تین سالہ مدت کے لیے یکم جولائی 2026 سے اپنی میٹنگ میں مقرر کیا:

- محترمہ عائشہ مصدق حمید — چیئرمین
- مسٹر جاوید شفیق صدیقی — رکن
- مسٹر احسن سہیل منان — رکن/ کمیٹی سیکرٹری

رسک مینجمنٹ کمیٹی

اس سال کے دوران رسک مینجمنٹ کمیٹی کا ایک اجلاس منعقد ہوا۔ سال کے دوران اراکین:

- مسٹر سید محمد محسن — چیئرمین
- مسٹر طارق رحمان — رکن
- مسٹر چودھری عمران علی — رکن
- مسٹر سالم رحمان — رکن/ کمیٹی سیکرٹری

بورڈ نے 8 جولائی 2026 کو ہونے والے اجلاس میں رسک مینجمنٹ کمیٹی کے درج ذیل ارکان کو تین سالہ مدت کے لیے مقرر کیا، جو یکم جولائی 2026 سے نافذ العمل ہے:

- مسٹر محمد فاروق نسیم — چیئرمین
- مسٹر عثمان حق — رکن
- مسٹر سالم رحمان — رکن/ کمیٹی سیکرٹری

نامزدگی کمیٹی

نامزدگی کمیٹی کا ایک اجلاس سال کے دوران منعقد ہوا۔ سال کے دوران اراکین:

- مسٹر چودھری عمران علی — چیئرمین
- مسٹر جاوید شفیق صدیقی — رکن
- مسٹر عثمان حق — رکن
- مسٹر احسن سہیل منان — رکن/ کمیٹی سیکرٹری

بورڈ نے نامزدگی کمیٹی کے درج ذیل اراکین کو تین سالہ مدت کے لیے یکم جولائی 2026 سے مقرر کیا، جو 8 جولائی 2026 کو ہونے والی میٹنگ میں نافذ العمل ہے:

- مسٹر عثمان حمید چودھری — چیئرمین
- مسٹر طاہر رحمان — رکن
- مسٹر احسن سہیل منان — رکن/ کمیٹی سیکرٹری

ڈائریکٹرز کی تنخواہ

کمپنی بورڈ سے منظور شدہ ڈائریکٹرز کی معاوضہ پالیسی برقرار رکھتی ہے جو ایگزیکٹو، غیر ایگزیکٹو اور آزاد ڈائریکٹرز کو کور کرتی ہے۔ بنیادی دفعات درج ذیل خلاصہ کی گئی ہیں:

1. ڈائریکٹرز، بشمول آزاد ڈائریکٹرز، بورڈ کی منظوری کے مطابق کمپنی کی پالیسی کے مطابق معاوضے کے حقدار ہیں۔
2. بورڈ بی او ڈی کی میٹنگز میں شرکت کے لیے معاوضے کا تعین اور منظوری دیتا ہے، جو ایچ آر اور معاوضہ کمیٹی کی سفارش پر ہوتا ہے۔

نان ایگزیکٹو ڈائریکٹرز کو کمپنی کی طرف سے معاوضہ نہیں ملتا چیف ایگزیکٹو اور ڈائریکٹرز سے متعلق معاوضے کے انکشافات مالیاتی بیانات کے نوٹ 39 میں بیان کیے گئے ہیں۔

رسک مینجمنٹ

رسک مینجمنٹ شیئر ہولڈر ویلیو کے تحفظ اور کمپنی کے اسٹریٹجک مقاصد کی تکمیل میں مدد دیتا ہے۔اہم نمائشیں اور انتظامی ترجیحات یہ ہیں:

1. مارکیٹ اور پالیسی کے خطرات: ٹیرف، تجارتی پابندیوں، صارفین کی تلاش کی پالیسیاں اور ملکی یوٹیلیٹی خریداری میں تبدیلیاں طلب اور قیمت کی مسابقت کو متاثر کر سکتی ہیں۔ ترجیحات میں وسیع تر مارکیٹ کوریج، مصنوعات مخصوص محصولات کا جائزہ اور منظم تجارتی شرائط شامل ہیں۔
2. توانائی اور غیر ملکی زر مبادلہ کا خطرہ: گیس اور بجلی کے ٹیرف، درآمد شدہ ان پٹ لاگت اور شرح مبادلہ میں تبدیلیاں مارجن کو نمایاں طور پر متاثر کر سکتی ہیں۔ ترجیحات میں توانائی کی بچت، تجارتی طور پر قابل عمل مقامی کاری اور غیر ملکی کرنسی کی آمدنی اور ادائیگیوں کی قریبی ہم آہنگی شامل ہے۔
3. عمل درآمد اور لاجسٹکس کا خطرہ: بھٹی کی پابندیاں، شپنگ میں تعطل اور صارفین کی جمع آوری میں تاخیر اضافی انوینٹری، تاخیر سے ترسیل اور ختم شدہ نقصانات کا باعث بن سکتی ہے۔ پیداوار کے شیڈولنگ، معیار کنٹرول اور شپمنٹ کی تیاری کو معاہداتی وعدوں کے ساتھ ہم آہنگ کرنا ضروری ہے۔

کاروباری تسلسل کا خطرہ: جیو پولیٹیکل اضافہ، سیلاب، نقل و حمل میں تعطل اور یوٹیلیٹیز یا اہم سپلائرز میں رکاوٹیں آپریشنز کو متاثر کر سکتی ہیں۔ تسلسل کی منصوبہ بندی میں ان خطرات کو پلانٹ کی قابل اعتمادیت اور معلوماتی نظام کی سیکیورٹی کے ساتھ ساتھ حل کرنا چاہیے۔

کاروباری تسلسل

کمپنی بزنس تسلسل کی حکمت عملی اور پالیسی برقرار رکھتی ہے۔ کمپنی کے رسک مینجمنٹ کے عمل کا جائزہ لیا گیا اور اپ ڈیٹ کیا گیا ہے۔ موجودہ ماحول میں آپریشنل لچک، اہم ان پٹس اور بحالی کے انتظامات پر مسلسل توجہ دینا ضروری ہے۔

کارپوریٹ سماجی ذمہ داری

کمپنی اپنی کارپوریٹ سوشل ریسپانسبلٹی (CSR) اقدامات کے تحت مالی معاونت کے ذریعے مقامی کمیونٹیز کی معاشی اور سماجی ترقی کی حمایت کے لیے پر عزم ہے۔ سال کے دوران، کمپنی نے خیرون نیسا ہسپتال فاؤنڈیشن اور ایچیسن کالج اولڈ بوائز ایسوسی ایشن کو چندہ دیا۔

پائیداری کے خطرات

بورڈ تسلیم کرتا ہے کہ CCG سیکشن 10A(6) کے تحت پائیداری کے خطرات کے جائزے، ان کے انتظام یا تخفیف، اور تنوع، مساوات اور شمولیت کو فروغ دینے کے اقدامات کے انکشافات سے متعلق تقاضے ایمکو انڈسٹریز لمیٹڈ پر جولائی 2027 سے مؤثر ہوں گے۔ اس ریگولیٹری تقاضے کی توقع میں، کمپنی نے تیاری کے اقدامات شروع کیے ہیں جن میں شامل ہیں:

1. آپریشنز میں پائیداری سے متعلق خطرات کی شناخت اور نگرانی کے لیے ایک فریم ورک قائم کرنا۔
2. تلافی کی حکمت عملیوں کو انٹرپرائز رسک مینجمنٹ اور گورننس کے عمل میں ضم کرنا۔
3. ورک فورس میں شمولیت، مساوی مواقع اور نمائندگی کو فروغ دینے کے لیے DE&I پالیسیاں تیار کرنا۔

بورڈ جولائی 2027 کے بعد ختم ہونے والے مالی سال سے ان انکشافات کی شرائط کی مکمل تعمیل کو یقینی بنانے کے لیے پر عزم ہے، جس سے شفافیت اور اسٹیک ہولڈرز کے سامنے جوابدہی کو مضبوط کیا جا سکتا ہے۔

ماحولیاتی تحفظ اور توانائی کا انتظام

کمپنی نے اپنی ISO 14001:2015 سرٹیفیکیشن کو تجدید کیا ہے اور توانائی کے استعمال کی نگرانی اور کنٹرول کو بہتر بنانے کے لیے اپنے ISO 50001 انرجی مینجمنٹ فریم ورک کا استعمال جاری رکھے ہوئے ہے۔ انتظامیہ کا ارادہ ہے کہ وہ فوٹو وولٹائک سولر تنصیب کی مزید توسیع کا جائزہ لے گی، جس کی تکنیکی اور مالی ممکنات کے مطابق ہوں۔ شمسی سرمایہ کاری توانائی کی لاگت میں بچت اور ماحولیاتی کارکردگی کی حمایت کرتی ہے؛ اس کے فوائد کو اس سرمایہ کاری سے الگ جانچا جانا چاہیے جو مینوفیکچرنگ تھروپٹ میں اضافہ کرتی ہے۔

اندرونی مالیاتی کنٹرولز کی کفایت

بورڈ نے منظور شدہ پالیسیوں، طریقہ کار، اختیارات کی حدوں اور نگرانی کے انتظامات کے ذریعے اندرونی مالی کنٹرولز قائم اور نافذ کیے ہیں۔ یہ کنٹرولز کاروبار کے مؤثر انتظامات کی حمایت کرنے، کمپنی کے اثاثوں کی حفاظت، دھوکہ دہی اور غلطی کی روک تھام اور درست اور مکمل اکاؤنٹنگ ریکارڈز کو برقرار رکھنے اور قابل اعتماد مالی معلومات کی بروقت تیاری کو آسان بنانے کے لیے ڈیزائن کیے گئے ہیں۔ اندرونی مالیاتی کنٹرول فریم ورک مالیاتی رپورٹنگ کی قابل اعتمادیت اور قابل اطلاق قوانین وضوابط کی تعمیل کے بارے میں معقول یقین دہانی فراہم کرتا ہے۔ کنٹرولز کی مسلسل نگرانی اور وقتاً فوقتاً جائزہ لیا جاتا ہے تاکہ کمپنی کے آپریشنز اور ریگولیٹری ماحول میں تبدیلیوں کے پیش نظر یہ مناسب اور مؤثر رہیں۔ بورڈ کمپنی کے داخلی مالیاتی کنٹرولز کو ڈیزائن کے اعتبار سے مستحکم اور سال کے دوران مؤثر طریقے سے نافذ شدہ سمجھتا ہے۔

ملازمین کے تعلقات

بورڈ ملازمین کی اس مشکل سال کے دوران وابستگی کو سراہتا ہے۔ یہ انجینئرنگ ٹیم کی تحقیق اور ترقی کی کوششوں، یونین کے تعاون میں پیداوار کو بہتر بنانے اور پیداوار کے نقصانات کو کم کرنے، اور کمپنی کی کارکردگی میں تمام شعبوں کی خدمات کو تسلیم کرتا ہے۔ انتظامیہ مہارتوں، جوابدہی اور تعمیری ملازمین کے تعلقات پر زور دیتی رہے گی۔

مساوات اور تنوع

ایمکو ملازمت اور فیصلہ سازی میں مساوی سلوک، انصاف اور احترام کے لیے پرعزم ہے۔ اس کی پالیسیاں ایک محفوظ اور جامع کام کی جگہ فراہم کرنے کی کوشش کرتی ہیں، جو جنس، نسل یا دیگر ذاتی خصوصیات کی بنیاد پر امتیاز سے پاک ہو، جہاں ملازمین اپنا حصہ ڈال سکیں اور اپنی صلاحیتوں کو فروغ دے سکیں۔

سرکلر 10 آف 2024 کے تحت صنفی اجرت کے فرق کا بیان

30 جون 2026 کو ختم ہونے والے سال کے لیے صنفی اجرت کے فرق کا حساب کچھ یوں ہے:

1.	اوسط صنفی اجرت کا فرق:	N/A
2.	درمیانی صنفی اجرت کا فرق:	N/A
3.	کوئی اور متعلقہ ڈیٹا یا تفصیلات:	نہیں۔

نوٹ: کمپنی کے بورڈ آف ڈائریکٹرز میں خواتین کی نمائندگی موجود ہے۔

مستقبل کا منظر نامہ

بورڈ ایمکو کے امکانات کے بارے میں محتاط پر امید ہے۔ کمپنی مالی سال 2026–27 میں وسیع تر مصنوعات کے پورٹ فولیو، بڑھتے ہوئے بیرون ملک صارفین اور مضبوط رپورٹ شدہ آرڈر بک کے ساتھ داخل ہو رہی ہے۔ اسی وقت، جغرافیائی سیاسی غیر یقینی صورتحال، توانائی کی لاگت، عوامی شعبے کے اخراجات کی پابندیاں اور آرڈرز پر عمل درآمد کے لیے درکار ورکنگ کیپیٹل اہم عوامل ہیں۔

ملکی مواقع ٹرانسمیشن اور ڈسٹری بیوشن نیٹ ورکس میں سرمایہ کاری اور پاور سیکٹر اصلاحات کی رفتار پر منحصر ہوں گے۔ ایمکو کے ہائی وولٹیج سوئچ گیئر، انسٹرومنٹ ٹرانسفارمرز اور دھات کے اجزاء ان ضروریات کو پورا کرنے اور مقامی قدر میں اضافے کے لیے گنجائش فراہم کرتے ہیں۔ انتظامیہ ترقی کے مواقع کا جائزہ صارفین کی منظوریوں، پروجیکٹ کی معیشت اور فنڈنگ کی ضروریات کے مطابق لگائے گی۔

کمپنی اپنے حال ہی میں پری کوالیفائیڈ فاؤنڈری مصنوعات کی ترقی جاری رکھے ہوئے ہے۔ اس نے اپنی ہائی وولٹیج اور مکینیکل ٹیسٹنگ لیبارٹریز کے لیے ISO/IEC 17025 کی منظوری حاصل کی ہے اور پاکستان نیشنل ایکریڈیٹیشن کونسل کا حتمی آڈٹ مکمل ہو چکا ہے۔ یہ لیبارٹریز بیرونی ٹیسٹنگ خدمات کی حمایت کریں گی اور ایمکو کی ٹیسٹنگ صلاحیتوں پر صارفین کا اعتماد مضبوط کریں گی۔

برآمدات مرکزی ترقی کی ترجیح رہیں گی۔ شمالی امریکہ اور لاطینی امریکہ میں ہونے والی پیش رفت توسیع کے لیے مضبوط بنیاد فراہم کرتی ہے، لیکن اگلے مرحلے میں بار بار آرڈرز، قابل اعتماد عمل درآمد اور قابل قبول منافع فراہم کرنا ضروری ہے۔ انتظامیہ کی توجہ پیداوار کی پابندیوں کو کم کرنے پر ہو گی جہاں معاشی طور پر جائز ہوں، ترسیل کی کارکردگی کو بہتر بنانا، برآمدی مارجن کو مضبوط کرنا اور انوینٹری اور وصولی کو نقد رقم میں تبدیل کرنا ہو گا۔ بورڈ ان ضروریات اور کمپنی کی مالی صلاحیت کے مطابق اضافی سرمایہ کاری کا جائزہ لے گا۔

کمپنی کے بینکنگ تعلقات اچھے ہیں اور مالی ذمہ داریاں متفقہ شرائط کے مطابق پوری کی جاتی ہیں۔

کمپنی نے امپورٹ ڈیوٹی، سیلز ٹیکس، انکم ٹیکس اور دیگر لیویز کے ذریعے قومی خزانے میں 929 ملین روپے کا تعاون کیا، جبکہ پچھلے سال یہ 794 ملین روپے تھا۔

اعتراف

ہم اپنے شیئر ہولڈرز، صارفین، مالیاتی اداروں اور دیگر کاروباری شراکت داروں کا ان کی مسلسل حمایت کے لیے شکریہ ادا کرتے ہیں۔ ہم بورڈ کی رہنمائی اور انتظامیہ و ملازمین کی اس مشکل سال میں پیش رفت کے عزم کو بھی تسلیم کرتے ہیں۔

ڈیویڈنڈ

بورڈ نے 30 جون 2026 کو ختم ہونے والے سال کے لیے ڈیویڈنڈ کی سفارش نہیں کی ہے۔

اگرچہ کمپنی نے سال کے دوران منافع کمائے، بورڈ نے سیکشن 240 کے تحت ڈیویڈنڈ ظاہر نہ کرنے کا فیصلہ کیا ہے۔ یہ فیصلہ اسٹریٹجک سرمایہ کاریوں، قرض میں کمی، اور مستقبل کی توسیع کے لیے فنڈز بچانے کی ضرورت پر مبنی ہے۔ بورڈ آئندہ سالوں میں ڈیویڈنڈ کے امکانات کا جائزہ لینے کے لیے پر عزم ہے۔

شیئر ہولڈنگ کا پیٹرن

30 جون 2026 تک شیئر ہولڈنگ کا پیٹرن اور مطلوبہ کارپوریٹ گورننس اس رپورٹ کے ساتھ منسلک ہیں۔

مالی جھلکیاں

گزشتہ دس سالوں کی اہم مالی جھلکیاں سالانہ رپورٹ میں پیش کی گئی ہیں۔

آڈیٹرز

جیسا کہ آڈٹ کمیٹی کی تجویز اور بورڈ کی سفارش کے مطابق، موجودہ آڈیٹرز میسرز کروحسین چودھری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو رہے ہیں اور اہل ہونے کے ناطے، سالانہ جنرل میٹنگ میں شیئر ہولڈرز کی طرف سے منظوری کی صورت میں دوبارہ تقرری کے لیے خود کو پیش کرتے ہیں۔

VIS کریڈٹ ریٹنگ

وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ نے ایمکو انڈسٹریز لمیٹڈ ('ایمکو' یا 'کمپنی') کی 'A-/A-2' (سنگل اے مائنس / اے-ٹو) پر 'مستحکم' نقطہ نظر کے ساتھ ادارے کی درجہ بندی کی تصدیق کی ہے۔ 'اے-' کی درمیانی سے طویل مدتی درجہ بندی اچھے کریڈٹ کے معیار کو ظاہر کرتی ہے۔ 'اے-2' کی قلیل مدتی درجہ بندی بروقت ادائیگی کی اچھی یقین دہانی کی نشاندہی کرتی ہے۔ درجہ بندیاں کمپنی کی کارکردگی اور اس کے آپریٹنگ ماحول میں تبدیلیوں کے تابع رہتی ہیں۔

بورڈ آف ڈائریکٹرز کے لیے اور اس کی جانب سے

سالم رحمان
چیف ایگزیکٹو آفیسر
لاہور: 29 ستمبر، 2026

احسن سہیل منان
ڈائریکٹر / کمپنی سیکرٹری

Financial Highlights of Last Ten Years

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
	.....(Rupees in Million).....									
Net Sales	4,679	3,607	4,192	3,546	2,586	2,077	1,598	1,386	1,148	1,006
Exports (Direct & Indirect)	660	463	169	80	31	34	42	22	72	118
Employees Costs	861	778	629	571	441	388	359	311	293	276
Profit/(Loss) before tax	113	42	357	420	278	280	163	139	(25)	68
Profit/(Loss) after tax	69	56	219	293	217	202	118	145	36	29
Earning per share (Rs / Share)	1.98	1.59	6.26	8.37	6.20	5.77	3.37	4.13	1.03	0.83
EBITDA	571	558	940	815	483	468	336	293	119	209
Capital Expenditure	161	156	276	554	214	192	78	75	60	22
Shareholder's Equity (Excl. Rev.Surplus)	1,663	1,567	1,488	1,270	971	769	547	408	125	72
Shareholder's Equity (Incl. Rev.Surplus)	3,432	3,311	2,946	2,785	2,506	2,071	1,474	1,166	1,016	993

Statement of Compliance

WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019
OF EMCO INDUSTRIES LIMITED FOR THE YEAR ENDED JUNE 30, 2026

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

1. The total number of Directors is 12 as per the following:-
   a) Male: 11
   b) Female: 01

2. For the tenure 01-Jul-2023 till 30-Jun-2026, the composition of the Board was as follows:

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

The Board consisted of twelve (12) directors in the last elections held on 26th June 2023.

Now, in the meeting of Board of Directors held on 29th Apr 2026, in compliance with Code of Corporate Governance Regulations, 2019 ("CCGR2019"), requirements of Companies Act, 2017, the Board decided to elect Nine (9) members in the elections of Board of Directors held in June 2026, consisting of three (3) Independent Directors (02 Male & 01 Female), three (3) Non-Executive Directors, and three (3) Executive Directors.

Hence, following Nine (9) members were elected in the Elections for the Board of Directors in the Extra-Ordinary General Meeting held on 29th June 2026, for the next term of three years starting from 01-Jul-2026 till 30-Jun-2029.

Category	Names
Independent Directors	Mrs. Ayesha Mussadaque Hamid Mr. Osman Hameed Chaudhri Mr. Muhammad Farooq Naseem
Executive Directors	Mr. Usman Haq Mr. Salem Rehman Mr. Ahsan Suhail Mannan
Non-Executive Directors	Mr. Javaid Shafiq Siddiqi Mr. Pervaiz Shafiq Siddiqi Mr. Tahir Rehman
Female Directors	Mrs. Ayesha Mussadaque Hamid

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this, Company.

4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The Board has developed a vision & mission statement, overall corporate strategy, and significant policies of the Company. The Board has ensured that a complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / Shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.

8. The Board has formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.

9. Overall, 100% of the Board of Directors who completed their tenure on 30th June 2026 have either completed the Directors' Training Program or are exempted from it.

10. The Board has approved the appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. The Chief Financial Officer and 02 Directors, including Chief Executive Officer, duly endorsed the financial statements before the approval of the Board.

12. The Board has formed committees comprising of members given below:

a) Audit Committee:

Mr. Osman Hameed Chaudhri	Chairman
Syed Muhammad Mohsin	Member
Mr. Javaid Shafiq Siddiqi	Member
Mr. Umair Noorani	Member

The Board has appointed the following members of the Audit Committee for a period of three years w.e.f. 01.07.2026 in the meeting of the Board of Directors held on 08.07.2026.

Mr. Osman Hameed Chaudhri	Chairman
Mr. Javaid Shafiq Siddiqi	Member
Mr. Tahir Rehman	Member

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

b) Human Resource & Remuneration Committee:

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

The Board has appointed the following members of the HR & Remuneration Committee for a period of three years w.e.f. 01.07.2026 in the meeting of the Board of Directors held on 08.07.2026.

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

c) Risk Management Committee:

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

The Board has appointed the following members of the Risk Committee for a period of three years w.e.f. 01.07.2026 in the meeting of the Board of Directors held on 08.07.2026.

Mr. Muhammad Farooq Naseem	Chairman
Mr. Usman Haq	Member
Mr. Salem Rehman	Member / Committee Secretary

d) Nomination Committee:

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

The Board has appointed the following members of the Nomination Committee for a period of three years w.e.f. 01.07.2026 in the meeting of the Board of Directors held on 08.07.2026.

Mr. Osman Hameed Chaudhri	Chairman
Mr. Tahir Rehman	Member
Mr. Ahsan Suhail Mannan	Member / Committee Secretary

13. The terms of reference of the aforesaid committees have been formed, documented, and conveyed to the committee for compliance.

14. The frequency of meetings (quarterly / half yearly / yearly) of the committees were as follows:

a) Audit Committee: (Quarterly).
b) Human Resource and Remuneration Committee: (Half Yearly).
c) Risk Management Committee: (Yearly).
d) Nomination Committee: (Yearly).

15. The Board has set up an effective Internal Audit Function led by HIA (who is also an employee of the Company) and has outsourced the Internal Audit Function to M/S. Muhammad Ali Hussain & Co., Chartered Accountants for the year ended 30th June 2026, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;

17. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with and all other requirements of the Regulations have been complied with.

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr.	Reg. Ref.	Description	Explanation
1	10A (5) of CCG Regulation, 2019.	The Board is responsible for setting the Company's sustainability strategies, priorities and targets to create long-term corporate value. The Board may establish a dedicated sustainability committee having at least one female director.	At present the Board provides governance and oversight in relation to the Company's initiatives on Environment, Social and Governance (ESG) matters. The Company has not yet established a Sustainability Committee; however, this (non-mandatory) requirement will be complied as per rules and regulations in the forthcoming years.

(JAVAID SHAFIQ SIDDIQI)
Chairman

INDEPENDENT AUDITORS' REVIEW REPORT
TO THE MEMBERS OF EMCO INDUSTRIES LIMITED
REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of EMCO Industries Limited ("the Company") for the year ended June 30, 2026 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2026.

Further, we highlight below an instance of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

Sr.No.	Paragraph Reference	Description
1	19	At present, the Board provides governance and oversight in relation to the Company's initiatives on Environmental, Social and Governance (ESG) matters. The Company has not yet established a Sustainability Committee and the Company intends to comply with the applicable rules and regulations and establish the Sustainability Committee in the forthcoming years.

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore
Dated: September 29, 2026
UDIN: CR202610051oSt62FflG

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

Opinion

We have audited the annexed financial statements of EMCO Industries Limited (the Company), which comprise the statement of financial position as at June 30, 2026, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2026 and of the profit, the comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key Audit Matters	How the Matter was Addressed in our Report
1. Trade Receivables and Revenue	
Refer to note 3.13 and 24 of the financial statements. As at June 30, 2026, the Company's gross trade receivables were Rs. 1,006.464 million against which provision of Rs. 60.949 million has been recognized. We identified recoverability of trade receivables as key audit matter as it involves significant management judgement in determining the recoverable amount. Refer to note 3.15 & 27 to the financial statements. The Company has earned revenue of Rs. 4,679.409 million for the year ending June 30, 2026.	Our key audit procedures for valuation of trade receivables included the following: • Obtained an understanding of the Company's processes and design and implementation of internal controls relating to credit control processes (credit limits), debt collection process and making expected credit loss for doubtful receivables; • Tested the accuracy of aging report, on sample basis, by comparing individual balances in the report with underlying documentation; and • Assessed the appropriateness of assumptions and estimates made by management for the expected credit loss by comparing on sample basis, historic

Key Audit Matters	How the Matter was Addressed in our Report
The Company is primarily engaged in manufacturing and sale of insulators. We identified recognition of revenue as a key audit matter due to revenue being one of the key performance indicators of the Company.	cash collection, actual write offs and cash receipts from customers subsequent to reporting date. Our key audit procedures to revenue recognition included: • Obtained an understanding of the Company's processes related internal controls for revenue recognition and on a sample basis, tested the effectiveness of those controls, specifically in relation to recognition of revenue and timing thereof; • Compared a sample of revenue transactions recorded during the year with purchase orders, sales invoices, receipt vouchers, delivery orders and other relevant underlying documents; • Performed analytical review procedures and other test of details including the cut-off procedures to ensure that revenue has been recognized in the appropriate accounting period; • Checked receipts from customers to whom sales are made; • Performed procedures to analyze the variation in price and quantity sold during the year; and • Assessed the adequacy of the related disclosures in accordance with the applicable financial reporting standards and the Companies Act, 2017.
2. Stock in Trade	
Refer to note 23 to the financial statements for stock in trade. The inventories encompass diverse categories, including raw materials, packing materials, work in process and finished goods. These are valued at lower of cost and estimated net realizable value (NRV). The provisions for slow-moving and obsolete stock-in-trade necessitate substantial judgements and estimations by management. Considering the above matter, the valuation of stock in trade has been considered as a key audit matter.	Our audit procedures included the following: • Assessed the corresponding inventory observation instructions and participated in inventory counts. Based on sample, performed test counts and compared the quantities counted by us with the results of the counts of the management; • For a sample of inventory items, reperformed the weighted average cost calculation and compared the weightage average cost appearing on valuation sheets; • Compared on sample basis specific purchases and directly attributable cost with underlying supporting documents; • Compared the NRV, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value stocks in accordance with applicable accounting and reporting standards; and • Considered adequacy of the related disclosures and assessed whether these are in accordance with the applicable accounting and financial reporting standards.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

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

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

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore
Dated: September 29, 2026
UDIN: AR202610051ZAduMpJnc

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital			
120,000,000 (2025: 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 (2025: 35,000,000) ordinary shares of Rs. 10 each	5	350,000,000	350,000,000
Reserves	6	1,197,274,129	1,101,473,324
Sponsors' loan	7	115,708,828	115,708,828
Surplus on revaluation of property, plant and equipment	8	1,768,521,469	1,744,162,885
		3,431,504,426	3,311,345,037
Non Current Liabilities			
Long term financing	9	336,545,067	464,340,306
Post employment benefits	10	221,848,337	189,175,068
Deferred tax liability	11	182,721,253	252,935,381
Long term security deposits		11,406,116	4,567,584
		752,520,773	911,018,339
Current Liabilities			
Trade and other payables	12	469,469,625	442,914,232
Unclaimed dividends		768,578	768,578
Accrued finance cost	13	56,737,825	55,041,582
Short term borrowings	14	1,362,021,484	1,196,499,836
Current portion of non-current liabilities	15	205,166,127	176,088,051
		2,094,163,639	1,871,312,279
Contingencies and Commitments	16	-	-
Total Equity and Liabilities		6,278,188,838	6,093,675,655
ASSETS			
Non Current Assets			
Property, plant and equipment	17	3,231,734,750	3,192,525,667
Investment properties	18	113,385,532	113,385,532
Intangible assets	19	9,924	3,467,504
Long term prepayments	20	85,320,551	57,562,935
Long term loans	21	606,922	877,482
Long term deposits		5,046,916	5,096,916
		3,436,104,595	3,372,916,036
Current Assets			
Stores, spares and loose tools	22	84,954,264	91,903,355
Stock in trade	23	1,428,010,780	1,656,546,020
Trade receivables	24	945,515,695	562,234,255
Advances, deposits, prepayments and other receivables	25	107,972,501	150,786,010
Income tax refundable from the Government		265,450,316	215,298,095
Cash and bank balances	26	10,180,687	43,991,884
		2,842,084,243	2,720,759,619
Total Assets		6,278,188,838	6,093,675,655

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

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
Revenue	27	4,679,408,633	3,607,041,808
Cost of revenue	28	(3,830,228,177)	(2,986,556,249)
Gross Profit		849,180,456	620,485,559
Administrative expenses	29	(182,639,770)	(169,436,293)
Selling and distribution expenses	30	(162,096,711)	(99,570,145)
Operating Profit		504,443,975	351,479,121
Other operating expenses	31	(157,339,681)	(26,787,316)
Other income	32	22,290,295	42,890,486
Finance cost	33	(256,701,135)	(325,492,747)
Profit before Minimum Tax Differential and Taxation		112,693,454	42,089,544
Minimum tax differential	34	(5,504,404)	(43,378,796)
Profit / (Loss) before Taxation		107,189,050	(1,289,252)
Charge for taxation	35		
Current tax - For the year		(54,830,383)	(1,709,227)
Prior year		-	13,936,202
Deferred tax		17,083,810	44,802,651
		(37,746,573)	57,029,626
Net Profit for the Year		69,442,477	55,740,374
Earnings per Share - Basic and Diluted	36	1.98	1.59

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

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
Net Profit for the Year		69,442,477	55,740,374
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Actuarial losses due to experience adjustments	10.2	(2,413,406)	(2,323,175)
Related tax impact	11.1	699,888	813,111
Revaluation surplus on property, plant and equipment - net	8	-	331,576,019
Related tax impact	11.1	-	(20,592,857)
Other comprehensive (loss) / income - net of tax		(1,713,518)	309,473,098
Total Comprehensive Income for the Year		67,728,959	365,213,472

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

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2026

Particulars	Issued, Subscribed and Paid up Capital	Reserves				Sponsors' Loan	Surplus on Revaluation of Property, Plant and Equipment	Total
		Capital	Revenue		Total Reserves			
		Share Premium Reserve	General Reserve	Unappropriated Profit				
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
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
Net profit for the year	-	-	-	55,740,374	55,740,374	-	-	55,740,374
Other comprehensive loss for the year	-	-	-	(1,510,064)	(1,510,064)	-	310,983,162	309,473,098
Total comprehensive income for the year	-	-	-	54,230,310	54,230,310	-	310,983,162	365,213,472
Incremental depreciation for the year on surplus on revaluation of property, plant and equipment - net	-	-	-	24,932,674	24,932,674	-	(24,932,674)	-
Balance as at June 30, 2025	350,000,000	39,898,526	90,000,000	971,574,798	1,101,473,324	115,708,828	1,744,162,885	3,311,345,037
Net profit for the year	-	-	-	69,442,477	69,442,477	-	-	69,442,477
Other comprehensive loss for the year	-	-	-	(1,713,518)	(1,713,518)	-	-	(1,713,518)
Total comprehensive income for the year	-	-	-	67,728,959	67,728,959	-	-	67,728,959
Incremental depreciation for the year on surplus on revaluation of property, plant and equipment - net	-	-	-	28,071,846	28,071,846	-	(28,071,846)	-
Effect of change in effective tax rate	-	-	-	-	-	-	52,430,430	52,430,430
Balance as at June 30, 2026	350,000,000	39,898,526	90,000,000	1,067,375,603	1,197,274,129	115,708,828	1,768,521,469	3,431,504,426

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

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Generated from Operations	37	550,590,354	692,220,894
Changes in:			
Long term prepayments	20	(39,510,397)	854,122
Long term security deposits		6,838,532	-
Long term deposits		50,000	(1,005,300)
		(32,621,865)	(151,178)
Finance cost paid		(254,048,870)	(359,883,505)
Gratuity paid	10.2	(14,196,754)	(19,420,754)
Workers' profit participation fund paid	12.3	(2,875,310)	(28,611,610)
Workers' welfare fund paid	12.4	(884,967)	(9,123,408)
Income tax paid / withheld		(110,487,008)	(188,089,435)
Income tax refund		-	26,752,908
		(382,492,909)	(578,375,804)
Net Cash Generated from Operating Activities		135,475,580	113,693,912
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	17	(153,044,807)	(156,434,322)
Advance against purchase of property, plant and equipment	17.11	(7,852,330)	-
Purchase of intangibles assets	19.2	(4,768,780)	-
Recoveries of long term loans - net	21	349,740	334,660
Rental income	32	8,678,578	12,328,872
Proceeds from disposal of property, plant and equipment	17	1,070,000	-
Net Cash Used in Investing Activities		(155,567,599)	(143,770,790)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing	9	(174,946,062)	(170,947,935)
Receipts from long term financing	9	-	97,697,596
Repayment of lease liabilities	15.1	(4,294,764)	(4,294,764)
Short term borrowings obtained - net	14	165,521,648	141,533,934
Net Cash (Used in) / Generated from Financing Activities	38	(13,719,178)	63,988,831
Net (Decrease) / Increase in Cash and Cash Equivalents		(33,811,197)	33,911,953
Cash and cash equivalents at the beginning of the year		43,991,884	10,079,931
Cash and Cash Equivalents at the End of the Year	26	10,180,687	43,991,884

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

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

1. CORPORATE AND GENERAL INFORMATION

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 is principally engaged in manufacturing and sale of high / low tension electrical porcelain insulators and switchgears.

The geographical location and address of the Company's offices / other premises are as under:

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

2. BASIS FOR PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards applicable in Pakistan comprise of:

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

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Accounting Standard and IFAS, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below:

Deferred markup, interest free loans from related parties and provident fund loan	Note 9	Stated at amortised cost
Post employment benefits	Note 10	Stated at present value
Certain property, plant and equipment	Note 17	Stated at revalued amount
Investment properties	Note 18	Stated at fair value

These financial statements provide comparative information in respect of the previous year. In addition, the Company presents an additional statement of financial position at the beginning of preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements . During the year no restatement has been made.

2.3 Functional and presentation currency

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

2.4 Key judgements and estimates

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

These estimates and related assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the year in which the estimates is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both the current and future year. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are documented in the following accounting policies, notes and related primary to:

- Useful lives, residual values, depreciation method and fair value of property, plant and equipment - Note 3.7 & 17
- Fair value of investment property - Note 3.9 & 18
- Provision for impairment of inventories - Note 3.11, 3.12, 22 & 23
- Impairment loss of non-financial assets other than inventories - Note 3.20
- Obligation of post employment benefits - Note 3.2 & 10
- Estimation of provisions - Note 3.19, 12.3 & 12.4
- Estimation of contingent liabilities - Note 3.22 & 16
- Provision for expected credit losses - Note 3.6 & 24
- Current income tax expense, provision for current tax and recognition of deferred tax asset (for carried forward 'tax losses) - Note 3.3, 11, 34 & 35

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

2.5 Changes in accounting standards, interpretations and pronouncements

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

The following standards, amendments, and interpretations are effective for the year ended June 30, 2026. These standards, amendments and interpretations are either irrelevant to the Company's operations or are not expected to significantly impact the Company's financial statements other than certain additional disclosures.

Standard or Interpretation		Annual Periods Beginning on or After
IAS 21	The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025

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

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Standard or Interpretation		Effective Date - Annual Period Beginning on or After
IFRS 10, 9, 1, 7 & IAS 7	Annual Improvements to IFRS Accounting Standards-Volume 11	January 01, 2026
IFRS 7, IFRS 9	Contracts Referencing Nature-dependent Electricity-Amendments to IFRS 9 and IFRS 7	January 01, 2026
IFRS 7, IFRS 9	Amendments to the Classification and Measurement of Financial Instruments-Amendments to IFRS 9 and IFRS 7	January 01, 2026
IAS 28	Amendments to the Fair Value Option for Investments in Associates and Joint Ventures-Amendments to IAS 28	January 01, 2027
IAS 21	Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)	January 01, 2027
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	July 01, 2027
IFRS S2	Climate-Related Disclosures	July 01, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 01, 2027
IFRS 18	Presentation and Disclosure in Financial Statements	January 01, 2027

Other than the aforementioned standards, interpretations, and amendments, IASB has also issued the following standards, which have not been notified locally, in relation to the Company, by the Securities and Exchange Commission of Pakistan (SECP) as at reporting date:

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRS 20	Regulatory Assets and Regulatory Liabilities
IFRS 17	IFRS 17 - Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Leases

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

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

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

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

Company as a lessee

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

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

Initial measurement

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

Lease payments comprise fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

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

Subsequent measurement

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

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

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

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

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

Depreciation is charged to profit or loss (Note 17.9).

3.2 Post employment benefits

Defined benefit plan
Defined benefit plans provide an amount of gratuity that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation. A defined benefit plan is a plan that is not a defined contribution plan. The liability recognized in the statement of financial position in respect of defined benefit plans is the present value of the defined

benefit obligations at the end of the reporting period less the fair value of plan assets, if any. The defined benefit obligations are calculated annually by an independent actuary using the projected unit credit method. The Company operates an unfunded gratuity scheme for its employees. The unfunded gratuity scheme is a defined benefit final salary plan.

The present values of the defined benefit obligations are determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds or the market rates on government bond. These are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related obligation. Retirement benefits are payable to staff on resignation, retirement or termination from service, subject to the completion of prescribed qualifying period of service under these schemes.

Remeasurement gain / losses are recognized in other comprehensive income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets, if any. This cost is included in employee benefit expense in the statement of profit or loss.

3.3 Taxation

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

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

The charge for current tax is higher of corporate tax (higher of tax based on taxable income and minimum tax) and alternative corporate tax. However, in case of loss for the year, income tax expense is recognized as minimum tax liability on turnover of the Company in accordance with the provisions of the Income Tax Ordinance, 2001. Super tax applicable on the Company is also calculated as per applicable tax rates as per the Income Tax Ordinance, 2001.

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

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

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

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

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

When minimum tax is higher than tax calculated on taxable profits, excess amount is recognized as levy under IFRIC 21 / IAS 37. Further, the Company shall also charge tax expense under levy when tax is calculated under final tax regime.

Deferred
Deferred tax is accounted for using the balance sheet liability method in respect of all temporary timing differences arising from the difference between the carrying amount of the assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable

profit. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss.

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

Deferred tax assets are recognized for all major deductible temporary differences to the extent that it is probable that taxable profit will be available against which deductible temporary differences, unused tax losses and tax credits can be utilized. The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

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

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

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

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

3.4 Long term security deposits

Long term security deposits comprise amounts paid by directors / officers to the Company in accordance with the approved car policy. Where the cost of a car exceeds the maximum amount allowed under the policy, the differential amount is paid upfront by the director / officer to the Company as a security deposit. Such deposits are classified as long-term based on the expected period of settlement and are refundable / adjustable in accordance with the applicable policy terms.

3.5 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within short period. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the Effective Interest Rate (EIR) method.

3.6 Financial instruments

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

3.6.1 Financial assets

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

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

Initial recognition and measurement
Except for trade receivables, financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit and loss.

Trade receivables are initially measured at the transaction price if these do not contain a significant financing component in accordance with IFRS 15.

Subsequent measurement
Financial assets carried at amortised cost are subsequently measured using the effective interest rate (EIR) method. The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss.

Financial assets measured at fair value through profit or loss are subsequently measured at fair value prevailing at the reporting date. The difference in fair value and dividend income arising on equity is charged to profit or loss.

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

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

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

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

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

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

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

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

Impairment of financial assets
The Company recognizes an allowance for expected credit losses (ECLs) for all financial assets which are measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognized in two stages. For credit exposures, for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

3.6.2 Financial liabilities

Initial recognition and measurement
Financial liabilities are initially classified at amortised cost. Such liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and include trade and other payables, loans or borrowings and accrued mark up etc.

The Company does not reclassify any of its financial liabilities.

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

Subsequent measurement
The Company measures its financial liabilities subsequently at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss. Difference between carrying amount and consideration paid is recognized in profit or loss when the liabilities are derecognized.

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

3.6.3 Offsetting of financial assets and liabilities

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

3.7 Property, plant and equipment

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

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

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

Depreciation on additions is charged from the date assets are available for use to the date at which the assets are disposed off.

Depreciation rates on owned assets are disclosed in Note 17.1.

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

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

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

The effect of any changes in estimate is accounted for on a prospective basis. Further, determining adjustments for any differences in nature, location and condition of the property, plant and equipment involves significant judgment.

3.8 Capital work-in-progress

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

3.9 Investment properties

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

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

The fair value of investment property is determined at the reporting date using current market prices for comparable real estate, adjusted for any differences in nature, location and condition by an independent valuer.

The effect of any changes in estimate is accounted for on a prospective basis. Further, determining adjustments for any differences in nature, location and condition of the investment property involves significant judgment.

3.10 Intangible assets

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

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

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

3.11 Stores, spares and loose tools

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

3.12 Stock in trade

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

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

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

3.13 Balances from contract with customers

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

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

3.14 Cash and cash equivalents

For the purpose of presentation in the statement of cashflows, cash and cash equivalents include cash in hand, deposits held at calls with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, bank overdrafts and short term borrowings.

3.15 Revenue recognition

Revenue is recognized in accordance by applying the following steps:
i) Identifying contract with a customer
ii) Identifying performance obligation in the contract
iii) Determining transaction price of the contract
iv) Allocating transaction price to each of the separate performance obligations in the contract
v) Recognizing the revenue when (or as) the Company satisfies a performance obligation

Revenue is recognized at a point in time, when the Company satisfies performance obligations by transferring the promised goods to its customers and when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The normal credit term is 30 to 90 days upon delivery. Control is transferred to the customer on dispatch of goods and transaction price is fixed and decided mostly through tendering process.

In determining the transaction price for sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non cash consideration, and consideration payable to the customer (if any). The contracts do not contain right of return as the goods are dispatched to customer after their inspection, and customer inspection process. The Company does not offer volume discount as price is agreed through tendering.

3.16 Dividend and other appropriations

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

3.17 Earnings per Share

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

3.18 Related party transactions

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

Name of Related party	Basis of Relationship	% of Holding in the Company
Mr. Javaid Shafiq Siddiqi	Director	5.514%
Mr. Usman Haq	Director	5.199%
Mr. Salem Rehman	Director / CEO	3.429%
Mr. Tariq Rehman	Director	0.379%
Mr. Ahsan Suhail Mannan	Director	8.378%
Mr. Pervaiz Shafiq Siddiqi	Director	5.514%
Mr. Salman Javaid Siddiqi	Director	0.001%
Mr. Umair Noorani	Director	0.059%
Ms. Ayesha Mussadaque Hamid	Independent Director	0.001%
Mr. Ch. Imran Ali	Independent Director	0.001%
Mr. Syed Muhammad Mohsin	Independent Director	0.001%
Mr. Osman Hameed Chaudhary	Independent Director	0.003%
Mr. Riaz Ahmed	Chief Financial Officer	Nil
Directors' close family members	Directors' close family members	27.138%
M/s Associated Engineers (Private) Limited	Common Directorship	5.745%
M/s ICC (Private) Limited	Common Directorship	7.595%
M/s The Imperial Electric Company (Private) Limited	Common Directorship	1.662%
M/s EBR Energy Pakistan (Private) Limited	Common Directorship	Nil
M/s Khairun Nisa Hospital Foundation	Common Directorship	Nil
M/s Tehzibul Akhlaq Trust	Common Directorship	Nil
M/s Aitchison College Old Boys Association	Common Directorship	Nil

3.19 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources shall be required to settle the obligation and the amount has been reliably estimated. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are not recognized for future operating losses.
Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Judgement and estimates
As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

3.20 Impairment of non-financial assets

Assets that have an indefinite useful life - for example, goodwill or intangible assets not ready to use - are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses on fixed assets that offset available revaluation surplus are charged against this surplus, all other impairment losses are charged to profit or loss. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date. Where impairment loss is recognized, the depreciation / amortisation charge is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value, over its remaining useful life. Any reversal of impairment loss of a revalued asset shall be treated as a revaluation increase.

3.21 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (the Chief Executive Officer of the Company). Segment results, assets and liabilities include items directly attributable to a segment.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets. Currently, the Company is operating in one segment.

3.22 Contingent liabilities

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

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

4. SUMMARY OF OTHER ACCOUNTING POLICIES

4.1 Borrowing costs

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

4.2 Ijarah contracts

The Company has entered into Ijarah contracts under which it obtains usufruct of an asset for an agreed period for an agreed consideration. Ijarah contracts are undertaken in compliance with the Shariah essentials for such contracts prescribed by the State Bank of Pakistan.

The Company accounts for its Ijarah contracts in accordance with the requirements of IFAS 2 'Ijarah'. Accordingly, the Company as a Mustaj'ir (lessee) in the Ijarah contract recognises the Ujrah (lease) payments as an expense in the profit or loss on straight line basis over the Ijarah term.

4.3 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in noncurrent liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

4.4 Foreign currency transactions and translation

All monetary assets and liabilities in foreign currencies are translated into Pak rupees at exchange rates prevailing at the reporting date. Non-monetary transactions in foreign currencies are translated into Pak rupees at exchange rates prevailing at the date of transaction. Exchange gains and losses are included in profit or loss.

4.5 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date in an orderly transaction between market participants in the principal, or in its absence, the most advantageous market to which the Company has access at that date. There are three levels which are as under:

Level 1

The Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2

When there is no quoted price in an active market, the Company determines transaction price by applying valuation techniques. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received.

Level 3

If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, the instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is credited or charged to profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

5. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2026 Number of Shares	2025 Number of Shares		2026 Rupees	2025 Rupees
18,570,460	18,570,460	Ordinary shares of Rs. 10 each fully paid in cash	185,704,600	185,704,600
2,800,000	2,800,000	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	28,000,000	28,000,000
13,629,540	13,629,540	Ordinary shares of Rs. 10 each issued as right shares	136,295,400	136,295,400
35,000,000	35,000,000		350,000,000	350,000,000

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

	2026 (Number of Shares)	2025 (Number of Shares)
Associated Engineers (Private) Limited	2,010,575	2,010,575
ICC (Private) Limited	2,658,133	2,658,133
The Imperial Electric Company (Private) Limited	581,549	581,549
	5,250,257	5,250,257

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

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

5.4 No shares of the Company were cancelled or further issued during the year.

6. RESERVES

	Note	2026 Rupees	2025 Rupees
Capital reserve			
- Share premium reserve	6.1	39,898,526	39,898,526
Revenue reserve			
- General reserve		90,000,000	90,000,000
- Unappropriated Profit		1,067,375,603	971,574,798
		1,197,274,129	1,101,473,324

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

7.	SPONSORS' LOAN	Note	2026 Rupees	2025 Rupees
	Sponsors' Loan		115,708,828	115,708,828

7.1 In accordance with the requirements of Technical release TR - 32 (Accounting Directors' Loan) issued by the Institute of Chartered Accountants of Pakistan, the long term loan has been presented as sponsors' loan and shown as an equity component. These loans are unsecured, interest free and repayable at discretion of the Company. Furthermore, as part of security arrangements for financing facilities obtained from the banks as stated in note 14, these loans are subordinated with banks upto Rs. 115.708 million.

8.	SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	Note	2026 Rupees	2025 Rupees
	Land - freehold:			
	Opening balance		1,176,166,559	903,427,276
	Revaluation surplus arisen during the year		-	272,739,283
			1,176,166,559	1,176,166,559
	Buildings on freehold land:			
	Opening balance		297,972,495	274,526,923
	Revaluation surplus arisen during the year		-	57,187,566
	Related deferred taxation		-	(20,015,648)
			297,972,495	311,698,841
	Plant and machinery:			
	Opening balance		270,023,831	280,158,198
	Revaluation surplus arisen during the year		-	1,649,170
	Related deferred taxation		-	(577,209)
			270,023,831	281,230,159
			1,744,162,885	1,769,095,559
	Effect of change in tax rates	11.1	52,430,430	-
	Incremental depreciation charged on revalued property, plant and equipment in current year net of deferred tax (transferred to unappropriated profit)		(28,071,846)	(24,932,674)
			1,768,521,469	1,744,162,885

8.1 This represents surplus over book value resulting from the revaluation of freehold land, buildings on freehold land and plant and machinery adjusted by incremental depreciation arising on revaluation of the above-mentioned assets and related deferred tax assets except freehold land which is presented at revalued amount. Latest revaluation was carried out by an independent valuer as on June 30, 2025 using current market price / replacement cost methods; wherever applicable for the respective assets, which resulted in further revaluation surplus of Rs. 331.576 million.

8.2 Incremental depreciation charged on revalued property, plant and equipment has been transferred to retained earnings to record realization of surplus to the extent of incremental depreciation. Incremental depreciation represents the difference between depreciation based on revalued carrying amount of the asset and equivalent depreciation based on the original carrying amount of the asset.

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

9.	LONG TERM FINANCING	Note	2026 Rupees	2025 Rupees
	Banking companies - secured			
	The Bank of Punjab	9.1	78,302,939	117,454,409
	National Bank of Pakistan	9.2	68,011,248	77,731,248
	Habib Bank Limited	9.3	149,986,576	199,982,102
	Askari Bank Limited	9.4	103,286,548	137,715,400
	Saudi Pak Industrial and Agricultural Investment Company Limited	9.5	21,391,311	35,652,179
	First Habib Modaraba - Diminishing Musharakah	9.6 & 9.7	113,441,611	61,158,316
			534,420,233	629,693,654
	Loan from related parties - unsecured			
	EMCO Industries Limited Provident Fund - Associated undertaking	9.8	7,846,117	7,951,117
	Discounting / unwinding of discount	9.9	(555,156)	(1,153,286)
			7,290,961	6,797,831
			541,711,194	636,491,485
	Less: current portion	15	(205,166,127)	(172,151,179)
			336,545,067	464,340,306

9.1 This represents the utilized portion of a demand finance facility having limit of Rs. 200 million. The facility is sanctioned to finance the import and inland purchase of plant and machinery and carries markup @ 3 months KIBOR plus 2%. It is secured by joint pari passu charge amounting to Rs. 104.40 million on the present and future fixed assets of the Company and personal guarantee of all sponsor directors. The repayment of loan is structured in 20 quarterly installments commencing from July 2023.

9.2 This represents the utilized portion of a demand finance facility having limit of Rs. 85 million. The facility is sanctioned to finance the import of plant and machinery and carries markup @ 3 months KIBOR + 3%. It is secured by joint pari passu charge amounting to Rs. 90.682 million on the present and future fixed assets of the Company and personal guarantee of all sponsor directors. The loan is repayable in 16 equal quarterly installments commencing from December 2025.

9.3 This represents the utilized portion of a term finance facility having limit of Rs. 250 million. The facility is sanctioned to finance the import of plant and machinery and carries markup @ 3 months KIBOR + 1.5%. This loan is secured by joint pari passu charge of Rs. 199.98 million on fixed assets of the Company and personal guarantee of all sponsor directors. The loan is repayable in 20 equal quarterly installments commencing from September 2024.

9.4 This represents the utilized portion of a term finance facility having limit of Rs. 210 million. The facility is sanctioned to finance the import of plant and machinery and carries markup @ 3 months KIBOR + 2%. This loan is secured by joint pari passu charge of Rs. 137.72 million on present and future fixed assets of the Company and personal guarantee of all sponsor directors. The loan is repayable in 20 equal quarterly installments commencing from July 2024.

9.5 This represents the utilized portion of long term finance for Renewable energy amounting to Rs. 82 million. The facility is sanctioned to finance supply and installation of 980-990 KWP Solar Power Plant. It carries markup @ 3 months KIBOR + 2.75% per annum. This loan is secured by joint pari passu charge on fixed assets of the Company and personal guarantee of all sponsor directors. The loan is repayable in 23 quarterly installments commenced from May 2022.

9.6 The Company acquired certain vehicles and machinery under the diminishing musharakah financing arrangements for a period of 60 months payable with post dated cheques. The effective rate of the diminishing musharakah financing is 3 months KIBOR + 1.75% with floor and ceiling rates of 5% to 50% respectively (2025: 5% to 50% respectively).

9.7 This includes Shariah compliant borrowings utilized from First Habib Modaraba (Diminishing Musharakah) amounting to Rs. 113.441 million (2025: Rs. 61.158 million).

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

- Amount of loan to be repaid through monthly installments of Rs. 2.0 million till complete settlement of the loan. This loan is due to mature on July 31, 2027.
- The payment will represent the principal repayment and no markup will be charged on the outstanding principal amount.
- Employees who are the members of the Fund, would be inducted in a new gratuity scheme of the Company with effect from March 6, 2018.

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

10. POST EMPLOYMENT BENEFITS	Note	2026 Rupees	2025 Rupees
Staff gratuity - unfunded	10.1	221,848,337	189,175,068

10.1 Staff gratuity - unfunded

The Company operates an unfunded gratuity scheme covering its permanent employees subject to completion of minimum prescribed period of service. Most recent actuarial valuation was carried out as on June 30, 2026. Actuarial valuation estimates are based on assumption on anticipation of future salary increase, mortality and inflation rates.

10.2 Movement in net liability for staff gratuity

Opening balance		189,175,068	163,701,914
Benefit due but not paid at the beginning of the year		3,569,050	3,253,912
Charge for the year - profit or loss	10.4	44,031,333	42,885,871
Actuarial losses due to experience adjustments	10.3	2,413,406	2,323,175
Payments made during the year		(14,196,754)	(19,420,754)
Benefits due but not paid		(3,143,766)	(3,569,050)
Net liability at end of the year		221,848,337	189,175,068

10.3 Remeasurements of net defined benefit liability

Actuarial (gains) / losses due to changes in financial assumptions		-	(119,635)
Actuarial (gains) / losses due to experience adjustments		2,413,406	2,442,810
Amount chargeable to other comprehensive income (OCI)	10.2	2,413,406	2,323,175

10.4 Charge for the year

The amounts recognized in profit or loss against defined benefit scheme are as follows:

Current service cost		22,612,336	20,195,361
Interest cost		21,418,997	22,690,510
	10.2	44,031,333	42,885,871

10.5 Principal Actuarial assumptions used

	2026	2025
Discount rate - per annum	11.75%	11.75%
Expected rate of increase in salary level - per annum	10.75%	10.75%
Average expected remaining working lives of employees	9 Years	9 Years
Average duration of liability	8 Years	8 Years
Expected mortality rate for active employees	SLIC (2001-2005) Mortality Table	
Actuarial valuation method	Projected Unit Credit Method	

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

	2026 Rupees	2025 Rupees	2024 Rupees	2023 Rupees	2022 Rupees
Present value of defined benefit obligations	221,848,337	189,175,068	163,701,914	120,389,472	91,015,646
Fair value of plan assets	-	-	-	-	-
Net liability	221,848,337	189,175,068	163,701,914	120,389,472	91,015,646

10.7 Expected Future costs

	2027 Rupees
Current and past service cost	24,343,157
Interest cost	25,177,456
	49,520,613

10.8 Year end sensitivity analysis on defined benefit obligations

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

	2026 Rupees	2025 Rupees
Discount rate + 1%	204,862,919	174,387,362
Discount rate - 1%	240,227,008	204,846,974
Salary increase + 1%	240,242,310	205,189,357
Salary increase - 1%	204,872,159	174,370,032

10.9 Risk associated with the scheme

The Company faces the following risks on account of staff gratuity scheme:

- Final Salary Risk
- the risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary, which will closely reflect inflation and other macroeconomic factors, the benefit amount increases as salary increases.

- Mortality Risk
- The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

- Withdrawal Risk
- The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

	Note	2026 Rupees	2025 Rupees
10.10 The charge for the year has been allocated as follows:			
Cost of revenue	28	32,502,086	31,870,070
Administrative expenses	29	10,246,813	9,728,988
Selling and distribution expenses	30	1,282,434	1,286,813
	10.4	44,031,333	42,885,871

10.11 Expected benefit payments for next years and beyond

	Rupees
Year 2027	15,144,224
Year 2028	18,007,887
Year 2029	21,239,739
Year 2030	24,392,965
Year 2031	28,265,974
Year 2032 and beyond	222,598,181

11. DEFERRED TAXATION

Deferred tax assets and deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, these have been offset and presented as follows:

Credit / (debit) balances arising in respect of timing differences relating to:

	2026 Rupees	2025 Rupees
Deferred tax liability		
- Accelerated tax depreciation and amortisation	87,897,274	92,457,134
- Revaluation of property, plant and equipment	241,947,779	305,844,175
	329,845,053	398,301,309
Deferred tax asset		
- Provision for doubtful debts	(17,675,137)	(21,332,061)
- Minimum tax	(43,378,796)	(43,378,796)
- Provision for obsolete stores and spares	(4,351,624)	(4,201,168)
- Provision for obsolete stock	(14,564,601)	(6,507,747)
- Provision for staff gratuity	(64,336,018)	(66,211,274)
- Others	(2,817,624)	(3,734,882)
	(147,123,800)	(145,365,928)
	182,721,253	252,935,381

11.1 Reconciliation of deferred tax liabilities / (assets) - net

Opening balance	252,935,381	277,958,286
Effect of change in tax rates on revaluation surplus	(52,430,430)	-
Recognized in statement of profit or loss	(17,083,810)	(44,802,651)
Recognized in statement of comprehensive income	(699,888)	(813,111)
Charged to revaluation surplus through other comprehensive income	-	20,592,857
Closing balance	182,721,253	252,935,381

11.2 Deferred tax assets / liabilities on temporary differences are measured at effective rate of 29% (2025: 35%).

11.3 Analysis of change in deferred tax

	Statement of Financial Position		Statement of Profit or Loss	
	2026 Rupees	2025 Rupees	2026 Rupees	2025 Rupees
Deferred tax Liability / (Asset)				
Accelerated tax depreciation and amortisation	87,897,274	92,457,134	(4,559,860)	9,122,914
Revaluation of property, plant and equipment	241,947,779	305,844,175	(11,465,966)	(13,425,286)
Provision for doubtful debts	(17,675,137)	(21,332,061)	3,656,924	(445,845)
Minimum tax	(43,378,796)	(43,378,796)	-	(43,378,796)
Provision for obsolete stores and spares	(4,351,624)	(4,201,168)	(150,456)	-
Provision for obsolete stock	(14,564,601)	(6,507,747)	(8,056,854)	-
Provision for staff gratuity	(64,336,018)	(66,211,274)	2,575,144	(8,102,492)
Others	(2,817,624)	(3,734,882)	917,258	11,426,854
	182,721,253	252,935,381	(17,083,810)	(44,802,651)

11.4 Deferred tax asset on deductible temporary differences arising due to minimum tax available for carry forward under section 113 of the Income Tax Ordinance, 2001 has been recognised as sufficient taxable profits would be available for adjustment / utilisation in the foreseeable future. The minimum tax would expire as follows:

Accounting year to which minimum tax relates	Amount of minimum tax	Accounting year in which minimum tax will expire
	Rupees	
2025	43,378,796	2027

12 TRADE AND OTHER PAYABLES	Note	2026 Rupees	2025 Rupees
Trade creditors - unsecured	12.1	254,057,555	261,511,191
Accrued liabilities		132,480,476	129,943,284
Employees retirement benefit funds		9,191,024	7,495,117
Contract liabilities for goods - unsecured	12.2	34,292,962	21,752,356
Sales tax payable		18,717,115	-
Withholding tax payable		11,014,548	12,116,879
Workers' (profit) participation fund	12.3	6,031,586	2,565,013
Workers' welfare fund	12.4	3,684,359	7,530,392
		469,469,625	442,914,232

12.1 Trade creditors include Rs. 341,322 (2025: Rs. 4,479,799) due to related party M/s Imperial Electric Company (Private) Limited.

12.2 Contract liabilities are expected to be satisfied during year ending on June 30, 2027.

		Note	2026 Rupees	2025 Rupees
12.3	Workers' (Profit) Participation Fund			
	Opening balance		2,565,013	24,124,726
	Expense recognised during the year	31	6,135,985	2,565,013
	Interest on workers' (profit) participation fund	31	205,898	4,486,884
			8,906,896	31,176,623
	Payments / adjustments made during the year		(2,875,310)	(28,611,610)
	Closing balance		6,031,586	2,565,013
12.4	Workers' Welfare Fund			
	Opening balance		7,530,392	15,768,833
	Expense recognised during the year	31	3,684,359	884,967
			11,214,751	16,653,800
	Payments / adjustments made during the year		(7,530,392)	(9,123,408)
	Closing balance		3,684,359	7,530,392

13	ACCRUED FINANCE COST	2026 Rupees	2025 Rupees
	Accrued finance cost on:		
	- Long term financing from banking companies	15,215,747	19,780,211
	- Long term financing from related parties	6,391,541	6,391,541
	- Short term borrowings from banking companies	29,553,852	22,760,226
	- Short term borrowings from related parties	5,576,685	6,109,604
		56,737,825	55,041,582

14	SHORT TERM BORROWINGS	Note	2026 Rupees	2025 Rupees
	Interest bearing			
	From banking companies - secured:			
	- Running finance, local bills discounting, export and import finances	14.1	1,227,977,339	1,080,455,691
	From related parties and directors - unsecured:			
	- Directors and close relatives thereof		79,497,999	69,997,999
	- ICC (Private) Limited	14.2	6,700,000	6,700,000
			1,314,175,338	1,157,153,690
	Interest free			
	From related parties - unsecured:			
	- Directors and close relatives thereof	14.3	45,230,454	36,730,454
	- The Imperial Electric Company (Private) Limited		2,615,692	2,615,692
			47,846,146	39,346,146
			1,362,021,484	1,196,499,836

14.1 Terms and conditions of borrowings

Purpose

The Company has obtained short-term running finance, local bill discounting, and export and import finance facilities from various commercial banks under mark-up arrangements amounting to Rs. 1,228.03 million (2025: Rs. 1,106.30 million) to meet the working capital requirements. The unutilized portion of these facilities amounts to Rs. 0.05 million (2025: Rs. 25.84 million).

Markup

Mark-up on short-term borrowings is charged at rates ranging from 1 to 6 months KIBOR plus a spread of up to 2% (2025: 1 to 6 months KIBOR plus spread of up to 2%) per annum, on the balance outstanding.

Securities

These facilities are secured through a first joint pari passu charge and ranking charge on present and future assets including hypothecation of stores, spares, loose tools, stock-in-trade, trade debts, charge on property, plant and equipment of the Company, ranking charge over fixed assets and current assets , lien over export LCs / contracts, personal guarantees of directors, and subordination of sponsors' loan.

14.2 This borrowing is obtained from an associated company, to meet the working capital requirements of the Company and carries mark-up @ 1 month KIBOR + 2% per annum on the balance outstanding.

14.3 This represents loan obtained to meet the working capital requirements of the Company. The Company has also utilised personal finance lines of the directors as disclosed in note 40.1 to the financial statements.

14.4 Letters of credit and guarantee

The main facilities for opening letters of credit and guarantees aggregate to Rs. 1,410.78 million (2025: Rs. 1,463.50 million). The amount utilized as at June 30, 2026, for letters of credit was Rs. 266.55 million (2025: Rs. 197.42 million) and for letters of guarantee was Rs. 851.38 million (2025: Rs. 734.75 million). The amounts unavailed as at the reporting date amount to Rs. 292.85 million (2025: Rs. 531.33 million). The aggregate facilities for opening letters of credit and letters of guarantee are secured by charge on present and future fixed assets and current assets of the Company, ranking charge on fixed assets and current assets of the Company, lien over import documents, personal guarantees, subordination of sponsors' loan and counter guarantees of the Company.

15	CURRENT PORTION OF NON-CURRENT LIABILITIES	Note	2026 Rupees	2025 Rupees
	Long term financing	9	205,166,127	172,151,179
	Lease liabilities	15.1	-	3,936,872
			205,166,127	176,088,051
15.1	Opening balance		3,936,872	7,144,764
	Add: Reassessment of lease liability		-	72,978
	Add: Interest expense	33	357,892	1,013,894
	Less: Payments made		(4,294,764)	(4,294,764)
	Total liability		-	3,936,872
	Less: Current portion	15	-	(3,936,872)
	Closing balance		-	-

15.2 Nature of leasing activities

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

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

	Included in	Note	2026 Rupees	2025 Rupees
Carrying amount of ROU assets	Statement of financial position	17.9	-	3,272,911
Depreciation charge	Administrative expenses	17.9 & 29	3,272,911	3,272,917
Interest expense	Finance cost	33	357,892	1,013,894

15.4 Maturity analysis of contractually undiscounted cash flows

Up to one year	-	3,936,872
2-5 Years	-	-
Total lease liability	-	3,936,872

15.5 Remaining lease term of existing lease contract is Nil (2025: 1 years) for which lease liability is recorded. The agreement is renewed on July 01, 2026.

16 Contingencies and Commitments

Contingencies

16.1 The Company has indemnified the Trustees of EMCO Industries Limited Provident Fund and the beneficiaries thereof, from any and all events wherein they or anyone suffers any loss and / or damage for allowing the Company rescheduled time frame to repatriate the borrowed sum into the fund.

16.2 On February 28, 2020, the Deputy Commissioner Inland Revenue (DCIR) passed an order under Section 122(1)/(5) of the Income Tax Ordinance, 2001, amending the assessment under Section 120 and creating a tax liability of Rs. 18,206,669 against the Company. The Company appealed, and on November 10, 2021, the Commissioner Inland Revenue (Appeals-I), Lahore, annulled the order, directing the DCIR to issue a fresh assessment after hearing the Company. Subsequently, pursuant to the said order, the DCIR initiated re-assessment proceedings and passed an order dated June 30, 2024 under Section 122(4) of the Income Tax Ordinance, 2001, reducing the net tax refundable to Rs. 10,231,157. The Company filed an appeal against the said order before the Commissioner Inland Revenue (Appeals-I), Lahore, on July 26, 2024. The hearing of the appeal is fixed for August 18, 2026, and the matter remains pending as at June 30, 2026. The Company foresees that no adverse outcome against the Company will be raised based on the opinion of external legal advisor; therefore, no provision is recorded in these financial statements.

16.3 On June 14, 2025, the Additional Commissioner Inland Revenue (ACIR) issued a notice under Sections 122(9)/122(5A) of the Income Tax Ordinance, 2001, requiring the Company to justify its claim of minimum tax under Section 113 amounting to Rs. 32,318,474. Subsequently, the ACIR passed an order dated June 30, 2025, creating a tax demand of Rs. 32,318,474. The Company appealed against the said order before the Commissioner Inland Revenue (Appeals), Lahore, on July 21, 2025. The appeal was dismissed vide order dated June 23, 2026. The Company filed a further appeal before the Appellate Tribunal Inland Revenue (ATIR), Lahore, on July 22, 2026, and the matter remains pending for adjudication. The Company foresees that no adverse outcome against the Company will be raised based on the opinion of the external legal advisor; therefore, no provision is recorded in these financial statements.

16.4 On November 12, 2015, the ACIR issued a notice under Section 122(5A)/122(9) of the Income Tax Ordinance, 2001, proposing an addition of Rs. 291,481,581 to the Company's taxable income. The Company submitted its replies; however, the ACIR passed an assessment order dated June 25, 2016, confirming the additions. The Company appealed against the said order before the Commissioner Inland Revenue (Appeals), who deleted 6 out of the 7 additions. The department subsequently filed an appeal before the ATIR, Lahore, and the matter remains pending for adjudication as at June 30, 2026. The Company foresees that no adverse outcome against the Company will be raised based on the opinion of the external legal advisor; therefore, no provision is recorded in these financial statements.

16.5 The Company was selected for audit via Notice No. 6429 dated February 27, 2013, with information requested on February 28, 2013. A pre-audit meeting was held on March 7, 2013, and an audit team notice was issued on March 26, 2013. The Company sought adjournments and submitted required details by May 27, 2013. A Show Cause Notice (No. 12019) under Section 72B of the STA, 1990, was issued on June 25, 2013, and the Company replied after multiple adjournments. On August 23, 2013, the DCIR passed Order No. 03/2013 under Section 11(2), creating a sales tax demand of Rs. 14,818,720, along with penalty under section 33 and default surcharge under section 34. The Company appealed (Appeal No. 618) on September 24, 2013, but the CIR-A upheld the order on December 16, 2013, under section 45B of the Sales Tax Act, 1990. A second appeal was filed before the ATIR on February 3, 2014, which remains pending. The Company foresees that no adverse outcome against the Company will be raised based on the opinion of external legal advisor; therefore, no provision is recorded in these financial statements.

16.6 During the year 2026, the Company filed Writ Petitions No. 1630/2026 and No. 21549/2026 before the Honourable Lahore High Court under Article 199 of the Constitution of the Islamic Republic of Pakistan, 1973, challenging the RLNG determinations / notification issued by OGRA, involving amounts of Rs. 39,376,674 and Rs. 13,709,264 respectively. The Honourable Lahore High Court has granted stay, suspending the operation of the impugned notification and the related billing. The Company foresees that no adverse outcome against the Company will be raised based on the opinion of the external legal advisor; therefore, no provision is recorded in these financial statements.

Guarantees

16.7 Bank guarantees amounting to Rs. 851.376 million (June 30, 2025: Rs. 734.749 million) have been issued in favour of the following:

	2026 Rupees	2025 Rupees
By banking companies:		
Sui Northern Gas Pipeline Limited	50,406,000	50,406,000
National Transmission and Despatch Company / DISCOs	736,969,800	684,342,764
	787,375,800	734,748,764
By insurance company:		
Collectorate of Customs	64,000,000	-
	851,375,800	734,748,764

Commitments

16.8 Letters of credit other than for capital expenditure amount to Rs. 256.323 million (2025: Rs. 197.420 million).

16.9 Letters of credit for capital expenditure amount to Rs. 10.224 million (2025: Rs. Nil).

16.10 Commitments for future minimum payments in respect of Diminishing Musharkah arrangements are as follows:

	Not later than one year	Later than one year but not later than five years	Later than five years
	---------- Rupees ----------		
Diminishing Musharkah	37,029,413	76,412,198	-

17. PROPERTY, PLANT AND EQUIPMENT

	Note	2026 Rupees	2025 Rupees
Operating fixed assets owned	17.1	3,205,613,320	3,189,252,756
Right of use assets	17.9	-	3,272,911
Capital work in progress	17.10	-	-
Advance against purchase of property, plant and equipment	17.11	26,121,430	-
		3,231,734,750	3,192,525,667

17.1 Operating fixed assets - owned

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

Description	Freehold Land Rupees	Buildings on Freehold Land Rupees	Plant and Machinery Rupees	Tools and Equipment Rupees	Furniture and Fittings Rupees	Vehicles Rupees	Office Equipment Rupees	Total Rupees
NET CARRYING VALUE BASIS								
Year Ended June 30, 2026								
Opening net book value	1,179,903,535	591,946,317	1,332,556,000	1,081,790	1,254,603	68,842,890	13,667,621	3,189,252,756
Additions during the year	-	3,499,915	168,866,351	210,000	-	36,335,490	5,431,592	214,343,348
Depreciation charged during the year	-	(53,606,649)	(121,845,333)	(217,511)	(250,920)	(18,761,378)	(3,254,059)	(197,935,850)
Disposal during the year								
- Cost	-	-	-	-	-	1,500,500	118,000	1,618,500
- Accumulated depreciation	-	-	-	-	-	(1,482,104)	(89,462)	(1,571,566)
	-	-	-	-	-	(18,396)	(28,538)	(46,934)
Revaluation adjustments	-	-	-	-	-	-	-	-
Closing net book value	1,179,903,535	541,839,583	1,379,577,018	1,074,279	1,003,683	86,398,606	15,816,616	3,205,613,320
Depreciation rates		5%	4%-50%	20%-40%	20%	20%	20%	
Gross Carrying Value Basis As at June 30, 2026								
Cost / revalued amount	1,179,903,535	1,194,984,847	2,645,785,729	11,071,979	11,457,041	151,670,042	61,460,986	5,256,334,159
Accumulated depreciation	-	(653,145,264)	(1,266,208,711)	(9,997,700)	(10,453,358)	(65,271,436)	(45,644,370)	(2,050,720,839)
Net book value	1,179,903,535	541,839,583	1,379,577,018	1,074,279	1,003,683	86,398,606	15,816,616	3,205,613,320
Year Ended June 30, 2025								
Opening net book value	907,473,343	582,367,818	1,305,764,202	1,352,237	1,568,254	77,194,566	13,676,215	2,889,396,635
Additions during the year	-	3,724,304	141,817,484	-	-	7,768,000	3,124,534	156,434,322
Depreciation charged during the year	-	(50,772,846)	(116,674,856)	(270,447)	(313,651)	(16,119,676)	(3,133,128)	(187,284,604)
Transfer to investment property:								
- Cost	309,091	935,000	-	-	-	-	-	1,244,091
- Accumulated depreciation	-	(374,475)	-	-	-	-	-	(374,475)
	(309,091)	(560,525)	-	-	-	-	-	(869,616)
Revaluation adjustments	272,739,283	57,187,566	1,649,170	-	-	-	-	331,576,019
Closing net book value	1,179,903,535	591,946,317	1,332,556,000	1,081,790	1,254,603	68,842,890	13,667,621	3,189,252,756
Depreciation rates		5%	4%-50%	20%-40%	20%	20%	20%	
Gross Carrying Value Basis As at June 30, 2025								
Cost / revalued amount	1,179,903,535	1,191,484,932	2,476,919,378	10,861,979	11,457,041	116,835,052	56,147,394	5,043,609,311
Accumulated depreciation	-	(599,538,615)	(1,144,363,378)	(9,780,189)	(10,202,438)	(47,992,162)	(42,479,773)	(1,854,356,555)
Net book value	1,179,903,535	591,946,317	1,332,556,000	1,081,790	1,254,603	68,842,890	13,667,621	3,189,252,756

17.2 Apportionment of depreciation charge for the year

	Note	2026 Rupees	2025 Rupees
Cost of revenue	28	184,980,385	176,867,166
Administrative expenses	29	12,955,465	10,417,438
		197,935,850	187,284,604

17.3 Operating fixed assets contain certain vehicles financed through diminishing musharakah facility. The cost of these vehicles amount to Rs. 141.670 million (2025: Rs. 105.335 million) and accumulated depreciation of Rs. 60.614 million (2025: Rs. 43.192 million).

17.4 Particulars of immovable property (land and building) in the name of the Company are as follow:

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

17.5 Cost, accumulated depreciation and book value of revalued assets

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

	2026 Rupees	2025 Rupees
Freehold land	3,736,976	3,736,976
Buildings on freehold land	106,341,321	133,527,094
Plant and machinery	980,772,591	917,134,722
	1,090,850,888	1,054,398,792

17.6 Fair value of the properties is determined using the market comparable method. Fair values are categorized as level 2 fair value hierarchy where inputs are observable. The latest valuations were performed by an independent professional valuer as at June 30, 2025 and were based on proprietary databases of prices of transactions for properties of similar nature, location and condition. As per the latest valuation report, as of June 30, 2025, further surplus from revaluation of assets amounted to Rs. 331.576 million (note 8). Forced sale value of land, buildings and plant and machinery were estimated to be Rs. 1,042.057 million; Rs. 528.124 million; and Rs. 1,066.044 million respectively as at June 30, 2025.

17.7 Fair value measurements

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

Valuation techniques used to derive level 2 fair values

Description	Valuation Technique	Significant Unobservable Inputs	Range (weighted average)
Land	Inquiries in the vicinity of land and also information obtained from the estate dealers of the area.	Price per kanal	Reasonable fair value estimates
Building	Physical inspection and checking of measurements with the lay-out plan of the buildings provided. Construction details, covered areas and quality of construction were noted. Conditions of buildings were noted and accordingly depreciated rate of the construction was calculated which was applied to arrive at fair depreciated market value.	Price per sq. ft.	Reasonable fair value estimates
Machinery	All machinery and asset items across various sections of the units have been physically inspected. Market inquiries were also conducted to determine the prevailing replacement values of comparable local and imported machinery. The production unit comprises both local and imported machinery and equipment. Depreciation due to usage has been applied to all assets at 7.5% per annum on a written-down value basis to arrive at their Fair Market Value.	Year of manufacturing	Reasonable fair value estimates

17.8 The property, plant and equipment of the Company are subject to first and joint pari passu charge as security for certain financing by banks (refer to Note 9 and 14).

17.9 Right of use assets

	Note	2026 Rupees	2025 Rupees
Opening balance		3,272,911	6,472,850
Add: Additions during the year		-	-
Add: Reassessment during the year		-	72,978
Less: Depreciation charge for the year	29	(3,272,911)	(3,272,917)
Closing balance		-	3,272,911
Lease Term		3 Years	3 Years
Remaining lease term		0 Years	1 Years

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

17.10 Capital work in progress

	2026 Rupees	2025 Rupees
Opening balance	-	2,051,502
Additions during the year	-	-
Transfers during the year	-	(2,051,502)
Closing balance	-	-

17.11 Advance against purchase of property, plant and equipment represents advance for the purchase of vehicles and letter of credit for the purchase of machinery. The breakup is as follows:

	2026 Rupees	2025 Rupees
Vehicles	20,299,000	-
Plant and machinery	5,822,430	-
	26,121,430	-

18 INVESTMENT PROPERTIES

	Land Rupees	Building Rupees	2026 Total Rupees	2025 Total Rupees
Opening balance	45,737,374	67,648,158	113,385,532	91,138,800
Additions during the year	-	-	-	869,616
Fair value gain on revaluation	-	-	-	21,377,116
Closing balance	45,737,374	67,648,158	113,385,532	113,385,532

18.1 These represent portion of land and building on the owned land given on rent to a third party. The investment property of the Company is subject to first and joint pari passu charge as security for certain financing by banks (refer to Note 9 and 14). These are held to earn rental income. As per the latest valuation report dated June 30, 2026, there was no change in the fair value of the investment properties. Particulars of investment properties as at the reporting date are as follows:

Property Type	Location	Area	Independent Valuer	Fair Value	Forced Sale Value
				Rupees	Rupees
Land	District Sheikhupura	45,348 sq. ft.	Hamid Mukhtar & Co.	45,737,374	38,876,768
Building on freehold land	District Sheikhupura	45,348 sq. ft.	Hamid Mukhtar & Co.	67,648,158	57,500,934
				113,385,532	96,377,702

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

18.3 Fair value measurements

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

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

18.4 The Company, as a lessor, had entered into an operating lease in respect of its investment property. During the year, the lease expired, the tenant vacated the property, and the related security deposit of Rs. 784,346 was refunded in accordance with the lease agreement and the requirements of Section 217 of the Companies Act, 2017. As at the reporting date, the property is vacant and continues to be classified as investment property in accordance with IAS 40, Investment Property, as management intends to lease it to a new tenant.

18.5 During the year, the Company, as a lessor, has renewed the operating lease on its investment property. The renewed lease has a term of one year, commencing on 31 January 2026. The Company has received a security deposit of Rs. 112,200 from the tenant which is utilizable in accordance with the requirements of the written agreement, in terms of Section 217 of the Companies Act, 2017.

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

	Within one year Rupees	After one year but not more than five years Rupees	More than five years Rupees
Undiscounted rentals	246,000	-	-

18.7 Amount recognised in statement of profit or loss

The change in fair value is presented in statement of profit or loss as "Other income". The rental income in respect of this property amounts to Rs. 8,678,578 that has been recognized in the statement of profit or loss.

19	INTANGIBLE ASSETS	Note	2026 Rupees	2025 Rupees
	Intangible assets		9,924	3,467,504
19.1	Net Carrying Value			
	Net carrying value - opening balance		288,674	567,424
	Transfer from capital work in progress		-	-
			288,674	567,424
	Amortisation during the year	19.1.1	(278,750)	(278,750)
	Net carrying value as at June 30,		9,924	288,674
	Gross Carrying Value			
	Cost		2,787,496	2,787,496
	Accumulated amortisation		(2,777,572)	(2,498,822)
	Net book value		9,924	288,674
	Amortisation rate - per annum		10%	10%

19.1.1 The Company has implemented Enterprise Resource Planning System (SAP). Amortisation charge for the year has been allocated to administrative expenses.

19.2	Capital work in Progress			
	Advances for implementation of SAP HANA	19.2.1	-	3,178,830
19.2.1	Opening balance		3,178,830	3,178,830
	Add: additions during the year		4,768,780	-
	Less: written off during the year		(7,947,610)	-
	Closing balance		-	3,178,830

20	LONG TERM PREPAYMENTS	Note	2026 Rupees	2025 Rupees
	Opening balance		83,424,544	84,278,666
	Additions during the year		72,409,086	26,405,126
	Charged to statement of profit or loss	20.1	(32,898,689)	(27,259,248)
			122,934,941	83,424,544
	Current portion of long term prepayments	25	(37,614,390)	(25,861,609)
			85,320,551	57,562,935

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

21	LONG TERM LOANS	Note	2026 Rupees	2025 Rupees
	Loans to employees (secured - considered good)	21.1	1,099,935	1,449,675
	Less: current portion	25	(493,013)	(572,193)
			606,922	877,482

21.1 These represent interest free loans for purchase of motorcycles, bicycles and for the construction of residential houses etc. These loans are secured against gratuity, are interest free and are repayable over a period of two to eight years. This does not include any loan given to any executive (2025: Rs. Nil). The present value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' is insignificant; hence it is not recognized in the financial statements.

22 STORES, SPARES AND LOOSE TOOLS	Note	2026 Rupees	2025 Rupees
Stores		70,588,198	68,584,197
Spare parts		27,641,334	33,522,469
Loose tools		1,730,331	1,800,025
		99,959,863	103,906,691
Less: Provision for obsolescence	22.1	(15,005,599)	(12,003,336)
		84,954,264	91,903,355

22.1 Provision for obsolescence of stores			
Opening balance		12,003,336	12,003,336
Provision for the year		3,002,263	-
		15,005,599	12,003,336
Less: Obsolete stores written off		-	-
Closing balance		15,005,599	12,003,336

23 STOCK-IN-TRADE	Note	2026 Rupees	2025 Rupees
Raw materials		698,963,915	693,499,300
Materials in transit		55,477,484	127,577,091
Work-in-process		192,381,137	126,335,864
Finished goods		531,411,006	727,727,327
		1,478,233,542	1,675,139,582
Less: Provision for obsolescence of stock	23.1	(50,222,762)	(18,593,562)
		1,428,010,780	1,656,546,020

23.1 Provision for obsolescence of stock			
Opening balance		18,593,562	18,593,562
Provision for the year	31	31,629,200	-
		50,222,762	18,593,562
Less: Obsolete stocks written off		-	-
Closing balance		50,222,762	18,593,562

23.2 During the year, the Company written down finished goods to net realizable value (NRV) amounting to Rs. 18,084,570, which is recognized as an expense in cost of revenue.

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

24	TRADE RECEIVABLES	Note	2026 Rupees	2025 Rupees
	Local (unsecured - considered good)		831,403,298	438,513,052
	Local (unsecured - considered doubtful)		60,948,747	60,948,747
	Foreign (unsecured - considered good)		114,112,397	123,721,203
			1,006,464,442	623,183,002
	Less: Expected credit loss allowance	24.1	(60,948,747)	(60,948,747)
			945,515,695	562,234,255
24.1	Movement in expected credit loss allowance			
	Opening balance		60,948,747	59,674,903
	Provision for the year	31	-	1,273,844
			60,948,747	60,948,747
	Less: Balances written off		-	-
	Closing balance		60,948,747	60,948,747

24.2 Details of trade receivables from export sales as at June 30, 2026

Jurisdiction	Export Sales during the Year	Gross Receivables as at the Reporting Date	Default Amount; Legal Action Taken	Names of defaulting parties	Legal action taken
	Rupees	Rupees	Rupees		
Turkey	64,331,960	3,803,077	-	No default	N/A
United Arab Emirates	11,275,109	656,642	-	No default	N/A
United States of America	242,793,413	32,673,387	-	No default	N/A
Brazil	3,564,144	-	-	No default	N/A
Colombia	311,601,879	76,979,291	-	No default	N/A
Argentina	26,292,629	-	-	No default	N/A
Hong Kong	548,730	-	-	No default	N/A
	660,407,864	114,112,397	-		

25 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2026 Rupees	2025 Rupees
Advances:			
- to employees against salaries - considered good	25.1	696,611	642,396
- to employees against expenses - considered good		4,001,267	5,245,532
- to suppliers - considered good		38,087,010	76,761,163
- to suppliers - considered doubtful		-	575,685
		42,784,888	83,224,776
Security deposits	25.2	3,277,816	3,531,466
Margins held by banks		18,401,164	8,929,678
Claims and export rebate receivable		3,670,649	78,441
Prepayments		1,730,581	785,679
Sales tax refundable		-	28,377,853
Current portion of loans to employees			
- considered good	21	493,013	572,193
Current portion of long term prepayments	20	37,614,390	25,861,609
		107,972,501	151,361,695
Less: Provision for doubtful advances	25.3	-	(575,685)
		107,972,501	150,786,010

25.1 These advances are extended to employees against salaries and for expenses. This does not include any amount due from directors (2025: Rs. Nil). These balances are secured against employees' retirement benefits balances. The maximum aggregate amount due from directors at any time during the year was Rs. 974,643 (2025 : Rs. 651,361).

25.2 Security deposits include Rs. 1.78 million (2025: Rs. 1.78 million). as a deposit against performance guarantee issued by Askari Bank Limited on behalf of the Company. This amount is invested in Term Deposit Receipt (TDR) carrying markup of 8.5% (2025: 8.5%) per annum with one year maturity.

25.3 Provision for doubtful advances

		2026 Rupees	2025 Rupees
Opening balance		575,685	575,685
Add: Provision for the year	31	-	-
Less: Provision reverse for the year		(575,685)	-
Closing balance		-	575,685

26 CASH AND BANK BALANCES

	Note	2026 Rupees	2025 Rupees
Cash in hand		743,784	793,769
Cash at banks - in current accounts		9,415,106	32,057,880
Cash at banks - in saving accounts	26.1	21,797	11,140,235
	26.3	10,180,687	43,991,884

26.1 Saving accounts earn profit at floating rates, linked to daily deposit rates, ranging from 5% to 6% per annum (2025: 5% to 6% per annum).

26.2 This includes deposit in current account of Shariah compliant bank amounting to Rs. 3,891,980 (2025: Rs. 7,867,456).

26.3 The above figures of cash and bank balances reconcile to the amount of cash and cash equivalents shown in the statement of cash flows.

27	REVENUE	2026 Rupees	2025 Rupees
	Gross revenue:		
	- Local	4,742,959,584	3,712,624,732
	- Export	660,407,864	462,798,562
		5,403,367,448	4,175,423,294
	Less: Sales tax	(723,958,815)	(563,386,149)
	Less: Trade discounts	-	(4,995,337)
	Net sales	4,679,408,633	3,607,041,808
27.1	All the revenue is recognised at a point in time.		
27.2	The Company's revenue based on geographical location is given as under:		
	Pakistan	4,742,959,584	3,712,624,732
	Turkey	64,331,960	102,038,708
	United Arab Emirates	11,275,109	1,885,190
	United States of America	242,793,413	172,121,878
	Brazil	3,564,144	12,225,840
	Colombia	311,601,879	171,000,304
	Taiwan	-	587,574
	Egypt	-	2,939,068
	Argentina	26,292,629	-
	Hong Kong	548,730	-
		5,403,367,448	4,175,423,294

28 COST OF REVENUE

	Note	2026 Rupees	2025 Rupees
Raw and packing materials consumed		1,892,077,633	1,572,964,880
Salaries, wages and benefits	28.1	719,842,605	654,066,051
Power and gas		484,919,467	445,071,371
Stores and spares consumed		144,952,050	96,717,739
Testing and inspection		63,051,106	59,595,790
Travelling and conveyance		146,076,525	126,278,873
Rent, rates and taxes		4,876,068	2,983,959
Professional and consultancy charges		285,000	2,288,000
Repairs and maintenance		12,480,027	13,617,460
Entertainment		2,779,519	2,618,895
Insurance		7,016,093	7,019,848
Printing and stationery		2,228,450	2,018,092
Communication		903,666	788,658
Vehicle maintenance		1,548,860	696,725
RTV coating related project expenses		31,907,704	22,414,102
Miscellaneous		31,971	47,850
Depreciation	17	184,980,385	176,867,166
		3,699,957,129	3,186,055,459
Work in process			
- Opening work in process		126,335,864	98,258,475
- Closing work in process		(192,381,137)	(126,335,864)
		(66,045,273)	(28,077,389)
Cost of goods manufactured		3,633,911,856	3,157,978,070
Finished goods			
- Opening finished goods		727,727,327	556,305,506
- Closing finished goods		(531,411,006)	(727,727,327)
		196,316,321	(171,421,821)
		3,830,228,177	2,986,556,249

28.1 This includes provision for gratuity expense amounting to Rs. 32.502 million (2025: Rs. 31.870 million).

29 ADMINISTRATIVE EXPENSES

	Note	2026 Rupees	2025 Rupees
Salaries, wages and benefits	29.1	119,645,339	113,964,172
Communication and stationery		3,269,165	2,940,354
Travelling		8,960,771	9,537,030
Legal and professional charges		10,449,180	8,631,432
Fees and subscription		5,679,761	5,095,988
Vehicle maintenance		2,148,859	1,965,788
Utilities		3,038,573	2,921,918
Insurance		2,563,734	2,445,404
Repairs and maintenance		815,388	784,368
Computer charges		3,800,079	2,050,043
Newspapers, periodicals and miscellaneous expenses		2,154,427	1,451,814
Charity		1,500,000	-
Entertainment		2,107,368	3,678,877
Depreciation on owned assets	17.2	12,955,465	10,417,438
Depreciation on right of use assets	17.9	3,272,911	3,272,917
Amortisation	19.1	278,750	278,750
		182,639,770	169,436,293

29.1 This includes provision for gratuity expense amounting to Rs. 10.247 million (2025: Rs. 9.728 million).

29.2 During the year, donations were paid to M/s Khairun Nisa Hospital Foundation and M/s Aitchison College Old Boys Association, to support needy individuals. Both are related parties of the Company due to common directorship.

30 SELLING AND DISTRIBUTION EXPENSES	Note	2026 Rupees	2025 Rupees
Handling, freight and transportation		88,888,830	66,753,566
Salaries, wages and benefits	30.1	21,945,633	10,350,546
Travelling		23,880,912	10,645,788
Insurance		230,693	726,722
Vehicle maintenance		158,177	174,977
Communication		161,464	224,905
Advertisement and sales promotion		18,090,069	6,635,889
Entertainment		1,186,173	688,992
Commission on sales		7,518,644	3,351,467
Miscellaneous		36,116	17,293
		162,096,711	99,570,145

30.1 This includes provision for gratuity expense amounting to Rs. 1.282 million (2025: Rs. 1.286 million).

31 OTHER OPERATING EXPENSES	Note	2026 Rupees	2025 Rupees
Auditor's remuneration	31.1	1,700,000	1,700,000
Exchange loss - net		3,861,275	-
Workers' (profit) participation fund	12.3	6,135,985	2,565,013
Interest on workers' (profit) participation fund	12.3	205,898	4,486,884
Workers' welfare fund	12.4	3,684,359	884,967
Expected credit loss allowance on trade debtors		-	1,273,844
Provision for obsolescence of stock	23.1	31,629,200	-
Provision for obsolescence of stores and spares	22.1	3,002,263	-
Balances written off	19.2.1	7,947,610	-
Late delivery charges / liquidity damages		99,173,091	15,876,608
		157,339,681	26,787,316
31.1 Auditor's remuneration:			
- Statutory audit		1,200,000	1,200,000
- Half yearly review		400,000	400,000
		1,600,000	1,600,000
- Certification fee		100,000	100,000
		1,700,000	1,700,000

32 OTHER INCOME	Note	2026 Rupees	2025 Rupees
Exchange gain		-	1,525,628
Export rebate		5,476,128	7,187,150
Gain on disposal of property, plant and equipment		1,023,066	-
Rental income	18	8,678,578	12,328,872
Liabilities written back		6,645,425	147,519
Fair value gain on investment properties	18	-	21,377,116
Profit on bank deposits and TDR		467,098	324,201
		22,290,295	42,890,486

33	FINANCE COST	Note	2026 Rupees	2025 Rupees
	Short term borrowings from banking companies		151,076,646	177,672,884
	Short term borrowings from related parties		11,718,526	13,929,961
	Long term financing from banking companies		64,864,931	103,155,882
	Long term financing from associated companies		-	2,511,125
	Unwinding of discount on interest free loans	9.9	598,130	807,787
	Diminishing musharkah finance		12,053,870	10,722,731
	Commission on bank guarantees		9,652,099	8,986,091
	Interest on lease liabilities	15.1	357,892	1,013,894
	Bank charges		6,379,041	6,692,392
			256,701,135	325,492,747

34	MINIMUM TAX DIFFERENTIAL	Note	2026 Rupees	2025 Rupees
	Minimum tax differential	34.1	5,504,404	43,378,796

34.1 This represents portion of minimum tax paid under section 113 of the Income Tax Ordinance, 2001 representing levy in terms of requirements of IFRIC 21/IAS 37.

35	TAXATION	Note	2026 Rupees	2025 Rupees
	Current	35.3	52,988,204	1,709,227
	Super tax		1,842,179	-
	Prior year adjustment		-	(13,936,202)
			54,830,383	(12,226,975)
	Deferred	11.1	(17,083,810)	(44,802,651)
			37,746,573	(57,029,626)

35.1 Relationship between tax expense and accounting profit

Profit / (Loss) before taxation	107,189,050	(1,289,252)
Tax at the applicable rate of 29% (2025: 29%)	31,084,825	(373,883)
Tax effect of amounts that are:		
Taxable under final tax regime	-	7,764,296
Super tax	1,842,179	-
Effects of taxable adjustments	21,903,379	(5,681,186)
Prior year adjustment	-	(13,936,202)
Deferred tax	(17,083,810)	(44,802,651)
	37,746,573	(57,029,626)

35.2 Reconciliation of levy and income tax under IAS -12

Current tax liability for the year as per applicable tax laws	58,492,608	45,088,023
Portion of current tax liability as per tax laws, representing income tax under IAS -12	(52,988,204)	(1,709,227)
Portion of levy as per IFRIC 21 / IAS 37	(5,504,404)	(43,378,796)
Difference	-	-

35.3 The current tax expense for the year is charged under minimum tax on turnover under section 113 @ 1.25% (2025: 1.25%) and super tax @ 1% (2025: Nil). Deferred tax assets and liabilities on temporary differences are measured at effective rate of 29% (2025: 35%). During the year, the Company falls under minimum tax on turnover under section 113.

36	EARNINGS PER SHARE		2026	2025
	Earnings for the year attributableto ordinary shareholders	Rupees	69,442,477	55,740,374
	Weighted average number of ordinary shares outstanding during the year	Numbers	35,000,000	35,000,000
	Earnings per share - basic and diluted	Rupees	1.98	1.59

36.1 Diluted earnings per share

There is no dilution effect on the earnings per share of the Company as the Company does not have any convertible instruments in issue as at the reporting date (2025: Nil) that would have any effect on the earnings per share if the option to convert is exercised.

37	CASH GENERATED FROM OPERATIONS	Note	2026 Rupees	2025 Rupees
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Profit before minimum tax differential and taxation		112,693,454	42,089,544
	Adjustment for:			
	- Depreciation on own assets	17.2	197,935,850	187,284,604
	- Depreciation on right of use assets	17.9	3,272,911	3,272,917
	- Amortisation	19.1	278,750	278,750
	- Provision for gratuity	10.2	44,031,333	42,885,871
	- Workers' (profit) participation fund	12.3	6,135,985	2,565,013
	- Interest on workers' (profit) participation fund	12.3	205,898	4,486,884
	- Workers' welfare fund	12.4	3,684,359	884,967
	- Interest on benefits due but not paid of gratuity	10.2	425,284	(315,138)
	- Provision for expected credit loss allowance	31	-	1,273,844
	- Provision for obsolescence of stock	31	31,629,200	-
	- Provision for obsolescence of stores and spares	31	3,002,263	-
	- Gain on disposal of property, plant and equipment	32	(1,023,066)	-
	- Balances written off	19.2	7,947,610	-
	- Interest on lease liabilities	33	357,892	1,013,894
	- Liabilities written back	32	(6,645,425)	(147,519)
	- Exchange (gain) / loss	31	3,861,275	(1,525,628)
	- Rental income	32	(8,678,578)	(12,328,872)
	- Fair value gain on investment properties	32	-	(21,377,116)
	- Unwinding of discount on interest free loans	33	598,130	807,787
	- Finance cost	33	255,745,113	324,478,853
			542,764,784	533,539,111
	Operating profit before working capital changes		655,458,238	575,628,655
	(Increase) / decrease in current assets			
	- Stores, spares and loose tools	22	3,946,828	15,089,133
	- Stock in trade	23	196,906,040	(478,914,560)
	- Trade receivables	24	(387,142,715)	680,423,053
	- Advances, deposits, prepayments and other receivables	25	54,487,110	(58,492,200)
	(Decrease) / increase in current liabilities			
	- Trade and other payables	12	26,934,853	(41,513,187)
			(104,867,884)	116,592,239
	Cash generated from operations		550,590,354	692,220,894

38. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	As at June 30, 2025	Non-cash changes	Cash flows (Net)	As at June 30, 2026
	Rupees	Rupees	Rupees	Rupees
Long term financing - net	636,491,485	80,165,771	(174,946,062)	541,711,194
Unclaimed dividends	768,578	-	-	768,578
Short term borrowings - net	1,196,499,836	-	165,521,648	1,362,021,484
Lease liabilities	3,936,872	357,892	(4,294,764)	-
	1,837,696,771	80,523,663	(13,719,178)	1,904,501,256

	As at June 30, 2024	Non-cash changes	Cash flows (Net)	As at June 30, 2025
	Rupees	Rupees	Rupees	Rupees
Long term financing - net	708,934,037	807,787	(73,250,339)	636,491,485
Unclaimed dividends	768,578	-	-	768,578
Short term borrowings - net	1,054,965,902	-	141,533,934	1,196,499,836
Lease liabilities	7,144,764	1,086,872	(4,294,764)	3,936,872
	1,771,813,281	1,894,659	63,988,831	1,837,696,771

39. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive Officer		Executive Directors		Non-Executive Directors		Executives		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	Rupees		Rupees		Rupees		Rupees		Rupees	
Managerial remuneration	9,492,360	8,078,604	38,777,508	34,109,844	-	-	30,368,391	19,431,328	78,638,259	61,619,776
House rent allowance	4,271,568	3,635,376	17,449,884	15,349,428	-	-	7,481,084	6,180,852	29,202,536	25,165,656
Utilities	876,050	1,289,693	2,136,706	3,441,867	-	-	5,835,460	5,357,520	8,848,216	10,089,080
Ex- Gratia	976,165	813,470	4,121,606	3,548,637	-	-	2,089,130	1,397,947	7,186,901	5,760,054
Gratuity	1,146,994	976,165	2,793,005	2,439,286	-	-	2,335,672	1,774,130	6,275,671	5,189,581
Medical expenses	362,066	339,930	2,663,539	2,668,845	-	-	2,772,236	1,566,922	5,797,841	4,575,697
Meeting Fee	-	-	-	-	430,000	410,000	-	-	430,000	410,000
Reimbursable expenses	3,359,810	3,175,066	7,374,782	7,652,344	-	-	8,303,068	6,134,621	19,037,660	16,962,031
	20,485,013	18,308,304	75,317,030	69,210,251	430,000	410,000	59,185,041	41,843,320	155,417,084	129,771,875
Number of persons	1	1	3	3	8	8	9	8	21	20

39.1 An "executive" is defined as an employee, other than the Chief Executive and directors, whose basic salary exceeds twelve hundred thousand rupees in a financial year.

39.2 The Company provides the Chief Executive Officer and executive directors with Company maintained vehicles, utilities expenses, reimbursable club expenses, and servant salaries, while the executives are provided with Company maintained vehicles and telephone expenses.

40. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Related parties comprise associated companies, related group companies, 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 significant transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Transactions during the year

Related party	Relationship	Nature of transaction	2026 Rupees	2025 Rupees
EMCO Industries Limited Provident Fund	Associated undertaking	Principal repaid	105,000	9,178,701
The Imperial Electric Company (Private) Limited	Associated company	Short term borrowings received	-	132,000,000
		Short term borrowings repaid	-	132,000,000
		Re-assessment of lease	-	72,978
		Payment of lease liabilities	4,294,764	4,294,764
		Interest on lease liability	357,892	1,013,894
		Markup accrued on short term borrowings	-	2,257,099
		Markup paid on short term borrowings	912,602	1,349,427
		Purchases made during the period	30,595,718	-
		Payment made for Purchases	30,595,718	-
		Other expense	3,929,736	5,247,837
		Payment for other expense	8,068,213	4,947,361
ICC (Private) Limited	Associated company	Short term borrowings repaid	-	19,000,000
		Short term borrowings received	-	5,000,000
		Markup accrued on short term borrowings	890,886	1,929,635
		Markup paid on short term borrowings	846,947	3,221,539
		Payments made on behalf of the Company	846,947	1,534,532
		Payments received from the company	846,947	1,214,806
Directors and close family members	Associated persons	Short term borrowings obtained	46,700,000	320,767,577
		Short term borrowings repaid	28,700,000	251,078,391
		Markup accrued on short term borrowings	10,771,169	10,389,914
		Markup paid on short term borrowings	10,435,425	12,025,232
EBR Energy Pakistan (Private) Limited	Associated company	Short term borrowing received	118,000,000	55,000,000
		Short term borrowing repaid	118,000,000	55,000,000
		Markup on short term borrowing	54,350	35,744
		Markup paid on short term borrowing	54,350	35,744
Khairun Nisa Hospital Foundation		Charity paid	1,000,000	-
Aitchison College Old Boys Association		Charity paid	500,000	-
Executives / Key management personnel		Short term loan received back during the year	-	220,000
		Amount received against car leased	6,009,116	176,287

40.1 The directors have arranged personal finance lines of Rs.129 million (2025: Rs. 110 million) from banks and from their own sources for the purpose of extending short term borrowings to the Company. During the year ended June 30, 2026, the Company obtained short term borrowings from the directors through their aforesaid personal finance lines. The borrowed amounts were repaid and then borrowed again multiple times during the year, by rotating the said finance lines. The maximum amount outstanding towards these directors during the year ended June 30, 2026 was Rs. 89 million (2025: Rs. 110 million). These facilities are included in short term borrowings (Note 14.3) as at the reporting date and at any point of time during the year.

Outstanding balance as at reporting date		2026 Rupees	2025 Rupees
Associated Engineers (Private) Limited	Sponsor loan - interest free	27,335,446	27,335,446
	Mark-up on long term financing	6,391,541	6,391,541
EMCO Industries Limited Provident Fund - Associated undertaking	Long term financing	7,846,117	7,951,117
Imperial Electric Company (Private) Limited	Short term borrowing - interest free	2,615,692	2,615,692
	Markup payable on long and short term financing	2,338,396	3,250,998
	Payable against rent	-	3,936,872
	Other payable	341,322	4,479,799
ICC (Private) Limited	Short term borrowing - interest bearing	6,700,000	6,700,000
	Markup payable on borrowing	527,556	483,617
Directors and close family members	Sponsors' loan	115,708,828	115,708,828
	Short term borrowing	124,728,453	106,728,453
	Markup on short term borrowing	2,710,733	2,374,989
	Other Payable	3,848,000	3,848,000
Executives / Key management personnel	Other payable	15,012,834	9,003,718

41 FINANCIAL RISK MANAGEMENT

41.1 Financial risk factors

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

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk

(i) Currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. This exists due to the Company's exposure resulting from outstanding import and foreign currency payments as under.

		2026 Rupees	2025 Rupees
Bank balances	26	5,375,647	13,915,611
Trade receivables	24	114,112,397	123,721,203
		119,488,044	137,636,814
The following exchange rates were applied during the year:			
Average rate (Rs. per USD)		280.91	281.05
Reporting date rate (Rs. per USD)		278.05	283.76

As at June 30, 2026, if Pakistani Rupee had weakened / strengthen by 1% against the US dollars with all other variables held constant, pre-tax profit for the year would have been higher / lower by Rs. 1.195 million (2025: Rs. 1.376 million), mainly as a result of foreign exchange losses / gains on translation of US dollar-denominated financial assets and liabilities.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk arises from short and long-term borrowings. These are benchmarked to variable rates which expose the Company to cash flow interest rate risk.

The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest / mark-up bearing financial instruments as at the reporting date are as follows:

		2026 Rupees	2025 Rupees
Fixed rate instruments			
Financial liabilities		-	-
Floating rate instruments			
Financial liabilities			
Lease liabilities	15	-	3,936,872
Long term financing	9	541,711,194	636,491,485
Short term borrowings	14	1,314,175,338	1,157,153,690
Financial assets			
Saving bank accounts	26	21,797	11,140,235

Cash flow sensitivity analysis for variable rate instruments

As at June 30, 2026, if interest rates on the Company's borrowings had been 1% higher / lower with all other variables held constant, profit before tax for the year would have been lower /higher by Rs. 18.56 million (2025: Rs. 17.86 million), mainly as a result of interest exposure on variable rate borrowings.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to any market price risk.

(b) Credit risk

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

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

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings, if any. As at June 30, 2026, the maximum exposure to credit risk is equal to the carrying amount of the financial assets as detailed below:

	Note	2026 Rupees	2025 Rupees
Long term loans	21	1,099,935	1,449,675
Long term deposits		5,046,916	5,096,916
Trade receivables	24	1,006,464,442	623,183,002
Security deposits	25	3,277,816	3,531,466
Margins held by banks	25	18,401,164	8,929,678
Claims and export rebate receivable	25	3,670,649	78,441
Bank balances	26	9,436,903	43,198,115
The aging of trade receivables as at the reporting date is as follows:			
Past due 1 - 90 days		917,782,711	475,906,374
Past due 91 - 180 days		9,338,842	91,374,521
Past due 181 - 365 days		8,395,426	20,658,141
More than 365 days		70,947,463	35,243,966
		1,006,464,442	623,183,002

Customer credit risk is managed by each business unit subject to the Company's established policies, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. The Company believes that it is not exposed to major concentration of credit risk as its exposure is spread over a large number of counter parties.

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

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

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating Short term	Rating Long term	Rating Agency	2026 Rupees	2025 Rupees
Allied Bank Limited	A-1+	AAA	PACRA	71,104	82,684
Askari Bank Limited	A-1+	AA+	PACRA	1,861,425	1,839,665
Bank Alfalah Limited	A-1+	AAA	PACRA	43,351	45,818
The Bank of Punjab	A-1+	AAA	PACRA	133,327	624,675
Faysal Bank Limited	A-1+	AA+	PACRA / VIS	252,495	11,300,718
Habib Bank Limited	A-1+	AAA	VIS	2,380,475	16,619,567
MCB Bank Limited	A-1+	AAA	PACRA	17,139	17,536
National Bank of Pakistan	A-1+	AAA	PACRA / VIS	110,280	86,424
Habib Metropolitan Bank	A-1+	AAA	PACRA	27,978	26,256
The Bank of Khyber	A-1	AA-	PACRA / VIS	65,530	130,894
Soneri Bank Limited	A-1+	AA	PACRA	33,748	4,124
United Bank Limited	A-1+	AAA	VIS	844,299	5,853,016
AL Baraka Bank (Pakistan) Limited	A-1	AA-	VIS	3,595,752	6,566,738
				9,436,903	43,198,115

(c) Liquidity risk

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

Description	Carrying Amount Rupees	Contractual cash flows Rupees	Within 1 year Rupees	1-2 Years Rupees	2-5 Years Rupees	Above 5 Years Rupees
Contractual maturities of financial liabilities as at June 30, 2026:						
Long term financing	541,711,194	542,266,327	205,166,127	183,508,641	153,591,559	-
Creditors and accrued liabilities	386,538,031	386,538,031	386,538,031	-	-	-
Accrued finance cost	56,737,825	56,737,825	56,737,825	-	-	-
Short term borrowings	1,362,021,484	1,362,021,484	1,362,021,484	-	-	-
	2,347,008,534	2,347,563,667	2,010,463,467	183,508,641	153,591,559	-

Description	Carrying Amount Rupees	Contractual cash flows Rupees	Within 1 year Rupees	1-2 Years Rupees	2-5 Years Rupees	Above 5 Years Rupees
Contractual maturities of financial liabilities as at June 30, 2025:						
Long term financing	636,491,485	765,406,961	231,936,607	213,976,701	319,493,653	-
Creditors and accrued liabilities	391,454,475	391,454,475	391,454,475	-	-	-
Accrued finance cost	55,041,582	55,041,582	55,041,582	-	-	-
Lease liabilities	3,936,872	4,950,766	4,950,766	-	-	-
Short term borrowings	1,196,499,836	1,353,839,564	1,353,839,564	-	-	-
	2,283,424,250	2,570,693,348	2,037,222,994	213,976,701	319,493,653	-

(d) Fair value of financial instruments

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

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

The Company has investment properties measured at fair value, which is classified as Level 2 in the fair value hierarchy. The relevant category and amounts are disclosed in Note 18.

41.2 Financial instruments by categories

		At fair value through profit or loss Rupees	At amortised cost Rupees	At fair value through other comprehensive income Rupees	Total Rupees
Financial assets as at June 30, 2026					
Long term loans	21	-	1,099,935	-	1,099,935
Long term deposits		-	5,046,916	-	5,046,916
Trade receivables	24	-	1,006,464,442	-	1,006,464,442
Security deposits	25	-	3,277,816	-	3,277,816
Margins held by banks	25	-	18,401,164	-	18,401,164
Claims and export rebate receivable	25	-	3,670,649	-	3,670,649
Cash and bank balances	26	-	10,180,687	-	10,180,687
		-	1,048,141,609	-	1,048,141,609
Financial assets as at June 30, 2025					
Long term loans	21	-	1,449,675	-	1,449,675
Long term deposits		-	5,096,916	-	5,096,916
Trade receivables	24	-	623,183,002	-	623,183,002
Security deposits	25	-	3,531,466	-	3,531,466
Margins held by banks	25	-	8,929,678	-	8,929,678
Claims and export rebate receivable	25	-	78,441	-	78,441
Cash and bank balances	26	-	43,991,884	-	43,991,884
		-	686,261,062	-	686,261,062

	Note	2026 Rupees	2025 Rupees
Financial liabilities at amortized cost			
Long term financing	9	541,711,194	636,491,485
Creditors and accrued liabilities	12	386,538,031	391,454,475
Accrued finance cost	13	56,737,825	55,041,582
Lease liabilities	15	-	3,936,872
Short term borrowings	14	1,362,021,484	1,196,499,836
		2,347,008,534	2,283,424,250

42 SHARIAH DISCLOSURES UNDER CLAUSE VII OF PART I OF SCHEDULE IV OF THE COMPANIES ACT, 2017

	Note	2026 Rupees	2025 Rupees
Loans and advances obtained as per Islamic mode	9.6	427,079,788	333,697,398
Interest or mark-up accrued on any conventional loan or advance	13	47,221,063	48,452,863
Long term and short term Shariah compliant investments		-	-
Shariah-compliant bank deposits, bank balances, and TDRs	26	3,913,777	17,998,350
Revenue earned from a shariah compliant business segment	27	4,679,408,633	3,607,041,808
Late payments or liquidated damages	31	99,173,091	15,876,608
Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah-compliant associates		-	-
Profit earned from Shariah-compliant banks deposits, bank balances, or TDRs	32	315,798	-
Exchange (loss) / gain earned from actual currency	31	(3,861,275)	1,525,628
Exchange gains earned using conventional derivative financial instruments		-	-
Mark up paid on Islamic mode of financing	33	51,325,565	25,949,129
Profits earned on any conventional loan or advance	25.2	151,300	324,201
Interest paid on any conventional loan or advance		202,723,305	333,934,376
Shariah compliant miscellaneous income		-	-

Relationship with shariah compliant financial institute:

- Long Term Financing - Diminishing musharakah financing arrangement	9.6	- First Habib Modaraba
- Short term Financing - Istisna and murabahah financing arrangement	14	- Albaraka Bank Pakistan Limited - The Bank of Khyber
- Cash and Bank Balances - deposits with banks	26	- Faysal Bank Limited - Albaraka Bank Pakistan Limited - The Bank of Khyber

43 CAPITAL RISK MANAGEMENT

While managing capital, the objectives of the Company are to ensure that it continues to meet the going concern assumption, enhances shareholders' wealth and meets stakeholders' expectations. The Company ensures its sustainable growth viz. maintaining optimal capital structure, keeping its finance cost low, exercising the option of issuing right shares or repurchasing shares, if possible, selling surplus property, plant and equipment without affecting the optimal operating level and regulating its dividend payout thus maintaining smooth capital management.

In line with the industry norms, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including current and non current) less cash and cash equivalents. Total capital employed is calculated as equity, as shown in the statement of financial position, plus net debt.

As at the reporting date, the gearing ratio of the Company was worked out as under:

	2026 Rupees	2025 Rupees
Borrowings	1,904,287,834	1,834,144,607
Cash and bank balances	(10,180,687)	(43,991,884)
	1,894,107,147	1,790,152,723
Equity	3,431,504,426	3,311,345,037
Total capital employed	5,325,611,573	5,101,497,760
Gearing ratio	35.57%	35.09%

44. PLANT CAPACITY AND PRODUCTION	Note	2026 Tons	2025 Tons
Insulators			
Capacity	44.1	6,500	6,500
Configuration capacity		3,900	4,200
Total production		3,737	3,224

44.1 The total capacity represents the rated capacity of plant. Actual production depends on various factors like product mix and product type demanded. Under utilization of capacity was due to lower demand during the year.

44.1.1 The capacity is a reference measure and is not uniformly achievable across all product combinations. The Company manufactures porcelain insulators of different sizes and designs, for which kiln loading density and firing-cycle duration vary. A greater proportion of larger post and apparatus insulators reduces the weight of product accommodated within the usable kiln space and requires longer firing cycles to achieve the specified product quality. These requirements reduce effective tonnage capacity even when kiln space and processing time are substantially committed.

45 PROVIDENT FUND RELATED DISCLOSURES

The Company operated a recognized provident fund for all its permanent workers that was discontinued effective from March 06, 2018 pursuant to a rescheduling agreement between the Company and the Trustees of the fund as detailed in note 9.8. Owing to its working capital needs, the Company has utilized funds of the Provident Fund (the Fund).

46 NUMBER OF EMPLOYEES	2026 Number	2025 Number
Number of employees as at June 30,	416	425
Average number of employees during the year	421	444

47 AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were approved and authorized by the Board of Directors of the Company for issuance on September 29, 2026.

48 GENERAL

Comparative figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. The following re-arrangement / reclassification has been made in these financial statements for better presentation of the financial statements.

Nature	From	To	2025 (Rupees)
Advances, deposits, prepayments and other receivables	Advances to suppliers (Note 25)	Advances to employees against expenses (Note 25)	5,245,532
Selling and Distribution Expenses	Miscellaneous (Note 30)	Commission on sale (Note 30)	3,351,467

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

PATTERN OF SHARE HOLDING
AS ON JUNE 30, 2026

No. of Shareholders	Shareholding From	Shareholding To	Total Shares Held
376	1	100	8,535
371	101	500	96,844
117	501	1,000	97,607
194	1,001	5,000	483,288
35	5,001	10,000	257,020
17	10,001	15,000	208,686
5	15,001	20,000	88,817
7	20,001	25,000	150,905
2	25,001	30,000	53,770
3	30,001	35,000	100,406
2	35,001	40,000	74,104
3	45,001	50,000	148,920
1	60,001	65,000	63,207
1	80,001	85,000	84,000
1	85,001	90,000	89,000
1	105,001	110,000	107,590
1	110,001	115,000	110,760
1	125,001	130,000	125,811
1	130,001	135,000	132,582
2	140,001	145,000	285,278
1	145,001	150,000	149,233
1	170,001	175,000	171,702
1	175,001	180,000	177,125
2	235,001	240,000	477,664
1	275,001	280,000	276,902
1	280,001	285,000	280,485
1	360,001	365,000	364,528
1	395,001	400,000	399,668
1	435,001	440,000	436,046
1	530,001	535,000	532,618
2	590,001	595,000	1,184,915
1	595,001	600,000	600,000
2	615,001	620,000	1,236,230
1	635,001	640,000	637,654
1	660,001	665,000	660,492
1	715,001	720,000	718,923
2	755,001	760,000	1,513,422
1	760,001	765,000	763,954
1	1,195,001	1,200,000	1,200,000
1	1,225,001	1,230,000	1,227,830
2	1,785,001	1,790,000	3,574,772
1	1,815,001	1,820,000	1,819,810
1	1,850,001	1,855,000	1,853,005
1	1,995,001	2,000,000	2,000,000
1	2,010,001	2,015,000	2,010,575
1	2,370,001	2,375,000	2,375,000
1	2,655,001	2,660,000	2,658,133
1	2,930,001	2,935,000	2,932,184
1,174			35,000,000

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	10,378,029	29.6515%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	5,250,257	15.0007%
2.3.3 NIT and ICP	1,057	0.0030%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	924	0.0026%
2.3.5 Insurance Companies	12,550	0.0359%
2.3.6 Modarabas and Mutual Funds	0	0.0000%
2.3.7 Shareholders holding 10% or more	0	0.0000%
2.3.8 General Public		
a. Local	19,193,194	54.8377%
b. Foreign	3,065	0.0088%
2.3.9 Others (to be specified)		
1- Joint Stock Companies	83,482	0.2385%
2- Pension Funds	50,000	0.1429%
3- Others	27,442	0.0784%

PATTERN OF SHARE HOLDING
AS ON JUNE 30, 2026

SR. #	NAME	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):			
1	ASSOCIATED ENGINEERS (PRIVATE) LIMITED (CDC)	2,010,575	5.7445
2	ICC (PVT) LIMITED (CDC)	2,658,133	7.5947
3	THE IMPERIAL ELECTRIC CO PVT LTD (CDC)	581,549	1.6616
Mutual Funds (Name Wise Detail)		-	-
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MR. TARIQ REHMAN - (CDC)	132,582	0.3788
2	OSMAN HAMEED CHAUDHARY (CDC)	1,167	0.0033
3	MR SALEM REHMAN (CDC)	1,200,000	3.4286
4	MR. PERVAIZ SHAFIQ SIDDIQI (CDC)	1,930,025	5.5144
5	MR. JAVAID SHAFIQ SIDDIQI (CDC)	1,930,025	5.5144
6	MR. USMAN HAQ (CDC)	1,819,810	5.1995
7	MR. AHSAN SUHAIL MANNAN (CDC)	2,932,184	8.3777
8	MR. SALMAN JAVAID SIDDIQI (CDC)	500	0.0014
9	MR. UMAIR NOORANI (CDC)	20,500	0.0586
10	CH. IMRAN ALI	500	0.0014
11	SYED MUHAMMAD MOHSIN	500	0.0014
12	MRS. AYESHA MUSSADAQUE HAMID	500	0.0014
13	MRS. SHAHIMA REHMAN W/O TARIQ REHMAN (CDC)	399,668	1.1419
14	MRS. FAUZIA JAVAID SIDDIQI W/O JAVAID S. SIDDIQI (CDC)	10,068	0.0288
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		63,474	0.1814
Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)			
1	ICC (PVT) LIMITED (CDC)	2,658,133	7.5947
2	MR. AHSAN SUHAIL MANNAN (CDC)	2,932,184	8.3777
3	MR. PERVAIZ SHAFIQ SIDDIQI (CDC)	1,930,025	5.5144
4	MR. JAVAID SHAFIQ SIDDIQI (CDC)	1,930,025	5.5144
5	AMINA WADALAWALA (CDC)	2,375,000	6.7857
6	ASSOCIATED ENGINEERS (PRIVATE) LIMITED (CDC)	2,010,575	5.7445
7	MR. MUHAMMAD ZULQARNAIN MAHMOOD KHAN (CDC)	2,000,000	5.7143
8	MRS. AYESHA NOORANI (CDC)	1,853,005	5.2943
9	MR. USMAN HAQ (CDC)	1,819,810	5.1995

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

S.No	NAME	SALE	PURCHASE
		Nill	Nill

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FORM OF PROXY

I/We . . . . . .

of . . . . . being member of EMCO Industries Limited

and holder Of . . . . . Ordinary shares as per share Register Folio No. . . . . .

and/or CDC Participant I.D.No. . . . . and Sub Account No. . . . . .

hereby appoint . . . . . .

of . . . . . .

or failing him / her . . . . . .

of . . . . . .

as my/our proxy to vote for me/us and my/our behalf at the 71st Annual General Meeting of the Company to be held at ICC House, 2-Chamba House Lane, Golf Road, GOR-1, Lahore on 26th October 2026, at 11:30 A.M., and at any adjournment thereof.

Signed this..... day of .....

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

WITNESS 1:

Signature ----------

Name ----------

Address ----------

CNIC #: ----------

Passport #:----------

WITNESS 2:

Signature ----------

Name ----------

Address ----------

CNIC #: ----------

Passport #:----------

Note:

1. Proxies, in order to be effective must be received by the Company Emco Industries Limited at its Registered Office Address; 4th Floor, National Tower, 28-Egerton Road, Lahore, not less than 48 (Forty Eight) hours before the meeting, duly completed in all respects.

2. CDC shareholders and their Proxies are requested to attach an attested photocopy of their National Identity Card or Passport with the proxy form before submission to the Company.

ایمکوانڈسٹریزلمیٹڈ۔

پراکسی(proxy)فارم

میں/ہم-------------------------------- بابت--------------------------------

بحثییت ایمکوانڈسٹریزلمیٹڈحصص داراورحامل--------------شیئر(شیئرز)بمطابق شیئررجسٹرڈفولیونمبر----------------

اورCDC پارٹیسپینٹ(شرکت)آئی ڈی نمبر--------------اورسب اکاؤنٹ نمبر------------------------------

محترم/محترمہ----------------------------------کو میری/ہماری اوراپنی طرف سے مورخہ 26اکتوبر2026 کو بوقت11:30 بجے صبح

بمقام آئی سی سی ہاؤس،2۔ چمبہ ہاؤس لین، گولف روڈ، جی او آر-ا، لاہور میں منعقد ہونے والے کمپنی کے 71ویں عام سالانہ اجلاس اوراس سلسلے میں کسی بھی

التوا پر ووٹ دینے کے لیے اپنے/ہمارے پراکسی کے طورپرمقررکرتا/کرتے ہوں/ہیں۔

آج بروز--------------تاریخ------------------------کودستخط کئے گئے۔

دستخط ممبر

(دستخط کمپنی کے پاس رجسٹرڈ دستخط نمونہ کے مطابق ہونے چاہئیں)

گواہ نمبر1:	گواہ نمبر2:
دستخط:--------------	دستخط:--------------
نام:---------------	نام:---------------
پتہ:---------------	پتہ:---------------
کمپیوٹرائزڈ شناختی کارڈیاپاسپورٹ نمبر:	کمپیوٹرائزڈ شناختی کارڈیاپاسپورٹ نمبر:

نوٹ:

1- پراکسیز موثر ہونے کے لیے کمپنی ایمکوانڈسٹریزلمیٹڈکواس کے رجسٹرڈ ہیڈ آفس بمقام چوتھی منزل نیشنل ٹاور،28۔ایجرٹن روڈ، لاہور میں اجلاس شروع ہونے سے کم ازکم 48 گھنٹے پہلے ہرلحاظ سے پوری طرح مکمل موصول ہوناضروری ہے۔

2- سی ڈی سی شیئرز ہولڈراوران کے پراکسیز سے درخواست ہے کہ وہ اپنے قومی شناختی کارڈیاپاسپورٹ کی ایک فوٹوکاپی کمپنی کوجمع کروانے سے پہلے پراکسی فارم کے ساتھ منسلک کریں۔

EMCO INDUSTRIES LIMITED

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Email: info@emco.com.pk

Factory:
19-Kilometers, Lahore Sheikhupura Road, Lahore.