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**CORPORATE BRIEFING SESSION**

**BOLAN CASTINGS LIMITED**

**2022 - 2023**



# COMPANY PROFILE

# Introduction



- Bolan Castings Limited is a Public Limited Company and listed on the Pakistan Stock Exchange.
- The Company was incorporated on 15<sup>th</sup> 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 Company was privatized 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.
- The main business activity of the company is to produce castings of tractors and automobiles parts.

# Production Facilities



## **Bolan Castings Limited, Production facilities consist of :**

- Two foundry plants which can produce more than 16,000 tons per year of castings in grey and ductile iron
- Duplex melting facilities
- Induction Melting
- High pressure moulding line
- Fully computerized green sand plant
- New sand preconditioning plant
- Sand washing plant
- Resin coated sand plant
- Finishing shop for shot blasting, fettling, grinding and painting
- Pattern making through CAD/CAM process
- An ancillary workshop for the fabrication and maintenance

# Group Companies



- Millat Tractors Limited
- Millat Equipment Limited
- Millat Industrial Product Limited
- TIPEG Intertrade DMCC



# Customers



## Tractors

- Millat Tractors Limited
- Al-Ghazi Tractors Limited

## Automobiles

- Hino Pak Motors Ltd.
- Gandhara Nissan Ltd.
- Gandhara Industries Ltd.
- Master Motors Corp. Ltd.
- Afzal Motors (Daewoo)

## Engineering / Others

- Millat Equipment Limited
- Mecas Engineering Limited
- Infinity Engineering Limited

# Products Gallery



MF CYLINDER BLOCK



MF CYLINDER HEAD



MF CENTER HOUSING



MF TRANSMISSION CASE



MF AXLE HOUSING 240 RH



MF AXLE HOUSING 240 LH



MF AXLE HOUSING 385 RH



MF AXLE HOUSING 385 LH



MF HYDRAULIC LIFT COVER



HINO BRAKE DRUM 4011



FIAT FRONT AXLE SUPPORT



HINO BRAKE DRUM 3500



MF AXLE SUPPORT 385



MF FRONT AXLE SUPPORT 240



MF OIL SUMP 240



HINO BRAKE DRUM 4021





# ECONOMIC OVERVIEW

# ECONOMIC OVERVIEW

## FOR THE YEAR ENDED JUNE 30, 2023

- The global economy grapples with ongoing crises, including the Russia-Ukraine conflict, climate change impacts, monetary tightening, and various policy challenges.
- In 2023, Pakistan faced economic stagnation due to devastating floods, government austerity, a significant current account deficit, and a foreign exchange crisis. Economic growth targets for 2022-23 were missed, with GDP growing only 0.22%. The agricultural sector also suffered, with growth dropping to 1.55% in 2023 from 4.27% in 2022, mainly due to crop damage from intense monsoons.
- Additionally, Pakistan's foreign exchange reserves hit a decade-low, causing difficulties in meeting contractual obligations and honoring letters of credit (LCs), resulting in supply chain disruptions and price spikes, intensifying the economic strain.



# BUSINESS REVIEW

# BUSINESS REVIEW

## FOR THE YEAR ENDED JUNE 30, 2023

- A decrease in production and sales volume has been observed in the fiscal year 2023. The 4.824 M.T of casting has been produced during the year against 9,437 M.T in the last year with 48.88% production decrease, while 5,386 M.T of casting has been sold against 9,269 M.T in the last year with 41.89% decrease in sales. The decline were primarily due to devastating floods disrupting infrastructure and causing economic challenges, including low foreign reserves, high exchange rates, inflation, rising fuel and energy prices, import restrictions, and a liquidity crunch.
- Additionally, during 2022-23, economic and political challenges in the country adversely affected the agricultural sector, with only a 1.55% growth rate compared to the previous year's 4.27%. Farm tractor production in the country decreased by 46.11% in fiscal year 2022-23.
- Despite drop in production and sale volume, the company ended almost at break even and it was made possible due to production efficiency, paradigm shift of consumption of imported raw materials to local raw materials, and minimizing fixed costs that also decreased our monthly break even from 700 - 800 M.T to 400 - 500 M.T. However, after charging the deferred tax assets of Rs. 23.000 million the loss after tax was increased from Rs. 1.723 million to 24.723 million.



# FINANCIAL INFORMATION

# FINANCIAL HIGHLIGHTS

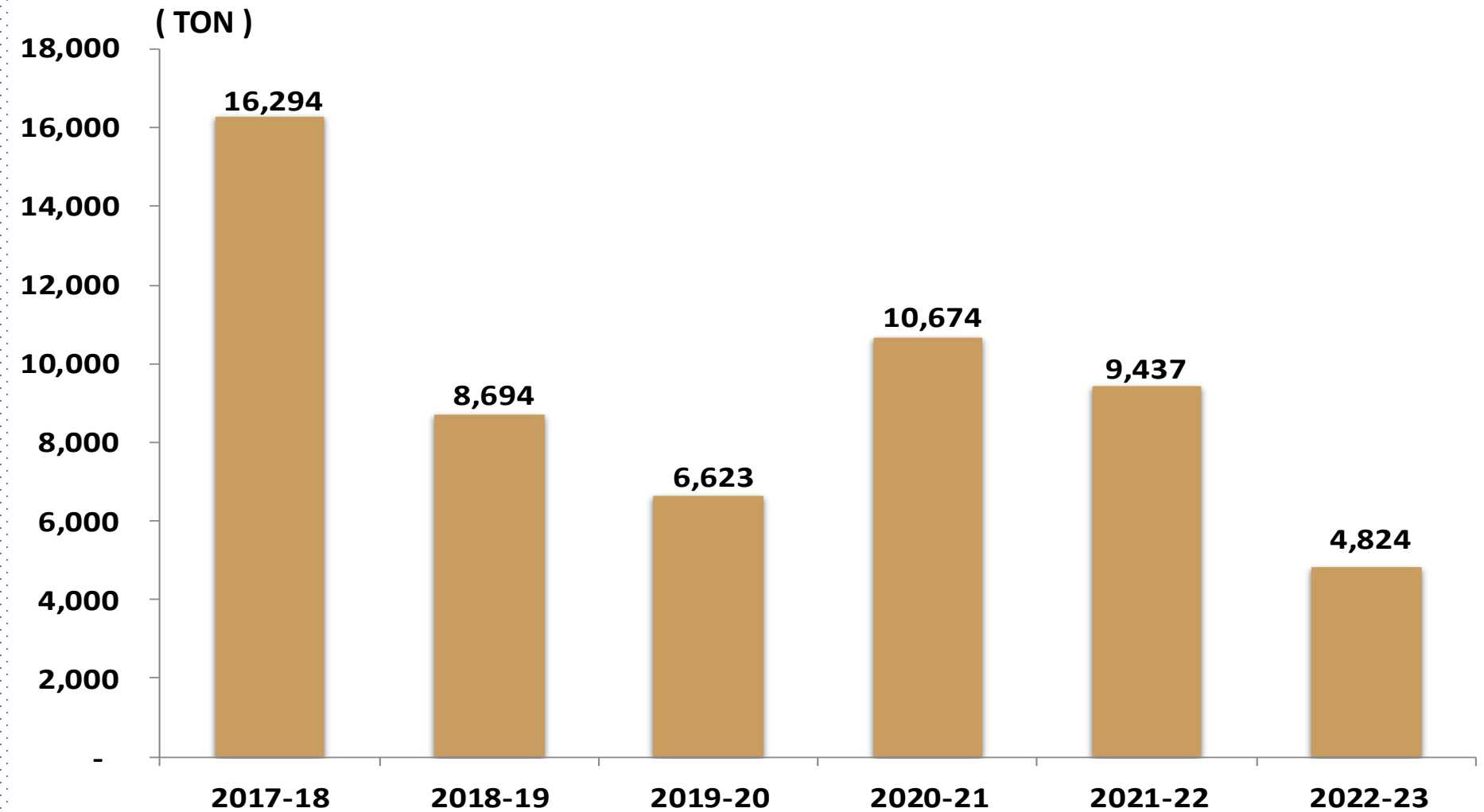
|  | (Rupees in thousand) |                |                |               |                |                |
|--|----------------------|----------------|----------------|---------------|----------------|----------------|
| <b>INCOME</b>                              | <b>2023</b>          | <b>2022</b>    | <b>2021</b>    | <b>2020</b>   | <b>2019</b>    | <b>2018</b>    |
| Revenue from contracts with customers      | 2,164,908            | 2,750,181      | 2,418,800      | 1,332,568     | 1,513,636      | 2,299,931      |
| Gross Profit / (Loss)                      | 206,946              | 215,208        | 303,301        | (88,132)      | (149,777)      | 328,202        |
| Operating Profit / (Loss)                  | 106,619              | 106,436        | 223,914        | (181,287)     | (258,862)      | 196,948        |
| Profit / (Loss) before tax                 | 27,486               | 54,725         | 171,092        | (259,617)     | (310,120)      | 184,441        |
| (Loss) / Profit for the year               | (24,725)             | 15,321         | 132,380        | (271,688)     | (238,999)      | 133,402        |
| <b>FINANCIAL POSITION</b>                  |                      |                |                |               |                |                |
| Current Assets                             | 641,121              | 820,122        | 668,321        | 561,021       | 808,414        | 772,745        |
| Less: Current Liabilities                  | 701,012              | 890,405        | 740,080        | 724,315       | 745,231        | 332,973        |
| Net Working Capital                        | (59,891)             | (70,283)       | (71,759)       | (163,294)     | 63,183         | 439,771        |
| Property, Plant and Equipment              | 170,928              | 187,096        | 206,739        | 228,901       | 259,216        | 232,681        |
| Others-Non Current Assets                  | 117,472              | 140,730        | 136,531        | 143,193       | 114,637        | 51,471         |
|  | 228,510              | 257,542        | 271,511        | 208,800       | 437,036        | 723,924        |
| Less: Long Term Debts                      | -                    | -              | 24,904         | 17,889        | -              | -              |
| Other Liabilities                          | 28,562               | 28,855         | 39,085         | 96,518        | 55,234         | 84,406         |
| <b>Shareholders' Equity</b>                | <b>199,947</b>       | <b>228,687</b> | <b>207,523</b> | <b>94,393</b> | <b>381,802</b> | <b>639,518</b> |
| <b>REPRESENTED BY:</b>                     |                      |                |                |               |                |                |
| Share Capital                              | 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        |
| Unrealized Gain on Long Term Investment    | 13,475               | 16,350         | 17,210         | 11,960        | 12,081         | 25,610         |
| Premium on issuance of Right Share         | 12,156               | 12,156         | 12,156         | 12,156        | 12,156         | 12,156         |
| Unappropriated (accumulated loss) / profit | (364,909)            | (339,044)      | (361,068)      | (468,948)     | (181,660)      | 62,527         |
| <b>Net Capital Employed</b>                | <b>199,947</b>       | <b>228,687</b> | <b>207,523</b> | <b>94,393</b> | <b>381,802</b> | <b>639,518</b> |

## KEY RATIOS

|                           |         |        |        |          |         |        |
|---------------------------|---------|--------|--------|----------|---------|--------|
| Current Ratio             | 0.91:1  | 0.92:1 | 0.90:1 | 0.77:1   | 1.08:1  | 2.32:1 |
| Gross Profit / (Loss) (%) | 9.56    | 7.83   | 12.54  | (6.61)   | (9.90)  | 14.27  |
| Return on Equity (%)      | (12.37) | 6.70   | 63.79  | (287.83) | (62.60) | 20.86  |

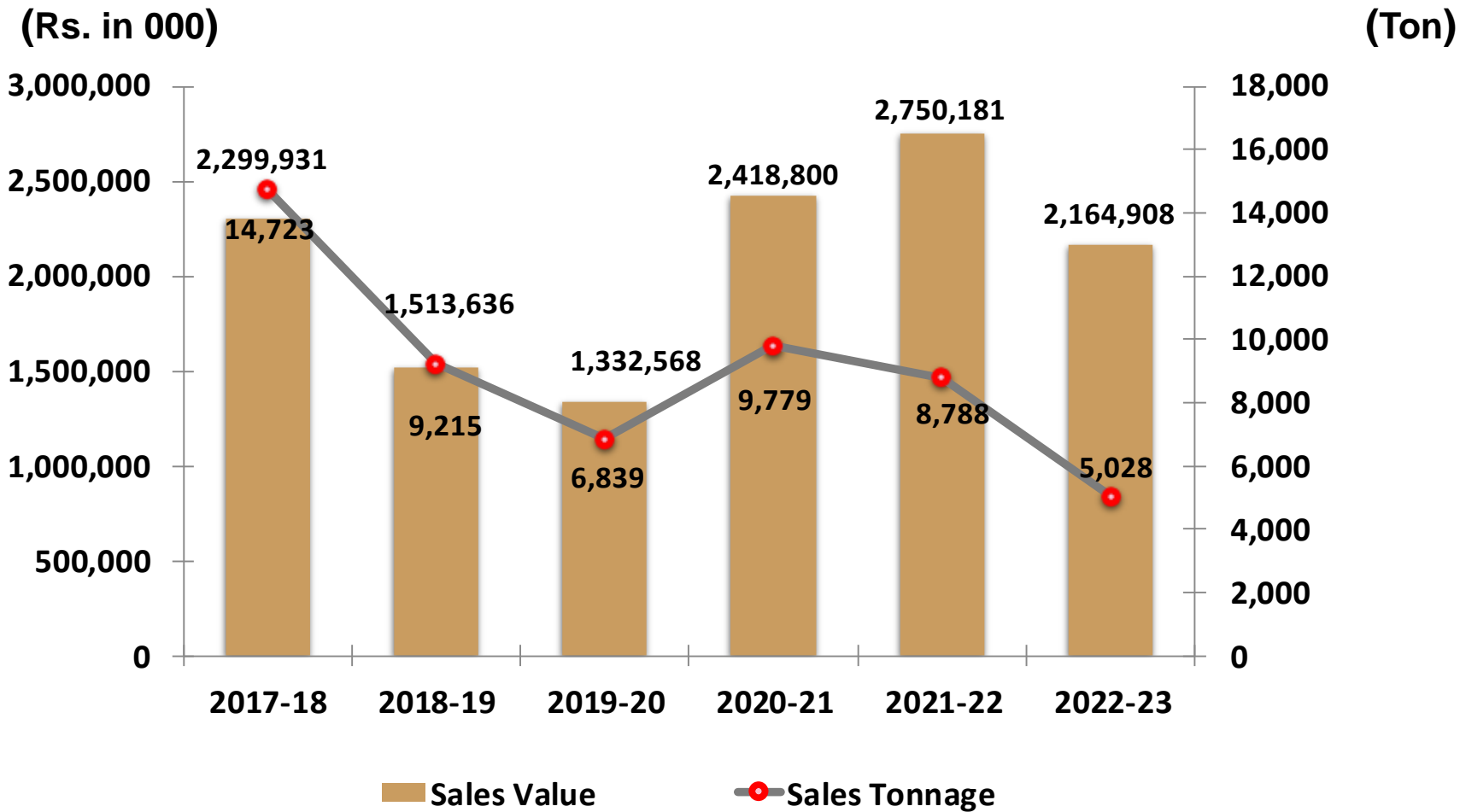
# GRAPHICAL ILLUSTRATION

## Production (Ton)



# GRAPHICAL ILLUSTRATION

## Sales Value – Sales Tonnage



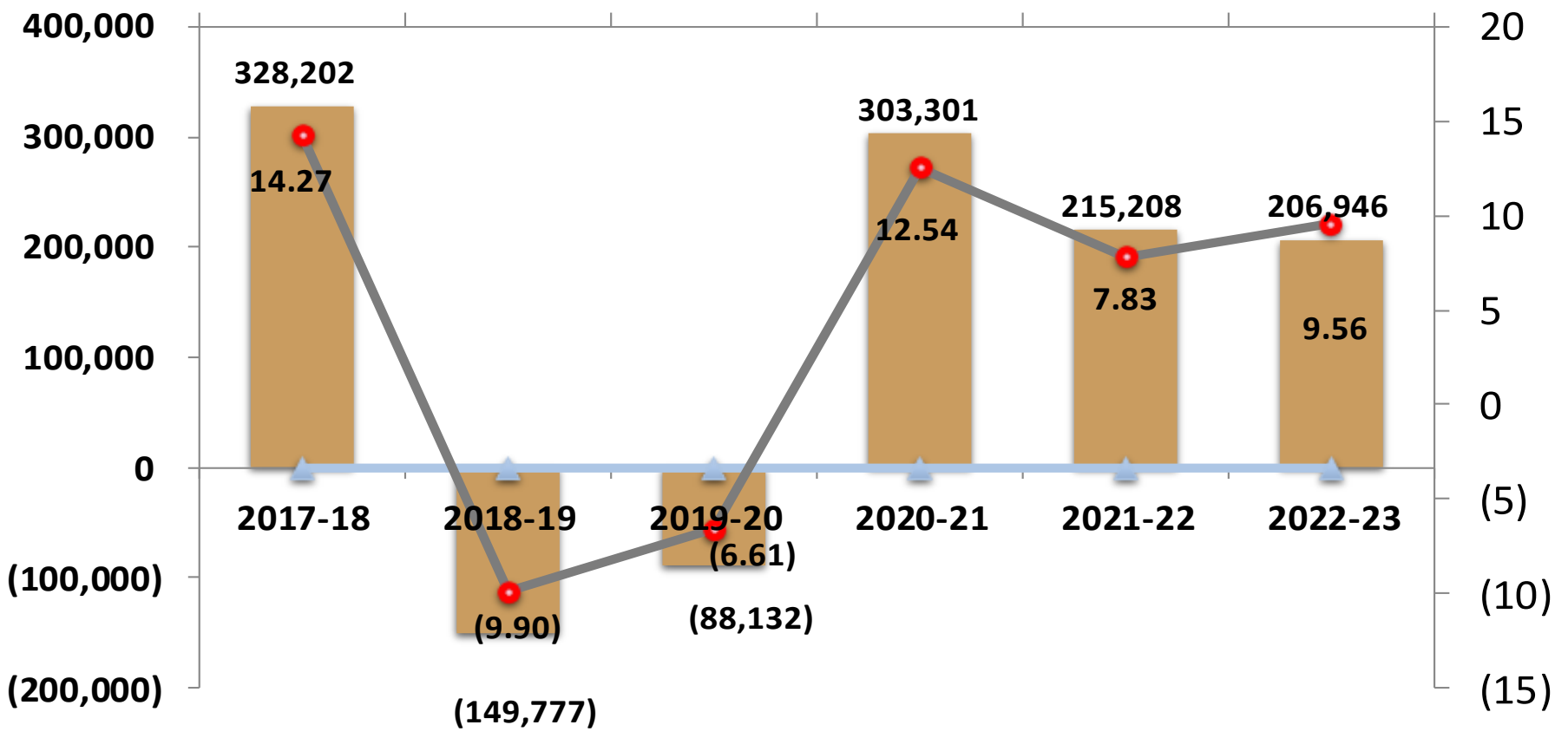


# GRAPHICAL ILLUSTRATION

## Gross Profit–GP Margin

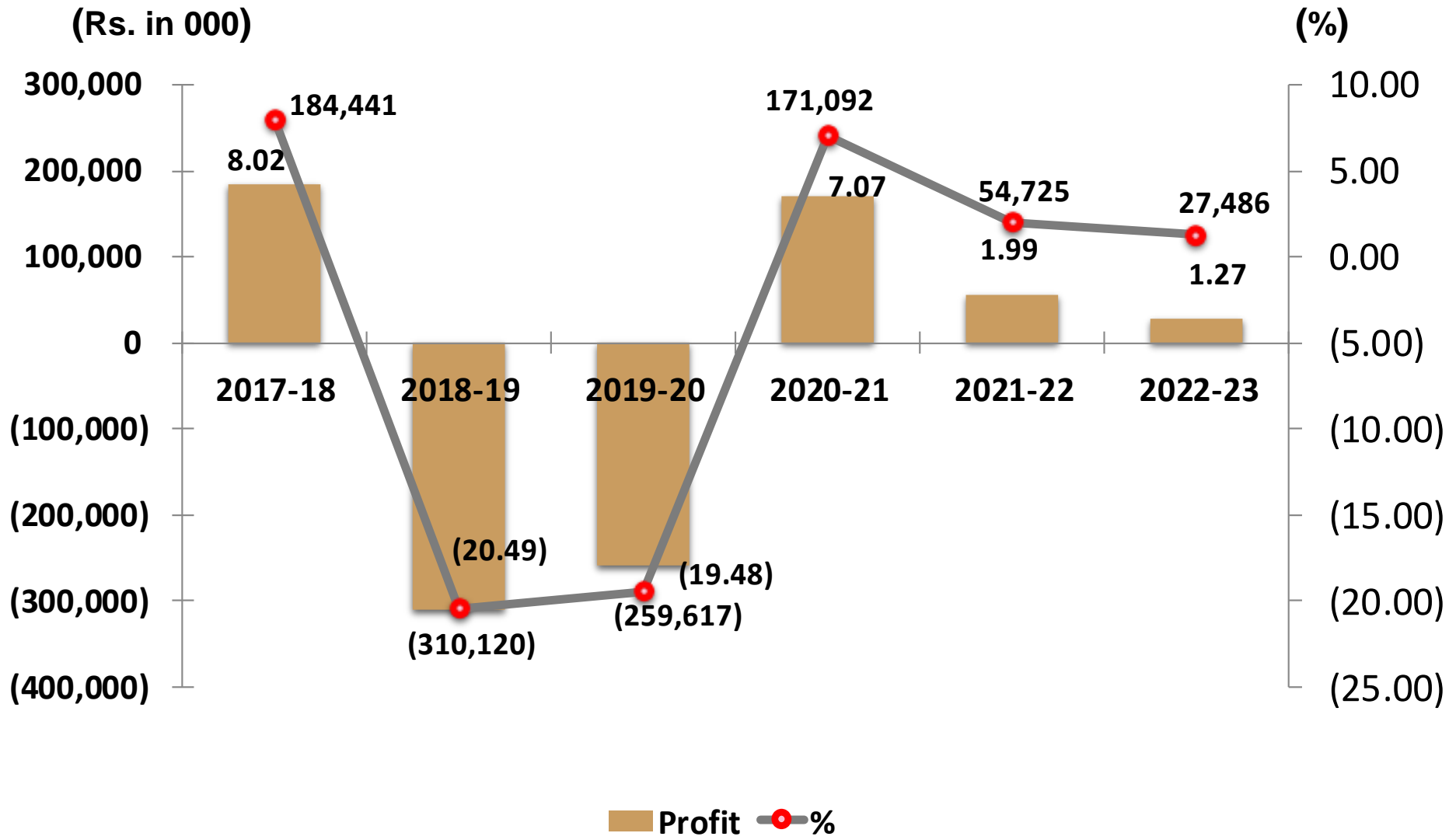
(Rs. in 000)

(%)



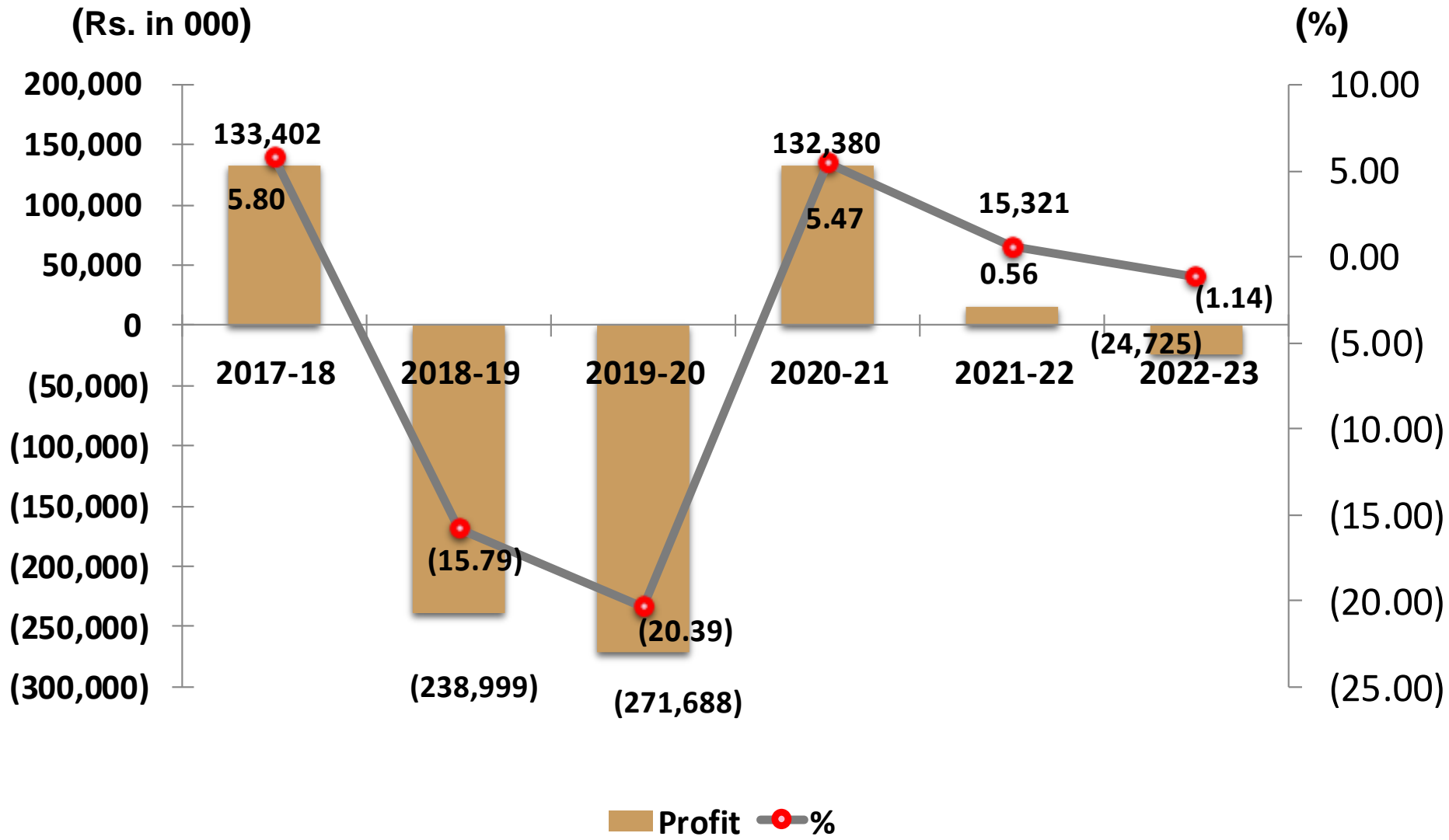
# GRAPHICAL ILLUSTRATION

## Pre Tax Profit / Profitability



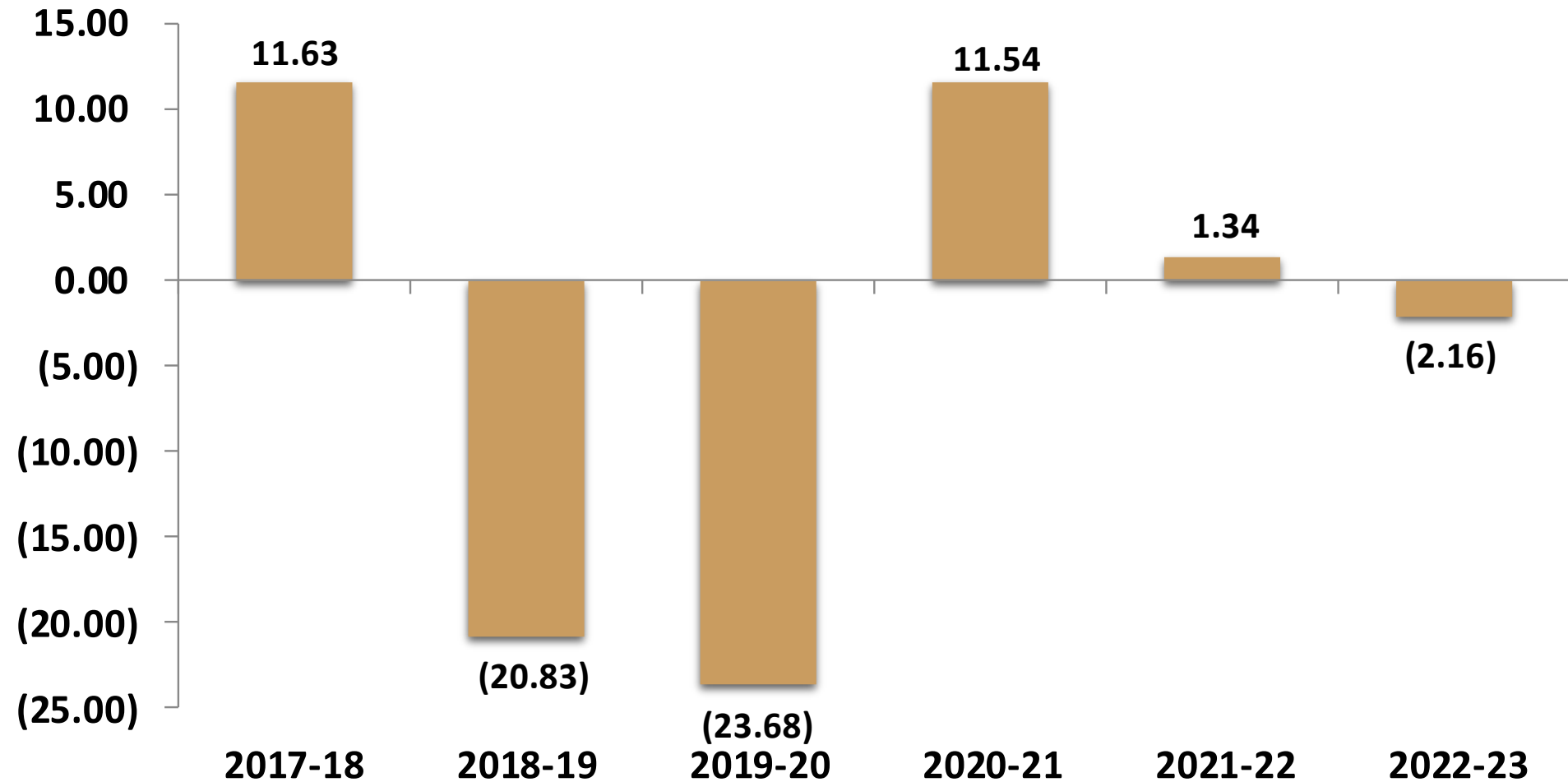
# GRAPHICAL ILLUSTRATION

## Post Tax Profit / Profitability

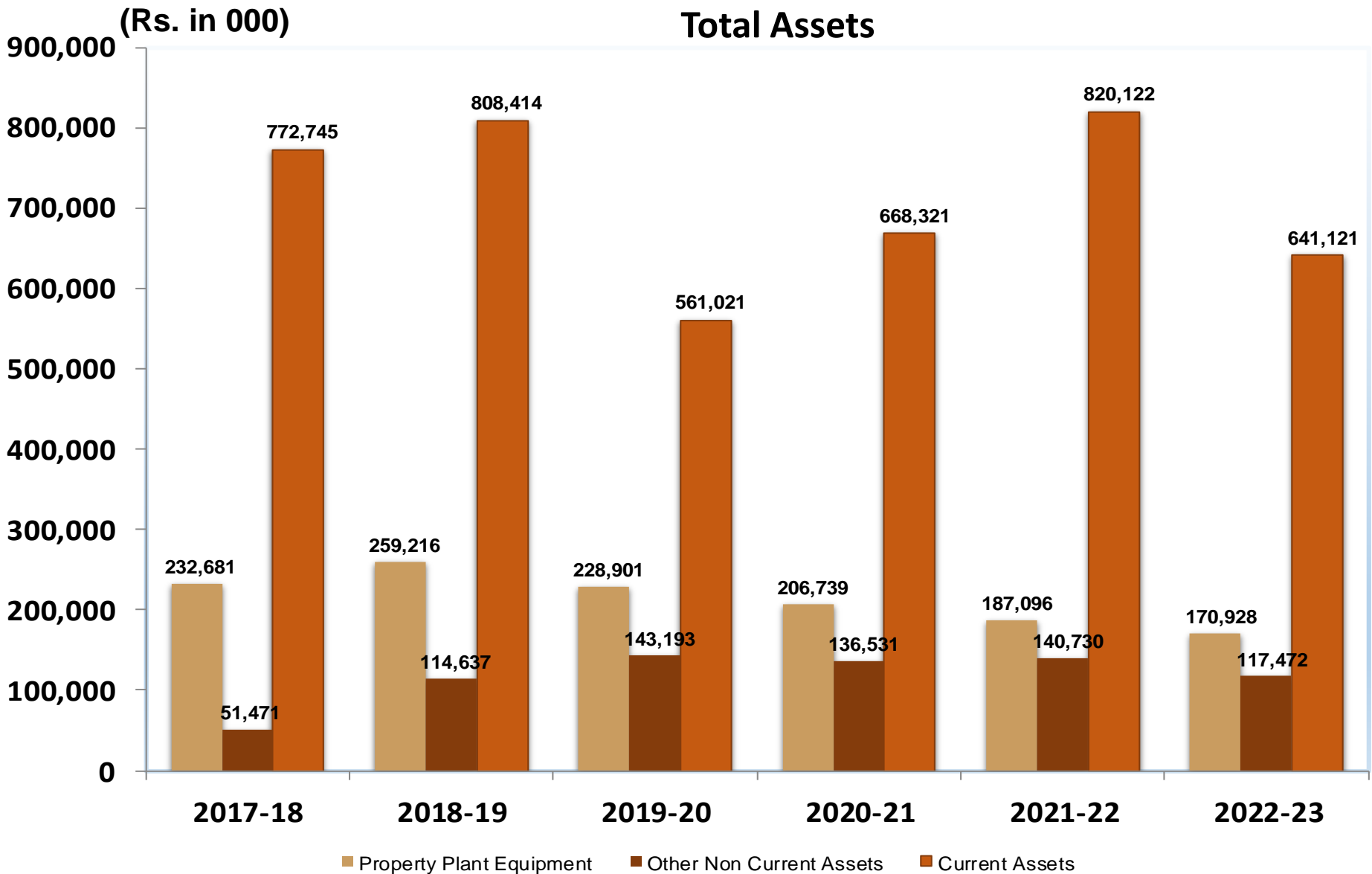


# GRAPHICAL ILLUSTRATION

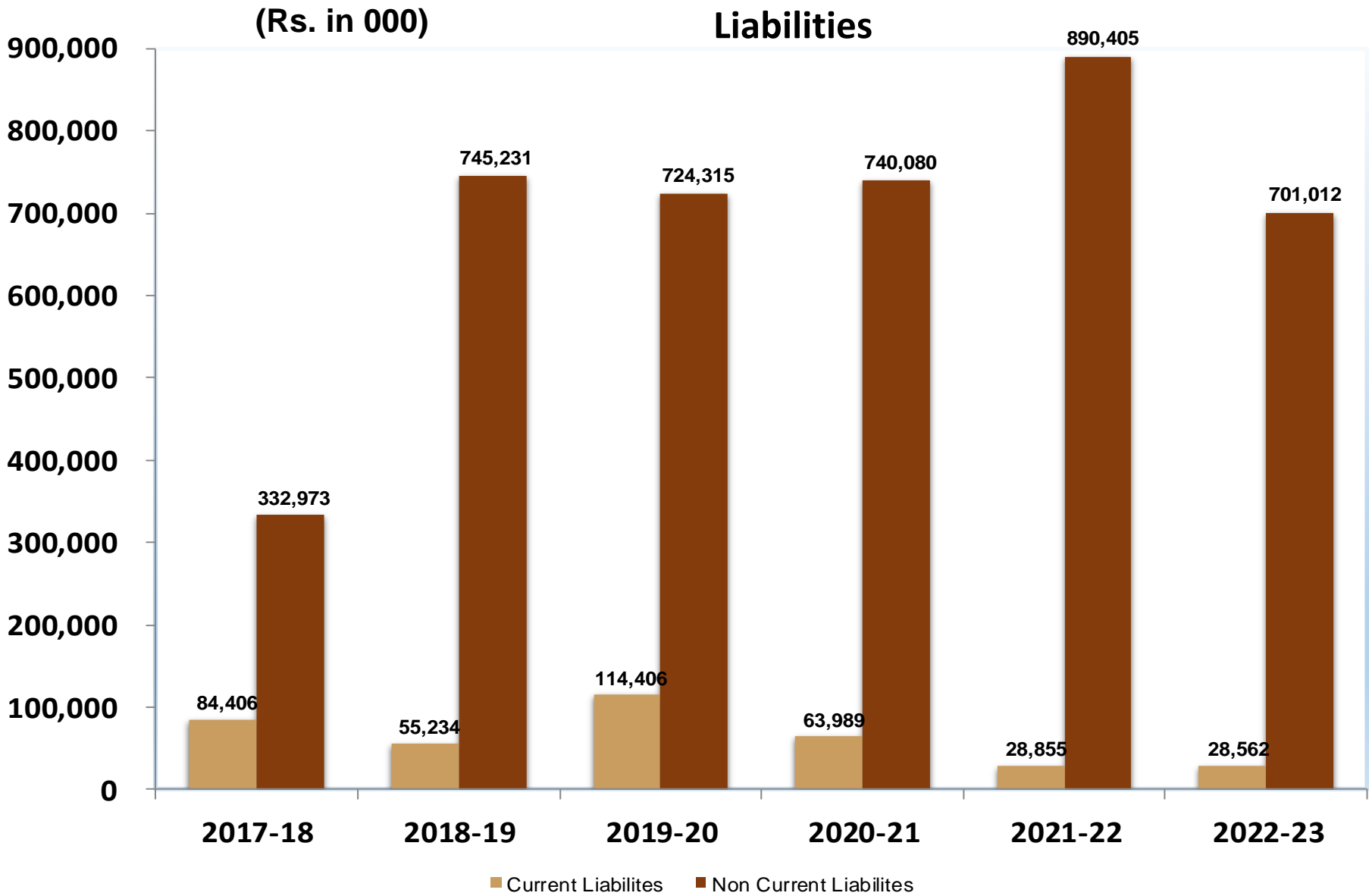
## Earnings Per Share (Rs.)



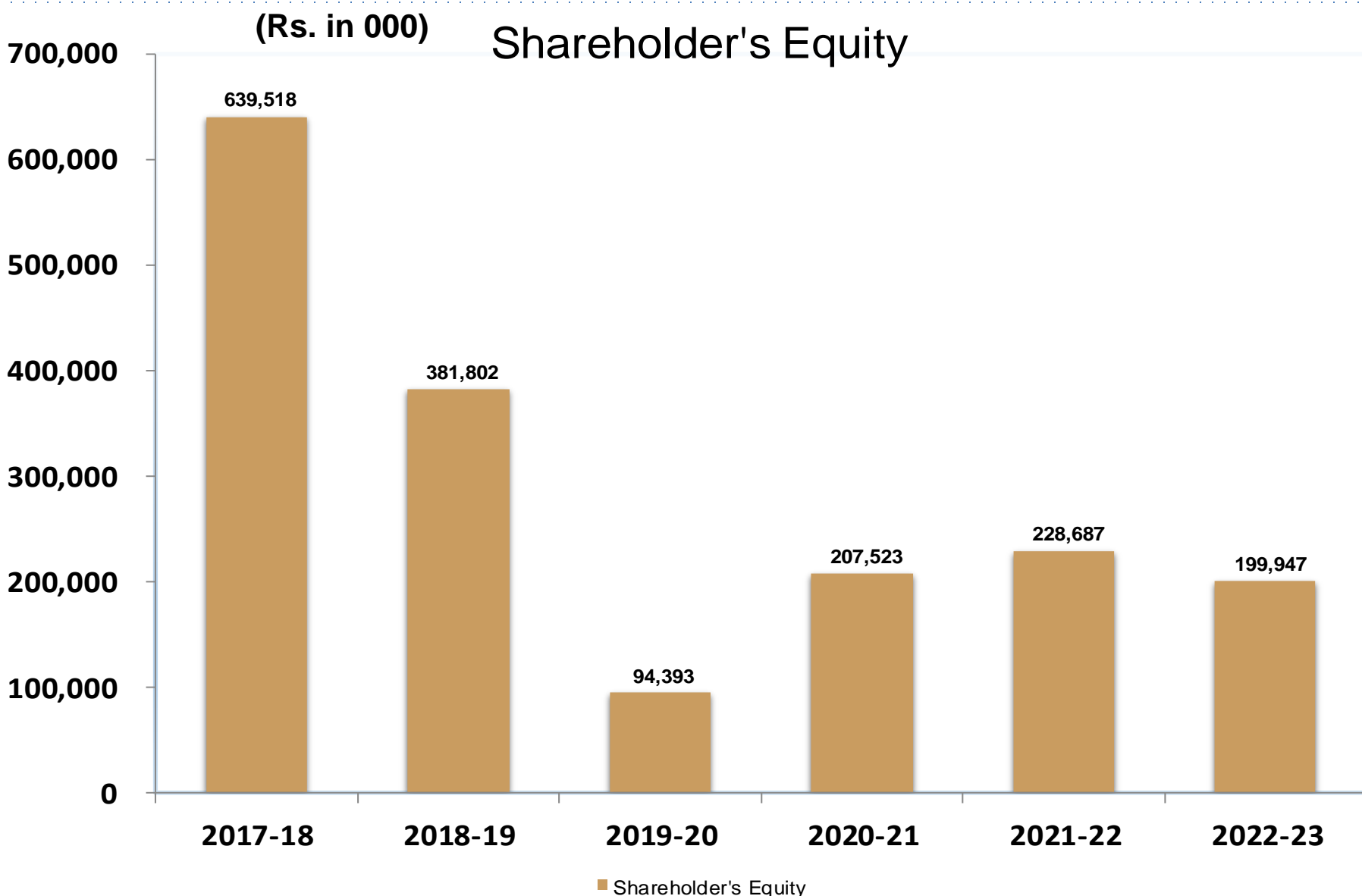
# GRAPHICAL ILLUSTRATION



# GRAPHICAL ILLUSTRATION

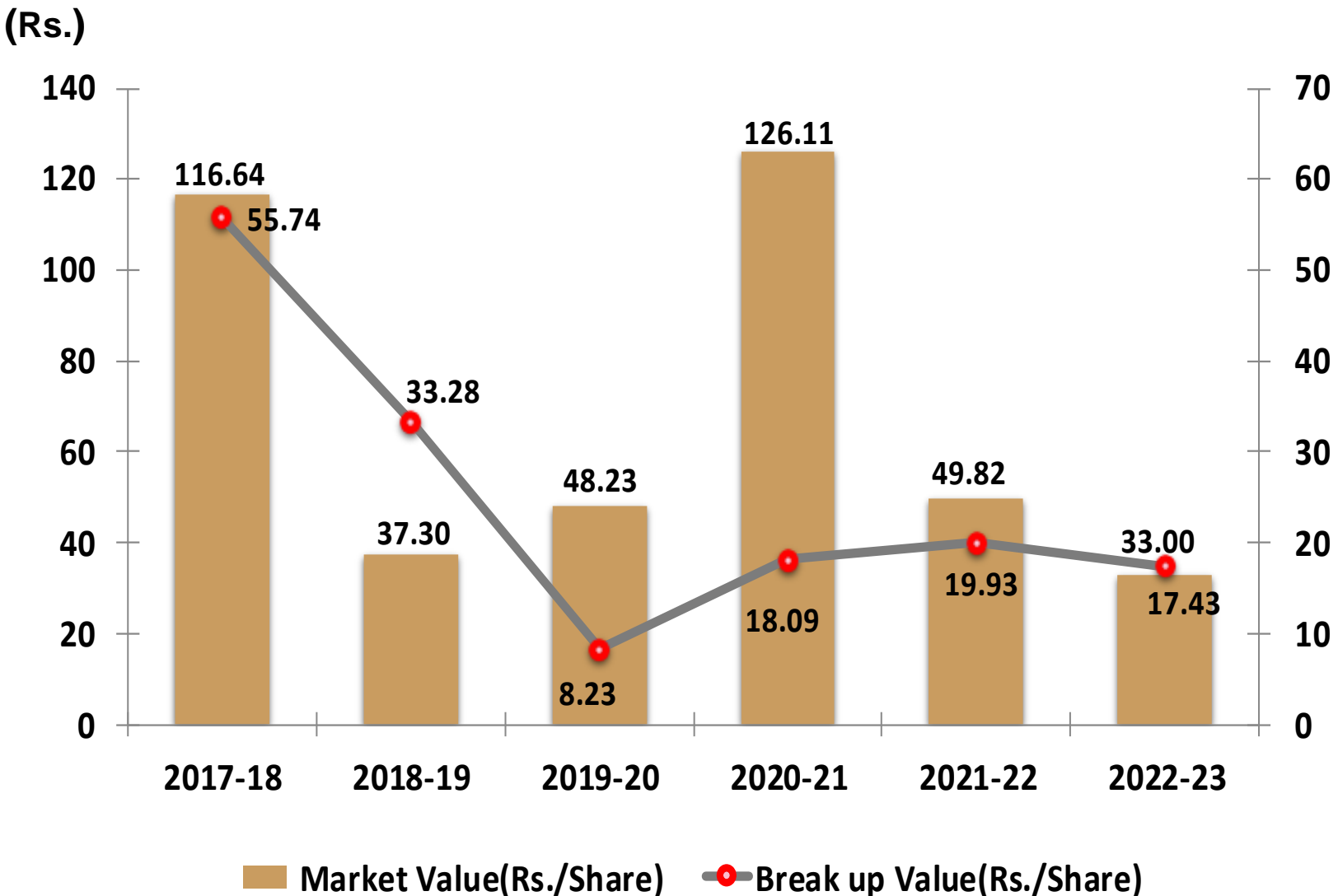


# GRAPHICAL ILLUSTRATION



# GRAPHICAL ILLUSTRATION

## Market Value Vs. Break-up Value of Shares





# FUTURE PROSPECTUS

Since the current economic situation of the country is improving day by day, the overall industry in general and the tractor industry in particular are responding positively. In turn the tractor's vendor industry including BCL is also showing signs of improvement in production and sales. In addition, BCL has taken major cost cutting measures mainly by substituting the expensive imported raw materials with local raw materials. This has greatly improved the profitability of the company's operation. We hope to maintain the rising trend in our production and sales and thereby in the profitability in the coming months



# Q & A Session



**Thank You**