



**MODERN  
FOUNDRY  
ENGINEERING**

# **BOLAN CASTINGS LIMITED**

*Quarterly Financial Statements For and upto  
the 2nd Quarter Ended December 31,  
**2024***

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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](mailto:bclhub@bclpk.com)

### Web Site

[www.bolancastings.com](http://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, 2024.

During the six months under review, the Company recorded net sales of Rs. 854.98 million as compared to Rs. 1,658.05 million of the same period of the last year. The gross profit for the six months under review was Rs. 54.07 million as against gross profit of Rs. 301.02 million of corresponding period of the last year. The loss after tax for the six months was Rs. 35.42 million as compared to profit after tax of Rs. 115.79 million of same period of the last year, during the six months under review the Company produced 1,881 M.T. of castings as compared to 3,554 M.T.

The loss per share for the half year under review was Rs. 3.09 as against the earnings per share of Rs. 10.09 of corresponding period of the last year.

The production and sale volumes during the first half of the current financial year were low as compared to the same period last year, which predominantly contributed towards the losses of the company.

However, the recent improvement in economic outlook, driven by a reduction in discount rate, easing inflation and launching of the Punjab Government Green Tractor Subsidy Scheme has positively impacted the financial condition of the company and led to a marginal profit during the second quarter, though it was not sufficient to absorb the losses of the first quarter. We are hopeful that if the positive economic conditions observed in second quarter continue, the tractors and its allied industries would be benefited in the second half of current financial year.

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.

Karachi:  
February 10, 2025

For and on behalf of the Board



**MUJTABA AHMAD**  
Chief Executive Officer

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

## **Introduction**

We have reviewed the accompanying condensed interim statement of financial position Of Bolan Castings Limited as at December 31, 2024 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 interim 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, 2024 and 2023 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2024.

## **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 18, 2025

UDIN : RR2024100595MOHNkiU4

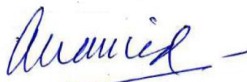
**BOLAN CASTINGS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2024**

	Note	(Unaudited) December 31, 2024 Rupees	(Audited) June 30, 2024 Rupees
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	150,565,929	159,519,136
Long-term investment	6	41,112,500	37,375,000
Long-term loans and advances		167,000	590,248
Deferred tax asset - net	7	2,429,655	138,476
Long-term deposits		4,747,790	4,747,790
Employee benefits plan asset		18,337,185	17,181,435
		<u>217,360,059</u>	<u>219,552,085</u>
<b>Current assets</b>			
Stores, spare parts and loose tools		145,042,218	145,300,785
Inventories	8	359,557,034	415,505,286
Trade receivables	9	37,634,796	122,329,743
Loans and advances		4,862,750	9,962,603
Trade deposits and short-term prepayments	10	13,808,044	4,983,120
Other receivables		4,557,779	20,668,261
Taxation - payments less provision		-	6,146,593
Cash and bank balances	11	89,393,227	43,495,992
		<u>654,855,848</u>	<u>768,392,383</u>
<b>TOTAL ASSETS</b>		<u><b>872,215,907</b></u>	<u><b>987,944,468</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and reserves</b>			
Share capital		114,725,290	114,725,290
General and other reserves		189,141,862	220,822,955
		<u>303,867,152</u>	<u>335,548,245</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term deposits		2,074,226	2,059,823
Employee benefits plan obligations		22,982,109	21,867,170
Long-term financing	12	35,000,000	65,000,000
		<u>60,056,335</u>	<u>88,926,993</u>
<b>Current liabilities</b>			
Trade and other payables	13	345,764,692	392,620,294
Advances from customers		5,147,870	1,578,673
Accrued mark-up		6,961,740	9,715,342
Current portion of long-term deposits		223,500	133,799
Current portion of long-term financing	12	60,000,000	60,000,000
Unclaimed dividend		3,379,761	3,395,122
Taxation - payments less provision		2,904,857	-
Short-term financing	14	83,910,000	96,026,000
		<u>508,292,420</u>	<u>563,469,230</u>
<b>TOTAL LIABILITIES</b>		<u><b>568,348,755</b></u>	<u><b>652,396,223</b></u>
<b>Contingency and commitments</b>	15		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>872,215,907</b></u>	<u><b>987,944,468</b></u>

The annexed notes 1 to 24 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, 2024 - (UNAUDITED)**

	Note	Quarter ended		Half year ended	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
		← Rupees →			
Revenue from contracts with customers	16	440,922,109	1,005,582,796	854,976,464	1,658,047,262
Cost of sales	17	(392,083,574)	(781,930,414)	(800,901,673)	(1,357,023,944)
Gross profit		48,838,535	223,652,382	54,074,791	301,023,318
Distribution expenses		(11,732,783)	(23,997,915)	(23,285,215)	(37,930,555)
Administrative expenses		(19,466,150)	(23,852,534)	(39,961,658)	(46,892,408)
Other expenses	18	-	(11,738,613)	-	(13,064,704)
Other income		1,663,316	4,575,508	6,043,659	7,821,317
Operating profit / (loss)		19,302,918	168,638,828	(3,128,423)	210,956,968
Finance cost		(10,498,055)	(17,811,489)	(23,198,735)	(39,611,486)
Profit / (loss) before income tax expense		8,804,863	150,827,339	(26,327,158)	171,345,482
Income tax expense	19	(5,583,489)	(47,246,477)	(9,091,435)	(55,553,221)
Profit / (loss) for the period		3,221,374	103,580,862	(35,418,593)	115,792,261
Earnings / (loss) per share - basic and diluted	20	0.28	9.03	(3.09)	10.09

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.

  
Chief Executive

  
Director

  
Chief Financial Officer

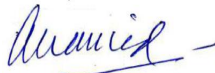
**BOLAN CASTINGS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2024 - (UNAUDITED)**

	Quarter ended		Half year ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	← Rupees →			
Profit / (loss) for the period	3,221,374	103,580,862	(35,418,593)	115,792,261
<b>Comprehensive income / (loss)</b>				
<b>Items that will not be reclassified to profit or loss in subsequent period</b>				
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 on revaluation of investment at fair value through other comprehensive income (FVTOCI) - note 6	10,798,500	11,137,750	3,737,500	37,228,375
<b>Total comprehensive income / (loss) for the period</b>	<b>14,019,874</b>	<b>110,181,037</b>	<b>(31,681,093)</b>	<b>148,483,061</b>

The annexed notes 1 to 24 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, 2024 - (UNAUDITED)**

		For Six months ended	
	Note	December 31, 2024 Rupees	December 31, 2023 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	21	111,526,433	208,714,332
Decrease / (increase) in long-term loans and advances		423,248	(38,160)
Increase / (decrease) in long-term deposits		104,104	(515,416)
Income taxes paid - net		(2,331,163)	(35,670,479)
Employee benefits paid		(1,035,387)	(3,298,854)
Finance cost paid		(24,594,153)	(42,148,519)
<b>Net cash generated from operating activities</b>		<b>84,093,082</b>	<b>127,042,904</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		-	(2,922,018)
Proceeds from disposal of property, plant and equipment	5.1	134,730	1,271,593
Return received on savings and deposit accounts		2,938,285	2,284,496
Dividend received		862,500	1,581,250
<b>Net cash generated from investing activities</b>		<b>3,935,515</b>	<b>2,215,321</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(15,362)	(326)
Long-term financing obtained	12	-	165,000,000
Repayment of long-term financing	12	(30,000,000)	(10,000,000)
<b>Net cash (used in) / generated from financing activities</b>		<b>(30,015,362)</b>	<b>154,999,674</b>
<b>Net increase in cash and cash equivalents</b>		<b>58,013,235</b>	<b>284,257,899</b>
Cash and cash equivalents at beginning of the period		(52,530,008)	(329,417,079)
<b>Cash and cash equivalents at end of the period</b>	22	<b>5,483,227</b>	<b>(45,159,180)</b>

The annexed notes 1 to 24 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, 2024 - (UNAUDITED)**

	Share Capital	Reserves					Sub Total	Total	
		Capital	Revenue			Investment Revaluation Reserve			
			Issued, subscribed and paid up capital	Share premium	General reserve				Accumulated loss
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 for the half year ended December 31, 2023									
- Income for the period	-	-	-	115,792,261	-	115,792,261	115,792,261		
- Other comprehensive (loss) / income for the period	-	-	-	(4,537,575)	37,228,375	32,690,800	32,690,800		
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		
Balance as at July 1, 2024	114,725,290	12,155,680	424,500,000	(247,707,725)	31,875,000	220,822,955	335,548,245		
Total comprehensive (loss) / income for the half year ended December 31, 2024									
- Loss for the period	-	-	-	(35,418,593)	-	(35,418,593)	(35,418,593)		
- Other comprehensive income for the period	-	-	-	-	3,737,500	3,737,500	3,737,500		
Balance as at December 31, 2024 (unaudited)	114,725,290	12,155,680	424,500,000	(283,126,318)	35,612,500	189,141,862	303,867,152		

The annexed notes 1 to 24 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, 2024 (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 is 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 5.53 million (June 30, 2024: 5.67 million) shares of the Company along with the directors as at December 31, 2024 representing 48.20% (June 30, 2024: 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, 2024.

**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. MATERIAL ACCOUNTING POLICY INFORMATION**

- 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 for the year ended June 30, 2024.

**3.2 Changes in accounting standard, interpretations and amendments to published accounting and reporting standards.**

**a) Standards, interpretations and amendments to approved accounting and reporting standards that are effective**

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 2024 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 2025. 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, 2024.

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, 2024.

	(Unaudited) December 31, 2024	(Audited) June 30, 2024
	-----Rupees-----	
Operating fixed assets - note 5.1	<u>150,565,929</u>	<u>159,519,136</u>

#### 5. PROPERTY, PLANT AND EQUIPMENT

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

	Additions (at cost)		Disposals (at net book value)	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	-----Rupees-----			
Plant and machinery	-	2,887,018	-	-
Computers	-	35,000	-	-
Motor vehicles	-	4,418,400	134,730	1,271,593
	-	7,340,418	134,730	1,271,593
			(Unaudited) December 31, 2024	(Audited) June 30, 2024
			-----Rupees-----	

#### 6. LONG-TERM INVESTMENT

##### Investment at fair value through OCI

Balance at beginning of the period / year	37,375,000	18,975,000
Unrealised gain on revaluation - transferred to equity	3,737,500	18,400,000
<b>Balance at end of the period / Year</b>	<u><b>41,112,500</b></u>	<u><b>37,375,000</b></u>

##### 6.1 This represents equity investment in Baluchistan Wheels Limited representing 287,500 (June 30, 2024: 287,500) quoted ordinary shares of Rs 10/- each which comprise 2.16% (June 30, 2024: 2.16%) of the total ordinary shares.

#### 7. DEFERRED TAX ASSET - NET

Deferred tax asset on unabsorbed depreciation amounting to Rs. 3.74 million (June 2024: Rs. 3.74 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.

Minimum tax and alternate corporate tax on which deferred tax asset is not recognised amounts to Rs. 175.71 million (June 30, 2024: Rs. 156.96 million).

	(Unaudited) December 31, 2024	(Audited) June 30, 2024
	-----Rupees-----	
<b>8. INVENTORIES</b>		
Raw materials [including in transit of Rs. 3.37 million (June 30, 2024: Rs. 5.63 million)]	121,091,122	151,520,452
Work in process	80,140,893	132,888,684
Finished goods - at cost - note 8.1	153,170,994	114,587,052
Finished goods - at fair value less cost to sell - note 8.2	5,154,025	16,509,098
	158,325,019	131,096,150
	359,557,034	415,505,286

8.1 Inventories include Rs. 15.91 million (June 30, 2024: Rs. 12.03 million) held with third parties.

8.2 Finished goods costing Rs. 8.45 million (June 30, 2024: Rs. 21.12 million) have been written-down to net realisable value by Rs. 3.40 million (June 30, 2024: Rs. 4.61 million).

	(Unaudited) December 31, 2024	(Audited) June 30, 2024
	-----Rupees-----	
<b>9. TRADE RECEIVABLES</b>		
<b>Considered good</b>		
- due from related parties	36,618,130	96,421,983
- others	1,016,666	25,907,760
	37,634,796	122,329,743

**10. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS**

This includes an amount of Rs. 3.86 million (June 30, 2024: 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 19.9% (June 30, 2024: 19.9%).

	(Unaudited) December 31, 2024	(Audited) June 30, 2024
	-----Rupees-----	
<b>11. CASH AND BANK BALANCES</b>		
Cash at bank		
<b>Conventional</b>		
- in savings accounts - note 11.1	80,443,206	36,620,211
- in current accounts	4,486,460	1,873,697
	84,929,666	38,493,908
<b>Islamic</b>		
- in savings accounts - note 11.1	3,796,716	3,812,077
- in current accounts	551,504	1,111,060
	4,348,220	4,923,137
Cash in hand	115,341	78,947
	89,393,227	43,495,992

11.1 During the half year, the mark-up / profit rates on savings accounts range from 13.5% to 19% (June 30, 2024: 20.50% to 20.75%) per annum.

	(Unaudited) December 31, 2024	(Audited) June 30, 2024
	-----Rupees-----	
<b>12. LONG-TERM FINANCING</b>		
Opening balance	125,000,000	-
Loan obtained during the period / year	-	165,000,000
Repayments during the period / year	(30,000,000)	(40,000,000)
	95,000,000	125,000,000
Less: Current portion of long-term financing	(60,000,000)	(60,000,000)
	35,000,000	65,000,000

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, 2024	(Audited) June 30, 2024
<b>13. TRADE AND OTHER PAYABLES</b>	<b>-----Rupees-----</b>	
Creditors	267,302,630	313,021,599
Accrued liabilities	45,670,372	30,595,185
Compensated absences	17,587,481	16,050,650
Workers' Profits Participation Fund	4,579	17,180,899
Workers' Welfare Fund	11,227,431	11,227,431
Security deposits	1,400,037	1,400,037
Withholding tax	724,750	691,042
Book over-draft	-	840,614
Others	1,847,412	1,612,837
	<b>345,764,692</b>	<b>392,620,294</b>

**14. SHORT-TERM FINANCING**

**Secured short-term running finance facilities**

**- Islamic Finance**

Under Istisna / Musawammah  
arrangement - note 14.1

Under Istisna cum Wakala arrangement - note 14.1

<b>8,910,000</b>	21,026,000
<b>75,000,000</b>	75,000,000
<b>83,910,000</b>	<b>96,026,000</b>

- 14.1** The Company has obtained finances under Istisna cum Wakala arrangement from Dubai Islamic Bank Pakistan Limited amounting to Rs. 75 million (June 30, 2024: Rs. 75 million) and Istisna / Musawammah arrangement from Meezan Bank Limited amounting to Rs. 100 million (June 30, 2024: Rs. 100 million). The profit rate on these facilities are 6 months KIBOR plus 2% (June 30, 2024: 6 months KIBOR plus 2%) and 6 months KIBOR plus 1% (June 30, 2024: 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, 2024 are Rs. 75 million (June 30, 2024: Rs. 75 million) and Rs. 8.91 million (June 30, 2024: Rs. 21.03 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, 2024.

**15.2 Commitments**

The facilities for opening letters of credit and guarantees from banks as at December 31, 2024 amounted to Rs. 225 million (June 30, 2024: Rs. 275 million) and Rs. 7.23 million (June 30, 2024: Rs. 3.86 million) respectively of which unutilised at half year end was Rs. 160.31 million and Nil (June 30, 2024: Rs. 197.27 million and Rs. Nil) respectively.

	December 31, 2024	December 31, 2023
	-----Rupees-----	
<b>16. REVENUE FROM CONTRACTS WITH CUSTOMERS</b>		
Gross Revenue	1,085,921,497	2,047,371,247
Less:		
- Sales returns	(64,664,322)	(87,373,935)
- Sales tax	(166,280,711)	(301,950,050)
	(230,945,033)	(389,323,985)
	<u>854,976,464</u>	<u>1,658,047,262</u>
<b>17. COST OF SALES</b>		
Cost of goods manufactured	828,130,542	1,384,768,136
Opening stock of finished goods	131,096,150	123,216,614
Closing stock of finished goods	(158,325,019)	(150,960,806)
Cost of goods sold	<u>800,901,673</u>	<u>1,357,023,944</u>
<b>18. OTHER EXPENSES</b>		
Workers' Welfare Fund	-	3,701,778
Workers' Profits Participation Fund	-	9,362,926
	<u>-</u>	<u>13,064,704</u>
<b>19. INCOME TAX EXPENSE</b>	December 31, 2024	December 31, 2023
	-----Rupees-----	
Income tax		
- for the period	10,816,581	29,120,411
- prior period	566,033	-
	<u>11,382,614</u>	<u>29,120,411</u>
Deferred tax	(2,291,179)	26,432,810
	<u>9,091,435</u>	<u>55,553,221</u>
<b>19.1</b>	The Company has computed current tax for the period under sections 113 and 150 of the Income Tax Ordinance, 2001 i.e. Minimum Tax and Final Tax Regime respectively.	
<b>20. (LOSS) / EARNINGS PER SHARE</b>	December 31, 2024	December 31, 2023
	-----Rupees-----	
<b>- BASIC AND DILUTED</b>		
(Loss) / profit after taxation attributable to ordinary shareholders	<u>(35,418,593)</u>	<u>115,792,261</u>
Weighted average number of shares in issue during the period	<u>11,472,529</u>	<u>11,472,529</u>
(Loss) / earnings per share - basic and diluted	<u>(3.09)</u>	<u>10.09</u>

	December 31, 2024	December 31, 2023
	-----Rupees-----	
<b>21. CASH GENERATED FROM / OPERATIONS</b>		
(Loss) / profit before income tax	(26,327,158)	171,345,482
<b>Adjustments for non-cash charges and other items</b>		
Depreciation	8,818,480	9,358,427
Non-cash employee benefits expense	994,576	954,132
Return on savings and deposit accounts	(2,938,285)	(2,284,496)
Dividend income	(862,500)	(1,581,250)
Mark-up on long-term financing	10,794,914	16,316,631
Mark-up on short-term financing	11,045,634	23,171,979
	27,852,819	45,935,423
	1,525,661	217,280,905
<b>WORKING CAPITAL CHANGES</b>		
<b>Decrease / (increase) in current assets</b>		
Stores, spare parts and loose tools	258,567	4,935,876
Inventories	55,948,252	(31,793,779)
Trade receivables	84,694,947	33,422,989
Loans and advances	5,099,853	3,555,707
Trade deposits and short-term prepayments	(8,824,924)	(9,328,293)
Other receivables	16,110,482	111,139
	153,287,177	903,639
<b>(Decrease) / Increase in current liabilities</b>		
Trade and other payables	(46,855,602)	(11,268,155)
Advances from customers	3,569,197	1,797,943
	111,526,433	208,714,332
<b>22. CASH AND CASH EQUIVALENTS</b>		
<b>With Banks on:</b>		
- current accounts	5,037,964	5,700,852
- savings accounts	84,239,922	59,579,971
	89,277,886	65,280,823
Cash in hand	115,341	278,198
Short-term financing	(83,910,000)	(110,718,201)
	5,483,227	(45,159,180)



## 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,
		2024	2023
		-----Rupees-----	
<b>Holding Company:</b>			
- Millat Tractors Limited (MTL)	Sales of goods	<b>824,177,914</b>	1,620,905,069
	Purchase of goods	-	126,286
<b>Associated Company:</b>			
- Millat Equipment Limited (MEL)	Purchase of goods	<b>208,370</b>	-
<b>Employee benefit funds:</b>			
- Provident Fund	Contributions	<b>2,721,665</b>	2,989,662
- Executives' Gratuity Fund	Contributions	<b>118,362</b>	180,932
- Executives' Gratuity Fund	Benefits paid on behalf of the fund	-	7,126,635
<b>Key management personnel:</b>			
	Salaries and other employee benefits paid	<b>28,300,013</b>	31,760,998

## 24. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 10, 2025 by the Board of Directors of the Company.



Chief Executive



Director



Chief Financial Officer



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