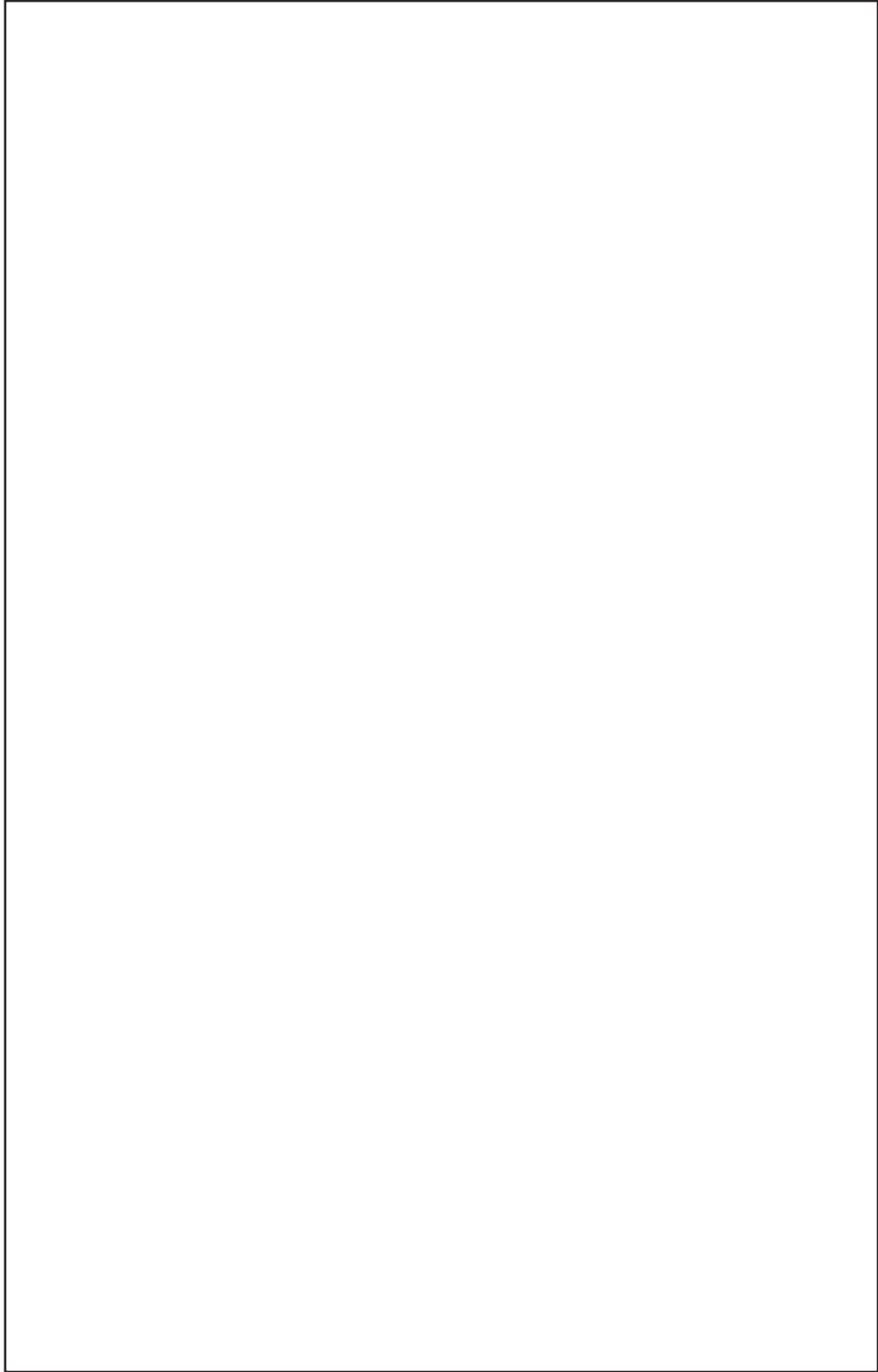




EMCO INDUSTRIES LIMITED

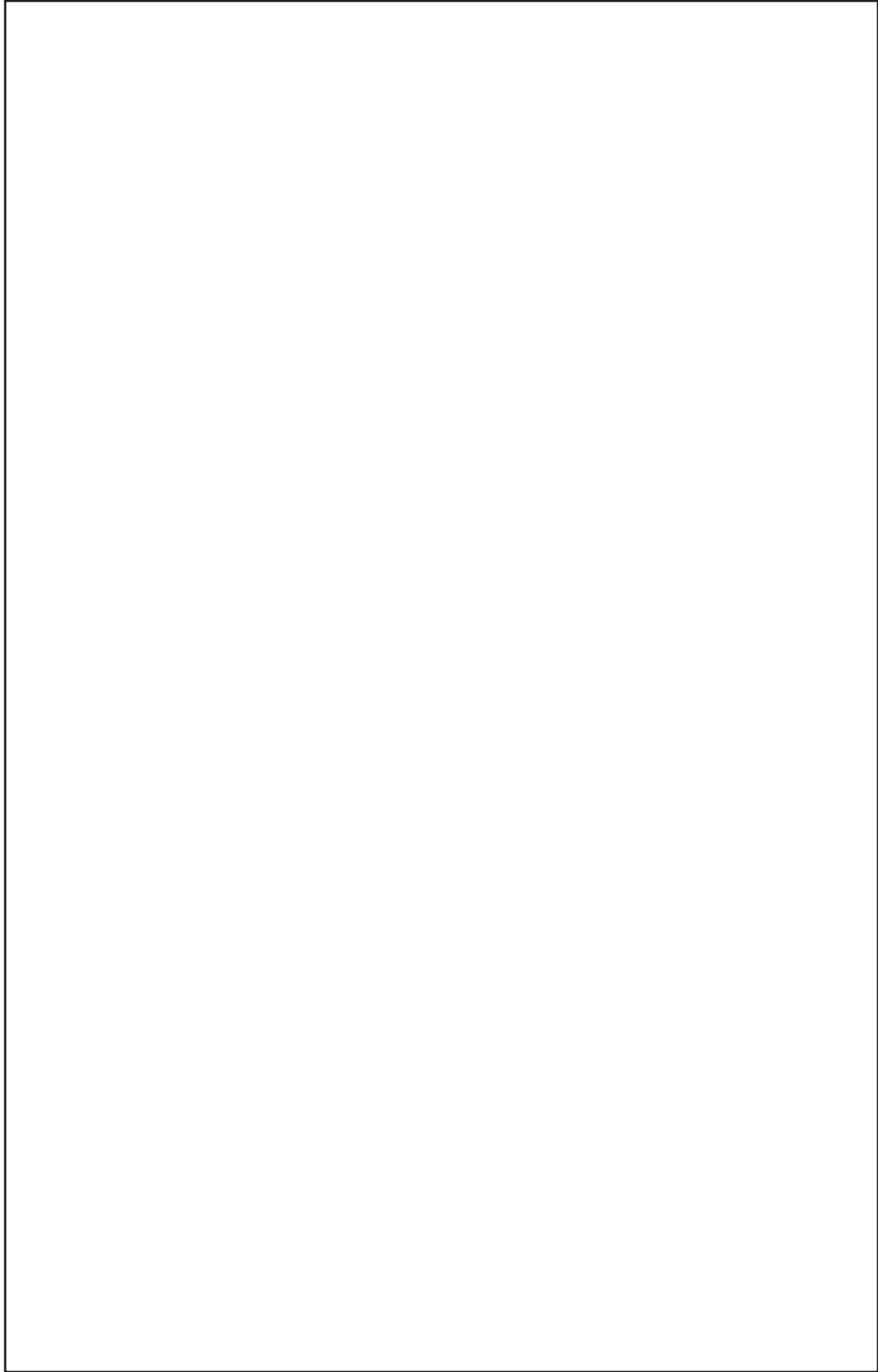
**INTERIM FINANCIAL INFORMATION (Un-audited)
FOR THE NINE MONTHS ENDED
MARCH 31, 2022**





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

Chief Financial Officer

Mr. Riaz Ahmad

Company Secretary

Mr. Ahsan Suhail Mannan

Audit Committee

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

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

HR Committee

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

Risk Management Committee

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

Nomination Committee

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

External Auditors

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

Internal Auditors

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

Legal Advisers

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

Bankers

Habib Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
Faysal Bank 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 Shekhupura Road, Lahore.

DIRECTORS' REVIEW

Dear Shareholders

On behalf of the Board of Directors we are pleased to present the performance review of your Company together with the un-audited financial statements for the nine months ended March 31, 2022.

Operations and Sales Review

The Company produced 4,035 Tons during the period under review (July-March 2022) as compared to 3,577 Tons of the corresponding period of last year, registering an increase of approximately 13%. Similarly, your Company sold 4,224 Tons during the period under review (July-March 2022) as compared to 3,630 Tons of the corresponding period of last year, registering an increase of over 16%.

In terms of value, the net sales of the Company for the period under review (July- March 2022) increased to Rs. 1,856 Million as compared to Rs. 1,461 Million of the corresponding period of last year, thereby registering an increase of 27%.

Despite aggressive production efficiency improvement measures taken by the management, your Company continues to face capacity constraints to cater the growing demand in a timely manner. Resultantly, the Company incurred Liquidated Damages (LDs) on late supplies, which amounted to a significant value of Rs. 70.62 Million for the 9 monthly period under review. This LD has exerted direct negative impact on both the Top line, as well as pressure on Gross Margins.

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

Financial Performance

For the period under review (July-March 2022), the Company posted Gross Profit of Rs. 415.81 Million compared to Rs. 363.00 Million in the corresponding period of last year.

The Net Operating Profit for the period under review (July-March 2022) was recorded at Rs. 299.79 Million as compared to Rs. 276.36 Million of the corresponding period of last year.

Finance Cost for the period under review (July-March 2022) has Increased, and stood at Rs. 74.73 Million as compared to Rs. 63.30 Million of the corresponding period of last year.

After taking into account financial charges, Profit before Tax increased to Rs. 226.24 Million as compared to Profit before Tax of Rs. 206.69 Million for the corresponding period of last year.



After accounting for tax, primarily backed by increased net sales, your Company recorded a net profit of Rs. 156.94 Million for the period under review as compared to a profit of Rs. 147.52 million for the corresponding period of last year.

There is no overdue against any loans.

Earnings per Share

The basic Earnings Per Share is reported at Rs. 4.48 as compared to basic Earnings Per Share of Rs. 4.21 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.

COVID-19 Effects and Measures

Pakistan's outlook with regards to the COVID-19 pandemic seems bright. The country's macroeconomic indicators are expected to slowly revert to a stable trajectory as businesses revive. However, the prolonged effect of the pandemic in China in particular may once again impact global supply chains and logistics. Your Company is taking suitable steps to mitigate the risk of these disruptions.

Near Term Outlook

Going forward, Management of your Company foresees stable demand for Company products. Moreover, the Company has already started exporting to regional countries during the period under review and is keenly working to further penetrate regional export markets. Besides this, management has constantly been striving to improve productivity and efficiencies of existing facilities by undertaking focused projects at the current production facility. Management of your Company will endeavor to maintain the performance in ensuing quarter with optimum plant utilization, volume maximization and a favorable product mix. Management is also exploring related business ventures to capitalize the improving Financial Metrics of your Company. Currently, your Company maintains a healthy order book, and management is confident to meet its annual growth plans and targets, InshaAllah.

Acknowledgments

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

On behalf of board

Tariq Rehman
Managing Director

Ahsan Suhail Mannan
Director / Company Secretary

Lahore: April 21, 2022

ڈائریکٹرز کا جائزہ

حصص دوران۔

بورڈ آف ڈائریکٹرز کی جانب سے ہمیں 31 مارچ 2022 کو ختم ہونے والے نو مہینوں کے غیر آڈٹ شدہ مالیاتی گوشواروں کے ساتھ آپ کی کمپنی کی کارکردگی کا جائزہ پیش کرتے ہوئے خوشی ہو رہی ہے۔

کاروبار کی کارکردگی اور میلز کا جائزہ۔

کمپنی نے زیر جائزہ مدت (جولائی تا مارچ 2022) کے دوران 4,035 ٹن پیداوار کی جو کہ گزشتہ سال کی اسی مدت میں 3,577 ٹن تھی جس میں تقریباً 13 فیصد اضافہ درج کیا گیا۔ اسی طرح آپ کی کمپنی نے زیر جائزہ مدت (جولائی تا مارچ 2022) کے دوران 4,224 ٹن فروخت کی، جو کہ گزشتہ سال کی اسی مدت کے دوران 3,630 ٹن تھی، جس میں 16 فیصد سے زیادہ کا اضافہ درج ہوا۔

قدر کے لحاظ سے زیر جائزہ مدت (جولائی تا مارچ 2022) کے لیے کمپنی کی خالص فروخت بڑھ کر 1,856 روپے ہو گئی۔ جو کہ گزشتہ سال کی اسی مدت میں کے مقابلے میں 1,461 ملین تھی، جس میں 27 فیصد اضافہ درج کیا گیا ہے۔

انتظامیہ کی طرف سے پیداواری کارکردگی میں بہتری کے جارحانہ اقدامات کے باوجود آپ کی کمپنی کو بڑھتی ہوئی طلب کو بروقت پورا کرنے کے لیے صلاحیت کی رکاوٹوں کا سامنا کرنا پڑتا ہے۔ نتیجتاً کمپنی کو دیر سے سلائی کرنے پر لیکو پیلڈ ڈیمینز (LD8) کا سامنا کرنا پڑا جس کی قیمت زیر جائزہ مدت میں 70.62 ملین روپے رہی۔ اس LD نے دونوں باپ لائسنز اور مجموعی مارجن پر براہ راست منفی اثر ڈالا ہے۔

صلاحیت کی اس رکاوٹ کو دور کرنے کے لیے کمپنی نے BMR پروڈیکٹ کے تحت ٹرانسنگ کا انتظام کیا ہے اور مشینری اور آلات کے آرڈرز دیے ہیں جو کہ پیداواری صلاحیت میں تقریباً 40 فیصد اضافہ کرے گا۔ امید ہے کہ نئی مشینری اور آلات جون 2023 تک آن لائن ہو جائیں گے انشاء اللہ۔

مالیاتی کارکردگی۔

زیر جائزہ مدت (جولائی تا مارچ 2022) کے لیے کمپنی نے 415.81 ملین روپے کا مجموعی منافع کمایا۔ جو کہ گزشتہ سال کی اسی مدت میں 363.00 ملین روپے تھا۔

زیر جائزہ مدت (جولائی تا مارچ 2022) کے لیے خالص آپریٹنگ منافع 299.79 ملین روپے ریکارڈ کیا گیا۔ جو کہ گزشتہ سال کی اسی مدت کے 276.36 ملین تھا۔

زیر جائزہ مدت (جولائی تا مارچ 2022) کے لیے مالیاتی لاگت میں 74.73 ملین روپے ہے، جو کہ گزشتہ سال کی اسی مدت کے 63.30 ملین تھا۔

مالیاتی اخراجات کو منہا کرنے کے بعد گلیس سے پہلے منافع بڑھ کر 226.24 ملین روپے ہو گیا۔ جو کہ گزشتہ سال کی اسی مدت کے لیے 206.69 ملین تھا۔

گلیس کے حساب کتاب کے بعد بنیادی رپر بڑھی ہوئی خالص فروخت سے آپ کی کمپنی نے 156.94 ملین روپے کا خالص منافع ریکارڈ کیا۔ زیر نظر مدت کے مقابلے میں گزشتہ سال کی اسی مدت میں 147.52 ملین روپے تھا۔

زیر جائزہ مدت کے دوران کمپنی کا کوئی قرضہ زائد البیاد نہیں ہے۔

فی شیئر آمدنی

فی شیئر کی بنیادی آمدنی 4.48 روپے کے مقابلے میں پچھلے سال 4.21 تھی۔ زیر جائزہ مدت اور پچھلے سال کی اسی مدت کے لیے فی حصص کی کمائی پر کوئی کمی کا اثر نہیں ہے۔



COVID-19 کے اثرات اور اقدامات

COVID-19 وبائی امراض کے حوالے سے پاکستان کا نقطہ نظر روشن نظر آتا ہے۔ توقع کی جاتی ہے کہ ملک کے معاشی اشاریے آہستہ آہستہ ایک مستحکم رفتار کی طرف لوٹ جائیں گے اور کاروبار کی بحالی ہوگی۔ تاہم خاص طور پر چین میں وبائی مرض کا طویل اثر ایک بار پھر عالمی سپلائی چین اور لاجسٹکس کو متاثر کر سکتا ہے۔ آپ کی کمپنی ان رکاوٹوں کے خطرے کو کم کرنے کے لیے مناسب اقدامات کر رہی ہے۔

قریبی مدتی منظر نامہ۔

آگے بڑھتے ہوئے، آپ کی کمپنی کی انتظامیہ کمپنی کی مصنوعات کی مستحکم مانگ کی پیش گوئی کرتی ہے۔ مزید برآں کمپنی نے پہلے ہی زیر جائزہ مدت کے دوران علاقائی ممالک کو برآمدات شروع کر دی ہیں اور علاقائی برآمدی منڈیوں میں مزید رسائی کے لیے بھرپور طریقے سے کام کر رہی ہے۔ اس کے علاوہ، انتظامیہ موجودہ پیداواری سہولت پر مرکوز منصوبے شروع کر کے موجودہ سہولیات کی پورا پوری اور افادیت کو بہتر بنانے کے لیے مسلسل کوشاں ہے۔ آپ کی کمپنی کی انتظامیہ پلانٹ کے بہترین استعمال، جنم کو زیادہ سے زیادہ اور سمازگار پروڈکٹس کے ساتھ آنے والی مدت میں کلار کردگی کو برقرار رکھنے کی کوشش کرے گی۔ انتظامیہ آپ کی کمپنی کے بہتر ہونے والے مالیاتی میٹریکس سے فائدہ اٹھانے کے لیے متعلقہ کاروباری منصوبوں کی بھی تلاش کر رہی ہے۔ فی الحال آپ کی کمپنی ایک صحت مند آرڈر بک کو برقرار رکھتی ہے، اور انتظامیہ اپنے سالانہ حرتی کے منصوبوں اور اہداف کو پورا کرنے کے لیے پرعہتاء ہے، انشاء اللہ۔

اعترافات

آپ کے ڈائریکٹرز تمام اسٹیپ ہولڈرز کی مسلسل حمایت اور عزم کی تعریف کرتے ہیں۔ وہ خاص طور پر بینکوں اور مالیاتی اداروں کے بھرپور تعاون پر فخر گزار ہیں۔ وہ کمپنی کے عملے اور ملازمین کے مصحفی اور مخلصانہ کام کو بھی تسلیم کرنا چاہتے ہیں۔

بورڈ کی جانب سے

احسن سہیل منان

ڈائریکٹر / کمپنی سیکرٹری

طارق رحمان

چیئرمین ڈائریکٹر

لاہور: 21 اپریل 2022

CONDENSED INTERIM STATEMENT OF FINANCIAL

Note	(Un-Audited) March 31, 2022 Rupees	(Audited) June 30, 2021 Rupees
EQUITY AND LIABILITIES		
Share Capital and Reserves		
Authorized share capital:		
	40,000,000 (June 30, 2021: 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, 2021: 35,000,000)	
	Ordinary shares of Rs. 10 each	
	350,000,000	350,000,000
	Reserves	302,992,139
	Sponsors' loan	115,708,828
	Surplus on Revaluation of Property, Plant and Equipment 4	1,302,397,360
	2,193,126,743	2,071,098,327
Non Current Liabilities		
	Long term financing 5	131,293,475
	Deferred income - government grant	60,807
	Lease liabilities	2,197,970
	Deferred liabilities	73,930,900
	Deferred tax liability	116,662,040
	Long term security deposit	719,584
	347,901,493	324,864,776
Current Liabilities		
	Trade and other payables	326,561,575
	Unclaimed dividends	243,677
	Accrued finance cost	23,147,424
	Short term borrowings 6	650,646,917
	Current portion of non-current liabilities	79,485,815
	1,120,794,347	1,080,085,408
Contingencies and Commitments		
	7	-
	3,661,822,582	3,476,048,511

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

Lahore
April 21, 2022



(Tariq Rehman)
Chief Executive Officer



POSITION AS AT MARCH 31, 2022

	Note	(Un-Audited) March 31, 2022 Rupees	(Audited) June 30, 2021 Rupees
ASSETS			
Non Current Assets			
Property, plant and equipment	8	1,861,660,240	1,887,889,951
Investment properties		76,180,763	76,180,763
Intangible assets		1,194,610	1,403,667
Long term prepayments and other receivables		41,450,334	39,308,596
Long term deposits		3,751,900	3,751,900
Long term loans		1,377,540	546,030
		1,985,615,388	2,009,080,907
Current Assets			
Stores, spares and loose tools		113,439,192	84,461,760
Stock-in-trade		681,271,068	594,151,738
Trade receivables		724,638,504	593,083,410
Advances, deposits, prepayments and other receivables		74,555,405	70,687,658
Income tax refundable from the Government		68,132,118	83,957,181
Cash and bank balances		14,170,907	40,625,857
		1,676,207,194	1,466,967,604
		3,661,822,582	3,476,048,511


(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, 2022

	Note	Nine Months Ended March 31,		Quarter Ended March 31,	
		2022 Rupees	2021 Rupees	2022 Rupees	2021 Rupees
Revenue	9	1,855,971,055	1,461,320,997	618,927,606	540,941,123
Cost of revenue	10	(1,440,162,348)	(1,098,321,530)	(464,869,274)	(421,747,540)
Gross Profit		415,808,707	362,999,467	154,058,332	119,193,583
- Administrative expenses		(79,487,913)	(65,644,632)	(29,208,312)	(23,197,848)
- Selling and distribution expenses		(36,530,666)	(20,993,442)	(10,294,082)	(6,128,578)
		(116,018,579)	(86,638,074)	(39,502,394)	(29,326,426)
Operating Profit		299,790,128	276,361,393	114,555,938	89,867,157
Other operating expenses		(17,539,137)	(20,029,188)	(6,086,993)	(5,614,500)
Finance cost		(74,733,552)	(63,299,365)	(29,659,959)	(19,926,974)
Other income		18,721,894	13,656,001	4,049,419	4,657,506
Profit before Taxation		226,239,333	206,688,841	82,858,405	68,983,189
Taxation		(69,303,385)	(59,168,448)	(30,163,752)	(19,722,810)
Net Profit for the Period		156,935,948	147,520,393	52,694,653	49,260,379
Earnings per Share - Basic and Diluted		4.48	4.21	1.51	1.41

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

Lahore
April 21, 2022


(Tariq Rehman)
Chief Executive Officer


(Ahsan Suhail Mannan)
Director


(Riaz Ahmad)
Chief Financial Officer



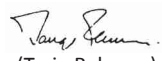
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2022

	Nine Months Ended March 31,		Quarter Ended March 31,	
	2022 Rupees	2021 Rupees	2022 Rupees	2021 Rupees
Net Profit for the Period	156,935,948	147,520,393	52,694,653	49,260,379
Other comprehensive income				
Items that may be reclassified to the profit or loss	-	-	-	-
Total Comprehensive Profit for the Period	156,935,948	147,520,393	52,694,653	49,260,379

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

Lahore
April 21, 2022


(Tariq Rehman)
Chief Executive Officer


(Ahsan Suhail Mannan)
Director


(Riaz Ahmad)
Chief Financial Officer

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

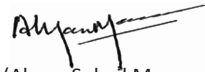
FOR THE NINE MONTHS ENDED MARCH 31, 2022

Particulars	Issued, Subscribed and Paid up Capital Rupees	Capital Share Premium Reserve Rupees	Reserves		Total Reserves Rupees	Sponsors' Loan Rupees	Surplus on revaluation of property, plant and equipment Rupees	Total Rupees
			General Reserve Rupees	Accumulated Loss Rupees				
Balance as at June 30, 2020	350,000,000	39,898,526	90,000,000	(48,166,062)	81,732,464	115,708,828	926,135,400	1,473,576,692
Total comprehensive income for the Nine months period ended March 31, 2021	-	-	-	147,520,393	147,520,393	-	-	147,520,393
Incremental depreciation for the period on surplus on revaluation of property, plant and equipment-net	-	-	-	13,255,375	13,255,375	-	(13,255,375)	-
Effect of change in effective tax rate	-	-	-	-	-	-	(1,840,568)	(1,840,568)
Balance as at Mar 31, 2021	350,000,000	39,898,526	90,000,000	112,609,706	242,508,232	115,708,828	911,039,457	1,619,256,517
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 Mar 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

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

Lahore
April 21, 2022


(Tariq Rehman)
Chief Executive Officer


(Ahsan Suhail Mannan)
Director


(Riaz Ahmad)
Chief Financial Officer



**CONDENSED INTERIM STATEMENT OF
CASH FLOWS** (Un-audited)
FOR THE NINE MONTHS ENDED MARCH 31, 2022


	Nine Months Ended March 31,	
	2022	2021
	Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	226,239,333	206,688,84
- Depreciation on property, plant and equipment - owned	72,677,960	59,748,888
- Amortization	209,061	209,061
- Provision for gratuity	14,633,906	12,330,860
- Gain on sales of Non-Current Assets	(1,066,947)	-
- Liabilities written back	(628,634)	(2,191,106)
- Provision for Doubtful Debts	-	3,177,946
- Exchange (gain)/ loss	(580,853)	(22,869)
- Workers' (Profit) Participation Fund	11,942,134	11,551,922
- Workers' Welfare Fund	4,586,003	4,380,816
- Lease Liabilities	656,334	676,610
- Unwinding of Liabilities	12,378,119	12,040,424
- Finance cost	61,699,099	50,582,331
	<u>176,506,182</u>	<u>152,484,883</u>
Operating profit before working capital changes	402,745,515	359,173,724
(Increase) / decrease in current assets:		
- Stores, spares and loose tools	(28,977,431)	(15,747,462)
- Stock in trade	(86,564,444)	(18,959,209)
- Trade receivables	(121,444,354)	(171,649,970)
- Advances, deposits, prepayments and other receivables	(3,871,822)	4,409,766
(Decrease) / increase in current liabilities:		
- Trade and other payables	(9,497,453)	28,187,188
	<u>(250,355,504)</u>	<u>(173,759,687)</u>
Cash (used in)/generated from operations	152,390,010	185,414,037
Changes in long term prepayments and other receivables		
Finance cost paid	(51,186,392)	(57,317,730)
Gratuity paid	(4,168,219)	(3,399,985)
Workers' (Profit) Participation Fund paid	(15,041,244)	(9,360,652)
Income tax (paid) / refunded - net	(31,675,820)	(31,470,051)
	<u>(102,071,675)</u>	<u>(101,548,418)</u>
Net Cash (Used in)/generated from Operating Activities	50,318,335	83,865,619
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(46,481,301)	(124,494,621)
Long term loans and other receivables	(2,973,248)	(5,990,990)
Proceeds from sales of Non-Current Assets	1,100,000	-
Net Cash used in Investing Activities	(48,354,549)	(130,485,611)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term financing from related parties repaid - net	(21,000,000)	(36,050,000)
Long term financing from banking companies acquired - net	27,744,154	(21,003,611)
Short term borrowing from related parties repaid - net	(41,002,353)	(27,455,151)
Short term borrowing from banking companies acquired - net	40,550,678	100,791,496
Dividend Paid	(34,711,214)	-
Net Cash generated from / (used in) Financing Activities	(28,418,735)	16,282,734
Net Increase / (Decrease) in Cash and Cash Equivalents	(26,454,949)	(30,337,258)
Cash and cash equivalents at the beginning of the period	40,625,856	43,949,957
Cash and Cash Equivalents at the End of the Period	14,170,907	13,612,699

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

Lahore
April 21, 2022

(Tariq Rehman)
Chief Executive Officer


(Ahsan Suhail Mannan)
Director


(Riaz Ahmad)
Chief Financial Officer

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

FOR THE NINE MONTHS ENDED MARCH 31, 2022

1 The Company and its Operations

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.

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 (IAS) 34, 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 IAS 34, 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, 2021. Comparative statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2021 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, 2021.

2.3 The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. In preparing this condensed interim financial statements, the significant judgments made by the management in applying accounting policies and key sources of estimation were the same as those that were applied to the financial statements for the year ended June 30, 2021.

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, 2021.

	Note	(Un-Audited) March 31, 2022 Rupees	(Audited) June 30, 2021 Rupees
4 Surplus on Revaluation of Property, Plant and Equipment			
Land - Freehold		783,655,104	783,655,104
Buildings on freehold land		271,710,324	282,355,973
Plant and machinery		247,031,932	257,315,697
		1,302,397,360	1,323,326,774
Effect of change in effective tax rates		92,322	(1,439,802)
Incremental depreciation charged on revalued property, plant and equipment in current year net of deferred tax (transferred to retained earnings)		(15,649,209)	(19,489,612)
		1,286,840,473	1,302,397,360
5 Long Term Financing			
Banking companies - secured			
National Bank of Pakistan		7,450,812	24,280,812
Unwinding / winding up of interest		(80,656)	(169,290)
		7,370,156	24,111,522
Standard Chartered Bank (Pakistan) Limited		27,026,112	41,526,113
Unwinding of interest		(749,927)	(2,754,695)
		26,276,185	38,771,418
Habib Bank Limited		20,361,015	40,722,030
Less: Deferred income - Government Grant	5.1	(504,114)	(1,360,445)
		19,856,901	39,361,585
Saudi Pak Industrial and Agricultural Investment Company Limited		82,000,000	-
		135,503,242	102,244,525
Associated companies / related parties - unsecured			
Associated Engineers (Private) Limited		-	27,335,447
Unwinding of interest		-	(2,382,962)
		-	24,952,485
EMCO Industries Limited Provident Fund		79,529,818	100,529,818
Unwinding of interest		(17,980,026)	(24,797,428)
		61,549,792	75,732,390

	(Un-Audited) March 31, 2022 Rupees	(Audited) June 30, 2021 Rupees
Imperial Electric Company (Private) Limited	-	2,615,692
Unwinding of interest	-	(228,022)
	-	2,387,670
	197,053,034	205,317,070
Less: current portion - Banking companies	(73,783,576)	(74,023,595)
	<u>123,269,458</u>	<u>131,293,475</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, 2022 Rupees	(Audited) June 30, 2021 Rupees
Note		
6. Short Term Borrowings		
Interest bearing		
Banking companies - secured	481,121,851	440,571,173
Related parties - unsecured:		
- Associated company - ICC (Private) Limited	80,750,000	155,750,000
- Directors	49,997,647	-
	611,869,498	596,321,173
Interest free		
Related parties - unsecured:		
- Directors and close relatives thereof	68,272,688	54,325,744
	<u>680,142,186</u>	<u>650,646,917</u>

7 Contingencies and Commitments

Contingencies

There is no material change in the status of contingencies as reported in financial statements of the Company for the year ended June 30, 2021.

	(Un-Audited) March 31, 2022 Rs. in millions	(Audited) June 30, 2021 Rs. in millions
Commitments		
Letters of credit other than for capital expenditure	117.868	177.190
Letters of credit for capital expenditure	46.360	-
Guarantees		
NTDC/DISCOs	436.627	341.094
Sui Northern Gas Pipelines Limited	24.543	25.177
Collectorate of Customs	-	8.978
	<u>461.170</u>	<u>375.249</u>



	(Un-Audited) March 31, 2022 Rupees	(Audited) June 30, 2021 Rupees
- Commitments for future minimum payments in respect of Ijarah arrangements are as follows:		
Not later than one year	1,215,189	210,882
Later than one year and later than five years	1,350,210	2,160,336
Later than five years	-	-
	2,565,399	2,371,218

	Note	(Un-Audited) March 31, 2022 Rupees	(Audited) June 30, 2021 Rupees
8 Property, Plant and Equipment			
Operating fixed assets	8.1	1,858,361,925	1,882,605,192
Right of Use assets		3,298,315	5,284,759
		1,861,660,240	1,887,889,951
8.1 Operating fixed assets			
Opening written down value		1,882,605,192	1,354,563,200
Additions during the period / year		48,467,746	209,534,589
Transfer to investment properties		-	(43,030,862)
Disposals during the period / year		(33,053)	(499,772)
Revaluation adjustment		-	459,322,504
		1,931,039,885	1,979,889,659
Depreciation charge for the period / year		(72,677,960)	(97,284,467)
		1,858,361,925	1,882,605,192
9 REVENUE			
Gross revenue:			
- Local		2,159,854,382	1,696,695,597
- Export		27,455,113	32,183,858
		2,187,309,494	1,728,879,455
Less: Sales tax		(260,407,865)	(246,533,678)
Less: Trade discounts		(307,980)	(38,922)
Less: Late delivery charges / liquidity damages		(70,622,594)	(20,985,858)
Net sales		1,855,971,055	1,461,320,997

	Nine Months Ended March 31,		Quarter Ended March 31,	
	2022 Rupees	2021 Rupees	2022 Rupees	2021 Rupees
10. Cost of Revenue				
Raw and packing material consumed	688,350,587	526,459,489	224,459,236	188,257,712
Stores and spares consumed	69,299,401	46,270,007	30,632,461	17,498,107
Salaries, wages and benefits	263,609,048	231,855,003	90,890,352	80,224,644
Power and gas	239,167,373	150,888,332	86,484,941	55,368,589
Vehicle maintenance	406,290	581,168	145,215	108,463
Repairs and maintenance	3,956,927	3,383,270	1,832,679	763,443
Entertainment	1,562,322	1,213,974	395,922	420,817
Insurance	3,515,694	2,240,365	1,181,524	745,309
Ijarah rentals	1,960,014	2,221,902	702,477	740,634
Communication and stationery	1,507,034	1,438,189	481,496	355,234
Rent, rates and taxes	2,130,580	2,258,035	962,291	572,069
Travelling and conveyance	57,389,731	54,119,439	22,172,868	18,110,811
Testing and experiment charges	30,452,959	28,625,703	6,011,500	7,947,519
Miscellaneous	5,729,922	531,759	5,371,068	109,146
Depreciation on property, plant and equipment	72,189,226	59,748,888	24,965,565	20,821,239
	1,441,227,108	1,111,835,521	496,689,595	392,043,734
Work in process:				
- Opening work in process	85,445,820	69,305,970	87,563,242	89,711,986
- Closing work in process	(112,267,158)	(81,243,663)	(112,267,158)	(81,243,663)
	(26,821,338)	(11,937,693)	(24,703,916)	8,468,323
Cost of goods manufactured	1,414,405,770	1,099,897,828	471,985,679	400,512,057
Finished goods:				
- Opening finished goods	205,731,863	252,998,539	172,858,880	275,810,319
- Closing finished goods	(179,975,284)	(254,574,837)	(179,975,284)	(254,574,837)
	25,756,578	(1,576,298)	(7,116,405)	21,235,482
	1,440,162,348	1,098,321,530	464,869,274	421,747,540



11. Transactions with Related Parties

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

			(Un-Audited) Nine Months Ended March 31,	
Transactions during the year			2022 Rupees	2021 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	21,000,000	36,050,000
The Imperial Electric Company (Private) Limited	Associated company	Interest Expense on lease liabilities	656,334	676,610
		Repayment of Lease Liability	2,425,641	2,647,130
		Other Expense	625,975	-
		Conversion of Long Term Loan to Short Term borrowing	2,615,692	-
ICC (Pvt) Limited	Associated company	Short term borrowing obtained	-	-
		Short term borrowing repaid	75,000,000	-
		Markup on short term borrowing	9,146,591	11,614,975
		Markup paid on short term borrowing	3,915,856	14,850,318
		Payment made on behalf of Company	1,502,892	-
		Payment received from the Company	1,611,209	-
Directors and close relatives	Associated persons	Short term borrowing obtained	140,554,836	133,350,000
		Short term borrowing repaid (Note 11.1)	106,557,189	171,800,958
		Markup on short term borrowing	2,601,688	347,905
		Markup on short term borrowing paid (Note 11.1)	1,430,050	950,086
		Conversion of Short Term borrowing to sponsors Loan	6,885,310	-
		Conversion of sponsors Loan to Short Term borrowing	17,459,723	-

11.1 One of the directors has arranged personal finance line of Rs. 50 million from a bank for the purpose of extending short term borrowings to the Company. During the nine months ended March 31, 2022, the Company obtained short term borrowings from the director through his aforesaid personal finance line. The borrowed amounts were repaid and then borrowed again multiple times during the half year, by rotating the said finance line. The maximum amount outstanding towards the said director during the nine months ended March 31, 2022 was Rs. 50 million. (Note no. 6)

Outstanding Balance as at the year end		(Un-Audited)	(Audited)
		March 31, 2022 Rupees	June 30, 2021 Rupees
Associated Engineers (Private) Limited	Sponsors' loans	10,574,414	27,335,447
	Short term financing - interest Free	16,761,033	-
	Markup on long term financing	6,391,541	6,391,541
EMCO Industries Limited Provident Fund	Long term financing	79,529,818	100,529,818
Imperial Electric Company (Private) Limited	Long term financing - interest Free	-	2,615,692
	Short term financing - interest Free	2,615,692	-
	Markup on long term financing	2,343,326	2,343,326
	Lease liability payable against rent	3,875,691	5,644,998
	Other Payable	865,724	239,749
ICC (Pvt) Limited	Short term borrowing - interest bearing	80,750,000	155,750,000
	Markup on short term borrowing	8,684,575	3,453,840
	Other payable	9,671	117,988
Directors, executives and close relatives thereof	Sponsors' loans	105,134,415	115,708,828
	Short term borrowing	98,897,803	54,325,744
	Markup on short term borrowing	1,792,178	620,540
Executive / Key Management personnel	Long Term Loan Receivable	490,000	580,000


12 Date of Authorization for Issue

This condensed interim financial statement (un-audited) is authorized for issuance on 21 April 2022 by the Board of Directors of the Company.

13 General

Corresponding figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. No material reclassifications have been made in these condensed interim financial statements (un-audited).

Lahore
April 21, 2022


(Tariq Rehman)
Chief Executive Officer


(Ahsan Suhail Mannan)
Director


(Riaz Ahmad)
Chief Financial Officer

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