



Contents

2	Vision Statement	3	Mission Statement
4	Corporate Information	7	Notice of 21st Annual General Meeting
12	Directors' Report	22	Pattern of Shareholding
24	Ten Years' Performance	28	Independent Auditor's Report to the Members
30	Statement of Financial Position	31	Statement of Profit or Loss and Other Comprehensive Income
32	Statement of Changes in Equity	33	Statement of Cash Flows
34	Notes to the Financial Statements	59	Proxy Form
61	Electronic Transmission Consent		





Vision

To be a top quality battery producing company in Pakistan.





Mission

To produce top quality battery by using skilled labor on sophisticated machines and by utilizing best available materials to ensure entire satisfaction of customers and stakeholders.





Corporate Information

BOARD OF DIRECTORS

Mr. Sikandar Mustafa Khan (Chairman)
Mr. Laeeq Uddin Ansari
Mr. Muhammad Mustafa Khan
Mr. Muhammad Mustafa Sohail
Mr. Shehryar Ansari
Mr. Qaiser Saleem

BOARD'S AUDIT COMMITTEE

Mr. Laeeq Uddin Ansari (Chairman)
Mr. Muhammad Mustafa Khan (Member)
Mr. Muhammad Mustafa Sohail (Member)
Mr. Shehryar Ansari (Member)
Mr. Qaiser Saleem (Member)

CHIEF EXECUTIVE

Mr. Javed Aslam

COMPANY SECRETARY

Mr. Zeeshan Yousaf

CHIEF FINANCIAL OFFICER

Mr. Zeeshan Yousaf

AUDITORS

Ilyas Saeed & Co.
Chartered Accountants



PRINCIPAL BANKERS

Habib Bank Limited
United Bank Limited
National Bank of Pakistan
Bank Alfalah Limited
Meezan Bank Limited

REGISTERED ADDRESS

8.8 K.M., Lahore,
Sheikhupura
Road, Shahdara, Lahore.
Ph: 042-111 200 786

WEBSITE

www.millatbatteries.com

FACTORY

49 K.M., Off Multan Road,
Bhai Pheru Distt. Kasur.
Ph: 049-4540128, 4540528
Fax: 049-4540328

EMAIL ADDRESS

mipl@millatbatteries.com





Mr. Sikandar Mustafa Khan
Chairman



Mr. Laeeq Uddin Ansari
Director



Mr. Muhammad Mustafa Khan
Director



Mr. Muhammad Mustafa Sohail
Director



Mr. Shehryar Ansari
Director



Mr. Qaiser Saleem
Director



Mr. Javed Aslam
Chief Executive



NOTICE OF 21ST ANNUAL GENERAL MEETING

Notice is hereby given that 21st Annual General Meeting of Millat Industrial Products Limited will be held at the Registered Office of the Company at 8.8 K.M. Sheikhpura Road, Shahdara, Lahore, on Thursday, October 27, 2022 at 2:30 P.M to transact the following business:

A. ORDINARY BUSINESS

- 1) To confirm minutes of 20th Annual General Meeting held on October 25, 2021.
- 2) To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2022 together with the Directors' and Auditors' Reports thereon.
- 3) To approve final cash dividend of Rs. 10 per share i.e., 100 %.
- 4) To appoint auditors and fix their remuneration for the year ending June 30, 2023.

B. SPECIAL BUSINESS

- 5) To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2022 by passing the following special resolution with or without modification.

"Resolved that the following transactions conducted with Related Parties for the year ended June 30, 2022 be and are hereby ratified, approved and confirmed."

2022 (AMOUNTS IN RUPEES)

NAME(S)	PURCHASES	SALES
MILLAT TRACTORS LIMITED	-	385,804,600
MILLAT EQUIPMENT LIMITED	-	138,592
TOTAL	-	385,943,192

- 6) To authorize Chief Executive of the Company to approve transactions with Related Parties for the year ending June 30, 2023 by passing the following special resolution with or without modification.

"Resolved that the Chief Executive of the Company be and is hereby authorized to approve the transactions with Related Parties during the period from July 01, 2022 till the next Annual General Meeting of the Company.

"Resolved further that these transactions shall be placed before the shareholders in the next Annual General Meeting for their ratification/approval."

C. ANY OTHER BUSINESS

- 7) To transact any other business with the permission of the Chair.

By order of the Board



Zeeshan Yousaf
Company Secretary

Lahore:
October 06, 2022

NOTES:

1. The share transfer books of the Company will remain closed from October 21, 2022 to October 27, 2022 (both days inclusive) and no transfer will be accepted during this period.
2. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend the meeting and vote for him/her. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
3. Shareholders are requested to notify the change of address, if any, immediately and submit, if applicable, the CZ-50 Form (for non deduction of Zakat) to the Company at 49 K.M Off Multan Road Bahi Pheru District Kasur. This will assist in prompt receipt of Dividend.
4. Members who have not yet submitted photocopy of their computerized National identity Card (CNIC) to the company are requested to send the same at the earliest.
5. As per regulations 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 (if not already provided) to the Company.
6. As per Section 150 of the Income Tax Ordinance, 2001, 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 15.00%
 - (b) For non-filers of income tax returns 30.00%

To enable the Company to make tax deduction from cash dividend @15.00% instead of 30.00% 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 the cash dividend, otherwise tax on their cash dividend will be deducted @30.00% instead of 15.00%.

For shareholders holding their shares jointly, as per the 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 Company as follows.

Company Name	Folio #	Total Shares	Principal shareholder		Joint shareholder	
			Name and CNIC #	Shareholding Proportion (# of Shares)	Name and CNIC #	Shareholding Proportion (# of Shares)

The above/required information must be provided to the Company Secretary, 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 representative at 49 K.M Off Multan Road Bahi Pheru District Kasur. Phone: +92-49-4540528, e-mail address: zeeshan@millatbatteries.com Fax: +92-49-4540328.

7. The Securities and Exchange Commission of Pakistan vide SRO 787(1)/2014 dated September 08, 2014 has allowed 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 may give their consent to the Company Secretary.

STATEMENT U/S 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on October 27, 2022.

1. **Approval/Ratification of Related Party Transactions (RPTs) conducted during Financial year ended on June 30, 2022**

Pursuant to Companies Act, 2017, the transactions conducted with group companies are to be approved/ratified by the shareholders in general meeting as the majority of Company 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 the transactions with group companies for the year ended June 30, 2022 are being placed before the shareholders for their consideration and approval/ratification.

It may be noted that principal activity of the company is manufacture of batteries for tractors and other automobiles. The commercial reason for entering into RPTs was uninterrupted smooth supply throughout the year.

The information of the Related party transactions as required under Regulation 5(1) of the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018 is as under:-

Sr.#	Information Required	Details
1	Name of Related Parties	Millat Tractors Limited, Millat Equipment Limited and Bolan Castings Limited
2	Names of interested or concerned persons or directors from	M/s. Sikandar Mustafa Khan, Laeeq Uddin Ansari, Muhammad Mustafa Khan, Muhammad Mustafa Sohail, Qaiser Saleem, Shehryar Ansari.
3	Nature of relationship, interest or concern along with complete information of financial or other interest or concern of directors, managers or key managerial personnel in related party	Common directorship and shareholding in companies.
4	Detail, description, terms and conditions of transactions	Sale of automotive batteries against confirmed orders.
5	Amount of Transactions	As disclosed in item 05 of notice of AGM.
6	Time frame or duration of the transactions or contracts or arrangements.	Throughout the financial year.
7	Pricing Policy	At mutually agreed price



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

2. Authorization to CEO For Related Party Transactions (RPTs)

The Company shall be conducting Related Party Transactions (RPTs) with group companies during the year ending June 30, 2023 in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship and shareholding in the group companies. Therefore, these transactions with group companies have to be approved by the shareholders.

In order to ensure smooth supply during the year, the shareholders may authorize the Chief Executive to approve transactions with group on case to case basis from July 01, 2022 till the next AGM. However, these transactions shall be placed before the shareholders in the next AGM for their approval/ratification.

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







Directors' Report to the Shareholders For the Year Ended June 30, 2022

The Directors feel pleasure in presenting their 21st Annual Report together with the Audited Accounts of the Company for the year ended June 30, 2022.

ACCOUNTS / APPROPRIATIONS

Financial results for the year are as follows:

Accumulated profit Brought Forward	Rs. 477,182,335
Profit for the year before tax	Rs. 181,072,006
Less: Current Taxation	Rs. (29,317,593)
Less: Dividend paid @Rs.7.5/share during the year	Rs. (67,146,317)
Appropriations	Rs. -
Profit carried forward	Rs. 561,790,431

Your directors recommended payment of final cash dividend @ Rs. 10 i.e., 100% for the year ended June 30, 2022.

PATTERN OF SHAREHOLDING

The pattern of shareholding as on June 30, 2022 is annexed.

EARNING PER SHARE

The Earning per share for the year was Rs.16.95 compared to earning per share of Rs. 8.55 of the last year.

BOARD OF DIRECTORS

The present Board consists of six directors. During the year casual vacancies were created which were filled by appointment of Mr. Muhammad Mustafa Khan, Mr. Muhammad Mustafa Sohail, Mr. Shehryar Ansari and Mr. Qaiser Saleem. The present directors of the company are: M/s. Sikandar Mustafa Khan, Laeeq Uddin Ansari, Muhammad Mustafa Khan, Muhammad Mustafa Sohail, Shehryar Ansari, Qaiser Saleem. Mr. Javed Aslam is CEO of the company.

During the year, four board meetings were held. The names of the directors are as under: -

Name of Director(s)

Mr. Sikandar M. Khan (Chairman)
Mr. Laeeq Uddin Ansari
Mr. Muhammad Mustafa Khan
Mr. Muhammad Mustafa Sohail
Mr. Mr. Shehryar Ansari
Mr. Qaiser Saleem
Mr. Javed Aslam (CEO)

BOARD'S AUDIT COMMITTEE

The Board of Directors had constituted an Audit Committee comprising of the following members:

Mr. Laeeq Uddin Ansari, Director	Chairman
Mr. Muhammad Mustafa Khan	Member
Mr. Muhammad Mustafa Sohail	Member
Mr. Mr. Shehryar Ansari	Member
Mr. Qaiser Saleem	Member

The Audit Committee reviewed the quarterly, half yearly and annual financial statements before submission to the Board. The Audit Committee also reviewed internal audit findings.

PRINCIPAL ACTIVITIES, DEVELOPMENT AND PERFORMANCE OF COMPANY'S BUSINESS

The Company is engaged in the business of manufacturing and sale of vehicular, industrial and domestic batteries. The Financial Statements of the company truly reflect the state of Company's affairs and fair review of its business. MIPL has established its brand "Millat Batteries" as a quality product.

Solar batteries with enhanced backup time are being made to meet the requirement of solar customers. Sale of deep cycle batteries also increased during the year. Keeping in view the market requirement, maintenance free battery has been successfully marketed. Motorcycle batteries will be launched very soon.

PRINCIPAL RISKS AND UNCERTAINTIES

The major risks and uncertainties being faced by the Company are fluctuation in prices of raw material, increased cost of imported raw material due to unprecedented devaluation of Rupee and entry of new competitors in the market. During the year, increase in prices of both local and imported raw materials has adversely affected the profit margin. No changes have occurred during the financial year concerning the nature of the business of the company.

FUTURE PROSPECTS OF PROFIT

The Company aims to improve after-tax profit by setting a challenging sales target in the next financial. New entrant and changing market dynamics will be countered by quality and cost control.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Adequate internal financial controls are in place and being implemented by concerned personals. Additionally, the same are being monitored by internal audit department on regular basis.

MAIN TRENDS AND FACTORS LIKELY TO AFFECT THE FUTURE DEVELOPMENT, PERFORMANCE AND POSITION OF THE COMPANY'S BUSINESS

Overall economic condition of the country will also affect the growth of the Company. The future depends on maintenance free and solar battery. Company has aligned itself to meet the challenging business environment by entering in to manufacturing of deep cycle battery.



DUTY & TAXES

Information relating to duty & taxes has been given in the respective notes to the accounts.

AUDITORS

The present Auditors, M/s Ilyas Saeed & Co., Chartered Accountants retired and offered themselves for re-appointment for the year ending June 30, 2023. The Board of Directors of the Company has endorsed their appointment for shareholder's consideration at the forth coming Annual general meeting. The external auditors have confirmed that they are registered with Audit Oversight Board and have been given satisfactory rating under the Quality Control Review of the Institute of Chartered Accountants of Pakistan and being eligible offer themselves for re-appointment.

NUMBER OF EMPLOYEES

There were 40 permanent employees as on June 30, 2022 compared to 40 employees as on June 30, 2021.

SUBSEQUENT EVENTS

No material changes or commitments effecting the financial position of the Company have occurred between the end of the financial year of the company and the date of this report except as disclosed in this report.

CORPORATE SOCIAL RESPONSIBILITY

I. CORPORATE PHILANTHROPY

The Company has not made any contribution towards corporate philanthropy.

II. ENERGY CONSERVATION

Moving towards energy conservation, energy efficient air conditioners are being installed wherever replacement or new demand arises, excessive lights are being shut down during idle hours and most efficient electrical equipment and LED lights have been installed for energy and cost saving. Latest equipment has been installed with machinery to minimize the electricity consumptions with optimum efficiency.

III. ENVIRONMENTAL PROTECTION MEASURES

Maximum plantation has been ensured for protection of eco system in an around factory premises. Industrial affluent is being treated and properly disposed of for environment safety and protection. Waste water treatment tank is being used to minimize the waste water pollution.

IV. COMMUNITY INVESTMENT AND WELFARE SCHEMES

During the year no contribution was made in any welfare scheme.

V. CONSUMER PROTECTION MEASURES

The Company aims to protect customers through quality products at affordable price. The Company offers after sale warranty through its dealer's network at district & Tehsil level along with prompt redressing of customer complaints. Company experts guide customers for economical use of products, proper maintenance and risks involved in improper usage.

VI. WELFARE SPENDING FOR UNDER-PRIVILEGED CLASSES

The Company did not spend any money for under-privileged classes yet.

VII. INDUSTRIAL RELATIONS

The Company ensures discharge of liabilities as stipulated in Industrial Relation Ordinance and other Labor Laws. It is also ensured that all legal dues and liabilities are being met.

VIII. EMPLOYMENT OF SPECIAL PERSONS

The Company has not employed any special person during the year.

IX. OCCUPATIONAL SAFETY & HEALTH

The Company at all levels recognizes the responsibility of preventing injuries, occupational illnesses, property loss, and harm to the environment and ensures personal safety & health of all its employees by taking necessary measures in order to prevent harm to them as well as to the environment.



Company is taking all necessary precautions to keep the premises free of all kinds of hazards and committed to provide safe and secure workplace. As a policy company gives top priority to the occupational health and safety of the employees.

All possible steps have been taken to recognize and eliminate occurrence of unsafe acts and conditions through continuous training and development of people along with providing them the required safety gadgets.

X. BUSINESS ETHICS AND ANTI CORRUPTION MEASURES

The Company abides by all business ethics and discourages every type of corruption and every corrupt practice.

XI. NATIONAL CAUSE DONATIONS

The Company has not yet allocated any budget towards national cause donations.

XII. CONTRIBUTION TO EX-CHEQUER

The Company has contributed Rs. 42.412 million to the national exchequer in the shape of direct taxes.

XIII. RURAL DEVELOPMENT PROGRAMS

Company has not made any contribution towards rural development programs.

WEB PRESENCE

Company's periodic financial statements for the current financial year including annual reports for the last three years are available on the Company's website www.millatbatterries.com for information of the investors.

URDU LANGUAGE VERSION

An Urdu Language version of this Director's Report is also being published in the Annual Report.

For and on behalf of the Board



CHIEF EXECUTIVE
LAHORE:

SEPTEMBER 12, 2022



DIRECTOR



مپنی نے ہمیشہ کاروباری اخلاقیات کو محفوظ خاطر رکھا ہے اور ساتھ ہی ساتھ بدعنوانی کی بھی حوصلہ شکنی کی ہے۔

11. عطیات برائے قومی مقاصد:

کمپنی نے عطیات برائے قومی مقاصد کے لئے کوئی رقم مختص نہیں کی۔

12. قومی خزانے میں جمع کرائی گئی رقم:

کمپنی نے 42.412 ملین روپے کی رقم بلا واسطہ ٹیکس کی صورت میں قومی خزانے میں جمع کرائی ہے۔

13. دیہی ترقیاتی پروگرام:

کمپنی نے اس ضمن میں کوئی حصہ نہیں لیا۔

14. کمپنی کی فنانشل اسٹیٹمنٹس برائے موجودہ مالی سال بشمول پچھلے تین سالوں کی سالانہ رپورٹس سرمایہ داروں کی معلومات کمپنی کی ویب

سائٹ www.millatbatteries.com پر موجود ہیں۔

15. اردو زبان ورژن:

اس ڈائریکٹر کی رپورٹ کے ایک اردو زبان کا ورژن بھی 21 اکتوبر 2015ء کو ایس سی پی کے 1041 SRO (I) 2015 کے دفعات کے مطابق سالانہ رپورٹ میں شائع کیا جا رہا ہے۔

محمد امجد

ڈائریکٹر

جانیو

بجکم بورڈ
چیف ایگزیکٹو آفیسر

لاہور

12 ستمبر 2022ء



غیر فعال گھنٹوں کے دوران زائد لائٹس کو بند کر دیا جاتا ہے اور توانائی اور لاگت کو بچانے کے لیے موثر بجلی کے آلات اور ایل ای ڈی لائٹس نصب کئے جا رہے ہیں۔ جدید ترین سامان مشینری کے ساتھ نصب کر دیا گیا ہے تاکہ بجلی کی کھپت کو زیادہ سے زیادہ موثر طریقے سے کم کر سکیں۔

3. اقدامات برائے تحفظ ماحولیات:

فیکٹری کے احاطے کے ارد گرد ماحولیاتی نظام کے تحفظ کو یقینی بنانے کے لئے شجر کاری شروع کی گئی ہے۔ ماحول کی حفاظت اور تحفظ کے لئے صنعتی فضلے کو مناسب طریقے سے ڈسپوز کیا جاتا ہے۔ پانی کی آلودگی کی روک تھام کے لئے ویسٹ واٹر ٹینک کا استعمال کیا جاتا ہے۔

4. معاشرتی سرمایہ کاری اور فلاحی منصوبے:

دوران سال کمپنی نے کسی فلاحی منصوبے میں کوئی حصہ نہیں لیا۔

5. صارفین کے تحفظ کے لئے اقدامات:

کمپنی کا مقصد کم قیمت پر معیاری مصنوعات کے ذریعے صارفین کو تحفظ فراہم کرنا ہے۔ کمپنی اپنے تحصیل اور ضلع کی سطح پر پھیلے ہوئے ڈیلرز کے نیٹ ورک کے ذریعے وارنٹی بعد از فروخت کے ذریعے صارفین کی شکایات کا ازالہ کر رہی ہے۔ کمپنی کے ماہرین مصنوعات کے اقتصادی استعمال، مناسب دیکھ بھال اور نامناسب استعمال سے خطرات کے بارے میں رہنمائی کرتے ہیں۔

6. فلاح برائے پسماندہ طبقہ:

کمپنی نے اس طبقہ کے لئے کوئی رقم ادا نہیں کی۔

7. صنعتی تعلق:

کمپنی انڈسٹریل ریلیشن آرڈیننس اور لیبر لاء کے مطابق صنعتی تعلق کی اپنی تمام ذمہ داریاں احسن طریقے سے ادا کر رہی ہے۔ اور اپنے تمام قانونی واجبات اور ذمہ داریوں کو پورا کرنے کی یقین دہانی کراتی ہے۔

8. روزگار برائے معذور افراد:

دوران سال کمپنی نے کسی معذور فرد کی تقرری نہیں کی۔

9. پیشہ وارانہ حفاظت اور صحت:

کمپنی پیشہ وارانہ حفاظت اور صحت کے متعلق اپنی تمام ذمہ داریوں سے بخوبی واقف ہے اور اس سلسلے میں کمپنی نے کئی مثبت اقدامات اٹھائے ہیں۔ دوران ڈیوٹی حفاظتی تدابیر کا اختیار کرنا، ماحولیاتی بچاؤ اور ملازمین کے لئے مناسب حفاظتی ساز و سامان کی فراہمی، جسمانی و ذہنی تحفظ کے لئے ماحول کے تحفظ کو یقینی بنایا گیا ہے۔ کمپنی تمام قسم کے خطرات سے آزاد رکھنے کے لئے تمام ضروری احتیاطی تدابیر لے رہی ہیں اور محفوظ کام کی جگہ فراہم کرنے کے لئے مصروف عمل ہے۔ ایک پالیسی کے طور پر کمپنی اپنے ملازمین کی پیشہ وارانہ صحت اور حفاظت کو بہت زیادہ ترجیح دیتی ہے۔ کسی بھی ناخوشگوار واقعے سے بچنے کے لئے تمام ملازمین اور ورکرز کو مناسب ٹریننگ اور حفاظتی آلات فراہم کئے گئے ہیں۔

داخلی مالیاتی کنٹرول:

مناسب داخلی مالیاتی کنٹرول موجود ہیں اور متعلقہ افراد کی طرف سے احتیاط سے ان کی مانیٹرنگ کی جا رہی ہے اور باقاعدگی سے اندرونی آڈٹ ڈیپارٹمنٹ اس کی نگرانی کر رہا ہے۔

کمپنی کے کاروبار کی کارکردگی اور پوزیشن اور مستقبل کے فروغ پر اثر انداز ہونے والے اہم رجحانات اور عوامل:

ملک کی مجموعی معاشی حالت کمپنی کی ترقی کو بھی متاثر کرے گی۔ کمپنی کے مستقبل کا انحصار مینٹیننس فری اور سولر بیٹری اور ڈیپ سائیکل بیٹری پر ہے۔ کمپنی نے چیلینجنگ کاروباری ماحول سے نمٹنے کے لیے اس میں داخل ہو کر ڈیپ سائیکل بیٹری، سولر اور مینٹیننس فری بیٹری کی تیاری کی صف بندی کر لی ہے۔

ڈیوٹی اور ٹیکسز:

ٹیکس اور ڈیوٹی کے متعلق معلومات اکاؤنٹس میں متعلقہ تفصیل میں مہیا کی گئی ہیں۔

آڈیٹرز:

موجودہ آڈیٹرز الیاس سعید اینڈ کمپنی، چارٹرڈ اکاؤنٹس سبکدوش ہو چکے ہیں اور انہوں نے اہل ہونے کی حیثیت سے خود کو دوبارہ 30 جون 2023 کی تقرری کے لیے پیش کیا ہے۔ کمپنی کے بورڈ آف ڈائریکٹرز نے ان کی تقرری کو شیئر ہولڈرز کی نظر ثانی کے لیے آنے والے سالانہ اجلاس میں پیش کیا ہے۔ بیرونی آڈیٹرز نے تصدیق کی ہے کہ وہ آڈٹ اور سائٹ بوڈ کے ساتھ رجسٹرڈ ہو چکے ہیں اور آئی کیپ سے اپنی کیوسی آر کی تسلی بخش ریٹنگ دی ہے اور تقرری کی پیش کش کے لیے اہل قرار دیا ہے۔

ملازمین کی تعداد:

30 جون 2022 کو مستقل ملازمین کی تعداد 40 تھی جو کہ 30 جون 2021 کو 40 تھی۔

مجوزہ بعد ازاں واقعات:

کمپنی کے مالی سال کے اختتام سے لے کر اس رپورٹ کی تاریخ تک کوئی بھی قابل ذکر تبدیلی نہیں آئی جو کہ کمپنی کی مالی حالت کو متاثر کرے۔ سوائے اس کے جو اس رپورٹ میں درج ہے۔

کارپوریٹ سماجی ذمہ داری:

1. کارپوریٹ خدمت خلق:

کمپنی نے کسی کارپوریٹ خدمت خلق میں شرکت نہیں کی۔

2. توانائی کا تحفظ:

توانائی کو بچانے کے لیے، توانائی کے معیار پر پورا اترنے والے ایئر کنڈیشنرز نصب کئے گئے جہاں بھی متبادل یا نئی طلب پیدا ہوتی ہے۔

بورڈ آڈٹ کمیٹی:

بورڈ آف ڈائریکٹرز کی تشکیل کردہ آڈٹ کمیٹی کے ممبران مندرجہ ذیل ہیں۔

جناب لہیق الدین انصاری۔ نان ایگزیکٹو ڈائریکٹر (چیئرمین)

جناب محمد مصطفیٰ خان۔ نان ایگزیکٹو ڈائریکٹر (ممبر)

جناب محمد مصطفیٰ سہیل۔ نان ایگزیکٹو ڈائریکٹر (ممبر)

جناب شہریار انصاری۔ نان ایگزیکٹو ڈائریکٹر (ممبر)

جناب قیصر سلیم۔ نان ایگزیکٹو ڈائریکٹر (ممبر)

آڈٹ کمیٹی بورڈ کو رپورٹ پیش کرنے سے پہلے مالی تفصیلات کا سہ ماہی، ششماہی اور سالانہ جائزہ لیتی ہے۔ اور اندرونی آڈٹ کے نتائج کا بھی جائزہ لیتی ہے۔

کمپنی کے کاروبار کی بنیادی سرگرمیاں، ترقی اور کارکردگی:

کمپنی گاڑیوں، صنعتوں اور گھریلو استعمال کے لیے بیٹریز کی تیاری اور فروخت کے کاروبار میں مصروف ہے۔ کمپنی کی فنانشیل اسٹیٹمنٹس اس کے کاروباری معاملات کا درست احاطہ کرتی ہیں۔ مختصر سے عرصے کے اندر کمپنی نے اپنا برانڈ نام "ملت بیٹریز" بہتر پراڈکٹ کے طور پر متعارف کروایا ہے۔

سولر صارفین کی ضرورت کو پورا کرنے کے لیے کمپنی نے زیادہ سے زیادہ بیک اپ ٹائم کے ساتھ سولر بیٹریز کے ماڈلز کا آغاز کیا ہے۔ نیز گزشتہ سال کے مقابلے میں ڈیپ سائیکل بیٹریز کی فروخت میں اضافہ ہوا ہے۔ مارکیٹ کی ضروریات کو مد نظر رکھتے ہوئے مینیجمنٹس فری بیٹری کی کامیابی سے مارکیٹنگ کی گئی ہے۔ موٹر سائیکل کی بیٹریاں بہت جلد لانچ کی جائیں گی۔

بنیادی خدشات اور غیر یقینیاں:

کمپنی کو جواہم خدشات اور غیر یقینی صورتحال لاحق ہے ان میں مقامی خام مال کی قیمتوں میں اتار چڑھاؤ، روپے کی قدر میں بے مثال کمی، جس کی وجہ سے درآمد شدہ خام مال کی قیمت میں اضافہ ہوا ہے اور مارکیٹ میں نئے حریفوں کا داخلہ بھی اہم وجوہات میں شامل ہے۔ دوران سال دونوں مقامی اور درآمد شدہ خام مال کی قیمتوں میں اضافے نے منافع کے مارجن کو بری طرح متاثر کیا ہے۔ کمپنی کے کاروبار کی نوعیت سے متعلق مالی سال کے دوران کوئی تبدیلی نہیں ہوئی ہے۔

مستقبل کے منافع کا امکان:

کمپنی کا ہدف اگلے مالی سال میں سیز کے چیلنجنگ ٹارگٹ کا تعین کرتے ہوئے ٹیکس کے بعد ہونے والے منافع کو بہتر بنانا ہے۔ نئی متعارف ہونے والی کمپنیز اور مارکیٹ کے بدلتے ہوئے حالات کا مقابلہ کمپنی اپنی لاگت میں کمی اور بہتر معیار سے کرے گی۔

ڈائریکٹرز کی رپورٹ

ڈائریکٹرز انتہائی مسرت کے ساتھ کمپنی کی اکیسویں سالانہ رپورٹ بمعہ آڈیٹڈ اکاؤنٹس برائے سال 30 جون 2022 پیش کرتے ہیں۔

منافع منقسمہ:

اس سال کے مالیاتی نتائج مندرجہ ذیل ہیں۔

سال کے آغاز پر جمع شدہ منافع:	477,182,335 روپے
برائے سال جمع آمدنی قبل از ٹیکس:	181,072,006 روپے
موجودہ ٹیکسیشن:	(29,317,593) روپے
ڈیوڈینڈ:	(67,146,317) روپے
آئندہ سال کے لیے لیجا یا گیا منافع:	561,790,431 روپے

آپ کے ڈائریکٹرز نے حتمی کیش ڈیوڈینڈ 10 روپے فی حصص کے حساب سے جو کہ 100 فیصد بنتا ہے کی سفارش کی ہے۔

شیئر ہولڈر کا پیٹرن:

30 جون 2022 شیئر ہولڈر کا پیٹرن رپورٹ میں شامل ہے۔

فی حصص آمدن:

سال 2022 کے لیے فی حصص آمدن 16.95 روپے رہی۔ گزشتہ سال یہ آمدن 8.55 روپے فی حصص تھا۔

بورڈ آف ڈائریکٹرز:

موجودہ بورڈ چھ ڈائریکٹرز پر مشتمل ہے۔ سال کے دوران عارضی خالی آسامیاں پیدا ہوئی جن کو جناب محمد مصطفیٰ خان، جناب محمد مصطفیٰ سہیل، جناب شہریار انصاری اور جناب قیصر سلیم کی تقرری سے پُر کیا گیا۔ کمپنی کے موجودہ ڈائریکٹرز مندرجہ ذیل ہیں۔ جناب سکندر مصطفیٰ خان، لئیق الدین انصاری، محمد مصطفیٰ خان، محمد مصطفیٰ سہیل، شہریار انصاری، قیصر سلیم۔ جناب جاوید اسلم کمپنی کے چیف ایگزیکٹو آفیسر ہیں۔ سال 2022 کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے۔ ڈائریکٹرز کے نام درج ذیل ہیں:

جناب سکندر مصطفیٰ خان (چیئر مین)

جناب لئیق الدین انصاری

جناب محمد مصطفیٰ خان

جناب محمد مصطفیٰ سہیل

جناب شہریار انصاری

جناب قیصر سلیم

جناب جاوید اسلم (چیف ایگزیکٹو)



Buying the Best Battery is an
Investment you Need to Make Today

Pattern of Shareholding as at June 30, 2022

No. of Shareholders	Size of Holding		Total Shares Held
	From	To	
8	1	100	665
41	101	500	11,063
64	501	1,000	50,437
47	1,001	1,500	57,036
35	1,501	2,000	62,483
22	2,001	3,000	51,359
25	3,001	5,000	93,117
47	5,001	40,000	774,987
10	40,001	100,000	672,817
3	100,001	400,000	900,126
1	400,001	600,000	541,250
1	600,001	6,000,000	5,737,500
304			8,952,840



Shareholding Information

Categories of shareholders	No. of Shareholders	Shares held	Percentage
1. Directors, Chief Executive Officer, and their spouse and minor children			
DIRECTORS			
Mr. Sikandar M. Khan	1	541,250	6.05
Mr. Laeeq Uddin Ansari	1	339,500	3.79
Mr. Qaiser Saleem	1	198,126	2.21
Mr. Muhammad Mustafa Khan	1	2,500	0.03
Mr. Muhammad Mustafa Sohail	1	1,000	0.01
Mr. Shehryar Ansari	1	23,000	0.26
Mr. Javed Aslam (C.E.O.)	1	20,000	0.22
2. Associated Companies, undertakings and related parties		-	
a. Millat Tractors Limited	1	5,737,500	64.09
3. NIT and ICP	-		
4. Banks Development Financial Institutions, Non Banking Financial Institutions and Pension Funds	-		
5. Insurance Companies	-		
6. Modarabas & Mutual Funds	-		
7. Shareholders Holding 10% or more Voting Interest	-	-	-
8. General Public	-	-	-
a. Local	-	-	-
b. Foreign	-	-	-
9. Others			
a. Joint Stock Companies	-	-	-
b. Trusts	-	-	-
c. Public	296	2,089,964	23.34
Total	304	8,952,840	100.00



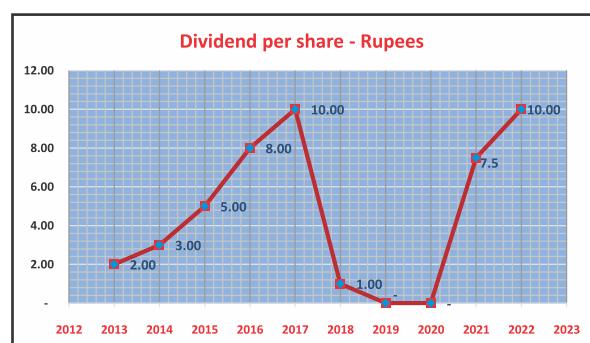
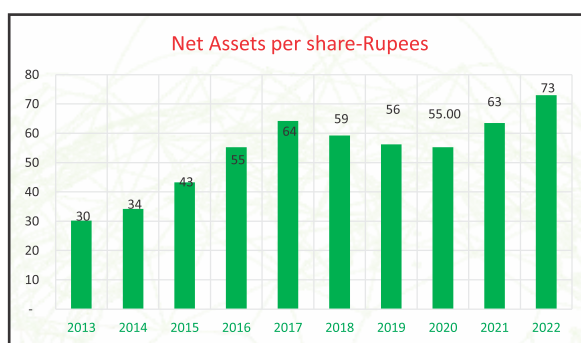
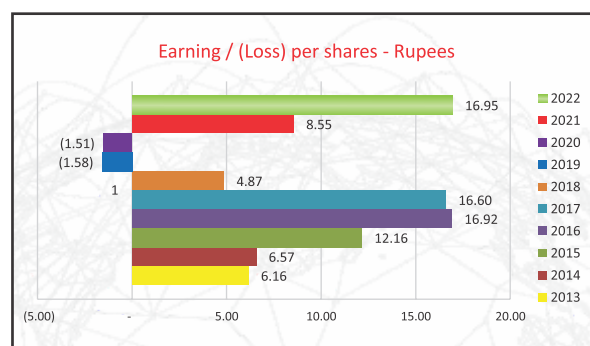
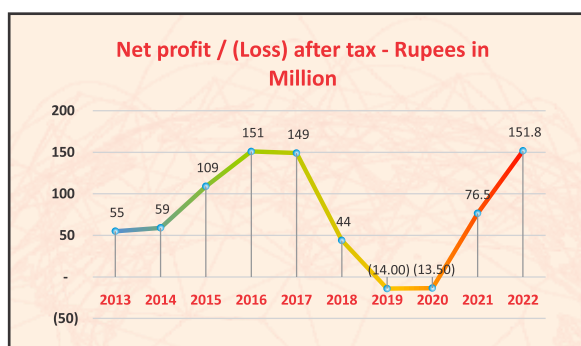
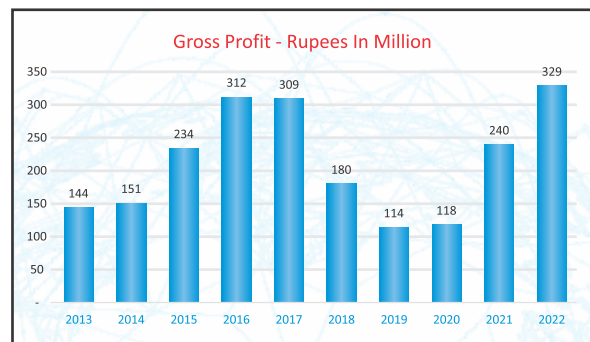
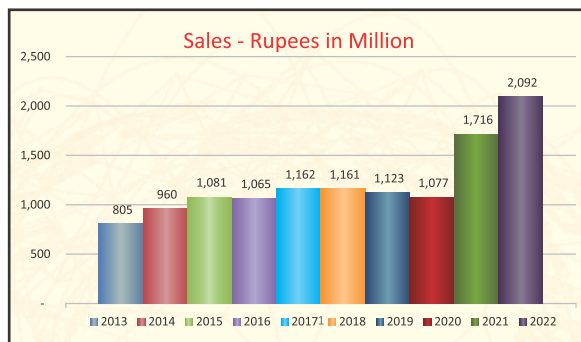
Ten Years' Performance

TRADING RESULTS		2022	2021	2020
Sales - Net		2,092,493,591	1,716,362,105	1,077,895,294
Gross profit		328,738,718	239,675,720	118,541,625
Operating profit		178,796,465	105,753,967	12,878,628
Profit before tax		181,072,006	110,159,499	5,714,017
Net profit / (loss) after tax		151,754,413	76,550,180	(13,500,592)
FINANCIAL POSITION				
Owner's Equity:				
Share capital		89,528,400	89,528,400	89,528,400
Accumulated profit		561,790,431	477,182,335	400,632,155
		651,318,831	566,710,735	490,160,555
Operating fixed assets		131,394,627	115,871,124	119,373,288
Long term liabilities:				
Deferred taxation		7,080,978	6,635,421	8,215,489
INVESTOR INFORMATION				
Sales growth	%	21.91	59.23	(4.04)
Gross profit growth	%	37.16	102.19	3.72
Operating profit growth	%	69.07	721.16	97.90
Profit before tax growth	%	64.37	1,827.88	1,622.24
Net profit/(Loss) after tax growth	%	98.24	667.01	(4.26)
Gross profit ratio	%	15.71	13.96	11.00
Operating profit ratio	%	8.54	6.16	1.19
Profit before tax ratio	%	8.65	6.42	0.53
Net profit/(loss) after tax ratio	%	7.25	4.46	(1.25)
Return on equity	%	23.30	13.51	(2.75)
Return on assets	%	115.50	66.06	(11.31)
Earning/(Loss) per share (after tax)	Rs.	16.95	8.55	(1.51)
Current ratio	Times	2.87:1	2.88:1	3.54:1
Quick ratio	Times	1.42:1	1.53:1	2.28:1
Dividend Cover (Earning/ Div)	Times	-	1.14	-
Rate of Dividend	%	100.00	75.00	-

2019	2018	2017	2016	2015	2014	2013
1,123,257,343	1,161,353,460	1,161,867,413	1,064,935,501	1,080,636,249	959,890,273	804,847,628
114,290,657	179,816,064	308,645,829	312,281,298	234,456,063	151,332,181	144,025,698
6,507,586	64,383,220	218,887,724	240,216,150	171,785,823	96,934,151	87,435,065
331,779	59,008,065	208,779,587	226,590,238	161,413,311	90,309,422	84,046,474
(14,102,013)	43,582,980	148,623,310	151,465,503	108,884,980	58,783,896	55,121,744
89,528,400	89,528,400	89,528,400	89,528,400	89,528,400	89,528,400	89,528,400
414,132,747	437,187,600	483,133,020	406,132,430	299,431,127	217,404,667	176,526,451
503,661,147	526,716,000	572,661,420	495,660,830	388,959,527	306,933,067	266,054,851
132,965,678	148,400,043	167,350,957	117,363,717	70,775,694	63,573,975	51,500,919
9,595,603	11,236,259	15,024,863	9,787,062	5,338,463	4,799,837	3,896,672
(3.28)	(0.04)	9.10	(1.45)	12.58	19.26	22.75
(36.44)	(41.74)	(1.16)	33.19	54.93	5.07	37.18
(89.89)	(70.59)	(8.88)	39.83	77.22	10.86	52.91
(99.44)	(71.74)	(7.86)	40.38	78.73	7.45	62.76
(132.36)	(70.68)	(1.88)	39.11	85.23	6.64	58.30
10.17	15.48	26.56	29.32	21.70	15.77	17.89
0.58	5.54	18.84	22.56	15.90	10.10	10.86
0.03	5.08	17.97	21.28	14.94	9.41	10.44
(1.26)	3.75	12.79	14.22	10.08	6.12	6.85
(2.80)	8.27	25.95	30.56	27.99	19.15	20.72
(10.61)	29.37	88.81	129.06	153.85	92.47	107.03
(1.58)	4.87	16.60	16.92	12.16	6.57	6.16
3.73:1	4.80:1	6.23:1	7.70:1	6.49:1	6.57:1	5.01:1
2.13:1	1.12:1	3.14:1	5.42:1	3.93:1	3.86:1	3.09:1
-	4.87	1.66	2.12	2.43	2.19	3.08
-	10.00	100.00	80.00	50.00	30.00	20.00



Performance Review



Financial Statements

For The Year Ended June 30, 2022



INDEPENDENT AUDITOR'S REPORT

To the members of Millat Industrial Products Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Millat Industrial Products Limited** (the Company), which comprise the statement of financial position as at **June 30, 2022** and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

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

Management is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the annual report, but does not include the financial statements of the company and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion there on. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We were not provided with any other information, whatsoever, and thus, we have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that

an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

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

The engagement partner on the audit resulting in this independent auditor's report is **Imran Ilyas**.



Chartered accountants
ISLAMABAD

Date: September 12, 2022

UDIN: AR202210247a7JVrevGo



Statement of Financial Position

As at June 30, 2022

ASSETS	Note	2022 Rupees	2021 Rupees
NON CURRENT ASSETS			
Property, plant and equipment	4	131,394,627	115,871,124
Capital work in progress	5	3,950,000	1,531,729
Intangible assets	6	2,930,004	5,773,848
Long term deposits and prepayments	7	4,661,000	3,527,000
		142,935,631	126,703,701
CURRENT ASSETS			
Stores and spares	8	24,388,009	20,003,130
Stock in trade	9	322,342,954	272,264,662
Trade debts	10	78,714,585	101,789,645
Loans and advances	11	20,096,312	27,138,803
Trade deposits and short term prepayments	12	2,463,240	2,463,240
Taxation - Net	13	12,703,411	19,677,069
Short term investments	14	280,000,000	230,000,000
Cash and bank balances	15	49,959,817	10,252,763
		790,668,328	683,589,312
TOTAL ASSETS		933,603,959	810,293,013
EQUITY AND LIABILITIES			
EQUITY			
Share capital	16	89,528,400	89,528,400
Unappropriated profit		561,790,431	477,182,335
		651,318,831	566,710,735
NON CURRENT LIABILITIES			
Deferred taxation	17	7,080,978	6,635,421
CURRENT LIABILITIES			
Trade and other payables	18	169,853,247	160,021,801
Deposits, accrued liabilities and advances	19	101,733,583	76,579,211
Unclaimed dividend		898,731	345,845
Unpaid dividend		2,718,589	-
		275,204,150	236,946,857
CONTINGENCIES AND COMMITMENTS	20	-	-
TOTAL EQUITY AND LIABILITIES		933,603,959	810,293,013

(The annexed notes from 1 to 41 form an integral part of these financial statements)


 Chief Executive


 Director

Statement of Profit or Loss and Other Comprehensive Income

For The Year Ended June 30, 2022

	Note	2022 Rupees	2021 Rupees
Sales	21	2,092,493,591	1,716,362,105
Cost of goods sold	22	1,763,754,873	1,476,686,385
Gross profit		328,738,718	239,675,720
Operating Expenses			
Distribution cost	23	67,399,115	53,276,956
Administration and general expenses	24	82,543,138	80,644,797
		149,942,253	133,921,753
Operating profit		178,796,465	105,753,967
Other income	25	18,562,543	13,299,999
		197,359,008	119,053,966
Finance cost	26	2,867,057	777,451
Other charges	27	13,419,945	8,117,016
		16,287,002	8,894,467
Profit before taxation		181,072,006	110,159,499
Taxation	28	29,317,593	33,609,319
Profit after taxation		151,754,413	76,550,180
Other comprehensive income			
Items that may be reclassified to profit or loss subsequently		-	-
Items not to be reclassified to profit or loss subsequently		-	-
		-	-
Total comprehensive income		151,754,413	76,550,180
Earning per share - Basic and Diluted	30	16.95	8.55

(The annexed notes from 1 to 41 form an integral part of these financial statements)


Chief Executive


Director



Statement of Changes in Equity

For The Year Ended June 30, 2022

	Note	Share capital	Unappropriated Profit	Total
PARTICULARS		Rupees		
Balance as at July 01, 2020		89,528,400	400,632,155	490,160,555
Total comprehensive loss for the year		-	76,550,180	76,550,180
Dividend paid for the year		-	-	-
Balance as at June 30, 2021		89,528,400	477,182,335	566,710,735
Total comprehensive income for the year		-	151,754,413	151,754,413
Dividend declared @ Rs. 7.5/share during the year	31.1	-	(67,146,317)	(67,146,317)
Balance as at June 30, 2022		89,528,400	561,790,431	651,318,831

(The annexed notes from 1 to 41 form an integral part of these financial statements)


 Chief Executive


 Director

Statement of Cash Flows

For The Year Ended June 30, 2022

PARTICULARS	Note	2022 Rupees	2021 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before taxation		181,072,006	110,159,499
Adjustments for:			
Depreciation		16,014,042	14,950,994
Amortization on intangible asset		2,843,844	2,843,844
(Loss) on disposal of property, plant and equipment		-	140,895
Workers' welfare fund		3,695,347	2,203,190
Finance cost		2,867,057	777,451
Cash flow before working capital changes		206,492,296	131,075,873
Working capital changes:			
(Increase) / decrease in current assets:			
Stores and spares		(4,384,879)	(5,505,443)
Stock in trade		(50,078,292)	(105,202,877)
Trade debts		23,075,060	14,923,120
Loans and advances		7,042,491	(7,686,570)
Trade deposits and short term prepayments		(1,134,000)	-
Increase / (decrease) in current liabilities:			
Trade and other payables		34,693,110	92,901,403
Unclaimed & Unpaid Dividend			-
Net working capital changes		215,705,786	120,505,506
Finance cost paid		(2,867,057)	(1,250,725)
Taxes paid		(24,101,568)	(20,718,057)
Net cash inflow from operating activities		188,737,161	98,536,724
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(17,113,258)	(12,156,958)
Capital work in progress		(17,802,961)	(1,531,729)
Investments - Net		(50,000,000)	(90,000,000)
Sale proceeds of property, plant and equipment		960,403	567,233
Net cash (outflow) from investing activities		(83,955,816)	(103,121,454)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid	31.1	(65,074,291)	-
Net cash (outflow) from financing activities		(65,074,291)	-
Net (Decrease)/Increase in cash and cash equivalents		39,707,054	(4,584,730)
Cash and cash equivalents at the beginning of the year		10,252,763	14,837,493
Cash and cash equivalents at the end of the year	31	49,959,817	10,252,763

(The annexed notes from 1 to 41 form an integral part of these financial statements)


Chief Executive


Director



Notes to the Financial Statements

For the year ended June 30, 2022

1 CORPORATE AND GENERAL INFORMATION

1.1 LEGAL STATUS AND OPERATIONS

Millat Industrial Products Limited (MIPL) was registered under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017), vide Registration No. L 10906 of 2001 - 2002 dated 23rd January 2002, as a Private Limited Company. Subsequently, the Company was converted into Public Limited Company on June 27, 2005 (CUIN: 0043275). The Company is engaged in the business of manufacturing and sale of vehicular, industrial and domestic batteries.

The Company is a subsidiary of Millat Tractors Limited (the holding Company), a listed public Company incorporated in Pakistan.

The geographical location and address of the Company's business units, including mills/plant is as under:

- The registered office of the Company is situated at 8.8 k.m., Lahore- Sheikhpura Road, Shahdara, Lahore.
- The manufacturing facility of the Company is located at 49-k.m., off Multan Road, Bhai Pheru, Distt. Kasur.

1.2 SUMMARY OF SIGNIFICANT EVENTS AND TRANSACTIONS IN THE CURRENT REPORTING PERIOD

The Company's financial position and performance was particularly affected by the following events and transactions during the reporting period:

- Availed short-term running finance facility from Habib Bank Limited with the sanctioned limit of Rs. 100 million. Refer to note 15.1.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017 (the Act) and provisions of and directives issued under the Companies Act, 2017. Where provisions of or directives issued under the Companies Act, 2017 differ from the IFRS, the provisions and / or directives issued under the Companies Act, 2017 have been followed

2.1 NEW AND AMENDED STANDARDS AND INTERPRETATIONS BECOME EFFECTIVE

The Company has adopted the following revised standards, amendments in accounting standards and interpretations of IFRS which became effective for the current year:

IFRS 16 - Leases - Annual Improvements to IFRS Standards 2018-2020.

However, this adoption has no impact on the financial statements of the Company.

2.2 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation		Effective date (Annual periods beginning on or after)
IAS 1	- Presentation of Financial Statements – definition of ‘material’ and classification of liabilities (Amendments)	01 January 2023
IAS 1	- Classification of liabilities as current and non current- Deferral to Effective date Amendments to IAS 01.	01 January 2023
IAS 8	- Amended by Definition of Accounting Estimates – Amendments to IAS 8	01 January 2023
IAS 16	- Amended by Property, Plant and Equipment — Proceeds before Intended Use.	01 January 2022
IAS 37	- Provisions, Contingent Liabilities and Contingent Assets – costs to include when assessing whether a contract is onerous (Amendments).	01 January 2022
IFRS 1	- First-time Adoption of International Financial Reporting Standards – Annual Improvements to IFRS Standards 2018–2020).	01 January 2022
IFRS 3	- Business Combination – Amendments to clarify reference to the Conceptual Framework.	01 January 2022
IFRS 4	- Insurance Contracts – Extension of the Temporary Exemption from Applying IFRS 9 (Amended)	01 January 2023
IFRS 9	- Financial Instruments – Annual Improvements to IFRS Standards 2018–2020 (Amended).	01 January 2022

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in previous years. Such improvements are generally effective for accounting periods beginning on or after January 01, 2022 and January 01, 2023 respectively. The Company expects that such improvements to the standards will not have any significant impact on the Company’s financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standard or Interpretation		Effective date (Annual periods beginning on or after)
IFRS 17	- Insurance Contracts	01 January 2023

The Company expects that the adoption of the above standards will have no material effect on the Company’s financial statements, in the period of initial application.

2.3 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention.

2.4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances.



Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized prospectively in the period in which the estimate is revised and in any future periods affected.

The areas involving a higher degree of judgment or complexity, or areas where assumption and estimates are significant to the financial statements are as follows:-

- Useful lives of property, plant and equipment and method of depreciation (Note 3.1).
- Intangible assets (Note 3.3).
- Provision for warranty claims (Note 3.11).
- Provision for taxation (3.14).

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statement are set out below. These policies have been consistently applied to all the years presented.

3.1 PROPERTY, PLANT AND EQUIPMENT

All the Property, Plant and Equipment have been valued at cost less accumulated depreciation and accumulated impairment losses (if any), except Freehold Land and Capital Work In Progress which are stated at cost. Cost includes purchase price and all incidental expenses incurred up to the date of the asset is put to use. The capital work in progress is transferred to fixed assets as and when assets are available for intended use. All expenses including borrowing costs, if any, as per IAS-23, will be capitalized at the time when these assets will start commercial production.

Depreciation on Property, Plant and Equipment is charged to profit on reducing balance method over its estimated useful life so as to write off the historical cost of an asset at the rates specified in note 4. Depreciation on additions is charged on the basis of number of days commencing from the day at which assets become available for use, while on disposals, depreciation is charged up to the day of deletion. The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to profit during the period in which they are incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the income in the year the asset is derecognized.

3.2 CAPITAL WORK IN PROGRESS

All expenditure connected with specific assets incurred during installation and construction period including advances to suppliers and contractors are carried under this head. These are transferred to specific assets as and when these assets are available for use.

Capital work-in-progress is stated at cost less any identified impairment loss, if any.

3.3 INTANGIBLE ASSETS

Expenditure incurred to acquire and develop computer software are capitalized as intangible assets and stated at cost less accumulated amortization and identified impairment loss, if any.

Intangible assets are amortised using the straight line method over a period of three years. Amortization on additions to intangible assets is charged from the month in which an asset is acquired or capitalized while no amortization is charged for the month in which the asset is disposed off.

The Company assesses at each reporting date, whether there is any indication that intangible assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying amounts exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit or loss. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Where an impairment loss is recognized, the amortization charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

3.4 IMPAIRMENT

An assessment is made at each statement of financial position date to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognized in the statement of comprehensive income.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined (net of amortization or depreciation), had no impairment loss(es) been recognized for the asset in prior years. Reversal of impairment losses is restricted to the original cost of the asset.

3.5 STORES AND STOCKS

3.5.1 STORES, SPARES AND LOOSE TOOLS

These are valued at the lower of cost and net realizable value except for items in transit, which are valued at invoice price and related expenses incurred up to the year end date. For items which are slow moving and / or identified as surplus to the Company's requirement, a provision is made for excess of book value over estimated realizable value.

3.5.2 STOCK IN TRADE

The cost is determined as follows:-

- | | |
|-------------------|--|
| - Raw materials | At weighted average cost. |
| - Work in process | At raw material costs, labor and appropriate manufacturing over-heads. |
| - Finished goods | At lower of cost or Net Realizable Value. |

Net realizable value signifies the estimated selling price in the ordinary course of the business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.6 INVESTMENTS

Investments with fixed or determinable payments and fixed maturity, which the Company has the positive intent and ability to hold to maturity, are carried at amortized cost, using the effective interest rate method less impairment losses, if so determined.

3.7 TRADE DEBTORS AND RECEIVABLES

Trade debtors and receivables are carried at invoiced amount less an estimate made for doubtful debts based on review of outstanding amounts at year end. Bad debts are written off when identified.

3.8 TRADE AND OTHER PAYABLES

Liabilities for trade and other amounts payables are carried at cost which is the fair value considered to be paid in the future for goods and services received, whether or not billed to the Company.



3.9 BORROWING COST

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing cost that is directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of the respective asset.

3.10 PROVISIONS

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

3.11 WARRANTY CLAIMS

The Company provides after sales warranty for its products for a specified period. Accrual is made in the financial statements for this warranty based on previous trends.

3.12 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and include holding company, associated companies with or without common directors, directors and major shareholders and their close family members, key management personnel and staff and retirement benefit funds.

All transactions with related parties are made at prices determined in accordance with comparable uncontrolled price method except for the assets sold to employees at written down value under the employees' car scheme as approved by the Board of Directors.

3.13 REVENUE RECOGNITION

The Company recognizes revenue from contract with customer based on a five step model as set out in IFRS 15.

- i) Identify contract with customer(s): A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- ii) Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- iii) Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- iv) Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
- v) Recognize revenue when (or as) the Company satisfies a performance obligation.

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- a) The Company's performance does not create an asset with an alternate use to the Company and the Company has an enforceable right to payment for performance completed to date.
- b) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- c) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract based asset on the amount of consideration earned by the

performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent.

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue and cost, if applicable, can be measured reliably.

Revenue shall be recognized when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset and thus has the ability to direct the use and obtain the benefits from the good or service.

In case of the Company, sale of batteries are recognized as revenue when goods are dispatched and invoiced to the customers. Revenue is measured at the transaction price agreed under the contract, adjusted for variable consideration such as discount, if any. In most cases, the consideration is received before the goods are dispatched/invoiced. Deferred payment terms may also be agreed in case of sale to certain categories of customers. Transaction price is adjusted for time value of money in case of significant financing component.

The Company's contracts with customers include promises to transfer goods or services without charges such as free inspections. Such promised goods or services are generally considered performance obligations and related sale revenue is deferred under IFRS 15, if it is deemed material.

The Company also has a performance obligation to arrange for delivery of goods at locations specified by the customers. However, the Company acts as an agent in satisfaction of this performance obligation and net income/(expense) in this respect is recognized in the statement of profit or loss and other comprehensive income .

Amount received on account of sale of extended warranty is recognized initially as deferred revenue and is credited to the statement of profit or loss and other comprehensive income in the relevant period covered by the warranty.

3.14 TAXATION

Current

Provision for current taxation is based on taxable income at current tax rates after taking into account applicable tax rebates and credits, if any.

Deferred

Deferred taxation is recognized using the balance sheet liability method on all major temporary differences arising between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are recognized for all taxable temporary differences. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

3.15 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flows statement, cash and cash equivalents comprise cash balances, bank deposits, term deposit receipts and short term borrowings.

3.16 FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated into Pak rupees at the rates of exchange approximating those prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into rupees at the exchange rates prevailing at the year end date. Current exchange differences are included in profit and loss account.



3.17 FINANCIAL INSTRUMENTS

3.17.1 FINANCIAL ASSETS

a) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at fair value through Profit or loss and other comprehensive income. The classification of financial asset at initial recognition depends on the financial assets contractual cash flows characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financial component or for which the Company has applied the practical expedient, the Company initially measures financial asset at its fair value plus, in case of financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI. It needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at it an instrument level. The Company's business model for managing financial asset refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets or both. Purchases or sales of the financial assets that require delivery of assets within a time frame established by regulation or convention in a market place (regular way trades) are recognized on the trade date, i.e. the date that the company commits to purchase or sell the assets.

b) Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two categories:

- i) Financial assets at amortized cost (debt instruments).
 - ii) Financial assets at fair value through profit or loss
- Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

The financial asset is held within a business model with the objective to held financial assets in order to collect contractual cash flows; and

The contractual terms of The financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on The principal amount outstanding financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade and other receivables.

c) Derecognition

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired Or
- The Company has transferred its rights to receive cash flows from The asset Or has assumed an obligation to pay The received cash flows in full rvwithout material delay to a third party under a 'pass-through' arrangement; and either.
 - a) the Company has transferred substantially all the risks and rewards of the asset, or
 - b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has

entered into a pass-through arrangement, it evaluates if, and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

3.17.2 FINANCIAL LIABILITIES

a) Initial recognition and measurement

Financial Liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

b) Subsequent measurement

Financial Liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial Liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedge instruments.

Gains or losses on liabilities held for trading are recognized in statement of profit or loss. Financial Liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

c) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The differences in the respective carrying amounts is recognized in the statement of profit or loss and other comprehensive income.

3.18 STAFF RETIREMENT BENEFITS

Defined Contribution Plan

The Company operates an approved funded provident fund scheme for its permanent employees eligible under the Employees Provident Fund Rules of the Company. The employees and Company make equal monthly contributions at the rate of 10% of basic salary.

No other staff retirement benefit plan is maintained by the Company.

3.19 OFFSETTING

Financial assets and liabilities are set off and the net amount is reported in the statement of financial position, if the Company has a legally enforceable right to set off the recognized amounts and the Company intends to settle either on a net basis or realize the asset and settle the liability simultaneously.



4 Property, Plant and Equipment

2022										
PARTICULARS	COST			DEPRECIATION				WRITTEN DOWN		
	AS ON 01-07-2021	ADDITION	(DELETION)	AS ON 30-06-2022	RATE %	AS ON 01-07-2021	ADJUSTMENT ON DISPOSAL	FOR THE YEAR	AS ON 30-06-2022	VALUE AS ON 30-06-2022
Land - Freehold	10,455,396	-	-	10,455,396	-	-	-	-	-	10,455,396
Buildings - Freehold	81,861,134	332,925	-	82,194,059	10	37,292,986	-	4,473,533	41,766,519	40,427,540
Plant and machinery	87,567,837	14,651,790	-	102,219,627	15	52,584,405	-	5,852,845	58,437,250	43,782,377
Tools and equipment	36,034,976	7,024,490	-	43,059,466	15	25,313,368	-	2,129,449	27,442,817	15,616,649
Furniture and fixture	3,190,797	218,544	-	3,409,341	15	2,308,771	-	148,780	2,457,551	951,790
Vehicles	25,141,405	9,381,900	(3,621,500)	30,901,805	20	12,909,386	(2,661,097)	2,893,402	13,141,691	17,760,114
Office equipment	2,551,078	267,061	-	2,818,139	15	1,476,064	-	168,824	1,644,888	1,173,251
Computer hardware	2,884,955	621,238	-	3,506,193	30	1,931,474	-	347,209	2,278,683	1,227,510
Total	249,687,578	32,497,948	(3,621,500)	278,564,026		133,816,454	(2,661,097)	16,014,042	147,169,399	131,394,627

2021										
PARTICULARS	COST			DEPRECIATION				WRITTEN DOWN		
	AS ON 01-07-2020	ADDITION	(DELETION)	AS ON 30-06-2021	RATE %	AS ON 01-07-2020	ADJUSTMENT ON DISPOSAL	FOR THE YEAR	AS ON 30-06-2021	VALUE AS ON 30-06-2021
Land - Freehold	10,455,396	-	-	10,455,396	-	-	-	-	-	10,455,396
Buildings - Freehold	81,648,748	335,298	(122,912)	81,861,134	10	32,451,749	(94,849)	4,936,086	37,292,986	44,568,148
Plant and machinery	86,226,796	2,937,256	(1,596,215)	87,567,837	15	48,289,008	(1,469,358)	5,764,755	52,584,405	34,983,432
Tools and equipment	36,128,187	367,441	(460,652)	36,034,976	15	23,782,203	(345,163)	1,876,328	25,313,368	10,721,608
Furniture and fixture	3,395,880	70,337	(275,420)	3,190,797	15	2,409,148	(254,984)	154,607	2,308,771	882,026
Vehicles	19,464,351	7,560,000	(1,882,946)	25,141,405	20	12,719,750	(1,514,197)	1,703,833	12,909,386	12,232,019
Office equipment	2,603,834	201,493	(254,249)	2,551,078	15	1,505,574	(212,119)	182,609	1,476,064	1,075,014
Computer hardware	2,749,292	685,133	(549,470)	2,884,955	30	2,141,764	(543,066)	332,776	1,931,474	953,481
Total	242,672,484	12,156,958	(5,141,864)	249,687,578		123,299,196	(4,433,736)	14,950,994	133,816,454	115,871,124

4.1 Tools and equipment includes dies and moulds having book value of Rs 1,876,090/- (2021: Rs. 2,207,164/-) which are in possession of vendors and these dies and moulds are used by the vendors for producing certain parts for supply to the Company.

4.2 Freehold land of the Company is located at 49-k.m., off Multan Road, Bhai Pheru, Dist. Kasur. with an area of 52 Kanals and 10 Marlas.

4.3 Depreciation charged for the year has been allocated as under:

	2022	2021
Cost of goods sold	13,604,517	12,758,021
Administrative and general expenses	1,606,350	1,461,982
Distribution cost	803,175	730,991
	16,014,042	14,950,994

5. CAPITAL WORK IN PROGRESS

CAPITAL WORK IN PROGRESS	2022	2021
	RUPPES	RUPPES
Opening balance	1,531,729	8,617,692
Addition during the year	-	1,531,729
	17,802,961	-
	19,334,690	10,149,421
Less: Transferred to Plant and machinery	(9,933,622)	-
Tools and Equipment	(5,451,068)	-
Intangible assets-IFS	-	(8,617,692)
	3,950,000	1,531,729

5.1 This amount represents extension of production facilities to incorporate production of maintenance free battery. The management intends to transfer the total cost to plant and machinery as per IAS 16.

5.2 This amount represents extension of production facilities to increase production capacity with 5,000 batteries for the year. The management intends to transfer the total cost to property, plant and equipment as per IAS 16.



6 INTANGIBLE ASSETS PARTICULARS

COST				RATE %	AMORTIZATION				WRITTEN DOWN VALUE AS ON 30-06-2022
AS ON 01-07-2021	ADDITION	(DELETION)	AS ON 30-06-2022		AS ON 01-07-2021	ADJUSTMENT ON DISPOSAL	FOR THE YEAR	AS ON 30-06-2022	

Intangible - IFS - 2022

8,617,692	-	-	8,617,692	33%	2,843,844	-	2,843,844	5,687,688	2,930,004
-----------	---	---	-----------	-----	-----------	---	-----------	-----------	-----------

Intangible - IFS - 2021

-	8,617,692	-	8,617,692		-	-	2,843,844	2,843,844	5,773,847
---	-----------	---	-----------	--	---	---	-----------	-----------	-----------

	Note	2022 Rupees	2021 Rupees
7 LONG TERM DEPOSITS AND PREPAYMENTS			
Security deposits - Unsecured and considered good		4,661,000	3,527,000
8 STORES AND SPARES			
General stores		24,388,009	20,003,130
9 STOCK IN TRADE			
Raw material			
-Stock at company premises		141,957,896	116,738,499
-Stock held with third parties		4,218,846	3,668,601
		146,176,742	120,407,100
Work in process		157,271,061	104,325,312
Finished goods		18,895,151	47,532,250
		322,342,954	272,264,662
10 TRADE DEBTS			
Trade debts - Unsecured and considered good	10.1	16,523,662	7,242,574
Dealers - Secured against guarantee cheques		62,190,923	94,547,071
		78,714,585	101,789,645

10.1 Trade debts include balances due from the following related parties:

Millat Tractors Limited	10.2	16,523,662	7,242,574
-------------------------	------	------------	-----------

10.2 Aging of due from related parties	2022		2021	
	Neither past due nor impaired	Past due 1-6 months but not impaired	Neither past due nor impaired	Past due 1-6 months but not impaired
Millat Tractors Limited	-	16,523,662	-	7,242,574

10.3 The maximum aggregate amount receivable from Millat Tractors Limited at the end of any month during the year was Rs. 31,101,180/-. (2021: Rs 73,149,068/-).

10.4 The management believes that no impairment / expected credit loss is necessary in respect of trade debts as there are reasonable grounds to believe that amount will be recovered in the future, having being secured against receipt of undated cheques of equal amount and obtained coverage by means of fidelity insurance policy of Rs. 40 million from East West Insurance Co. Ltd.

	Note	2022 Rupees	2021 Rupees
11 LOANS AND ADVANCES - CONSIDERED GOOD			
Import in transit - Secured		2,964,833	3,360,584
Advances to suppliers - Unsecured		1,933,401	7,393,859
Forced payment of sales tax to FBR	20.1.16	2,439,468	2,439,468
Sales Tax carried forward		4,284,108	13,552,777
Other receivables - unsecured		6,781,686	197,290
Insurance claims receivable		1,692,816	194,825
		<u>20,096,312</u>	<u>27,138,803</u>
12 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Security deposits - Unsecured and considered good		2,463,240	2,463,240
13 TAXATION - NET			
Opening balance		19,677,069	36,351,589
Add: Paid / deducted during the year		21,898,378	22,138,080
Less: Refund availed		-	(3,508,933)
		<u>41,575,447</u>	<u>54,980,736</u>
Adjusted against current liability			
Current taxation		(42,412,627)	(38,945,598)
Workers' Welfare Fund		-	(114,280)
Prior year adjustment		13,540,591	3,756,211
		<u>(28,872,036)</u>	<u>(35,303,667)</u>
		<u>12,703,411</u>	<u>19,677,069</u>
14 SHORT TERM INVESTMENTS			
Investments in Term deposit receipts - At Amortised Cost		280,000,000	230,000,000
14.1	The term deposits are made under conventional mode and carry profit at the average rate of 13.00% (2021: 6.20%) per annum.		
15 CASH AND BANK BALANCES			
Cash in hand		340,926	827,853
Cash in hand - Imprest account		239,902	38,755
Cash at bank			
- Current account		16,556,793	1,967,908
- Deposit account		31,791,520	1,115,454
- Running finance facility account	15.1	1,030,676	6,302,793
		<u>49,959,817</u>	<u>10,252,763</u>
15.1	The Company has obtained running finance facility to finance its working capital requirements from Habib Bank Limited. The same is secured against first charge of PKR 133.4 million on land, building, plant & machinery and current assets of the Company. The rate of mark up during the year has been 3 month KIBOR + 0.40% (2021: 3 month KIBOR + 0.40%). The total limit is Rs. 100 million (2021: Rs. 100 million). At year end, the unutilized facility aggregated to Rs. 30,991,749/- (2021: Rs. 40,624,512/-). Also refer notes 20.2.1 & 20.2.2.		



	Note	2022 Rupees	2021 Rupees
16 SHARE CAPITAL			
Authorised Capital			
11,000,000 (2021: 11,000,000) Ordinary shares of Rs.10/- (2021:Rs.10/-) each		110,000,000	110,000,000
Issued, subscribed and paid up Capital			
8,952,840 (2021: 8,952,840) Ordinary shares of Rs. 10/- (2021: Rs. 10/-)		89,528,400	89,528,400
16.1 Shares held by the related parties of the Company		-----Number of Shares-----	
Parent company			
Millat Tractors Limited		5,737,500	5,737,500
Directors			
Mr. Sikandar Mustafa Khan		541,250	541,250
Mr. Sohail Bashir Rana		-	361,500
Mr. Laeeq uddin Ansari		339,500	339,500
Mian Muhammad Saleem		-	2,499
Mr. Ahsan Imran Shaikh		-	33,650
Mr. Sohail Ahmad Nisar		-	1
Mr. Muhammad Mustafa Khan		2,500	-
Mr. Muhammad Mustafa Sohail		1,000	-
Mr. Shehryar Ansari		23,000	-
Mr. Qaiser Saleem		198,126	-
Executives			
Javed Aslam		20,000	20,000
17 DEFERRED TAXATION		Rupees	Rupees
Deferred tax liability comprises temporary differences related to:			
Taxable temporary differences			
Accelerated depreciation for the tax purposes		11,841,208	10,620,124
Deductible temporary differences			
Provision for Warranty		(4,760,230)	(3,984,703)
Net deferred tax liability at the end of the year.		7,080,978	6,635,421
		Deferred Tax Liability	Deferred Tax Assets
			Net Liability
		Rupees	
Balance as at July 01, 2021		11,104,875	(2,889,386)
Charged to statement of comprehensive income		(484,751)	(1,095,317)
Balance as at June 30, 2021		10,620,124	(3,984,703)
Charged/(Credited) to statement of comprehensive income		1,221,084	(775,527)
Balance as at June 30, 2022		11,841,208	(4,760,230)
18 TRADE AND OTHER PAYABLES			
Trade creditors		90,047,031	101,938,642
General suppliers		47,741,050	33,462,406
Provision for warranty claims	18.1	16,414,585	13,740,355
Workers' profit participation fund	18.2	9,724,598	5,913,826
Workers' welfare fund		3,695,347	2,203,190
Payable to holding company		-	-
Other payables		2,230,636	2,763,382
		169,853,247	160,021,801

	Note	2022 Rupees	2021 Rupees
18.1	Provision for warranty claims		
	Opening balance	13,740,355	9,963,401
	Claims paid/ (payable) during the period	(17,597,256)	(27,480,710)
	Charge for the year	20,271,486	31,257,664
	Closing balance	16,414,585	13,740,355
18.2	Workers' profit participation fund		
	Opening balance	5,913,826	306,752
	Payments made during the year	(5,913,826)	(306,752)
	Allocation for the year	9,724,598	5,913,826
	Closing balance	9,724,598	5,913,826
19	DEPOSITS, ACCRUED LIABILITIES AND ADVANCES		
	Accrued liabilities	19,301,945	37,118,591
	Advance from customers 19.1	79,083,321	36,774,147
	Advance from staff 19.2	3,348,317	2,686,473
		101,733,583	76,579,211

19.1 These represent amount received in advance from customers against performance obligations / sales made in subsequent periods i.e. sale of batteries, and carry no mark-up and are unsecured.

19.2 These represent the amounts received from employees of the Company against the future sale of vehicles as per company policy, these carry no markup and are unsecured.

20 CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

20.1.1 Demand of Rs.5,435,953/- was created vide order dated 29.06.2021 u/s 124/129/122 for the year 2013. CIR(A) vide appellate order dated 28.04.2022 has deleted the addition and directed to adjust carried forward refunds against demand as claimed in the return. Appeal effect order has not yet been issued. Prima facie no tax demand is anticipated.

20.1.2 Proceeding finalized u/s 122(5A) by Additional Commissioner vide order dated 05-05-2021 creating demand Rs.17,937,260/-. The Company had filed appeal to CIR(A) who vide order dated 03.12.2021 deleted the material addition and set aside partial issue. On the basis of appeal effect / re-assessment, Rs.5,955/- tax liability is anticipated.

20.1.3 Proceeding finalized u/s 122(1)/177 vide order dated 01-06-2021 creating demand Rs.173,760,920/- The Company had filed appeal to CIR(A) who vide order dated 09.12.2021 deleted the material additions and set aside partial issues. The Company has filed appeal to ATIR against partial set-aside order of CIR(A). On the basis of available records and history of assessment, prima facie the re assessment is expected in favor of the company.

- 20.1.4** Proceeding finalized u/s 122(1)/177/214C vide order dated 25-06-2021 creating demand Rs.184,514,562/-. The Company had filed appeal to CIR(A) who vide order dated 03.01.2022 deleted the material additions and set aside partial issues. On the basis of available records and history of assessment, prima facie the re-assessment is expected in favor of the Company. No tax liability is anticipated.
- 20.1.5** Tax Years 2018 & 2019 were selected u/s 177 for audit by the Commissioner altogether in March 2021 under the Income Tax Ordinance, 2001 by the Commissioner. In continuation, Audit Observation notices u/s 177(6) were issued and complied for both the years. Show cause notices u/s 122(9) have been abstained from compliance due to writ petition pending in Lahore High Court.
- 20.1.6** The Company received notice from the Directorate of Intelligence and Investigation – Federal Board of Revenue (FBR), Karachi on April 28, 2017. In the said notice it was alleged that the Company had purchased goods from a dummy / fake supplier who got registered with the Regional Tax Officers at Karachi and issued fake sales tax invoices to the Company and accordingly the Company has claimed illegal / inadmissible input tax adjustment amounting to Rs 2,439,468. As a result the name of the Company was included in the First Information Report (FIR) No. 678(931)/I&I/IR/KHI(AB-521)/2016/3617 dated 28-04-2017 registered by the Additional Director, Intelligence and Investigation - FBR, Karachi. Total demand raised against the Company is Rs. 2,439,468 which the FBR allowed to deposit in two equal instalments of which first instalment of Rs. 1,219,734 was deposited on June 16, 2017 and second Installment of Rs. 1,219,734 was deposited on September 25, 2017 by the Company. The legal advisor of the Company has stated that the Company has "Good case & chances of success are bright".
- 20.1.7** Sales tax audit u/s 25 of the Sales Tax Act, 1990 for the period from July 01,2015 to June 30,2016 has been initiated by FBR on dated 03-05-2018. Proceeding was finalized vide order dated 22.3.2019 creating demand of Rs. 939,033. Company filled appeal to CIR(A) dated 15.04.2019 and CIR discharged the appeal by upheld of sales tax amounting to Rs. 935,613. Company filed appeals to the Appellate Tribunal Inland Revenue u/s 46 of the Sales Tax Act, 1990. The legal advisor of the Company has stated that the company has "Good case & chances of success are bright".
- 20.1.8** Sales Tax Audit u/s 25(3) of the Sales Tax Act, 1990 (the Act), for the years 2017-2020 was initiated by FBR (Inland Revenue) on dated 14-12-2021. Writ petition no. 35175/2021 was filed before Hon'ble Lahore High Court, Lahore to seek interlocutory injunction/ interim relief against proceedings pursuant to the impugned section 25 of the Act, The Honourable Lahore High Court, Lahore vide order dated 04-06-2021 suspended the operations of the impugned notices. The stated appeal is pending adjudication before the honourable Lahore High Court. The legal advisor of the Company has stated that there is significant likelihood of favourable decision in favour of the Company.
- 20.1.9** The Competition Commission of Pakistan has imposed a penalty of Rs 1 million on the Company for being purportedly involved in deceptive marketing practice vide it's order dated 30 March 2018. The Company challenged the same before the competition Appellate Tribunal Islamabad submitting, "That the petitioner is not involved in any deceptive marketing practice". The Appellate Tribunal has admitted the case for hearing and during the pendency of appeal, the operation of impugned order dated 30 March 2018 is suspended till the final decision of the order.

20.2 Commitments

- 20.2.1** Guarantee issued by the HBL on behalf of Company in the normal course of business amount to Rs. 26,242,183/- (2021: Rs.1,435,183/-) in favor of Sui Northern Gas Pipelines Limited.
- 20.2.2** Commitment in respect of outstanding letter of credit amount to Rs. 42,766,068/- (2021: Rs.57,940,305/-) at the date of financial position.
- 20.2.3** The Company has no other contingencies and commitments as on June 30, 2022.



	Note	2022 Rupees	2021 Rupees
21 SALES			
-Local		2,563,004,029	2,012,069,495
-Export		142,758,734	157,177,852
		2,705,762,763	2,169,247,347
-Sales tax		(373,945,653)	(293,093,626)
-Discount		(236,965,561)	(159,791,616)
Commission on export sale		(2,357,958)	-
		2,092,493,591	1,716,362,105
22 COST OF GOODS SOLD			
Raw material consumed	22.1	1,522,001,552	1,289,431,417
Salaries, wages and benefits	22.2	88,976,922	79,498,071
Manufacturing expenses:			
Fuel and power		94,698,741	62,124,764
Communication		239,653	243,814
Stores and spares consumed	22.3	29,607,548	24,619,245
Warranty claims		22,945,716	31,257,664
Repair and maintenance		6,109,050	2,726,674
Insurance		3,797,662	3,368,788
Traveling and vehicle running		2,043,147	1,508,477
Entertainment		1,119,816	953,313
Depreciation		13,604,518	12,758,021
Other manufacturing overheads		2,919,198	2,666,116
		177,085,049	142,226,876
Total factory cost		1,788,063,523	1,511,156,364
Add: Opening work in process		104,325,312	102,235,598
		1,892,388,835	1,613,391,962
Less: Closing work in process		157,271,061	104,325,312
Cost of goods manufactured		1,735,117,774	1,509,066,650
Add: Opening finished goods		47,532,250	15,151,985
Cost of goods available for sale		1,782,650,024	1,524,218,635
Less: Closing finished goods		18,895,151	47,532,250
		1,763,754,873	1,476,686,385

	Note	2022 Rupees	2021 Rupees
22.1 Raw material consumed			
Opening stock		116,738,499	48,712,665
Add: Purchases - net		1,557,129,241	1,361,621,467
		1,673,867,740	1,410,334,132
Less: Closing stock		141,957,896	116,738,499
		1,531,909,844	1,293,595,633
Less: Sale of waste material		9,908,292	4,164,216
Raw material consumed		1,522,001,552	1,289,431,417
22.2	Salaries, wages and benefits include Rs. 725,544/- (2021: Rs. 620,524/-) in respect of Provident Fund contributions.		
22.3 Stores and spares consumed			
Opening stock		20,003,130	14,497,687
Add: Purchases - net		33,992,427	30,124,688
		53,995,557	44,622,375
Less: Closing stock		24,388,009	20,003,130
Stores and spares consumed		29,607,548	24,619,245
23 DISTRIBUTION COST			
Salaries, wages and benefits	23.1	23,749,069	21,481,264
Fuel and power		2,773,703	1,946,486
Communication		333,859	213,893
Traveling & vehicle running		8,270,370	5,129,854
Freight charges		15,582,066	13,144,190
Advertisement		4,109,087	2,447,072
Printing and stationery		1,349,281	629,807
Entertainment		1,631,846	1,215,558
Rent, rates and taxes		1,866,990	1,520,053
Insurance		5,510,868	3,840,431
Depreciation		803,175	730,991
Miscellaneous		1,418,801	977,357
		67,399,115	53,276,956
23.1	Salaries, wages and benefits include Rs. 358,845/- (2021: Rs. 379,164/-) in respect of Provident Fund contributions.		
24 ADMINISTRATION AND GENERAL EXPENSES			
Salaries, wages and benefits		43,190,432	48,319,513
Director meeting fee	24.1	1,400,000	-
Fuel and power		8,177,750	4,541,796
Communication		846,600	733,590
Traveling and vehicle running		8,773,874	9,478,950
Printing and stationery		391,559	219,631
Newspapers and periodicals		7,430	7,460
Repairs and maintenance		1,378,392	1,071,897
Security expenses		3,563,338	3,504,000



	Note	2022 Rupees	2021 Rupees
Legal and professional charges		2,266,993	1,944,130
Auditors' remuneration	24.2	551,250	500,000
Entertainment		2,160,793	2,332,339
Rent, rates and taxes		275,896	275,575
Fee and subscription		1,627,401	1,085,546
Insurance		2,026,463	1,419,297
Depreciation		1,606,350	1,461,982
Amortization of intangible assets		2,843,844	2,843,844
Other expenses		1,454,773	905,247
		<u>82,543,138</u>	<u>80,644,797</u>

24.1 Salaries, wages and benefits include Rs. 581,174/- (2021: Rs. 493,639/-) in respect of Provident Fund contributions.

24.2 Auditors' remuneration

Annual Audit fee	525,000	500,000
Sales tax @ 5%	26,250	-
	<u>551,250</u>	<u>500,000</u>

25. OTHER INCOME

Income from financial assets:		
Interest Income	11,163,898	9,650,997
Income from assets other than financial assets:		
Misc. income	7,398,645	3,789,897
(Loss)/Gain on disposal of property, plant and equipment	-	(140,895)
	<u>18,562,543</u>	<u>13,299,999</u>

26. FINANCE COST

Mark-up on short term running finance - Secured	729,529	-
Bank charges	2,137,528	777,451
	<u>2,867,057</u>	<u>777,451</u>

27. OTHER CHARGES

Workers' profit participation fund	9,724,598	5,913,826
Workers' welfare fund	3,695,347	2,203,190
	<u>13,419,945</u>	<u>8,117,016</u>

28. TAXATION

For the year		
-Current	42,412,627	38,945,598
-Deferred	445,557	(1,580,068)
	<u>42,858,184</u>	<u>37,365,530</u>
Prior Years		
-Current	(13,540,591)	(3,756,211)
-Deferred	-	-
	<u>(13,540,591)</u>	<u>(3,756,211)</u>
	<u>29,317,593</u>	<u>33,609,319</u>

28.1 Numerical reconciliation between average effective tax rate and the applicable tax rate.

	%	%
Applicable tax rate	29.00	29.00
Effect of change in prior year	(7.48)	(0.03)
Income chargeable to tax at different rates	(0.14)	(0.01)
Others	(5.19)	1.55
	(12.81)	1.51
	16.19	30.51

28.2 The provision for current year tax represent tax on taxable income at the rate of 29% (2021: 29%). According to management, the tax provision made in the financial statements is sufficient.

Years	Provision for taxation	Income tax as per tax assessment	Excess / (shortage)
-----RUPEES-----			
2021	38,945,598	25,405,007	13,540,591
2020	20,671,851	16,915,640	3,756,211
2019	15,083,381	15,006,253	77,128

29 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2022	2021	2022	2021	2022	2021
-----Rs.-----						
Remuneration	6,102,444	5,809,350	4,958,955	10,987,914	9,883,284	8,730,950
Medical	120,000	155,196	-	582,525	516,000	508,000
Reimbursement expenses	951,854	881,497	724,094	1,211,474	798,053	587,381
LFA/ Bonus	4,157,110	2,338,098	3,276,085	3,873,541	4,286,478	2,208,391
Contribution to provident fund	-	-	-	-	320,160	176,014
Utilities	420,864	361,789	678,410	554,500	1,640,160	1,609,722
	11,752,272	9,545,930	9,637,544	17,209,954	17,444,135	13,820,458
Number of person	1	1	1	1	3	2

29.1 The Chief Executive Officer has been provided with Company maintained vehicle for official as well as personal use.

30 EARNING PER SHARE - BASIC AND DILUTED
30.1 Basic earnings per share

Profit after taxation attributable to ordinary shareholders - Rupees	151,754,413	76,550,180
Weighted average number of ordinary shares in issue - Numbers	8,952,840	8,952,840
Earning per share - Rupees	16.95	8.55

30.2 Diluted earnings per share

No figure for diluted earning per share has been presented as the Company has not issued any instrument carrying options which would have an impact on earning per share when exercised.

	Note	2022 Rupees	2021 Rupees
31 CASH AND CASH EQUIVALENTS			
Cash and cash equivalents included in the statement of cash flows comprise of the following statement of financial position amounts:			
Cash and bank balances	15	49,959,817	10,252,763

	2022 Rupees	2021 Rupees
31.1 Reconciliation of liabilities arising from financing activities		

PARTICULARS	As at June 30, 2021	Non Cash Changes	Cash flows	As at June 30, 2022
-----RUPEES-----				
Un claimed dividend	345,845	746A,636	(238,750)	898,731
Dividend payable	-	57,115,902	(54,397,313)	2,718,589
Zakat Payable		203,165	(203,165)	-
I.Tax Payable U/s 150		10,235,063	(10,235,063)	-
Total liabilities from financing activities	345,845	68,300,766	(65,074,291)	3,617,320

32 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

DESCRIPTION	INTEREST / MARK UP BEARING			NON INTEREST / 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	2022	2021
FINANCIAL ASSETS	-----Rs.-----							
Trade Deposits	-	-	-	2,463,240	-	2,463,240	2,463,240	2,463,240
Trade debts	-	-	-	78,714,585	-	78,714,585	78,714,585	101,789,645
Loan & Advances	280,000,000	-	280,000,000	8,474,502	-	8,474,502	8,474,502	392,115
Short term investments	31,791,520	-	31,791,520	-	-	-	280,000,000	230,000,000
Cash and bank balances				18,168,297		18,168,297	49,959,817	10,252,763
	311,791,520	-	311,791,520	107,820,624	-	107,820,624	419,612,144	344,897,763
FINANCIAL LIABILITIES								
Trade and other payables	-	-	-	169,853,247	-	169,853,247	169,853,247	160,021,801
Deposits, accrued liabilities and advances	-	-	-	19,301,945	-	19,301,945	19,301,945	37,118,591
Unclaimed Dividend	-	-	-	2,718,589	-	2,718,589	2,718,589	-
				898,731	-	898,731	898,731	345,845
	-	-	-	192,772,512	-	192,772,512	192,772,512	197,486,237
Off - balance sheet financial instruments								
Guarantees	-	-	-	26,242,183	-	-	26,242,183	1,435,183
	-	-	-	26,242,183	-	-	26,242,183	1,435,183

32.1 Financial Instruments and Financial risk management

The Company's activities are exposed to a variety of financial risks namely credit risk, interest rate risk, foreign exchange risk and liquidity risk. Overall, risks arising from the Company's financial instruments are limited. Risk management is carried out by the Board of Directors (the Board). The Board provides for overall risk management, as well as policies covering specific areas in the following manner:

32.1.1 Credit Risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. The Company is exposed to a concentration of credit risk on its trade debts amounting to Rs.78,714,585/- (2021: Rs. 101,789,645/-). However, this risk is mitigated by applying individual credit limits, fidelity insurance cover and by securing the majority of trade debts against postdated cheques.

32.1.2 Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will effect the value of financial instruments. The Company has no significant long-term interest-bearing assets. The Company's interest rate risk arises from short term borrowings.

	2022 Rupees	2021 Rupees
At the balance sheet date the interest rate profile of the Company's interest bearing financial instruments was:		
Fixed rate instruments:		
Financial assets		
Bank balances - deposit accounts	31,791,520	1,115,454
Short term investments	280,000,000	230,000,000
Floating rate instruments:		
Financial assets		
Bank balances - deposit accounts	-	-

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates, at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 0.00 million lower / higher (2021: 0.00 million) respectively. This analysis is prepared assuming the amounts of floating rate instruments outstanding at balance sheet dates were outstanding for the whole year.

32.1.3 Foreign Exchange Risk

Foreign exchange risk arises mainly where the receivables and payables exist due to transactions with foreign undertakings. The Company is not subject to any foreign exchange risk against receivables as export sales are made on advance payments. The Company is, however, exposed to foreign exchange risk in respect of imports which are settled on the date when documents relating to letter of credit in respect of imports are received by bank. Out of financial assets and liabilities, no amount has been converted from foreign currency into local currency for reporting purposes.

32.1.4 Liquidity Risk

Liquidity risk is the risk that an enterprise will encounter difficulties in raising funds to meet commitments associated with financial instruments. Prudent liquidity risk management implies maintaining sufficient cash and bank balances and availability of funding through an adequate amount of committed credit facilities. The Company aims to maintain flexibility in funding by keeping committed credit lines available. At year end, the Company has Rs. 100 million (2020: Rs. 100 million) available borrowing limits from financial institutions and Rs.49,959,817/- (2021: Rs.10,252,763/-) cash and bank balances.



Financial liabilities in accordance with their contractual maturities are presented below:

	2022		
	Carrying amount	Contractual cash flows	Less than 1 year
	-----Rs.-----		
Trade and other payables	169,853,247	169,853,247	169,853,247
Deposits, accrued liabilities and advances	19,301,945	19,301,945	19,301,945
Unpaid Dividend	2,718,589	2,718,589	2,718,589
Unclaimed Dividend	898,731	898,731	898,731
	192,772,512	192,772,512	192,772,512
	-----Rs.-----		
	2021		
	Carrying amount	Contractual cash flows	Less than 1 year
	-----Rs.-----		
Trade and other payables	160,021,801	160,021,801	160,021,801
Deposits, accrued liabilities and advances	37,118,591	37,118,591	37,118,591
Unclaimed Dividend	345,845	345,845	345,845
	197,486,237	197,486,237	197,486,237

32.2. Capital Risk Management

The Company's prime objectives when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business. The capital structure of the Company is mainly equity based with minimal level of financing. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, issue new shares or sell assets to reduce debts. The gearing ratio as at years ended June 30, 2022 and June 30, 2021 are as follows:-

	2022 Rs.	2021 Rs.
Net debt / (Surplus)	-	-
Total Equity	651,318,831	556,710,735
Total Capital	651,318,831	556,710,735
Gearing Ratio	0%	0%

32.3. Fair Value of Financial Instruments

The Carrying amounts of financial assets and financial liabilities approximate their fair values.

33. RELATED PARTY TRANSACTIONS

Amounts due from and due to related parties are shown under Note 10.1 and 18 respectively of the financial statements. Remuneration of directors and key management personnel is disclosed in Note 29. Other significant transactions with related parties are as follows:

		2022 Rupees	2021 Rupees
Relation with the Company	Nature of transaction		
Holding Company	Sales of goods	385,804,600	345,786,521
Associated Companies	Sales of goods	138,592	51,136
Staff Provident Fund	Provident Fund Contribution	1,665,563	1,493,327

33.1 Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place:

Name of the Entity	Basis of Relationship	Description
Millat Tractors Limited	Holding Company	64% Shareholding
Millat Equipment Limited	Associated Company	Common Directorship
Bolan Casting Limited	Associated Company	Common Directorship
MIPL Staff Provident Fund	Staff Provident Fund	Staff

The Company intends to take the approval of the transactions with related parties from the shareholders in General Meeting.

34	NUMBER OF EMPLOYEES	2022	2021
	Total number of employees (including contractual labour) as at June 30	263	238
	Total number of factory employees (including contractual labour) as at June 30	253	230
	Average number of employees during the year (including contractual labour)	250	235
	Average number of factory employees during the year (including contractual labour)	240	227

35 CAPACITY AND PRODUCTION

The actual production capacity of the plant cannot be determined as it depends on the proportion of different types of batteries produced which varies in relation to the consumers' demand. The actual production during the year was according to market demand. During the year, the actual production capacity attained was 276,678 batteries {Standard 15 plates 230,028 batteries} compared with (2021: 280,177 standard 15 plates 233,469 batteries} against annual manufacturing capacity of 300,000 standard 15 plates batteries (2021: 300,000).

There has been low market demand of batteries which lead to under utilization of our production capacity.

36 DISCLOSURES RELATING TO PROVIDENT FUND

Size of the fund	21,477,601	17,949,061
Cost of investment made	11,697,782	12,902,342
Percentage of investment made	54%	72%
Fair value of investments	11,697,782	12,902,342



	2022 Rupees	2021 Rupees
36.1. Break up of investments		
Special accounts in a scheduled bank	197,782	1,402,342
Term finance certificates	11,500,000	11,500,000
	11,697,782	12,902,342
36.2. % age of investments made in terms of the size of the fund		
Special accounts in a scheduled bank	1%	8%
Term finance certificates	54%	64%
	54%	72%
36.3.	The figures for 2022 and 2021 are based on the audited financial statements of the provident fund. Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017, and the rules formulated for this purpose.	
37. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS	All significant transactions and events that have affected the Company's financial position and performance during the year have been adequately disclosed in the notes to these financial statements.	
38. EVENT AFTER THE REPORTING DATE	Corresponding figures have been re-arranged and re-classified wherever necessary, for the purpose of better comparison. However, no material re-arrangement / re-classification has been made in these financial statements.	
39. DATE OF AUTHORISATION FOR ISSUE	The Board of Directors has proposed the payment of dividend of Rs. 10 per share (2021 : Rs 7.5 per share) on the ordinary share capital of the Company in their meeting held on September 12, 2022.	
40.	These financial statements were authorised for issue by the Board of Directors on September 12, 2022.	
41. GENERAL	Figures have been rounded off to the nearest rupee.	


 Chief Executive


 Director

Proxy Form

21st Annual General Meeting

I / We _____
 of _____ being a member of Millat Industrial Products Limited
 and holder of _____ Ordinary shares as per Shares Register Folio No. _____
 hereby appoint _____ of _____ or failing him/her _____
 of _____ or failing him / her _____ of _____ as my proxy to vote for me and
 on my behalf at the Annual General Meeting of the Company to be held on Thursday, October 27,
 2022 at 2:30 p.m. at Company's Registered Office, 8.8 km Sheikhpura Road, Lahore and at any
 adjournment thereof.

Signed this _____ day of _____ 2022.

Witness:

- Signature : _____
 Name: _____
 Address: _____

 CNIC or
 Passport No: _____
- Signature : _____
 Name: _____
 Address: _____

 CNIC or
 Passport No: _____

Signature

Please affix
 Rupees fifty
 revenue stamp

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

Important:

- 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. No person shall act as a proxy who is not a member of the Company except that a corporation may appoint a person who is not a member.
- The instrument appointing a proxy should be signed by the member(s) or by his / her attorney duly authorized in writing. If the member is a corporation, its common seal should be affixed to the instrument.
- This Proxy Form, duly completed, must be deposited at the Company's Registered Office, 8.8 km Sheikhpura Road, Lahore, not less than 48 hours before the time of holding the meeting.



تشکیل نیابت داری

21 واں سالانہ اجلاس عام

میں/ہم _____ ساکن _____
 ساکن _____ ملٹ انڈسٹریل پروڈکٹس لمیٹڈ
 رکن وحاصل _____ عام حصص بمطابق شیئر رجسٹر فو لیو نمبر _____،
 ساکن _____ یا بصورت دیگر _____ ساکن _____
 کو اپنی جگہ بروز جمعرات مورخہ 27 اکتوبر 2022ء بوقت 2:30 بجے سہ پہر، بمقام رجسٹرڈ آفس 8.8 کلومیٹر شیٹو پورہ روڈ
 لاہور میں منعقد یا ملتوی ہونے والے سالانہ اجلاس عام میں رائے دہندگی کے لئے اپنا نمائندہ مقرر کرتا ہوں۔

دستخط کئے گئے مورخہ _____ 2022

گواہان:

براہ کرم پچاس روپے مالیت
 کے ریونیو ٹکٹ چسپا کریں۔

دستخط

(دستخط کمپنی میں درج نمونہ کے
 دستخط کے مطابق ہونے چاہئے)

1 دستخط: _____

نام: _____

پتہ: _____

سی این آئی سی یا پاسپورٹ نمبر: _____

2 دستخط: _____

نام: _____

پتہ: _____

سی این آئی سی یا پاسپورٹ نمبر: _____

نوٹ:

۱۔ پراکسی کا کمپنی کا ممبر ہونا لازمی ہے، البتہ کارپوریشن ایک ایسے شخص کو منتخب کر سکتی ہے جو ممبر نہ ہو۔

۲۔ ضروری ہے کہ فارم برائے منتخب پراکسی دستخط شدہ ہو ممبر سے یا اُس کے وکیل سے۔

۳۔ پراکسی کے مؤثر ہونے کے لئے لازم ہے کہ وہ اجلاس سے کم از کم 48 گھنٹے قبل کمپنی کو اُس کے رجسٹرڈ آفس 8.8 کلومیٹر شیٹو پورہ روڈ لاہور پر موصول ہوں۔

Electronic Transmission Consent

Pursuant to the allowance granted through SRO 787(I)/2014 of September 08, 2014, by the Securities and Exchange Commission of Pakistan, the Company can circulate its annual balance sheet and profit and loss accounts, auditors' report and directors' report etc. ("Audited Financial Statements") along with the Company's Notice of Annual General Meeting through email to its shareholders. Those shareholders who wish to receive the Company's Annual Report via email are requested to provide a completed consent form to the Company Secretary.

PLEASE NOTE THAT RECEIPT OF THE ANNUAL REPORT VIA EMAIL IS OPTIONAL AND NOT COMPULSORY.

Electronic Transmission Consent Form

The Company Secretary,

Dated: _____

8.8 km Sheikhpura Road,
Lahore.

Pursuant to the directions given by the Securities and Exchange Commission of Pakistan through its SRO 787(I)/2014 of September 08, 2014, I, Mr./Mrs. _____ S/o,D/o,W/o

_____ hereby consent to have Millat Industrial Products Limited's audited financial statements and Notice of Annual General Meeting delivered to me via email on my email address provided below:

Name _____ of _____ Member _____ /

Shareholder _____

Folio Number _____

Email Address _____

It is stated that the above mentioned information is true and correct and that I shall notify the Company in writing of any change in my email address or withdrawal of my consent to email delivery of the Company's audited financial statements and Notice of Annual General Meeting.

Signature of the Member / Shareholder



اظہار رضامندی بابت ترسیل برق روی

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ایس آر او 2014/(I) 787 مورخہ 8 ستمبر 2014 کے بموجبت سہولت مہیا کی گئی ہے کہ کمپنی اپنی سالانہ بیلنس شیٹ اور نفع و نقصان کے گوشوارے محاسب و نظمہ کی مرتب کردہ اطلاعاتی معلومات (پڑتال شدہ مالیاتی حسابات) بشمول سالانہ اجلاس عام کی اطلاع اپنے حصص یافتگان کو بذریعہ ای میل ارسال کر سکتی ہے۔ وہ تمام حصص داران جو کمپنی کی سالانہ رپورٹ بذریعہ ای میل حاصل کرنے کے خواہشمند ہیں ان سے التماس ہے کہ تکمیل شدہ رضامندی کے فارم کمپنی سیکرٹری کو مہیا کریں۔

یاد دہانی رہے کہ سالانہ رپورٹ کی بذریعہ ای میل وصولی اختیاری ہے، لازمی نہیں ہے۔

اظہار رضامندی بابت ترسیل برق روی فارم

کمپنی سیکرٹری

تاریخ:

8.8 کلومیٹر شیخوپورہ روڈ،
لاہور

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ایس آر او 2014/(I) 787 مورخہ 8 ستمبر 2014 کی تعمیل کرتے ہوئے میں مسمیٰ / مسماۃ

ولدیت / زوجیت

ملت انڈسٹریل پروڈکٹس لمیٹڈ کے پڑتال شدہ مالیاتی گوشوارے اور سالانہ اجلاس عام کی اطلاع بذریعہ ای میل مندرجہ ذیل ای میل پتے پر حاصل کرنا چاہتا / چاہتی ہوں

ممبر / حصص دار کا نام:

فولیو نمبر:

ای میل ایڈریس:

ہر گاہ اقرار کیا جاتا ہے کہ مندرجہ بالا معلومات صحیح اور درست ہیں اور یہ کہ میں کمپنی کو تحریری طور پر ای میل ایڈریس میں تبدیلی یا بذریعہ ای میل کمپنی کے پڑتال شدہ حسابات اور سالانہ اجلاس عام کی اطلاع کی وصولی یا منسوخی کے بارے میں مطلع کروں گا۔

ممبر / حصص دار کے دستخط: