



Bolan Castings Limited

**Quarterly
Financial Statements
For and upto the
Third Quarter Ended
March 31,
2022**



*Strives to grow,
beyond boundaries*

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COMPANY INFORMATION

Board of Directors

Mr. Sikandar M. Khan	Chairman
Mr. Nisar Ahmed Mirani	Chief Executive
Mr. Sohail Bashir Rana	Director
Mr. Laeeq Uddin Ansari	Director
Mr. Aamir Amin	Director
Mr. Abdul Hamid Ahmed Dagia	Director
Mrs. Tabassum Rana	Director
Mr. Qaiser Saleem	Director

Company Secretary

Mr. Arafat Mushir

Chief Financial Officer

Syed Sajid Ali

Auditors

M/s. A. F. Ferguson & Co. Chartered Accountants

Legal Advisors

M/s. Latif & Latif Advocate
M/s. Rizwan Manai Associates

Bankers

Habib Bank Limited
MCB Bank Limited
Bank Alfalah Limited
Dubai Islamic Bank Pakistan Limited
Meezan Bank Limited
Faysal Bank Limited
Askari Bank Limited
Bank AL Habib Limited
Habib Metropolitan Bank Limited

Share Registrar

CDC Shares Registrar Services Limited
CDC House, 99-B, Block-B, S.M.C.H.S.
Main Shahrah-e-Faisal, Karachi
Tel: +92-800-23275
Fax: +92-21-34326053

Registered Office

Main RCD Highway, Hub Chowki,
District Lasbela, Balochistan, Pakistan
Tel : +92-853-364033,363296
Fax : +92-853-363292
E-mail: bclhub@bclpk.com

Web Site

www.bolancastings.com

DIRECTORS' REVIEW

Dear Shareholders

The Directors of your Company are presenting the un-audited financial statements for and up to the third quarter ended March 31, 2022.

During the nine months under review, the Company recorded net sales of Rs.2,011.42 million as compared to Rs. 1,822.83 million of the same periods of the last year. The gross profit for the nine months under review was Rs. 148.81 million as against Rs. 239.24 million of corresponding period of the last year. The profit after tax for the nine months was Rs. 2.52 million as compared to Rs. 77.36 million of same period of last year.

The earning per share was Rs. 0.22 as against the earning per share of Rs. 6.74 of corresponding period of last year.

The increasing trend in raw materials prices, logistic cost and energy cost coupled with the adverse exchange rates of US Dollar vis-à-vis Pak Rupee has increased the input cost of your Company. Your Company was also facing difficulties in managing working capital due to cash crunch which led to delays in procurement of raw materials, resulting in low production and sales and ultimately in loss during the third quarter. However, we have managed to overcome the adversities to some extent. We are looking forward to perform better in the last quarter of the current financial year by achieving production and sales targets, exploring the new sales avenues and embracing the cost cutting measures

We would like to thank our customers and shareholders for their trust and confidence in the Company. We also would like to convey our appreciation to the entire BCL Team for their dedicated efforts and contribution during the period under review.

For and on behalf of the Board



NISAR AHMED MIRANI
Chief Executive Officer

Hub:
April 25, 2022

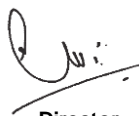
BOLAN CASTINGS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

	Note	(Unaudited) March 31, 2022 Rupees	(Audited) June 30, 2021 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	5	193,603,550	206,739,160
Long-term investment	6	17,825,000	22,709,625
Long-term loans		1,009,000	865,000
Deferred tax asset	7	95,524,645	95,524,645
Long-term deposits		4,047,790	4,047,790
Employee benefits prepayment		14,513,121	13,383,876
		326,523,106	343,270,096
Current assets			
Stores, spare parts and loose tools	8	120,724,809	131,120,491
Inventories	9	358,723,342	359,077,415
Trade receivables	10	123,491,312	47,914,306
Loans and advances		5,130,586	9,762,303
Trade deposits and short-term prepayments		3,142,344	329,732
Other receivables		182,944	1,370,509
Refunds due from the Government - sales tax		12,569,710	6,376,049
Taxation - payments less provision		70,419,622	53,621,976
Cash and bank balances	11	30,642,356	58,747,791
		725,027,025	668,320,572
Total assets		1,051,550,131	1,011,590,668
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		114,725,290	114,725,290
General reserve		90,434,610	92,797,348
		205,159,900	207,522,638
LIABILITIES			
Non-current liabilities			
Long-term deposits		3,142,999	3,707,636
Long-term loan	12	7,556,539	24,903,695
Deferred grant	13	-	559,745
Employee benefits obligations		31,827,350	34,817,327
		42,526,888	63,988,403
Current liabilities			
Trade and other payables	14	367,405,657	294,550,224
Current portion of long-term deposits		1,252,461	1,571,880
Current portion of long-term loan	12	28,660,687	38,055,682
Unclaimed dividend		3,407,752	3,442,070
Short-term financing	15	403,136,786	402,459,771
		803,863,343	740,079,627
Total liabilities		846,390,231	804,068,030
Contingencies and commitments	16		
Total equity and liabilities		1,051,550,131	1,011,590,668

The annexed notes 1 to 25 form an integral part of these condensed interim financial staten



Chief Executiv



Director



Chief Financial officer

BOLAN CASTINGS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED MARCH 31, 2022 - (UNAUDITED)

	Note	Quarter ended		Period ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
		← Rupees →			
Revenue from contracts with customers	17	644,721,005	799,234,732	2,011,423,170	1,822,831,870
Cost of sales	18	<u>(602,355,042)</u>	<u>(663,774,220)</u>	<u>(1,862,605,820)</u>	<u>(1,583,585,158)</u>
Gross profit		42,365,963	135,460,512	148,817,350	239,246,712
Distribution costs		(13,081,307)	(17,088,869)	(43,076,859)	(43,735,960)
Administrative expenses		(14,352,022)	(19,944,347)	(54,293,522)	(65,744,897)
Other expenses	19	(483,117)	(7,400,125)	(3,044,314)	(8,363,517)
Other income		5,345,595	17,263,838	19,110,483	23,156,997
Operating profit		19,795,112	108,291,009	67,513,138	144,559,335
Finance cost		<u>(12,453,323)</u>	<u>(9,891,084)</u>	<u>(34,485,683)</u>	<u>(35,443,428)</u>
Profit before tax		7,341,789	98,399,925	33,027,455	109,115,907
Income tax	20	<u>(9,746,286)</u>	<u>(11,988,521)</u>	<u>(30,505,568)</u>	<u>(31,752,959)</u>
Profit / (loss) for the period		<u>(2,404,497)</u>	<u>86,411,404</u>	<u>2,521,887</u>	<u>77,362,948</u>
Earning / (loss) per share - Basic	21	<u>(0.21)</u>	<u>7.53</u>	<u>0.22</u>	<u>6.74</u>

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.


Chief Executive


Director


Chief Financial Officer

BOLAN CASTINGS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 31, 2022 - (UNAUDITED)

	Quarter ended		Period ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	← Rupees →			
Profit / (loss) for the period	(4,802,609)	86,411,404	2,521,887	77,362,948
Other comprehensive income:				
Items not to be reclassified to profit or loss				
Unrealised (loss) / income on revaluation of investment at fair value through other comprehensive income	(2,875,000)	(3,162,500)	(4,884,625)	4,677,625
Total comprehensive income / (loss) for the period	<u>(7,677,609)</u>	<u>83,248,904</u>	<u>(2,362,738)</u>	<u>82,040,573</u>

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.


Chief Executive


Director


Chief Financial Officer

BOLAN CASTINGS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED MARCH 31, 2022 - (UNAUDITED)

	Capital		Revenue		Reserves		Sub Total	Total
	Share Capital	Share premium	General reserve	Accumulated loss	Gain / (loss) on revaluation of investment at fair value through other comprehensive income (OCI)			
	← Rupees →							
Balance as at July 1, 2020	114,725,290	12,155,680	424,500,000	(468,948,295)	11,959,875	(20,332,740)	94,392,550	
Total comprehensive income / (loss) for the period ended March 31, 2021								
- Profit for the period	-	-	-	77,362,948	-	77,362,948	77,362,948	
- Other comprehensive income for the period	-	-	-	-	4,677,625	4,677,625	4,677,625	
	-	-	-	77,362,948	4,677,625	82,040,573	82,040,573	
Balance as at March 31, 2021 (unaudited)	114,725,290	12,155,680	424,500,000	(391,585,347)	16,637,500	61,707,833	176,433,123	
Balance as at July 1, 2021	114,725,290	12,155,680	424,500,000	(361,067,957)	17,209,625	92,797,348	207,522,638	
Total comprehensive income / (loss) for the period ended March 31, 2022								
- Profit for the period	-	-	-	2,521,887	-	2,521,887	2,521,887	
- Other comprehensive loss for the period	-	-	-	-	(4,884,625)	(4,884,625)	(4,884,625)	
	-	-	-	2,521,887	(4,884,625)	(2,362,738)	(2,362,738)	
Balance as at March 31, 2022 (unaudited)	114,725,290	12,155,680	424,500,000	(358,546,070)	12,325,000	90,434,610	205,159,900	

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer

BOLAN CASTINGS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED MARCH 31, 2022 - (UNAUDITED)

	Note	March 31, 2022 Rupees	March 31, 2021 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	22	87,108,577	50,992,739
Increase in long-term loans		(144,000)	(135,000)
Increase in long-term deposits - net		(884,056)	(1,435,855)
Income taxes (paid) / refund - net		(47,303,214)	93,530,313
Employee benefits paid		(6,805,359)	(3,694,060)
Mark-up paid on short-term financing		(30,097,945)	(32,059,704)
Net cash generated from operating activities		1,874,003	107,198,433
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase for acquisition of property, plant and equipment		(5,850,678)	(8,827,339)
Proceeds from disposal of property, plant and equipment		1,624,214	3,990,223
Return received on savings and deposit accounts		323,082	178,057
Dividend received		2,228,125	431,250
Net cash used in investing activities		(1,675,257)	(4,227,809)
CASH USED IN FINANCING ACTIVITIES			
Dividend paid		(34,318)	(25,470)
Proceeds from long-term loan		-	49,866,817
Repayment of long-term loan		(28,946,878)	-
		(28,981,196)	49,841,347
Net (decrease) / increase in cash and cash equivalents		(28,782,450)	152,811,971
Cash and cash equivalents at beginning of the period		(347,568,180)	(491,293,203)
Cash and cash equivalents at the end of the period	23	(376,350,630)	(338,481,232)

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer

BOLAN CASTINGS LIMITED

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022 (UNAUDITED)

1. THE COMPANY AND ITS OPERATIONS

Bolan Castings Limited (the Company) is a public limited company incorporated in Pakistan on July 15, 1982 under the repealed Companies Ordinance, 1984 and listed on the Pakistan Stock Exchange (PSX). The Company manufactures and sells castings for tractors and automotive parts.

The geographical location and address of the Company's business unit, including plant is RCD Highway, Hub Chowki, District Lasbela, Balochistan, Pakistan.

The Company is a subsidiary of Millat Tractors Limited (the Parent Company).

2. BASIS OF PREPARATION

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2021.

4. ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions.

However, management believes that the change in outcome of judgements, estimates and assumptions would not have a material impact on the amounts disclosed in these condensed interim financial statements.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to the financial statements as at and for the year ended June 30, 2021.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2021.

	(Unaudited) March 31, 2022 Rupees	(Audited) June 30, 2021 Rupees
5. PROPERTY, PLANT AND EQUIPMENT		
Operating assets - note 5.1	193,603,550	203,609,160
Capital work-in-progress	-	3,130,000
	<u>193,603,550</u>	<u>206,739,160</u>

5.1 Additions and disposals to operating assets during the period are as follows:

	Additions		Disposals	
	(at cost)		(at net book value)	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	-----Rupees-----			
Plant and machinery	2,666,438	468,767	-	1,790,114
Electrical Appliances	14,040	100,500	-	-
Computers	-	157,795	(65,060)	-
Motor Vehicles	6,300,200	8,823,977	(3,105,219)	1,973,273
	<u>8,980,678</u>	<u>9,551,039</u>	<u>(3,170,279)</u>	<u>3,763,387</u>

	(Unaudited) March 31, 2022 Rupees	(Audited) June 30, 2021 Rupees
6. LONG-TERM INVESTMENT		
Investment at fair value through OCI		
Balance at beginning of the period	22,709,625	17,459,875
Unrealised (loss) / gain on revaluation - transferred to equity	(4,884,625)	5,249,750
Balance at end of the period	<u>17,825,000</u>	<u>22,709,625</u>

This represents investment in 287,500 (June 30, 2021: 287,500) quoted ordinary shares of Rs. 10/- each of Baluchistan Wheels Limited. Equity held 2.16% (June 30, 2021: 2.16%).

7. DEFERRED TAX ASSET

Deferred tax debit balances of Rs. 102.29 million (June 30, 2021: Rs. 80.57 million) in respect of unabsorbed depreciation, tax losses and deductible temporary differences have not been recognised as their recoverability will be dependent on improved profitability of the Company.

8. STORES, SPARE PARTS AND LOOSE TOOLS

These include stores, spares and loose tools in transit amounting to Rs. 1.72 million (June 30, 2021: Rs. 21.77 million)

	(Unaudited) March 31, 2022 Rupees	(Audited) June 30, 2021 Rupees
9. INVENTORIES		
Raw Materials (including in transit Rs. 10.34 Million; June 30, 2021: Rs. 76.07 Million)	92,562,196	193,349,758
Work in process	127,721,423	85,165,670
Finished goods	138,439,723	80,561,987
	<u>358,723,342</u>	<u>359,077,415</u>

9.1 These include finished goods stock written-down to net realisable value by Rs. 3.24 million (June 30, 2021: Rs. 2.16 million)

9.2 Inventories include Rs. 54.48 million (June 30, 2021: Rs. 33.03 million) held by third parties

	(Unaudited) March 31, 2022 Rupees	(Audited) June 30, 2021 Rupees
10. TRADE RECEIVABLES		
Considered good		
- related parties	95,316,464	28,574,143
- others	28,174,848	19,340,163
	<u>123,491,312</u>	<u>47,914,306</u>
11. CASH AND BANK BALANCES		
With banks on:		
- current accounts	20,456,284	50,257,975
- savings accounts - note 11.1	5,798,471	4,462,456
- term deposit receipts - note 11.1 & 11.2	3,856,200	3,856,200
	<u>30,110,955</u>	<u>58,576,631</u>
Cash in hand	531,401	171,160
	<u>30,642,356</u>	<u>58,747,791</u>
11.1	These accounts are maintained under mark up arrangement and carry mark up at the rate of 6% to 7.5% (June 30, 2021: 2.96% to 7.3%) per annum.	
11.2	These are under lien with a bank for issuance of bank guarantee in favour of Sui Southern Gas Company Limited.	
	(Unaudited) March 31, 2022 Rupees	(Audited) June 30, 2021 Rupees
12. LONG-TERM LOAN		
Opening	62,959,377	23,550,835
Proceeds during the period	-	49,866,817
Markup on loan	2,204,727	5,564,309
Repayments during the period	(28,946,878)	(9,513,921)
Deferred grant - note 12.2	-	(6,508,663)
	<u>36,217,226</u>	<u>62,959,377</u>
Less: Current portion shown under current liabilities	<u>(28,660,687)</u>	<u>(38,055,682)</u>
	<u>7,556,539</u>	<u>24,903,695</u>
12.1	This represents loan obtained under the State Bank of Pakistan's Refinance Scheme 'Payment of Wages and Salaries to the Workers and Employees of Business Concerns' through Islamic financing. It carries mark-up at the rate of 1% per annum and is repayable in 8 equal quarterly installments, starting from April 2021. The loan is secured by way of hypothecation of plant and machinery and current assets of the Company.	
12.2	This represents the value of benefit of below-market interest which has been accounted for as government grant under IAS 20 - Government grants.	
	(Unaudited) March 31, 2022 Rupees	(Audited) June 30, 2021 Rupees
13. DEFERRED INCOME - GOVERNMENT GRANT		
Balance at beginning of the period	3,804,560	2,693,712
Deferred grant recognised during the period	-	6,508,663
Deferred grant recognised in income	(1,966,104)	(5,397,815)
Balance at end of the period	<u>1,838,456</u>	<u>3,804,560</u>
Less: Current portion of deferred income - Government grant	<u>(1,838,456)</u>	<u>(3,244,815)</u>
	<u>-</u>	<u>559,745</u>
13.1	This represents benefit obtained under SBP's Refinance Scheme for Payment of Wages and Salaries to Workers and Employees of Business Concerns' at concessionary rates. According to the condition of the SBP scheme, the Company was prohibited from laying-off employees for a period of three months from the date of loan.	

	(Unaudited) March 31, 2022 Rupees	(Audited) June 30, 2021 Rupees
14. TRADE AND OTHER PAYABLES		
Creditors	308,871,285	199,298,565
Accrued liabilities - note 14.1	19,407,553	52,108,138
Accrued mark-up	12,427,534	8,114,312
Advances from customers - unsecured	2,386,466	3,365,495
Compensated absences	12,193,902	11,980,715
Current portion of deferred income - government grant	1,838,456	3,244,815
Workers' Profit Participation Fund	1,773,883	9,220,621
Workers' Welfare Fund	4,715,068	4,035,596
Security deposits	1,600,037	1,600,037
Withholding tax	313,215	552,376
Others	1,878,258	1,029,554
	<u>367,405,657</u>	<u>294,550,224</u>

14.1 These include Rs. 2.67 million (2021: Rs. Nil) due to Parent Company in respect of remuneration of Chief Executive paid by Parent Company and cross charged to the Company.

	(Unaudited) March 31, 2022 Rupees	(Audited) June 30, 2021 Rupees
15. SHORT-TERM FINANCING		
Secured		
Short-term running finance facilities		
Under mark-up arrangement - note 15.1	281,190,141	327,459,771
Under Istisna cum Wakala arrangement - note 15.2	75,000,000	75,000,000
Under Musawamah facility - note 15.3	46,946,645	-
	<u>403,136,786</u>	<u>402,459,771</u>

15.1 These represent running finance facilities obtained from Bank Alfalah Limited amounting to Rs. 200 million (2021: Rs. 200 million), Habib Bank Limited amounting to Rs. Nil (2021: Rs.100 million) and Faysal Bank Limited amounting to Rs.100 million (2021: Rs. 100 million).The mark-up rates on these facilities range between 1 month KIBOR plus 1% to 1.60% (2021: 1 month KIBOR plus 1% to 1.60%) per annum.The arrangements are secured by way of hypothecation of plant and machinery and current assets of the company.

15.2 The Company has also obtained finance under Istisna cum Wakala arrangement from Dubai Islamic Bank Pakistan Limited amounting Rs. 75 million (2021: Rs. Rs. 75 million). The profit rate on this facility is 6 months KIBOR plus 2% (2021: 6 months KIBOR plus 2%) per annum. It is secured by way of hypothecation charge over fixed assets and current assets of the Company amounting to Rs. 100 million. Amount utilized as at March 31, 2022 is Rs. 75 million (2021: Rs. 75 million).

15.3 This represent Masawamah Finance Facility obtained from Meezan Bank Limited amounting to Rs. 50 million (2021: Rs. NIL). The profit rate on this facility is 6 months KIBOR plus 1% (2021: Rs. Nil) per annum. It is secured by way of hypothecation charge over inventory and current assets of the Company. Amount utilized as at March 31, 2022 is Rs.46.94 million (2021: Rs. Nil).

16. CONTINGENCIES AND COMMITMENTS

There has been no change in status of contingencies reported in the financial statements for the year ended June 30, 2021.

	March 31, 2022 Rupees	March 31, 2021 Rupees
17. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Gross revenue	2,498,759,970	2,270,887,424
Less:		
- Sales returns	(123,701,616)	(117,799,201)
- Sales tax	(363,635,184)	(330,256,353)
	(487,336,800)	(448,055,554)
	<u>2,011,423,170</u>	<u>1,822,831,870</u>

18. COST OF SALES

Cost of goods manufactured	1,920,483,556	1,571,868,348
Opening stock of finished goods	80,561,987	66,384,958
Closing stock of finished goods	(138,439,723)	(54,668,148)
Cost of goods manufactured sold	<u>1,862,605,820</u>	<u>1,583,585,158</u>

	March 31, 2022 Rupees	March 31, 2021 Rupees
19. OTHER EXPENSES		
Provision for Workers' Welfare Fund	674,030	2,489,546
Provision for Workers' Profit Participation Fund	1,773,762	5,873,971
Sales Tax Penalty	596,522	-
	<u>3,044,314</u>	<u>8,363,517</u>
20. INCOME TAX		
Current		
- for the period	30,505,568	27,407,166
- prior year	-	4,345,793
	<u>30,505,568</u>	<u>31,752,959</u>
20.1	The Company has computed current tax for the period under section 113 of the Income Tax Ordinance, 2001 i.e. Minimum Tax.	
21. EARNING PER SHARE - BASIC AND DILUTED	March 31, 2022	March 31, 2021
Profit after taxation attributable to ordinary shareholders (Rupees)	<u>2,521,887</u>	<u>77,362,948</u>
Weighted average number of shares in issue during the period	<u>11,472,529</u>	<u>11,472,529</u>
Earning per share - Basic (Rupees)	<u>0.22</u>	<u>6.74</u>
21.1	Diluted Earnings per share has not been presented as the Company did not have any convertible instruments in issue as at March 31, 2022 and 2021 which would have any effect on the earnings per share if the option to convert is exercised.	
22. CASH GENERATED FROM / OPERATIONS	March 31, 2022 Rupees	March 31, 2021 Rupees
Profit before income tax	33,027,455	109,115,907
Adjustment for non-cash charges and other items		
Depreciation	17,362,074	18,007,885
Non-cash employee benefits expense	2,686,137	7,884,012
Gain on disposal of property, plant and equipment	-	(226,836)
Return on savings and deposit accounts	(323,082)	(178,057)
Dividend income	(2,228,125)	(431,250)
Government grant income	(1,966,104)	-
Mark-up on long-term loan	2,204,727	1,196,278
Mark-up on short-term financing	32,206,440	29,693,401
	<u>49,942,067</u>	<u>55,945,433</u>
	<u>82,969,522</u>	<u>165,061,340</u>
EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES		
(Increase) / Decrease in current assets		
Stores, spare parts and loose tools	10,395,682	(3,691,078)
Stock-in-trade	354,073	(85,207,870)
Trade receivables	(75,577,006)	(22,698,322)
Loans and advances	4,631,717	(4,429,484)
Trade deposits and short-term prepayments	(2,812,612)	(2,667,378)
Other receivables	1,187,565	(1,522,310)
Refunds due from the Government - Sales tax	(6,193,661)	-
	<u>(68,014,242)</u>	<u>(120,216,442)</u>
Increase / (decrease) in current liabilities		
Trade and other payables	72,153,297	(4,767,689)
Sales tax payable	-	10,915,530
	<u>72,153,297</u>	<u>6,147,841</u>
	<u>87,108,577</u>	<u>50,992,739</u>

	March 31, 2022 Rupees	March 31, 2021 Rupees
23. CASH AND CASH EQUIVALENTS		
Cash in hand	531,401	438,734
With banks on:		
- current accounts	5,798,471	78,031,533
- savings accounts	20,456,284	8,751,912
	26,254,755	86,783,445
Short-term financing	(403,136,786)	(425,703,411)
	(376,350,630)	(338,481,232)

24. RELATED PARTY DISCLOSURES

The following transactions were carried out with related parties during the period:

Relationship with the Company	Nature of transactions	March 31, 2022 Rupees	March 31, 2021 Rupees
Parent Company:			
- Millat Tractors Limited (MTL)	Sales of goods	1,909,547,507	1,739,226,865
	Purchase of goods	112,024	59,432
	Expenses incurred by MTL on behalf of the Company	10,855,436	7,665,972
Associated Company:			
- Millat Equipment Limited (MEL)	Sales of goods	24,363,690	11,594,356
	Expenses incurred by MEL on behalf of the Company	527,257	-
Employee benefit funds:			
- Pension fund	Contributions	-	1,447,850
- Provident funds	Contributions	3,084,380	3,008,593
- Executives' Gratuity fund	Contributions	280,691	318,359
- Executives' Gratuity fund	Benefits paid on behalf of the fund	3,584,789	6,796,869
- Key management personnel:			
- Directors / Executives	Salaries and other short term employee benefits paid	27,283,515	25,631,543

25 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 25, 2022 by the Board of Directors of the Company.



Chief Executive



Director



Chief Financial Officer



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