



**MODERN
FOUNDRY
ENGINEERING**

BOLAN CASTINGS LIMITED

**ANNUAL
REPORT
2024**

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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

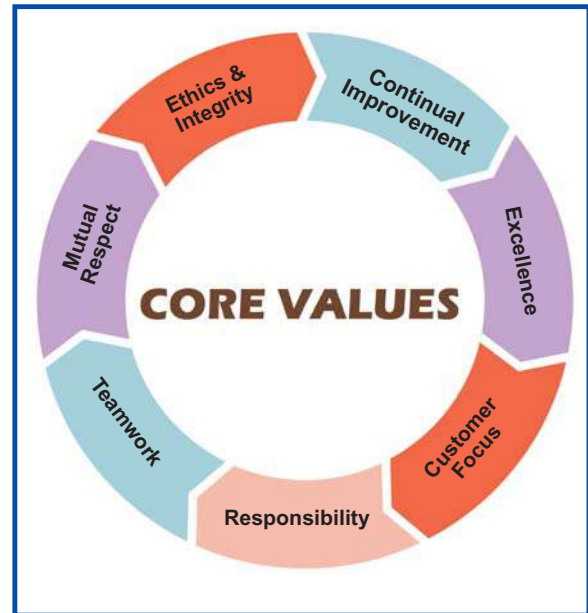
We are committed to excellence in every aspect of our activities. Each one of us must make maximum efforts to provide a quality product that responds to our customers need. Our products must meet and exceed competition. Rather than asking "is it good enough?", we must ask, "how can we do it better?". 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

Mr. Sikandar M. Khan
 Mr. Mujtaba Ahmad
 Mr. Sohail Bashir Rana
 Mr. Laeeq Uddin Ansari
 Syed Muhammad Irfan Aqueel
 Mr. Aamir Amin
 Mr. Abdul Hamid Ahmed Dagia
 Mrs. Tabassum Rana

Chairman
 Chief Executive
 Director
 Director
 Director
 Director
 Director

Company Secretary

Mr. Arafat Mushir

Chief Financial Officer

Syed Sajid Ali

Auditors

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

Chartered Accountants

Legal Advisors

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

Bankers

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

Share Registrar

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

Registered Office

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

Web Site

www.bolancastings.com

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, Millat Industrial Products 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



Syed Muhammad Irfan Aqueel

Non-Executive Director

Appointment

October 28, 2023

Committee Membership

Member of Board Committee for Supervision, Audit Committee and Human Resource and Remuneration Committee

External Appointments

Director of Karachi Tools Dies & Moulds Centre



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, Manufacturing Company Limited, Hascol Petroleum Limited, Shahtaj Textile 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., Technology Trade (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. Mrs. Tabassum Rana | Member |
| 4. Syed Muhammad Irfan Aqueel | 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. Syed Muhammad Irfan Aqueel | 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) 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.

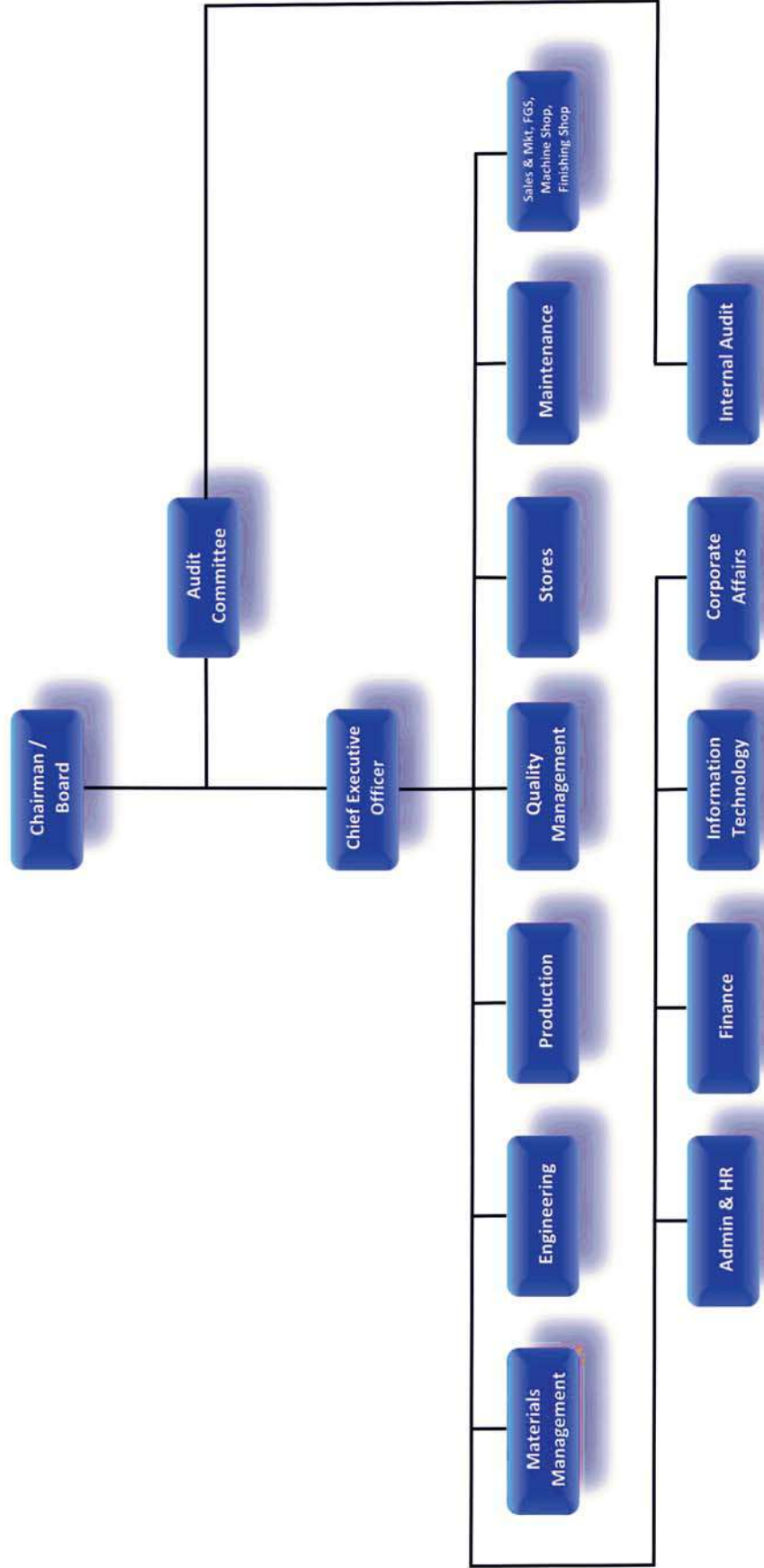
iii) Board's Committee for Supervision (BCS)

| | |
|-------------------------------|----------|
| 1. Mr. Sikandar Mustafa Khan | Chairman |
| 2. Mr. Sohail Bashir Rana | Member |
| 3. Mr. Laeeq Uddin Ansari | Member |
| 4. Syed Muhammad Irfan Aqueel | 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



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 30th September
- Second Quarterly / Half Yearly Report upto 31st December
- Third Quarterly Report upto 31st March
- Annual Report upto 30th 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 42nd 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 Thursday, October 24, 2024 at 12:30 p.m.

Books Closure

The Share transfer books of BCL will remain closed from October 15, 2024 to October 24, 2024 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 14, 2024 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

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.

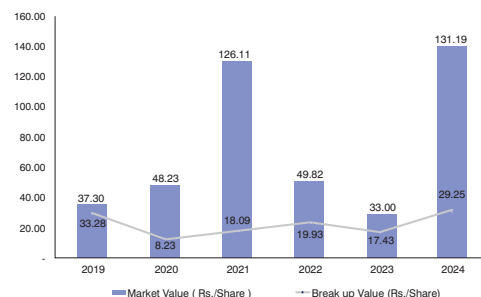
The website has general information about the Company and details of its product range. The quarterly and annual reports of the Company are also posted on this site. Further, a dedicated 'Investor Relations' section is also available on the website.

Price Ranges

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

| Quarter | 2024 | | 2023 | |
|-------------------------|--------|--------|-------|-------|
| | High | Low | High | Low |
| First (July-23-Sep-23) | 46.21 | 28.05 | 69.00 | 41.00 |
| Second (Oct-23-Dec-23) | 62.79 | 32.50 | 52.00 | 32.50 |
| Third (Jan-24-Mar-24) | 120.00 | 39.01 | 40.26 | 31.11 |
| Fourth (Apr-24-June-24) | 172.72 | 115.00 | 36.50 | 30.81 |

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



NOTICE OF ANNUAL GENERAL MEETING



Notice is hereby given that 42nd 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 Thursday, October 24, 2024 at 12:30 p.m. to transact the following businesses:

A. ORDINARY BUSINESS

1. To confirm the minutes of 41st Annual General Meeting held on October 28, 2023.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2024 together with the Chairman's review, Directors' report and Auditors' report thereon.
3. To appoint auditors for the year ending June 30, 2025 and to fix their remuneration.

B. SPECIAL BUSINESS

4. To ratify and approve the transactions carried out in normal course of business with Group company for the year ended June 30, 2024 by passing the following resolution as a special resolution:

RESOLVED that the transactions carried out in normal course of business with Group Company as disclosed in note 37 to the financial statements for the year ended June 30, 2024 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, 2025 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, 2025, subject to final approval/ratification by the shareholders in the next Annual General Meeting.

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 / verifications as may be required in this regard on behalf of the Company.

By Order of the Board of Directors

Arafat Mushir
Company Secretary

Hub
October 01, 2024

Notes:

1. The Share Transfer Book of the Company shall remain closed from October 15, 2024 to October 24, 2024 (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 14, 2024 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.
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.

NOTICE OF ANNUAL GENERAL MEETING

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 representative 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, to ensure maximum participation, the Company has arranged to convene this AGM also through video link facility.

To attend the AGM through video link, members are requested to register their following particulars by sending an e-mail to our share Registrar at 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 23, 2024.

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 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

NOTICE OF ANNUAL GENERAL MEETING

want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.

10. Transmission of Annual Financial Statements through QR Enabled Code and Web link

SECP through SRO. 389 (1)/2023 dated March 21, 2023 has allowed listed companies to circulate the Annual Audited Financial Statements to their members through QR enabled code and web-link and the same has subsequently been approved by the Company's shareholders in the AGM. Hence, the annual audited financial statements for the year ended June 30, 2024 alongwith related reports are being circulated through following QR enabled code and weblink:

Weblink:

<https://bolancastings.com/PDF/AR2024.pdf>



QR Code

Additionally, the Company has also circulated its annual audited financial statements for the year ended June 30, 2024 alongwith related reports to its members through email, whose email addresses are available.

Further, the annual audited financial statements for the year ended June 30, 2024 along with related reports have been placed at the website of the Company www.bolancastings.com.

11. Mandatory submission of Information by Physical Shareholders

According to Section 119 of the Companies Act, 2017 and Regulation 39 of the Companies Regulations, 2024, 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.

12. 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 _____.

13. Postal Ballot

Pursuant to Companies (Postal Ballot) Regulations 2018, members will be allowed to exercise their right to vote through electronic voting facility and voting by post for the agenda items related to special business, in accordance with the requirements and procedure contained in the aforesaid regulations.

For the convenience of the shareholders, ballot paper is annexed and the same is also available on the Company's website at www.bolancastings.com for the purpose of being downloaded.

Procedure for E-Voting:

- Details of the e-voting facility will be shared through an e-mail with those shareholders of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business of October 14, 2024.
- The web address, login details, will be communicated to members via email. The security codes will be communicated to members through SMS from web portal of CDC Share Registrar Services Limited (being the e-voting service provider).
- Identity of the shareholders intending to cast vote through e-Voting shall be authenticated through electronic signature or authentication for login.
- E-Voting lines will start from October 19, 2024, 09:00 a.m. and shall close on October 23, 2024 at 5:00 p.m. Shareholders can cast their votes any time during this period. Once the vote on a resolution is casted, he / she shall not be allowed to change it, subsequently.

NOTICE OF ANNUAL GENERAL MEETING

Procedure for Voting Through Postal Ballot:

The shareholders shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC), should reach the Chairman of the Company through post on the Company's Registered Address Main RCD Highway, Hub Chowki, District Lasbela, Balochistan or email at voting@bcjpk.com one day before the AGM on October 23, 2024, during working hours. The signature on the ballot paper shall match the signature on the CNIC.

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, 2024, the Company carried out transactions with Group Company 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 four out of eight Directors were interested in these transactions due to their common directorship and holding of

shares in the Group Company, a valid quorum of directors could not be formed for approval of these transactions. Therefore, 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 had authorized the Chief Executive of the Company during the last Annual General Meeting 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, 2024 with Group Company 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 Company.

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:

| Name of Related Parties | Millat Tractors Limited | |
|---|--|--|
| Names of the interested or concerned persons or directors | Mr. Sikandar M. Khan Mr. Sohail Bashir Rana Mr. Laeeq Uddin Ansari Mr. S. M. Irfan Aqueel | |
| 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 | Shareholding of above-named directors and common directorship of Mr. Sikandar M. Khan, Mr. Sohail Bashir Rana and Mr. Laeeq Uddin Ansari also. | |
| Detail, description, terms and conditions of transactions | Sale of goods against confirmed orders | Purchase of goods against confirmed orders |
| Amount of Transactions (Rs.) | 3,306,006,507 | 528,812 |
| Time frame or duration of the transactions | From 01-07-2023 to 30-06-2024 | From 01-07-2023 to 30-06-2024 |
| Pricing Policy | At Mutually Agreed price | At Mutually Agreed price |

NOTICE OF ANNUAL GENERAL MEETING

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

The Company shall be carrying out transactions with the Group companies in the normal course of business during the financial year ending June 30, 2025. 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, the remaining directors may not 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 the 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 the Group companies during the financial year ending June 30, 2025.

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, out of which one is female director.

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

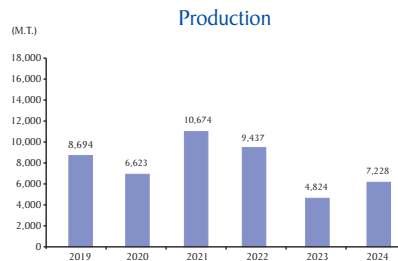
The Board of Directors is committed to assessing its performance both individually and collectively in order to identify its strengths and areas in which it may improve its functioning.

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 2024, 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.

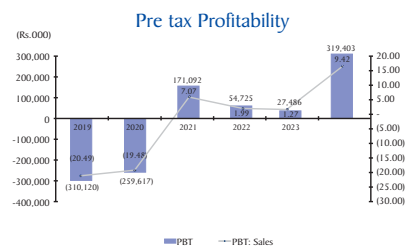
The Board reviewed the result of questionnaire and observed that no major issues arose from the evaluation process. Hence, the Directors concluded that the Board, its members and its committees operate effectively. Further, the Board also discussed the areas requiring improvements in order to perform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



Overall Economic and Industry Review

Pakistan's economy is transitioning through a stabilization phase with signs of moderate growth. The stabilization is marked by a reduction in external pressures and a gradual improvement in financial markets and fiscal health. Although inflation remains elevated, it is on a downward trajectory, and the country's GDP growth reached 2.38% in FY 2024. The agriculture sector, which saw a notable expansion of 6.25%, plays a pivotal role in this positive shift. Meanwhile, both the industrial and services sectors grew modestly by 1.21 percent. Additionally, the improved economic activity, coupled with a stable exchange rate, led to an increase in per capita income, which rose to US \$1,680 from US \$1,551 in the previous year.

During the outgoing fiscal year 2023-24, the tractor industry witnessed significant demand growth. As a major manufacturer of tractor parts for its parent company, your company has directly benefited from these industry trends by producing 7,227 tons of casting against 4,824 tons of the last year and sold 7,136 tons of casting against 5,386 tons of the last year.



The positive trends of tractor's demand has provided opportunities for growth. However, the situation is not without its challenges. The issue of withheld sales tax refunds has created liquidity problems within the tractor industry, impacting the cash flow and financial stability of companies like BCL.

Despite these economic and financial hurdles, we are optimistic about the future. Given the nation's reliance on mechanized farming, we anticipate improved conditions and continued demand for tractors in the coming periods. This, in turn, will positively impact BCL, allowing it to capitalize on increased demand and contribute further to the industry's recovery and performance.

I would like to thank the Board of Directors, shareholders, vendors, and the employees of the company for their dedication and hard-work.

In closing, I pray that we all remain safe in these challenging times and that, with Allah's grace, we overcome these challenges successfully.

Sikandar Mustafa Khan
Chairman

مالی سال 2024 کے دوران، بورڈ نے پورڈ، اس کے اراکین اور کمیٹیوں کی کارکردگی کا جائزہ لینے کا ایک رسمی اور منظم عمل انجام دیا۔ اس عمل میں ہر ڈائریکٹر کے ذریعے ایک خفیہ سوالنامے کو مکمل کر کے کارکردگی کا خود جائزہ لینا شامل ہے، جسکی باضابطہ طور پر بورڈ نے منظوری دی ہے۔

بورڈ نے سوالنامے کے نتیجے کا جائزہ لیا اور مشاہدہ کیا کہ تشخیص 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

پاکستان کی معیشت معتدل ترقی کے آثار کے ساتھ استحکام کے مرحلے سے گزر رہی ہے۔ استحکام بیرونی دباؤ میں کمی اور مالیاتی منڈیوں اور مالیاتی صحت میں بتدریج بہتری سے نشان زد ہے۔ اگرچہ افراط زر اب بھی بلند ہے، لیکن یہ نیچے کی طرف گامزن ہے، اور مالی سال 2024 میں ملک کی جی ڈی پی کی شرح نمو 2.38 فیصد تک پہنچ گئی۔ زراعت کا شعبہ، جس میں 6.25 فیصد کی قابل ذکر توسیع دیکھی گئی، اس مثبت تبدیلی میں اہم کردار ادا کرتا ہے۔ دریں اثنا، صنعتی اور خدمات دونوں شعبوں میں 1.21 فیصد معمولی اضافہ ہوا۔ مزید برآں، مستحکم شرح مبادلہ کے ساتھ بہتر معاشی سرگرمیاں فی کس آمدنی میں اضافے کا باعث بنی، جو پچھلے سال 1,551 امریکی ڈالر سے بڑھ کر 1,680 امریکی ڈالر تک پہنچ گئی۔

سبکدوش ہونے والے مالی سال 2023-24 کے دوران، ٹریکٹر کی صنعت نے مانگ میں نمایاں اضافہ دیکھا۔ اپنی بنیادی کمپنی کے لیے ٹریکٹر کے پرزہ جات بنانے والی ایک بڑی کمپنی کے طور پر، آپ کی کمپنی نے گزشتہ سال کے 4,824 ٹن کے مقابلے میں 7,227 ٹن کا سٹنگ تیار کر کے صنعت کے ان رجحانات سے براہ راست فائدہ اٹھایا ہے اور گزشتہ سال کے 5,386 ٹن کے مقابلے میں 7,136 ٹن کا سٹنگ فروخت کی ہے۔

ٹریکٹر کی مانگ کے مثبت رجحانات نے ترقی کے مواقع فراہم کیے ہیں۔ تاہم، صورت حال اس کے چیلنجوں کے بغیر نہیں ہے۔ روکے گئے سیلز ٹیکس ریفرنڈمز کے مسئلے نے ٹریکٹر انڈسٹری میں لیکویڈیٹی کے مسائل پیدا کر دیے ہیں، جس سے کیش فلوا اور BCL جیسی کمپنیوں کے مالی استحکام پر اثر پڑا ہے۔

ان معاشی اور مالی رکاوٹوں کے باوجود ہم مستقبل کے بارے میں پر امید ہیں۔ مشینی کاشتکاری پر ملک کے انحصار کو دیکھتے ہوئے، ہم آنے والے ادوار میں بہتر حالات اور ٹریکٹرز کی مسلسل مانگ کی توقع کرتے ہیں۔ یہ بدلے میں BCL پر مثبت اثر ڈالے گا جس سے وہ بڑھتی ہوئی طلب سے فائدہ اٹھا سکے گا اور صنعت کی بحالی اور کارکردگی میں مزید تعاون کر سکے گا۔

میں بورڈ آف ڈائریکٹرز، شیئر ہولڈرز، وینڈرز اور کمپنی کے ملازمین کا ان کی لگن اور محنت کے لیے شکریہ ادا کرنا چاہوں گا۔

آخر میں، میں دعا کرتا ہوں کہ ہم سب اس مشکل وقت میں محفوظ رہیں اور اللہ کے فضل سے، ہم کامیابی کے ساتھ ان چیلنجوں پر قابو پالیں۔

سکندر
سکندر مصطفیٰ خان
چیئر مین

چیزمین 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 منوثر کردار ادا کیا۔

بورڈ اور اسکی افادیت

بورڈ آف ڈائریکٹرز نے اپنی زیر قیادت ایک اچھی اور منوثر 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 جن میں سے ایک خاتون ڈائریکٹر ہیں۔

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 منوثر اختیارات کو استعمال کرتے ہوئے خطرے کو فعال کرنے کی تشخیص اور اس کو منظم 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 منوثر نگرانی اور قیادت کیلئے بورڈ نے مخصوص ذمہ داریوں کے ساتھ مندرجہ ذیل تین کمیٹیاں تشکیل دی ہیں ان کمیٹیوں کی شرائط بورڈ نے واضح طور پر بیان کی ہیں:-

- آڈٹ کمیٹی
- انسانی وسائل اور معاوضے کی کمیٹی (HR&R)
- 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 دیا 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 منوثر انداز میں اپنی ذمہ داریاں ادا کرتے ہیں؛
- اس بات کی تشخیص 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 وابستگی 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؛

DIRECTORS' REPORT



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 | (364,909) |
| Profit after taxation for the year ended June 30, 2024 | 118,667 |
| Other comprehensive loss | (1,466) |
| Accumulated loss carried forward | (247,708) |

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

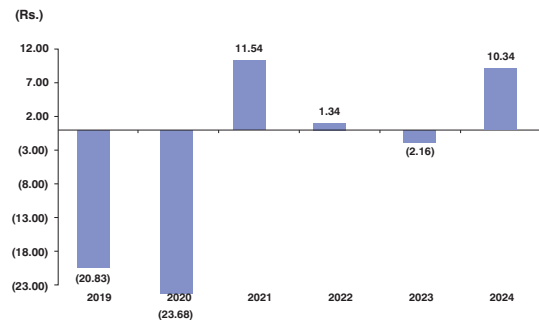
Dividends & Appropriations

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.

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, 2024.

Earnings Per Share



DIRECTORS' REPORT

Earnings per Share

The profit per share for the year ended June 30, 2024 were Rs. 10.34 as against loss per shares of Rs. 2.16 per share of preceding year.

Business Review

An increase in production and sales volume has been observed in the fiscal year 2024. 7,227 tons of casting were produced during the year against 4,824 tons in the last year with 49.81% increase, while 7,136 tons of casting were sold against 5,386 tons in the last year with 32.49% increase.

Geopolitical tensions have emerged as the predominant risk to the global economic landscape. Presently, conflicts in Eastern Europe and the Middle East, pose immense challenges. However, Pakistan economy has witnessed a moderate recovery in the fiscal year 2024 with GDP growth of 2.38 percent. Agriculture emerged as a main driver of economic growth, registering a growth of 6.25 percent despite challenges of fiscal consolidation, monetary tightening, geopolitical tensions, political challenges and persistently high inflationary pressure.

During the fiscal year 2024, the tractor industry was also on boom with 54.72 percent higher tractors production in the country. Thus, Tractors and its allied industry showed a remarkable progress. Your company has also performed well and earned a record profit in the fiscal year 2024. The sales revenue of your company increased to Rs. 3,390.175 million from Rs. 2,164.908 million by 56.60% while the cost of production decreased significantly. This was attributed to the untiring efforts of the BCL management and its workforce, who implemented various cost-cutting measures such as the usage of local raw material in place of imported materials together with enhancing capacity utilization.

Company's Performance

The sales revenues of the Company for the year under review amounted to Rs. 3,390.175 million against Rs. 2,164.908 million of last

year. The gross profit was Rs. 580.239 million against gross profit of Rs. 206.946 million of last year. The selling, distribution and administrative expenses were Rs. 190.295 million against Rs. 114.747 million of last year. The financial cost was Rs. 65.606 million against Rs. 79.133 million of last year. In the financial year under review, the profit before tax was Rs. 319.403 million against profit before tax of Rs. 27.486 million of last year. The profit after tax was Rs. 118.667 million against loss after tax of Rs. 24.725 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 2024-25, 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 can reduce operational risks.

However, the Company, being reliant on imports of some 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.

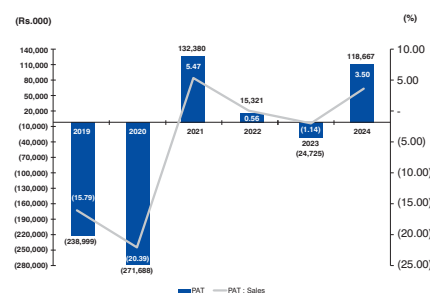
Currently, the infrastructure risk has emerged by the catastrophic situation due to the abnormal heavy monsoon rains and flooding situation resulted in damage of roads network, collapse of bridges and halt of transportation system all over the country particularly in the province of Baluchistan and there 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

Economic activities are gradually improving, inflation is trending downward and the external sector is also stabilizing. Moving forward, the economy is expected to have favorable external and domestic economic prospects. The positive spillover effects are observed on industries and services sectors. The current positive IMF deal may further bring ease to the overall economy as well as for the tractor and its allied industries including Bolan Castings Limited.

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.

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.

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.

DIRECTORS' REPORT

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. 649.214 million to the national exchequer during the year by way of taxes and duties. This includes Rs. 63.833 million as income tax, Rs. 578.349 million as sales tax and Rs. 7.032 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

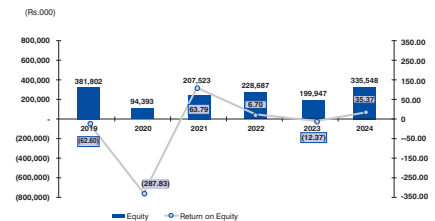
BCL is deeply aware of the significance of corporate governance in achieving effective checks and balance and protecting the interest of all shareholders and is dedicated to pursuing sustained optimization of corporate governance. The Company regards the building of sound corporate governance as an important 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, 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.

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

Shareholder's Equity & Return on Equity



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.

During the last Annual General Meeting dated October 28, 2023, the seven Directors were elected unopposed as Directors of the Company for the next term of three years ending October 2026. After election of Board of Directors, the Directors in their meeting re-elected Mr. Sikandar M. Khan as Chairman of the Board of Directors for the next term of three years. Further, the Board reappointed Mr. Mujtaba Ahmad as Chief Executive Officer of the Company with effect from October 28, 2023 for next term of three years.

As a result of Election, Mr. Syed Muhammad Irfan Aqueel elected to the Board as new director, while Mr. Qaiser Saleem retired from the Board on expiry of three years' term of office of director.

The Board of Directors wishes to place on record its appreciation on the most commendable services rendered by Mr. Qaiser Saleem during their tenure as Director. The Board of Directors also welcomed Mr. Syed Muhammad Irfan Aqueel as new director and expected a positive contribution towards the success of the Company from them.

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

DIRECTORS' REPORT

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. Syed Muhammad Irfan Aqueel |
| 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 five times during the financial year 2023-24. 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 including the Chief Executive Officer of the Company have either acquired the directors training program certification or meet the exemption criteria as contained in 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 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.

DIRECTORS' REPORT

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, Syed Muhammad Irfan Aqueel 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 2023-24, 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, Syed Muhammad Irfan Aqueel 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 meeting 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, Mr. Laeeq Uddin Ansari and Syed Muhammad Irfan Aqueel.

The BCS is responsible for monitoring the activities and strategy regarding technical, financial and administrative aspects of the Company. The Committee also reviews the performance of each department and ensures active co-ordination, co-operation and communication between all departments of the Company. 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 nine times.

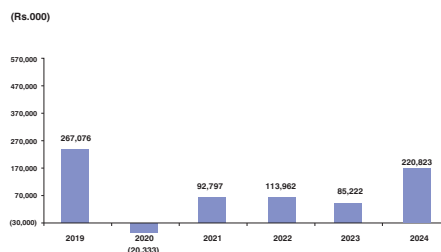
Remuneration Policy of Non-Executive Directors

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.
- Reimbursement of actual expenses incurred.

Reserves



DIRECTORS' REPORT

Aggregate Directors' Remuneration

Details of the directors' remuneration are as follows:

| | Chief Executive | Executive Directors | Independent & Non-Executive Directors |
|--|-----------------|---------------------|---------------------------------------|
| ----- (Rupees in thousand) ----- | | | |
| Managerial remuneration and allowances | 4,638 | - | - |
| Bonus | 2,641 | - | - |
| Retirement benefits | - | 437 | - |
| House rent | 1,968 | - | - |
| Utilities | 3,638 | - | - |
| Medical expenses | 10,202 | - | - |
| Fees | - | - | 1,775 |
| Others | 435 | - | - |
| | <u>23,959</u> | <u>-</u> | <u>1,775</u> |
| Number of person | 1 | - | 4* |

* Included the Director Mr. Qaiser Saleem who had retired from the Board on October 28, 2023 on expiry of three years' term of office of director.

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 2024-2025 subject to change in engagement partner, at a fee of (a) Rs. 1,575,000/- for Annual Audit, (b) Rs. 315,000/- for Half Yearly Limited Scope Review and (c) 105,000/- 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), 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.

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:

- a) 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.

- b) Proper books of accounts of the Company have been maintained.
- c) 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.
- d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- e) The system of internal controls is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts upon the Company's ability to continue as a going concern.
- g) 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 Benefits Funds
The values of investments of Provident Funds and Gratuity Fund based on their un-audited accounts as on June 30, 2024 (audit in progress) are as follows:

| | |
|-----------------|--------------------|
| Provident Funds | Rs. 68.600 million |
| Gratuity Fund | Rs. 27.280 million |

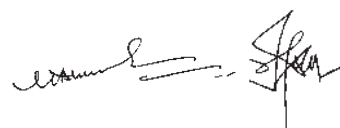
Pattern of Shareholdings

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 August 30, 2024 approved the Directors' Report and authorized Mr. Syed Muhammad Irfan Aqueel, Director and Mr. Mujtaba Ahmad, Chief Executive Officer of the Company to sign the report on its behalf.

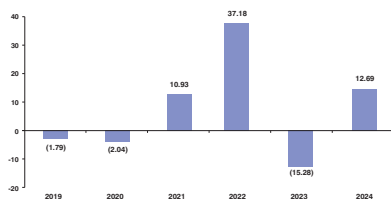
On Behalf of the Board



Mujtaba Ahmad
Chief Executive

Syed Muhammad Irfan Aqueel
Director

Price Earning Ratio



- (f) کمپنی کی چلتے ہوئے ادارے کی صلاحیت میں کوئی قابل ذکر شک وشبہ 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 فنڈز اور گریجویٹ فنڈز سے کی گئی سرمایہ کاریوں کی مالیت ان کے غیر آڈٹ شدہ مالیاتی گوشواروں برائے 30 جون 2024 (آڈٹ جاری ہے) کے مطابق درج ذیل ہیں۔

| | |
|---------------|------------------|
| پروویڈنٹ فنڈز | 68.600 ملین روپے |
| گریجویٹ فنڈز | 27.280 ملین روپے |


حصص داری کی ساخت

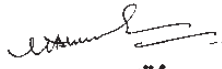
حصص داری کی ساخت درجہ وار تفصیلات کے ساتھ اس رپورٹ میں شامل ہے۔

منظوری اور اجازت نامہ

کمپنی کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس مورخہ 30 اگست 2024 میں ڈائریکٹرز رپورٹ کی منظوری دے دی ہے اور ڈائریکٹر جناب سید محمد عرفان عقیل اور چیف ایگزیکٹو آفیسر جناب محبتی احمد کو مجاز بنایا گیا ہے کہ وہ اس کی جانب سے رپورٹ پر دستخط کریں۔

منجانب بورڈ


سید محمد عرفان عقیل
ڈائریکٹر


محبتی احمد
چیف ایگزیکٹو

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 لسٹنگ 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) 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 سہ ماہی مالیاتی گوشوارے بھی اشاعت کے بعد ویب سائٹ پر موجود ہیں۔

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

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:

- 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۔
- کمپنی میں حسابات کی کتابیں درست انداز میں تیار کی گئی ہیں۔
- 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 نوٹس میں منکشف کیا گیا ہے اور حساباتی تخمینوں کی بنیاد معقول اور مضبوط فیصلوں پر ہے۔
- 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۔
- اندرونی گرفت کے نظام کی شکل مضبوط ہے اور موثر انداز میں نافذ العمل ہے اور اس کی نگرانی کی جاتی 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 منسلک 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 بلاواسطہ 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۔

بیرونی آڈٹ

موجودہ آڈیٹرز میسرز اے ایف فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس 30 ریٹائر ہو رہے ہیں اور اہل ہونے کی وجہ سے انہوں نے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔

آڈٹ کمیٹی کے مشورے کے مطابق بورڈ آف ڈائریکٹرز نے مالیاتی سال 2024-25 کے لیے میسرز اے ایف فرگوسن اینڈ کو چارٹرڈ اکاؤنٹنٹس کو بطور آڈیٹرز کی دوبارہ تقرری کی سفارش مشغولیت پارٹنر میں تبدیلی سے مشروط کرتے ہیں۔ (الف) 1,575,000 روپے سالانہ آڈٹ کے لیے، (ب) 315,000 روپے نصف سالانہ محدود دائرہ کار جائزہ کے لیے، (ت) 105,000 روپے تعمیل کے بیان پر رپورٹنگ لسٹڈ 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 سائٹ بورڈ آف پاکستان سے رجسٹرڈ ہیں۔ مزید انہوں نے تصدیق کی ہے کہ وہ کمپنی

ڈائریکٹران کا مجموعی معاوضہ

| آزاد/نان ایگزیکٹو ڈائریکٹران | ایگزیکٹو ڈائریکٹران | چیف ایگزیکٹو | |
|---------------------------------|---------------------|--------------|----------------------------|
| روپے ”ہزاروں“ میں | | | |
| - | - | 4,683 | انتظامی معاوضہ اور الائنسز |
| - | - | 2,641 | یونس |
| - | - | 437 | ریٹائرمنٹ کے فوائد |
| - | - | 1,968 | گھر کا کرایہ |
| - | - | 3,638 | بنیادی سہولیات کے بل |
| - | - | 10,202 | طبی اخراجات |
| 1,775 | - | - | فیس |
| - | - | 435 | دیگر |
| 1,775 | - | 23,959 | |
| *4 | - | 1 | افراد کی تعداد |

* اس میں ڈائریکٹر مسٹر قیصر سلیم بھی شامل ہیں جو 28 اکتوبر 2023 کو ڈائریکٹر کے عہدے کی تین سال کی میعاد ختم ہونے پر بورڈ سے ریٹائر ہوئے تھے۔

احتساب 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 پذیر کو یقینی بنانا ہے۔

کمپنی سال میں اندرونی اور بیرونی آڈیٹرز سے علیحدہ علیحدہ مینٹنگ 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 2023-24 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 سیکریٹری 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) چار نان ایگزیکٹو ڈائریکٹران پر مشتمل ہے جن میں دو آڈیٹرز بھی شامل ہیں اور کمیٹی کی چیئر پرسن ایک آڈیٹرز کیٹریگوریز میں تیسرے نمبر پر ہیں جبکہ کمیٹی کے دیگر ممبران میں جناب سہیل بشیر رانا، جناب سید محمد عرفان عقیل 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 کمپنی سیکریٹری 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 سیکریٹری مناسب انداز میں درج کرتا ہے اور اجلاس کی کارروائی تمام ممبران اور ڈائریکٹران کو تقسیم کی جاتی ہے۔

بورڈ کی نگرانی کمیٹی (BCS)

بورڈ کی نگرانی کمیٹی (BCS) کی چیئر مین جناب سکندر ایم خان ہیں۔ دیگر ممبران میں جناب سہیل بشیر رانا، جناب لیتھ الدین انصاری اور جناب سید محمد عرفان عقیل 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 نو اجلاس منعقد ہوئے۔

نان ایگزیکٹو ڈائریکٹران کے معاوضہ کی پالیسی

بورڈ آف ڈائریکٹرز نے نان ایگزیکٹو ڈائریکٹران بشمول آڈیٹرز کیٹریگوریز کے لئے معاوضہ کی پالیسی کو اختیار کیا۔ معاوضہ کی پالیسی کو اس ترتیب سے بنایا 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 آڈیٹرز کیٹریگوریز 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 باز ادائیگی۔

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 تفصیلی 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 تربیتی پروگرام کا سرٹیفکیٹ حاصل کر چکے ہیں یا وہ مستثنیٰ معیار کو پورا کرتے ہیں جیسا کہ قواعد و ضوابط میں موجود ہے۔ 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 کاروائی 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 پلار کاؤٹ چلتے رہیں۔

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 سید محمد عرفان عقیل 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 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۔

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 کا پوربیٹ 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 لیتے 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؛
- 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 2023-24 میں بورڈ کے پانچ اجلاس ہوئے۔ ان اجلاسوں کی صدارت بورڈ کے چیئر مین نے کی۔ ان اجلاسوں میں چیف فنانسئل آفیسر اور کمپنی سیکریٹری بھی شرکت کرتے ہیں۔

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 فلوقت سات منتخب ڈائریکٹران اور چیف ایگزیکٹو آفیسر پر مشتمل ہے۔

28 اکتوبر 2023 کو ہونے والی آخری سالانہ جنرل میٹنگ کے دوران، سات ڈائریکٹرز کو اکتوبر 2026 کو ختم ہونے والی تین سال کی اگلی مدت کے لیے بلا مقابلہ کمپنی کے ڈائریکٹرز کے طور پر منتخب کیا گیا۔ بورڈ آف ڈائریکٹرز کے بعد، ڈائریکٹرز نے اپنے اجلاس میں جناب سکندر ایم خان کو آئندہ تین سال کے لیے دوبارہ بورڈ آف ڈائریکٹرز کا چیئر مین منتخب کیا۔ مزید برآں، بورڈ نے جناب مجتبیٰ احمد کو کمپنی کے چیف ایگزیکٹو آفیسر کے طور پر 28 اکتوبر 2023 سے تین سال کی اگلی مدت کے لیے دوبارہ تعینات کیا۔

انکیشن کے نتیجے میں، جناب سید محمد عرفان عقیل بورڈ کے نئے ڈائریکٹر منتخب ہوئے، جب کہ جناب قیصر سلیم ڈائریکٹر کے عہدے کی تین سال کی میعاد ختم ہونے پر بورڈ سے ریٹائر ہو گئے۔

بورڈ آف ڈائریکٹرز جناب قیصر سلیم کی بطور ڈائریکٹران کے دور میں کی گئی انتہائی قابل تحسین خدمات پر اپنی تعریف ریکارڈ پر رکھنا چاہتا ہے۔ بورڈ آف ڈائریکٹرز نے جناب سید محمد عرفان عقیل کو بطور نئے ڈائریکٹر خوش آمدید کہا اور ان سے کمپنی کی کامیابی کے لیے مثبت تعاون کی توقع کی۔ ہماری کمپنی کا بورڈ آف ڈائریکٹرز درج ذیل پر مشتمل ہیں:

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 لیتق الدین انصاری جناب سید محمد عرفان عقیل |
| ایگزیکٹو ڈائریکٹران | جناب مجتبیٰ احمد (CEO) |
| خواتین ڈائریکٹران | محترمہ تبسم رعنا |

کاروباری اخلاقیات اور انسداد بدعنوانی 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 یورڈ 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 649.214 ملین روپے کی قومی خزانے میں معاونت کی۔ جس میں 63.833 ملین روپے آٹم ٹیکس کی مد میں، 578.349 ملین روپے سیلز ٹیکس کی مد میں اور کسٹم، ریگولیٹری اور اضافی ڈیوٹیوں کی مد میں 7.032 ملین روپے جمع کرائے گئے۔ مزید برآں کمپنی نے ایک بھاری رقم قومی خزانے میں ود ہولڈنگ ٹیکس کی مد میں بھی جمع کرائی۔

ادارتی نظم و ضبط

ادارتی نظم و ضبط کے ضابطے 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 یافتہ 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 کوششوں 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 دارانہ، ایماندارانہ، 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 کئی 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۔

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 کوالٹی مینجمنٹ سسٹم نے کی ہے۔ BCL پلانٹ پر آگ سے بچاؤ کے موثر نظام، آتش گیر مادوں کے لئے کٹشادہ ہوا اور سورج کی روشنی سے بلا واسطہ بچاؤ کو یقینی بنایا جاتا ہے۔ باقاعدگی سے اور حقیقی صورتحال میں تحفظانی 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۔

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۔

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 کیٹینین میں کھانے پر سبسڈی 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 کہ 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 سکیں تو ان کے بچے کو ملازمت فراہم کی جاتی ہے۔

مستقبل کے امکانات

معاشی سرگرمیاں تدریجاً بہتر ہو رہی ہیں، مہنگائی نیچے کی طرف جا رہی ہے اور بیرونی شعبہ بھی مستحکم ہو رہا ہے۔ آگے بڑھتے ہوئے، معیشت کے لیے سازگار بیرونی اور اندرونی اقتصادی امکانات کی توقع ہے۔ اس کے مثبت اثرات صنعتوں اور خدمات کے شعبوں پر دیکھے جا رہے ہیں۔ موجودہ مثبت آئی ایم ایف ڈیل مجموعی معیشت کے ساتھ ساتھ ٹریڈ اور اس سے منسلک صنعتوں بشمول بولان کاسٹنگ لمیٹڈ کے لیے مزید آسانی پیدا کر سکتی ہے۔

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 وسیعی 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 سرگرمیوں 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 پیشقدمیوں کی حوصلہ افزائی کرتے ہیں جو کہ ماحول کو فائدہ پہنچائیں۔ ہمارے آپریشنز میں ماحولیات 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 ترسیل ٹینک
- کور پلانٹ کے فضائی اخراج کے لئے اسکربرز
- دھول مٹی کے اخراج میں کمی کیلئے فلٹر بیگ
- شاٹ بلاسٹنگ اور سینڈ پلانٹ کے لئے بند کیمبن، اور
- گندے پانی کے استعمال کے ذریعے فیکٹری میں زیادہ سے زیادہ شجر کاری

کاروباری خطرہ

موجودہ معاشی سماجی صورتحال کو مد نظر رکھتے ہوئے اگر مالیاتی سال 2024-25 کے سالانہ بجٹ کے بعد زراعت اور آٹو سیکٹر سے متعلقہ سرکاری پالیسیوں میں کوئی بڑی تبدیلیاں رونما نہ ہوں تو توقع ہے کہ ٹریڈرز اور آٹو موٹائل کی کم طلب کے علاوہ کمپنی کو ایسے کسی خطرات کا سامنا نہیں ہوگا جس سے کمپنی کی فروخت اور منافع کاری پر بے 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 ہوں گے۔ ہنگامی منصوبہ بندی ہماری ترجیح ہے اور لہذا مناسب اقدامات کے ساتھ درست منصوبہ بندی کی جائے گی تاکہ مالیاتی کارکردگی پر مکتہ 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 گری بذریعہ خطرات کے انتظام کی حکمت عملی کے ذریعے کی جاتی ہے 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 ذریعے کافی مقدار میں نقد اور رقومات کی فراہمی کی جاتی ہے۔ کمپنی اس خطرہ کا مقابلہ نقد کے موثر انتظام اور دستیاب قرضہ جاتی سہولیات کے ذریعے پورا کرتی ہے۔

کاروباری جائزہ

مالی سال 2024 میں پیداوار اور فروخت کے حجم میں اضافہ دیکھا گیا ہے۔ سال کے دوران 7,227 ٹن کا سٹنگ تیار کی گئی جو گزشتہ سال 4,824 ٹن تھی جس میں 49.81 فیصد اضافہ ہوا، جبکہ 7,136 ٹن کا سٹنگ فروخت ہوئی جو گزشتہ سال 5,386 ٹن تھی 32.49 فیصد اضافے کے ساتھ۔

جغرافیائی سیاسی تناؤ عالمی اقتصادی منظر نامے کے لیے ایک اہم خطرہ بن کر ابھرا ہے۔ اس وقت مشرقی یورپ اور مشرق وسطیٰ میں تنازعات بہت بڑے چیلنجز کا باعث ہیں۔ تاہم، پاکستان کی معیشت نے مالی سال 2024 میں جی ڈی پی کی شرح نمو 2.38 فیصد کے ساتھ اعتدال پسند بحالی کا مشاہدہ کیا ہے۔ زراعت معاشی ترقی کے ایک اہم محرک کے طور پر ابھری، جس نے مالیاتی استحکام، مالیاتی سختی، جغرافیائی سیاسی تناؤ، سیاسی چیلنجوں اور مسلسل بلند افراط زر کے دباؤ کے باوجود 6.25 فیصد کی ترقی کی۔

مالی سال 2024 کے دوران ملک میں 54.72 فیصد زیادہ ٹریکٹروں کی پیداوار کے ساتھ ٹریکٹر انڈسٹری بھی عروج پر رہی۔ اس طرح، ٹریکٹرز اور اس سے منسلک صنعت نے قابل ذکر ترقی دکھائی۔ آپ کی کمپنی نے بھی اچھی کارکردگی کا مظاہرہ کیا اور مالی سال 2024 میں ریکارڈ منافع کمایا۔ آپ کی کمپنی کی سیلز ریویو نیو 2,164.908 ملین روپے سے بڑھ کر 3,390.175 ملین روپے ہو گئی 56.60 فیصد کی شرح سے جبکہ پیداواری لاگت میں نمایاں کمی واقع ہوئی۔ یہ بی سی ایل انتظامیہ اور اس کی افرادی قوت کی انتھک کوششوں سے منسوب ہے، جنہوں نے لاگت میں کمی کے مختلف اقدامات جیسے درآمدی مواد کی جگہ مقامی خام مال کا استعمال اور استعداد کار میں اضافہ کیا۔

کمپنی کی کارکردگی

زیر جائزہ سال کے لیے کمپنی کی فروخت کی آمدنی گزشتہ سال کے 2,164.908 ملین روپے کے مقابلے میں 3,390.175 ملین روپے رہی۔ مجموعی منافع 580.239 ملین روپے رہا پچھلے سال کے 206.946 ملین روپے کے مجموعی منافع کے خلاف۔ فروخت، تقسیم اور انتظامی اخراجات 190.295 ملین روپے رہے گزشتہ سال کے 114.747 ملین روپے کے مقابلے میں۔ مالی لاگت 65.606 ملین روپے رہی گزشتہ سال کے 79.133 ملین روپے کے مقابلے میں۔ زیر نظر مالی سال میں ٹیکس سے پہلے کا منافع روپے 319.403 ملین رہا گزشتہ سال کے 27.486 ملین روپے کا ٹیکس قبل منافع کے مقابلے میں۔ بعد از ٹیکس منافع 118.667 ملین روپے رہا پچھلے سال کے 24.725 ملین روپے ٹیکس کے بعد نقصان کے خلاف۔

بنیادی خطرات اور غیر یقینی صورتحال

خطرات کا منوثر 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 بند یوں 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 2024 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 لمیٹڈ کمپنی ہوئی اور یہ پاکستان اسٹاک ایکسچینج میں لسٹڈ ہے۔ اس کی بنیادی کاروباری سرگرمی ٹریکٹروں اور گاڑیوں کے پرزوں کی ڈھلائی ہے۔

مالیاتی نتائج

جائزہ سال کے مالیاتی نتائج درج ذیل ہیں:

| (Rs. 000) | |
|-----------|--|
| (364,909) | جمع شدہ خسارہ پیچھے سے لایا گیا |
| 118,667 | منافع بعد از ٹیکس برائے سال ختمہ 30 جون 2024 |
| (1,466) | دیگر جامع خسارہ |
| (247,708) | 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 اور اختصا ص

جمع شدہ نقصانات اور کمپنی کے نقد بہاؤ کی منفی پوزیشن کے پیش نظر، بورڈ آف ڈائریکٹرز نے کسی قسم کی تخصیص کی تجویز نہ کرنے کا فیصلہ کیا ہے۔

فی حصص آمدن

سال ختمہ 30 جون 2024 میں فی حصص منافع 10.34 روپے رہا جبکہ گزشتہ سال فی حصص خسارہ 2.16 روپے تھا۔

STATEMENT OF VALUE ADDED AND ITS DISTRIBUTION

FOR THE YEAR ENDED JUNE 30, 2024

| PARTICULARS | 2024 | | 2023 | |
|---|------------------|------------|----------------|------------|
| | Rs. 000 | % | Rs. 000 | % |
| VALUE ADDITION | | | | |
| Revenue Generated | 3,968,524 | | 2,569,941 | |
| Bought-In Material and Services | (2,751,164) | | (1,895,485) | |
| Other Income | 19,219 | | 16,664 | |
| | <u>1,236,579</u> | | <u>691,119</u> | |
| DISTRIBUTION TO: | | | | |
| Employees | | | | |
| Salaries, Wages and benefits | 229,969 | 18.60 | 156,989 | 22.72 |
| Workers' Profit Participation Fund | 17,178 | 1.39 | 1,490 | 0.22 |
| | 247,147 | 19.99 | 158,479 | 22.93 |
| Government | | | | |
| Income Tax | 200,736 | 16.23 | 52,211 | 7.55 |
| Sales Tax | 578,349 | 46.77 | 405,033 | 58.61 |
| Workers' Welfare Fund | 6,975 | 0.56 | 753 | 0.11 |
| | 786,061 | 63.57 | 457,997 | 66.27 |
| Shareholders & Fund Providers | | | | |
| Financial Charges | 65,606 | 5.31 | 79,133 | 11.45 |
| Retained in Business / (Utilized in Operations) | 137,765 | 11.14 | (4,490) | (0.65) |
| | <u>1,236,579</u> | <u>100</u> | <u>691,119</u> | <u>100</u> |

VERTICAL ANALYSIS

| | 2024 (Rs. 000) | % | 2023 (Rs. 000) | % |
|--|-------------------|-------|-------------------|--------|
| Operating results | | | | |
| Revenue from contracts with customers | 3,390,175 | 100.0 | 2,164,908 | 100.0 |
| Cost of Sales | 2,809,936 | 82.9 | 1,957,962 | 90.4 |
| Administrative & Distribution Expenses | 190,295 | 5.6 | 114,747 | 5.3 |
| Other Expenses | 24,153 | 0.7 | 2,243 | 0.1 |
| Investment Income | 10,987 | 0.3 | 4,155 | 0.2 |
| Other income | 8,232 | 0.2 | 12,509 | 0.6 |
| Finance Cost | 65,606 | 1.9 | 79,133 | 3.7 |
| Income Tax Expense | (200,736) | (5.9) | (52,211) | (2.4) |
| Profit / (Loss) for the year | 118,667 | 3.5 | (24,725) | (1.1) |
| Statement of Financial Position | | | | |
| Property, Plant and Equipment | 159,519 | 16.1 | 170,928 | 18.4 |
| Long-Term Investments | 37,375 | 3.8 | 18,975 | 2.0 |
| Other Non-Current Assets | 22,658 | 2.3 | 98,497 | 10.6 |
| Current Assets | 768,392 | 77.8 | 641,121 | 69.0 |
| Total Assets | 987,944 | 100.0 | 929,521 | 100.0 |
| Total Share Holder's Equity | 335,548 | 34.0 | 199,947 | 21.5 |
| Long-Term Deposits | 2,060 | 0.2 | 1,581 | 0.2 |
| Long-Term Financing | 65,000 | 6.6 | - | - |
| Deferred income - Government Grant | - | - | - | - |
| Employee Benefits Plan Obligations | 21,867 | 2.2 | 26,981 | 2.9 |
| Short-Term Financing | 96,026 | 9.7 | 355,590 | 38.3 |
| Trade and Other Payables | 394,199 | 39.9 | 322,540 | 34.7 |
| Other Current Liabilities | 73,244 | 7.4 | 22,882 | 2.5 |
| Total Liabilities | 652,396 | 66.0 | 729,574 | 78.5 |
| Total Equity and Liabilities | 987,944 | 100.0 | 929,521 | 100.0 |
| Cash Flow | | | | |
| Cash Generated / (Used In) from Operations | 291,739 | 105.4 | 223,607 | 308.0 |
| Cash Generated / (Used in) from Operating Activities | 147,563 | 53.3 | 99,064 | 136.4 |
| Cash Generated / (Used in) from Investing Activities | 4,328 | 1.6 | 2,235 | 3.1 |
| Cash Generated / (Used in) from Financing Activities | 124,996 | 45.1 | (28,693) | (39.5) |
| Net Increase / (Decrease) in Cash and Cash Equivalents | 276,887 | 100.0 | 72,605 | 100.0 |

VERTICAL ANALYSIS

| 2022 (Rs. 000) | % | 2021 (Rs. 000) | % | 2020 (Rs. 000) | % | 2019 (Rs. 000) | % |
|-------------------|---------|-------------------|-------|-------------------|--------|-------------------|--------|
| 2,750,181 | 100.0 | 2,418,800 | 100.0 | 1,332,568 | 100.0 | 1,513,636 | 100.0 |
| 2,534,973 | 92.2 | 2,115,499 | 87.5 | 1,420,700 | 106.6 | 1,663,413 | 109.9 |
| 130,699 | 4.8 | 150,868 | 6.2 | 103,523 | 7.8 | 125,794 | 8.3 |
| 4,161 | 0.2 | 13,253 | 0.5 | - | - | - | - |
| 3,501 | 0.1 | 885 | 0.04 | 1,457 | 0.1 | 1,574 | 0.1 |
| 22,588 | 0.8 | 83,849 | 3.5 | 8,911 | 0.7 | 15,135 | 1.0 |
| 51,712 | 1.9 | 52,822 | 2.2 | 78,330 | 5.9 | 51,258 | 3.4 |
| (39,403) | (1.4) | (38,712) | (1.6) | (12,071) | (0.9) | 71,121 | 4.7 |
| 15,321 | 0.6 | 132,380 | 5.5 | (271,688) | (20.4) | (238,999) | (15.8) |
| 187,096 | 16.3 | 206,739 | 20.4 | 228,901 | 24.5 | 259,216 | 21.9 |
| 21,850 | 1.9 | 22,710 | 2.2 | 17,460 | 1.9 | 17,581 | 1.5 |
| 118,880 | 10.4 | 113,821 | 11.3 | 125,733 | 13.5 | 97,056 | 8.2 |
| 820,122 | 71.4 | 668,321 | 66.1 | 561,021 | 60.1 | 808,414 | 68.4 |
| 1,147,947 | 100.0 | 1,011,591 | 100.0 | 933,114 | 100.0 | 1,182,266 | 100.0 |
| 228,687 | 19.9 | 207,523 | 20.5 | 94,393 | 10.1 | 381,802 | 32.3 |
| 2,851 | 0.2 | 3,708 | 0.4 | 5,232 | 0.6 | 5,616 | 0.5 |
| - | - | 24,904 | 2.5 | 17,889 | 1.9 | - | - |
| - | - | 560 | 0.1 | 1,328 | 0.1 | - | - |
| 26,004 | 2.3 | 34,817 | 3.4 | 89,959 | 9.6 | 49,618 | 4.2 |
| 479,835 | 41.8 | 402,460 | 39.8 | 493,845 | 52.9 | 607,845 | 51.4 |
| 378,180 | 32.9 | 294,550 | 29.1 | 220,514 | 23.6 | 133,449 | 11.3 |
| 32,390 | 2.8 | 43,070 | 4.3 | 9,956 | 1.1 | 3,936 | 0.3 |
| 919,259 | 80.1 | 804,068 | 79.5 | 838,721 | 89.9 | 800,465 | 67.7 |
| 1,147,947 | 100.0 | 1,011,591 | 100.0 | 933,114 | 100.0 | 1,182,266 | 100.0 |
| 77,606 | (142.5) | 35,729 | 24.9 | 195,845 | 182.0 | (196,147) | 50.6 |
| (15,914) | 29.2 | 104,371 | 72.6 | 74,369 | 69.1 | (307,982) | 79.4 |
| 73 | (0.1) | (954) | (0.7) | 7,010 | 6.5 | (51,543) | 13.3 |
| (38,613) | 70.9 | 40,308 | 28.0 | 26,207 | 24.4 | (28,256) | 7.3 |
| (54,454) | 100.0 | 143,725 | 100.0 | 107,586 | 100.0 | (387,780) | 100.0 |

HORIZONTAL ANALYSIS

| | 2024 (Rs. 000) | Inc./ (dec.) vs last year figure % | 2023 (Rs. 000) | Inc./ (dec.) vs last year figure % |
|--|-------------------|---|-------------------|---|
| Operating results | | | | |
| Revenue from contracts with customers | 3,390,175 | 56.6 | 2,164,908 | (21.3) |
| Cost of Sales | 2,809,936 | 43.5 | 1,957,962 | (22.8) |
| Gross Profit / (Loss) | 580,239 | 180.4 | 206,946 | (3.8) |
| Administrative & Distribution Expenses | 190,295 | 65.8 | 114,747 | (12.2) |
| Other Expenses | 24,153 | 976.8 | 2,243 | (46.1) |
| Investment Income | 10,987 | 164.4 | 4,155 | 18.7 |
| Other Income | 8,232 | (34.2) | 12,509 | (44.6) |
| Operating Profit / (Loss) | 385,009 | 261.1 | 106,619 | 0.2 |
| Finance Cost | 65,606 | (17.1) | 79,133 | 53.0 |
| Profit / (Loss) Before Income Tax | 319,403 | 1,062.1 | 27,486 | (49.8) |
| Income Tax Expense | (200,736) | 284.5 | (52,211) | 32.5 |
| Profit / (Loss) for the year | 118,667 | (579.9) | (24,725) | (261.4) |
| Statement of Financial Position | | | | |
| Property, Plant and Equipment | 159,519 | (6.7) | 170,928 | (8.6) |
| Long-Term Investments | 37,375 | 97.0 | 18,975 | (13.2) |
| Other Non-Current Assets | 22,658 | (77.0) | 98,497 | (17.1) |
| Current Assets | 768,392 | 19.9 | 641,121 | (21.8) |
| Total Assets | 987,944 | 6.3 | 929,521 | (19.0) |
| Share Capital | 114,725 | - | 114,725 | - |
| Reserves | 220,823 | 159.1 | 85,222 | (25.2) |
| Total Shareholder's Equity | 335,548 | 67.8 | 199,947 | (12.6) |
| Long-Term Deposits | 2,060 | 30.3 | 1,581 | (44.5) |
| Long-Term Financing | 65,000 | - | - | - |
| Deferred Income - Government Grant | - | - | - | - |
| Employee Benefits Plan Obligations | 21,867 | (19.0) | 26,981 | 3.8 |
| Short-Term Financing | 96,026 | (73.0) | 355,590 | (25.9) |
| Trade and other Payables | 394,199 | 22.2 | 322,540 | (14.7) |
| Other Current Liabilities | 73,244 | 220.1 | 22,882 | (29.4) |
| Total Liabilities | 652,396 | (10.6) | 729,574 | (20.6) |
| Total Equity and Liabilities | 987,944 | 6.3 | 929,521 | (19.0) |
| Cash Flow | | | | |
| Cash Generated / (Used In) from Operations | 291,739 | 30.5 | 223,607 | 188.1 |
| Cash Generated / (Used in) from Operating Activities | 147,563 | 49.0 | 99,064 | (722.5) |
| Cash Generated / (Used in) from Investing Activities | 4,328 | 93.7 | 2,235 | 2,950.0 |
| Cash Generated / (Used in) from Financing Activities | 124,996 | 100.0 | (28,693) | 100.0 |
| Net Increase / (Decrease) in Cash and Cash Equivalents | 276,887 | 281.4 | 72,605 | (233.3) |

HORIZONTAL ANALYSIS

| 2022 (Rs. 000) | Inc./ (dec.) vs last year figure % | 2021 (Rs. 000) | Inc./ (dec.) vs last year figure % | 2020 (Rs. 000) | Inc./ (dec.) vs last year figure % | 2019 (Rs. 000) | Inc./ (dec.) vs last year figure % |
|-------------------|---|-------------------|---|-------------------|---|-------------------|---|
| 2,750,181 | 13.7 | 2,418,800 | 81.5 | 1,332,568 | (12.0) | 1,513,636 | (34.2) |
| 2,534,973 | 19.8 | 2,115,499 | 48.9 | 1,420,700 | (14.6) | 1,663,413 | (15.6) |
| 215,208 | (29.0) | 303,301 | (444.1) | (88,132) | (41.2) | (149,777) | (145.6) |
| 130,699 | (13.4) | 150,868 | 45.7 | 103,523 | (17.7) | 125,794 | (2.8) |
| 4,161 | (68.6) | 13,253 | 100.0 | - | - | - | - |
| 3,501 | 295.7 | 885 | (39.3) | 1,457 | (7.4) | 1,574 | (2.9) |
| 22,588 | (73.1) | 83,849 | 841.0 | 8,911 | (41.1) | 15,135 | 46.7 |
| 106,436 | (52.5) | 223,914 | (223.5) | (181,287) | (30.0) | (258,862) | (231.4) |
| 51,712 | (2.1) | 52,822 | (32.6) | 78,330 | 52.8 | 51,258 | 309.8 |
| 54,725 | (68.0) | 171,092 | (165.9) | (259,617) | (16.3) | (310,120) | (268.1) |
| (39,403) | 1.8 | (38,712) | 220.7 | (12,071) | (117.0) | 71,121 | 39.3 |
| 15,321 | (88.4) | 132,380 | (148.7) | (271,688) | 13.7 | (238,999) | (279.2) |
| 187,096 | (9.5) | 206,739 | (9.7) | 228,901 | (11.7) | 259,216 | 11.4 |
| 21,850 | (3.8) | 22,710 | 30.1 | 17,460 | (0.7) | 17,581 | (43.5) |
| 118,880 | 4.4 | 113,821 | (9.5) | 125,733 | 29.5 | 97,056 | 376.7 |
| 820,122 | 22.7 | 668,321 | 19.1 | 561,021 | (30.6) | 808,414 | 4.6 |
| 1,147,947 | 13.5 | 1,011,591 | 8.4 | 933,114 | (21.1) | 1,182,266 | 11.9 |
| 114,725 | - | 114,725 | - | 114,725 | - | 114,725 | - |
| 113,962 | 22.8 | 92,797 | (556.4) | (20,333) | (107.6) | 267,076 | (49.1) |
| 228,687 | 10.2 | 207,523 | 119.9 | 94,393 | (75.3) | 381,802 | (40.3) |
| 2,851 | (23.1) | 3,708 | (29.1) | 5,232 | (6.8) | 5,616 | (9.3) |
| - | - | 24,904 | 39.2 | 17,889 | 100.0 | - | - |
| - | - | 560 | (57.8) | 1,328 | 100.0 | - | - |
| 26,004 | (25.3) | 34,817 | (61.3) | 89,959 | 81.3 | 49,618 | (36.2) |
| 479,835 | 19.2 | 402,460 | (18.5) | 493,845 | (18.8) | 607,845 | 166.2 |
| 378,180 | 28.4 | 294,550 | 33.6 | 220,514 | 65.2 | 133,449 | 33.0 |
| 32,390 | (24.8) | 43,070 | 332.6 | 9,956 | 152.9 | 3,936 | (8.3) |
| 919,259 | 14.3 | 804,068 | (4.1) | 838,722 | 4.8 | 800,465 | 91.8 |
| 1,147,947 | 13.5 | 1,011,591 | 8.4 | 933,114 | (21.1) | 1,182,266 | 11.9 |
| 77,606 | 117.2 | 35,729 | 81.8 | 195,845 | 199.8 | (196,147) | 272.0 |
| (15,914) | (115.2) | 104,371 | (40.3) | 74,369 | 124.1 | (307,982) | 1,079.7 |
| 73 | (107.7) | (954) | (113.6) | 7,010 | (113.6) | (51,543) | (23.9) |
| (38,613) | 100.0 | 40,308 | 100.0 | 26,207 | 100.0 | (28,256) | 100.0 |
| (54,454) | (137.9) | 143,725 | (33.6) | 107,586 | 127.7 | (387,780) | (320.4) |

DECADE AT A GLANCE

(Rupees in thousand)

| Year ended 30th June | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| INCOME | | | | | | | | | | |
| Revenue from contracts with customers | 3,390,175 | 2,164,908 | 2,750,181 | 2,418,800 | 1,332,568 | 1,513,636 | 2,299,931 | 1,744,098 | 1,333,476 | 1,695,718 |
| Gross Profit / (Loss) | 580,239 | 206,946 | 215,208 | 303,301 | (88,132) | (149,777) | 328,202 | 246,628 | 140,876 | 189,450 |
| Operating Profit / (Loss) | 385,009 | 106,619 | 106,436 | 223,914 | (181,287) | (258,862) | 196,948 | 152,422 | 72,557 | 117,959 |
| Profit / (Loss) before income tax | 319,403 | 27,486 | 54,725 | 171,092 | (259,617) | (310,120) | 184,441 | 141,426 | 39,420 | 71,640 |
| Profit / (Loss) for the year | 118,667 | (24,725) | 15,321 | 132,380 | (271,688) | (238,999) | 133,402 | 97,776 | 25,870 | 46,914 |

FINANCIAL POSITION

| | | | | | | | | | | |
|-------------------------------|----------------|----------------|----------------|----------------|---------------|----------------|----------------|----------------|----------------|----------------|
| Current Assets | 768,392 | 641,121 | 820,122 | 668,321 | 561,021 | 808,414 | 772,745 | 641,461 | 658,260 | 948,799 |
| Less: Current Liabilities | 563,469 | 701,012 | 890,405 | 740,080 | 724,315 | 745,231 | 332,973 | 234,113 | 387,392 | 687,216 |
| Net Working Capital | 204,923 | (59,891) | (70,283) | (71,759) | (163,294) | 63,183 | 439,771 | 407,347 | 270,868 | 261,583 |
| Property, Plant and Equipment | 159,519 | 170,928 | 187,096 | 206,739 | 228,901 | 259,216 | 232,681 | 184,942 | 184,429 | 187,057 |
| Others-Non Current Assets | 60,033 | 117,472 | 140,730 | 136,531 | 143,193 | 114,637 | 51,471 | 68,714 | 82,318 | 67,816 |
| | 424,475 | 228,510 | 257,542 | 271,511 | 208,800 | 437,036 | 723,924 | 661,003 | 537,615 | 516,456 |
| Less: Long Term Debts | - | - | - | 24,904 | 17,889 | - | - | - | - | - |
| Other Liabilities | 88,927 | 28,562 | 28,855 | 39,085 | 96,518 | 55,234 | 84,406 | 86,855 | 84,953 | 39,851 |
| Shareholders' Equity | 335,548 | 199,947 | 228,687 | 207,523 | 94,393 | 381,802 | 639,518 | 574,148 | 452,661 | 476,605 |

REPRESENTED BY:

| | | | | | | | | | | |
|--|----------------|----------------|----------------|----------------|---------------|----------------|----------------|----------------|----------------|----------------|
| Share Capital | 114,725 | 114,725 | 114,725 | 114,725 | 114,725 | 114,725 | 114,725 | 114,725 | 114,725 | 114,725 |
| General Reserves | 424,500 | 424,500 | 424,500 | 424,500 | 424,500 | 424,500 | 424,500 | 424,500 | 424,500 | 424,500 |
| Unrealized Gain on Long Term Investment | 31,875 | 13,475 | 16,350 | 17,210 | 11,960 | 12,081 | 25,610 | 37,194 | 17,788 | 11,218 |
| 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 | (247,708) | (364,909) | (339,044) | (361,068) | (468,948) | (181,660) | 62,527 | (14,427) | (116,507) | (85,994) |
| Net Capital Employed | 335,548 | 199,947 | 228,687 | 207,523 | 94,393 | 381,802 | 639,518 | 574,148 | 452,661 | 476,605 |

Summary of Cash Flows
Cash Generated / (Used In) from

| | | | | | | | | | | |
|---|---------|----------|----------|---------|---------|-----------|----------|----------|----------|-----------|
| Operating Activities | 147,563 | 99,064 | (15,914) | 104,371 | 74,369 | (307,982) | 31,436 | 175,083 | 364,002 | (135,539) |
| Cash Generated / (Used in) Investing Activities | 4,328 | 2,235 | 73 | (954) | 7,010 | (51,543) | (67,766) | (18,834) | (18,453) | (13,565) |
| Cash generated / (Used in) financing activities | 124,996 | (28,693) | (38,613) | 40,308 | 26,207 | (28,256) | (55,906) | (11,403) | (22,771) | - |
| Net Change in Cash and Cash Equivalents | 276,887 | 72,605 | (54,454) | 143,725 | 107,586 | (387,780) | (92,236) | 144,847 | 322,778 | (149,104) |

PRODUCTION / Sales

| | | | | | | | | | | |
|------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 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) | 7,228 | 4,824 | 9,437 | 10,674 | 6,623 | 8,694 | 16,294 | 11,566 | 8,437 | 11,368 |
| Capacity Ratio (%) | 55 | 37 | 71 | 81 | 50 | 66 | 123 | 88 | 64 | 86 |
| Net Sales (MT) | 6,852 | 5,028 | 8,788 | 9,779 | 6,878 | 9,215 | 14,723 | 11,199 | 8,602 | 10,966 |

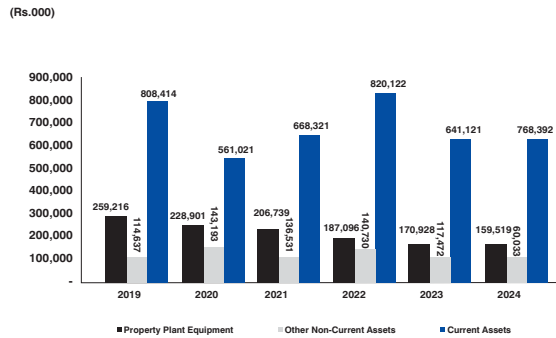
DECADE AT A GLANCE

(Rupees in thousand)

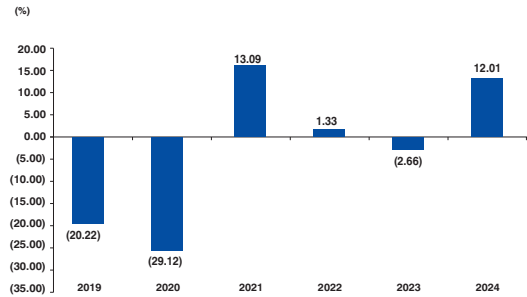
| Year ended 30th June | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---------|---------|--------|---------|----------|---------|--------|--------|--------|--------|
| MARKET VALUE RATIOS | | | | | | | | | | |
| Break up value of a Share of Rs.10/-each | 29.25 | 17.43 | 19.93 | 18.09 | 8.23 | 33.28 | 55.74 | 50.05 | 39.46 | 41.54 |
| Dividend (Rupees per share) | - | - | - | - | - | - | 2.50 | 5.00 | 1.00 | 2.00 |
| Dividend (%) | - | - | - | - | - | - | 25 | 50 | 10 | 20 |
| PROFITABILITY RATIOS | | | | | | | | | | |
| Gross Profit / (Loss) (%) | 17.12 | 9.56 | 7.83 | 12.54 | (6.61) | (9.90) | 14.27 | 14.14 | 10.56 | 11.17 |
| Profit / (Loss) before Income Tax to Sales (%) | 9.42 | 1.27 | 1.99 | 7.07 | (19.48) | (20.49) | 8.02 | 8.11 | 2.96 | 4.22 |
| Profit / (Loss) for the year to Sales (%) | 3.50 | (1.14) | 0.56 | 5.47 | (20.39) | (15.79) | 5.80 | 5.61 | 1.94 | 2.77 |
| Earnings / (Loss) per share - EPS (Rs.) | 10.34 | (2.16) | 1.34 | 11.54 | (23.68) | (20.83) | 11.63 | 8.52 | 2.25 | 4.09 |
| Earning / (Loss) Yield - year end price (%) | 7.88 | (6.53) | 2.68 | 9.15 | (49.10) | (55.89) | 9.97 | 5.65 | 5.53 | 4.88 |
| Price / (Loss) Earning Ratio - year end price | 12.69 | (15.28) | 37.18 | 10.93 | (2.04) | (1.79) | 10.03 | 17.71 | 18.11 | 20.48 |
| EBITDA (%) Earning / (Loss) before interest, tax, depreciation & amortization) | (10.79) | (3.99) | (3.03) | (8.26) | (11.56) | (15.25) | 9.59 | 9.97 | 3.84 | 5.66 |
| Dividend Payout (%) | - | - | - | - | - | - | 21.50 | 58.69 | 44.44 | 48.90 |
| Dividend Yield Ratio (%) | - | - | - | - | - | - | 2.14 | 3.31 | 2.45 | 2.39 |
| Return on Equity (%) | 35.37 | (12.37) | 6.70 | 63.79 | (287.83) | (62.60) | 20.86 | 17.03 | 5.72 | 9.84 |
| Return on Assets (%) | 12.01 | (2.66) | 1.33 | 13.09 | (29.12) | (20.22) | 12.62 | 10.92 | 2.80 | 3.90 |
| Operating Cycle | (20.00) | (45.00) | (8.00) | (15.00) | (16.00) | 45.00 | 60.00 | 41.00 | 78.74 | 103.14 |
| Dividend Cover | - | - | - | - | - | - | 4.65 | 1.70 | 2.25 | 2.05 |
| LIQUIDITY RATIOS | | | | | | | | | | |
| Current Ratio | 1.36:1 | 0.91:1 | 0.92:1 | 0.90:1 | 0.77:1 | 1.08:1 | 2.32:1 | 2.7:1 | 1.7:1 | 1.38:1 |
| Quick Ratio | 0.37:1 | 0.30:1 | 0.29:1 | 0.24:1 | 0.37:1 | 0.50:1 | 0.79:1 | 1.00:1 | 0.77:1 | 0.55:1 |
| ACTIVITY RATIOS | | | | | | | | | | |
| Raw Material Inventory Turnover - (days) | 17 | 23 | 23 | 25 | 31 | 33 | 30 | 35 | 55 | 47 |
| WIP Inventory Turnover - (days) | 14 | 17 | 14 | 9 | 5 | 15 | 13 | 13 | 24 | 17 |
| Finished Goods Inventory Turnover - (days) | 17 | 30 | 20 | 13 | 25 | 29 | 41 | 22 | 39 | 43 |
| Debtors Turnover Ratio (days) | 12 | 18 | 10 | 6 | 22 | 24 | 10 | 21 | 44 | 33 |
| Assets Turnover Ratio (%) | 0.29 | 0.43 | 0.42 | 0.42 | 0.70 | 0.78 | 0.46 | 0.51 | 0.69 | 0.71 |
| Creditors Turnover Ratio (days) | 80 | 131 | 76 | 67 | 100 | 55 | 34 | 49 | 84 | 36 |
| Assets Turnover - (times) | 3.43 | 2.33 | 2.40 | 2.39 | 1.43 | 1.28 | 2.18 | 1.95 | 1.44 | 1.41 |
| Fixed Assets Turnover - (times) | 21.25 | 12.67 | 14.70 | 11.70 | 5.82 | 5.84 | 9.88 | 9.43 | 7.23 | 9.07 |
| LEVERAGE RATIOS | | | | | | | | | | |
| Equity Turnover - (times) | 10.10 | 10.83 | 12.03 | 11.66 | 14.12 | 3.96 | 3.60 | 3.04 | 2.95 | 3.56 |
| Debt-Equity Ratio | 0.66 | 1.78 | 2.22 | 2.24 | 5.48 | 1.59 | 0.36 | 0.22 | 0.61 | 1.24 |
| SHARE PRICE- (RS.) | | | | | | | | | | |
| Highest | 172.72 | 69.00 | 182.00 | 148.00 | 61.00 | 139.78 | 169.00 | 218.68 | 91.25 | 91.35 |
| Lowest | 28.05 | 30.81 | 46.25 | 47.50 | 27.83 | 35.92 | 83.66 | 39.00 | 39.35 | 32.89 |
| Average | 100.39 | 49.91 | 114.13 | 97.75 | 44.42 | 87.85 | 126.33 | 128.84 | 65.30 | 62.12 |
| At the year end | 131.19 | 33.00 | 49.82 | 126.11 | 48.23 | 37.30 | 116.64 | 150.88 | 40.75 | 83.75 |

GRAPHICAL ILLUSTRATION

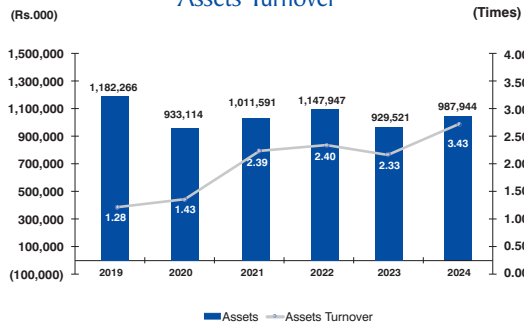
Total Assets



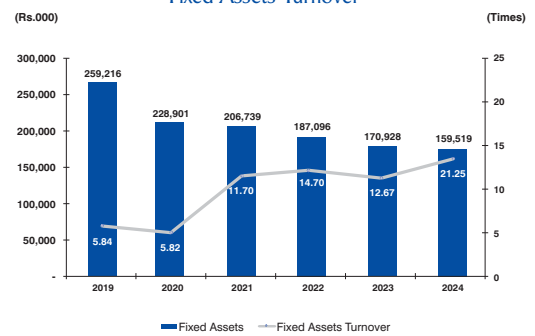
Return on Assets



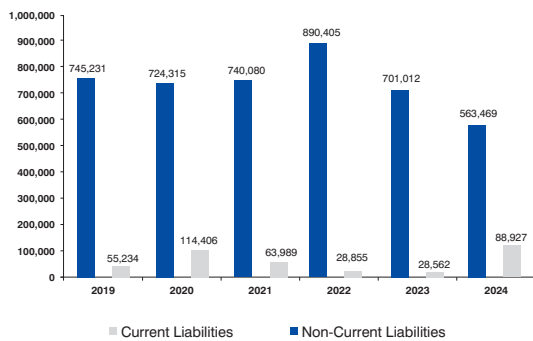
Assets Turnover



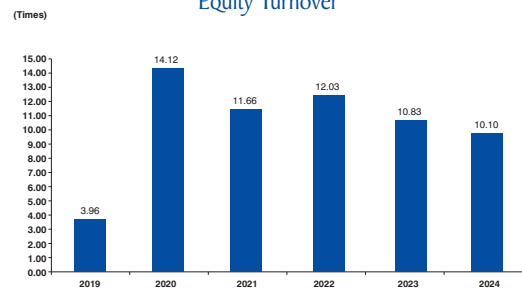
Fixed Assets Turnover



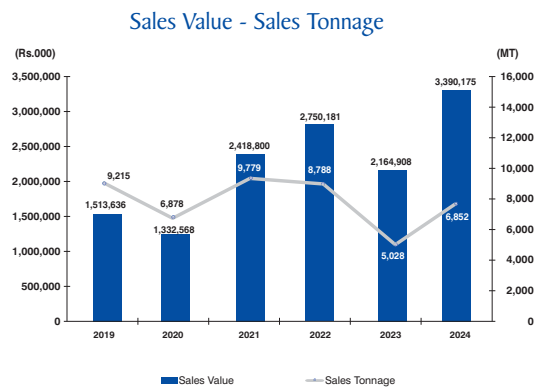
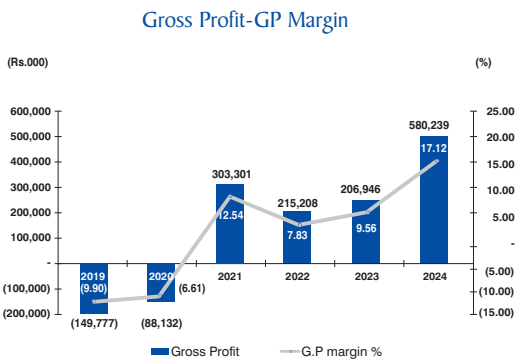
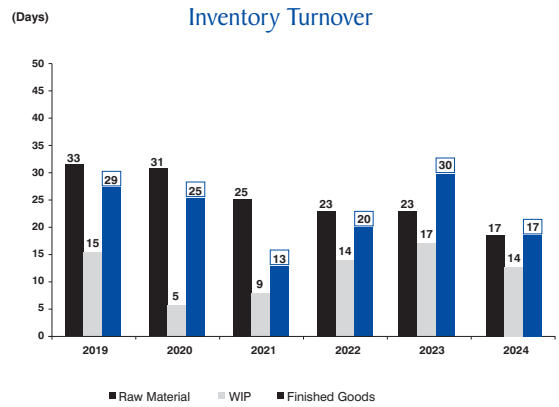
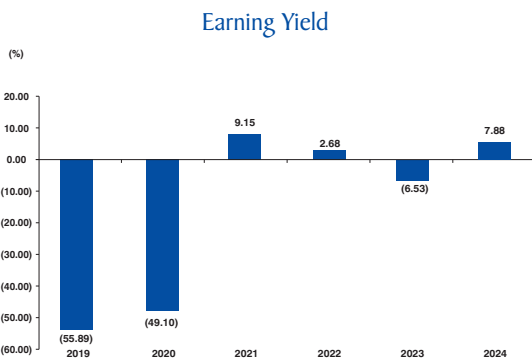
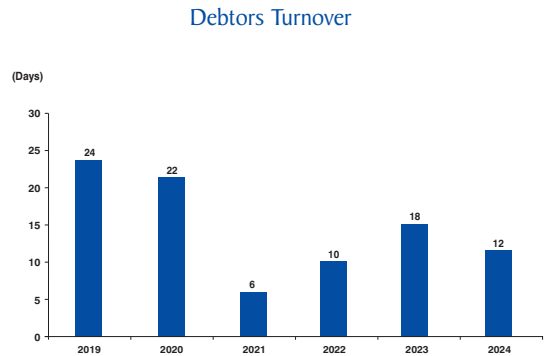
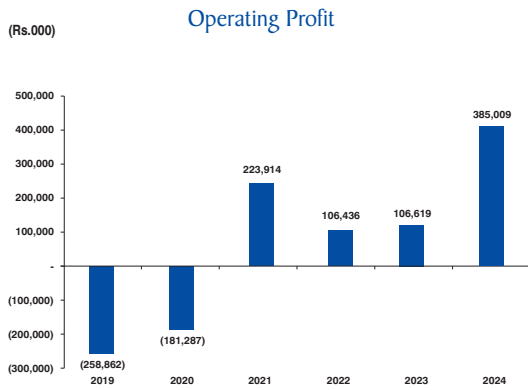
Liabilities



Equity Turnover



GRAPHICAL ILLUSTRATION



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

FOR THE YEAR ENDED JUNE 30, 2024

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

1. The total number of directors is eight (8) 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 Ms. Tabassum Rana (Female Director) |
| Non-Executive Directors | Mr. Sikandar M. Khan Mr. Sohail Bashir Rana Mr. Laeeq Uddin Ansari Mr. Syed Muhammad Irfan Aqueel |
| Executive Director | Mr. Mujtaba Ahmad (CEO) |

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;

4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act 2017 (Act) and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (Regulations);

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. During the year, the Chief Financial Officer of the Company has attended the Directors' Training Program. Further, all the Directors including the Chief Executive Officer of the Company have either already acquired the prescribed certification or met the exemption criteria as contained in these Regulations;

10. The Board has approved the appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

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

a) Audit Committee:

| | |
|--------------------------------|----------|
| Mr. Aamir Amin | Chairman |
| Mr. Sohail Bashir Rana | Member |
| Mr. Syed Muhammad Irfan Aqueel | Member |
| Ms. Tabassum Rana | Member |

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

b) HR and Remuneration Committee:

| | |
|--------------------------------|-------------|
| Ms. Tabassum Rana | Chairperson |
| Mr. Sohail Bashir Rana | Member |
| Mr. Syed Muhammad Irfan Aqueel | Member |
| Mr. Aamir Amin | 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. | Responsibilities of the Board and its members Anti-harassment policy to safeguard the rights and well-being of employees. | 10(4)(vi) inserted through the notification dated June 12, 2024 | The company is in the process to encapsulate and consolidate the practices and procedures which are already in place amid anti-harassment to safe guard the rights and well-being of employees, for getting it approved from the Board of Directors in any subsequent meeting in line with the requirements of Regulation 10 of the Code as amended through the notification dated June 12, 2024. |
| 2. | Role of the Board and its members to address Sustainability Risks and Opportunities <ul style="list-style-type: none"> The Board is also encouraged to adopt of SECP's ESG Disclosure Guidelines. Policies to promote diversity, equity and inclusion (DE&I) are in place. To effectively discharge its sustainability related duties, the Board may establish a dedicated sustainability committee having at least one female director, or assign additional responsibilities to an existing board committee. | 10A inserted through the notification dated June 12, 2024 | The company considers environmental, social, ethical, diversity, equity and inclusion matters in the context of the overall business environment. It has always been our commitment to work in the best interest of all the stakeholders, A process has been started to deduce all the practices and procedures in black and white for the alignment, where possible, with SECP's ESG Disclosure Guideline. |

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

| S. No. | Requirement | Regulation No. | Explanation |
|--------|---|--|---|
| | <ul style="list-style-type: none"> The directors' report shall provide adequate disclosures regarding the assessment of sustainability related risks, how these are managed or mitigated, and measures taken to promote DE&I in the Company. | | <p>The Board intends to designate HR & Remuneration Committee to perform the requisite functions. In this regards, the terms of reference of HR & Remuneration Committee will accordingly be amended by the Board.</p> <p>On the basis of approvals of the policies, the disclosures will be made in Directors' Reports of the years ahead.</p> |
| 3. | <p>Disclosure of significant policies on website Policies for promoting DE&I and protection against harassment at the workplace</p> | 35(1)(vii) inserted through the notification dated June 12, 2024 | The policies shall be placed on the website after having been approved by the Board. |
| 4. | <p>Nomination Committee 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.</p> | 29(1) | The Board has designated the HR & Remuneration Committee to perform the requisite functions. |
| 5. | <p>Risk Management Committee 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.</p> | 30(1) | The Board has authorized the Internal Audit Department of the Company to perform the requisite functions. |



SIKANDAR M. KHAN
Chairman

August 30, 2024



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, 2024 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, 2024.

A.F. Ferguson & Co.
Chartered Accountants

Karachi

Date: September 23, 2024

UDIN: CR2024100596q5u9MvHT

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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A.F.FERGUSON & Co.

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, 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of cash flows for the year then ended, the statement of changes in equity, and notes to the financial statements, including material accounting policy information 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 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, 2024 and of the profit and 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.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

■ KARACHI ■ LAHORE ■ ISLAMABAD



Following is the Key audit matter:

| S. No. | Key Audit Matter | How the matter was addressed in our audit |
|--------|------------------|---|
|--------|------------------|---|

(i) **Revenue from contract with customers**

(Refer note 2.9 and 26 to the annexed financial statements)

The Company recognizes revenue when the control of underlying products has been transferred to the customers. During the year, the company recognized revenue of Rs. 3.39 billion which is approximately 56.6% higher as compared to the previous year.

We have considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company. In addition, as the revenue increased significantly compared to last year, we have considered this as an area of significant audit matter in our audit process.

Our audit procedures amongst others included the following:

- obtained understanding and assessed whether the Company's accounting policy for recording of revenue is in line with the requirements of applicable laws, accounting and reporting standards;
- performed testing of revenue, on sample basis, with underlying documentation including goods delivery notes and sales invoices;
- performed audit procedures to analyze and substantiate variance in the price and quantity sold during the year;
- verified that sales prices are negotiated and approved by appropriate authority;
- tested, on sample basis, sales transactions before and after the reporting period and evaluated if the revenue was recorded in the appropriate accounting period; and
- assessed the relevant disclosures made in the financial statements to determine whether these complied with the accounting and reporting standards as applicable in Pakistan.



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 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 Farrukh Rehman.

A. F. Ferguson & Co.

A. F. Ferguson & Co
Chartered Accountants

Karachi

Date: September 23, 2024

UDIN: AR202410059c1Wm9b2jr

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2024

| ASSETS | Note | 2024 Rupees | 2023 Rupees |
|---|------|---------------------------|---------------------------|
| Non-current assets | | | |
| Property, plant and equipment | 4 | 159,519,136 | 170,927,775 |
| Long-term investment | 5 | 37,375,000 | 18,975,000 |
| Long-term loans and advances | 6 | 590,248 | 1,026,000 |
| Deferred tax asset - net | 7 | 138,476 | 72,524,645 |
| Long-term deposits | 8 | 4,747,790 | 4,347,790 |
| Employee benefit plan asset | 9 | 17,181,435 | 20,598,929 |
| | | <u>219,552,085</u> | <u>288,400,139</u> |
| Current assets | | | |
| Stores, spare parts and loose tools | 10 | 145,300,785 | 117,631,087 |
| Inventories | 11 | 415,505,286 | 313,746,345 |
| Trade receivables | 12 | 122,329,743 | 99,400,812 |
| Loans and advances | 13 | 9,962,603 | 9,004,695 |
| Trade deposits and short-term prepayments | 14 | 4,983,120 | 4,324,180 |
| Other receivables | 15 | 20,668,261 | 899,844 |
| Taxation - payments less provision | | 6,146,593 | 69,941,541 |
| Cash and bank balances | 16 | 43,495,992 | 26,172,849 |
| | | <u>768,392,383</u> | <u>641,121,353</u> |
| TOTAL ASSETS | | <u><u>987,944,468</u></u> | <u><u>929,521,492</u></u> |
| EQUITY AND LIABILITIES | | | |
| Share capital and reserves | | | |
| Share capital | 17 | 114,725,290 | 114,725,290 |
| General and other reserves | 18 | 220,822,955 | 85,221,947 |
| | | <u>335,548,245</u> | <u>199,947,237</u> |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Long-term deposits | 19 | 2,059,823 | 1,580,890 |
| Employee benefit plan obligation | 9 | 21,867,170 | 26,981,450 |
| Long-term financing | 20 | 65,000,000 | - |
| | | <u>88,926,993</u> | <u>28,562,340</u> |
| Current liabilities | | | |
| Trade and other payables | 21 | 392,620,294 | 321,494,735 |
| Advances from customers | 22 | 1,578,673 | 1,044,936 |
| Accrued mark-up | | 9,715,342 | 18,021,942 |
| Current portion of long-term deposits | 19 | 133,799 | 1,461,362 |
| Current portion of long-term financing | 20 | 60,000,000 | - |
| Unclaimed dividend | 23 | 3,395,122 | 3,399,012 |
| Short-term financing | 24 | 96,026,000 | 355,589,928 |
| | | <u>563,469,230</u> | <u>701,011,915</u> |
| TOTAL LIABILITIES | | <u><u>652,396,223</u></u> | <u><u>729,574,255</u></u> |
| Contingency and commitments | 25 | | |
| TOTAL EQUITY AND LIABILITIES | | <u><u>987,944,468</u></u> | <u><u>929,521,492</u></u> |

The annexed notes 1 to 44 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, 2024

| | Note | 2024 Rupees | 2023 Rupees |
|---|------|---------------------------|----------------------------|
| Revenue from contracts with customers | 26 | 3,390,175,000 | 2,164,907,985 |
| Cost of sales | 27 | <u>(2,809,936,212)</u> | <u>(1,957,962,301)</u> |
| Gross profit | | 580,238,788 | 206,945,684 |
| Distribution expenses | 28 | (83,448,294) | (52,417,709) |
| Administrative expenses | 29 | (106,846,988) | (62,329,738) |
| Other expenses | 30 | (24,152,900) | (2,242,939) |
| Other income | 31 | 19,218,557 | 16,663,622 |
| Operating profit | | <u>385,009,163</u> | <u>106,618,920</u> |
| Finance cost | 32 | (65,605,906) | (79,133,369) |
| Profit before income tax expense | | <u>319,403,257</u> | <u>27,485,551</u> |
| Income tax expense | 33 | (200,736,410) | (52,210,845) |
| Profit / (loss) for the year | | <u><u>118,666,847</u></u> | <u><u>(24,725,294)</u></u> |
| Earnings / (loss) per share - basic and diluted | 34 | <u><u>10.34</u></u> | <u><u>(2.16)</u></u> |

The annexed notes 1 to 44 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, 2024

| | 2024 Rupees | 2023 Rupees |
|--|--------------------|---------------------|
| Profit / (loss) for the year | 118,666,847 | (24,725,294) |
| Comprehensive income / (loss) | | |
| Items that will not be reclassified to profit or loss in subsequent period | | |
| Remeasurements of employee benefits - note 9 | (2,187,820) | (1,605,488) |
| Impact of deferred tax- note 7 | 721,981 | 465,591 |
| | (1,465,839) | (1,139,897) |
| Unrealised gain / (loss) on revaluation of Investment at fair value through Impact of deferred tax- note 7 | 18,400,000 | (2,875,000) |
| Total comprehensive income / (loss) for the year | <u>135,601,008</u> | <u>(28,740,191)</u> |

The annexed notes 1 to 44 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, 2024

| | Share Capital | | Reserves | | | | Sub Total | Total |
|--|--|------------------|-------------|---------------------|--------------------------------------|--------------|--------------|-------|
| | Issued, subscribed and paid up capital | Capital | Revenue | | | | | |
| | | Share Premium | General | Accumulated loss | Investment Revaluation Reserve | | | |
| ------(Rupees)----- | | | | | | | | |
| Balance as at July 1, 2022 | 114,725,290 | 12,155,680 | 424,500,000 | (339,043,542) | 16,350,000 | 113,962,138 | 228,687,428 | |
| Total comprehensive loss for the year ended June 30, 2023 | | | | | | | | |
| - Loss for the year ended June 30, 2023 | - | - | - | (24,725,294) | - | (24,725,294) | (24,725,294) | |
| - Other comprehensive loss for the year ended June 30, 2023 | - | - | - | (1,139,897) | (2,875,000) | (4,014,897) | (4,014,897) | |
| | - | - | - | (25,865,191) | (2,875,000) | (28,740,191) | (28,740,191) | |
| Balance as at June 30, 2023 | 114,725,290 | 12,155,680 | 424,500,000 | (364,908,733) | 13,475,000 | 85,221,947 | 199,947,237 | |
| Total comprehensive income / (loss) for the year ended June 30, 2024 | | | | | | | | |
| - Profit for the year ended June 30, 2024 | - | - | - | 118,666,847 | - | 118,666,847 | 118,666,847 | |
| - Other comprehensive (loss) / income for the year ended June 30, 2024 | - | - | - | (1,465,839) | 18,400,000 | 16,934,161 | 16,934,161 | |
| | - | - | - | 117,201,008 | 18,400,000 | 135,601,008 | 135,601,008 | |
| Balance as at June 30, 2024 | 114,725,290 | 12,155,680 | 424,500,000 | (247,707,725) | 31,875,000 | 220,822,955 | 335,548,245 | |

The annexed notes 1 to 44 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2024

| | Note | 2024 Rupees | 2023 Rupees |
|--|------|----------------|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from operations | 35 | 291,738,424 | 223,607,313 |
| Decrease / (Increase) in long-term loans and advances | | 435,752 | (89,000) |
| Increase in long-term deposits | | (1,248,630) | (1,037,233) |
| Income tax paid - net | | (63,833,312) | (43,646,611) |
| Employee benefits paid | | (6,236,809) | (4,816,527) |
| Finance cost paid - Conventional | | (43,793,677) | (49,177,518) |
| Finance cost paid - Islamic | | (29,499,212) | (25,776,874) |
| Net cash generated from operating activities | | 147,562,536 | 99,063,550 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of property, plant and equipment | 4.1 | (10,209,801) | (6,840,829) |
| Proceeds from disposal of property, plant and equipment | 4.1 | 3,551,454 | 4,921,003 |
| Return received on savings and deposit accounts | 31 | 7,105,522 | 1,495,587 |
| Dividend received | 31 | 3,881,250 | 2,659,375 |
| Net cash generated from investing activities | | 4,328,425 | 2,235,136 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Dividend paid | 23 | (3,890) | (8,740) |
| Long-term financing obtained | 20 | 165,000,000 | - |
| Repayment of long-term financing | 20 | (40,000,000) | (28,684,470) |
| Net cash generated from / (used in) financing activities | | 124,996,110 | (28,693,210) |
| Net increase in cash and cash equivalents | | 276,887,071 | 72,605,476 |
| Cash and cash equivalents at beginning of the year | | (329,417,079) | (402,022,555) |
| Cash and cash equivalents at end of the year | 36 | (52,530,008) | (329,417,079) |

The annexed notes 1 to 44 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, 2024

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) which holds Rs. 5.67 million (June 30, 2023: Rs. 5.67 million) shares of the Company along with the directors as at June 30, 2024 representing 49.02% (June 30, 2023: 49.02%) shareholding in the company.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, 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, 2023. However, these do not have any significant impact on the Company's financial reporting except that during the year there were certain amendments in IAS 1 which require entities to disclose material accounting policy information rather than their significant accounting policies.

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, 2024. 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 Income tax

2.4.1 Current

The charge for current taxation is based on the taxable income for the period, 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.

2.4.2 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.

Deferred tax is charged or credited in the statement of profit or loss and the statement of 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.

2.5 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.

2.6 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.

NOTES TO THE FINANCIAL STATEMENTS

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.

2.7 Employee benefits

The Company operates various post-employment benefit schemes, including both defined benefit and defined contribution plans

2.7.1 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.

2.7.2 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, 2024, using the 'Projected Unit Credit Method'.
- 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, 2024, 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.

2.7.3 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.

NOTES TO THE FINANCIAL STATEMENTS

2.8 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.

2.9 Revenue recognition

Revenue is recognised when control of the goods is 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 upon transfer of title to the customers, which generally coincides with physical delivery.

2.10 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.

2.11 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.

2.11.1 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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.

2.1.1.2 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 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.

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 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.

Impairment losses (and reversal of impairment losses on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2.1.1.3 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:

NOTES TO THE FINANCIAL STATEMENTS

- 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.

2.11.4 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 statement 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.

(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.

2.11.5 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.

2.12 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.

NOTES TO THE FINANCIAL STATEMENTS

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. 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.

ii. 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.

iii. 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.

iv. 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.

| | 2024 Rupees | 2023 Rupees |
|-------------------------------------|--------------------|--------------------|
| 4. PROPERTY, PLANT AND EQUIPMENT | | |
| Operating fixed assets - note 4.1 | 159,519,136 | 166,509,375 |
| Capital work-in-progress - note 4.5 | - | 4,418,400 |
| | <u>159,519,136</u> | <u>170,927,775</u> |

NOTES TO THE FINANCIAL STATEMENTS

4.1 Operating fixed assets

| | Freehold land | Building on freehold land | Plant and machinery | Furniture and fittings | Office equipments | Computers | Motor Vehicles | Total |
|--------------------------------------|------------------|---------------------------|---------------------|------------------------|-------------------|----------------|-------------------|--------------------|
| ----- Rupees ----- | | | | | | | | |
| Year ended June 30, 2024 | | | | | | | | |
| Opening net book value | 2,678,754 | 13,390,118 | 130,617,083 | 372,605 | 4,503,347 | 264,792 | 14,682,676 | 166,509,375 |
| Additions (at cost) | - | - | 3,002,201 | - | 454,300 | 306,500 | 6,446,800 | 10,209,801 |
| Transfer from CWIP - note 4.5 | - | - | - | - | - | - | 4,418,400 | 4,418,400 |
| Disposals (at NBV) - note 4.2 | - | - | - | - | - | - | (2,522,125) | (2,522,125) |
| Write off (at NBV) | - | - | - | - | - | - | - | - |
| Depreciation charge - note 4.3 | - | (1,339,011) | (13,284,373) | (34,265) | (427,798) | (128,945) | (3,881,923) | (19,096,315) |
| Closing net book value | <u>2,678,754</u> | <u>12,051,107</u> | <u>120,334,911</u> | <u>338,340</u> | <u>4,529,849</u> | <u>442,347</u> | <u>19,143,828</u> | <u>159,519,136</u> |
| At June 30, 2024 | - | - | - | - | - | - | - | - |
| Cost | 2,678,754 | 88,349,068 | 613,050,632 | 1,596,079 | 13,720,792 | 5,535,509 | 30,524,900 | 755,455,734 |
| Accumulated depreciation | - | (76,297,961) | (492,715,721) | (1,257,739) | (9,190,943) | (5,093,162) | (11,381,072) | (595,936,598) |
| Net book value | <u>2,678,754</u> | <u>12,051,107</u> | <u>120,334,911</u> | <u>338,340</u> | <u>4,529,849</u> | <u>442,347</u> | <u>19,143,828</u> | <u>159,519,136</u> |
| Year ended June 30, 2023 | | | | | | | | |
| Opening net book value | 2,678,754 | 14,877,908 | 144,641,043 | 410,677 | 4,991,459 | 382,076 | 19,113,693 | 187,095,610 |
| Additions (at cost) | - | - | 457,929 | - | - | - | 1,964,500 | 2,422,429 |
| Disposals (at NBV) - note 4.2 | - | - | - | - | - | - | (2,773,299) | (2,773,299) |
| Depreciation charge - note 4.3 | - | (1,487,790) | (14,481,889) | (38,072) | (488,112) | (117,284) | (3,622,218) | (20,235,365) |
| Closing net book value | <u>2,678,754</u> | <u>13,390,118</u> | <u>130,617,083</u> | <u>372,605</u> | <u>4,503,347</u> | <u>264,792</u> | <u>14,682,676</u> | <u>166,509,375</u> |
| At June 30, 2023 | | | | | | | | |
| Cost | 2,678,754 | 88,349,068 | 610,082,631 | 1,596,079 | 13,232,292 | 5,229,009 | 27,504,200 | 748,672,033 |
| Accumulated depreciation | - | (74,958,950) | (479,465,548) | (1,223,474) | (8,728,945) | (4,964,217) | (12,821,524) | (582,162,658) |
| Net book value | <u>2,678,754</u> | <u>13,390,118</u> | <u>130,617,083</u> | <u>372,605</u> | <u>4,503,347</u> | <u>264,792</u> | <u>14,682,676</u> | <u>166,509,375</u> |
| Depreciation rate per annum % | - | 10 | 10 | 10 | 10 | 30 | 20 | |

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

| Description | Cost | Accumulated depreciation | Book value | Sale proceeds |
|---|------------------|--------------------------|------------------|------------------|
| ----- Rupees ----- | | | | |
| Items of net book value below Rs. 500,000 each | 7,844,500 | (5,322,375) | 2,522,125 | 3,551,454 |
| June 2024 | <u>7,844,500</u> | <u>(5,322,375)</u> | <u>2,522,125</u> | <u>3,551,454</u> |
| June 2023 | <u>8,213,300</u> | <u>(5,440,001)</u> | <u>2,773,299</u> | <u>4,921,003</u> |

NOTES TO THE FINANCIAL STATEMENTS

| | 2024 Rupees | 2023 Rupees |
|--|-------------------|-------------------|
| 4.3 Depreciation for the year has been allocated as follows: | | |
| Cost of sales - note 27 | 17,927,087 | 19,084,669 |
| Distribution expenses - note 28 | 292,307 | 287,674 |
| Administrative expenses - note 29 | <u>876,921</u> | <u>863,022</u> |
| | <u>19,096,315</u> | <u>20,235,365</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 |

| | 2024 Rupees | 2023 Rupees |
|------------------------------|--------------------|------------------|
| 4.5 Capital work-in-progress | | |
| Opening balance | 4,418,400 | - |
| Additions during the year | - | 4,418,400 |
| Transfers during the year | <u>(4,418,400)</u> | <u>-</u> |
| Closing balance | <u>-</u> | <u>4,418,400</u> |

| | 2024 Rupees | 2023 Rupees |
|--|-------------------|--------------------|
| 5. LONG-TERM INVESTMENT | | |
| Fair Value Through Other Comprehensive Income (FVTOCI) | | |
| Balance at beginning of the year | 18,975,000 | 21,850,000 |
| Unrealised gain / (loss) on revaluation - transferred to equity | <u>18,400,000</u> | <u>(2,875,000)</u> |
| Balance at end of the year | <u>37,375,000</u> | <u>18,975,000</u> |

5.1 This represents equity investment in Baluchistan Wheels Limited representing 287,500 (2023: 287,500) quoted ordinary shares of Rs 10/- each which comprise 2.16% (2023: 2.16%) of the total ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

| | 2024 Rupees | 2023 Rupees |
|--|--------------------|------------------|
| 6. LONG-TERM LOANS AND ADVANCES | | |
| Considered good and secured | | |
| - Loan to employees - notes 6.1 & 6.2 | 1,508,408 | 1,740,000 |
| - Less: Current portion of loans to employees | <u>(918,160)</u> | <u>(714,000)</u> |
| | <u>590,248</u> | <u>1,026,000</u> |
| 6.1 Movement of carrying amount of loans and advances to employees: | | |
| Balance at beginning of the year | 1,740,000 | 1,563,000 |
| Disbursements | 1,000,000 | 1,000,000 |
| Repayments | <u>(1,231,592)</u> | <u>(823,000)</u> |
| Balance at end of the year | <u>1,508,408</u> | <u>1,740,000</u> |

6.2 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 twenty five months.

6.3 Long-term loans and advances 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.

| | 2024 Rupees | 2023 Rupees |
|--|-------------------|-------------------|
| 7. DEFERRED TAX ASSET - NET | | |
| Credit balance arising in respect of: | | |
| - accelerated tax depreciation allowance | (27,187,137) | (25,050,033) |
| Debit balance arising in respect of: | | |
| - provision for compensated absences | 5,296,715 | 3,616,826 |
| - provision for slow moving stores | 1,043,215 | 888,468 |
| - tax losses and unabsorbed depreciation | 3,743,299 | 75,223,651 |
| - provision for employee benefits | <u>17,242,384</u> | <u>17,345,823</u> |
| | <u>27,325,613</u> | <u>97,074,768</u> |
| | <u>138,476</u> | <u>72,524,645</u> |

7.1 Analysis of change in deferred tax

| | Accelerated tax depreciation | Provision for compensated absences | Provision for slow moving stores | Provision for impairment of intangible | Tax Losses and unabsorbed depreciation | Employee Benefits | | Total |
|---|------------------------------|------------------------------------|----------------------------------|--|--|--|-----------------------------------|-------------------|
| | | | | | | Unapproved (non-executive) gratuity fund | Effect of actuarial (gain) / loss | |
| Rupees | | | | | | | | |
| Balance as at June 30, 2022 | (26,269,855) | 3,410,054 | 355,195 | 2,366,517 | 98,723,731 | 8,100,355 | 8,838,648 | 95,524,645 |
| Credit/(debit) to profit or loss for the year | 1,219,822 | 206,772 | 533,273 | (2,366,517) | (23,000,170) | (58,771) | - | (23,465,591) |
| Credit to other comprehensive income for the year" | - | - | - | - | - | - | 465,591 | 465,591 |
| Balance as at June 30, 2023 | <u>(25,050,033)</u> | <u>3,616,826</u> | <u>888,468</u> | <u>-</u> | <u>75,723,561</u> | <u>8,041,584</u> | <u>9,304,239</u> | <u>72,524,645</u> |
| Credit/(debit) to profit or loss for the year | (2,137,104) | 1,679,889 | 154,747 | - | (71,980,262) | (825,420) | - | (73,108,150) |
| Credit/(debit) to other comprehensive income for the year | - | - | - | - | - | - | 721,981 | 721,981 |
| Balance as at June 30, 2024 | <u>(27,187,137)</u> | <u>5,296,715</u> | <u>1,043,215</u> | <u>-</u> | <u>3,743,299</u> | <u>7,216,164</u> | <u>10,026,220</u> | <u>138,476</u> |

NOTES TO THE FINANCIAL STATEMENTS

7.2 The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position.

7.3 The deferred tax asset includes an amount of Rs. Nil (2023: Rs. 58.83 million) relating to the carried forward tax losses of the Company.

Deferred tax asset on unabsorbed depreciation amounting to Rs. 3.74 million (2023: Rs. 16.89 million) can be carried forward indefinitely and have no expiry date. 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.

Deferred tax asset not recognized over minimum and alternate corporate tax credits amounts to Rs. 156.96 million (2023: 139.93 million).

8. LONG-TERM DEPOSITS

These include Rs. 3.57 million (2023: Rs. 3.57 million) deposits placed with utility companies. These deposits are non- interest bearing.

9. EMPLOYEE BENEFIT PLAN ASSET / OBLIGATION

9.1 As stated in note 2.7, 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, 2024.

9.2 Plan assets held are governed by local regulations which mainly include Companies Act, 2017 and Income Tax Rules, 2002. Responsibility for governance of the assets, including investment decisions and contribution schedules, rests with the management 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, 2024 was carried out using the Projected Unit Credit Method. Details of the plans as per the actuarial valuation are as follows:

| | 2024 | | 2023 | |
|--|-------------------------|---------------------------------|-------------------------|---------------------------------|
| | Funded | Un-Funded | Funded | Un-Funded |
| | Executives' Gratuity | Non- Executives' Gratuity | 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 | (10,102,482) | (21,867,170) | (15,194,083) | (26,981,450) |
| Fair value of plan assets at June 30 - note 9.7 | 27,283,917 | - | 35,793,012 | - |
| Surplus / (Deficit) | <u>17,181,435</u> | <u>(21,867,170)</u> | <u>20,598,929</u> | <u>(26,981,450)</u> |
| 9.6 Movement in the Present value of defined benefit obligation | | | | |
| Opening balance | 15,194,083 | 26,981,450 | 20,500,786 | 26,004,083 |
| Benefits paid | (13,836,120) | (5,911,720) | (7,699,396) | (4,507,814) |
| Current service costs | 351,633 | 1,086,513 | 619,076 | 1,158,256 |
| Interest cost | 1,541,809 | 4,153,780 | 2,206,269 | 3,146,898 |
| Actuarial (gain) / loss arising from experience adjustment | 6,851,077 | (4,442,853) | (432,652) | 1,180,027 |
| Closing balance | <u>10,102,482</u> | <u>21,867,170</u> | <u>15,194,083</u> | <u>26,981,450</u> |
| 9.7 Movement in the Fair value of plan assets | | | | |
| Opening balance | 35,793,012 | - | 38,870,954 | - |
| Contributions paid into the plan | 325,089 | - | 308,713 | - |
| Benefits paid | (13,836,120) | - | (7,699,396) | - |
| Interest income | 4,781,532 | - | 5,170,854 | - |
| Remeasurement | 220,404 | - | (858,113) | - |
| Closing balance | <u>27,283,917</u> | <u>-</u> | <u>35,793,012</u> | <u>-</u> |

NOTES TO THE FINANCIAL STATEMENTS

| | 2024 | | 2023 | |
|---|---|---------------------------------|-------------------------|---------------------------------|
| | Funded | Un-Funded | Funded | Un-Funded |
| | Executives' Gratuity | Non- Executives' Gratuity | Executives' Gratuity | Non- Executives' Gratuity |
| ----- Rupees ----- | | | | |
| 9.8 | (Income) / expense recognised in Profit or Loss | | | |
| Current service costs | 351,633 | 1,086,513 | 619,076 | 1,158,256 |
| Net interest (income) / cost | (3,239,723) | 4,153,780 | (2,964,585) | 3,146,898 |
| (Income) / expense recognised in Profit or Loss | <u>(2,888,090)</u> | <u>5,240,293</u> | <u>(2,345,509)</u> | <u>4,305,154</u> |
| 9.9 | Remeasurement recognised in Other Comprehensive Income | | | |
| Loss / (gain) from experience adjustment | 6,851,077 | (4,442,853) | (432,652) | 1,180,027 |
| Remeasurement of fair value of plan assets | (220,404) | - | 858,113 | - |
| Remeasurements | <u>6,630,673</u> | <u>(4,442,853)</u> | <u>425,461</u> | <u>1,180,027</u> |
| 9.10 | Net recognised (asset) / liability | | | |
| Net recognised (asset) / liability as at July 1 | (20,598,929) | 26,981,450 | (18,370,168) | 26,004,083 |
| (Income) / expense recognised in Profit or Loss | (2,888,090) | 5,240,293 | (2,345,509) | 4,305,154 |
| Contribution made / benefits paid during the year to the Fund | (325,089) | (5,911,720) | (308,713) | (4,507,814) |
| Remeasurements recognised in Other Comprehensive Income | 6,630,673 | (4,442,853) | 425,461 | 1,180,027 |
| Recognised (asset) / liability closing | <u>(17,181,435)</u> | <u>21,867,170</u> | <u>(20,598,929)</u> | <u>26,981,450</u> |
| 9.11 | Plan assets comprise of following: | | | |
| Mutual funds | 10,000,000 | - | 8,800,000 | - |
| Cash at Bank | 17,283,917 | - | 26,993,012 | - |
| Total plan asset | <u>27,283,917</u> | <u>-</u> | <u>35,793,012</u> | <u>-</u> |
| 9.12 | Actuarial assumptions | | | |
| Discount rate | 14.75% | 14.75% | 15.75% | 15.75% |
| Future salary increases | 14.75% | 13.75% | 14.50% | 14.50% |
| 9.13 | Mortality was assumed to be SLIC (2001-2005) table. | | | |

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. All Plan assets in June 2024 and in June 2023 consist of cash and mutual funds.
- 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 statement of financial position date.

The Company's contribution to the executives' gratuity fund for the year ending June 30, 2025 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.

| | 2024 Rupees | 2023 Rupees |
|---|----------------|----------------|
| 9.16 Maturity profile of the defined benefit obligation | | |
| Distribution of timing of benefit payments | | |
| One year | 5,861,334 | 8,471,665 |
| Two years | 4,599,861 | 7,811,817 |
| Three years | 6,670,755 | 3,605,559 |
| Four years | 7,645,200 | 2,910,078 |
| Five years | 935,970 | 7,663,478 |
| Six years to ten years | 28,496,752 | 20,245,809 |

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 | |
|-------------------------------|----------------------|---------------------------------------|---------------------------------------|
| | | 2024 Rupees Increase in assumption | 2024 Rupees Decrease in assumption |
| Discount rate at closing date | 0.50% | (1,470,425) | 1,640,306 |
| Future salary increases | 0.50% | 1,784,427 | (1,626,381) |

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

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:

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|--|--------------------|-------------------|-------------------|-------------------|---------------------|
| | ----- Rupees ----- | | | | |
| Pension fund | | | | | |
| Fair value of plan assets | - | - | - | - | 127,507,704 |
| Present value of the defined benefit obligation | - | - | - | - | (187,626,665) |
| Deficit | | | | | <u>(60,118,961)</u> |
| Experience adjustments on plan obligations - (gain) / loss | - | - | - | (7,113,957) | 47,137,428 |
| Remeasurement adjustments on plan assets - (gain) / loss | - | - | - | (9,204,964) | 6,478,414 |
| Executives' gratuity fund | | | | | |
| Fair value of plan assets | 27,283,917 | 35,793,012 | 38,870,954 | 39,588,834 | 51,279,469 |
| Present value of the defined benefit obligation | (10,102,482) | (15,194,083) | (20,500,786) | (26,204,958) | (25,977,765) |
| Surplus | <u>17,181,435</u> | <u>20,598,929</u> | <u>18,370,168</u> | <u>13,383,876</u> | <u>25,301,704</u> |
| Experience adjustments on plan obligations - loss / (gain) | 6,851,077 | (432,652) | (1,841,208) | 254,474 | (7,664,570) |
| Remeasurement adjustments on plan assets - gain / (loss) | 220,404 | (858,113) | 1,905,568 | (13,440,679) | (5,328,742) |
| Non-Executives' gratuity fund | | | | | |
| Present value of the defined benefit obligation | (21,867,170) | (26,981,450) | 26,004,083 | (34,817,327) | (29,839,850) |
| Experience adjustments on plan obligations - (gain) / loss | (4,442,853) | 1,180,027 | (5,694,138) | 4,931,970 | (5,693,992) |

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 | 3.11 |
| - Non-executives' gratuity fund | 5.65 |

NOTES TO THE FINANCIAL STATEMENTS

| | 2024 Rupees | 2023 Rupees |
|---|--------------------|--------------------|
| 10. STORES, SPARE PARTS AND LOOSE TOOLS | | |
| Stores | 26,300,961 | 29,612,562 |
| Spare parts [including in transit Rs. 8.58 million (2023: Rs. 0.44 million)] | 88,032,660 | 73,006,077 |
| Hard coke, diesel and kerosene oil | 33,174,580 | 16,956,062 |
| Loose tools | 953,841 | 869,753 |
| Less: provision for slow moving stores and spares | (3,161,257) | (2,813,367) |
| | <u>145,300,785</u> | <u>117,631,087</u> |

| | | |
|--|--------------------|--------------------|
| 11. INVENTORIES | | |
| Raw materials [including in transit Rs. 5.63 million (2023: Rs. 6.5 million)] | 151,520,452 | 113,880,207 |
| Work in process | 132,888,684 | 76,649,524 |
| Finished goods - at cost - note 11.1 | 114,587,052 | 98,551,370 |
| Finished goods - at fair value less cost to sell - note 11.2 | 16,509,098 | 24,665,244 |
| | 131,096,150 | 123,216,614 |
| | <u>415,505,286</u> | <u>313,746,345</u> |

11.1 Inventories include Rs. 12.03 million (2023: Rs. 17.56 million) held with third parties.

11.2 Finished goods costing Rs. 21.12 million (2023: Rs. 26.98 million) have been written-down to net realisable value by Rs. 4.61 million (2023: Rs. 2.32 million).

| | 2024 Rupees | 2023 Rupees |
|--|--------------------|-------------------|
| 12. TRADE RECEIVABLES | | |
| Considered good | | |
| - due from related parties - notes 12.1 & 12.2 | 96,421,983 | 88,136,261 |
| - others - note 12.3 | 25,907,760 | 11,264,551 |
| | <u>122,329,743</u> | <u>99,400,812</u> |

12.1 These represent amounts due from following related parties:

| | 2024 Rupees | 2023 Rupees |
|-----------------------------|-------------------|-------------------|
| - Millat Tractors Limited | 96,421,983 | 88,081,125 |
| - Millat Equipments Limited | - | 55,136 |
| | <u>96,421,983</u> | <u>88,136,261</u> |

NOTES TO THE FINANCIAL STATEMENTS

| | 2024 Rupees | 2023 Rupees |
|--|-------------------|-------------------|
| As at June 30, 2024, the age analysis of these trade receivables is as follows: | | |
| Not yet due | 96,421,983 | 85,377,882 |
| Past due | | |
| - Up to 3 months | - | 1,316,483 |
| - 3 to 6 months | - | - |
| - 6 to 9 months | - | - |
| - More than 9 months | - | 1,441,896 |
| | - | 2,758,379 |
| | <u>96,421,983</u> | <u>88,136,261</u> |
| 12.2 The maximum aggregate amount due from the related parties at the end of any month during the year was Rs. 162.20 million (2023: Rs. 116.71 million). | | |
| 12.3 As at June 30, 2024, the age analysis of trade receivables from others is as follows: | | |
| | 2024 Rupees | 2023 Rupees |
| Not yet due | 17,365,194 | 7,389,794 |
| Past due | | |
| - Up to 3 months | 7,293,753 | 3,479,254 |
| - 3 to 6 months | 1,048,548 | 395,503 |
| - 6 to 9 months | 200,265 | - |
| - more than 9 months | - | - |
| | 8,542,566 | 3,874,757 |
| | <u>25,907,760</u> | <u>11,264,551</u> |
| 13. LOANS AND ADVANCES | | |
| Considered good | | |
| Current portion of loans to employees - note 6 | 918,160 | 714,000 |
| Advances to: | | |
| - employees - notes 13.1 & 13.2 | 917,010 | 886,878 |
| - suppliers - note 13.2 | 8,127,433 | 7,403,817 |
| | <u>9,044,443</u> | <u>8,290,695</u> |
| | <u>9,962,603</u> | <u>9,004,695</u> |
| 13.1 The advances to employees are given to meet business expenses and are settled as and when the expenses are incurred. | | |
| 13.2 These advances are non - interest bearing. | | |
| 14. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS | 2024 Rupees | 2023 Rupees |
| Term deposit - note 14.1 | 3,856,200 | 3,856,200 |
| Security deposits - note 14.2 | 938,993 | 263,500 |
| Prepayments - note 14.2 | 187,927 | 204,480 |
| | <u>4,983,120</u> | <u>4,324,180</u> |
| 14.1 These are under lien with a bank for issuance of bank guarantee in favour of Sui Southern Gas Company Limited which carries mark-up of 19.9% (2023: 17.2%). | | |
| 14.2 These trade deposits and prepayments are mainly against subscription fee and security deposits. These do not carry mark-up. | | |

NOTES TO THE FINANCIAL STATEMENTS

15. OTHER RECEIVABLES

These include sales tax refundable amounting to Rs. 18.93 million (2023: Nil).

16. CASH AND BANK BALANCES

| | 2024 Rupees | 2023 Rupees |
|-----------------------------------|-------------------|-------------------|
| Cash at bank | | |
| Conventional | | |
| - in savings accounts - note 16.1 | 36,620,211 | 6,470,369 |
| - in current accounts | <u>1,873,697</u> | <u>13,137,829</u> |
| | 38,493,908 | 19,608,198 |
| Islamic | | |
| - in savings accounts - note 16.1 | <u>3,812,077</u> | <u>3,582,204</u> |
| - in current accounts | <u>1,111,060</u> | <u>2,916,123</u> |
| | 4,923,137 | 6,498,327 |
| Cash in hand | <u>78,947</u> | <u>66,324</u> |
| | <u>43,495,992</u> | <u>26,172,849</u> |

16.1 During the year, the mark-up / profit rates on savings accounts range from 20.50% to 20.75% (2023: 12.25% to 19.50%) per annum.

17. SHARE CAPITAL

Authorised share capital

| 2024 -----Number of shares----- | 2023 | | 2024 Rupees | 2023 Rupees |
|------------------------------------|-------------------|--------------------------------|--------------------|--------------------|
| <u>15,000,000</u> | <u>15,000,000</u> | Ordinary shares of Rs. 10 each | <u>150,000,000</u> | <u>150,000,000</u> |

Issued, subscribed and paid up capital
Ordinary shares of Rs. 10 each

| 2024 -----Number of shares----- | 2023 | | 2023 Rupees | 2022 Rupees |
|------------------------------------|-------------------|--|--------------------|--------------------|
| 6,740,875 | 6,740,875 | Shares allotted for consideration paid in cash | 67,408,750 | 67,408,750 |
| 4,731,654 | 4,731,654 | Shares allotted as bonus shares | <u>47,316,540</u> | <u>47,316,540</u> |
| <u>11,472,529</u> | <u>11,472,529</u> | | <u>114,725,290</u> | <u>114,725,290</u> |

17.1 As at June 30, 2024, 5.67 million (2023: 5.67 million) ordinary shares of Rs. 10 each were held by Millat Tractors Limited (Parent Company) along with directors, representing 49.02% (2023: 49.02%) of total issued, subscribed and paid up capital.

17.2 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at the general meetings of the Company.

18. GENERAL AND OTHER RESERVES

| | 2024 Rupees | 2023 Rupees |
|---|----------------------|----------------------|
| Capital reserves | | |
| Share premium - note 18.1 | 12,155,680 | 12,155,680 |
| Revenue reserves | | |
| General - note 18.2 | <u>424,500,000</u> | <u>424,500,000</u> |
| Accumulated loss | <u>(247,707,725)</u> | <u>(364,908,733)</u> |
| Gain on revaluation of Investment at FVTOCI - note 18.3 | <u>31,875,000</u> | <u>13,475,000</u> |
| | <u>208,667,275</u> | <u>73,066,267</u> |
| | <u>220,822,955</u> | <u>85,221,947</u> |

NOTES TO THE FINANCIAL STATEMENTS

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

18.2 General reserve is maintained for fulfilling various business needs including meeting contingencies.

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

| 19. LONG-TERM DEPOSITS | 2024 Rupees | 2023 Rupees |
|-------------------------|------------------|------------------|
| Deposits from employees | 2,193,622 | 3,042,252 |
| Less: Current portion | (133,799) | (1,461,362) |
| | <u>2,059,823</u> | <u>1,580,890</u> |

19.1 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.

| 20. LONG-TERM FINANCING | 2024 Rupees | 2023 Rupees |
|--|---------------------|---------------------|
| Opening balance | - | 28,053,370 |
| Loan obtained during the year | 165,000,000 | - |
| Repayments during the year | <u>(40,000,000)</u> | <u>(28,053,370)</u> |
| | 125,000,000 | - |
| Less: Current portion of long-term financing | <u>(60,000,000)</u> | <u>-</u> |
| | <u>65,000,000</u> | <u>-</u> |

20.1 This represents long-term financing arrangement obtained by the Company through restructuring of its short-term running finance facility with Bank Alfalah Limited. Facility is payable in equal monthly installments over a period of 36 months which include a grace period of 3 months. This facility carries mark-up at the rate of one month KIBOR plus 1.6% per annum and it is secured by way of hypothecation charge over plant and machinery and current asset of the company amounting to Rs. 266.67 million.

| 21. TRADE AND OTHER PAYABLES | 2024 Rupees | 2023 Rupees |
|---|--------------------|--------------------|
| Creditors - note 21.1 | 313,021,599 | 271,971,160 |
| Accrued liabilities | 30,595,185 | 14,672,699 |
| Compensated absences - note 21.2 | 16,050,650 | 12,471,814 |
| Workers' Profits Participation Fund - note 21.3 | 17,180,899 | 1,489,793 |
| Workers' Welfare Fund | 11,227,431 | 6,018,871 |
| Security deposits - note 21.4 | 1,400,037 | 1,400,037 |
| Withholding tax | 691,042 | 563,200 |
| Book over-draft | 840,614 | - |
| Sales tax payable | - | 10,263,040 |
| Others | 1,612,837 | 2,644,121 |
| | <u>392,620,294</u> | <u>321,494,735</u> |

21.1 These includes payable to Millat Tractor Limited, a related party, amounting to Rs. Nil (2023: Rs. 17.34 million)

NOTES TO THE FINANCIAL STATEMENTS

| | 2024 Rupees | 2023 Rupees |
|--|-------------------|-------------------|
| 21.2 Compensated absences | | |
| Balance at beginning of the year | 12,471,814 | 11,758,810 |
| Charge for the year | 6,953,382 | 2,360,780 |
| Payments made during the year | (3,374,546) | (1,647,776) |
| Balance at end of the year | <u>16,050,650</u> | <u>12,471,814</u> |
| 21.3 Workers' Profits Participation Fund | | |
| Balance at beginning of the year | 1,489,793 | 2,944,403 |
| Interest charged during the year | 141,026 | 308,440 |
| Allocation for the year | 17,177,810 | 1,489,590 |
| Payment made during the year | (1,627,730) | (3,252,640) |
| Balance at end of the year | <u>17,180,899</u> | <u>1,489,793</u> |
| 21.4 These represent deposits obtained from customers which are kept in a separate bank account in compliance with the Companies Act, 2017. | | |
| | 2024 Rupees | 2023 Rupees |
| 22. ADVANCES FROM CUSTOMERS | | |
| Balance at beginning of the year | 1,044,936 | 951,262 |
| Advance received during the year | 30,364,584 | 30,950,178 |
| Revenue recognised during the year | (29,830,847) | (30,856,504) |
| Balance at end of the year | <u>1,578,673</u> | <u>1,044,936</u> |
| 23. UNCLAIMED DIVIDEND | | |
| Balance at beginning of the year | 3,399,012 | 3,407,752 |
| Claims received and settled | (3,890) | (8,740) |
| Balance at end of the year | <u>3,395,122</u> | <u>3,399,012</u> |

NOTES TO THE FINANCIAL STATEMENTS

| | 2024 Rupees | 2023 Rupees |
|---|-------------------|--------------------|
| 24. SHORT-TERM FINANCING | | |
| Secured | | |
| - Conventional Finance | | |
| Under mark-up arrangements - note 24.1 | - | 206,953,527 |
| - Islamic Finance | | |
| Under Istisna cum Wakala arrangement - note 24.2 | 75,000,000 | 75,000,000 |
| Under Istisna / Musawammah arrangement - note 24.2 | <u>21,026,000</u> | <u>73,636,401</u> |
| | <u>96,026,000</u> | <u>355,589,928</u> |

24.1 These represent running finance facilities obtained from Bank Alfalah amounting to Rs. Nil (2023: 165 million), Faysal Bank Limited amounting to Rs. Nil (2023: 100 million), Habib Metropolitan Bank Limited amounting to Rs. Nil (2023: 14.87 million). The mark-up rates on these facilities were 1 month KIBOR plus 1.60%, 1 month KIBOR plus 1% and 3 months KIBOR plus 2.5% per annum respectively. The arrangements were secured by way of hypothecation of plant and machinery and current assets of the Company amounting to Rs. 334 million.

24.2 The Company has obtained finance facilities under Istisna cum Wakala arrangement from Dubai Islamic Bank Pakistan Limited amounting to Rs. 75 million (2023: Rs. 75 million) and Istisna / Musawammah arrangement from Meezan Bank Limited amounting to Rs. 100 million (2023: Rs. 100 million). The profit rate on these facilities are 6 months KIBOR plus 2% (2023: 6 months KIBOR plus 2%) and 6 months KIBOR plus 1% (2023: 6 months KIBOR plus 1%) per annum respectively. These facilities are secured by way of hypothecation charge over fixed assets and current assets of the Company amounting to Rs. 333.33 million and hypothecation charge over present and future stocks and book debts with 25% margin respectively. Amount utilised as at June 30, 2024 is Rs. 75 million (2023: Rs. 75 million) and Rs. 21.03 million (2023: Rs. 73.64 million) respectively.

25. CONTINGENCY AND COMMITMENTS

25.1 Contingency

In a suit filed against the Company before the Senior Civil Judge at Hub Baluchistan, 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 Baluchistan High Court, which suspended the said order. In November, 2019, the Government of Baluchistan 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 Baluchistan 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. 89.5 million (2023: Rs. 57 million). The management of the Company based on the views of its legal advisor is confident that decision will be given in favor of the Company and therefore, no provision has been made in these financial statements.

25.2 Commitments

The facilities for opening letters of credit and guarantees from banks as at June 30, 2024 amounted to Rs. 275 million (2023: Rs. 350 million) and Rs. 3.86 million (2023: Rs. 3.86 million) respectively of which unutilised at year end was Rs. 197.27 million and Nil (2023: Rs. 344.91 million and Rs. Nil) respectively.

NOTES TO THE FINANCIAL STATEMENTS

| | 2024 Rupees | 2023 Rupees |
|--|----------------------|----------------------|
| 26. REVENUE FROM CONTRACTS WITH CUSTOMERS | | |
| Gross revenue | 4,139,158,769 | 2,719,374,752 |
| Less: | | |
| - Sales returns | (170,634,583) | (149,433,950) |
| - Sales tax | (578,349,186) | (405,032,817) |
| | <u>(748,983,769)</u> | <u>(554,466,767)</u> |
| | <u>3,390,175,000</u> | <u>2,164,907,985</u> |
| 26.1 Sales to Parent Company amounting to Rs. 3,306.01 million (2023:Rs. 2,078.86 million) account for 97.52% (2023: 96.03%) of the net sales. | | |
| 27. COST OF SALES | 2024 Rupees | 2023 Rupees |
| Raw materials consumed | | |
| Opening inventory | 113,880,207 | 127,594,855 |
| Purchases | 1,644,725,973 | 974,343,710 |
| Closing inventory - note 11 | <u>(151,520,452)</u> | <u>(113,880,207)</u> |
| | 1,607,085,728 | 988,058,358 |
| Manufacturing expenses | | |
| Salaries, wages and benefits - notes 27.1 & 27.2 | 151,124,831 | 115,101,424 |
| Stores, spare parts and loose tools consumed | 215,274,842 | 114,250,586 |
| Fuel and power | 374,023,340 | 217,097,858 |
| Hard coke, diesel and kerosene oil consumed | 173,578,219 | 157,758,419 |
| Provision for slow moving stores and spares | 347,890 | 1,588,558 |
| Machining expenses | 19,279,018 | 13,835,535 |
| Outsourced job contractors | 233,690,555 | 163,802,302 |
| Travelling and conveyance | 53,486,494 | 37,119,163 |
| Depreciation | 17,927,087 | 19,084,669 |
| Repairs and maintenance | 9,148,182 | 5,560,384 |
| Insurance | 6,776,283 | 6,082,492 |
| Vehicle running expenses | 5,698,917 | 3,978,579 |
| Training | 1,128,906 | 2,351,341 |
| Entertainment | 1,291,683 | 923,468 |
| Others | 4,192,933 | 2,383,257 |
| | 1,266,969,180 | 860,918,035 |
| Opening work in process | 76,649,524 | 105,256,714 |
| Closing work in process - note 11 | <u>(132,888,684)</u> | <u>(76,649,524)</u> |
| Cost of goods manufactured | 2,817,815,748 | 1,877,583,583 |
| Opening inventory of finished goods | 123,216,614 | 203,595,332 |
| Closing inventory of finished goods - note 11 | <u>(131,096,150)</u> | <u>(123,216,614)</u> |
| | <u>2,809,936,212</u> | <u>1,957,962,301</u> |

NOTES TO THE FINANCIAL STATEMENTS

27.1 These include Rs. 3.18 million (2023: Rs. 2.43 million) and Rs. 1.00 million (2023: Rs. 2.93 million) in respect of defined benefit and defined contribution plans respectively.

27.2 These include Rs. 25.23 million (2023: Rs. 23.36 million) in respect of staff welfare expenses.

| 28. DISTRIBUTION EXPENSES | 2024 Rupees | 2023 Rupees |
|--|-------------------|-------------------|
| Salaries, wages and benefits - notes 28.1 & 28.2 | 9,371,865 | 4,923,719 |
| Freight charges | 72,338,898 | 44,798,035 |
| Depreciation | 292,307 | 287,674 |
| Sales promotion | 170,000 | 1,350,000 |
| Insurance | 948,003 | 623,159 |
| Others | 327,221 | 435,122 |
| | <u>83,448,294</u> | <u>52,417,709</u> |

28.1 These include Rs. 0.93 (2023: Rs. 1.42 million) in respect of defined contribution plans.

28.2 These also include Rs. 0.22 million (2023: Rs. 0.19 million) in respect of staff welfare expenses.

| 29. ADMINISTRATIVE EXPENSES | 2024 Rupees | 2023 Rupees |
|--|--------------------|-------------------|
| Salaries, wages and benefits - notes 29.1 & 29.2 | 69,471,827 | 36,964,275 |
| Legal and professional charges | 10,916,230 | 5,837,629 |
| Outsourced job contractors | 3,971,007 | 3,208,881 |
| Travelling and conveyance | 406,203 | 347,092 |
| Utilities | 8,708,516 | 4,895,739 |
| Repairs and maintenance | 180,305 | 178,630 |
| Depreciation | 876,921 | 863,022 |
| Vehicle running expenses | 2,771,929 | 2,828,986 |
| Insurance | 602,945 | 621,470 |
| Subscription | 1,135,742 | 1,004,219 |
| Auditors' remuneration - note 29.3 | 3,339,199 | 1,672,581 |
| Entertainment | 475,602 | 215,590 |
| Training | - | 258,100 |
| Others | 3,990,562 | 3,433,524 |
| | <u>106,846,988</u> | <u>62,329,738</u> |

29.1 These include Rs. 0.13 (2023: Rs. 0.06 million) and Rs. 0.09 million (2023: Rs. 0.21 million) in respect of defined benefit and defined contribution plans respectively.

29.2 These also include Rs. 12.05 million (2023: Rs. 1.73 million) in respect of staff welfare expenses.

| 29.3 Auditors' remuneration | 2024 Rupees | 2023 Rupees |
|-----------------------------|------------------|------------------|
| Audit fee | 1,500,000 | 975,000 |
| Half yearly review | 300,000 | 245,000 |
| Special audit | 1,000,000 | - |
| Certifications | 100,000 | 270,000 |
| Out of pocket expenses | 439,199 | 182,581 |
| | <u>3,339,199</u> | <u>1,672,581</u> |

NOTES TO THE FINANCIAL STATEMENTS

| | Note | 2024 Rupees | 2023 Rupees |
|---|--|--------------------|-------------------|
| 30. OTHER EXPENSES | | | |
| Workers' Profits Participation Fund | | 17,177,810 | 1,489,590 |
| Workers' Welfare Fund | | <u>6,975,090</u> | <u>753,349</u> |
| | | <u>24,152,900</u> | <u>2,242,939</u> |
| 31. OTHER INCOME | | | |
| Income from financial assets | | | |
| Return on savings and deposit accounts | | 7,105,522 | 1,495,587 |
| Dividend income | | <u>3,881,250</u> | <u>2,659,375</u> |
| | | <u>10,986,772</u> | <u>4,154,962</u> |
| Income from non-financial assets | | | |
| Scrap sales | | 5,986,426 | 7,749,901 |
| Gain on disposal of property, plant and equipment | | 1,029,329 | 2,147,704 |
| Government grant income | | - | 559,745 |
| Miscellaneous income | | <u>1,216,030</u> | <u>2,051,310</u> |
| | | <u>8,231,785</u> | <u>12,508,660</u> |
| | | <u>19,218,557</u> | <u>16,663,622</u> |
| 32. FINANCE COST | | | |
| Conventional | | | |
| Mark-up on short-term financing | | 5,603,104 | 51,139,658 |
| Mark-up on long-term financing | | 32,785,370 | 631,100 |
| Islamic | | | |
| Short-term finance | | | |
| Under Istisna cum Wakala - note 32.1 | | 17,416,343 | 13,956,493 |
| Under Istisna / Musawammah - note 32.1 | | 9,181,472 | 12,719,968 |
| Interest on workers' profits participation fund | | 141,026 | 308,440 |
| Others | | <u>478,591</u> | <u>377,710</u> |
| | | <u>65,605,906</u> | <u>79,133,369</u> |
| 32.1 | The profit paid on Islamic mode of financing amounts to Rs. 26.60 million (2023: Rs. 26.73 million). | | |
| 33. INCOME TAX EXPENSE | | | |
| Income tax | | | |
| - for the year | | 67,353,925 | 27,460,256 |
| - for prior year - note 33.2 & 33.3 | | <u>60,274,335</u> | <u>1,284,998</u> |
| | | <u>127,628,260</u> | <u>28,745,254</u> |
| Deferred tax | | <u>73,108,150</u> | <u>23,465,591</u> |
| | | <u>200,736,410</u> | <u>52,210,845</u> |
| 33.1 | The Company has computed current tax for the period under section 113 C of the Income Tax Ordinance, 2001 i.e. Alternative Corporate Tax . | | |
| 33.2.1 | During the year, the Company received a demand order dated August 30, 2023 from the Federal Board of Revenue for the tax year 2017. The demand raised amounted to Rs. 49.43 million against refunds issued for the same year. The Company, aggrieved by the disallowance of tax credits within the demand computation, appealed against the order in Appellate Tribunal Inland Revenue via Income Tax Appeal No. 2566 / KB / 2023, which was eventually ruled in favor of Federal Board of Revenue on October 17, 2023. The Company has challenged the decision of Appellate Tribunal Inland Revenue in Honourable Sindh High Court on December 29, 2023 and the matter is pending for adjudication. The management, on prudent basis, has recorded provision against the demand order however, the Company will pursue the case in Courts of law. | | |
| 33.2.2 | During the year, the Company received an order for refusal of refund in excess of application for tax year 2021 amounting to Rs. 4.08 million from the Federal Board of Revenue (FBR). | | |

NOTES TO THE FINANCIAL STATEMENTS

| 33.3 Relationship between income tax expense and accounting profit: | 2024 | 2023 | 2024 Rupees | 2023 Rupees |
|---|--------------|------------------------|--------------------|-------------------|
| | | (Effective Tax Rate %) | | |
| Accounting profit before tax | | | <u>319,403,257</u> | <u>27,485,551</u> |
| Tax at applicable tax rate | 29.00 | 29.00 | 92,626,945 | 7,970,810 |
| Effect of final tax regime | (0.17) | (1.35) | (543,375) | (372,313) |
| Effect of prior years tax | 18.87 | 4.68 | 60,274,335 | 1,284,998 |
| Effect of minimum tax | - | 70.17 | - | 19,285,321 |
| Effect of alternate corporate tax | 12.53 | - | 40,036,218 | - |
| Effect of tax loss adjustment | (25.20) | - | (80,486,075) | - |
| Effect of deferred tax reversed - net | 22.89 | 83.68 | 73,108,148 | 23,000,000 |
| Effect of super tax | 4.11 | - | 13,132,989 | - |
| Others | 0.81 | 3.79 | 2,587,225 | 1,042,029 |
| Income tax expense for the period | <u>62.84</u> | <u>189.97</u> | <u>200,736,410</u> | <u>52,210,845</u> |

33.4 The Company computes current tax expense based on the generally accepted interpretation of the tax laws to ensure that sufficient provision for the purpose of taxation is available.

34. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

| | | |
|--|--------------------|---------------------|
| Profit / (loss) for the year attributable | <u>118,666,847</u> | <u>(24,725,294)</u> |
| Weighted average number of shares in issue during the year | <u>11,472,529</u> | <u>11,472,529</u> |
| Earnings / (loss) per share - basic and diluted | <u>10.34</u> | <u>(2.16)</u> |

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, 2024 and 2023 which would have any effect on the earnings per share if the option to convert is exercised.

| 35. CASH GENERATED FROM OPERATIONS | Note | 2024 Rupees | 2023 Rupees |
|---|------|----------------------|---------------------|
| Profit before tax | | 319,403,257 | 27,485,551 |
| Adjustments for non-cash charges and other items | | | |
| Depreciation | 4.3 | 19,096,315 | 20,235,365 |
| Non-cash employee benefits expense | | 2,352,203 | 1,959,645 |
| Gain on disposal of property, plant and equipment | 31 | (1,029,329) | (2,147,704) |
| Mark up on Conventional financing | 32 | 38,388,474 | 77,816,119 |
| Profit on Islamic financing | 32 | 26,597,815 | 631,100 |
| Government grant income | | - | (559,745) |
| Return on savings and deposit accounts | 31 | (7,105,522) | (1,495,587) |
| Dividend income | 31 | (3,881,250) | (2,659,375) |
| | | <u>74,418,706</u> | <u>93,779,818</u> |
| | | <u>393,821,963</u> | <u>121,265,369</u> |
| EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES | | | |
| (Increase) / decrease in current assets | | | |
| Stores, spare parts and loose tools | | (27,669,698) | 3,606,091 |
| Inventories | | (101,758,941) | 122,700,556 |
| Trade receivables | | (22,928,931) | 9,769,529 |
| Loans and advances | | (957,908) | 563,942 |
| Trade deposits and short-term prepayments | | (658,940) | (39,663) |
| Other receivables | | (19,768,417) | 15,924,852 |
| | | <u>(173,742,835)</u> | <u>152,525,307</u> |
| Increase / (decrease) in current liabilities | | | |
| Trade and other payables | | 71,125,559 | (50,277,037) |
| Advances from customers | | 533,737 | 93,674 |
| | | <u>71,659,296</u> | <u>(50,183,363)</u> |
| | | <u>291,738,424</u> | <u>223,607,313</u> |

NOTES TO THE FINANCIAL STATEMENTS

| | 2024 Rupees | 2023 Rupees |
|-------------------------------|---------------------|----------------------|
| 36. CASH AND CASH EQUIVALENTS | | |
| Cash and bank balances | 43,495,992 | 26,172,849 |
| Short-term financing | <u>(96,026,000)</u> | <u>(355,589,928)</u> |
| | <u>(52,530,008)</u> | <u>(329,417,079)</u> |

37. RELATED PARTY DISCLOSURES

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

| Relationship with the Company | Nature of transactions | 2024 Rupees | 2023 Rupees |
|-------------------------------------|--|----------------|----------------|
| Holding Company: | | | |
| - Millat Tractors Limited (MTL) | Sale of goods | 3,306,006,507 | 2,078,857,154 |
| | Purchase of goods | 528,812 | 23,694,914 |
| Associated company: | | | |
| - Millat Equipments Limited | Sale of goods | - | 314,112 |
| Employee benefit funds: | | | |
| - Provident funds | Contributions | 5,830,789 | 4,561,059 |
| - Executives' Gratuity fund | Contributions | 325,089 | 308,713 |
| - Executives' Gratuity fund | Benefits paid on behalf of the fund | 13,836,120 | 7,699,396 |
| Key management personnel * : | | | |
| | Salaries and other employee benefits paid | 70,341,338 | 26,133,233 |
| | Post retirement benefits | 2,371,083 | 1,099,098 |
| | Proceeds from sale of assets | 595,999 | - |

* Key management personnel include CEO, CFO and Head of Departments.

37.1 The related party status of outstanding balances as at June 30, 2024 and 2023 is included in trade receivables. These are settled in ordinary course of business.

NOTES TO THE FINANCIAL STATEMENTS

37.2 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 | Nil |

38. REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

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

| | Chief Executive | | Executives | |
|--|--------------------|------------------|-------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | ----- Rupees ----- | | | |
| Managerial remuneration and allowances | 4,637,500 | 3,180,000 | 20,133,015 | 8,119,507 |
| Bonus | 2,641,224 | - | 5,868,933 | 1,247,496 |
| Retirement benefits | 437,253 | 318,000 | 1,933,830 | 781,098 |
| House rent | 1,967,630 | 1,431,000 | 8,217,168 | 3,514,910 |
| Utilities | 3,638,192 | 2,685,586 | 8,619,710 | 3,397,602 |
| Medical expenses | 10,202,440 | 248,345 | 883,706 | 503,621 |
| Others | 434,628 | 589,045 | 726,109 | 117,023 |
| | <u>23,958,867</u> | <u>8,451,976</u> | <u>46,382,471</u> | <u>17,681,257</u> |
| Number of persons | <u>1</u> | <u>1</u> | <u>9</u> | <u>4</u> |

38.1 In addition to above, fee to non-executive directors for attending Board of Directors meetings during year amounted to Rs. 1,775,000 (2023: Rs. 1,400,000).

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

39. PLANT CAPACITY AND PRODUCTION

| | 2024 | 2023 |
|--|---------------|---------------|
| | Metric tons | |
| Installed capacity (single shift without overtime) | <u>13,200</u> | <u>13,200</u> |
| Actual production | <u>7,227</u> | <u>4,824</u> |
| Capacity utilisation | <u>54.75%</u> | <u>36.55%</u> |

NOTES TO THE FINANCIAL STATEMENTS

39.1 Production during the year was as per market demand.

| | 2024 | 2023 |
|--------------------------------|--------------|--------------|
| 40. NUMBER OF EMPLOYEES | | |
| Number of employees at June 30 | | |
| - Permanent | 120 | 129 |
| - Contractual | 13 | 9 |
| | <u>* 133</u> | <u>* 138</u> |

* This includes 74 (2023: 129) number of factory employees

Average number of employees during the year

| | | |
|---------------|---------------|---------------|
| - Permanent | 124 | 130 |
| - Contractual | 13 | 5 |
| | <u>** 137</u> | <u>** 135</u> |

** This includes 75 (2023: 126) number of factory employees

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

41.1 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 program focuses on having cost effective funding as well as managing financial risk to minimise earnings volatility and providing maximum return to shareholders.

41.2 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 | |
| FINANCIAL ASSETS | ----- Rupees ----- | | | | | | |
| Fair value through OCI (FVOCI) | | | | | | | |
| Long-term investment | - | - | - | - | 37,375,000 | 37,375,000 | 37,375,000 |
| Amortised Cost | | | | | | | |
| Loans and advances | | - | - | 918,160 | 590,248 | 1,508,408 | 1,508,408 |
| Trade deposits and short term prepayments | 3,856,200 | - | 3,856,200 | 1,126,920 | - | 1,126,920 | 4,983,120 |
| Trade receivables | - | - | - | 122,329,743 | - | 122,329,743 | 122,329,743 |
| Other receivables | - | - | - | 20,668,261 | - | 20,668,261 | 20,668,261 |
| Bank balances | 40,432,288 | - | 40,432,288 | 2,984,757 | - | 2,984,757 | 43,417,045 |
| June 30, 2024 | <u>44,288,488</u> | <u>-</u> | <u>44,288,488</u> | <u>148,027,841</u> | <u>37,965,248</u> | <u>185,993,089</u> | <u>230,281,577</u> |
| June 30, 2023 | <u>13,908,773</u> | <u>-</u> | <u>13,908,773</u> | <u>118,285,310</u> | <u>24,348,790</u> | <u>142,634,100</u> | <u>156,542,873</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 ----- | | | | | | | |
| FINANCIAL LIABILITIES | | | | | | | |
| Deposits | - | - | - | 133,799 | 2,059,823 | 2,193,622 | 2,193,622 |
| Long-term financing | 60,000,000 | 65,000,000 | 125,000,000 | - | - | - | 125,000,000 |
| Trade and other payables | - | - | - | 362,415,021 | - | 362,415,021 | 362,415,021 |
| Unclaimed dividend | - | - | - | 3,395,122 | - | 3,395,122 | 3,395,122 |
| Short-term financing | 96,026,000 | - | 96,026,000 | - | - | - | 96,026,000 |
| Accrued mark up | - | - | - | 9,715,342 | - | 9,715,342 | 9,715,342 |
| June 30, 2024 | 156,026,000 | 65,000,000 | 221,026,000 | 375,659,284 | 2,059,823 | 377,719,107 | 598,745,107 |
| June 30, 2023 | 355,589,928 | - | 355,589,928 | 317,677,407 | 1,580,890 | 319,258,297 | 674,848,225 |
| ON STATEMENT OF FINANCIAL POSITION GAP | | | | | | | |
| June 30, 2024 | (111,737,512) | (65,000,000) | (176,737,512) | (227,631,443) | 35,905,425 | (191,726,018) | (368,463,530) |
| June 30, 2023 | (341,681,155) | - | (341,681,155) | (199,392,097) | 22,767,900 | (176,624,197) | (518,305,352) |
| OFF STATEMENT OF FINANCIAL POSITION ITEMS | | | | | | | |
| Letters of credit / guarantee: | | | | | | | |
| June 30, 2024 | | | | | | | <u>81,602,798</u> |
| June 30, 2023 | | | | | | | <u>8,947,571</u> |

(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. 230.28 million (2023: Rs. 156.54 million), the financial assets which are subject to credit risk amounted to Rs. 192.82 million (2023: Rs. 137.5 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, 2024, trade receivables of Rs. 8.54 million (2023: Rs. 6.63 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.

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 | A1 + | AAA |
| Bank Al Habib Limited | PACRA | A1 + | AAA |
| MCB Bank Limited | PACRA | A1 + | AAA |
| Meezan Bank Limited | VIS | A1 + | AAA |
| Bank Alfalah Limited | PACRA | A1 + | AAA |
| Habib Metropolitan Bank Limited | PACRA | A1 + | AA+ |
| Askari Bank Limited | PACRA | A1 + | AA+ |
| Faysal Bank Limited | PACRA | A1 + | AA |
| Dubai Islamic Bank Limited | VIS | A1 + | 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.

| | June 2024 | | | | |
|------------------------------|--------------------|------------------------|----------------------|----------------------|---------------------|
| | Carrying amount | Contractual cash flows | Six months or less | Six to twelve months | One to five years |
| ----- Rupees ----- | | | | | |
| Financial liabilities | | | | | |
| Long-term loan | 125,000,000 | (125,000,000) | (30,000,000) | (30,000,000) | (65,000,000) |
| Deposits | 2,193,622 | (2,193,622) | (133,799) | - | (2,059,823) |
| Trade and other payables | 362,415,021 | (362,415,021) | (362,415,021) | - | - |
| Short-term financing | 96,026,000 | (96,026,000) | (96,026,000) | - | - |
| Unclaimed dividend | 3,395,122 | (3,395,122) | (3,395,122) | - | - |
| Accrued mark-up | 9,715,342 | (9,715,342) | (9,715,342) | - | - |
| | <u>598,745,107</u> | <u>(598,745,107)</u> | <u>(501,685,284)</u> | <u>(30,000,000)</u> | <u>(67,059,823)</u> |
| ----- Rupees ----- | | | | | |
| Financial liabilities | | | | | |
| Deposits | 3,042,252 | (3,042,252) | (1,441,151) | (20,211) | (1,580,890) |
| Trade and other payables | 312,817,033 | (312,817,033) | (312,817,033) | - | - |
| Short-term financing | 355,589,928 | (355,589,928) | (355,589,928) | - | - |
| Unclaimed dividend | 3,399,012 | (3,399,012) | (3,399,012) | - | - |
| Accrued mark-up | 18,021,942 | (3,399,012) | (3,399,012) | - | - |
| | <u>692,870,167</u> | <u>(681,646,249)</u> | <u>(680,045,148)</u> | <u>(20,211)</u> | <u>(1,580,890)</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. At the reporting date, had the overall equity price varied by 1%, with all the other variables held constant, value of investment would have been lower / higher by approximately Rs. 373,750 mainly as a result of higher / lower price of equity investment.

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, 2024, trade and other payables of Rs. 14.21 million (2023: Rs. 13.65 million) are exposed to foreign currency risk.

As at June 30, 2024, if the Pakistani Rupee had weakened / strengthened by 2% against US Dollar (USD) with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. Nil (2023: Rs. 0.2 million), as a result of foreign exchange losses / gains on translation of US Dollar denominated trade and other payables.

As at June 30, 2024, if the Pakistan Rupee had weakened / strengthened by 2% against Euro (EUR) with all other variables held constant, loss before tax for the year would have been higher / lower by Rs. 0.24 million (2023: Rs. Nil), as a result of foreign exchange gains / losses on translation of Euro denominated trade and other payables.

As at June 30, 2024, if the Pak Rupee had weakened / strengthened by 2% against Great Britain Pound (GBP) with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 0.04 million (2023: Rs. 0.07), as a result of foreign exchange losses / gains on translation of GBP denominated trade and other payables.

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 and bank balances (note 16) and long term financing (note 20). Short-term financing availed at variable rates expose the Company to cash flow interest rate risk.

At June 30, 2024, the Company had variable interest bearing financial assets of Rs. 40.43 million (2023: Rs. 10.05 million) and liabilities of Rs. 221.03 million (2023: Rs. 355.59 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. 1.81 million (2023: Rs. 3.46 million), mainly as a result of higher / lower interest expense on floating rate borrowings.

NOTES TO THE FINANCIAL STATEMENTS

iv) 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, 2024, all financial assets and financial liabilities are carried at amortised cost except the investment in quoted shares of Baluchistan Wheels Limited which is 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, 2024:

| Financial Assets | June 2024 | | | Total |
|--|--------------------|---------|---------|------------|
| | Level 1 | Level 2 | Level 3 | |
| | ----- Rupees ----- | | | |
| Recurring fair value measurement of FVOCI investment | 37,375,000 | - | - | 37,375,000 |
| | June 2023 | | | |
| Financial Assets | Level 1 | Level 2 | Level 3 | Total |
| | ----- Rupees ----- | | | |
| Recurring fair value measurement of FVOCI investment | 18,975,000 | - | - | 18,975,000 |

NOTES TO THE FINANCIAL STATEMENTS

42. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard 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, 2024 and June 30, 2023 were as follows:

| | 2024 Rupees | 2023 Rupees |
|----------------------------------|---------------------|---------------------|
| Short-term financing - note 24 | 96,026,000 | 355,589,928 |
| Long-term financing - note 20 | 125,000,000 | - |
| Cash and bank balances - note 16 | <u>(43,495,992)</u> | <u>(26,172,849)</u> |
| Net debt | 177,530,008 | 329,417,079 |
| Total equity | <u>335,548,245</u> | <u>199,947,237</u> |
| Total capital | <u>513,078,253</u> | <u>529,364,316</u> |
| Debt to capital ratio | 34.60% | 62.23% |

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.

43. CORRESPONDING FIGURES

Comparative information has been reclassified, re-arranged, wherever necessary, for better presentation. Following are the instances of reclassifications:

44. DATE OF AUTHORISATION

These financial statements were authorised for issue on August 30, 2024 by the Board of Directors of the Company.


Chief Executive


Director


Chief Financial Officer

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2024

| No. of Shareholders | Size of Holding | | Total Shares Held | Amount Rupees |
|---------------------|-----------------|---------|-------------------|---------------|
| | From | To | | |
| 212 | 1 | 100 | 7,948 | 79,480 |
| 489 | 101 | 500 | 125,754 | 1,257,540 |
| 141 | 501 | 1000 | 116,443 | 1,164,430 |
| 227 | 1001 | 5000 | 531,541 | 5,315,410 |
| 40 | 5001 | 10000 | 291,269 | 2,912,690 |
| 12 | 10001 | 15000 | 148,676 | 1,486,760 |
| 7 | 15001 | 20000 | 125,366 | 1,253,660 |
| 9 | 20001 | 25000 | 203,041 | 2,030,410 |
| 6 | 25001 | 30000 | 169,331 | 1,693,310 |
| 2 | 30001 | 35000 | 63,270 | 632,700 |
| 3 | 35001 | 40000 | 117,300 | 1,173,000 |
| 1 | 40001 | 45000 | 44,794 | 447,940 |
| 2 | 45001 | 50000 | 96,276 | 962,760 |
| 1 | 55001 | 60000 | 60,000 | 600,000 |
| 2 | 70001 | 75000 | 148,430 | 1,484,300 |
| 2 | 95001 | 100000 | 199,100 | 1,991,000 |
| 1 | 105001 | 110000 | 110,000 | 1,100,000 |
| 1 | 165001 | 170000 | 166,369 | 1,663,690 |
| 1 | 210001 | 215000 | 213,000 | 2,130,000 |
| 1 | 255001 | 260000 | 258,266 | 2,582,660 |
| 1 | 270001 | 275000 | 275,000 | 2,750,000 |
| 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 | 1125001 | 1130000 | 1,130,000 | 11,300,000 |
| 1 | 5305001 | 5310000 | 5,306,979 | 53,069,790 |
| 1166 | | | 11,472,529 | 114,725,290 |

CATEGORIES OF SHAREHOLDERS

AS AT JUNE 30, 2024

| Particulars | Shareholders | Shares Held | Percentage % |
|---|--------------|-------------------|---------------|
| Directors and their spouse(s) and minor children | | | |
| MR. SIKANDAR MUSTAFA KHAN | 1 | 166,369 | 1.45 |
| MR. SOHAIL BASHIR RANA | 1 | 4,359 | 0.04 |
| MR. LAEEQ UDDIN ANSARI | 1 | 3,120 | 0.03 |
| MR. SYED MUHAMMAD IRFAN AQUEEL | 1 | 2,500 | 0.02 |
| MR. ABDUL HAMID AHMED DAGIA | 1 | 2,500 | 0.02 |
| MRS. TABASSUM RANA | 1 | 80 | 0.00 |
| MR. MUJTABA AHMED | 1 | 14,000 | 0.12 |
| Associated Companies, undertakings and related parties | 3 | 5,353,257 | 46.66 |
| NIT & ICP | 1 | 488,276 | 4.26 |
| Banks Development Financial Institutions, Non Banking Financial Institutions. | 3 | 75,713 | 0.66 |
| Insurance Companies | 1 | 300,000 | 2.61 |
| Modarabas and Mutual Funds | - | - | - |
| General Public | | | |
| a. Local | 1,113 | 4,425,946 | 38.58 |
| b. Foreign | 11 | 11,880 | 0.10 |
| Foreign Companies | - | - | - |
| Others | 27 | 624,529 | 5.44 |
| Totals | 1,166 | 11,472,529 | 100.00 |

| Share holders holding 10% or more | Shares Held | Percentage |
|-----------------------------------|-------------|------------|
| MILLAT TRACTORS LIMITED | 5,306,979 | 46.26 |

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 42nd Annual General Meeting of the Company to be held at Registered Office, Main RCD Highway, Hub Chowki, District Lasbela, Balochistan on Thursday, October 24, 2024 at 12:30 p.m. and / or at any adjournment thereof.

Signed this _____ day of _____ 2024

WITNESSES:

- Signature: _____
 Name: _____
 Address: _____
 CNIC or
 Passport No: _____
- Signature: _____
 Name: _____
 Address: _____
 CNIC or
 Passport No: _____

Signature
 on
 Revenue
 Stamp

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

Important:

- 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.
- 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.
- 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 / مستاہ ساکن
 ضلع بحیثیت ممبر بولان کاسٹنگز لمیٹڈ اور حامل شیئرز، مسٹی / مستاہ ساکن
 کو بطور مختار (پراکسی) مقرر کرتا / کرتی ہوں تاکہ وہ میری جگہ اور میری طرف سے کمپنی کے ۴۲ ویں سالانہ اجلاس عام
 جو بتاریخ ۲۴ اکتوبر ۲۰۲۲ء بروز جمعرات بوقت دن ۱۴:۳۰ 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 ملنوی شدہ اجلاس میں ووٹ ڈالے۔

گواہان:

دستخط کئے گئے مورخہ ۲۰۲۲

محصول نکتہ پر دستخط کریں۔

(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۔



BOLAN CASTINGS LIMITED

Registered Office: Main RCD Highway, Hub Chowki, District Lasbela, Balochistan
Tel: 0092-853-364036 Fax: 0092-853-363292 Email: bclhub@bclpk.com Web: www.bolancastings.com

POSTAL BALLOT PAPER

For poll/voting through post for the Special Business at the Annual General Meeting to be held on
Thursday, October 24, 2024 at 12:30 p.m. at Registered Office of the Company

| | |
|--|--|
| Folio / CDS Account Number | |
| Name of Shareholder / Proxy Holder | |
| Registered Address | |
| Number of Shares Held | |
| CNIC / Passport No. (in case of foreigner) (Copy to be attached) | |
| Additional information and enclosures (in case of representative of body corporate, corporation, and Federal Government) | |
| Name of Authorized Signatory | |
| CNIC / Passport No. (in case of foreigner) (Copy to be attached) | |

Resolution For Agenda Item No. 4

To ratify and approve the transactions carried out in normal course of business with Group company for the year ended June 30, 2024 by passing the following resolution as a special resolution:

RESOLVED that the transactions carried out in normal course of business with Group Company as disclosed in note 37 to the financial statements for the year ended June 30, 2024 be and are hereby ratified and approved.

Resolution For Agenda Item No. 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, 2025 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, 2025, subject to final approval/ratification by the shareholders in the next Annual General Meeting.

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 / verifications as may be required in this regard on behalf of the Company.

Instruction for Poll

- Please indicate your Vote by ticking (✓) the relevant box.
 - In case if both the boxes are marked as (✓), your poll shall be treated as "Rejected".
- I/we hereby exercise my/our vote in respect of the above resolution through ballot by conveying my/our assent or dissent to the resolutions by placing tick (✓) mark in the appropriate box below:

| Resolution | I / We assent the Resolution (FOR) | I / We dissent the Resolution (AGAINST) |
|-----------------------------|------------------------------------|---|
| Resolution for Agenda No. 4 | | |
| Resolution for Agenda No. 5 | | |

NOTES:

- Duly filled ballot paper should be sent to the Chairman through post at Registered Office of the Company, Main RCD Highway, Hub Chowki, District Lasbela, Balochistan, or email at voting@bclpk.com.
- Copy of CNIC / Passport (in case of foreigner) should be enclosed with the postal ballot form.
- Ballot paper should reach the Chairman within business hours by or before October 23, 2024. Any postal ballot received after this date, will not be considered for voting.
- Signature on ballot paper should match with signature on CNIC / Passport (in case of foreigner).
- Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.
- In case of representative of a body corporate, corporation or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution / Power of Attorney / Authorization Letter etc. in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable. In case of foreign body corporate etc. all documents must be attested by the Counsel General of Pakistan having jurisdiction over the member.
- Ballot Paper form has also been placed on the website of the company at www.bolancastings.com or used an original / published in the newspapers.

Signature of Shareholder / Proxy holder / Authorized Signatory
(in case of corporate entity, please affix Company Stamp)

Date: _____



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

