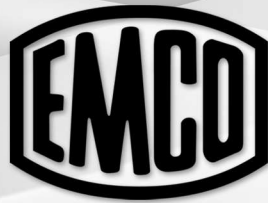
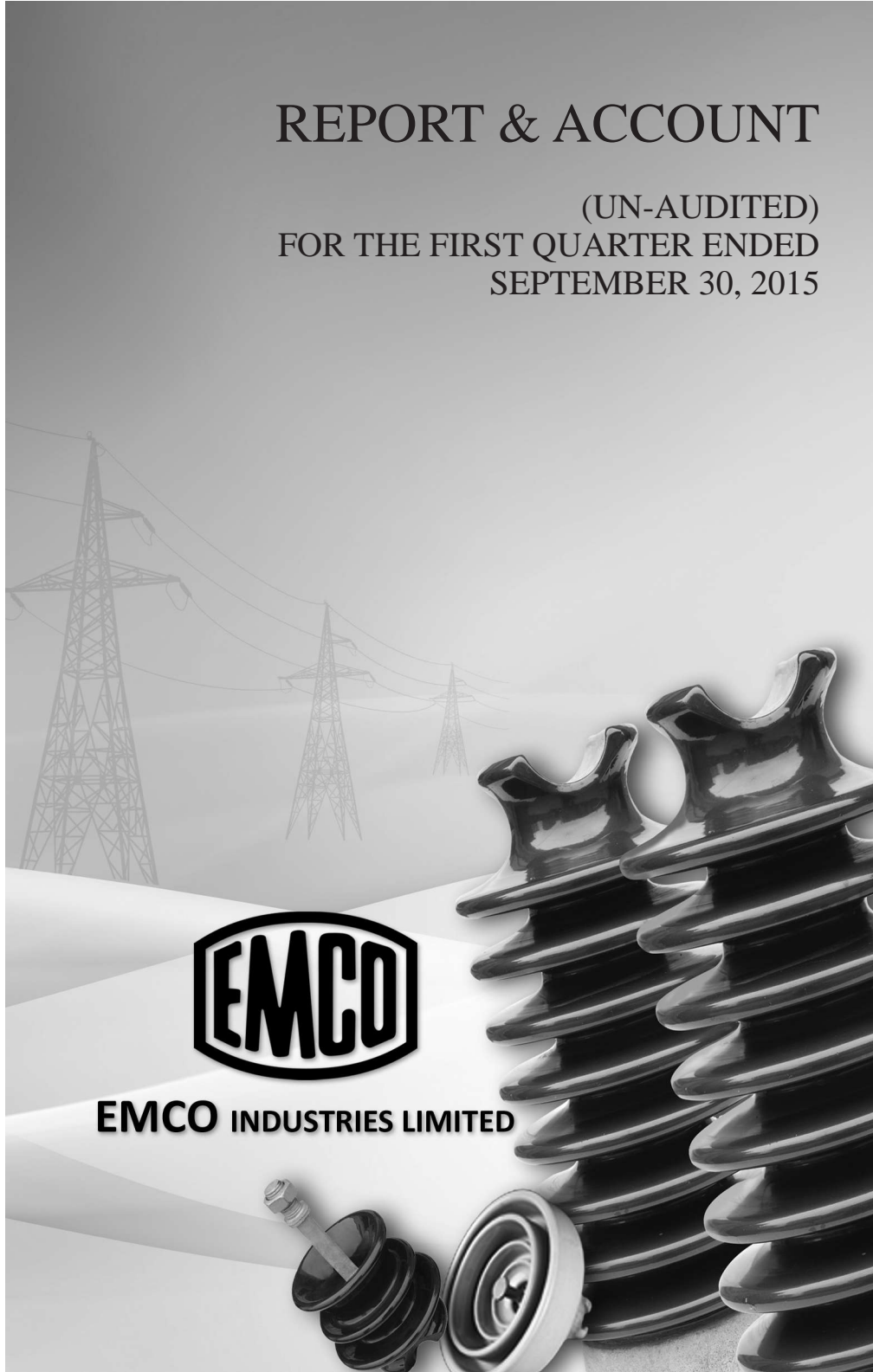


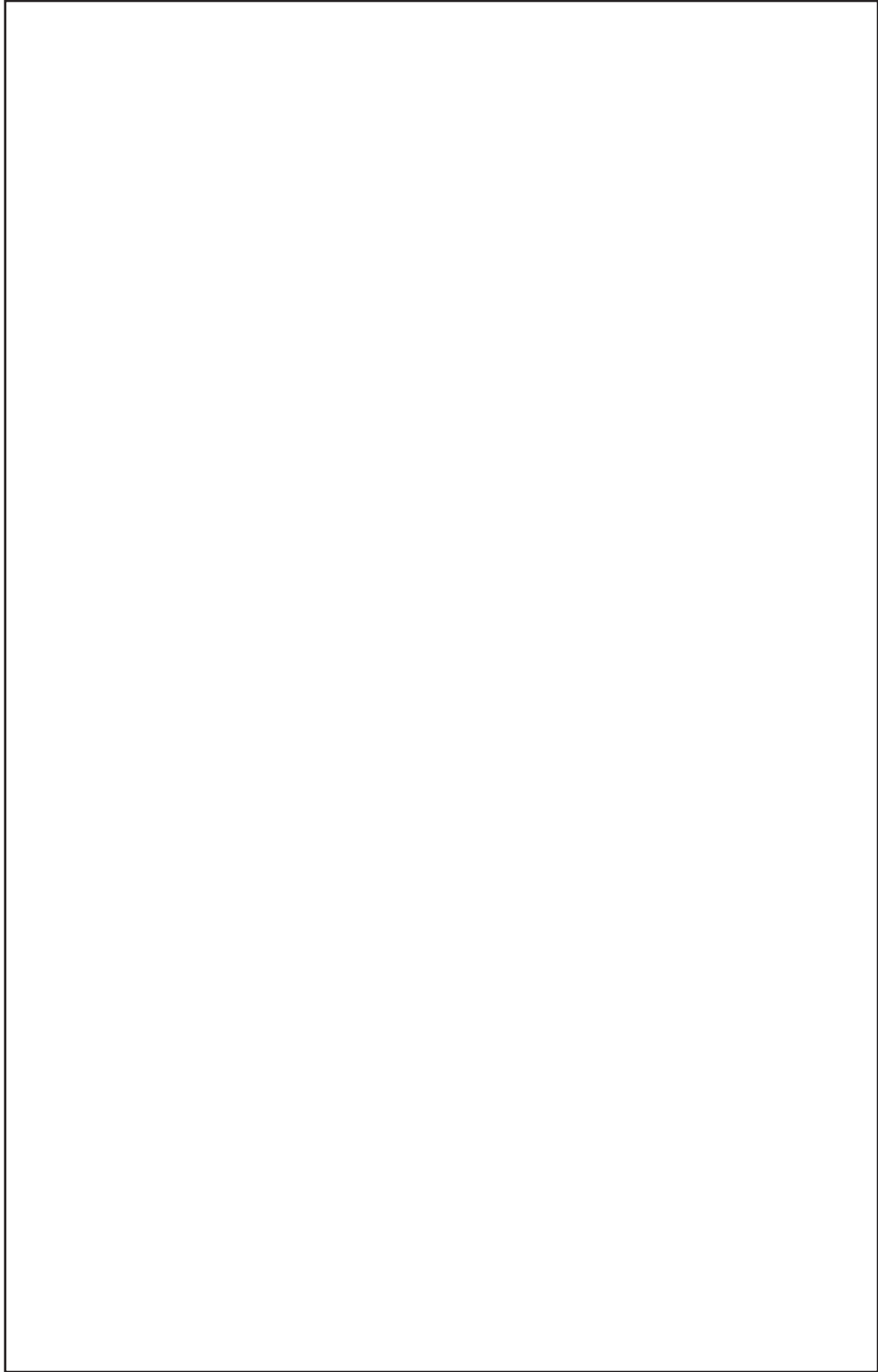
REPORT & ACCOUNT

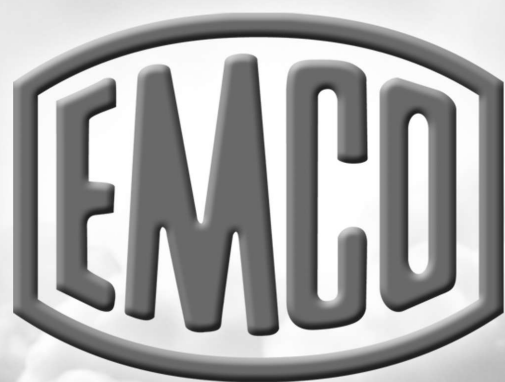
(UN-AUDITED)
FOR THE FIRST QUARTER ENDED
SEPTEMBER 30, 2015



EMCO INDUSTRIES LIMITED







COMPANY INFORMATION

COMPANY INFORMATION

Board of Directors

Mr. Tariq Rehman
Mr. Shafiq A. Siddiqi
Mr. Haris Noorani
Mr. Suhail Mannan
Mr. Javaid Shafiq Siddiqi
Mr. Usman Haq
Mr. Salem Rehman
Mr. Ahsan Suhail Mannan

Audit Committee

Mr. Usman Haq
Mr. Javaid Shafiq Siddiqi
Mr. Salem Rehman
Mr. Ahsan Suhail Mannan

Chief Financial Officer/Manager (F & A)

Mr. Riaz Ahmad

Auditors

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

Bankers

Habib Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
Faysal Bank Limited
Bank of Punjab
NIB Bank Limited

Share Registrar

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

Registered Office

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

Factory

19-Kilometre, Lahore Sheikhpura Road, Lahore.

BUSINESS ITEMS

Porcelain Insulators

- Suspension Insulator
- Pin Insulator
- Line Post Insulator
- Cap and pin Insulator
- Station Post Insulator
- Indoor Switch and Bus Insulator
- Apparatus Insulator
- Insulator for Railway Electrification
- Telephone Insulator
- Low Voltage Insulator
- Dropout Cutout Insulator
- Bushings

Switchgear

- Disconnect Switch upto 145 kv
- Metal Oxide Surge Arresters upto 430 kv
(Under License from Siemens Germany)

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

Ceramic Glazed Wall Tiles

- Coloured & Decorative Glazed Wall Tiles
20 cm x 20 cm x 7 mm
20 cm x 30 cm x 7 mm
25 cm x 33 cm x 7 mm

Ceramic Glazed Floor Tiles

- Vitreous & Semi Vitreous
Decorative Glazed Floor Tiles
30 cm x 30 cm x 8 mm
38 cm x 38 cm x 8 mm



DIRECTORS' REVIEW

Dear Shareholders

On behalf of the Board of Directors, I am pleased to present Unaudited financial statements of the Company for the first quarter ended September 30, 2015.

Sales for the period under review are Rs. 269.345 million as compared to Rs. 146.845 million. Your company has incurred after tax loss of Rs. 5.141 million as compared to net loss after tax of Rs. 21.397 million in the same period last year. By the grace of God, optimum utilization of resources is translating into better results.

The key highlights of the three months under review are as under:

Insulator Plant Operation

The Profit from operation is Rs. 17.477 million in this period as compared to operating Profit of Rs. 1.706 million for the same period last year. Average monthly production has increased from 94 tons to 319 tons against the corresponding period. Keeping in view the orders in hand we expect continuous improvement in results in subsequent quarters.

The Results for this quarter are based on the Insulator Plant only bearing the complete costs of depreciation, receivables and financial charges as Tiles operation has been suspended due to non-availability of Gas. This decision is based on the fact that the Management, as stated earlier, will review the restarting of the Tile Division in during 2016 after assessing availability of gas during winter this year. Thus the applicable costs of the Tile Division have been included in the cost of manufacturing.

The directors are thankful to our valued customers, dealers, financial institutions and other stakeholders for their continued trust. The hard work of all employees is recognized and appreciated.

On behalf of board

Tariq Rehman
Managing Director

October 29, 2015
Lahore

CONDENSED INTERIM BALANCE SHEET

| | Note | September 30, 2015 Rupees | June 30, 2015 Rupees |
|--|------|---------------------------------|----------------------------|
| EQUITY AND LIABILITIES | | | |
| CAPITAL AND RESERVES | | | |
| Authorized capital 40,000,000 (June 2015: 40,000,000) ordinary shares of Rs 10 each | | 400,000,000 | 400,000,000 |
| Issued, subscribed and paid up capital 35,000,000 (June 2015: 35,000,000) ordinary shares of Rs 10 each | | 350,000,000 | 350,000,000 |
| Reserves | | 129,898,526 | 129,898,526 |
| Accumulated loss | | (640,275,803) | (640,045,149) |
| | | (160,377,277) | (160,146,623) |
| SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT | | 577,549,517 | 582,459,878 |
| NON-CURRENT LIABILITIES | | | |
| Long term loans from directors - unsecured | | 115,708,828 | 115,708,828 |
| Long term loans and liabilities | 4 | 275,469,775 | 295,696,664 |
| Deferred liabilities | | 33,159,415 | 36,852,343 |
| Deferred Tax | | 63,483,695 | 63,483,695 |
| | | 487,821,713 | 511,741,530 |
| CURRENT LIABILITIES | | | |
| Current portion of | | | |
| - Long term loans and liabilities | 4 | 73,438,384 | 73,438,391 |
| - Liabilities against assets subject to finance lease | | 334,155 | 2,456,463 |
| Short term loans from related parties-unsecured | | 307,883,428 | 305,663,359 |
| Finances under mark up arrangements - secured | | 411,864,920 | 408,009,398 |
| Trade and other payables | | 304,503,873 | 318,162,045 |
| Accrued mark-up on loans and other payables | | 159,027,525 | 160,564,677 |
| | | 1,257,052,285 | 1,268,294,333 |
| CONTINGENCIES AND COMMITMENTS | 6 | | |
| | | 2,162,046,237 | 2,202,349,119 |

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

Lahore
October 29, 2015


(Tariq Rehman)
Chief Executive



(UN-AUDITED) AS AT SEPTEMBER 30, 2015

| | Note | September 30, 2015 Rupees | June 30, 2015 Rupees |
|--|------|---------------------------------|----------------------------|
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 5 | 1,139,900,219 | 1,154,440,498 |
| Assets subject to finance lease | | 9,424,699 | 9,613,971 |
| Intangible Assets | | 2,745,872 | 1,997,830 |
| Capital work in progress | | 18,014,280 | 18,013,583 |
| Long term deposits | | 271,163 | 271,163 |
| Long term loans | | 1,730,606 | 2,031,633 |
| | | 1,172,086,839 | 1,186,368,678 |
| CURRENT ASSETS | | | |
| Stores, spares and loose tools | | 108,454,066 | 112,231,865 |
| Stock-in-trade | | 356,235,310 | 369,573,296 |
| Trade debts | | 372,383,850 | 379,227,299 |
| Loans, advances, deposits, prepayments and other receivables | | 62,479,819 | 75,965,661 |
| Taxation - net | | 86,965,620 | 72,283,110 |
| Cash and bank balances | | 3,440,734 | 6,699,210 |
| | | 989,959,398 | 1,015,980,441 |
| | | 2,162,046,237 | 2,202,349,119 |

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


(Suhail Mannan)
Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015

| | Note | July to September | |
|---|------|-------------------|----------------|
| | | 2015 Rupees | 2014 Rupees |
| Sales | | 269,345,237 | 143,845,381 |
| Cost of goods sold | | (224,833,829) | (124,468,232) |
| Gross profit | | 44,511,408 | 19,377,149 |
| Administration expenses | | (13,388,397) | (11,121,478) |
| Distribution and selling costs | | (13,280,165) | (4,180,131) |
| Other operating expenses | | (366,229) | (46,960) |
| | | (27,034,791) | (15,348,569) |
| | | 17,476,617 | 4,028,580 |
| Other operating income | | 519,089 | 204,985 |
| Profit from operations | | 17,995,706 | 4,233,565 |
| Finance cost | | (20,443,268) | (24,191,811) |
| (Loss) / Profit before taxation | | (2,447,562) | (19,958,246) |
| Taxation | | (2,693,452) | (1,438,454) |
| (Loss) / Profit after taxation | | (5,141,015) | (21,396,700) |
| (Loss) / Earnings per share - Basic and diluted | | (0.15) | (0.61) |

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

Lahore
October 29, 2015


(Tariq Rehman)
Chief Executive


(Suhail Mannan)
Director




**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)**
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015

| | Note | July to September | |
|---|------|-------------------|----------------|
| | | 2015 Rupees | 2014 Rupees |
| Profit / (Loss) after taxation | | (5,141,015) | (21,396,700) |
| Other comprehensive income for the period | | - | - |
| Total comprehensive loss for the period | | (5,141,015) | (21,396,700) |

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

Lahore
October 29, 2015


(Tariq Rehman)
Chief Executive


(Suhail Mannan)
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015

| | Note | July to September | |
|--|------|-------------------|----------------|
| | | 2015 Rupees | 2014 Rupees |
| Cash flow from operating activities | | | |
| Cash generated from operations | 9 | 62,212,524 | (8,479,811) |
| Financial cost paid | | (21,980,418) | (21,510,755) |
| Taxes paid | | (17,375,963) | (8,212,933) |
| Gratuity paid | | (4,112,200) | (2,474,507) |
| Net cash (used in)/from operating activities | | 18,743,943 | (40,678,006) |
| Cash flow from investing activities | | | |
| Fixed capital expenditure | | (6,029,837) | 224,575 |
| Net (increase)/decrease in long-term loans and other receivables | | 301,027 | - |
| Net (increase)/decrease in long-term deposits and prepayments | | - | 446,829 |
| Proceeds from disposal of property, plant and equipment | | - | - |
| Net cash used in investing activities | | (5,728,810) | 671,404 |
| Cash flow from financing activities | | | |
| Net increase/(decrease) in long term loans and liabilities | | (20,226,889) | (24,630,108) |
| Net (decrease)/increase in short term loans from directors | | 2,220,069 | 31,618,893 |
| Repayment of finance lease liabilities | | (2,122,308) | - |
| Net cash from financing activities | | (20,129,128) | 6,988,785 |
| Net (decrease)/increase in cash and cash equivalents | | (7,113,995) | (33,017,817) |
| Cash and cash equivalents at the beginning of the year 10 | | (401,310,188) | (337,392,686) |
| Cash and cash equivalents at the end of the period | | (408,424,186) | (370,410,503) |

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

Lahore
October 29, 2015


(Tariq Rehman)
Chief Executive


(Suhail Mannan)
Director




CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015

| | Share Capital Rupees | Share Premium Rupees | General Reserve Rupees | Accumulated Loss Rupees | Total Rupees |
|--|----------------------------|----------------------------|------------------------------|-------------------------------|-----------------|
| Balance as on June 30, 2014 | 350,000,000 | 39,898,526 | 90,000,000 | (546,330,321) | (66,431,795) |
| (Loss) for the period | - | - | - | (49,418,132) | (49,418,132) |
| Transfer from surplus on revaluation of property, plant and equipment net of deferred taxation: | | | | | |
| - Incremental depreciation for the period | - | - | - | 6,251,492 | 6,251,492 |
| Balance as on December 31, 2014 | 350,000,000 | 39,898,526 | 90,000,000 | (589,496,961) | (109,598,435) |
| (Loss) for the period | - | - | - | (63,938,139) | (63,938,139) |
| Transfer from surplus on revaluation of property, plant and equipment net of deferred taxation: | | | | | |
| - Incremental depreciation for the period | - | - | - | 13,389,951 | 13,389,951 |
| Balance as on June 30, 2015 | 350,000,000 | 39,898,526 | 90,000,000 | (640,045,149) | (160,146,623) |
| Profit for the period | - | - | - | (5,141,015) | (5,141,015) |
| Transfer from surplus on revaluation of property, plant and equipment net of deferred taxation: | | | | | |
| - Incremental depreciation for the period | - | - | - | 4,910,361 | 4,910,361 |
| Balance as on September 30, 2015 | 350,000,000 | 39,898,526 | 90,000,000 | (640,275,803) | (160,377,277) |

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

Lahore
October 29, 2015


(Tariq Rehman)
Chief Executive


(Suhail Mannan)
Director

SELECTED NOTES TO CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015

1. These financial statements are being submitted to the shareholders in accordance with the requirements of the Companies Ordinance, 1984.
2. The accounting policies adopted for the preparation of these nine months financial statements are the same as those applied in the preparation of preceding annual published financial statements of the company for the year ended June 30, 2015.
3. These accounts have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting".

| | Note | September 30, 2015 Rupees | June 30, 2015 Rupees |
|---|------|---------------------------------|----------------------------|
| 4. Long term loans and liabilities | | | |
| Secured loans | | | |
| - Local currency loans | | 191,496,384 | 212,173,273 |
| Unsecured loans from | | | |
| - Associated companies | | 16,985,447 | 16,535,447 |
| - Others | | 2,615,692 | 2,615,692 |
| Other payables | | | |
| - Payable to provident fund | | 137,810,643 | 137,810,643 |
| | | 348,908,166 | 369,135,055 |
| Less: Current portion shown under current liabilities | | | |
| - Secured loans | | 62,933,541 | 62,933,541 |
| - Payable to provident fund | | 10,504,850 | 10,504,850 |
| | | 73,438,391 | 73,438,391 |
| | | 275,469,775 | 295,696,664 |
| 5. Property, plant and equipment | | | |
| Opening book value | | 1,154,440,498 | 1,227,666,782 |
| Add: Additions during the period | 5.1 | 4,849,133 | 4,497,291 |
| Transfers in during the period | | - | - |
| | | 1,159,289,631 | 1,232,164,073 |
| Less: Disposals during the period (at book value) | | - | 165,928 |
| Depreciation charged during the period | | 19,389,413 | 77,557,647 |
| Adjustments | | - | - |
| | | 19,389,413 | 77,723,575 |
| | | 1,139,900,219 | 1,154,440,498 |
| 5.1 Additions during the period | | | |
| Building on freehold land | | 130,000 | 200,000 |
| Plant and machinery | | 2,973,704 | 4,104,091 |
| Office equipment | | 1,745,429 | 193,200 |
| Furniture and fixtures | | - | - |
| Vehicles | | - | - |
| | | 4,849,133 | 4,497,291 |



6 Contingencies and commitments

6.1 Contingencies

There has been no material change in contingencies since last audited annual financial statements.

6.2 Commitments in respect of

- (i) Letters of credit other than capital expenditure Rs. 44.370 million (June 2015: Rs. 37.692 million).
- (ii) Bank guarantees amounting to Rs. 157.862 million (June 2015: Rs. 159.793 million).

| Note | July to September | |
|---------------------------------------|-------------------|----------------|
| | 2015 Rupees | 2014 Rupees |
| 7. Cost of goods sold | | |
| Raw and packing materials consumed | 86,184,529 | 44,041,605 |
| Stores and spares consumed | 11,253,419 | 7,406,126 |
| Salaries, wages and benefits | 52,090,170 | 41,562,816 |
| Power | 23,226,462 | 30,012,787 |
| Depreciation | 19,023,341 | 20,844,554 |
| Depreciation of leased assets | 189,272 | 320,341 |
| Vehicle maintenance | 138,835 | 65,333 |
| Repairs and maintenance | 620,192 | 428,378 |
| Insurance | 909,193 | 945,236 |
| Communication and stationery | 304,587 | 229,996 |
| Rent, rates and taxes | 565,120 | 123,798 |
| Travelling and conveyance | 1,299,484 | 726,858 |
| Others | 2,291,885 | 2,059,176 |
| | 198,096,488 | 148,767,004 |
| Opening work in process | 30,571,716 | 26,957,435 |
| Less: Closing work in process | (29,738,420) | (28,922,678) |
| | 833,296 | (1,965,243) |
| Cost of goods produced | 198,929,784 | 146,801,760 |
| Opening stock of finished goods | 242,344,714 | 185,234,655 |
| | 441,274,498 | 332,036,415 |
| Less: Closing stock of finished goods | (216,440,668) | (207,568,183) |
| | 224,833,829 | 124,468,232 |

| | Insulator | | Title | | Total | |
|-----------------------------------|-------------------------------------|----------------------------|-------------------------------------|----------------------------|-------------------------------------|----------------------------|
| | July to September 2015 Rupees | 2014 Rupees | July to September 2015 Rupees | 2014 Rupees | July to September 2015 Rupees | 2014 Rupees |
| 8. Segment information | | | | | | |
| Segment revenue - external | 269,345,237 | 143,845,381 | - | - | 269,345,237 | 143,845,381 |
| Cost of Sales | 211,708,712.57 | 109,530,082 | 13,125,116 | 14,938,150 | 224,833,829 | 124,468,232 |
| Gross profit/(loss) | 57,636,524 | 34,315,299 | (13,125,116) | (14,938,150) | 44,511,408 | 19,377,149 |
| Distribution costs | 13,280,165 | 4,089,291 | - | 90,840 | 13,280,165 | 4,180,131 |
| Administration expenses | 13,388,397 | 10,692,363 | - | 429,115 | 13,388,397 | 11,121,478 |
| | 26,668,562 | 14,781,654 | - | 519,955 | 26,668,562 | 15,301,609 |
| Segment result from operations | 30,967,962 | 19,533,645 | (13,125,116) | (15,458,105) | 17,842,846 | 4,075,540 |
| | September 30, 2015 Rupees | June 30, 2015 Rupees | September 30, 2015 Rupees | June 30, 2015 Rupees | September 30, 2015 Rupees | June 30, 2015 Rupees |
| 8.1 Inter segment pricing | | | | | | |
| There are no inter segment sales. | | | | | | |
| 8.2 Segment assets | | | | | | |
| Segment assets | 1,191,125,594 | 1,212,236,220 | 817,739,171 | 830,864,287 | 2,008,864,765 | 2,043,100,507 |
| Unallocated assets | | | | | 153,181,473 | 159,248,612 |
| | | | | | 2,162,046,237 | 2,202,349,119 |
| 8.3 Segment liabilities | | | | | | |
| Unallocated liabilities | | | | | 1,744,873,998 | 1,780,035,864 |
| | | | | | 1,744,873,998 | 1,780,035,864 |
| 8.4 Other segment information | | | | | | |
| Capital expenditure | 4,849,133 | 64,000 | - | - | 4,849,133 | 64,000 |
| | | | | | 4,849,133 | 64,000 |
| Depreciation | 6,264,296 | 6,421,055 | 13,125,116 | 14,877,501 | 19,389,412 | 21,298,556 |
| Depreciation of leased assets | - | 29,425 | 191,272 | 493,259 | 191,272 | 522,683 |
| | | | | | 19,580,684 | 21,821,239 |



| Note | July to September | |
|---|-------------------|----------------|
| | 2015 Rupees | 2014 Rupees |
| 9. Cash generated from operations | | |
| (Loss)/Profit before taxation | (2,447,562) | (19,958,246) |
| Add: | | |
| Depreciation | 19,389,413 | 21,298,556 |
| Depreciation of leased assets | 189,272 | 522,683 |
| Amortization of intangibles | 431,958 | 118,507 |
| Provision for gratuity | 419,272 | 1,481,966 |
| Financial charges | 20,443,268 | 24,191,811 |
| | 40,873,182 | 47,613,524 |
| Profit before working capital changes | 38,425,620 | 27,655,277 |
| Effect on cash flow due to working capital changes: | | |
| - (Increase)/decrease in stores and spares | 3,777,799 | (1,414,379) |
| - (Increase)/decrease in stock in trade | 13,337,986 | (28,749,176) |
| - (Increase)/decrease in trade debts | 6,843,449 | 21,483,217 |
| - (Increase)/decrease in loans, advances, deposits, prepayments and other receivables | 13,485,842 | (2,495,433) |
| - Increase/(decrease) in creditors, accrued and other liabilities | (13,658,172) | (24,959,317) |
| | 23,786,904 | (36,135,088) |
| | 62,212,524 | (8,479,811) |
| 10. Cash and cash equivalents | | |
| Cash and bank balances | 6,699,210 | 1,854,055 |
| Finances under mark-up arrangements - secured | (408,009,398) | (339,246,740) |
| | (401,310,188) | (337,392,686) |
| 11. Transaction with related parties | | |
| Sale of goods | - | - |
| Goods purchased | - | - |
| Services received | 138,855 | 154,198 |
| Mark-up on short term borrowings | 2,076,652 | 1,838,016 |
| Rent Paid | 313,500 | 330,000 |

12. Date of authorization for issue

These financial statements were authorised for issue on October 29, 2015 by the Board of Directors of the company.

13. Corresponding figures

Corresponding figures have been rearranged, wherever necessary, for the purposes of comparison. However, no significant re-arrangements have been made.

Lahore
October 29, 2015


(Tariq Rehman)
Chief Executive


(Suhail Mannan)
Director

www.emco.com.pk

BOOK POST
UNDER POSTAL CERTIFICATE



EMCO INDUSTRIES LIMITED

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28-Egerton Road,
Lahore -54000

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