



ANNUAL REPORT 2017



**DAWN OF A NEW ERA**



**Bolan Castings Limited**

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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

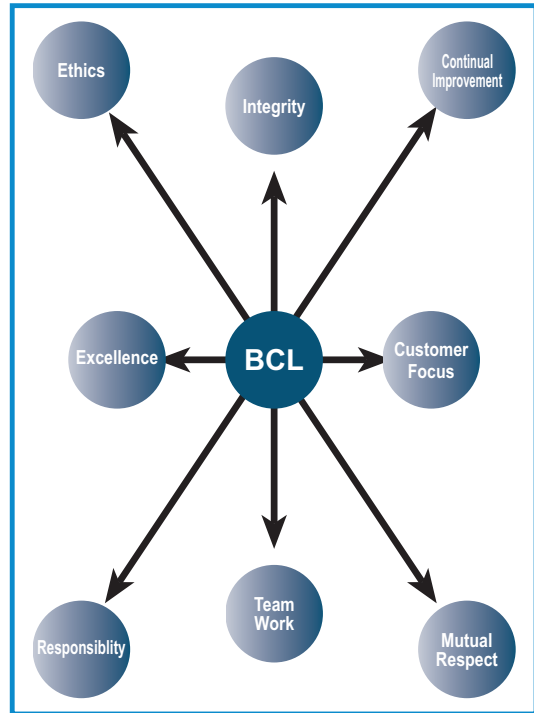
We are committed to excellence in every aspect of our activities. Each one of us must make maximum efforts to provide a quality product that responds to our customers need. Our products must meet and exceed competition. Rather than asking "is it good enough?", we must ask, "how can we do it better?". 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	<p>Mr. Sikandar M. Khan          Mr. Nisar Ahmed Mirani          Mr. Latif Khalid Hashmi          Mr. Sohail Bashir Rana          Mr. Laeeq Uddin Ansari          Mian Muhammad Saleem          Syed Muhammad Irfan Aqueel          Syed Javaid Ashraf          Mr. Muhammad Imran Rafiq          Mr. Saifuddin</p>	<p>Chairman          Chief Executive          Director          Director          Director          Director          Director          Director          Director          Director</p>
Company Secretary	Mr. Arafat Mushir	
Chief Financial Officer	Syed Sajid Ali	
Auditors	M/s. A.F. Ferguson & Co.	Chartered Accountants
Legal Advisors	<p>M/s. Latif &amp; Latif Advocate          M/s. Rizwan Manai Associates</p>	
Bankers	<p>Habib Bank Limited          MCB Bank Limited          Bank AlFalah Limited          Dubai Islamic Bank Pakistan Ltd.          Meezan Bank Limited          Faysal Bank Limited          Askari Bank Limited          Bank Al-Habib Limited</p>	
Share Registrar	<p>M/s. Central Depository Company of Pakistan Ltd.          CDC House, 99-B, Block-B, S.M.C.H.S.          Main Shahrah-e-Faisal, Karachi          Tel: +92-800-23275          Fax: +92-21-34326053</p>	
Registered Office	<p>Main RCD Highway, Hub Chowki,          District Lasbela, Balochistan, Pakistan          Tel : +92-853-364033,363296          Fax : +92-853-363292          E-mail: bclhub@bclpk.com</p>	
Web Site	<a href="http://www.bolancastings.com">www.bolancastings.com</a>	

## BOARD OF DIRECTORS



### **Mr. Sikandar M. Khan**

Chairman / Non Executive Director (MTL Nominee)

**Appointment**  
July 03, 1982

**Committee Membership**  
Chairman of Board's Committee for Supervision and Directors' Remuneration Committee

**External Appointments**  
Chairman of Millat Tractors Ltd., Millat Equipment Ltd., Millat Industrial Products Ltd.,  
TIPEG Intertrade DMCC and Director of Arabian Sea Country Club



### **Mr. Nisar Ahmed Mirani**

Chief Executive Officer

**Appointment**  
April 27, 2016

**Committee Membership**  
Chairman of System & Technology Committee and Business Strategy Committee and  
Member of Human Resource and Remuneration Committee

**External Appointments**  
Currently no external appointment



### **Mr. Latif Khalid Hashmi**

Non Executive Director

**Appointment**  
June 13, 1993

**Committee Membership**  
Chairman of Audit Committee and Human Resource and Remuneration Committee and  
Member of Board's Committee for Supervision and Directors' Remuneration Committee

**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 (MTL Nominee)

#### Appointment

June 13, 1993

#### Committee Membership

Member of Board's Committee for Supervision

#### External Appointments

Chairman of Pakistan Automotive Manufacturers Association (PAMA) and Director of Millat Tractors Ltd., Millat Equipment Ltd., Millat Industrial Products Ltd., TIPEG Intertrade DMCC, Arrowhead (Pvt.) Ltd.



### Mr. Laeeq Uddin Ansari

Non Executive Director

#### Appointment

June 13, 1993

#### Committee Membership

Member of Board's Committee for Supervision

#### External Appointments

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



### Mian Muhammad Saleem

Non Executive Director (MTL Nominee)

#### Appointment

June 13, 1993

#### Committee Membership

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

#### External Appointments

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



## BOARD OF DIRECTORS



### **Syed Muhammad Irfan Aqueel**

Non Executive Director (MTL Nominee)

**Appointment**  
October 28, 2014

**Committee Membership**  
Member of Audit Committee

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



### **Syed Javaid Ashraf**

Independent Director

**Appointment**  
October 28, 2014

**Committee Membership**  
Member of Audit Committee

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



### **Mr. Muhammad Imran Rafiq**

Non Executive Director (NIT Nominee)

**Appointment**  
July 30, 2010

**Committee Membership**  
Member of Audit Committee and Human Resource and Remuneration Committee

**External Appointments**  
Head of Research of National Investment Trust Ltd. and Director of Nishat Chunian Ltd., Century Papers & Board Mills Ltd.



### **Mr. Saifuddin**

Executive Director

**Appointment**  
June 14, 2016

**Committee Membership**  
Member of Business Strategy Committee

**External Appointments**  
Currently no external appointment

## BOARD COMMITTEES

### Audit Committee

#### Composition of Committee

##### Chairman

Mr. Latif Khalid Hashmi Non-Executive Director

##### Members

Syed Muhammad Irfan Aqueel Non-Executive Director

Syed Javaid Ashraf Independent Director

Mr. Muhammad Imran Rafiq Non-Executive Director

#### Terms of Reference

- > To make recommendations to the Board on the appointment of external auditors, the audit fee, any question of resignation or removal and provision of any service by the external auditors in addition to audit.
- > To determine the measures to safeguards the assets of the Company.
- > To review, before submission to the Board, quarterly, half yearly and annual financial statements and related announcements to be issued by the Company. This renders focusing on significant items like material adjustments resulting from audit, going concern assumption, major judgmental areas, changes in accounting polices and practices and compliance of accounting standard, listing regulations and statutory requirements.
- > To facilitate the external audit, ensure coordination between external and internal auditors and discuss observations raised by the external auditors and management letter issued by them alongwith response of management.
- > To review scope and extent of internal audit and shall ensure that internal audit is adequately resourced and appropriately placed within the Company.
- > To consider major findings of internal investigations and management's response.

- > To ascertain that financial and operating controls and accounting reporting systems are adequate and effective.
- > To review the statement on internal control system before endorsement by the Board.
- > To determine the compliance of applicable statutory requirements and shall also monitor compliance of Code of Corporate Governance to identify the significant violations.
- > To institute special projects, other reviews and tasks as the Board shall delegate to it, from time to time, by consulting CEO and referring external auditors and other external bodies.

### Board's Committee for Supervision (BCS)

#### Composition of Committee

##### 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 Non-Executive Director

Mian Muhammad Saleem Non-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.

## BOARD COMMITTEES

### Directors' Remuneration Committee

#### Composition of Committee

##### Chairman

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

##### Members

Mr. Latif Khalid Hashmi      Non-Executive Director

Mian Muhammad Saleem      Non-Executive Director

#### Terms of Reference

- > To follow a formal and transparent procedure, for fixing the remuneration packages of CEO and executive directors of the Company,
- > To ensure that the levels of remuneration of executive directors are commensurate with their qualifications and that such levels of remuneration are sufficient to attract and retain the directors but not excessive,
- > To make recommendations to the Board on matters related to remuneration of CEO and executive directors;
- > To determine the specific remuneration packages of CEO and executive directors including, without limitation, base salaries, deferred compensation, stock options and any benefits in kind, pension rights and incentive payments and any compensation payable for loss or termination of their office or appointment, and to make recommendation to the Board on the remuneration of CEO and executive directors,

- > To review and recommend compensation arrangements relating to dismissal or removal of CEO and executive directors for misconduct and to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate; and
- > To ensure that CEO and executive directors are not involved in determining their own remuneration.

### Human Resource and Remuneration (HR&R) Committee

#### Composition of Committee

##### Chairman

Mr. Latif Khalid Hashmi      Non-Executive Director

##### Members

Mr. Nisar Ahmed Mirani      Chief Executive Officer

Mian Muhammad Saleem      Non-Executive Director

Mr. Muhammad Imran Rafiq      Non-Executive Director

#### Terms of Reference

- > Recommending human resource management policies to the Board;
- > Recommending to the Board the selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO;
- > Recommending to the Board the selection, evaluation, compensation (including retirement benefits) of Chief Operating Officer (COO), General Manager (GM), Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit; and
- > Consideration and approval on recommendations of Chief Executive Officer (CEO) on such matters for key management positions who report directly to CEO / COO / GM.

# MANAGEMENT COMMITTEES

## Business Strategy Committee

### Composition of Committee

#### Chairman

Mr. Nisar Ahmed Mirani

#### Members

Mr. Saifuddin

Syed Sajid Ali

### Responsibilities

The Business Strategy Committee assists Board of Directors in devising short term and long term business plans and suggests strategies for achievement of organizational objectives.

## System and Technology Committee

### Composition of Committee

#### Chairman

Mr. Nisar Ahmed Mirani

#### Members

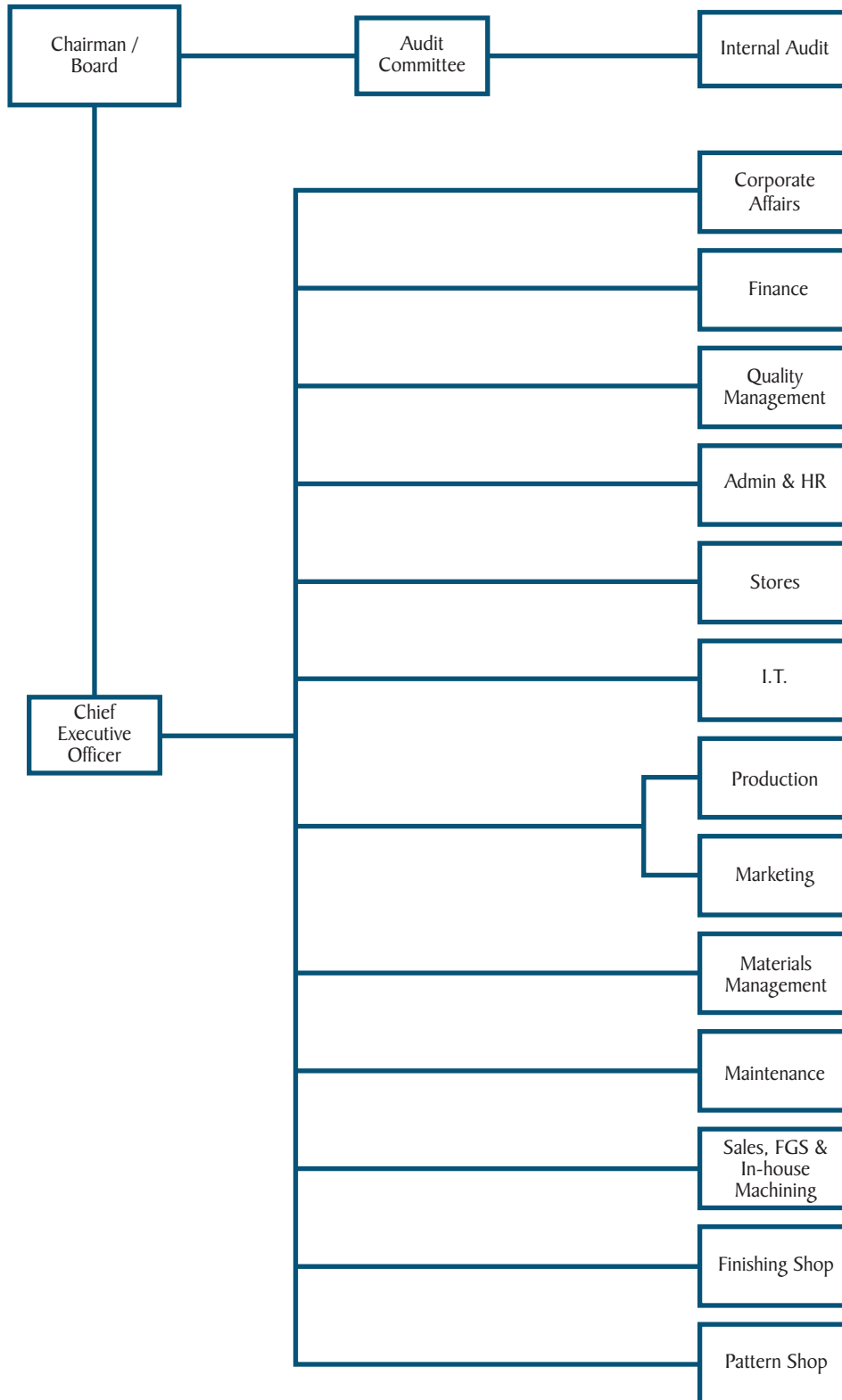
Mr. Abdul Rauf Khan

Mr. Fahim Muhammad Azhar

### Responsibilities

Systems provide solid base for any type of success. This Committee assists Board of Directors in formulating, implementing and upgrading systems of all types in the Company.

# 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 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, silicate/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

- . Millat Equipment Limited
- . Alsons Industries

## 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. Planetary carrier
8. Differential cases
9. Hydraulic lift cover
10. Box hydraulic
11. Oil sump 240
12. Link rocker
13. Sleeve
14. Fork clutch release
15. Axle housing 240
16. Axle housing 385
17. Oil sump 385
18. Fly wheel 240
19. Fly wheel 385
20. Front wheel hub 240
21. Front wheel hub 385
22. Front axle support 240
23. Water body

#### b. Fiat Tractors

1. Axle casing
2. Differential case
3. Trumpet 640
4. Front axle support
5. Bearing covers
6. Trumpet cover 640
7. Trumpet 480
8. Hubs
9. Master clutch housing
10. Oil sump 480

### Automobile Industry

#### a. Isuzu Trucks/Buses

1. Brake drums & Hubs
2. Exhaust manifold
3. Spring pads & Brackets
4. Generator brackets
5. Fly wheel

#### b. Dong Feng Trucks/Buses

1. Brake drums & Hubs
2. Brackets
3. Shackles

#### c. Nissan Trucks/Buses

1. Brake drums & Hubs
2. Fan pulley
3. Shackles
4. Spring stoppers & Brackets
5. Pads

#### d. Hino Trucks/Buses

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

#### e. Master Trucks

1. Brake drums
2. Brackets

#### f. Daewoo Trucks / Buses

1. Brake drums

### Engineering Industry

#### a. Pumps

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

#### b. Wheel Rims

1. Blank holder dies
2. Forming punch dies
3. Roller dies

#### c. Textile

1. Labyrinth seals



**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 30<sup>th</sup> September
- > Second Quarterly / Half Yearly Report upto 31<sup>st</sup> December
- > Third Quarterly Report upto 31<sup>st</sup> March
- > Annual Report upto 30<sup>th</sup> June.

Pursuant to provisions of SECP circular No 19 of 2004 dated April 14, 2004, 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 35th Annual General Meeting is scheduled to be held at the Registered Office of the Company, Main RCD Highway, Hub Chowki, District Lasbela, Baluchistan, Pakistan, on Saturday October 28, 2017 at 1130 hours.

### Books Closure

The Share transfer books of BCL will remain closed from October 17, 2017 to October 28, 2017 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 16, 2017 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:

Central Depository Company of Pakistan 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, email address and online complaint form are provided on company's website for the shareholders to raise any complaint.

### Web Presence

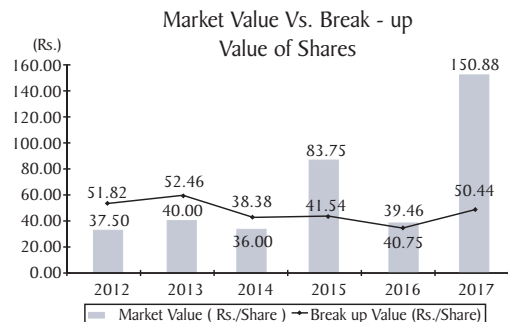
A wide range of information about BCL is available at Company's website, [www.bolancastings.com](http://www.bolancastings.com).

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	2017		2016	
	High	Low	High	Low
First (July-15-Sep-15)	72.07	39.00	91.25	55.01
Second (Oct-15-Dec-15)	77.17	59.76	62.99	52.10
Third (Jan-16-Mar-16)	147.00	65.00	53.99	39.35
Fourth (Apr-16-June-16)	218.68	133.02	54.37	39.43



# NOTICE OF ANNUAL GENERAL MEETING



Notice is hereby given that 35th Annual General Meeting of Bolan Castings Limited will be held at Registered Office of the Company Main RCD Highway, Hub Chowki, District Lasbela, Balochistan, Pakistan, on Saturday October 28, 2017 at 11:30 hours to transact the following business:

## A. ORDINARY BUSINESS

1. To confirm the minutes of the Extraordinary General Meeting held on May 24, 2017.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2017 together with the Directors' and Auditors' reports thereon.
3. To approve payment of dividend at the rate of Rs. 5.00 per share i.e. 50% for the year ended June 30, 2017, as recommended by the Board of Directors.
4. To appoint auditors for the year ending June 30, 2018 and to fix their remuneration. Present Auditors M/s. A. F. Ferguson & Co., Chartered Accountants retire and being eligible offer themselves for re-appointment.
5. To elect seven Directors as fixed by the Board of Directors for term of three years. The retiring Directors are Mr. Sikandar Mustafa Khan, Mr. Latif Khalid Hashmi, Mr. Sohail Bashir Rana, Mr. Laeeq Uddin Ansari, Mr. Mian Muhammad Saleem, S. M. Irfan Aqueel, Syed Javaid Ashraf, Mr. Muhammad Imran Rafiq and Mr. Saifuddin.

## B. SPECIAL BUSINESS

6. To ratify and approve the transactions carried out in normal course of business with Group companies for the year ended June 30, 2017 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 35 to the financial statements for the year ended June 30, 2017 be and are hereby ratified and approved.

7. 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, 2018 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, 2018.

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.

8. To consider, and if thought fit, pass following resolutions, with or without modification as a special resolution for amendment Article 9.11 of the Articles of Association of the Company:

RESOLVED that in Article 9.11 the figure 'Rs. 10,000' be and is hereby substituted with the figure 'Rs.25,000'.

FURTHER RERSOLVED 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.

9. To consider and adopt the following resolution, with or without modification, as an ordinary resolution for sanctioning the holding of office of profit under the company by the Director Mr. Laeeq Uddin Ansari.

RESOLVED that sanction be and is hereby granted for further continuation of holding of office of profit by Mr. Laeeq Uddin Ansari, on the basis of and upon re-election as director of the company for another term, with the terms and conditions determined by the Board and that he be paid by way of remuneration comprising salary, allowances, perquisites, profit share / bonus and benefits etc., such sums as the directors may determine and approve in accordance with Articles of the Company.

## C. OTHER BUSINESS

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

By Order of the Board of Directors

Hub  
October 06, 2017

Arafat Mushir  
Company Secretary

# NOTICE OF ANNUAL GENERAL MEETING

## Notes :

1. The Share Transfer Books of the Company shall remain closed from October 17, 2017 to October 28, 2017 (both days inclusive). Transfers received in order at the office of our Share Registrar M/s. Central Depository Company of Pakistan 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 16, 2017 shall be treated in time to determine the above mentioned entitlement and 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.
3. Duly executed proxies in order to be effective must be received at the office of our Share Registrar M/s. Central Depository Company of Pakistan Limited at least 48 hours before the meeting.
4. Members are requested to promptly notify any change in their addresses to our Share Registrar M/s. Central Depository Company of Pakistan Limited.
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 25(I) 2012 dated January 16, 2012.
  - 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 except if he / she is a non-resident. (National Tax Number (NTN) be mentioned, in the case of resident).
    - 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.) Representation of independent non-executive directors including those representing minority interests on the Board of Directors of the Company is encouraged.
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.
    - 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 owners 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.

## 7. Mandatory submission of CNIC

As per directive of Securities and Exchange Commission of Pakistan (SECP) contained in SRO No. 831(I) / 2012 dated July 05, 2012 read with SRO No. 19 (I) / 2014 dated January 10, 2014 the dividend warrants should bear the Computerized National Identity Card (CNIC) Numbers of the registered members or the authorized person except in the case of minor(s) and corporate members. CNIC numbers of the members are, therefore, mandatory for the issuance of future dividend warrants and in the absence of such information, payment of dividend may be withheld. Therefore, the members who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs to the Shares Registrar.

# NOTICE OF ANNUAL GENERAL MEETING

## 8. 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 their participant or our share registrar.

However, SECP vide its Circular No. 18 of 2017 dated August 01, 2017 has relaxed the above requirement till October 31, 2017.

## 9. Deduction of Tax from Dividend Income

The Government of Pakistan through Finance Act, 2017 has made certain amendments in the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These rates are as follows:

(a) For filers of income tax returns 15%

(b) For non-filers of income tax returns 20%

To enable the Company to make tax deduction on the amount of cash dividend @15% instead of 20% all the shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date of payment of cash dividend, otherwise tax on their dividend will be deducted @20% instead of 15%.

As per clarification issued by the Federal Board of Revenue, withholding tax will be determined separately on 'Filer/Non-Filer' status of principal shareholder as well as joint holder(s) based on their shareholding proportions, in case of joint accounts. Therefore all shareholders who hold shares jointly are requested to provide shareholding proportions of principal shareholder and joint holder(s) in respect of shares held by them to the Share registrar as follows:

Company Name	Folio/CDS Account#	Total Shares	Principal shareholder		Joint shareholder	
			Name and CNIC#	Shareholding Proportion (No. of Shares)	Name and CNIC#	Shareholding Proportion (No. of Shares)

The above required information must be provided to Share Registrar, otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s).

For any further query/problem/information, the investors may contact the Company Share Registrar: M/s. Central Depository Company of Pakistan Limited., CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400, Phone: 0092-800-23275.

The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Shares Registrar. The shareholders while sending NTN certificates must quote company name and their respective folio numbers.

## 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 balance sheet, profit and 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 last AGM. In view of the above the Company has sent its Annual Report-2017 containing the Financial Statements to the shareholders in the form of CD. Any shareholder can send request for printed copy of the Annual Report-2017 to the Company.

Further, the annual financial statements of the Company for the year ended June 30, 2017 along with related reports have been placed at the website of the Company [www.bolancastings.com](http://www.bolancastings.com).

## 11. Transmission of Annual Financial Statements through email

The Securities and Exchange Commission of Pakistan vide its SRO 787(1)/2014 dated September 08, 2014 has permitted companies to circulate annual balance sheet, profit & 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.

# NOTICE OF ANNUAL GENERAL MEETING

## 12. Video Conference Facility

In pursuance of 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 10 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 10 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

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

This statement set out the material facts concerning the Special Business, given in agenda item No. 6, 7, 8 & 9 of the Notice.

### 1) Agenda Item No. 6 of the Notice

During the financial year ended June 30, 2017, the Company conducted transactions with Group companies in the normal course of business at arm's length price on commercial terms and conditions based on comparable uncontrolled price method. As per provision of clause 5.19.6 (b) of the Code of Corporate Governance, 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 General Meeting.

In view of the above, the transactions conducted during the financial year ended June 30, 2017 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.

### 2) Agenda Item No. 7 of the Notice

The Company shall be conducting transactions with Group companies in the normal course of business during the financial year ending June 30, 2018. As the majority of Directors are interested in these transactions due to their common directorship and shareholding in the Group companies, the quorum of directors could not be formed for approval of these transactions, therefore, these transactions could not be approved by the Board on quarterly basis, as required under clause 5.19.6 (b) of the Code of Corporate Governance. Therefore, such transactions with Group companies shall be approved by the shareholders in the next AGM.

In order to ensure routine approval of these transactions throughout the year, the shareholders may authorize the Chief Executive to approve transactions carried out and to be carried out in normal course of business with Group companies during the financial year ending June 30, 2018.

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

### 3) Agenda Item No. 8 of the Notice

The remuneration being paid to directors for attending meetings of the Board or Committees of the Board needs revision in view of overall inflation. The aforesaid amendment has been approved by the Board of Directors in its meeting held on September 06, 2017. A copy of the amended Articles of Association is available at registered office of the Company for inspection during office hours excluding Saturdays and Sundays (being closed holidays) and Gazetted holidays.

The Directors are interested in the resolution to the extent of fee to which they are entitled.

### 4) Agenda Item No. 9 of the Notice

The Board has recommended to the members with a view to seek the approval in general meeting in order to allow further continuation of holding of office of profit by Director Mr. Laeeq Uddin Ansari, in pursuance of requirement contained in section 171 (1) (c) (i) of the Companies Act, 2017, on the basis if he is re-elected as director of the Company.

Approval of the members is required for holding of office of profit by Mr. Laeeq Uddin Ansari as Executive Director of the Company for performing extra services. Mr. Laeeq Uddin Ansari is interested in the resolution to the extent of remuneration and benefits etc. associated with this position while other directors are not interested in the resolution. Therefore the resolution is proposed to be passed as an ordinary resolution, with or without modification, addition or deletion in the AGM.



Metal being Poured into Moulds



**Melting Section**



**High Pressure Moulding Machine  
(BMD - Germany)**



**Shot Blast Machine**



**Core Making Shop**

## CHAIRMAN'S REVIEW



*Dear Shareholders,*

*It gives me immense pleasure to present review on overall performance of the board and effectiveness of the role played by the board in achieving company's objectives.*

I am happy to share that your company has achieved highest profit in its history. I dedicate this milestone achievement to the management of the company, entire BCL team and fellow Board's members.

### Board and its Effectiveness

Effective management and good stewardship are led by the Board of Directors, which currently consists of nine elected directors and a Chief Executive Officer who by virtue of being CEO deemed to be a director of the Company. Out of nine elected directors one is executive director and eight are non-executive directors including an independent director.

The Board is collectively responsible for the success of the Company. Its role is to provide entrepreneurial leadership to the Company within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board sets the Company's strategic aims, ensures that the necessary financial and human resources are in place for the Company to meet its objectives and reviews management performance. It also 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 four committees with particular responsibilities. The terms of reference of these committees are clearly defined by the Board.

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



## CHAIRMAN'S REVIEW

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

### Performance Evaluation of the Board

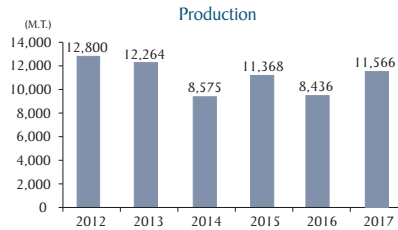
The Board is committed to assessing its own performance as a board in order to identify its strengths and areas in which it may improve its functioning. To that end, the Board of Directors (Board) of Bolan Castings Limited (BCL) will annually carry out a self-evaluation of its own performance. Board performance evaluation is designed to:

- review the role of the Board of Directors and its 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 year, the Board carried out a formal and structured process of evaluation of the performance of the Board. The process involved a self-assessment of Board's performance through each Director by completing a confidential questionnaire, duly approved by the Board.

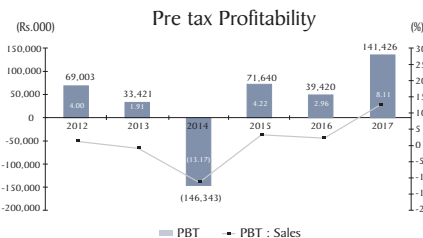
The Board reviewed the result of questionnaire and observed that no major issues arose from the evaluation process. Hence, the Directors concluded that the Board and its committees operate effectively.

Further, the Board also discussed the areas requiring improvements in order to perform more effectively.



### Overall Economic and Industry Review

The economy of Pakistan is accelerating with its increased velocity, as GDP growth has been observed with a rate of 5.28 percent which is the highest in past ten years. This boost is the result of better Government's policy for strengthening economy which is reflected from remarkable growth of both service and manufacturing sectors as both these sectors are step ahead of their assigned target. The agricultural sector met its target growth of 3.46 percent as compared to 0.27 percent last year and the Per Capita Income has been observed with a growth of 6.4 percent in recent year against the growth rate of 1.1 percent of last year.



The performance of BCL is largely dependent on the tractor industry which has grown over the last year in fiscal year 2017. The government's sales tax relief from 10% to 5% on sale of tractor have enabled tractor sales to reach a three years high and Tractor sale were also boosted by increased purchasing power of farmers and introduction of CPEC related development projects.

It is believed that tractor and its vending industries will experience a boost in terms of economic performance in the next financial year.

I am confident that, the BCL will be successful in meeting the future challenges and will be able to achieve its future growth targets, In Sha Allah.

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

- طویل اور مختصر مدتی ترجیحات میں تبدیلی پر متفق ہونے کیلئے بورڈ کو فعال بنانا۔

سال کے دوران بورڈ نے اپنی کارکردگی کی تنقیح کیلئے ایک باقاعدہ اور منظم طریقہ کار وضع کیا ہے۔ اس عمل میں بورڈ کی کارکردگی جانچنے کیلئے ہر ڈائریکٹر نے ایک خفیہ سوالنامہ، جو کہ بورڈ نے منظور کیا ہے، مکمل کیا ہے۔

بورڈ نے اس سوالنامہ کے نتائج کا جائزہ لیا ہے اور یہ مشاہدہ کیا ہے کہ اس جانچ کے دوران کوئی بڑے مسائل سامنے نہیں آئے۔ لہذا، بورڈ نے یہ نتیجہ اخذ کیا کہ بورڈ اور اسکی کمیٹیاں موثر انداز سے فرائض انجام دے رہی ہیں۔

اس کے علاوہ، بورڈ نے ایسے عوامل پر بھی تبادلہ خیال کیا جن میں مزید بہتری لانے کی گنجائش موجود ہے۔

### مجموعی اقتصادی اور صنعتی جائزہ

پاکستان کی معیشت تیز رفتاری کے ساتھ آگے بڑھ رہی ہے، کہ اسکی GDP کی ترقی 5.28 فیصد کی شرح کے ساتھ دیکھی گئی ہے جو گذشتہ دس سالوں میں سب سے زیادہ ہے۔ یہ فروغ معیشت کو بہتر بنانے کیلئے حکومت کی پالیسیوں کا نتیجہ ہے جو کہ خدمات اور پیداوار دونوں شعبوں میں ترقی کی عکاسی کرتا ہے، یہ دونوں شعبا جات اپنے تفویض شدہ اہداف سے ایک قدم آگے ہیں۔ زرعی شعبے نے گذشتہ سال 0.27 فیصد کے مقابلے میں 3.46 فیصد کی ہدف شدہ ترقی کی ہے، حالیہ سال میں فی کس آمدنی میں اضافہ کی شرح 6.4 فیصد دیکھی گئی ہے جب کہ گذشتہ سال اس میں 1.1 فیصد کی شرح نمود دیکھی گئی تھی۔

بی سی ایل کی کارکردگی کا زیادہ تر انحصار ٹریڈ کی صنعت پر ہے جس میں گذشتہ سال اور مالی سال 2017 میں اضافہ ہوا ہے۔ گورنمنٹ کی جانب سے محصولات کی چھوٹ جو کہ سیلز ٹیکس میں 10 فیصد سے 5 فیصد کی گئی ہے، کی بدولت ٹریڈ کی فروخت گذشتہ تین سالوں کی بلند ترین سطح پر پہنچ گئی ہے۔ ٹریڈ کی فروخت میں اضافہ کی وجوہات میں کسانوں کی قوت خرید میں اضافہ اور CPEC سے متعلق منصوبوں کا تعارف ہے۔

یہ یقین کیا جاتا ہے کہ ٹریڈ اور اس سے متعلق صنعتیں معاشی کارکردگی کے لحاظ سے اگلے مالی سال کے دوران فروغ حاصل کریں گی۔

مجھے پورا اعتماد ہے کہ بی ایس ایل مستقبل کے چیلنجوں کو حل کرنے میں کامیاب ہوگا اور مستقبل کے ترقیاتی اہداف حاصل کرنے میں کامیاب ہوگا، انشاء اللہ

میں بورڈ کے ڈائریکٹرز کے مسلسل تعاون کا بے حد مشکور ہوں کہ بہترین نتائج کے حصول میں جن کی حکمت عملی، نقطہ نظر، کاوشیں شامل حال رہیں۔



سکندر مصطفیٰ خان

چیئر مین

## چیز میں کا جائزہ

### معزز حصص یافتگان

مجھے بورڈ کی مجموعی کارکردگی، اسکی اہمیت اور کمپنی کے اہداف کے حصول میں اسکے کردار کی جائزہ رپورٹ پیش کرتے ہوئے بہت خوشی محسوس ہو رہی ہے۔

مجھے اس بات کے اظہار پر خوشی محسوس ہو رہی ہے کہ کمپنی نے اپنی تاریخ کا سب سے زیادہ منافع حاصل کیا ہے۔ میں اس سنگ میل کے حصول کو کمپنی کی انتظامیہ، بی سی ایل کے کارکنان اور ساتھی بورڈ ممبر کے نام کرتا ہوں۔

### بورڈ اور اسکی موثریت

بورڈ آف ڈائریکٹرز ایک موثر انتظامیہ اور اچھی قیادت ہیں، فی الوقت ۹ منتخب ڈائریکٹرز اور ایک چیف ایگزیکٹو آفیسر، جو کہ سی ای او ہونے کے ساتھ کمپنی کے ایک ڈائریکٹر سمجھے جاتے ہیں، مشتمل ہے۔ ۹ منتخب ڈائریکٹرز میں سے ایک ایگزیکٹو ڈائریکٹر جبکہ ۸ نان ایگزیکٹو ڈائریکٹرز ہیں بشمول ایک آزاد ڈائریکٹر۔

کمپنی کی مجموعی کامیابی کا سہرا بورڈ کے سر ہے۔ اس کا کردار کمپنی کے فریم ورک میں رہتے ہوئے محتاط اور موثر کنٹرول کیلئے کاروباری قیادت کی فراہمی ہے تاکہ خطرات کی تشخیص اور انتظام کیا جاسکے۔ بورڈ حکمت عملی کے مقاصد طے کرتا ہے اور یہ یقین دہانی کراتا ہے کہ کمپنی کیلئے ضروری مالی اور انسانی وسائل اپنی جگہ موجود ہیں تاکہ اہداف کا حصول ممکن ہو اور انتظامیہ کی کارکردگی کا جائزہ لیا جاسکے۔ یہ کمپنی کے معیار اور قدر کا بھی تعین کرتا ہے اور یقین دہانی کراتا ہے کہ شرکت داروں کی طرف اسکی ذمہ داریاں سمجھی اور حاصل کی جا رہی ہیں۔

موثر نگرانی اور قیادت کی فراہمی کیلئے بورڈ نے مخصوص ذمہ داریوں کے ساتھ درج ذیل چار کمیٹیاں قائم کی ہیں۔ ان کمیٹیوں کی حوالہ جاتی شرائط و ضوابط بورڈ نے واضح طور پر بیان کی ہیں۔

- آڈٹ کمیٹی
  - رہنمائی کیلئے بورڈ کی کمیٹی
  - انسانی وسائل اور معاوضہ کی کمیٹی
  - ڈائریکٹرز کے معاوضہ کی کمیٹی
- بورڈ کی کمیٹیوں میں متعلقہ مہارت اور تجربہ کے حامل ڈائریکٹرز شامل ہیں تاکہ کسی بھی فرد واحد پر غیر معمولی انحصار نہ کیا جاسکے۔

### بورڈ کی کارکردگی کی تشخیص

اپنے کام میں بہتری، اپنی اہمیت اور متعلقہ امور کی تشخیص کیلئے بورڈ خود اپنی کارکردگی کا جائزہ لینے کا ذمہ دار ہے۔ اس مقصد کیلئے بولان کا سٹنگر لمیٹڈ کے بورڈ آف ڈائریکٹرز (بورڈ) سالانہ بنیاد پر خود اپنی کارکردگی کی تشخیص کرے گا۔ بورڈ کی کارکردگی کی تشخیص درج ذیل بنیاد پر تشکیل دی گئی ہے:

- بورڈ آف ڈائریکٹرز اور اسکی کمیٹیوں کے کردار کا جائزہ
- یہ تعین کرنا کہ کس موثر طریقے سے ڈائریکٹرز اپنی ذمہ داریاں ادا کر رہے ہیں
- تعین کرنا کہ ڈائریکٹرز کا کمپنی کی سالمیت پر اعتماد، بورڈ اجلاس کے دوران ہونے والی گفت و شنید کا معیار، موصول ہونے والی معلومات اور رپورٹس کا اعتبار، بورڈ کے ارکان اور بورڈ کی معلومات کی سند کے درمیان باہمی رابطے کی سطح، اور

# 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, 2017.*

## 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

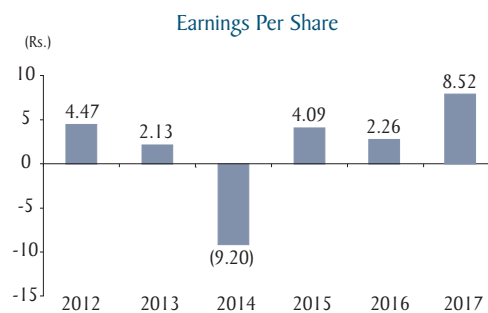
Financial Results for the year are as follows:

	(Rs. 000)
Accumulated loss brought forward	(116,507)
Final dividend for the year ended June 30, 2016	(11,473)
Profit after taxation for the year ended June 30, 2017	97,776
Other comprehensive income	15,777
Accumulated loss carried forward	(14,427)

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

## Dividends

The directors have recommended cash dividend at the rate of Rs. 5.00 per share i.e. 50%. If approved by the shareholders in the Annual General Meeting, the cash dividend will be paid within thirty days of AGM to the shareholders whose names appear on the register of shareholders of the Company at close of business on October 16, 2017.



# DIRECTORS' REPORT

## Subsequent Effects

The cash dividend amounting to Rs. 57.363 million for the financial year 2017 shall be reflected in the financial statements for the year ending June 30, 2018. However, this will have no bearing on payment of dividends to shareholders.

## Earnings per Share

The earnings per share for the year ended June 30, 2017 were Rs. 8.52 as against Rs. 2.25 per share of preceding year.

## Business Review

The tractor industry showed a robust signs of growth in fiscal year 2017. The main factors were reduction in sales tax on tractor from 10% to 5%, increased credit expansion, fertilizer subsidy, higher production of kharif crops, improvements in energy supply and CPEC related development projects which improved the purchasing power of farmers as well as the tractors sale to reach to three years high and also has the direct impact on financial performance of vending industries. In the fiscal year 2017, the Company has made an outstanding performance by producing 11,566 M.T of castings against 8,436 M.T of last year. The tonnage net sales were 11,199 M.T against 8,557 M.T of last year.

## Company's Performance

The sales revenues of the Company for the year under review amounted to Rs. 1,744.098 million against Rs. 1,333.476 million of last year. The gross profit was Rs. 246.628 million against Rs. 140.876 million of last year. The selling, distribution and administrative expenses were Rs. 93.721 million against Rs. 75.619 million of last year. The financial cost was Rs. 10.996 million against Rs. 33.138 million of last year.

In the financial year under review, the Company earned the highest ever profit before tax of Rs. 141.426 million against Rs. 39.420 million of last year. The profit after tax was Rs. 97.776 million against Rs. 25.870 million of last year.

## Future Prospects

Government policies on economic development extend good support to the agricultural sector. Being linked with agricultural sector, the tractor industry shall further grow. The growth shall result into enhanced orders for tractor castings thereby enhancing possibility of additional sales orders for your Company.

The automobile sector is also showing robust signs of progress. The growth witnessed during last year is expected to continue. Therefore, all signs are leading towards consistent improvements which form solid foundation for growth in the foundry market.

Additionally, in order to remain on competitive edge and to fulfill contemporary global necessities, our main customer Millat Tractor Limited (MTL) has launched emission free tractors which is environment friendly and has expanded its sales operations from local to international market by creating distribution network in Afghanistan, Middle East and some African countries.

The management of your Company is concentrating on improving supply of castings in the most economical manner and also focusing on improving quality of castings.

Considering the aforesaid scenario, BCL is expected to experience boost in its sales of castings and will ensure enhanced market share and better financial performance as its outcome.

## 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. The Company is susceptible to the following principal risks which are mitigated via specific polices and plans:

## Business Risk

Given consistency in existing government economic policies, company does not see any major business risk, neither from competition nor from other market conditions.

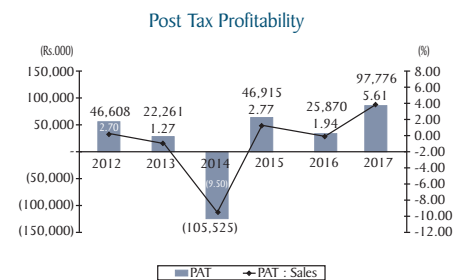
Your company is dependent upon import of raw materials, therefore currency exchange risk persists. However, level of risk may be considered low due to stability of Pak Rupee witnessed during recent past.

Sales of your Company's products are mainly to the tractor assemblers and manufacturers. Though we do not expect any drop in sales of tractors, but any change in tractor sales may have a direct impact on our sales and profitability.

The management of your Company is vigilant of these challenges and is taking all possible measures to mitigate their impact by implementing aggressive strategies for procurement of raw materials alongwith continuous emphasis on financial controls and operational efficiencies.

## 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.



## DIRECTORS' REPORT

### Credit Risk

The credit risk on company's liquid fund is limited because the counter parties are banks with high credit ratings. However, the company managed the credit risk on trade debts by monitoring credit exposures, limiting transactions with specific customers and containing assessment of credit-worthiness of customers.

### Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Company manages this risk through effective cash management and by keeping committed credit lines available.

### 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.

### 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 are sent to perform Hajj at Company's expense every year.

### 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

## DIRECTORS' REPORT

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. 352.754 million to the national exchequer during the period by way of taxes and duties. This includes Rs. 12.226 million as income tax, Rs. 310.783 million as sales tax and Rs. 29.745 million as custom & regulatory 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 Code of Corporate Governance, 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.

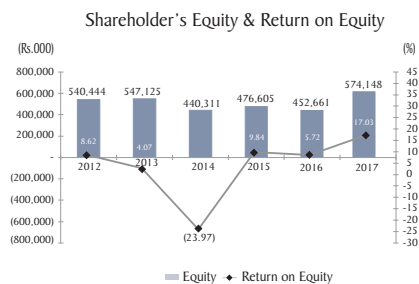
Statements of compliance with the code of corporate governance duly reviewed and certified by the external auditors are annexed to this report.

### Board of Directors

#### Board Structure and Changes

The Board of Directors is responsible governs 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 nine elected directors and a Chief Executive Officer. Out of nine elected directors one is executive director and eight are non-executive directors including an independent director.

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.

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, 2017, by the Board of Directors.

#### Role of the Chairman and Chief Executive Officer

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 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 strategic aims, ensures that the necessary financial and human resources are in place for the Company to meet its objectives and reviews

## DIRECTORS' REPORT

management performance. It also sets the Company's values and standards and ensures that its obligations to its shareholders and others are understood and met.

Specific responsibilities reserved to the Board include:

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

### Board Meetings

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

The Board met five times during the financial year 2016-17. 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.

Attendance of Directors at Board meetings is set out below:

Name of Directors	Meetings Attended
Mr. Sikandar M. Khan	4
Mr. Nisar A. Mirani	5
Mr. Latif Khalid Hashmi	5
Mr. Sohail Bashir Rana	4
Mr. Laeeq Uddin Ansari	4
Mian Muhammad Saleem	0
Syed Muhammad Irfan Aqueel	5
Syed Javaid Ashraf	5
Mr. Muhammad Imran Rafiq	
- NIT Nominee	5
Mr. Saifuddin	5

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, six directors of the Company meet the exemption criteria of the Directors' Training Program and two directors have acquired certification under the said program.

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

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 2017. Election of Directors for fresh term of three years is to take place at the ensuing AGM 2017, detail of which is given in the Notice of AGM.

### Board Committees

In order to achieve desired objectives, the Board has established four committees with particular responsibilities. The terms of reference of these committees are clearly defined by the Board. The proceedings of Board Committees are reported to the Board of Directors in their meetings.

### Audit Committee

To guarantee the objectiveness, fairness and independence of the Audit Committee, the Audit committee comprises four non-executive directors including an independent director and is chaired by Mr. Latif Khalid Hashmi. The other members of the Committee are Syed Muhammad Irfan Aqueel, Syed Javaid Ashraf and Mr. Muhammad Imran Rafiq.

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



## DIRECTORS' REPORT

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 as required by the Code of Corporate Governance. The Chief Executive Officer, the Chief Financial Officer and the Head of Internal Audit attend the meetings. The External Auditors attend the meetings at which annual and half yearly financial statements are reviewed for subsequent approval by the Board of Directors.

In addition, the Committee 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 2017, the Committee met four times to coincide with the financial and reporting cycles of the Company.

Attendance of Directors at meetings of the Audit Committee is set out below:

Name of Directors	Meetings Attended
Mr. Latif Khalid Hashmi	4
Syed Muhammad Irfan Aqueel	3
Syed Javaid Ashraf	4
Mr. Muhammad Imran Rafiq	4

The proceedings of meetings are properly recorded by Secretary Audit Committee and

minutes of meetings are circulated to all members, directors and CFO.

### 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 Hashmi, Mr. Sohail Bashir Rana, Mr. Laeeq Uddin Ansari and Mian Muhammad Saleem.

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 nine times.

Attendance of Directors at meetings of BCS is set out below:

Name of Directors	Meetings Attended
Mr. Sikandar M. Khan	8
Mr. Latif Khalid Hashmi	9
Mr. Sohail Bashir Rana	5
Mr. Laeeq Uddin Ansari	9
Mian Muhammad Saleem	0

### Human Resource and Remuneration (HR&R) Committee

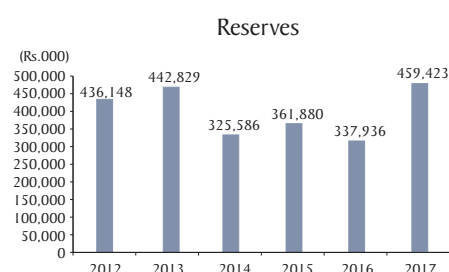
The Human Resource and Remuneration (HR&R) Committee comprises four directors amongst whom three are non-executive directors. The committee is chaired by Mr. Latif Khalid Hashmi, while the other members of the committee are Mian Muhammad Saleem, Mr. Nisar Ahmed Mirani and Mr. Muhammad Imran Rafiq.

The HR & R Committee is responsible to assist the Board in formulating human resource management policies and selection, evaluation and compensation of CEO, General Managers and other key management positions who

report directly to CEO or General Managers.

Attendance of Directors at meetings of HR & R Committee is set out below:

Name of Directors	Meetings Attended
Mr. Latif Khalid Hashmi	1
Mian Muhammad Saleem	1
Mr. Nisar A. Mirani	0
Muhammad Imran Rafiq	1



### Directors' Remuneration Committee

The Directors' Remuneration Committee comprises three directors all of whom are non-executive directors. The committee is chaired by Mr. Sikandar Mustafa Khan, while the other members of the committee are Mr. Latif Khalid Hashmi and Mian Muhammad Saleem.

The primary role of the Committee is to follow a formal and transparent procedure, for fixing the remuneration packages of CEO and executive directors of the Company and also to ensure that the levels of remuneration of executive directors are commensurate with their qualifications. The Committee is also responsible to review and recommend compensation arrangements relating to dismissal or removal of CEO and executive directors for misconduct. During the year a meeting of the Committee was held which was attended by all members of the Committee.

### Management Committees

The Board of Directors has also formulated committees as follows to assist the Board in performance of relevant activities:

## DIRECTORS' REPORT

### Business Strategy Committee

The Business Strategy Committee assists Board of Directors in devising short term and long term business plans and suggests strategies for achievement of organizational objectives.

### System & Technology Committee

Systems provide solid base for any type of success. This Committee assists Board of Directors in formulating, implementing and upgrading systems of all types in the Company.

### Aggregate Directors' Remuneration

Details of the directors' remuneration are as follows:

	Chief Executive	Independent & Non- Executive Director
----- (Rupees in thousand) -----		
Managerial remuneration	2,511	-
Bonus	700	-
Retirement benefits	-	-
House Rent	542	-
Utilities	850	-
Medical expenses	408	-
Fees	-	180
Others	1,743	-
	6,755	180
Number of person	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, offer themselves for re-appointment. The directors endorse recommendations of the audit committee for the re-appointment of M/s. A.F. Ferguson & Co., Chartered Accountants as the auditors for the financial year 2017-2018.

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. 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.

#### 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

## DIRECTORS' REPORT

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](http://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.

### Statement on Corporate and Financial Reporting Framework

The Board is fully aware of its responsibility in respect of corporate and financial reporting framework as recognized by the Code of Corporate Governance. 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 Rule Book of Stock Exchange.

### 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 31 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, 2017 (audit in progress) were as follows:

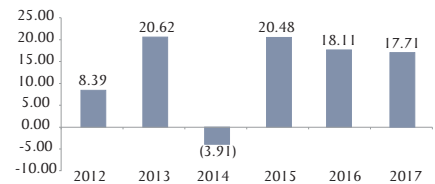
Provident Funds	Rs. 90.764 million
Gratuity Fund	Rs. 70.691 million
Pension Fund	Rs. 111.039 million

### 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 except as stated below:

Name & Designation	No. of Shares	Nature of Transaction
Mr. Laeeq Uddin Ansari Director	730,000	Sale

### Price Earning Ratio



### 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 06, 2017 approved the Directors' Report and authorized Mr. Nisar A. Mirani, Chief Executive Officer and Mr. Laeeq Uddin Ansari, Director of the Company to sign the report on its behalf.

On Behalf of the Board

Nisar A. Mirani  
Chief Executive

Laeeq Uddin Ansari  
Director

## ڈائریکٹرز رپورٹ

لیمن دین کی نوعیت فروخت	حصص کی تعداد 730,000	نام اور عہدہ جناب لئیق الدین انصاری (ڈائریکٹر)
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## شیر ہولڈنگ کی تفصیلات

شیر ہولڈنگ کی نوعیت بمعہ درجہ بندی کی تفصیلات اس رپورٹ کے ساتھ منسلک ہیں

## منظوری اور اجازت نامہ

کمپنی کے بورڈ آف ڈائریکٹرز نے ۶ ستمبر ۲۰۱۷ء کو منعقد ہونے والے اجلاس میں ڈائریکٹرز رپورٹ کی منظوری دے دی ہے اور اپنی جانب سے کمپنی کے سی ای او جناب ثار اے میرانی اور کمپنی کے ڈائریکٹر جناب لئیق الدین انصاری کو رپورٹ پر دستخط کرنے کی اجازت دی ہے۔

منجانب بورڈ



لئیق الدین انصاری  
ڈائریکٹر



ثار اے میرانی  
چیف ایگزیکٹو

## ڈائریکٹرز رپورٹ

کمپنی یہ سالانہ رپورٹ اپنے حصص داروں کو ارسال کرتی ہے۔ تاہم مطالبہ پر سہ ماہی کے مالیاتی بیانات بھی بھیجے جاسکتے ہیں۔

### چیئرمین کا جائزہ

کمپنی کے ڈائریکٹرز چیئرمین کے تجزیہ کے مندرجات کی توثیق کرتے ہیں جو کہ سالانہ رپورٹ میں شامل ہوتے ہیں یہ کمپنی کی کارکردگی سے متعلق ہیں اور ڈائریکٹرز رپورٹ کا ایک اہم حصہ بنتے ہیں۔

### کارپوریٹ اور مالیاتی بیان کا فریم ورک

بورڈ کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک جو کارپوریٹ گورننس ضابطہ کے تحت تسلیم شدہ ہے، اپنی ذمہ داریوں سے پوری طرح آگاہ ہے۔ آپ کی کمپنی کے ڈائریکٹرز کا نظریہ ہے کہ:

الف کمپنی کی انتظامیہ نے جو مالیاتی بیانات تیار کیئے ہیں، معاملات کے نتائج، کیش فلوا اور اثاثہ جات میں تبدیلی کو بہتر طور سے ظاہر کرتے ہیں

ب کمپنی کے اکاؤنٹس کی کتابیں مناسب طور پر رکھی گئی ہیں۔

پ مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل لاگو کیا گیا ہے ماسوائے وہ نوٹس جو مالیاتی بیانات اور اکاؤنٹنگ کے تخمینے جو مناسب اور پر جوش فیصلوں پر مبنی ہیں۔

ت بین الاقوامی مالیاتی رپورٹنگ کے معیار چکا اطلاق پاکستان پر ہوتا ہے لہذا مالیاتی بیانات کی تیاری میں لاگو کیا گیا ہے۔

ٹ اندرونی کنٹرول کا نظام اپنی ساخت میں مستحکم ہے اور جس پر موثر طریقے سے عمل درآمد اور نگرانی ہو رہی ہے۔

ث کمپنی کے موجودہ چلتے ہوئے کاروبار میں کسی طرح کے کوئی خاص شکوک و شبہات نہیں۔

ج کارپوریٹ گورننس کا بہترین استعمال جو اسٹاک ایکسچینج کے ضوابط کی کتب میں درج ہیں، کوئی مواد خارج نہیں ہے۔

### آپریٹنگ اور مالی خلاصہ

کلیدی آپریٹنگ اور مالیاتی حقائق ہمراہ کمپنی کی پچھلی دہائی کی نسبت کے ساتھ منسلک ہیں۔

### مخصوصات

کمپنی کے مخصوصات کی تفصیلات کیلئے مالیاتی بیانات کے نوٹ ۳۱ کا حوالہ دیا جاتا ہے۔

### ریٹائرمنٹ کے فوائد کی فنڈز کی سرمایہ کاری

پرائیڈنٹ فنڈ، گریجویٹ فنڈ اور پینشن فنڈ کے سرمایہ کاری کی رقم جو کہ ۳۰ جون ۲۰۱۷ء کے ان۔آڈیٹڈ اکاؤنٹس پر مشتمل ہے (آڈٹ جاری ہے) درج ذیل ہے۔

پرائیڈنٹ فنڈ	90.764 ملین روپے
گریجویٹ فنڈ	70.691 ملین روپے
پینشن فنڈ	111.039 ملین روپے

### کمپنی کے حصص کی ٹریڈنگ

تجزیاتی دورانیہ میں ڈائریکٹرز، ایگزیکٹوز اور شریک حیات اور نابالغ اولاد نے کمپنی کے حصص کی ٹریڈنگ نہیں کی ماسوائے درج ذیل کے:

## ڈائریکٹرز رپورٹ

### اندرونی محاسب (انٹرنل آڈٹ)

انٹرنل آڈٹ کا مشن اہداف کی فراہمی کو یقین بنانا اور بی سی ایل کے امور کی موثریت میں اضافہ کرنا ہے۔ یہ خطرات کے انتظام، کارپوریٹ گورننس اور کنٹرول کے ذریعے بی ایس ایل کے اہداف کو منظم اور باضابطہ طریقے سے عمل اور نظام کا جائزہ لیتے ہوئے، حاصل کرنے میں مدد فراہم کرتا ہے۔ یہ موثریت میں اضافہ کی تجاویز مرتب کرنے میں بھی مدد فراہم کرتا ہے۔

انٹرنل آڈٹ کے دائرہ کار میں اس بات کو ممکن بنانا کہ امور، نظام اور کنٹرول جیسا کہ انہیں بنایا اور نافذ کیا گیا ہے، کافی ہیں اور اس طرح لاگو کیے گئے ہیں کہ یقینی ہو کہ:

- خطرات مناسب طریقے سے بیان، تشخیص اور منظم کیے گئے ہیں
- مالیاتی اور آپریشنل معلومات مصدقہ، قابل اعتماد اور بروقت میسر ہیں
- ہدایات، پالیسیوں، قوانین، قواعد و ضوابط کی ضروریات کا احترام کیا جاتا ہے اور
- انسانی، معلوماتی اور مالیاتی ذرائع کفایتی طریقے سے حاصل کیے جاتے ہیں اور موثر اور مناسب طریقے سے انکا استعمال اور تحفظ کیا جاتا ہے۔

انٹرنل آڈٹ بورڈ آڈٹ کمیٹی کو براہ راست جوابدہ ہے۔ تنظیمی ڈھانچہ اس طرح ڈیزائن کیا گیا ہے کہ یہ یقین دہانی ہو کہ انٹرنل آڈٹ موثر انداز میں آزادانہ طور سے اپنا کردار ادا کر سکے۔

### بیرونی محاسب (ایکسٹرنل آڈٹ)

موجودہ آڈیٹرز میسرز ایف فرگن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئی ہے اور اہل ہونے کے وجہ سے دوبارہ اپنی خدمات پیش کرتی ہے۔ ڈائریکٹرز نے میسرز ایف فرگن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی برائے سال 2017-18 کیلئے دوبارہ تقرری کی۔ سفارشات کی توثیق کی ہے۔

میسرز ایف فرگن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے یقین دہانی کرائی ہے کہ انہیں پاکستان انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس نے اپنے کوالٹی جائزہ پروگرام کے تحت اطمینان بخش درجہ بندی مہیا کی ہے۔ اس کے علاوہ، انہوں نے یقین دہانی کرائی ہے کہ انکی فرم کوئی بھی شراکت دار، اسکا شریک حیات اور نابالغ اولاد کمپنی کے حصص کے حامل نہیں ہے اور یہ کہ انکی فرم اور شراکت دار انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس کے وضع کردہ اخلاقی اصول جسے پاکستان انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس نے اپنایا ہے، کی تعمیل کرتے ہیں۔

بیرونی آڈیٹرز یا ان سے منسلک افراد کو دوسری خدمات فراہم کرنے کیلئے مقرر نہیں کیا گیا ہے علاوہ اسٹنگ کے قواعد کے مطابق اور آڈیٹرز نے یہ یقین دہانی کرائی ہے کہ اس سلسلے میں وہ آئی ایف اے سی کی ہدایات کو پیش نظر رکھتے ہیں۔

### حصص داروں کے ساتھ تعلقات

#### سالانہ عام اجلاس کی مقصدیت

بورڈ حصص داروں کے ساتھ بات چیت کیلئے سالانہ جنرل اجلاس کو اچھا سمجھتا ہے اور انکی شرکت کی حوصلہ افزائی کرتا ہے۔ اے جی ایم سے کم از کم ۲۱ یوم قبل اجلاس کی اطلاع ہمراہ ایجنڈا اور ضروری معلومات حصص داروں کو ارسال کی گئی اور انگریزی اور اردو اخبارات میں شائع کرائی گئی۔

### متفرق

کمپنی نے اپنی ویب سائٹ [www.bolancastings.com](http://www.bolancastings.com) برقرار رکھی ہے جس سے دلچسپی رکھنے والوں کی بھی شخص معلومات حاصل کر سکتا ہے۔ اس کے علاوہ، حصص داروں اور دیگر کی ضروری خبر رسائی کیلئے، سالانہ اور سہ ماہی کے مالیاتی بیانات اشاعت کے فوراً بعد ہی ویب سائٹ پر مہیا کر دیے جاتے ہیں۔

## ڈائریکٹرز رپورٹ

### مجموعی ڈائریکٹرز کا معاوضہ

ڈائریکٹرز کے معاوضہ کی تفصیلات درج ذیل ہیں:

آزاد/مان ایگزیکٹو ڈائریکٹرز	چیف ایگزیکٹو	
ہزار میں-----	روپے-----	
-	2,511	انتظامی معاوضہ
-	700	بونس
-	-	رٹائرمنٹ کے فوائد
-	542	مکان کا کرایہ
-	850	افادیت
-	408	طبی اخراجات
180	-	معاوضہ
-	1,743	دیگر
180	6,755	
2	1	افراد کی تعداد

### آڈٹ اور احتساب

#### مالیاتی رپورٹنگ

بورڈ کو یہ اطمینان ہے کہ ڈائریکٹرز رپورٹ اور اکاؤنٹس جس میں کاروبار کا تجزیہ اور کارکردگی شامل ہے، چیئرمین کی نظر ثانی کی مدد سے کمپنی کے مقام اور امکانات کا متوازن اور قابل فہم تجزیہ پیش کرنے کی ذمہ داری پوری کی ہے۔ اس ڈائریکٹرز رپورٹ میں کارپوریٹ اور مالیاتی رپورٹنگ پر ڈائریکٹرز کے بیانات شامل ہیں۔

#### اندرونی کنٹرول

ڈائریکٹرز ذمہ دار ہیں کہ کمپنی کا داخلی نظام جس کا مقصد کمپنی کے اثاثہ جات کا تحفظ، مناسب طریقے سے لین دین کے اندراج کو یقینی بنانا اور یہ یقین دہانی کرنا کہ قانونی اور ریگولیٹری ضروریات پوری کی جارہی ہیں اور معاملات کی موثر کارکردگی کو یقینی بنایا جا رہا ہے۔

کمپنی اچھے اندرونی نظام کو برقرار رکھتی ہے، جس کو خطرات کی شناخت، اندازہ اور انعام دیکھنے تجویز کیا گیا ہے اور جو کمپنی کو کاروباری اہداف کے حصول سے محروم کر سکتے ہیں اور اس سے خطرات کو ختم کرنے کے بجائے غلطی یا نقصان کے خلاف صرف مناسب یقین دہانی کرتے ہیں۔ آڈٹ کمیٹی کو رسمی طور پر داخلی نظام کے موثر انداز میں جائزہ لینے کی ذمہ داری دی گئی ہے۔

کمپنی اور اس کی کاروائیاں تفصیلی سالانہ بجٹ کے عمل سے مشروط ہیں۔ سال کے دوران اصل کارکردگی کی میعادوں پر گزشتہ سال کے مقابلے سے نگرانی کی جاتی ہے یہ پیش گوئیاں اور نتائج بورڈ کی کمیٹی کو باقاعدگی سے پیش کی جاتی ہیں۔

## ڈائریکٹرز رپورٹ

### انسانی وسائل اور اجرت (ایچ آر اینڈ آر) کمیٹی

انسانی وسائل اور اجرت (ایچ آر اینڈ آر) کمیٹی چار ڈائریکٹرز پر مشتمل ہے جن میں سے تین نان ایگزیکٹو ڈائریکٹرز ہیں۔ جناب لطیف خالد ہاشمی اس کمیٹی کے صدر، جبکہ دیگر ارکان میں میاں محمد سلیم، جناب ثار احمد میرانی اور جناب محمد عمران رفیق شامل ہیں۔

ایچ آر اینڈ آر کمیٹی انسانی وسائل کی پالیسیوں کو ترتیب دینے اور سی ای او، جنرل مینجرا اور دیگر اہم انتظامیہ کے ارکان جو براہ راست سی ای او اور جنرل مینجرا کو رپورٹ کرتے ہیں ان کا انتخاب، تشخیص اور معاوضہ کے امور میں بورڈ کی مدد کی ذمہ دار ہے

ایچ آر اینڈ آر کمیٹی کے اجلاسوں میں ڈائریکٹرز کی شرکت درج ذیل ہے

#### اجلاسوں میں شرکت

1  
1  
-  
1

#### ڈائریکٹرز کے نام

جناب لطیف خالد ہاشمی  
میاں محمد سلیم  
جناب ثار اے میرانی  
محمد عمران رفیق

### ڈائریکٹرز کی اجرت کی کمیٹی

ڈائریکٹرز کی اجرت کی کمیٹی میں تین ڈائریکٹرز شامل اور تمام نان ایگزیکٹو ڈائریکٹرز ہیں۔ کمیٹی کے صدر جناب سکندر مصطفیٰ خان ہیں جبکہ کمیٹی کے دیگر ممبران میں جناب لطیف خالد ہاشمی اور میاں محمد سلیم شامل ہیں۔

اس کمیٹی کا بنیادی کردار ایک رسمی اور شفاف طریقہ کار پر عمل کرتے ہوئے کمیٹی کے سی ای او اور اور ایگزیکٹو ڈائریکٹرز کی مراعات اور معاوضہ کو طے کرنا اور اس بات کو یقینی بنانا کہ ایگزیکٹو ڈائریکٹرز کی اجرت انکی تعلیمی قابلیت کی مناسبت سے ہے۔ کمیٹی سی ای او اور اور ایگزیکٹو ڈائریکٹرز کی بدعنوانی کے ارتکاب کی صورت میں انکے معاوضے کے انتظام کا جائزہ لینے اور سفارشات مرتب کرنے کی بھی ذمہ دار ہے۔ سال کے دوران کمیٹی کا ایک اجلاس منعقد ہوا جس میں کمیٹی کے تمام ممبران نے شرکت کی۔

### انتظامیہ کی کمیٹیاں

بورڈ آف ڈائریکٹرز نے متعلقہ سرگرمیوں میں بورڈ کی مدد کیلئے درج ذیل کمیٹیاں تشکیل دی ہیں:

### کاروباری حکمت عملی کی کمیٹی

کاروباری حکمت عملی کی کمیٹی مختصر مدت اور طویل مدتی کاروباری منصوبوں کو وضع کرنے اور ادارے کے اہداف کے حصول کیلئے حکمت عملی طے کرنے میں بورڈ کی مدد کرتی ہے۔

### سسٹم اور ٹیکنیکل کمیٹی

سسٹم کسی بھی قسم کی کامیابی کیلئے ٹھوس بنیاد فراہم کرتا ہے۔ یہ کمیٹی ہر قسم کے سسٹم کی تکمیل، انعقاد اور بہتری کیلئے بورڈ آف ڈائریکٹرز کی مدد کرتی ہے۔



## ڈائریکٹرز رپورٹ

کمپنی کمپنی کے عبوری نتائج کی منظوری سے پہلے کم از کم ایک دفعہ اجلاس منعقد کرتی ہے اور جیسا کہ کارپوریٹ گورننس ضابطہ میں ہے۔ چیف ایگزیکٹو آفیسر، چیف فنانسنگ آفیسر اور انٹرنل آڈٹ کے سربراہ ان اجلاسوں میں شرکت کرتے ہیں۔ بیرونی آڈیٹرز ان اجلاسوں میں شرکت کرتے ہیں جن میں بورڈ کے اجلاس سے پہلے سالانہ، نصف سالانہ مالیاتی بیانات کا جائزہ لیا جاتا ہے۔

اس کے علاوہ کمپنی بیرونی آڈیٹرز سے علیحدہ میٹنگ کرتی ہے تاکہ آڈٹ کے نتیجے میں پیش آنے والی دشواریوں میں سہولت کیلئے گفت و شنید کرے اور اندرونی کنٹرول سے متعلق مختلف معاملات پر گفتگو کرے۔

کمپنی کے مالیاتی رپورٹنگ کے دورانیہ کی موافقت کیلئے مالی سال ۲۰۱۷ء میں چار مرتبہ اجلاس منعقد کیا۔

آڈٹ کمیٹی کے اجلاسوں میں ڈائریکٹرز کی حاضری درج ذیل ہے:

ڈائریکٹر کا نام	اجلاسوں میں شرکت
جناب لطیف خالد ہاشمی	۴
سید محمد عرفان عقیل	۳
سید جاوید اشرف	۴
محمد عمران رفیق	۴

اجلاس کی کاروائی سیکرٹری آڈٹ کمیٹی کے جانب سے مناسب طریقے سے درج کی جاتی ہے اور اجلاس کے منٹس تمام ممبرز، ڈائریکٹرز اور سی ایف او کو ارسال کیئے جاتے ہیں۔

### بورڈ کی کمیٹی برائے نگرانی (بی سی ایس)

بورڈ کی کمیٹی برائے نگرانی (بی سی ایس) کی صدارت جناب سکندر ایم خان کرتے ہیں۔ کمیٹی کے دیگر ممبران میں جناب لطیف خالد ہاشمی، جناب سہیل بشیر رانا، جناب لئیق الدین انصاری اور میاں محمد سلیم شامل ہیں۔

بی سی ایس کمیٹی کی تشکیل، مالی اور انتظامی پہلوؤں کی سرگرمیوں، حکمت عملی اور نگرانی کی ذمہ دار ہے۔ کمیٹی ماہانہ یا دو ماہ میں آپریٹنگ کارکردگی کا جائزہ بھی لیتی ہے۔ سی ای او اور تمام محکموں کے سربراہ بھی اس اجلاس میں شرکت کرتے ہیں۔ اجلاس کی کاروائی کا باقاعدہ اندراج کیا جاتا ہے اور متعلقہ افراد کو بھیجا جاتا ہے۔ سال کے دوران کمیٹی کے نو اجلاس منعقد ہوئے۔

بی سی ایس اجلاسوں میں ڈائریکٹرز کی حاضری درج ذیل ہے:

ڈائریکٹر کا نام	اجلاسوں میں شرکت
جناب سکندر ایم خان	۸
جناب لطیف خالد ہاشمی	۹
جناب سہیل بشیر رانا	۵
جناب لئیق الدین انصاری	۹
میاں محمد سلیم	-

## ڈائریکٹرز رپورٹ

تمام ڈائریکٹرز اپنی ذمہ داریوں سے پوری طرح واقف ہیں۔ سال میں کم از کم ایک مرتبہ، کمپنی اپنے ڈائریکٹرز کی آگاہی کا ایک کورس کا انعقاد کرتی ہے تاکہ شراکت داروں کی جانب سے کمپنی کے معاملات اور انتظام کیلئے اپنی ذمہ داریوں اور فرائض سے آگاہ ہو سکیں۔ فی الوقت چھ ڈائریکٹرز ہیں جنہیں ڈائریکٹرز ٹریننگ پروگرام سے استثناء حاصل ہے جبکہ دو ڈائریکٹرز نے اس پروگرام سے سرٹیفیکیشن حاصل کیا ہے۔

بورڈ آف ڈائریکٹرز فیصلے کرتے وقت کمپنی کے مفاد اور بی سی ایل کے شراکت داروں اور دوسرے اسٹیک ہولڈرز کے مفادات کو مد نظر رکھتی ہے۔

کمپنی سیکریٹری تمام انتظامی معاملات میں بورڈ کو مشورہ دینے کا ذمہ دار ہے تاکہ بورڈ کے طریقہ کار کی پیروی کی جائے اور تمام قابل اطلاق قوانین اور قواعد پر عمل کو یقینی بنایا جاسکے۔ اس کے علاوہ کمپنی سیکریٹری بورڈ کے اجلاس کی یادداشت مرتب کرنے اور مقررہ وقت میں ڈائریکٹرز کو ارسال کرنے کا بھی ذمہ دار ہے۔

چیف فنانسئل آفیسر بورڈ کو تمام مالیاتی اور لین دین کے معاملات میں مشورہ دینے کا ذمہ دار ہے، چیف ایگزیکٹو آفیسر کے ہمراہ سالانہ اور سہ ماہی کے مالیاتی بیانات پیش کرنے کا بھی ذمہ دار ہے۔ وہ اثاثوں کی نگرانی اور سرمایہ کاری کرتا ہے۔

اس کے علاوہ ہی ایف اوسالانہ کارپوریٹ بجٹ کو حتمی شکل دینے اور کمپنی کے معاملات کو ہموار طریقے سے چلانے کیلئے بجٹ بمقابلہ میعاد کی تجزیہ کی جانچ بھی کرتا ہے۔

### ڈائریکٹرز کا انتخاب

کمپنی کے موجودہ منتخب ڈائریکٹرز اکتوبر ۲۰۱۷ء میں ریٹائر ہو رہے ہیں۔ تین سال کی نئی مدت کیلئے ڈائریکٹرز کا انتخاب اگلی سالانہ عام اجلاس ۲۰۱۷ء میں کیا جائے گا جس کی تفصیل سالانہ عام اجلاس کی اطلاع میں دی گئی ہے۔

### بورڈ کی کمیٹیاں

وضع کردہ اہداف کو حاصل کرنے کیلئے مخصوص ذمہ داریوں کے ساتھ چار کمیٹیاں تشکیل دی ہیں۔ بورڈ کی جانب سے ان کمیٹیوں کی حد شراکت پہلے ہی وضع کی جا چکی ہیں۔ بورڈ کے اجلاسوں میں ان کمیٹیوں کے اقدامات پیش کیئے جاتے ہیں۔

### آڈٹ کمیٹی

آڈٹ کمیٹی کی واقعیت، عدل اور آزادی کی ضمانت کیلئے، یہ آڈٹ کمیٹی چار نام ایگزیکٹو ڈائریکٹرز بشمول ایک آزاد ڈائریکٹر پر مشتمل ہے جس کے سربراہ جناب لطیف خالد ہاشمی ہیں۔ کمیٹی کے دیگر ارکان میں سید محمد عرفان عقیل، سید جاوید اشرف اور جناب محمد عمران رفیق شامل ہیں۔

آڈٹ کمیٹی کا بنیادی کردار، بورڈ کو نتائج پیش کرنا کہ مالیاتی رپورٹنگ اور آڈٹ کے عمل کی سرپرستی اور پائیدار داخلی کنٹرول اور محتاطی انتظامی نظام کو یقینی بنانا ہے۔ ان مقاصد کے حصول میں، کمیٹی یہ یقینی بناتی ہے کہ کمپنی کے اپنے اور بیرونی آڈیٹرز کے درمیان مناسب تعلق برقرار ہے۔ کمپنی بیرونی آڈٹ کے عمل کی موثریت پر بھی غور کرتی ہے اور آڈٹ کی اجرت اور آڈیٹرز کے تعین، استعفی، برخوانگی کے معاملات میں بورڈ کو سفارش کرتی ہے۔

کمیٹی آڈٹ کے اندرونی معاملات کی نگرانی کی ذمہ دار ہے اور کمپنی کے اندرونی کنٹرول کے نظام کو بہتر بنانے میں بھی اہم کردار ادا کرتی ہے۔ آڈٹ کمیٹی اندرونی کنٹرول کے نظام پر عمل درآمد کا جائزہ لیتی ہے اور باقاعدگی سے اندرونی کنٹرول کی مشکلات کی نشاندہی اور اسکی اصلاح کی نگرانی کرتی ہے۔

کمیٹی کارپوریٹ گورننس پر بہترین طریقے پر عمل درآمد کو یقینی بناتی ہے جبکہ دیگر متعلقہ ریگولیٹری ضروریات کو بھی پورا کرنے کی بھی ذمہ دار ہے۔

## ڈائریکٹرز رپورٹ

- سالانہ اور سہ ماہی اکاؤنٹس کی منظوری
- مالی کنٹرول اور خطرے کے انتظام کیلئے کمپنی کے نظام کا جائزہ
- اہم حصول اور سرمایہ کاری اخراجات کی منظوری
- کمپنی کے حصص کا اجراء
- اس بات کو یقینی بنانا کہ انتظامی ترقی اور معاملات میں تسلسل کے منصوبے موجود ہوں
- کارپوریٹ کی سماجی ذمہ داریاں بشمول کمپنی کے ماحول، صحت اور حفاظتی کارکردگی کے امور کا جائزہ لینا
- بورڈ کی کمیٹیوں کی سرگرمیوں کا جائزہ لینا، اور
- بورڈ، بورڈ کی کمیٹیوں، سی ای او، سی ایف او، کمپنی سیکرٹری اور انٹرنل آڈٹ کے سربراہ کی تقرریوں کی منظوری دینا۔

### بورڈ کے اجلاس

بورڈ شراکت داروں کو اس یقین کے ذریعے جوابدہ ہے کہ کمپنی مناسب طریقے سے منظم ہے اور مقرر کیے ہوئے حکمت عملی کے اہداف کو حاصل کر رہی ہے۔ بورڈ ان ذمہ داریوں کو سالانہ اجلاسوں کے ذریعے نبھاتا ہے۔ بورڈ نے مالی سال 2016-17 میں پانچ مرتبہ اجلاس منعقد کیا۔ ان اجلاسوں کی صدارت چیئرمین نے کی اور انکی غیر موجودگی میں ایک ڈائریکٹر جسے بورڈ نے اس مقصد کیلئے منتخب کیا، نے کی۔ ان اجلاسوں میں چیف فائنانشل آفیسر اور کمپنی سیکرٹری بھی شامل تھے۔

ڈائریکٹرز کی بورڈ کے اجلاسوں حاضری درج ذیل ہے:

ڈائریکٹرز کے نام	اجلاسوں میں شرکت
جناب سکندر ایم خان	۴
جناب ثار اے میرانی	۵
جناب لطیف خالد ہاشمی	۵
جناب سہیل بشیر رانا	۴
جناب لئیق الدین انصاری	۴
میاں محمد سلیم	۰
سید محمد عرفان عقیل	۵
سید جاوید اشرف	۵
جناب محمد عمران رفیق (این آئی ٹی کے امیدوار)	۵
جناب سیف الدین	۵

بورڈ کے ہر اجلاس سے پہلے کمپنی سیکرٹری نے اطلاع ہمراہ ایجنڈہ آئیٹیم اور کاروباری امور سے متعلق جامع دستاویزات پہلے سے ڈائریکٹرز کو ارسال کیں تاکہ اجلاس سے پہلے بورڈ ان امور سے پوری طرح آگاہ ہو۔

## ڈائریکٹرز رپورٹ

اس طرف ہدایت کرتا ہے کہ ہمارے کاروباری اہداف، اعلیٰ درجہ کی ایمانداری، شفافیت، اور احتسابی عمل کے مطابق حاصل کیے جائیں۔

ان اصولوں کے حصول کیلئے، ہمارے نقطہ نظر / مشن کے بیانات، مکمل کارپوریٹ گورننس کی ہدایات کئی سالوں سے جاری ہیں۔ اس کے علاوہ بورڈ نے ایک ضابطہ اخلاق تیار کیا ہے اور معیار ترتیب دیا ہے جس کے تحت ڈائریکٹرز، اعلیٰ انتظامیہ اور کمپنی کے تمام ملازمین عمل پیرا ہوتے ہیں۔

کارپوریٹ گورننس ضابطہ کی تعمیل کا بیان جیکبیرونی آڈیٹرز نے جائزہ لیا اور تصدیق کی ہے، اس رپورٹ کے ساتھ منسلک ہے۔

### بورڈ آف ڈائریکٹرز

#### بورڈ کی ساخت اور تبدیلیاں

بورڈ آف ڈائریکٹرز جو کہ اس وقت ۹ منتخب ڈائریکٹرز اور ایک چیف ایگزیکٹو آفیسر پر مشتمل ہے، ادارے کیلئے بورڈ کی پالیسیاں اخذ کرنے، حکمت عملی کے اہداف کا تعین کرنے اور وسیع نقطہ نظر کے ساتھ کارکردگی کے حصول کا ذمہ دار ہے۔ منتخب ڈائریکٹرز میں سے ایک ایگزیکٹو ڈائریکٹر اور آٹھ نان ایگزیکٹو ڈائریکٹرز ہیں بشمول ایک آزاد ڈائریکٹر۔

چیئر مین اور چیف ایگزیکٹو آفیسر کے عہدے بالترتیب جناب سکندر ایم خان اور جناب نثار اے میرانی کے پاس ہے۔ علیحدہ افعال بورڈ اور انتظامیہ کے درمیان زیادہ آزادی کو یقینی بناتا ہے۔ چیئر مین اور سی ای او کے درمیان ذمہ داریوں کا واضح فرق موجود ہے۔

چیف ایگزیکٹو آفیسر جناب نثار اے میرانی کے دفتر میں تین سال کی مدت مکمل ہونے پر بورڈ آف ڈائریکٹرز نے انہیں مورخہ ۲۷ اپریل ۲۰۱۷ء سے بحیثیت ایگزیکٹو آفیسر دوبارہ مقرر کیا ہے۔

#### چیئر مین اور چیف ایگزیکٹو آفیسر کا کردار

چیئر مین کمپنی کی سمت کے تعین کیلئے مجموعی قیادت اور نقطہ نظر فراہم کرنے کا ذمہ دار ہے۔

چیئر مین کا بنیادی کردار ہے کہ بورڈ مناسب طریقے سے کام کرتا ہے، یہ اپنے تمام تقاضوں اور ذمہ داریوں کو پورا کرے اور اسکی تنظیم اور میکانزم اپنی جگہ موثر انداز میں کام کرتی ہے۔ سی ای او کمپنی کے انتظام کا ذمہ دار ہے اور اس بات کو یقینی بناتا ہے کہ حکمت عملی اور مالی اہداف کی ترسیل کو بورڈ کی حمایت حاصل ہے۔ وہ کمپنی کے اثاثہ جات کی حفاظت کا بھی ذمہ دار ہے اور مشترکہ طور پر چیئر مین کے ساتھ کمپنی کی بیرونی نمائندگی کرتا ہے۔

#### بورڈ کے امور

کمپنی کی کامیابی کیلئے بورڈ مجموعی طور پر ذمہ دار ہے۔ اس کا کردار کمپنی کیلئے کاروباری قیادت کی فراہمی، موثر کنٹرول اور بحمداری کے فریم ورک میں رہتے ہوئے خطرات کے تعین اور انتظام کو یقینی بنانا ہے۔ بورڈ کمپنی کی حکمت عملی کے مقاصد کا تعین کرتا ہے، اس بات کو یقینی بناتا ہے کہ کمپنی اپنے مقاصد کو پورا کرنے اور انتظامی کارکردگی جائزہ لینے کیلئے لازمی مالی اور انسانی وسائل رکھتی ہے۔ یہ کمپنی کی اقدار اور معیارات کا تعین بھی کرتا ہے اور اس بات کو یقینی بناتا ہے کہ شراکت داروں اور دیگر کے تقاضے سمجھے اور حاصل کیے جا رہے ہیں۔

#### بورڈ کی مخصوص ذمہ داریاں بشمول:

- سالانہ بجٹ اور تخمینوں کی منظوری

## ڈائریکٹرز رپورٹ

کمپنی ہمیشہ سے ملازمین کی فلاح و بہبود کیلئے اقدامات کر رہی ہے۔ کمپنی اپنی کینٹین میں رعایتی نرخ پر کھانا فراہم کرتی ہے۔ اس کے علاوہ کمپنی اپنے ملازمین کو طبی سہولیات بھی فراہم کرتی ہے۔ کمپنی کے پاس حاضر ملازمین اور سابقہ ملازمین کے فوائد کیلئے متوازن پروگرام اور پالیسیاں ہیں۔ کمپنی کے پاس بیشتر ملازمین کیلئے پروڈنٹ فنڈ، گریجویٹ اور ریتینشن کی اسکیمیں ہیں۔ کمپنی کی ملازمین کیلئے ایک حج سکیم ہے جس کے تحت ہر سال ۳ ملازمین کو کمپنی کے اخراجات پر حج کی ادائیگی کیلئے بھیجا جاتا ہے۔

### خصوصی افراد کو روزگار کی فراہمی

معذور افراد کی صلاحیتوں اور رجحان کے مطابق بی سی ایل ملازمتوں اور ترقی کی فراہمی کی حمایت جاری رکھے ہوئے ہے، کہ وہ محفوظ ماحول میں کام کر سکتے ہوں۔

اگر کوئی ملازم معذور ہو جاتا ہے تو تمام تر کوشش کی جاتی ہے کہ وہ ملازمت جاری رکھے اگر معذوری اس نوعیت کی ہے کہ وہ کام جاری نہیں رکھ سکتا تو اس صورت میں کمپنی اسکی اولاد کو ملازمت فراہم کرتی ہے۔

### کاروباری اخلاقیات اور انسداد بدعنوانی

بی سی ایل اعلیٰ معیار کے کاروباری طرز عمل کا عزم رکھتی ہے۔ ہم یقین رکھتے ہیں کہ یہ کمپنی کی سادھ اور مالی کامیابی کیلئے ضروری ہے کہ ہم اپنے کاروبار کو ایمانداری، صداقت اور تمام قابل عمل قانونی اور ریگولیٹری ضروریات کے مطابق چلاتے رہیں۔ یہ کمپنی کی بنیادی پالیسی ہے کہ تمام ملازمین کمپنی کے کاروبار پر لاگو قوانین اور قواعد و ضوابط کا مشاہدہ اور عمل کریں اور کاروبار کی سالمیت کے اعلیٰ معیار کو برقرار رکھیں۔ ہمارا ضابطہ اخلاق ایک اہم دستاویز ہے جو اس اعلیٰ اقدار کو مخاطب کرتا ہے اور جسے پوری کمپنی کو فراہم کیا گیا ہے۔

مندرجہ بالا کے علاوہ، تمام ملازمین کو اندرونی کنٹرول کی تہیل پر ماہانہ سرٹیفیکیشن دینے کی ضرورت ہے جو ہر سہ ماہی پر سی ای او کی طرف سے باضابطہ طور پر بورڈ کو پیش کی جاتی ہے۔

### قومی خزانہ میں ادائیگی

بی سی ایل نے حاصل اور ڈیویڈنڈ کی مدد میں اس دوران Rs 352.754 ملین روپے قومی خزانہ میں جمع کرائے ہیں۔ اس میں Rs 12.226 ملین روپے انکم ٹیکس، Rs 310.783 ملین روپے بیلنٹیکس جبکہ RS 29.745 ملین روپے کسٹم اور ریگولیٹری ڈیویڈنڈ شامل ہیں۔

اس کے علاوہ کمپنی نے وہ ہولڈنگ ٹیکس ایجنٹ کے طور پر بھی بھاری رقم قومی خزانہ میں جمع کرائی ہے۔

### کارپوریٹ گورننس

#### کارپوریٹ گورننس کے ضابطہ کی تہیل

تمام شراکت داروں کے مفادات کے تحفظ اور چیک اور توازن کے حصول کیلئے بی سی ایل کارپوریٹ گورننس کی اہمیت سے پوری طرح آگاہ ہے اور کارپوریٹ گورننس کے ضابطہ پر مسلسل عمل پیرا ہے۔ کمپنی مضبوط کارپوریٹ گورننس کی تعمیر جو کہ شراکت داروں سے تعلق کو قائم رکھنے اور کارپوریٹ کی اقدار میں اضافہ کا ایک اہم ذریعہ ہے، اہمیت دیتی ہے۔ کمپنی اس بات کی قائل ہے کہ پائیدار اور طویل مدتی ترقی کیلئے کارپوریٹ گورننس بہت اہمیت رکھتا ہے، ہماری کوشش ہے کہ اس میں بہتری اور اصلاح کریں تاکہ اس کی مدد سے ہم بنیادی مسابقت اور کارپوریٹ اقدار کو بڑھا سکیں۔

کارپوریٹ گورننس کے ضابطہ کے مطابق، بورڈ نے بہترین کارپوریٹ گورننس پالیسیز اور طریقہ کار وضع کیے ہیں جس کی مسلسل نگرانی اور جائزہ لیا جاتا ہے۔ ہمارا کارپوریٹ گورننس ڈھانچہ

## ڈائریکٹرز رپورٹ

کی بچت والے روشنی کے آلات کے استعمال کرنے کی ہدایات جاری کی ہیں۔

### ماحولیاتی تحفظ کے اقدامات

ہم صحت مندرہنے والے ماحول کی بحالی کو بہت اہمیت دیتے ہیں اور صحت مند ماحول کیلئے مناسب خیالات اور اقدامات کی پذیرائی کرتے ہیں۔ ہم ایسے اقدامات کی حوصلہ افزائی کرتے ہیں جس سے ماحول بہتر ہو۔ ہم اپنے امور میں ماحول سے متعلق نگرانی کی ضروریات اور اس پر عمل کرنے پر بھی زور دیتے ہیں کمپنی کے پلانٹ کی سرگرمیاں ماحول دوست رہیں، اس کیلئے مسلسل کاوشیں کی جاتی ہیں۔ اس سلسلے میں درج ذیل کو یقینی بنایا جاتا ہے:

- کیو پولا سے چمناہٹ کے اخراج کیلئے گیلے ٹینک
- مرکزی پلانٹ کے اخراج کے لئے صفائی کا انتظام
- فلٹر بیگ کی ذریعے دھول کے اخراجات میں کمی
- شاٹ بلاسٹنگ اور ریت کے پلانٹ کیلئے بند کیبن، اور
- استعمال شدہ پانی کے ذریعے فیکٹری میں شجر کاری

### پیشہ ورانہ حفاظت اور صحت

بی سی ایل کا خیال ہے کہ ملازمین کی پیشہ ورانہ حفاظت اور انکی صحت سب سے بڑھ کر اہمیت رکھتی ہے۔ ہم یقین رکھتے ہیں کہ تمام صنعتی حادثات کو روکا جاسکتا ہے۔ اپنی اور ساتھی ملازمین کی صحت اور فلاح کیلئے ہر ملازم محفوظ طریقے سے کام کرنے کا ذمہ دار ہے۔

ہم یہ یقین رکھتے ہیں کہ پیداوار اتنی اہم نہیں کہ محفوظ طریقے سے کرنے کیلئے وقت نہ لیا جاسکے۔ ہمارے پاس ISO 9001 - 2015 کو الٹی میٹیمٹ سسٹم کے تحت باقاعدہ حفاظتی پالیسی نافذ ہے۔ بی سی ایل موٹر آگ بھجانے کے نظام کی دستیابی اور دھوپ سے آگ پکڑنے والی اسٹوریج کی جگہوں پر مناسب ہوا کا گزر اور تحفظ کو یقینی بناتا ہے۔ حفاظتی پالیسی کے مطابق حقیقی آگ سے بچاؤ کا مظاہرہ کیا جاتا ہے۔ تمام لازمی طبی امداد کے ساتھ قابل عملہ ہمہ وقت موجود ہوتا ہے۔

### صارفین کے تحفظ کے اقدامات

بی سی ایل معیاری منصوعات مسابقتی قیمت پر صارفین کو فراہم کرنے کو یقینی بناتا ہے۔ کمپنی یہ یقین رکھتی ہے کہ معیار کی مسلسل بہتری کا عزم ہماری کامیابی کیلئے ضروری ہے۔ اس مقصد کیلئے، ہم صارفین کی توقعات کے مطابق معیار کی وضاحت کرتے ہیں، کارکردگی اور قدر پر اتفاق کرتے ہوئے مصنوعات اور خدمات فراہم کرتے ہیں۔ ہمارا اصول عمل ہے "ہم معیار کو کاسٹنگ میں ڈھالتے ہیں" بی سی ایل نے کوالٹی کنٹرول کا نظام وضع کیا ہے جس کے تحت فراہم شدہ نام مال کی جانچ سے لے کر صارفین کو تیار شدہ مصنوعات فراہم کی جاتی ہیں۔

بی سی ایل پاکستان کی پہلی فاؤنڈری تھی جس نے اپریل 1999 میں ISO 9002 شٹھٹھیٹ حاصل کیا۔ کمپنی نے ISO 9001 - 2015 کو الٹی میٹیمٹ سسٹم کا ISO 9001 ورژن بھی حاصل کیا ہے یہ ہمارے صارفین کو معیاری خدمات کی فراہمی کے ساتھ انکے اطمینان کی سطح میں اضافے کیلئے ہمارے عزم کا ثبوت ہے۔

### صنعتی تعلقات

بی سی ایل اپنے ملازمین اور انکے اجتماعی بارگینگ ایجنٹ (سی بی اے) کے ساتھ خوشگوار صنعتی تعلقات پر یقین رکھتا ہے۔

## ڈائریکٹرز رپورٹ

### کاروباری خطرہ

موجودہ حکومت کی اقتصادی پالیسیوں میں دیئے گئے مستقل استحکام کے باعث کمپنی کو کوئی بھی کاروباری خطرہ پیش نظر نہیں، نہ ہی مقابلے کی کیفیت ہے اور نہ مارکیٹ کے حالات ایسے ہیں۔ آپ کی کمپنی کا انحصار خام مال کی درآمد پر ہے، لہذا کرنسی کے تبادلے کا خطرہ برقرار رہتا ہے۔ تاہم، ماضی قریب کے دوران پاکستانی روپے کے استحکام کے باعث خطرہ کی سطح کم ہے۔

آپ کی کمپنی کی مصنوعات کی فروخت بنیادی طور پر ٹریڈرز اسمبلرز اور میٹوٹیکسچرز کو کی جاتی ہے۔ اگرچہ ہم ٹریڈرز کی فروخت میں کسی قسم کی کمی کی توقع نہیں کرتے ہیں، لیکن ٹریڈرز کی فروخت میں کوئی تبدیلی ہماری فروخت اور منافع پر براہ راست اثر انداز ہو سکتی ہے۔

آپ کی کمپنی کی انتظامیہ ان چیلنجوں سے پوری طرح محتاط ہے اور عملی صلاحیتوں، مالیاتی امور پر مسلسل نظر، خام مال کی خریداری کی جارحانہ حکمت عملی جیسے ہر ممکن اقدامات کر رہی ہے جس کے ذریعے ان اثرات کو کم کیا جاسکے۔

### شرح سود / مارک اپ ریٹ کا خطرہ

کمپنی شرح سود / مارک اپ ریٹ کے خطرے کو کم کرنے کے انتظامات کرتی ہے، مخصوص مدت میں پیدا ہونے والے بے جوڑ مالیاتی اثاثہ جات اور واجبات، انہیں خطرہ کے انتظام کی حکمت عملی اور مخصوص تبدیلیوں کے ذریعے ترتیب دیا جاتا ہے۔

### کریڈٹ رسک

کمپنی کے مائع فنڈز پر قرض کا خطرہ محدود ہے کیونکہ مخالف پارٹی بینکنگ میں جن کی کریڈٹ ریٹنگ بہت اچھی ہے۔ تاہم، کمپنی نے تجارتی قرض پر کریڈٹ کے خطرہ کا انتظام، قرض کی نگرانی، مخصوص صارفین کے ساتھ محدود لین دین اور صارفین کے کریڈٹ کی جانکاری کی مناسبت سے انتظامات کیئے ہیں۔

### سیالیاتی خطرات (لکوڈیٹی رسک)

متوقع سیالیاتی خطرات کے انتظام کا مطلب واضح نقد اور کریڈٹ کی سہولت کے ذریعہ فنڈ کی دستیابی ہے۔ کمپنی اس خطرے کو موثر کیش مینجمنٹ اور تفویض شدہ کریڈٹ لائن کی فراہمی سے منتظم کرتی ہے۔

### کارپوریٹ سماجی ذمہ داری

آپ کی کمپنی نے کاروباری معاملات کیلئے سماجی طور پر ذمہ دارانہ طریقے کا احساس کیا ہے۔ اس کا اظہار ہمارے ملازمین کے ساتھ مراسم، صارفین اور برادری سے وسیع تعلقات سے ہوتا ہے۔

بی سی ایل یہ سمجھتی ہے کہ کارپوریٹ سماجی ذمہ داری ایک اچھے کاروباری انتظام کا لازمی عنصر ہے۔ اس شعبہ میں درج ذیل سرگرمیاں انجام دی جا رہی ہیں:

### توانائی کی بچت

بی سی ایل کو ملک میں توانائی کی ضرورت اور اس کی بچت کی ذمہ داری کا پورا احساس ہے۔ اس مقصد کیلئے روزمرہ کے کاموں میں توانائی کی کھپت کو کم کرنے کی کوششیں کی جا رہی ہیں۔ ہمارے ملازمین کو بجلی کے غیر ضروری استعمال، گیس اور پانی کی بچت کیلئے حوصلہ افزائی کی جاتی ہے۔ اس کے علاوہ کمپنی نے اپنی گاڑیوں کے کیلئے ایندھن کے استعمال کو کم کرنے کیلئے اور بجلی

## ڈائریکٹرز رپورٹ

پیداوار، توانائی کی فراہمی میں بہتری اور CPEC سے متعلق ترقیاتی منصوبے جس سے کسانوں کی قوت خرید میں اضافہ ہوا اور اس کے ساتھ ٹریڈنگ کی فروخت گذشتہ تین سال کی بلند ترین سطح پر پہنچ گئی اور متعلقہ صنعتوں کی مالیاتی کارکردگی پر بھی براہ راست اثر پڑا۔ مالیاتی سال 2017ء میں کمپنی نے پچھلے سال 8,436 میٹرک ٹن ڈھلائی کے مقابلے میں اس سال 11,566 میٹرک ٹن پیداوار کے ذریعے اعلیٰ کارکردگی کا مظاہرہ کیا۔ ٹنوں میں خالص فروخت گذشتہ سال 8,557 میٹرک ٹن کے مقابلے میں اس سال 11,199 میٹرک ٹن رہی۔

### کمپنی کی کارکردگی

اس سال کے جائزہ کے تحت کمپنی کی فروخت کی آمدنی گذشتہ سال 1,333.476 ملین روپے کے مقابلے میں اس سال 1,744.098 ملین روپے رہی۔ کل منافع گذشتہ سال 140.876 ملین روپے کے مقابلے میں اس سال 246.628 ملین روپے رہا۔

فروخت، تقسیم اور انتظامی اخراجات گذشتہ سال 75.619 ملین روپے کے مقابلے میں اس سال 93.721 ملین روپے رہا۔ مالیاتی لاگت گذشتہ سال 33.138 ملین روپے کے مقابلے میں اس سال 10.996 ملین روپے رہی۔

زیر جائزہ مالی سال میں، کمپنی نے سب سے زیادہ منافع قبل از ٹیکس 141.426 ملین روپے حاصل کیا جو کہ گذشتہ سال 39.420 ملین روپے تھا۔ بعد از ٹیکس منافع 97.776 ملین روپے رہا جو کہ گذشتہ سال 25.870 ملین روپے تھا۔

### مستقبل کے امکانات

اقتصادی ترقی کیلئے حکومت کی پالیسیاں، زراعت کے شعبہ کو اچھی مدد فراہم کرتی ہیں اس سے زراعت کے شعبہ سے منسلک ہونے کے باعث ٹریڈنگ کی صنعت کو مزید فروغ حاصل ہوگا۔ اس فروغ کے باعث ٹریڈنگ کی کاسٹنگز کے مزید آڈر حاصل ہونگے اس طرح کمپنی کیلئے اضافی فروخت کے آڈرز کے حصول کے امکانات میں اضافہ ہوگا۔

آٹوموبل شعبہ میں بھی ترقی کی مضبوط علامات ظاہر ہو رہی ہیں۔ گذشتہ سال جو ترقی مشاہدے میں آئی اسکے جاری رہنے کا امکانات ہیں۔ لہذا تمام علامات مسلسل بہتری کی طرف اشارہ کر رہی ہیں جو کہ فونڈری مارکیٹ کے فروغ کی ٹھوس بنیاد ہے۔

اس کے علاوہ، مسابقتی برتری پر قائم رہنے اور معاصر عالمی ضروریات کو پورا کرنے کیلئے، ہمارے مرکزی خریدار، ملٹ ٹریڈنگ نے اخراج سے پاک ٹریڈنگ متعارف کروائے ہیں جو کہ ماحول دوست ہیں اور اس کے فروخت کے عمل کو ملکی سطح سے تقسیم کے نیٹ ورک کے ذریعے بین القوامی سطح تک بشمول افغانستان، وسط ایشیا، اور کچھ افریقی ممالک تک پھیلا یا جا رہا ہے۔

آپ کی کمپنی بہت کفایتی ڈھنگ سے کاسٹنگ کی سپلائی میں بہتری پر توجہ دے رہی ہے اور ساتھ ہی اس کاسٹنگ کے معیار میں مزید اضافہ پر توجہ مرکوز کر رہی ہے۔

درج بالا منظر نامہ کے باعث، بی سی ایل کاسٹنگ کی فروخت میں ممکنہ طور پر اضافہ کرے گی، مارکیٹ میں اپنی اشتراک میں اضافہ کے ساتھ بہتر مالیاتی کارکردگی ممکن ہو سکے گی۔

### بنیادی خطرات اور غیر یقینی صورت حال

خطرے کے موثر انتظام، پائیدار کاروبار کیلئے کلیدی اہمیت رکھتا ہے۔ ہمارے خطرات کے انتظام کے فریم ورک بمعہ ہماری داخلی کنٹرول پالیسی کے باعث کمپنی پر اثر انداز ہونے والے خطرات کو کم کرنے والے عوامل کی جانب توجہ مرکوز کرنے میں مدد ملی۔ تاہم، تمام خطرات جو کہ کمپنی کے مالیاتی لحاظ سے ہیں، محدود ہیں کیونکہ مارکیٹ کے لحاظ سے ایسے کوئی خاص حالات کا سامنا نہیں ہیں۔ کمپنی درج ذیل اہم خطرات کے معاملے میں حساس ہے جسے مخصوص پالیسی اور منصوبوں کے تحت کم کیا گیا ہے۔



## ڈائریکٹرز رپورٹ برائے سال ۲۰۱۷

### معزز حصص یافتگان

آپ کی کمپنی کے ڈائریکٹرز، ۳۰ جون ۲۰۱۷ کو اختتام پذیر ہونے والے سال کی آڈیٹڈ مالیاتی بیانات بمعہ سالانہ رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

### کمپنی کے معاملات

آپ کی کمپنی پاکستان اسٹاک ایکسچینج میں پاکستان کی ایک لمیٹڈ کمپنی کی حیثیت سے شامل ہے۔ اسکی بنیادی کاروباری سرگرمی ٹریڈنگ اور آٹوموٹیو حصوں کی کاسٹنگ اور تیاری ہے۔

### مالیاتی نتائج

رواں سال کے مالیاتی نتائج درج ذیل ہیں:

(روپے ۰۰۰)

(116,507)

(11,473)

97,776

15,777

(14,427)

جمع شدہ نقصان جو آگے لائے گئے

۳۰ جون ۲۰۱۶ کو اختتام پذیر ہونے والے سال کا حتمی ڈیویڈنڈ

۳۰ جون ۲۰۱۷ کو اختتام پذیر ہونے والے سال کا ٹیکس کے بعد منافع

دیگر جامع آمدنی

جمع شدہ نقصان جو آگے گئے

جائزہ لینے کیلئے عمومی ریزرو چھپنے سے پہلے سال 424.500 ملین روپے کے مقابلے میں 424.500 ملین روپے تھے۔

### ڈیویڈنڈ

آپ کی کمپنی کے ڈائریکٹرز نے ۵ روپے فی شیئر یعنی ۵۰ فیصد نقد منافع کی سفارش کی ہے۔ اگر سالانہ عام اجلاس میں شیئر ہولڈرز کی جانب سے منظوری دی گئی کہ کمپنی کے تمام شیئر ہولڈرز جن کے نام کمپنی کے شیئر ہولڈرز کی حیثیت سے ۱۶ اکتوبر ۲۰۱۷ تک رجسٹرڈ ہیں، ان کو سالانہ عام اجلاس کے تیس یوم کے اندر منافع کی ادائیگی کر دی جائے گی۔

### بعد کے اثرات

اختتامی سال ۳۰ جون ۲۰۱۷ کے مالیاتی بیانات میں نقد ڈیویڈنڈ 57.363 ملین روپے برائے مالیاتی اختتامی سال ۳۰ جون ۲۰۱۸ میں عیاں ہوگی۔ تاہم، اس کے اثرات شیئر ہولڈرز کے منافع کی ادائیگی پر اثر انداز نہیں ہونگے۔

### فی شیئر آمدنی

اختتامی سال ۳۰ جون ۲۰۱۷ میں فی شیئر آمدنی 8.52 روپے جبکہ پچھلے سال یہ آمدنی 2.25 روپے تھی۔

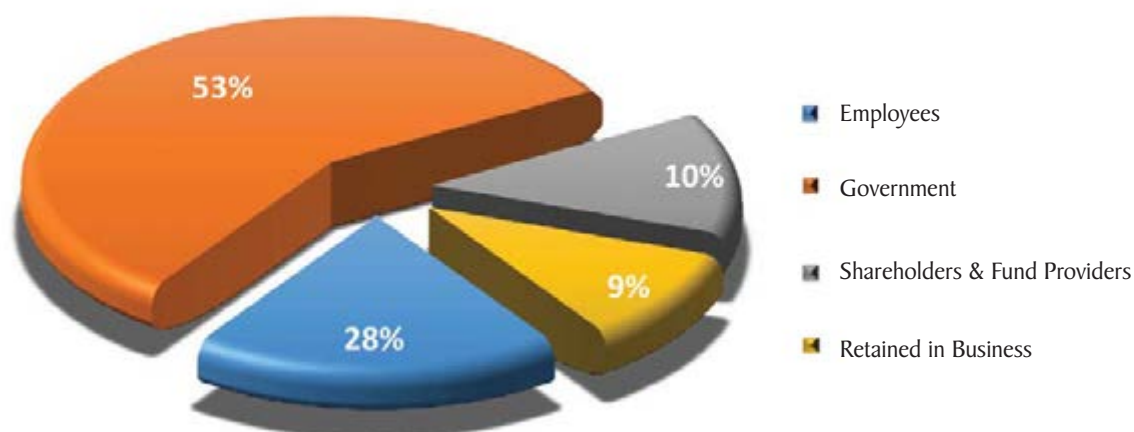
### کاروباری جائزہ

مالی سال ۲۰۱۷ میں ٹریڈنگ کی صنعت نے بہت نمایاں کارکردگی دکھائی۔ اہم عوامل میں سیلز ٹیکس میں ۱۰ فیصد سے ۵ فیصد کمی، قرض کی توسیع میں اضافہ، کھاد پر زرتلائی، خریف کی فصل کی بلند

# STATEMENT OF VALUE ADDED AND ITS DISTRIBUTION

PARTICULARS	2017		2016	
	Rs. 000	%	Rs. 000	%
<b>VALUE ADDITION</b>				
Revenue Generated	2,054,881		1,571,025	
Bought-In Material and Services	(1,389,216)		(1,107,145)	
Other Income	10,239		10,360	
	<u>675,905</u>		<u>474,240</u>	
<b>DISTRIBUTION TO:</b>				
<b>Employees</b>				
Salaries, Wages and Benefits	180,484	26.70	139,517	29.42
Workers Participation Fund	7,607	1.13	2,122	0.45
	<u>188,091</u>	<u>27.83</u>	<u>141,639</u>	<u>29.87</u>
<b>Government</b>				
Income Tax	43,650	6.46	13,550	2.86
Sales Tax	310,783	45.98	237,549	50.09
Workers Welfare Fund	3,116	0.46	899	0.19
	<u>357,550</u>	<u>52.90</u>	<u>251,998</u>	<u>53.14</u>
<b>Shareholders &amp; Fund Providers</b>				
Cash Dividend	57,363	8.49	11,473	2.42
Financial Charges	10,996	1.63	33,138	6.99
	<u>68,358</u>	<u>10.11</u>	<u>44,611</u>	<u>9.41</u>
Retained in Business / (Utilized in Operations)	61,905	9.16	35,993	7.60
	<u>675,905</u>	<u>100</u>	<u>474,240</u>	<u>100</u>

2017



## VERTICAL ANALYSIS

	2017		2016	
	(Rs. 000)	%	(Rs. 000)	%
<b>Operating Results</b>				
Net sales	1,744,098	100.0	1,333,476	100.0
Cost of sales	1,497,470	85.9	1,192,600	89.4
Admin, selling & distribution expenses	93,721	5.4	75,619	5.7
Other operating expenses	10,724	0.6	3,060	0.2
Investment income	1,740	0.1	1,204	0.1
Other income	8,499	0.5	9,156	0.7
Finance cost	10,996	0.6	33,138	2.5
Taxation	43,650	2.5	13,550	1.0
Profit / (Loss) after taxation	97,776	5.6	25,870	1.9
<b>Balance Sheet</b>				
Property, plant and equipment	184,942	20.7	184,429	19.9
Long-term investments	42,694	4.8	23,288	2.5
Other non-current assets	26,020	2.9	59,030	6.4
Current assets	641,461	71.7	658,260	71.2
Total assets	895,116	100.0	925,007	100.0
Total Share holder's equity	574,148	64.1	452,661	48.9
Long-term deposits	5,643	0.6	4,999	0.5
Staff retirement benefitd - obligations	81,212	9.1	79,954	8.6
Deferred taxation	-	-	-	-
Short-term debts	125,501	14.0	274,202	29.6
Trade creditors	106,661	11.9	107,523	11.6
Other current liabilities	1,951	0.2	5,668	0.6
Total liabilities	320,968	35.9	472,346	51.1
Total equity and liabilities	895,116	100.0	925,007	100.0
<b>Cash Flow</b>				
Cash generated from operations	206,191	142.4	414,988	128.6
Cash flow from/(used in) operating activities	175,083	120.9	364,002	112.8
Cash flow from/(used in) investing activities	(18,834)	(13.0)	(18,453)	(5.7)
Cash flow from/(used in) financing activities	(11,403)	(7.9)	(22,771)	(7.1)
Net increase/(decrease) in cash and cash equivalents	144,847	100.0	322,778	100.0

## VERTICAL ANALYSIS

2015		2014		2013		2012	
(Rs. 000)	%	(Rs. 000)	%	(Rs. 000)	%	(Rs. 000)	%
1,695,718	100.0	1,111,227	100.0	1,745,974	100.0	1,724,539	100.0
1,506,268	88.8	1,133,183	102.0	1,585,275	90.8	1,533,750	88.9
79,569	4.7	75,402	6.8	84,404	4.8	77,337	4.5
5,086	0.3	-	-	3,231	0.2	5,039	0.3
811	0.0	743	0.1	856	0.0	1,076	0.1
12,354	0.7	12,625	1.1	9,711	0.6	9,845	0.6
46,319	2.7	62,353	5.6	49,354	2.8	50,330	2.9
24,726	1.5	40,819	3.7	11,160	0.6	22,395	1.3
46,915	2.8	(105,525)	(9.5)	22,261	1.3	46,608	2.7
187,058	15.5	193,926	18.8	219,561	16.6	240,645	22.1
16,718	1.4	12,219	1.2	14,088	1.1	8,338	0.8
51,098	4.2	61,897	6.0	18,343	1.4	19,261	1.8
948,799	78.8	761,620	74.0	1,072,818	81.0	819,929	75.3
1,203,672	100.0	1,029,662	100.0	1,324,810	100.0	1,088,173	100.0
476,605	39.6	440,311	42.8	547,125	41.3	540,444	49.7
5,126	0.4	3,852	0.4	4,895	0.4	5,178	0.5
34,724	2.9	21,846	2.1	18,834	1.4	12,162	1.1
-	-	-	-	19,557	1.5	25,477	2.3
592,917	49.3	444,518	43.2	496,237	37.5	287,733	26.4
83,091	6.9	106,267	10.3	209,770	15.8	207,838	19.1
11,208	0.9	12,867	1.2	28,392	2.1	9,341	0.9
727,067	60.4	589,350	57.2	777,685	58.7	547,729	50.3
1,203,672	100.0	1,029,662	100.0	1,324,810	100.0	1,088,173	100.0
(55,650)	37.3	138,713	282.6	(90,108)	43.7	7,127	(4.6)
(135,539)	90.9	46,340	94.4	(179,105)	86.9	(107,379)	69.1
(13,565)	9.1	2,742	5.6	(6,026)	2.9	(32,439)	20.9
-	-	-	-	(20,869)	10.1	(15,557)	10.0
(149,104)	100.0	49,081	100.0	(206,001)	100.0	(155,376)	100.0

# HORIZONTAL ANALYSIS

	2017 (Rs. 000)	Inc./ (dec.) vs last year figure %	2016 (Rs. 000)	Inc./ (dec.) vs last year figure %
<b>Operating Results</b>				
Net sales	1,744,098	30.8	1,333,476	(21.4)
Cost of sales	1,497,470	25.6	1,192,600	(20.8)
Gross profit / (Loss)	246,628	75.1	140,876	(25.6)
Admin, selling & distribution expenses	93,721	23.9	75,619	(5.0)
Other operating expenses	10,724	250.5	3,060	(39.8)
Investment income	1,740	44.5	1,204	48.6
Other income	8,499	(7.2)	9,156	(25.9)
Profit / (Loss) before finance cost	152,422	110.1	72,557	(38.5)
Finance cost	10,996	(66.8)	33,138	(28.5)
Profit / (Loss) before taxation	141,426	258.8	39,420	(45.0)
Taxation	43,650	222.1	13,550	(45.2)
Profit after taxation	97,776	278.0	25,870	(44.9)
<b>Balance Sheet</b>				
Property, plant and equipment	184,942	0.3	184,429	(1.4)
Long-term investments	42,694	83.3	23,288	39.3
Other non-current assets	26,021	(55.9)	59,030	15.5
Current assets	641,461	(2.6)	658,260	(30.6)
Total assets	895,117	(3.2)	925,007	(23.2)
Share capital	114,725	-	114,725	-
Reserves	459,423	35.9	337,936	(6.6)
Total Share holder's equity	574,148	26.8	452,661	(5.0)
Long term deposits	5,643	12.9	4,999	(2.5)
Staff retirement benefitd - obligations	81,212	1.6	79,954	130.3
Deferred taxation	-	-	-	-
Short-term debts	125,501	(54.2)	274,202	(53.8)
Trade creditors	106,661	(0.8)	107,523	29.4
Other current liabilities	1,951	(65.6)	5,668	(49.4)
Total liabilities	320,968	(32.0)	472,346	(35.0)
Total equity and liabilities	895,117	(3.2)	925,007	(23.2)
<b>Cash Flow</b>				
Cash generated from operations	206,191	50.3	414,988	845.7
Cash flow from/(used in) operating activities	175,083	51.9	364,002	368.6
Cash flow from/(used in) investing activities	(18,834)	2.1	(18,453)	36.0
Cash flow from/(used in) financing activities	(11,403)	100.0	(22,771)	100.0
Net increase/(decrease) in cash and cash equivalents	144,847	55.1	322,778	316.5

## HORIZONTAL ANALYSIS

2015 (Rs. 000)	Inc./ (dec.) vs last year figure %	2014 (Rs. 000)	Inc./ (dec.) vs last year figure %	2013 (Rs. 000)	Inc./ (dec.) vs last year figure %	2012 (Rs. 000)	Inc./ (dec.) vs last year figure %
1,695,718	52.6	1,111,227	(36.4)	1,745,974	1.2	1,724,539	(11.4)
1,506,268	32.9	1,133,183	(28.5)	1,585,275	3.3	1,533,750	(10.4)
189,450	(962.9)	(21,956)	(113.7)	160,699	(15.6)	190,789	(18.9)
79,569	5.5	75,402	(10.7)	84,404	9.1	77,337	(5.0)
5,086	(100.0)	-	(100.0)	3,231	(35.9)	5,039	(47.3)
811	9.1	743	(13.2)	856	(20.4)	1,076	0.1
12,354	(2.1)	12,625	42.6	8,855	(10.0)	9,845	(20.2)
117,959	(240.4)	(83,990)	(201.5)	82,775	(30.6)	119,334	(24.3)
46,319	(25.7)	62,353	26.3	49,354	(1.9)	50,330	48.8
71,640	(149.0)	(146,343)	(537.9)	33,421	(51.6)	69,003	(44.3)
24,726	(39.4)	40,819	265.8	11,160	(50.2)	22,395	(50.9)
46,915	(144.5)	(105,525)	(574.0)	22,261	(52.2)	46,608	(40.4)
187,058	(3.5)	193,926	(11.7)	219,561	(8.8)	240,645	2.3
16,718	36.8	12,219	(13.3)	14,088	69.0	8,338	(9.1)
51,098	(17.4)	61,897	237.4	18,343	(4.8)	19,261	277.3
948,799	24.6	761,620	(29.0)	1,072,818	30.8	819,929	10.8
1,203,672	16.9	1,029,662	(22.3)	1,324,810	21.7	1,088,173	10.0
114,725	-	114,725	10.0	104,296	-	104,296	-
361,880	11.1	325,586	(26.5)	442,829	1.5	436,148	4.4
476,605	8.2	440,311	(19.5)	547,125	1.2	540,444	3.5
5,126	33.1	3,852	(21.3)	4,895	(5.5)	5,178	16.6
34,724	59.0	21,846	16.0	18,834	54.9	12,162	(65.9)
-	-	-	(100.0)	19,557	(23.2)	25,477	1.9
592,917	33.4	444,518	(10.4)	496,237	72.5	287,733	95.3
83,091	(21.8)	106,267	(49.3)	209,770	0.9	207,838	(16.2)
11,208	(12.9)	12,867	(54.7)	28,392	204.0	9,341	37.6
727,067	23.4	589,350	(24.2)	777,685	42.0	547,729	17.2
1,203,672	16.9	1,029,662	(22.3)	1,324,810	21.7	1,088,173	10.0
(55,650)	(140.1)	138,714	(253.5)	(90,373)	(1,368.1)	7,127	(97.4)
(135,539)	(392.5)	46,336	(125.9)	(179,106)	66.8	(107,379)	(157.7)
(13,565)	(594.1)	2,746	145.5	(6,026)	(81.4)	(32,439)	30.0
-	-	-	100.0	(20,869)	(34.1)	(15,557)	(79.0)
(149,104)	(403.8)	49,081	123.8	(206,001)	(32.6)	(155,376)	(278.3)

# DECADE AT A GLANCE

(Rupees in thousand)

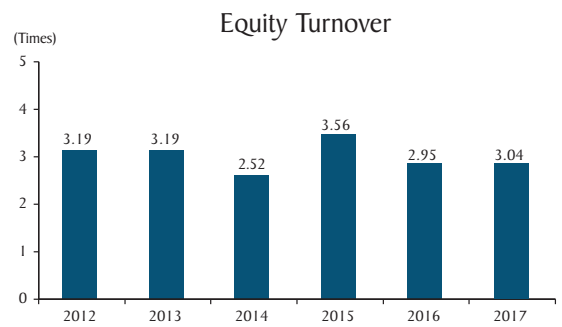
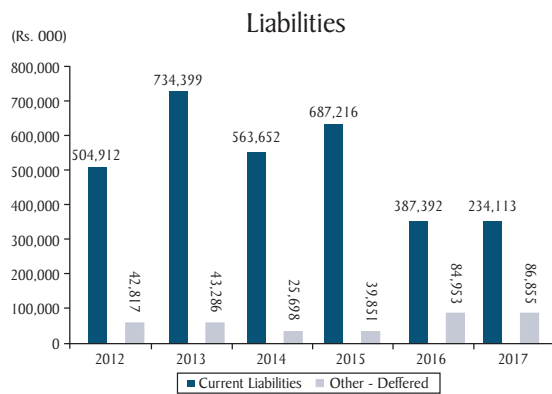
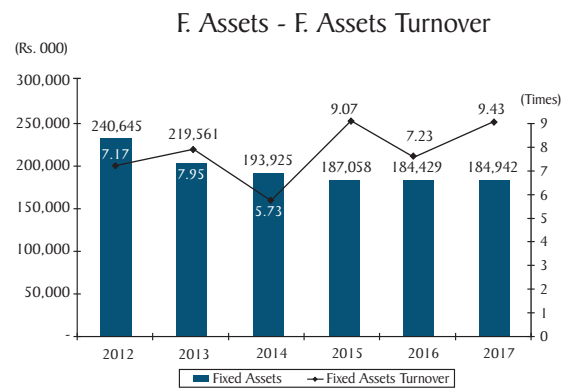
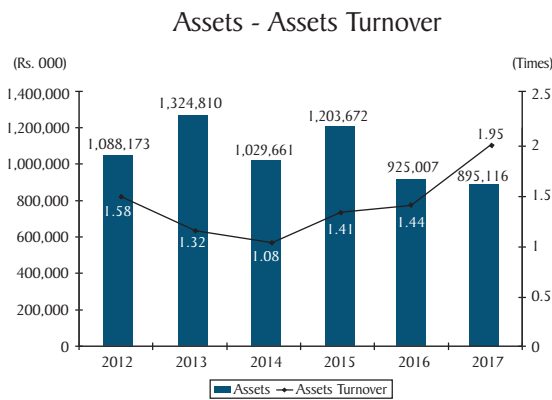
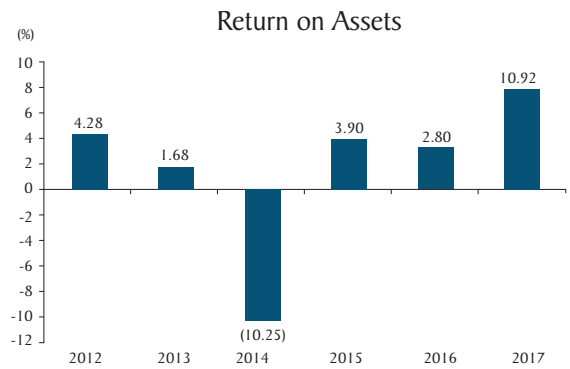
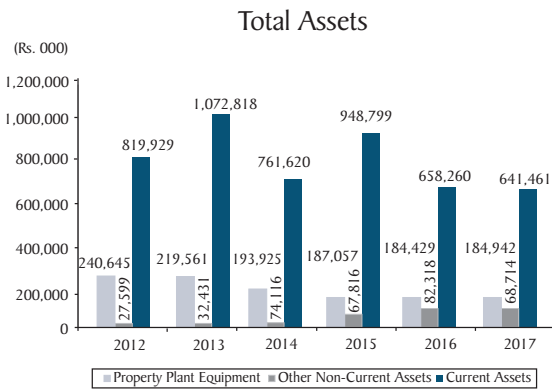
Year ended 30th June	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>INCOME</b>										
Net Sales	1,744,098	1,333,476	1,695,718	1,111,227	1,745,974	1,724,539	1,946,677	1,707,846	1,604,626	1,130,538
Gross Profit / (Loss)	246,628	140,876	189,450	(21,956)	160,699	190,789	235,196	239,562	164,253	113,943
Operating Profit / (Loss)	152,422	72,557	117,959	(83,989)	82,775	124,372	167,176	179,341	115,454	67,403
Profit / ( Loss ) before Tax	141,426	39,420	71,640	(146,343)	33,421	69,003	123,799	125,749	53,150	34,500
Profit / ( Loss ) after Tax	97,776	25,870	46,914	(105,525)	22,261	46,608	78,205	82,157	34,026	22,648
<b>FINANCIAL POSITION</b>										
Current Assets	641,460	658,260	948,799	761,620	1,072,818	819,929	739,686	793,499	639,502	533,411
Less: Current Liabilities	234,113	387,392	687,216	563,652	734,399	504,912	402,024	505,603	444,777	390,722
Net Working Capital	407,347	270,868	261,583	197,968	338,419	315,017	337,662	287,896	194,725	142,689
Property, Plant and Equipment	184,942	184,429	187,057	193,925	219,561	240,645	235,330	236,205	242,245	252,155
Others-Non Current Assets	68,714	82,318	67,816	74,116	32,431	27,599	14,277	13,301	12,926	21,379
	661,003	537,615	516,456	466,009	590,411	583,261	587,268	537,401	449,896	416,223
Less: Long Term Debts	-	-	-	-	-	-	-	14,082	50,332	84,128
Other Liabilities	86,855	84,953	39,851	25,698	43,286	42,817	65,124	56,510	51,450	30,952
Shareholders' Equity	574,148	452,661	476,605	440,311	547,125	540,444	522,145	466,809	384,364	334,940
<b>REPRESENTED BY:</b>										
Share Capital	114,725	114,725	114,725	114,725	104,296	104,296	104,296	94,814	79,012	60,778
General Reserves	424,500	424,500	424,500	424,500	411,500	385,500	323,500	274,500	256,500	240,000
Unrealized Gain on Long Term Investment	37,194	17,788	11,218	6,719	8,588	2,838	3,671	2,838	2,550	11,463
Premium on Issuance of Right Share	12,156	12,156	12,156	12,156	12,156	12,156	12,156	12,156	12,156	-
Unappropriated Profit / (Loss)	(14,427)	(116,507)	(85,994)	(117,789)	10,585	35,654	78,522	82,502	34,147	22,699
Net Capital Employed	574,148	452,661	476,605	440,311	547,125	540,444	522,145	466,809	384,364	334,940
<b>Summary of Cash Flows</b>										
Cash flows from operating activities	175,083	364,002	(135,539)	46,336	(179,106)	(107,379)	186,039	84,150	23,627	(45,964)
Cash used in investing activities	(18,834)	(18,453)	(13,565)	2,746	(6,026)	(32,439)	(24,950)	(20,710)	(17,776)	(23,737)
cash used in financing activities	(11,403)	(22,771)	-	-	(20,869)	(15,557)	(73,927)	-	(11,955)	(44,559)
Net change in cash and cash equivalents	144,847	322,778	(149,104)	49,081	(206,001)	(155,375)	87,161	63,440	(6,104)	(114,260)

## DECADE AT A GLANCE

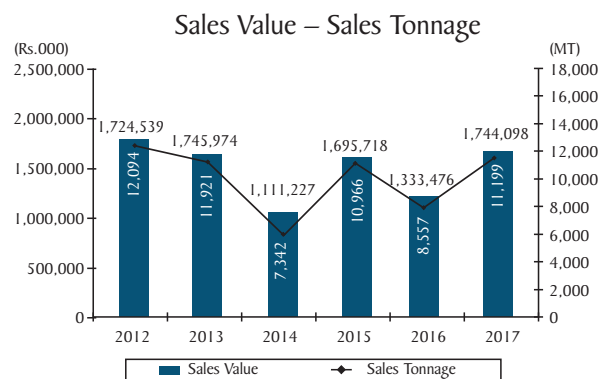
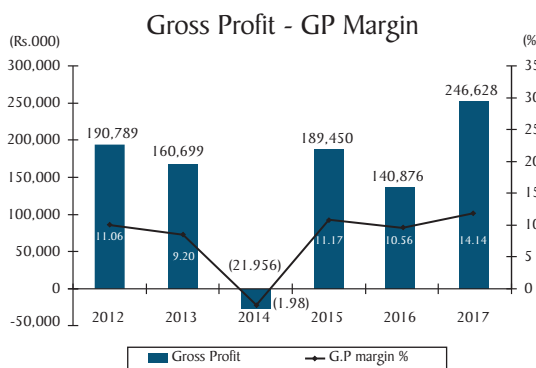
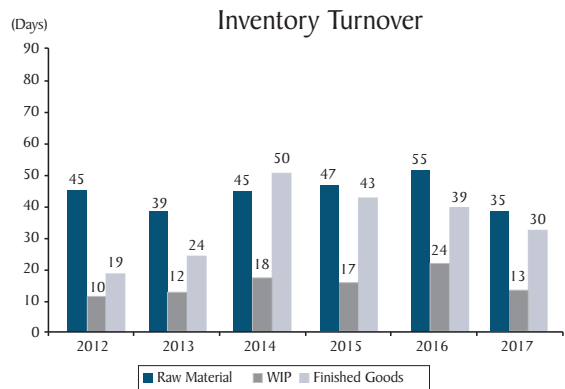
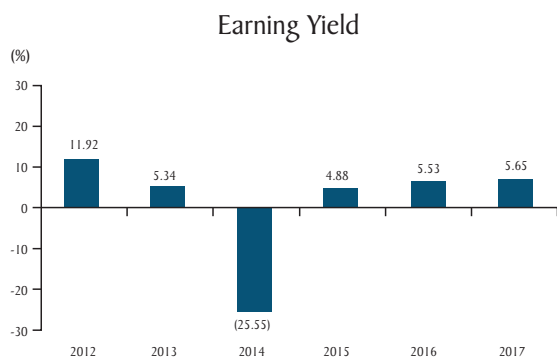
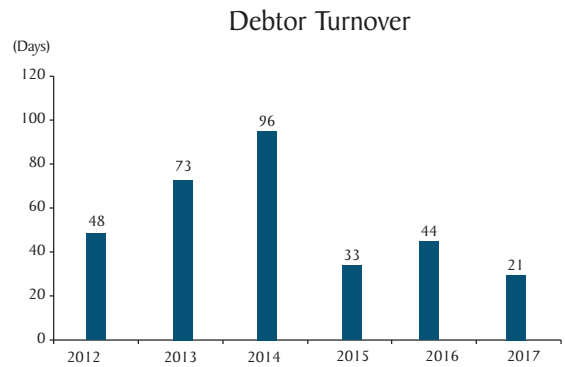
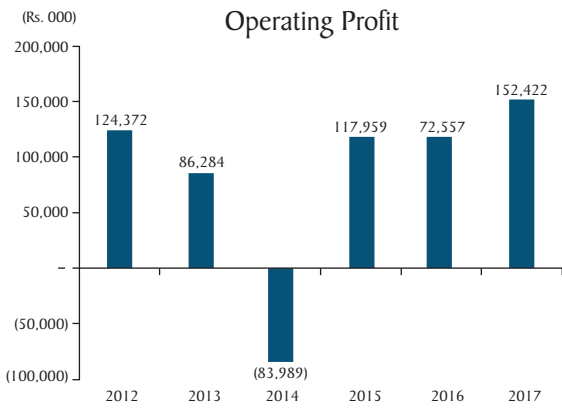
Year ended 30th June	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>PRODUCTION / SALES</b>										
Production Capacity Installed (MT)	13,200	13,200	13,200	13,200	13,200	13,200	13,200	13,200	13,200	10,367
Production Capacity Attained (MT)	11,566	8,436	11,368	8,575	12,264	12,800	16,278	16,069	14,335	13,801
Capacity Ratio (%)	88	64	86	65	93	97	123	122	109	133
Net Sales (MT)	11,199	8,557	10,966	7,342	11,921	12,094	14,895	15,343	13,272	12,907
<b>MARKET VALUE RATIOS</b>										
Break up value of a share of Rs.10/-each	50.05	39.46	41.54	38.38	52.46	51.82	50.06	49.23	48.65	55.11
Dividend (Rupees per share)	5.00	1.00	2.00	-	-	2.00	1.50	2.50	-	-
Dividend (%)	50	10	20	-	-	20	15	25	-	-
Bonus Shares (%)	-	-	-	-	10	-	-	10	20	10
<b>PROFITABILITY RATIOS</b>										
Gross Profit / (Loss) Ratios (%)	14.14	10.56	11.17	(1.98)	9.20	11.06	12.08	14.03	10.24	10.08
Profit / (Loss) before Tax to Sales (%)	8.11	2.96	4.22	(13.17)	1.91	4.00	6.36	7.36	3.31	3.05
Profit / (Loss) after Tax to Sales (%)	5.61	1.94	2.77	(9.50)	1.27	2.70	4.02	4.81	2.12	2.00
Basic Earnings per share - EPS (Rs.)	8.52	2.25	4.09	(9.20)	2.13	4.47	7.50	7.88	3.46	2.95
Earning Yield - year end price (%)	5.65	5.53	4.88	(25.55)	5.34	11.92	15.30	22.14	15.73	5.49
Price Earning Ratio - year end price	17.71	18.11	20.48	(3.91)	20.62	8.39	6.53	4.52	6.36	18.22
EBITDA%(Earning before interest,tax, depreciation & amortization).	9.97	3.84	5.66	(5.37)	6.31	8.60	10.00	12.09	8.93	8.39
Dividend Payout (%)	58.69	44.44	48.90	-	-	44.74	20.00	28.85	-	-
Dividend Yield Ratio (%)	3.31	2.45	2.39	-	-	5.33	3.06	7.03	-	-
Return on Equity (%)	17.03	5.72	9.84	(23.97)	4.07	8.62	14.98	17.60	8.85	6.76
Return on Assets (%)	10.92	2.80	3.90	(10.25)	1.68	4.28	7.91	7.88	3.80	2.81
Operating Cycle	48.00	78.74	103.14	120.91	66.99	74.84	70.00	89.00	78.00	114.00
Dividend Cover	1.70	2.25	2.05	-	-	2.24	5.00	3.47	-	-
<b>LIQUIDITY RATIOS</b>										
Current Ratio	2.7:1	1.7:1	1.38:1	1.35:1	1.46:1	1.62:1	1.84:1	1.57:1	1.44:1	1.37:1
Quick Ratio	1.00:1	0.77:1	0.55:1	0.50:1	0.91:1	0.71:1	1.12:1	1.19:1	1.10:1	0.96:1
<b>ACTIVITY RATIOS</b>										
Raw Material Inventory Turnover - (days)	35	55	47	45	39	45	48	48	38	68
WIP Inventory Turnover - (days)	13	24	17	18	12	10	7	7	7	10
Finished Goods Inventory Turnover - (days)	30	39	43	50	24	19	9	5	4	4
Debtors Turnover Ratio (days)	21	44	33	96	73	48	58	74	54	48
Assets Turnover Ratio (%)	0.51	0.69	0.71	0.93	0.76	0.63	1.97	1.64	1.79	1.40
Creditors Turnover Ratio (days)	50	84	36	88	81	47	63	44	24	25
Assets Turnover - (times)	1.95	1.44	1.41	1.08	1.32	1.58	1.97	1.64	1.79	1.40
Fixed Assets Turnover - (times)	9.43	7.23	9.07	5.73	7.95	7.17	7.80	6.84	6.29	4.13
<b>LEVERAGE RATIOS</b>										
Equity Turnover - (times)	3.04	2.95	3.56	2.52	3.19	3.19	3.73	3.66	4.17	3.38
Debt-Equity Ratio	-	-	-	-	-	-	-	3.97	4.96	13.87
<b>SHARE PRICE- (RS.)</b>										
Highest	218.68	91.25	91.35	50.02	44.00	50.90	52.25	63.06	64.60	84.00
Lowest	39.00	39.35	32.89	29.45	33.25	26.60	35.25	22.00	22.00	61.00
Average	128.84	65.30	62.12	39.74	38.63	38.75	43.75	42.53	43.30	73.06
At the year end	150.88	40.75	83.75	36.00	40.00	37.50	49.00	35.58	22.00	67.95



# GRAPHICAL ILLUSTRATION



# GRAPHICAL ILLUSTRATION



# STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2017

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 5.19 of the Pakistan Stock Exchange Limited Regulations for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interest on its Board of Directors (the Board). At present the Board includes:

Category	Names
Independent Director	Syed Javaid Ashraf
Executive Directors	Mr. Nisar Ahmed Mirani - CEO Mr. Saifuddin
Non-Executive Directors	Mr. Sikandar M. Khan Mr. Latif Khalid Hashmi Mr. Sohail Bashir Rana Mr. Laeeq Uddin Ansari Mian Muhammad Saleem Syed Muhammad Irfan Aqueel Mr. Muhammad Imran Rafiq

The independent director meets the criteria of independence under clause 5.19.1 (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies).
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred in the Board during the year.
5. 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.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board / shareholders.
8. 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 and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Company has arranged an orientation course for its directors during the year to acquaint them with the necessary skills and knowledge to carry out duties and responsibilities as director of the Company. Six directors of the Company meet the exemption criteria of the Directors' Training Program and two directors have acquired certification under the said program.

## STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

10. The Board has approved the appointment, remuneration and terms and conditions of employment of the Head of Internal Audit, CFO and Company Secretary.
11. The Directors' Report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises four members, of whom one is independent director and three are non-executive directors including the Chairman of the Committee.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The Terms of Reference of the Committee have been formed and advised to the Committee for compliance.
17. The Board has formed a Human Resource (HR) and Remuneration Committee. It comprises four members, of whom three are non-executive directors and the Chairman of the Committee is also a non-executive director.
18. The Board has set-up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.
19. 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 (ICAP). 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 the ICAP.
20. The statutory 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.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and Stock Exchange.
22. Material/price sensitive information has been disseminated among all market participants at once through Stock Exchange.
23. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the CCG have been complied with.

Karachi  
September 06, 2017

NISAR AHMED MIRANI  
Chief Executive

LAEEQ UDDIN ANSARI  
Director



## REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Bolan Casting Limited for the year ended June 30, 2017 to comply with the requirements of the Regulation No. 5.19 of the Pakistan Stock Exchange Limited Regulations, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

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 Code requires 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. 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. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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 best practices contained in the Code as applicable to the Company for the year ended June 30, 2017.

Chartered Accountants  
Karachi

Dated: September 28, 2017

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](http://www.pwc.com/pk)>



## AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Bolan Castings Limited as at 30 June 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
  - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
  - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
  - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2017 and of the profit, total comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Chartered Accountants  
Karachi

Dated: September 28, 2017

Name of the engagement partner: Farrukh Rehman

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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](http://www.pwc.com/pk)>

**BALANCE SHEET**

AS AT JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	4	184,941,604	184,429,083
Intangible assets	5	-	-
Long-term investment	6	42,693,750	23,287,500
Long term loans	7	853,745	780,745
Deferred taxation	8	4,001,393	54,356,279
Long-term deposits	9	3,893,041	3,893,041
Staff retirement benefits - prepayment	10	17,272,218	-
		<u>253,655,751</u>	<u>266,746,648</u>
Current assets			
Stores, spare parts and loose tools	11	116,252,036	84,624,858
Stock-in-trade	12	290,062,182	280,698,434
Trade debts	13	59,631,893	141,878,725
Loans and advances	14	4,996,583	4,612,090
Trade deposits and short term prepayments	15	322,332	340,640
Other receivables	16	188,457	2,628,083
Refunds due from the government - sales tax		23,453,028	5,693,846
Taxation - payments less provision		136,999,840	124,831,054
Cash and bank balances	17	9,554,186	12,952,661
		<u>641,460,537</u>	<u>658,260,391</u>
<b>Total assets</b>		<u><u>895,116,288</u></u>	<u><u>925,007,039</u></u>
<b>EQUITY AND LIABILITIES</b>			
Capital and reserves			
Share capital	18	114,725,290	114,725,290
Reserves	19	459,422,753	337,936,125
		<u>574,148,043</u>	<u>452,661,415</u>
<b>LIABILITIES</b>			
Non-current liabilities			
Long term deposits	20	5,643,444	4,999,301
Staff retirement benefits - obligations	10	81,211,513	79,953,882
		<u>86,854,957</u>	<u>84,953,183</u>
Current liabilities			
Trade and other payables	21	106,661,113	107,523,406
Current portion of long term deposits	20	1,012,555	898,636
Accrued mark-up		938,620	4,768,886
Short term borrowings - from banks	22	125,501,000	274,201,513
		<u>234,113,288</u>	<u>387,392,441</u>
<b>Total liabilities</b>		<u>320,968,245</u>	<u>472,345,624</u>
Contingencies and commitments	23		
<b>Total equity and liabilities</b>		<u><u>895,116,288</u></u>	<u><u>925,007,039</u></u>

The annexed notes 1 to 43 form an integral part of these financial statements


  
Chief Executive


  
Director


  
Chief Financial Officer

# PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
Sales	24	1,744,098,049	1,333,475,781
Cost of sales	25	(1,497,470,471)	(1,192,599,912)
<b>Gross profit</b>		<b>246,627,578</b>	<b>140,875,869</b>
Distribution cost	26	(47,146,208)	(34,256,017)
Administrative expenses	27	(46,574,959)	(41,363,311)
Other expenses	28	(10,723,718)	(3,059,715)
Other income	29	10,239,163	10,360,426
<b>Profit from operations</b>		<b>152,421,856</b>	<b>72,557,252</b>
Finance cost	30	(10,995,628)	(33,137,723)
<b>Profit before taxation</b>		<b>141,426,228</b>	<b>39,419,529</b>
Taxation	31	(43,650,243)	(13,549,726)
<b>Profit after taxation</b>		<b>97,775,985</b>	<b>25,869,803</b>
<b>Earnings per share - Basic and diluted</b>	32	<b>8.52</b>	<b>2.25</b>

The annexed notes 1 to 43 form an integral part of these financial statements



Chief Executive



Director



Chief Financial Officer



# STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2017

	2017 Rupees	2016 Rupees
Profit after taxation	97,775,985	25,869,803
Other comprehensive income / (loss):		
Items that will not be reclassified to profit or loss		
Remeasurements of staff retirement benefits - note 10	22,538,460	(47,768,306)
Impact of deferred tax	(6,761,538)	14,330,492
	15,776,922	(33,437,814)
Items that may be subsequently reclassified to profit or loss		
Unrealised gain on revaluation of available-for-sale investment - note 6	19,406,250	6,569,375
Total comprehensive income / (loss) for the year	<u>132,959,157</u>	<u>(998,636)</u>

The annexed notes 1 to 43 form an integral part of these financial statements



Chief Executive



Director



Chief Financial Officer

# CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	33	206,191,114	414,988,085
Increase in long term loans		(73,000)	(3,000)
Increase in long term deposits - net		758,062	812,464
Income tax paid - net		(12,225,681)	(8,787,980)
Staff retirement benefits paid		(5,229,720)	(4,749,833)
Mark-up paid		(14,337,424)	(38,257,910)
Net cash generated from operating activities		175,083,351	364,001,826
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(23,377,811)	(24,470,641)
Proceeds from disposal of property, plant and equipment		3,259,439	4,813,049
Return received on savings and deposit accounts		302,384	341,959
Investment in term deposits receipts		(455,470)	-
Dividend income		1,437,500	862,500
Net cash used in investing activities		(18,833,958)	(18,453,133)
<b>CASH USED IN FINANCING ACTIVITIES</b>			
Dividend paid		(11,402,825)	(22,770,880)
Net increase in cash and cash equivalents		144,846,568	322,777,813
Cash and cash equivalents at the beginning of the year		(263,710,052)	(586,487,865)
Cash and cash equivalents at the end of the year	34	(118,863,484)	(263,710,052)

The annexed notes 1 to 43 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, 2017

	Reserves					Sub Total	Total
	Share Capital	Capital	Revenue		Gain on revaluation of available for sale investment		
	Share Capital	Share premium	General	Unappropriated Profit / (Accumulated loss)			
	----- (Rupees) -----						
Balance as at July 1, 2015	114,725,290	12,155,680	424,500,000	(85,993,986)	11,218,125	361,879,819	476,605,109
Final cash dividend @ 20% for the year ended June 30, 2015	-	-	-	(22,945,058)	-	(22,945,058)	(22,945,058)
Total comprehensive income for the year ended June 30, 2016							
- Profit for the year ended June 30, 2016	-	-	-	25,869,803	-	25,869,803	25,869,803
- Other comprehensive loss for the year ended June 30, 2016	-	-	-	(33,437,814)	6,569,375	(26,868,439)	(26,868,439)
	-	-	-	(7,568,011)	6,569,375	(998,636)	(998,636)
Balance as at June 30, 2016	114,725,290	12,155,680	424,500,000	(116,507,055)	17,787,500	337,936,125	452,661,415
Final cash dividend @ 10% for the year ended June 30, 2016	-	-	-	(11,472,529)	-	(11,472,529)	(11,472,529)
Total comprehensive income for the year ended June 30, 2017							
- Profit for the year ended June 30, 2017	-	-	-	97,775,985	-	97,775,985	97,775,985
- Other comprehensive income for the year ended June 30, 2017	-	-	-	15,776,922	19,406,250	35,183,172	35,183,172
	-	-	-	113,552,907	19,406,250	132,959,157	132,959,157
Balance as at June 30, 2017	<u>114,725,290</u>	<u>12,155,680</u>	<u>424,500,000</u>	<u>(14,426,677)</u>	<u>37,193,750</u>	<u>459,422,753</u>	<u>574,148,043</u>

The annexed notes 1 to 43 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, 2017

### 1. THE COMPANY AND ITS OPERATIONS

Bolan Castings Limited (the Company) is a public limited company incorporated and domiciled in Pakistan and listed on the Pakistan Stock Exchange (PSX). The registered office and manufacturing plant of the Company is situated at main RCD Highway, Hub Chowki, District Lasbela, Balochistan, Pakistan. The Company manufactures and sells castings for tractors and automotive parts.

The Company is a subsidiary of Millat Tractors Limited in accordance with the provisions of IFRS 10 - Consolidated Financial Statements.

### 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 approved accounting standards as applicable in Pakistan. As per the requirement of circular No. CLD/CCD/PR(11)/2017 dated July 20, 2017 issued by the Securities & Exchange Commission of Pakistan (SECP) the companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

Accordingly, approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984 and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

The preparation of financial statements in conformity with IFRS 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 disclosed in note 3.

##### 2.1.2 Changes in accounting standards, interpretations and pronouncements

#### a) Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

Following amendments to existing standards and interpretations have been published and are mandatory for accounting periods beginning on or after January 1, 2016 and are considered to be relevant to the Company's operations.

IAS 1, 'Presentation of financial statements' aims to improve presentation and disclosure in financial reports by emphasising the importance of understandability, comparability and clarity in presentation.

The amendments provides clarification on number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals – line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes – confirmation that the notes do not need to be presented in a particular order.
- Other Comprehensive Income (OCI) - arising from investments accounted for under the equity method - the share of the OCI arising from equity - accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of comprehensive income.

The change will impact the disclosures of the Company's financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

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

Except as stated above, the new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2016 are considered not to be relevant for 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

IAS 7, 'Statement of cashflows' amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of the IASB's Disclosure Initiative, which continues to explore how financial statement disclosure can be improved.

#### 2.1.3 In addition to the foregoing, the Companies Act 2017 which is not effective on these financial statements, has added certain disclosure requirements which will be applicable in future.

### 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 is stated at cost less depreciation except capital work-in-progress which is 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 balance sheet 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 income 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 profit and loss account.

### 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 Investments

The Company determines the appropriate classification of its investment at the time of purchase.

Investment in securities which are intended to be held for an undefined period of time are classified as available for sale. These are initially measured at fair value including the transaction costs. Subsequent measurement of investments whose fair value can be reliably measured is stated at fair value with gains or losses taken to other comprehensive income.

## NOTES TO THE FINANCIAL STATEMENTS

### 2.6 Taxation

#### 2.6.1 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.

#### 2.6.2 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 profit and loss account. Deferred tax is determined using tax rates and prevailing law for taxation on income that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

### 2.7 Stores, spare parts and loose tools

Stores, spare parts and loose tools, except items in transit, are stated at moving average cost. Cost comprises invoice value and other direct costs. Provision is made for slow moving and obsolete items wherever necessary.

Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

### 2.8 Stock-in-trade

Stock-in-trade is 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 stock-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.

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.

### 2.9 Trade and other receivables

Trade debts and other receivables are carried at invoice value less a provision for impairment. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Trade debts and other receivables considered irrecoverable are written-off.

### 2.10 Staff retirement and other benefits

#### 2.10.1 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 obligations 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.

#### 2.10.2 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 balance sheet 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.

## NOTES TO THE FINANCIAL STATEMENTS

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 pension 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, 2017, 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, 2017, 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, 2017, using the 'Projected Unit Credit Method'.

The amount arising as a result of remeasurements are recognised in the Balance Sheet immediately, with a charge or credit to Other Comprehensive Income in the periods in which they occur.

Past service costs are recognised immediately in profit and loss account.

### 2.10.3 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.

### 2.11 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, 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, running finance under mark-up arrangements and short-term finance.

### 2.12 Impairment

#### 2.12.1 Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The Company considers evidence of impairment for receivable and other financial assets at specific asset levels. Losses are recognised as an expense in the profit and loss account. When a subsequent event causes the amount of impairment loss to decrease, this reduction is reversed through the profit and loss account.

#### 2.12.2 Non-financial assets

The carrying amounts of non-financial assets, are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised as an expense in the profit and loss account for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessment of the time value of money and the risk specific to the assets.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## NOTES TO THE FINANCIAL STATEMENTS

### 2.13 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.

### 2.14 Provisions

Provisions are recognised in the balance sheet 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 balance sheet date and adjusted to reflect current best estimate.

### 2.15 Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, and is recognised on the following basis:

- 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 the dividend is established.
- Return / Interest on bank deposits are recognised on accrual basis.

### 2.16 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.

### 2.17 Foreign currency transactions and translation

Foreign currency transactions are converted into Pak Rupees using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date. Foreign exchange gains and losses are taken to income.

### 2.18 Financial assets and liabilities

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortised cost or cost, as the case may be.

Financial assets and liabilities are off set and the net amount is reported in the balance sheet if the Company has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

### 2.19 Functional and presentation currency

These financial statements are presented in Pakistan Rupees 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:



## NOTES TO THE FINANCIAL STATEMENTS

### i. Taxation

The Company recognises provision for income tax based on best current estimates. However, where the final tax outcome is different from the amounts that were initially recorded, such differences impact the income tax provision in the period in which such determination is made.

### ii. Defined benefit plans

Significant estimates relating to post employment benefits are disclosed in note 10.

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.

	2017 Rupees	2016 Rupees
4. PROPERTY, PLANT AND EQUIPMENT		
Operating assets - note 4.1	178,841,104	180,313,083
Capital work-in-progress - note 4.2	6,100,500	4,116,000
	<u>184,941,604</u>	<u>184,429,083</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	Vehicles	Total
----- Rupees -----								
Year ended June 30, 2017								
Opening net book value	2,678,754	20,472,031	130,293,721	497,359	3,540,570	491,424	22,339,224	180,313,083
Additions / transfers (at cost)	-	2,098,398	7,055,752	-	1,934,731	449,930	9,854,500	21,393,311
Disposals (at NBV)	-	-	-	-	-	-	(1,373,276)	(1,373,276)
Depreciation charge	-	(2,082,174)	(13,357,280)	(46,409)	(403,053)	(202,260)	(5,400,838)	(21,492,014)
Closing net book value	<u>2,678,754</u>	<u>20,488,255</u>	<u>123,992,193</u>	<u>450,950</u>	<u>5,072,248</u>	<u>739,094</u>	<u>25,419,610</u>	<u>178,841,104</u>
At June 30, 2017								
Cost	2,678,754	84,515,136	526,161,675	1,406,654	10,447,376	4,272,459	42,496,572	671,978,626
Accumulated depreciation	-	(64,026,881)	(402,169,482)	(955,704)	(5,375,128)	(3,533,365)	(17,076,962)	(493,137,522)
Net book value	<u>2,678,754</u>	<u>20,488,255</u>	<u>123,992,193</u>	<u>450,950</u>	<u>5,072,248</u>	<u>739,094</u>	<u>25,419,610</u>	<u>178,841,104</u>
Year ended June 30, 2016								
Opening net book value	2,678,754	22,487,707	134,643,329	522,310	3,196,880	567,470	19,720,780	183,817,230
Additions / transfers (at cost)	-	235,053	9,631,081	25,100	694,150	122,257	11,720,000	22,427,641
Disposals (at NBV)	-	-	-	-	-	-	(19,123)	(4,518,758)
Depreciation charge	-	(2,250,729)	(13,980,689)	(50,051)	(350,460)	(179,180)	(4,582,798)	(21,393,907)
Closing net book value	<u>2,678,754</u>	<u>20,472,031</u>	<u>130,293,721</u>	<u>497,359</u>	<u>3,540,570</u>	<u>491,424</u>	<u>22,339,224</u>	<u>180,313,083</u>
At June 30, 2016								
Cost	2,678,754	82,416,738	519,105,923	1,406,654	8,512,645	3,822,529	39,356,847	657,300,090
Accumulated depreciation	-	(61,944,707)	(388,812,202)	(909,295)	(4,972,075)	(3,331,105)	(17,017,623)	(476,987,007)
Net book value	<u>2,678,754</u>	<u>20,472,031</u>	<u>130,293,721</u>	<u>497,359</u>	<u>3,540,570</u>	<u>491,424</u>	<u>22,339,224</u>	<u>180,313,083</u>
Depreciation rate per annum %	-	10	10	10	10	30	20	

4.2 Capital work-in-progress represent advance to suppliers for purchases of vehicles for employees. It does not carry any interest or mark-up.

4.3 The details of operating assets sold are as follows:

Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal	Particulars of Purchaser
----- Rupees -----						
Vehicle	868,000	638,326	229,674	229,674	Company Policy	Mr. Khawaja Q. Mohiuddin - Employee
"	630,000	469,838	160,162	160,162	"	Mr. Mohammad Nasir - Employee
"	625,000	466,109	158,891	158,891	"	Mr. Siraj Ahmed - Ex employee
"	614,000	463,639	150,361	150,361	"	Mr. Abid Javed - Employee
"	905,000	810,526	94,474	576,900	Insurance Claim	Adamjee Insurance Company Limited.
"	734,672	678,925	55,747	625,000	Tender	Mr. Haji Mohammad Sharif
	<u>4,376,672</u>	<u>3,527,363</u>	<u>849,309</u>	<u>1,900,988</u>		
Aggregate of assets having book value of less than Rs. 50,000 each						
Vehicles	2,338,103	1,814,136	523,967	1,358,451		
2017	<u>6,714,775</u>	<u>5,341,499</u>	<u>1,373,276</u>	<u>3,259,439</u>		
2016	<u>10,746,698</u>	<u>6,208,817</u>	<u>4,537,881</u>	<u>4,813,049</u>		

## NOTES TO THE FINANCIAL STATEMENTS

	2017 Rupees	2016 Rupees
5. INTANGIBLE ASSETS – Computer softwares		
Net carrying value		
Balance at beginning of the year	-	201,563
Amortisation for the year	-	(201,563)
Balance at end of the year	<u>-</u>	<u>-</u>
Gross carrying value		
Cost	1,713,649	1,713,649
Accumulated amortisation	(1,713,649)	(1,713,649)
Net book value	<u>-</u>	<u>-</u>
Amortisation is charged at the rate of 33.33% per annum.		
6. LONG-TERM INVESTMENT		
Available for sale		
Balance at the beginning of the year	23,287,500	16,718,125
Unrealised gain on revaluation - transferred to equity	19,406,250	6,569,375
Balance at the end of the year	<u>42,693,750</u>	<u>23,287,500</u>
Represents investment in 287,500 (2016: 287,500) quoted ordinary shares of Rs. 10/- each of Baluchistan Wheels Limited. Equity held 2.16% (2016: 2.16%).		
	2017 Rupees	2016 Rupees
7. LONG TERM LOANS - considered good and secured		
Employees - note 7.1 and 7.2	1,501,745	1,398,745
Current portion of loans to employees	(648,000)	(618,000)
	<u>853,745</u>	<u>780,745</u>
7.1 Reconciliation of carrying amount of loans to employees:		
- opening balances	1,398,745	1,463,745
- disbursements	1,000,000	900,000
- repayments	(897,000)	(965,000)
	<u>1,501,745</u>	<u>1,398,745</u>
7.2	Represents interest free loans given to employees for the purchase of motorcycles. These are secured against retirement benefits and are recoverable in monthly installments over a period of fifty months.	

## NOTES TO THE FINANCIAL STATEMENTS

8. DEFERRED TAXATION	2017 Rupees	2016 Rupees
Credit balance arising in respect of:		
- accelerated tax depreciation allowance	(27,395,096)	(28,137,589)
Debit balance arising in respect of:		
- provision for slow moving stores, spare parts and loose tools	309,884	309,884
- provision for slow moving stock in trade	102,510	102,510
- provision for doubtful debts	1,048,750	1,048,750
- provision for retirement benefit obligations	27,209,369	33,251,006
- provision for compensated absences	2,725,976	2,804,452
- carried forward losses	-	3,514,608
- minimum tax	-	41,462,658
	<u>31,396,489</u>	<u>82,493,868</u>
	<u>4,001,393</u>	<u>54,356,279</u>

### 9. LONG TERM DEPOSITS

These security deposits do not carry any mark up.

### 10. STAFF RETIREMENT BENEFITS

10.1 As stated in note 2.10, the Company operates three defined benefit plans (The Plans) namely approved funded defined benefit executives' gratuity scheme for all eligible executive employees, approved funded defined benefit pension scheme for all eligible 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, 2017.

10.2 Plan assets held in trusts are governed by local regulations which mainly includes Trust Act, 1882, Companies Ordinance, 1984, 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, lies with the Board of Trustees. The Company appoints the trustees and all trustees are employees of the Company.

10.3 The latest actuarial valuation of the plans as at June 30, 2017 was carried out using the Projected Unit Credit Method. Details of the plans as per the actuarial valuation are as follows:

2017			2016		
Funded		Un-Funded	Funded		Un-Funded
Pension	Executives' Gratuity	Non- Executives' Gratuity	Pension	Executives' Gratuity	Non- Executives' Gratuity
----- Rupees -----			----- Rupees -----		

#### 10.4 Balance sheet reconciliation

Present value of defined benefit obligation at June 30 - note 10.5	(167,462,285)	(56,002,038)	(28,117,696)	(159,537,041)	(53,571,304)	(23,155,700)
Fair value of plan assets at June 30 - note 10.6	114,368,468	73,274,256	-	112,475,832	43,834,331	-
(Deficit) / Surplus	<u>(53,093,817)</u>	<u>17,272,218</u>	<u>(28,117,696)</u>	<u>(47,061,209)</u>	<u>(9,736,973)</u>	<u>(23,155,700)</u>

## NOTES TO THE FINANCIAL STATEMENTS

	2017			2016		
	Funded		Un-Funded	Funded		Un-Funded
	Pension	Executives' Gratuity	Non-Executives' Gratuity	Pension	Executives' Gratuity	Non-Executives' Gratuity
	----- Rupees -----			----- Rupees -----		
<b>10.5</b>	<b>Movement in the present value of defined benefit obligation</b>					
Balances as at July 1	159,537,041	53,571,304	23,155,700	118,150,976	55,105,412	22,253,809
Benefits paid by the plan	(5,755,736)	(2,868,132)	(1,596,382)	(4,759,189)	(10,054,416)	(1,483,792)
Current service costs	2,962,355	2,017,552	1,217,619	2,428,393	2,150,953	1,209,958
Interest cost	11,357,790	3,770,938	1,620,919	11,287,709	4,870,505	2,065,212
Remeasurement	(1,797,764)	(489,624)	3,719,840	31,405,711	1,498,850	(889,487)
Employee contributions	1,158,599	-	-	1,023,441	-	-
Balance as at June 30	<u>167,462,285</u>	<u>56,002,038</u>	<u>28,117,696</u>	<u>159,537,041</u>	<u>53,571,304</u>	<u>23,155,700</u>
<b>10.6</b>	<b>Movement in the fair value of plan assets</b>					
Balance as at July 1	112,475,832	43,834,331	-	105,680,481	61,432,365	-
Contributions paid into the plan	2,605,625	1,027,713	-	2,306,559	959,482	-
Benefits paid by the plan	(5,755,736)	(2,868,132)	-	(4,759,189)	(10,054,416)	-
Interest income	8,082,306	3,111,274	-	10,021,944	5,452,728	-
Remeasurement	(4,198,158)	28,169,070	-	(1,797,404)	(13,955,828)	-
Employee contributions	1,158,599	-	-	1,023,441	-	-
Balance as at June 30	<u>114,368,468</u>	<u>73,274,256</u>	<u>-</u>	<u>112,475,832</u>	<u>43,834,331</u>	<u>-</u>
<b>10.7</b>	<b>Expense recognised in profit and loss account</b>					
Current service costs	2,962,355	2,017,552	1,217,619	2,428,393	2,150,953	1,209,958
Net Interest cost / (income)	3,275,484	659,664	1,620,919	1,265,765	(582,223)	2,065,212
Expense recognised in profit and loss account	<u>6,237,839</u>	<u>2,677,216</u>	<u>2,838,538</u>	<u>3,694,158</u>	<u>1,568,730</u>	<u>3,275,170</u>
<b>10.8</b>	<b>Remeasurement recognised in Other comprehensive income</b>					
Experience losses / (gains)	(1,797,764)	(489,624)	3,719,840	31,405,711	1,498,850	(889,487)
Remeasurement of fair value of plan assets	4,198,158	(28,169,070)	-	1,797,404	13,955,828	-
Remeasurements	<u>2,400,394</u>	<u>(28,658,694)</u>	<u>3,719,840</u>	<u>33,203,115</u>	<u>15,454,678</u>	<u>(889,487)</u>

## NOTES TO THE FINANCIAL STATEMENTS

	2017			2016		
	Funded		Un-Funded	Funded		Un-Funded
	Pension	Executives' Gratuity	Non-Executives' Gratuity	Pension	Executives' Gratuity	Non-Executives' Gratuity
	----- Rupees -----			----- Rupees -----		
<b>10.9</b>	<b>Net recognised liability / (asset)</b>					
Net recognised liability / (asset) as at July 1	47,061,209	9,736,973	23,155,700	12,470,495	(6,326,953)	22,253,809
Expense recognised in profit and loss account	6,237,839	2,677,216	2,838,538	3,694,158	1,568,730	3,275,170
Contribution made during the year to the fund	(2,605,625)	(1,027,713)	(1,596,382)	(2,306,559)	(959,482)	(1,483,792)
Remeasurements recognised in other comprehensive income	2,400,394	(28,658,694)	3,719,840	33,203,115	15,454,678	(889,487)
Recognised liability / (asset) as at June 30	<u>53,093,817</u>	<u>(17,272,218)</u>	<u>28,117,696</u>	<u>47,061,209</u>	<u>9,736,973</u>	<u>23,155,700</u>
<b>10.10</b>	<b>Plan assets comprises of following:</b>					
Debt instruments	85,280,719	23,811,169	-	96,437,420	28,712,591	-
Equity and mutual funds	19,018,177	44,266,381	-	13,461,948	11,952,627	-
Cash at bank	10,069,572	5,196,706	-	2,576,464	3,169,113	-
Total as at June 30	<u>114,368,468</u>	<u>73,274,256</u>	<u>-</u>	<u>112,475,832</u>	<u>43,834,331</u>	<u>-</u>
<b>10.11</b>	<b>Actuarial assumptions</b>					
Discount rate at June 30	8.00%	8.00%	8.00%	7.25%	7.25%	7.25%
Future salary increases	8.00%	8.00%	8.00%	7.25%	7.25%	7.25%
Future pension increases	0.00%	-	-	0.00%	-	-

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

**10.13** 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 2017 and 2016 consists of government bonds and investment in shares and units of mutual funds. The Company believes that government bond offer the best returns over the long term with an acceptable level of risk.

**10.14** 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.

The Company's contribution to the pension fund and executives' gratuity fund for the year ending June 30, 2018 is expected to be Rs 5.05 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 10.15 Sensitivity analysis for actuarial assumptions

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

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption Rupees	Decrease in assumption Rupees
Discount rate at June 30	1.00%	(19,603,837)	23,017,483
Future salary increases	1.00%	13,907,479	(12,886,926)

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.

### 10.16 Historical information for the five years is as follows:

	2017	2016	2015	2014	2013
	----- Rupees -----				
<b>Pension fund</b>					
Fair value of plan assets	114,368,468	112,475,832	105,680,481	90,083,175	82,228,289
Present value of the defined benefit obligation	(167,462,285)	(159,537,041)	(118,150,976)	(75,020,822)	(73,484,739)
(Deficit) / Surplus	<u>(53,093,817)</u>	<u>(47,061,209)</u>	<u>(12,470,495)</u>	<u>15,062,353</u>	<u>8,743,550</u>
Experience adjustments on plan obligations - loss / (gain)	<u>(1,797,764)</u>	<u>31,405,711</u>	<u>35,055,399</u>	<u>(6,018,632)</u>	<u>1,335,308</u>
Experience adjustments on plan assets - (loss) / gain	<u>(4,198,158)</u>	<u>(1,797,404)</u>	<u>4,237,612</u>	<u>(1,763,513)</u>	<u>(1,383,721)</u>
<b>Executives' gratuity fund</b>					
Fair value of plan assets	73,274,256	43,834,331	61,432,365	46,102,869	50,857,697
Present value of the defined benefit obligation	(56,002,038)	(53,571,304)	(55,105,412)	(48,771,484)	(46,758,247)
(Deficit) / Surplus	<u>17,272,218</u>	<u>(9,736,973)</u>	<u>6,326,953</u>	<u>(2,668,615)</u>	<u>4,099,450</u>
Experience adjustments on plan obligations - loss / (gain)	<u>(489,624)</u>	<u>1,498,850</u>	<u>2,618,434</u>	<u>4,617,020</u>	<u>(1,696,085)</u>
Experience adjustments on plan assets - (loss) / gain	<u>28,169,070</u>	<u>(13,955,828)</u>	<u>13,882,902</u>	<u>(1,007,062)</u>	<u>(1,653,280)</u>
<b>Non-Executives' gratuity fund</b>					
Present value of the defined benefit obligation	<u>(28,117,696)</u>	<u>(23,155,700)</u>	<u>(22,253,809)</u>	<u>(19,177,112)</u>	<u>(18,834,220)</u>
Experience adjustments on plan obligations - (gain) / loss	<u>3,719,840</u>	<u>(889,487)</u>	<u>2,046,994</u>	<u>(1,485,155)</u>	<u>(1,293,182)</u>

## NOTES TO THE FINANCIAL STATEMENTS

10.17 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.

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

	No. of years
Pension fund	8.47
Executives' gratuity fund	8.47
Non-executives' gratuity	8.47

10.19 Figures in this note are based on the latest actuarial valuation carried out as at June 30, 2017.

	2017 Rupees	2016 Rupees
<b>11. STORES, SPARE PARTS AND LOOSE TOOLS</b>		
Stores (including in transit Rs. 1.25 million; 2016: 0.41 million)	23,461,681	17,689,421
Spare parts (including in transit Rs. 4.2 million; 2016: 1.69 million)	64,996,733	55,865,601
Loose tools (including in transit Rs. 0.77 million; 2016: 0.07 million)	4,280,410	2,199,827
	<u>92,738,824</u>	<u>75,754,849</u>
Hard coke, diesel and kerosene oil (including in transit Rs. 13.45 million; 2016: Rs. 4.24 million)	24,546,159	9,902,956
Provision for obsolescence	(1,032,947)	(1,032,947)
	<u>116,252,036</u>	<u>84,624,858</u>
<b>12. STOCK-IN-TRADE</b>		
Raw materials (including in transit Rs. 15.27 million; 2016: Rs. 70.32 million)	170,811,339	113,017,650
Work in process	32,502,643	70,791,146
Finished goods (including in transit of Rs. 17.22 million; 2016: Rs. 5.81) - note 12.2	87,089,900	97,231,338
	<u>290,403,882</u>	<u>281,040,134</u>
Provision for slow moving stock	(341,700)	(341,700)
	<u>290,062,182</u>	<u>280,698,434</u>

12.1 Stock-in-trade includes Rs. 27.62 million (2016: Rs. 5.63 million) held with third parties, out of which, stock of Rs. 11.87 million (2016: Rs. Nil) is held with Millat Tractors Limited (a related party).

12.2 Stock-in-trade - finished goods includes stock which has been written-down to net realisable value by Rs 5.53 million (2016: Rs 8.89 million).



## NOTES TO THE FINANCIAL STATEMENTS

	2017 Rupees	2016 Rupees
<b>13. TRADE DEBTS</b>		
Considered good		
- Related parties - note 13.1	43,269,522	125,636,061
- Others - note 13.2	<u>16,362,371</u>	<u>16,242,664</u>
	<u><u>59,631,893</u></u>	<u><u>141,878,725</u></u>
<b>13.1</b> Represents amounts due from following related parties:		
- Millat Tractors Limited	42,336,685	124,833,019
- Millat Equipments Limited	<u>932,837</u>	<u>803,042</u>
	<u><u>43,269,522</u></u>	<u><u>125,636,061</u></u>
As at June 30, 2017, the age analysis of these trade debts is as follows:		
Not yet due	749,361	122,228,025
Past due		
- Up to 3 months	<u>42,520,161</u>	<u>2,496,118</u>
- 3 to 6 months	-	-
- More than 6 months	<u>-</u>	<u>911,918</u>
	<u><u>42,520,161</u></u>	<u><u>3,408,036</u></u>
	<u><u>43,269,522</u></u>	<u><u>125,636,061</u></u>
<b>13.2</b> As at June 30, 2017, the age analysis of these trade debts is as follows:		
Not yet due	7,496,660	10,193,373
Past due		
- Up to 3 months	<u>8,831,439</u>	<u>5,879,063</u>
- 3 to 6 months	34,272	16,832
- More than 6 months	-	153,396
	<u><u>8,865,711</u></u>	<u><u>6,049,291</u></u>
	<u><u>16,362,371</u></u>	<u><u>16,242,664</u></u>
<b>14. LOANS AND ADVANCES - considered good</b>		
Current portion of loans to employees - note 7	648,000	618,000
Advances to:		
- employees - note 14.1	<u>1,115,014</u>	<u>1,165,984</u>
- suppliers	<u>3,233,569</u>	<u>2,828,106</u>
	<u><u>4,348,583</u></u>	<u><u>3,994,090</u></u>
	<u><u>4,996,583</u></u>	<u><u>4,612,090</u></u>
<b>14.1</b> 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.		
<b>14.2</b> These advances do not carry any markup arrangement.		

## NOTES TO THE FINANCIAL STATEMENTS

	2017 Rupees	2016 Rupees
<b>15. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>		
Security deposits	263,500	263,500
Prepayments	58,832	77,140
	<u>322,332</u>	<u>340,640</u>
<b>15.1</b> These trade deposits and prepayment are mainly against insurance, repair and maintenance and security deposit. They do not carry any mark-up.		
<b>16. OTHER RECEIVABLES</b>		
Considered good		
Insurance receivable	-	2,079,155
Others	188,457	548,928
	<u>188,457</u>	<u>2,628,083</u>
Considered doubtful		
Claim receivable from supplier	3,495,832	3,495,832
Less: Provision for impairment	(3,495,832)	(3,495,832)
	<u>-</u>	<u>-</u>
	<u>188,457</u>	<u>2,628,083</u>
<b>17. CASH AND BANK BALANCES</b>		
With banks on:		
current accounts - note 17.1	1,680,468	8,253,209
savings accounts - note 17.2	4,728,604	1,756,769
term deposit receipts - note 17.2 and 17.3	2,916,670	2,461,200
	<u>9,325,742</u>	<u>12,471,178</u>
Cash in hand	228,444	481,483
	<u>9,554,186</u>	<u>12,952,661</u>

**17.1** This includes current account having balance of Rs. 0.30 million (June 30, 2016: Rs 0.04 million) maintained with Islamic Bank.

**17.2** These accounts are maintained under markup arrangement and carry mark up at the rate of 3.75% to 4.65% (2016: 3.75% to 4.5%) per annum.

**17.3** These are under lien with respect to bank guarantee issued by a commercial bank in favour of Sui Southern Gas Company Limited.

## NOTES TO THE FINANCIAL STATEMENTS

### 18. SHARE CAPITAL

Authorised share capital

2017 -----Number of shares-----	2016 -----Number of shares-----		2017 Rupees	2016 Rupees
<u>15,000,000</u>	<u>12,000,000</u>	Ordinary shares of Rs. 10 each	<u>150,000,000</u>	<u>120,000,000</u>

Issued, subscribed and paid up capital

Ordinary shares of Rs. 10 each

2017 -----Number of shares-----	2016 -----Number of shares-----		2017 Rupees	2016 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>

18.1 As at June 30, 2017, 5.31 million (2016: 5.31 million) ordinary shares of Rs. 10 each were held by Millat Tractors Limited (a related party), representing 46.26% of total issued, subscribed and paid up capital (2016: 46.26%).

### 19. RESERVES

	2017 Rupees	2016 Rupees
Capital reserves		
Share premium	12,155,680	12,155,680
Revenue reserves		
General	424,500,000	424,500,000
Accumulated loss	(14,426,677)	(116,507,055)
	410,073,323	307,992,945
Gain on revaluation of available-for-sale investment - note 19.1	37,193,750	17,787,500
	<u>459,422,753</u>	<u>337,936,125</u>

19.1 This represents unrealized gain on investment in shares of Baluchistan Wheels Limited.

### 20. LONG TERM DEPOSITS

	2017 Rupees	2016 Rupees
Deposits from employees	6,655,999	5,897,937
Less: Current portion	(1,012,555)	(898,636)
	<u>5,643,444</u>	<u>4,999,301</u>

This represents interest free deposits received from employees. The amount is adjustable with in a period of six years against book value of vehicles and five years against book value of motor cycles provided to them as per Company policy.

## NOTES TO THE FINANCIAL STATEMENTS

	2017 Rupees	2016 Rupees
<b>21. TRADE AND OTHER PAYABLES</b>		
Creditors - note 21.1	71,272,380	83,750,809
Advances from customers - note 21.2	1,269,631	2,884,470
Compensated absences - note 21.3	9,086,587	9,348,173
Security deposits	4,065,068	1,438,537
Workers' Profit Participation Fund - note 21.4	7,352,885	1,867,391
Workers' Welfare Fund	3,116,221	898,529
Accrued liabilities - note 21.5	6,786,657	5,488,761
Unclaimed dividend	1,642,437	1,572,733
Income tax deducted at source	1,399,592	167,510
Others	669,655	106,493
	<u>106,661,113</u>	<u>107,523,406</u>
21.1 This includes Nil (2016: Rs. 0.05 million) due to Millat Tractors Limited (a related party).		
21.2 This includes Rs. 0.12 million (2016: Rs. 0.62 million) due to Millat Equipment Limited (a related party).		
	2017 Rupees	2016 Rupees
<b>21.3 Compensated absences</b>		
Opening balance	9,348,173	10,128,536
Charge for the year	302,298	1,361,727
Payments made during the year	(563,884)	(2,142,090)
Closing balance	<u>9,086,587</u>	<u>9,348,173</u>
<b>21.4 Workers' Profits Participation Fund</b>		
Balance at the beginning of the year	1,867,391	3,581,708
Allocation for the year	<u>7,607,497</u>	<u>2,122,003</u>
	9,474,888	5,703,711
Interest charged during the year	34,653	108,783
Amount paid to the Trustees of the fund	(2,156,656)	(3,945,103)
Balance at the end of the year	<u>7,352,885</u>	<u>1,867,391</u>
21.5 This includes Rs. 3.32 (2016: Rs. 2.39 million) million due to Millat Tractors Limited (a related party) in respect of remuneration of Chief Executive paid by MTL and cross charged to the Company.		
	2017 Rupees	2016 Rupees
<b>22. SHORT TERM BORROWINGS - FROM BANKS</b>		
Secured		
Short term running finance		
Under mark-up arrangement - note 22.1	49,403,800	187,749,515
Under musharika facility - note 22.2	76,097,200	11,451,998
Under istisna cum wakala arrangement - note 22.3	-	75,000,000
	<u>125,501,000</u>	<u>274,201,513</u>

## NOTES TO THE FINANCIAL STATEMENTS

- 22.1 This represents running finance facilities obtained from commercial banks aggregating to Rs. 300 million (2016: Rs. 480 million). These carry mark-up rates ranging from 1 month KIBOR plus 0.5% to 0.6% (2016: 1 month KIBOR plus 0.5% to 0.6%) per annum. The arrangements are secured by way of hypothecation over plant and machinery and current assets of the Company.
- 22.2 This represents Musharika Finance Facility obtained from Meezan Bank Limited amounting to Rs. 100 million (2016: Rs. 100 million). The profit rate on this facility is 3 month KIBOR plus 0.4% (2016: 1 year KIBOR plus 0.4%)
- 22.3 This represents Istisna Cum Wakala arrangement from Dubai Islamic Bank Pakistan Limited amounting to Rs. 75 million (2016: Rs. 75 million). The profit rate on this facility is 6 months KIBOR plus 0.6% (2016: 6 months KIBOR plus 0.6%).
- 22.4 The facilities for opening letters of credit and guarantees as at June 30, 2017 amounted to Rs. 600 million and Rs. 2.92 million respectively (2016: Rs. 850 million and Rs. 2.74 million respectively) out of which the amount remaining unutilised at the year end was Rs. 495.64 million and Rs. Nil respectively (2016: Rs. 772 million and Rs. 0.28 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 which is pending before the Senior Civil Judge at Hub Balochistan, a 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 disputed piece of land and disputes any encroachment what so ever. The written statement of the Company was filed, the issues were framed and the plaintiff had produced their witnesses. The Company had also produced their witnesses and now the matter is fixed for the evidence of representative of the Company. 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, 2017 amount to Rs. 15.36 million. (June 30, 2016: Nil).

	2017 Rupees	2016 Rupees
<b>24. SALES</b>		
Gross sales	2,138,088,512	1,634,071,267
Less:		
- Sales returns	(83,557,281)	(63,046,335)
- Sales tax	(310,783,340)	(237,549,151)
	<u>(394,340,621)</u>	<u>(300,595,486)</u>
	1,743,747,891	1,333,475,781
Export sales	350,158	-
	<u>1,744,098,049</u>	<u>1,333,475,781</u>

24.1 Sales to Millat Tractors Limited (a related party) of Rs. 1,620.05 million (2016: Rs. 1,222.25 million) account for 91.9% (2016: 91.7%) of the net sales.

## NOTES TO THE FINANCIAL STATEMENTS

25. COST OF SALES	2017 Rupees	2016 Rupees
Raw materials consumed		
Opening stock	113,017,650	247,403,409
Purchases	787,357,543	415,499,460
Closing stock - note 12	<u>(170,811,339)</u>	<u>(113,017,650)</u>
	729,563,854	549,885,219
Manufacturing expenses		
Salaries, wages and benefits - note 25.1 and 25.2	144,926,275	109,517,956
Stores, spare parts and loose tools consumed	139,630,447	101,746,999
Fuel and power	119,048,424	117,617,883
Hard coke, diesel and kerosene oil consumed	98,213,929	60,612,981
Machining expenses	8,099,418	5,945,602
Outsourced job contractors	142,207,323	111,523,576
Travelling and conveyance	27,842,596	24,391,343
Depreciation - note 4	19,865,066	19,911,263
Amortisation - note 5	-	120,939
Repairs and maintenance	5,082,120	4,714,194
Insurance	5,370,040	5,015,373
Vehicle expenses	2,951,816	3,575,571
Training	3,983,678	1,648,996
Entertainment	317,425	351,128
Others	1,938,119	1,784,828
	719,476,676	568,478,632
Opening work in process	70,791,146	86,121,297
Closing work in process - note 12	<u>(32,502,643)</u>	<u>(70,791,146)</u>
Cost of goods manufactured	1,487,329,033	1,133,694,002
Opening stock of finished goods	97,231,338	156,137,248
Closing stock of finished goods - note 12	<u>(87,089,900)</u>	<u>(97,231,338)</u>
	<u>1,497,470,471</u>	<u>1,192,599,912</u>

25.1 This includes Rs. 10.15 million (2016: Rs. 7.75 million) and Rs. 3.13 million (2016: Rs. 2.67 million) in respect of defined benefit and defined contribution plans respectively.

25.2 This includes Rs. 15.64 million (2016: Rs. 14.18 million) in respect of staff welfare expenses.

26. DISTRIBUTION COST	2017 Rupees	2016 Rupees
Salaries, wages and benefits - note 26.1 and 26.2	5,818,793	4,034,523
Freight charges	38,502,986	28,529,154
Depreciation - note 4	406,737	370,661
Amortisation - note 5	-	20,156
Sales promotion	1,728,426	819,052
Insurance	363,568	337,220
Travelling and conveyance	102,016	52,220
Others	223,682	93,031
	<u>47,146,208</u>	<u>34,256,017</u>

26.1 This includes Rs. 0.46 million (2016: Rs. 0.22 million) and Rs. 0.18 million (2016: Rs. 0.11 million) in respect of defined benefit and defined contribution plans respectively.

26.2 This includes Rs. 0.26 million (2016: Rs. 0.17 million) in respect of staff welfare expenses.

## NOTES TO THE FINANCIAL STATEMENTS

	2017 Rupees	2016 Rupees
<b>27. ADMINISTRATIVE EXPENSES</b>		
Salaries, wages and benefits - note 27.1 and 27.2	29,738,872	25,964,987
Legal and professional charges	4,213,657	4,250,908
Outsourced job contractors	2,142,108	1,580,928
Travelling and conveyance	362,984	646,268
Utilities	2,306,886	2,259,064
Repairs and maintenance	388,858	197,570
Depreciation - note 4	1,220,211	1,111,983
Amortisation - note 5	-	60,468
Vehicle expenses	1,072,049	834,235
Insurance	654,993	505,952
Subscription	661,064	964,950
Auditors' remuneration - note 27.3	963,085	911,918
Entertainment	303,919	211,539
Training	371,724	202,375
Others	2,174,549	1,660,166
	<u>46,574,959</u>	<u>41,363,311</u>
<b>27.1</b>	This includes Rs. 1.15 million (2016: 0.57 million) and Rs. 0.81 million (2016: Rs. 0.88 million) in respect of defined benefit and defined contribution plans respectively.	
<b>27.2</b>	This includes Rs. 1.57 million (2016: Rs. 1.30 million) in respect of staff welfare expenses.	
<b>27.3 Auditors' remuneration</b>	2017 Rupees	2016 Rupees
Audit fee	606,500	577,500
Fee for review of half yearly financial information and other certifications	220,500	210,000
Out of pocket expenses	136,085	124,418
	<u>963,085</u>	<u>911,918</u>
<b>28. OTHER EXPENSES</b>		
Workers' Profits Participation Fund - note 21.4	7,607,497	2,122,003
Workers' Welfare Fund	3,116,221	898,529
Professional tax	-	20,250
Bad debts written off	-	18,933
	<u>10,723,718</u>	<u>3,059,715</u>
<b>29. OTHER INCOME</b>		
Income from financial assets		
Return on savings and deposit accounts	302,384	341,959
Dividend income	1,437,500	862,500
	<u>1,739,884</u>	<u>1,204,459</u>
Income from non-financial assets		
Scrap sales	3,563,222	3,536,721
Insurance claim	298,847	2,079,155
Liabilities no longer required written back	2,532,386	2,269,835
Gain on disposal of property, plant and equipment	1,886,163	275,168
Exchange gain	1,274	105,700
Agricultural income	118,800	145,680
Miscellaneous income	98,587	743,708
	<u>8,499,279</u>	<u>9,155,967</u>
	<u>10,239,163</u>	<u>10,360,426</u>

## NOTES TO THE FINANCIAL STATEMENTS

	2017 Rupees	2016 Rupees
<b>30. FINANCE COST</b>		
Mark up on short term borrowings	10,507,158	32,663,996
Interest on workers' profits participation fund	34,653	108,783
Bank charges	453,817	364,944
	<u>10,995,628</u>	<u>33,137,723</u>
<b>31. TAXATION</b>		
Current		
- for the year	56,895	13,442,570
- for prior year	-	(46,516)
	<u>56,895</u>	<u>13,396,054</u>
Deferred	43,593,348	153,672
	<u>43,650,243</u>	<u>13,549,726</u>
<b>31.1 Reconciliation between tax expense and accounting profit.</b>		
Accounting profit before tax	<u>141,426,228</u>	<u>39,419,529</u>
Tax at the applicable tax rate of 31% (2016: 32%)	43,842,131	12,614,249
Effect of final tax regime	(265,938)	(168,188)
Effect of change in tax rate	89,372	1,138,187
Exempt income	(36,828)	(46,618)
Effect of prior years tax	-	(46,516)
Others	21,506	58,612
Tax expense for the year	<u>43,650,243</u>	<u>13,549,726</u>
<b>32. EARNINGS PER SHARE - BASIC AND DILUTED</b>		
Profit after taxation attributable to ordinary shareholders	<u>97,775,985</u>	<u>25,869,803</u>
Weighted average number of shares in issue during the year	<u>11,472,529</u>	<u>11,472,529</u>
Earnings per share (Rupees) - Basic and diluted	<u>8.52</u>	<u>2.25</u>
<b>32.1</b> There is no dilutive effect on the basic profit per share of the Company.		



## NOTES TO THE FINANCIAL STATEMENTS

	2017 Rupees	2016 Rupees
<b>33. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	141,426,228	39,419,529
Adjustment for non-cash charges and other items		
Depreciation and amortisation	21,492,014	21,595,470
Provision for staff retirement benefits	11,753,593	8,538,058
Gain on disposal of property, plant and equipment	(1,886,163)	(275,168)
Return on savings and deposit accounts	(302,384)	(341,959)
Dividend income	(1,437,500)	(862,500)
Mark up on short term borrowings	10,507,158	32,663,996
	<u>40,126,718</u>	<u>61,317,897</u>
	<u>181,552,946</u>	<u>100,737,426</u>
<b>EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES</b>		
Decrease / (Increase) in current assets		
Stores, spare parts and loose tools	(31,627,178)	(279,696)
Stock-in-trade	(9,363,748)	208,621,820
Trade debts	82,246,832	41,371,401
Loans and advances	(384,493)	5,002,759
Trade deposits and short term prepayments	18,308	21,381,699
Other receivables	2,439,626	240,746
Refunds due from the government - sales tax	(17,759,182)	13,653,794
	<u>25,570,165</u>	<u>289,992,523</u>
Increase / (Decrease) in current liabilities		
Trade and other payables	(931,997)	24,258,136
	<u>206,191,114</u>	<u>414,988,085</u>
<b>34. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	6,637,516	10,491,461
Short term borrowings	(125,501,000)	(274,201,513)
	<u>(118,863,484)</u>	<u>(263,710,052)</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 35. RELATED PARTY DISCLOSURES

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

Relationship with the Company	Nature of transactions	2017 Rupees	2016 Rupees
<b>Parent Company:</b>			
- Millat Tractors Limited (MTL)	Sale of goods	1,620,047,682	1,222,254,740
	Purchase of goods	2,280,071	8,606,947
	Purchase of fixed assets	3,323,076	-
	Dividend paid	5,306,979	10,613,958
	Expenses incurred by MTL on behalf of Company	6,946,455	2,674,839
	Receipt / (repayment) of advance against sale of goods - net	-	165,488
	Adjustment of advance against purchase of goods	-	165,488
<b>Associated Company:</b>			
- Millat Equipments Limited	Sale of goods	8,883,407	3,311,003
	Purchase of fixed assets	-	85,757
- Tipeg Intertrade DMCC	Sale of goods	350,158	-
<b>Staff retirement benefit funds:</b>			
- Pension fund	Contributions	2,605,625	2,306,559
- Provident fund	Contributions	4,124,961	3,652,568
- Executives' Gratuity fund	Contributions	1,027,713	959,480
- Executives' Gratuity fund	Benefits paid on behalf of the fund	2,868,132	10,083,416
<b>Key management personnel:</b>			
	Salaries and other short term employee benefits paid	25,269,939	24,993,719
	Post retirement benefits	1,742,108	1,647,656
	Proceeds from sale of assets	160,162	2,598,520

The related party status of outstanding balances as at June 30, 2017 and 2016 is included in stock-in-trade, trade debts, loans and advances and trade and other payables respectively. These are settled in ordinary course of business.

### 36. REMUNERATION OF DIRECTORS, CHIEF EXECUTIVE AND EXECUTIVES

The aggregate amounts charged in the financial statements of the year for remuneration including all benefits to director, chief executive and executives of the Company are as follows:

	Chief Executives		Director		Executives	
	2017	2016	2017	2016	2017	2016
	----- Rupees -----					
Managerial remuneration and allowances	2,511,398	2,261,443	1,148,916	963,152	10,835,395	8,895,274
Bonus	700,058	615,120	602,735	348,805	3,414,292	2,699,925
Retirement benefits	-	166,468	314,759	250,310	1,427,349	1,230,878
House rent	541,933	830,050	491,610	467,046	4,015,509	3,390,232
Utilities	849,595	737,704	603,793	763,759	2,708,429	2,750,569
Medical expenses	408,364	134,171	86,063	81,704	768,000	707,663
Others	1,743,165	748,155	266,043	291,052	521,096	982,734
	<u>6,754,513</u>	<u>5,493,111</u>	<u>3,513,919</u>	<u>3,165,828</u>	<u>23,690,070</u>	<u>20,657,275</u>
Number of persons	<u>1</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>11</u>	<u>11</u>

## NOTES TO THE FINANCIAL STATEMENTS

36.1 In addition to above; fee to 2 non-executive directors for attending Board of Directors meetings during the year amounted to Rs. 180,000 (2016: Rs. 180,000).

36.2 The Chief Executives, Executive Director and certain executives of the Company are also provided with free use of Company maintained cars in accordance with their terms of employment.

	2017 ----- (Metric tons) -----	2016 -----
<b>37. PLANT CAPACITY AND PRODUCTION</b>		
Installed capacity	<u>13,200</u>	<u>13,200</u>
Actual production	<u>11,566</u>	<u>8,437</u>
Capacity utilisation	<u>87.62%</u>	<u>63.92%</u>

Production during the year was as per the market demand.

### 38. PROVIDENT FUND RELATED DISCLOSURE

The following information is based on un-audited financial statements of the Fund:

	2017 Rupees	2016 Rupees
Size of the Fund - Total Assets	94,907,390	90,354,463
Fair value of investments	90,763,790	88,888,120
Percentage of investments made	96%	98%

38.1 The cost of above investments amounted to Rs. 71 million (2016: Rs. 81.07 million).

38.2 The break-up of fair value of investments is as follows:

	2017 Percentage	2016 Percentage	2017 Rupees	2016 Rupees
Special Savings Certificates	81.02%	68.99%	73,532,759	61,324,902
Government Securities	0.00%	17.18%	-	15,271,225
Bank Deposits	18.98%	13.83%	17,231,031	12,291,993
	<u>100%</u>	<u>100%</u>	<u>90,763,790</u>	<u>88,888,120</u>

38.3 The investments out of provident fund have been made in accordance with the provision of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

	2017	2016
<b>39. NUMBER OF EMPLOYEES</b>		
Number of employees at June 30:		
- Permanent	171	167
- Contractual	<u>4</u>	<u>8</u>
	<u>175</u>	<u>175</u>
Average number of employees during the year:		
- Permanent	169	168
- Contractual	<u>5</u>	<u>8</u>
	<u>174</u>	<u>176</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

#### 40.1 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 minimize earnings volatility and provide maximum return to shareholders.

#### 40.2 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	
	----- Rupees -----						
<b>FINANCIAL ASSETS</b>							
Available for sale							
Long term investments	-	-	-	-	42,693,750	42,693,750	42,693,750
Loans and receivables							
Loans and advances	-	-	-	1,763,014	853,745	2,616,759	2,616,759
Trade deposits	-	-	-	263,500	3,893,041	4,156,541	4,156,541
Trade debts	-	-	-	59,631,893	-	59,631,893	59,631,893
Other receivables	-	-	-	188,457	-	188,457	188,457
Cash and bank balances	7,645,274	-	7,645,274	1,908,912	-	1,908,912	9,554,186
June 30, 2017	<u>7,645,274</u>	<u>-</u>	<u>7,645,274</u>	<u>63,755,776</u>	<u>47,440,536</u>	<u>111,196,312</u>	<u>118,841,586</u>
June 30, 2016	<u>4,217,969</u>	<u>-</u>	<u>4,217,969</u>	<u>155,288,984</u>	<u>27,961,286</u>	<u>183,250,270</u>	<u>187,468,239</u>
<b>FINANCIAL LIABILITIES</b>							
Trade deposits	-	-	-	1,012,555	5,643,444	6,655,999	6,655,999
Trade and other payables	-	-	-	82,793,760	-	82,793,760	82,793,760
Short term borrowings	125,501,000	-	125,501,000	-	-	-	125,501,000
Accrued mark up	-	-	-	938,620	-	938,620	938,620
June 30, 2017	<u>125,501,000</u>	<u>-</u>	<u>125,501,000</u>	<u>84,744,935</u>	<u>5,643,444</u>	<u>90,388,379</u>	<u>215,889,379</u>
June 30, 2016	<u>274,201,513</u>	<u>-</u>	<u>274,201,513</u>	<u>96,619,632</u>	<u>4,999,301</u>	<u>101,618,933</u>	<u>375,820,446</u>
<b>ON BALANCE SHEET GAP</b>							
June 30, 2017	<u>(117,855,726)</u>	<u>-</u>	<u>(117,855,726)</u>	<u>(20,989,159)</u>	<u>41,797,092</u>	<u>20,807,933</u>	<u>(97,047,793)</u>
June 30, 2016	<u>(269,983,544)</u>	<u>-</u>	<u>(269,983,544)</u>	<u>58,669,352</u>	<u>22,961,985</u>	<u>81,631,337</u>	<u>(188,352,207)</u>
<b>OFF BALANCE SHEET ITEMS</b>							
Letters of credit / guarantee:							
June 30, 2017							<u>107,272,573</u>
June 30, 2016							<u>80,423,658</u>

## NOTES TO THE FINANCIAL STATEMENTS

### (i) Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties failed completely 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. 118.84 million (2016: Rs. 187.47 million), the financial assets which are subject to credit risk amounted to Rs. 75.92 million (2016: Rs. 163.70 million).

For trade debts, 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, 2017 trade debts of Rs. 51.39 million (2016: Rs. 9.46 million) were past due but not impaired. Trade debts majorly pertains 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 counterparties.

### (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.

### (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. The Company primarily has foreign currency exposure in Great Britain Pound in respect of foreign creditors. As at June 30, 2017, if the Pak Rupee had weakened / strengthened by 5% against Great Britain Pound with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 0.24 million (2016: Rs. 0.06 million), mainly as a result of foreign exchange losses / gains on translation of Great Britain Pound denominated financial assets and liabilities.

#### 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 borrowings which includes short term borrowings (note 22) and cash at bank in saving account and term deposit receipt (note 17). Borrowings availed at variable rates expose the Company to cash flow interest rate risk.

At June 30, 2017, the Company had variable interest bearing financial assets of Rs. 7.65 million (2016: Rs. 4.22 million) and liabilities of Rs. 125.50 million (2016: Rs. 274.20 million), and had the interest rate varied by 100 basis points with all the other variables held constant, profit before tax for the year would have been lower / higher by approximately Rs. 1.18 million (2016: Rs. 2.70 million), mainly as a result of higher / lower interest expense on floating rate borrowings.

## NOTES TO THE FINANCIAL STATEMENTS

### (iv) Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market condition (i.e an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

As at June 30, 2017, all financial assets and financial liabilities are carried at amortized cost except for investment in quoted shares of Baluchistan Wheels Limited which are carried at their fair value.

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:

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

The Company recognises transfer between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred.

The Company's policy for determining when transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfers has occurred.

- changes in market and trading activity (e.g. significant increases / decreases in activity)
- changes in inputs used in valuation technique (e.g. inputs becoming / ceasing to be observable in the market).

There are no transfers between level 1, 2 or 3 of the fair value hierarchy during the year.

The valuation technique used is as follows:

Level 1: Quoted prices (unadjusted) in active markets

The fair value of the financial instruments traded in the active market is based on the quoted market price at the balance sheet date. A market is regarded as active when it is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The following table analysis within the fair value hierarchy of the Company's financial assets (by class) measured at fair value at June 30, 2017:

Financial Assets	2017			Total
	Level 1	Level 2	Level 3	
	----- Rupees -----			
Recurring fair value measurement of available-for-sale investments	42,693,750	-	-	42,693,750
	2016			
Financial Assets	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Recurring fair value measurement of available-for-sale investments	23,287,500	-	-	23,287,500

## NOTES TO THE FINANCIAL STATEMENTS

### 41. 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, 2017 and 2016 were as follows:

	2017 Rupees	2016 Rupees
Short term borrowings - note 22	125,501,000	274,201,513
Cash and bank balances - note 17	<u>(9,554,186)</u>	<u>(12,952,661)</u>
Net debt	115,946,814	261,248,852
Total equity	<u>574,148,043</u>	<u>452,661,415</u>
Total capital	<u>690,094,857</u>	<u>713,910,267</u>
Debt to capital ratio	16.80%	36.59%

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 decrease in debt to equity ratio is mainly due to decrease in the short term borrowings.

### 42. SUBSEQUENT EVENTS

The Board of Directors in its meeting held on September 06, 2017 proposed a cash dividend of Rs. 5 per share (2016: Rs. 1 per share) amounting to Rs. 57.363 million (2016: 11.47 million).

Finance Act, 2017 introduced income tax at the rate of 7.5% on accounting profit before tax on every public company that derives profit for a tax year but does not distribute at least forty percent of its after tax profits within six months of the end of the tax year through cash or bonus shares. Liability in respect of such income tax, if any, is recognised when the prescribed time period for distribution of dividend expires.

### 43. DATE OF AUTHORISATION

These financial statements were authorised for issue on September 06, 2017 by the Board of Directors of the Company.



Chief Executive



Director



Chief Financial Officer

# PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2017

No. of Shareholders	*Size of Holding		Total Shares Held	Amount Rupees
	From	To		
148	1	100	4,004	40,040
533	101	500	156,533	1,565,330
133	501	1000	120,250	1,202,500
243	1001	5000	556,806	5,568,060
42	5001	10000	309,612	3,096,120
12	10001	15000	146,831	1,468,310
8	15001	20000	145,936	1,459,360
7	20001	25000	156,763	1,567,630
3	25001	30000	83,815	838,150
1	30001	35000	32,270	322,700
1	35001	40000	38,500	385,000
1	40001	45000	44,794	447,940
1	45001	50000	46,278	462,780
1	55001	60000	58,500	585,000
1	60001	65000	63,000	630,000
1	140001	145000	144,359	1,443,590
1	145001	150000	148,000	1,480,000
1	160001	165000	163,000	1,630,000
1	165001	170000	166,369	1,663,690
1	215001	220000	218,500	2,185,000
1	255001	260000	258,266	2,582,660
1	290001	295000	293,388	2,933,880
1	295001	300000	300,000	3,000,000
1	320001	325000	321,500	3,215,000
1	485001	490000	488,276	4,882,760
1	595001	600000	600,000	6,000,000
1	1095001	1100000	1,100,000	11,000,000
1	5305001	5310000	5,306,979	53,069,790
1148			11,472,529	114,725,290

\* There is no shareholding in the slabs not mentioned

## Categories of Shareholders

S. No.	Categories	No. of Shareholders	No. of Shares Held	%
1	Associated Companies	1	5,306,979	46.26
2	Investment Companies	2	488,716	4.26
3	Bank / Financial Institutions	2	1,100,273	9.59
4	Insurance Company	1	321,500	2.80
5	Joint Stock Companies	22	163,256	1.42
6	Individuals	1,109	3,379,616	29.46
7	Foreigner Investor	1	28,000	0.24
8	Others	10	684,189	5.96
	Total	1,148	11,472,529	100.00



# CATEGORIES OF SHAREHOLDERS

AS AT JUNE 30, 2017

S.No.	Particulars	Shareholders	Shares Held	Percentage %
1	Directors and their spouse(s) and minor children			
	Sikandar Mustafa Khan	1	166,369	1.45
	Latif Khalid Hashmi	1	32,270	0.28
	Sohail Bashir Rana	1	144,359	1.26
	Laeq Uddin Ansari	1	3,120	0.03
	Mian Mohammad Saleem	1	2,993	0.03
	Syed Javaid Ashraf	1	17,936	0.16
	Saif Uddin	1	2,500	0.02
2	Executives	52	94,562	0.82
3	Associated companies, undertakings and related parties			
	Millat Tractors Limited	1	5,306,979	46.26
4	NIT & ICP			
	M/S. National Bank of Pakistan Trustee Department	1	440	0.00
	CDC - Trustee National Investment (Unit) Trust	1	488,276	4.26
5	Public sector companies and corporations	2	1,100,273	9.59
6	Banks, development finance institutions, non-banking Financial Institution.	-	-	-
7	Insurance Companies	1	321,500	2.80
8	Modarabas	-	-	-
9	Mutual Funds	-	-	-
10	General Public Local			
	a. Local	1050	2,915,507	25.41
	b. Foreign	-	-	-
11	Foreign Companies	1	28,000	0.24
12	Others			
	a. Joint Stock Companies	22	163,256	1.42
	b. Miscellaneous	8	344,523	3.00
	c. BCL Officer's Gratuity Fund	1	293,388	2.56
	d. BCL Emp.Pension Fund Trust	1	46,278	0.40
	<b>Totals</b>	<b>1148</b>	<b>11,472,529</b>	<b>100.00</b>
	Share holders holding 5% or more			
	Millat Tractors Limited		5,306,979	46.26
	National Bank of Pakistan		1,100,000	9.59
	Munaf Ibrahim		600,000	5.23

# Proxy Form

Please quote your Folio No. as is in  
the Register of Members  
Folio 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 35<sup>th</sup> Annual General Meeting of the Company to be held at Registered Office, Main RCD Highway, Hub Chowki, Distt. Lasbela, Balochistan on Saturday October 28, 2017 at 1130 Hrs. and / or at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Signature  
on  
Five Rupees  
Revenue  
Stamp

(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 Office of our Share Register M/s. Central Depository Company of Pakistan Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi not less than 48 hours before the time of holding of the meeting.

# پراکسی فارم

برائے مہربانی اپنا فولیو نمبر میران  
کے رجسٹر کے مطابق لکھئے۔  
فولیو نمبر -----

میں مسٹری / مسٹماہ ----- ساکن -----  
ضلع ----- بحیثیت ممبر بولان کاسٹنگ لمیٹڈ اور حامل ----- شیئرز، مسٹری / مسٹماہ ----- ساکن -----  
کو بطور مختار (پراکسی) مقرر کرتا / کرتی ہوں تاکہ وہ میری جگہ اور میری طرف سے کمپنی کے ۳۵ ویں سالانہ اجلاس عام  
جو بتاریخ ۱۲۸ اکتوبر ۲۰۱۷ء بروز ہفتہ بوقت صبح 11:30 بجے کمپنی کے رجسٹرڈ آفس، مین آر سی ڈی ہائی وے، حب چوکی، ڈسٹرکٹ لسبیلہ، بلوچستان میں  
منعقد ہو رہا ہے میں اور / یا اس کے کسی ملٹوی شدہ اجلاس میں ووٹ ڈالے۔

پانچ روپے کے محصول ٹکٹ پر  
دستخط کرے

(دستخط کمپنی کے پاس موجود دستخط کے نمونے کے مطابق ہوں)

## ضروری ہدایات

- ایک ممبر جو سالانہ عام اجلاس میں شرکت کرنے اور حق رائے دہی کا اہل ہے اپنے بجائے شرکت کرنے اور حق رائے دہی کے لیے ایک پراکسی مقرر کر سکتا ہے۔
- پراکسی منتخب کرتے ہوئے رکن یا اس کے اٹارنی کا پراکسی فارم پر دستخط کرنا ضروری ہے۔ کارپوریٹ ادارے کی صورت میں پراکسی فارم پر کمپنی کی سیل (Seal) لگی ہو یا مقرر کردہ آفسریا اٹارنی کے دستخط ہوں۔
- پراکسی فارم ہذا مکمل اور دستخط کے ہمراہ اجلاس کے انعقاد سے کم از کم ۴۸ گھنٹے قبل کمپنی کے شیئرز رجسٹرار میسرز سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ، سی ڈی سی ہاؤس 99-B، بلاک B، SMCHS، مین شاہراہ فیصل، کراچی میں جمع کرا دیا جائے۔

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
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