EMCO INDUSTRIES LIMITED



ANNUAL REPORT 2023

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بسم الله الرحمن الرحيم

CONTENTS

Company Information and Business Items.....3

Notice of Annual General Meeting.....4

Chairman's Review.....6

Directors' Report to the Members.....8

Financial Highlights of Last Ten Years.....24

Statement of Compliance with the Code of Corporate Governance 25

Review Report to the Members on Statement of Compliance with Code of Corporate Governance.....29

Auditors' Report To The Members.....30

Statement of Financial Position.....34

Statement of Profit or Loss Account.....35

Statement of Comprehensive Income.....36

Statement of Changes in Equity.....37

Statement of Cash Flows.....38

Notes to and Forming part of the Financial Statements.....39

Pattern of Shareholdings.....84

Form of Proxy.....89

Company Information

Board of Directors

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

Chief Financial Officer

Mr. Riaz Ahmad

Company Secretary

Mr. Ahsan Suhail Mannan

Audit Committee

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

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

HR Committee

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

Risk Management Committee

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

Nomination Committee

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

External Auditors

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

Internal Auditors

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

M/s. Muhammad Ali Hussain & 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
Soneri Bank Limited

BUSINESS ITEMS

Porcelain Insulators

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

Switchgear

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

RTV Coating

- Room Temperature Vulcanised
- Silicone Rubber Coating

Chemical Porcelain

- Acid Proof 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 Sheikhupura Road, Lahore.

Notice of Annual General Meeting

NOTICE TO THE SHAREHOLDERS FOR THE 68TH ANNUAL GENERAL MEETING OF EMCO INDUSTRIES LIMITED TO BE HELD AT ICC HOUSE, 2-CHAMBA HOUSE LANE, GOLF ROAD, GOR-1, LAHORE ON TUESDAY, 24TH OCTOBER 2023, AT 11:30 AM

NOTICE is hereby given that the 68th Annual General Meeting of the Shareholders of EMCO Industries Limited (the "Company") will be held at ICC House, 2-Chamba House Lane, Golf Road, GOR-1, Lahore on Tuesday 24th October, 2023 at 11:30 a.m. to conduct the following business:

Ordinary Business:

1. To confirm the minutes of the last Extraordinary General Meeting (EGM) of the Company held on 26.06.2023.

2. To receive, consider, approve and adopt the Annual Audited Accounts of the Company for the year ended 30th June 2023 together with the Director's and Auditor's Reports thereon.

3. To approve Cash Dividend @ 5% (i.e.Rs.0.50) per share as recommended by the Board of Directors, to be paid to all Shareholders of the Company.

4. To Appoint Auditors for the next financial year ending 30th June 2024 and to fix their remuneration. The present Auditors, M/s CROWE HUSSAIN CHAUDHURY & CO., Chartered Accountants, retires and being eligible, offer themselves for re-appointment.

Other Business:

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

By order of the Board of Directors



Place: Lahore
Dated: September 05, 2023

Ahsan Suhail Mannan
(Company Secretary / Director)

NOTES:

(a) The Share Transfer Books of the Company will remain closed from 17th October, 2023 to 24th October, 2023 (both days inclusive). The above entitlement, if approved by the shareholders will be paid to the Shareholders whose name will appear in the Register of Members on 16th October, 2023.

(b) A member entitled to attend and vote at the AGM 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 enclosed).

(c) Any individual beneficial owner of CDC, entitled to vote at the AGM (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.

(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.

نوٹس بنام حصص داران برائے 68ویں عام سالانہ اجلاس ایمکو انڈسٹریز لمیٹڈ بمقام آئی سی سی ہاؤس، 2۔ چمبہ ہاؤس لین، گولف روڈ، جی او آر-I، لاہور بروز منگل 24 اکتوبر 2023 بوقت 11:30 بجے صبح

نوٹس ہذا کے ذریعے مطلع کیا جاتا ہے ایمکو انڈسٹریز لمیٹڈ (کمپنی) کے حصص داران کا 68ویں سالانہ عام اجلاس بمقام آئی سی سی ہاؤس، 2۔ چمبہ ہاؤس لین، گولف روڈ، جی او آر-I، لاہور بروز منگل 24 اکتوبر 2023 بوقت 11:30 بجے صبح مندرجہ ذیل کاروبار کو چلانے کے لیے منعقد ہوگا۔

عام کاروبار:۔

1- 26-06-2023 کو کمپنی کے غیر معمولی سالانہ اجلاس کی کارروائی کی تصدیق کرنا۔

2- 30 جون 2023 کو ختم ہونے والے مالی سال کے لیے کمپنی کے سالانہ آڈٹ شدہ کھاتوں بشمول ان پر ڈائریکٹرز اور آڈیٹرز کی رپورٹس کو وصول کرنا، غور کرنا، منظور کرنا اور اپنانا۔

3- بورڈ آف ڈائریکٹرز کی سفارش کے مطابق 5 فیصد (یعنی پچاس پیسہ) فی حصص نقد منافع (ڈیویڈنڈ) کی منظوری، شیئر ہولڈرز کی منظوری سے تمام شیئر ہولڈرز کو ادا کی جائے۔

4- 30 جون 2024 کو ختم ہونے والے اگلے مالی سال کے لیے آڈیٹرز کی تقرری اور ان کے معاوضے کا تعین کرنا۔ موجودہ آڈیٹرز میسرز کروحسین چوہدری اینڈ کمپنی چارٹرڈ اکاؤنٹنٹ ریٹائر ہوتے ہیں اور اہلیت کے باعث دوبارہ تقرری کے لیے خود کو پیش کرتے ہیں۔

دیگر کاروبار:۔

1۔ چیئرمین کی اجازت سے کسی دوسرے کاروبار کا لین دین کرنا۔

بورڈ آف ڈائریکٹرز کے حکم سے

احسن سہیل منان،
کمپنی سیکرٹری/ڈائریکٹر

بمقام: لاہور
بتاریخ: 05 ستمبر 2023

نوٹ۔

الف) کمپنی کے شیئر ٹرانسفر کی کتابیں 17 اکتوبر 2023 سے 24 اکتوبر 2023 تک بند رہیں گی (دونوں دن شامل ہیں)۔ مندرجہ بالا استحقاق، اگر حصص یافتگان کی طرف سے منظور کیا جاتا ہے تو ان حصص یافتگان کو ادا کیا جائے گا جن کے نام 16 اکتوبر 2023 کو ممبران کے رجسٹر میں ظاہر ہوگا۔

ب) عام سالانہ اجلاس میں شرکت اور ووٹ ڈالنے کا حقدار ممبر اجلاس میں شریک ہونے اور اس کی بجائے ووٹ دینے کے لیے کسی دوسرے ممبر کو اپنا پراکسی مقرر کرسکتا ہے۔ اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے پہلے کمپنی کے رجسٹرڈ آفس واقع چوتھی منزل نیشنل ٹاور 28 ایجرٹن روڈ لاہور میں پراکسیز جمع کروانا ضروری ہے۔ (پراکسی فارم منسلک ہے۔)

ج) سی ڈی سی کا کوئی بھی فرد فائدہ مند مالک، اے جی ایم (سالانہ عام اجلاس) میں ووٹ ڈالنے کا حقدار ہے۔ اپنی شناخت ثابت کرنے کے لیے اپنا کمپیوٹرائزڈ قومی شناختی کارڈ ضرور ہمراہ لائے۔ اور پراکسی کی صورت میں حصص دار کی کمپیوٹرائزڈ قومی شناختی کارڈ کی تصدیق شدہ کاپی پراکسی فارم کے ساتھ منسلک ہونا ضروری ہے۔ کارپوریٹ ممبر کا نمائندہ اس مقصد کے لیے درکار معمول کی دستاویزات لائے۔

د) ممبران سے گزارش ہے کہ کمپنی کے شیئر رجسٹرار میسرز کارپ لنک (پرائیویٹ) لمیٹڈ ونگز آرکیڈ 1-K کمرشل ماڈل ٹاؤن لاہور کو اپنے پتے کی تبدیلی (اگر کوئی ہو تو) فوری طور پر مطلع کریں۔

Chairman Review

The Fiscal year ending in June 2023 has been a challenging year on many fronts. The deteriorating macroeconomic and political situation in the country led to unprecedented import restrictions imposed by the State Bank of Pakistan (SBP) to try and address rapidly depleting forex reserves and to decrease the impact of a current account deficit. Simultaneously, SBP intervened to arrest the inflationary pressures and rapid devaluation of the PKR through policy rate hikes in quick succession. On a global landscape, the prolonged insurgence in the Russo-Ukrainian conflict strongly impacted oil and gas prices, as well as other commodities, stoking global inflation at a time where the world was still recovering from COVID induced supply side shocks.

Your Company's management continues to remain optimistic on its outlook based on the successful completion of the stalled IMF stand-by financing arrangement which remained a key condition to unlock further opportunities for Pakistan to address the ongoing economic crisis. Similarly, the hopes of federal elections in the country will strengthen the pace of recovery.

On the domestic front, EMCO continues to be a pioneer in bringing additional technology partners and new products to Pakistan for the energy sector. The import restrictions experienced in the country have ignited a strong shift by EMCO's public sector clients to promote the indigenization and localization of energy sector products in Pakistan. Simultaneously, the devaluation of the PKR opens up new export opportunities for EMCO's products in the global energy sector landscape.

Over the course of this fiscal year, the Board has been active in advising the Company's management in assessing and mitigating the myriad of risks affecting the Company's strategic direction and the operational risks that it faced. Each Board member brought their experience and expertise, and was given an opportunity to present their thoughts and guidance to the management team. I am confident that the management will successfully navigate the Company along the Board's vision.

I am pleased to report significant progress as it strives to be fully compliant to the updated Code of Corporate Governance. Company management believes that the continued focus on this matter will be beneficial for more effective governance, additional transparency and most importantly, value creation for our Shareholders. I would like to put on record the appreciation to the entire Board in guiding your Company through the subcommittees that have worked diligently to support us. I would like to thank the management team for their support and resilience in making this year a success and look forward to supporting them for an even more successful year ahead.

Javaid S. Siddiqi
(Chairman)

Dated: September 05, 2023

چیئرمین کا جائزہ

جون 2023 میں ختم ہونے والا مالی سال کئی محاذوں پر ایک چیلنجنگ سال رہا ہے۔ ملک میں بگڑتی ہوئی میکرو اکنامک اور سیاسی صورتحال کے نتیجے میں اسٹیٹ بینک آف پاکستان (SBP) کی جانب سے غیر معمولی درآمد پر پابندیاں عائد کی گئیں تاکہ تیزی سے گرتے ہوئے زرمبادلہ کے ذخائر سے نمٹنے اور کرنٹ اکاؤنٹ خسارے کے اثرات کو کم کرنے کی کوشش کی جاسکے۔ اس کے ساتھ ساتھ اسٹیٹ بینک نے افراط زر کے دباؤ اور روپے کی قدر میں تیزی سے کمی کو روکنے کے لیے پالیسی ریٹ میں فوری اضافے کے ذریعے مداخلت کی۔ ایک عالمی منظر نامے پر روس اور یوکرین کے تنازعے میں طویل عرصے تک جاری رہنے والی شورش نے تیل اور گیس کی قیمتوں کے ساتھ ساتھ دیگر اجناس کو بھی شدید متاثر کیا، جس سے عالمی افراط زر میں اضافہ ہوا، ایک ایسے وقت میں جب دنیا ابھی بھی کووڈ کی وجہ سے سپلائی سائیڈ کے اثرات سے نکل رہی تھی۔

آپ کی کمپنی کی انتظامیہ IMF کے تعطل کا شکار اسٹینڈ بائی فنانسنگ معاہدے کی کامیابی سے تکمیل کی بنیاد پر اپنے نقطہ نظر پر پرامید ہے جو پاکستان کے لئے جاری معاشی بحران سے نمٹنے کے لئے مزید مواقع پیدا کرنے کی ایک اہم شرط بنی ہوئی ہے۔ اسی طرح ملک میں وفاقی انتخابات کی امیدیں بحالی کی رفتار کو مضبوط کریں گی۔

ملکی سطح پر ایمکو توانائی کے شعبے کے لیے اضافی ٹیکنالوجی پارٹنرز اور نئی مصنوعات پاکستان لانے میں پیش پیش ہے۔ ملک میں درآمدات پر عائد پابندیوں نے ایمکو کے پبلک سیکٹر کے صارفین کی جانب سے پاکستان میں توانائی کے شعبے کی مصنوعات مقامی بنانے اور مقامی بنانے کو فروغ دینے کے لیے ایک مضبوط تبدیلی کو جنم دیا ہے۔ اس کے ساتھ ساتھ روپے کی قدر میں کمی سے توانائی کے عالمی شعبے کے منظر نامے میں ایمکو کی مصنوعات کے لیے برآمدات کے نئے مواقع پیدا ہوئے ہیں۔

رواں مالی سال کے دوران، بورڈ کمپنی کی انتظامیہ کو مشورہ دینے میں سرگرم رہا ہے کہ وہ کمپنی کی اسٹریٹجک سمت اور آپریشنل خطرات کو متاثر کرنے والے بے شمار خطرات کا جائزہ لے اور انہیں کم کرے۔ بورڈ کا ہر رکن اپنا تجربہ اور مہارت لے کر آیا، اور مینجمنٹ ٹیم کے سامنے اپنے خیالات اور رہنمائی پیش کرنے کا موقع دیا گیا۔ مجھے یقین ہے کہ انتظامیہ بورڈ کے وژن کے ساتھ کمپنی کو کامیابی سے آگے بڑھائے گی۔

مجھے اہم پیش رفت کی اطلاع دیتے ہوئے خوشی ہو رہی ہے کیونکہ یہ کارپوریٹ گورننس کے تازہ ترین ضابطہ کی مکمل تعمیل کرنے کی کوشش کرتا ہے۔ کمپنی انتظامیہ کا ماننا ہے کہ اس معاملے پر مسلسل توجہ زیادہ موثر حکمرانی، اضافی شفافیت اور سب سے اہم، ہمارے شیئر ہولڈرز کے لئے قدر سازی کے لئے فائدہ مند ہوگی۔

میں ان ذیلی کمیٹیوں کے ذریعے آپ کی کمپنی کی رہنمائی کرنے پر پورے بورڈ کی تعریف کرنا چاہوں گا جنہوں نے ہماری مدد کے لئے تندہی سے کام کیا ہے۔ میں اس سال کو کامیاب بنانے میں مینجمنٹ ٹیم کی حمایت اور لگن کا شکریہ ادا کرنا چاہتا ہوں اور آنے والے سال کے لئے ان کی حمایت کا منتظر ہوں۔

جاوید شفیق صدیقی

(چیئرمین)

تاریخ: 5 ستمبر 2023

Directors' Report

On behalf of the Board of Directors, we welcome you to the 68th Annual General Meeting of the Company and present to you the audited financial statements and Auditor's Report thereon for the year ended June 30, 2023. Financial Results are as follows:

	2023 Rupees	2022 Rupees
Profit before Tax	419,946,320	277,904,523
Taxation	(127,030,403)	(61,002,796)
Profit after Tax	292,915,917	216,901,727
Gain / (Loss) on Actuarial Valuation	(5,076,639)	(1,978,210)
Total Comprehensive Profit	287,839,278	214,923,517
Incremental Depreciation on Revaluation Surplus-PPE	28,833,204	22,196,342
Payment of final dividend for the year ended June 30	(17,500,000)	(35,000,000)
	299,172,482	202,119,859
Reserves Including Accumulated Profit brought forward	505,111,998	302,992,139
Reserves including Accumulated Profit carried forward	804,284,480	505,111,998
Earning per Share	8.37	6.20

REVIEW OF OPERATING RESULTS

Global Outlook

Global growth has slowed significantly during the period under review. Despite some recovery from the COVID period, the prolonged Ukraine-Russia conflict and general slowdown in developed economies have led to growth constraints in emerging markets and developing economies. Tightening monetary policies being used as a tool to control inflationary trends in a global scenario already reeling from COVID related supply side shocks have led to significant financial stability challenges in emerging markets, which were compounded by increasing borrowing costs and currency exchange rate fluctuations. This situation is likely to cause a softening of the growth projections in emerging economies, and a strong reversal in both public and private sector spending in the near term.

Domestic Environment & Challenges

Pakistan witnessed high levels of economic turbulence in the first half of CY 2023. In the near future, the economic outlook is expected to achieve stability based on the long awaited agreement signed with the IMF, which in turn will unlock further support from friendly countries to bolster the State Bank of Pakistan (SBP) forex reserves that had fallen sharply in early-2023. Restoration of political stability through the upcoming elections is expected to solidify the strengthening process further.

On the economic front, Pakistan experienced a turbulent situation based on a sharp devaluation of the Pakistani Rupee (PKR) to close at Rs.286 against the US Dollar, which marked a 27% depreciation of since the start of CY 2023. This devaluation had a multiplier effect on overall inflation levels, and resulted in a record inflation level approaching an unprecedented 40% on a month-on-month basis. To counter this inflation, the State Bank of Pakistan (SBP) intervened by increasing the Policy Rate to 22%, marking an increase of 800 bps over the course of the FY 2022-23.

The policy measures will have a negative effect on growth outlook, but are expected to reign in inflationary trends and arrest the currency devaluation in the short term.

Company Financial Performance

In the period under review, your Company has achieved a Sales Revenue of Rs.3,545.52 Million, which exhibits a growth of 37% on a year on year basis. Resultantly, your Company made a pretax profit of Rs. 419.95 Million and an after tax profit of Rs. 292.92 Million. The current financials have started to reflect your Company's shift in its business dynamics through a concerted enhancement in production capacity and allocation of this new capacity to the export market, as well as through diversification of its product line to introduce new High Voltage Switchgear products to its product offering. Keeping up with its long standing tradition, EMCO is introducing indigenized high voltage products that will be manufactured for the first time in Pakistan. As part of this initiative, EMCO has also upgraded its State of the art High Voltage Testing facility, which will strengthen EMCO's position as a key player serving the energy sector in Pakistan and to the global market.

For your Company, the timing of expansion projects to enhance both scale and scope of the operations means that we are better geared for being more competitive for its products for the local market and for the export market.

Overall, the period in review was exceptionally challenging for your Company. First and foremost, the devastating floods experienced from June - October 2022 in Pakistan submerged over one third of the land mass of Pakistan and resulted in a marked shift of the government's spending to cater to relief and rehabilitation measures.

The Import restrictions that were introduced by SBP in May 2022 significantly impacted your Company's operations. Your Company's management worked tirelessly with our partner banks and acknowledges their helping hand. The Company experienced supply chain disruptions and was forced to suspend execution for a number of its orders, which resulted in liquidated damages (LDs) of Rs. 73.94 Million against the Sales recorded for period ending 30 June 2023. The import restrictions also resulted in your Company facing exceptional detention and demurrage charges on imports, which added to the landed costs of imported materials during this period. The financial impact of these disruptions and the LDs will continue to impact financials during the ensuing year.

The sharp devaluation of the PKR resulted in a related increases in landed cost of imported raw materials, POL prices, Energy Rates and inflationary trend in all inputs, and exerted downward pressure on the gross margins, especially in Q4 2022-23.

Despite the above narrated challenges, by the grace of ALLAH Almighty, your Company has been able to achieve positive outcomes from an operational and financial perspective. The import related challenges also prompted a series of aggressive efforts by the management team to decrease dependence on imports and localize imported parts in its supply chain. Your Company will benefit from these steps in the upcoming periods, especially in light of the continued deterioration of the PKR currency.

Production of Insulators was recorded at 5032 tons during this year as compared to 5288 tons during last year. The rated production capacity is currently under reconfiguration as your Company allocates production capacity to new types of products for the export market, as well as to switchgear/apparatus insulators for allocation in High Voltage Substation products. These reconfigurations reduce the rated capacity of the plant owing to a significantly larger physical volume/size of each product being manufactured and sent through the high temperature firing process in the Kilns.

The market demand for the Insulators and switchgear products continues on a positive trajectory, both within Pakistan, as well as for the export market. Rehabilitation of the existing energy infrastructure, and development of new infrastructure continue to remain primary demand drivers for EMCO's products. The current orders in hand are more than 5 months of production capacity. Similarly, the Company's new focus on expanding its substation equipment portfolio by adding High Voltage Disconnect Switches and Instrument Transformers has borne fruit on the basis of exceptionally strong demand for these products.

Our RTV Coating department, which allows EMCO to offer reliability improvements for the power transmission network has also flourished, with this business unit generating over Rs.79 Million in sales revenue for this year.

Direct export sales stood at Rs. 79.73 Million in the period under review, including sales to the United States, UAE & Turkey. Your Company's management has already secured substantially enhanced orders for the export market already, which are under execution phase, and the Company intends to grow the exports multifold on a year on year basis.

Your Company's BMR project is well underway and expected to be completed by December 2023, which is slightly delayed based on original timelines due to import restrictions faced by the Company. However, incremental capacity was unlocked over the course of the current fiscal year, which will mitigate the risk for the delays experienced since production and sales enhancements have already been realized on an ongoing basis. Similarly, the production facility for High Voltage Instrument Transformers is expected to be fully online by December 2023, which represents a delay of one quarter as well. However, the Company has started to successfully offer partially indigenized imported instrument transformer product in the local market to penetrate this landscape.

On account of the overall domestic macroeconomic challenges, financial institutions have also been generally conservative in extending new financing to private sector entities. EMCO's management is optimistic that based on the strong fundamentals and financial performance, our financial partners will be convinced to extend the required support to the company for our continuous growth trajectory.

CODE OF CORPORATE GOVERNANCE

The requirements of the Code of Corporate Governance set out by the Pakistan Stock Exchange in its Listing Regulations, relevant for the year ended June 30, 2023, have been adopted by the Company and have been duly complied with. A statement to this effect is annexed with the report.

In compliance with the provisions of the Code, the Board members are pleased to place the following statement on record:

- The financial statements for the year ended June 30, 2023, present fairly its state of affairs, the results of its operations, cash flow and changes in equity.
- Proper books of accounts have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements for the year ended June 30, 2023, and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards (IAS), as applicable in Pakistan, have been followed in preparation of 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 best practices of corporate governance, as detailed in listing regulations.
- Out of 11 Board Directors, 03 Directors were exempted from DTP (Mr. Tariq Rehman, Mr. Javaid Shafiq Siddiqi and Mr. Usman Haq) since they qualify for exemption based on having minimum of 14 years of education and 15 years of experience on the Board of a listed Company.
- Out of 11 Board Directors, 07 have completed DTP (Mr. Ahsan Suhail Mannan, Syed Muhammad Mohsin, Mrs. Ayesha Mussadaque Hamid, Ch. Imran Ali, Mr. Salem Rehman, Mr. Osman Hameed Chaudhri and Mr. Awais Noorani).
- Overall, 90.90% of the Board of Directors have either completed the DTP or are exempted from it.
- The value of Assets of Provident Fund based on its audited accounts as on December 31, 2022 was Rs. 62.6 Million. The value of investment includes accrued interest.

BOARD MEETINGS

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

As listed above, there were a total of 11 Directors including 04 Independent Directors (03 Male & 01 Female). After the death of Mr. Suhail Mannan in October 2022, Mr. Osman Hameed Chaudhri was appointed as Independent Director in January 2023 to fill casual vacancy and to fulfil the Corporate Governance requirements.

Moreover, the Board has been reconstituted with 12 directors and below is the Board Composition. These directors are elected for a term of three years starting from 1st July 2023.

The Board of Directors, which consists of Twelve members, have responsibility to independently and transparently monitor the performance of the Company and take strategic decisions to achieve sustainable growth in the Company value. All members of the Board are elected in the general meeting after every three years. The current Board of Directors was elected on 26th June 2023. The current Board members are as follows:

Sr. #	NAME OF DIRECTOR	
1.	Mr. Javaid S. Siddiqi	Non-Executive Director / Chairman
2.	Mr. Usman Haq	Executive Director / Managing Director
3.	Mr. Tariq Rehman	Executive Director
4.	Mr. Salem Rehman	Executive Director / Chief Executive
5.	Mr. Pervaiz S. Siddiqi	Non-Executive Director
6.	Mr. Ahsan Suhail Mannan	Executive Director / Company Secretary
7.	Mr. Umair Noorani	Non-Executive Director
8.	Mr. Salman Javaid Siddiqi	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

The term of the existing members of the Board will expire on 30-06-2026, along with their consent to act so, filed a declaration on the prescribed form as requirements of the Code of Corporate Governance.

A written notice of the Board meeting along with working papers was sent to the members seven days before meetings. A total of Six meetings of the Board of Directors were held during the year ended June 30, 2023. The attendance of the Board members was as follows: -

SR. #	NAME OF DIRECTOR	MEETINGS ATTENDED
1.	Mr. Javaid S. Siddiqi	05
2.	Mr. Tariq Rehman	04
3.	Mr. Pervaiz S. Siddiqi	03
4.	Mr. Usman Haq	06
5.	Mr. Salem Rehman	06
6.	Mr. Ahsan Suhail Mannan	06
7.	Mr. Awais Noorani	04
8.	Mrs. Ayesha Mussadaque Hamid	02
9.	Ch. Imran Ali	05
10.	Syed Muhammad Mohsin	06
11.	Mr. Osman Hameed Chaudhri	04

Leave of absence was granted to Directors who could not attend the meetings.

TRANSACTION / TRADE OF COMPANY'S SHARE

During the financial year, Directors, CEO, CFO, Company Secretary (including their spouses and minor children) executed the following transactions in the shares of the Company.

S.No	NAME	SALE	PURCHASE
1	MR. USMAN HAQ (CDC)	10,000	
2	MR. AWAIS NOORANI		737
3	MR. AHSAN SUHAIL MANNAN (CDC)		477,665
4	MRS. AMBEREEN HAQ (CDC)	1,164,915	

COMMITTEES OF THE BOARD

Audit Committee

The Audit Committee (AC) reviews the annual and quarterly financial statements, internal audit reports, and information before dissemination to Pakistan Stock Exchange, and proposes appointment of the external auditors for approval of the shareholders, apart from other matters of significant nature. The AC holds its meeting prior to the Board meeting. A total of six meetings of the AC were held during the year under review. It includes statutory meetings with external auditors before start of annual audit and meeting with external auditors without CFO and head of internal audit being present.

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 Chapter IX, 27 (1) (iv) of Code of Corporate Governance, Regulations 2019.

Due to the Election of directors held on 26th Jun 2023, the Board has appointed the following members of Audit Committee for a period of three years w.e.f. 01 July 2023 in the meeting of Board of Directors held on 04 July 2023.

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

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

HR & Remuneration Committee:

A total of two meetings of HR & Remuneration Committee were held during the year under review.a

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

Due to the Election of directors held on 26th Jun 2023, the Board has appointed the following members of HR & Remuneration Committee for a period of three years w.e.f. 01 July 2023 in the meeting of Board of Directors held on 04 July 2023.

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

Risk Management Committee:

A total of one meeting of Risk Management Committee was held during the year under review.

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

Due to the Election of directors held on 26th Jun 2023, the Board has appointed the following members of Risk Management Committee for a period of three years w.e.f. 01 July 2023 in the meeting of Board of Directors held on 04 July 2023.

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

Nomination Committee:

A total of one meeting of Nomination Committee was held during the year under review.

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

Due to the Election of directors held on 26th Jun 2023, the Board has appointed the following members of Nomination Committee for a period of three years w.e.f. 01 July 2023 in the meeting of Board of Directors held on 04 July 2023.

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

DIRECTORS' REMUNERATION

The Company has an approved Director Remuneration policy governing remuneration of executive, non executive and independent director of the Company. The significant features of the policy are:

1. All directors including independent director are entitled to receive remuneration as per approval from the Board in The Board of Directors ("BOD") meetings.
2. The BOD on recommendation of Human Resource & Remuneration (HR & R) Committee from time to time, determines and approves the remuneration of the members of the BOD for attending Board Meetings.

Please note that the Company does not pay remuneration to its non-executive director. Aggregate amount of the remuneration paid to Chief executive, executive directors and non-executive directors have been disclosed in note 38 of the annexed financial statements.

RISK MANAGEMENT

It is our policy to view risk management as integral to the creation, protection and enhancement of shareholder value by managing the significant uncertainties and risks that could possibly influence the achievement of our corporate goals and objectives.

Following are the risk which may be face by the Company in future:

1. Devaluation of Rupee and foreign exchange controls imposed by Government of Pakistan.
2. Constant fluctuations in costs of Natural Gas & Power.

CORPORATE SOCIAL RESPONSIBILITY (ENVIROMENT PROTECTION)

The Company has entered a new stage of its environmental impact lifecycle with the successful induction of its new PV Solar Energy project, which will generate 1400MWh of clean energy, and has the potential to save the environment up to 1,000 tons of Carbon Dioxide emissions annually. This renewable energy project complements the Company's existing focus on routine measures such as tree plantation drives, control of combustion process exhaust emissions, wastewater treatment and managing hazardous and non-hazardous waste as per legal requirements through approved vendors. Your Company has renewed its ISO 14001:2015 certification for helping it achieve its outcomes regarding environmental management. Management is pleased to announce that your Company was awarded the ISO 50001 certification to mark its commitment to energy management, which will also tie into the Company's overall vision to protect the environment.

EMPLOYEES' RELATIONS

Despite the inflationary pressure, the management would like to place on record a very positive and cooperative role of employees during the year. The management would like to place on record its appreciation in this regard and will look forward to their continuous support during the difficult time that the nation is presently undergoing. The management would also like to place on record the continuous research and development by the Engineering team and the very cooperative role played by the Union in increasing the output on virtually each stage of production and reducing losses wherever possible. The support of all other departments is also acknowledged.

FUTURE OUTLOOK

Pakistan's macro-economic situation continues to present a challenge, However, the resilience of our nation and our people stand witness to sharp recoveries. Stability in the macro-economic perspective is heavily linked to political stability, and the interim government is focused on ensuring fiscal discipline and export orientation. These measures are likely to instill confidence of foreign investors to bring in investment to Pakistan and also to promote financial support from friendly countries to address immediate needs.

Your Company is pleased to inform its stakeholders that our relationships with all banks are current and we are meeting our obligations on time as per agreements.

The Company's contribution to the exchequer in the year under review is Rs. 906 Million (Rs 569 Million in last year) in the shape of import duty, sales tax, income tax and other government levies. last year) in the shape of import duty, sales tax, income tax and other government levies.

ACKNOWLEDGEMENT

We would like to thank our Board of Directors for their continued guidance, and our entire management team for their hard work to ensure a positive trajectory of the Company. We would also like to acknowledge the support of our shareholders, financial institution partners and creditors for closing a successful year.

DIVIDEND

The Board has recommended Cash Dividend @ 5% (i.e.; Rs.0.50) per share to all the shareholders for the year ended June 30, 2023 subject to the approval of shareholders in AGM meeting.

PATTERN OF SHAREHOLDING

The pattern of shareholding as on June 30, 2023 and its disclosure, as required by the Code of Corporate Governance is annexed with this report.

FINANCIAL HIGHLIGHTS

The key financial highlights for the last 10 years performance of the Company is available in this report.

AUDITORS

As proposed by the Audit Committee and recommended by the Board, the present auditors M/s Crowe Hussain Chaudhury & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment if approved by the shareholders in Annual General Meeting.

For and on behalf of the board of Directors

Salem Rehman
Chief Executive Officer
Lahore: September 5, 2023

Ahsan Suhail Mannan
Director / Company Secretary

ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے، ہم آپ کو کمپنی کی 68ویں سالانہ جنرل اجلاس میں خوش آمدید کہتے ہیں اور آپ کو 30 جون 2023 کو ختم ہونے والے سال کے لئے آڈٹ شدہ مالی بیانات اور آڈیٹرز کی رپورٹ پیش کرتے ہیں۔ مالی نتائج اس طرح سے ہیں:

تفصیل	2023 روپے	2022 روپے
قبل از ٹیکس نفع	419,946,320	277,904,523
ٹیکس	(127,030,403)	(61,002,796)
بعد از ٹیکس نفع	292,915,917	216,901,727
حقیقی قیمت پر نفع/(نقصان)	(5,076,639)	(1,978,210)
کلی جامع نفع	287,839,278	214,923,517
از سر نو تعین پر اضافی تحقیر	28,833,204	22,196,342
30 جون کو ختم ہونے والے سال کے لیے حتمی منافع کی ادائیگی	(17,500,000)	(35,000,000)
	299,172,482	202,119,859
ذخائر بشمول جمع شدہ نفع B/F	505,111,998	302,992,139
ذخائر بشمول جمع شدہ نفع C/F	804,284,480	505,111,998
آمدنی فی شیئر	8.37	6.2

زیر عمل نتائج کا جائزہ:

عالمی نقطہ نظر:

زیر جائزہ مدت کے دوران عالمی ترقی میں نمایاں طور پر کمی آئی ہے۔ کوویڈ دور سے کچھ بحالی کے باوجود، یوکرین اور روس کے طویل تنازع اور ترقی یافتہ معیشتوں میں عمومی سست روی نے ابھرتی ہوئی مارکیٹوں اور ترقی پذیر معیشتوں میں ترقی کی رکاوٹوں کو جنم دیا ہے۔ کوویڈ سے متعلق سپلائی سائیڈ کے اثرات سے عالمی منظر نامے میں افراط زر کے رجحانات کو کنٹرول کرنے کے لئے سخت مانیٹری پالیسیوں کو ایک آلے کے طور پر استعمال کیا جارہا ہے جس سے ابھرتی ہوئی مارکیٹوں میں مالیاتی استحکام کے اہم چیلنجز پیدا ہوئے ہیں، جو قرض لینے کی لاگت اور کرنسی کی شرح تبادلہ میں اتار چڑھاؤ کی وجہ سے پیچیدہ ہوگئے ہیں۔ اس صورتحال سے ابھرتی ہوئی معیشتوں میں ترقی کے تخمینوں میں نرمی اور مستقبل قریب میں سرکاری اور نجی دونوں شعبوں کے اخراجات میں زبردست تبدیلی کا امکان ہے۔

مقامی ماحول اور چیلنجز:

مالی سال 2023 کی پہلی ششماہی میں پاکستان میں معاشی عدم استحکام کی بلند سطح دیکھی گئی۔ مستقبل قریب میں IMF کے ساتھ طویل عرصے سے منتظر معاہدے کی بنیاد پر معاشی منظر نامے میں استحکام آنے کی توقع ہے، جس کے نتیجے میں دوست ممالک کی جانب سے اسٹیٹ بینک آف پاکستان (SBP) کے زرمبادلہ کے ذخائر کو بڑھانے کے لئے مزید مدد ملے گی جو 2023 کے اوائل میں تیزی سے گر گئے تھے۔ توقع ہے کہ آئندہ انتخابات کے ذریعے سیاسی استحکام کی بحالی سے استحکام کے عمل کو مزید تقویت ملے گی۔

معاشی محاذ پر پاکستانی روپے کی قدر میں امریکی ڈالر کے مقابلے میں 286 روپے کی قدر میں تیزی سے کمی کی وجہ سے پاکستان کو ایک پریشان کن صورتحال کا سامنا کرنا پڑا، جو مالی سال 2023 کے آغاز سے اب تک 27 فیصد کمی کو ظاہر کرتا ہے۔ اس قدر میں کمی کا مجموعی افراط زر کی سطح پر کئی گنا اثر پڑا اور اس کے نتیجے میں ماہانہ بنیادوں پر افراط زر کی ریکارڈ

سطح 40 فیصد تک پہنچ گئی۔ اس افراط زر کا مقابلہ کرنے کے لیے اسٹیٹ بینک آف پاکستان (SBP) نے مداخلت کرتے ہوئے پالیسی ریٹ کو بڑھا کر 22 فیصد کر دیا جو مالی سال 2022-23 کے دوران 800 bps کا اضافہ ہے۔

پالیسی اقدامات سے ترقی کے نقطہ نظر پر منفی اثر پڑے گا، لیکن توقع ہے کہ افراط زر کے رجحانات پر قابو پایا جائے گا اور مختصر مدت میں کرنسی کی قدر میں کمی کو روکا جائے گا۔

کمپنی کی مالی کارکردگی:

زیر غور مدت میں آپ کی کمپنی نے 3,545.52 ملین روپے کی سیلز آمدنی حاصل کی ہے جو سال بہ سال کی بنیاد پر 37 فیصد اضافہ ظاہر کرتی ہے۔ نتیجتاً آپ کی کمپنی نے 419.95 ملین روپے کا قبل از ٹیکس منافع اور 292.92 ملین روپے کا بعد از ٹیکس منافع کمایا۔ موجودہ مالی حالات نے پیداواری صلاحیت میں ٹھوس اضافے اور برآمدی مارکیٹ میں اس نئی صلاحیت کی تقسیم کے ساتھ ساتھ اپنی مصنوعات کی پیشکش میں نئی ہائی وولٹیج سوئچ گیئر مصنوعات متعارف کرانے کے لئے اپنی پروڈکٹ لائن میں تنوع کے ذریعے آپ کی کمپنی کی کاروباری سرگرمیاں میں تبدیلی کی عکاسی کرنا شروع کر دی ہے۔ اپنی دیرینہ روایت کو برقرار رکھتے ہوئے ایمکو دیسی ہائی وولٹیج مصنوعات متعارف کرا رہا ہے جو پاکستان میں پہلی بار تیار کی جائیں گی۔ اس اقدام کے ایک حصے کے طور پر، ایمکو نے اپنی جدید ترین ہائی وولٹیج ٹیسٹنگ سہولت کو بھی اپ گریڈ کیا ہے، جس سے پاکستان اور عالمی مارکیٹ میں توانائی کے شعبے میں خدمات انجام دینے والے اہم ممبر کی حیثیت سے ایمکو کی پوزیشن مضبوط ہو گی۔

آپ کی کمپنی کے لئے، آپریشنز کے پیمانے اور دائرہ کار دونوں کو بڑھانے کے لئے توسیعی منصوبوں کے وقت کا مطلب یہ ہے کہ ہم مقامی مارکیٹ اور برآمدی مارکیٹ کے لئے اپنی مصنوعات کے لئے زیادہ مسابقتی ہونے کے لئے بہتر طور پر تیار ہیں۔

مجموعی طور پر، زیر جائزہ مدت آپ کی کمپنی کے لئے غیر معمولی طور پر مشکل تھی۔ سب سے پہلے اور سب سے اہم بات یہ ہے کہ پاکستان میں جون سے اکتوبر 2022 کے دوران آنے والے تباہ کن سیلاب نے پاکستان کا ایک تہائی سے زیادہ رقبہ متاثر کر دیا اور اس کے نتیجے میں حکومت کے امدادی اور بحالی کے اقدامات کو پورا کرنے کے اخراجات میں نمایاں تبدیلی آئی۔

مئی 2022 میں اسٹیٹ بینک کی جانب سے متعارف کرائی گئی درآمدی پابندیوں نے آپ کی کمپنی کے آپریشنز کو نمایاں طور پر متاثر کیا۔ آپ کی کمپنی کی انتظامیہ نے ہمارے شراکت دار بینکوں کے ساتھ انتھک کام کیا اور ان کی مدد کا اعتراف کیا۔ کمپنی کو سپلائی چین میں رکاوٹوں کا سامنا کرنا پڑا اور اسے اپنے متعدد آرڈرز پر عمل درآمد معطل کرنے پر مجبور ہونا پڑا، جس کے نتیجے میں 30 جون 2023 کو ختم ہونے والی مدت کے لئے ریکارڈ کردہ فروخت کے مقابلے میں 73.94 ملین روپے کے نقصانات (LDs) ہوئے۔ درآمدی پابندیوں کے نتیجے میں آپ کی کمپنی کو درآمدات پر غیر معمولی ڈیٹینشن اور ڈیمرج چارجز کا بھی سامنا کرنا پڑا، جس نے اس مدت کے دوران درآمد شدہ مواد کی زمینی لاگت میں اضافہ کیا۔ ان رکاوٹوں اور ایل ڈیز کے مالی اثرات آنے والے سال کے دوران مالی معاملات پر اثر انداز ہوتے رہیں گے۔

روپے کی قدر میں تیزی سے کمی کے نتیجے میں درآمدی خام مال کی زمینی لاگت، پیٹرولیم کی قیمتوں، توانائی کی شرحوں اور تمام انپٹس میں افراط زر کے رجحان میں اضافہ ہوا اور خاص طور پر 2022-23 کی چوتھی سہ ماہی میں مجموعی مارجن پر دباؤ پڑا۔

مذکورہ بالا چیلنجز کے باوجود اللہ تعالیٰ کے فضل و کرم سے آپ کی کمپنی آپریشنل اور مالی نقطہ نظر سے مثبت نتائج حاصل کرنے میں کامیاب رہی ہے۔ درآمدات سے متعلق چیلنجز نے انتظامیہ کی طرف سے درآمدات پر انحصار کم کرنے اور اپنی سپلائی چین میں درآمد شدہ پرزوں کو مقامی بنانے کے لئے جارحانہ کوششوں کے سلسلے کو بھی ترغیب دی۔ آپ کی کمپنی آنے والے ادوار میں ان اقدامات سے فائدہ اٹھائے گی، خاص طور پر پاکستانی روپے کی کرنسی کی مسلسل گراوٹ میں۔

گزشتہ سال کے دوران 5288 ٹن کے مقابلے میں اس سال انسولیٹر کی پیداوار 5032 ٹن ریکارڈ کی گئی۔ پیداواری صلاحیت فی الحال دوبارہ تشکیل نو کے مرحلے میں ہے کیونکہ آپ کی کمپنی برآمدی مارکیٹ کے لئے نئی قسم کی مصنوعات کے لئے پیداوار کی صلاحیت مختص کرتی ہے، نیز ہائی وولٹیج سب اسٹیشن مصنوعات میں مختص کرنے کے لئے سوئچ گیئر / آلہ انسولیٹرز کے لئے بھی۔ یہ دوبارہ تشکیلات پلانٹ کی صلاحیت کو کم کرتی ہیں کیونکہ ہر مصنوعات کا حجم / سائز کافی زیادہ ہوتا ہے جو بھٹیوں میں زیادہ درجہ حرارت کے عمل کے ذریعہ تیار اور بھیجا جاتا ہے۔

انسولیٹرز اور سوئچ گیئر مصنوعات کی مارکیٹ میں طلب پاکستان کے ساتھ ساتھ برآمدی مارکیٹ کے لئے بھی مثبت سمت میں جاری ہے۔ توانائی کے موجودہ بنیادی ڈھانچے کی بحالی، اور نئے بنیادی ڈھانچے کی ترقی ایمکو کی مصنوعات کے لئے بنیادی طلب کے ذریعے بنے ہوئے ہیں۔ موجودہ آرڈرز 5 ماہ سے زیادہ کی پیداواری صلاحیت کے حامل ہیں۔ اسی طرح ہائی وولٹیج ڈس کنیکٹ سوئچز اور انسٹرومنٹ ٹرانسفارمرز کو شامل کر کے اپنے سب اسٹیشن سازوسامان کے پورٹ فولیو کو وسعت دینے پر کمپنی کی نئی توجہ نے ان مصنوعات کی غیر معمولی مضبوط طلب کی بنیاد پر ثمرات حاصل کیے ہیں۔ ہمارا آر ٹی وی کوٹنگ ڈپارٹمنٹ، جو ایمکو کو پاور ٹرانسمیشن نیٹ ورک کے لئے قابل اعتماد بہتری پیش کرنے کی اجازت دیتا ہے، نے بھی ترقی کی ہے، اس کاروباری یونٹ نے اس سال کے لئے 79 ملین روپے سے زیادہ کی سیلز آمدنی حاصل کی ہے۔

اس عرصے کے دوران براہ راست برآمدات کی فروخت 79.73 ملین روپے رہی جس میں امریکہ، متحدہ عرب امارات اور ترکی کو فروخت شامل ہیں۔ آپ کی کمپنی کی انتظامیہ نے پہلے ہی برآمدی مارکیٹ کے لئے کافی حد تک بہتر آرڈر حاصل کر لئے ہیں، جو عملدرآمد کے مرحلے میں ہیں، اور کمپنی سال بہ سال کی بنیاد پر برآمدات کو بڑھانے کا ارادہ رکھتی ہے۔

آپ کی کمپنی کا بی ایم آر پروجیکٹ اچھی طرح سے جاری ہے اور دسمبر 2023 تک مکمل ہونے کی توقع ہے، جو کمپنی کو درپیش درآمدی پابندیوں کی وجہ سے اصل ٹائم لائنز کے مقابلے پر تھوڑا تاخیر کا شکار ہے۔ تاہم، رواں مالی سال کے دوران اضافی صلاحیت کو کھول دیا گیا تھا، جس سے تاخیر کے خطرے کو کم کیا جائے گا کیونکہ پیداوار اور فروخت میں اضافے کو پہلے ہی مستقل بنیادوں پر محسوس کیا جا چکا ہے. اسی طرح ہائی وولٹیج انسٹرومنٹ ٹرانسفارمرز کی پیداواری سہولت دسمبر 2023 تک مکمل طور پر آن لائن ہونے کی توقع ہے جو کہ تین ماہ کی تاخیر سے ہے۔ تاہم کمپنی نے، مقامی مارکیٹ میں داخل ہونے کے لیے جزوی طور پر درآمد شدہ آلات ٹرانسفارمر کی مصنوعات کو کامیابی سے پیش کرنا شروع کر دیا ہے۔

مجموعی طور پر ملکی معاشی چیلنجوں کی وجہ سے، مالیاتی ادارے بھی نجی شعبے کے اداروں کو نئی مالی اعانت فراہم کرنے میں عموماً قدامت پسند رہے ہیں۔ ایمکو کی انتظامیہ پرامید ہے کہ مظبوط بنیادی اصولوں اور مالیاتی کارکردگی کی بنیاد پر ، ہمارے مالیاتی شراکت دار ہماری مسلسل ترقی کی رفتار کے لیے کمپنی کو مطلوبہ تعاون فراہم کرنے کے لیے قائل ہوں گے۔

کارپوریٹ گورننس کا ضابطہ:

پاکستان اسٹاک ایکسچینج کی جانب سے 30 جون 2023 کو ختم ہونے والے سال کے لیے لسٹنگ ریگولیشنز میں طے کردہ کوڈ آف کارپوریٹ گورننس کے تقاضوں کو کمپنی کی جانب سے اپنایا گیا ہے اور ان کی مناسب تعمیل کی گئی ہے۔ اس سلسلے میں ایک بیان رپورٹ کے ساتھ منسلک کیا گیا ہے۔

ضابطہ کی دفعات کی تعمیل میں، بورڈ کے ممبران مندرجہ ذیل بیان کو ریکارڈ پر لانے پر خوش ہیں۔

جون، 2023 کو ختم ہونے والے سال کے مالی بیانات اس کی کارکردگی، اس کے آپریشنز کے نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلیوں کو واضح اظہار ہے۔

اکاونٹنگ کی مناسب / درست کتابیں برقرار رکھی گئی ہیں۔

مناسب اکاونٹنگ پالیسیاں 30 جون 2023 کو ختم ہوے سال کے لیے مالی بیانات کی تیاری کے لیے مستقل طور پر لاگو کی گئیں، اکاونٹنگ کے تخمینے معقول اور محتاط فیصلے پر مبنی ہیں۔

بین الاقوامی اکاونٹنگ معیارات (IAS) جیسے کہ پاکستان میں قابل اطلاق ہیں پر مالی بیانات کی تیاری میں عمل کیا گیا ہے

کارپوریٹ گورننس کے بہترین طریقوں سے انحراف نہیں ہوا ہے، جیسا کہ فہرست سازی کے ضوابط میں تفصیل ہے۔

11 بورڈ ڈائریکٹرز میں سے 03 ڈائریکٹرز (طارق رحمان، جاوید شفیق صدیقی اور عثمان حق) کو ڈی ٹی پی سے مستثنیٰ قرار دیا گیا ہے کیونکہ وہ کم از کم 14 سال کی تعلیم اور لسٹڈ کمپنی کے بورڈ میں 15 سال کے تجربے کی بنیاد پر استثنیٰ کے اہل ہیں۔

11 بورڈ ڈائریکٹرز میں سے 07 نے ڈی ٹی پی مکمل کر لیا ہے (احسن سہیل منان، سید محمد محسن، عائشہ مصدق حمید، چوہدری عمران علی، سالم رحمان، عثمان حمید چوہدری اور اویس نورانی)۔

مجموعی طور پر 90.90 فیصد بورڈ آف ڈائریکٹرز یا تو ڈی ٹی پی مکمل کر چکے ہیں یا اس سے مستثنیٰ ہیں۔

31 دسمبر 2022 تک آڈٹ شدہ کھاتوں کی بنیاد پر پراویڈنٹ فنڈ کے اثاثوں کی مالیت 62.6 ملین روپے تھی۔ سرمایہ کاری کی قیمت میں جمع شدہ سود بھی شامل ہے۔

بورڈ کا اجلاس:

نمبر شمار	نام ڈائریکٹر	
1	جناب جاوید شفیق صدیقی	نان ایگزیکٹیو ڈائریکٹر / چیئرمین
2	جناب طارق رحمان	چیف ایگزیکٹو / مینجنگ ڈائریکٹر / ایگزیکٹو
3	جناب پرویز شفیق صدیقی	نان ایگزیکٹیو ڈائریکٹر
4	جناب عثمان حق	نان ایگزیکٹیو ڈائریکٹر
5	جناب سالم رحمان	ایگزیکٹو ڈائریکٹر
6	جناب احسن سہیل منان	ایگزیکٹو ڈائریکٹر / کمپنی سیکرٹری
7	جناب اویس نورانی	نان ایگزیکٹیو ڈائریکٹر
8	مسز عائشہ مصدق حمید	آزاد ڈائریکٹر
9	چوہدری عمران علی	آزاد ڈائریکٹر
10	سید محمد محسن	آزاد ڈائریکٹر
11	جناب عثمان حمید چوہدری	آزاد ڈائریکٹر

جیسا کہ اوپر درج کیا گیا ہے، کل 11 ڈائریکٹرز تھے جن میں 04 آزاد ڈائریکٹرز (03 مرد اور 01 خواتین) شامل تھے۔ اکتوبر 2022 میں جناب سہیل منان کے انتقال کے بعد، جناب عثمان حمید چوہدری کو جنوری 2023 میں آزاد ڈائریکٹر کے طور پر مقرر کیا گیا تھا تاکہ عارضی خالی آسامیوں کو پر کیا جاسکے اور کارپوریٹ گورننس کی ضروریات کو پورا کیا جاسکے۔

مزید برآں، بورڈ کی تشکیل نو 12 ڈائریکٹروں کے ساتھ کی گئی ہے اور اس سے نیچے بورڈ کی تشکیل ہے۔ یہ ڈائریکٹرز یکم جولائی 2023 سے شروع ہونے والے تین سال کی مدت کے لئے منتخب کیے جاتے ہیں۔

بورڈ آف ڈائریکٹرز، جو 12 ممبروں پر مشتمل ہے، کی ذمہ داری ہے کہ وہ آزادانہ اور شفاف طریقے سے کمپنی کی کارکردگی کی نگرانی کرے اور کمپنی کی قدر میں پائیدار ترقی کے حصول کے لئے اسٹریٹجک فیصلے کرے۔ بورڈ کے تمام ممبران کا انتخاب ہر تین سال بعد جنرل میٹنگ میں کیا جاتا ہے۔ موجودہ بورڈ آف ڈائریکٹرز کا انتخاب 26 جون 2023 کو کیا گیا تھا۔ بورڈ کے موجودہ ارکان مندرجہ ذیل ہیں:

نمبر شمار	نام ڈائریکٹر	
1	جناب جاوید شفیق صدیقی	نان ایگزیکٹیو ڈائریکٹر / چیئرمین
2	جناب عثمان حق	ایگزیکٹو ڈائریکٹر / مینجنگ ڈائریکٹر
3	جناب طارق رحمان	ایگزیکٹو ڈائریکٹر
4	جناب سالم رحمان	چیف ایگزیکٹو / ایگزیکٹو ڈائریکٹر
5	جناب پرویز شفیق صدیقی	نان ایگزیکٹیو ڈائریکٹر
6	جناب احسن سہیل منان	ایگزیکٹو ڈائریکٹر / کمپنی سیکرٹری
7	جناب عمیر نورانی	نان ایگزیکٹیو ڈائریکٹر
8	جناب سلمان جاوید صدیقی	نان ایگزیکٹیو ڈائریکٹر
9	مسز عائشہ مصدق حمید	آزاد ڈائریکٹر
10	چوہدری عمران علی	آزاد ڈائریکٹر
11	سید محمد محسن	آزاد ڈائریکٹر
12	جناب عثمان حمید چوہدری	آزاد ڈائریکٹر

بورڈ کے موجودہ ممبران کی میعاد 30-06-2026 کو ختم ہو جائے گی، اس پر عمل کرنے کے لئے ان کی رضامندی کے ساتھ، کارپوریٹ گورننس کوڈ کے تقاضوں کے طور پر مقررہ فارم پر ایک اعلامیہ داخل کیا۔

اجلاسوں سے سات دن قبل ورکنگ پیپرز کے ساتھ بورڈ میٹنگ کا تحریری نوٹس ممبران کو بھیجا گیا تھا۔ 30 جون 2023 کو ختم ہونے والے سال کے دوران بورڈ آف ڈائریکٹرز کے کل چھ اجلاس منعقد ہوئے۔ بورڈ کے ممبران کی حاضری درج ذیل تھی:

نمبر شمار	نام ڈائریکٹر	حاضری کی تعداد
1	جناب جاوید شفیق صدیقی	05
2	جناب طارق رحمان	04
3	جناب پرویز شفیق صدیقی	03
4	جناب عثمان حق	06
5	جناب سالم رحمان	06
6	جناب احسن سہیل منان	06
7	جناب اویس نورانی	04
8	مسز عائشہ مصدق حمید	02
9	چوہدری عمران علی	05
10	سید محمد محسن	06
11	جناب عثمان حمید چوہدری	04

ان ڈائریکٹرز کو غیر حاضری کی چھٹی دی گئی جو اجلاسوں میں شرکت نہیں کر سکتے تھے۔

کمپنی کے حصص کی تجارت / لین دین:

مالی سال کے دوران ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکریٹری (بشمول ان کے شریک حیات اور نابالغ بچوں) نے کمپنی کے حصص میں مندرجہ ذیل لین دین کو انجام دیا۔

نمبر شمار	نام	فروخت	خریداری
1	جناب عثمان حق (سی ڈی سی)	10،000	
2	جناب اویس نورانی		737
3	جناب احسن سہیل منان (سی ڈی سی)		477،665
4	مسز امبرین حق (سی ڈی سی)	1،164،915	

بورڈ کی کمیٹیاں:

محاسبہ کمیٹی:

محاسبہ کمیٹی سالانہ اور سہ ماہی مالیاتی گوشواروں، اندرونی آڈٹ رپورٹس اور معلومات کا جائزہ لیتی ہے اور شیئر ہولڈرز کی منظوری کے لیے بیرونی آڈیٹرز کی تقرری کی تجویز پیش کرتی ہے۔ محاسبہ کمیٹی بورڈ کے اجلاس سے پہلے اپنا اجلاس منعقد کرتا ہے۔ زیر غور سال کے دوران اے سی کے کل 6 اجلاس منعقد ہوئے۔ اس میں سالانہ آڈٹ شروع ہونے سے پہلے بیرونی آڈیٹرز کے ساتھ قانونی میٹنگز اور چیف فنانشل آفیسر اور اندرونی محاسبہ کے سربراہ کے بغیر بیرونی آڈیٹرز کے ساتھ میٹنگز شامل ہے۔

1	چودھری عمران علی	چیئرمین
2	سید محمد محسن	ممبر
3	جناب جاوید شفیق صدیقی	ممبر
4	جناب عثمان حق	ممبر

جناب احسن سہیل منان کوڈ آف کارپوریٹ گورننس ریگولیشنز 2019 کے باب 9، 27(1)(iv) کے مطابق کمیٹی کے سیکرٹری ہیں۔

26 جون 2023ء کو منعقدہ ڈائریکٹرز کے انتخابات کی وجہ سے 04 جولائی 2023 کو بورڈ آف ڈائریکٹرز کے اجلاس میں مندرجہ ذیل ممبران کو مورخہ 01 جولائی سے تین سال کی مدت کے لیے آڈٹ کمیٹی کے طور پر مقرر کیا گیا۔

1	جناب عثمان حمید چوہدری	چیئرمین
2	سید محمد محسن	ممبر
3	جناب جاوید شفیق صدیقی	ممبر
4	جناب عمیر نورانی	ممبر

جناب احسن سہیل منان کوڈ آف کارپوریٹ گورننس ریگولیشنز 2019 کے باب 9، 27(1)(iv) کے مطابق کمیٹی کے سیکرٹری ہیں۔

ایچ آر اور معاوضہ کمیٹی:

سال کے دوران ایچ آر اور معاوضہ کمیٹی کے کل دو اجلاس منعقد ہوئے۔

1	محترمہ عائشہ مصدق حامد	چیئرمین
2	جناب پرویز شفیق صدیقی	ممبر
3	جناب احسن سہیل منان	ممبر / کمیٹی سیکرٹری
4	جناب اویس نورانی	ممبر

26 جون 2023ء کو منعقدہ ڈائریکٹرز کے انتخابات کی وجہ سے 04 جولائی 2023 کو بورڈ آف ڈائریکٹرز کے اجلاس میں مندرجہ ذیل ممبران کو مورخہ 01 جولائی سے تین سال کی مدت کے لیے ایچ آر اور معاوضہ کمیٹی کے طور پر مقرر کیا گیا۔

1	محترمہ عائشہ مصدق حامد	چیئرمین
2	جناب پرویز شفیق صدیقی	ممبر
3	جناب سلمان جاوید صدیقی	ممبر
4	جناب احسن سہیل منان	ممبر / کمیٹی سیکرٹری

رسک مینجمنٹ کمیٹی:

سال کے دوران رسک مینجمنٹ کمیٹی کا مجموعی طور پر ایک اجلاس منعقد ہوا۔

1	سید محمد محسن	چیئرمین
2	جناب طارق رحمان	ممبر
3	جناب سالم رحمان	ممبر / کمیٹی سیکرٹری
4	جناب جاوید شفیق صدیقی	ممبر

26جون2023ء کو منعقدہ ڈائریکٹرز کے انتخابات کی وجہ سے 04جولائی2023 کو بورڈ آف ڈائریکٹرز کے اجلاس میں مندرجہ ذیل ممبران کو مورخہ 01جولائی سے تین سال کی مدت کے لیے رسک مینجمنٹ کمیٹی کے طور پر مقرر کیا گیا۔

1	سید محمد محسن	چیئرمین
2	جناب طارق رحمان	ممبر
3	چوہدری عمران علی	ممبر
4	جناب سالم رحمان	ممبر / کمیٹی سیکرٹری

نامزدگی کمیٹی:

زیر غور سال کے دوران نامزدگی کمیٹی کا مجموعی طور پر ایک اجلاس منعقد ہوا۔

1	چوہدری عمران علی	چیئرمین
2	جناب احسن سہیل منان	ممبر / کمیٹی سیکرٹری
3	جناب سالم رحمان	ممبر
4	جناب پرویز شفیق صدیقی	ممبر

26جون2023ء کو منعقدہ ڈائریکٹرز کے انتخابات کی وجہ سے 04جولائی2023 کو بورڈ آف ڈائریکٹرز کے اجلاس میں مندرجہ ذیل ممبران کو مورخہ 01جولائی سے تین سال کی مدت کے لیے نامزدگی کمیٹی کے طور پر مقرر کیا گیا۔

1	چوہدری عمران علی	چیئرمین
2	جناب جاوید شفیق صدیقی	ممبر
3	جناب عثمان حق	ممبر
4	جناب احسن سہیل منان	ممبر / کمیٹی سیکرٹری

ڈائریکٹرز کا معاوضہ:

کمپنی کے پاس ایک منظور شدہ ڈائریکٹر معاوضہ پالیسی ہے جو کمپنی کے ایگزیکٹو، نان ایگزیکٹو اور آزاد ڈائریکٹر کے معاوضے کو کنٹرول کرتی ہے۔ اس پالیسی کی اہم خصوصیات یہ ہیں:

1. بورڈ آف ڈائریکٹرز ("بی اوڈی") کے اجلاسوں میں بورڈ سے منظوری کے مطابق تمام ڈائریکٹرز بشمول آزاد ڈائریکٹر معاوضہ وصول کرنے کے حقدار ہیں۔
2. بی اوڈی وقتاً فوقتاً ایچ آر اینڈ آر کمیٹی کی سفارشات پر بورڈ اجلاسوں میں شرکت کے لئے بی اوڈی کے ممبروں کے معاوضے کا تعین اور منظوری دیتا ہے۔

برائے مہربانی نوٹ کریں کہ کمپنی اپنے نان ایگزیکٹو ڈائریکٹر کو معاوضہ ادا نہیں کرتی ہے۔ چیف ایگزیکٹیو، ایگزیکٹو ڈائریکٹرز اور نان ایگزیکٹیو ڈائریکٹرز کو ادا کیے جانے والے معاوضے کی مجموعی رقم منسلک مالی گوشواروں کے نوٹ 38 میں ظاہر کی گئی ہے۔

رسک مینجمنٹ:

غیر یقینی صورتحال اور خطرات کا نظم ونسق کے ذریعے حصص یافتگان کی قدر کی تشکیل، حفاظت اور اضافہ کے لیے لازمی طور پر رسک مینجمنٹ کو دیکھنا ہماری پالیسی ہے۔ جو کہ ممکنہ طور پر ہمارے کارپوریٹ اہداف اور مقاصد کی کامیابی پر اثرانداز ہوسکتی ہے۔

مندرجہ ذیل خطرات ہیں جو مستقبل میں کمپنی کو درپیش ہوسکتے ہیں:

1. روپے کی قدر میں کمی اور حکومت پاکستان کی جانب سے غیر ملکی زرمبادلہ کے کنٹرول۔
2. قدرتی گیس اور بجلی کی قیمتوں میں مسلسل اتار چڑھاؤ۔

کارپوریٹ سماجی ذمہ داری:

ماحولیاتی تحفظ:

کمپنی اپنے نئے پی وی شمسی توانائی منصوبے کی کامیاب شمولیت کے ساتھ اپنے ماحولیاتی اثرات کے لائف سائیکل کے ایک نئے مرحلے میں داخل ہوگئی ہے، جو 1400 میگاواٹ صاف توانائی پیدا کرے گی، اور ماحول کو سالانہ 1000 ٹن کاربن ڈائی آکسائیڈ کے اخراج کو بچانے کی صلاحیت رکھتی ہے۔ قابل تجدید توانائی کا یہ منصوبہ کمپنی کی معمول کے اقدامات جیسے شجرکاری مہم، دہن کے عمل کے اخراج پر قابو پانے، گندے پانی کے علاج اور منظور شدہ وینڈرز کے ذریعے قانونی تقاضوں کے مطابق خطرناک اور غیر خطرناک فضلے کا انتظام کرنے جیسے معمول کے اقدامات پر کمپنی کی موجودہ توجہ کی تکمیل کرتا ہے۔ آپ کی کمپنی نے ماحولیاتی انتظام کے بارے میں اپنے نتائج حاصل کرنے میں مدد کے لئے اپنے ISO 14001:2015 سرٹیفکیشن کی تجدید کی ہے۔ انتظامیہ کو یہ اعلان کرتے ہوئے خوشی ہے کہ آپ کی کمپنی کو توانائی کے انتظام کے لئے اپنے عزم کو ظاہر کرنے کے لئے ISO 50001 سرٹیفکیشن سے نوازا گیا تھا، جو ماحول کے تحفظ کے لئے کمپنی کے مجموعی وژن سے بھی منسلک ہوگا۔

ملازمین کے باہمی روابط:

افراط زر کے دباؤ کے باوجود، انتظامیہ سال کے دوران ملازمین کے بہت مثبت اور تعاون پر مبنی کردار ریکارڈ پر رکھنا چاہتی ہے. انتظامیہ اس سلسلے میں اپنی تعریف ریکارڈ پر رکھنا چاہتی ہے اور اس مشکل وقت میں ان کے مسلسل تعاون کی منتظر رہے گی جس سے اس وقت ملک گزر رہا ہے۔ انتظامیہ انجینئرنگ ٹیم کی طرف سے مسلسل تحقیق اور ترقی اور پیداوار کے تقریباہر مرحلے پر پیداوار میں اضافہ کرنے اور جہاں بھی ممکن ہو نقصانات کو کم کرنے میں یونین کے ذریعہ ادا کیے جانے والے انتہائی تعاون کے کردار کو ریکارڈ پر رکھنا چاہتی ہے۔ دیگر تمام محکموں کی حمایت کا بھی اعتراف کیا جاتا ہے۔

مستقبل کا نقطہ نظر:

پاکستان کی میکرو اکنامک صورتحال ایک چیلنج پیش کر رہی ہے، تاہم، ہماری قوم اور ہمارے عوام کی لچک تیزی سے بحالی کی گواہ ہے. میکرو اکنامک تناظر میں استحکام سیاسی استحکام سے جڑا ہوا ہے اور عبوری حکومت مالی نظم وضبط اور برآمدات کے رجحان کو یقینی بنانے پر توجہ مرکوز کیے ہوئے ہے۔ ان اقدامات سے غیر ملکی سرمایہ کاروں میں پاکستان میں سرمایہ کاری لانے اور فوری ضروریات کو پورا کرنے کے لئے دوست ممالک کی مالی مدد کو فروغ دینے کا اعتماد پیدا ہونے کا امکان ہے۔

آپ کی کمپنی اپنے اسٹیک ہولڈرز کو مطلع کرتے ہوئے خوش ہے کہ تمام بینکوں کے ساتھ ہمارے تعلقات موجودہ ہیں اور ہم معاہدوں کے مطابق اپنی ذمہ داریوں کو وقت پر پورا کر رہے ہیں۔

امپورٹ ڈیوٹی، سیلز ٹیکس، انکم ٹیکس اور دیگر سرکاری لیویز کی مد میں کمپنی کا سرکاری خزانے میں حصہ 906 ملین روپے (گزشتہ سال 569 ملین روپے) ہے۔

اعتراف:

ہم اپنے بورڈ آف ڈائریکٹرز کا ان کی مسلسل رہنمائی کے لئے شکریہ ادا کرنا چاہتے ہیں، اور ہماری پوری مینجمنٹ ٹیم کو کمپنی کے مثبت راستے کو یقینی بنانے کے لئے ان کی سخت محنت کے لئے. ہم ایک کامیاب سال کے اختتام پر اپنے شیئر ہولڈرز، مالیاتی اداروں کے شراکت داروں اور قرض دہندگان کی حمایت کا بھی اعتراف کرنا چاہیں گے۔

حصص دران کا منافع:

بورڈ نے 30 جون 2023 کو ختم ہونے والے سال کے لیے تمام حصص داران کو 5٪ (یعنی پچاس پیسہ) فی حصص نقد منافع (ڈیویڈنڈ) کی سفارش کی ہے۔ جو کہ سلانہ عام اجلاس میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔

ملکیتی تفصیل:

30 جون، 2023 کو ملکیتی تفصیل کارپوریٹ گورنس لے ضابطہ کے مطابق اس رپورٹ کے ساتھ منسلک ہے۔

مالیاتی جھلکیاں:

کمپنی کی گزشتہ 10 سال کی کارکردگی کی اہم مالیاتی جھلکیاں اس رپورٹ میں دستیاب ہیں۔

آڈیٹرز:

جیسا کے آڈٹ کمیٹی کی سفارش اور بورڈ کی منظوری کے مطابق موجودہ آڈیٹر، میسرز کروحسین چوہدری اینڈ کمپنی چارٹرڈ اکاونٹنٹ ریٹائر ہونے اور اہل ہونے کے بعد دوبارہ تقرری کے لیے خود کو پیش کرتے ہیں۔ اگر سالانہ عام اجلاس میں حصص یافتگان کی طرف سے منظوری دی جاے ۔

بورڈ آف ڈائریکٹرز کے لئے اور ان کی طرف سے

احسن سہیل منان
ڈائریکٹر / کمپنی سیکرٹری
لاہور: 5 ستمبر 2023

سالم رحمان
چیف ایگزیکٹو آفیسر

Financial Highlights of Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
	.....(Rupees in Million).....									
Net Sales	3,546	2,586	2,077	1,598	1,386	1,148	1,006	1,058	783	932
Exports (Direct & Indirect)	80	31	34	42	22	72	118	74	44	51
Employees Costs	571	441	388	359	311	293	276	254	222	213
Profit/(Loss) before tax	420	278	280	163	139	(25)	68	38	(125)	(106)
Profit/(Loss) after tax	293	217	202	118	145	36	29	27	(98)	(104)
Earning per share (Rs / Share)	8.37	6.20	5.77	3.37	4.13	1.03	0.83	0.78	(2.80)	(2.96)
EBITDA	815	483	468	336	293	119	209	196	48	80
Capital Expenditure	554	214	192	78	75	60	22	35	18	13
"Shareholder's Equity (Excl. Rev.Surplus)"	1,270	971	769	547	408	125	72	21	(28)	50
"Shareholder's Equity (Incl. Rev.Surplus)"	2,785	2,506	2,071	1,474	1,166	1,016	993	768	422	528

Statement of Compliance

WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019
OF EMCO INDUSTRIES LIMITED FOR THE YEAR ENDED JUNE 30, 2023

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

1. The total number of Directors are 11 as per the following:
   a) Male: 10
   b) Female: 01

2. The composition of the Board is as follows:

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

* As listed above, there were a total of 11 Directors including 04 Independent Directors (03 Male & 01 Female). After the death of Mr. Suhail Mannan in October 2022, Mr. Osman Hameed Chaudhri was appointed as Independent Director in January 2023 to fill casual vacancy and to fulfil the Corporate Governance requirements.

Moreover, the Board has been reconstituted with 12 directors and below is the Board Composition. These directors are elected for a term of three years starting from 1st July 2023.

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 Siddiqi Mr. Umair Noorani
Female Director	Mrs. Ayesha Mussadaque Hamid

*The Board is reconstituted with effect from July 1, 2023. There are a total of 12 Directors including 04 Independent Directors (03 Male & 01 Female). The Company is continuously improving its governance structure.

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 a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.

9. Three members of the Board are exempted from Directors' Training Program by virtue of their requisite qualification and experience of serving on the Board of Listed Company and seven Directors have acquired prescribed certification under Directors' Training Program.

NOTE:

- Out of 11 Board Directors, 03 Directors are exempted from DTP (Mr. Tariq Rehman, Mr. Javaid Shafiq Siddiqi and Mr. Usman Haq) because they have minimum of 14 years of education and 15 years of experience on the Board of a listed Company.

- Out of 11, 07 have completed Directors' Training Program (Mrs. Ayesha Mussadaque Hamid, Syed Muhammad Mohsin, Ch. Imran Ali, Mr. Osman Hameed Chaudhri, Mr. Salem Rehman, Mr. Ahsan Suhail Mannan and Mr. Awais Noorani).

- Overall, 90.90% of the Board of Directors 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 approval of the Board.

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

a) Audit Committee:

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

The Board has appointed the following members of the Audit Committee for a period of three years w.e.f. 01.07.2023 in the meeting of the Board of Directors held on 04.07.2023.

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

Mr. Ahsan Suhail Mannan is the Committee Secretary as required by 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. Ahsan Suhail Mannan	Member / Committee Secretary
Mr. Awais Noorani	Member

The Board has appointed the following members of the HR & Remuneration Committee for a period of three years w.e.f. 01.07.2023 in the meeting of the Board of Directors held on 04.07.2023.

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

c) Risk Management Committee:

Syed Muhammad Mohsin	Chairman
Mr. Tariq Rehman	Member
Mr. Javaid Shafiq Siddiqi	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. 01.07.2023 in the meeting of the Board of Directors held on 04.07.2023.

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

d) Nomination Committee:

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

The Board has appointed the following members of the Nomination Committee for a period of three years w.e.f. 01.07.2023 in the meeting of the Board of Directors held on 04.07.2023.

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

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

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

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. Zeeshan & Co., Chartered Accountants for the year ended 30th June 2023, 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 (if applicable):

    Reference to clause 9 of Statement of Compliance "Directors' Training Programs (DTP)", overall, 90.90% of the Board of Directors have either completed the Directors' Training Program or are exempted from it. Out of 11 Directors, only 01 Director has to complete the course and he will attend the course in the coming year.

    Moreover DTP, we confirm that all other requirements of the Regulations have been complied with.



(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, 2023 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, 2023.

Further, we highlight below instance of non-compliance with the requirement of the Regulations as reflected in the paragraph reference where it is stated in the Statement of Compliance:

Sr.No	Paragraph Reference	Description
1	9	One Director out of eleven Directors of the Company has not acquired the prescribed certification under the Directors' Training Program as required under Regulation 19 of the Regulations.

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore
Dated: September 06, 2023
UDIN: CR202310051PgEUkuyJV

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, 2023 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 statement, including a summary of significant accounting policies 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, statement of profit or loss, 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, 2023 and of the profit, its 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 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 3.16 & 24 to the financial statements. As at June 30, 2023, the Company's gross trade receivables were Rs. 784.48 million against which provision of Rs. 35.57 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 3.20 & 27 to the financial statements. 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	Our key audit procedures to valuation of trade receivables included: • 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. • Testing the accuracy of aging report, on sample basis, by comparing individual balances in the report with underlying documentation. • Assessing the appropriateness of assumptions and estimates made by management for the expected credit loss by comparing on sample basis, historic cash collection, actual write offs and cash receipts from customers subsequent to reporting date.

Key Audit Matters	How the matter was addressed in our report
Company, inherent risk of material misstatement and significant increase in revenue from last year.	Our key audit procedures to revenue included: • Obtained an understanding of the Company's processes related internal controls for revenue recognition and on a sample basis, tested the operating effectiveness of those controls. • Obtained an understanding of the Company's processes and related internal controls for revenue recognition and on a sample basis, tested the operating effectiveness of those controls. • Assessed the appropriateness of the Company's revenue accounting policies and their compliance with applicable financial accounting and reporting standards. • 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 cut-off procedures on near year end sales to ensure revenue has been recorded in the correct period. • Performed test of details and vouched sale transactions. • Checked receipts from customers to whom sales are made. • Checked that the presentation and disclosure related to revenue are in accordance with applicable accounting and reporting standards.
2. Stock in Trade	
Refer to note 3.14 & 23 to the financial statements. We identified this area as a key audit matter because inventories constitute significant portion of total assets of the Company. Further, determining an appropriate write down as a result of net realizable value (NRV) and provision for slow moving inventories involves management judgment and estimation.	Our key audit procedures included: • Observed physical inventory count procedures and compared on a sample basis, physical count with inventory sheets. • Compared on sample basis specific purchases and directly attributable cost with underlying supporting documents. • Checked overhead absorption rates at different stages of production to ascertain valuation of work in process and finished goods. • 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. • Assessed the provision for slow moving stock as at the year end and assessed whether it is in accordance with the Company's policies and relevant accounting and reporting standards. • 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 auditors' 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 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

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

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 05, 2023
UDIN: AR202310051U6fPzEo5Q

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital			
40,000,000 (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 (2022: 35,000,000) ordinary shares of Rs. 10 each		350,000,000	350,000,000
Reserves	5	804,284,480	505,111,998
Sponsors' loan	6	115,708,828	115,708,828
Surplus on revaluation of property, plant and equipment	7	1,515,280,108	1,535,459,273
		2,785,273,416	2,506,280,099
Non Current Liabilities			
Long term financing	8	649,898,404	291,240,523
Lease liabilities	9	5,845,125	-
Post employment benefits	10	120,389,472	91,015,646
Deferred tax liability	11	244,836,598	224,765,307
Long term security deposit		4,567,584	719,584
		1,025,537,183	607,741,060
Current Liabilities			
Trade and other payables	12	524,593,748	341,653,945
Unclaimed dividends		524,915	525,321
Accrued finance cost	13	87,792,537	39,452,380
Short term borrowings	14	851,500,589	690,420,249
Current portion of non-current liabilities	15	63,439,347	58,237,039
		1,527,851,136	1,130,288,934
Contingencies and Commitments	16	-	-
Total Equity and Liabilities		5,338,661,735	4,244,310,093
ASSETS			
Non Current Assets			
Property, plant and equipment	17	2,814,375,478	2,398,443,176
Investment properties	18	84,988,507	84,376,437
Intangible assets	19	846,171	1,124,919
Long term prepayments and other receivables	20	27,029,063	33,878,373
Long term loans	21	1,858,430	1,431,940
Long term deposits		2,259,500	3,751,900
		2,931,357,149	2,523,006,745
Current Assets			
Stores, spares and loose tools	22	110,595,465	126,248,948
Stock in trade	23	1,240,566,496	760,040,464
Trade receivables	24	748,910,891	624,141,222
Advances, deposits, prepayments and other receivables	25	162,395,917	125,002,616
Income tax refundable from the Government		126,438,566	70,160,997
Cash and bank balances	26	18,397,251	15,709,101
		2,407,304,586	1,721,303,348
Total Assets		5,338,661,735	4,244,310,093

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, 2023

	Note	2023 Rupees	2022 Rupees
Revenue	27	3,545,524,014	2,586,227,053
Cost of revenue	28	(2,581,172,211)	(1,975,028,743)
Gross Profit		964,351,803	611,198,310
Administrative expenses	29	(134,041,835)	(102,741,656)
Selling and distribution expenses	30	(66,470,097)	(52,243,166)
		(200,511,932)	(154,984,822)
Operating Profit		763,839,871	456,213,488
Other operating expenses	31	(119,437,147)	(105,460,706)
Other income	32	23,535,241	30,436,906
Finance cost	33	(247,991,645)	(103,285,165)
Profit before Taxation		419,946,320	277,904,523
Taxation	34	(127,030,403)	(61,002,796)
Net Profit for the Year		292,915,917	216,901,727
Earnings per Share - Basic and Diluted	35	8.37	6.20

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, 2023

	Note	2023 Rupees	2022 Rupees
Net Profit for the Year		292,915,917	216,901,727
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial losses due to experience adjustments	10.2	(7,406,395)	(2,765,644)
Related tax impact	11.1	2,329,756	787,434
Surplus on revaluation of property, plant and equipment	7	-	361,686,965
Related tax impact	11.1	-	(78,378,941)
Items that may be reclassified to profit or loss		-	-
Other comprehensive (loss) / income - net of tax		(5,076,639)	281,329,814
Total Comprehensive Income for the Year		287,839,278	498,231,541

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, 2023

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, 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
Net profit for the year	-	-	-	216,901,727	216,901,727	-	-	216,901,727
Other comprehensive income for the year	-	-	-	(1,978,210)	(1,978,210)	-	283,308,024	281,329,814
Total comprehensive income for the year	-	-	-	214,923,517	214,923,517	-	283,308,024	498,231,541
Incremental depreciation for the year on surplus on revaluation of property, plant and equipment - net	-	-	-	22,196,342	22,196,342	-	(22,196,342)	-
Payment of final dividend for the year ended June 30, 2021	-	-	-	(35,000,000)	(35,000,000)	-	-	(35,000,000)
Effect of change in effective tax rate	-	-	-	-	-	-	(28,049,769)	(28,049,769)
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
Net profit for the year	-	-	-	292,915,917	292,915,917	-	-	292,915,917
Other comprehensive loss for the year	-	-	-	(5,076,639)	(5,076,639)	-	-	(5,076,639)
Total comprehensive income for the year	-	-	-	287,839,278	287,839,278	-	-	287,839,278
Incremental depreciation for the year on surplus on revaluation of property, plant and equipment - net	-	-	-	28,833,204	28,833,204	-	(28,833,204)	-
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	-	-	-	-	-	-	8,654,039	8,654,039
Balance as at June 30, 2023	350,000,000	39,898,526	90,000,000	674,385,954	804,284,480	115,708,828	1,515,280,108	2,785,273,416

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, 2023

	Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Generated from Operations	36	401,542,663	184,070,047
Changes in:			
Long term prepayments and other receivables		18,126,828	2,969,328
Long term security deposit		3,848,000	-
		21,974,828	2,969,328
Finance cost paid		(201,576,370)	(73,597,678)
Gratuity paid		(4,910,456)	(5,459,077)
Payments against discontinued provident fund		(41,524)	(542,116)
Workers' Profit Participation Fund paid		(15,282,047)	(15,041,244)
Income tax paid / withheld		(152,252,887)	(44,744,621)
		(374,063,284)	(139,384,736)
Net Cash Generated from Operating Activities		49,454,207	47,654,639
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(113,104,263)	(61,318,098)
Capital work in progress		(441,361,519)	(152,431,838)
(Disbursment) / Recoveries of long term loans - net		(699,560)	(922,290)
Rental income		10,268,260	9,574,276
Proceeds from disposal of property, plant and equipment		5,400,616	2,700,000
Net Cash Used in Investing Activities		(539,496,466)	(202,397,950)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(121,281,201)	(109,326,369)
Proceeds from long term financing		473,343,519	267,268,867
Repayment of lease liabilities		(2,911,843)	(3,219,780)
Dividend paid		(17,500,406)	(34,718,356)
Short term borrowings obtained / (repaid) - net		161,080,340	9,822,193
Net Cash Generated from Financing Activities	37	492,730,409	129,826,555
Net Increase / (Decrease) in Cash and Cash Equivalents		2,688,150	(24,916,756)
Cash and cash equivalents at the beginning of the year		15,709,101	40,625,857
Cash and Cash Equivalents at the End of the Year		18,397,251	15,709,101

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, 2023

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 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 is as under:

Business unit	Geographical location
Head / Registered office	4th Floor, National Tower, 28 Egerton Road, Lahore.
Factory	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. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS), 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 and directives issued under the Companies Act, 2017.

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

These financial statements provide comparative information in respect of the previous year. In addition when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements has been made. During the year no restatement has been made.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except to the extent of the following:

Deferred markup, interest free loans from related parties and provident fund loan	Note 8	Stated at Amortised cost
Post employement 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

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 have been rounded off to the nearest rupee, unless otherwise stated.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with 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. Accounting estimates are revised in the period in which such revisions are made. Significant management estimates in these financial statements relate primarily 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
- Useful lives, residual values and amortization method of intangible assets – Note 3.10 & 19
- Provision for impairment of inventories - Note 3.13, 3.14, 22 & 23
- Impairment loss of non-financial assets other than inventories – Note 3.11 & 17
- Provision for expected credit losses, liquidity damages – Note 3.15.1.5, 24 & 25
- Obligation of post employment benefits - Note 3.2 & 10
- Estimation of provisions - Note 3.1 & 12
- Estimation of contingent liabilities - Note 3.21 & 16
- Current income tax expense, provision for current tax and recognition of deferred tax asset (for carried forward tax losses) - Note 3.3, 11 & 34

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, 2023. These standards, amendments and interpretations 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.

	Effective Date - Annual (Period beginning on or after)
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 1, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 1, 2022
Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 1, 2022

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.

	Effective Date - Annual (Period beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
Amendments to IAS 12 ' Income taxes' - International Tax Reform — Pillar Two Model Rules	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IFRS 16 ' Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements	January 01, 2024
Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

'Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

'- IFRS 1 – First Time Adoption of International Financial Reporting Standards
'- IFRS 17 – Insurance Contracts

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

3. Significant Accounting Policies

Significant 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 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.

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 gratuity fund is governed under the Trusts Act, 1882, Trust Deed and Rules of Fund, the Companies Act, 2017, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002. Responsibility for governance of plan, including investment decisions and contribution schedule lies with the Board of Trustees of the Fund.

"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.

3.3.1 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.

3.3.2 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 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 EIR method.

3.5 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 to 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.

3.5.1 Company as a lessee

3.5.1.1 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.

3.5.1.2 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).

3.5.1.3 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 17.1).

3.6 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.

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 and vehicles, 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 month in which the assets are available for use while no depreciation is charged in the month in which the assets are disposed off. Rates of depreciation 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, palnt 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 amortization and identified impairment losses, if any. Amortization 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 amortization period and the amortization method for intangible assets are reviewed, at each reporting date, and adjusted if impact on amortization is significant. ERP software is being amortized over 10 years based on estimated useful life.

3.11 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 amortization and are tested annually for impairment. Assets that are subject to depreciation or amortization 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 / amortization 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.

3.12 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.

3.13 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.

3.14 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 average cost and net realizable value. Work-in-process and finished goods comprise cost of direct materials, labor 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.

3.15 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.

3.15.1 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.

3.15.1.1 Classification

Financial assets are classified in either of the three categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. Currently, the Company classifies its financial assets at amortized 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.

3.15.1.2 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.

3.15.1.3 Subsequent measurement

Financial assets carried at amortized cost are subsequently measured using the effective interest rate (EIR) method. The amortized 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 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.

3.15.1.4 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 received cash 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.

3.15.1.5 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.

3.15.2 Financial liabilities

3.15.2.1 Initial recognition and measurement

Financial liabilities are initially classified at amortized 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 minus 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.

3.15.2.2 Subsequent measurement

The Company measures its financial liabilities subsequently at amortized cost using the EIR method. Amortized 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 amortization 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.

3.15.2.3 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.

3.15.3 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.

3.16 Balances from contract with customers

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. The Company recognizes a contract asset for the earned consideration that is conditional if the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due. However, the Company transfers goods after inspection by customers and receives payment as per terms of contract. Therefore, no contract asset arises.

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.

3.17 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.

3.18 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand and cash at banks.

3.19 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.

3.20 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, noncash consideration, and consideration payable to the customer (if any). The contracts do not contain right of return as the goods are dispactched to customer after their inspection, and customer inspection process. The Company does not offer volume discount as price is agreed through tendering.

3.21 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.

3.22 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.

3.23 Earnings per Share

The Company presents basic and diluted earnings per share (EPS). Basis 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.

3.24 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. Tariq Rahman	Director / CEO	0.379%
Mr. Osman Hameed Chaudhari	Independent director	0.003%
Mr. Javaid Shafiq	Director	6.861%
Mr. Pervaiz Shafiq Siddiqi	Director	6.861%
Mr. Usman Haq	Director	5.199%
Mr. Salem Rahman	Director	3.429%
Mr. Ahsan Suhail Mannan	Director	7.755%
Mr. Awais Noorani	Director	0.061%
Mr. Ch. Imran Ali	Director	0.001%
Mr. Syed Muhammad Mohsin	Director	0.001%
Ms. Ayesha Mussadaque Hamid	Director	0.001%
Directors' close family members	Directors' close family members	24.015%
M/s Associated Engineers (Private) Limited	Common Directorship	5.745%
M/s ICC (Private) Limited	Common Directorship	8.410%
M/s The Imperial Electric Company (Private) Limited	Common Directorship	1.662%

3.25 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.

3.26 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.

4. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2023	2022		2023	2022
No. of Share			Rupees	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

4.1 There has been no movement in ordinary share capital during the year ended June 30, 2023.

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

	2023 (Number of Shares)	2022 (Number of Shares)
Associated Engineers (Private) Limited	2,010,575	2,010,575
ICC (Private) Limited	2,943,411	2,943,411
The Imperial Electric Company (Private) Limited	581,549	581,549
	5,535,535	5,535,535

4.3 All ordinary shares rank equally with regard 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. Voting and other rights are in proportion to the shareholding.

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

5. RESERVES	Note	2023 Rupees	2022 Rupees
Capital - share premium	5.1	39,898,526	39,898,526
Revenue - general reserve		90,000,000	90,000,000
Accumulated profit		674,385,954	375,213,472
		804,284,480	505,111,998

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

6. SPONSORS' LOAN	2023 (Rupees)	2022 (Rupees)
Opening balance	115,708,828	115,708,828
Add: Additions during the year	3,009,348	-
Add: Transfer from Short term borrowing	16,761,033	-
Less: Transfer to Short term borrowing	(17,289,856)	-
Less: payments made	(2,480,525)	-
	115,708,828	115,708,828

6.1 During the current year, one of the Company's director passed away and the balance of his loan was transferred to the designated successors in accordance with the succession certificate. In order to keep the limit of subordinated loans intact, certain loans were reclassified from / to short term borrowings; and a loan from an associated company was novated in the favour of a successor sponsor director.

7. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	2023 Rupees	2022 Rupees
Land - freehold:		
Opening balance	903,427,276	783,655,104
Revaluation surplus arisen during the year	-	119,772,172
	903,427,276	903,427,276
Buildings on freehold land:		
Opening balance	316,212,903	271,710,324
Revaluation surplus arisen during the year - net	-	106,791,706
Related deferred taxation	-	(34,599,872)
	316,212,903	343,902,158
Plant and machinery:		
Opening balance	315,819,094	247,031,932
Revaluation surplus arisen during the year - net	-	135,123,087
Related deferred taxation	-	(43,779,069)
	315,819,094	338,375,950
Effect of change in tax rates	8,654,039	(28,049,769)
Incremental depreciation charged on revalued property, plant and equipment in current year net of deferred tax (transferred to retained earnings)	(28,833,204)	(22,196,342)
	1,515,280,108	1,535,459,273

7.1 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, 2022 using current market price / replacement cost methods, wherever applicable for the respective assets. This resulted in further revaluation surplus of Rs. 361.686 million.

7.2 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 actual depreciation based on revalued carrying amount of the asset and equivalent depreciation based on the original carrying amount of the asset.

7.3 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.

8. LONG TERM FINANCING	Note	2023 Rupees	2022 Rupees
Banking companies - secured			
Standard Chartered Bank (Pakistan) Limited	8.1	-	23,426,113
Discounting / unwinding of discount	8.2	-	(1,402,410)
		-	22,023,703
Habib Bank Limited	8.3	-	13,574,010
Less: Impact of deferred income - Government Grant	8.3	-	(187,949)
		-	13,386,061
The Bank of Punjab Limited	8.4	171,583,401	37,009,635
Habib Bank Limited	8.5	196,324,628	56,316,750
Askari Bank Limited	8.6	172,144,252	58,252,682
Saudi Pak Industrial and Agricultural Investment Company Limited	8.7	64,173,915	78,434,783
First Habib Modaraba - Diminishing Musharakah	8.8	75,519,626	26,357,480
		679,745,822	291,781,094
Associated companies / related parties - unsecured			
EMCO Industries Limited Provident Fund	8.9	37,129,818	71,629,818
Discounting / unwinding of discount	8.2	(7,964,564)	(17,255,061)
		29,165,254	54,374,757
		708,911,076	346,155,851
Less: current portion - banking companies	15	(59,012,672)	(54,915,328)
		649,898,404	291,240,523

8.1 The loan was restructured during the year ended June 30, 2013 and again during the year ended June 30, 2015. Under the restructured agreement the outstanding principal of Rs. 109 million carrying markup @ 3 months KIBOR per annum, was repayable by way of quarterly staggered installments over the period of 5 years. The outstanding markup payable and markup accrued after restructured agreement was to be paid after the full repayment of the principal amount. Deferred markup as at the reporting date is Nil (2022: Rs. 23.426 million). These loans were secured by joint pari passu charge on fixed assets and joint pari passu charge on current assets along with personal guarantees of certain directors of the Company. This loan has been repaid during the year.

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

8.3 This represented a term finance facility under the refinance scheme for payment of wages and salaries (RFWS Scheme) to the workers and employees for an amount up to equivalent of Rs. 60 million. The facility was sanctioned to finance wages and salaries of permanent, contractual, daily wagers as well as outsourced employees. This facility carried markup @ 3% (2022: 3%) per annum. These loans were secured by joint pari passu charge on fixed assets of the Company.

Impact of deferred income 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." This loan has been repaid during the year.

8.4 This represents a demand finance facility having limit of Rs. 200 million out of which an amount of Rs. 171.583 million was availed. The facility is sanctioned to finance the import and inland purchase of plant and machinery and carries markup @ 3 months KIBOR + 2%. This loan is secured by joint pari passu charge of Rs. 266.67 million on present and future fixed assets of the Company. The loan is repayable in 20 quarterly installments from July 2023.

8.5 This represents a term finance facility having limit of Rs. 250 million out of which an amount of Rs. 196.324 million was availed. 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. 333.34 million on fixed assets of the Company. The loan is repayable in 20 equal quarterly installments starting from September 2024.

8.6 This represents a term finance facility having limit of Rs. 210 million out of which an amount of Rs. 172.132 million was availed. The facility is sanctioned to finance the import of plant and machinery and carries markup @ 6 months KIBOR + 2%. This loan is secured by joint pari passu charge of Rs. 280 million on present and future fixed assets of the Company. The loan is repayable in 20 equal quarterly installments starting from July 2024.

8.7 This represents long term finance under the self / SBP refinancing scheme for Renewable energy amounting to Rs. 82 million. The facility is sanctioned to re-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. The loan is repayable in 23 quarterly installments starting from May 2022.

8.8 The Company acquired certain vehicles under the diminishing musharaka financing arrangements for a period of 60 months. The effective rate of the diminishing musharaka financing is 3 months KIBOR + 1.75 to 2% with floor and ceiling rates of 13% and 21% respectively (2022: 13% and 21% respectively).

8.9 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. LEASE LIABILITIES	Note	2023 Rupees	2022 Rupees
Opening balance		2,960,327	5,644,998
Add: Additions during the year		9,978,976	-
Add: Interest expense	33	311,591	535,109
Less: Excess liability written back		(199,162)	-
Less: Payments made		(2,911,843)	(3,219,780)
Gross liability		10,139,889	2,960,327
Less: Current portion	15	(4,294,764)	(2,960,327)
Closing balance		5,845,125	-

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

	Included in	Note	2023 Rupees	2022 Rupees
Carrying amount of ROU assets	Statement of financial position	17.2	9,709,274	2,486,706
Depreciation charge	Administrative expenses	17.2 & 29	2,756,408	2,798,053
Interest expense	Finance cost	33	311,591	535,109

9.2 Maturity analysis of contractually undiscounted cash flows

At June 30, 2023	Within One Year	Between Two to Five Years	Later than Five Years
	---------- Rupees ----------		
	4,294,764	5,845,125	-

9.3 Nature of leasing activities

The Company's leases comprise space taken from a related party 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.

Remaining lease term of existing lease contract is 3 year (2022: 1 year) for which lease liability is recorded.

10. POST EMPLOYMENT BENEFITS	Note	2023 Rupees	2022 Rupees
Staff gratuity - unfunded	10.1	120,389,472	91,015,646

10.1 Staff gratuity - unfunded

Latest actuarial valuation of the gratuity scheme was conducted as on June 30, 2023. Results of actuarial valuation are as under:

10.2 Movement in net liability for staff gratuity

Opening balance		91,015,646	73,930,900
Benefit due but not paid at the beginning of the year		3,903,464	4,422,911
Charge for the year - profit or loss	10.3	26,343,035	19,258,732
Actuarial losses due to experience adjustments		7,406,395	2,765,644
Payments made during the year		(4,910,456)	(5,459,077)
Benefits due but not paid		(3,368,612)	(3,903,464)
Closing balance		120,389,472	91,015,646

10.3 Charge for the year

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

	2023 Rupees	2022 Rupees
Current service cost	15,461,624	11,933,971
Interest cost	10,881,411	7,324,761
	26,343,035	19,258,732

10.4 Actuarial assumptions

	2023	2022
Discount rate - per annum	15.75%	12.25%
Expected rate of increase in salary level - per annum	14.75%	11.25%
Average expected remaining working lives of employees	10 Years	9 Years
Average duration of liability	9 Years	9 Years
Expected mortality rate for active employees	SLIC (2001-2005) Mortality Table	
Actuarial valuation method	Projected Unit Credit Method	

10.5 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:

	2023 Rupees	2022 Rupees	2021 Rupees	2020 Rupees	2019 Rupees
Present value of defined benefit obligation	120,389,472	91,015,646	73,930,900	65,690,188	53,106,698
Fair value of plan asset	-	-	-	-	-
Net liability	120,389,472	91,015,646	73,930,900	65,690,188	53,106,698

10.6 Estimated charge for the year 2023-2023

	Rupees
Current and past service cost	18,195,478
Interest cost	18,961,342
	37,156,820

10.7 The charge for the year has been allocated as follows:

	Note	2023 Rupees	2022 Rupees
Cost of revenue	28	19,733,963	14,124,915
Administrative expenses	29	5,466,927	4,248,555
Selling and distribution expenses	30	1,142,145	885,262
		26,343,035	19,258,732

10.8 Year end sensitivity analysis on defined benefit obligation

Reasonably possible changes 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:

Discount rate + 1%	110,078,241	83,218,107
Discount rate - 1%	131,669,486	99,541,249
Salary increase + 1%	131,666,575	99,543,694
Salary increase - 1%	110,076,889	83,219,230

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, they have been offset and presented as follows:

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

	2023 Rupees	2022 Rupees
Deferred tax liability		
- Accelerated tax depreciation and amortization	48,544,469	11,994,172
- Revaluation of property, plant and equipment	275,556,578	297,207,622
	324,101,047	309,201,794
Deferred tax asset		
- Provision for doubtful debts	(11,187,890)	(34,811,758)
- Provision for obsolete stores and spares	(3,775,770)	(709,237)
- Provision for obsolete stock	(5,848,791)	(6,024,128)
- Provision for staff gratuity	(37,869,712)	(29,488,159)
- Others	(20,582,286)	(13,403,205)
	(79,264,449)	(84,436,487)
	244,836,598	224,765,307

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

Opening balance	224,765,307	116,662,040
Effect of change in tax rates on revaluation surplus	(8,654,038)	28,049,769
Recognized in statement of profit or loss	31,055,085	2,461,991
Recognized in statement of comprehensive income	(2,329,756)	(787,434)
Charged to revaluation surplus through other comprehensive income	-	78,378,941
Closing balance	244,836,598	224,765,307

11.2 Analysis of change in deferred tax

	Statement of Financial Position		Statement of Comorehensive Income	
	2023	2022	2023	2022
Deferred tax Liability / (Asset)				
Accelerated tax depreciation and amortization	48,544,469	11,994,172	36,550,297	(18,577,233)
Revaluation of property, plant and equipment	275,556,578	297,207,622	(12,997,005)	73,188,160
Provision for doubtful debts	(11,187,890)	(34,811,758)	23,623,868	(4,259,200)
Provision for obsolete stores and spares	(3,775,770)	(709,237)	(3,066,533)	(86,775)
Provision for obsolete stock	(5,848,791)	(6,024,128)	175,337	(737,049)
Provision for staff gratuity	(37,869,712)	(29,488,159)	(8,381,553)	(8,465,908)
Others	(20,582,286)	(13,403,205)	(4,849,326)	(38,600,004)
	244,836,598	224,765,307	31,055,085	2,461,991

12 TRADE AND OTHER PAYABLES	Note	2023 Rupees	2022 Rupees
Trade creditors - unsecured	12.1	288,579,664	198,513,336
Accrued liabilities - unseured		95,204,006	63,490,493
Employee retirement benefit funds		2,761,772	1,952,190
Contract liabilities for goods - unsecured	12.2	74,464,939	37,984,787
Sales tax payable		109,327	-
Withholding tax payable		4,462,861	1,879,956
Workers' (profit) participation fund	12.3	26,380,968	15,282,302
Workers' welfare fund	12.4	32,630,211	22,550,881
		524,593,748	341,653,945

12.1 Trade creditors include Rs. 459,536 (2022: Rs. 1,060,115) due to related parties.

12.2 Contract liabilities are expected to be satisfied during year ending June 30, 2024.

12.3 Workers' (Profit) Participation Fund	Note	2023 Rupees	2022 Rupees
Opening balance		15,282,302	15,081,149
Expense recognised during the year	31	26,524,553	15,242,397
Interest on workers' (profit) participation fund		-	-
		41,806,855	30,323,546
Payments made during the year		(15,425,887)	(15,041,244)
Closing balance		26,380,968	15,282,302

12.4 Workers' welfare fund			
Opening balance		22,550,881	16,510,435
Expense recognised during the year	31	10,079,330	6,040,446
		32,630,211	22,550,881
Payments made during the year		-	-
Closing balance		32,630,211	22,550,881

13 ACCRUED FINANCE COST	2023 Rupees	2022 Rupees
Accrued finance cost on:		
- Long term financing from banking companies	27,867,027	4,249,849
- Long term financing from associated companies / related parties	8,734,867	8,734,867
- Short term borrowings from banking companies	33,523,230	15,916,639
- Short term borrowings from associated companies / related parties	17,667,413	10,551,025
	87,792,537	39,452,380

14 SHORT TERM BORROWINGS	Note	2023 Rupees	2022 Rupees
Interest bearing			
Banking companies - secured			
- Running finance, local bills discounting and export and import finances	14.1	748,095,629	547,393,367
Related parties - unsecured:			
- Associated company - ICC (Private) Limited	14.2	63,750,000	80,750,000
		811,845,629	628,143,367
Interest free			
Related parties - unsecured:			
- Directors and close relatives thereof	14.3	37,039,268	42,900,157
- Associated company - Associated Engineers (Private) Limited	14.4	-	16,761,033
- Associated company - The Imperial Electric Company (Private) Limited		2,615,692	2,615,692
		39,654,960	62,276,882
		851,500,589	690,420,249

14.1 Short-term running finance, local bill discounting and export and import finance facilities available from various commercial banks under mark-up arrangements amount to Rs. 748.095 million (2022: Rs. 547.393 million) towards the working capital requirement. Rates of mark-up range from 1 to 6 months KIBOR and spread of upto 2% (2022: from 1 to 6 months KIBOR and spread upto 2%) per annum on the balance outstanding. Aggregate short term borrowings are secured by first joint pari passu charge and ranking charge on present and future assets including hypothecation of stores, spares and loose tools, stock-in-trade, trade debts, charge on property, plant and equipment of the Company, ranking charge over the Company's present and future fixed assets, lien over export LCs / contracts, personal guarantees of directors and subordination of sponsors' loan. The unutilized portion in respect of above funded facilities amounts to Rs. 25.08 million (2022: Rs. 90.11 million).

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. During the year, the Company has also utilised personal finance line of one of the directors as disclosed in note 39.1 to the financial statements.

14.4 This represented loan obtained from associated company. During the year, this loan was transferred to sponsor's loan pursuant to Board Resolution.

14.5 Letters of credit and guarantee

The main facilities for opening letters of credit and guarantees aggregate to Rs. 860.61 million (2022: Rs. 712.65 million). The amount utilized as at June 30, 2023, for letters of credit was Rs. 96.67 million (2022: Rs. 113.53 million) and for letters of guarantee was Rs. 626.19 million (2022: Rs. 511.49 million). The amounts unavailed as at the reporting date amount to Rs. 145.79 million (2022: Rs. 87.63 million). The aggregate facilities for opening letters of credit and letters of guarantee are secured by charge on present and future fixed assets of the Company, ranking charge on 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	2023 Rupees	2022 Rupees
Long term financing	8	59,012,672	54,915,328
Lease liabilities	9	4,294,764	2,960,327
Deferred income - government grant	8.3	-	187,949
Payable to employees against discontinued provident fund	15.1	131,911	173,435
		63,439,347	58,237,039

15.1 This represents outstanding balance of employer contribution payable to non-workmen employees on termination of provident fund scheme with effect from December 31, 2002. The outstanding balance of employer contribution payable includes both, principal and interest portions.

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 4 (2020: 4) ex-employees have filed cases against the Company in various courts on various dates. Because of their uncertain nature, it is not possible to quantify their financial impact. The cases are pending adjudication. The management and the legal advisors of the Company are of the view that the outcome of these cases is expected to be favorable and liability, if any, arising out on the settlement is not likely to be material. Hence, no provision has been made in these financial statements.

16.3 Bank guarantees amounting to Rs. 626.186 million (June 30, 2022: Rs. 511.49 million) have been issued in favour of the following:

	2023 Rupees	2022 Rupees
Sui Northern Gas Pipeline Limited	50,406,000	31,457,000
NTDC / DISCOS	566,802,033	471,051,201
Collector of Customs	8,978,358	8,978,358
	626,186,391	511,486,559

Commitments

16.4 Letters of credit other than for capital expenditure amount to Rs. 96.669 million (2022: Rs. 110.51 million).

16.5 Letters of credit for capital expenditure amount to Rs. 172.053 million (2022: Rs. 322.93 million).

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

	Not later than one year	Later than one year and later than five years	Later than five years
	---------- Rupees ----------		
Ijarah	540,088	-	-
Diminishing Musharka	28,024,584	99,046,763	-
	28,564,672	99,046,763	-

17. PROPERTY, PLANT AND EQUIPMENT

	Note	2023 Rupees	2022 Rupees
Operating fixed assets	17.1	2,616,669,070	2,243,524,632
Right of use assets	17.2	9,709,274	2,486,706
Capital work in progress	17.3	187,997,134	152,431,838
		2,814,375,478	2,398,443,176

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, 2023								
Opening net book value	907,473,343	621,509,220	694,325,000	337,464	2,450,192	4,755,579	12,673,834	2,243,524,632
Additions	-	31,530,005	392,919,134	316,500	-	91,059,300	3,075,545	518,900,484
Depreciation charge	-	(48,497,107)	(82,450,352)	(99,570)	(489,882)	(9,243,186)	(2,830,951)	(143,611,048)
Disposal during the year								
- Cost	-	-	12,275,133	-	-	3,943,000	-	16,218,133
- Accumulated depreciation	-	-	(10,443,833)	-	-	(3,629,302)	-	(14,073,135)
	-	-	(1,831,300)	-	-	(313,698)	-	(2,144,998)
Closing net book value	907,473,343	604,542,118	1,002,962,482	554,394	1,960,310	86,257,995	12,918,428	2,616,669,070
Depreciation rates		5%	4%-35%	20%-40%	20%	20%	20%	
Gross Carrying Value Basis								
As at June 30, 2023								
Cost / revalued amount	907,473,343	1,103,676,973	1,917,226,102	9,953,257	11,457,041	98,915,052	49,400,939	4,098,102,707
Accumulated depreciation	-	(499,134,855)	(914,263,620)	(9,398,863)	(9,496,731)	(12,657,057)	(36,482,511)	(1,481,433,637)
Net book value	907,473,343	604,542,118	1,002,962,482	554,394	1,960,310	86,257,995	12,918,428	2,616,669,070
NET CARRYING VALUE BASIS								
Year Ended June 30, 2022								
Opening net book value	787,701,171	545,352,066	537,090,000	125,421	3,062,540	697,030	8,576,964	1,882,605,192
Additions	-	11,384,622	75,627,236	259,000	-	4,516,838	6,400,247	98,187,943
Depreciation charge	-	(42,019,174)	(53,515,323)	(46,957)	(612,348)	(401,207)	(2,303,377)	(98,898,386)
Revaluation adjustment	119,772,172	106,791,706	135,123,087	-	-	-	-	361,686,965
Disposal during the year								
- Cost	-	-	-	-	-	1,548,000	-	1,548,000
- Accumulated depreciation	-	-	-	-	-	(1,490,918)	-	(1,490,918)
	-	-	-	-	-	(57,082)	-	(57,082)
Closing net book value	907,473,343	621,509,220	694,325,000	337,464	2,450,192	4,755,579	12,673,834	2,243,524,632
Depreciation rates		5%	4%-35%	20%-40%	20%	20%	20%	
Gross Carrying Value Basis As at June 30, 2022								
Cost / revalued amount	907,473,343	1,072,146,968	1,536,582,101	9,636,757	11,457,041	11,798,752	46,325,394	3,595,420,356
Accumulated depreciation	-	(450,637,748)	(842,257,101)	(9,299,293)	(9,006,849)	(7,043,173)	(33,651,560)	(1,351,895,724)
Net book value	907,473,343	621,509,220	694,325,000	337,464	2,450,192	4,755,579	12,673,834	2,243,524,632

17.1.1 Apportionment of depreciation charge for the year

Depreciation charge for the year has been apportioned as follows:

	Note	2023 Rupees	2022 Rupees
Cost of revenue	28	134,664,898	98,177,984
Administrative expenses	29	8,946,150	720,402
		143,611,048	98,898,386

17.1.2 The details of property, plant and equipment disposed off during the year having individual book value exceeding Rs. 500,000 or more are as follows:

Assets	Cost / Revalued Amount	Carying Amount	Sale Price	Gain / (Loss)	Particulars of the Buyer	Mode of Disposal	Relationship with the purchaser
Vehicle	2,038,000	173,969	1,480,000	1,306,031	Ghulam Mustafa	Tender	None
Vehicle	1,905,000	139,729	1,840,000	1,700,271	Yousaf Bhatti	Tender	Employee
Plant and machinery	12,275,133	1,831,300	2,350,000	518,700	Muhammad Irfan	Negotiation	None
Total	16,218,133	2,144,998	5,670,000	3,525,002			

17.1.2.1 None of the buyers had any relationship with any director of the Company.

17.1.2.2 The gain on disposal of vehicle to Yousaf Bhatti was shared with a director in proportion of his contribution (20%) in the purchase of the asset.

17.1.3 Particulars of immovable property (land and building) of the Company are as follow:

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

17.1.4 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:

	2023 Rupees	2022 Rupees
Freehold land	4,046,067	4,046,067
Buildings on freehold land	161,782,972	155,446,960
Plant and machinery	558,312,218	231,147,641
	724,141,257	390,640,668

17.1.5 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, 2022 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, 2022, surplus from revaluation of assets amounted to Rs. 361.686 million (note 7). Forced sale value of land, buildings and plant and machinery was Rs. 771.352 million; Rs. 525.659 million; and Rs. 561.619 million respectively as at June 30, 2022. The management believes that these revalued amounts approximate to the fair values as on June 30, 2023 of these assets.

17.1.6 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 Note to 8 and 14).

17.2 Right of use assets

	Note	2023 Rupees	2022 Rupees
Opening balance		2,486,706	5,284,759
Add: Additions during the year		9,978,976	-
Less: Depreciation charge for the year	29	(2,756,408)	(2,798,053)
Closing balance		9,709,274	2,486,706
Lease Term (Years)		3 Years	3 Years
Remaining lease term (Years)		3 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.

17.3 The reconciliation of the carrying amount is as follows:

	2023 Rupees	2022 Rupees
Opening balance	152,431,838	-
Additions during the year	441,361,519	152,431,838
Transfers during the year	(405,796,223)	-
Closing balance	187,997,134	152,431,838

17.3.1 Capital work in progress represents letters of credit for the purchase of machinery.

18 INVESTMENT PROPERTIES

	Note	2023			2022
		Land Rupees	Building Rupees	Total Rupees	Total Rupees
Opening balance		35,516,657	48,859,780	84,376,437	76,180,763
Fair value gain on revaluation	32	-	612,070	612,070	8,195,674
Closing balance		35,516,657	49,471,850	84,988,507	84,376,437

18.1 These represent portion of land and building on the same 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 8 and 14). These are held to earn rental income. 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	44,974 sq. ft.	M/s Hamid Mukhtar & Co. (Private) Limited	35,516,657	30,189,158
Building on land	District Sheikhupura	44,974 sq. ft.	M/s Hamid Mukhtar & Co. (Private) Limited	49,471,850	42,051,073
				84,988,507	72,240,231

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

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

18.3.2 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 construction was calculated which was applied to arrive at fair depreciated market value.	Price per sq. ft.	Reasonable fair value estimates

18.3.3 The Company as a lessor has entered into operating lease on its investment property. The lease has a term of 5 years. The Company has received security deposit of Rs. 784,346 from the tenant which is utilizable in accordance with the requirements of written agreements, in terms of Section 217 of the Companies Act, 2017.

18.3.4 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	10,259,256	11,969,132	-

18.4 Amount recognised in profit and loss account

The change in fair value is presented in statement of profit or loss as "Other income".

The rental income in respect of this property amounting to Rs. 10,268,260 that has been recognized in the statement of profit or loss and included in "Other income'.

19	INTANGIBLE ASSETS	Note	2023 Rupees	2022 Rupees
	Intangible asset	19.1	846,171	1,124,919
19.1	Net Carrying Value			
	Net carrying value - opening balance		1,124,919	1,403,666
	Additions during the year		-	-
			1,124,919	1,403,666
	Amortization during the year	19.2	(278,748)	(278,747)
	Net carrying value as at June 30,		846,171	1,124,919
	Gross Carrying Value			
	Cost		2,787,496	2,787,496
	Accumulated amortization		(1,941,325)	(1,662,577)
	Net book value		846,171	1,124,919
			10%	10%

19.2 The Company has implemented ERP (SAP). Amortization charge for the year has been allocated to Administrative Expenses.

20 LONG TERM PREPAYMENTS AND OTHER RECEIVABLES

	Note	2023 Rupees	2022 Rupees
Long term prepayments	20.1	25,270,314	21,223,656
Recoverable from employees	20.2	1,758,749	12,654,717
		27,029,063	33,878,373

20.1 Long term prepayments

Opening balance		46,211,595	45,044,546
Additions during the year		20,842,842	20,543,165
Deferred cost of instrument transformer		-	3,076,694
Charged to profit or loss	20.1.1	(21,430,290)	(22,452,810)
		45,624,147	46,211,595
Current portion of long term prepayments	25	(20,353,833)	(24,987,939)
		25,270,314	21,223,656

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

20.2 Recoverable from employees

	Note	2023 Rupees	2022 Rupees
Recoverable from employees	20.2.1	2,658,081	14,197,461
Current portion	25	(899,332)	(1,542,744)
		1,758,749	12,654,717

20.2.1 This represents recoveries imposed on employees, falling under bonus policy on account of production of faulty finished goods.

21 LONG TERM LOANS

	Note	2023 Rupees	2022 Rupees
Loans to employees (Secured - considered good)	21.1	2,323,860	1,624,300
Less: current portion	25	(465,430)	(192,360)
		1,858,430	1,431,940

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 also includes loan given to an executive amounting to Rs. 340,000 (2022: Rs. 460,000). Maximum aggregate balance outstanding at any time during the year calculated by reference to month end balances amounted to Rs. 460,000 (2022: Rs. 570,000).

22	STORES, SPARES AND LOOSE TOOLS	Note	2023 Rupees	2022 Rupees
	Stores		91,083,363	79,528,500
	Spare parts		29,501,905	46,618,883
	Loose tools		2,013,534	2,290,635
			122,598,802	128,438,018
	Less: Provision for obsolescence of stock	22.1	(12,003,337)	(2,189,070)
			110,595,465	126,248,948
22.1	Provision for obsolescence of stock			
	Opening balance		2,189,069	2,189,069
	Provision for the year		9,814,267	-
			12,003,336	2,189,069
	Less: Obsolete stocks written off		-	-
			12,003,336	2,189,069

22.2 Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.

23	STOCK-IN-TRADE	Note	2023 Rupees	2022 Rupees
	Raw materials		384,347,315	421,281,070
	Materials in transit		138,240,955	36,211,439
	Work-in-process		124,210,138	97,223,799
	Finished goods		612,361,650	223,917,718
			1,259,160,058	778,634,026
	Less: Provision for obsolescence of stock	23.1	(18,593,562)	(18,593,562)
			1,240,566,496	760,040,464
23.1	Provision for obsolescence of stock			
	Opening balance		18,593,562	18,593,562
	Provision for the year	31	-	-
			18,593,562	18,593,562
	Less: Obsolete stocks written off		-	-
			18,593,562	18,593,562

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

24	TRADE RECEIVABLES	Note	2023 Rupees	2022 Rupees
	Local - (Unsecured - considered good)		726,271,026	619,253,676
	Local - (Unsecured - considered doubtful)		35,566,793	107,447,013
	Foreign - (Unsecured - considered good)		22,639,865	4,887,546
			784,477,684	731,588,235
	Less: Loss allowance	24.1	(35,566,793)	(107,447,013)
			748,910,891	624,141,222
24.1	Loss allowance			
	Opening balance		107,447,013	107,447,013
	Provision for the year		-	-
			107,447,013	107,447,013
	Less: Balance written off	31	(71,880,220)	-
			35,566,793	107,447,013

24.2 Detail of trade receivables from export sales

Jurisdiction	Export sales during the year	Gross receivables at year end	Default amount	Names of defaulting parties	Legal action taken
	Rupees	Rupees	Rupees		
Turkey	51,974,487	7,473,756	-	No default	N/A
United Arab Emirates	4,332,245	271,310	-	No default	N/A
Qatar	-	89,056	-	No default	N/A
Kingdom of Saudi Arabia	-	47,637	-	No default	N/A
Afghanistan	-	30,858	-	No default	N/A
United States of America	23,423,894	14,727,248	-	No default	N/A
	79,730,626	22,639,865	-		

25 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2023 Rupees	2022 Rupees
Advances:			
- to employees - considered good	25.1	1,173,285	491,502
- to suppliers			
- Considered good		72,729,113	85,910,090
- Considered doubtful		575,685	575,685
		74,478,083	86,977,277
Security deposits		4,816,298	4,240,646
Margins held by bank		14,658,320	2,962,400
Claim receivable		100,237	303,698
Prepayments		1,003,210	1,743,534
Sales tax refundable		46,196,859	3,413,247
Current portion of loans to employees - considered good	21	465,430	192,360
Current portion of long term prepayments	20.1	20,353,833	24,202,395
Current portion of recoverable from employees	20.2	899,332	1,542,744
		162,971,602	125,578,301
Less: Provision for doubtful advances	25.2	(575,685)	(575,685)
		162,395,917	125,002,616

25.1 These advances are extended to employees and executives against salary and for expenses. This includes the amount due from directors of Rs. 337,806 (2022: Rs. 436,907). These balances are secured against employees' retirement benefit balances.

25.2 Provision for doubtful advances	Note	2023 Rupees	2022 Rupees
Opening balance		575,685	575,685
Add: Provision for the year	31	-	-
		575,685	575,685

26 CASH AND BANK BALANCES

	2023 Rupees	2022 Rupees
Cash in hand	1,592,941	1,827,357
Cash at bank - in current accounts	16,804,310	13,881,744
	18,397,251	15,709,101

26.1 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	2023 Rupees	2022 Rupees
	Gross revenue:		
	- Local	4,111,187,720	2,995,372,944
	- Export	79,730,626	30,943,759
		4,190,918,346	3,026,316,703
	Less: Sales tax	(645,394,332)	(439,781,670)
	Less: Trade discounts	-	(307,980)
	Net sales	3,545,524,014	2,586,227,053

27.1 Currently the Company is earning revenue from one segment only. All the revenue is recognised at a point of time.

28	COST OF REVENUE	Note	2023 Rupees	2022 Rupees
	Raw and packing materials consumed		1,431,137,464	946,289,728
	Salaries, wages and benefits	28.1	476,188,947	360,031,724
	Power and gas		573,890,565	353,063,505
	Stores and spares consumed		162,991,529	91,598,764
	Testing and inspection		64,420,912	48,063,336
	Travelling and conveyance		112,312,081	81,323,424
	Rent, rates and taxes		2,415,595	2,683,067
	Repairs and maintenance		11,835,564	5,982,898
	Entertainment		2,084,146	1,842,853
	Insurance		7,245,274	5,197,950
	Ijarah rentals	28.2	235,438	2,365,080
	Printing and stationery		2,498,961	1,720,774
	Communication		731,892	629,958
	Vehicle maintenance		380,933	611,418
	RTV coating related project expenses		13,482,280	5,234,754
	Security charges		-	153,820
	Miscellaneous		86,003	21,540
	Depreciation	17.1.1	134,664,898	98,177,984
			2,996,602,482	2,004,992,577
	Work in process			
	- Opening work in process		97,223,799	85,445,820
	- Closing work in process		(124,210,138)	(97,223,799)
			(26,986,339)	(11,777,979)
	Cost of goods manufactured		2,969,616,143	1,993,214,598
	Finished goods			
	- Opening finished goods		223,917,718	205,731,863
	- Closing finished goods		(612,361,650)	(223,917,718)
			(388,443,932)	(18,185,855)
			2,581,172,211	1,975,028,743

28.1 This includes provision for gratuity expense amounting to Rs. 19.734 million (2022: Rs. 14.125 million).

28.2 The Company has entered into ijarah agreements with a Modaraba for machinery. Under the agreement, the term of Ijarah is 5 years and payments of Rs. 135,022 are payable monthly.

29 ADMINISTRATIVE EXPENSES	Note	2023 Rupees	2022 Rupees
Salaries, wages and benefits	29.1	87,214,033	74,088,369
Communication and stationery		2,456,991	2,773,976
Travelling		11,997,231	6,896,158
Legal and professional charges		4,794,180	4,010,556
Fees and subscription		4,603,610	2,710,361
Vehicle maintenance		1,088,428	1,701,885
Utilities		1,571,391	1,218,141
Insurance		1,769,024	212,147
Repairs and maintenance		544,913	563,889
Computer charges		1,331,242	2,507,064
Security charges		55,742	392,533
Newspapers, periodicals and miscellaneous expenses		2,874,557	147,256
Charity	29.2	262,170	500,000
Entertainment		1,497,018	1,222,118
Depreciation on owned assets	17.1.1	8,946,150	720,402
Depreciation on right of use assets	17.2	2,756,408	2,798,053
Amortization	19.1	278,747	278,748
		134,041,835	102,741,656

29.1 This includes provision for gratuity expense amounting to Rs. 5.467 million (2022: Rs. 4.249 million).

29.2 During the previous year, donation was paid to M/s Khairun Nisa Hospital Foundation, which is a related party due to common directorship, to support needy individuals.

30 SELLING AND DISTRIBUTION EXPENSES	Note	2023 Rupees	2022 Rupees
Handling, freight and transportation		36,444,154	32,403,295
Salaries, wages and benefits	30.1	7,331,477	6,897,557
Travelling		11,239,422	7,412,976
Insurance		169,491	143,741
Vehicle maintenance		192,912	699,700
Communication		194,847	471,238
Advertisement and sales promotion		6,449,753	3,575,941
Entertainment		914,478	638,718
Miscellaneous		3,533,563	-
		66,470,097	52,243,166

30.1 This includes provision for gratuity expense amounting to Rs. 1.142 million (2022: Rs. 0.885 million).

31 OTHER OPERATING EXPENSES	Note	2023 Rupees	2022 Rupees
Auditor's remuneration:			
- statutory audit		1,050,000	950,000
- half yearly review		350,000	300,000
		1,400,000	1,250,000
Workers' (profit) participation fund	12.3	26,524,553	15,242,397
Workers' welfare fund	12.4	10,079,330	6,040,446
Balances written off		-	994,985
Long term security deposit written off		1,492,400	-
Recoverable from employees written off		6,000,000	-
Late delivery charges / liquidity damages		73,940,864	81,932,878
		119,437,147	105,460,706

32 OTHER INCOME	Note	2023 Rupees	2022 Rupees
Exchange gain		5,513,273	3,286,246
Export rebate		-	2,255,082
Gain on disposal of property, plant and equipment		3,255,618	2,642,918
Amortisation of government grant		-	1,172,499
Rental income		10,268,260	9,574,276
Liabilities written back		337,660	3,310,211
Fair value gain on investment properties	18	612,070	8,195,674
Miscellaneous income		3,548,360	-
		23,535,241	30,436,906

33 FINANCE COST	Note	2023 Rupees	2022 Rupees
Short term borrowings from banking companies		117,751,131	53,793,943
Short term borrowings from associated companies / related parties		19,870,657	15,864,730
Unwinding of discount on interest free loans	8.2	10,692,907	12,847,422
Long term financing from banking companies		77,883,407	10,388,916
Long term financing from associated companies		154,160	-
Diminishing musharika finance		6,394,986	-
Commission on bank guarantees		9,999,211	7,336,245
Interest on lease liabilities	9	311,591	535,109
Bank charges		4,933,595	2,518,800
		247,991,645	103,285,165

34	TAXATION	Note	2023 Rupees	2022 Rupees
	Current		85,094,855	51,037,304
	Super tax		8,556,478	8,958,341
	Prior year adjustment		2,323,985	(1,454,840)
			95,975,318	58,540,805
	Deferred	11.1	31,055,085	2,461,991
			127,030,403	61,002,796
34.1	RELATIONSHIP BETWEEN TAX EXPENSE AND ACCOUNTING PROFIT			
	Profit before taxation		419,946,320	277,904,523
	Tax at the applicable rate of 29% (2022: 29%)		121,784,433	80,592,312
	Tax effect of amounts that are:			
	Taxable under final tax regime		(1,914,443)	1,429,372
	Super tax		8,556,478	8,958,341
	Not deductible for tax purposes		63,027,299	41,485,043
	Deductible for tax purposes but not taken to the statement of profit or loss		(97,802,434)	(79,859,573)
	Prior year adjustment		2,323,985	(1,454,840)
	Impact of tax credit / minimum tax		-	7,390,150
	Deferred tax		31,055,085	2,461,991
			127,030,403	61,002,796

35	EARNINGS PER SHARE		2023	2022
	Earnings for the year attributable to ordinary shareholders	Rupees	292,915,917	216,901,727
	Weighted average number of ordinary shares outstanding during the year	Numbers	35,000,000	35,000,000
	Earnings per share - basic and diluted	Rupees	8.37	6.20

35.1 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 (2022: Nil) that would have any effect on the earnings per share if the option to convert is exercised.

36	CASH GENERATED FROM OPERATIONS	2023 Rupees	2022 Rupees
	CASH FLOWS FROM OPERATING ACTIVITIES		
	Profit before taxation	419,946,320	277,904,523
	Adjustment for:		
	- Depreciation	143,611,048	98,898,386
	- Depreciation on right of use assets	2,756,408	2,798,053
	- Amortization	278,747	278,748
	- Provision for gratuity	26,343,035	19,258,732
	- Workers' (profit) participation fund	26,524,553	15,242,397
	- Workers' welfare fund	10,079,330	6,040,446
	- Amortisation of government grant	(187,949)	(1,172,499)
	- Balances written off	-	994,985
	- Long term security deposit written off	1,492,400	-
	- Recoverable from employees written off	6,000,000	-
	- Gain on disposal of property, plant and equipment	(3,255,618)	(2,642,918)
	- Interest on lease liabilities	311,591	535,109
	- Liabilities written back	(337,660)	(3,310,211)
	- Exchange gain	(5,513,273)	(3,286,246)
	- Rental income	(10,268,260)	(9,574,276)
	- Fair value gain on investment properties	(612,070)	(8,195,674)
	- Unwinding of discount on interest free loans	10,692,907	12,847,422
	- Finance cost	236,987,147	89,902,634
		444,902,336	218,615,088
	Operating profit before working capital changes	864,848,656	496,519,611
	(Increase) / decrease in current assets		
	- Stores, spares and loose tools	15,653,483	(78,657,033)
	- Stock in trade	(480,526,032)	(165,888,726)
	- Trade receivables	(119,256,396)	(27,771,566)
	- Advances, deposits, prepayments and other receivables	(41,612,205)	(52,812,668)
	Increase / (decrease) in current liabilities		
	- Trade and other payables	162,435,157	12,680,429
		(463,305,993)	(312,449,564)
	Cash generated from operations	401,542,663	184,070,047

37. Changes in Liabilities Arising from Financing Activities

	As at June 30, 2022	Non-cash changes	Cash flows (Net)	As at June 30, 2023
	Rupees	Rupees	Rupees	Rupees
Long term financing - net	406,058,129	10,692,907	352,062,318	768,813,354
Unclaimed dividends	525,321	17,500,000	(17,500,406)	524,915
Short term borrowings - net	690,420,249	-	161,080,340	851,500,589
Lease liabilities	2,960,327	10,091,405	(2,911,843)	10,139,889
	1,099,964,026	38,284,312	492,730,409	1,630,978,747

	As at June 30, 2021	Non-cash changes	Cash flows (Net)	As at June 30, 2022
	Rupees	Rupees	Rupees	Rupees
Long term financing - net	205,317,070	42,798,561	157,942,498	406,058,129
Unclaimed dividends	243,677	35,000,000	(34,718,356)	525,321
Short term borrowings - net	650,646,917	29,951,139	9,822,193	690,420,249
Lease liabilities	5,644,998	535,109	(3,219,780)	2,960,327
	861,852,662	108,284,809	129,826,555	1,099,964,026

38. 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	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Rupees		Rupees		Rupees		Rupees		Rupees	
Managerial remuneration	10,527,492	9,570,444	11,220,288	9,973,584	-	-	9,592,828	6,936,632	31,340,608	26,480,660
House rent allowance	4,737,372	4,306,704	5,049,120	4,488,120	-	-	2,829,136	2,110,217	12,615,628	10,905,041
Utilities	1,319,357	1,552,616	2,190,776	2,948,851	-	-	1,168,697	732,937	4,678,830	5,234,404
Gratuity	-	-	1,355,784	1,205,142	-	-	812,067	605,711	2,167,851	1,810,853
Medical expenses	581,476	600,719	1,493,599	4,162,333	-		553,373	363,531	2,628,448	5,126,583
Meeting fee	-	-	-	-	140,000	160,000	-	-	140,000	160,000
Reimbursable expenses	2,327,097	2,476,638	3,891,585	4,949,332	-	-	2,569,082	1,264,641	8,787,764	8,690,611
	19,492,794	18,507,121	25,201,152	27,727,362	140,000	160,000	17,525,183	12,013,669	62,359,129	58,408,152
Number of persons	1	1	2	2	8	8	4	3	15	14

38.1 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.

38.2 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.

39. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

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

Transactions during the year

Related party	Relationship	Nature of transaction	2023 Rupees	2022 Rupees
Associated Engineers (Private) Limited	Associated company	Conversion from long term financing to sponsor's loan	-	10,574,413
		Conversion from long term financing to short term borrowings	-	16,761,034
		Conversion from short term borrowing to sponsors loan	16,761,033	-
EMCO Industries Limited Provident Fund	Associated undertaking	Principal repaid	34,500,000	28,900,000
The Imperial Electric Company (Private) Limited	Associated company	Short term borrowings received	131,500,000	9,000,000
		Short term borrowings repaid	131,500,000	9,000,000
		Conversion from long term financing to short term borrowings	-	2,615,692
		Payment of rent expense	2,911,843	3,219,780
		Markup paid on short term borrowings	154,160	-
ICC (Private) Limited	Associated company	Short term borrowings repaid	17,000,000	75,000,000
		Markup on short term borrowings accrued	15,162,568	12,216,861
		Markup paid on short term borrowings	7,000,000	6,165,856
		Payments made on behalf of the Company	742,613	1,633,816
		Payments received from the company	681,775	1,807,595
Directors and close family members	Associated persons	Short term borrowings obtained	182,311,100	142,347,015
		Short term borrowings repaid	205,461,845	164,347,015
		Long term loan obtained	3,009,349	-
		Long term loan repaid	2,480,526	-
		Markup on short term borrowings accrued	4,708,089	3,647,869
		Markup on short term borrowings paid	5,754,269	3,217,454
		Gain on disposal of vehicle	269,384	-
		Conversion from sponsor's loan to short term borrowings	17,289,856	10,574,413
Khairun Nisa Hospital Foundation		Charity paid	-	500,000
Executives / Key management personnel		Long term loan received back during the year	120,000	120,000

39.1 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 year ended June 30, 2023, the Company obtained short term borrowings from the director through his aforesaid personal finance line. The borrowed amounts were repaid and then borowed again multiple times during the year, by rotating the said finance line. The maxium amount outstanding towards the said director during the year ended June 30, 2023 was Rs. 50 million. This facility is included in short term borrowings (Note 14) as at the reporting date and at any point of time during the year.

Outstanding Balance as at the year end		2023 Rupees	2022 Rupees
Associated Engineers (Private) Limited	Sponsor loan - interest free	27,335,446	10,574,413
	Short term borrowing - interest Free	-	16,761,034
	Mark-up on long term financing	6,391,541	6,391,541
EMCO Industries Limited Provident Fund	Long term financing	37,129,818	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	10,139,889	2,960,327
	Other payable	459,536	1,060,115
ICC (Private) Limited	Short term borrowing - interest bearing	63,750,000	80,750,000
	Markup on borrowing	17,667,413	9,504,845
	Other payable	5,047	-
	Advance given	-	55,791
Directors and close family members	Sponsors' loan	115,708,828	115,708,828
	Short term borrowing	37,039,268	42,900,157
	Markup on short term borrowing	-	1,046,180
Executives / Key management personnel	Long term loan receivable	340,000	460,000
Executives / Key management personnel	Other payable	3,848,000	-

40 FINANCIAL RISK MANAGEMENT

40.1 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 Company's finance department under policies approved by the senior management.

(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 export payments. As at the reporting date the Company's exposure to currency risk was as follows:

	2023 Rupees	2022 Rupees
Cash and bank balances	4,386,444	930,911
Trade debts	22,639,865	4,887,546
The following significant exchange rates were applied during the year:		
Average exchange rate during the year (Rs. / USD)	246.00	180.60
Reporting date rate (Rs. / USD)	287.90	204.10

As at June 30, 2023, 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 lower / higher by Rs. 0.27 million (2022: Rs. 0.058 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 Company analyses its interest rate exposure on a regular basis by monitoring interest rate trends and taking into consideration refinancing, renewal of existing positions, alternative financing and hedging etc.

As the Company has no significant floating interest rate assets, the Company's income is substantially independent of changes in market interest rates.

The interest rate profile of the Company's interests bearing financial instruments as at the reporting date is as follows:

	2023 Rupees	2022 Rupees
Fixed rate instruments		
Financial liabilities	-	13,386,061
Floating rate instruments		
Financial liabilities	1,520,756,705	960,913,157

Cash flow sensitivity analysis for variable rate instruments.

As at June 30, 2023, 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. 15.20 million (2022: Rs. 9.60 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.

Credit risk of the Company arises from deposits with banks, trade receivables and other receivables. 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, 2023, the maximum exposure to credit risk is equal to the carrying amount of the financial assets as detailed below:

	Note	2023 Rupees	2022 Rupees
Long term loans	21	2,323,860	1,624,300
Long term deposits		2,259,500	3,751,900
Trade receivables	24	748,910,891	624,141,222
Security deposits	25	4,816,298	4,240,646
Margins held by bank	25	14,658,320	2,962,400
Claim receivable	25	100,237	303,698
Bank balances	26	16,804,310	13,881,744
The aging of trade receivables as at the reporting date is as follows:			
Past due 1 - 90 days		635,553,652	480,921,774
Past due 91 - 180 days		46,768,249	61,779,368
Past due 181 - 365 days		27,163,936	51,729,170
More than 365 days		39,425,054	29,710,910
		748,910,891	624,141,222

Customer credit risk is managed by each business unit subject to the Company's established policy, 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 credit risk on liquid funds is limited because most of the counter parties are public sector power distribution companies (DISCOs), thereby, expected credit loss rate for receivables from these DISCOs is estimated as Nil. 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 which mostly include public sector power companies where shareholding is with the Governments.

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 management estimates the recoverability of trade receivables on the basis of financial position and past history of its customers based on the objective evidence that it shall not receive the amount due from the particular customer. The provision is written off by the Company when it expects that it cannot recover the balance due. Any subsequent repayments in relation to amounts written off are credited directly to profit or loss.

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		Rating	2023	2022
	Short term	Long term	Agency	Rupees	Rupees
Allied Bank Limited	A1+	AAA	PACRA	57,679	3,970,928
Askari Bank Limited	A1+	AA+	PACRA	3,793,982	96,262
Bank Alfalah Limited	A1+	AA+	PACRA	11,399	24,207
The Bank of Punjab	A1+	AA+	PACRA	1,656,488	267,929
Faysal Bank Limited	A1+	AA	PACRA	385,280	155,744
Habib Bank Limited	A-1+	AAA	JCR-VIS	5,248,442	9,426,278
MCB Bank Limited	A1+	AAA	PACRA	4,089,955	107,658
National Bank of Pakistan	A1+	AAA	PACRA	118,285	313,227
Silk Bank Limited	A-2	A-	JCR-VIS	1,137,740	(952,440)
Habib Metropolitan Bank	A1+	AA+	PACRA	19,629	61,746
The Bank of Khyber	A1	A+	PACRA	45,230	54,223
Soneri Bank Limited	A1+	AA-	PACRA	48,291	-
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	105,199	106,058
United Bank Limited	A-1+	AAA	JCR-VIS	86,711	249,924
				16,804,310	13,881,744

(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 against internal and external regulatory requirements 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, 2023:						
Long term financing	708,911,076	708,911,076	59,012,672	168,231,180	407,975,728	73,691,496
Creditors and accrued liabilities	383,783,670	383,783,670	383,783,670	-	-	-
Accrued finance cost	87,792,537	87,792,537	87,792,537	-	-	-
Lease liabilities	10,139,889	10,139,889	4,294,764	5,845,125	-	-
Short term borrowings	851,500,589	851,500,589	851,500,589	-	-	-
	2,042,259,672	2,042,259,672	1,386,516,143	174,076,305	407,975,728	73,691,496

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, 2022:						
Long term financing	346,155,851	346,155,851	54,915,328	56,860,952	187,254,762	42,915,139
Creditors and accrued liabilities	262,003,829	262,003,829	262,003,829	-	-	-
Accrued finance cost	39,452,380	39,452,380	39,452,380	-	-	-
Lease liabilities	2,960,327	2,960,327	2,960,327	-	-	-
Discontinued provident fund payable	173,435	173,435	173,435	-	-	-
Short term borrowings	690,420,249	690,420,249	690,420,249	-	-	-
	1,341,166,071	1,341,166,071	1,049,925,548	56,860,952	187,254,762	42,915,139

(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.

40.2 Financial instruments by categories

	At fair value through profit or loss Rupees	At amortized cost Rupees	At fair value through other comprehensive income Rupees	Total Rupees
Financial assets as at June 30, 2023				
Long term loans	-	2,323,860	-	2,323,860
Long term deposits	-	2,259,500	-	2,259,500
Trade receivables	-	748,910,891	-	748,910,891
Security deposits	-	4,816,298	-	4,816,298
Margins held by bank	-	14,658,320	-	14,658,320
Claim receivable	-	100,237	-	100,237
Cash and bank balances	-	18,397,251	-	18,397,251
	-	791,466,357	-	791,466,357
Financial assets as at June 30, 2022				
Long term loans	-	1,624,300	-	1,624,300
Long term deposits	-	3,751,900	-	3,751,900
Trade receivables	-	624,141,222	-	624,141,222
Security deposits	-	4,240,646	-	4,240,646
Margins held by bank	-	2,962,400	-	2,962,400
Claim receivable	-	303,698	-	303,698
Cash and bank balances	-	15,709,101	-	15,709,101
	-	652,733,267	-	652,733,267

	2023 Rupees	2022 Rupees
Financial liabilities at amortized cost		
Long term financing	708,911,076	346,155,851
Creditors and accrued liabilities	383,783,670	262,003,829
Accrued finance cost	87,792,537	39,452,380
Lease liabilities	10,139,889	2,960,327
Payable to employees against discontinued provident fund	131,911	173,435
Short term borrowings	851,500,589	690,420,249
	2,042,259,672	1,341,166,071

41 SHARIAH SCREENING DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

	2023 Rupees	2022 Rupees
Loans / advances obtained as per Islamic mode	75,519,626	26,357,480
Shariah compliant bank deposits / bank balances	-	-
Profit earned from shariah compliant bank deposits / bank balances	-	-
Revenue earned from a shariah compliant business segment	3,545,524,014	2,586,227,053
Gain / loss or dividend earned from shariah compliant investments	-	-
Shariah compliant exchange gain earned	-	-
Mark up paid on Islamic mode of financing	6,394,986	-
Profits earned on any conventional loan or advance	-	-
Interest paid on any conventional loan or advance	195,181,384	73,597,678

42 CAPITAL RISK MANAGEMENT

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

In line with the norms, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non current and excluding sponsors' loans) less cash and cash equivalents. Total capital 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:

	2023 Rupees	2022 Rupees
Borrowings	1,568,376,229	799,050,190
Cash and bank balances	(18,397,251)	(15,709,101)
	1,549,978,978	783,341,089
Equity	2,785,273,416	2,506,280,099
Total capital employed	4,335,252,394	3,289,621,188
Gearing ratio	35.75%	23.81%

43. PLANT CAPACITY AND PRODUCTION

	Capacity		Total Production	
	2023	2022	2023	2022
Insulators - tons	6,500	5,000	5,032	5,288

43.1 The total capacity represents the rated capacity of plant. Actual production depends on various factors like product mix and product type demanded.

44 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 8.9. Owing to its working capital needs, the Company has utilized funds of the Provident Fund (the Fund).

45 NUMBER OF EMPLOYEES

	2023 Number	2022 Number
Number of employees as at June 30,	429	448
Average number of employees during the year	439	455

46 SUBSEQUENT EVENTS

In the period subsequent to these financial statements, the Company's authorized share capital was duly increased from 400,000,000 to 1200,000,000. These financial statements do not include the effect of the above event which will be accounted for in the year in which it is increased.

The Board of Directors of the Company has proposed a final cash dividend for the year ended June 30, 2023 of Rs. 0.5 (2022: Rs. 0.5) per share amounting to Rs. 17.5 million (2022: Rs. 17.5 million) for approval of members at the Annual General Meeting. These financial statements do not include the effect of the above event which will be accounted for in the year in which it is approved.

47 AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were approved and authorized by the Board of Directors of the Company for issue on September 05, 2023.

48 GENERAL

Corresponding figures are rearranged / reclassified for better presentation and comparison. No material re-arrangement / reclassification has been made in these financial statements.

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

PATTERN OF SHARE HOLDING
AS ON JUNE 30, 2023

No. of Shareholders	Shareholding From	Shareholding To	Total Shares Held
163	1	100	3,121
280	101	500	71,408
61	501	1,000	50,901
133	1,001	5,000	339,333
30	5,001	10,000	229,735
11	10,001	15,000	140,904
6	15,001	20,000	109,202
4	20,001	25,000	87,259
4	25,001	30,000	108,750
2	30,001	35,000	64,815
2	40,001	45,000	81,304
3	45,001	50,000	144,431
1	65,001	70,000	69,019
2	70,001	75,000	150,000
2	105,001	110,000	213,000
1	120,001	125,000	125,000
1	125,001	130,000	125,811
1	130,001	135,000	132,582
1	135,001	140,000	136,476
1	170,001	175,000	174,000
1	175,001	180,000	177,125
2	235,001	240,000	477,664
1	275,001	280,000	276,902
1	345,001	350,000	345,500
1	360,001	365,000	364,528
1	395,001	400,000	399,668
1	435,001	440,000	436,046
1	495,001	500,000	500,000
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	1,234,730
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	1,815,001	1,820,000	1,819,810
1	1,850,001	1,855,000	1,853,005
1	1,900,001	1,905,000	1,900,001
1	2,010,001	2,015,000	2,010,575
1	2,370,001	2,375,000	2,375,000
2	2,400,001	2,405,000	4,802,602
1	2,710,001	2,715,000	2,714,404
1	2,940,001	2,945,000	2,943,411
740			35,000,000

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	11,103,049	31.7230%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	5,535,535	15.8158%
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	18,005,636	51.4447%
b. Foreign	3,065	0.0088%
2.3.9 Others (to be specified)		
1- Joint Stock Companies	266,743	0.7621%
2- Pension Funds	69,019	0.1972%
3- Others	2,422	0.0069%

PATTERN OF SHARE HOLDING
AS ON JUNE 30, 2023

CATEGORY OF SHAREHOLDER	HOLDING	% AGE
DIRECTORS, CEO THEIR SPOUSE AND MINOR CHILDREN:		
1 MR. TARIQ REHMAN - (CDC)	132,582	0.3788
2 OSMAN HAMEED CHAUDHARY (CDC)	1,167	0.0033
3 MR SALEM REHMAN (CDC)	436,046	1.2458
MR SALEM REHMAN (CDC)	763,954	2.1827
4 MR. PERVAIZ SHAFIQ SIDDIQI (CDC)	2,401,301	6.8609
5 MR. JAVAID SHAFIQ SIDDIQI (CDC)	2,401,301	6.8609
6 MR. USMAN HAQ (CDC)	1,819,810	5.1995
7 MR. AHSAN SUHAIL MANNAN (CDC)	2,714,404	7.7554
8 MR. AWAIS NOORANI (CDC)	21,248	0.0607
9 CH. IMRAN ALI	500	0.0014
10 SYED MUHAMMAD MOHSIN	500	0.0014
11 MRS. AYESHA MUSSADAQUE HAMID	500	0.0014
12 MRS. SHAHIMA REHMAN W/O TARIQ REHMAN (CDC)	399,668	1.1419
13 MRS. FAUZIA JAVAID SIDDIQI W/O JAVAID S. SIDDIQI (CDC)	10,068	0.0288
	11,103,049	31.7230
ASSOCIATED COMPANIES:		
1 ICC (PVT) LIMITED (CDC)	2,943,411	8.4097
2 ASSOCIATED ENGINEERS (PRIVATE) LIMITED (CDC)	2,010,575	5.7445
3 THE IMPERIAL ELECTRIC CO PVT LTD (CDC)	532,618	1.5218
4 THE IMPERIAL ELECTRIC COMPANY (PVT.) LIMITED (CDC)	48,931	0.1398
	5,535,535	15.8158
NIT & ICP:		
1 IDBP (ICP UNIT)	1,057	0.0030
	1,057	0.0030
FINANCIAL INSTITUTION:		
1 PAKISTAN INDUSTRIAL CREDIT & INVESTMENT CORP. LTD.	500	0.0014
2 NATIONAL BANK OF PAKISTAN (CDC)	424	0.0012
	924	0.0026
INSURANCE COMPANIES:		
1 GULF INSURANCE COMPANY LIMITED	12,550	0.0359
	12,550	0.0359
MODARABAS & MUTUAL FUNDS:		
PENSION FUNDS		
1 TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND (CDC)	69,019	0.1972
	69,019	0.1972

PATTERN OF SHARE HOLDING
AS ON JUNE 30, 2023

SR. #	NAME	HOLDING	% AGE
JOINT STOCK COMPANIES:			
1	MUNIR HOLDING (PVT) LTD.	2,300	0.0066
2	ALI USMAN STOCK BROKERAGE (PVT) LIMITED - (CDC)	150	0.0004
3	CAPITAL FINANCIAL SERVICES (PVT.) LIMITED (CDC)	2,000	0.0057
4	CLIKTRADE LIMITED - (CDC)	82	0.0002
5	FIKREES (PRIVATE) LIMITED (CDC)	4,000	0.0114
6	FIRST STREET CAPITAL (PVT.) LTD. (CDC)	105,500	0.3014
7	MAPLE LEAF CAPITAL LIMITED (CDC)	1	0.0000
8	MSMANIAR FINANCIALS (PVT) LIMITED (CDC)	400	0.0011
9	NAEEM'S SECURITIES (PVT) LTD (CDC)	1,310	0.0037
10	NH SECURITIES (PVT) LIMITED - (CDC)	1,000	0.0029
11	PREMIER FASHIONS (PVT) LTD (CDC)	75,000	0.2143
12	SIZA (PRIVATE) LIMITED (CDC)	75,000	0.2143
		266,743	0.7621
OTHERS			
1	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST (CDC)	2,422	0.0069
		2,422	0.0069
	SHARES HELD BY THE GENERAL PUBLIC (LOCAL):	18,005,636	51.4447
	SHARES HELD BY THE GENERAL PUBLIC (FOREIGN):	3,065	0.0088
		18,008,701	51.4534
	TOTAL:	35,000,000	100.0000

S.No	NAME	HOLDING	% AGE
SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL:			
	Nill		

SR. #	NAME	HOLDING	% AGE
CATEGORY OF SHAREHOLDER			
SHAREHOLDERS HOLDING 5% OR MORE OF TOTAL CAPITAL:			
1	ICC (PVT) LIMITED (CDC)	2,943,411	8.4097
2	MR. AHSAN SUHAIL MANNAN (CDC)	2,714,404	7.7554
3	MR. PERVAIZ SHAFIQ SIDDIQI (CDC)	2,401,301	6.8609
4	MR. JAVAID SHAFIQ SIDDIQI (CDC)	2,401,301	6.8609
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)	1,900,001	5.4286
8	MRS. AYESHA NOORANI (CDC)	1,853,005	5.2943
9	MR. USMAN HAQ (CDC)	1,819,810	5.1995
		20,418,808	58.3395

All trades in the shares of the listed company, carries out by its Directors, CEO, CFO, Company Secretary and their spouses and minor children:

S.No	NAME	SALE	PURCHASE
1	MR. USMAN HAQ (CDC)	10,000	
2	MR. AWAIS NOORANI		737
3	MR. AHSAN SUHAIL MANNAN (CDC)		477,665
4	MRS. AMBEREEN HAQ (CDC)	1,164,915	

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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 68th Annual General Meeting of the Company to be held at ICC House, 2-Chamba House, Golf Road, GOR-1, Lahore on 24th October, 2023 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.

ایمکو انڈسٹریز لمیٹیڈ۔

پراکسی(proxy)فارم

میں/ہم۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔ بابت۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

بحیثیت ایمکو انڈسٹریز لمیٹیڈ حصص دار اور حامل۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔شیئر (شیئرز) بمطابق شیئر رجسٹرڈ فولیو نمبر۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

اور CDC پارٹیسپینٹ (شرکت) آئی ڈی نمبر۔۔۔۔۔۔۔۔۔۔۔۔۔۔اور سب اکاؤنٹ نمبر۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

محترم/محترمہ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔کو میری/ہماری اور اپنی طرف سے مورخہ 24 اکتوبر 2023 کو بوقت 11:30 بجے صبح بمقام آئی سی سی ہاؤس، 2۔ چمبہ ہاؤس لین، گولف روڈ، جی او آر-I، لاہور میں منعقد ہونے والے کمپنی کے 68ویں عام سالانہ اجلاس اور اس سلسلے میں کسی بھی التوا پر ووٹ دینے کے لیے اپنے/ہمارے پراکسی کے طور پر مقرر کرتا/کرتے ہوں/ہیں۔

آج بروز۔۔۔۔۔۔۔۔۔۔۔۔۔تاریخ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔ 2023 کو دستخط کئے گئے۔

دستخط ممبر

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

گواہ نمبر 1:	گواہ نمبر 2:
دستخط:۔۔۔۔۔۔۔۔۔۔۔۔۔	دستخط:۔۔۔۔۔۔۔۔۔۔۔۔۔
نام:۔۔۔۔۔۔۔۔۔۔۔۔۔۔	نام:۔۔۔۔۔۔۔۔۔۔۔۔۔۔
پتہ:۔۔۔۔۔۔۔۔۔۔۔۔۔۔	پتہ:۔۔۔۔۔۔۔۔۔۔۔۔۔۔
کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر:	کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر:

نوٹ:

1- پراکسیز موثر ہونے کے لیے کمپنی ایمکو انڈسٹریز لمیٹیڈ کو اس کے رجسٹرڈ ہیڈ آفس بمقام چوتھی منزل، نیشنل ٹاور، 28۔ ایجرٹن روڈ، لاہور میں اجلاس شروع ہونے سے کم از کم 48 گھنٹے پہلے ہر لحاظ سے پوری طرح مکمل موصول ہونا ضروری ہے۔

2- سی ڈی سی شیئرز ہولڈرز اور ان کے پراکسیز سے درخواست ہے کہ وہ اپنے قومی شناختی کارڈ یا پاسپورٹ کی ایک فوٹو کاپی کمپنی کو جمع کروانے سے پہلے پراکسی فارم کے ساتھ منسلک کریں۔



EMCO INDUSTRIES LIMITED

Head Office:
4th Floor, National Tower, 28-Egerton Road, Lahore Pakistan.
Tel: (+92) (42) 3630 6545 - 6, Fax: (+92) (42) 3636 8119
Email: info@emco.com.pk

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