

*Engineering
Excellence
Redefined*



*Quarterly Financial
Statements For and
upto the 2nd Quarter
Ended December 31,*

2023



Bolan Castings Limited

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COMPANY INFORMATION

Board of Directors

Mr. Sikandar M. Khan	Chairman / Non-Executive Director.
Mr. Mujtaba Ahmad	Chief Executive Officer
Mr. Sohail Bashir Rana	Non-Executive Director
Mr. Laeeq Uddin Ansari	Non-Executive Director
Mr. S.M.Irfan Aqeel	Non-Executive Director
Mr. Aamir Amin	Independent Director
Mr. Abdul Hamid Ahmed Dagia	Independent Director
Mrs. Tabassum Rana	Independent 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 Advocates
M/s. Rizwan Manai Associates

Bankers

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

Share Registrar

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

Registered Office

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

Web Site

www.bolancastings.com

DIRECTORS' REVIEW

Dear Shareholders

The Directors of your Company are presenting the un-audited financial statements for the half year ended December 31, 2023.

During the six months under review, the Company recorded net sales of Rs. 1,658.05 million as compare to Rs.930.21 million of the same period of the last year. The gross profit for the six months under review was Rs. 301.02 million as against profit of Rs. 26.22 million of corresponding period of the last year. The profit after tax for the six months was Rs. 115.79 million as compare to loss after tax of Rs. 65.97 million of same period of the last year.

The profit per share was Rs. 10.09 as against the loss per share of Rs. 5.75 of corresponding period of the last year.

Tractor sales in Pakistan have witnessed a significant increase during the first half year of the current financial year. Consecutively, the tractor's vending industries have also responded well and therefore, BCL's sale has also showed a growth resulting in higher profit in the current period as compare to the corresponding period of the last year. This was made possible by the untiring efforts of the BCL management team by taking various cost cutting measures including use of local raw materials, improving the capacity utilization and optimum utilization of company's resources in the best possible manner.

We would like to thank our customers and shareholders for their trust and confidence in the Company. We also would like to acknowledge the contributions, dedication and hard work of the entire BCL workforce during the period under review.

For and on behalf of the Board



MUJTABA AHMAD
Chief Executive Officer

Karachi:
February 19, 2024

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF BOALN CASTINGS LIMITED REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Bolan Castings Limited as at December 31, 2023 and the related condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in- after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Farrukh Rehman.



A.F.Ferguson & Co.

Chartered Accountants
Karachi

Date : February 28,2024

UDIN : RR202310059M9C87g13P

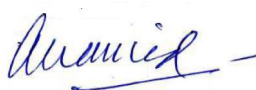
BOLAN CASTINGS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	Note	(Unaudited) December 31, 2023 Rupees	(Audited) June 30, 2023 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	5	163,219,773	170,927,775
Long-term investment	6	56,203,375	18,975,000
Long-term loans and advances		1,064,160	1,026,000
Deferred tax asset - net	7	47,945,211	72,524,645
Long-term deposits		4,347,790	4,347,790
Employee benefits plan asset		14,801,324	20,598,929
		<u>287,581,633</u>	<u>288,400,139</u>
Current assets			
Stores, spare parts and loose tools		112,695,211	117,631,087
Inventories	8	345,540,124	313,746,345
Trade receivables	9	65,977,823	99,400,812
Loans and advances		5,448,988	9,004,695
Trade deposits and short-term prepayments	10	13,652,473	4,324,180
Other receivables		788,705	899,844
Taxation - payments less provision		76,491,609	69,941,541
Cash and bank balances	11	65,559,021	26,172,849
		686,153,954	641,121,353
TOTAL ASSETS		<u>973,735,587</u>	<u>929,521,492</u>
EQUITY AND LIABILITIES			
Share Capital and reserves			
Share capital		114,725,290	114,725,290
General and other reserves		233,705,008	85,221,947
		<u>348,430,298</u>	<u>199,947,237</u>
LIABILITIES			
Non-current liabilities			
Long-term deposits		1,911,807	1,580,890
Employee benefits plan obligations		25,230,074	26,981,450
Long-term financing	12	95,000,000	-
		<u>122,141,881</u>	<u>28,562,340</u>
Current liabilities			
Trade and other payables	13	310,226,580	321,494,735
Advances from customers		2,842,879	1,044,936
Accrued mark-up		15,362,033	18,021,942
Current portion of long-term deposits		615,029	1,461,362
Current portion of long-term financing	12	60,000,000	-
Unclaimed dividend		3,398,686	3,399,012
Short-term financing	14	110,718,201	355,589,928
		<u>503,163,408</u>	<u>701,011,915</u>
TOTAL LIABILITIES		<u>625,305,289</u>	<u>729,574,255</u>
Contingency and commitments	15		
TOTAL EQUITY AND LIABILITIES		<u>973,735,587</u>	<u>929,521,492</u>

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



Chief Executive



Director



Chief Financial officer

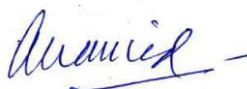
BOLAN CASTINGS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 - (UNAUDITED)

	Note	Quarter ended		Half year ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
		← Rupees →			
Revenue from contracts with customers	16	1,005,582,796	455,745,859	1,658,047,262	930,209,047
Cost of sales	17	(781,930,414)	(454,922,230)	(1,357,023,944)	(903,989,840)
Gross profit		223,652,382	823,629	301,023,318	26,219,207
Distribution expenses		(23,997,915)	(10,721,805)	(37,930,555)	(23,375,123)
Administrative expenses		(23,852,534)	(13,716,632)	(46,657,305)	(28,776,715)
Other expenses	18	(11,738,613)	-	(13,299,807)	-
Other income		4,575,508	5,103,492	7,821,317	10,030,957
Operating profit / (loss)		168,638,828	(18,511,316)	210,956,968	(15,901,674)
Finance cost		(17,811,489)	(20,195,290)	(39,611,486)	(38,817,138)
Profit / (loss) before tax		150,827,339	(38,706,606)	171,345,482	(54,718,812)
Income tax expense	19	(47,246,477)	(5,320,106)	(55,553,221)	(11,250,896)
Profit / (loss) for the period		103,580,862	(44,026,712)	115,792,261	(65,969,708)
Earnings / (loss) per share - basic and diluted	20	9.03	(3.84)	10.09	(5.75)

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



Chief Executive



Director



Chief Financial Officer

BOLAN CASTINGS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 - (UNAUDITED)

	Quarter ended		Half year ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	← Rupees →			
Profit / (loss) for the period	103,580,862	(44,026,712)	115,792,261	(65,969,708)
Comprehensive income / (loss)				
Items that will not be reclassified to profit or loss in subsequent period				
Remeasurements of employee benefits	(6,390,951)	-	(6,390,951)	
Impact of deferred tax	1,853,376	-	1,853,376	
	(4,537,575)		(4,537,575)	
Unrealised gain / (loss) on revaluation of investment at fair value through other comprehensive income - note 6	11,137,750	2,797,375	37,228,375	(1,486,375)
Total comprehensive income / (loss) for the period	110,181,037	(41,229,337)	148,483,061	(67,456,083)

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



Chief Executive



Director



Chief Financial Officer

BOLAN CASTINGS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 - (UNAUDITED)

	Note	For Six months ended	
		December 31, 2023 Rupees	December 31, 2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	21	208,714,332	58,900,380
Increase in long-term loans and advances		(38,160)	(469,000)
Increase in long-term deposits		(515,416)	(111,554)
Income taxes paid - net		(35,670,479)	(25,612,195)
Employee benefits paid		(3,298,854)	(2,745,360)
Finance cost paid		(42,148,519)	(35,780,775)
Net cash generated from / (used in) operating activities		127,042,904	(5,818,504)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,922,018)	(116,500)
Proceeds from disposal of property, plant and equipment	5.1	1,271,593	3,344,066
Return received on savings and deposit accounts		2,284,496	330,982
Dividend received		1,581,250	1,365,625
Net cash flow generated from investing activities		2,215,321	4,924,173
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(326)	-
Long-term financing obtained	12	165,000,000	-
Repayment of long-term financing	12	(10,000,000)	(28,684,470)
Net cash generated from / (used in) financing activities		154,999,674	(28,684,470)
Net change in cash and cash equivalents		284,257,899	(29,578,801)
Cash and cash equivalents at beginning of the period		(329,417,079)	(402,022,555)
Cash and cash equivalents at end of the period	22	(45,159,180)	(431,601,356)

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



Chief Executive



Director



Chief Financial Officer

BOLAN CASTINGS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 - (UNAUDITED)

	Reserves					Sub Total	Total
	Capital	Revenue		Gain on revaluation of investment at fair value through other comprehensive income (FVOCI)			
	Share Capital	Share premium	General reserve		Accumulated loss		
	← 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 half year ended December 31, 2022							
- Loss for the period	-	-	-	(65,969,708)	-	(65,969,708)	(65,969,708)
- Other comprehensive loss for the period	-	-	-	-	(1,486,375)	(1,486,375)	(1,486,375)
	-	-	-	(65,969,708)	(1,486,375)	(67,456,083)	(67,456,083)
Balance as at December 31, 2022 (unaudited)	114,725,290	12,155,680	424,500,000	(405,013,250)	14,863,625	46,506,055	161,231,345
Balance as at July 1, 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 half year ended December 31, 2023							
- Profit for the period	-	-	-	115,792,261	-	115,792,261	115,792,261
- Other comprehensive (loss) / profit for the period	-	-	-	(4,537,575)	37,228,375	32,690,800	32,690,800
	-	-	-	111,254,686	37,228,375	148,483,061	148,483,061
Balance as at December 31, 2023 (unaudited)	114,725,290	12,155,680	424,500,000	(253,654,047)	50,703,375	233,705,008	348,430,298

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



Chief Executive



Director



Chief Financial Officer

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)**

1. THE COMPANY AND ITS OPERATIONS

Bolan Castings Limited (the Company) is a public limited company incorporated in Pakistan on July 15, 1982 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and listed on the Pakistan Stock Exchange (PSX). The Company manufactures and sells castings for tractors and automotive parts.

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

The Company is a subsidiary of Millat Tractors Limited (the Parent Company) which holds 5.67 million (June 30, 2023: 5.67 million) shares of the Company along with the directors as at December 31, 2023 representing 49.02% (June 30, 2023: 49.02%) shareholding in the company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

These condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2023.

2.2 Basis of measurement

These condensed interim financial statements have been prepared;

- Under the historical cost convention except otherwise stated.
- Following accrual basis of accounting except for cashflow information.

2.3 Functional and presentation currency

These condensed interim financial statements are presented in Pakistani Rupees, which is also the Company's functional currency.

3. ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of annual audited financial statements of the Company as at and for the year ended June 30, 2023.

a) New standards, interpretations and amendments adopted by the Company

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after 1 July 2023 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore are not detailed in these condensed interim financial statements.

b) Standards, interpretations and amendments to published approved accounting standards that are not yet effective

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after 1 July 2024. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

4. ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these judgements, estimates and assumptions.

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

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to the financial statements as at and for the year ended June 30, 2023.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2023.

	(Unaudited) December 31, 2023	(Audited) June 30, 2023
	-----Rupees-----	
5. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets - note 5.1	163,219,773	166,509,375
Capital work-in-progress	-	4,418,400
	<u>163,219,773</u>	<u>170,927,775</u>

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

	Additions (at cost)		Disposals (at net book value)	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	-----Rupees-----			
Plant and machinery	2,887,018	-	-	-
Computers	35,000	-	-	-
Motor vehicles (transfer from CWIP)	4,418,400	116,500	1,271,593	1,196,362
	<u>7,340,418</u>	<u>116,500</u>	<u>1,271,593</u>	<u>1,196,362</u>

	(Unaudited) December 31, 2023	(Audited) June 30, 2023
	-----Rupees-----	
6. LONG-TERM INVESTMENT		
Investment at fair value through OCI		
Balance at beginning of the period / year	18,975,000	21,850,000
Unrealized gain / (loss) on revaluation - transferred to equity	37,228,375	(2,875,000)
Balance at end of the period / Year	<u>56,203,375</u>	<u>18,975,000</u>

6.1 This represents equity investment in Baluchistan Wheels Limited representing 287,500 (June 30, 2023: 287,500) quoted ordinary shares of Rs 10/- each which comprise 2.16% (June 30, 2023: 2.16%) of the total ordinary shares.

7. DEFERRED TAX ASSET

The deferred tax asset includes an amount of Rs. 48.72 million (June 30, 2023: Rs. 73.36 million) which relates to carried-forward tax losses of the Company. The recoverability of the stated losses will be dependent on improved profitability. The deferred tax asset on losses amounting to Rs. 16.89 million (June 30, 2023: Rs. 16.89 million) can be carried forward indefinitely and have no expiry date. Minimum tax and alternate corporate tax on which deferred asset is not recognised amounts to Rs. 145.81 million (June 30, 2023: Rs. 139.93 million).

	(Unaudited) December 31, 2023	(Audited) June 30, 2023
	-----Rupees-----	
8. INVENTORIES		
Raw materials [including in transit of Rs. 29.74 million, (June 30, 2023: Rs. 6.50 million)]	106,514,643	113,880,207
Work in process	88,064,675	76,649,524
Finished goods - at cost - note 8.1	141,243,750	98,551,370
Finished goods - at fair value less cost to sell - note 8.2	9,717,056	24,665,244
	<u>150,960,806</u>	<u>123,216,614</u>
	<u>345,540,124</u>	<u>313,746,345</u>

8.1 Inventories include Rs. 17.49 million (June 30, 2023: Rs. 17.56 million) held with third parties.

8.2 Finished goods costing Rs. 11.07 million (June 30, 2023: Rs. 26.98 million) have been written-down to net realisable value by Rs.1.36 million (June 30, 2023: Rs. 2.32 million).

	(Unaudited) December 31, 2023	(Audited) June 30, 2023
	-----Rupees-----	
9. TRADE RECEIVABLES		
Considered good		
- due from related parties	50,654,522	88,136,261
- others	15,323,301	11,264,551
	<u>65,977,823</u>	<u>99,400,812</u>

10. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

This includes an amount of Rs. 3.86 million (June 30, 2023 Rs 3.86 million) which is under lien with a bank for issuance of bank guarantee in favour of Sui Southern Gas Company Limited which carries mark-up of 17.2% (June 30, 2023 17.2%).

	(Unaudited) December 31, 2023	(Audited) June 30, 2023
	-----Rupees-----	
11. CASH AND BANK BALANCES		
Cash at bank		
Conventional		
- in savings accounts - note 11.1	55,883,759	6,470,369
- in current accounts	4,093,229	13,137,829
	59,976,988	19,608,198
Islamic		
- in savings accounts - note 11.1	3,696,212	3,582,204
- in current accounts	1,607,623	2,916,123
	5,303,835	6,498,327
Cash in hand	278,198	66,324
	<u>65,559,021</u>	<u>26,172,849</u>

11.1 During the half year, the mark-up / profit rates on savings accounts range from 23.33% to 25.40% (June 30, 2023: 12.25% to 19.50%) per annum.

	(Unaudited) December 31, 2023	(Audited) June 30, 2023
	-----Rupees-----	
12. LONG-TERM FINANCING		
Opening	-	28,684,470
Loan obtained during the period / year	165,000,000	-
Repayments during the period / year	(10,000,000)	(28,684,470)
	<u>155,000,000</u>	-
Less: Current portion of long-term financing	(60,000,000)	-
	<u>95,000,000</u>	-

12.1 This represents long-term financing arrangements obtained by the Company through the 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 a mark-up at one month KIBOR plus 1.6% per annum and is secured by way of hypothecation charge over plant and machinery and current asset of the Company amounting to Rs. 266.67 million.

	(Unaudited) December 31, 2023	(Audited) June 30, 2023
	-----Rupees-----	
13. TRADE AND OTHER PAYABLES		
Creditors	238,451,321	271,971,160
Accrued liabilities	34,363,510	14,672,699
Compensated absences	12,985,701	12,471,814
Workers' Profits Participation Fund	9,224,989	1,489,793
Workers' Welfare Fund	8,503,830	6,018,871
Security deposits	1,400,037	1,400,037
Sales tax payable	-	10,263,040
Withholding tax	1,115,015	563,200
Book over-draft	2,469,447	-
Others	1,712,730	2,644,121
	<u>310,226,580</u>	<u>321,494,735</u>

14. SHORT-TERM FINANCING

Secured short-term running finance facilities

- Conventional Finance

Under mark-up arrangements - note 14.1 - 206,953,527

- Islamic Finance

Under Istisna / Musawammah arrangement - note 14.2 35,718,201 73,636,401

Under Istisna cum Wakala arrangement - note 14.2 75,000,000 75,000,000

110,718,201 355,589,928

14.1 These represent running finance facilities obtained from Bank Alfalah amounting to Rs. Nil (June 30, 2023: 165 million), Faysal Bank Limited amounting to Rs. Nil (June 30, 2023: 100 million), Habib Metropolitan Bank Limited amounting to Rs. Nil (June 30, 2023: 14.87 million). The mark-up rates on these facilities are 1 month KIBOR plus 1.60%, 1 month KIBOR plus 1% and 3 months KIBOR plus 2.5% (June 30, 2023: 1 month KIBOR plus 1.60%, 6 month KIBOR plus 1% and 3 month KIBOR plus 2.5%) per annum respectively. The arrangements are secured by way of hypothecation of plant and machinery and current assets of the Company amounting to Rs. 334 million.

14.2 The Company has also obtained finances under Istisna cum Wakala arrangement from Dubai Islamic Bank Pakistan Limited amounting to Rs. 75 million (June 30, 2023: Rs. 75 million) and Istisna / Musawammah arrangement from Meezan Bank Limited amounting to Rs. 100 million (June 30, 2023: Rs. 100 million). The profit rate on these facilities are 6 months KIBOR plus 2% (June 30, 2023: 6 months KIBOR plus 2%) and 6 months KIBOR plus 1% (June 30, 2023: 6 months KIBOR plus 1%) per annum respectively. They 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 all customer's present and future stocks and book debts with 25% margin respectively. Amount utilised as at December 31, 2023 are Rs. 75 million (June 30, 2023: Rs. 75 million) and Rs. 35.72 million (June 30, 2023: Rs. 73.64 million) respectively.

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingency

There has been no significant changes during the period in the contingency reported in annual audit financial statements for the year ended June 30, 2023.

15.2 Commitments

The facilities for opening letters of credit and guarantees from banks as at December 31, 2023 amounted to Rs. 350 million (June 30, 2023: Rs. 350 million) and Rs. 3.86 million (June 30, 2023: Rs. 3.86 million) respectively of which unutilised at half year end was Rs. 302.83 million and Nil (June 30, 2023: Rs. 344.91 million and Rs. Nil) respectively.

	December 31, 2023	December 31, 2022
	-----Rupees-----	
16. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Gross Revenue	2,047,371,247	1,144,465,002
Less:		
- Sales returns	(87,373,935)	(47,966,168)
- Sales tax	(301,950,050)	(166,289,787)
	(389,323,985)	(214,255,955)
	1,658,047,262	930,209,047
17. COST OF SALES		
Cost of goods manufactured	1,384,768,136	885,076,035
Opening stock of finished goods	123,216,614	203,595,332
Closing stock of finished goods	(150,960,806)	(184,681,527)
Cost of goods manufactured sold	1,357,023,944	903,989,840
18. OTHER EXPENSES		
Workers' Welfare Fund	3,701,778	-
Workers' Profits Participation Fund	9,362,926	-
Sales tax penalty	235,103	-
	13,299,807	-
19. INCOME TAX EXPENSE	December 31, 2023	December 31, 2022
	-----Rupees-----	
Income tax		
- for the period	29,120,411	11874258
- prior period	-	(623,362)
	29,120,411	11,250,896
Deferred tax	26,432,810	-
	55,553,221	11,250,896
19.1	The Company has computed current tax for the period under sections 113 C and 150 of the Income Tax Ordinance, 2001 i.e. Alternate Corporate Tax and Final Tax Regime respectively.	
20. EARNINGS / (LOSS) PER SHARE	December 31, 2023	December 31, 2022
	-----Rupees-----	
- BASIC AND DILUTED		
Profit / (loss) after taxation attributable to ordinary shareholders	115,792,261	(65,969,708)
Weighted average number of shares In issue during the period	11,472,529	11,472,529
Earnings / (loss) per share - basic and diluted	10.09	(5.75)

	December 31, 2023	December 31, 2022
	-----Rupees-----	
21. CASH GENERATED FROM / OPERATIONS		
Profit / (loss) before income tax	171,345,482	(54,718,812)
Adjustments for non-cash charges and other items		
Depreciation	9,358,427	10,104,005
Non-cash employee benefits expense	954,132	1,298,577
Gain on disposal of property, plant and equipments	-	(2,147,704)
Return on savings and deposit accounts	(2,284,496)	(330,982)
Dividend income	(1,581,250)	(1,365,625)
Government grant income	-	(559,745)
Mark-up on long-term financing	16,316,631	631,100
Mark-up on short-term financing	23,171,979	37,571,428
	<u>45,935,423</u>	<u>45,201,054</u>
	217,280,905	(9,517,758)
WORKING CAPITAL CHANGES		
Decrease / (increase) in current assets		
Stores, spares and loose tools	4,935,876	(46,827,352)
Inventories	(31,793,779)	61,804,600
Trade receivables	33,422,989	35,090,269
Loans and advances	3,555,707	2,521,423
Trade deposits and short-term prepayments	(9,328,293)	(5,813,246)
Other receivables	111,139	(488,559)
Refunds due from the Government - Sales tax	-	5,055,152
	<u>903,639</u>	<u>51,342,287</u>
(Decrease) / Increase in current liabilities		
Trade and other payables	(11,268,155)	16,409,154
Advances from customers	1,797,943	666,697
	<u>208,714,332</u>	<u>58,900,380</u>
22. CASH AND CASH EQUIVALENTS		
With Banks on:		
- current accounts	5,700,852	3,351,129
- savings accounts	59,579,971	6,591,632
	<u>65,280,823</u>	<u>9,942,761</u>
Cash in hand	278,198	366,778
Short-term financing	(110,718,201)	(441,910,895)
	<u>(45,159,180)</u>	<u>(431,601,356)</u>

23. **RELATED PARTY DISCLOSURES**

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

Relationship with the Company	Nature of transactions	December 31,	December 31,
		2023	2022
		-----Rupees-----	
Holding Company:			
- Millat Tractors Limited (MTL)	Sales of goods	1,620,905,069	883,662,371
	Purchase of goods	126,286	-
Associated Company:			
- Millat Equipment Limited (MEL)	Sales of goods	-	314,112
Employee benefit funds:			
- Provident funds	Contributions	2,989,662	2,133,306
- Executives' Gratuity Fund	Contributions	180,932	144,434
- Executives' Gratuity Fund	Benefits paid on behalf of the fund	7,126,635	2,161,921
Key management personnel:			
	Salaries and other employee benefits paid	31,760,998	13,220,654

24. **CORRESPONDING FIGURES**

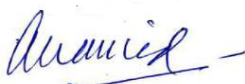
Comparative information has been reclassified , re-arranged, wherever necessary, for better presentation

25. **DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on February 19, 2024 by the Board of Directors of the Company.



Chief Executive



Director



Chief Financial Officer



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