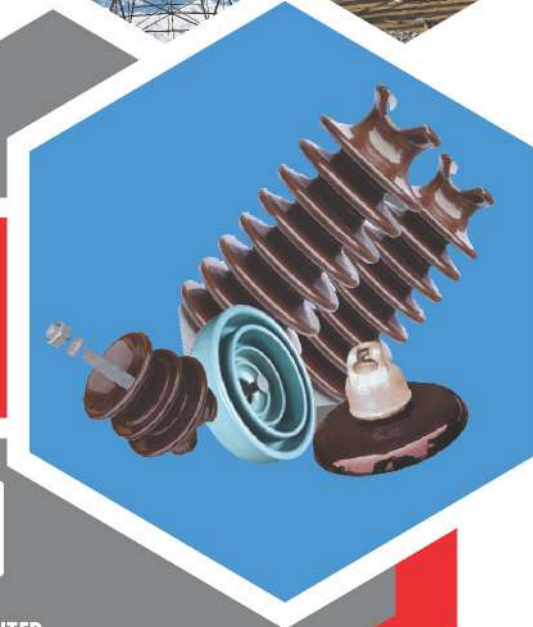


**INTERIM FINANCIAL
INFORMATION (Un-audited)
FOR THE NINE MONTHS
ENDED MARCH 31, 2023**



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COMPANY INFORMATION

Board of Directors

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

Chief Financial Officer

Mr. Riaz Ahmad

Company Secretary

Mr. Ahsan Suhail Mannan

Audit Committee

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

Mr. Ahsan Suhail Mannan

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

HR Committee

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

Risk Management Committee

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

Nomination Committee

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

External Auditors

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

Internal Auditors

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

Legal Advisers

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

Bankers

Habib Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
The Bank of Punjab
The Bank of Khyber
Silk Bank Limited
Askari Bank Limited

BUSINESS ITEMS

Porcelain Insulators

- Tension Insulator
- Suspension Insulator
- Pin Insulator
- Line Post Insulator
- Cap and pin Insulator
- Station Post Insulator
- Insulator for Railway Electrification
- Telephone Insulator
- Low Voltage Insulator
- Dropout Cutout Insulator
- HT & LT Bushings

Switchgear

- Disconnect Switch upto 245 kv
- Metal Oxide Surge Arresters upto 245 kv

RTV Coating

- Room Temperature Vulcanised
- Silicone Rubber Coating

Chemical Porcelain

- Acid Proof Wares and Bricks
- Rasching Ring and Saddles
- Acid Proof Porcelain Pipes and Fitting
- Acid Proof Cement

Special Porcelain

- High Alumina Porcelain
- Lining Special Refractories & Grinding Media

Share Registrar

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

Registered Office

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

Factory

19-Kilometre,
Lahore Sheikhpura Road, Lahore.



DIRECTORS' REPORT

Dear Shareholders

On behalf of the Board of Directors we pleased to present the performance review of your Company together with the un-audited financial statements for the nine months ended Mar 31, 2023.

Operations and Sales Review

The Company produced 4,119 tons of porcelain insulators during the period under review (July-March 2023) as compared to 4,035 tons of the corresponding period of last year. EMCO continues to sequentially install machinery and equipment being received under its BMR Project.

During the period, the Company sold 3,626 tons of porcelain insulators during the period under review (July- March 2023) as compared to 4,224 tons of the corresponding period of last year. Production and sales were impacted on account of installation of new machinery and equipment as part of the BMR project, and partly on account of reconfiguring production to address supply chain disruptions owing to import restrictions imposed by the State Bank of Pakistan. Net sales of the Company recorded as Rs.2,886 million for the period under review (July- March 2023) as compared to Rs. 1,926 million of the corresponding period of last year, thereby registering a growth of 49.8%. This increase is on account of encouraging sales of Switchgear products that were recently launched under the Company's recent diversification plans, as well as on account of producing higher value added products, and an increase in prices to address the heavy inflationary trends on the costing side.

Financial Performance

For the period under review (July-March 2023), the Company posted gross profit of Rs. 803.3 million compared to Rs. 486.4 million of the corresponding period of last year. The net operating profit for the period under review (July-March 2023) is recorded at Rs. 658.7 million as compared to Rs. 370.4 million in the corresponding period of last year. As noted above, the Company produced and sold higher value products that resulted in significant improvement in Gross Margin as well as Operating Profit despite macroeconomic challenges. Similarly, S&D expenses increased to Rs. 144.6 million mainly on account of higher sales and increase in Freight Charges due to a sharp rise in POL prices.

Finance cost for the period under review (July-March 2023) has been recorded at Rs.173.8 million as compared to Rs. 74.7 million of the corresponding period of last year. This may be broadly attributable to the significant increase in the policy lending rate by the State Bank of Pakistan, and to an overall increase in bank borrowings to achieve higher production and sales targets, and to deploy capital for the Switchgear production line.

After taking into account financial charges, Profit Before Tax increased to Rs. 379.8 million as compared to Profit Before Tax of Rs. 226.2 million for the corresponding period of last year.

After accounting for tax, the Company has made a Net Profit of Rs. 248.5 million for the period under review as compared to a Net Profit of Rs. 156.9 million for the corresponding period of last year.

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

Macroeconomic Challenges

During the period under review, the Company's businesses continued to face macroeconomic challenges, including a severe costing pressure due to the impact of higher oil prices, devaluation of the Pak Rupee against the US Dollar, business-specific import restrictions, tax regime changes and volatility in global commodity prices. Monetary tightening measures that were introduced at the start of the current fiscal year have further intensified in this quarter, causing a significant slowdown in economic activity across the country. With forex reserves plummeting to an alarmingly low level, industries are struggling to secure supplies of imported components and machinery spares for uninterrupted business operations. These issues, combined with higher energy costs, rising inflation, higher borrowing costs and devaluation of the local currency resulted in a significant impact on the manufacturing sector in general. We continue to pray for an early recovery from these challenges.

Earnings per Share

The basic earnings per share is reported at Rs. 7.10 as compared to basic earnings per share of Rs. 4.48 of the comparable period of last year. There is no dilution effect on the earnings per share for the period under review and corresponding period of last year.

Near Term Outlook

Pakistan's economy faces mounting pressures on account of the global situation, affected by high inflation, aggressive monetary tightening, and uncertainties resulting from the Russia-Ukraine conflict, coupled with a highly fragile domestic scenario, with forex reserves barely covering one month of imports, looming external debt repayments and a delay in the resumption of its loan program with the IMF. Challenges resulting from depleting foreign reserves, high-interest rates, and inflation, coupled with continuing trade deficit further compounded the aftershocks of the unprecedented monsoon flooding. Import curbs in the form of restrictions on the opening of LCs for raw materials and spares along



with delays in payments to foreign suppliers have threatened uninterrupted business operations. The Company is actively following the evolving situation and adapting to the conditions on an emergent basis.

Going forward, the economic outlook is expected to be shaped largely by the revival of the IMF program, restoration of political stability, and support from friendly countries along with the continued implementation of reforms aimed at stabilizing the economy to restore fiscal and external buffers. However, with the revival of the IMF loan program, another wave of inflation is expected in the form of high energy prices, imposition of additional taxes, depreciation of the local currency, increase in interest rates and reduction in government spending which may lead to further demand curtailment and economic slowdown.

Acknowledgments

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

On behalf of board

Tariq Rehman
Chief Executive Officer
April 27, 2023
Lahore

Ahsan Suhail Mannan
Director / Company Secretary

قریب مئی منظر نامہ:

پاکستان کی معیشت کو عالمی صورتحال کی وجہ سے بڑھتے ہوئے دباؤ کا سامنا ہے جس کی وجہ، افراط زر میں اضافہ، جارحانہ مالیاتی حق اور روس یوکرین تنازعے کے نتیجے میں پیدا ہونے والی غیر یقینی صورتحال کے ساتھ ساتھ اٹھائی تازہ کئی منظر نامہ بھی شامل ہے، جس میں غیر ملکی زرمبادلہ کے ذخائر بشکل ایک ماہ کی درآمدات، بیرونی قرضوں کی ادائیگیوں اور آئی ایم ایف (IMF) کے ساتھ اپنے قرض پروگرام کی بحالی میں تاخیر ہیں۔


زرمبادلہ کے ذخائر میں کمی، بلند شرح سود اور افراط زر کے نتیجے میں پیدا ہونے والے پیچیدگیوں کے ساتھ ساتھ مسلسل تجارتی خسارے نے مومن سون کے غیر معمولی سیلاب کے آفریں شاکس کو مزید پیچیدہ بنا دیا۔ خام مال اور اپنی پیرز کے لیے ایل بی سی کھولنے پر پابندی اور غیر ملکی سپلائرز کو ادائیگیوں میں تاخیر کی صورت میں درآمدی پابندیوں نے بلا حائل کارپوری سٹرگیوں کو خطرے میں ڈال دیا ہے۔ کئی فعال طور پر بدلتی ہوئی صورتحال کی بیرونی کر رہی ہے اور ہنگامی بنیادوں پر حالات کو پتہ نہیں ہے۔

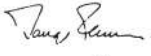
توقع ہے کہ آئی ایم ایف پروگرام کی بحالی، سیاسی استحکام کی بحالی اور دوست ممالک کی حمایت کے ساتھ ساتھ مالیاتی اور بیرونی بیرونی بحالی کے لئے معیشت کو مستحکم کرنے کے مقصد سے اصلاحات کے مسلسل نفاذ سے معاشی منظر نامہ تشکیل پائے گا۔ تاہم آئی ایم ایف کے قرض پروگرام کی بحالی سے افراط زر کی ایک اور لہر، توانائی کی بلند قیمتوں، اضافی ٹیکسوں کے نفاذ، مقامی کرنسی کی قدر میں کمی، شرح سود میں اضافے اور حکومتی اخراجات میں کمی کی صورت میں متوقع ہے۔ جو طلب میں مزید کمی اور معاشی مستحکم روی کا باعث بن سکتی ہے۔

اہل تشکر:

ڈائریکٹرز تمام کیڈرز کے ملازمین کی لگن کا اعتراف کرنا چاہتے ہیں اور ان کی لگن اور عزم کی تعریف کرتے ہیں۔ انہوں نے کئی کے سپلائرز، صارفین اور بینکوں کو ان کی مسلسل اہتمام اور حمایت پر بھی توجہ سے خراج تحسین پیش کیا۔

یورڈ آف ڈائریکٹرز کی جانب سے


احسن سمیل منان
ڈائریکٹر / کینیٹو سیکرٹری


طارق رحمان،
چیف ایگزیکٹو آفیسر
لاہور: 27 اپریل، 2023ء



ڈائریکٹرز کا جائزہ

معروضی سال کا جائزہ:

بورڈ آف ڈائریکٹرز کی جانب سے ہم 31 مارچ 2023 کو ختم ہونے والے نو ماہ کے لیے اپنی کھپتی کی کارکردگی کا جائزہ مع غیر آڈٹ شدہ مالیاتی گوشوارے پیش

کرنے پر خوش ہیں۔

کاروبار کی کارکردگی اور عمل کا جائزہ:

کھپتی نے زیر جائزہ مدت (جولائی تا مارچ 2023) کے دوران 4,119 ٹن پورٹلینٹ انسولیٹرز کی پیداواری جو کہ گزشتہ سال کی اسی مدت میں 4,035 ٹن تھی۔ ایکواپے بی ایم آر BMR پریکٹس کے تحت موصول ہونے والی مشینری اور آلات کو ترمیم و مرافعات کرنا جاری رکھے ہوئے ہے۔

کھپتی نے زیر جائزہ مدت (جولائی تا مارچ 2023) میں 3,626 ٹن پورٹلینٹ انسولیٹرز کی فروخت کی جو کہ گزشتہ سال کی اسی مدت میں 4,224 ٹن تھی۔ بی ایم آر (BMR) منصوبے کے حصے کے طور پر نئی مشینری اور آلات کی تحصیل کی وجہ سے اور بڑی طور پر اسٹیٹ بینک آف پاکستان کی طرف سے عائد و ادائیگی پابندیوں کی وجہ سے سپلائی چین کی رکاوٹوں کو دور کرنے کے لئے پیداوار کو دوبارہ ترتیب دینے کی وجہ سے پیداوار اور فروخت متاثر ہوئی۔ (جولائی تا مارچ 2023) کے دوران کھپتی کی خالص فروخت 2,886 ملین روپے ریکارڈ کی گئی جو کہ گزشتہ سال اسی مدت میں 1,926 ملین روپے کے مقابلے میں 49.8 فیصد زیادہ ہے۔ یہ اضافہ بنیادی طور پر سوچے سمجھے گیمز اور ویلچاؤڈ مصنوعات کی زیادہ پیداوار اور قیمتوں میں اضافے کی وجہ سے ہے۔ جو حال ہی میں کھپتی کی حالیہ منصوبوں کے تحت لالچ کی گئی تھیں۔ تا کہ لاکھ کی طرف ہماری افراط زر کے رجحانات سے نمٹا جاسکے۔

مالیاتی کارکردگی:

زیر جائزہ مدت (جولائی تا مارچ 2023) میں کھپتی نے 803.3 ملین روپے کا مجموعی منافع کمایا جو کہ گزشتہ سال اسی مدت میں 486.4 ملین روپے تھا۔ زیر جائزہ مدت (جولائی تا مارچ 2023) میں خالص آپریٹنگ منافع 658.7 ملین روپے ریکارڈ کیا گیا ہے۔ جو کہ گزشتہ سال اسی مدت میں 370.4 ملین روپے تھا۔ جیسا کہ اوپر ذکر کیا گیا ہے، کھپتی نے اعلیٰ قیمت کی مصنوعات تیار اور فروخت کیں، جس کے نتیجے میں نیکرو اکنامک چیلنجز کے باوجود مجموعی مارجن کے ساتھ ساتھ آپریٹنگ منافع میں نمایاں بہتری آئی۔ اسی طرح ایس این ڈی اخراجات بڑھ کر 144.8 ملین روپے تک پہنچ گئے۔ جس کی بنیادی وجہ زیادہ فروخت اور پی ایل (POL) کی قیمتوں میں تیزی سے اضافے کی وجہ سے فریٹ چارجز میں اضافہ ہے۔

زیر جائزہ مدت (جولائی تا مارچ 2023) میں مالی الاکت 173.8 ملین روپے ریکارڈ کی گئی ہے جو کہ گزشتہ سال اسی مدت میں 74.7 ملین روپے تھی۔ اس کی بڑی وجہ اسٹیٹ بینک آف پاکستان کی جانب سے پالیسی ریت کی شرح میں نمایاں اضافہ اور زیادہ پیداوار اور فروخت کے اہداف کے حصول اور سوچے سمجھے گیمز کی پیداوار کے لیے سرمائے کے حصول کی وجہ سے کھپتی کے قرضوں میں مجموعی طور پر اضافہ ہو سکتا ہے۔

مالیاتی اخراجات سنبھالنے کے بعد زیر جائزہ مدت (جولائی تا مارچ 2023) میں ٹیکس منافع بڑھ کر 379.8 ملین روپے ہو گیا جو کہ گزشتہ سال اسی مدت میں 226.2 ملین روپے تھا۔ ٹیکس کوٹنے کے بعد کھپتی نے زیر جائزہ مدت میں 248.5 ملین روپے کا خالص منافع کمایا ہے۔ جو کہ گزشتہ سال اسی مدت میں 156.9 ملین روپے تھا۔

زیر جائزہ مدت کے دوران، کھپتی نے شیڈول کے مطابق طویل مدتی قرضوں کی ادائیگی کی ہے اور کوئی قرضہ امداد لیا نہیں ہے۔

نیکرو اکنامک چیلنجز:

زیر جائزہ مدت کے دوران کھپتی کے کاروبار کو نیکرو اکنامک چیلنجز کا سامنا رہا جن میں تیل کی قیمتوں میں اضافے، امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی، کاروبار سے متعلق مخصوص درآمدی پابندیاں، ٹیکس نظام میں تبدیلیاں اور عالمی اجناس کی قیمتوں میں اتار چڑھاؤ کے اثرات کی وجہ سے شدید لاکھڑاؤ شامل ہے۔ رواں مالی سال کے آغاز میں متعارف کرائے گئے مالیاتی سخت اقدامات اس سہ ماہی میں مزید شدت اختیار کر گئے ہیں جس کی وجہ سے ملک بھر میں نمایاں سستی رومی آئی ہے۔ غیر ملکی زرمبادلہ کے ذخائر خطرناک حد تک کمی کی وجہ سے بلا تامل کاروباری سرگرمیوں کے لیے درآمد شدہ اجزاء اور مشینری اسٹاکز کی فراہمی کے لیے چھوڑ کر رہی ہیں۔ توانائی کی بڑھتی ہوئی لاگت، بڑھتی ہوئی افراط زر، قرضوں کی زیادہ لاگت اور مقامی کرنسی کی قدر میں کمی کے نتیجے میں مینوفیکچرنگ کے شعبے پر عمومی طور پر نمایاں اثرات مرتب ہوئے۔ ہم ان چیلنجوں سے جلد صحت یابی کے لئے دعا گو ہیں۔

تی شیئر آمدنی:

زیر جائزہ مدت تی شیئر بنیادی آمدنی 7.10 روپے پر پورٹ کی گئی ہے گزشتہ سال اسی مدت تی شیئر آمدنی 4.48 روپے تھی۔ زیر جائزہ مدت اور پچھلے سال کی اسی مدت کے لئے تی شیئر آمدنی کے کمزور پڑنے کے کوئی آہٹ نہیں ہیں۔

CONDENSED INTERIM STATEMENT OF FINANCIAL

Note	(Un-Audited) March 31, 2023 Rupees	(Audited) June 30, 2022 Rupees
EQUITY AND LIABILITIES		
Share Capital and Reserves		
Authorized share capital		
40,000,000 (June 30, 2022: 40,000,000) Ordinary shares of Rs. 10 each	400,000,000	400,000,000
Issued, subscribed and paid up capital:		
35,000,000 (June 30, 2022: 35,000,000) Ordinary shares of Rs. 10 each	350,000,000	350,000,000
Reserves	758,325,201	505,111,998
Sponsors' loan	115,708,829	115,708,828
Surplus on Revaluation of Property and Plant and Equipment	1,512,908,464	1,535,459,273
	2,736,942,494	2,506,280,099
Non Current Liabilities		
Long term financing	525,777,627	291,240,523
Post employment benefits	109,630,113	91,015,646
Deferred tax liability	219,092,158	224,765,307
Long term security deposit	719,584	719,584
	855,219,482	607,741,060
Current Liabilities		
Trade and other payables	356,398,899	341,653,945
Unclaimed dividends	524,914	525,321
Accrued finance cost	73,158,120	39,452,380
Short term borrowings	696,346,170	690,420,249
Current portion of non-current liabilities	47,867,811	58,237,039
	1,174,295,915	1,130,288,934
Contingencies and Commitments	-	-
	4,766,457,891	4,244,310,093

The annexed notes 1 to 13 form an integral part of these financial statements.

Lahore
April 27, 2023



(Tariq Rehman)
Chief Executive Officer



POSITION AS AT MARCH 31, 2023

	Note	(Un-Audited) March 31, 2023 Rupees	(Audited) June 30, 2022 Rupees
ASSETS			
Non Current Assets			
Property, plant and equipment	8	2,620,941,123	2,398,443,176
Investment properties		84,376,437	84,376,437
Intangible assets		915,862	1,124,919
Long term prepayments and other receivables		24,112,217	31,587,223
Long term deposits		3,751,900	3,751,900
Long term loans		1,476,270	1,431,940
		<u>2,735,573,809</u>	<u>2,520,715,595</u>
Current Assets			
Stores, spares and loose tools		125,807,330	126,248,948
Stock-in-trade		882,505,512	760,040,464
Trade receivables		834,374,443	624,141,222
Advances, deposits, prepayments and others		91,738,883	127,293,766
Income tax refundable from the Government		55,268,663	70,160,997
Cash and bank balances		41,189,252	15,709,101
		<u>2,030,884,082</u>	<u>1,723,594,498</u>
		<u>4,766,457,891</u>	<u>4,244,310,093</u>


(Ahsan Suhail Mannan)
Director


(Riaz Ahmad)
Chief Financial Officer

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

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023


	Note	Nine Months Ended March 31,		Quarter Ended March 31,	
		2023 Rupees	2022 Rupees (Restated)	2023 Rupees	2022 Rupees (Restated)
Revenue	9	2,886,291,068	1,926,593,649	1,069,272,637	652,004,991
Cost of revenue	10	(2,082,997,311)	(1,440,162,348)	(750,514,362)	(464,869,274)
Gross Profit		803,293,757	486,431,301	318,758,275	187,135,717
Administrative expenses		(95,033,554)	(79,487,913)	(34,222,118)	(29,208,312)
Selling and distribution expenses		(49,563,758)	(36,530,666)	(13,867,723)	(10,294,082)
		(144,597,312)	(116,018,579)	(48,089,841)	(39,502,394)
Operating Profit		658,696,445	370,412,722	270,668,434	147,633,323
Other operating expenses		(121,272,691)	(88,161,731)	(49,686,433)	(39,164,378)
Finance cost		(173,854,696)	(74,733,552)	(67,062,134)	(29,659,959)
Other income		16,264,042	18,721,894	5,230,649	4,049,419
Profit before Taxation		379,833,101	226,239,333	159,150,517	82,858,405
Taxation		(131,277,312)	(69,303,385)	(60,103,409)	(30,163,752)
Net Profit for the Period		248,555,789	156,935,948	99,047,108	52,694,653
Earnings per Share		7.10	4.48	2.83	1.51

The annexed notes 1 to 13 form an integral part of these financial statements.

Lahore
April 27, 2023


(Tariq Rehman)
Chief Executive Officer


(Ahsan Suhail Mannan)
Director


(Riaz Ahmad)
Chief Financial Officer



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023


	Nine Months Ended March 31,		Quarter Ended March 31,	
	2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees
Net profit for the period	248,555,789	156,935,948	99,047,108	52,694,653
Other comprehensive income				
Items that will not be reclassified to profit or loss	-	-	-	-
Total Comprehensive Profit for the Period	248,555,789	156,935,948	99,047,108	52,694,653

The annexed notes 1 to 13 form an integral part of these financial statements.

Lahore
April 27, 2023


(Tariq Rehman)
Chief Executive Officer


(Ahsan Suhail Mannan)
Director


(Riaz Ahmad)
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited) FOR THE NINE MONTHS ENDED MARCH 31, 2023


Particulars	Issued, Subscribed and Paid up Capital Rupees	Capital Share Premium Reserve Rupees	Reserves Revenue		Total Reserves Rupees	Sponsors' Loan Rupees	Surplus on revaluation of property, plant and equipment Rupees	Total Rupees
			General Reserve Rupees	Unappropriated Profit Rupees				
Balance as at June 30, 2021	350,000,000	39,898,526	90,000,000	173,093,613	302,992,139	115,708,828	1,302,397,360	2,071,098,327
Total comprehensive income for the Nine months period ended March 31, 2022	-	-	-	156,936,094	156,936,094	-	-	156,936,094
Incremental depreciation for the period on surplus on Revaluation of property plant and equipment - net of deferred tax	-	-	-	15,649,209	15,649,209	-	(15,649,209)	-
Transactions with owners of the Company Distribution: Final Dividend 2021: Re. 1 per share	-	-	-	(35,000,000)	(35,000,000)	-	-	(35,000,000)
Effect of change in effective tax rate	-	-	-	-	-	-	92,322	92,322
Balance as at March 31, 2022	350,000,000	39,898,526	90,000,000	310,678,916	440,577,442	115,708,828	1,286,840,473	2,193,126,743
Balance as at June 30, 2022	350,000,000	39,898,526	90,000,000	375,213,472	505,111,998	115,708,828	1,535,459,273	2,506,280,099
Total comprehensive income for the Nine months period ended March 31, 2023	-	-	-	248,555,789	248,555,789	-	-	248,555,789
Incremental depreciation for the period on surplus on Revaluation of property plant and equipment - net of deferred tax	-	-	-	22,157,278	22,157,278	-	(22,157,278)	-
Payment of final dividend for the year ended June 30, 2022	-	-	-	(17,500,000)	(17,500,000)	-	-	(17,500,000)
Effect of change in effective tax rate	-	-	-	-	-	-	(393,394)	(393,394)
Balance as at March 31, 2023	350,000,000	39,898,526	90,000,000	628,426,539	758,325,065	115,708,828	1,512,908,601	2,736,942,494

The annexed notes 1 to 13 form an integral part of these financial statements.

Lahore
April 27, 2023


(Tariq Rehman)
Chief Executive Officer


(Ahsan Suhail Mannan)
Director


(Riaz Ahmad)
Chief Financial Officer



CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)

FOR THE NINE MONTHS ENDED MARCH 31, 2023

	Nine Months Ended March 31,	
	2023 Rupees	2022 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	379,833,100	226,239,333
- Depreciation on property, plant and equipment - owned	99,091,130	72,677,960
- Amortization	209,061	209,061
- Provision for gratuity	21,848,544	14,633,906
- Gain on disposal of non-current Assets	(3,525,002)	(1,066,947)
- Liabilities written back	(138,498)	(628,634)
- Exchange (gain)/ loss	(1,618,120)	(580,853)
- Workers' (Profit) Participation Fund	20,399,443	11,942,134
- Workers' Welfare Fund	7,751,693	4,586,003
- Lease Liabilities	656,334	656,334
- Unwinding of Liabilities	16,181,545	12,378,119
- Finance cost	157,016,817	61,699,099
	317,872,947	176,506,182
Operating profit before working capital changes	697,706,047	402,745,515
(Increase) / decrease in current assets:		
- Stores, spares and loose tools	393,371	(28,977,431)
- Stock in trade	(121,861,916)	(86,564,444)
- Trade receivables	(205,728,953)	(121,444,354)
- Advances, deposits, prepayments and others	27,317,511	(3,871,822)
(Decrease) / increase in current liabilities:		
- Trade and other payables	1,906,679	(9,497,453)
	(297,973,308)	(250,355,504)
Cash generated from operations	399,732,739	152,390,010
Changes in long term prepayments and other receivables		
Finance cost paid	(123,966,689)	(51,186,392)
Gratuity paid	(3,407,504)	(4,168,219)
Workers' (Profit) Participation Fund paid	(15,282,302)	(15,041,244)
Income tax (paid) / refunded - net	(122,376,781)	(31,675,820)
	(265,033,276)	(102,071,675)
Net Cash (Used in)/generated from Operating Activities	134,699,463	50,318,335

CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)

FOR THE NINE MONTHS ENDED MARCH 31, 2023


	Nine Months Ended March 31,	
	2023 Rupees	2022 Rupees
Cash flows from investing activities		
Property, plant and equipment purchased	(323,734,799)	(46,481,301)
Long term loans and other receivables	12,219,102	(2,973,248)
Proceeds from disposal of non-current Assets	5,670,000	1,100,000
Net cash used in investing activities	(305,845,697)	(48,354,549)
Cash flows from financing activities		
Long term financing from related parties repaid - net	(22,700,000)	(21,000,000)
Long term financing from banking companies acquired - net	230,859,767	27,744,154
Short term borrowing from related parties repaid - net	(412,124)	(41,002,353)
Short term borrowing from banking companies acquired - net	6,379,147	40,550,678
Dividend Paid	(17,500,406)	(34,711,214)
Net cash generated from financing activities	196,626,384	(28,418,735)
Net Increase / (Decrease) in Cash and Cash Equivalents	25,480,150	(26,454,949)
Cash and cash equivalents at the beginning of the period	15,709,101	40,625,856
Cash and cash equivalents at the end of the period	41,189,252	14,170,907

The annexed notes 1 to 13 form an integral part of these financial statements.

Lahore
April 27, 2023


(Tariq Rehman)
Chief Executive Officer


(Ahsan Suhail Mannan)
Director


(Riaz Ahmad)
Chief Financial Officer



NOTES TO AND FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited) FOR THE NINE MONTHS ENDED MARCH 31, 2023

1 THE COMPANY AND ITS OPERATIONS

1.1 EMCO Industries Limited ("the Company") was incorporated as a Joint Stock Company in Pakistan under the repealed Companies Act, 1913, (now the Companies Act, 2017) on August 17, 1954 by the name of Electric Equipment Manufacturing Company (Private) Limited. Later, it was converted into a public company on August 20, 1983 and its name was changed to EMCO Industries Limited on September 12, 1983. The Company was listed on the stock exchange on December 29, 1983. The Company is domiciled in Pakistan, and its registered office is located at 4th Floor, National Tower, 28 Egerton Road, Lahore while its factory is located at 19-KM, Lahore Sheikhpura Road, Lahore.

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

2 BASIS OF PREPARATION

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

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

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

2.2 This condensed interim financial statements should be read in conjunction with annual audited financial statements for the year ended June 30, 2022. Comparative statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2022 whereas comparative statement of profit or loss, comparative statement of comprehensive income, comparative statement of changes in equity and comparative statement of cash flows are extracted from unaudited interim financial information for the period ended March 31, 2022.

2.3 The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. In preparing this condensed interim financial statements, the significant judgments made by the management in applying accounting policies and key sources of estimation were the same as those that were applied to the financial statements for the year ended June 30, 2022.

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

3. SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting and financial risk management policies and methods of computation adopted in the preparation of these condensed interim (un-audited) financial statements are the same as those applied in the preparation of preceding annual financial statements of the company for the year ended June 30, 2022.

	Note	(Un-audited) March 31, 2023 Rupees	(Audited) June 30, 2022 Rupees
4. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
Land - Freehold		903,427,276	903,427,276
Buildings on freehold land		316,212,903	343,902,158
Plant and machinery		315,819,094	338,375,950
		1,535,459,273	1,585,705,384
Effect of change in effective tax rates		(393,531)	(28,049,769)
Incremental depreciation charged on revalued property, plant and equipment in current year net of deferred tax (transferred to retained earnings)		(22,157,278)	(22,196,342)
		1,512,908,464	1,535,459,273
5. LONG TERM FINANCING			
Banking companies - secured			
Standard Chartered Bank (Pakistan) Limited		5,415,755	23,426,113
Unwinding of interest		-	(1,402,410)
		5,415,755	22,023,703
Habib Bank Limited		-	13,574,010
Less: Deferred income - Government Grant	5.1	-	(187,949)
		-	13,386,061
The Bank of Punjab Limited		140,084,673	37,009,635
Habib Bank Limited		126,949,140	56,316,750
Askari Bank Limited		155,733,952	58,252,682
Saudi Pak Industrial and Agricultural Investment Company Limited		67,739,132	78,434,783
First Habib Modaraba - Diminishing Musharakah		29,144,035	26,357,480
		525,066,687	291,781,094



	(Un-audited) March 31, 2023 Rupees	(Audited) June 30, 2022 Rupees
Associated companies / related parties - unsecured		
EMCO Industries Limited Provident Fund	48,929,818	71,629,818
Unwinding of interest	(2,475,926)	(17,255,061)
	46,453,892	54,374,757
	571,520,579	346,155,851
Less: current portion - Banking companies	(45,742,952)	(54,915,328)
	<u>525,777,627</u>	<u>291,240,523</u>

- 5.1 This represents deferred grant recognized in line with Guideline issued by the institute of Chartered Accountants of Pakistan "Accounting considerations for lenders and borrowers under the State Bank of Pakistan introduced Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns".

	(Un-audited) March 31, 2023 Rupees	(Audited) June 30, 2022 Rupees
6. SHORT TERM BORROWINGS		
Interest bearing		
Banking companies - secured	553,772,514	547,393,367
Related parties - unsecured:		
- Associated company - ICC (Private) Limited	80,750,000	80,750,000
	634,522,514	628,143,367
Interest free		
Related parties - unsecured:		
- Directors and close relatives thereof	42,446,931	42,900,157
- Associated company		
- Associated Engineers (Private) Limited	16,761,033	16,761,033
- Associated company		
- The Imperial Electric Company (Private) Limited	2,615,692	2,615,692
	<u>696,346,170</u>	<u>690,420,249</u>

7 CONTINGENCIES AND COMMITMENTS

There is no material change in the status of contingencies as reported in financial statements of the Company for the year ended June 30, 2022.

	(Un-audited) March 31, 2023 Millions	(Audited) June 30, 2022 Millions
Commitments		
Letters of credit other than for capital expenditure	74.660	110.510
Letters of credit for capital expenditure	287.843	322.930
Guarantees		
NTDC/DISCOs	559.534	471.051
Sui Northern Gas Pipelines Limited	45.345	31.457
Collectorate of Customs	8.978	8.978
	<u>613.857</u>	<u>511.487</u>

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

	(Un-audited) March 31, 2023 Rupees	(Audited) June 30, 2022 Rupees
Not later than one year	5,944,243	9,484,271
Later than one year and not later than five years	24,090,408	31,996,120
Later than five years	-	-
	<u>30,034,651</u>	<u>41,480,391</u>

	Note	(Un-audited) March 31, 2023 Rupees	(Audited) June 30, 2022 Rupees
8. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	8.1	2,333,909,744	2,243,524,632
Right of Use assets		500,262	2,486,706
Capital work in progress - civil works		286,531,117	152,431,838
		<u>2,620,941,123</u>	<u>2,398,443,176</u>
8.1 Operating fixed assets			
Opening written down value		2,243,524,632	1,882,605,192
Additions during the period / year		191,621,964	98,187,943
Disposals during the period / year		(2,145,722)	(57,082)
Revaluation adjustment		-	361,686,965
		<u>2,433,000,874</u>	<u>2,342,423,018</u>
Depreciation charge for the period / year		(99,091,130)	(98,898,386)
		<u>2,333,909,744</u>	<u>2,243,524,632</u>



9. REVENUE	(Un-audited) March 31, 2023 Rupees	(Un-Audited) March 31, 2022 Rupees (Restated)
Gross revenue:		
- Local	3,374,204,683	2,159,854,382
- Export	45,331,165	27,455,113
	3,419,535,848	2,187,309,494
Less: Sales tax	(533,244,780)	(260,407,865)
Less: Trade discounts	-	(307,980)
Net sales	2,886,291,068	1,926,593,649

	Nine Months Ended March 31,		Quarter Ended March 31,	
	2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees
Raw and packing material consumed	1,083,004,799	688,350,587	344,465,506	224,459,236
Stores and spares consumed	119,990,837	69,299,401	52,493,705	30,632,461
Salaries, wages and benefits	363,414,967	263,609,048	124,890,861	90,890,352
Power and gas	449,697,812	239,167,373	153,618,190	86,484,941
Vehicle maintenance	352,779	406,290	93,667	145,215
Repairs and maintenance	6,836,926	3,956,927	2,756,836	1,832,679
Entertainment	1,617,056	1,562,322	715,637	395,922
Insurance	5,350,695	3,515,694	1,869,813	1,181,524
Ijarah rentals	4,121,792	1,960,014	1,421,773	702,477
Communication and stationery	2,434,928	1,507,034	1,315,850	481,496
Rent, rates and taxes	1,143,799	2,130,580	495,429	962,291
Travelling and conveyance	93,017,919	57,389,731	43,901,889	22,172,868
Testing and experiment charges	50,865,638	30,452,959	12,047,763	6,011,500
Miscellaneous	407,186	5,729,922	183,830	5,371,068
Depreciation	98,382,292	72,189,226	33,680,401	24,965,565
	2,280,639,424	1,441,227,108	773,951,149	496,689,595
Work in process				
- Opening work in process	97,223,798	85,445,820	119,181,137	87,563,242
- Closing work in process	(123,791,884)	(112,267,158)	(123,791,884)	(112,267,158)
	(26,568,086)	(26,821,338)	(4,610,747)	(24,703,916)
Cost of goods manufactured	2,254,071,338	1,414,405,770	769,340,403	471,985,679
Finished goods				
- Opening finished goods	223,917,718	205,731,863	376,165,706	172,858,880
- Closing finished goods	(394,991,745)	(179,975,284)	(394,991,745)	(179,975,284)
	(171,074,027)	25,756,578	(18,826,039)	(7,116,405)
	2,082,997,311	1,440,162,348	750,514,362	464,869,274

11. TRANSACTION WITH RELATED PARTIES

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

Transactions during the period			(Un-audited) March 31, 2023 Rupees	(Un-audited) March 31, 2022 Rupees
Related party	Relationship	Nature of transaction		
Associated Engineers (Private) Limited	Associated company	Conversion of Long Term Loan to Short Term borrowing	-	16,761,033
EMCO Industries Limited Provident Fund	Associated undertaking	Principal amount repaid	22,700,000	21,000,000
The Imperial Electric Company (Private) Limited	Associate company	Short term borrowing obtained	117,500,000	-
		Short term borrowing repaid	117,500,000	-
		Interest Expense on lease liability	656,334	656,334
		Repayment of Lease Liability	2,382,417	2,425,641
		Other Expense	1,031,434	625,975
		Conversion of Long Term Loan to Short Term borrowing	-	2,615,692
ICC (Pvt) Limited	Associated company	Short term borrowing repaid	-	75,000,000
		Markup on short term borrowing	11,002,796	9,146,591
		Markup paid on short term borrowing	7,000,000	3,915,856
		Payment made on behalf of the Company	532,613	1,502,892
		Payment received from the Company	476,775	1,611,209
		Conversion of Short Term borrowing to sponsors Loan	-	6,885,310
		Conversion of sponsors Loan to Short Term borrowing	-	17,459,723
Directors and close relatives	Associated persons	Short term borrowing obtained (Note 11.1)	182,301,100	140,554,836
		Short term borrowing repaid (Note 11.1)	182,750,132	106,557,189
		Markup on short term borrowing	4,708,089	2,601,688
		Markup on short term borrowing paid	3,338,096	1,430,050
		Conversion of Short Term borrowing to sponsors Loan	-	6,885,310
		Conversion of sponsors Loan to Short Term borrowing	-	17,459,723
Executives / Key management personal		Long term loan received back during the year	90,000	90,000



11.1 One of the directors has arranged personal finance line of Rs. 50 million and Rs. 31.5 million from two banks for the purpose of extending short term borrowings to the Company. During the nine months ended March 31, 2023, the Company obtained short term borrowings from the director through his aforesaid personal finance line. The borrowed amounts were repaid and then borrowed again multiple times during the nine months ended, by rotating the said finance line. The maximum amount outstanding towards the said director during the nine months ended March 31, 2023 was Rs. 81.44 million.

Outstanding Balance as at the Period/year end		March 31, 2023 (Un-audited) Rupees	June 30, 2022 (Audited) Rupees
Associated Engineers (Private) Limited	Sponsor loan - interest free	10,574,414	10,574,413
	Short term Borrowing - interest Free	16,761,033	16,761,034
	Mark-up on long term financing	6,391,541	6,391,541
EMCO Industries Limited Provident Fund	Long term financing	48,929,818	71,629,818
The Imperial Electric Company (Private) Limited	Short term Borrowing - interest Free	2,615,692	2,615,692
	Markup on long term financing	2,343,326	2,343,326
	Payable against Rent	1,234,244	2,960,327
	Payable Against Expense	1,897,158	1,060,115
	Other payable	-	-
ICC (Private) Limited	Short term borrowing - interest bearing	80,750,000	80,750,000
	Markup on borrowing	13,507,641	9,504,845
	Advance given	-	55,791
Directors and close family members	Sponsors' loan	115,708,829	115,708,829
	Short term borrowing	42,451,124	42,900,156
	Markup on short term borrowing	2,416,173	1,046,180
Executive / Key Management personnel	Long Term Loan Receivable	370,000	460,000

12 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial statement (un-audited) is authorized for issuance on April 27, 2023 by the Board of Directors of the Company.

14 GENERAL

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


Nature	From	To	2022 Rupees
Late delivery charges / liquidity damages	Revenue (Note 9)	Other operating expenses	(70,622,594)

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

Lahore
April 27, 2023


(Tariq Rehman)
Chief Executive Officer


(Ahsan Suhail Mannan)
Director


(Riaz Ahmad)
Chief Financial Officer

BOOK POST

UNDER POSTAL CERTIFICATE



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