

**Bolan
Castings
Limited**

*Everything
happens
for a
reason*

**ANNUAL
REPORT**

2020



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[Form of Proxy](#)

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



Vision

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

Mission

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

Corporate Strategy

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

Quality Policy

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

Safety

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

Health

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

Environment

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

CODE OF CONDUCT

Purpose

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

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

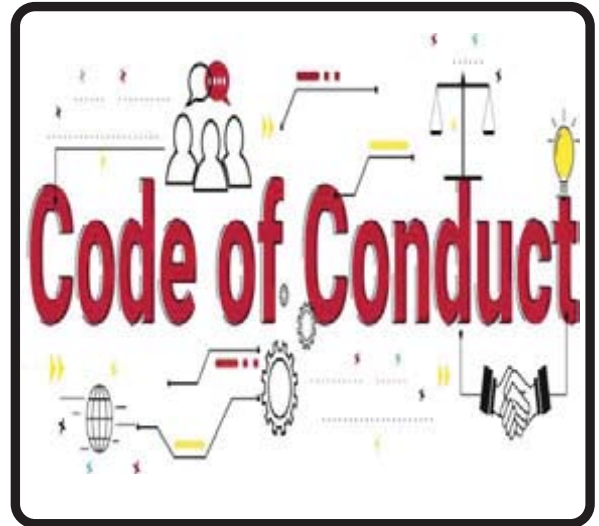
Applicability

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

Standards of Conduct

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

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



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

CORE VALUES

1. Ethics & Integrity

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

2. Continual Improvement

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

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

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

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

3. Excellence

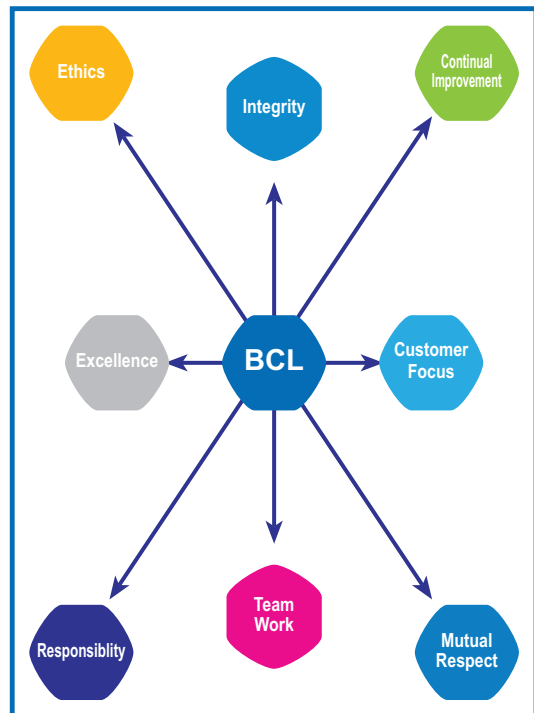
We are committed to excellence in every aspect of our activities. Each one of us must make maximum efforts to provide a quality product that responds to our customers need. Our products must meet and exceed competition. Rather than asking "is it good enough?", we must ask, "how can we do it better?".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

4. Customer Focus

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

5. Responsibility

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



6. Teamwork

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

7. Mutual Respect

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

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

COMPANY INFORMATION

Board of Directors	Mr. Sikandar M. Khan Mr. Nisar Ahmed Mirani Mr. Latif Khalid Hashmi Mr. Sohail Bashir Rana Mr. Laeeq Uddin Ansari Syed Muhammad Irfan Aqueel Syed Javaid Ashraf Mr. Aamir Amin	Chairman Chief Executive Director 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	
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, Pakistan Foundry Association and Director of NAMAL College, National Management Foundation and Arabian Sea Country Club



Mr. Nisar Ahmed Mirani

Chief Executive Officer

Appointment

April 27, 2016

Committee Membership

No Committee Membership

External Appointments

Currently no external appointment



Mr. Latif Khalid Hashmi

Non Executive Director

Appointment

June 13, 1993

Committee Membership

Member of Audit Committee and Board's Committee for Supervision

External Appointments

Director of Millat Tractors Ltd., Millat Equipment Ltd., Millat Industrial Products Ltd., TIPEG Intertrade DMCC

BOARD OF DIRECTORS



Mr. Sohail Bashir Rana

Non Executive Director

Appointment

June 13, 1993

Committee Membership

Member of Board's Committee for Supervision

External Appointments

Director of Millat Tractors Ltd., Millat Equipment Ltd., Millat Industrial Products Ltd., TIPEG Intertrade DMCC, Hyundai Nishat Motor (Pvt.) Ltd.



Mr. Laeeq Uddin Ansari

Executive Director

Appointment

June 13, 1993

Committee Membership

Member of Board's Committee for Supervision and Human Resource and Remuneration Committee

External Appointments

Director of Millat Tractors Ltd., Millat Equipment Ltd., Millat Industrial Products Ltd., TIPEG Intertrade DMCC, Etimaad Engineering (Pvt.) Ltd.



Syed Muhammad Irfan Aqueel

Non Executive Director

Appointment

October 28, 2014

Committee Membership

Member of Audit Committee and Human Resource and Remuneration Committee

External Appointments

Chief Executive Officer of Millat Tractors Ltd. and Director of Millat Equipment Ltd., Karachi Tools, Dies & Moulds Centre (KTDMC)

BOARD OF DIRECTORS



Syed Javaid Ashraf

Independent Director

Appointment

October 28, 2014

Committee Membership

Chairman of Audit Committee and Human Resource and Remuneration Committee

External Appointments

Director of Karachi Tools, Dies & Moulds Centre (KTDMC)



Mr. Aamir Amin

Independent Director

Appointment

March 18, 2020

Committee Membership

Member of Audit Committee

External Appointments

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

BOARD COMMITTEES

Audit Committee

Composition of Committee

Chairman

Syed Javaid Ashraf Independent Director

Members

Mr. Latif Khalid Hashmi	Non-Executive Director
Syed Muhammad Irfan Aqueel	Non-Executive Director
Mr. Aamir Amin	Independent Director

Terms of Reference

- Determination of appropriate measures to safeguard the company's assets.
- Review of annual and interim financial statements of the company, prior to their approval by the Board of Directors, focusing on:
 - (i) Major judgmental areas.
 - (ii) Significant adjustments resulting from the audit.
 - (iii) Going concern assumption.
 - (iv) Any changes in accounting policies and practices.
 - (v) Compliance with applicable accounting standards.
 - (vi) Compliance with these regulations and other statutory and regulatory requirements.
 - (vii) All related party transactions.
- Review of preliminary announcements of results prior to external communication and publication.
- 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).
- Review of management letter issued by external auditors and management's response there to.
- Ensuring coordination between the internal and external auditors of the company.
- 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.
- Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response there to.
- 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.
- Review of the company's statement on internal control systems prior to endorsement by the board of directors and internal audit reports.
- Instituting special projects, value for money studies or other investigations on any matter specified by the board of directors, in consultation with the chief executive officer and to consider remittance of any matter to the external auditors or to any other external body.
- Determination of compliance with relevant statutory requirements.
- Monitoring compliance with these regulations and identification of significant violations thereof.
- 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.
- Recommend to the board of directors 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. The board of directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof.
- Consideration of any other issue or matter as may be assigned by the board of directors.

BOARD COMMITTEES

Board's Committee for Supervision (BCS)

Chairman

Mr. Sikandar M. Khan Chairman / Non-Executive Director

Members

Mr. Latif Khalid Hashmi Non-Executive Director

Mr. Sohail Bashir Rana Non-Executive Director

Mr. Laeeq Uddin Ansari Executive Director

Terms of Reference

- To provide a forum for the Company's Senior Executives to contribute to planning the strategic direction of the Company.
- 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.
- To ensure implementation of strategy, the corporate plan, policies and procedures.
- To ensure successful achievement of objectives of the Company.
- To ensure active co-ordination, cooperation and communication between all departments of the Company.
- To review the organizational structure of the Company and making recommendations for change.

Human Resource and Remuneration (HR&R) Committee

Chairman

Syed Javaid Ashraf Independent Director

Members

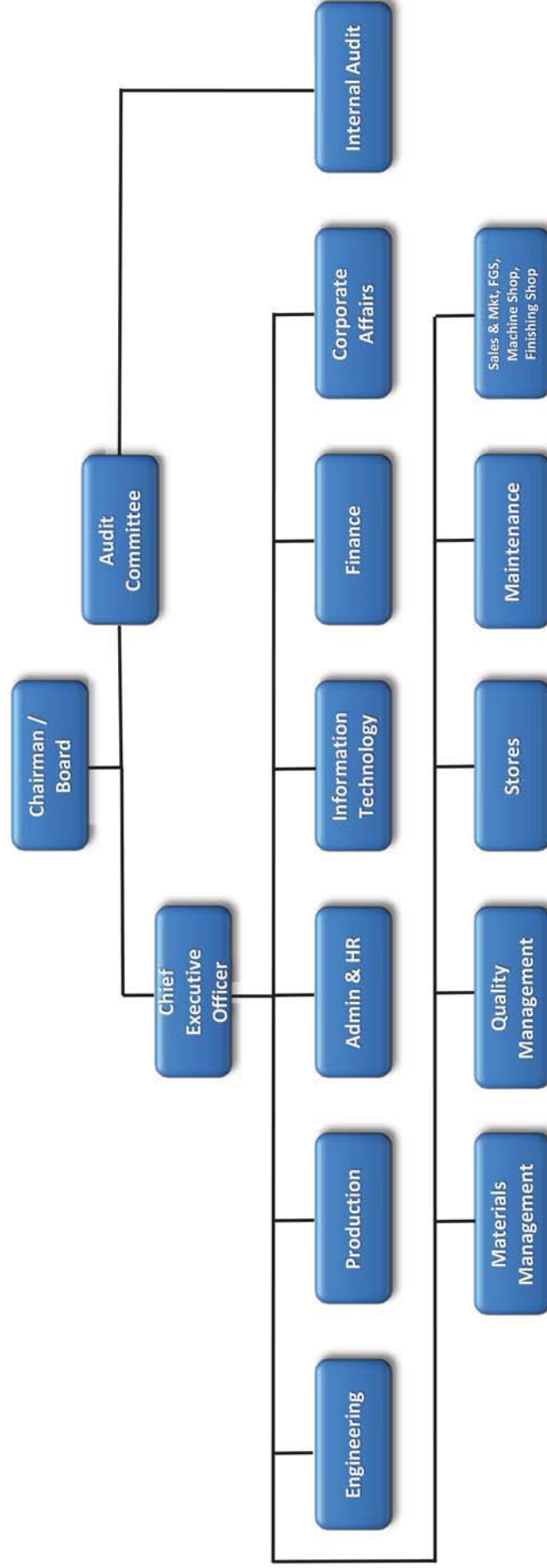
Mr. Laeeq Uddin Ansari Executive Director

Syed Muhammad Irfan Aqueel Non-Executive Director

Terms of Reference

- Recommend to the board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors).
- Recommending human resource management policies to the board.
- Recommending to the board the selection, evaluation, development, compensation (including retirement benefits) of chief financial officer, company secretary and head of internal audit.

ORGANIZATION STRUCTURE



COMPANY PROFILE

INTRODUCTION

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

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

FOUNDRY

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



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

PRODUCTION FACILITIES

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

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



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

RESEARCH & DEVELOPMENT

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



QUALITY MANAGEMENT / PROCESS CONTROL

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

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



COMPANY PROFILE

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

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

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

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

PRODUCTIVE MAINTENANCE

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

POLLUTION CONTROL

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

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

INDUSTRIAL & PERSONAL SAFETY

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

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



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

NO COMPROMISE ON QUALITY IS OUR CLAIM

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

SUPPORT FOR FOUNDRY EDUCATION / ENGINEERING EDUCATION

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

SUGGESTION SCHEME

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

ISO CERTIFICATION

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



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

INTEGRATED REPORTING / DOCUMENTATION THROUGH COMPUTERIZATION

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

CUSTOMERS & PRODUCT RANGE

CUSTOMERS

Tractors

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

Automobiles

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

Engineering/Others

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

PRODUCT RANGE

Tractor Industry

a. MF Tractors

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

b. Fiat Tractors

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

Automobile Industry

a. Hino Trucks/Buses

1. Brake drums
2. Spring stoppers & brackets
3. Bracket injection pump
4. Pulleys

b. Nissan Trucks/Buses

1. Brake drums & hubs

c. Isuzu Trucks/Buses

1. Brake drums & hubs
2. Exhaust manifold

d. Master Trucks

1. Brackets

e. Daewoo Trucks/Buses

1. Brake drums

Engineering Industry

a. Pumps

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

b. Millat Equipment Limited

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

c. Wheel Rims

1. Blank holder dies

d. Alsons Industries

1. Bomb Shell

e. Mecas Engg. Ltd.

1. L-shape large

f. Infinity Engg. Ltd.

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

g. Al-Intizam International

1. Cast iron wheel



BCL Castings
A Full Tractor Assembly

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 38th Annual General Meeting is scheduled to be held at the Registered Office of the Company, Main RCD Highway, Hub Chowki, District Lasbela, Baluchistan, Pakistan, through video link, on Wednesday, October 28, 2020 at 12:00 hours.

Books Closure

The Share transfer books of BCL will remain closed from October 15, 2020 to October 28, 2020 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, 2020 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@cdcpak.com
Website: www.cdcpakistan.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.

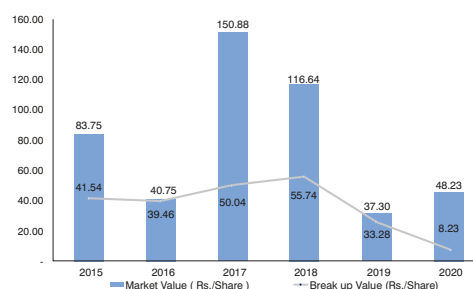
Price Ranges

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

Quarter	2020		2019	
	High	Low	High	Low
First (July-19-Sep-19)	40.85	28.10	139.78	94.00
Second (Oct-19-Dec-19)	61.00	29.21	103.95	64.10
Third (Jan-20-Mar-20)	50.85	27.82	84.00	55.00
Fourth (Apr-20-June-20)	56.00	32.00	58.95	35.52

----- Rupees -----

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



NOTICE OF ANNUAL GENERAL MEETING

ANNUAL GENERAL MEETING

October 28, 2020 at 12:00 p.m.

Notice is hereby given that 38th 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, through video link, on Wednesday, October 28, 2020 at 1200 hours to transact the following businesses:

A. ORDINARY BUSINESS

1. To confirm the minutes of 37th Annual General Meeting held on October 23, 2019.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2020 together with the Chairman's review, Directors' report and Auditors' report thereon.
3. To appoint auditors for the year ending June 30, 2021 and to fix their remuneration.
4. To elect seven Directors as fixed by the Board of Directors for a term of three years. The retiring Directors are Mr. Sikandar Mustafa Khan, Mr. Latif Khalid Hashmi, Mr. Sohail Bashir Rana, Mr. Laeeq Uddin Ansari, S. M. Irfan Aqueel, Syed Javaid Ashraf and Mr. Aamir Amin.

As resolved by the Board in its meeting held on September 15, 2020 the number of Directors to be elected shall be seven out of which one male independent and one female independent directors are proposed to be elected.

B. SPECIAL BUSINESS

5. To ratify and approve the transactions carried out in the normal course of business with Group companies for the year ended June 30, 2020 by passing the following resolution as a special resolution:

RESOLVED that the transactions carried out in normal course of business with Group companies as disclosed in note 34 to the financial statements for the year ended June 30, 2020 be and are hereby ratified and approved.

6. 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, 2021 by passing the following resolution, with or without modification, as a special resolution:

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, 2021.

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

7. To consider, and if thought fit, pass following resolutions, with or without modification as a special resolution for amendments in the Articles of Association of the Company:

RESOLVED that the Articles of Association of the Company be and is hereby amended in following manner:

- i) Substitution of following new Article for the existing Article 9.09:

"The qualification of an elected as well as appointed Director shall be the holding of shares in the Capital of the Company of not less than the face value of Rs.25,000/-, prior to the filing of intention to contest the election of directors or prior to the holding of the office as the circumstances warrant, provided that qualification of an elected independent director, as defined in Companies Act, 2017, shall be holding at least one share in the Capital of the Company of the face value of Rs.10/-. However, in case of a Director representing a member which is not a natural person or representing a creditor or other special interests by virtue of contractual arrangements, the requirement of qualification shares shall not apply in line with the provisions contained in section 153(i) of the Companies Act, 2017."

- ii) Deletion of Article 9.10.

FURTHER RESOLVED that Chief Executive and / or Company Secretary of the Company be and is / are hereby authorized to fulfill all legal, corporate and procedural formalities and file all necessary documents as may be necessary or incidental for the purpose of implementing the aforesaid resolution.

NOTICE OF ANNUAL GENERAL MEETING

C. OTHER BUSINESS

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

By Order of the Board of Directors



Arafat Mushir
Company Secretary

Hub
October 06, 2020

Notes :

1. The Share Transfer Books of the Company shall remain closed from October 15, 2020 to October 28, 2020 (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, 2020 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.
 5. Any person who seeks to contest election to the office of Director shall, whether he is retiring Director or otherwise, file with the Company, not later than fourteen days before the date of meeting a notice of his intention to offer himself for election as a director alongwith the following:
 - i.) Form 28 - Consent to act as director prescribed under section 167 of Companies Act, 2017.
 - ii.) A detailed profile as required under SECP's SRO No. 1196(I)/2019 dated October 03, 2019, for the purpose of, interalia, placement on the website of the company before the election.
- iii.) Declaration confirming that:
 - a) He / she is a member of the Company. (Number of shares held alongwith the Folio number or CDC participant id / account number, be mentioned).
 - b) He / she is not ineligible to become a Director of the Company under any applicable laws and regulations.
 - c) He / she is not serving as a director in more than seven (7) listed companies including Bolan Castings Limited excluding the directorships in the listed subsidiaries of a listed holding company.
 - d) His / her name is borne on the register of national tax payers. (National Tax Number (NTN) be mentioned).
 - e) He / she has not defaulted in payment of any loan to a banking company, a Development Financial Institution or Non Banking Financial Institution or being a member of a Stock Exchange has not been declared as a defaulter by that stock exchange.
 - f) He / she or his / her spouse is not engaged in the business of Stock brokerage and he / she is not a sponsor, director or officer of any corporate brokerage house.
 - iv.) In case of Independent Director, an additional declaration confirming that he / she qualifies the criteria of independence as contained in Section 166 of the Companies Act.
6. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.
- A. For attending the meeting:
 - i) In case of individual, the account holder or sub-account holder shall authenticate his identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
 - ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall have to be produced (unless it has been provided earlier) at the time of the meeting.
 - B. For appointing proxies:
 - i) In case of individual, the account holder or sub account holder shall submit the proxy form as per the above requirement.

NOTICE OF ANNUAL GENERAL MEETING

- 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.

7. Participation in the Annual General Meeting

In view of the outbreak of Covid-19 pandemic, the SECP, through its another Circular No. 25 of 2020 dated August 31, 2020 together read with earlier Circular No. 05 of 2020 dated March 17, 2020, has advised to listed companies to avoid large gathering at one place and consider the provision of video link facility. Accordingly, in the best health interest of our valued shareholders and to ensure maximum participation, the Company has arranged to convene this AGM through video link facility.

To attend the AGM through video link, members are requested to register their following particulars by sending an e-mail at cdcsr@cdcsrsl.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 22, 2020. The shareholders are also encouraged to send their comments / suggestions, related to the agenda items of the AGM on the above mentioned e-mail address by the close of business hours (5:00 p.m.) October 22, 2020.

8. Mandatory submission of CNIC

As per clause 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.

9. Payment of Cash Dividend Electronically

As per provision of Section 242 of Companies Act, 2017 any dividend payable in cash shall only be paid through electronic mode directly in to the bank account designated by the entitled shareholders. In view of foregoing the shareholders are requested to provide the details containing (i) Title of Bank account, (ii) Bank Account Number, (iii) 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. Failure to provide the aforesaid requirements will result in withholding of the payment of dividend in the future to the respective member.

10. Transmission of Annual Financial Statements through CD/DVD/USB

SECP through its SRO 470(I)/2016 dated May 31, 2016 have allowed companies to circulate the annual statement of financial position, profit or loss account, auditors' report and directors' report etc to its members through CD/DVD/USB at their registered addresses and the same has subsequently been approved by the Company's shareholders in the AGM. In view of the above the Company has sent its Annual Report-2020 containing the Financial Statements and the related reports to the shareholders in the form of CD. Any shareholder can send request for printed copy of the Annual Report-2020 to the Company.

Further, the annual financial statements of the Company for the year ended June 30, 2020 along with related reports have been placed at the website of the Company www.bolancastings.com.

11. Transmission of Annual Financial Statements through email

The Securities and Exchange Commission of Pakistan vide its

NOTICE OF ANNUAL GENERAL MEETING

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

12. Video Conference Facility

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

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

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

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

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

13. Postal Ballot

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

Further, pursuant to the directions issued by the SECP through its another Circular No. 25 of 2020 dated August 31, 2020 together read with an earlier Circular No. 05 of 2020 dated March 17, 2020, for the purpose of special business, members will be allowed to exercise their right of vote through e-voting. The requirements and procedure contained in the aforesaid regulations with respect to e-voting for election of directors shall also be applicable to the e-voting for the special business proposed within the agenda.

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

1) Agenda Item No. 5 - Related Party Transactions

During the financial year ended June 30, 2020, the Company carried out transactions with Group companies in the normal course of business. As per provision of Regulation No. 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the transactions carried out in normal course of business with Group companies (Related Parties) were required to be approved by the Board as per recommendation of the Audit Committee on quarterly basis. As the majority of Company's Directors were interested in these transactions due to their common directorship and holding of shares in the Group companies, the quorum of directors could not be formed for approval of these transactions, therefore, in the last Annual General Meeting, the share holders had authorized the Chief Executive of the Company to approve these transactions in the normal course of business subject to final approval/ratification by the shareholders. Therefore, these transactions have to be approved by the shareholders in the Annual General Meeting.

In view of the above, the transactions conducted during the financial year ended June 30, 2020 with Group companies are being placed before the shareholders for their approval / ratification.

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

NOTICE OF ANNUAL GENERAL MEETING

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		Millat Equipment Limited	
Names of the interested or concerned persons or directors	Mr. Sikandar M. Khan Mr. Latif Khalid Hashmi Mr. Sohail Bashir Rana Mr. Laeeq Uddin Ansari Syed Muhammad Irfan Aqueel		Mr. Sikandar M. Khan Mr. Latif Khalid Hashmi Mr. Sohail Bashir Rana Mr. Laeeq Uddin Ansari Syed Muhammad 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	Common directorship and the shareholding		Common directorship and the shareholding	
Detail, description, terms and conditions of transactions	Sale of goods against confirmed orders	Purchase of goods against confirmed orders	Sale of goods against confirmed orders	Purchase of goods against confirmed orders
Amount of Transactions (Rs.)	1,255,932,210	42,060	7,364,711	29,634
Time frame or duration of the transactions	From 01-07-2019 to 30-06-2020	From 01-07-2019 to 30-06-2020	From 01-07-2019 to 30-06-2020	From 01-07-2019 to 30-06-2020
Pricing Policy	At Mutually Agreed price	At Mutually Agreed price	At Mutually Agreed price	At Mutually Agreed price

2) Agenda Item No. 6 - Authorization to CEO for Related Party Transactions

The Company shall be carrying out transactions with Group companies in the normal course of business during the financial year ending June 30, 2021. As the majority of Directors will be interested in these transactions due to their common directorship and shareholding in the Group companies, the quorum of directors will not be formed for the required approval of these transactions. Therefore, in order to satisfy the aforesaid requirement of approval by the Board on quarterly basis and in the absence of formation of required quorum for the purpose,

the transactions with Group companies will be presented in next AGM for the purpose of seeking the ratification/approval.

In order to ensure routine approval of these transactions throughout the year, the shareholders may authorize the Chief Executive to approve the transactions carried out and to be carried out in normal course of business with Group companies during the financial year ending June 30, 2021.

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

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3) Agenda Item No. 7 - Amendments in Articles of Association

Comparative Analysis	
Existing Article	Proposed Amendments
<p>i) Article 9.09</p> <p>The qualification of a Director shall be the holding of shares in the capital of the Company of the value of Rs.25,000/- relaxable in case of Director representing interest holding shares of requisite value.</p>	<p>i) Article 9.09</p> <p>The qualification of an elected as well as appointed Director shall be the holding of shares in the Capital of the Company of not less than the face value of Rs.25,000/-, prior to the filing of intention to contest the election of directors or prior to the holding of the office as the circumstances warrant, provided that qualification of an elected independent director as defined in Companies Act, 2017 shall be holding at least one share in the Capital of the Company of the face value of Rs.10/-. However, in case of a Director representing a member which is not a natural person or representing a creditor or other special interests by virtue of contractual arrangements, the requirement of qualification shares shall not apply in line with the provisions contained in section 153(i) of the Companies Act, 2017.</p>
<p>ii) Article 9.10</p> <p>A director who is required to hold a qualification may act before acquiring his qualification, but shall in any case acquire the same within two months from his appointment.</p>	<p>ii) Deletion of Article 9.10</p>

Reasons for change

- i) Article 9.09 of the Articles of Association of the Company is proposed to be substituted to facilitate the election of independent directors by fixing the minimum qualification shares for them.
- ii) Article 9.10 is proposed to be deleted in order to align the Articles in line with the provisions contained in section 153(i) of the Companies Act, 2017.

Statement by the Board

The aforesaid amendments have been approved by the Board of Directors in its meeting held on September 15, 2020 with the understanding that the same are in line with the applicable provisions of the law and regulatory framework.

The Directors are interested in the resolution to the extent of qualification shares which are required to be acquired/hold by them in compliance with the requirements of qualification shares as contained in the Articles of Association the alteration of which is proposed hereby.

The document highlighting the proposed amendments is

available at Registered office of the Company for inspection during office hours excluding Saturdays and Sundays (being closed holidays) and Gazetted holidays.

4) Selection of Independent Directors

As per Section 166 (1) of the Companies Act, 2017 read with clause 6(1) and 7 of Listed Companies (Code of Corporate Governance) Regulations, 2019, the company has selected following two candidates (one male and one female) to be elected under section 159 of the Companies Act, 2017 in this AGM from the data bank maintained by the institute duly authorized by SECP.

The names of directors selected and justification for their selection as required under section 166(3) of the Companies Act, 2017 is as under:

1. Mr. Aamir Amin
2. Mrs. Tabassum Rana

Mr. Aamir Amin is serving as Independent Director and representing National Investment Trust Limited (NITL) on the Board of Directors of Bolan Castings since March 2020. He is a young, confident, dynamic, enthusiastic, educated and self

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motivated person to take entrepreneurial challenges easily. Mr. Amin is a Chartered Accountant by profession from Institute of Chartered Accountants of Pakistan (ICAP) and also a Certified Information Systems Auditor (CISA).

Mr. Amin is CFO of National Investment Trust Limited (NITL) and also serving as Head of Corporate Governance & Corporate Affairs and member of Investment Committee. He is also representing NITL on the Board of Directors of Balochistan Wheels Limited, Mitchell's Fruit Farm Limited, Bata Pakistan Limited and Indus Dyeing and Manufacturing Company Limited.

Mrs. Tabassum Rana has over 34 years of extensive experience of working with State Bank of Pakistan. She did her Masters in Economics from Karachi University and MS in Economic Policy and Planning from Northeastern University, Boston, USA. She also attended several banking and management courses locally and abroad. In her career as Central Banker she has worked with core policy Departments such as Monetary policy, Engineering, Business Support and Facilitation, Development Finance and External Relations Departments. She started her career as Research Analyst and rose to leadership position of Joint Director.

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. Out of seven elected directors one is executive director and six are non-executive directors including two independent directors.

The Board is collectively responsible for the success of the Company. Its role is to provide entrepreneurial leadership to the Company within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board sets the Company's values and standards and ensures that its obligations to its shareholders and others are understood and met. In order to provide effective oversight and leadership the Board has established following three committees with particular responsibilities. The terms of reference of these committees are clearly defined by the Board.

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

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

CHAIRMAN'S REVIEW

Performance Evaluation of the Board

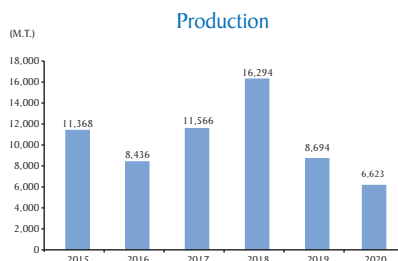
The Board of Directors is committed to assessing its performance both individually and collectively in order to identify its strengths and areas in which it may improve its functioning.

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

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

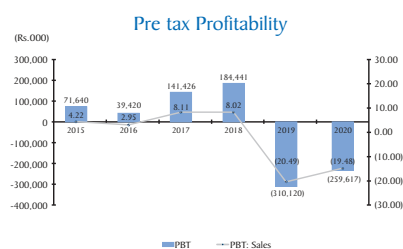
During the fiscal year 2020, the Board carried out a formal and structured process of evaluation of the performance of the Board, its members and committees. The process involved a self-assessment of performance through each Director by completing a confidential questionnaire, duly approved by the Board.

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

At the end of the first half of FY20, Pakistan's economy seemed to be on the path to stability. The macroeconomic stability gained during the period however was challenged by the COVID-19 pandemic in the second half of FY20, thus making the fiscal year toughest in the history of Pakistan's economy. The lockdowns all across the country combined with global depression ended up shattering the economy which resulted in a growth contraction. All major economic targets were missed in FY20. In this situation, the Government's stimulus package and cut in policy rate at the time of distress provided a stimulus to mitigate the adverse impact of COVID-19.



There was a visible decline in tractor market and its vending industry in FY20. The decrease in sales of tractors has badly affected the sales and production targets of your Company. However, market feedback is positive for next year and it is hoped that we will witness a reversal in the trend in the upcoming fiscal year as the demand for tractors is soaring locally as well as globally, which hopefully will result in enhanced orders for our castings.

I am extremely thankful for the continued support of the Board of Directors whose strategies, vision and consistent efforts, contributed significantly towards achieving excellent results.

Sikandar Mustafa Khan
Chairman

چیئر مین کا جائزہ

- اس بات کی تشخیص کہ ڈائریکٹرز صاحبان کو کمپنی 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 والی سطح کی سطح اور بورڈ کے علم کی سطح؛ اور
 - بورڈ کو تبدیلی کی ترجیحات پر اتفاق کرنے کے قابل بنانے جس کو مختصر اور طویل مدت میں حل کیا جاسکے۔
- مالی سال 2020 کے دوران بورڈ نے ایک رسمی کارکردگی کی تشخیص کا عمل بورڈ اس کے ارکان اور کمیٹیوں پر کیا۔ یہ عمل خود تشخیص کی کارکردگی ہر ڈائریکٹر کے ذریعے کی گئی جسکو ایک خفیہ سوالنامے کے ذریعے مکمل کیا گیا جو کہ بورڈ سے منظور شدہ تھا۔
- بورڈ نے سوالنامے کے نتیجے کا جائزہ لیا اور مشاہدہ کیا کہ تشخیص کے عمل سے کوئی بڑا مسئلہ پیدا نہیں ہوا لہذا ڈائریکٹر 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

مالی سال 2020 کے پہلے نصف تک پاکستان کی معیشت استحکام کی راہ پر گامزن دیکھی گئی۔ اسی مدت کے دوران معاشی استحکام حاصل ہوا تاہم مالی سال 2020 کے دوسرے نصف حصے میں کوویڈ-19 وبائی امراض کی وجہ سے مشکلات ہوئی۔ اس طرح یہ مالی سال پاکستان کی معیشت کے اعتبار سے تاریخ کا سب سے مشکل ترین سال رہا۔ ملک گیر بندش کے ساتھ عالمی معاشی دباؤ نے معیشت کو چکنا چور کر دیا جس کا نتیجہ یہ نکلا کہ نمو میں کمی واقع ہوئی۔ مالی سال 2020 میں تمام اہم معاشی اہداف حاصل نہیں ہو سکے۔ اس صورتحال میں حکومت کے محرک پیکیج اور مصیبت کے وقت پالیسی کی شرح میں کٹوتی نے کوویڈ-19 کے منفی اثرات کو کم کرنے میں محرک کردار ادا کیا۔

مالی سال 2020 میں ٹریڈ مارکیٹ اور اس کی فروخت کی صنعت میں واضح کمی دیکھنے میں آئی۔ ٹریڈروں کی فروخت میں کمی نے کمپنی کی فروخت اور پیداواری اہداف کو بری طرح متاثر کیا۔ تاہم اگلے سال کے لیے مارکیٹ کی رائے مثبت ہے اور امید ہے کہ ہم آئندہ مالی سال کے رجحان میں اس کے الٹ کا مشاہدہ کریں گے کیونکہ ٹریڈروں کی مانگ مقامی سطح کے ساتھ ساتھ عالمی سطح پر بھی بڑھ رہی ہے۔ امید ہے کہ اس کے نتیجے میں ہماری کاسٹنگ کے احکامات بہتر ہوں گے۔

میں نہایت ہی خلوص اور جذبے کے ساتھ بورڈ آف ڈائریکٹرز کے مسلسل تعاون کا تہ دل سے مشکور ہوں جن کی حکمت عملی نظریہ مقصد اور لگاتار جدوجہد کی وجہ سے اور ان کے اعلیٰ پیمانے پر عملی کردار ادا کرنے سے ہم نے بہت ہی اچھے نتائج مرتب کئے۔



سکندر ایم خان
چیئر مین

چیرمین کا جائزہ

معزز حصص یافتگان

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

بورڈ اور اسکی افادیت

بورڈ آف ڈائریکٹرز نے اپنی زیر قیادت ایک اچھی اور موثر انتظامیہ کا کردار ادا کیا۔ بورڈ آف ڈائریکٹرز جو کہ اس وقت سات منتخب ڈائریکٹرز اور ایک چیف ایگزیکٹو جو کہ سی ای او ہونے کی وجہ سے کمپنی کا ایک ڈائریکٹر سمجھا جاتا ہے۔ سات منتخب ڈائریکٹرز صاحبان کے علاوہ ایک ایگزیکٹو ڈائریکٹر اور چھ نان ایگزیکٹو ڈائریکٹرز صاحبان بشمول دو آزاد ڈائریکٹرز 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 مخاط اور موثر اختیارات کو استعمال کرتے ہوئے خطرے کو فعال کرنے کی تشخیص اور اس کو منتظم کرنا ہے۔ بورڈ کمپنی کی حکمت عملی کے مقاصد کا یقین کرتا ہے اور یہ یقین دہانی کراتا ہے کہ کمپنی کے ضروری مالی امور اور انسانی وسائل اپنی جگہ پر ہیں نیز اس کے مقاصد اور جائزوں کی منتظم کارکردگی کی تکمیل کیلئے یہ کمپنی کی اقدار اور معیار پر یقین کرتا ہے اور یہ یقین دہانی کراتا ہے کہ اسکے فرائض اسکے حصص یافتگان اور دوسرے لوگ اسکو سمجھتے اور اس پر عمل کرتے ہیں۔

اس کی موثر 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 ڈائریکٹرز صاحبان پر مشتمل ہیں متعلقہ مہارت اور مختلف قسم اور تجربے کے ساتھ تاکہ کسی بھی فرد پر غیر مناسب انحصار نہیں رکھا گیا ہے۔

بورڈ کی کارکردگی کی تشخیص

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

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

DIRECTORS' REPORT



Dear Shareholders

The directors of your Company are pleased to present their Annual Report together with the Company's audited financial statements for the year ended June 30, 2020.

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:

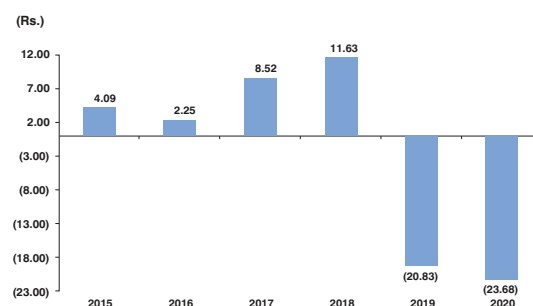
	(Rs. 000)
Accumulated loss brought forward	(181,660)
Loss after taxation for the year ended June 30, 2020	(271,688)
Other comprehensive loss	(15,600)
Accumulated loss carried forward	(468,948)

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

Dividends & Appropriations

Keeping in view the losses incurred by the Company in the financial year ended June 30, 2020, the Board of Directors decided not to make any appropriations for the year 2020.

Earnings Per Share



DIRECTORS' REPORT

Earnings per Share

The loss per share for the year ended June 30, 2020 were Rs. 23.68 as against loss of Rs. 20.83 per share of preceding year.

Business Review

A reduction in production and sales volume has been identified in the fiscal year 2020. The 6,623 M.T of casting has been produced during the year against 8,694 M.T in the last year with 24% production decline, while 7,280 M.T of casting has been sold against 9,646 M.T in the last year with 25% decline in sales. The economic slowdown in Pakistan has impacted the tractor industry as well as its part manufacturers. The tractors industry has faced serious challenges due to low sales of tractors, the current economic slowdown, the worldwide lock down due to Covid-19, fall in crop yields and prices, inflation and a high cost of borrowing. In addition, the devaluation of Pakistani Rupees against foreign currencies has resulted increase in raw material and fuel prices. All these factors have predominantly contributed towards the gross loss.

Company's Performance

The sales revenues of the Company for the year under review amounted to Rs. 1,332.568 million against Rs. 1,513.636 million of last year. The gross loss was Rs. 88.132 million against gross loss of Rs. 149.777 million of last year. The selling, distribution and administrative expenses were Rs. 103.523 million against Rs. 125.794 million of last year. The financial cost was Rs. 78.330 million against Rs. 51.258 million of last year. In the financial year under review, the loss before tax was Rs. 259.617 million against loss before tax Rs. 310.120 million of last year. The loss after tax was Rs. 271.688 million against loss after tax Rs. 239.000 million of last year.

Future Prospects

The revival of economy depends on government economic policies to facilitate the industries to overcome the economic challenges due to Covid-19 and devaluation in Pakistani

Rupees. As the government has recently approved an economic package for agriculture, it is believed that the tractor and its vending industry will experience a boost in terms of economic performance. The spillover effects will thus improve your Company's financial health as such.

Additionally, your Company is also endeavoring for new sales avenues and at the same time adopting cost-cutting measures.

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 2020-21, 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 current absence of any major competitors as well as the expected favorable market conditions, reduces operational risks further.

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

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

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.

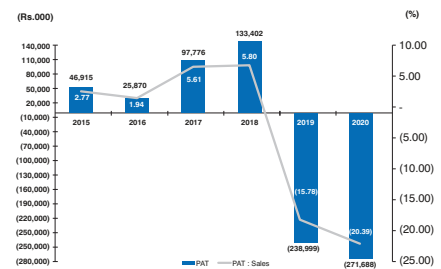
Interest / Mark-up Rate Risk

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.

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.

Post Tax Profitability



DIRECTORS' REPORT

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.

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 fire fighting system, Ventilation and Protection against direct heat from Sun in storage area of flammable material. Regular and real time fire fighting demonstration are taken as per Safety Policy. All necessary first aid facilities are available with qualified staff round the clock.

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

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

Consumer Protection Measures

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

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 provident fund as well as gratuity and pension fund schemes for a majority of its employees.

The Company has a Hajj Scheme for its employees under which three employees (one officer and two workers) are sent to perform Hajj at Company's expense every year under government Hajj scheme.

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 can not 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. 306.116 million to the national exchequer during the period by way of taxes and duties. This includes Rs. 39.061 million as income tax, Rs. 242.158 million as sales tax and Rs. 24.897 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

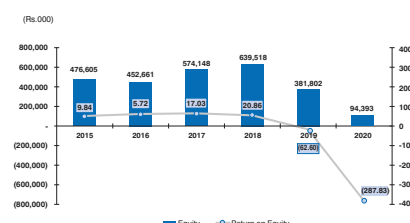
BCL is deeply aware of the significance of corporate governance in achieving effective checks and balance and protecting the interest of all shareholders and is dedicated to pursuing sustained optimization of corporate governance. The Company regards the building of sound corporate governance as an important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

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

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.

The Board of Directors of our Company comprises the following:

Total number of Directors

- (a) Male 8
- (b) Female -

Composition Names

Independent Directors	Syed Javaid Ashraf Mr. Aamir Amin
Other Non-executive Directors	Mr. Sikandar M. Khan (Chairman) Mr. Latif Khalid Hashmi Mr. Sohail Bashir Rana S. M. Irfan Aqueel
Executive Directors	Mr. Laseeq Uddin Ansari Mr. Nisar A. Mirani (CEO)

In March 2020 Mr. Muhammad Salman Husain Chawala resigned from the Board of Directors of the Company and in his place Mr. Aamir Amin was co-opted as Director.

The Board of Directors wishes to place on record its appreciations on the most commendable services rendered by Mr. Muhammad Salman Husain Chawala during

DIRECTORS' REPORT

his tenure as Director. The Board of Directors also welcomed Mr. Aamir Amin as Director and expected a positive contribution towards the success of the company from them.

After completion of three years term of office of Chief Executive Officer, Mr. Nisar A. Mirani, has been reappointed as Chief Executive Officer of the Company w.e.f. April 27, 2020, by the Board of Directors.

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

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

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

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

Board Process

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

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

Specific responsibilities reserved to the Board include:

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

Board Meetings

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

The Board met four times during the financial year 2019-20. The meetings were presided over by the Chairman of the Board and, in his absence, by a director elected by the Board for this purpose. 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.

All 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. At present, five directors of the Company meet exemption criteria as contained in the Regulations and two directors have acquired certification under the said program.

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.

Election of Director

The existing elected directors of the Company are retiring in October 2020. Election of Directors for fresh term of three years is to take place at the ensuing AGM 2020, detail of which is given in the Notice of AGM.

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

DIRECTORS' REPORT

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 Syed Javaid Ashraf. The other members of the Committee are Mr. Latif Khalid Hashmi, Syed Muhammad Irfan Aqueel, and Mr. Aamir Amin.

In April 2020, the Board of Directors has appointed Director Mr. Aamir Amin as Member Audit Committee in place of Mr. Muhammad Salman Husain Chawala.

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 2019-20, 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 three directors. The committee is chaired by an Independent director Syed Javaid Ashraf, while the other members of the committee are Mr. Laeeq Uddin Ansari and Syed Muhammad Irfan Aqueel.

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 selection, evaluation and compensation of chief financial officer, company secretary and head of internal audit. During the year a meeting of the Committee was held.

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

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

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

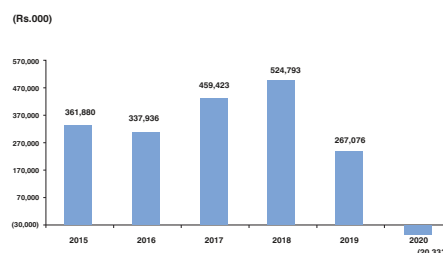
Remuneration Policy of Non-Executive Directors

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 Director	Independent & Non-Executive Director
----- (Rupees in thousand) -----			
Managerial remuneration and allowances	6,712	11,939	-
Bonus	133	-	-
House Rent	736	2,579	-
Utilities	1,167	1,698	-
Medical expenses	690	784	-
Fees	-	-	375
Others	197	1,338	-
	<u>9,635</u>	<u>18,338</u>	<u>375</u>
Number of person	1	1	2

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 2020-2021, at a fee of (a) Rs. 738,000 for Annual Audit, (b) Rs. 202,000 for Half Yearly Limited Scope Review and (c) Rs. 67,000 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

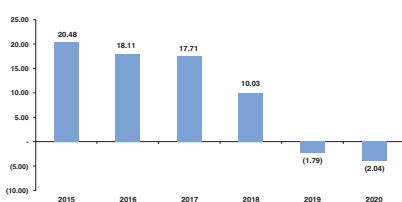
The Company maintains a website (www.bolancastings.com), which offers any interested person information on the Company. Apart from this, its principal communication with shareholders and others is Annual Report and Quarterly Financial Statements, which are placed on the website soon after publication.

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

Chairman's Review

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

Price Earning Ratio



Corporate and Financial Reporting Framework

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

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

Operating and Financial Summary

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

Taxation

Please refer to Note 30 to the Financial Statements for details regarding taxation of the Company.

Investment of Retirement Benefits Funds
The values of investments of Provident Funds, Gratuity Fund and Pension Fund based on their un-audited accounts as on June 30, 2020 (audit in progress) were as follows:

Provident Funds	Rs. 68.00 million
Gratuity Fund	Rs. 51.28 million
Pension Fund	Rs. 127.51 million

Trading in the Company Shares

The Directors, executives and their spouses and minor children did not carry out any trade in the shares of the Company during the period under review.

Pattern of Shareholdings

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

Approval and Authorization

The Board of Directors of the Company in its meeting held on September 15, 2020 approved the Directors' Report and authorized Syed Javed Ashraf, Director and Mr. Nisar A. Mirani, Chief Executive Officer of the Company to sign the report on its behalf.

On Behalf of the Board

Nisar A. Mirani
Chief Executive

Syed Javed Ashraf
Director

کاروباری اور مالیاتی اختصاریہ

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

ٹیکس

براہ کرم کمپنی کے ٹیکس سے متعلق معلومات مالیاتی گوشواروں کے نوٹ نمبر 30 میں بتائی گئی ہیں۔

ریٹائرمنٹ کے مراعاتی فنڈز سے سرمایہ کاریہ

پروویڈنٹ فنڈز، گریجویٹ فنڈ اور پنشن فنڈ سے کی گئی سرمایہ کاریوں کی مالیت ان کے غیر آڈٹ شدہ مالیاتی گوشواروں برائے 30 جون 2020 (آڈٹ جاری ہے) کے مطابق درج ذیل ہیں۔

پروویڈنٹ فنڈز	68.00	ملین روپے
گریجویٹ فنڈ	51.28	ملین روپے
پنشن فنڈ	127.51	ملین روپے

کمپنی کے حصص میں خرید و فروخت

ڈائریکٹران، ایگزیکٹو اور ان کے شریک حیات اور چھوٹے بچوں نے جائزہ مدت کے دوران کمپنی کے حصص میں کوئی خرید و فروخت نہیں کی۔

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 15 ستمبر 2020 میں ڈائریکٹرز رپورٹ کی منظوری دے دی ہے اور ڈائریکٹر سید جاوید اشرف اور چیف ایگزیکٹو آفیسر جناب نثار اے میرانی کو مجاز بنایا گیا ہے کہ وہ اس کی جانب سے رپورٹ پر دستخط کریں۔

منجانب بورڈ

سید جاوید اشرف

سید جاوید اشرف
ڈائریکٹر

نثار اے میرانی

نثار اے میرانی
چیف ایگزیکٹو

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 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 سالانہ مالیاتی گوشوارے بھی حصص یافتگان کے مطالبے پر انہیں بھیجے جاسکتے ہیں۔

چیئر مین کا جائزہ

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

ادارتی اور مالیاتی رپورٹنگ فریم ورک

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

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

کمپنی اور اس کے آپریشنز مفصل 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 پیشینگوئیاں 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 گرفتوں درست انداز میں تشکیل اور نافذ کیا جائے اور وہ درج ذیل کو یقینی بنانے کے کافی اور لاگو 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

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

آڈٹ کمیٹی کے مشورے کے مطابق بورڈ آف ڈائریکٹرز نے مالیاتی سال 2020-21 کے لیے میسرز اے ایف فرگوسن اینڈ کو چارٹرڈ اکاؤنٹنٹس کو بطور آڈیٹرز کی دوبارہ تقرری کی سفارش کرتے ہیں۔ (الف) 738,000 روپے سالانہ آڈٹ کے لیے، (ب) 202,000 روپے نصف سالانہ محدود دائرہ کار جائزہ کے لیے، (ت) 67,000 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 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۔

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

- بورڈ کی کمیٹیوں کے اجلاس میں حاضری کی فیس
- اضافی خدمات کے عوض معاوضہ
- اصل اخراجات کی باز ادائیگی

ڈائریکٹران کا مجموعی معاوضہ

آزاد/نان ایگزیکٹو ڈائریکٹران	ایگزیکٹو ڈائریکٹران	چیف ایگزیکٹو	
روپے ”ہزاروں“ میں			
-	11,939	6,712	انتظامی معاوضہ اور الائنسز
-	-	133	بونس
-	2,579	736	گھر کا کرایہ
-	1,698	1,167	بنیادی سہولیات کے بل
-	784	690	طبی اخراجات
375	-	-	فیس
-	1,338	197	دیگر
375	18,338	9,635	
2	1	1	افراد کی تعداد

احساب اور آڈٹ

مالیاتی رپورٹنگ

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

اندرونی گرفت

کمپنی کے ڈائریکٹران کمپنی کے اندرونی گرفت کے نظام کی ذمہ دار ہیں جس کا مقصد کمپنی کے اثاثوں کا تحفظ، درست حساباتی ریکارڈ کو برقرار رکھنا، آئینی اور ضابطوں کی ضروریات کی پاسداری اور آپریشنز کی اثر پذیری کو یقینی بنانا ہے۔ کمپنی اندرونی گرفت کا ایک مضبوط نظام رکھتی ہے جس میں خطرات ختم کرنے کے بجائے ان کی نشاندہی، تشخیص اور انتظام اس طرح کیا جاتا ہے کہ وہ کمپنی کے کاروباری مقاصد میں رکاوٹ نہ بنیں، لہذا یہ نظام بڑی غلط بیانیوں اور خساروں کے خلاف مناسب یقین دہانی فراہم کرتا ہے۔ آڈٹ کمیٹی باضابطہ اندرونی گرفت کے نظام کی اثر پذیری کا جائزہ لینے کی ذمہ دار ہوتی ہے۔

کمپنی اندرونی گرفت کے نظام کی نگرانی کی ذمہ دار ہوتی ہے اور کمپنی کے اندرونی گرفت کے نظام کی بہتری میں اہم کردار ادا کرتی ہے۔ آڈٹ کمیٹی اندرونی گرفت کے نظام کے نفاذ کا باقاعدگی سے جائزہ لیتی ہے اور اندرونی گرفت کے نظام میں شناخت شدہ مسائل کو دور کرنے کی نگرانی کرتی ہے۔ کمپنی ادارتی نظم و ضبط کے بہترین طور طریقوں اور دیگر متعلقہ ضابطوں کی ضروریات کی پاسداری کو یقینی بناتی ہے۔ کمپنی کے عبوری نتائج کی منظوری اور بیرونی آڈٹ کی تکمیل کے بعد کمیٹی کا ہر سہ ماہی میں باضابطہ طور پر ایک اجلاس ہوتا ہے۔ کمیٹی سال میں اندرونی اور بیرونی آڈٹرز سے علیحدہ علیحدہ میٹنگ کرتی ہے جس میں آڈٹ کے نتیجے میں سامنے آنے والے مسائل پر اور اندرونی آڈٹرز سے اندرونی گرفت سے متعلق معاملات پر گفتگو کرتی ہے۔

مالیاتی سال 2019-20 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 کمیٹی (HR&R)

انسانی وسائل اور معاوضہ کمیٹی (HR&R) تین ڈائریکٹران پر مشتمل ہے۔ کمیٹی کے چیئرمین ایک آزاد ڈائریکٹر سید جاوید اشرف ہیں جبکہ کمیٹی کے دیگر ممبران میں جناب لیتیق الدین انصاری اور سید محمد عرفان عقیل شامل ہے۔

HR&R کمیٹی بورڈ کی پالیسی فریم بنانے میں مدد فراہم کرنے کی ذمہ دار ہوتی ہے جس میں ڈائریکٹران کا مشاہرہ، انسانی وسائل کے انتظام سے متعلق پالیسیاں اور چیف فنانشل آفیسر کمیٹی سیکریٹری اور اندرونی آڈٹ کے سربراہ کا انتخاب، ان کا تشخیص اور معاوضہ طے کیا جاتا ہے۔ سال کمیٹی کا ایک اجلاس 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) کے چیئرمین جناب سکندر ایم خان ہیں۔ دیگر ممبران میں جناب لطیف خالد ہاشمی، جناب سہیل بشیر رانا اور جناب لیتیق الدین انصاری شامل ہیں۔

BCS کمیٹی کی تکنیکی، مالیاتی اور انتظامی پہلوؤں سے متعلق حکمت عملی اور سرگرمیوں کی نگرانی کی ذمہ دار ہوتی ہے۔ کمیٹی 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 تین اجلاس ہوئے۔

نان ایگزیکٹو ڈائریکٹران کے معاوضہ کی پالیسی

بورڈ آف ڈائریکٹرز نے نان ایگزیکٹو ڈائریکٹران بشمول آزاد ڈائریکٹران کے لئے معاوضہ کی پالیسی کو اختیار کیا۔ معاوضہ کی پالیسی کو اس ترتیب سے 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۔

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 کو ذہن نشین کر سکیں۔ اس وقت کمپنی کے پانچ ڈائریکٹرز مستثنیٰ معیار کو پورا کرتے ہیں جیسا کہ قواعد و ضوابط میں موجود ہے اور دو ڈائریکٹرز نے مذکورہ پروگرام کے تحت سند حاصل کر لی 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 بلا رکاوٹ چلتے رہیں۔

ڈائریکٹرز کا انتخاب

کمپنی کے موجودہ منتخب ڈائریکٹرز اکتوبر 2020 میں ریٹائر ہو رہے ہیں۔ آئندہ اے جی ایم 2020 پر تین سال کی نئی مدت کے لئے ڈائریکٹرز کا انتخاب ہونا ہے جس کی تفصیل اے جی ایم کے نوٹس میں دی گئی ہے۔

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 چارٹنر ایگزیکٹو ڈائریکٹران پر مشتمل ہے جس میں دو آزاد ڈائریکٹران شامل ہیں اور اس کے چیئرمین ایک آزاد ڈائریکٹر سید جاوید اشرف ہیں۔ کمیٹی کے دیگر ممبران میں جناب خالد ہاشمی، سید محمد عرفان عقیل اور جناب عامر امین شامل ہیں۔

اپریل 2020 میں بورڈ آف ڈائریکٹرز نے جناب محمد سلمان حسین چاؤلہ کی جگہ ڈائریکٹر جناب عامر امین کو ممبر آڈٹ کمیٹی مقرر کیا۔

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۔

چیئرمین مجموعی قیادت کا ذمہ دار ہوتا ہے اور اس کا نصب العین کمپنی کی کلیدی سمت کی ترویج ہے۔
 چیئرمین 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 چیئرمین کے ساتھ
 اشتراک کا ذمہ دار ہے جو کہ کمپنی کی بیرونی نمائندگی کرتا ہے۔

بورڈ کا طریقہ ہائے کار

بورڈ کارپوریٹ قوانین کے ذریعہ عائد کردہ فرائض کی مؤثر رعایت 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 عزم 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 2019-20 میں بورڈ کے چار اجلاس ہوئے۔ ان اجلاسوں کی صدارت بورڈ کے چیئرمین اور اس کی غیر موجودگی میں کسی بھی منتخب ڈائریکٹر
 نے صدارت کی۔ ان اجلاسوں میں چیف فنانشل آفیسر اور کمپنی سیکریٹری بھی شرکت کرتے ہیں۔
 کمپنی سیکریٹری بورڈ کے ہر اجلاس سے قبل اجلاس کے نوٹس کے ساتھ ایجنڈے کے امور اور کاروبار کے مختلف پہلوؤں پر مشتمل جامع دستاویزات تمام
 ڈائریکٹران کو پیشگی تقسیم کرتا ہے تاکہ اجلاس کے دوران ایک مطلع شدہ بورڈ سے مستفید ہوا جاسکے۔

بورڈ آف ڈائریکٹرز

بورڈ کا ڈھانچہ اور تبدیلیاں

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

ڈائریکٹران کی کل تعداد

(a) مرد	8
(b) خواتین	-

حیثیت	نام
آزاد ڈائریکٹران	سید جاوید اشرف جناب عامر امین
دیگر نام ایگزیکٹو ڈائریکٹران	جناب سکندر ایم خان (چیئر مین) جناب لطیف خالد ہاشمی جناب سہیل بشیر رانا جناب ایس ایم عرفان عقیل
ایگزیکٹو ڈائریکٹران	جناب لیتیق الدین انصاری جناب ثارے میرانی (CEO)

مارچ 2020 میں جناب محمد سلمان حسین چاؤلہ نے کمپنی کے بورڈ آف ڈائریکٹرز سے استعفی دے دیا اور ان کی جگہ جناب عامر امین کو بطور ڈائریکٹر منتخب کیا گیا۔

بورڈ آف ڈائریکٹرز جناب محمد سلمان حسین چاؤلہ کی بطور ڈائریکٹر قابل ستائش خدمات انجام دینے پر اپنی تعریفوں کو ریکارڈ پر رکھنا چاہتے ہیں۔ بورڈ آف ڈائریکٹرز نے جناب عامر امین کا بھی بطور ڈائریکٹر استقبال کیا اور ان سے کمپنی کی کامیابی میں مثبت شراکت کی توقع کی۔ چیف ایگزیکٹو آفیسر کے عہدے کو تین سالہ مدت پوری ہونے کے بعد بورڈ آف ڈائریکٹرز نے جناب ثارے احمد میرانی کو اپریل 2020, 27 سے دوبارہ کمپنی کا چیف ایگزیکٹو آفیسر مقرر کیا ہے۔

چیئر مین اور چیف ایگزیکٹو آفیسر

چیئر مین اور چیف ایگزیکٹو کے عہدہ پر بالترتیب جناب سکندر ایم خان اور جناب ثارے میرانی 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۔

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 بورڈ باضابطہ سہ ماہی بنیاد پر CEO کو پیش کرتا ہے۔

قومی خزانے میں معاونت

BCL نے مدت کے دوران ٹیکسوں اور ڈیوٹیوں کی مد میں 306.116 ملین روپے کی قومی خزانے میں معاونت کی۔ جس میں 39.061 ملین روپے آگم ٹیکس کی مد میں، 242.158 ملین روپے سیلز ٹیکس کی مد میں اور کسٹم، ریگولیشنری اور اضافی ڈیوٹیوں کی مد میں 24.897 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 کاوشوں سے ہماری بنیادی مسابقت کاری اور ادارتی قدر میں اضافے میں مدد ملے گی۔

لنڈ 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۔

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

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

صارفین کے تحفظ کے اقدامات

BCL کسٹمرز کی طمانیت 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 جن پر کارکردگی اور اقدار پر طے شدہ ہوں اور 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 ثبوت ہے۔

صنعتی تعلقات

BCL اپنے ملازمین اور اجتماعی سودا کاروں کی ایجنٹ (CBA) کے ساتھ خوشگوار تعلقات استوار رکھنے پر یقین رکھتی ہے۔ کمپنی نے ہمیشہ ملازمین کی بہبود کے لئے اقدامات کئے ہیں۔ کمپنی اپنے کینٹین میں کھانے پر 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 نے اپنے ملازمین کی بڑی تعداد کو گریجویٹ اور پنشن فنڈ اسکیموں کے ساتھ پروویڈنٹ فنڈ اسکیمیں فراہم کی ہیں۔ کمپنی کے پاس اپنے ملازمین کے لئے جج اسکیم ہے جس کے مطابق ہر سال تین ملازمین کو کمپنی کے اخراجات پر سرکاری جج اسکیم کے تحت جج پر بھیجا جاتا ہے۔

معذور افراد کے لئے ملازمت

BCL تسلسل کے ساتھ معذور افراد کی صلاحیتوں اور میلان کے مطابق تعاون فراہم کرتی ہے بشرطیکہ انہیں ملازمت کے لئے محفوظ کام کا ماحول فراہم کیا جائے۔

اگر ملازم معذور ہو جائے تو ہر طریقے سے کوشش کی جاتی ہے کہ اس کی ملازمت برقرار ہے اور اس صورت میں جبکہ ملازمین ایسا معذور ہو جائے کہ وہ کام نہ کر سکے تو اس کے بچے کو ملازمت فراہم کی جاتی ہے۔

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 والی روشن آلات کو استعمال کرنے کی ہدایات جاری کر دی 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۔

- کیپولہ کے اخراج کے لئے خشک سلج ٹینک
- کور پلانٹ کے فضائی اخراج کے لئے اسکربر
- دھول مٹی کے اخراج میں کمی کیلئے فلٹر بیگ
- شاٹ بلاسٹنگ اور سینڈ پلانٹ کے لئے بند کیمین اور
- گندے پانی کے استعمال کے ذریعے فیکٹری میں زیادہ سے زیادہ شجر کاری

پیشہ جاتی تحفظ اور صحت

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

ہم اس بات پر یقین رکھتے ہیں کہ جس وقت کام کے دوران تحفظ موجود نہ ہو اس وقت پیداوار ہمارے لئے اہم نہیں ہے۔ ہمارے پاس ایک مناسب تحفظ کی پالیسی موجود ہے جس کی تصدیق اور نگرانی ISO 9001-2015 کو الٹی مینجمنٹ سسٹم نے کی ہے۔ BCL پلانٹ پر آگ سے بچاؤ کے موثر نظام، آتش گیر مادوں کے لئے کشادہ ہوا اور سورج کی روشنی سے بلا واسطہ بچاؤ کو یقینی بنایا جاتا ہے۔ باقاعدگی سے اور حقیقی صورتحال میں تحفظاتی پالیسی کے تحت آگ کو بجھانے کا مظاہرہ کیا جاتا ہے۔ چوبیس گھنٹے تعلیم یافتہ اہل عملہ تمام ضروری ابتدائی طبی امداد کی سہولیات کے ساتھ دستیاب رہتا ہے۔ مزید یہ کہ (BCL) نے ملازمین کی صحت اور حفاظت کے لیے کوویڈ-19 وبائی امراض کے دوران کاروبار چلانے کے لیے حکومت کی طرف سے مشورہ کردہ معیاری آپریشننگ طریقہ کار کی مکمل تعمیل کی ہے۔ کمپنی نے مندرجہ ذیل احتیاطی اقدامات کیے ہیں۔

کاروباری خطرہ

موجودہ معاشی سماجی صورتحال کو مد نظر رکھتے ہوئے اگر مالیاتی سال 2020-21 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 ایسے کسی خطرات کا سامنا نہیں ہوگا جس سے کمپنی کی فروخت اور منافع کاری پر بڑے اثرات مرتب ہوں۔ مزید یہ کہ کسی بڑے مسابقت کار کی عدم موجودگی کے ساتھ سازگاری بازاری صورتحال سے کاروباری اخراجات 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 والوں اور اسمبلی کرنے والوں پر مشتمل ہے اور لہذا ان کے کاروبار میں تبدیلی ایک ایسا خطرناقی عنصر ہوگا جو کہ کمپنی کی منافع کاری پر منفی اثرات مرتب کرے گا۔

آخر میں کمپنی کی انتظامیہ شائستگی کے ساتھ 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 ممکنہ ناموافق خطرات کو کم کیا جاسکے۔

شرح سود/مارک اپ کا خطرہ

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

قرضہ جاتی خطرہ

کمپنی کے روانیت فنڈ پر قرضہ جاتی خطرہ بہت محدود ہے کیونکہ متقابلہ 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 ایکسپوزر 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 ہم وعدہ شدہ قرضہ جاتی سہولیات کے ذریعہ کافی مقدار میں نقد اور قومات کو فراہم کی جاتی ہیں۔ کمپنی اس خطرہ کا مقابلہ نقد کے موثر انتظام اور دستیاب قرضہ جاتی سہولیات کے ذریعہ پورا کرتی ہے۔

ادارتی سماجی ذمہ داری

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

کاروباری جائزہ

مالیاتی سال 2020 میں پیداوار اور فروخت کے حجم میں کمی ہوئی۔ سال کے دوران 6,623 میٹرک ٹن کی ڈھلائی ہوئی جو کہ گزشتہ سال 8,694 میٹرک ٹن تھی اس طرح ڈھلائی میں 24 فیصد کمی ہوئی جبکہ گزشتہ سال کے 9,646 میٹرک ٹن فروخت کے مقابلے میں اس سال 7,280 میٹرک ٹن ڈھلائی فروخت ہوئی اس طرح فروخت میں 25 فیصد کمی ہوئی۔ پاکستان میں معاشی سست روی نے ٹریکٹر کی صنعت کے ساتھ ساتھ اس کے پرزوں کی پیداواری صنعتوں کو بھی متاثر کیا ہے۔ ٹریکٹروں کی کم فروخت، موجودہ معاشی سست روی، کوویڈ-19 کے بائٹ دنیا بہر میں بندش، فصلوں کی پیداوار اور قیمتوں میں کمی، افراتر اور قرض لینے کی مہنگی لاگت کی وجہ سے ٹریکٹر کی صنعت کو سنگین مشکلات کا سامنا کرنا پڑا۔ اس کے علاوہ غیر ملکی کرنسیوں کے مقابلے میں پاکستانی روپے کی قدر میں کمی کے نتیجے میں خام مال اور ایندھن کی قیمتوں میں بھی اضافہ ہوا۔ بنیادی طور پر ان سارے عناصر نے مجموعی نقصان میں شراکت کی۔

کمپنی کارکردگی

جائزہ سال کے دوران کمپنی کی فروخت 1,332.568 ملین روپے رہی جبکہ گزشتہ سال 1,513.636 ملین روپے تھی۔ خام خسارہ 88.132 ملین روپے رہا جبکہ گزشتہ سال خام خسارہ 149.777 ملین روپے تھا۔ فروخت، تقسیم اور انتظامی اخراجات 103.523 ملین روپے رہے جبکہ گزشتہ سال 125.794 ملین روپے تھے۔ مالیاتی لاگت 78.330 ملین روپے رہی جبکہ گزشتہ سال 51.258 ملین روپے تھی۔ جائزہ مالیاتی سال کے دوران خسارہ قبل از ٹیکس 259.617 ملین روپے رہا جبکہ گزشتہ سال 310.120 ملین روپے کا قبل از ٹیکس خسارہ تھا۔ خسارہ بعد از ٹیکس 271.688 ملین روپے رہا جبکہ گزشتہ سال 239.000 ملین روپے کا بعد از ٹیکس خسارہ تھا۔

مستقبل کے امکانات

معیشیت کی بحالی حکومتی اقتصادی پالیسیوں پر منحصر ہے تاکہ کوویڈ-19 اور پاکستانی روپے کی قدر میں کمی کی وجہ سے صنعتوں کو معاشی مشکلات پر قابو پانے کے لیے سہولیات فراہم کی جائے۔ چونکہ حکومت نے حال ہی میں زراعت کے لیے ایک معاشی پیکیج کی منظوری دی ہے۔ اس لیے یہ یقین کیا جاتا ہے کہ ٹریکٹر اور اس کی فروخت کی صنعت کو معاشی کارگردی کے معاملے میں فروغ حاصل ہوگا۔ اس طرح کے اثرات کا پھیلاؤ کمپنی کی مالی صحت کو بہتر بنائے گا۔ مزید کمپنی فروخت کے لیے نئے راستوں کی کوشش کر رہی ہے اور بیک وقت لاگت میں کٹوتی کے اقدامات کو بھی اپنا رہی ہے۔

بنیادی خطرات اور غیر یقینی صورتحال

خطرات کا موثر 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 آزاد اندر رپورٹ فراہم کرتا ہے۔ کمپنی کو مندرجہ ذیل بنیادی خطرات کا خدشہ ہے جنہیں مخصوص پالیسیوں اور منصوبہ بندیوں سے کم کیا گیا ہے۔

ڈائریکٹر کی رپورٹ

معزز حصص یافتگان

آپ کی کمپنی کے ڈائریکٹر ان اپنی سالانہ رپورٹ کے ساتھ کمپنی کے 30 جون 2020 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 ٹریڈنگ اور گاڑیوں کے پوزوں کی ڈھلائی ہے۔

مالیاتی نتائج

جائزہ سال کے مالیاتی نتائج درج ذیل ہیں:

(Rs. 000)	
(181,660)	جمع شدہ خسارہ پیچھے سے لایا گیا
(271,688)	خسارہ بعد از ٹیکس برائے سال ختمہ 30 جون 2020
(15,600)	دیگر جامع خسارہ
(468,948)	جمع شدہ خسارہ آگے لے جایا گیا

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

منافع منقسمہ اور مصارف منافع

مالیاتی سال ختمہ 30 جون 2020 میں کمپنی کو ہونے والے خسارہ کو مد نظر رکھتے ہوئے بورڈ آف ڈائریکٹرز نے سال 2020 کے لئے کسی بھی قسم کا اختصاف نہ کرنے کا فیصلہ کیا ہے۔

فی حصص آمدن

سال ختمہ 30 جون 2020 میں فی حصص خسارہ 23.68 رہا جبکہ گزشتہ سال فی حصص خسارہ 20.83 روپے تھا۔

STATEMENT OF VALUE ADDED AND ITS DISTRIBUTION

PARTICULARS	2020		2019	
	Rs. 000	%	Rs. 000	%
VALUE ADDITION				
Revenue Generated	1,574,726		1,784,277	
Bought-In Material and Services	(1,349,484)		(1,513,898)	
Other Income	10,368		16,709	
	<u>235,611</u>		<u>287,088</u>	
DISTRIBUTION TO:				
Employees				
Salaries, Wages and benefits	147,485	62.60	223,731	77.93
Government				
Income Tax	12,071	5.12	(71,121)	(24.77)
Sales Tax	242,158	102.78	270,641	94.27
	254,229	107.90	199,520	69.50
Shareholders & Fund Providers				
Financial Charges	78,330	33.25	51,258	17.85
Retained in Business / (Utilized in Operations)	(244,433)	(103.74)	(187,422)	(65.28)
	<u>235,611</u>	<u>100</u>	<u>287,088</u>	<u>100</u>

VERTICAL ANALYSIS

	2020 (Rs. 000)	%	2019 (Rs. 000)	%
Operating results				
Net Revenue	1,332,568	100.0	1,513,636	100.0
Cost of sales	1,420,700	106.6	1,663,413	109.9
Administrative & Distribution Expenses	103,523	7.8	125,794	8.3
Other Expenses	-	-	-	-
Investment Income	1,457	0.1	1,574	0.1
Other income	8,911	0.7	15,135	1.0
Finance cost	78,330	5.9	51,258	3.4
Income Tax Expense	(12,071)	(0.9)	71,121	4.7
(Loss) / Profit for the year	(271,688)	(20.4)	(238,999)	(15.8)
Statement of Financial Position				
Property, Plant and Equipment	228,901	24.5	259,216	21.9
Long-Term Investments	17,460	1.9	17,581	1.5
Other Non-Current Assets	125,733	13.5	97,056	8.2
Current Assets	561,021	60.1	808,414	68.4
Total Assets	933,114	100.0	1,182,266	100.0
Total Share Holder's Equity	94,393	10.1	381,802	32.3
Long-Term Deposits	5,232	0.6	5,616	0.5
Long-Term Loan	17,889	1.9	-	-
Deferred Grant	2,694	0.3	-	-
Employee Benefits Obligations	89,959	9.6	49,618	4.2
Deferred Tax Asset	-	-	-	-
Short-Term Debts	493,845	52.9	607,845	51.4
Trade and Other Payables	219,148	23.5	133,449	11.3
Other Current Liabilities	9,956	1.1	3,936	0.3
Total Liabilities	838,722	89.9	800,465	67.7
Total Equity and Liabilities	933,114	100.0	1,182,266	100.0
Cash Flow				
Cash Generated / (Used In) from Operations	195,845	182.0	(196,147)	50.6
Cash Generated / (Used In) from Operating Activities	74,369	69.1	(307,982)	79.4
Cash Generated / (Used In) from Investing Activities	7,010	6.5	(51,543)	13.3
Cash Generated / (Used In) from Financing Activities	26,207	24.4	(28,256)	7.3
Net Increase / (Decrease) in Cash and Cash Equivalents	107,586	100.0	(387,780)	100.0

VERTICAL ANALYSIS

2018 (Rs. 000)	%	2017 (Rs. 000)	%	2016 (Rs. 000)	%	2015 (Rs. 000)	%
2,299,931	100.0	1,744,098	100.0	1,333,476	100.0	1,695,718	100.0
1,971,729	85.7	1,497,470	85.9	1,192,600	89.4	1,506,268	88.8
129,384	5.6	93,721	5.4	75,619	5.7	79,569	4.7
13,808	0.6	10,724	0.6	3,060	0.2	5,086	0.3
1,621	0.1	1,740	0.1	1,204	0.1	811	0.0
10,317	0.4	8,499	0.5	9,156	0.7	12,354	0.7
12,507	0.5	10,996	0.6	33,138	2.5	46,319	2.7
51,039	2.2	43,650	2.5	13,550	1.0	24,726	1.5
133,402	5.8	97,776	5.6	25,870	1.9	46,915	2.8
232,681	22.0	184,942	20.7	184,429	19.9	187,058	15.5
31,110	2.9	42,694	4.8	23,288	2.5	16,718	1.4
20,361	1.9	26,020	2.9	59,030	6.4	51,098	4.2
772,745	73.1	641,461	71.7	658,260	71.2	948,799	78.8
1,056,898	100.0	895,116	100.0	925,007	100.0	1,203,672	100.0
639,518	60.5	574,148	64.1	452,661	48.9	476,605	39.6
6,194	0.6	5,643	0.6	4,999	0.5	5,126	0.4
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
77,807	7.4	81,212	9.1	79,954	8.6	34,724	2.9
405.0	0.0	-	-	-	-	-	-
228,378	21.6	125,501	14.0	274,202	29.6	592,917	49.3
100,305	9.5	106,661	11.9	107,523	11.6	83,091	6.9
4,291	0.4	1,951	0.2	5,668	0.6	11,208	0.9
417,380	39.5	320,968	35.9	472,346	51.1	727,067	60.4
1,056,898	100.0	895,116	100.0	925,007	100.0	1,203,672	100.0
114,048	(123.6)	206,191	142.4	414,988	128.6	(55,650)	37.3
31,436	(34.1)	175,083	120.9	364,002	112.8	(135,539)	90.9
(67,766)	73.5	(18,834)	(13.0)	(18,453)	(5.7)	(13,565)	9.1
(55,906)	60.6	(11,403)	(7.9)	(22,771)	(7.1)	-	-
(92,236)	100.0	144,847	100.0	322,778	100.0	(149,104)	100.0

HORIZONTAL ANALYSIS

	2020 (Rs. 000)	Inc./ (dec.) vs last year figure %	2019 (Rs. 000)	Inc./ (dec.) vs last year figure %
Operating results				
Net Revenue	1,332,568	(12.0)	1,513,636	(34.2)
Cost of Sales	1,420,700	(14.6)	1,663,413	(15.6)
Gross (Loss) / Profit	(88,132)	(41.2)	(149,777)	(145.6)
Administrative & Distribution Expenses	103,523	(17.7)	125,794	(2.8)
Other Expenses	-	-	-	(100.0)
Investment Income	1,457	(7.4)	1,574	(2.9)
Other Income	8,911	(41.1)	15,135	46.7
Operating (Loss) / Profit	(181,287)	(30.0)	(258,862)	(231.4)
Finance Cost	78,330	52.8	51,258	309.8
(Loss) / Profit Before Income Tax	(259,617)	(16.3)	(310,120)	(268.1)
Income Tax Expense	(12,071)	(117.0)	71,121	39.3
(Loss) / Profit for the year	(271,688)	13.7	(238,999)	(279.2)
Statement of Financial Position				
Property, Plant and Equipment	228,901	(11.7)	259,216	11.4
Long-Term Investments	17,460	(0.7)	17,581	(43.5)
Other Non-Current Assets	125,733	29.5	97,056	376.7
Current Assets	561,021	(30.6)	808,414	4.6
Total Assets	933,114	(21.1)	1,182,266	11.9
Share Capital	114,725	-	114,725	-
Reserves	(20,333)	(107.6)	267,076	(49.1)
Total Shareholder's Equity	94,393	(75.3)	381,802	(40.3)
Long-Term Deposits	5,232	(6.8)	5,616	(9.3)
Long-Term Loan	17,889	100	-	-
Deferred Grant	2,694	100	-	-
Employee Benefits Obligations	89,959	81.3	49,618	(36.2)
Deferred Tax Asset	-	-	-	-
Short-Term Financing	493,845	(18.8)	607,845	166.2
Trade and other Payables	219,148	64.2	133,449	33.0
Other Current Liabilities	9,956	1.1	3,936	(8.3)
Total Liabilities	838,722	4.8	800,465	91.8
Total Equity and Liabilities	933,114	(21.1)	1,182,266	11.9
Cash Flow				
Cash Generated / (Used In) from Operations	195,845	199.8	(196,147)	272.0
Cash Generated / (Used In) from Operating Activities	74,369	124.1	(307,982)	1,079.7
Cash Generated / (Used In) from Investing Activities	7,010	(113.6)	(51,543)	(23.9)
Cash Generated / (Used In) from Financing Activities	26,207	100.0	(28,256)	100.0
Net Increase / (Decrease) in Cash and Cash Equivalents	107,586	127.7	(387,780)	(320.4)

HORIZONTAL ANALYSIS

2018 (Rs. 000)	Inc./ (dec.) vs last year figure %	2017 (Rs. 000)	Inc./ (dec.) vs last year figure %	2016 (Rs. 000)	Inc./ (dec.) vs last year figure %	2015 (Rs. 000)	Inc./ (dec.) vs last year figure %
2,299,931	31.9	1,744,098	30.8	1,333,476	(21.4)	1,695,718	52.6
1,971,729	31.7	1,497,470	25.6	1,192,600	(20.8)	1,506,268	32.9
328,202	33.1	246,628	75.1	140,876	(25.6)	189,450	(962.9)
129,384	38.1	93,721	23.9	75,619	(5.0)	79,569	5.5
13,808	28.8	10,724	250.5	3,060	(39.8)	5,086	(100.0)
1,621	(6.8)	1,740	44.5	1,204	48.6	811	9.1
10,317	21.4	8,499	(7.2)	9,156	(25.9)	12,354	(2.1)
196,948	29.2	152,422	110.1	72,557	(38.5)	117,959	(240.4)
12,507	13.7	10,996	(66.8)	33,138	(28.5)	46,319	(25.7)
184,441	30.4	141,426	258.8	39,420	(45.0)	71,640	(149.0)
51,039	16.9	43,650	222.1	13,550	(45.2)	24,726	(39.4)
133,402	36.4	97,776	278.0	25,870	(44.9)	46,915	(144.5)
232,681	25.8	184,942	0.3	184,429	(1.4)	187,058	(3.5)
31,110	(27.1)	42,694	83.3	23,288	39.3	16,718	36.8
20,361	(21.8)	26,021	(55.9)	59,030	15.5	51,098	(17.4)
772,745	20.5	641,461	(2.6)	658,260	(30.6)	948,799	24.6
1,056,898	18.1	895,117	(3.2)	925,007	(23.2)	1,203,672	16.9
114,725	-	114,725	-	114,725	-	114,725	-
524,793	14.2	459,423	35.9	337,936	(6.6)	361,880	11.1
639,518	11.4	574,148	26.8	452,661	(5.0)	476,605	8.2
6,194	9.8	5,643	12.9	4,999	(2.5)	5,126	33.1
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
77,807	(4.2)	81,212	1.6	79,954	130.3	34,724	59.0
405.0	-	-	-	-	-	-	-
228,378	82.0	125,501	(54.2)	274,202	(53.8)	592,917	33.4
100,305	(5.3)	105,957	(1.5)	107,523	29.4	83,091	(21.8)
4,291	61.6	2,655	(53.2)	5,668	(49.4)	11,208	(12.9)
417,380	30.0	320,968	(32.0)	472,346	(35.0)	727,067	23.4
1,056,898	18.1	895,117	(3.2)	925,007	(23.2)	1,203,672	16.9
114,048	44.7	206,191	50.3	414,988	845.7	(55,650)	(140.1)
31,436	82.0	175,083	51.9	364,002	368.6	(135,539)	(392.5)
(67,766)	259.8	(18,834)	2.1	(18,453)	36.0	(13,565)	(594.1)
(55,906)	100.0	(11,403)	100.0	(22,771)	100.0	-	-
(92,236)	163.7	144,847	55.1	322,778	316.5	(149,104)	(403.8)

DECADE AT A GLANCE

(Rupees in thousand)

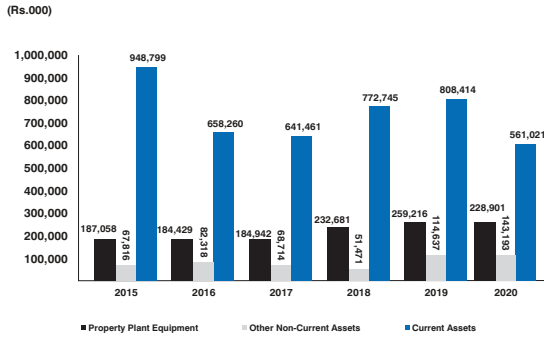
Year ended 30th June	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
INCOME										
Revenue from contracts with customers	1,332,568	1,513,636	2,299,931	1,744,098	1,333,476	1,695,718	1,111,227	1,745,974	1,724,539	1,946,677
Gross (Loss) / Profit	(88,132)	(149,777)	328,202	246,628	140,876	189,450	(21,956)	160,699	190,789	235,196
Operating (Loss) / Profit	(181,287)	(258,862)	196,948	152,422	72,557	117,959	(83,989)	82,775	124,372	167,176
(Loss) / Profit before tax	(259,617)	(310,120)	184,441	141,426	39,420	71,640	(146,343)	33,421	69,003	123,799
(Loss) / Profit for the year	(271,688)	(238,999)	133,402	97,776	25,870	46,914	(105,525)	22,261	46,608	78,205
FINANCIAL POSITION										
Current Assets	561,021	808,414	772,745	641,461	658,260	948,799	761,620	1,072,818	819,929	739,686
Less: Current Liabilities	722,949	745,231	332,973	234,113	387,392	687,216	563,652	734,399	504,912	402,024
Net Working Capital	(161,928)	63,183	439,771	407,347	270,868	261,583	197,968	338,419	315,017	337,662
Property, Plant and Equipment	228,901	259,216	232,681	184,942	184,429	187,057	193,925	219,561	240,645	235,330
Others-Non Current Assets	143,193	114,637	51,471	68,714	82,318	67,816	74,116	32,431	27,599	14,277
	210,166	437,036	723,924	661,003	537,615	516,456	466,009	590,411	583,261	587,268
Less: Long Term Debts	17,889	-	-	-	-	-	-	-	-	-
Other Liabilities	97,884	55,234	84,406	86,855	84,953	39,851	25,698	43,286	42,817	65,124
Shareholders' Equity	94,393	381,802	639,518	574,148	452,661	476,605	440,311	547,125	540,444	522,145
REPRESENTED BY:										
Share Capital	114,725	114,725	114,725	114,725	114,725	114,725	114,725	104,296	104,296	104,296
General Reserves	424,500	424,500	424,500	424,500	424,500	424,500	424,500	411,500	385,500	323,500
Unrealized Gain on Long Term Investment	11,960	12,081	25,610	37,194	17,788	11,218	6,719	8,588	2,838	3,671
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	(468,948)	(181,660)	62,527	(14,427)	(116,507)	(85,994)	(117,789)	10,585	35,654	78,522
Net Capital Employed	94,393	381,802	639,518	574,148	452,661	476,605	440,311	547,125	540,444	522,145
Summary of Cash Flows										
Cash Generated / (Used In) from Operating Activities	74,369	(307,982)	31,436	175,083	364,002	(135,539)	46,336	(179,106)	(107,379)	186,039
Cash Generated / (Used In) from Investing Activities	7,010	(51,543)	(67,766)	(18,834)	(18,453)	(13,565)	2,746	(6,026)	(32,439)	(24,950)
Cash Used In from Financing Activities	26,207	(28,256)	(55,906)	(11,403)	(22,771)	-	-	(20,869)	(15,557)	(73,927)
Net Change in Cash and Cash Equivalents	107,586	(387,780)	(92,236)	144,847	322,778	(149,104)	49,081	(206,001)	(155,375)	87,161

DECADE AT A GLANCE

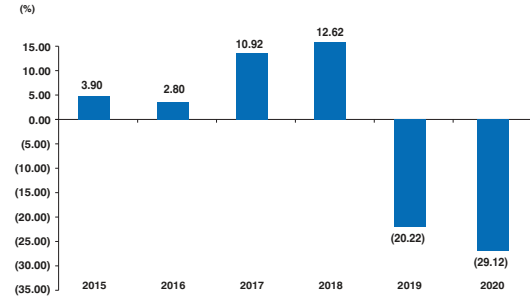
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
PRODUCTION / Sales										
Production Capacity Installed (MT)	13,200	13,200	13,200	13,200	13,200	13,200	13,200	13,200	13,200	13,200
Production Capacity Attained (MT)	6,623	8,694	16,294	11,566	8,437	11,368	8,575	12,264	12,800	16,278
Capacity Ratio (%)	50	66	123	88	64	86	65	93	97	123
Net Sales (MT)	6,839	9,215	14,723	11,199	8,602	10,966	7,342	11,921	12,094	14,895
MARKET VALUE RATIOS										
Break up value of a Share of Rs.10/-each	8.23	33.28	55.74	50.05	39.46	41.54	38.38	52.46	51.82	50.06
Dividend (Rupees per share)	-	-	2.50	5.00	1.00	2.00	-	-	2.00	1.50
Dividend (%)	-	-	25	50	10	20	-	-	20	15
Bonus Shares (%)	-	-	-	-	-	-	-	10	-	-
PROFITABILITY RATIOS										
Gross (Loss) / Profit (%)	(6.61)	(9.90)	14.27	14.14	10.56	11.17	(1.98)	9.20	11.06	12.08
(Loss) / Profit before Income Tax to Sales (%)	(19.48)	(20.49)	8.02	8.11	2.96	4.22	(13.17)	1.91	4.00	6.36
(Loss) / Profit for the year to Sales (%)	(20.39)	(15.79)	5.80	5.61	1.94	2.77	(9.50)	1.27	2.70	4.02
Earnings per share - EPS (Rs.)	(23.68)	(20.83)	11.63	8.52	2.25	4.09	(9.20)	2.13	4.47	7.50
Earning Yield - year end price (%)	(49.10)	(55.89)	9.97	5.65	5.53	4.88	(25.55)	5.34	11.92	15.30
Price Earning Ratio - year end price	(2.04)	(1.79)	10.03	17.71	18.11	20.48	(3.91)	20.62	8.39	6.53
EBITDA (%) (Earning before interest, tax, depreciation & amortization)	(11.56)	(15.25)	9.59	9.97	3.84	5.66	(5.37)	6.31	8.60	10.00
Dividend Payout (%)	-	-	21.50	58.69	44.44	48.90	-	-	44.74	20.00
Dividend Yield Ratio (%)	-	-	2.14	3.31	2.45	2.39	-	-	5.33	3.06
Return on Equity (%)	(287.83)	(62.60)	20.86	17.03	5.72	9.84	(23.97)	4.07	8.62	14.98
Return on Assets %	(29.12)	(20.22)	12.62	10.92	2.80	3.90	(10.25)	1.68	4.28	7.91
Operating Cycle	(16.00)	45.00	60.00	41.00	78.74	103.14	120.91	66.99	74.84	70.00
Dividend Cover	-	-	4.65	1.70	2.25	2.05	-	-	2.24	5.00
LIQUIDITY RATIOS										
Current Ratio	0.78:1	1.08:1	2.32:1	2.7:1	1.7:1	1.38:1	1.35:1	1.46:1	1.62:1	1.84:1
Quick Ratio	0.37:1	0.50:1	0.79:1	1.00:1	0.77:1	0.55:1	0.50:1	0.91:1	0.71:1	1.12:1
ACTIVITY RATIOS										
Raw Material Inventory Turnover - (days)	31	33	30	35	55	47	45	39	45	48
WIP Inventory Turnover - (days)	5	15	13	13	24	17	18	12	10	7
Finished Goods Inventory Turnover - (days)	25	29	41	22	39	43	50	24	19	9
Debtors Turnover Ratio (days)	22	24	10	21	44	33	96	73	48	58
Assets Turnover Ratio %	0.70	0.78	0.46	0.51	0.69	0.71	0.93	0.76	0.63	1.97
Creditors Turnover Ratio (days)	99	55	34	49	84	36	88	81	47	63
Assets Turnover - (times)	1.43	1.28	2.18	1.95	1.44	1.41	1.08	1.32	1.58	1.97
Fixed Assets Turnover - (times)	5.82	5.84	9.88	9.43	7.23	9.07	5.73	7.95	7.17	7.80
LEVERAGE RATIOS										
Equity Turnover - (times)	14.12	3.96	3.60	3.04	2.95	3.56	2.52	3.19	3.19	3.73
Debt-Equity Ratio	5.48	1.59	0.36	0.22	0.61	1.24	1.01	0.91	0.53	0.28
SHARE PRICE- (RS.)										
Highest	61.00	139.78	169.00	218.68	91.25	91.35	50.02	44.00	50.90	52.25
Lowest	27.82	35.92	83.66	39.00	39.35	32.89	29.45	33.25	26.60	35.25
Average	44.42	87.85	126.33	128.84	65.30	62.12	39.74	38.63	38.75	43.75
At the year end	48.23	37.30	116.64	150.88	40.75	83.75	36.00	40.00	37.50	49.00

GRAPHICAL ILLUSTRATION

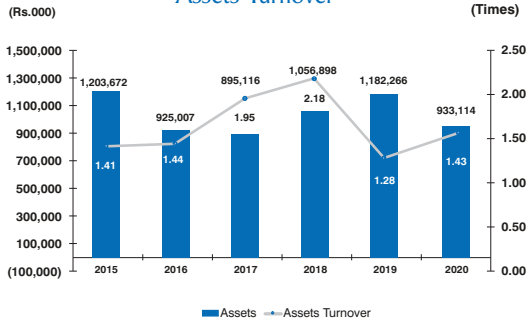
Total Assets



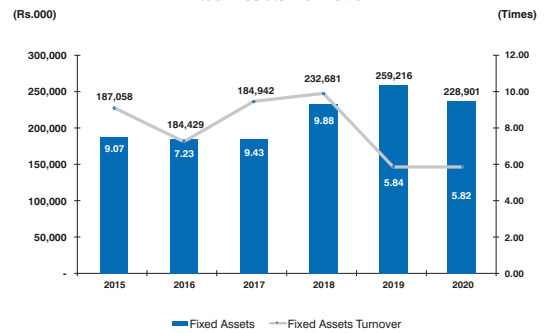
Return on Assets



Assets Turnover



Fixed Assets Turnover



Liabilities

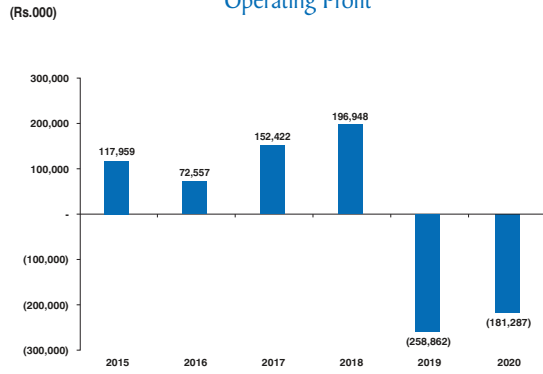


Equity Turnover

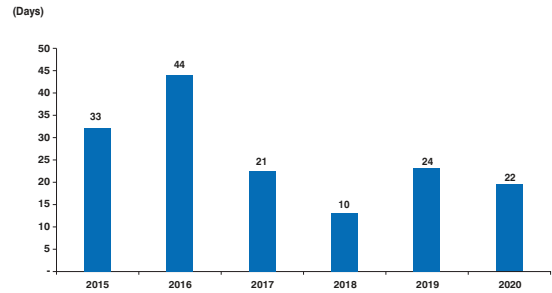


GRAPHICAL ILLUSTRATION

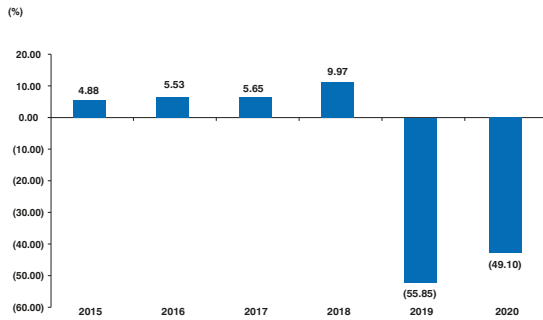
Operating Profit



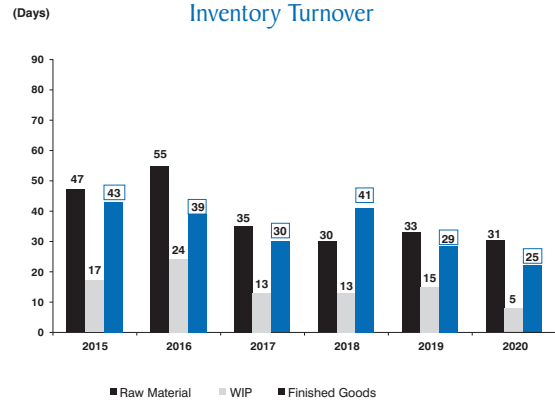
Debtors Turnover



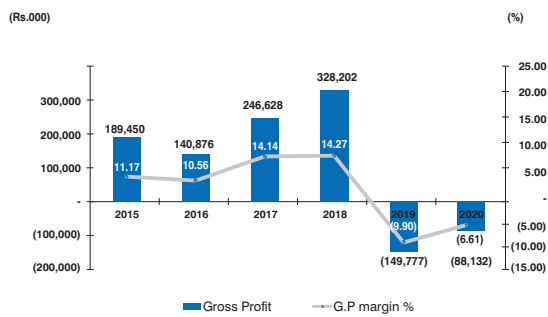
Earning Yield



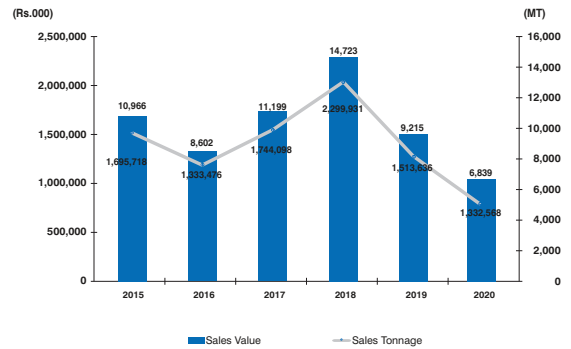
Inventory Turnover



Gross Profit-GP Margin



Sales Value - Sales Tonnage



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

FOR THE YEAR ENDED JUNE 30, 2020

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

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

a. Male Directors	:	8
b. Female Director	:	-

2. The composition of Board is as follows:

Category	Names
Independent Directors	Syed Javaid Ashraf Mr. Aamir Amin
Non-executive Directors	Mr. Sikandar M. Khan Mr. Latif Khalid Hashmi Mr. Sohail Bashir Rana S. M. Irfan Aqueel
Executive Directors	Mr. Laeeq Uddin Ansari Mr. Nisar A. Mirani (CEO)

* The number of independent directors as two considered sufficient keeping in view of overall size of the Board elected when the erstwhile Code 2012 was in place in pursuance of Listing Regulations of Pakistan Stock Exchange.

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
- The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
- The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board;
- The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
- During the year the Board did not arrange any training program for its directors. However, two directors have attended the required training in previous years and five directors meet exemption criteria as contained in the Regulations;
- The Board has approved the appointment of chief financial officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
- Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
- The Board has formed committees comprising of members given below:
 - Audit Committee :

Syed Javaid Ashraf	Chairman
Mr. Latif Khalid Hashmi	Member
S. M. Irfan Aqueel	Member
Mr. Aamir Amin	Member

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

b) HR and Remuneration Committee:

Syed Javaid Ashraf	Chairman
Mr. Laeeq Uddin Ansari	Member
S. M. Irfan Aqueel	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/ yearly) of the committees were 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 company's policies and procedures.
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, 8, 27, 32, 33 and 36 of the Regulations have been complied with. However, the requirements of regulations 6 and 7 would be applicable on the Company on reconstitution/next election of the Board to be held on October 28, 2020; 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.	<u>Representation of Minority shareholders</u> The minority members as a class shall be facilitated by the Board to contest election of directors by proxy solicitation	5	No one intended to contest election as director representing minority shareholders.
2.	<u>Nomination Committee</u> The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29(1)	The Board intends to designate HR & R Committee to perform the requisite functions. In this regards, the terms of reference of HR & R Committee will accordingly be amended in next Board Meeting.
3.	<u>Risk Management Committee</u> The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30(1)	The Internal Audit Department of the Company performs the requisite functions and apprises the Board accordingly.



SIKANDAR M. KHAN
Chairman

September 15, 2020



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, 2020 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, 2020.

Chartered Accountants
Karachi

Dated: September 30, 2020

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>



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, 2020, and the statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows 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, 2020 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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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)	<p data-bbox="300 577 518 609">Deferred Tax Asset</p> <p data-bbox="300 638 750 669"><i>(Refer note 7 to the financial statements)</i></p> <p data-bbox="300 698 829 846">Under International Accounting Standard 12 "Income Taxes", the Company is required to review recoverability of the deferred tax assets recognized in the statement of financial position at each reporting period.</p> <p data-bbox="300 875 829 1144">Recognition of deferred tax asset is dependent on management's estimate of availability of sufficient future taxable profits against which carried forward losses and tax credits can be utilized. The future taxable profits are based on approved projections. This estimation involves a degree of uncertainty and requires judgement in relation to the future cash flows and also involves assessment of timing of reversal of un-used tax losses.</p> <p data-bbox="300 1173 829 1263">As at June 30, 2020, the Company has recognized net deferred tax asset amounting to Rs. 95 million mainly on account of unused tax losses.</p> <p data-bbox="300 1292 829 1473">We considered this as a key audit matter due to the inherent uncertainty in forecasting the amount and timing of future taxable profits and the reversal of temporary differences and significant management judgement regarding assumptions used in this area.</p>	<p data-bbox="855 698 1420 757">Our audit procedures amongst others include the following:</p> <ul data-bbox="855 786 1420 1648" style="list-style-type: none"><li data-bbox="855 786 1420 934">• obtained understanding of the income taxes process, and evaluated the design and tested management's controls over the calculation of the deferred tax asset and the review of the future recoverability;<li data-bbox="855 963 1420 1052">• tested management's computation of un-used tax losses for which deferred tax asset has been recognized;<li data-bbox="855 1081 1420 1238">• analyzed the requirements of Income Tax Ordinance, 2001, in relation to above and considering the ageing analysis, expiry periods of relevant deferred tax assets and tax rates enacted in consultation with our in-house tax specialist;<li data-bbox="855 1267 1420 1379">• assessed the reasonableness of taxable profits projections along with the assumptions such as growth rate, production patterns, future revenue and costs;<li data-bbox="855 1408 1420 1507">• tested mathematical accuracy of future projections and the use of appropriate tax rate applicable on temporary differences; and<li data-bbox="855 1536 1420 1648">• assessed the appropriateness of management's accounting for deferred taxes and the accuracy of related disclosures in accordance with the accounting and reporting standards.



Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows 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;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and



A.F.FERGUSON & Co.

(d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

A. F. Ferguson & Co.

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

Karachi

Date: September 29, 2020

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2020

ASSETS	Note	2020 Rupees	2019 Rupees
Non-current assets			
Property, plant and equipment	4	228,900,903	259,215,767
Long-term investment	5	17,459,875	17,580,625
Long-term loans	6	829,000	836,000
Deferred tax asset	7	95,524,645	80,580,627
Long-term deposits	8	4,077,790	3,806,541
Employee benefits prepayment	9	25,301,704	11,832,931
		<u>372,093,917</u>	<u>373,852,491</u>
Current assets			
Stores, spare parts and loose tools	10	123,843,606	126,274,513
Inventories	11	172,157,921	307,234,973
Trade receivables	12	28,228,101	130,691,149
Loans and advances	13	8,326,869	11,301,343
Trade deposits and short-term prepayments	14	722,221	310,037
Other receivables		348,074	1,516,553
Refunds due from the Government - sales tax		152,002	15,847,317
Taxation - payments less provision		220,833,567	202,416,056
Cash and bank balances	15	6,408,170	12,821,986
		<u>561,020,531</u>	<u>808,413,927</u>
Total assets		<u><u>933,114,448</u></u>	<u><u>1,182,266,418</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	16	114,725,290	114,725,290
Reserves	17	(20,332,740)	267,076,248
		<u>94,392,550</u>	<u>381,801,538</u>
LIABILITIES			
Non-current liabilities			
Long-term deposits	18	5,231,810	5,616,202
Long-term loan	19	17,888,910	-
Deferred grant	19	2,693,712	-
Employee benefits obligations	9	89,958,811	49,618,043
		<u>115,773,243</u>	<u>55,234,245</u>
Current liabilities			
Trade and other payables	20	219,147,937	133,449,279
Current portion of long-term deposits	18	806,454	411,485
Current portion of long-term loan	19	5,661,925	-
Unclaimed dividend	21	3,487,166	3,524,426
Short-term financing	22	493,845,173	607,845,445
		<u>722,948,655</u>	<u>745,230,635</u>
Total liabilities		<u>838,721,898</u>	<u>800,464,880</u>
Contingencies and commitments	23		
Total equity and liabilities		<u><u>933,114,448</u></u>	<u><u>1,182,266,418</u></u>

The annexed notes 1 to 42 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, 2020

	Note	2020 Rupees	2019 Rupees
Revenue from contracts with customers	24	1,332,568,120	1,513,636,182
Cost of sales	25	<u>(1,420,700,485)</u>	<u>(1,663,413,135)</u>
Gross loss		(88,132,365)	(149,776,953)
Distribution cost	26	(38,176,292)	(49,354,120)
Administrative expenses	27	(65,346,781)	(76,439,969)
Other income	28	<u>10,368,052</u>	<u>16,709,114</u>
Operating loss		(181,287,386)	(258,861,928)
Finance cost	29	<u>(78,330,091)</u>	<u>(51,258,194)</u>
Loss before tax		(259,617,477)	(310,120,122)
Income tax expense	30	(12,070,847)	71,120,633
Loss for the year		<u><u>(271,688,324)</u></u>	<u><u>(238,999,489)</u></u>
Loss per share	31	<u><u>(23.68)</u></u>	<u><u>(20.83)</u></u>

The annexed notes 1 to 42 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, 2020

	2020 Rupees	2019 Rupees
Loss for the year	(271,688,324)	(238,999,489)
Other comprehensive income / (loss):		
Items not potentially reclassifiable to Profit or Loss		
Remeasurements of employee benefits - note 9	(21,971,710)	29,672,711
Impact of deferred tax	6,371,796	(6,178,636)
	(15,599,914)	23,494,075
Unrealised loss on revaluation of Investment at fair value through Other Comprehensive Income (FVTOCI) - note 5	(120,750)	(13,529,750)
Total comprehensive loss for the year	<u>(287,408,988)</u>	<u>(229,035,164)</u>

The annexed notes 1 to 42 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	32	195,844,673	(196,146,975)
Decrease in long-term loans		7,000	10,000
Increase in long-term deposits - net		(260,672)	(1,357,670)
Income tax paid		(39,060,580)	(65,621,854)
Employee benefits paid		(5,142,663)	(10,463,417)
Mark-up paid		(77,019,011)	(34,401,667)
Net cash generated from / (used in) operating activities		74,368,747	(307,981,583)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,404,590)	(61,205,765)
Proceeds from disposal of property, plant and equipment		7,957,941	8,542,577
Return received on savings and deposit accounts		882,071	711,793
Investment in term deposit receipts		-	(454,180)
Dividend received		575,000	862,500
Net cash generated from / (used in) investing activities		7,010,422	(51,543,075)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(37,260)	(28,255,825)
Proceeds from long-term loan		26,244,547	-
Net cash generated from / (used in) financing activities		26,207,287	(28,255,825)
Net increase / (decrease) in cash and cash equivalents		107,586,456	(387,780,483)
Cash and cash equivalents at beginning of the year		(598,879,659)	(211,099,176)
Cash and cash equivalents at end of the year	33	(491,293,203)	(598,879,659)

The annexed notes 1 to 42 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, 2020

	Reserves					Sub Total	Total
	Share Capital	Share premium	General	Revenue	Gain/(Loss) on revaluation of investment at fair value		
				Unappropriated Profit / (Accumulated loss)			
	------(Rupees)-----						
Balance as at July 1, 2018	114,725,290	12,155,680	424,500,000	62,526,680	25,610,375	524,792,735	639,518,025
Final cash dividend @ 25% for the year ended June 30, 2018	-	-	-	(28,681,323)	-	(28,681,323)	(28,681,323)
Total comprehensive loss for the year ended June 30, 2019							
- Loss for the year ended June 30, 2019	-	-	-	(238,999,489)	-	(238,999,489)	(238,999,489)
- Other comprehensive loss for the year ended June 30, 2019	-	-	-	23,494,075	(13,529,750)	9,964,325	9,964,325
	-	-	-	(215,505,414)	(13,529,750)	(229,035,164)	(229,035,164)
Balance as at June 30, 2019	114,725,290	12,155,680	424,500,000	(181,660,057)	12,080,625	267,076,248	381,801,538
Total comprehensive loss for the year ended June 30, 2020							
- Loss for the year ended June 30, 2020	-	-	-	(271,688,324)	-	(271,688,324)	(271,688,324)
- Other comprehensive loss for the year ended June 30, 2020	-	-	-	(15,599,914)	(120,750)	(15,720,664)	(15,720,664)
	-	-	-	(287,288,238)	(120,750)	(287,408,988)	(287,408,988)
Balance as at June 30, 2020	114,725,290	12,155,680	424,500,000	(468,948,295)	11,959,875	(20,332,740)	94,392,550

The annexed notes 1 to 42 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, 2020

1. THE COMPANY AND ITS OPERATIONS

Bolan Castings Limited (the Company) is a public limited company incorporated in Pakistan on July 15, 1982 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).

1.1 Impact COVID-19 on the financial statements

The events surrounding the COVID-19 pandemic (the virus) continue to evolve and impact local and global markets. The spread of the virus has resulted in authorities implementing numerous measures to try to contain the virus, such as travel bans and restrictions, quarantines, and shutdowns.

The Company activated its response plan accordingly which included prioritizing the health and safety of its employees while maintaining business continuity and shutting down its plant for a period of 19 days from March 30, 2020 to April 17, 2020 in order to comply with the directives issued by the provincial government. The extent of the impact of the virus on the operational and financial performance of the Company include the following:

- Decline in production and revenue; and
- A long-term loan was obtained under the refinance scheme for the payment of wages and salaries as disclosed in note 19.

The Company has assessed the recoverability of its assets for impairment and concluded that, as at June 30, 2020, no such indication existed that triggered impairment of its assets. Further, the Company believes the availability of subsequent sales orders from the parent company and subsequent realization of income tax refunds will improve its current liquidity to meet its anticipated working capital requirements and obligations as they come due. At the same time, the Company continues to monitor the situation very closely to estimate the overall impacts on the business.

2. SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

2.1.1 Statement of compliance

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

- International Financial Reporting Standard (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

NOTES TO THE FINANCIAL STATEMENTS

2.1.2 Changes in accounting standards, interpretations and pronouncements

- a) Standards, interpretations and amendments to published approved accounting standards that became effective during the year and relevant

IFRS 16 'Leases'

IFRS 16 'Leases' - IFRS 16 replaces previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the Statement of Financial Position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases.

The management has assessed that the new standard does not have any significant impact on its financial statements.

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

The new standard, amendments and interpretations that are mandatory for accounting periods beginning on or after July 1, 2019 are considered not to be relevant to Company's financial statements and hence have not been detailed here.

- c) Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant

There are certain amendments and interpretation that are mandatory for accounting period beginning on or after July 1, 2020 but are considered not to be relevant to the Company's financial statements and hence have not been detailed here.

2.2 Overall valuation policy

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

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.

NOTES TO THE FINANCIAL STATEMENTS

2.4 Intangible assets and amortisation

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

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

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

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

2.5 Income tax

2.5.1 Current

The charge for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates after taking into account tax credits and rebates available, if any.

2.5.2 Deferred

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

Deferred tax is charged or credited in the Statement of Profit or Loss and Statement of Profit or Loss and Other Comprehensive Income. Deferred tax is determined using tax rates and prevailing law for taxation on income that have been enacted or substantively enacted by the Statement of Financial Position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

2.6 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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

2.7 Employee benefits

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 they 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 pension scheme for all of the Company's eligible employees including all non-executive employees and executive employees appointed under the old salary grade scale upto 2006. Contributions are made to the fund by both the employer and employees on the basis of the actuarial valuation. The latest actuarial valuation was carried out as at June 30, 2020, using the 'Projected Unit Credit Method'.
- ii) 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, 2020, using the 'Projected Unit Credit Method'.
- iii) 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, 2020, 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 they occur.

Past service costs are recognised immediately in 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 Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at cost. For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise cash in hand, balances with banks on current, savings and deposit accounts, short-term investments with original maturities of three months or less and short-term financing.

2.9 Trade and other payables

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

2.10 Provisions

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

2.11 Revenue recognition

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

- Sales are recorded upon transfer of title to the customers, which generally coincides with physical delivery.
- Dividend income is recognised when the Company's right to receive dividend is established.
- Return / interest on bank deposits are recognised on accrual basis.

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

2.12 Dividends and appropriation to general reserve

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

2.13 Foreign currency transactions and translation

Foreign currency transactions are converted into 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.

2.14 Financial Instruments - Initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

NOTES TO THE FINANCIAL STATEMENTS

2.14.1 Financial assets

Initial recognition

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL). The measurement basis is determined by reference to both the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

- a) Amortised cost - A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as a FVTPL;
 - it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
 - the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding;
- b) Fair value through other comprehensive income (FVTOCI) - A financial asset is measured at FVTOCI if it meets both the following conditions and is not designated as a FVTPL;
 - the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
 - the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding;
- c) Fair value through profit or loss (FVTPL) - Financial assets, that are not measured at amortised cost or at fair value through other comprehensive income on initial recognition, are classified as fair value through profit or loss (FVTPL).

All financial assets are recognised at the time when the Company becomes party to the contractual provisions of the instrument. Financial assets at amortised cost are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment losses are recognised in the statement of profit or loss. Financial assets carried at FVTOCI are initially and subsequently measured at fair value, with gains and losses arising from changes in fair value recognised in other comprehensive income / (loss). Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the Statement of Profit or Loss. 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. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. On derecognition of a financial asset, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in Statement of Profit or Loss.

Impairment of financial asset

The Company recognises lifetime expected credit losses for trade receivables that do not constitute a financing transaction. Expected credit losses (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). Life time ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. For all other financial assets, expected credit losses are measured at an amount equal to 12 months' ECLs i.e. ECLs that result from default events that are possible within 12 months after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

2.14.2 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortised cost using the effective interest rate method. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of profit or loss.

2.14.3 Offsetting

A financial asset and financial liability is off-set and the net amount is reported in the statement of financial position when there is a legally enforceable right to set-off the transaction and also there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

2.14.4 Transaction costs

When a financial asset or financial liability is not measured at FVTPL, transaction costs that are directly attributable to the acquisition or issue are added to or deducted from the initial fair value. For financial assets, such costs are added to the amount originally recognised. For financial liabilities, such costs are deducted from the amount originally recognised. This applies to all financial instruments not carried at FVTPL, including instruments carried at FVTOCI. For debt instruments, the transaction costs are recognised as part of interest income using the effective interest method.

For financial instruments that are measured at FVTPL, transaction costs are not added to or deducted from the initial fair value, but they are immediately recognised in profit or loss on initial recognition.

Transaction costs expected to be incurred on a financial instrument's transfer or disposal are not included in the financial instrument's measurement.

2.15 Government grants

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

2.16 Lease liability and right-of-use asset

At inception of a contract, the Company assesses whether a contract is, or contains, a lease i.e. it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable payment that are based on an index or a rate amounts expected to be payable by the lessee under residual value guarantees, exercise price of a purchase option, payments of penalties for terminating the lease, less any lease incentives receivable. The purchase, extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future payments arising from a change in fixed payments or an index or rate, Company's estimate of the amount expected to be payable under a residual value guarantee or its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of right-of-use asset is reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any payments made at or before the commencement date and any incentive received, plus any initial direct costs and estimate of costs to dismantle, remove or restore the underlying asset (if any) or to restore the site on which it is located. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company does not recognise right-of-use assets and lease liabilities for short term leases that have a term of 12 months or less, leases of low-value assets and recognises associated payments in the period in the Statement of Profit or Loss in which these are incurred.

2.17 Functional and presentation currency

These financial statements are presented in Pak Rupee which is the functional currency of the Company.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

i. Property, plant and equipment

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

ii. Current and deferred income taxes

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

iii. Defined benefit plans

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

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.

4. PROPERTY, PLANT AND EQUIPMENT	2020 Rupees	2019 Rupees
Operating assets - note 4.1	219,240,502	251,055,366
Capital work-in-progress - note 4.4	<u>9,660,401</u>	<u>8,160,401</u>
	<u>228,900,903</u>	<u>259,215,767</u>

NOTES TO THE FINANCIAL STATEMENTS

4.1 Operating assets

	Freehold land	Building on freehold land	Plant and machinery	Furniture and fittings	Office equipments	Computers	Motor Vehicles	Total
Rupees								
Year ended June 30, 2020								
Opening net book value	2,678,754	18,868,559	194,434,134	481,342	6,589,450	890,392	27,112,735	251,055,366
Additions (at cost)	-	-	165,589	-	-	-	739,000	904,589
Disposals at net book value - note 4.2	-	-	-	-	-	-	(5,464,229)	(5,464,229)
Depreciation charge - note 4.3	-	(1,886,860)	(19,463,193)	(44,808)	(648,485)	(269,787)	(4,942,091)	(27,255,224)
Closing net book value	<u>2,678,754</u>	<u>16,981,699</u>	<u>175,136,530</u>	<u>436,534</u>	<u>5,940,965</u>	<u>620,605</u>	<u>17,445,415</u>	<u>219,240,502</u>
At June 30, 2020								
Cost	2,678,754	87,080,448	612,642,669	1,535,079	13,055,366	5,159,214	33,538,300	755,689,830
Accumulated depreciation	-	(70,098,749)	(437,506,139)	(1,098,545)	(7,114,401)	(4,538,609)	(16,092,885)	(536,449,328)
Net book value	<u>2,678,754</u>	<u>16,981,699</u>	<u>175,136,530</u>	<u>436,534</u>	<u>5,940,965</u>	<u>620,605</u>	<u>17,445,415</u>	<u>219,240,502</u>
Year ended June 30, 2019								
Opening net book value	2,678,754	20,488,074	155,360,019	531,128	6,297,457	1,275,783	35,851,635	222,482,850
Additions / transfers (at cost)	-	455,877	59,352,030	-	954,450	-	2,481,600	63,243,957
Disposals at net book value - note 4.2	-	-	(2,309,681)	-	(8,043)	-	(4,270,563)	(6,588,287)
Depreciation charge - note 4.3	-	(2,075,392)	(17,968,234)	(49,786)	(654,414)	(385,391)	(6,949,937)	(28,083,154)
Closing net book value	<u>2,678,754</u>	<u>18,868,559</u>	<u>194,434,134</u>	<u>481,342</u>	<u>6,589,450</u>	<u>890,392</u>	<u>27,112,735</u>	<u>251,055,366</u>
At June 30, 2019								
Cost	2,678,754	87,080,448	612,477,080	1,535,079	13,055,366	5,159,214	44,938,100	766,924,041
Accumulated depreciation	-	(68,211,889)	(418,042,946)	(1,053,737)	(6,465,916)	(4,268,822)	(17,825,365)	(515,868,675)
Net book value	<u>2,678,754</u>	<u>18,868,559</u>	<u>194,434,134</u>	<u>481,342</u>	<u>6,589,450</u>	<u>890,392</u>	<u>27,112,735</u>	<u>251,055,366</u>
Depreciation rate per annum %	-	10	10	10	10	30	20	

4.2 The details of operating assets sold are as follows:

Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal	Particulars of Purchaser
Rupees						
Motor vehicle	1,270,000	304,800	965,200	965,200	Company Policy	Mr. Tariq Mahmood - Ex employee
Motor vehicle	1,250,000	450,000	800,000	800,000	Company Policy	Mr. Mumhammad Niaz - Ex employee
Motor vehicle	1,537,000	840,227	696,773	696,773	Company Policy	Mr. Muhammad Muneer - Ex employee
Motor vehicle	1,537,000	756,614	780,386	780,386	Company Policy	Mr. Khawaja Qasim - Ex employee
Motor vehicle	1,250,000	542,223	707,777	1,265,000	Insurance claim	Adamjee Insurance Company Limited - Eden Center, Branch 31, C-1, Ghalib Road, Gulberg 3, Lahore
	<u>6,844,000</u>	<u>2,893,864</u>	<u>3,950,136</u>	<u>4,507,359</u>		
Aggregate of assets having book value of less than Rs. 500,000 each						
Motor vehicles	5,294,800	3,780,707	1,514,093	3,450,582		
2020	<u>12,138,800</u>	<u>6,674,571</u>	<u>5,464,229</u>	<u>7,957,941</u>		
2019	<u>18,856,089</u>	<u>12,267,802</u>	<u>6,588,287</u>	<u>6,588,287</u>		

NOTES TO THE FINANCIAL STATEMENTS

	2020 Rupees	2019 Rupees
4.3 Depreciation for the year has been allocated as follows:		
Cost of sales - note 25	25,696,813	26,060,173
Distribution cost - note 26	389,603	505,745
Administrative expenses - note 27	1,168,808	1,517,236
	<u>27,255,224</u>	<u>28,083,154</u>
4.4 Capital work-in-progress		
Opening balance	8,160,401	10,198,593
Additions during the year	1,500,000	42,490,045
Transfers during the year	-	(44,528,237)
Closing balance	<u>9,660,401</u>	<u>8,160,401</u>
4.4.1 As at June 30, capital work-in-progress represents:		
- Motor vehicles - note 4.4.1.1	1,500,000	-
- Software under development	8,160,401	8,160,401
	<u>9,660,401</u>	<u>8,160,401</u>

4.4.1.1 This represents advance given during the year against purchase of motor vehicles.

4.5 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

	2020 Rupees	2019 Rupees
5. LONG-TERM INVESTMENT		
Fair Value Through Other Comprehensive Income (FVTOCI)		
Balance at beginning of the year	17,580,625	31,110,375
Unrealised loss on revaluation - transferred to equity	(120,750)	(13,529,750)
Balance at end of the year	<u>17,459,875</u>	<u>17,580,625</u>

5.1 This represents equity investment in Baluchistan Wheels Limited representing 287,500 (2019: 287,500) quoted ordinary shares of Rs. 10/- each which comprise 2.16% (2019: 2.16%) of the total ordinary shares.

5.2 There are no investments in associated companies or undertakings.

NOTES TO THE FINANCIAL STATEMENTS

	2020 Rupees	2019 Rupees
6. LONG-TERM LOANS		
Considered good and secured		
- Employees - notes 6.1 & 6.2	1,514,000	1,502,000
- Current portion of loans to employees	<u>(685,000)</u>	<u>(666,000)</u>
	<u>829,000</u>	<u>836,000</u>
6.1 Reconciliation of carrying amount of loans to employees:		
Balance at beginning of the year	1,502,000	1,539,745
Disbursements	1,000,000	1,000,000
Repayments	<u>(988,000)</u>	<u>(1,037,745)</u>
Balance at end of the year	<u>1,514,000</u>	<u>1,502,000</u>
6.2 These represent interest free loans given to employees for the purchase of motorcycles in accordance with the Company's policy. These are secured against retirement benefits and are recoverable in monthly installments over a period of fifty months.		

	2020 Rupees	2019 Rupees
7. DEFERRED TAX ASSET		
Credit balance arising in respect of:		
- accelerated tax depreciation allowance	(30,117,953)	(32,070,368)
Debit balance arising in respect of:		
- provision for compensated absences	3,247,663	3,215,032
- provision for employee benefits	24,350,173	17,010,098
- tax loss	98,044,762	92,425,865
	<u>125,642,598</u>	<u>112,650,995</u>
	<u>95,524,645</u>	<u>80,580,627</u>

7.1 Analysis of change in deferred tax

	Accelerated tax depreciation	Provision for compensated absences	Tax Loss	Employee Benefits		Total
				Unapproved (non-executive) gratuity fund	Effect of actuarial gain or loss	
----- Rupees -----						
Balance as at July 01, 2018	(24,848,251)	2,293,740	-	6,984,179	15,165,314	(405,018)
(Charge) / credit to profit or loss for the year	(7,222,117)	921,292	92,425,865	1,039,241	-	87,164,281
(Charge) / credit to other comprehensive income for the year	-	-	-	-	(6,178,636)	(6,178,636)
Balance as at June 30, 2019	<u>(32,070,368)</u>	<u>3,215,032</u>	<u>92,425,865</u>	<u>8,023,420</u>	<u>8,986,678</u>	<u>80,580,627</u>
Credit to profit or loss for the year	1,952,415	32,631	5,618,897	968,279	-	8,572,222
Credit to other comprehensive income for the year	-	-	-	-	6,371,796	6,371,796
Balance as at June 30, 2020	<u>(30,117,953)</u>	<u>3,247,663</u>	<u>98,044,762</u>	<u>8,991,699</u>	<u>15,358,474</u>	<u>95,524,645</u>

NOTES TO THE FINANCIAL STATEMENTS

7.2 Deferred tax asset has been recognised using the expected applicable rate of 29%.

7.3 The deferred tax assets include an amount of Rs. 98.04 million which relates to carried-forward tax losses of the Company relating to the losses incurred over the last two financial years. The Company has concluded that the deferred assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets of the Company. The losses include deferred tax asset amounting to Rs. 16.89 million which can be carried forward indefinitely and have no expiry date. Deferred tax asset not recognised on tax losses and minimum tax amounts to Rs. 105.79 million.

8. LONG-TERM DEPOSITS

These include Rs. 3.57 million (2019: Rs. 3.02 million) deposits made to utility companies. These do not carry any mark-up.

9. EMPLOYEE BENEFITS

9.1 As stated in note 2.7, the Company operates three defined benefit plans (The Plans) namely approved funded defined benefit pension scheme for all eligible employees, 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, 2020.

9.2 Plan assets held in trusts are governed by local regulations which mainly include Trust Act, 1882, Companies Act, 2017, Income Tax Rules, 2002 and Rules under the Trust deeds of the Plans. Responsibility for governance of the Plans, including investment decisions and contribution schedules, rests with the Board of Trustees. The Company appoints the trustees and all trustees are employees of the Company.

9.3 The latest actuarial valuations of the plans as at June 30, 2020 were carried out using the Projected Unit Credit Method. Details of the plans as per the actuarial valuation are as follows:

	2020			2019		
	Funded		Un-Funded	Funded		Un-Funded
	Pension	Executives' Gratuity	Non-Executives' Gratuity	Pension	Executives' Gratuity	Non-Executives' Gratuity
	----- Rupees -----					

9.4 Statement of financial position reconciliation

Present value of defined benefit obligation at June 30 - note 9.5	(187,626,665)	(25,977,765)	(29,839,850)	(131,839,352)	(45,690,145)	(32,194,949)
Fair value of plan assets at June 30 - note 9.6	127,507,704	51,279,469	-	114,416,258	57,523,076	-
(Deficit) / surplus	<u>(60,118,961)</u>	<u>25,301,704</u>	<u>(29,839,850)</u>	<u>(17,423,094)</u>	<u>11,832,931</u>	<u>(32,194,949)</u>

NOTES TO THE FINANCIAL STATEMENTS

	2020			2019		
	Funded		Un-Funded	Funded		Un-Funded
	Pension	Executives' Gratuity	Non-Executives' Gratuity	Pension	Executives' Gratuity	Non-Executives' Gratuity
	----- Rupees -----					
9.5 Movement in the Present value of defined benefit obligation						
Balances as at July 1	131,839,352	45,690,145	32,194,949	165,839,978	48,174,899	26,228,631
Benefits paid	(11,936,834)	(18,962,880)	(2,641,096)	(9,543,517)	(12,174,135)	(7,244,261)
Current service costs	1,753,175	1,773,043	1,580,387	2,352,113	1,764,516	1,360,515
Past service cost	-	-	-	-	-	5,287,495
Interest cost	17,936,608	5,142,027	4,399,602	14,496,140	3,776,718	2,034,585
Remeasurement	47,137,428	(7,664,570)	(5,693,992)	(42,401,086)	4,148,147	4,527,984
Employee Contributions	896,936	-	-	1,095,724	-	-
Balance as at June 30	<u>187,626,665</u>	<u>25,977,765</u>	<u>29,839,850</u>	<u>131,839,352</u>	<u>45,690,145</u>	<u>32,194,949</u>
9.6 Movement in the Fair value of plan assets						
Balance as at July 1	114,416,258	57,523,076	-	114,261,275	63,883,197	-
Contributions paid into the plan	1,993,191	508,376	-	2,435,101	784,055	-
Benefits paid by the plan	(11,936,834)	(18,962,880)	-	(9,543,517)	(12,174,135)	-
Interest income	15,659,739	6,882,155	-	10,012,944	5,236,934	-
Remeasurement	6,478,414	5,328,742	-	(3,845,269)	(206,975)	-
Employee Contributions	896,936	-	-	1,095,724	-	-
Balance as at June 30	<u>127,507,704</u>	<u>51,279,469</u>	<u>-</u>	<u>114,416,258</u>	<u>57,523,076</u>	<u>-</u>
9.7 Expense recognised in Profit or Loss						
Current service costs	1,753,175	1,773,043	1,580,387	2,352,113	1,764,516	1,360,515
Past service costs	-	-	-	-	-	5,287,495
Net interest cost / (income)	2,276,869	(1,740,128)	4,399,602	4,483,196	(1,460,216)	2,034,585
Expense recognised in Profit or Loss	<u>4,030,044</u>	<u>32,915</u>	<u>5,979,989</u>	<u>6,835,309</u>	<u>304,300</u>	<u>8,682,595</u>
9.8 Remeasurement recognised in Other Comprehensive Income						
Experience losses / (gains)	47,137,428	(7,664,570)	(5,693,992)	(42,401,086)	4,148,147	4,527,984
Remeasurement of fair value of plan assets	(6,478,414)	(5,328,742)	-	3,845,269	206,975	-
Remeasurements	<u>40,659,014</u>	<u>(12,993,312)</u>	<u>(5,693,992)</u>	<u>(38,555,817)</u>	<u>4,355,122</u>	<u>4,527,984</u>

NOTES TO THE FINANCIAL STATEMENTS

	2020			2019		
	Funded		Un-Funded	Funded		Un-Funded
	Pension	Executives' Gratuity	Non-Executives' Gratuity	Pension	Executives' Gratuity	Non-Executives' Gratuity
----- Rupees -----						
9.9 Net recognised liability / (asset)						
Net recognised liability / (asset) as at July 1	17,423,094	(11,832,931)	32,194,949	51,578,703	(15,708,298)	26,228,631
Expense recognised in Profit or Loss	4,030,044	32,915	5,979,989	6,835,309	304,300	8,682,595
Contribution made / benefits paid during the year to the Fund	(1,993,191)	(508,376)	(2,641,096)	(2,435,101)	(784,055)	(7,244,261)
Remeasurements recognised in Other Comprehensive Income	40,659,014	(12,993,312)	(5,693,992)	(38,555,817)	4,355,122	4,527,984
Recognised liability / (asset) as at June 30	<u>60,118,961</u>	<u>(25,301,704)</u>	<u>29,839,850</u>	<u>17,423,094</u>	<u>(11,832,931)</u>	<u>32,194,949</u>

9.10 Plan assets comprises of following:

Debt instruments	118,010,990	50,037,649	-	108,135,087	56,383,285	-
Equity and mutual funds	2,776,680	-	-	1,726,169	-	-
Cash at Bank	6,720,034	1,241,820	-	4,555,002	1,139,791	-
Total as at June 30	<u>127,507,704</u>	<u>51,279,469</u>	<u>-</u>	<u>114,416,258</u>	<u>57,523,076</u>	<u>-</u>

9.11 Actuarial assumptions

Discount rate at June 30	8.50%	8.50%	8.50%	14.25%	14.25%	14.25%
Future salary increases	8.50%	8.50%	8.50%	14.25%	14.25%	14.25%
Future pension increases	0.00%	-	-	0.00%	-	-

9.12 Mortality was assumed to be SLIC (2001-2005) table.

9.13 In case of the funded plans, the Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the Retirement benefit plan. Within this framework, the Company's ALM objective is to match assets to the retirement benefit obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due. The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement benefit plan obligations. The Company has not changed the processes used to manage its risks from previous periods. The Company does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets in 2020 and 2019 consists of government bonds. The Company believes that government bonds offer the best returns over the long term with an acceptable level of risk.

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

NOTES TO THE FINANCIAL STATEMENTS

The Company's contribution to the pension fund and executives' gratuity fund for the year ending June 30, 2021 is expected to be Rs. 6.68 million and Nil, respectively.

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

9.15 Sensitivity analysis for actuarial assumptions

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

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption Rupees	Decrease in assumption Rupees
Discount rate at June 30	1.00%	(17,912,228)	20,968,116
Future salary increases	1.00%	6,150,358	(5,599,237)

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

9.16 Historical information for the five years is as follows:

	2020	2019	2018	2017	2016
	----- Rupees -----				
Pension fund					
Fair value of plan assets	127,507,704	114,416,258	114,261,275	114,368,468	112,475,832
Present value of the defined benefit obligation	(187,626,665)	(131,839,352)	(165,839,978)	(167,462,285)	(159,537,041)
Deficit	<u>(60,118,961)</u>	<u>(17,423,094)</u>	<u>(51,578,703)</u>	<u>(53,093,817)</u>	<u>(47,061,209)</u>
Experience adjustments on plan obligations - (gain) / loss	<u>47,137,428</u>	<u>(42,401,086)</u>	<u>(10,756,516)</u>	<u>(1,797,764)</u>	<u>31,405,711</u>
Experience adjustments on plan assets gain / (loss)	<u>6,478,414</u>	<u>(3,845,269)</u>	<u>(4,718,178)</u>	<u>(4,198,158)</u>	<u>(1,797,404)</u>
Executives' gratuity fund					
Fair value of plan assets	51,279,469	57,523,076	63,883,197	73,274,256	43,834,331
Present value of the defined benefit obligation	(25,977,765)	(45,690,145)	(48,174,899)	(56,002,038)	(53,571,304)
Surplus / (Deficit)	<u>25,301,704</u>	<u>11,832,931</u>	<u>15,708,298</u>	<u>17,272,218</u>	<u>(9,736,973)</u>
Experience adjustments on plan obligations - (gain) / loss	<u>(7,664,570)</u>	<u>4,148,147</u>	<u>1,776,270</u>	<u>(489,624)</u>	<u>1,498,850</u>
Experience adjustments on plan assets - gain / (loss)	<u>5,328,742</u>	<u>(206,975)</u>	<u>(331,367)</u>	<u>28,169,070</u>	<u>(13,955,828)</u>
Non-Executives' gratuity fund					
Present value of the defined benefit obligation	<u>(29,839,850)</u>	<u>(32,194,949)</u>	<u>(26,228,631)</u>	<u>(28,117,696)</u>	<u>(23,155,700)</u>
Experience adjustments on plan obligations - (gain) / loss	<u>(5,693,992)</u>	<u>4,527,984</u>	<u>(1,708,083)</u>	<u>3,719,840</u>	<u>(889,487)</u>

9.17 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.

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

	No. of years
Pension fund	7.99
Executives' gratuity fund	7.99
Non-executives' gratuity	7.99

9.19 Figures in this note are based on the latest actuarial valuation carried out as at June 30, 2020.

NOTES TO THE FINANCIAL STATEMENTS

	2020 Rupees	2019 Rupees
10. STORES, SPARE PARTS AND LOOSE TOOLS		
Stores (including in transit Rs. 18.2 million; 2019: Rs. 0.01 million)	36,787,605	31,177,820
Spare parts (including in transit Rs. 0.23 million; 2019: Rs. 0.51 million)	71,380,507	76,869,646
Loose tools (including in transit Nil; 2019: Rs. 3.19 million)	2,362,151	4,844,094
Hard coke, diesel and kerosene oil	<u>13,313,343</u>	<u>13,382,953</u>
	<u>123,843,606</u>	<u>126,274,513</u>
11. INVENTORIES		
Raw materials (including in transit Rs. 45.41 million; 2019: Rs. 23.96 million)	90,809,516	153,843,917
Work in process	14,963,447	25,786,443
Finished goods - note 11.2	<u>66,384,958</u>	<u>127,604,613</u>
	<u>172,157,921</u>	<u>307,234,973</u>

11.1 Inventories include Rs. 48.25 million (2019: Rs. 88.16 million) held with third parties.

11.2 Finished goods include inventories which have been written-down to net realisable value by Rs. 7.48 million (2019: Rs. 15.16 million).

	2020 Rupees	2019 Rupees
12. TRADE RECEIVABLES		
Considered good		
Due from:		
- related parties - notes 12.1 & 12.2	17,955,554	113,386,566
- others - note 12.3	<u>10,272,547</u>	<u>17,304,583</u>
	<u>28,228,101</u>	<u>130,691,149</u>
12.1 These represent amounts due from following related parties:		
- Millat Tractors Limited	11,702,349	111,883,479
- Millat Equipments Limited	<u>6,253,205</u>	<u>1,503,087</u>
	<u>17,955,554</u>	<u>113,386,566</u>

NOTES TO THE FINANCIAL STATEMENTS

	2020 Rupees	2019 Rupees
As at June 30, 2020, the age analysis of these trade receivables is as follows:		
Not yet due	16,170,541	111,520,499
Past due		
- Up to 3 months	1,785,013	961,003
- 3 to 6 months	-	905,064
	1,785,013	1,866,067
	<u>17,955,554</u>	<u>113,386,566</u>
12.2 The maximum aggregate amount due from the related parties at the end of any month during the year was Rs. 239.24 million (2019: Rs. 297.96 million).		
12.3 As at June 30, 2020, the age analysis of these trade receivables is as follows:		
Not yet due	7,840,236	5,547,309
Past due		
- Up to 3 months	1,886,913	10,393,837
- 3 to 6 months	126,000	1,363,437
- 6 to 9 months	327,904	-
- more than 12 months	91,494	-
	2,432,311	11,757,274
	<u>10,272,547</u>	<u>17,304,583</u>
13. LOANS AND ADVANCES		
Considered good		
Current portion of loans to employees - note 6	685,000	666,000
Advances to:		
- employees - notes 13.1 & 13.2	1,762,955	862,887
- suppliers	5,878,914	9,772,456
	7,641,869	10,635,343
	<u>8,326,869</u>	<u>11,301,343</u>
13.1 The advances to employees are given to meet business expenses and are settled as and when the expenses are incurred. Further, the Company also provides advance for personal medical expenses to its employees.		
13.2 These advances do not carry any mark up.		
	2020 Rupees	2019 Rupees
14. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS		
Security deposits	263,500	263,500
Prepayments	458,721	46,537
	<u>722,221</u>	<u>310,037</u>
14.1 These trade deposits and prepayments are mainly against subscription fee and security deposits. They do not carry any mark-up.		

NOTES TO THE FINANCIAL STATEMENTS

15.	CASH AND BANK BALANCES	2020 Rupees	2019 Rupees
	With banks on:		
	- current accounts - note 15.1	715,572	4,117,160
	- savings accounts - note 15.2	1,781,702	4,673,063
	- term deposit receipts - notes 15.2 and 15.3	<u>3,856,200</u>	<u>3,856,200</u>
		6,353,474	12,646,423
	Cash in hand	<u>54,696</u>	<u>175,563</u>
		<u>6,408,170</u>	<u>12,821,986</u>

15.1 These include current account having balance of Rs. 0.97 million (2019: Rs. 0.96 million) maintained with Islamic Banks.

15.2 These accounts are maintained under mark up arrangement and carry mark up at the rate of 6.5% to 7.3% (2019: 4.5% to 10.25%) per annum.

15.3 These are under lien with a bank for issuance of bank guarantee in favour of Sui Southern Gas Company Limited.

16. SHARE CAPITAL

Authorised share capital

2020 -----Number of shares-----	2019		2020 Rupees	2019 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

2020 -----Number of shares-----	2019		2020 Rupees	2019 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	47,316,540	47,316,540
<u>11,472,529</u>	<u>11,472,529</u>		<u>114,725,290</u>	<u>114,725,290</u>

16.1 As at June 30, 2020, 5.67 million (2019: 5.67 million) ordinary shares of Rs. 10 each were held by Millat Tractors Limited (holding Company) along with directors, representing 49.33% (2019: 49.33%) of total issued, subscribed and paid up capital.

17.	RESERVES	2020 Rupees	2019 Rupees
	Capital reserves		
	Share premium	12,155,680	12,155,680
	Revenue reserves		
	General	424,500,000	424,500,000
	Accumulated loss	(468,948,295)	(181,660,057)
		(44,448,295)	242,839,943
	Gain on revaluation of Investment at FVTOCI - note 17.1	<u>11,959,875</u>	<u>12,080,625</u>
		<u>(20,332,740)</u>	<u>267,076,248</u>

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

NOTES TO THE FINANCIAL STATEMENTS

	2020 Rupees	2019 Rupees
18. LONG-TERM DEPOSITS		
Deposits from employees	6,038,264	6,027,687
Less: Current portion	(806,454)	(411,485)
	<u>5,231,810</u>	<u>5,616,202</u>

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

	2020 Rupees	2019 Rupees
19. LONG-TERM LOAN		
Opening	-	-
Proceeds during the year	26,244,547	-
Deferred grant - note 19.2	(2,693,712)	-
Less: Current portion shown under current liabilities	(5,661,925)	-
	<u>17,888,910</u>	<u>-</u>

19.1 This represents loan obtained under the State Bank of Pakistan's Refinance Scheme 'Payment of Wages and Salaries to the Workers and Employees of Business Concerns'. It carries mark-up at the rate of 1% per annum and is repayable in 8 equal quarterly installments, starting from January 2021. The loan is secured by way of hypothecation of plant and machinery and current assets of the Company.

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

	2020 Rupees	2019 Rupees
20. TRADE AND OTHER PAYABLES		
Creditors - note 20.1	154,973,453	80,380,979
Advances from customers	6,751,782	908,996
Compensated absences - note 20.2	11,198,838	11,086,319
Workers' Profit Participation Fund - note 20.3	3,374	3,374
Security deposits - note 20.4	1,630,037	2,762,952
Accrued liabilities - note 20.5	22,637,927	10,820,757
Accrued mark-up	14,607,723	18,557,456
Income tax deducted at source	225,063	202,324
Others	7,119,740	8,726,122
	<u>219,147,937</u>	<u>133,449,279</u>

20.1 These include Rs. 0.02 million (2019: Nil) due to Parent Company and Rs. 0.02 million (2019: Nil) due to Millat Equipment Limited (related party).

NOTES TO THE FINANCIAL STATEMENTS

	2020 Rupees	2019 Rupees
20.2 Compensated absences		
Balance at beginning of the year	11,086,319	9,174,960
Charge for the year	3,056,211	3,531,113
Payments made during the year	(2,943,692)	(1,619,754)
Balance at end of the year	<u>11,198,838</u>	<u>11,086,319</u>
20.3 Workers' Profit Participation Fund		
Balance at beginning of the year	3,374	9,899,694
Interest charged during the year	-	482,784
Amount paid to the Trustees of the fund	-	(10,379,104)
Balance at end of the year	<u>3,374</u>	<u>3,374</u>
20.4 These represent deposits obtained from customers which are kept in a separate bank account in compliance with section 217 of the Companies Act, 2017.		
20.5 These include Rs. 4.59 million (2019: Rs. 5.03 million) due to Parent Company in respect of remuneration of Chief Executive paid by Parent Company and cross charged to the Company.		
	2020 Rupees	2019 Rupees
21. UNCLAIMED DIVIDEND		
Balance at beginning of the year	3,524,426	3,098,928
Dividend declared during the year	-	28,681,323
Claims received and settled	(37,260)	(28,255,825)
Balance at end of the year	<u>3,487,166</u>	<u>3,524,426</u>
21.1 The Company is in the process of depositing the amount to a separate profit bearing account maintained with a scheduled bank as required by the amendment made in the Companies Act, 2017 through Companies (Amendment) Ordinance, 2020.		
	2020 Rupees	2019 Rupees
22. SHORT-TERM FINANCING		
Secured		
Short-term running finance facilities		
Under mark-up arrangement - note 22.1	418,845,173	364,751,743
Under Musharaka facility	-	71,758,044
Under Istisna cum Wakala arrangement - note 22.2	75,000,000	150,000,000
Under Musawamah facility	-	21,335,658
	<u>493,845,173</u>	<u>607,845,445</u>

NOTES TO THE FINANCIAL STATEMENTS

- 22.1 These represent running finance facilities obtained from Bank Alfalah Limited amounting to Rs. 200 million (2019: Rs. 200 million), Habib Bank Limited amounting to Rs. 100 million (2019: Rs. 100 million) and Faysal Bank Limited amounting to Rs. 100 million (2019: Rs. 100 million). The mark-up rates on these facilities range between 1 month KIBOR plus 1% to 1.60% (2019: 1 month KIBOR plus 0.5% to 1.25%) per annum. The arrangements are secured by way of hypothecation of plant and machinery and current assets of the Company.
- 22.2 The Company has also obtained finance under Istisna cum Wakala arrangement from Dubai Islamic Bank Pakistan Limited amounting to Rs. 75 million (2019: Rs. 150 million). The profit rate on this facility is 6 months KIBOR plus 2% (2019: 6 months KIBOR plus 0.65%) per annum. It is secured by way of hypothecation charge over fixed assets and current assets of the Company. Amount utilised as at June 30, 2020 is Rs. 75 million (2019: Rs. 150 million).
- 22.3 The facilities for opening letters of credit and guarantees as at June 30, 2020 amounted to Rs. 900 million and Rs. 3.86 million (2019: 1,000 million and Rs. 3.86 million) respectively out of which the amount remaining unutilised at year end was Rs. 820.90 million and Rs. 1,000 (2019: Rs. 906.15 million and Rs. 500) respectively.

23. CONTINGENCIES AND COMMITMENTS

23.1 CONTINGENCIES

- 23.1.1 In 2014, the Company received a reassessment order, from the Income Tax Department, in respect of return filed for the tax year 2008. The Department had revised the return filed by the Company and reduced the income tax refund claimed by the Company by Rs. 6.02 million. The said order was challenged before the Commissioner (Appeals) who declared the order in original as time barred and annulled it. Subsequently, the Income Tax Department filed appeal against the order before the Appellate Tribunal Inland Revenue which has not been heard yet. The management of the Company, based on the views of its tax consultant, is confident that the final decision will be given in favour of the Company and therefore, no provision has been made in these financial statements for this amount.
- 23.1.2 In a suit filed against the Company before the Senior Civil Judge at Hub Balochistan, Altaf Hussain Agha (the Plaintiff) claims that in the year 2004 the Company allegedly encroached upon the land measuring 5 acres - 2 roads - 34 poles belonging to him that he purchased in year 2003. The Plaintiff has also sought mesne profits from the Company for such alleged encroachment. The Company claims ownership to the said piece of land and disputes the alleged encroachment claim whatsoever. The written statement of the Company was filed, the issues were framed and the Plaintiff had produced his witnesses. However suit was decreed against the Company by the Senior Civil Judge. The original order was challenged by the Company before Balochistan High Court, which suspended the said order. In November, 2019, Government of Balochistan enhanced the limit of session courts from claims of Rs. 50 million to Rs. 100 million. Hence, the case of the Company was transferred to Session Court, Hub on November 21, 2019 where it is pending hearing. The exposure on account of profits claimed under the suit amounts to Rs. 48 million (2019: Rs. 45 million). The management of the Company based on the views of its legal advisor is confident that decision will be given in favour of the Company and therefore, no provision has been made in these financial statements.

23.2 COMMITMENTS

- 23.2.1 The aggregate commitments in respect of capital expenditure as at June 30, 2020 amount to Rs. 0.65 million (June 30, 2019: Rs. 5.06 million).

NOTES TO THE FINANCIAL STATEMENTS

	2020 Rupees	2019 Rupees
24. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Gross revenue	1,662,233,347	1,862,430,137
Less:		
- Sales returns	(87,506,868)	(78,153,342)
- Sales tax	(242,158,359)	(270,640,613)
	(329,665,227)	(348,793,955)
	<u>1,332,568,120</u>	<u>1,513,636,182</u>
24.1 Sales to Parent Company amounting to Rs. 1,255.93 million (2019: Rs. 1,424.30 million) account for 94.25% (2019: 94.1%) of the net sales.		
25. COST OF SALES	2020 Rupees	2019 Rupees
Raw materials consumed		
Opening stock	153,843,917	149,402,873
Purchases	647,217,312	772,051,899
Closing stock - note 11	(90,809,516)	(153,843,917)
	<u>710,251,713</u>	<u>767,610,855</u>
Manufacturing expenses		
Salaries, wages and benefits - notes 25.1 & 25.2	97,997,462	159,081,616
Stores, spare parts and loose tools consumed	99,821,154	135,425,003
Fuel and power	117,458,989	113,337,810
Hard coke, diesel and kerosene oil consumed	126,281,800	137,801,619
Machining expenses	14,650,162	22,631,565
Outsourced job contractors	112,414,510	161,463,026
Travelling and conveyance	30,749,035	33,825,272
Depreciation	25,696,813	26,060,173
Repairs and maintenance	3,008,430	4,618,203
Insurance	5,536,435	6,008,022
Vehicle running expenses	1,577,227	1,798,278
Training	847,564	2,427,579
Entertainment	532,461	693,876
Others	1,834,079	2,196,687
	<u>638,406,121</u>	<u>807,368,729</u>
Opening work in process	25,786,443	108,002,038
Closing work in process - note 11	(14,963,447)	(25,786,443)
Cost of goods manufactured	1,359,480,830	1,657,195,179
Opening stock of finished goods	127,604,613	133,822,569
Closing stock of finished goods - note 11	(66,384,958)	(127,604,613)
	<u>1,420,700,485</u>	<u>1,663,413,135</u>
25.1 These include Rs. 9.24 million (2019: Rs. 14.09 million) and Rs. 3.11 million (2019: Rs. 3.44 million) in respect of defined benefit and defined contribution plans respectively.		
25.2 These include Rs. 14.81 million (2019: Rs. 14.64 million) in respect of staff welfare expenses.		

NOTES TO THE FINANCIAL STATEMENTS

26. DISTRIBUTION COST	2020 Rupees	2019 Rupees
Salaries, wages and benefits - notes 26.1 & 26.2	3,012,689	6,483,773
Freight charges	34,474,475	40,895,542
Depreciation	389,603	505,745
Sales promotion	-	931,000
Insurance	265,001	527,634
Others	34,524	10,426
	<u>38,176,292</u>	<u>49,354,120</u>

26.1 These include Rs. 0.13 million (2019: Rs. 0.28 million) and Rs. 0.12 million (2019: Rs. 0.17 million) in respect of defined benefit and defined contribution plans respectively.

26.2 These include Rs. 0.14 million (2019: Rs. 0.22 million) in respect of staff welfare expenses.

27. ADMINISTRATIVE EXPENSES	2020 Rupees	2019 Rupees
Salaries, wages and benefits - notes 27.1 & 27.2	46,474,680	58,166,108
Legal and professional charges	4,576,596	3,157,130
Outsourced job contractors	2,482,468	2,414,348
Travelling and conveyance	504,056	1,438,898
Utilities	1,621,076	1,545,839
Repairs and maintenance	134,908	106,355
Depreciation	1,168,808	1,517,236
Vehicle running expenses	2,444,705	2,286,165
Insurance	639,469	803,538
Subscription	871,743	813,135
Auditors' remuneration - note 27.3	1,280,280	1,061,740
Entertainment	894,663	840,043
Training	212,422	257,170
Others	2,040,907	2,032,264
	<u>65,346,781</u>	<u>76,439,969</u>

27.1 These include Rs. 0.68 million (2019: Rs. 1.45 million) and Rs. 0.82 million (2019: Rs. 0.87 million) in respect of defined benefit and defined contribution plans respectively.

27.2 These include Rs. 1.7 million (2019: Rs. 1.64 million) in respect of staff welfare expenses.

27.3 Auditors' remuneration	2020 Rupees	2019 Rupees
Audit fee	702,500	669,000
Fee for review of half yearly financial information and other certifications	326,500	297,000
Out of pocket expenses	251,280	95,740
	<u>1,280,280</u>	<u>1,061,740</u>

NOTES TO THE FINANCIAL STATEMENTS

	2020 Rupees	2019 Rupees
28. OTHER INCOME		
Income from financial assets		
Return on savings and deposit accounts	882,071	711,793
Dividend income	<u>575,000</u>	<u>862,500</u>
	<u>1,457,071</u>	<u>1,574,293</u>
Income from non-financial assets		
Scrap sales	5,593,686	11,708,949
Liabilities no longer required written back	-	669,582
Gain on disposal of property, plant and equipment	2,493,711	1,954,290
Miscellaneous income	<u>823,584</u>	<u>802,000</u>
	<u>8,910,981</u>	<u>15,134,821</u>
	<u><u>10,368,052</u></u>	<u><u>16,709,114</u></u>
29. FINANCE COST		
Mark-up on short-term financing - note 29.1	73,069,278	48,750,948
Exchange loss	579,474	1,658,884
Interest on workers' profits participation fund	-	482,784
Bank charges	4,681,339	365,578
	<u>78,330,091</u>	<u>51,258,194</u>

29.1 This includes Rs. 21.36 million (2019: Rs. 9.43 million) mark-up paid on Islamic mode of financing.

	2020 Rupees	2019 Rupees
30. INCOME TAX EXPENSE		
Current		
- for the year	20,074,772	16,082,226
- for prior years	<u>568,297</u>	<u>(38,578)</u>
	<u>20,643,069</u>	<u>16,043,648</u>
Deferred	<u>(8,572,222)</u>	<u>(87,164,281)</u>
	<u><u>12,070,847</u></u>	<u><u>(71,120,633)</u></u>

30.1 The Company has computed current tax for the year under sections 113 and 150 of the Income Tax Ordinance, 2001 i.e. Minimum Tax and Final Tax Regime respectively.

30.2 Reconciliation between tax expense and accounting profit.

NOTES TO THE FINANCIAL STATEMENTS

	2020 Rupees	2019 Rupees
Accounting loss before tax	(259,617,477)	(310,120,122)
Tax at applicable tax rate of 29% (2019: 29%)	(75,289,068)	(89,934,835)
Effect of unutilised tax losses	66,883,544	-
Effect of final tax regime	(80,448)	(120,750)
Effect of change in tax rate	-	3,020,680
Effect of prior years tax	568,297	(38,578)
Effect of tax credit	-	(2,967,602)
Effect of minimum tax	19,988,522	18,920,452
Income tax expense for the year	<u>12,070,847</u>	<u>(71,120,633)</u>
31. LOSS PER SHARE		
Loss for the year attributable to ordinary shareholders	<u>(271,688,324)</u>	<u>(238,999,489)</u>
Weighted average number of shares in issue during the year	<u>11,472,529</u>	<u>11,472,529</u>
Loss per share - Basic and diluted	<u>(23.68)</u>	<u>(20.83)</u>
31.1		
Diluted loss per share has not been presented as the Company did not have any convertible instruments in issue as at June 30, 2020 and 2019 which would have any effect on the loss per share if the option to convert is exercised.		
	2020 Rupees	2019 Rupees
32. CASH GENERATED FROM / (USED IN) OPERATIONS		
Loss before tax	(259,617,477)	(310,120,122)
Adjustments for non-cash charges and other items		
Depreciation	27,255,224	28,083,154
Non-cash employee benefits expense	10,042,948	15,822,204
Gain on disposal of property, plant and equipment	(2,493,711)	(1,954,290)
Mark up on short-term financing	73,069,278	49,233,732
Return on savings and deposit accounts	(882,071)	(711,793)
Dividend income	(575,000)	(862,500)
	<u>106,416,668</u>	<u>89,610,507</u>
	<u>(153,200,809)</u>	<u>(220,509,615)</u>
EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES		
Decrease in current assets		
Stores, spare parts and loose tools	2,430,907	(6,682,987)
Inventories	135,077,052	83,992,507
Trade receivables	102,463,048	(61,362,824)
Loans and advances	2,974,474	(7,480,767)
Trade deposits and short-term prepayments	(412,184)	(16,163)
Other receivables	1,168,479	(1,245,247)
Refunds due from the Government - sales tax	15,695,315	(1,154,381)
	<u>259,397,091</u>	<u>6,050,138</u>
Increase in current liabilities		
Trade and other payables	<u>89,648,391</u>	<u>18,312,502</u>
	<u>195,844,673</u>	<u>(196,146,975)</u>

NOTES TO THE FINANCIAL STATEMENTS

	2020 Rupees	2019 Rupees
33. CASH AND CASH EQUIVALENTS		
Cash and bank balances	2,551,970	8,965,786
Short-term financing	<u>(493,845,173)</u>	<u>(607,845,445)</u>
	<u>(491,293,203)</u>	<u>(598,879,659)</u>

34. RELATED PARTY DISCLOSURES

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

Relationship with the Company	Nature of transactions	2020 Rupees	2019 Rupees
Holding Company:			
- Millat Tractors Limited (MTL)	Sale of goods	1,255,932,210	1,424,300,241
	Purchase of goods	42,060	1,486,158
	Dividend paid	-	13,267,980
	Expenses incurred by MTL on behalf of Company	9,663,974	11,809,538
Associated company:			
- Millat Equipments Limited	Sale of goods	7,364,711	6,780,716
	Purchase of goods	29,634	-
- Millat Industrial Product Limited	Purchase of goods	-	18,612
- Arabian Sea Club	Payment of membership fee for a Director	10,170	10,984
Employee benefit funds:			
- Pension fund	Contributions	1,993,190	2,435,101
- Provident fund	Contributions	4,047,794	4,487,946
- Executives' Gratuity fund	Contributions	508,376	784,055
- Executives' Gratuity fund	Benefits paid on behalf of the fund	18,962,880	12,174,135
Key management personnel:			
	Salaries and other short term employee benefits paid	39,035,575	44,318,958
	Post retirement benefits	573,159	562,286

34.1 The related party status of outstanding balances as at June 30, 2020 and 2019 is included in trade receivables and trade and other payables respectively. These are settled in ordinary course of business.

NOTES TO THE FINANCIAL STATEMENTS

34.2 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	49.33%
2	Millat Equipment Limited	Group Company / Common directorship	N/A
3	Arabian Sea Club	Common directorship	N/A
4	Millat Industrial Product Limited	Common directorship	N/A

35. REMUNERATION OF CHIEF EXECUTIVE, EXECUTIVE DIRECTOR AND EXECUTIVES

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

	Chief Executives		Executives Director		Executives	
	2020	2019	2020	2019	2020	2019
----- Rupees -----						
Managerial remuneration and allowances	6,711,577	6,581,449	11,939,350	11,539,522	6,226,736	6,147,877
Bonus	133,005	2,462,959	-	2,665,530	-	2,600,820
Retirement benefits	-	-	-	-	573,159	562,286
House rent	736,180	706,084	2,578,896	2,488,940	2,579,214	2,530,291
Utilities	1,167,464	1,132,351	1,697,778	1,515,791	1,304,296	1,225,796
Medical expenses	690,283	424,550	784,109	305,758	312,000	312,000
Others	196,631	292,738	1,337,684	1,318,698	67,213	67,804
	<u>9,635,140</u>	<u>11,600,131</u>	<u>18,337,817</u>	<u>19,834,239</u>	<u>11,062,618</u>	<u>13,446,874</u>
Number of persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>4</u>	<u>4</u>

35.1 In addition to above, fee to 2 non-executive directors for attending Board of Directors meetings during the year amounted to Rs. 375,000 (2019: Rs. 375,000).

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

36. PLANT CAPACITY AND PRODUCTION

	2020	2019
	Metric tons	
Installed capacity	<u>13,200</u>	<u>13,200</u>
Actual production	<u>6,623</u>	<u>8,694</u>
Capacity utilisation	<u>50.17%</u>	<u>65.86%</u>

Due to shut down of plant for 19 days as a result of the lockdown to curtail spread of COVID-19 and a general decline in economic activity subsequent thereto resulted in decrease in market demand for Company's products and therefore the actual production was less than the budgeted production.

NOTES TO THE FINANCIAL STATEMENTS

37. PROVIDENT FUND RELATED DISCLOSURE

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

	2020	2019
38. NUMBER OF EMPLOYEES		
Number of employees at June 30		
- Permanent	142	172
- Contractual	<u>2</u>	<u>2</u>
	<u>* 144</u>	<u>174</u>

* This includes 129 (2019: 153) number of factory employees

Average number of employees during the year		
- Permanent	149	177
- Contractual	<u>2</u>	<u>2</u>
	<u>** 151</u>	<u>179</u>

** This includes 136 (2019: 158) number of factory employees

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

39.1 Financial risk factors

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

39.2 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 -----						
FVTOCI							
Long-term investments	-	-	-	-	17,459,875	17,459,875	17,459,875
Amortised Cost							
Loans and advances	-	-	-	2,447,955	829,000	3,276,955	3,276,955
Trade deposits	-	-	-	263,500	4,077,790	4,341,290	4,341,290
Trade receivables	-	-	-	28,228,101	-	28,228,101	28,228,101
Other receivables	-	-	-	348,074	-	348,074	348,074
Cash and bank balances	5,637,902	-	5,637,902	770,268	-	770,268	6,408,170
June 30, 2020	<u>5,637,902</u>	<u>-</u>	<u>5,637,902</u>	<u>32,057,898</u>	<u>22,366,665</u>	<u>54,424,563</u>	<u>60,062,465</u>
June 30, 2019	<u>8,529,263</u>	<u>-</u>	<u>8,529,263</u>	<u>138,292,812</u>	<u>22,223,166</u>	<u>160,515,978</u>	<u>169,045,241</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	-	-	-	806,454	5,231,810	6,038,264	6,038,264
Long-term loan	5,661,925	17,888,910	23,550,835	-	-	-	23,550,835
Trade and other payables	-	-	-	205,496,385	-	205,496,385	205,496,385
Unclaimed dividend	-	-	-	3,487,166	-	3,487,166	3,487,166
Short-term financing	493,845,173	-	493,845,173	-	-	-	493,845,173
June 30, 2020	<u>499,507,098</u>	<u>17,888,910</u>	<u>517,396,008</u>	<u>209,790,005</u>	<u>5,231,810</u>	<u>215,021,815</u>	<u>732,417,823</u>
June 30, 2019	<u>607,845,445</u>	-	<u>607,845,445</u>	<u>106,626,721</u>	<u>5,616,202</u>	<u>112,242,923</u>	<u>720,088,368</u>

ON STATEMENT OF FINANCIAL POSITION GAP

June 30, 2020	<u>(493,869,196)</u>	<u>(17,888,910)</u>	<u>(511,758,106)</u>	<u>(177,732,107)</u>	<u>17,134,855</u>	<u>(160,597,252)</u>	<u>(672,355,358)</u>
June 30, 2019	<u>(599,316,182)</u>	-	<u>(599,316,182)</u>	<u>31,666,091</u>	<u>16,606,964</u>	<u>48,273,055</u>	<u>(551,043,127)</u>

OFF STATEMENT OF FINANCIAL POSITION ITEMS

Letters of credit / guarantee:

June 30, 2020	<u>77,483,342</u>
June 30, 2019	<u>97,702,786</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. 60.06 million (2019: Rs. 169.05 million), the financial assets which are subject to credit risk amounted to Rs. 42.55 million (2019: Rs. 151.29 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, 2020, trade receivables of Rs. 4.22 million (2019: Rs. 13.62 million) were past due but not impaired. Trade receivables majorly pertain to related parties for whom there is no significant risk of default.

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

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

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

The bank balances represent low credit risk as they are placed with banks having good credit ratings assigned by credit rating agencies.

The management does not expect any losses from non-performance by these counter parties.

(ii) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulties in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash and bank balances and the availability of financing through banking arrangements.

NOTES TO THE FINANCIAL STATEMENTS

(iii) Market risk

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.

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, 2020, trade and other payables of Rs. 39.54 million (2019: Rs. 22.5 million) are exposed to foreign currency risk.

As at June 30, 2020, if the Pak Rupee had weakened / strengthened by 2% against foreign currency with all other variables held constant, loss before tax for the year would have been higher / lower by Rs. 0.79 million (2019: Rs. 0.4 million), as a result of foreign exchange losses / gains on translation of foreign currency denominated trade and other payables.

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

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market interest rates. The Company's interest rate risk arises from short-term financing which includes running finance facilities (note 22), cash at bank in savings accounts and term deposit receipts (note 15) and long term loan (note 19). Short-term financing availed at variable rates expose the Company to cash flow interest rate risk.

At June 30, 2020, the Company had variable interest bearing financial assets of Rs. 1.78 million (2019: Rs. 8.53 million) and liabilities of Rs. 493.85 million (2019: Rs. 607.85 million), and had the interest rate varied by 100 basis points with all the other variables held constant, loss before tax for the year would have been higher / lower by approximately Rs. 4.92 million (2019: Rs. 5.99 million), mainly as a result of higher / lower interest expense on floating rate borrowings.

(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, 2020, all financial assets and financial liabilities are carried at amortised cost except for investment in quoted shares of Baluchistan Wheels Limited which are carried at fair value.

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

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

NOTES TO THE FINANCIAL STATEMENTS

The following table analyses within the fair value hierarchy of the Company's financial assets (by class) measured at fair value at June 30, 2020:

Financial Assets	2020			Total
	Level 1	Level 2	Level 3	
	----- Rupees -----			
Recurring fair value measurement of FVOCI investments	<u>17,459,875</u>	<u>-</u>	<u>-</u>	<u>17,459,875</u>
Financial Assets	2019			Total
	Level 1	Level 2	Level 3	
	----- Rupees -----			
Recurring fair value measurement of FVOCI investments	<u>17,580,625</u>	<u>-</u>	<u>-</u>	<u>17,580,625</u>

40. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The debt to capital ratios as at June 30, 2020 and 2019 were as follows:

	2020 Rupees	2019 Rupees
Short-term financing - note 22	493,845,173	607,845,445
Long-term loan	23,550,835	-
Cash and bank balances - note 15	(6,408,170)	(12,821,986)
Net debt	<u>510,987,838</u>	<u>595,023,459</u>
Total equity	<u>94,392,550</u>	<u>381,801,538</u>
Total capital	<u>605,380,388</u>	<u>976,824,997</u>
Debt to capital ratio	84.41%	60.91%

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance. The increase in debt to equity ratio is mainly driven by decline in capital due to losses.

NOTES TO THE FINANCIAL STATEMENTS

41. CORRESPONDING FIGURES

Corresponding figures and balances have been rearranged and reclassified, wherever necessary, for the purpose of comparison, the effects of which are not material.

42. DATE OF AUTHORISATION

These financial statements were authorised for issue on September 15, 2020 by the Board of Directors of the Company.



Chief Executive



Director



Chief Financial Officer

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2020

No. of Shareholders	Size of Holding		Total Shares Held	Amount Rupees
	From	To		
199	1	100	9,220	92,200
534	101	500	144,780	1,447,800
164	501	1000	144,086	1,440,860
242	1001	5000	608,048	6,080,480
45	5001	10000	337,513	3,375,130
11	10001	15000	133,192	1,331,920
5	15001	20000	85,236	852,360
3	20001	25000	67,063	670,630
3	25001	30000	81,000	810,000
1	30001	35000	32,270	322,700
1	40001	45000	44,794	447,940
2	45001	50000	96,278	962,780
1	65001	70000	67,700	677,000
1	100001	105000	102,100	1,021,000
1	140001	145000	144,359	1,443,590
1	165001	170000	166,369	1,663,690
1	255001	260000	258,266	2,582,660
1	295001	300000	300,000	3,000,000
1	485001	490000	488,276	4,882,760
1	795001	800000	800,000	8,000,000
1	920001	925000	925,000	9,250,000
1	1125001	1130000	1,130,000	11,300,000
1	5305001	5310000	5,306,979	53,069,790
1221			11,472,529	114,725,290

*There is no shareholding in the slabs not mentioned.

CATEGORIES OF SHAREHOLDERS

AS AT JUNE 30, 2020

S.No.	Particulars	Shareholders	Shares Held	Percentage %
1	Directors and their Spouse(s) and Minor Children			
	Mr. Sikandar Mustafa Khan	1	166,369	1.45
	Mr. Latif Khalid Hashmi	1	32,270	0.28
	Mr. Sohail Bashir Rana	1	144,359	1.26
	Mr. Laeeq Uddin Ansari	1	3,120	0.03
	Syed Muhammad Irfan Aqueel	1	2,500	0.02
	Syed Javaid Ashraf	1	17,936	0.16
2	Associated Companies, Undertakings and Related Parties			
	BCL Emp. Pension Fund Trust	1	46,278	0.40
	Millat Tractors Limited	1	5,306,979	46.26
2	NIT & ICP	2	488716	4.26
3	Banks, Development Finance Institutions, Non-Banking Finance Companies	2	800273	6.98
4	Insurance Companies	2	27900	0.24
5	Modarabas & Mutual Funds	-	-	-
6	General Public			
	a. Local	1191	4004135	34.90
	b. Foreign	-	-	-
7	Foreign Companies	-	-	-
8	Others			
	a. Joint Stock Companies	10	125541	1.09
	b. Miscellaneous	6	306153	2.67
	Totals	1221	11,472,529	100.00

Share holders holding 10% or more

Millat Tractors Limited	5,306,979	46.26
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Proxy Form

Folio No. / CDC Account No.

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

_____ as my / our proxy to attend and vote for me / us and on my / our behalf at the 38th Annual General Meeting of the Company to be held at Registered Office, Main RCD Highway, Hub Chowki, District Lasbela, Balochistan on Wednesday, October 28, 2020 at 1200 Hours and / or at any adjournment thereof.

Signed this _____ day of _____ 2020

WITNESSES:

1. Signature: _____

Name: _____

Address: _____

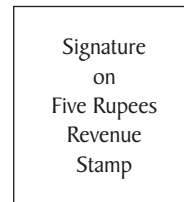
CNIC or
Passport No: _____

2. Signature: _____

Name: _____

Address: _____

CNIC or
Passport No: _____



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

Important:

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



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

www.bolancastings.com