



# ANNUAL REPORT



# 2022

*Excellence  
in every Field  
of Operations*

**Bolan Castings Limited**

# CONTENTS

Vision / Mission	02
Code of Conduct	03
Core Values	04
Company Information	05
Board of Directors	06
Board Committees & their Terms of Reference	09
Organization Structure	11
Company Profile	12
Customers & Product Range	14
Shareholders Information	15
Notice of Annual General Meeting	16
Chairman's Review	21
Directors' Report	25
Statement of Value Added & its Distribution	48
Vertical Analysis	50
Horizontal Analysis	52
Decade at a Glance	54
Graphical Illustration	56
Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019	58
Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019	61
Auditors' Report to the Members	62
Statement of Financial Position	67
Statement of Profit or Loss	68
Statement of Profit or Loss and Other Comprehensive Income	69
Statement of Changes in Equity	70
Statement of Cash Flows	71
Notes to the Financial Statements	72
Pattern of Shareholding	108

[Form of Proxy](#)

# VISION / MISSION CORPORATE STRATEGY / QUALITY POLICY SAFETY, HEALTH & ENVIRONMENT



## Vision

To be a player in the global market by providing high quality foundry based engineering products.

## Mission

To be market leader in foundry technology by offering competitive high quality value added products to the satisfaction of customers and to grow through diversification in local and export markets, while serving the best interest of shareholders.

## Corporate Strategy

Bolan Castings Limited will remain proactive in combating all threats and make use of all opportunities to improve the productivity, profitability and for achieving its immediate goals and ultimate mission.

## Quality Policy

We will pursue and continuously improve our quality management systems so as to consistently meet the expectations of our customers and other stakeholders, operate safely and encourage our employees to develop and grow.

## Safety

- The management of Bolan Castings Limited believes that the safety and welfare of its employees is of paramount importance.
- We believe that all industrial injuries can be prevented.
- Each individual employee is responsible for working safely, both for his own welfare, and for the safety and welfare of his fellow employees.
- We believe that production is not so important that time cannot be taken to find a safe way to do our work.

## Health

- Good health of employees is very important to Bolan Castings Limited.
- All employees of Bolan Castings Limited go through an annual medical check up.
- Bolan Castings Limited has a clinic at the plant site which provides medical facilities for its employees.
- All employees are insured under Group Life and Health Insurance Scheme.

## Environment

- Bolan Castings Limited is making all out efforts to ensure that it takes care of the environment.
- Continued efforts are made so that the Company's plant operational activities are environment friendly.
- The Company is committed to improve the environment and is currently working to achieve the environmental standards.

# CODE OF CONDUCT

## Purpose

Bolan Castings Limited (BCL) is committed to the highest standards of business conduct in its relationships with associates, customers, suppliers, shareholders and other stakeholders. It is BCL's policy to conduct business with honesty and integrity and in compliance with all applicable legal and regulatory requirements.

The directors, senior management and all other employees of BCL are expected to conduct their business dealings honestly, openly, fairly, diligently and courteously and in a manner that enhances the image of the Company as well as Group and never compromised the Company's integrity. The purpose of this Code is to describe standards of conduct expected of directors, senior management and other employees in their dealings on behalf of the Company.

## Applicability

This Code is applicable to all the directors, senior management and other employees of the Company.

## Standards of Conduct

Every director, senior management and other employee of the Company shall ensure that he / she:

- Shall not engage in business activities, either directly or indirectly, with a customer, vendor, supplier or any other third party, which are inconsistent with, or contrary to, the business activities of the Company.
- Shall not engage in any activity that might create a conflict between personal interest and the Company's interest. Any situation that involves or may reasonably be expected to involve, a conflict of interest should be disclosed promptly in order to seek guidance from the Board.



- Shall not use his / her respective position to force, coerce, harass, induce, intimidate or in any manner influence any person for personal gain.
- Shall maintain the confidentiality of information entrusted to him / her by the Company, its customers, suppliers or business associates of the Company, except when disclosure is authorized or legally mandated and shall ensure that no such confidential information is used for personal advantage or benefit.
- Shall protect the Company's property and assets and have them utilized reasonably and effectively for the Company's business purpose, and shall not use them to pursue personal opportunities and gain.
- Shall refrain from insider trading and shall not use material information pertaining to the Company, before it is made public, for financial or other personal benefit and shall not provide such information to others.
- Shall comply with all applicable laws, rules, regulations, agreements, guidelines, standards and internal policies, including other requirements incidental thereto.

# CORE VALUES

## 1. Ethics & Integrity

We do care how results are achieved and will demonstrate honest and ethical behaviour in all our activities. Choosing the course of highest integrity is our intent and we will establish and maintain the highest professional and personal standards.

## 2. Continual Improvement

Continual improvement in all processes involved in manufacturing, engineering or business management is 'order of the day' for competitive success.

The philosophy of continual improvement is the 'change for the better'.

It refers to activities that continually improve all functions and involves all employees from the CEO to the shop floor workers.

It is an ongoing effort to constantly evaluate all processes for seeking improvements to increase productivity and profitability.

## 3. Excellence

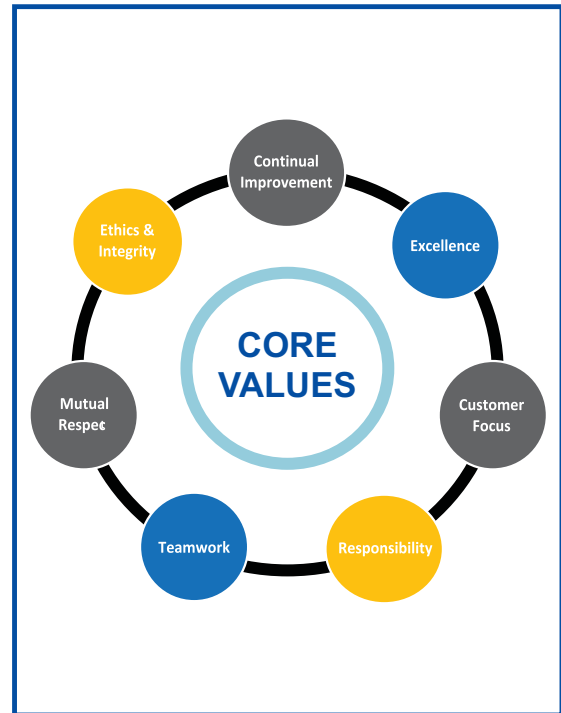
We are committed to excellence in every aspect of our activities. Each one of us must make maximum efforts to provide a quality product that responds to our customers need. Our products must meet and exceed competition. Rather than asking "is it good enough?", we must ask, "how can we do it better?". The quality of everything we do reflects on us and is essential for maintaining long-term relationships with our stakeholders.

## 4. Customer Focus

We are a customer-driven organization and believe that customer satisfaction is our strength and motivates us to grow.

## 5. Responsibility

We will manage our affairs in a highly responsible manner by ensuring that we take care of the environment, are a good corporate citizen, ensure complete satisfaction of our customers through quality and timely delivery of our products.



## 6. Teamwork

We put a lot of emphasis on team work by recognizing that we will achieve more through teamwork. We feel that operational excellence will be achieved by working together as a team and diligently performing tasks in an exceptional manner.

## 7. Mutual Respect

We have respect for all stakeholders of our business which includes our customers, suppliers, contractors, regulators, shareholders, our families and one other.

We care about the professional and personal well being of each member of Bolan Castings Limited. People are our greatest asset and we will strive to exhibit care, concern and interest in those with whom we work and with whom we do business. Our work environment respects individual talents and provides opportunities for training, leadership development, professional growth and financial reward. A secure, highly motivated, and well-trained workforce will thrive and meet the challenges set by our customers.

## COMPANY INFORMATION

Board of Directors	<p>Mr. Sikandar M. Khan          Mr. Mujtaba Ahmad          Mr. Sohail Bashir Rana          Mr. Laeeq Uddin Ansari          Mr. Qaiser Saleem          Mr. Aamir Amin          Mr. Abdul Hamid Ahmed Dagia          Mrs. Tabassum Rana</p>	<p>Chairman          Chief Executive          Director          Director          Director          Director          Director</p>
Company Secretary	Mr. Arafat Mushir	
Chief Financial Officer	Syed Sajid Ali	
Auditors	M/s. A. F. Ferguson & Co.	Chartered Accountants
Legal Advisors	<p>M/s. Latif &amp; Latif Advocate          M/s. Rizwan Manai Associates</p>	
Bankers	<p>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</p>	
Share Registrar	<p>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</p>	
Registered Office	<p>Main RCD Highway, Hub Chowki,          District Lasbela, Balochistan, Pakistan          Tel : +92-853-364033,363296          Fax : +92-853-363292          E-mail: bclhub@bclpk.com</p>	
Web Site	<a href="http://www.bolancastings.com">www.bolancastings.com</a>	

## BOARD OF DIRECTORS



### Mr. Sikandar M. Khan

Chairman / Non-Executive Director

**Appointment**  
July 03, 1982

**Committee Membership**  
Chairman of Board's Committee for Supervision

**External Appointments**  
Chairman of Millat Tractors Ltd., Millat Equipment Ltd., Millat Industrial Products Ltd., TIPEG Intertrade DMCC, Director of Arabian Sea Country Club, President of Pakistan Foundry Association and Member of NAMAL Education Foundation, National Management Foundation



### Mr. Mujtaba Ahmad

Chief Executive Officer

**Appointment**  
June 03, 2022

**Committee Membership**  
No Committee Membership

**External Appointments**  
Currently no external appointment



### Mr. Sohail Bashir Rana

Non-Executive Director

**Appointment**  
June 13, 1993

**Committee Membership**  
Member of Board's Committee for Supervision, Audit Committee and Human Resource and Remuneration Committee

**External Appointments**  
Director of Millat Tractors Limited, TIPEG Intertrade DMCC, Hyundai Nishat Motor (Pvt.) Ltd.

## BOARD OF DIRECTORS



### Mr. Laeeq Uddin Ansari

Non-Executive Director

#### Appointment

June 13, 1993

#### Committee Membership

Member of Board's Committee for Supervision

#### External Appointments

Director of Millat Tractors Limited, Millat Equipment Limited, Millat Industrial Products Limited, TIPEG Intertrade DMCC



### Mr. Qaiser Saleem

Non-Executive Director

#### Appointment

February 23, 2022

#### Committee Membership

Member of Audit Committee, Human Resource and Remuneration Committee

#### External Appointments

Director of Millat Tractors Limited, Millat Equipment Limited, Millat Industrial Products Limited



### Mr. Aamir Amin

Independent Director

#### Appointment

March 18, 2020

#### Committee Membership

Chairman of Audit Committee and Member of Human Resource and Remuneration Committee

#### External Appointments

Chief Financial Officer of National Investment Trust Limited and Director of Balochistan Wheels Limited, Mitchell's Fruit Farm Limited, Bata Pakistan Limited, Indus Dyeing and Manufacturing Company Limited



## BOARD OF DIRECTORS



**Mr. Abdul Hamid Ahmed Dagia**  
Independent Director

**Appointment**  
October 28, 2020

**Committee Membership**  
No Committee Membership

**External Appointments**  
Director of DATA recall (Pvt.) Ltd., Azgard Nine Limited, Shezan International Limited, Technology Trade (Pvt.) Ltd., Mitchell's Fruit Farm Limited, JAMAHA (Pvt.) Ltd.



**Mrs. Tabassum Rana**  
Independent Director

**Appointment**  
October 28, 2020

**Committee Membership**  
Chairperson of Human Resource and Remuneration Committee and Member of Audit Committee

**External Appointments**  
Currently no external appointment

## BOARD'S COMMITTEES & THEIR TERMS OF REFERENCE

### i) Audit Committee

1. Mr. Aamir Amin	Chairman
2. Mr. Sohail Bashir Rana	Member
3. Mr. Qaiser Saleem	Member
4. Mrs. Tabassum Rana	Member

### Terms of Reference

- (i) Determination of appropriate measures to safeguard the company's assets;
- (ii) Review of annual and interim financial statements of the company, prior to their approval by the Board, focusing on,-
  - (a) major judgmental areas;
  - (b) significant adjustments resulting from the audit;
  - (c) going concern assumption;
  - (d) any changes in accounting policies and practices;
  - (e) compliance with applicable accounting standards;
  - (f) compliance with these Regulations and other statutory and regulatory requirements; and
  - (g) all related party transactions;
- (iii) Review of preliminary announcements of results prior to external communication and publication;
- (iv) Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- (v) Review of management letter issued by external auditors and management's response thereto;
- (vi) Ensuring coordination between the internal and external auditors of the company;
- (vii) Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the company;
- (viii) Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- (ix) Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
- (x) Review of the company's statement on internal control systems prior to endorsement by the Board and internal audit reports;
- (xi) Instituting special projects, value for money studies or other investigations on any matter specified by the Board, in consultation with the chief executive officer and to consider remittance of any matter to the external auditors or to any other external body;
- (xii) Determination of compliance with relevant statutory requirements;
- (xiii) Monitoring compliance with these Regulations and identification of significant violations thereof;
- (xiv) Review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
- (xv) Recommend to the Board the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements, measures for redressal and rectification of non-compliances with the Regulations;
- (xvi) Consideration of any other issue or matter as may be assigned by the Board.

## BOARD'S COMMITTEES & THEIR TERMS OF REFERENCE

### ii) Human Resource and Remuneration (HR & R) Committee

1. Mrs. Tabassum Rana	Chairperson
2. Mr. Sohail Bashir Rana	Member
3. Mr. Aamir Amin	Member
4. Mr. Qaiser Saleem	Member

#### Terms of Reference

- (i) Recommend to the Board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors);
- (ii) Recommending human resource management policies to the Board;
- (iii) Recommending to the Board regarding the appointment of chief financial officer, company secretary and head of internal audit;
- (iv) Considering and making recommendations to the Board in respect of the Board's committees and the chairmanship of the Board's committees;
- (v) Keeping the structure, size and composition of the Board under regular review and for making recommendations to the Board with regard to any changes necessary.

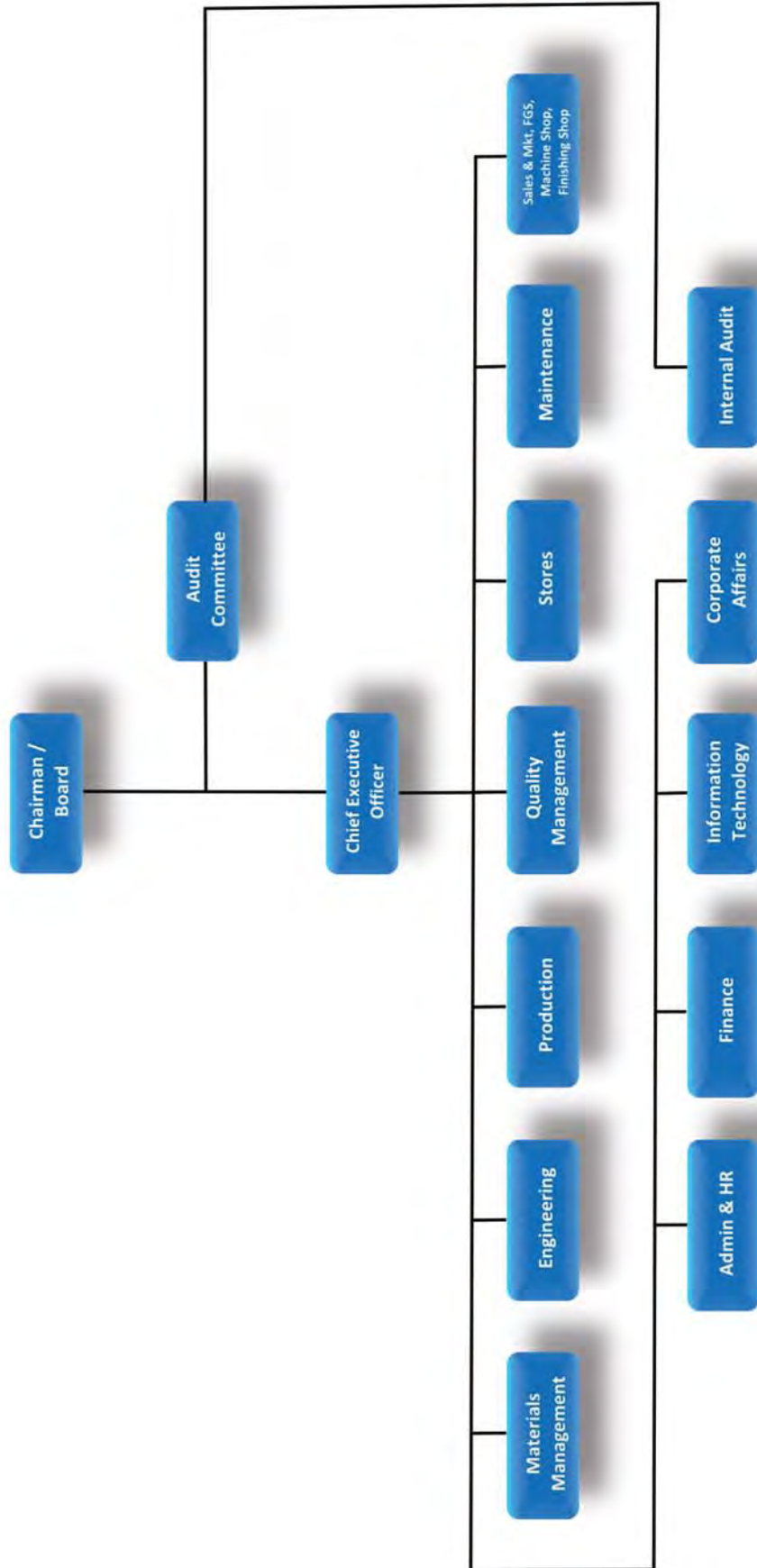
### iii) Board's Committee for Supervision (BCS)

1. Mr. Sikandar Mustafa Khan	Chairman
2. Mr. Sohail Bashir Rana	Member
3. Mr. Laeeq Uddin Ansari	Member

#### Terms of Reference

- (i) To provide a forum for the Company's Senior Executives to contribute to planning the strategic direction of the Company.
- (ii) To review and monitor the periodic operating activities regarding technical, financial and administrative aspects of the Company against budget, forecasts and previous year on monthly basis.
- (iii) To ensure implementation of strategy, the corporate plan, policies and procedures.
- (iv) To ensure successful achievement of objectives of the Company.
- (v) To ensure active co-ordination, co-operation and communication between all departments of the Company.
- (vi) To review the organizational structure of the Company and making recommendations for change.

# ORGANIZATION STRUCTURE



# COMPANY PROFILE

## INTRODUCTION

Being a modern and well equipped foundry and holding a major market share of the tractor and automotive castings, Bolan Castings Limited can rightly claim to be the leading foundry of its kind in Pakistan.

The Company was incorporated on 15th July, 1982 as a public limited company by Pakistan Automobile Corporation Limited (PACO) under the administrative control of Ministry of Production, Government of Pakistan. The plant was commissioned in June 1986 with the assistance of Foundry Management & Design Company (FMD), United Kingdom (U.K) and commercial production was started in July, 1986. The plant is located about 40 Kms from Karachi on the main R.C.D. Highway, Hub Chowki, District Lasbella, Balochistan. The Company was privatised and handed over to a group of management under a joint collaboration of Millat Tractors Limited and the employees of Bolan Castings Limited on 13th June, 1993.

## FOUNDRY

The foundry is located at Hub, Balochistan on a 100,000 square meters plot with a covered area of approximately 20,000 square meters. The foundry is manufacturing tractor castings such as Cylinder Blocks, Cylinder Heads, Centre Housings, Transmission Cases and truck / bus castings like Brake Drums and Hubs with a large number of other similar castings.



The plant produces more than 16,000 tons per year of tractor / automotive castings in grey and ductile iron. So far, more than 200 different types of castings have been successfully developed and supplied to various customers.

## PRODUCTION FACILITIES

BCL has two foundry plants with following production & quality management facilities.

- Duplex melting facilities consisting of Twin Cold Blast Cupolas and Coreless Induction Furnaces.
- Induction melting through two 1.5 tons furnaces.



- One high pressure moulding line of 1150 x 800 x 300 / 300 mm box size.
- Another high pressure moulding line of 650 x 550 x 250 / 250 mm box size.
- Fully computerized green sand plant which on demand automatically delivers predetermined sand mixes to the moulding line.
- New Sand Preconditioning Plant.
- Sand Washing Plants.
- Resin coated sand Plant, Continuous Mixer, Shell Cores, CO2 Cores and Cold Box core making machines.
- Finishing Shop for shot blasting, fettling, grinding and painting.
- A separate Pattern Making Shop for development, repair and maintenance of patterns tooling and core boxes through CAD/CAM process.
- An ancillary workshop for the fabrication and maintenance of Plant equipment etc.

## RESEARCH & DEVELOPMENT

Experimentation and innovative studies are constantly undertaken for both process and product improvements. Bolan Castings Limited, from the very beginning, is engaged in research, quality improvement of the products, productivity enhancement, new products development and processes improvement.



## QUALITY MANAGEMENT / PROCESS CONTROL

We believe that quality and a relentless commitment to continuous improvement are essential to our success. To this end, we define quality as understanding the customer's expectations, agreeing on performance and value and providing products and services that meet expectations. Quality is our responsibility and our motto is "We pour quality into castings".

The foundry has developed a "Quality Control System" that covers inspection of the complete process from raw materials supply to the dispatch of finished good. Laboratories at the plant use equipment and techniques to check all incoming material, metallic charge, Ferro alloys, sands, resins, coatings and refractoriness.



## COMPANY PROFILE

BCL is the only foundry in Pakistan using high valued imported Raw Materials & consumables like Pig Iron, Coke, Bentonite, Cold Dust, Core Coating, Core Adhesive etc.

During the manufacturing process, rapid response systems are employed in a series of integrated checks. Finished products undergo an array of checks and inspection with appropriate techniques. Critical parts and those on which safety depends are 100% checked.

Checks during manufacturing are supplemented by sample checking by metallography, spectrometry and actual chemical analysis.

As a result of strict and effective quality control, high standards have been achieved.

### PRODUCTIVE MAINTENANCE

An integrated Preventive Maintenance Plan is regularly & effectively monitored to keep the plant operative. Computerized data is maintained for upto-date analysis for improvements.

### POLLUTION CONTROL

Maximum attention is given to reduce the air pollution through the following:

- Wet sludge tank for cupola emissions.
- Scrubbers for air born emission at new sand pre conditioning and core plant.
- Reduction of dust emissions through bag filter closed cabin for shot blasting and sand plant.
- Dust catchers in grinding area.
- Maximum plantation at the open areas of the factory.

### INDUSTRIAL & PERSONAL SAFETY

The following are in place for the safety of our employees and equipments:

- Effective fire fighting system, which covers all areas of the plant.
- Safety protective provided to the work force.
- Adequate sound proofing of high noise machines.



- Protective cover for cutting machines.
- Controlled admittance to production site.
- Flammable material adequately protected from sun and heat.
- All work areas sufficiently ventilated.

### NO COMPROMISE ON QUALITY IS OUR CLAIM

BCL has an effective system for dealing all customer complaints. Regular visits to customers along with daily feed back and continuous follow ups is our strength.

### SUPPORT FOR FOUNDRY EDUCATION / ENGINEERING EDUCATION

To improve the level of knowledge in the field of foundry practice, BCL is providing technical support through regular internships, factory visits etc., to the students of Metallurgical Engineering and Materials Engineering of NED University of Engineering & Technology, Karachi, Mehran University of Engineering & Technology, Jamshoro and other Engineering Institutions in a planned manner.

### SUGGESTION SCHEME

Continual Improvement is the prime strategy at Bolan Castings Limited for bench mark performance and competitiveness. We encourage every employee and other concerned staff of the Company to participate in the scheme and get incentive.

### ISO CERTIFICATION

Bolan Castings Limited was the first foundry in Pakistan to obtain ISO-9002 QMS certificate in April 1999. The Company has now acquired certification on ISO 9001-2015 version of ISO Quality Management System.



At Bolan Castings Limited, the ISO-Quality Management System is being effectively implemented in letter and spirit. All SOPs & QSPs are regularly monitored through in-house and independent auditors.

### INTEGRATED REPORTING / DOCUMENTATION THROUGH COMPUTERIZATION

Fully computerized documentation & reporting system has been employed for the effective control, timely action and transparency.

# CUSTOMERS & PRODUCT RANGE

## CUSTOMERS

### Tractors

- . Millat Tractors Limited
- . Al-Ghazi Tractors Limited
- . Hema Industries, Turkey

### Automobiles

- . Hino Pak Motors Ltd.
- . Ghandhara Nissan Ltd.
- . Ghandhara Industries Ltd.
- . Master Motors Corporation Ltd.
- . Afzal Motors

### Engineering/Others

- . HMA Pumps (Pvt.) Ltd.
- . Millat Equipment Limited
- . Baluchistan Wheels Limited
- . Alsons Industries (Pvt.) Ltd.
- . Mecas Engg. Ltd.
- . Infinity Engg. Ltd.
- . Al-Intizam International

## PRODUCT RANGE

### Tractor Industry

- a. MF Tractors**
1. Cylinder block
  2. Cylinder head
  3. Transmission case
  4. Centre housing
  5. Timing gears
  6. Bearing caps
  7. Differential cases
  8. Hydraulic lift cover
  9. Box hydraulic
  10. Oil sump 240
  11. Oil sump 385
  12. Sleeve
  13. Fork clutch release
  14. Axle housing 240
  15. Axle housing 385
  16. Link rocker
  17. Fly wheel 240
  18. Fly wheel 385
  19. Front axle support 240
  20. Front axle support 385
  21. Water body 385
  22. Water body outlet 240
  23. Shift tower
  24. Axle cover
  25. Diff. carrier LH/RH
  26. Shift tower cover

### b. Fiat Tractors

1. Axle casing
2. Differential case
3. Front axle support
4. Bearing cover
5. Trumpet 480
6. Hubs
7. Oil sump 480
8. Steering box cover

### Automobile Industry

- a. Hino Trucks/Buses**
1. Brake drums
  2. Spring stoppers & brackets
  3. Bracket injection pump
  4. Pulleys

### b. Nissan Trucks/Buses

1. Brake drums & hubs

### c. Isuzu Trucks/Buses

1. Brake drums & hubs
2. Exhaust manifold

### d. Master Trucks

1. Brackets

### e. Daewoo Trucks/Buses

1. Brake drums

### Engineering Industry

#### a. Pumps

1. Pump heads
2. Pump bases
3. Base plates
4. Adopter flanges
5. Pump housing
6. Suction chambers
7. Seal covers

#### b. Millat Equipment Limited

1. Planetary carrier 240
2. Planetary carrier 375
3. Planetary carrier 385

#### c. Wheel Rims

1. Blank holder dies

#### d. Alsons Industries

1. Bomb Shell

#### e. Mecas Engg. Ltd.

1. L-shape large

#### f. Infinity Engg. Ltd.

1. Planetary carrier 240
2. Planetary carrier 375
3. Planetary carrier 385
4. Brake drums
5. Hubs

#### g. Al-Intizam International

1. Cast iron wheel



BCL Castings  
A Full Range of Automotive Parts

# SHAREHOLDERS INFORMATION



Bolan Castings Limited (BCL) is committed to providing a high standard of communication to its Shareholders so that they have all information reasonably required to make informed assessments of the Company's value and prospects.

## Periodic Financial Reports

BCL produces four Periodic Financial Reports for shareholders each year:

- First Quarterly Report upto 30<sup>th</sup> September
- Second Quarterly / Half Yearly Report upto 31<sup>st</sup> December
- Third Quarterly Report upto 31<sup>st</sup> March
- Annual Report upto 30<sup>th</sup> June.

The Company transmits its quarterly accounts to shareholders through Company's website instead of sending the same by post. However, the quarterly accounts can be provided to shareholders, on demand, at their registered addresses free of cost, within one week of such demand.

The Company dispatches the Annual Accounts to its Shareholders by post. Annual Accounts are also placed on Company's website.

## Annual General Meeting

BCL holds Annual General Meeting (AGM) normally in October of each year at Company's Registered Office.

The Notice of AGM is sent to all Shareholders at least 21 days before the date of AGM and also published in one issue each of Daily English and Urdu news papers having circulation in Karachi and Lahore.

The Notice of AGM contains an explanatory memorandum providing information to Shareholders for their convenience.

Shareholders are encouraged to attend the meeting. However, if they are unable to attend, they are encouraged to Vote by Proxy on matters to be decided at the meeting.

The 40th Annual General Meeting is scheduled to be held at the Registered Office of the Company, Main RCD Highway, Hub Chowki, District Lasbela, Baluchistan, Pakistan, also through video link, on Tuesday, October 25, 2022 at 12:00 hours.

## Books Closure

The Share transfer books of BCL will remain closed from October 18, 2022 to October 25, 2022 both days inclusive. Transfers received in order at the office of Share Registrar of the Company at the address given hereunder by close of working hours on October 17, 2022 shall be treated in time.

## Shareholders Enquiries

Enquiries concerning holdings of the Company's ordinary shares, dividend payments and notification of shareholders' change of address should be referred to the Company's Shares Registrar:

CDC Shares Registrar Services Limited,  
CDC House, 99-B, Block-B,  
S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400.  
Tel: Customer Support Services (Toll Free) 0800-CDCPL (23275)  
Fax: (92-21) 34326053  
Email: info@cdcsrsl.com  
Website: [www.cdcsrsl.com](http://www.cdcsrsl.com)

## Shareholders Complaint

Designated contacts and email address are provided on company's website for the shareholders to raise any complaint.

## Web Presence

A wide range of information about BCL is available at Company's website, [www.bolancastings.com](http://www.bolancastings.com).

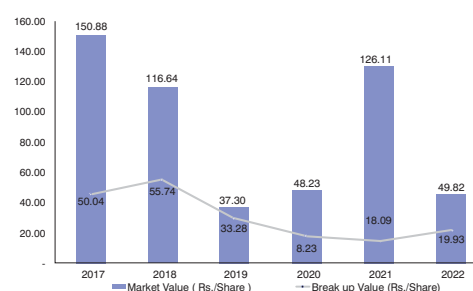
The website has general information about the Company and details of its product range. The quarterly and annual reports of the Company are also posted on this site. Further, a dedicated 'Investor Relations' section is also available on the website.

## Price Ranges

Quarterly price ranges of BCL shares on the Pakistan Stock Exchange, the principal market in which the stock is traded, were:

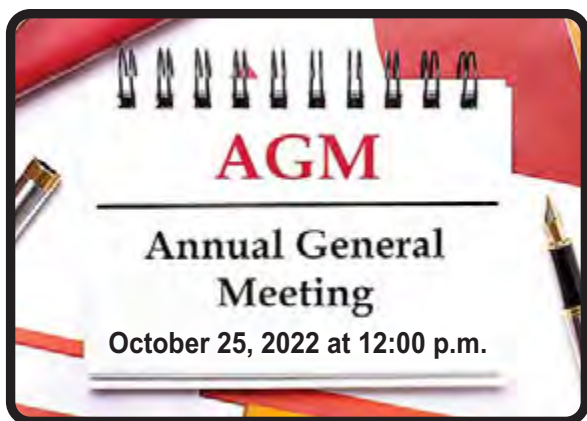
Quarter	2022		2021	
	High	Low	High	Low
First (July-21-Sep-21)	182.00	119.56	84.99	47.50
Second (Oct-21-Dec-21)	133.00	98.00	119.50	58.00
Third (Jan-22-Mar-22)	101.00	63.00	126.90	90.00
Fourth (Apr-22-June-22)	82.00	46.25	148.00	77.01

(Rs.)  
Market Value Vs. Break-up Value of Shares





# NOTICE OF ANNUAL GENERAL MEETING



Notice is hereby given that 40th Annual General Meeting of Bolan Castings Limited will be held at Registered Office of the Company Main RCD Highway, Hub Chowki, District Lasbela, Balochistan, Pakistan, on Tuesday, October 25, 2022 at 1200 hours to transact the following businesses:

## A. ORDINARY BUSINESS

1. To confirm the minutes of 39th Annual General Meeting held on October 26, 2021.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2022 together with the Chairman's review, Directors' report and Auditors' report thereon.
3. To appoint auditors for the year ending June 30, 2023 and to fix their remuneration.

## B. SPECIAL BUSINESS

4. To ratify and approve the transactions carried out in normal course of business with Group companies for the year ended June 30, 2022 by passing the following resolution as a special resolution:

RESOLVED that the transactions carried out in normal course of business with Group companies as disclosed in note 37 to the financial statements for the year ended June 30, 2022 be and are hereby ratified and approved.

5. To authorize Chief Executive of the Company to approve transactions carried out and to be carried out in normal course of business with Group companies during the year ending

June 30, 2023 by passing the following resolutions, with or without modification, as special resolutions:

RESOLVED that the Chief Executive of the Company be and is hereby authorized to approve all the transactions carried out and to be carried out in normal course of business with Group companies during the year ending June 30, 2023, subject to final approval/ratification by the shareholders.

FURTHER RESOLVED that the Chief Executive of the Company be and is hereby authorized to take any and all necessary actions and sign / execute any and all such documents / indentures as may be required in this regard on behalf of the Company.

## C. OTHER BUSINESS

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

By Order of the Board of Directors

Hub  
October 03, 2022

Arafat Mushir  
Company Secretary

## Notes:

1. The Share Transfer Books of the Company shall remain closed from October 18, 2022 to October 25, 2022 (both days inclusive). Transfers received in order at the office of our Share Registrar M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 by close of working hours on October 17, 2022 shall be treated in time to attend and vote at the meeting.
2. A member entitled to attend and vote at the meeting may appoint another member as his / her proxy to attend the meeting and vote on his / her behalf. Vote may be given either personally or by proxy or in case of a company / corporation by a representative duly authorized in pursuance of requirements of Section 138 of the Companies Act, 2017.
3. Duly executed proxies in order to be effective must be received at the Registered Office of the Company at least 48 hours before the meeting, computed in the manner provided in sub section (6) of Section 137 of the Companies Act, 2017.

## NOTICE OF ANNUAL GENERAL MEETING

4. Members are requested to promptly notify any change in their addresses to our Share Registrar M/s. CDC Share Registrar Services Limited, if shares are held in physical form and to the respective Participant/Investor Account Services, if shares are held in book entry form.
5. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

### A. For attending the meeting:

- i) In case of individual, the account holder or sub-account holder shall authenticate his identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall have to be produced (unless it has been provided earlier) at the time of the meeting.

### B. For appointing proxies:

- i) In case of individual, the account holder or sub account holder shall submit the proxy form as per the above requirement.
- ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii) Attested copies of CNIC or the passport of the beneficial owner and the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his / her original CNIC or original passport at the time of the meeting.
- v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall have to be submitted along with proxy form to the Company.

In pursuance of the arrangement of the meeting through video link and the attendances accordingly, the above requirements and corporate fulfillments shall apply mutatis mutandis.

### 6. Participation in the Annual General Meeting

SECP, through its Circular No. 04 of 2021 dated February 15, 2021, has directed the listed companies to also arrange the provision of video link facility. Accordingly, in the best health interest of our valued shareholders and to ensure maximum participation, the Company has also arranged to convene this AGM through video link facility.

To attend the AGM through video link, members are requested to register their following particulars by sending an e-mail at [agm@bclpk.com](mailto:agm@bclpk.com).

Folio / CDC Account No.	Company Name	No. of shares held	Name	CNIC	Cell No.	Email Address
	Bolan Castings Limited					

The video link and login credentials will be shared with the shareholders whose e-mails, containing all the requested particulars, are received at the above e-mail address by or before the close of business hours (5:00 p.m.) on October 20, 2022.

### 7. Mandatory submission of CNIC

As per Regulation 6 of the Companies (Distribution of Dividends) Regulations, 2017 read with Section 242 of the Companies Act, 2017, the company has withheld and in future will also withhold cash dividend payment to shareholders who have not yet provided the copy of their valid CNIC. In case your cash dividend is withheld due to aforesaid reason, you are requested to kindly provide legible copy of your valid CNIC to Company's Share Registrar if you hold shares in physical form or to the respective Participant/Investor Account Services if shares are held in book entry form.

### 8. Payment of Cash Dividend Electronically

In accordance with the provisions of Section 242 of the Companies Act, 2017, and Regulation 4 of the Companies (Distribution of Dividends) Regulations, 2017, a listed company is required to pay cash dividend to its shareholders only through electronic mode directly into the bank account designated by the entitled shareholders. In case your cash dividend is withheld due to aforesaid reason, you are requested to kindly provide the details containing (i) Title of Bank account, (ii) Bank Account Number, (iii) International Bank Account Number (IBAN) (iv) Bank Name, (v) Branch Name, Code & Address, (vi) Cell

## NOTICE OF ANNUAL GENERAL MEETING

Number, and (vii) Landline Number, if any, to Company's Share Registrar if shares are held in physical form or to the respective Participant/Investor Account Services if shares are held in book entry form.

### 9. Conversion of Physical Shares in to Book Entry Form

Section 72 of the Companies Act, 2017 requires every company to replace its physical shares with book-entry form within the period to be notified by the SECP. The shareholders having physical share certificates are accordingly encouraged to open their account with Investors Account Services of CDC or Sub Account with any of the brokers in PSX to convert their shares into scrip less form. This will facilitate the shareholders in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.

### 10. Mandatory submission of Information by Physical Shareholders

According to Section 119 of the Companies Act, 2017 and Regulation 19 of the Companies (General Provisions and Forms) Regulations, 2018, all physical shareholders are advised to provide their mandatory information such as CNIC number, address, email address (if available), contact mobile / telephone number, International Bank Account Number (IBAN), etc. to Company's Share Registrar immediately to avoid any non-compliance of law or any inconvenience in future.

### 11. Transmission of Annual Financial Statements through CD/DVD/USB

SECP through its SRO 470(I)/2016 dated May 31, 2016 have allowed companies to circulate the annual statement of financial position, profit or loss account, auditors' report and directors' report etc to its members through CD/DVD/USB at their registered addresses and the same has subsequently been approved by the Company's shareholders in the AGM. In view of the above the Company has sent its Annual Report-2022 containing the Financial Statements and the related reports to the shareholders in the form of CD. Any shareholder can send request for printed copy of the Annual Report-2022 to the Company.

Further, the annual financial statements of the Company for the year ended June 30, 2022 along with related reports have been placed at the website of the Company [www.bolancastings.com](http://www.bolancastings.com).

### 12. Transmission of Annual Financial Statements through email

The Securities and Exchange Commission of Pakistan vide its SRO 787(1)/2014 dated September 08, 2014 has permitted companies to circulate annual statement of financial position, profit or loss account, auditors' report and directors' report along with notice of annual general meeting to its members through e-mail. Members who wish to avail this facility can give their consent on the Standard Request Form available on Company's website.

### 13. Video Conference Facility

Without prejudice to the requirements and therefore the arrangements as described in "Note 6" above, keeping in view of the requirements of Section 132 of the Companies Act, 2017 together read with SECP Circular 10 of 2014, if the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 7 days prior to date of meeting, the Company will arrange a video conference facility in that city subject to availability of such facility in that city.

The Company will intimate members regarding the video conference facility venue at least 5 days before the date of the AGM along with the complete information needed to access the facility.

If you would like to avail video conferencing facility, as per above, please fill the following and submit to registered office of the Company atleast seven (7) days before AGM.

I / We, \_\_\_\_\_ of \_\_\_\_\_ being  
a member of Bolan Castings Limited, holder of \_\_\_\_\_  
Ordinary Share(s) as per Register Folio No / CDC Account  
No. \_\_\_\_\_ hereby opt for video conference facility  
at \_\_\_\_\_.

Registered Office Address of the Company:  
Bolan Castings Limited  
Main RCD Highway  
Hub Chowki,  
District Lasbela,  
Balochistan

## NOTICE OF ANNUAL GENERAL MEETING

### 14. Postal Ballot

Pursuant to Companies (Postal Ballot) Regulations 2018, for the agenda item subject to the requirements of Section 143 and 144 of the Companies Act 2017, members will be allowed to exercise their right of vote through e-voting, in accordance with the requirements and procedure contained in the aforesaid regulations.

### STATEMENT UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017

#### 1) Agenda Item No. 4 - Related Party Transactions

During the financial year ended June 30, 2022, the Company carried out transactions with Group companies in the normal course of business. As per provision of Regulation No. 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the transactions carried out in normal course of business with Group companies (Related Parties) were required to be approved by the Board as per recommendation of the Audit Committee on quarterly basis. As the majority of Company's Directors were interested in these transactions due to their common directorship and

holding of shares in the Group companies, the quorum of directors could not be formed for approval of these transactions, therefore, in the last Annual General Meeting, the shareholders had authorized the Chief Executive of the Company to approve these transactions in the normal course of business subject to final approval/ratification by the shareholders. Therefore, these transactions have to be approved by the shareholders in the Annual General Meeting.

In view of the above, the transactions conducted during the financial year ended June 30, 2022 with Group companies are being placed before the shareholders for their approval / ratification.

The Directors are interested in the resolution to the extent of their common directorships and shareholding in the Group companies.

The information of the Related party transactions as required under Regulation 5(1) of the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018 is as under:

## NOTICE OF ANNUAL GENERAL MEETING

Name of Related Parties	Millat Tractors Limited		Millat Equipment Limited
Names of the interested or concerned persons or directors	Mr. Sikandar M. Khan Mr. Sohail Bashir Rana Mr. Laeeq Uddin Ansari Mr. Qaiser Saleem		Mr. Sikandar M. Khan Mr. Sohail Bashir Rana Mr. Laeeq Uddin Ansari Mr. Qaiser Saleem
Nature of relationship, interest or concern along with complete information of financial or other interest or concern of directors, managers or key managerial personnel in related party	Common directorship and the shareholding of above - named directors		Shareholding of above-named directors and common directorship of Mr. Sikandar M. Khan, Mr. Laeeq Uddin Ansari and Mr. Qaiser Saleem also.
Detail, description, terms and conditions of transactions	Sale of goods against confirmed orders	Purchase of goods against confirmed orders	Sale of goods against confirmed orders
Amount of Transactions (Rs.)	2,604,487,476	112,024	26,899,614
Time frame or duration of the transactions	From 01-07-2021 to 30-06-2022	From 01-07-2021 to 30-06-2022	From 01-07-2021 to 30-06-2022
Pricing Policy	At Mutually Agreed price	At Mutually Agreed price	At Mutually Agreed price

### 2) Agenda Item No. 5 - Authorization to CEO for Related Party Transactions

The Company shall be carrying out transactions with Group companies in the normal course of business during the financial year ending June 30, 2023. The four out of eight Directors are interested in these transactions due to their common directorship and shareholding in the Group companies. After exclusion of interested directors and in case of absence of any uninterested director from the meeting, the remaining directors cannot form a valid quorum for the purpose of required approvals. Therefore, in order to satisfy the aforesaid requirement of approval by the Board on quarterly basis and in the absence of formation of required quorum for the purpose, the transactions with Group companies will be presented in next AGM for the purpose of seeking the ratification/approval.

In order to avoid any non-compliance from the regulatory provision for the required approval of these transactions and to ensure routine approval of these transactions throughout the year, the shareholders may authorize the Chief Executive to approve the transactions carried out and to be carried out in normal course of business with Group companies during the financial year ending June 30, 2023.

The Directors are interested in the resolutions to the extent of their common directorships and shareholding in the Group companies.

## CHAIRMAN'S REVIEW



*Dear Shareholders,*

*I am pleased to present review on overall performance of the board and effectiveness of the role played by the board in achieving company's objectives.*

### Board and its Effectiveness

Effective management and good stewardship are led by the Board of Directors, which currently consists of seven elected directors and a Chief Executive Officer who by virtue of being CEO deemed to be a director of the Company. All the elected directors are non-executive directors including three independent directors.

The Board is collectively responsible for the success of the Company. Its role is to provide entrepreneurial leadership to the Company within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board sets the Company's values and standards and ensures that its obligations to its shareholders and others are understood and met.

In order to provide effective oversight and leadership the Board has established following three committees with particular responsibilities. The terms of reference of these committees are clearly defined by the Board.

- Audit Committee
- Human Resource and Remuneration (HR&R) Committee
- Board's Committee for Supervision (BCS)

The Board Committees contain directors with a variety of relevant skills and experience so that no undue reliance is placed on any individual.

## CHAIRMAN'S REVIEW

### Performance Evaluation of the Board

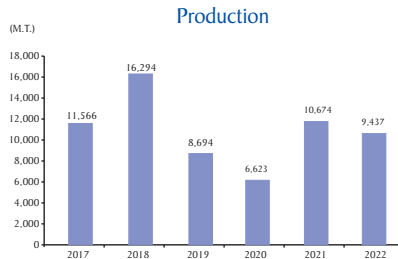
The Board of Directors is committed to assessing its performance both individually and collectively in order to identify its strengths and areas in which it may improve its functioning.

To that end, a performance evaluation is carried out annually by the Board, which is designed to:

- review the role of the Board of Directors, its members and committees;
- evaluate how effectively the Directors are discharging their responsibilities;
- evaluate the Directors' confidence in the integrity of the Company, the quality of the discussions at Board meetings, the credibility of the reports and information they receive, the level of interpersonal cohesion between Board members and the degree of Board knowledge; and
- enable Board to agree on priorities for change which can be addressed in the short-and-long-term.

During the fiscal year 2022, the Board carried out a formal and structured process of evaluation of the performance of the Board, its members and committees. The process involved a self-assessment of performance through each Director by completing a confidential questionnaire, duly approved by the Board.

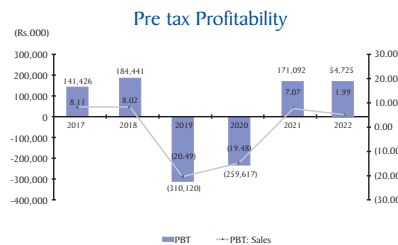
The Board reviewed the result of questionnaire and observed that no major issues arose from the evaluation process. Hence, the Directors concluded that the Board, its members and its committees operate effectively. Further, the Board also discussed the areas requiring improvements in order to perform more effectively.



### Overall Economic and Industry Review

During the financial year 2021-22, the economy of Pakistan had almost recovered from the pandemic and the GDP posted a growth of 5.97 percent. But it had to face yet another challenge of Russia-Ukraine conflict resulted in the high energy and commodities prices. The conflict overturned the global economy outlook as well as added sourness to the local economy. Resultantly, we had to bear the high cost of production due to devaluation of Pak Rupee vs US Dollar, high fuel cost and inflation. The local population was also affected severely due to the hike of food and energy prices.

The agriculture sector, however, recorded a significant growth of 4.40 percent mainly driven by high yields, attractive output prices, supportive government policies and agriculture credit i.e. tractors loan scheme during the financial year 2021-22. However, in spite of higher costs your company was marginally in profit.



The recent flood has devastated the crops and the fields of the farmers and now it depends

on the government rehabilitation efforts for the farmers and their agriculture lands to enable them to sow the seeds for new crops. In addition, increase in minimum support price of agricultural commodities like wheat and sugarcane, would also help farmers to expedite the re-cultivation of their farming lands. We are hopeful that the agriculture sector will continue to perform better and it will increase the sale of tractors, its parts and accessories.

I would like to thank the Board of Directors, vendors, and the employees of your company whose dedicated efforts have sustained the company in these testing times.

I wish to conclude with a pray that may we all stay safe and achieve our desired targets aiming touching the new heights.

Sikandar Mustafa Khan  
Chairman

## چیئر مین کا جائزہ

- اس بات کی تفتیش کہ ڈائریکٹرز صاحبان کو کمپنی کی سالمیت پر اعتماد ہے، بورڈ کے اجلاس میں معیاری گفت و شنید، ان کی موصولہ اطلاعات اور معلومات کی سادگی، بورڈ ارکان کے مابین باہمی رابطے و انسٹیگی کی سطح اور بورڈ کے علم کی سطح اور بورڈ کو تبدیلی کی ترجیحات پر اتفاق کرنے کے قابل بنانے جس کو مختصر اور طویل مدت میں حل کیا جاسکے؛
- مالی سال 2022 کے دوران بورڈ نے ایک رسمی کارکردگی کی تفتیش کا عمل بورڈ اس کے ارکان اور کمیٹیوں پر کیا۔ یہ عمل خود تفتیش کی کارکردگی ہر ڈائریکٹر کے ذریعے کی گئی جسکو ایک خفیہ سوالنامے کے ذریعے مکمل کیا گیا جو کہ بورڈ سے منظور شدہ تھا۔

بورڈ نے سوالنامے کے نتیجے کا جائزہ لیا اور مشاہدہ کیا کہ تفتیش کے عمل سے کوئی بڑا مسئلہ پیدا نہیں ہوا لہذا ڈائریکٹرز صاحبان نے یہ نتیجہ اخذ کیا کہ بورڈ اسکے ارکان اور کمیٹیاں موثر طریقے سے کام کر رہی ہیں مزید یہ کہ بورڈ نے اس پر بھی بحث کی کہ مزید موثر کارکردگی کا مظاہرہ کرنے کیلئے جن علاقوں میں بہتری کی ضرورت ہے۔

## مجموعی معاشی اور صنعتی جائزہ

مالیاتی سال 2021-22 میں، پاکستان کی معیشت تقریباً وبا سے بحال ہو چکی تھی اور جی ڈی پی کی نمو 5.97 فیصد دکھائی دی۔ لیکن اس کو ایک دوسری مشکل کا سامنا رہا اور یوکرین کے تنازعہ کی صورت میں کرنا پڑا جس کے نتیجے میں توانائی اور اشیاء کی قیمتوں میں اضافہ ہوا۔ تنازعہ نے عالمی معیشت کی صورت حال یکسر تبدیل کر دی اور ملکی معیشت کی مشکلات میں بھی مزید اضافہ کیا۔ اس کے نتیجے میں ہمیں زیادہ پیداواری لاگت، جس کی وجہ پاکستانی روپیہ کی قدر بہت کم امریکی ڈالر میں کمی، ایندھن کی زیادہ لاگت اور مہنگائی برداشت کرنا پڑی۔ مقامی آبادی بری طرح متاثر ہوئی کھانے اور توانائی کی قیمتوں کے بڑھنے کی وجہ سے۔

زرعی شعبے نے الہتہ، مالیاتی سال 2021-22 کے دوران نمایاں 4.40 فیصد اضافہ ریکارڈ کیا بنیادی طور پر زیادہ پیداوار، پرکشش پیداوار کی قیمتیں، حامی حکومتی پالیسیوں اور زرعی گریڈ جیسا کہ ڈائریکٹرز لائسنس اسکیم کی وجہ سے۔ پھر بھی زیادہ لاگت ہونے کے باوجود آپ کی کمپنی نے معمولی منافع کیا۔

حال یہ سیلاب نے فصلوں اور کسانوں کے کھیتوں کو تباہ کر دیا اور یہ اب حکومت کی طرف سے کسانوں اور ان کی زرعی زمینوں کی بحالی کی کوششوں پر منحصر ہے تاکہ وہ نئی فصل کے بیج بونے کے قابل ہو سکیں۔ اس کے ساتھ زرعی اجناس جیسے کے گندم اور گنے کی کم از کم امدادی قیمت میں اضافہ بھی کسانوں کو ان کی زرعی زمینوں کو دوبارہ کاشت کرنے کے عمل کو تیز کرے گا۔ ہم پر امید ہیں کہ زرعی شعبہ دوبارہ بہتر کارکردگی کا مظاہرہ کرے گا اور اور یہ ہماری ڈائریکٹرز اور اس کے پرنسپلز اور لوازمات کی فروخت میں بھی اضافہ کرے گا۔

میں کمپنی کے بورڈ آف ڈائریکٹرز، ہمیں مال بیچنے والے، اور کمپنی کے تمام ملازمین کا شکر گزار ہوں کہ ان کی پر خلوص کوششوں سے ہم مشکل وقت میں ثابت قدم رہے۔

میں اس دعا کے ساتھ اختتام کروں گا کہ اللہ ہم سب کو محفوظ رکھے اور ہم مطلوبہ اہداف کی نئی بلندیوں کو چھونے کا مقصد حاصل کریں۔

سکندر  
سکندر ایم خان  
چیئر مین



## چیئر مین کا جائزہ

### معزز حصص یافتگان

میں مسرت کے ساتھ بورڈ کی مجموعی کارکردگی کا جائزہ پیش کرتا ہوں اور جس میں بورڈ نے کمپنی کے مقاصد کو پایہ تکمیل تک پہنچانے میں موثر کردار ادا کیا۔

### بورڈ اور اسکی افادیت

بورڈ آف ڈائریکٹرز نے اپنی زیر قیادت ایک اچھی اور موثر انتظامیہ کا کردار ادا کیا۔ بورڈ آف ڈائریکٹرز جو کہ اس وقت سات منتخب ڈائریکٹرز اور ایک چیف ایگزیکٹو جو کہ سی ای او ہونے کی وجہ سے کمپنی کا ایک ڈائریکٹر سمجھا جاتا ہے۔ تمام سات منتخب ڈائریکٹرز صاحبان نان ایگزیکٹو ڈائریکٹرز ہیں بشمول تین آزاد ڈائریکٹرز کے۔

بورڈ مجموعی طور پر کمپنی کی کامیابی کا ذمہ دار ہے۔ اس کا کردار کمپنی کو کاروباری قیادت فراہم کرنا ہے اور کام کی حد میں رہتے ہوئے محتاط اور موثر اختیارات کو استعمال کرتے ہوئے خطرے کو فعال کرنے کی تشخیص اور اس کو منتظم کرنا ہے۔ بورڈ کمپنی کی قدر اور معیار کا تعین کرتا ہے اور یہ یقین دہانی کراتا ہے کہ اسکے فرائض کو حصص یافتگان اور دوسرے لوگ سمجھتے اور اس پر عمل کرتے ہیں۔

اس کی موثر نگرانی اور قیادت کیلئے بورڈ نے مخصوص ذمہ دار یوں کے ساتھ مندرجہ ذیل تین کمیٹیاں تشکیل دی ہیں ان کمیٹیوں کی شرائط بورڈ نے واضح طور پر بیان کی ہیں:-

- (1) آڈٹ کمیٹی
- (2) انسانی وسائل اور معاوضے کی کمیٹی (HR&R)
- (3) نگرانی کیلئے بورڈ کمیٹی (BCS)

بورڈ کی یہ کمیٹیاں ان ڈائریکٹرز صاحبان پر مشتمل ہیں جو متعلقہ مہارت اور مختلف قسم کے تجربے کے حامل ہیں تاکہ کسی بھی فرد پر غیر مناسب انحصار نہ کیا جائے۔

### بورڈ کی کارکردگی کی تشخیص

بورڈ آف ڈائریکٹرز اپنی کارکردگی جانچنے کے ذمہ دار ہیں انفرادی اور اجتماعی طور پر دونوں طرح سے تاکہ اسکی مضبوطی اور ان علاقوں کی نشان دہی کی جاسکے جن میں یہ اپنی فعالیت کو بہتر بنا سکیں۔ اس مقصد کیلئے سالانہ کارکردگی کی جانچ بورڈ کے ذریعے کی جاتی ہے۔ جو کہ مندرجہ ذیل باتوں کے لئے ترتیب کیا گیا ہے:

- بورڈ آف ڈائریکٹرز اس کے ارکان اور کمیٹیوں کے کردار کا جائزہ لینے کیلئے:
- اس بات کی تشخیص کہ ڈائریکٹرز صاحبان کس طرح موثر انداز میں اپنی ذمہ داریاں ادا کرتے ہیں:

# DIRECTORS' REPORT



## Dear Shareholders

*The directors of your Company are pleased to present their Annual Report together with the Company's audited financial statements for the year ended June 30, 2022.*

## Company's Affairs

Your Company is incorporated in Pakistan as a public limited company and is listed on the Pakistan Stock Exchange. Its main business activity is to produce castings of tractors and automotive parts.

## Financial Results

Financial Results for the year are as follows:

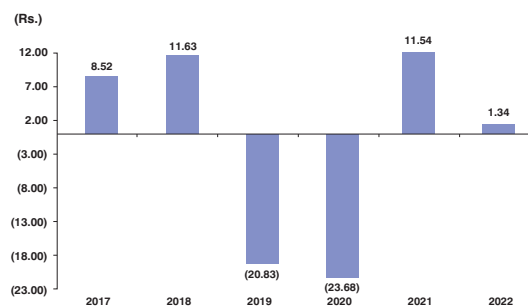
	(Rs. 000)
Accumulated loss brought forward	(361,068)
Profit after taxation for the year ended June 30, 2022	15,321
Other comprehensive income	6,703
Accumulated loss carried forward	(339,044)

The General Reserves for the year under review were Rs. 424.500 million against Rs. 424.500 million of last year.

## Dividends & Appropriations

In view of the accumulated losses and the adverse cash flow position of the Company, the Board of Directors has resolved so as not to propose any appropriation.

## Earnings Per Share



## DIRECTORS' REPORT

### Earnings per Share

The earnings per share for the year ended June 30, 2022 were Rs. 1.34 as against earnings per shares of Rs. 11.54 per share of preceding year.

### Business Review

A decrease in production and sales volume has been observed in the fiscal year 2022. The 9,437 M.T of casting has been produced during the year against 10,674 M.T in the last year with 11.59% production decrease, while 9,269 M.T of casting has been sold against 10,426 M.T in the last year with 11.10% decrease in sales.

The Pakistan economy has just borne the challenge of COVID-19 but, it had to face another challenge of Russia-Ukraine conflict that has created new global economic risks and posed significant uncertainty about the economic outlook. The economic impact of the conflict has been over the Pakistan the higher commodity prices, disrupted trade and supply chains, higher oil prices and hike of foreign exchange rates. In addition, Pakistan economy is confronted with many challenges due to current account deficits and foreign debt servicing.

During the year 2021-22, the agriculture sector, however, recorded a significant growth of 4.40 percent mainly driven by high yields, attractive output prices, supportive government policies and agriculture credit i.e. tractors loan scheme. The production of farm tractors in the country also witnessed an increase of 16.01 percent during the fiscal year 2021-22 as well as the sales revenue of your company increased from Rs. 2,418.800 million to Rs. 2,750.181 million by 13.70%. However, our cost of sales was increased from Rs. 2,115.499 million to Rs. 2,534.973 million by 19.83% with the higher ratio of cost over sales revenue by 4.71% due to the increase in raw materials prices, logistic and energy cost, fuel prices, adverse foreign currency exchange rate and negative cash flows.

### Company's Performance

The sales revenues of the Company for the year under review amounted to Rs. 2,750.181 million against Rs. 2,418.800 million of last year. The gross profit was Rs. 215.208 million against gross profit of Rs. 303.301 million of last year. The selling, distribution and administrative expenses were Rs. 129.657 million against Rs. 150.868 million of last year. The financial cost was Rs. 51.712 million against Rs. 52.822 million of last year. In the financial year under review, the profit before tax was Rs. 54.725 million against profit before tax Rs. 171.092 million of last year. The profit after tax was Rs. 15.321 million against profit after tax Rs. 132.380 million of last year.

### Principle Risks and Uncertainties

Effective risk management is the key to sustainable business. Our risk management framework, coupled with our internal control policies have helped us maintain our focus and mitigating principle risks affecting our Company. However, overall risks arising from the Company's financial instruments are limited as there is no significant exposure to market risk in respect of such instruments. Internal Audit department provides independent report to Board of Directors on the effectiveness of risk management and control processes. The Company is susceptible to the following principal risks which are mitigated via specific policies and plans:

### Business Risk

Given the current socio-economic situation, assuming no major changes are expected to occur in the relevant governmental policies related to the agriculture and auto sector after annual budget of fiscal year 2022-23, the company does not foresee any major risks that can adversely impact the sales and profitability of the company except lower demand of tractors and automobile. Furthermore, the expected favorable market conditions reduce operational risks further.

However, the Company, being reliant on imports of raw materials, risks posed by currency fluctuations is likely. However, seeing the current in-stability of the Pak-rupee value due to economic and political environment, it is expected that the level of such risk may be increased.

Also, the Company's primary audience comprises of tractor manufacturers and assemblers and as such, changes in this line of business can prove to be a factor of risk that can negatively impact on the company's profitability.

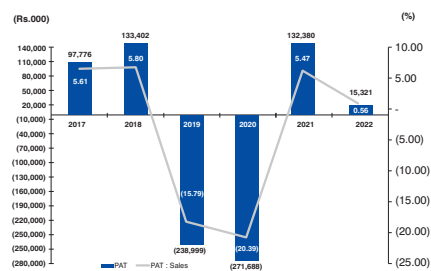
Currently, the infrastructure risk has emerged by the catastrophic situation due to the abnormal heavy monsoon rains and flooding situation resulted in damage of roads network, collapse of bridges and halt of transportation system all over the country particularly in the province of Baluchistan and there is a risk of loss due to the possibility of detach infrastructure, it may make it difficult to transport goods to the customers and received from the suppliers in a timely manner.

Finally, the Company's management is diligently working to proactively monitor such indicators of risk and therefore, your company is unlikely to be affected significantly by the risks mentioned. Contingency planning is a priority and hence appropriate actions will be taken with the right planning to mitigate the possible adverse effects on financial performance.

### Interest / Mark-up Rate Risk

The Company manages to mitigate the interest / mark-up rate risk, arising from mismatches of financial assets and liabilities that mature or reprice in a given period, through risk management strategies where significant changes in gap position can be adjusted.

### Post Tax Profitability



## DIRECTORS' REPORT

### Credit Risk

The credit risk on company's liquid fund is limited because the counter parties are banks with high credit ratings. However, the company managed the credit risk on trade debts by monitoring credit exposures, limiting transactions with specific customers and containing assessment of credit-worthiness of customers.

### Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Company manages this risk through effective cash management and by keeping committed credit lines available.

### Future Prospects

Since, the present government is committed to ensure the stability and confidence in the economy with long term sustainable economic growth policies, reducing inflation, strengthen of Pak Rupee and offering the agriculture packages for better agriculture performance that will definitely inspire the farmer's confidence resulting the high demand of tractors and its parts. Being the vending industry your company is also expecting higher demand of castings in the next fiscal year.

However, in view of the devastating flood situation in the country, the complete power outage in the Hub District, collapsed of main bridge on the Hub River and the damaged road infrastructures, we had to go on shutdown for weeks which adversely affected the production and sales of the company.

In spite of above challenges, we are looking forward to perform better in the next financial year by achieving higher production and sales targets, reduction in cost of production by improving yield, controlling rejections, increasing value addition and better utilization of available manpower resources.

### Corporate Social Responsibility

Your Company recognizes the importance of conducting its business in a socially responsible

manner. This is demonstrated in the way we deal with our employees, customers and the wider community where we operate.

BCL considers that corporate social responsibility is an integral element of good business management. Various activities conducted in this area are enumerated below:

#### Energy Conservation

BCL is well aware of the Country's need for energy as well as its responsibility towards energy conservation. For this purpose, the Company continues its effort to minimize energy consumption in daily operations of the Company. Our employees are encouraged to avoid unnecessary consumption of electricity, gas and water. Furthermore, the management has also issued directives to minimize fuel consumption in Company-owned vehicles and also to use energy-saving lighting device at all locations of the Company.

#### Environmental Protection Measures

We attach great importance to the maintenance of a healthy living environment and consistently integrate the ideas and measures of environment protection. We encourage initiatives which benefit the environment. Our operations are conducted with the emphasis on compliance of regulatory requirements relating to the environment. Continued efforts are made so that the Company's plant operational activities are environment friendly. In this regard, following are ensured in particular:

- Wet sludge tank for cupola emissions,
- Scrubbers for air born emission at core plant,
- Reduction of dust emissions through filter bag,
- Closed cabin for shot blasting and sand plant, and
- Maximum plantation in factory through the use of waste water.

#### Occupational Safety and Health

BCL believes that the safety and welfare of its

employees is of paramount importance. We believe that all industrial injuries can be prevented. Each individual employee is responsible for working safely, both for his own welfare, and for the safety and welfare of his fellow employees.

We believe that production is not so important that time cannot be taken to find a safe way to do our work. We have a proper Safety Policy, duly regulated and certified by ISO 9001 - 2015 Quality Management System. BCL ensures availability at Plant of effective firefighting system, Ventilation and Protection against direct heat from Sun in storage area of flammable material. Regular and real time firefighting demonstration are taken as per Safety Policy. All necessary first aid facilities are available with qualified staff round the clock.

Further, the BCL has fully complied with the standard operating procedures advised by the Government for operating business during COVID-19 pandemic for the health and safety of the employees. The Company has taken the following precautionary measures:

- Disinfectant walk-through gates were placed at the existing factory.
- Temperature checking.
- Disinfection of work places.
- Distribution of face mask and gloves.
- Maintaining social distancing and work from home strategy.

#### Consumer Protection Measures

BCL ensures customers' satisfaction by providing quality product at competitive prices. The Company believes that quality and relentless commitment to continuous improvement are essential to our success. To this end, we define quality as understanding the customers' expectations, agreeing on performance and value and providing products and services that meet expectations. Our motto is 'We pour quality into castings'. BCL has developed a Quality Control System that covers inspection of the complete process from raw materials supply to the dispatch of finished goods to its customers.

## DIRECTORS' REPORT

BCL was the first foundry in Pakistan to obtain ISO 9002 certificate in April 1999. The Company has also acquired ISO 9001 - 2015 version of ISO Quality Management System which is a proof of our commitment of providing quality services to our customers as well as to increase their satisfaction level.

### Industrial Relations

BCL believes in maintaining cordial industrial relationship with its employees and their Collective Bargaining Agent (CBA).

The Company is always taking measures towards the employees' welfare. The Company provides subsidized food at its canteen. Further, the Company also provides medical facilities to its employees. The Company has a balanced programme of employee in-service and post-employment benefits and policies.

The Company has a Hajj and Umrah Scheme for its employees who are sent to perform Hajj under Government Hajj scheme and Umrah at Company's expense every year.

### Employment of Special Persons

BCL continues to be supportive of the employment and advancement of disabled person in accordance with their abilities and aptitudes, provided that they can be employed in a safe working environment.

If employees become disabled every effort is made to ensure the continuity of their employment and where the disability of the employees is such that they cannot continue to work then in such cases, the Company provides employment to their child.

### Business Ethics and Anti-Corruption Measures

BCL is committed to high standard business conduct. We believe that it is vital to the reputation and financial success of the Company that we conduct our business with honesty, integrity and in compliance with all applicable legal and regulatory requirements. It is a fundamental policy of the Company that all employees observe and comply with the

laws and regulations applicable to the Company's business and that they act with high standards of business integrity. Our Code of Conduct is the key document addressing these high values, which has been disseminated throughout the Company.

In addition to above, all employees are required to give a monthly certification on compliance of internal controls which is formally reported by the CEO to the Board on quarterly basis.

### Contribution to National Exchequer

BCL has contributed Rs. 566.502 million to the national exchequer during the period by way of taxes and duties. This includes Rs. 43.559 million as income tax, Rs. 495.623 million as sales tax and Rs. 27.32 million as custom, regulatory & additional duties.

Furthermore, the Company also contributed a hefty amount to the national exchequer as withholding tax agent.

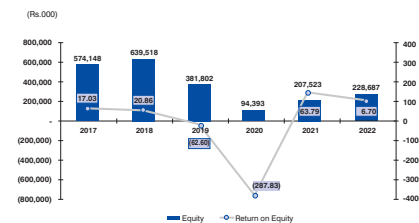
### Corporate Governance

#### Compliance with the Code of Corporate Governance

BCL is deeply aware of the significance of corporate governance in achieving effective checks and balance and protecting the interest of all shareholders and is dedicated to pursuing sustained optimization of corporate governance. The Company regards the building of sound corporate governance as an important means to maintain shareholder relationship and enhance corporate value. The Company is convinced that sound corporate governance is of great importance to the sustainable long term growth of the Company and that the efforts to improve and optimize our corporate governance and the progress that have been made to this end will help in enhancing our core competitiveness and increasing corporate value.

In accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board has established sound corporate governance policies and procedures,

### Shareholder's Equity & Return on Equity



which are monitored and reviewed on a continuous basis. Our Corporate governance framework is directed towards achieving our business objectives in a manner which is responsible and in accordance with high standards of honesty, transparency and accountability.

For achievement of these principles, our vision / mission statements, overall corporate strategy and significant policy guidelines, have been in place for many years. Further, the Board has developed a code of conduct, setting the standards by which the directors, senior management and all other employees of the Company are expected to conduct themselves.

Statements of compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 duly reviewed and certified by the external auditors are annexed to this report.

### Board of Directors

#### Board Structure and Changes

The Board of Directors is responsible to govern the organization by establishing broad policies and setting out strategic objectives with commitment and ambition to achieve goals of performance with broader perspective, which currently consists of seven elected directors and a Chief Executive Officer.

On November 27, 2021 the Director Mr. Muhammad Saleem passed away. The Board wishes to place on record its deep condolences on his sad demise. The casual vacancy emerged in the Board was filled up by the co-option of Mr. Qaiser Saleem.

## DIRECTORS' REPORT

Further, on May 25, 2022 Mr. Nisar Ahmed Mirani resigned from the office of Chief Executive. Mr. Nisar Ahmed Mirani was succeeded by Mr. Mujtaba Ahmad, who was appointed as Chief Executive Officer of the Company w.e.f. June 03, 2022, by the Board of Directors.

Currently, the Board of Directors of our Company comprises the following:

Total number of Directors

(a)	Male	7
(b)	Female	1

Category	Names
Independent Directors	Mr. Aamir Amin Mr. Abdul Hamid Ahmed Dagja Mrs. Tabassum Rana
Non-executive Directors	Mr. Sikandar M. Khan Mr. Sohail Bashir Rana Mr. Laeeq Uddin Ansari Mr. Qaiser Saleem
Executive Director	Mr. Mujtaba Ahmad (CEO)
Female Director	Mrs. Tabassum Rana

### Chairman and Chief Executive Officer

The position of Chairman and the Chief Executive Officer are held by Mr. Sikandar M. Khan and Mr. Mujtaba Ahmad respectively. The separation of functions ensures greater independence between the Board and the management. There is a clear division of responsibilities between the roles of the Chairman and CEO.

The Chairman is responsible to provide overall leadership and vision in developing the strategic direction of the Company.

The Chairman's primary role includes ensuring that the board functions properly, it meets its obligations and responsibilities and that its organization and mechanisms are in place and are working effectively.

The CEO is responsible for managing the Company and to ensure delivery of the strategic and financial objectives which have been agreed by the Board. He is also responsible for stewardship of the Company's assets and jointly with the Chairman, represents the Company externally.

### Board Process

The Board acknowledges the significance of efficient discharge of duties imposed by the corporate laws and stands firmly committed in its objective to add value through effective participation and contribution towards achievement of Company's business objective.

The Board takes into account the interests of the Company as well as the interests of BCL's shareholders and other stakeholders when making decision.

Specific responsibilities reserved to the Board include:

- Approving annual budget and projections;
- Approving annual and quarterly accounts;
- Reviewing the Company's systems of financial control and risk management;
- Approving major acquisitions and capital expenditure;
- Issuing shares of the Company;
- Ensuring that appropriate management development and succession plans are in place;
- Reviewing matters relating to corporate social responsibility including the environmental, health and safety performance of the Company;
- Reviewing the activities of the Board's Committees; and
- Approving appointments to the Board, to the Board Committees and to the positions of CEO, CFO, Company Secretary and the Head of Internal Audit.

### Board Meetings

The Board is accountable to shareholders for ensuring that the Company is appropriately managed and achieves the strategic objectives it sets. The Board discharges those responsibilities through annual program of meetings.

The Board met four times during the financial year 2021-22. The meetings were presided over by the Chairman of the Board. These meetings were also attended by the Chief Financial Officer and the Company Secretary.

Notice of meetings along with the agenda items and comprehensive working papers dealing with aspects of the business are distributed to Directors by the Company Secretary in advance of each Board Meeting so that the meeting can benefit from an informed board.

The directors are fully aware of their responsibilities. At least once in a year, the Company conducts an orientation course for its directors to acquaint them with their duties and responsibilities regarding managing the affairs of the Company on behalf of shareholders.

All the directors have either acquired the directors training program certification or meet the exemption criteria as contained in these Regulations, except the Chief Executive Officer, who shall acquire the prescribed certification within a period of one year from the date of his appointment, in accordance with the provision of these Regulations.

The Company Secretary is responsible for advising the Board on all governance matters and for ensuring that Board procedures are followed and applicable rules and regulations complied with. Additionally the Company Secretary is also responsible for compiling the minutes of Board Meeting and circulating amongst the directors within stipulated time.

The Chief Financial Officer is responsible for advising the Board on all financial and accounting matters and also responsible, along

## DIRECTORS' REPORT

with the Chief Executive Officer, for presenting the annual and quarterly financial statements. He takes care of assets and financing thereof.

Additionally, the CFO is also responsible for finalizing Annual Corporate Budgets and periodic review of Budget vs Actual analysis for smooth running of the Company affairs.

### Board Committees

In order to achieve desired objectives, the Board has established three committees with particular responsibilities. The terms of reference of these committees are clearly defined by the Board. The proceedings of Board Committees are reported to the Board of Directors in their meetings.

### Audit Committee

To guarantee the objectiveness, fairness and independence of the Audit Committee, the Audit committee comprises four non-executive directors including two independent directors and is chaired by an Independent Director Mr. Aamir Amin. The other members of the Committee are Mr. Sohail Bashir Rana, Mr. Qaiser Saleem and Mrs. Tabassum Rana.

The primary role of the Audit Committee, which reports its findings to the Board, is to ensure the integrity of the financial reporting and audit process and the maintenance of a sound internal control and risk management system. In pursuing these objectives, the Committee ensures that an appropriate relationship is maintained between the internal and the external auditors of the Company. The Committee also considers the effectiveness of the external audit process and makes recommendations to the Board on appointment, resignation or dismissal of the auditors and their level of audit fee.

The Committee performs its responsibilities in supervising internal audit function and also plays an important role in optimizing the Company's internal control systems. The Audit Committee reviews the implementation on the internal control systems regularly and supervises the rectification of identified internal control problems.

The Committee also ensures the compliance with the best practices of corporate governance and other relevant regulatory requirements.

The Committee formally meets at least once in a quarter prior to approval of interim results of the Company and after completion of external audit.

The Committee annually holds separate meetings with External Auditors to facilitate the discussion on any issue arising from the audit and with the Internal Auditors to discuss the matters related to Internal Controls.

During the financial year 2021-22, the Committee met four times to coincide with the financial and reporting cycles of the Company.

The proceedings of meetings are properly recorded by Secretary Audit Committee and minutes of meetings are circulated to all members, directors and where required to CFO.

### Human Resource and Remuneration (HR&R) Committee

The Human Resource and Remuneration (HR&R) Committee comprises four non-executive directors including two independent directors and is chaired by an Independent Director Mrs. Tabassum Rana, while the other members of the committee are Mr. Sohail Bashir Rana, Mr. Qaiser Saleem and Mr. Aamir Amin.

The HR & R Committee is responsible to assist the Board in formulating a policy framework

for determining remuneration of directors, human resource management policies and appointment of chief financial officer, company secretary and head of internal audit. The Committee is also responsible for keeping the structure, size and composition of the Board under regular review and for making recommendations to the Board with regard to any changes necessary. During the year a meeting of the Committee was held.

The proceedings of meetings are properly recorded by Secretary of the Committee and minutes of meetings are circulated to all members and directors.

### Board's Committee for Supervision (BCS)

The Board's Committee for Supervision (BCS) is chaired by Mr. Sikandar M. Khan. The other Members of the committee are Mr. Sohail Bashir Rana and Mr. Laeeq Uddin Ansari.

The BCS is responsible for monitoring the activities and strategy regarding technical, financial and administrative aspects of the Company. The Committee also reviews the operating performance on a monthly or bi-monthly basis. The CEO and all departmental heads also attend the meetings. The minutes of meetings are properly recorded and circulated to all concerned. During the year, the Committee met seven times.

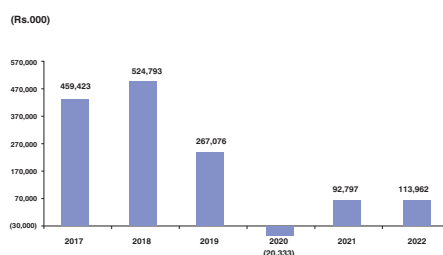
### Remuneration Policy of Non-Executive Directors

The Board of Directors has adopted the remuneration policy for non-executive directors including independent directors. The remuneration policy adopted has been designed to attract and retain qualified people who will lead the Company in achieving its strategic objectives.

The remuneration payable to the non-executive directors including independent directors of the Company consists of following constituent:

- Fee for attending meetings of the Board or Committee(s).
- Remuneration for performing extra service.

### Reserves



## DIRECTORS' REPORT

- Reimbursement of actual expenses incurred.

### Aggregate Directors' Remuneration

Details of the directors' remuneration are as follows:

	Chief Executive	Executive Director	Independent & Non-Executive Director
----- (Rupees in thousand) -----			
Managerial remuneration and allowances	7,621	-	-
Bonus	3,367	-	-
Retirement benefits	69	-	-
House rent	949	-	-
Utilities	1,742	-	-
Medical expenses	237	-	-
Fees	-	-	1,000
Others	405	-	-
	<u>14,390</u>	<u>-</u>	<u>1,000</u>
Number of person	2	-	4

### Accountability and Audit

#### Financial Reporting

The Board satisfies that it has met its obligation to present a balanced and understandable assessment of the Company's position and prospects through Chairman's review, Directors' report and Accounts which includes the operational and business review. Directors' statement on corporate and financial reporting is included in this Directors' report.

#### Internal Controls

The directors are responsible for the Company's system of internal controls which aims to: safeguard the Company's assets; ensure that proper accounting records are maintained; ensure compliance with statutory and regulatory requirements; and ensure the effectiveness and efficiency of operations.

The Company maintains a sound system of internal controls, which is designed to identify, evaluate and manage risks that may impede the achievement of the Company's business objectives rather than to eliminate these risks and can, therefore, provide only reasonable assurance against material misstatement or loss. The Audit Committee has been formally delegated the responsibility for reviewing the effectiveness of the system of internal controls.

The Company and its operations are subject to a detailed annual budget process. Actual performance during the year is monitored periodically against budget, forecasts and previous year. These forecasts and results are presented to the Board's Committee regularly.

#### Internal Audit

Internal Audit's mission is to provide objective assurance and to increase the effectiveness of the BCL's operations. It helps to achieve BCL's objectives by using a systematic and methodical approach to assess the processes and systems used for risk management, control and corporate governance. It also helps improve them by making proposals to increase their effectiveness.

The scope of the work done by the Internal Audit make it possible to determine whether the processes, systems and controls, as they have been developed and implemented, are sufficient and are applied in such a way as to ensure that:

- Risks are defined, evaluated and managed adequately;
- Financial and operational information is authorized, reliable and available in a timely fashion;
- Directives, policies, laws, regulations and statutory requirements are respected; and
- Human, informational, material and financial resources are acquired economically, used efficiently and protected adequately.

Internal Audit reports directly to the Audit Committee of the Board of Directors. The organizational structure is designed to ensure Internal Audit has the independence required to play its role effectively.

#### External Audit

The present auditors M/s. A. F. Ferguson & Co., Chartered Accountants retire and being eligible, they have offered themselves for re-appointment.

As suggested by the Audit Committee, the Board of Directors recommend the re-appointment of M/s. A.F. Ferguson & Co., Chartered Accountants as the auditors for the financial year 2022-2023, at a fee of (a) Rs. 975,000 for Annual Audit, (b) Rs. 265,000 for Half Yearly Limited Scope Review and (c) Rs. 90,000 for reporting on Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations 2019.

M/s. A.F. Ferguson & Co., Chartered Accountants have confirmed that they have been given a satisfactory rating under the Quality Control Review programme of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan. Further, they have confirmed that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.

The external auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.



## DIRECTORS' REPORT

### Relations with shareholders

#### Constructive use of the Annual General Meeting

The Board considers the Annual General Meeting an opportunity to communicate with shareholders, and encourages their participation. At least 21 days before the date of AGM, the Notice of meeting including the agenda and necessary information are dispatched to shareholders and published in leading Urdu and English newspapers also.

#### Other

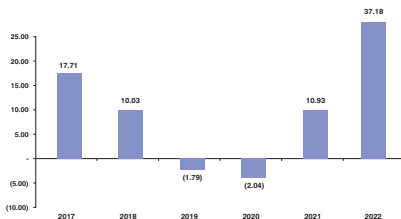
The Company maintains a website ([www.bolancastings.com](http://www.bolancastings.com)), which offers any interested person information of the Company. Apart from this, its principal communication with shareholders and others is Annual Report and Quarterly Financial Statements, which are placed on the website soon after publication.

The Company dispatches the Annual Reports to its shareholders. However, the quarterly financial statements can also be dispatched to shareholders, on demand.

#### Chairman's Review

The Directors of the Company endorse contents of the Chairman's Review, which is included in the Annual Report dealing with the Company activities and forms an integral part of the Directors' Report.

Price Earning Ratio



### Corporate and Financial Reporting Framework

The Board is fully aware of its responsibility in respect of corporate and financial reporting framework. The Directors of your Company are of the view that:

- The financial statements, prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements except for those as stated in the notes to the financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal controls is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of Corporate Governance as detailed in the Listed Companies (Code of Corporate Governance) Regulations, 2019.

### Operating and Financial Summary

A summary of key operating and financial data along with key ratios of the Company for the last decade is annexed.

#### Taxation

Please refer to Note 33 to the Financial Statements for details regarding taxation of the Company.

#### Investment of Retirement Benefit Funds

The values of investments of Provident Funds and Gratuity Fund based on their un-audited accounts as on June 30, 2022 (audit in progress) are as follows:

Provident Funds	Rs. 70.306 million
Gratuity Fund	Rs. 38.800 million


#### Pattern of Shareholdings

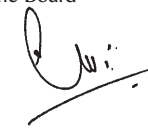
The pattern of shareholdings along with their categorized detail is annexed to the report.

#### Approval and Authorization

The Board of Directors of the Company in its meeting held on September 19, 2022 approved the Directors' Report and authorized Mr. Aamir Amin, Director and Mr. Mujtaba Ahmad, Chief Executive Officer of the Company to sign the report on its behalf.

On Behalf of the Board

  
Mujtaba Ahmad  
Chief Executive

  
Aamir Amin  
Director

منظوری اور اجازت نامہ

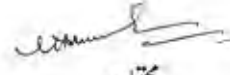
کمپنی کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس مورخہ 19 ستمبر 2022 میں ڈائریکٹرز رپورٹ کی منظوری دے دی ہے اور ڈائریکٹر جناب عامر امین اور چیف ایگزیکٹو آفیسر جناب مجتبیٰ احمد کو مجاز بنایا گیا ہے کہ وہ اس کی جانب سے رپورٹ پر دستخط کریں۔

مجاہد بورڈ



عامر امین

ڈائریکٹر



مجتبیٰ احمد

چیف ایگزیکٹو

## ادارتی اور مالیاتی رپورٹنگ فریم ورک

بورڈ ادارتی اور مالیاتی رپورٹنگ فریم ورک کے سلسلے میں اپنی ذمہ داری سے بخوبی آگاہ ہے۔ کمپنی کے ڈائریکٹران کی رائے کے مطابق:

- (a) کمپنی کی انتظامیہ کے تیار کردہ مالیاتی گوشوارے کمپنی کے معاملات، اس کے کاروباری نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلیوں کو شفافیت کے ساتھ پیش کرتے ہیں۔
- (b) کمپنی میں حسابات کی کتابیں درست انداز میں تیار کی گئی ہیں۔
- (c) درست حساباتی پالیسیوں کو تسلسل کے ساتھ مالیاتی گوشواروں کی تیاری کے دوران ملحوظ خاطر رکھا گیا ہے سوائے اس کے کہ جنہیں مالیاتی گوشواروں کے نوٹ میں منکشف کیا گیا ہے اور حساباتی تخمینوں کی بنیاد معقول اور مضبوط فیصلوں پر ہے۔
- (d) مالیاتی گوشواروں کی تیاری کے دوران عالمی مالیاتی رپورٹنگ معیارات، جو پاکستان میں لاگو ہیں کو ملحوظ خاطر رکھا گیا ہے اور اگر کوئی انحراف ہوا ہے تو اسے مناسب انداز میں منکشف کیا گیا ہے۔
- (e) اندرونی گرفت کے نظام کی شکل مضبوط ہے اور موثر انداز میں نافذ العمل ہے اور اس کی نگرانی کی جاتی ہے۔
- (f) کمپنی کی چلتے ہوئے ادارے کی صلاحیت میں کوئی قابل ذکر شک و شبہ نہیں ہے۔
- (g) لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 میں دیئے گئے بہترین طور طریقوں سے کوئی قابل ذکر انحراف نہیں کیا گیا۔

## کاروباری اور مالیاتی اختصاریہ

گزشتہ عشرے کے کمپنی کے اہم کاروباری اور مالیاتی اعداد و شمار مع شرح فیصد کا اختصاریہ رپورٹ میں موجود ہے۔

## ٹیکس

براہ کرم کمپنی کے ٹیکس سے متعلق معلومات مالیاتی گوشواروں کے نوٹ نمبر 33 میں بتائی گئی ہیں۔

## ریٹائرمنٹ کے مراعاتی فنڈز سے سرمایہ کاریہ

پروویڈنٹ فنڈ ز اور گریجویٹ فنڈز سے کی گئی سرمایہ کاریوں کی مالیت ان کے غیر آڈٹ شدہ مالیاتی گوشواروں برائے 30 جون 2022 (آڈٹ جاری ہے) کے مطابق درج ذیل ہیں۔

پروویڈنٹ فنڈز	70.306 ملین روپے
گریجویٹ فنڈز	38.800 ملین روپے

## حصص داری کی ساخت

حصص داری کی ساخت درجہ وار تفصیلات کے ساتھ اس رپورٹ میں شامل ہے۔

## بیرونی آڈٹ

موجودہ آڈیٹرز میسرز اے ایف فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس سبڈوش ہو چکے ہیں اور اہل ہونے کے باعث انہوں نے اپنی دوبارہ تقرری کی پیشکش کی ہے۔

آڈٹ کمیٹی کے مشورے کے مطابق بورڈ آف ڈائریکٹرز نے مالیاتی سال 2022-23 کے لیے میسرز اے ایف فرگوسن اینڈ کو چارٹرڈ اکاؤنٹنٹس کو بطور آڈیٹرز کی دوبارہ تقرری کی سفارش کرتے ہیں۔ (الف) 975,000 روپے سالانہ آڈٹ کے لیے، (ب) 265,000 روپے نصف سالانہ محدود دائرہ کار جائزہ کے لیے، (ت) 90,000 روپے تعمیل کے بیان پر پورٹنگ لسٹ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے لیے۔ میسرز اے ایف فرگوسن اینڈ کو چارٹرڈ اکاؤنٹنٹس نے تصدیق کی ہے کہ انہیں انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کے کوالٹی کنٹرول ریویو پروگرام میں تسلی بخش ریٹنگ سے نوازا گیا ہے اور آڈٹ اور سائنٹ بورڈ آف پاکستان سے رجسٹرڈ ہیں۔ مزید انہوں نے تصدیق کی ہے کہ وہ کمپنی کے شراکت دار نہیں ہیں، ان کے شریک حیات اور چھوٹے بچے کمپنی میں کوئی حصص نہیں رکھتے اور یہ کہ فرم اور اس کے تمام شراکت دار انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کے اختیار کردہ انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) کے ضابطہ اخلاق کے رہنما اصولوں کی پاسداری کرتے ہیں۔

بیرونی آڈیٹرز یا ان سے ملحقہ افراد کی تقرری کسی دیگر خدمات کے لئے نہیں کی گئی سوائے ان خدمات کے جو سٹنگ کے ضابطوں کے مطابق ہوں اور آڈیٹرز نے اس بات کی تصدیق کی ہے کہ وہ اس سلسلے میں IFAC کے رہنما اصولوں کی پابندی کرتے ہیں۔

## حصص یافتگان کے ساتھ تعلقات

### سالانہ اجلاس عام کا تعمیری استعمال

سالانہ اجلاس عام کو بورڈ حصص یافتگان کے ساتھ گفت و شنید کا ایک موقع سمجھتا ہے اور اس میں ان کی شرکت کی حوصلہ افزائی کرتا ہے۔ AGM سے کم از کم 21 دن قبل اجلاس کا نوٹس بشمول ایجنڈا اور ضروری معلومات حصص یافتگان کو بھیج دی جاتی ہیں اور انہیں بڑے اردو اور انگریزی اخبارات میں شائع کیا جاتا ہے۔

## دیگر

کمپنی کی اپنی ویب سائٹ ([www.bolancastings.com](http://www.bolancastings.com)) ہے جو دلچسپی رکھنے والے افراد کو کمپنی کی معلومات فراہم کرتی ہے۔ اس کے علاوہ اس حصص یافتگان اور دیگر کے ساتھ اصولی خط و کتابت کے ساتھ سالانہ رپورٹ اور سماہی مالیاتی گوشوارے بھی اشاعت کے بعد ویب سائٹ پر موجود ہیں۔

کمپنی سالانہ رپورٹیں اپنے حصص یافتگان کو بھیجتی ہے۔ تاہم سماہی مالیاتی گوشوارے بھی حصص یافتگان کے مطالبے پر انہیں بھیجے جاسکتے ہیں۔

## چیئرمین کا جائزہ

کمپنی کے ڈائریکٹران کمپنی کی سرگرمیوں پر مشتمل چیئرمین کے جائزے کے مندرجات کی توثیق کرتے ہیں جسے سالانہ رپورٹ میں شامل کیا گیا ہے اور وہ ڈائریکٹران کی رپورٹ کا امتیازی حصہ ہے۔

### احساب اور آڈٹ

#### مالیاتی رپورٹنگ

بورڈ اس بات سے مطمئن ہے کہ وہ چیئرمین کے جائزہ، ڈائریکٹران کی رپورٹ اور مالیاتی گوشواروں بشمول پیداواری اور کاروباری جائزہ کے ذریعے کمپنی کی پوزیشن اور مستقبل کے امکانات پر متوازن اور قابل سمجھ بوجھ تشخیص فراہم کرنے میں کامیاب رہا۔ ادارتی اور مالیاتی رپورٹنگ پر ڈائریکٹران کا بیانیہ ڈائریکٹران کی رپورٹ میں شامل ہے۔

#### اندرونی گرفت

کمپنی کے ڈائریکٹران کمپنی کے اندرونی گرفت کے نظام کی ذمہ دار ہیں جس کا مقصد کمپنی کے اثاثوں کا تحفظ، درست حساباتی ریکارڈ کو برقرار رکھنا، آئینی اور ضابطوں کی ضروریات کی پاسداری اور آپریشنز کی اثر پذیری کو یقینی بنانا ہے۔ کمپنی اندرونی گرفت کا ایک مضبوط نظام رکھتی ہے جس میں خطرات ختم کرنے کے بجائے ان کی نشاندہی، تشخیص اور انتظام اس طرح کیا جاتا ہے کہ وہ کمپنی کے کاروباری مقاصد میں رکاوٹ نہ بنیں، لہذا یہ نظام بڑی غلط بیانیوں اور خساروں کے خلاف مناسب یقین دہانی فراہم کرتا ہے۔ آڈٹ کمیٹی باضابطہ اندرونی گرفت کے نظام کی اثر پذیری کا جائزہ لینے کی ذمہ دار ہوتی ہے۔ کمپنی اور اس کے آپریشنز منضبط سالانہ بجٹ کے تابع ہوتے ہیں۔ بجٹ، پیشگوئی اور سابقہ سال کو مد نظر رکھتے ہوئے سال کے دوران وقفہ وقفہ سے اصل کارکردگی کی نگرانی کی جاتی ہے۔ یہ پیشگوئیاں اور نتائج بورڈ کی کمیٹی کو باقاعدگی سے پیش کئے جاتے ہیں۔

#### اندرونی آڈٹ

اندرونی آڈٹ کا مقصد BCL کے آپریشنز کی اثر پذیری میں اضافہ اور ان کو یقینی بنانا ہے۔ اس سے BCL کے مقاصد میں منظم اور تکنیکی رسائی سے حاصل ہوتے ہیں جس میں طریق عمل اور خطرات سے مقابلہ کے نظام، گرفت اور ادارتی نظم و ضبط کی تشخیص کی جاتی ہے۔ اس میں بہتری اور اثر پذیری میں اضافے کے لئے مدد کرتا ہے۔

اندرونی آڈٹ کے کام کا احاطہ کار اس بات کو ممکن بناتا ہے کہ طریق عمل، نظام اور گرفت درست انداز میں تشکیل اور نافذ کی جائے اور وہ درج ذیل کو یقینی بنانے کے لیے کافی اور لاگور ہیں:

- خطرات وضاحت شدہ اور تشخیص شدہ ہیں اور ان کا مناسب انتظام کیا گیا ہے؛
  - مالیاتی اور کاروباری معلومات مجاز، قابل اعتماد اور بروقت دستیاب ہیں؛
  - ہدایات، پالیسیاں، قوانین، ضابطے اور آئینی ضروریات کا احترام کیا جاتا ہے؛ اور
  - انسانی، معلومات، ٹھوس اور مالیاتی وسائل کو معاشی طور پر حاصل، درست انداز میں استعمال اور ان کا مناسب انداز میں تحفظ کیا گیا ہے؛
- اندرونی آڈٹ بلا واسطہ اپنی رپورٹیں بورڈ آف ڈائریکٹرز کی آڈٹ کمیٹی کو پیش کرتا ہے۔ ادارہ جاتی ڈھانچہ اس طرح ڈیزائن کیا گیا ہے کہ اندرونی آڈٹ آزادانہ کام کرتے ہوئے اپنے کردار کو موثر انداز میں انجام دے سکے۔

### بورڈ کی نگرانی کمیٹی (BCS)

بورڈ کی نگرانی کمیٹی (BCS) کے چیئرمین جناب سکندر ایم خان ہیں۔ دیگر ممبران میں جناب سہیل بشیر رانا اور جناب لئیق الدین انصاری شامل ہیں۔ BCS کمپنی کی تکنیکی، مالیاتی اور انتظامی پہلوؤں سے متعلق حکمت عملی اور سرگرمیوں کی نگرانی کی ذمہ دار ہوتی ہے۔ کمپنی ہر مہینے یا دو مہینے میں کاروباری کارکردگی کا جائزہ لیتی ہے۔ CEO اور تمام شعبوں کے سربراہ اس اجلاس میں شرکت کرتے ہیں۔ اجلاس کارروائی مناسب انداز میں درج کی جاتی ہے اور تمام متعلقین میں تقسیم کی جاتی ہے۔ سال کے دوران کمیٹی کے سات اجلاس منعقد ہوئے۔

### نان ایگزیکٹو ڈائریکٹران کے معاوضہ کی پالیسی

بورڈ آف ڈائریکٹرز نے نان ایگزیکٹو ڈائریکٹران بشمول آزاد ڈائریکٹران کے لئے معاوضہ کی پالیسی کو اختیار کیا۔ معاوضہ کی پالیسی کو اس ترتیب سے بتایا گیا ہے جس سے کمپنی کے کلیدی مقاصد کے حصول میں قیادت کرنے والے اہل تعلیم یافتہ لوگ کمپنی کی طرف مائل ہوں اور وہ کمپنی میں مستقل بنیادوں پر خدمات فراہم کرتے رہیں۔

نان ایگزیکٹو ڈائریکٹران بشمول آزاد ڈائریکٹران کو واجب الادا معاوضہ میں درج ذیل چیزیں شامل ہوتی ہیں:

- بورڈ کی کمیٹیوں کے اجلاس میں حاضری کی فیس۔
- اضافی خدمات کے عوض معاوضہ۔
- اصل اخراجات کی بازادائیگی۔

### ڈائریکٹران کا مجموعی معاوضہ

آزاد/ نان ایگزیکٹو ڈائریکٹران	ایگزیکٹو ڈائریکٹران	چیف ایگزیکٹو	
روپے "ہزاروں" میں			
-	-	7,621	انتظامی معاوضہ اور الائنسز
-	-	3,367	بونس
-	-	69	ریٹائرمنٹ کے فوائد
-	-	949	گھر کا کرایہ
-	-	1,742	بنیادی سہولیات کے بل
-	-	237	طبی اخراجات
1,000	-	-	فیس
-	-	405	دیگر
1,000	-	14,390	
4	-	2	افراد کی تعداد

## بورڈ کی کمیٹیاں

طے شدہ اہداف کے حصول کے لئے بورڈ نے تین مخصوص کمیٹیاں تشکیل دی ہیں۔ ان کمیٹیوں کی ذمہ داریوں کی بورڈ نے واضح طور پر صراحت کی ہے۔ ان کے اجلاسوں میں بورڈ کی کمیٹیوں کی کارروائیاں بورڈ کو پیش کی جاتی ہیں۔

### آڈٹ کمیٹی

آڈٹ کمیٹی کی آزادی، شفافیت اور مقصدیت کو یقینی بنانے کے لئے آڈٹ کمیٹی چارٹران ایگزیکٹو ڈائریکٹران پر مشتمل ہے جس میں دو آزاد ڈائریکٹران شامل ہیں اور اس کے چیئرمین ایک آزاد ڈائریکٹر جناب عامر امین ہیں۔ کمیٹی کے دیگر ممبران میں جناب سہیل بشیر رانا، جناب قیصر سلیم اور محترمہ تبسم رعنا شامل ہیں۔

آڈٹ کمیٹی کی اپنے اخذ کردہ نتائج بورڈ کو پیش کرتی ہے وہ مالیاتی رپورٹ اور آڈٹ کے عمل میں دیانت داری اور مضبوط اندرونی گرفت اور خطرات سے مقابلے کے انتظام کو یقینی بناتی ہے۔ ان مقاصد کے حصول کے لئے کمپنی اس بات کو یقینی بناتی ہے کہ کمپنی کے اندرونی اور بیرونی آڈیٹرز کے مابین مناسب تعلقات قائم رہیں۔ کمیٹی بیرونی آڈٹ کے عمل کی اثر پذیری پر غور کرتی ہے اور آڈیٹرز کی تقرری، استعفیٰ یا برطرفی اور ان کی آڈٹ فیس سے متعلق سفارشات بورڈ کو پیش کرتی ہے۔

کمیٹی اندرونی گرفت کے نظام کی نگرانی کی ذمہ دار ہوتی ہے اور کمپنی کے اندرونی گرفت کے نظام کی بہتری میں اہم کردار ادا کرتی ہے۔ آڈٹ کمیٹی اندرونی گرفت کے نظام کے نفاذ کا باقاعدگی سے جائزہ لیتی ہے اور اندرونی گرفت کے نظام میں شناخت شدہ مسائل کو دور کرنے کی نگرانی کرتی ہے۔

کمپنی ادارتی نظم و ضبط کے بہترین طور طریقوں اور دیگر متعلقہ ضابطوں کی ضروریات کی پاسداری کو یقینی بناتی ہے۔

کمپنی کے عبوری نتائج کی منظوری اور بیرونی آڈٹ کی تکمیل کے بعد کمیٹی کا ہر سہ ماہی میں باضابطہ طور پر ایک اجلاس ہوتا ہے۔

کمیٹی سال میں اندرونی اور بیرونی آڈیٹرز سے علیحدہ علیحدہ میٹنگ کرتی ہے جس میں آڈٹ کے نتیجے میں سامنے آنے والے مسائل پر اور اندرونی آڈیٹرز سے اندرونی گرفت سے متعلق معاملات پر گفتگو کرتی ہے۔

مالیاتی سال 2021-22 کے دوران کمپنی چار اجلاس ہوئے جس میں کمپنی کی مالیاتی اور رپورٹنگ کے معاملات پر ہم آہنگی اختیار کی جاتی ہے۔

اجلاس کی کارروائیوں کو آڈٹ کمیٹی کا سیکرٹری درج کرتا ہے اور اجلاس کی کارروائی کو تمام ممبران، ڈائریکٹران اور ضرورت ہو تو CFO کو تقسیم کرتا ہے۔

### انسانی وسائل اور معاوضہ (HR&R) کمیٹی

انسانی وسائل اور معاوضہ کمیٹی (HR&R) چارٹران ایگزیکٹو ڈائریکٹران پر مشتمل ہے جن میں دو آزاد ڈائریکٹران بھی شامل ہیں اور کمیٹی کی چیئرمین ایک آزاد ڈائریکٹر محترمہ تبسم رعنا ہیں جبکہ کمیٹی کے دیگر ممبران میں جناب سہیل بشیر رانا، جناب قیصر سلیم اور جناب عامر امین شامل ہے۔

HR&R کمیٹی بورڈ کی پالیسی فریم بنانے میں مدد فراہم کرنے کی ذمہ دار ہوتی ہے جس میں ڈائریکٹران کا مشاہرہ، انسانی وسائل کے انتظام سے متعلق پالیسیاں اور چیف فنانشل آفیسر کمیٹی سیکرٹری اور اندرونی آڈٹ کے سربراہ کا انتخاب کیا جاتا ہے۔ کمیٹی بورڈ کے ڈھانچے، سائز اور ساخت کو باقاعدہ جائزہ لینے کے لیے اور ضروری تبدیلیوں کے حوالے سے بورڈ کو سفارشات دینے کے لیے بھی ذمہ دار ہے۔ سال کے دوران کمیٹی کا ایک اجلاس منعقد ہوا۔

اجلاس کی کارروائی کو کمیٹی کا سیکرٹری مناسب انداز میں درج کرتا ہے اور اجلاس کی کارروائی تمام ممبران اور ڈائریکٹران کو تقسیم کی جاتی ہے۔

- سالانہ اور سہ ماہی مالیاتی گوشواروں کی منظوری؛
- مالیاتی انضباط اور خطرات کے انتظام سے متعلق کمپنی کے نظام کا جائزہ؛
- بڑے حصول اور سرمایہ جاتی اخراجات کی منظوری؛
- کمپنی کے حصص کا اجراء؛
- اس بات کو یقینی بنانا کہ مناسب انتظامی ترویج اور موروثی منصوبہ بندی دستیاب ہے؛
- ادارتی سماجی ذمہ داری بشمول کمپنی کی ماحولیات، صحت اور تحفظ کی کارکردگی سے متعلق معاملات کا جائزہ؛
- بورڈ کی کمیٹیوں کی سرگرمیوں کا جائزہ؛ اور
- بورڈ، بورڈ کی کمیٹیوں اور CEO، CFO، کمپنی سیکریٹری اور اندرونی آڈٹ کے سربراہ کی تقرری کی منظوری؛

#### بورڈ کے اجلاس

بورڈ حصص یافتگان کو جوابدہ ہے کہ وہ کمپنی کا انتظام مناسب انداز میں چلائے اور اس کے طے کردہ کلیدی مقاصد کو حاصل کرے۔ بورڈ اجلاس میں سالانہ پروگرام منعقد کر کے اپنی ذمہ داریوں سے عہدہ برآں ہوتا ہے۔

مالیاتی سال 2021-22 میں بورڈ کے چار اجلاس ہوئے۔ ان اجلاسوں کی صدارت بورڈ کے چیئرمین نے کی۔ ان اجلاسوں میں چیف فنانشل آفیسر اور کمپنی سیکریٹری بھی شرکت کرتے ہیں۔

کمپنی سیکریٹری بورڈ کے ہر اجلاس سے قبل اجلاس کے نوٹس کے ساتھ ایجنڈے کے امور اور کاروبار کے مختلف پہلوؤں پر مشتمل جامع دستاویزات تمام ڈائریکٹران کو پیشگی تقسیم کرتا ہے تاکہ اجلاس کے دوران ایک مطلع شدہ بورڈ سے مستفید ہوا جاسکے۔

تمام ڈائریکٹران مکمل طور پر اپنی ذمہ داریوں سے آگاہ ہیں۔ سال میں کم از کم ایک مرتبہ کمپنی میں ڈائریکٹران کا آگاہی کورس منعقد کیا جاتا ہے تاکہ وہ حصص یافتگان کی طرف سے کمپنی کے معاملات کے انتظام سے متعلق اپنی ذمہ داریوں اور فرائض سے واقف رہ سکیں۔

تمام ڈائریکٹرز یا تو ترمیمی پروگرام کا سرٹیفکیٹ حاصل کر چکے ہیں یا وہ مشغلی معیار کو پورا کرتے ہیں جیسا کہ قواعد و ضوابط میں موجود ہے، CEO کے علاوہ، جو کہ مقررہ سرٹیفکیٹ اُن کے انتخاب سے ایک سال کے دوران قواعد و ضوابط کے مطابق حاصل کر لیں گے۔

کمپنی سیکریٹری بورڈ کو نظم و ضبط کے تمام معاملات پر مشاورت فراہم کرنے اور بورڈ کے طریقوں پر عمل کرنے اور لاگو قوانین اور ضوابط کی پاسداری کروانے کا ذمہ دار ہوتا ہے۔ اس کے علاوہ کمپنی سیکریٹری کارروائی اجلاس کو درج کرنے اور اسے مقررہ مدت میں تمام ڈائریکٹران میں تقسیم کرنے کا ذمہ دار ہوتا ہے۔

چیف فنانشل آفیسر بورڈ کو تمام مالیات اور حسابات کے معاملات پر مشاورت دینے کا ذمہ دار ہونے کے ساتھ ساتھ چیف ایگزیکٹو آفیسر کو سالانہ اور سہ ماہی مالیاتی گوشوارے پیش کرتا ہے۔ وہ اثاثوں اور سرمایہ کاریوں کی نگہداشت کرتا ہے۔

اس کے علاوہ CFO سالانہ ادارتی بجٹوں کو حتمی شکل دینے اور بجٹ بمقابلہ اصل کے تجزیوں کے جائزہ کا ذمہ دار ہوتا ہے تاکہ کمپنی کے معاملات بلا رکاوٹ چلتے رہیں۔



## ڈائریکٹران کی کل تعداد

(a)	مرد	7
(b)	خواتین	1

حیثیت	نام
آزاد ڈائریکٹران	جناب عامر امین جناب عبدالحمید احمد ڈاگیا محترمہ تبسم رعنا
نان ایگزیکٹو ڈائریکٹران	جناب سکندر ایم خان (چیئر مین) جناب سہیل بشیر رانا جناب لئیق الدین انصاری جناب قیصر سلیم
ایگزیکٹو ڈائریکٹران	جناب مجتبیٰ احمد (CEO)
خواتین ڈائریکٹران	محترمہ تبسم رعنا

## چیئر مین اور چیف ایگزیکٹو آفیسر

چیئر مین اور چیف ایگزیکٹو کے عہدہ پر بالترتیب جناب سکندر ایم خان اور جناب مجتبیٰ احمد فائز ہیں۔ ان کے افعال کی علیحدگی بورڈ اور انتظامیہ کے درمیان وسیع آزادی کو یقینی بناتے ہیں۔ چیئر مین اور CEO کی ذمہ داریوں کے درمیان واضح فرق ہے۔ چیئر مین مجموعی قیادت کا ذمہ دار ہوتا ہے اور اس کا نصب العین کمپنی کی کلیدی سمت کی ترویج ہے۔ چیئر مین کے بنیادی کردار میں اس بات کو یقینی بنانا ہے کہ بورڈ اپنے افعال درست طریقے سے انجام دے، اپنی ذمہ داریوں اور فرائض پر پورا اترے اور یہ کہ اس کا موجودہ انتظام و انصرام مؤثر انداز میں کام کر رہا ہے۔ CEO کمپنی کے انتظام اور بورڈ کے طے کردہ کلیدی اور مالیاتی مقاصد کی ترسیل کو یقینی بناتا ہے۔ وہ کمپنی کے اثاثوں کے اہتمام اور چیئر مین کے ساتھ اشتراک کا ذمہ دار ہے جو کہ کمپنی کی بیرونی نمائندگی کرتا ہے۔

## بورڈ کا طریقہ ہائے کار

بورڈ کارپوریٹ قوانین کے ذریعہ عائد کردہ فرائض کی مؤثر ادائیگی کی اہمیت کو تسلیم کرتا ہے اور مؤثر شرکت اور کمپنی کی کاروباری مقصد کے حصول میں شرکت کے ذریعہ قدر میں اضافے کے لئے اپنے مقصد میں پرعزم ہے۔ بورڈ فیصلہ لینے وقت کمپنی کے مفادات کے ساتھ ساتھ (BCL) کے حصص یافتگان اور دیگر متعلقین کے مفادات کو بھی مد نظر رکھتا ہے۔ بورڈ سے متعلق خصوصی ذمہ داریوں درج ذیل ہیں:

- سالانہ بجٹ اور مالیاتی امکانات کی منظوری؛

## ادارتی نظم و ضبط

## ادارتی نظم و ضبط کے ضابطہ کے پاسداری

BCL مکمل طور پر موثر جانچ اور توازن کے حصول اور حصص یافتگان کے مفادات کے تحفظ کے لئے ادارتی نظم و ضبط کی اہمیت سے آگاہ ہے اور ادارتی نظم و ضبط میں پائیدار بہتری کے لئے کوشاں ہے۔ آپ کی کمپنی مضبوطی ادارتی نظم و ضبط کی تعمیر کو حصص یافتگان سے تعلقات استوار کرنے اور ادارتی قدر میں اضافے کے لئے بنیادی اہمیت کی حامل سمجھتی ہے۔ کمپنی اس بات کو مکمل طور پر سمجھتی ہے کہ مضبوط ادارتی نظم و ضبط کمپنی کی پائیدار طویل مدتی نمو کے لئے انتہائی اہمیت کی حامل ہے اور ادارتی نظم و ضبط کو بہتر اور موثر بنانے کے لئے کوشاں ہیں اور اب تک کی گئی کاوشوں سے ہماری بنیادی مسابقت کاری اور ادارتی قدر میں اضافے میں مدد ملے گی۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق بورڈ نے مضبوط ادارتی نظم و ضبط کی پالیسیاں قائم کی ہیں جن کی مسلسل نگرانی کی جاتی ہے اور ان کا جائزہ لیا جاتا ہے۔ ہمارے ادارتی نظم و ضبط کا فریم ورک ہمارے کاروباری مقاصد کے حصول میں معاون ہے جس میں ذمہ داران، ایمانداران، شفافیت اور احتساب کے اعلیٰ معیارات کے مطابق کاروبار انجام دیا جاتا ہے۔

ان مقاصد کے حصول کے لئے نصب العین/مشن، مجموعی ادارتی حکمت عملی اور قابل ذکر پالیسی رہنما اصول سبھی سالوں سے موجود ہیں۔ مزید بورڈ نے ایک ضابطہ اخلاق ترویج کیا ہے جس میں معیارات مقرر کئے گئے ہیں جس کے تحت ڈائریکٹران، اعلیٰ انتظامیہ اور دیگر تمام ملازمین سے توقع کی جاتی ہے وہ ان پر عمل کریں گے۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی پاسداری سے متعلق بیانیہ جس کا جائزہ بیرونی آڈیٹرز نے لیا ہے اور اس کی تصدیق کی ہے، وہ رپورٹ کے ساتھ منسلک ہے۔

## بورڈ آف ڈائریکٹرز

## بورڈ کا ڈھانچہ اور تبدیلیاں

بورڈ آف ڈائریکٹرز بورڈ کی پالیسیاں اور کلیدی مقاصد قائم کر کے وسیع تناظر میں مقاصد کے حصول کے عزم کے ساتھ ادارے کے نظم و نسق کا ذمہ دار ہے جو کہ سات منتخب ڈائریکٹران اور چیف ایگزیکٹو آفیسر پر مشتمل ہے۔

نومبر 27، 2022 کو ڈائریکٹر جناب محمد سلیم انتقال کر گئے۔ بورڈ ان کے افسوس ناک انتقال پر گہری تعزیت ریکارڈ پر رکھنا چاہتا ہے۔ بورڈ میں عارضی ہوئی خالی جگہ جناب قیصر سلیم کو شریک کر کے پرکی گئی۔

مزید، مئی 25، 2022 کو جناب ثار احمد میرانی نے اپنی چیف ایگزیکٹو کی حیثیت سے استعفیٰ دیا، جناب ثار احمد میرانی کی جگہ بورڈ آف ڈائریکٹرز نے جناب مجتبیٰ احمد کو کمپنی کے چیف ایگزیکٹو کی حیثیت سے مورخہ جون 3، 2022 کو منتخب کیا۔

ہماری کمپنی کا بورڈ آف ڈائریکٹرز درج ذیل پر مشتمل ہیں:

### صنعتی تعلقات

BCL اپنے ملازمین اور اجتماعی سودا کاری ایجنٹ (CBA) کے ساتھ خوشگوار تعلقات استوار رکھنے پر یقین رکھتی ہے۔ کمپنی نے ہمیشہ ملازمین کی بہبود کے لئے اقدامات کئے ہیں۔ کمپنی اپنے کینٹین میں کھانے پر سبڈی فراہم کرتی ہے۔ مزید یہ کہ کمپنی اپنے ملازمین کو طبی سہولیات فراہم کرتی ہے۔ کمپنی کے موجودہ حاضر سروس ملازمین کے لئے ایک متوازن پروگرام اور ملازمت کے بعد کے فوائد اور پالیسیاں موجود ہیں۔ کمپنی کے پاس اپنے ملازمین کے لئے حج اور عمرہ اسکیم ہے جس کے مطابق ہر سال ملازمین کو کمپنی کے اخراجات پر سرکاری حج اسکیم کے تحت حج اور عمرہ پر بھیجا جاتا ہے۔

### معذور افراد کے لئے ملازمت

BCL تسلسل کے ساتھ معذور افراد کی صلاحیتوں اور میلان کے مطابق تعاون فراہم کرتی ہے بشرطیکہ انہیں ملازمت کے لئے محفوظ کام کا ماحول فراہم کیا جاسکے۔ اگر ملازم معذور ہو جائے تو ہر طریقے سے کوشش کی جاتی ہے کہ اس کی ملازمت برقرار رہے اور اس صورت میں جبکہ ملازمین ایسا معذور ہو جائے کہ وہ کام نہ کر سکے تو ان کے بچے کو ملازمت فراہم کی جاتی ہے۔

### کاروباری اخلاقیات اور انسداد بد عنوانی کے اقدامات

BCL تسلسل کے ساتھ کاروباری اخلاقیات کے اعلیٰ معیار کے لئے کوشاں ہے۔ ہم اس بات پر یقین رکھتے ہیں کہ کمپنی کی مالیاتی کامیابی اور اچھی ساکھ کے لئے ہم اپنے کاروبار کو ایمانداری، دیانت داری اور لاگو قوانین اور ضابطوں کی ضروریات کی پاسداری کرتے ہوئے انجام دیں۔ یہ کمپنی کی بنیادی پالیسی ہے کہ تمام ملازمین کمپنی کے کاروبار پر لاگو تمام قوانین اور ضوابط کی پاسداری کریں اور ان پر عمل کریں اور وہ کاروباری دیانت داری کے اعلیٰ معیارات کو اپنائیں۔ ہمارا ضابطہ اخلاق ایک ایسی بنیادی دستاویز ہے جس میں ان اعلیٰ اقدار کا احاطہ کیا گیا ہے، جو کہ کمپنی بھر میں نافذ عام ہے۔ اس کے علاوہ تمام ملازمین کے لئے ضروری ہے کہ اندرونی گرفتوں کی پاسداری پر ماہانہ تصدیق نامے پیش کریں جنہیں بورڈ باضابطہ سہ ماہی بنیاد پر CEO کو پیش کرتا ہے۔

### قومی خزانے میں معاونت

BCL نے مدت کے دوران ٹیکسوں اور ڈیوٹیوں کی مد میں 566.502 ملین روپے کی قومی خزانے میں معاونت کی۔ جس میں 43.559 ملین روپے انکم ٹیکس کی مد میں، 495.623 ملین روپے سیلز ٹیکس کی مد میں اور کسٹم، ریگولیشنری اور اضافی ڈیوٹیوں کی مد میں 27.32 ملین روپے جمع کرائے گئے۔ مزید برآں کمپنی نے ایک بھاری رقم قومی خزانے میں ود ہولڈنگ ٹیکس کی مد میں بھی جمع کرائی۔

- کوریپلائٹ کے فضائی اخراج کے لئے اسکربرز
- دھول مٹی کے اخراج میں کمی کیلئے فلٹر بیگ
- شاٹ بلاسٹنگ اور سینڈ پلائٹ کے لئے بند کیبن، اور
- گندے پانی کے استعمال کے ذریعے فیکٹری میں زیادہ سے زیادہ شجر کاری

### پیشہ جاتی تحفظ اور صحت

BCL اس بات پر یقین رکھتی ہے کہ اپنے ملازمین کا تحفظ اور بہبود بنیادی اہمیت کے حامل ہیں۔ ہم اس بات پر یقین رکھتے ہیں کہ صنعتی حادثات سے بچا جاسکتا ہے۔ ہر انفرادی ملازم کام کے دوران حفاظت سے عمل کرنے کا ذمہ دار ہوتا ہے نہ صرف اپنی بہبود کے لئے بلکہ دیگر ساتھی ملازمین کے تحفظ اور بہبود کے لئے بھی۔

ہم اس بات پر یقین رکھتے ہیں کہ جس وقت کام کے دوران تحفظ موجود نہ ہو اس وقت پیداوار ہمارے لئے اہم نہیں ہے۔ ہمارے پاس ایک مناسب تحفظ کی پالیسی موجود ہے جس کی تصدیق اور نگرانی ISO 9001-2015 کو ایسی مینجمنٹ سسٹم نے کی ہے۔ BCL پلائٹ پر آگ سے بچاؤ کے موثر نظام، آتش گیر مادوں کے لئے کشادہ ہوا اور سورج کی روشنی سے بلا واسطہ بچاؤ کو یقینی بنایا جاتا ہے۔ باقاعدگی سے اور حقیقی صورتحال میں تحفظاتی پالیسی کے تحت آگ کو بجھانے کا مظاہرہ کیا جاتا ہے۔ چوبیس گھنٹے تعلیم یافتہ اہل عملہ تمام ضروری ابتدائی طبی امداد کی سہولیات کے ساتھ دستیاب رہتا ہے۔

مزید یہ کہ (BCL) نے ملازمین کی صحت اور حفاظت کے لیے کوویڈ-19 وبائی امراض کے دوران کاروبار چلانے کے لیے حکومت کی طرف سے مشورہ کردہ معیاری آپریٹنگ طریقہ کار کی مکمل تعمیل کی ہے۔ کمپنی نے مندرجہ ذیل احتیاطی اقدامات کیے ہیں:

- جراثیم کش گزرگاہ کو موجودہ فیکٹری میں نصب کیا گیا۔
- درجہ حرارت کی جانچ۔
- کام کی جگہوں کی جراثیم کشی۔
- چہرے کا ماسک اور دستانے کی تقسیم۔
- معاشرتی دوری اور گھر سے کام کرنے کی حکمت عملی کو برقرار رکھنا۔

### صارفین کے تحفظ کے اقدامات

BCL کسٹمرز کے اطمینان کے مطابق معیاری مصنوعات مسابقتی نرخوں پر فراہم کرتا ہے۔ کمپنی اس بات پر یقین رکھتی ہے کہ معیار میں مسلسل بہتری کا عزم ہماری کامیابی کے لئے بنیادی اہمیت کے حامل ہیں۔ اس کے لئے ہم کسٹمر کی توقعات کے مطابق معیار کی صراحت کرتے ہیں کارکردگی اور اقدار پر اتفاق کرتے ہیں تاکہ ایسی خدمات اور مصنوعات فراہم کریں جو کہ ان کی توقعات پر پورا اترتی ہوں۔ ہمارے معیار اصول کے مطابق ”ہم ڈھلائی میں معیار داخل کرتے ہیں“ BCL نے ایک کوالٹی کنٹرول سسٹم ترویج کیا ہے جس میں خام مال کی سپلائی سے لے کر تیار شدہ مال کو کسٹمرز کو بھیجنے تک مکمل عمل کا معائنہ کیا جاتا ہے۔

BCL پہلی فاؤنڈری ہے جس نے ISO 9002 کی تصدیق اپریل 1999 میں حاصل کر لی تھی۔ کمپنی نے ISO 9001-2015 کے معیار کا کوالٹی مینجمنٹ سسٹم بھی حاصل کر لیا ہے جو کہ ہمارے اپنے کسٹمرز کو معیاری خدمات کے ساتھ ان کے طمانیت کی سطح میں اضافے کا ایک باعث ہے۔

### مستقبل کے امکانات

جیسے کہ، موجودہ حکومت پر عزم ہے معیشت میں استحکام اور اعتماد کے ساتھ پائیدار معاشی بڑھاؤ کی حکمت عملی، مہنگائی میں کمی، پاکستانی روپیہ کی قدر میں مضبوطی اور زرعی پیکینج کی پیشکش بہتر معاشی کارکردگی کے لیے جس سے یقینی طور پر کسانوں کے اعتماد کی حوصلہ افزائی ہوگی جس کے نتیجے میں ٹریکٹر اور اس کے پرزوں کی مانگ بڑھے گی۔ فروخت کرنے کی صنعت ہونے کی وجہ سے آپ کی کمپنی بھی زیادہ پرزوں کی مانگ کی توقع اگلے مالیاتی سال میں کر رہی ہے۔

البتہ تباہ کن سیلاب کی ملکی صورتحال کے پیش نظر، مکمل بجلی کی بندش جب ضلع میں، مرکزی پل کا حب دریا میں منہدم ہو جانا اور سڑک کے بنیادی ڈھانچے کو نقصان پہنچنے کی وجہ سے ہمیں پیداوار کچھ ہفتے بند کرنا پڑی جس نے کمپنی کی پیداوار اور فروخت کو منفی طریقے سے نقصان پہنچایا۔ اوپر دی گئی مشکلات کے باوجود ہم بہتر کارکردگی کا مظاہرہ دیکھ رہے ہیں زیادہ پیداوار اور فروخت کے ہدف کے ذریعے، پیداوار کو بہتر بناتے ہوئے پیداوار کی لاگت کو کم کرتے ہوئے مسٹرڈ پرزوں کی ڈھلائی کو قابو کرتے ہوئے، پرزوں کی قدر میں اضافہ کرتے ہوئے اور دستیاب افرادی قوت کے وسائل کو بہتر طریقے سے استعمال کرتے ہوئے۔

### ادارتی سماجی ذمہ داری

آپ کی کمپنی اپنے کاروبار کو سماجی ذمہ داری کے انداز میں چلاتی ہے۔ جس کی عکاسی ہمارے ملازمین، گاہکوں اور وسیع معنوں میں برادری جہاں پر ہم کاروبار کرتے ہیں ان کے ساتھ معاملات میں ہوتا ہے۔ BCL اس بات کو سمجھتی ہے کہ ادارتی سماجی ذمہ داری اچھے کاروباری انتظام کا امتیازی عنصر ہے۔ اس سلسلے میں مختلف سرگرمیاں کی گئیں جو کہ درج ذیل ہیں:

### توانائی کی بچت

BCL ملکی توانائی کی ضرورت سے بخوبی آگاہ ہونے کے ساتھ توانائی سے متعلق اپنی ذمہ داریوں کو سمجھتی ہے۔ اس مقصد کے لئے کمپنی تسلسل کے ساتھ کمپنی کے آپریشنز میں توانائی کے خرچ کو کم کرنے کے لئے کوشاں ہے۔ ہمارے ملازمین کی حوصلہ افزائی کی جاتی ہے کہ وہ بجلی، گیس اور پانی کے غیر ضروری استعمال سے بچیں۔ مزید برآں انتظامیہ نے کمپنی کی ملکیتی گاڑیوں میں ایندھن کے استعمال کو کم کرنے اور توانائی بچانے والے روشن آلات کو استعمال کرنے کی ہدایات جاری کی ہیں۔

### ماحولیات تحفظ کے اقدامات

ہم صحتمند زندگی کا ماحول برقرار رکھنے کو بہت زیادہ اہمیت دیتے ہیں اور تسلسل کے ساتھ ماحولیاتی تحفظ کے لئے اقدامات اور خیالات کو شامل کرتے ہیں۔ ہم ان پیش قدمیوں کی حوصلہ افزائی کرتے ہیں جو کہ ماحول کو فائدہ پہنچائیں۔ ہمارے آپریشنز میں ماحولیاتی سے متعلق ضابطوں کی ضروریات کی پاسداری پر زور دیا جاتا ہے۔ تسلسل کے ساتھ کوششیں کی جا رہی ہیں جس سے کمپنی کے پلانٹ کی پیداواری سرگرمیاں ماحول دوست ہوں۔ اس سلسلے میں مندرجہ ذیل کو خصوصی طور پر یقینی بنایا گیا ہے:

• کپولہ کے اخراج کے لئے ترسلیج ٹینک

### کاروباری خطرہ

موجودہ معاشی سماجی صورتحال کو مد نظر رکھتے ہوئے اگر مالیاتی سال 2022-23 کے سالانہ بجٹ کے بعد زراعت اور آٹو سیکٹر سے متعلقہ سرکاری پالیسیوں میں کوئی بڑی تبدیلیاں رونما نہ ہوئیں تو توقع ہے کہ ٹریڈرز اور آٹو موٹو سیکٹر کی کم طلب کے علاوہ کمپنی کو ایسے کسی خطرات کا سامنا نہیں ہوگا جس سے کمپنی کی فروخت اور منافع کاری پر بڑے اثرات مرتب ہوں۔ مزید یہ کہ سازگار بازاری صورتحال سے عملیاتی خطرات میں کمی آئے گی۔

تاہم کمپنی جس کا انحصار درآمدی خام مال پر ہے، کرنسی کے اتار چڑھاؤ کے خطرے سے متاثر ہوگی۔ معاشی اور سیاسی ماحول کی وجہ سے پاکستانی روپے کی قدر میں عدم استحکام کی وجہ سے اندازہ ہے کہ خطرے کی سطح میں مزید اضافہ ہوگا۔

کمپنی کے بنیادی کسٹمز ٹریڈر بنانے اور اسمبلی کرنے والوں پر مشتمل ہے اور لہذا ان کے کاروبار میں تبدیلی ایک ایسا خطراتی عنصر ہوگا جو کہ کمپنی کی منافع کاری پر منفی اثرات مرتب کرے گا۔

حال ہی میں موجودہ ڈھانچے کا خطرہ تباہ کن صورتحال سے جو کہ غیر معمولی مون سون کی شدید بارشوں اور سیلابی صورتحال کے نتیجے میں سڑکوں کے نیٹ ورک کو نقصان ہونے، پلوں کا منہدم ہونے اور نقل و حمل کا نظام کے معطل ہونے پر پورے ملک میں خصوصاً صوبہ بلوچستان میں ہونے سے پیدا ہوا ہے اور نقصان کا خطرہ ہے بنیادی ڈھانچے کے الگ ہو جانے کے امکانات سے یہ شاید مشکل بنا دے مال کے نقل و حمل خریدار سے اور سپلائرز سے موصول کرنے میں بروقت انداز میں۔

آخر میں کمپنی کی انتظامیہ فعال طور پر خطرات کے ان اشاریوں پر متحرک نہ انداز میں کام کر رہی ہے جن سے امید ہے کہ مذکورہ بالا خطرات کے آپ کی کمپنی پر قابل ذکر اثرات مرتب نہیں ہونگے۔ ہنگامی منصوبہ بندی ہماری ترجیح ہے اور لہذا مناسب اقدامات کے ساتھ درست منصوبہ بندی کی جائے گی تاکہ مالیاتی کارکردگی پر ممکنہ ناموافق خطرات کو کم کیا جاسکے۔

### شرح سود/مارک اپ کا خطرہ

کمپنی شرح سود/مارک اپ کے خطرہ کا مقابلہ کرتی ہے جو کہ مالیاتی اثاثوں اور واجبات کی عدم مطابقت کی وجہ سے پیدا ہوں جس کے لئے مقررہ مدت کے دوران درست یا از سر نو قیمت گرمی بذریعہ خطرات کے انتظام کی حکمت عملی کے ذریعے کی جاتی جہاں پر قابل ذکر تبدیلیوں کی خلیج کی صورت میں درست کیا جاتا ہے۔

### قرضہ جاتی خطرہ

کمپنی کے روانیت فنڈ پر قرضہ جاتی خطرہ بہت محدود ہے کیونکہ فریقین بینک ہیں جن کی قرضہ جاتی ریٹنگ بہت بلند ہے۔ تاہم کمپنی تجارتی قرضوں پر قرضہ جاتی خطرات کا مقابلہ کرنے کے لئے قرضہ جاتی خطرات کی نگرانی کرتی ہے، مخصوص گاہکوں کے ساتھ لین دین کو محدود کرتی ہے اور کسٹمز کی قرضہ واپس کرنے کی صلاحیت کی تشخیص کرتی ہے۔

### روانیت کا خطرہ

روانیت کے خطرہ کے محتاط انتظام میں وعدہ شدہ قرضہ جاتی سہولیات کے ذریعہ کافی مقدار میں نقد اور قومات کی فراہمی کی جاتی ہے۔ کمپنی اس خطرہ کا مقابلہ نقد کے موثر انتظام اور دستیاب قرضہ جاتی سہولیات کے ذریعہ پورا کرتی ہے۔

## کاروباری جائزہ

مالیاتی سال 2022 میں پیداوار اور فروخت کے حجم میں کمی کا مشاہدہ کیا گیا۔ سال کے دوران 9,437 میٹرک ٹن کی ڈھلائی ہوئی جو کہ گزشتہ سال 10,674 میٹرک ٹن تھی اس طرح ڈھلائی میں 11.59 فیصد کمی واقع ہوئی جبکہ اس سال 9,269 میٹرک ٹن ڈھلائی فروخت کی گئی جو کہ گزشتہ سال 10,426 میٹرک ٹن کے مقابلے میں 11.10 فیصد کمی کے ساتھ فروخت ہوئی ہے۔

پاکستان کی معیشت نے ابھی Covid-19 کی مشکلات برداشت ہی کی تھیں کہ اس کو ایک دوسری مشکل روس اور یوکرین کے تنازعہ کا سامنا کرنا پڑا جس نے عالمی معیشت کے نئے خطرات سے دوچار کیا اور نمایاں بے یقینی اقتصادی نقطہ نظر کے بارے میں دکھائی۔ تنازعہ کے اقتصادی اثرات پاکستان کے اوپر زیادہ اشیاء کی قیمتوں، تجارت اور اشیاء کی فراہمی میں خلل، زیادہ تیل کی قیمتوں اور غیر ملکی کرنسی کی شرح کا اوپر اٹھنا تھا۔ اس کے ساتھ، پاکستان کی معیشت کو بہت سی مشکلات کا سامنا کرنٹ اکاؤنٹ خسارہ اور غیر ملکی قرض کی خدمت کی وجہ سے رہا۔

مالیاتی سال 2021-22 کے دوران زراعت کے شعبہ میں البتہ 4.40 فیصد نمایاں اضافہ ریکارڈ کیا گیا جس کے پیچھے بنیادی طور پر اعلیٰ پیداوار، پرکشش پیداوار کی قیمتیں، معاون حکومتی پالیسیاں اور زرعی ادھار جیسا کہ ٹریڈر ادھار اسکیم تھیں۔

زرعی ٹریڈر کی ملکی پیداوار نے بھی 16.01 فیصد اضافہ کا مشاہدہ مالیاتی سال 2021-22 میں کیا اس کے ساتھ ہی آپ کی کمپنی کی فروخت 2,418,800 ملین روپے سے بڑھ کر 2,750,181 ملین روپے ہوئی۔ تاہم آمدنی کی لاگت 2,115,499 ملین روپے سے بڑھ کر 2,534,973 ملین روپے ہوئی 4.71 فیصد زیادہ آمدنی سے زیادہ لاگت کے تناسب سے۔ جس کی وجہ خام مال کی قیمتوں کا بڑھنا، نقل و حمل اور توانائی کی لاگت کا بڑھنا، ایندھن کی قیمت کا بڑھنا، منفی غیر ملکی کرنسی کی شرح اور منفی نقدی بہاؤ رہیں۔

## کمپنی کی کارکردگی

جائزہ سال کے دوران کمپنی کی فروخت 2,750,181 ملین روپے رہی جبکہ گزشتہ سال 2,418,800 ملین روپے تھی۔ خام منافع 215,208 ملین روپے رہا جبکہ گزشتہ سال خام منافع 303,301 ملین روپے تھا۔ فروخت، تقسیم اور انتظامی اخراجات 129,657 ملین روپے رہے جبکہ گزشتہ سال 150,868 ملین روپے تھے۔ مالیاتی لاگت 51,712 ملین روپے رہی جبکہ گزشتہ سال 52,822 ملین روپے تھی۔ جائزہ مالیاتی سال کے دوران منافع قبل از ٹیکس 54,725 ملین روپے رہا جبکہ گزشتہ سال 171,092 ملین روپے کا قبل از ٹیکس منافع تھا۔ منافع بعد از ٹیکس 15,321 ملین روپے رہا جبکہ گزشتہ سال 132,380 ملین روپے کا بعد از ٹیکس منافع تھا۔

## بنیادی خطرات اور غیر یقینی صورتحال

خطرات کا مؤثر انتظام پائیدار کاروبار کے لئے بنیادی اہمیت کا حامل ہے۔ ہمارے خطرات کے انتظام کے فریم ورک کے ساتھ اندرونی گرفت کی پالیسیوں کی وجہ سے ہم کمپنی کو لاحق بنیادی خطرات پر توجہ مرکوز کرنے اور کم کرنے کے قابل ہو گئے۔ تاہم کمپنی کی مالی حالت سے ابھرنے والے مجموعی خطرات محدود ہیں کیونکہ ان مصنوعات کے سلسلے میں کسی بھی قسم کا مارکیٹ میں کوئی قابل ذکر خطرہ موجود نہیں ہے۔ شعبہ اندرونی آڈٹ بورڈ آف ڈائریکٹرز کو خطرات کے نظام اور گرفت کے عمل کی اثر پذیری سے متعلق آزادانہ رپورٹ فراہم کرتا ہے۔ کمپنی کو مندرجہ ذیل بنیادی خطرات کا خدشہ ہے جنہیں مخصوص پالیسیوں اور منصوبہ بندیوں سے کم کیا گیا ہے۔

## ڈائریکٹر کی رپورٹ

### معزز حصص یافتگان

آپ کی کمپنی کے ڈائریکٹران اپنی سالانہ رپورٹ کے ساتھ کمپنی کے 30 جون 2022 کو اختتام پذیر ہونے والے سال کے مالیاتی گوشوارے پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

### کمپنی کے معاملات

آپ کی کمپنی کی تشکیل پاکستان میں بطور پبلک لیمنڈ کمپنی ہوئی اور یہ پاکستان اسٹاک ایکسچینج میں لسٹڈ ہے۔ اس کی بنیادی کاروباری سرگرمی ٹریڈروں اور گاڑیوں کے پرزوں کی ڈھلائی ہے۔

### مالیاتی نتائج

جائزہ سال کے مالیاتی نتائج درج ذیل ہیں:

(Rs. 000)	
(361,068)	جمع شدہ خسارہ پیچھے سے لایا گیا
15,321	منافع بعد از ٹیکس برائے سال ختمہ 30 جون 2022
6,703	دیگر جامع آمدن
(339,044)	جمع شدہ خسارہ آگے لے جایا گیا

جائزہ سال کے عمومی ذخائر 424.500 ملین روپے رہے جبکہ گزشتہ سال 424.500 ملین روپے تھے۔

### منافع منقسمہ اور مصارف منافع

جمع شدہ نقصانات اور کمپنی کے منفی نقدی بہاؤ کو مد نظر رکھتے ہوئے بورڈ آف ڈائریکٹرز نے یہ فیصلہ کیا ہے کہ کسی بھی قسم کے منافع کی تجویز نہ دی جائے۔

### فی حصص آمدن

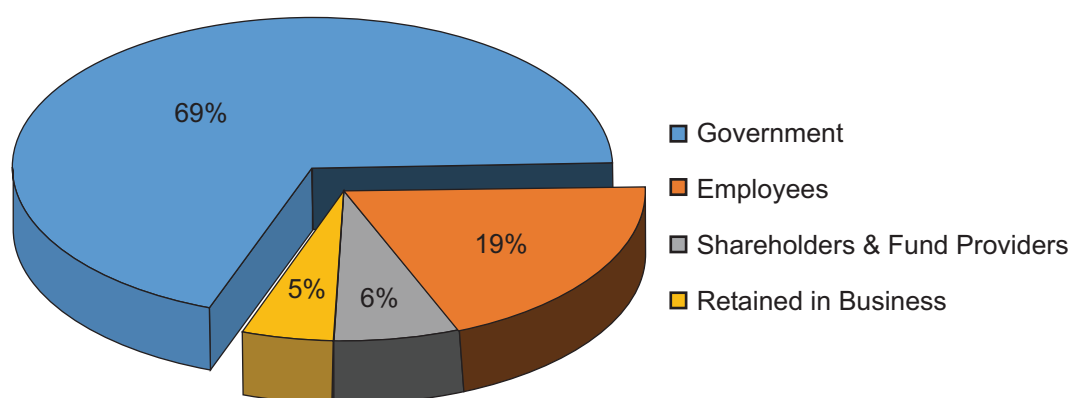
سال ختمہ 30 جون 2022 میں فی حصص آمدن 1.34 روپے رہی جبکہ گزشتہ سال فی حصص آمدن 11.54 روپے تھی۔



# STATEMENT OF VALUE ADDED AND ITS DISTRIBUTION

FOR THE YEAR ENDED JUNE 30, 2022

PARTICULARS	2022		2021	
	Rs. 000	%	Rs. 000	%
<b>VALUE ADDITION</b>				
Revenue Generated	3,245,803		2,858,074	
Bought-In Material and Services	(2,494,437)		(2,065,924)	
Other Income	26,088		84,733	
	<u>777,455</u>		<u>876,884</u>	
<b>DISTRIBUTION TO:</b>				
<b>Employees</b>				
Salaries, Wages and benefits	148,125	19.05	176,212	20.10
Workers' Profit Participation Fund	2,944	0.38	9,217	1.05
	151,069	19.43	185,429	21.15
<b>Government</b>				
Income Tax	39,403	5.07	38,712	4.41
Sales Tax	495,623	63.75	439,274	50.09
Workers' Welfare Fund	1,217	0.16	4,036	0.46
	536,243	68.97	482,021	54.97
<b>Shareholders &amp; Fund Providers</b>				
Financial Charges	51,712	6.65	52,822	6.02
Retained in Business / (Utilized in Operations)	38,432	4.94	156,612	17.86
	<u>777,455</u>	<u>100</u>	<u>876,884</u>	<u>100</u>





Pouring of Molten Metal from an Induction Furnace

## VERTICAL ANALYSIS

	2022 (Rs. 000)	%	2021 (Rs. 000)	%
<b>Operating results</b>				
Net Revenue	2,750,181	100.0	2,418,800	100.0
Cost of Sales	2,534,973	92.2	2,115,499	87.5
Administrative & Distribution Expenses	130,699	4.8	150,868	6.2
Other Expenses	4,161	0.2	13,253	0.5
Investment Income	3,501	0.1	885	0.04
Other income	22,588	0.8	83,849	3.5
Finance Cost	51,712	1.9	52,822	2.2
Income Tax Expense	(39,403)	(1.4)	(38,712)	(1.6)
Profit / (Loss) for the year	15,321	0.6	132,380	5.5
<b>Statement of Financial Position</b>				
Property, Plant and Equipment	187,096	16.3	206,739	20.4
Long-Term Investments	21,850	1.9	22,710	2.2
Other Non-Current Assets	118,880	10.4	113,821	11.3
Current Assets	820,122	71.4	668,321	66.1
Total Assets	1,147,947	100.0	1,011,591	100.0
Total Share Holder's Equity	228,687	19.9	207,523	20.5
Long-Term Deposits	2,851	0.2	3,708	0.4
Long-Term Loan	-	-	24,904	2.5
Deferred income - Government Grant	-	-	560	0.1
Employee Benefits Obligations	26,004	2.3	34,817	3.4
Deferred Tax Asset	-	-	-	-
Short-Term Financing	479,835	41.8	402,459.8	39.8
Trade and Other Payables	378,180	32.9	294,550	29.1
Other Current Liabilities	32,390	2.8	43,070	4.3
Total Liabilities	919,259	80.1	804,068	79.5
Total Equity and Liabilities	1,147,947	100.0	1,011,591	100.0
<b>Cash Flow</b>				
Cash Generated / (Used In) from Operations	77,606	(142.5)	35,729	24.9
Cash (Used in) / Generated from Operating Activities	(15,914)	29.2	104,371	72.6
Cash Generated / (Used in) from Investing Activities	73	(0.1)	(954)	(0.7)
Cash (Used in) / Generated from Financing Activities	(38,613)	70.9	40,308	28.0
Net (Decrease) / Increase in Cash and Cash Equivalents	(54,454)	100.0	143,725	100.0

## VERTICAL ANALYSIS

2020 (Rs. 000)	%	2019 (Rs. 000)	%	2018 (Rs. 000)	%	2017 (Rs. 000)	%
1,332,568	100.0	1,513,636	100.0	2,299,931	100.0	1,744,098	100.0
1,420,700	106.6	1,663,413	109.9	1,971,729	85.7	1,497,470	85.9
103,523	7.8	125,794	8.3	129,384	5.6	93,721	5.4
-	-	-	-	13,808	0.6	10,724	0.6
1,457	0.1	1,574	0.1	1,621	0.1	1,740	0.1
8,911	0.7	15,135	1.0	10,317	0.4	8,499	0.5
78,330	5.9	51,258	3.4	12,507	0.5	10,996	0.6
(12,071)	(0.9)	71,121	4.7	51,039	2.2	43,650	2.5
(271,688)	(20.4)	(238,999)	(15.8)	133,402	5.8	97,776	5.6
228,901	24.5	259,216	21.9	232,681	22.0	184,942	20.7
17,460	1.9	17,581	1.5	31,110	2.9	42,694	4.8
125,733	13.5	97,056	8.2	20,361	1.9	26,020	2.9
561,021	60.1	808,414	68.4	772,745	73.1	641,461	71.7
933,114	100.0	1,182,266	100.0	1,056,898	100.0	895,116	100.0
94,393	10.1	381,802	32.3	639,518	60.5	574,148	64.1
5,232	0.6	5,616	0.5	6,194	0.6	5,643	0.6
17,889	1.9	-	-	-	-	-	-
1,328	0.1	-	-	-	-	-	-
89,959	9.6	49,618	4.2	77,807	7.4	81,212	9.1
-	-	-	-	405	-	-	-
493,845	52.9	607,845	51.4	228,378	21.6	125,501.0	14.0
220,514	23.6	133,449	11.3	100,305	9.5	106,661	11.9
9,956	1.1	3,936	0.3	4,291	0.4	1,951	0.2
838,721	89.9	800,465	67.7	417,380	39.5	320,968	35.9
933,114	100.0	1,182,266	100.0	1,056,898	100.0	895,116	100.0
195,845	182.0	(196,147)	50.6	114,048	(123.6)	206,191	142.4
74,369	69.1	(307,982)	79.4	31,436	(34.1)	175,083	120.9
7,010	6.5	(51,543)	13.3	(67,766)	73.5	(18,834)	(13.0)
26,207	24.4	(28,256)	7.3	(55,906)	60.6	(11,403)	(7.9)
107,586	100.0	(387,780)	100.0	(92,236)	100.0	144,847	100.0

# HORIZONTAL ANALYSIS

	2022 (Rs. 000)	Inc./ (dec.) vs last year figure %	2021 (Rs. 000)	Inc./ (dec.) vs last year figure %
<b>Operating results</b>				
Net Revenue	2,750,181	13.7	2,418,800	81.5
Cost of Sales	2,534,973	19.8	2,115,499	48.9
Gross Profit / (Loss)	215,208	(29.0)	303,301	(444.1)
Administrative & Distribution Expenses	130,699	(13.4)	150,868	45.7
Other Expenses	4,161	(68.6)	13,253	100.00
Investment Income	3,501	295.7	885	(39.3)
Other Income	22,588	(73.1)	83,849	841.0
Operating Profit / (Loss)	106,436	(52.5)	223,914	(223.5)
Finance Cost	51,712	(2.1)	52,822	(32.6)
Profit / (Loss) Before Income Tax	54,725	(68.0)	171,092	(165.9)
Income Tax Expense	(39,403)	1.8	(38,712)	220.7
Profit / (Loss) for the year	15,321	(88.4)	132,380	(148.7)
<b>Statement of Financial Position</b>				
Property, Plant and Equipment	187,096	(9.5)	206,739	(9.7)
Long-Term Investments	21,850	(3.8)	22,710	30.1
Other Non-Current Assets	118,880	4.4	113,821	(9.5)
Current Assets	820,122	22.7	668,321	19.1
Total Assets	1,147,947	13.5	1,011,591	8.4
Share Capital	114,725	-	114,725	-
Reserves	113,962	22.8	92,797	(556.4)
Total Shareholder's Equity	228,687	10.2	207,523	119.9
Long-Term Deposits	2,851	(23.1)	3,708	(29.1)
Long-Term Loan	-	-	24,904	39.2
Deferred Income - Government Grant	-	-	560	(57.8)
Employee Benefits Obligations	26,004	(25.3)	34,817	(61.3)
Deferred Tax Asset	-	-	-	-
Short-Term Financing	479,835	19.2	402,460	(18.5)
Trade and other Payables	378,180	28.4	294,550	33.6
Other Current Liabilities	32,390	(24.8)	43,070	332.6
Total Liabilities	919,259	14.3	804,068	(4.1)
Total Equity and Liabilities	1,147,947	13.5	1,011,591	8.4
<b>Cash Flow</b>				
Cash Generated / (Used In) from Operations	77,606	117.2	35,729	81.8
Cash (Used in) / Generated from Operating Activities	(15,914)	(115.2)	104,371	(40.3)
Cash Generated / (Used in) from Investing Activities	73	(107.7)	(954)	(113.6)
Cash (Used in) / Generated from Financing Activities	(38,613)	100.0	40,308	100.0
Net (Decrease) / Increase in Cash and Cash Equivalents	(54,454)	(137.9)	143,725	(33.6)

## HORIZONTAL ANALYSIS

2020 (Rs. 000)	Inc./ (dec.) vs last year figure %	2019 (Rs. 000)	Inc./ (dec.) vs last year figure %	2018 (Rs. 000)	Inc./ (dec.) vs last year figure %	2017 (Rs. 000)	Inc./ (dec.) vs last year figure %
1,332,568	(12.0)	1,513,636	(34.2)	2,299,931	31.9	1,744,098	30.8
1,420,700	(14.6)	1,663,413	(15.6)	1,971,729	31.7	1,497,470	25.6
(88,132)	(41.2)	(149,777)	(145.6)	328,202	33.1	246,628	75.1
103,523	(17.7)	125,794	(2.8)	129,384	38.1	93,721	23.9
-	-	-	-	13,808	28.8	10,724	250.5
1,457	(7.4)	1,574	(2.9)	1,621	(6.8)	1,740	44.5
8,911	(41.1)	15,135	46.7	10,317	21.4	8,499	(7.2)
(181,287)	(30.0)	(258,862)	(231.4)	196,948	29.2	152,422	110.1
78,330	52.8	51,258	309.8	12,507	13.7	10,996	(66.8)
(259,617)	(16.3)	(310,120)	(268.1)	184,441	30.4	141,426	258.8
(12,071)	(117.0)	71,121	39.3	51,039	16.9	43,650	222.1
(271,688)	13.7	(238,999)	(279.2)	133,402	36.4	97,776	278.0
228,901	(11.7)	259,216	11.4	232,681	25.8	184,942	0.3
17,460	(0.7)	17,581	(43.5)	31,110	(27.1)	42,694	83.3
125,733	29.5	97,056	376.7	20,361	(21.8)	26,021	(55.9)
561,021	(30.6)	808,414	4.6	772,745	20.5	641,461	(2.6)
933,114	(21.1)	1,182,266	11.9	1,056,898	18.1	895,117	(3.2)
114,725	-	114,725	-	114,725	-	114,725	-
(20,333)	(107.6)	267,076	(49.1)	524,793	14.2	459,423	35.9
94,393	(75.3)	381,802	(40.3)	639,518	11.4	574,148	26.8
5,232	(6.8)	5,616	(9.3)	6,194	9.8	5,643	12.9
17,889	100.0	-	-	-	-	-	-
1,328	100.0	-	-	-	-	-	-
89,959	81.3	49,618	(36.2)	77,807	(4.2)	81,212	1.6
-	-	-	-	405	-	-	-
493,845	(18.8)	607,845	166.2	228,378	82.0	125,501	(54.2)
220,514	65.2	133,449	33.0	100,305	(5.3)	105,957	(1.5)
9,956	152.9	3,936	(8.3)	4,291	61.6	2,655	(53.2)
838,722	4.8	800,465	91.8	417,380	30.0	320,968	(32.0)
933,114	(21.1)	1,182,266	11.9	1,056,898	18.1	895,117	(3.2)
195,845	199.8	(196,147)	272.0	114,048	44.7	206,191	50.3
74,369	124.1	(307,982)	1,079.7	31,436	82.0	175,083	51.9
7,010	(113.6)	(51,543)	(23.9)	(67,766)	259.8	(18,834)	2.1
26,207	100.0	(28,256)	100.0	(55,906)	100.0	(11,403)	100.0
107,586	127.7	(387,780)	(320.4)	(92,236)	163.7	144,847	55.1

# DECADE AT A GLANCE

(Rupees in thousand)

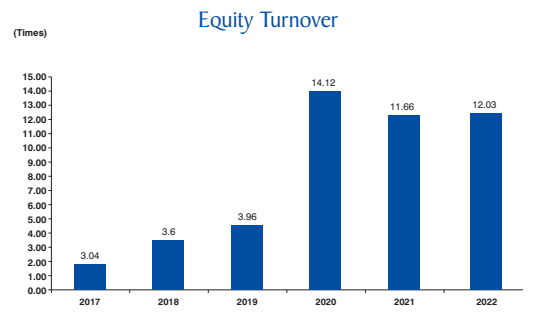
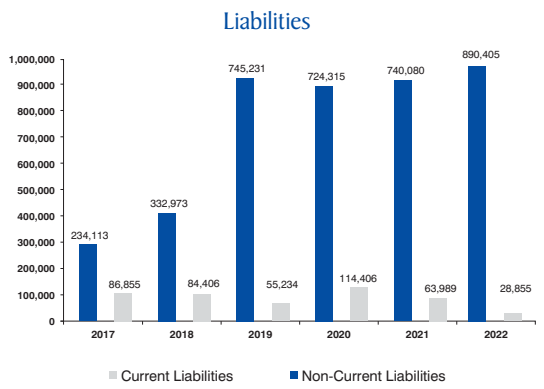
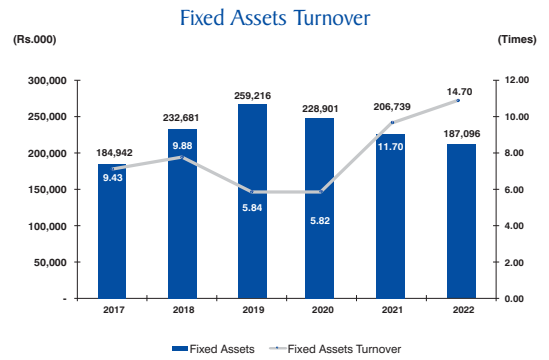
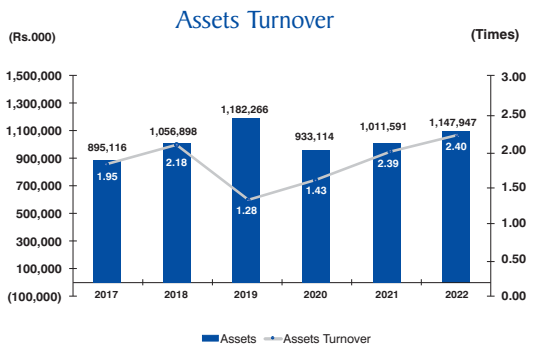
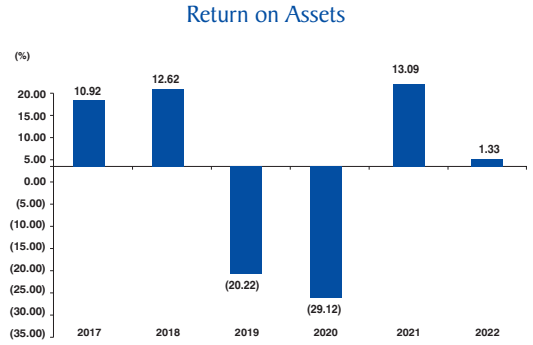
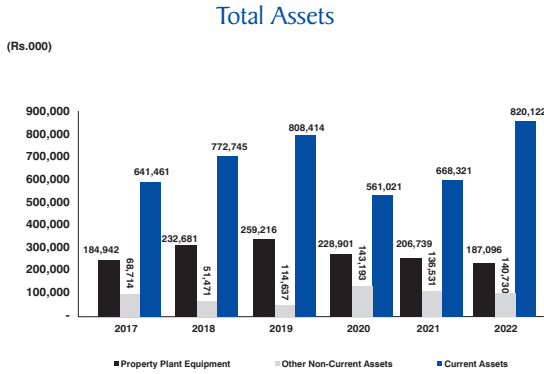
Year ended 30th June	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>INCOME</b>										
Revenue from contracts with customers	2,750,181	2,418,800	1,332,568	1,513,636	2,299,931	1,744,098	1,333,476	1,695,718	1,111,227	1,745,974
Gross Profit / (Loss)	215,208	303,301	(88,132)	(149,777)	328,202	246,628	140,876	189,450	(21,956)	160,699
Operating Profit / (Loss)	106,436	223,914	(181,287)	(258,862)	196,948	152,422	72,557	117,959	(83,989)	82,775
Profit / (Loss) before tax	54,725	171,092	(259,617)	(310,120)	184,441	141,426	39,420	71,640	(146,343)	33,421
Profit / (Loss) for the year	15,321	132,380	(271,688)	(238,999)	133,402	97,776	25,870	46,914	(105,525)	22,261
<b>FINANCIAL POSITION</b>										
Current Assets	820,122	668,321	561,021	808,414	772,745	641,461	658,260	948,799	761,620	1,072,818
Less: Current Liabilities	890,405	740,080	724,315	745,231	332,973	234,113	387,392	687,216	563,652	734,399
Net Working Capital	(70,283)	(71,759)	(163,294)	63,183	439,771	407,347	270,868	261,583	197,968	338,419
Property, Plant and Equipment	187,096	206,739	228,901	259,216	232,681	184,942	184,429	187,057	193,925	219,561
Others-Non Current Assets	140,730	136,531	143,193	114,637	51,471	68,714	82,318	67,816	74,116	32,431
	257,542	271,511	208,800	437,036	723,924	661,003	537,615	516,456	466,009	590,411
Less: Long Term Debts	-	24,904	17,889	-	-	-	-	-	-	-
Other Liabilities	28,855	39,085	96,518	55,234	84,406	86,855	84,953	39,851	25,698	43,286
Shareholders' Equity	228,687	207,523	94,393	381,802	639,518	574,148	452,661	476,605	440,311	547,125
<b>REPRESENTED BY:</b>										
Share Capital	114,725	114,725	114,725	114,725	114,725	114,725	114,725	114,725	114,725	104,296
General Reserves	424,500	424,500	424,500	424,500	424,500	424,500	424,500	424,500	424,500	411,500
Unrealized Gain on Long Term Investment	16,350	17,210	11,960	12,081	25,610	37,194	17,788	11,218	6,719	8,588
Premium on issuance of Right Share	12,156	12,156	12,156	12,156	12,156	12,156	12,156	12,156	12,156	12,156
Unappropriated (accumulated loss) / profit	(339,044)	(361,068)	(468,948)	(181,660)	62,527	(14,427)	(116,507)	(85,994)	(117,789)	10,585
Net Capital Employed	228,687	207,523	94,393	381,802	639,518	574,148	452,661	476,605	440,311	547,125
<b>Summary of Cash Flows</b>										
Cash (Used In) / Generated from										
Operating Activities	(15,914)	104,371	74,369	(307,982)	31,436	175,083	364,002	(135,539)	46,336	(179,106)
Cash Generated / (Used in) Investing Activities	73	(954)	7,010	(51,543)	(67,766)	(18,834)	(18,453)	(13,565)	2,746	(6,026)
Cash (Used In) / Generated Financing Activities	(38,613)	40,308	26,207	(28,256)	(55,906)	(11,403)	(22,771)	-	-	(20,869)
Net Change in Cash and Cash Equivalents	(54,454)	143,725	107,586	(387,780)	(92,236)	144,847	322,778	(149,104)	49,081	(206,001)
<b>PRODUCTION / Sales</b>										
Production Capacity Installed (MT)	13,200	13,200	13,200	13,200	13,200	13,200	13,200	13,200	13,200	13,200
Production Capacity Attained (MT)	9,437	10,674	6,623	8,694	16,294	11,566	8,437	11,368	8,575	12,264
Capacity Ratio (%)	71	81	50	66	123	88	64	86	65	93
Net Sales (MT)	8,788	9,779	6,878	9,215	14,723	11,199	8,602	10,966	7,342	11,921

## DECADE AT A GLANCE

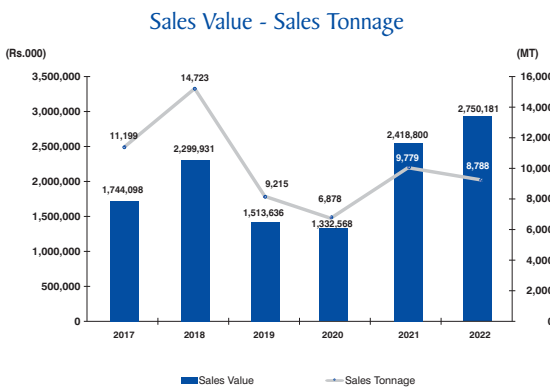
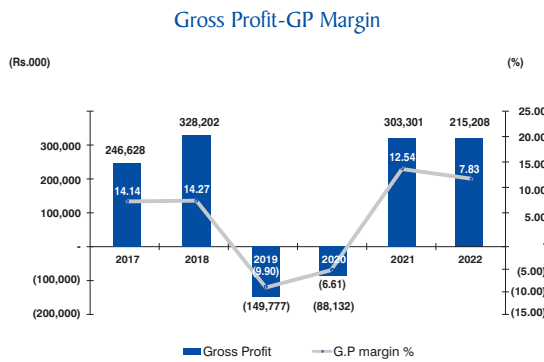
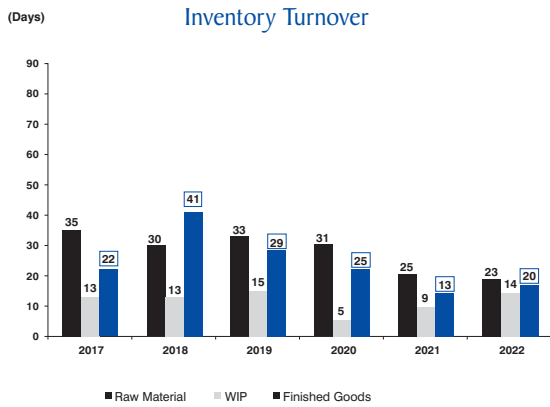
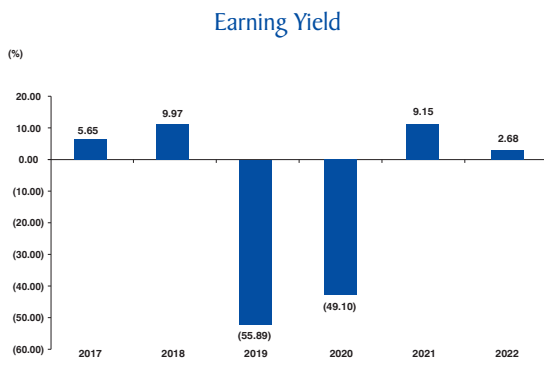
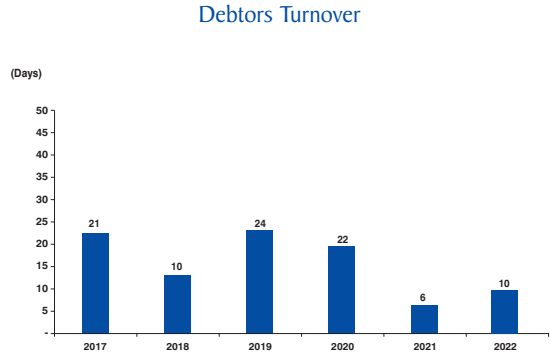
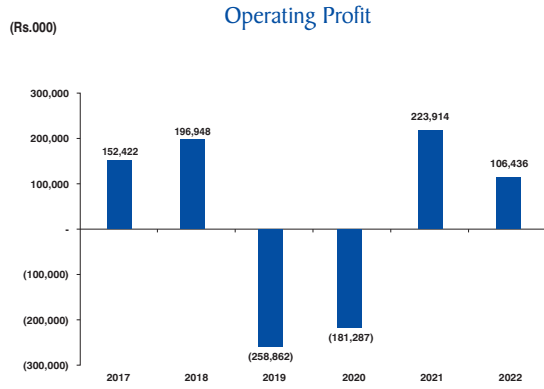
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>MARKET VALUE RATIOS</b>										
Break up value of a Share of Rs.10/-each	19.93	18.09	8.23	33.28	55.74	50.05	39.46	41.54	38.38	52.46
Dividend (Rupees per share)	-	-	-	-	2.50	5.00	1.00	2.00	-	-
Dividend (%)	-	-	-	-	25	50	10	20	-	-
Bonus Shares (%)	-	-	-	-	-	-	-	-	-	10
<b>PROFITABILITY RATIOS</b>										
Gross Profit / (Loss) (%)	7.83	12.54	(6.61)	(9.90)	14.27	14.14	10.56	11.17	(1.98)	9.20
Profit / ( Loss ) before Income Tax to Sales (%)	1.99	7.07	(19.48)	(20.49)	8.02	8.11	2.96	4.22	(13.17)	1.91
Profit / ( Loss ) for the year to Sales (%)	0.56	5.47	(20.39)	(15.79)	5.80	5.61	1.94	2.77	(9.50)	1.27
Earnings per share - EPS ( Rs.)	1.34	11.54	(23.68)	(20.83)	11.63	8.52	2.25	4.09	(9.20)	2.13
Earning Yield - year end price (%)	2.68	9.15	(49.10)	(55.89)	9.97	5.65	5.53	4.88	(25.55)	5.34
Price Earning Ratio - year end price	37.18	10.93	(2.04)	(1.79)	10.03	17.71	18.11	20.48	(3.91)	20.62
EBITDA (%) (Earning before interest, tax, depreciation & amortization)	(3.03)	(8.26)	(11.56)	(15.25)	9.59	9.97	3.84	5.66	(5.37)	6.31
Dividend Payout (%)	-	-	-	-	21.50	58.69	44.44	48.90	-	-
Dividend Yield Ratio (%)	-	-	-	-	2.14	3.31	2.45	2.39	-	-
Return on Equity (%)	6.70	63.79	(287.83)	(62.60)	20.86	17.03	5.72	9.84	(23.97)	4.07
Return on Assets (%)	1.33	13.09	(29.12)	(20.22)	12.62	10.92	2.80	3.90	(10.25)	1.68
Operating Cycle	(8.00)	(15.00)	(16.00)	45.00	60.00	41.00	78.74	103.14	120.91	66.99
Dividend Cover	-	-	-	-	4.65	1.70	2.25	2.05	-	-
<b>LIQUIDITY RATIOS</b>										
Current Ratio	0.92:1	0.90:1	0.77:1	1.08:1	2.32:1	2.7:1	1.7:1	1.38:1	1.35:1	1.46:1
Quick Ratio	0.29:1	0.24:1	0.37:1	0.50:1	0.79:1	1.00:1	0.77:1	0.55:1	0.50:1	0.91:1
<b>ACTIVITY RATIOS</b>										
Raw Material Inventory Turnover - (days)	23	25	31	33	30	35	55	47	45	39
WIP Inventory Turnover - (days)	14	9	5	15	13	13	24	17	18	12
Finished Goods Inventory Turnover - (days)	20	13	25	29	41	22	39	43	50	24
Debtors Turnover Ratio (days)	10	6	22	24	10	21	44	33	96	73
Assets Turnover Ratio (%)	0.42	0.42	0.70	0.78	0.46	0.51	0.69	0.71	0.93	0.76
Creditors Turnover Ratio (days)	76	67	100	55	34	49	84	36	88	81
Assets Turnover - (times)	2.40	2.39	1.43	1.28	2.18	1.95	1.44	1.41	1.08	1.32
Fixed Assets Turnover - (times)	14.70	11.70	5.82	5.84	9.88	9.43	7.23	9.07	5.73	7.95
<b>LEVERAGE RATIOS</b>										
Equity Turnover - (times)	12.03	11.66	14.12	3.96	3.60	3.04	2.95	3.56	2.52	3.19
Debt-Equity Ratio	2.22	2.24	5.48	1.59	0.36	0.22	0.61	1.24	1.01	0.91
<b>SHARE PRICE- (RS.)</b>										
Highest	182.00	148.00	61.00	139.78	169.00	218.68	91.25	91.35	50.02	44.00
Lowest	46.25	47.50	27.83	35.92	83.66	39.00	39.35	32.89	29.45	33.25
Average	114.13	97.75	44.42	87.85	126.33	128.84	65.30	62.12	39.74	38.63
At the year end	49.82	126.11	48.23	37.30	116.64	150.88	40.75	83.75	36.00	40.00



# GRAPHICAL ILLUSTRATION



## GRAPHICAL ILLUSTRATION



# STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

FOR THE YEAR ENDED JUNE 30, 2022

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

1. The total number of directors is 8 (eight) as per the following:

- |                    |   |   |
|--------------------|---|---|
| a. Male Directors  | : | 7 |
| b. Female Director | : | 1 |

2. The composition of Board is as follows:

Category	Names
Independent Directors	Mr. Aamir Amin Mr. Abdul Hamid Ahmed Dagia Mrs. Tabassum Rana
Non-executive Directors	Mr. Sikandar M. Khan Mr. Sohail Bashir Rana Mr. Laeeq Uddin Ansari Mr. Qaiser Saleem
Executive Director	Mr. Mujtaba Ahmad (CEO)
Female Director	Mrs. Tabassum Rana

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
- 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;
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
- 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 Companies Act 2017 (Act) and the listed Companies (Code of Corporate Governance) Regulations, 2019 (Regulations);
- 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 meeting of the Board;
- The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
- During the year, the two directors have attended training program and one director has attended the required training in previous years. Further, the four directors meet exemption criteria as contained in these Regulations;
- 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;
- Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
- The Board has formed committees comprising of members given below:

a) Audit Committee :

Mr. Aamir Amin	Chairman
Mr. Sohail Bashir Rana	Member
Mr. Qaiser Saleem	Member
Mrs. Tabassum Rana	Member

## STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

b) HR and Remuneration Committee:

Mrs. Tabassum Rana	Chairperson
Mr. Sohail Bashir Rana	Member
Mr. Aamir Amin	Member
Mr. Qaiser Saleem	Member

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 was as per following:

Audit Committee	Quarterly
HR & Remuneration Committee	Yearly

15. The Board has set up an effective internal audit function. The head of internal audit is suitably qualified, experienced and 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
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

S. No.	Requirement	Regulation No.	Explanation
1.	<p><u>Directors' Training</u></p> <p>It is encouraged that by June 30, 2022 all the directors on their Boards have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it. Further, a newly appointed director on the Board may acquire, the directors training program certification within a period of one year from the date of appointment as a director on the Board. Provided that director having a minimum of 14 years of education and 15 years of experience on the Board of a listed company, local and/or foreign, shall be exempt from the directors training program.</p>	19	All the directors have either acquired the prescribed certification or meet the exemption criteria as contained in these Regulations, except the Chief Executive Office, who was appointed on June 03, 2022 and shall acquire the directors training program certification within a period of one year from the date of his appointment, in accordance with the provision of these Regulations.

## STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

S. No.	Requirement	Regulation No.	Explanation
2.	<u>Nomination Committee</u>  The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29(1)	The Board has designated the HR & R Committee to perform the requisite functions.
3.	<u>Risk Management Committee</u>  The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30(1)	The Internal Audit Department of the Company performs the requisite functions and apprises the Board accordingly.



SIKANDAR M. KHAN  
Chairman

September 19, 2022



## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BOLAN CASTINGS 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 Bolan Castings Limited for the year ended June 30, 2022 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, 2022.

Chartered Accountants  
Karachi

Dated: September 26, 2022

UDIN: CR202210133sVJHQ4iLz

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A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
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**INDEPENDENT AUDITOR'S REPORT**

**To the members of Bolan Castings Limited**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the annexed financial statements of Bolan Castings Limited (the Company), which comprise the statement of financial position as at June 30, 2022, and the statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended, and notes to the financial statements, 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, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity 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, 2022 and of the profit and other 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 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 (the Code) 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.

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A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
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Following is the Key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
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(i) **Revenue from contracts with customers**

*(Refer note 2.16 and note 26 to the financial statements)*

Revenue is recognized when control of the underlying products has been transferred to the customers. The Company is engaged in the manufacturing and sale of Castings for tractors and automotive parts.

We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company and for the year revenue has increased significantly as compared to the last year. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.

Our audit procedures amongst others included the following:

- evaluated management controls over revenue and checked their validation;
- performed verification of sales with underlying documentation including gate pass, delivery order and invoice;
- tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the correct period;
- verified that sales prices are negotiated and approved by appropriate authority;
- performed audit procedures to analyze variation in the price and quantity sold during the year;
- obtained confirmations from debtors; and
- assessed the adequacy of disclosures made in the financial statements related to revenue.





### **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 auditor's 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 profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity 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;



A.F.FERGUSON & Co.

- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Syed Fahim ul Hasan.

A handwritten signature in black ink, appearing to read 'A. F. Ferguson &amp; Co.', written in a cursive style.

**A. F. Ferguson & Co.**  
**Chartered Accountants**

Karachi

Dated: September 26, 2022

UDIN: AR202210133YycrWMjaC

# STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2022

ASSETS	Note	2022 Rupees	2021 Rupees
<b>Non-current assets</b>			
Property, plant and equipment	4	187,095,610	206,739,160
Long-term investment	5	21,850,000	22,709,625
Long-term loans	6	937,000	865,000
Deferred tax asset	7	95,524,645	95,524,645
Long-term deposits	8	4,047,790	4,047,790
Employee benefits prepayment	9	18,370,168	13,383,876
		<u>327,825,213</u>	<u>343,270,096</u>
<b>Current assets</b>			
Stores, spare parts and loose tools	10	121,237,178	131,120,491
Inventories	11	436,446,901	359,077,415
Trade receivables	12	109,170,341	47,914,306
Loans and advances	13	9,568,637	9,762,303
Trade deposits and short-term prepayments	14	428,317	329,732
Other receivables		348,525	1,370,509
Refunds due from the Government - sales tax		6,213,131	6,376,049
Taxation - payments less provision		55,040,184	53,621,976
Cash and bank balances	15	81,668,301	58,747,791
		<u>820,121,515</u>	<u>668,320,572</u>
<b>TOTAL ASSETS</b>		<u><b>1,147,946,728</b></u>	<u><b>1,011,590,668</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital	16	114,725,290	114,725,290
Reserves	17	113,962,138	92,797,348
		<u>228,687,428</u>	<u>207,522,638</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term deposits	18	2,850,583	3,707,636
Long-term loan	19	-	24,903,695
Deferred income - Government grant	20	-	559,745
Employee benefit obligations	9	26,004,083	34,817,327
		<u>28,854,666</u>	<u>63,988,403</u>
<b>Current liabilities</b>			
Trade and other payables	21	377,228,692	291,184,729
Advances from customers	22	951,262	3,365,495
Current portion of long-term deposits	18	928,902	1,571,880
Current portion of long-term loan	19	28,053,370	38,055,682
Unclaimed dividend	23	3,407,752	3,442,070
Short-term financing	24	479,834,656	402,459,771
		<u>890,404,634</u>	<u>740,079,627</u>
<b>TOTAL LIABILITIES</b>		<u><b>919,259,300</b></u>	<u><b>804,068,030</b></u>
<b>Contingencies</b>			
	25		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>1,147,946,728</b></u>	<u><b>1,011,590,668</b></u>

The annexed notes 1 to 45 form an integral part of these financial statements.

  
Chief Executive

  
Director

  
Chief Financial Officer

# STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
Revenue from contracts with customers	26	2,750,180,813	2,418,800,493
Cost of sales	27	<u>(2,534,972,900)</u>	<u>(2,115,499,302)</u>
Gross profit		215,207,913	303,301,191
Distribution cost	28	(56,404,177)	(57,129,405)
Administrative expenses	29	(74,294,748)	(93,738,527)
Other expenses	30	(4,161,101)	(13,252,843)
Other income	31	26,088,334	84,733,356
Operating profit		<u>106,436,221</u>	<u>223,913,772</u>
Finance cost	32	(51,711,684)	(52,821,673)
Profit before tax		<u>54,724,537</u>	<u>171,092,099</u>
Income tax expense	33	(39,403,171)	(38,711,671)
Profit for the year		<u><u>15,321,366</u></u>	<u><u>132,380,428</u></u>
Earnings per share - Basic and diluted	34	<u><u>1.34</u></u>	<u><u>11.54</u></u>

The annexed notes 1 to 45 form an integral part of these financial statements.

  
Chief Executive

  
Director

  
Chief Financial Officer

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2022

	2022 Rupees	2021 Rupees
Profit for the year	15,321,366	132,380,428
Other comprehensive income / (loss)		
Items that will not be reclassified to profit or loss		
Remeasurements of employee benefits - note 9	9,440,914	(20,718,129)
Impact of deferred tax - note 7	(2,737,865)	(3,781,961)
	6,703,049	(24,500,090)
Unrealised (loss) / gain on revaluation of Investment at fair value through Other Comprehensive Income (FVTOCI) - note 5	(859,625)	5,249,750
Total comprehensive income for the year	<u>21,164,790</u>	<u>113,130,088</u>

The annexed notes 1 to 45 form an integral part of these financial statements.

  
Chief Executive

  
Director

  
Chief Financial Officer

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2022

	Share Capital		Reserves			Sub Total	Total
	Issued, subscribed and paid up capital	Capital Premium	General Revenue	Accumulated loss	Gain/(loss) on revaluation of investment at fair value		
	------(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 for the year ended June 30, 2021							
- Profit for the year ended June 30, 2021	-	-	-	132,380,428	-	132,380,428	132,380,428
- Other comprehensive income / (loss) for the year ended June 30, 2021	-	-	-	(24,500,090)	5,249,750	(19,250,340)	(19,250,340)
	-	-	-	107,880,338	5,249,750	113,130,088	113,130,088
Balance as at June 30, 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 for the year ended June 30, 2022							
- Profit for the year ended June 30, 2022	-	-	-	15,321,366	-	15,321,366	15,321,366
- Other comprehensive income / (loss) for the year ended June 30, 2022	-	-	-	6,703,049	(859,625)	5,843,424	5,843,424
	-	-	-	22,024,415	(859,625)	21,164,790	21,164,790
Balance as at June 30, 2022	<u>114,725,290</u>	<u>12,155,680</u>	<u>424,500,000</u>	<u>(339,043,542)</u>	<u>16,350,000</u>	<u>113,962,138</u>	<u>228,687,428</u>

The annexed notes 1 to 45 form an integral part of these financial statements.

  
Chief Executive

  
Director

  
Chief Financial Officer

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	35	77,605,570	35,728,610
Decrease in long-term loans		(72,000)	(36,000)
Increase in long-term deposits - net		(1,500,031)	(728,748)
Income tax (payments) / refund - net		(43,559,244)	124,717,959
Employee benefits paid		(8,025,204)	(5,557,745)
Finance cost paid - conventional		(27,864,950)	(35,244,495)
Finance cost paid - Islamic		(12,498,532)	(14,508,558)
Net cash (used in) / generated from operating activities		(15,914,391)	104,371,023
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(10,489,563)	(6,158,526)
Proceeds from disposal of property, plant and equipment		7,062,169	4,320,144
Return received on savings and deposit accounts		697,549	453,332
Dividend received		2,803,127	431,250
Net cash generated from / (used in) investing activities		73,282	(953,800)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(34,318)	(45,096)
Long-term loan repaid		(38,578,948)	(9,513,921)
Proceeds from long-term loan		-	49,866,817
Net cash (outflow) / generated from financing activities		(38,613,266)	40,307,800
Net (decrease) / increase in cash and cash equivalents		(54,454,375)	143,725,023
Cash and cash equivalents at beginning of the year		(347,568,180)	(491,293,203)
Cash and cash equivalents at end of the year	36	(402,022,555)	(347,568,180)

The annexed notes 1 to 45 form an integral part of these financial statements.

  
Chief Executive

  
Director

  
Chief Financial Officer



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2022

### 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 Companies Act, 1913 (now the Companies Act, 2017), and is listed on the Pakistan Stock Exchange Limited (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. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis of preparation

##### 2.1.1 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 Standard (IFRS Standards) 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 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 Standards or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

##### 2.1.2 Changes in accounting standards, interpretations and pronouncements

###### a) Standards and amendments to approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2021. However, these do not have any significant impact on the Company's financial reporting.

###### b) Standards and amendments to approved accounting standards that are not yet effective

There is a standard and certain other amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2022. However, these are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these financial statements.

#### 2.2 Overall valuation policy

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policy notes.

## NOTES TO THE FINANCIAL STATEMENTS

### 2.3 Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment (if any) except freehold land and capital work-in-progress which are stated at cost. Depreciation is calculated using the reducing balance method at the rates given in note 4 to the financial statements. Depreciation on additions is charged from the month in which the asset is put to use and on disposals up to the month immediately preceding the disposal. Assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date.

The carrying value of operating assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Maintenance and normal repairs are charged to Statement of Profit or Loss as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired.

Gains and losses on disposal of property, plant and equipment are recognised in the Statement of Profit or Loss.

### 2.4 Intangible assets and amortisation

An intangible asset is recognised if it is probable that future economic benefits attributable to the asset will flow to the Company and that the cost of such asset can be measured reliably. These are stated at cost less accumulated amortisation and impairment, if any.

Costs that are directly associated with identifiable software and have probable economic benefits exceeding the cost beyond one year, are recognised as intangible assets. Direct costs include the purchase cost of the intangible asset, implementation cost and related overhead cost.

Intangible assets are amortised using the straight-line method over a period of three years or license period, whichever is shorter.

The carrying value of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amount.

### 2.5 Income tax

#### 2.5.1 Current

The charge for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates after taking into account tax credits and rebates available, if any. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that the taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability.

#### 2.5.2 Deferred

Deferred tax is accounted for using the balance sheet liability method on all temporary differences arising between tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liability is generally recognised for all taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

## NOTES TO THE FINANCIAL STATEMENTS

Deferred tax is charged or credited in the statement of profit or loss and statement of profit or loss and other comprehensive income. Deferred tax is determined using tax rates and prevailing law for taxation on income that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

### 2.6 Stores, spare parts and loose tools

Stores, spare parts and loose tools, except items in transit, are stated at moving average cost. Cost comprises invoice value and other direct costs. Provision is made for slow moving and obsolete items wherever necessary.

### 2.7 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of raw material and work in process is determined using the weighted average basis and cost of finished goods is determined using the First In First Out (FIFO) method. Cost for inventory-in-transit represents invoice value and other charges paid thereon. Cost of work in process and finished goods include cost of raw materials and appropriate portion of production overheads.

Net realisable value is the estimated selling price in the ordinary course of business less cost necessarily to be incurred in order to make sale.

Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

### 2.8 Employee benefits

#### 2.8.1 Defined contribution plans

A defined contribution plan is a plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when these are due.

The Company operates an approved contributory provident fund for all eligible employees. Equal monthly contributions are made, both by the Company and the employees, to the fund at the rate of 10% per annum of the basic salary.

#### 2.8.2 Defined benefit plans

Defined benefit plans define an amount of pension or 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 recognised in the Statement of Financial Position in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates of high quality corporate bonds or the market rates on Government bonds. 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 employee benefit obligation.

The Company operates the following schemes:

- i) Funded gratuity scheme for all of the Company's eligible executive employees appointed under the old salary grade scale upto 2006. Provisions are made annually to cover obligations under the scheme, as per actuarial valuation. The most recent valuation of the scheme was carried out as at June 30, 2022, using the 'Projected Unit Credit Method'.

## NOTES TO THE FINANCIAL STATEMENTS

- ii) Unfunded gratuity scheme for all of the Company's eligible non-executive employees. Provisions are made annually to cover obligations under the scheme, as per actuarial valuation. The most recent valuation of the scheme was carried out as at June 30, 2022, using the 'Projected Unit Credit Method'.

The amount arising as a result of remeasurements are recognised in the statement of financial position immediately, with a charge or credit to other comprehensive income in the periods in which these occur.

Past service costs are recognised immediately in the Statement of Profit or Loss.

### 2.8.3 Compensated absences

The Company accounts for compensated absences of its employees on unavailed balance of leave in the period in which the leave is earned.

### 2.9 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, balances with banks on current, savings and deposit accounts, short-term investments with original maturities of three months or less and short-term financing availed by the Company which are repayable on demand and form an integral part of Company's cash management.

### 2.10 Trade receivables, advances and other receivables

These are classified as amortised cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

### 2.11 Trade and other payables

Trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

### 2.12 Advances from customers

Advances from customers is the obligation to transfer goods or services to a customer for which the Company has received consideration. If a customer pays consideration before the Company transfer goods or services to the customer advance from customer is recognised when the payment is made or the payment is due (whichever is earlier). Advances from customers are recognised as revenue when the Company performs under the contract.

### 2.13 Provisions

Provisions are recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each financial position date and adjusted to reflect current best estimate.

### 2.14 Contingent liabilities

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; or
- 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 2.15 Share Capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

### 2.16 Revenue recognition

Revenue is recognised when control of the goods has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Revenue is recognised as follows:

- Sales are recorded upon transfer of title to the customers, which generally coincides with physical delivery.

No element of financing is deemed present as the sales are made with a credit term of up to 90 days, which is consistent with the market practice.

### 2.17 Other income

Sale of fixed assets is recognised as income when risk and rewards of ownership are transferred.

Profit from savings accounts is accounted for as income on accrual basis.

### 2.18 Dividend income

Dividend income is recognised in statement of profit or loss when the Company's right to receive dividend is established.

### 2.19 Dividends and appropriation to general reserve

Dividends and appropriation to general reserves are recognised in the financial statements in the period in which these are approved.

### 2.20 Foreign currency transactions and translation

Foreign currency transactions are recorded in Pak Rupee using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pak Rupee at the rates of exchange prevailing at the financial position date. Exchange differences, if any, are recognised in the Statement of Profit or Loss.

### 2.21 Financial Instruments - Initial recognition and subsequent measurement

#### Initial Recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortised cost or cost as the case may be.

#### 2.21.1 Classification of financial assets

The Company classifies its financial instruments in the following categories:

- at fair value through profit or loss (FVTPL),
- at fair value through other comprehensive income (FVTOCI), or
- at amortised cost.

## NOTES TO THE FINANCIAL STATEMENTS

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cashflows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

### Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit and loss (FVTPL), or
- at amortised cost.

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

### 2.21.2 Subsequent measurement

#### (i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognised at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognised in other comprehensive income/(loss).

#### (ii) Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are initially recognised at fair value, and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

#### (iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities initially carried at FVTPL are initially recorded at fair value and transaction costs are expressed in the statement of profit or loss and other comprehensive income. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss in the period in which they arise.

## NOTES TO THE FINANCIAL STATEMENTS

Where management has opted to recognise a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognised in other comprehensive income/(loss). Currently, there are no financial liabilities designated at FVTPL.

### (iv) Equity instrument

The Company subsequently measures all equity investments at fair value with gains and losses that are recognised either in profit or loss or OCI. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established. Impairment losses (and reversal of impairment losses on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### 2.21.3 Impairment of financial asset

The Company recognises loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortised cost and fair value through OCI at an amount equal to life time ECLs except for the following, which are measured at 12 months ECLs:

- bank balances for whom credit risk (the risk of default occurring over the expected life of the financial instrument) has not increased since the inception.
- employee receivables.
- other short term receivables that have not demonstrated any increase in credit risk since inception.

Loss allowance for trade receivables are always measured at an amount equal to life time ECLs.

The Company considers a financial asset in default when it is more than 30 days past due.

Life time ECLs are the ECLs that results from all possible default events over the expected life of a financial instrument. 12 month ECLs are portion of ECL that result from default events that are possible within 12 months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Company expects to receive).

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

### 2.21.4 Derecognition

#### (i) Financial assets

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to statement of changes in equity.

## NOTES TO THE FINANCIAL STATEMENTS

### (ii) Financial liabilities

The Company derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss and other comprehensive income.

#### 2.21.5 Off-setting of financial assets and liabilities

Financial assets and liabilities are off-set and net amount is reported in the statement of financial position if the Company has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### 2.22 Government grants

Government grants relating to costs are deferred and recognised in the Statement of Profit or Loss over the period necessary to match these with the costs that they are intended to compensate.

#### 2.23 Functional and presentation currency

These financial statements are presented in Pak Rupee which is the functional and presentation currency of the Company. All amounts have been rounded off to nearest rupee unless stated.

### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

#### i. Property, plant and equipment

The Company reviews appropriateness of the rate of depreciation and useful life used in the calculation of depreciation. Further, where applicable, an estimate of recoverable amount of assets is made for possible impairment on an annual basis.

#### ii. Current and deferred income taxes

In making the estimates for income taxes payable by the Company, management considers current income tax laws and the decisions of appellate authorities on certain cases issued in the past. Where the final outcome is different from the amounts that were initially recorded, such differences will impact the income tax provision in the period in which such final outcome is determined. Deferred taxes are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

#### iii. Defined benefit plans

The present value of these obligations depend on a number of factors that are determined on actuarial basis using various assumptions. Any changes in these assumptions will impact the carrying amount of these obligations. The present value of these obligations and the underlying assumptions are disclosed in note 9 respectively.



## NOTES TO THE FINANCIAL STATEMENTS

### iv. Provision for inventories and stores

The Company regularly reviews the inventories, stores, spares and loose tools for impairment. Provision for obsolete and slow-moving inventories is based on management's estimate of the condition and usability of inventories.

### v. Contingencies

The assessment of contingencies inherently involves the exercise of significant judgement as the outcome of future events cannot be predicted with certainty. The Company, based on the availability of latest information, estimates the value of contingent assets and liabilities which may differ on occurrence / non-occurrence of the uncertain future events.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management believes that the change in outcome of estimates would not have a material impact on the amounts disclosed in the financial statements.

No critical judgement has been used in applying accounting policies.

	2022 Rupees	2021 Rupees
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating assets - note 4.1	187,095,610	203,609,160
Capital work-in-progress - note 4.5	-	3,130,000
	<u>187,095,610</u>	<u>206,739,160</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 4.1 Operating assets

	Freehold land	Building on freehold land	Plant and machinery	Furniture and fittings	Office equipments	Computers	Motor Vehicles	Total
----- Rupees -----								
<b>Year ended June 30, 2022</b>								
Opening net book value	2,678,754	16,531,009	158,021,102	456,308	5,515,548	573,778	19,832,661	203,609,160
Additions / transfers (at cost)	-	-	2,755,523	-	14,040	-	10,850,000	13,619,563
Disposals at net book value - note 4.2	-	-	(83,902)	-	-	(22,940)	(6,916,065)	(7,022,907)
Depreciation charge - note 4.3	-	(1,653,101)	(16,051,680)	(45,631)	(538,129)	(168,762)	(4,652,903)	(23,110,206)
Closing net book value	<u>2,678,754</u>	<u>14,877,908</u>	<u>144,641,043</u>	<u>410,677</u>	<u>4,991,459</u>	<u>382,076</u>	<u>19,113,693</u>	<u>187,095,610</u>
<b>At June 30, 2022</b>								
Cost	2,678,754	88,349,068	609,624,702	1,596,079	13,232,292	5,229,009	33,753,000	754,462,904
Accumulated depreciation	-	(73,471,160)	(464,983,659)	(1,185,402)	(8,240,833)	(4,846,933)	(14,639,307)	(567,367,294)
Net book value	<u>2,678,754</u>	<u>14,877,908</u>	<u>144,641,043</u>	<u>410,677</u>	<u>4,991,459</u>	<u>382,076</u>	<u>19,113,693</u>	<u>187,095,610</u>
<b>Year ended June 30, 2021</b>								
Opening net book value	2,678,754	16,981,699	175,136,530	436,534	5,940,965	620,605	17,445,415	219,240,502
Additions / transfers (at cost)	-	1,268,620	2,164,356	61,000	162,886	157,795	8,874,270	12,688,927
Disposals at net book value - note 4.2	-	-	(1,790,114)	-	-	-	(2,298,487)	(4,088,601)
Depreciation charge - note 4.3	-	(1,719,310)	(17,489,670)	(41,226)	(588,303)	(204,622)	(4,188,537)	(24,231,668)
Closing net book value	<u>2,678,754</u>	<u>16,531,009</u>	<u>158,021,102</u>	<u>456,308</u>	<u>5,515,548</u>	<u>573,778</u>	<u>19,832,661</u>	<u>203,609,160</u>
<b>At June 30, 2021</b>								
Cost	2,678,754	88,349,068	606,989,179	1,596,079	13,218,252	5,317,009	38,021,093	756,169,434
Accumulated depreciation	-	(71,818,059)	(448,968,077)	(1,139,771)	(7,702,704)	(4,743,231)	(18,188,432)	(552,560,274)
Net book value	<u>2,678,754</u>	<u>16,531,009</u>	<u>158,021,102</u>	<u>456,308</u>	<u>5,515,548</u>	<u>573,778</u>	<u>19,832,661</u>	<u>203,609,160</u>
<b>Depreciation rate per annum %</b>	-	10	10	10	10	30	20	

### 4.2 The details of operating assets sold are as follows:

Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal	Particulars of Purchaser
----- Rupees -----						
Motor vehicle	6,642,000	(2,514,187)	4,127,813	4,127,813	Company Policy	Mr. Nisar Ahmed Mirani - (Ex-CEO)
Aggregate of assets having book value of less than Rs. 500,000 each						
Motor vehicles	8,476,093	(5,687,841)	2,788,252	2,791,416		
Plant and machinery	120,000	(36,098)	83,902	120,000		
Computers	88,000	(65,060)	22,940	22,940		
<b>2022</b>	<u>15,326,093</u>	<u>(8,303,186)</u>	<u>7,022,907</u>	<u>7,062,169</u>		
<b>2021</b>	<u>12,209,323</u>	<u>(8,120,722)</u>	<u>4,088,601</u>	<u>4,320,144</u>		

## NOTES TO THE FINANCIAL STATEMENTS

	2022 Rupees	2021 Rupees
4.3 Depreciation for the year has been allocated as follows:		
Cost of sales - note 27	21,698,501	22,883,272
Distribution cost - note 28	352,926	337,099
Administrative expenses - note 29	1,058,779	1,011,297
	<u>23,110,206</u>	<u>24,231,668</u>

4.4 Particulars of immovable property (i.e. land and building) in the name of Company are as follows:

Locations	Usage of immovable property	Total Area (in acres)	Covered Area (in acres)
Main RCD Highway, Hub Chowki, District Lasbella Balochistan, Pakistan	Manufacturing facility	22.93	22.93

	2022 Rupees	2021 Rupees
4.5 Capital work-in-progress		
Opening balance	3,130,000	9,660,401
Additions during the year	-	3,130,000
Transfers during the year	(3,130,000)	(1,500,000)
Provision against advances	-	(8,160,401)
Closing balance	<u>-</u>	<u>3,130,000</u>

	2022 Rupees	2021 Rupees
5. LONG-TERM INVESTMENT		
Fair Value Through Other Comprehensive Income (FVTOCI)		
Balance at beginning of the year	22,709,625	17,459,875
Unrealised (loss) / gain on revaluation - transferred to equity	(859,625)	5,249,750
Balance at end of the year	<u>21,850,000</u>	<u>22,709,625</u>

5.1 This represents equity investment in Baluchistan Wheels Limited representing 287,500 (2021: 287,500) quoted ordinary shares of Rs. 10/- each which comprise 2.16% (2021: 2.16%) of the total ordinary shares.

5.2 There are no investments in associated companies or undertakings.

## NOTES TO THE FINANCIAL STATEMENTS

	2022 Rupees	2021 Rupees						
<b>6. LONG-TERM LOANS</b>								
Considered good and secured								
- Employees - notes 6.1 & 6.2	1,563,000	1,495,000						
- Current portion of loans to employees	<u>(626,000)</u>	<u>(630,000)</u>						
	<u>937,000</u>	<u>865,000</u>						
<b>6.1 Reconciliation of carrying amount of loans to employees:</b>								
Balance at beginning of the year	1,495,000	1,514,000						
Disbursements	1,000,000	1,000,000						
Repayments	<u>(932,000)</u>	<u>(1,019,000)</u>						
Balance at end of the year	<u>1,563,000</u>	<u>1,495,000</u>						
<b>6.2</b>	These represent interest free loans given to employees for purchase of motorcycles in accordance with the Company policy. These are secured against retirement benefits and are recoverable in monthly installments over a period of fifty months.							
<b>6.3</b>	Long-term loans have been carried at cost as the effect of carrying these balances at amortised cost would not be material in the overall context of these financial statements.							
<b>7. DEFERRED TAX ASSET</b>	2022 Rupees	2021 Rupees						
Credit balance arising in respect of:								
- accelerated tax depreciation allowance	(26,269,855)	(28,440,337)						
Debit balance arising in respect of:								
- provision for compensated absences	3,410,054	3,474,407						
- provision for employee benefits	16,939,003	20,581,409						
- tax loss	98,723,731	97,187,454						
- provision for slow moving stores	355,195	355,195						
- provision for impairment of intangible	2,366,517	2,366,517						
	<u>121,794,500</u>	<u>123,964,982</u>						
	<u>95,524,645</u>	<u>95,524,645</u>						
<b>7.1 Analysis of change in deferred tax</b>								
	Accelerated tax depreciation	Provision for compensated absences	Provision for slow moving stores	Provision for impairment of intangible	Tax Loss	Employee Benefits Unapproved (non-executive gratuity fund)	Effect of actuarial (gain) / loss	Total
	----- Rupees -----							
Balance as at June 30, 2020	(30,117,953)	3,247,663	-	-	98,044,762	8,991,699	15,358,474	95,524,645
Credit/(debit) to profit or loss for the year	1,677,616	226,744	355,195	2,366,517	(857,308)	13,197	-	3,781,961
Debit to other comprehensive income for the year	-	-	-	-	-	-	(3,781,961)	(3,781,961)
Balance as at June 30, 2021	<u>(28,440,337)</u>	<u>3,474,407</u>	<u>355,195</u>	<u>2,366,517</u>	<u>97,187,454</u>	<u>9,004,896</u>	<u>11,576,513</u>	<u>95,524,645</u>
Credit/(debit) to profit or loss for the year	2,170,482	(64,353)	-	-	1,536,277	(904,541)	-	2,737,865
Debit to other comprehensive income for the year	-	-	-	-	-	-	(2,737,865)	(2,737,865)
Balance as at June 30, 2022	<u>(26,269,855)</u>	<u>3,410,054</u>	<u>355,195</u>	<u>2,366,517</u>	<u>98,723,731</u>	<u>8,100,355</u>	<u>8,838,648</u>	<u>95,524,645</u>

## NOTES TO THE FINANCIAL STATEMENTS

- 7.2 In accordance with Finance Act 2022, super tax upto the rate of 4%, in addition to the corporate tax rate of 29%, for tax year 2022 and onwards has been levied on certain categories of taxpayers. Based on estimated future taxable income, deferred tax assets and liabilities have been recognised using the expected applicable rate of 29%.
- 7.3 The deferred tax asset includes an amount of Rs. 98.72 million which relates to carried-forward tax losses of the Company relating to the losses incurred over the last two financial years. The Company has concluded that the deferred tax asset will be recoverable using the estimated future taxable income based on the approved business plans and budgets of the Company.

The losses include deferred tax asset amounting to Rs. 16.89 million which can be carried forward indefinitely and have no expiry date. Deferred tax asset not recognised on tax losses and minimum tax amounts to Rs. 107.05 million (2021: Rs. 80.57 million). The tax losses and minimum tax would expire as follows:

Accounting year	Category	Amount (in Rupees)	Accounting year in which benefit expires
2019	Business loss	46,997,409	2025
2020	Business loss	250,008,421	2026
2019	Minimum tax	18,920,452	2024
2020	Minimum tax	19,988,522	2025
2021	Minimum tax	36,282,007	2026
2022	Minimum tax	41,252,712	2025

### 8. LONG-TERM DEPOSITS

These include Rs. 3.57 million (2021: Rs. 3.57 million) deposits made to utility companies. These do not carry mark-up.

### 9. EMPLOYEE BENEFITS

- 9.1 As stated in note 2.8, the Company operates two defined benefit plans (The Plans) namely approved funded defined benefit executives' gratuity scheme for all eligible executive employees and unfunded defined benefit non-executives' gratuity scheme for all eligible non-executive employees. Actuarial valuation of these plans is carried out every year and the latest actuarial valuation was carried out as at June 30, 2022.

- 9.2 Plan assets held in trusts are governed by local regulations which mainly include Provincial Trust Acts, Companies Act, 2017, Income Tax Rules, 2002 and Rules under the Trust deeds of the Plans. Responsibility for governance of the Plans, including investment decisions and contribution schedules, rests with the Board of Trustees. The Company appoints the trustees and all trustees are employees of the Company.

#### 9.3 Risks on account of defined benefit plan

The Company faces the following risks on account of defined benefit plan:

**Final Salary risk** - The risk that the final salary at the time of cessation of service is greater than what the Company has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

**Asset volatility** - Most assets are invested in risk free investments of 3 year Special Savings Certificates. However, instruments in Open-ended Mutual Funds is subject to adverse fluctuation as a result of change in market price.

**Discount rate fluctuation** - The plan liabilities are calculated using discount rate set with reference to market yields on government bonds. A decrease in market yields on government bonds will increase plan liabilities, although this will be partially offset by increase in the value of the current plan's bond holdings.

**Investment risks** - The risk of the investment underperforming and not being sufficient to meet the liabilities. The risk is mitigated by closely monitoring the performance of plan investments.

**Risk of insufficiency of assets** - This is managed by making regular contribution to the fund as advised by the actuary.

## NOTES TO THE FINANCIAL STATEMENTS

- 9.4 The latest actuarial valuations of the gratuity plans as at June 30, 2022 was carried out using the Projected Unit Credit Method. Details of the plans as per the actuarial valuation are as follows:

2022		2021		
Funded	Un-Funded		Funded	Un-Funded
Executives' Gratuity	Non-Executives' Gratuity	Pension	Executives' Gratuity	Non-Executives' Gratuity
----- Rupees -----				

- 9.5 Statement of financial position reconciliation

Present value of defined benefit obligation at June 30 - note 9.6	(20,500,786)	(26,004,083)	-	(26,204,958)	(34,817,327)
Fair value of plan assets at June 30 - note 9.7	38,870,954	-	-	39,588,834	-
Surplus / (deficit)	18,370,168	(26,004,083)	-	13,383,876	(34,817,327)

- 9.6 Movement in the Present value of defined benefit obligation

Balances as at July 1	26,204,958	34,817,327	187,626,665	25,977,765	29,839,850
Benefits paid	(6,958,380)	(7,667,062)	(12,803,898)	(3,042,219)	(3,694,060)
Settlement paid	-	-	(115,856,929)	-	-
Current service costs	822,840	1,449,576	1,341,706	936,123	1,360,177
Interest cost	2,272,576	3,098,380	11,961,200	2,078,815	2,379,390
Actuarial (gain) / loss arising from experience adjustment	(1,841,208)	(5,694,138)	(7,113,957)	254,474	4,931,970
Employee Contributions	-	-	651,550	-	-
Gain on curtailment and settlement	-	-	(65,806,337)	-	-
Balance as at June 30	20,500,786	26,004,083	-	26,204,958	34,817,327

- 9.7 Movement in the Fair value of plan assets

Balance as at July 1	39,588,834	-	127,507,704	51,279,469	-
Contributions paid into the plan	358,142	-	1,447,849	415,835	-
Benefits paid	(6,958,380)	-	(12,803,898)	(3,042,219)	-
Settlement paid	-	-	(115,856,929)	-	-
Interest income	3,976,790	-	8,258,688	4,376,428	-
Remeasurement	1,905,568	-	(9,204,964)	(13,440,679)	-
Employee Contributions	-	-	651,550	-	-
Balance as at June 30	38,870,954	-	-	39,588,834	-

## NOTES TO THE FINANCIAL STATEMENTS

	2022		2021		
	Funded	Un-Funded	Funded		Un-Funded
	Executives' Gratuity	Non-Executives' Gratuity	Pension	Executives' Gratuity	Non-Executives' Gratuity
----- Rupees -----					
<b>9.8</b>	<b>Expense / (income) recognised in Profit or Loss</b>				
Current service costs	822,840	1,449,576	1,341,706	936,123	1,360,177
Gain on curtailment and settlement	-	-	(65,806,337)	-	-
Net interest (income) / cost	(1,704,214)	3,098,380	3,702,512	(2,297,612)	2,379,390
Expense / (income) recognised in Profit or Loss	<u>(881,374)</u>	<u>4,547,956</u>	<u>(60,762,119)</u>	<u>(1,361,489)</u>	<u>3,739,567</u>
<b>9.9</b>	<b>Remeasurement recognised in Other Comprehensive Income</b>				
(Gain) / loss from experience adjustment	(1,841,208)	(5,694,138)	(7,113,957)	254,474	4,931,970
Remeasurement of fair value of plan assets	<u>(1,905,568)</u>	-	<u>9,204,964</u>	<u>13,440,678</u>	-
Remeasurements	<u>(3,746,776)</u>	<u>(5,694,138)</u>	<u>2,091,007</u>	<u>13,695,152</u>	<u>4,931,970</u>
<b>9.10</b>	<b>Net recognised (asset) / liability</b>				
Net recognised (asset) / liability as at July 1	(13,383,876)	34,817,327	60,118,961	(25,301,704)	29,839,850
(Income) / expense recognised in Profit or Loss	(881,374)	4,547,956	(60,762,119)	(1,361,489)	3,739,567
Contribution made / benefits paid during the year to the Fund	(358,142)	(7,667,062)	(1,447,849)	(415,835)	(3,694,060)
Remeasurements recognised in Other Comprehensive Income	(3,746,776)	(5,694,138)	2,091,007	13,695,152	4,931,970
Recognised (asset) / liability as at June 30	<u>(18,370,168)</u>	<u>26,004,083</u>	<u>-</u>	<u>(13,383,876)</u>	<u>34,817,327</u>
<b>9.11</b>	<b>Plan assets comprise of following:</b>				
Debt instruments	30,000,000	-	-	30,000,000	-
Mutual funds	8,800,000	-	-	9,000,000	-
Cash at Bank	70,954	-	-	588,833	-
Total as at June 30	<u>38,870,954</u>	<u>-</u>	<u>-</u>	<u>39,588,833</u>	<u>-</u>
<b>9.12</b>	<b>Actuarial assumptions</b>				
Discount rate at June 30	13.25%	13.25%		10.00%	10.00%
Future salary increases	12.00%	12.00%		10.00%	10.00%
<b>9.13</b>	<b>Mortality was assumed to be SLIC (2001-2005) table.</b>				

## NOTES TO THE FINANCIAL STATEMENTS

9.14 In case of the funded plan, the Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the Retirement benefit plan. Within this framework, the Company's ALM objective is to match assets to the retirement benefit obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due. The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement benefit plan obligations. The Company has not changed the processes used to manage its risks from previous periods. The Company does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets in 2022 and 2021 consists of government bonds and mutual funds. The Company believes that government bonds and mutual funds offer the best returns over the long term with an acceptable level of risk.

9.15 The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date.

The Company's contribution to the executives' gratuity fund for the year ending June 30, 2023 is expected to be Nil.

The actuary conducts separate valuations for calculating contribution rates and the Company contributes to the gratuity fund according to the actuary's advice. Expense of the defined benefit plan is calculated by the actuary.

	2022 Rupees	2021 Rupees
9.16 Maturity profile of the defined benefit obligation		
Distribution of timing of benefit payments		
One year	5,265,382	5,606,713
Two years	14,586,610	13,002,649
Three years	7,762,837	17,563,798
Four years	3,595,350	8,279,023
Five years	2,863,659	5,107,453
Six years to ten years	27,199,345	33,369,677

### 9.17 Sensitivity analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption Rupees	Decrease in assumption Rupees
Discount rate at June 30	1.00%	(1,702,086)	1,925,754
Future salary increases	1.00%	2,339,418	(2,127,492)

There is no significant change in the obligation if life expectancy increases by 1 year.

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the liabilities recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.



## NOTES TO THE FINANCIAL STATEMENTS

9.18 Historical information for the five years is as follows:

	2022	2021	2020	2019	2018
	----- Rupees -----				
<b>Pension fund</b>					
Fair value of plan assets			127,507,704	114,416,258	114,261,275
Present value of the defined benefit obligation			(187,626,665)	(131,839,352)	(165,839,978)
<b>Deficit</b>			<u>(60,118,961)</u>	<u>(17,423,094)</u>	<u>(51,578,703)</u>
Experience adjustments on plan obligations - (gain) / loss		<u>(7,113,957)</u>	<u>47,137,428</u>	<u>(42,401,086)</u>	<u>(10,756,516)</u>
Experience adjustments on plan assets (gain) / loss		<u>(9,204,964)</u>	<u>6,478,414</u>	<u>(3,845,269)</u>	<u>(4,718,178)</u>
<b>Executives' gratuity fund</b>					
Fair value of plan assets	38,870,954	39,588,834	51,279,469	57,523,076	63,883,197
Present value of the defined benefit obligation	(20,500,786)	(26,204,958)	(25,977,765)	(45,690,145)	(48,174,899)
<b>Surplus</b>	<u>18,370,168</u>	<u>13,383,876</u>	<u>25,301,704</u>	<u>11,832,931</u>	<u>15,708,298</u>
Experience adjustments on plan obligations - (gain) / loss	<u>(1,841,208)</u>	<u>254,474</u>	<u>(7,664,570)</u>	<u>4,148,147</u>	<u>1,776,270</u>
Experience adjustments on plan assets - gain / (loss)	<u>1,905,568</u>	<u>(13,440,679)</u>	<u>5,328,742</u>	<u>(206,975)</u>	<u>(331,367)</u>
<b>Non-Executives' gratuity fund</b>					
Present value of the defined benefit obligation	(26,004,083)	(34,817,327)	(29,839,850)	(32,194,949)	(26,228,631)
Experience adjustments on plan obligations - (gain) / loss	<u>(5,694,138)</u>	<u>4,931,970</u>	<u>(5,693,992)</u>	<u>4,527,984</u>	<u>(1,708,083)</u>

9.19 The expected return on plan assets is based on the market expectations and depends upon the asset portfolio of the fund, at the beginning of the period, for returns over the entire life of related obligation.

9.20 The weighted average duration of the plans are as follows:

	No. of years
- Executives' gratuity fund	2.21
- Non-executives' gratuity	7.37

## NOTES TO THE FINANCIAL STATEMENTS

	2022 Rupees	2021 Rupees
<b>10. STORES, SPARE PARTS AND LOOSE TOOLS</b>		
Stores (including in transit Rs. 0.29 million; 2021: Rs. 4.57 million)	30,348,938	29,485,761
Provision for slow moving stores	<u>(1,224,809)</u>	<u>(1,224,809)</u>
	29,124,129	28,260,952
Spare parts (including in transit Rs. 0.44 million; 2021: Rs. 2.79 million)	74,592,221	75,873,682
Hard coke, diesel and kerosene oil (including in transit Rs. Nil; 2021: Rs. 14.41 million)	16,496,046	25,002,981
Loose tools	<u>1,024,782</u>	<u>1,982,876</u>
	<u>121,237,178</u>	<u>131,120,491</u>
<b>11. INVENTORIES</b>		
Raw materials (including in transit Rs. 17.34 million; 2021: Rs. 76.07 million)	127,594,855	193,349,758
Work in process	105,256,714	85,165,670
Finished goods - at cost	<u>160,751,061</u>	<u>66,120,585</u>
Finished goods - at fair value less cost to sell - note 11.2	<u>42,844,271</u>	<u>14,441,402</u>
	<u>203,595,332</u>	<u>80,561,987</u>
	<u>436,446,901</u>	<u>359,077,415</u>
11.1 Inventories include Rs. 24.93 million (2021: Rs. 33.03 million) held with third parties.		
11.2 Finished goods inventories costing Rs. 55.11 million have been written-down to net realisable value by Rs. 12.26 million (2021: Rs. 2.16 million).		
<b>12. TRADE RECEIVABLES</b>	2022 Rupees	2021 Rupees
Considered good		
Due from:		
- related parties - notes 12.1 & 12.2	80,257,676	28,574,143
- others - note 12.3	<u>28,912,665</u>	<u>19,340,163</u>
	<u>109,170,341</u>	<u>47,914,306</u>
12.1 These represent amounts due from following related parties:	2022 Rupees	2021 Rupees
- Millat Tractors Limited	78,735,987	25,855,461
- Millat Equipments Limited	<u>1,521,689</u>	<u>2,718,682</u>
	<u>80,257,676</u>	<u>28,574,143</u>

## NOTES TO THE FINANCIAL STATEMENTS

	2022 Rupees	2021 Rupees
As at June 30, 2022, the age analysis of these trade receivables is as follows:		
Not yet due	78,737,565	26,533,262
Past due		
- Up to 3 months	1,520,111	1,773,633
- 3 to 6 months	-	-
- More than 6 months	-	267,248
	1,520,111	2,040,881
	80,257,676	28,574,143
<b>12.2</b> The maximum aggregate amount due from the related parties at the end of any month during the year was Rs. 153.45 million (2021: Rs. 97.80 million).		
<b>12.3</b> As at June 30, 2022, the age analysis of these trade receivables is as follows:		
	2022 Rupees	2021 Rupees
Not yet due	18,188,348	19,012,259
Past due		
- Up to 3 months	10,721,130	-
- 3 to 6 months	3,187	-
- 6 to 9 months	-	-
- more than 9 months	-	327,904
	10,724,317	327,904
	28,912,665	19,340,163
<b>13. LOANS AND ADVANCES</b>		
Considered good		
Current portion of loans to employees - note 6	626,000	630,000
Advances to:		
- employees - notes 13.1 & 13.2	886,190	1,036,131
- suppliers	8,056,447	8,096,172
	8,942,637	9,132,303
	9,568,637	9,762,303
<b>13.1</b> The advances to employees are given to meet business expenses and are settled as and when the expenses are incurred.		
<b>13.2</b> These advances do not carry mark up.		
	2022 Rupees	2021 Rupees
<b>14. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS</b>		
Security deposits	263,500	263,500
Prepayments	164,817	66,232
	428,317	329,732
<b>14.1</b> These trade deposits and prepayments are mainly against subscription fee and security deposits. They do not carry mark-up.		

## NOTES TO THE FINANCIAL STATEMENTS

15.	CASH AND BANK BALANCES	2022 Rupees	2021 Rupees
	Cash at bank		
	Conventional		
	- on saving accounts - Note 15.1	3,977,859	1,602,827
	- on current accounts	<u>66,732,780</u>	<u>49,852,330</u>
		70,710,639	51,455,157
	- Term deposit account - Note 15.1 & 15.2	<u>3,856,200</u>	<u>3,856,200</u>
		74,566,839	55,311,357
	Islamic		
	- on saving accounts - Note 15.1	3,527,998	2,859,629
	- on current accounts	<u>3,082,110</u>	<u>405,645</u>
		6,610,108	3,265,274
	Cash in hand	491,354	171,160
		<u>81,668,301</u>	<u>58,747,791</u>
15.1	During the year, the mark-up / profit rates on saving accounts and term deposit account range from 5.5% to 12.25% (2021: 2.96% to 7.5%) per annum.		
15.2	These are under lien with a bank for issuance of bank guarantee in favour of Sui Southern Gas Company Limited.		
16.	SHARE CAPITAL		
	Authorised share capital		
	2022                      2021	2022	2021
	-----Number of shares-----	Rupees	Rupees
	<u>15,000,000</u> <u>15,000,000</u>	<u>150,000,000</u>	<u>150,000,000</u>
	Ordinary shares of Rs. 10 each		
	Issued, subscribed and paid up capital		
	Ordinary shares of Rs. 10 each		
	2022                      2021	2022	2021
	-----Number of shares-----	Rupees	Rupees
	6,740,875              6,740,875	67,408,750	67,408,750
	4,731,654              4,731,654	47,316,540	47,316,540
		114,725,290	114,725,290
16.1	As at June 30, 2022, 5.67 million (2021: 5.67 million) ordinary shares of Rs. 10 each were held by Millat Tractors Limited (holding Company) along with directors, representing 49.02% (2021: 49.02%) of total issued, subscribed and paid up capital.		
17.	RESERVES	2022 Rupees	2021 Rupees
	Capital reserves		
	Share premium - note 17.1	12,155,680	12,155,680
	Revenue reserves		
	General	424,500,000	424,500,000
	Accumulated loss	<u>(339,043,542)</u>	<u>(361,067,957)</u>
		85,456,458	63,432,043
	Gain on revaluation of Investment at FVTOCI - note 17.2	16,350,000	17,209,625
		<u>113,962,138</u>	<u>92,797,348</u>

## NOTES TO THE FINANCIAL STATEMENTS

17.1 This reserve can be utilised by the Company only in accordance with section 81 of the Companies Act 2017.

17.2 This represents unrealised gain on investment in quoted shares of Baluchistan Wheels Limited.

18. LONG-TERM DEPOSITS	2022 Rupees	2021 Rupees
Deposits from employees	3,779,485	5,279,516
Less: Current portion	(928,902)	(1,571,880)
	<u>2,850,583</u>	<u>3,707,636</u>

18.1 These represent interest free deposits received from employees. The amount is adjustable within a period of six years against book value of motor vehicles and five years against book value of motor cycles provided to them as per the Company policy.

19. LONG-TERM LOAN	2022 Rupees	2021 Rupees
Opening	62,959,377	23,550,835
Proceeds during the year	-	49,866,817
Markup on loan	3,672,941	5,564,309
Repayments during the year	(38,578,948)	(9,513,921)
Deferred grant - note 20	-	(6,508,663)
	<u>28,053,370</u>	<u>62,959,377</u>
Less: Current portion shown under		
current liabilities	<u>(28,053,370)</u>	<u>(38,055,682)</u>
	<u>-</u>	<u>24,903,695</u>

19.1 This represented 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 carried mark-up at the rate of 1% per annum and was repayable in 8 equal quarterly installments, starting from April 2021. The loan was secured by way of hypothecation of plant and machinery and current assets of the Company.

19.2 This represented the value of benefit of below-market interest which was accounted for as government grant under IAS 20 - Government grants.

20. DEFERRED INCOME - GOVERNMENT GRANT	2022 Rupees	2021 Rupees
Balance at beginning of the year	3,804,560	2,693,712
Deferred grant recognised during the year	-	6,508,663
Deferred grant recognised in income	(3,244,815)	(5,397,815)
Balance at end of the year	<u>559,745</u>	<u>3,804,560</u>
Less: Current portion of deferred income		
Government grant	<u>(559,745)</u>	<u>(3,244,815)</u>
	<u>-</u>	<u>559,745</u>

20.1 This represented 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.

## NOTES TO THE FINANCIAL STATEMENTS

	2022 Rupees	2021 Rupees
<b>21. TRADE AND OTHER PAYABLES</b>		
Creditors	307,086,688	199,298,565
Accrued liabilities	30,177,494	52,108,138
Accrued mark-up	15,160,215	8,114,312
Compensated absences - note 21.1	11,758,810	11,980,715
Current portion of deferred income		
- government grant	559,745	3,244,815
Workers' Profit Participation Fund - note 21.2	2,944,403	9,220,621
Workers' Welfare Fund	5,257,857	4,035,596
Security deposits - note 21.3	1,400,037	1,600,037
Withholding tax	615,723	552,376
Others	2,267,720	1,029,554
	<u>377,228,692</u>	<u>291,184,729</u>
<b>21.1 Compensated absences</b>		
Balance at beginning of the year	11,980,715	11,198,838
Charge for the year	1,595,702	1,551,977
Payments made during the year	<u>(1,817,607)</u>	<u>(770,100)</u>
Balance at end of the year	<u>11,758,810</u>	<u>11,980,715</u>
<b>21.2 Workers' Profit Participation Fund</b>		
	2022 Rupees	2021 Rupees
Balance at beginning of the year	9,220,621	3,374
Interest charged during the year	369,050	-
Allocation for the year	2,944,282	9,217,247
Payment made during the year	<u>(9,589,550)</u>	<u>-</u>
Balance at end of the year	<u>2,944,403</u>	<u>9,220,621</u>
<b>21.3</b> These represent deposits obtained from customers which are kept in a separate bank account in compliance with section 217 of the Companies Act, 2017.		
<b>22. ADVANCES FROM CUSTOMERS</b>		
Advance received from customer is recognised as revenue when the performance obligation in accordance with the policy as described in note - 2.12 is satisfied.		
	2022 Rupees	2021 Rupees
Balance at beginning of the year	3,365,495	6,751,782
Advance received during the year	31,951,217	28,516,806
Revenue recognised during the year	<u>(34,365,450)</u>	<u>(31,903,093)</u>
Balance at end of the year	<u>951,262</u>	<u>3,365,495</u>
<b>23. UNCLAIMED DIVIDEND</b>		
Balance at beginning of the year	3,442,070	3,487,166
Claims received and settled	<u>(34,318)</u>	<u>(45,096)</u>
Balance at end of the year	<u>3,407,752</u>	<u>3,442,070</u>

## NOTES TO THE FINANCIAL STATEMENTS

	2022 Rupees	2021 Rupees
24. SHORT-TERM FINANCING		
Secured		
Short-term running finance facilities		
- Conventional Finance		
Under mark-up arrangement - note 24.1	306,053,524	327,459,771
- Islamic Finance		
Under Istisna / Musawammah arrangement - note 24.2	98,781,132	-
Under Istisna cum Wakala arrangement - note 24.2	<u>75,000,000</u>	<u>75,000,000</u>
	<u>479,834,656</u>	<u>402,459,771</u>

24.1 These represent running finance facilities obtained from Bank Alfalah Limited amounting to Rs. 200 million (2021: Rs. 200 million), Habib Bank Limited amounting to Nil (2021: Rs. 100 million), Faysal Bank Limited amounting to Rs. 100 million (2021: Rs. 100 million) and Habib Metropolitan Bank Limited amounting to Rs. 50 million (2021: Nil). The mark-up rates on these facilities range between 1 month KIBOR plus 1% to 1.60% per annum and 3 months KIBOR plus 1.5% (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 amounting to Rs 533 million.

24.2 The Company has also obtained finance under Istisna cum Wakala arrangement from Dubai Islamic Bank Pakistan Limited amounting to Rs. 75 million (2021: Rs. 75 million) and Istisna / Musawammah arrangement from Meezan Bank Limited amounting to Rs. 100 million (2021: Nil). The profit rate on these facilities are 6 months KIBOR plus 2% (2021: 6 months KIBOR plus 2%) and 6 months KIBOR plus 1% (2021: Nil) per annum respectively. They are secured by way of hypothecation charge over fixed assets and current assets of the Company amounting to Rs. 333 million and hypothecation charge over all customer's present and future stocks and book debts with 25% margin respectively. Amount utilised as at June 30, 2022 is Rs. 75 million (2021: Rs. 75 million) and Rs. 98.78 million (2021: Nil) respectively.

24.3 The facilities for opening letters of credit and guarantees as at June 30, 2022 amounted to Rs. 900 million and Rs. 3.86 million (2021: 700 million and Rs. 3.86 million) respectively out of which the amount remaining unutilised at year end was Rs. 550.78 million and Nil (2021: Rs. 226.16 million and Rs. Nil) respectively.

## 25. CONTINGENCIES

25.1 In a suit filed against the Company before the Senior Civil Judge at Hub Balochistan, Altaf Hussain Agha (the Plaintiff) claims that in the year 2004 the Company allegedly encroached upon the land measuring 5 acres - 2 roads - 34 poles belonging to him that he purchased in year 2003. The Plaintiff has also sought mesne profits from the Company for such alleged encroachment. The Company claims ownership to the said piece of land and disputes the alleged encroachment claim whatsoever. The written statement of the Company was filed, the issues were framed and the Plaintiff had produced his witnesses. However, suit was decreed against the Company by the Senior Civil Judge. The original order was challenged by the Company before Balochistan High Court, which suspended the said order. In November, 2019, the Government of Balochistan enhanced the limit of session courts from claims of Rs. 50 million to Rs. 100 million. Hence, the case of the Company was transferred to Session Court, Hub on November 21, 2019. The Company's appeal was dismissed by Senior Civil Judge on August 18, 2020. The Company decided to file an appeal against the order in Balochistan High Court Quetta on September 08, 2020 for revision and suspension of the order. The case is pending for hearing. The exposure on account of profits claimed under the suit amounts to Rs. 54 million (2021: Rs. 51 million). The management of the Company based on the views of its legal advisor is confident that decision will be given in favour of the Company and therefore, no provision has been made in these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

	2022 Rupees	2021 Rupees
<b>26. REVENUE FROM CONTRACTS WITH CUSTOMERS</b>		
Gross revenue	3,406,199,408	3,017,637,346
Less:		
- Sales returns	(160,400,868)	(159,562,969)
- Sales tax	(495,617,727)	(439,273,884)
	<u>(656,018,595)</u>	<u>(598,836,853)</u>
	<u>2,750,180,813</u>	<u>2,418,800,493</u>
<b>26.1</b> Sales to Parent Company amounting to Rs. 2,604.49 million (2021: Rs. 2,293.97 million) account for 94.70% (2021: 94.84%) of the net sales.		
<b>26.2</b> These financial statements do not include disclosure relating to IFRS 8 "Operating Segments" as the Company is considered to be a single operating segment.		
<b>26.3</b> Management considers that revenue from its ordinary activities are shariah compliant.		
<b>27. COST OF SALES</b>	2022 Rupees	2021 Rupees
<b>Raw materials consumed</b>		
Opening stock	193,349,758	90,809,516
Purchases	1,623,666,165	1,410,340,052
Closing stock - note 11	(127,594,855)	(193,349,758)
	<u>1,689,421,068</u>	<u>1,307,799,810</u>
<b>Manufacturing expenses</b>		
Salaries, wages and benefits - notes 27.1 & 27.2	104,301,369	128,880,991
Stores, spare parts and loose tools consumed	188,281,879	173,076,591
Fuel and power	172,671,173	144,204,062
Hard coke, diesel and kerosene oil consumed	261,454,017	198,493,383
Provision for slow moving stores	-	1,224,809
Machining expenses	16,699,601	14,252,847
Outsourced job contractors	166,155,116	154,286,547
Travelling and conveyance	37,008,182	36,330,641
Depreciation	21,698,501	22,883,272
Repairs and maintenance	5,513,813	5,552,727
Insurance	6,079,366	5,694,169
Vehicle running expenses	2,566,449	2,025,607
Training	2,921,786	1,911,935
Entertainment	790,761	678,075
Others	2,534,208	2,583,088
	<u>988,676,221</u>	<u>892,078,744</u>
Opening work in process	85,165,670	14,963,447
Closing work in process - note 11	(105,256,714)	(85,165,670)
Cost of goods manufactured	<u>2,658,006,245</u>	<u>2,129,676,331</u>
Opening stock of finished goods	80,561,987	66,384,958
Closing stock of finished goods - note 11	(203,595,332)	(80,561,987)
	<u>2,534,972,900</u>	<u>2,115,499,302</u>



## NOTES TO THE FINANCIAL STATEMENTS

27.1 These include Rs. 3.61 million (2021: Rs. 7.22 million) and Rs. 2.81 million (2021: Rs. 3 million) in respect of defined benefit and defined contribution plans respectively.

27.2 These include Rs. 18.27 million (2021: Rs. 15.79 million) in respect of staff welfare expenses.

28. DISTRIBUTION COST	2022 Rupees	2021 Rupees
Salaries, wages and benefits - notes 28.1 & 28.2	4,871,395	4,869,106
Freight charges	50,239,885	50,772,939
Depreciation	352,926	337,099
Sales promotion	20,000	40,000
Insurance	908,682	816,736
Others	11,289	293,525
	<u>56,404,177</u>	<u>57,129,405</u>

28.1 These include Rs. Nil (2021: Rs. 0.004 million) and Rs. 0.21 million (2021: Rs. 0.2 million) in respect of defined benefit and defined contribution plans respectively.

28.2 These also include Rs. 0.20 million (2021: Rs. 0.12 million) in respect of staff welfare expenses.

29. ADMINISTRATIVE EXPENSES	2022 Rupees	2021 Rupees
Salaries, wages and benefits - notes 29.1 & 29.2	38,951,849	42,461,816
Legal and professional charges	17,726,511	28,668,972
Outsourced job contractors	3,404,225	2,450,300
Travelling and conveyance	145,309	314,138
Utilities	3,522,618	2,716,697
Repairs and maintenance	157,481	379,219
Depreciation	1,058,779	1,011,297
Vehicle running expenses	2,110,941	1,826,052
Insurance	603,816	601,835
Subscription	988,190	948,499
Auditors' remuneration - note 29.3	1,582,733	1,406,320
Entertainment	286,869	379,687
Training	690,790	94,485
Provision for impairment	-	8,160,401
Others	3,064,637	2,318,809
	<u>74,294,748</u>	<u>93,738,527</u>

29.1 These include Rs. 0.05 million (2021: Rs. 0.19 million) and Rs. 1.09 million (2021: Rs. 0.88 million) in respect of defined benefit and defined contribution plans respectively.

29.2 These also include Rs. 1.76 million (2021: Rs. 1.45 million) in respect of staff welfare expenses.

29.3 Auditors' remuneration	2022 Rupees	2021 Rupees
Audit fee	885,000	738,000
Fee for review of half yearly financial information and other certifications	531,750	479,350
Out of pocket expenses	165,983	188,970
	<u>1,582,733</u>	<u>1,406,320</u>

## NOTES TO THE FINANCIAL STATEMENTS

	Note	2022 Rupees	2021 Rupees
<b>30. OTHER EXPENSES</b>			
Workers' Profit Participation Fund		2,944,282	9,217,247
Workers' Welfare Fund		1,216,819	4,035,596
		<u>4,161,101</u>	<u>13,252,843</u>
<b>31. OTHER INCOME</b>			
<b>Income from financial assets</b>			
Return on savings and deposit accounts		697,549	453,332
Dividend income		2,803,127	431,250
		<u>3,500,676</u>	<u>884,582</u>
<b>Income from non-financial assets</b>			
Scrap sales		15,463,775	10,239,303
Gain on curtailment and settlement of funded pension scheme		-	65,806,337
Gain on disposal of property, plant and equipment		39,262	231,543
Government grant income		3,244,815	5,397,815
Miscellaneous income		3,839,806	2,173,776
		<u>22,587,658</u>	<u>83,848,774</u>
		<u>26,088,334</u>	<u>84,733,356</u>
<b>32. FINANCE COST</b>			
<b>Conventional</b>			
Mark-up on short-term financing		34,355,660	31,766,246
<b>Islamic</b>			
Short - term finance			
- Under Istisna cum Wakala	32.1	8,815,950	10,617,062
- Under Istisna / Musawammah	32.1	4,237,775	-
Mark-up on long-term loan		3,672,941	6,440,644
Exchange loss		15,242	134,541
Interest on workers' profits participation fund		369,050	-
Bank charges		245,066	3,863,180
		<u>51,711,684</u>	<u>52,821,673</u>
32.1 The mark-up paid on Islamic mode of financing amounts to Rs. 8.26 million (2021: Rs. 10.62 million).			
<b>33. INCOME TAX EXPENSE</b>			
<b>Current</b>			
- for the year		41,673,181	36,346,695
- for prior years		467,855	6,146,937
		<u>42,141,036</u>	<u>42,493,632</u>
Deferred		(2,737,865)	(3,781,961)
		<u>39,403,171</u>	<u>38,711,671</u>
33.1 The Company has computed current tax for the year under sections 113 and 150 of the Income Tax Ordinance, 2001 i.e. Minimum Tax and Final Tax Regime respectively.			
33.2 Reconciliation between tax expense and accounting profit.			

## NOTES TO THE FINANCIAL STATEMENTS

	2022 (Effective Tax Rate %)	2021	2022 Rupees	2021 Rupees
Accounting profit before tax			54,724,537	171,092,099
Tax at applicable tax rate	29.00	29.00	15,870,116	49,616,709
Effect of final tax regime	(0.72)	(0.04)	(392,438)	(60,375)
Recognition of tax effect of previously unrecognised tax losses	-	(31.45)	-	(53,815,505)
Effect of prior years tax	0.85	3.59	467,855	6,146,937
Others	0.33	0.32	178,358	541,898
Effect of minimum tax	42.54	21.21	23,279,280	36,282,007
Income tax expense for the year	<u>72.00</u>	<u>22.63</u>	<u>39,403,171</u>	<u>38,711,671</u>

### 34. EARNINGS PER SHARE

Profit for the year attributable to ordinary shareholders		15,321,366	132,380,428
Weighted average number of shares in issue during the year		11,472,529	11,472,529
Earnings per share - Basic and diluted		1.34	11.54

34.1 Diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue as at June 30, 2022 and 2021 which would have any effect on the earnings per share if the option to convert is exercised.

### 35. CASH GENERATED FROM OPERATIONS

	Note	2022 Rupees	2021 Rupees
Profit before tax		54,724,537	171,092,099
Adjustments for non-cash charges and other items			
Depreciation	4.3	23,110,206	24,231,668
Non-cash employee benefits expense / (income)		3,666,582	(58,384,041)
Gain on disposal of property, plant and equipment		(39,262)	(231,543)
Mark up on short-term financing		47,409,385	42,383,308
Mark up on long term loan		3,672,941	6,440,644
Government grant income		(3,244,815)	(5,397,815)
Return on savings and deposit accounts		(697,549)	(453,332)
Dividend income		(2,803,127)	(431,250)
		<u>71,074,361</u>	<u>8,157,639</u>
		125,798,898	179,249,738

### EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES

(Increase) / decrease in current assets			
Stores, spare parts and loose tools		9,883,313	(7,276,885)
Inventories		(77,369,486)	(186,919,494)
Trade receivables		(61,256,035)	(19,686,205)
Loans and advances		193,666	(1,435,434)
Trade deposits and short-term prepayments		(98,585)	392,489
Other receivables		1,021,984	(1,022,435)
Refunds due from the Government - sales tax		162,918	(6,224,047)
		(127,462,225)	(222,172,011)
Increase / (decrease) in current liabilities			
Trade and other payables		81,683,130	75,264,596
Advances from customers		(2,414,233)	3,386,287
		<u>77,605,570</u>	<u>35,728,610</u>

## NOTES TO THE FINANCIAL STATEMENTS

	2022 Rupees	2021 Rupees
36. CASH AND CASH EQUIVALENTS		
Cash and bank balances	77,812,101	54,891,591
Short-term financing	<u>(479,834,656)</u>	<u>(402,459,771)</u>
	<u>(402,022,555)</u>	<u>(347,568,180)</u>

## 37. RELATED PARTY DISCLOSURES

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

Relationship with the Company	Nature of transactions	2022 Rupees	2021 Rupees
<b>Holding Company:</b>			
- Millat Tractors Limited (MTL)	Sale of goods	2,604,487,476	2,293,971,017
	Purchase of goods	112,024	99,100
	Expenses incurred by MTL on behalf of Company	11,448,935	10,841,078
<b>Associated company:</b>			
- Millat Equipments Limited	Sale of goods	26,899,614	14,066,551
	Expenses incurred by MEL on behalf of the Company	527,247	-
<b>Employee benefit funds:</b>			
- Pension fund	Contributions	-	1,447,850
- Provident fund	Contributions	4,121,049	4,074,993
- Executives' Gratuity fund	Contributions	358,142	415,835
- Executives' Gratuity fund	Benefits paid on behalf of the fund	7,028,380	6,796,869
<b>Key management personnel * :</b>			
	Salaries and other short term employee benefits paid	31,316,300	34,432,097
	Post retirement benefits	784,992	611,680
	Proceeds from sale of assets	4,534,506	-

\* Key management personnel includes CEO, CFO and all Head of Departments.

37.1 The related party status of outstanding balances as at June 30, 2022 and 2021 is included in trade receivables. These are settled in ordinary course of business.

37.2 These transactions are carried out at arm's length during the ordinary course of business.

## NOTES TO THE FINANCIAL STATEMENTS

37.3 Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place.

S.No.	Company Name	Basis of association	Aggregate % of Shareholding
1.	Millat Tractors Limited	Parent Company	49.02%
2.	Millat Equipment Limited	Associated Company due to Common directorship	N/A

### 38. REMUNERATION OF CHIEF EXECUTIVE, EXECUTIVE DIRECTOR AND EXECUTIVES

The aggregate amounts charged in the financial statements for remuneration of Chief Executive, Executive Director and Executives are as follows:

	Chief Executive		Executive Director		Executives	
	2022	2021	2022	2021	2022	2021
	----- Rupees -----					
Managerial remuneration and allowances	7,621,357	7,109,082	-	3,744,704	7,774,775	6,926,101
Bonus	3,366,776	1,239,434	-	2,387,870	1,704,531	2,840,885
Retirement benefits	69,084	-	-	-	715,908	611,680
House rent	948,662	820,124	-	842,557	3,221,580	2,854,942
Utilities	1,742,228	1,232,668	-	564,824	2,249,554	1,500,924
Medical expenses	237,453	196,910	-	409,915	619,119	403,629
Others	404,731	216,089	-	439,444	113,295	90,315
	<u>14,390,291</u>	<u>10,814,307</u>	<u>-</u>	<u>8,389,314</u>	<u>16,398,762</u>	<u>15,228,476</u>
Number of persons	<u>2</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>4</u>	<u>4</u>

38.1 In addition to above, fee to 4 non-executive directors for attending Board of Directors meetings during the year amounted to Rs. 1,000,000 (2021: Rs. 550,000).

38.2 The Chief Executive, Executive Director and certain Executives are also provided with the Company maintained cars in accordance with the terms of employment.

38.3 During the year, Chief Executive Officer of the Company, Mr. Nisar Ahmed Mirani resigned from his position as at May 25, 2022 and the Board of Directors of the Company appointed Mr. Mujtaba Ahmad as Chief Executive Officer of the Company with effect from June 03, 2022.

	2022	2021
	Metric tons	
39. PLANT CAPACITY AND PRODUCTION		
Installed capacity (single shift without overtime)	<u>13,200</u>	<u>13,200</u>
Actual production	<u>9,437</u>	<u>10,674</u>
Capacity utilisation	<u>71.49%</u>	<u>80.86%</u>

39.1 Actual production was as per market demand.

## NOTES TO THE FINANCIAL STATEMENTS

### 40. PROVIDENT FUND RELATED DISCLOSURE

All investments in collective investment schemes, listed equity and listed debt securities out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

	2022	2021
<b>41. NUMBER OF EMPLOYEES</b>		
Number of employees at June 30		
- Permanent	131	135
- Contractual	1	1
	<u>132</u>	<u>136</u>
* This includes 116 (2021: 120) number of factory employees		
Average number of employees during the year		
- Permanent	133	137
- Contractual	1	1
	<u>134</u>	<u>138</u>

\*\* This includes 118 (2021: 121) number of factory employees

### 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

#### 42.1 Financial risk factors

The Company's activities expose it to variety of financial risks: market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on having cost effective funding as well as managing financial risk to minimise earnings volatility and providing maximum return to shareholders.

#### 42.2 Financial assets and liabilities by category and their respective maturities.

	Interest / Mark up bearing			Non-interest / Non-mark up bearing			Total
	Maturity up to one year	Maturity after one year	Sub-total	Maturity up to one year	Maturity after one year	Sub-total	
<b>FINANCIAL ASSETS</b>	----- Rupees -----						
<b>FVTOCI</b>							
Long-term investments	-	-	-	-	21,850,000	21,850,000	21,850,000
<b>Amortised Cost</b>							
Loans and advances	-	-	-	1,512,190	937,000	2,449,190	2,449,190
Trade deposits	-	-	-	263,500	4,047,790	4,311,290	4,311,290
Trade receivables	-	-	-	109,170,341	-	109,170,341	109,170,341
Other receivables	-	-	-	348,525	-	348,525	348,525
Cash and bank balances	11,362,057	-	11,362,057	70,306,244	-	70,306,244	81,668,301
<b>June 30, 2022</b>	<u>11,362,057</u>	<u>-</u>	<u>11,362,057</u>	<u>181,600,800</u>	<u>26,834,790</u>	<u>208,435,590</u>	<u>219,797,647</u>
<b>June 30, 2021</b>	<u>8,318,656</u>	<u>-</u>	<u>8,318,656</u>	<u>101,643,581</u>	<u>27,622,415</u>	<u>129,265,996</u>	<u>137,584,652</u>

## NOTES TO THE FINANCIAL STATEMENTS

	Interest / Mark up bearing			Non-interest / Non-mark up bearing			Total
	Maturity up to one year	Maturity after one year	Sub-total	Maturity up to one year	Maturity after one year	Sub-total	
----- Rupees -----							
<b>FINANCIAL LIABILITIES</b>							
Deposits	-	-	-	928,902	2,850,583	3,779,485	3,779,485
Long-term loan	28,053,370	-	28,053,370	-	-	-	28,053,370
Trade and other payables	-	-	-	350,164,569	-	350,164,569	350,164,569
Unclaimed dividend	-	-	-	3,407,752	-	3,407,752	3,407,752
Short-term financing	479,834,656	-	479,834,656	-	-	-	479,834,656
<b>June 30, 2022</b>	<b>507,888,026</b>	<b>-</b>	<b>507,888,026</b>	<b>354,501,223</b>	<b>2,850,583</b>	<b>357,351,806</b>	<b>865,239,832</b>
June 30, 2021	440,515,453	24,903,695	465,419,148	264,143,946	3,707,636	267,851,582	733,270,730

## ON STATEMENT OF FINANCIAL POSITION GAP

June 30, 2022	(496,525,969)	-	(496,525,969)	(172,900,423)	23,984,207	(148,916,216)	(645,442,185)
June 30, 2021	(432,196,797)	(24,903,695)	(457,100,492)	(162,500,365)	23,914,779	(138,585,586)	(595,686,078)

## OFF STATEMENT OF FINANCIAL POSITION ITEMS

Letters of credit / guarantee:

June 30, 2022	353,071,870
June 30, 2021	477,699,376

## (i) Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties failed to perform as contracted. The maximum exposure to credit risk is equal to the carrying amount of financial assets. Out of total financial assets of Rs. 219.8 million (2021: Rs. 137.58 million), the financial assets which are subject to credit risk amounted to Rs. 197.46 million (2021: Rs. 114.7 million).

For trade receivables, internal risk assessment process determines the credit quality of the customers, taking into account their financial positions, past experiences and other factors. Individual risk limits are set based on internal or external credit worthiness ratings in accordance with limits set by the management. As of June 30, 2022, trade receivables of Rs. 12.24 million (2021: Rs. 2.37 million) were past due but not impaired. Trade receivables majorly pertain to related parties for whom there is no significant risk of default.

Deposits have been placed mainly with utility companies, hence exposed to no significant credit risk.

Loans and advances to employees are not exposed to any material credit risk, since these are secured against their retirement benefits.

Other receivables constitute mainly refunds from the Government, therefore, are not exposed to any significant credit risk.

The bank balances represent low credit risk as these are placed with banks having good credit ratings assigned by credit rating agencies. Following are the credit ratings of banks with which balances are held or credit lines available.

## NOTES TO THE FINANCIAL STATEMENTS

Bank	Rating Agency	Rating	
		Short term	Long term
Habib Bank Limited	VIS	AI +	AAA
Bank Al Habib Limited	PACRA	AI +	AAA
MCB Bank Limited	PACRA	AI +	AAA
Meezan Bank Limited	VIS	AI +	AAA
Bank Al Falah Limited	PACRA	AI +	AA+
Habib Metropolitan Bank Limited	PACRA	AI +	AA+
Askari Bank Limited	PACRA	AI +	AA+
Faysal Bank Limited	PACRA	AI +	AA
Dubai Islamic Bank Limited	VIS	AI +	AA

## (ii) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash, the availability of fundings through an adequate amount of committed credit facilities and the ability to close out market position.

The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these monitoring statement of financial position liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements.

	2022				
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years
----- Rupees -----					
Financial liabilities					
Deposits	3,779,485	(3,779,485)	(123,545)	(805,357)	(2,850,583)
Long-term loan	28,053,370	(47,569,603)	(19,027,841)	(19,027,841)	(9,513,921)
Trade and other payables	350,164,569	(350,164,569)	(350,164,569)	-	-
Short-term borrowings	479,834,656	(479,834,656)	(479,834,656)	-	-
Unclaimed dividend	3,407,752	(3,407,752)	(3,407,752)	-	-
	<u>865,239,832</u>	<u>(884,756,065)</u>	<u>(852,558,363)</u>	<u>(19,833,198)</u>	<u>(12,364,504)</u>
	2021				
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years
----- Rupees -----					
Financial liabilities					
Deposits	5,279,516	(5,279,516)	(835,414)	(736,466)	(3,707,636)
Long-term loan	62,959,377	(66,597,444)	(19,027,841)	(19,027,841)	(28,541,762)
Trade and other payables	259,129,996	(259,129,996)	(259,129,996)	-	-
Short-term borrowings	402,459,771	(402,459,771)	(402,459,771)	-	-
Unclaimed dividend	3,442,070	(3,442,070)	(3,442,070)	-	-
	<u>733,270,730</u>	<u>(736,908,797)</u>	<u>(684,895,092)</u>	<u>(19,764,307)</u>	<u>(32,249,398)</u>



## NOTES TO THE FINANCIAL STATEMENTS

### (iii) Market risk

Market risk is the risk which arises due to changes in market prices, such as foreign exchange rates, interest rates and equity prices that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company is exposed to price risk, currency risk and interest rate risk only.

#### a) Price Risk

Price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency 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 has no exposure to price risk.

#### b) Currency risk

Currency risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist in foreign currency. As at June 30, 2022, trade and other payables of Rs. 0.81 million (2021: Rs. 22.57 million) are exposed to foreign currency risk.

As at June 30, 2022, if the Pak Rupee had weakened / strengthened by 2% against US Dollar with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. Nil (2021: Rs. 0.33 million), as a result of foreign exchange losses / gains on translation of US Dollar denominated trade and other payables.

As at June 30, 2022, if the Pak Rupee had weakened / strengthened by 2% against Euro with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 0.02 million (2021: Rs. 0.12 million), as a result of foreign exchange losses / gains on translation of Euro denominated trade and other payables.

The sensitivity of foreign exchange rates looks at the outstanding foreign exchange balances of the Company only as at the balance sheet date and assumes this is the position for a full twelve-month period. The volatility percentages for movement in foreign exchange rates have been used due to the fact that historically (five years) rates have moved on average basis by the mentioned percentages per annum.

#### c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market interest rates. The Company's interest rate risk arises from short-term financing which includes running finance facilities (note 24), cash at bank in savings accounts and term deposit receipts (note 15) and long term loan (note 19). Short-term financing availed at variable rates expose the Company to cash flow interest rate risk.

At June 30, 2022, the Company had variable interest bearing financial assets of Rs. 7.51 million (2021: Rs. 4.46 million) and liabilities of Rs. 479.83 million (2021: Rs. 402.46 million), and had the interest rate varied by 100 basis points with all the other variables held constant, profit before tax for the year would have been lower / higher by approximately Rs. 4.72 million (2021: Rs. 3.98 million), mainly as a result of higher / lower interest expense on floating rate borrowings.

## NOTES TO THE FINANCIAL STATEMENTS

(iv) Reconciliation of movement of liabilities to cash flows arising from financing activities

	2022		
	Short term borrowings used for cash management	Long term loan	Total
	Rupees		
Balance as at July 1, 2021	402,459,771	62,959,377	465,419,148
Changes from financing cash flows			
Repayment of long term loan	-	(38,578,948)	(38,578,948)
Proceeds from long term loan	-	-	-
Payments / (repayments) - net	77,374,885	-	77,374,885
Total changes from financing activities	77,374,885	(38,578,948)	38,795,937
Other changes - interest cost			
Interest expense	-	3,672,941	3,672,941
Interest paid	-	-	-
Deferred grant recognised	-	-	-
Changes in running finance	-	-	-
Total loan related other changes	-	3,672,941	3,672,941
Balance as at June 30, 2022	<u>479,834,656</u>	<u>28,053,370</u>	<u>507,888,026</u>
	2021		
	Short term borrowings used for cash management	Long term loan	Total
	Rupees		
Balance as at July 1, 2020	493,845,173	23,550,835	517,396,008
Changes from financing cash flows			
Repayment of long term loan	-	(9,513,921)	(9,513,921)
Proceeds from long term loan	-	49,866,817	49,866,817
Payments / (repayments) - net	(91,385,402)	-	(91,385,402)
Total changes from financing activities	(91,385,402)	40,352,896	(51,032,506)
Other changes - interest cost			
Interest expense	-	6,440,644	6,440,644
Interest paid	-	(876,335)	(876,335)
Deferred grant recognised	-	(6,508,663)	(6,508,663)
Changes in running finance	-	-	-
Total loan related other changes	-	(944,354)	(944,354)
Balance as at June 30, 2021	<u>402,459,771</u>	<u>62,959,377</u>	<u>465,419,148</u>

## NOTES TO THE FINANCIAL STATEMENTS

(v) Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market condition (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

As at June 30, 2022, all financial assets and financial liabilities are carried at amortised cost except for investment in quoted shares of Baluchistan Wheels Limited which are carried at fair value.

The carrying value of all financial assets and liabilities reflected in these financial statements approximate their fair values. The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (level 3).

The following table analyses within the fair value hierarchy of the Company's financial assets (by class) measured at fair value at June 30, 2022:

Financial Assets	2022			Total
	Level 1	Level 2	Level 3	
	----- Rupees -----			
Recurring fair value measurement of FVOCI investments	<u>21,850,000</u>	-	-	<u>21,850,000</u>
	2021			
Financial Assets	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Recurring fair value measurement of FVOCI investments	<u>22,709,625</u>	-	-	<u>22,709,625</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 43. CAPITAL RISK MANAGEMENT

The Company's objectives 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 debt to capital ratios as at June 30, 2022 and 2021 were as follows:

	2022 Rupees	2021 Rupees
Short-term financing - note 24	479,834,656	402,459,771
Long-term loan	28,053,370	62,959,377
Cash and bank balances - note 15	<u>(81,668,301)</u>	<u>(58,747,791)</u>
Net debt	426,219,725	406,671,357
Total equity	<u>228,687,428</u>	<u>207,522,638</u>
Total capital	<u>654,907,153</u>	<u>614,193,995</u>
Debt to capital ratio	65.08%	66.21%

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. The decrease in debt to equity ratio is mainly driven by increase in capital due to profit.

### 44. CORRESPONDING FIGURES

Corresponding figures have been reclassified/rearranged, wherever necessary for better presentation. Except for the following reclassification, no other major reclassifications have been made during the year;

Reclassified advances from customers from trade and other payables to separate line item	2021 <u>3,365,495</u>
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### 45. DATE OF AUTHORISATION

These financial statements were authorised for issue on September 19, 2022 by the Board of Directors of the Company.

  
Chief Executive

  
Director

  
Chief Financial Officer

# PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2022

No. of Shareholders	Size of Holding		Total Shares Held	Amount Rupees
	From	To		
186	1	100	8,457	84,570
494	101	500	127,601	1,276,010
133	501	1000	110,392	1,103,920
187	1001	5000	440,384	4,403,840
29	5001	10000	212,313	2,123,130
9	10001	15000	113,092	1,130,920
6	15001	20000	104,436	1,044,360
5	20001	25000	112,141	1,121,410
3	25001	30000	85,600	856,000
1	30001	35000	32,270	322,700
1	35001	40000	36,000	360,000
1	40001	45000	44,794	447,940
2	70001	75000	149,000	1,490,000
1	95001	100000	100,000	1,000,000
1	125001	130000	125,700	1,257,000
1	140001	145000	144,359	1,443,590
1	145001	150000	150,000	1,500,000
1	165001	170000	166,369	1,663,690
1	255001	260000	258,266	2,582,660
1	295001	300000	300,000	3,000,000
1	485001	490000	488,276	4,882,760
1	775001	780000	776,100	7,761,000
1	945001	950000	950,000	9,500,000
1	1125001	1130000	1,130,000	11,300,000
1	5305001	5310000	5,306,979	53,069,790
1069			11,472,529	114,725,290

# CATEGORIES OF SHAREHOLDERS

AS AT JUNE 30, 2022

S.No.	Particulars	Shareholders	Shares Held	Percentage %
<b>Directors and their spouse(s) and minor children</b>				
	Mr. Sikandar Mustafa Khan	1	166,369	1.45
	Mr. Sohail Bashir Rana	1	144,359	1.26
	Mr. Laeeq Uddin Ansari	1	3,120	0.03
	Mr. Abdul Hamid Ahmed Dagia	2	2,500	0.02
	Mr. Qaiser Saleem	2	3,248	0.03
	Mrs. Tabassum Rana	1	80	0.00
<b>Associated Companies, undertakings and related parties</b>				
		8	5,355,502	46.68
<b>NIT &amp; ICP</b>				
		2	488,716	4.26
<b>Banks Development Financial Institutions, Non Banking Financial Institutions.</b>				
		2	75,273	0.66
<b>Insurance Companies</b>				
		1	300,000	2.61
<b>Modarabas and Mutual Funds</b>				
		-	-	-
<b>General Public</b>				
	a. Local	1,022	4,523,368	39.43
	b. Foreign	10	40,300	0.35
<b>Foreign Companies</b>				
		-	-	-
<b>Others</b>				
		16	369,694	3.22
<b>Totals</b>		<b>1,069</b>	<b>11,472,529</b>	<b>100.00</b>

## Share holders holding 10% or more

MILLAT TRACTORS LIMITED		5,306,979	46.26
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# Proxy Form

Folio No. / CDC Account No.

I/We \_\_\_\_\_ (NAME)  
 of \_\_\_\_\_ (FULL ADDRESS)  
 in the district of \_\_\_\_\_  
 being a member / members of BOLAN CASTINGS LIMITED and a holder of \_\_\_\_\_  
 \_\_\_\_\_ Shares No. \_\_\_\_\_ hereby appoint  
 Mr. / Mrs. / Miss \_\_\_\_\_ (NAME)  
 of \_\_\_\_\_ (FULL ADDRESS)  
 in the district of \_\_\_\_\_

\_\_\_\_\_ as my / our proxy to attend and vote for me / us and on my / our behalf at the 40<sup>th</sup> Annual General Meeting of the Company to be held at Registered Office, Main RCD Highway, Hub Chowki, District Lasbela, Balochistan on Tuesday, October 25, 2022 at 1200 Hours and / or at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2022

## WITNESSES:

1. Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

CNIC or  
Passport No: \_\_\_\_\_

2. Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

CNIC or  
Passport No: \_\_\_\_\_

Signature  
on  
Five Rupees  
Revenue  
Stamp

(Signature should agree with specimen  
signature registered with the Company)

## Important:

1. A member entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint a proxy to attend and vote instead of him / her.
2. The instrument appointing a proxy should be signed by the member (s) or by his / her attorney duly authorised in writing, or if the member is a corporation / company either under the common seal, or under the hand of any officer or attorney so authorised.
3. This Proxy Form, duly completed, must be deposited at the Registered Office of the Company, Main RCD Highway, Hub Chowki, District Lasbela, Balochistan not less than 48 hours before the time of holding of the meeting.



# پراکسی فارم

فولیو نمبر/سی ڈی سی اکاؤنٹ نمبر

میں مسٹی / مسٹاہ ..... ساکن .....  
 ضلع ..... بحیثیت ممبر بولان کاسٹنگز لمیٹڈ اور حامل ..... شیئرز، مسٹی / مسٹاہ ..... ساکن .....  
 کو بطور مختار (پراکسی) مقرر کرتا / کرتی ہوں تاکہ وہ میری جگہ اور میری طرف سے کمپنی کے ۴۰ ویں سالانہ اجلاس عام  
 جو بتاریخ ۲۵ اکتوبر ۲۰۲۲ء بروز منگل بوقت صبح ۱۲:۰۰ بجے کمپنی کے رجسٹرڈ آفس، مین آر سی ڈی ہائی وے، حب چوکی، ڈسٹرکٹ لسبیلہ، بلوچستان میں  
 منعقد ہو رہا ہے میں اور/یا اس کے کسی ملٹوی شدہ اجلاس میں ووٹ ڈالے۔

گواہان:

دستخط کئے گئے مورخہ ..... ۲۰۲۲

پانچ روپے کے محصول ٹکٹ پر  
 دستخط کرے

(دستخط کمپنی کے پاس موجود دستخط کے نمونے کے مطابق ہوں)

1 دستخط

نام

پتہ

سی این آئی سی یا پاسپورٹ نمبر:

2 دستخط

نام

پتہ

سی این آئی سی یا پاسپورٹ نمبر:

## ضروری ہدایات

(۱) ایک ممبر جو سالانہ عام اجلاس میں شرکت کرنے اور حق رائے دہی کا اہل ہے اپنے بجائے شرکت کرنے اور حق رائے دہی کے لیے ایک پراکسی مقرر کر سکتا ہے۔

(۲) پراکسی منتخب کرتے ہوئے رکن یا اس کے انارنی کا پراکسی فارم پر دستخط کرنا ضروری ہے۔ کارپوریٹ ادارے کی صورت میں پراکسی فارم پر کمپنی کی سیل (Seal) لگی ہو یا مقرر کردہ آفسریا انارنی کے دستخط ہوں۔

(۳) پراکسی فارم ہذا مکمل اور دستخط کے ہمراہ اجلاس کے انعقاد سے کم از کم ۴۸ گھنٹے قبل کمپنی کار رجسٹرڈ آفس، مین آر سی ڈی ہائی وے، حب چوکی، ڈسٹرکٹ لسبیلہ، بلوچستان میں جمع کرا دیا جائے۔



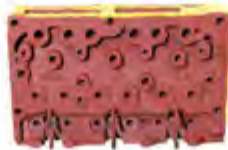
## MF Tractor Chassis Assembly is made of BCL Castings



MF AXLE HOUSING 240 RH



MF CENTER HOUSING



MF CYLINDER HEAD



MF CYLINDER BLOCK



MF TRANSMISSION CASE



Main RCD Highway, Hub Chowki, District Lasbela, Balochistan, Pakistan

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[www.bolancastings.com](http://www.bolancastings.com)

