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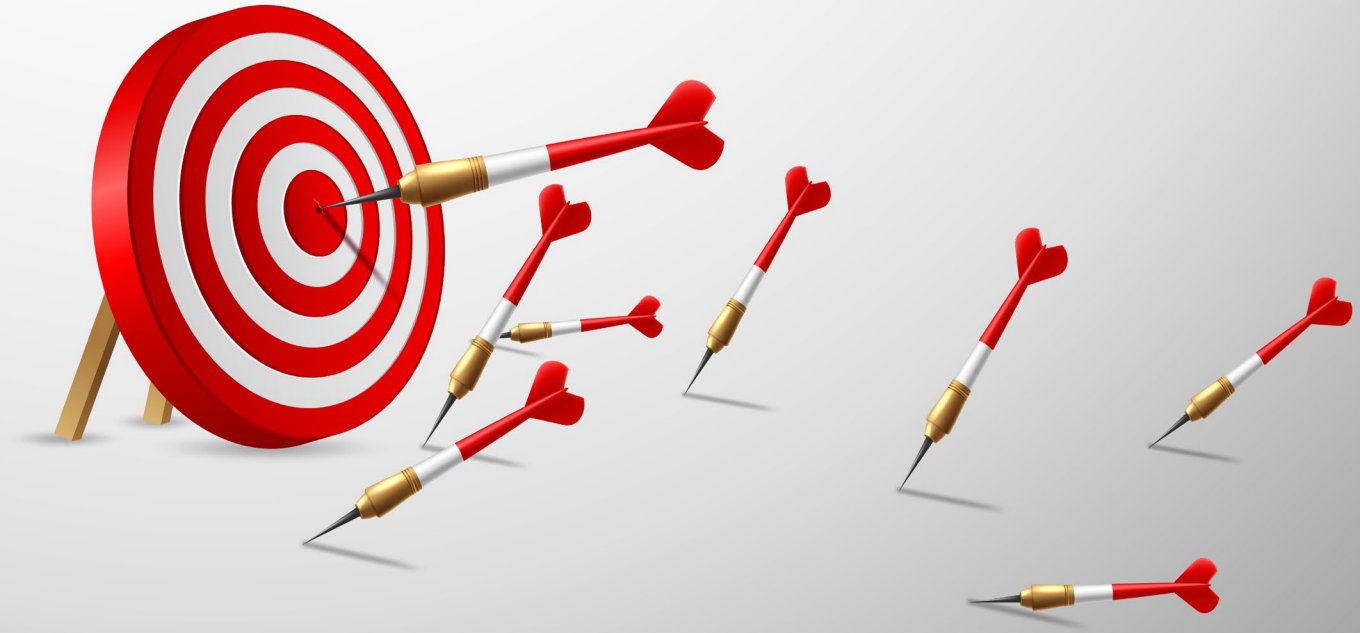
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Vision

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. Ghulam Mustafa

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
Soneri Bank Limited

REGISTERED ADDRESS

8.8 K.M., Lahore, Sheikhpura
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. Ghulam Mustafa
Chief Executive



NOTICE OF 22nd ANNUAL GENERAL MEETING

Notice is hereby given that 22nd 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 Monday, October 30, 2023 at 12:30 P.M to transact the following business:

A. ORDINARY BUSINESS

- 1) To confirm minutes of EOGM held on June 23, 2023.
- 2) To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2023 together with the Directors' and Auditors' Reports thereon.
- 3) To approve final cash dividend of Rs.15 per share i.e., 150%.
- 4) To appoint auditors and fix their remuneration for the year ending June 30, 2024.
- 5) To elect seven directors of the company for a period of three years. The retiring directors are M/s. Sikandar Mustafa Khan, Laeeq Uddin Ansari, Muhammad Mustafa Khan, Muhammad Mustafa Sohail, Qaiser Saleem, Shehryar Ansari.
As resolved by the Board in its meeting held on, August 31, 2023 the number of directors to be elected shall be seven.

B. SPECIAL BUSINESS

- 6) To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2023 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, 2023 be and are hereby ratified, approved and confirmed."

2023 (AMOUNTS IN RUPEES)

NAME(S)	PURCHASES	SALES
MILLAT TRACTORS LIMITED	-	522,721,653
MILLAT EQUIPMENT LIMITED	-	70,184
TOTAL	-	552,791,837

- 7) To authorize Chief Executive of the Company to approve transactions with Related Parties for the year ending June 30, 2024 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, 2023 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."

- 8) To ratify and approve issuance of 15% Bonus Shares already issued and approved by the Board, by passing the following ordinary resolution.

"RESOLVED THAT:

To ratify and approve issuance of 15% Bonus Shares already issued and approved by the Board, by passing the following ordinary resolution.

A sum of Rs. 13,429,260 out of the profit available for appropriations as at March 31, 2023 be capitalized and be applied to the issue of 1,342,926 ordinary shares of Rs.10 each allotted as fully paid Bonus Shares to the members whose names appear in the register of members as at the close of business on June 13, 2023 i.e.,15%.

These Bonus Shares shall rank pari passu in all respects with existing shares except that these shares shall not qualify for the interim dividend declared for the year ending June 30, 2023.

The Directors be and are hereby authorized and empowered to give effect to this resolution and to do or cause to be done all acts, deeds and things that may be necessary or required for the issue, allotment and distribution of Bonus Shares."

"RESOLVED that the Directors be and are hereby authorized to consolidate all fractions of bonus shares and sell the same in the Market and pay the proceeds of sales when realized to charitable institution(s)."

C. ANY OTHER BUSINESS

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

By order of the Board



Zeeshan Yousaf
Company Secretary

Lahore:
October 08, 2023

NOTES:

1. The share transfer books of the Company will remain closed from October 24, 2023 to October 30, 2023 (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. **Filing of Consent for Election of Directors**
As required u/s 159(3) of Companies Act, 2017, any member who seeks to contest an election to the office of a director, shall whether he/ she is retiring director or otherwise, file with the Company, not later than fourteen days before the date of meeting at which elections are to be held, a notice of his/her intention to offer himself/herself for election as a director along with consent to act as a director in form 28, duly completed as required under section 167(1) of the Companies Act, 2017; and a detailed personal profile along with office address for placement on to the Company's website in accordance with SECP's SRO No.1196(I)/2019 dated October 03, 2019 before the election.

The following declaration should also be furnished as required: I hereby declare that:

- a) I am a member of the Company.(Number of shares held along with Folio number be mentioned)
 - b) I am not ineligible to become a director of the company under any applicable laws and regulations.
 - c) I am a registered tax payer and my National Tax No. is -----.
 - d) I have never been declared defaulter in payment of any loan to banking company, a Development Financial Institution or a Non Banking Financial Institution.
5. 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.
 6. 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.
 7. 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.

8. 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 30, 2023.

AGENDA ITEM NO.6

Approval/Ratification of Related Party Transactions (RPTs) conducted during Financial year ended on June 30, 2023

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, 2023 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.

AGENDA ITEM NO.7

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, 2024 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, 2023 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.

AGENDA ITEM NO.8

Issuance of Bonus Shares

The Board of Directors is of the view that the Company's financial position and its reserves justify this capitalization for the issue of Bonus Shares. The Directors of the Company, directly or indirectly are not interested in the resolution except to the extent of their shareholding in the Company.

Disposal of Bonus Share Fractions

The Board in its 99th meeting held on June 13, 2023 has recommended that the fractions of bonus shares will be immaterial and of no significant financial disadvantage to the shareholders. Therefore the proceeds of the above may be donated to one or more charitable institutions (engaged in the welfare of human being) in line with the Company's policy of maximum participation in welfare.

RICI
CERTIFIED



ISO 9001:2015

QUALITY
MANAGEMENT
SYSTEM



ACCREDITED®

Management
Systems
Certification Body

MSCB - 104







Directors' Report to the Shareholders For the Year Ended June 30, 2023

The Directors feel pleasure in presenting their 22nd Annual Report together with the Audited Accounts of the Company for the year ended June 30, 2023.

ACCOUNTS / APPROPRIATIONS

Financial results for the year are as follows:

Accumulated profit Brought Forward	Rs.561,790,431
Less: Bonus Share @15% issued during the year	Rs. (13,429,260)
Profit for the year before tax	Rs. 429,570,335
Less: Current Taxation	Rs. (156,300,354)
Less: Dividend @Rs.10/share paid during the year	Rs. (89,528,400)
Less: Transfer from Unappropriated Profit to Capital Reserve	Rs. (325,992,907)
Profit carried forward	Rs. 406,109,845

Your directors recommended payment of final cash dividend @ Rs.15 i.e., 150 % in addition to 15% bonus shares for the year ended June 30, 2023.

PATTERN OF SHAREHOLDING

The pattern of shareholding as on June 30, 2023 is annexed.

EARNING PER SHARE

The Earning per share for the year was Rs.26.54 compared to earning per share of Rs. 14.74 of the last year.

BOARD OF DIRECTORS

The present Board consists of seven directors of which six directors were elected in the 19th Annual General Meeting of the Company held on October 30, 2020. Since last report there has been no change in the composition of the Board. The present Directors shall retire at the forthcoming Annual General Meeting and seven Directors shall be elected in their place as resolved by the Board. The retiring Directors are: /s. Sikandar Mustafa Khan, Laeeq Uddin Ansari, Muhammad Mustafa Khan, Muhammad Mustafa Sohail, Shehryar Ansari, Qaiser Saleem.

During the year, six 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. Shehryar Ansari
Mr. Qaiser Saleem
Mr. Ghulam Mustafa (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, 2024. 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 42 permanent employees as on June 30, 2023 compared to 40 employees as on June 30, 2022.

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. 156.398 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.millatbatteries.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:

AUGUST 31, 2023



DIRECTOR

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 ہے 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 واقع سے بچنے کے لئے تمام ملازمین اور ورکرز کو مناسب ٹریننگ اور حفاظتی آلات فراہم کئے گئے ہیں۔

10. کاروباری اخلاقیات اور انسداد بدعنوانی کے اقدامات:

کمپنی نے ہمیشہ کاروباری اخلاقیات کو ملحوظ 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 156.398 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 SRO 1041 (I) / 2015 کے دفعات کے مطابق سالانہ رپورٹ میں شائع کیا جا رہا ہے۔

بجلم بورڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

لاہور

31 اگست 2023

مجوزہ بعد از اس 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۔ غیر فعال گھنٹوں کے دوران زائد لائٹس کو بند کر دیا جاتا ہے اور توانائی اور لاگت کو بچانے کے لیے مؤثر 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 مؤثر طریقے سے کم کر سکیں۔

اقدامات برائے تحفظ ماحولیات:

فیکٹری کے احاطے کے ارد گرد ماحولیاتی نظام کے تحفظ کو یقینی بنانے کے لئے شجرکاری 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۔

بنیادی خدشات اور غیر یقینیاں:

کمپنی کو جو اہم 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 سیلز کے چیلینجنگ 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۔

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 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 2024 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 2023 کو مستقل ملازمین کی تعداد 42 تھی جو کہ 30 جون 2022 کو 40 تھی۔

ڈائریکٹرز کے نام درج ذیل ہیں:

جناب سکندر مصطفیٰ خان (چیئرمین)

جناب لہیق الدین انصاری

جناب محمد مصطفیٰ خان

جناب مصطفیٰ سہیل

جناب شہریار انصاری

جناب قیصر سلیم

جناب غلام مصطفیٰ (چیف ایگزیکٹو)

بورڈ آف ڈائریکٹرز:

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 کچھ 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 مدنظر رکھتے ہوئے مینیجمنٹس فری بیٹری مارکیٹ میں لایا کی کامیابی سے مارکیٹنگ کی گئی ہے۔ موٹر سائیکل کی بیٹریاں بہت جلد لانچ کی جائیں گی۔

ڈائریکٹرز کی رپورٹ

ڈائریکٹرز انتہائی مسرت کے ساتھ کمپنی کی بائیسویں سالانہ رپورٹ بمعہ آڈیٹڈ اکاؤنٹس برائے سال 30 جون 2023 پیش کرتے ہیں۔

منافع منقسمہ:

اس سال کے مالیاتی نتائج مندرجہ ذیل ہیں۔

561,790,431 روپے	سال کے آغاز پر جمع شدہ منافع:
(13,429,260) روپے	بونس شیئر:
429,570,335 روپے	برائے سال جمع آمدنی قبل از ٹیکس:
(156,300,354) روپے	موجودہ ٹیکسیشن:
(89,528,400) روپے	ڈیوڈینڈ (10 روپے فی حصص):
(325,992,907) روپے	کیپٹل ریزرو:
406,109,845 روپے	آئندہ سال کے لیے لیجا یا گیا منافع:

آپ کے ڈائریکٹرز نے حتمی کیش ڈیوڈینڈ 15 روپے فی حصص کے حساب سے جو کہ 150 فیصد بنتا ہے، اس کے علاوہ 15 فیصد بونس حصص کی سفارش کی ہے۔

شیئر ہولڈر کا پیٹرن:

30 جون 2023 شیئر ہولڈر کا پیٹرن رپورٹ میں شامل ہے۔

فی حصص آمدن:

سال 2023 کے لیے فی حصص آمدن 26.54 روپے رہی۔ گزشتہ سال یہ آمدن 14.74 روپے فی حصص تھا۔

بورڈ آف ڈائریکٹرز:

موجودہ بورڈ سات ڈائریکٹرز پر مشتمل ہے، جس میں سے چھ ڈائریکٹرز کمپنی کے 19 ویں سالانہ اجلاس 30 اکتوبر 2020 کو منتخب ہوئے تھے۔ اس کے علاوہ سال کے دوران بورڈ کی ساخت میں کوئی تبدیلی نہیں آئی۔ موجودہ ڈائریکٹرز آنے والے سالانہ اجلاس میں ریٹائر ہو جائیں گے اور سات ڈائریکٹرز ان کی جگہ پر بورڈ کی قرارداد کے ذریعے منتخب ہوں گے۔ ریٹائر ہونے والے ڈائریکٹرز مندرجہ ذیل ہیں۔ جناب سکندر مصطفیٰ خاں، لہیق الدین انصاری، محمد مصطفیٰ خان، محمد مصطفیٰ سہیل، شہر یار انصاری، قیصر سلیم۔ سال 2023 کے دوران بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد ہوئے۔

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Pattern of Shareholding As at June 30, 2023

No. of Shareholders	Size of Holding		Total Shares Held
	From	To	
6	1	100	481
45	101	500	12,296
49	501	1,000	41,714
51	1,001	1,500	65,560
27	1,501	2,000	48,883
39	2,001	3,000	94,010
25	3,001	5,000	101,486
45	5,001	40,000	726,877
15	40,001	100,000	976,796
7	100,001	400,000	1,212,663
1	400,001	600,000	416,875
1	600,001	6,000,000	6,598,125
311			10,295,766



Shareholding Information

As at June 30, 2023

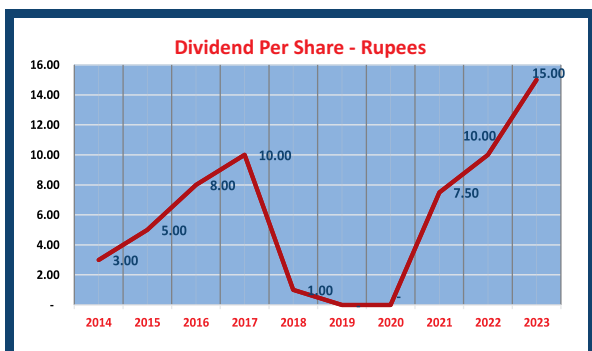
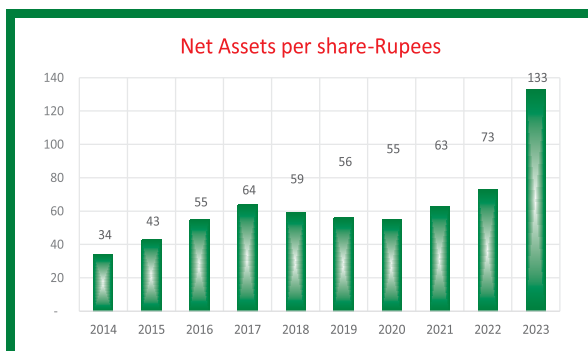
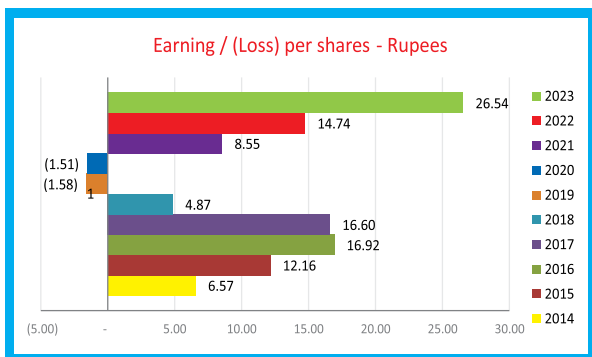
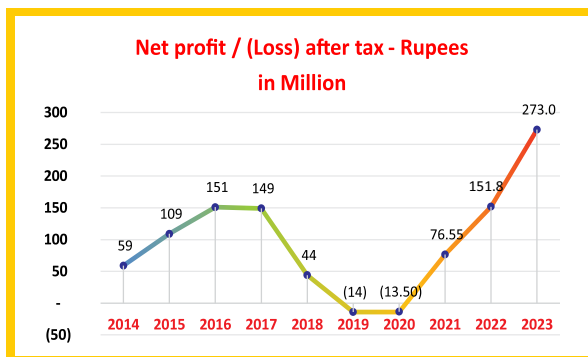
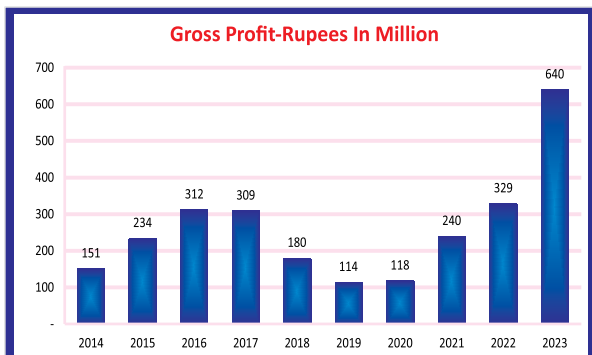
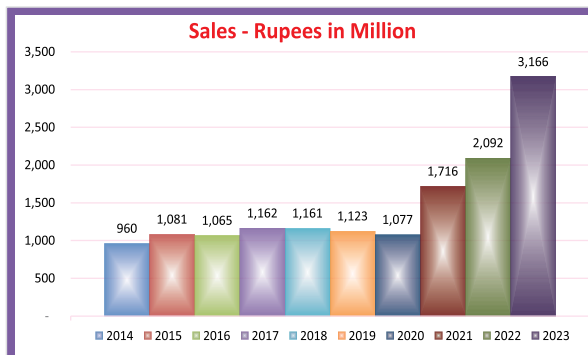
Categories of shareholders	MIPL
1. Directors, Chief Executive Officer, and their spouse and minor children	
Mr. Sikandar Mustafa Khan	622,437
Mr. Laeeq Uddin Ansari	390,425
Mr. Muhammad Mustafa Khan	2,875
Mr. Muhammad Mustafa Sohail	1,150
Mr. Shehryar Ansari (MIPL Director only)	26,450
Mr. Qaiser Saleem	227,845
2. Associated Companies, undertakings and related parties	
a. Millat Tractors Limited	6,598,125
b. Associated Undertakings	
c. Related Parties	
3. NIT and ICP	-
4. Banks Development Financial Institutions, Non Banking Financial Institutions and Pension Funds	-
5. Insurance Companies	-
6. Modarabas & Mutual Funds	
7. General Public	
a. Local	
b. Foreign	-
8. Others	
Joint Stock Companies	-
Trusts	-
Public	2,426,459
Miscellaneous	-
	10,295,766



Ten Years' Performance

TRADING RESULTS		2023	2022	2021
Sales - Net		3,166,111,038	2,092,493,591	1,716,362,105
Gross profit		639,709,695	328,738,718	239,675,720
Operating profit		444,805,114	178,796,465	105,753,967
Profit before tax		429,570,335	181,072,006	110,159,499
Net profit / (loss) after tax		273,269,981	151,754,413	76,550,180
FINANCIAL POSITION				
Owner's Equity:				
Share capital		102,957,660	89,528,400	89,528,400
Capital reserve		325,992,907	-	-
Accumulated profit		406,109,845	561,790,431	477,182,335
		835,060,412	651,318,831	566,710,735
Operating fixed assets		172,235,828	131,394,627	115,871,124
Long term liabilities:				
Deferred taxation		6,982,859	7,080,978	6,635,421
INVESTOR INFORMATION				
Sales growth	%	51.31	21.91	59.23
Gross profit growth	%	94.60	37.16	102.19
Operating profit growth	%	148.78	69.07	721.16
Profit before tax growth	%	137.24	64.37	1,827.88
Net profit/(Loss) after tax growth	%	80.07	98.24	667.01
Gross profit ratio	%	20.20	15.71	13.96
Operating profit ratio	%	14.05	8.54	6.16
Profit before tax ratio	%	13.57	8.65	6.42
Net profit/(loss) after tax ratio	%	8.63	7.25	4.46
Return on equity	%	32.72	23.30	13.51
Return on assets	%	158.66	115.50	66.06
Earning/(Loss) per share (after tax)	Rs.	26.54	14.74	8.55
Current ratio	Times	2.26:1	2.87:1	2.88:1
Quick ratio	Times	0.83:1	1.42:1	1.53:1
Dividend Cover (Earning/ Div)	Times	1.77	1.47	1.14
Rate of Dividend	%	150.00	100.00	75.00

2020	2019	2018	2017	2016	2015	2014
1,077,895,294	1,123,257,343	1,161,353,460	1,161,867,413	1,064,935,501	1,080,636,249	959,890,273
118,541,625	114,290,657	179,816,064	308,645,829	312,281,298	234,456,063	151,332,181
12,878,628	6,507,586	64,383,220	218,887,724	240,216,150	171,785,823	96,934,151
5,714,017	331,779	59,008,065	208,779,587	226,590,238	161,413,311	90,309,422
(13,500,592)	(14,102,013)	43,582,980	148,623,310	151,465,503	108,884,980	58,783,896
89,528,400	89,528,400	89,528,400	89,528,400	89,528,400	89,528,400	89,528,400
-	-	-	-	-	-	-
400,632,155	414,132,747	437,187,600	483,133,020	406,132,430	299,431,127	217,404,667
490,160,555	503,661,147	526,716,000	572,661,420	495,660,830	388,959,527	306,933,067
119,373,288	132,965,678	148,400,043	167,350,957	117,363,717	70,775,694	63,573,975
8,215,489	9,595,603	11,236,259	15,024,863	9,787,062	5,338,463	4,799,837
(4.04)	(3.28)	(0.04)	9.10	(1.45)	12.58	19.26
3.72	(36.44)	(41.74)	(1.16)	33.19	54.93	5.07
97.90	(89.89)	(70.59)	(8.88)	39.83	77.22	10.86
1,622.24	(99.44)	(71.74)	(7.86)	40.38	78.73	7.45
(4.26)	(132.36)	(70.68)	(1.88)	39.11	85.23	6.64
11.00	10.17	15.48	26.56	29.32	21.70	15.77
1.19	0.58	5.54	18.84	22.56	15.90	10.10
0.53	0.03	5.08	17.97	21.28	14.94	9.41
(1.25)	(1.26)	3.75	12.79	14.22	10.08	6.12
(2.75)	(2.80)	8.27	25.95	30.56	27.99	19.15
(11.31)	(10.61)	29.37	88.81	129.06	153.85	92.47
(1.51)	(1.58)	4.87	16.60	16.92	12.16	6.57
3.54:1	3.73:1	4.80:1	6.23:1	7.70:1	6.49:1	6.57:1
2.28:1	2.13:1	1.12:1	3.14:1	5.42:1	3.93:1	3.86:1
-	-	4.87	1.66	2.12	2.43	2.19
-	-	10.00	100.00	80.00	50.00	30.00



Financial Statements

For The Year Ended June 30, 2023



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, 2023 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, 2023 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.

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



Chartered Accountants
LAHORE

Date: August 31, 2023

UDIN: AR202310247eNmHLao11

Statement of Financial Position

As at June 30, 2023

ASSETS	Note	2023 Rupees	2022 Rupees
NON CURRENT ASSETS			
Property, plant and equipment	4	172,235,828	131,394,627
Capital work in progress	5	146,730	3,950,000
Intangible assets	6	1	2,930,004
Long term deposits and prepayments	7	4,661,000	4,661,000
		177,043,559	142,935,631
CURRENT ASSETS			
Stores and spares	8	29,408,629	24,388,009
Stock in trade	9	725,328,720	322,342,954
Trade debts	10	273,951,661	78,714,585
Loans and advances	11	21,513,234	20,096,312
Trade deposits and short term prepayments	12	2,463,240	2,463,240
Provision for Taxation	13	-	12,703,411
Short term investments	14	-	280,000,000
Cash and bank balances	15	140,743,917	49,959,817
		1,193,409,401	790,668,328
TOTAL ASSETS		1,370,452,960	933,603,959
EQUITY AND LIABILITIES			
EQUITY			
Issued, subscribed and paid up share capital	16	102,957,660	89,528,400
Capital reserve		325,992,907	-
Revenue reserve - unappropriated profit		406,109,845	561,790,431
		835,060,412	651,318,831
NON CURRENT LIABILITIES			
Deferred taxation	17	6,982,859	7,080,978
CURRENT LIABILITIES			
Trade and other payables	18	431,367,660	169,853,247
Deposits, accrued liabilities and advances	19	54,883,457	101,733,583
Provision for Taxation	13	35,486,805	-
Unclaimed dividend		6,671,767	898,731
Unpaid dividend		-	2,718,589
		528,409,689	275,204,150
CONTINGENCIES AND COMMITMENTS	20	-	-
TOTAL EQUITY AND LIABILITIES		1,370,452,960	933,603,959

(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, 2023

PARTICULARS	Note	2023 Rupees	2022 Rupees
Sales - net	21	3,166,111,038	2,092,493,591
Cost of sales	22	2,526,401,343	1,763,754,873
Gross profit		639,709,695	328,738,718
Operating Expenses			
Distribution cost	23	87,451,667	67,399,115
Administration and general expenses	24	107,452,914	82,543,138
		194,904,581	149,942,253
Operating profit		444,805,114	178,796,465
Other income	25	19,225,851	18,562,543
		464,030,965	197,359,008
Finance cost	26	2,623,516	2,867,057
Other charges	27	31,837,114	13,419,945
		34,460,630	16,287,002
Profit before taxation		429,570,335	181,072,006
Taxation	28	156,300,354	29,317,593
Profit after taxation		273,269,981	151,754,413
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss		-	-
Items that will not be reclassified subsequently		-	-
		-	-
Total comprehensive income		273,269,981	151,754,413
			Restated
Earning per share - Basic and Diluted	30	26.54	14.74

(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, 2023

PARTICULARS	Issued, Subscribed and Paid Up Share Capital	Capital Reserve	Revenue Reserve - Unappropriated Profit	Total
Rupees				
Balance as at July 01, 2021	89,528,400	-	477,182,335	566,710,735
Total comprehensive loss for the year	-	-	151,754,413	151,754,413
Dividend paid @ Rs 7.5/share during the year	-	-	(67,146,317)	(67,146,317)
Balance as at June 30, 2022	89,528,400	-	561,790,431	651,318,831
Bonus Share @15% issued during the year	13,429,260	-	(13,429,260)	-
Total comprehensive income for the year	-	-	273,269,981	273,269,981
Dividend paid @ Rs. 10/share during the year	-	-	(89,528,400)	(89,528,400)
Transfer from revenue reserve -				
Unappropriated profit to capital reserve	-	325,992,907	(325,992,907)	-
Balance as at June 30, 2023	102,957,660	325,992,907	406,109,845	835,060,412

(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, 2023

PARTICULARS	Note	2023 Rupees	2022 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before taxation		429,570,335	181,072,006
Adjustments for:			
Depreciation		19,836,852	16,014,042
Amortization of intangible asset		2,930,003	2,843,844
Gain / (Loss) on disposal of property, plant and equipment		(1,081,102)	-
Workers' welfare fund		8,766,742	3,695,347
Finance cost		2,623,516	2,867,057
Cash flow before working capital changes		462,646,346	206,492,296
Working capital changes:			
(Increase) / decrease in current assets:			
Stores and spares		(5,020,620)	(4,384,879)
Stock in trade		(402,985,766)	(50,078,292)
Trade debts		(195,237,076)	23,075,060
Loans and advances		(1,416,922)	7,042,491
Trade deposits and short term prepayments		-	(1,134,000)
Increase / (decrease) in current liabilities:			
Trade and other payables		213,775,604	34,693,110
Unclaimed & Unpaid Dividend		3,054,447	-
Net working capital changes		74,816,013	215,705,786
Finance cost paid		(2,623,516)	(2,867,057)
Taxes paid		(111,903,604)	(24,101,568)
Net cash flows (used in) / generated from operating activities		(39,711,107)	188,737,161
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(56,509,014)	(17,113,258)
Capital work in progress		(789,862)	(17,802,961)
Investments - Net		280,000,000	(50,000,000)
Sale proceeds of property, plant and equipment		1,301,050	960,403
Net cash flows generated from / (used in) investing activities		224,002,174	(83,955,816)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid	31.1	(93,506,967)	(65,074,291)
Net cash flows used in financing activities		(93,506,967)	(65,074,291)
Net (Decrease)/Increase in cash and cash equivalents		90,784,100	39,707,054
Cash and cash equivalents at the beginning of the year		49,959,817	10,252,763
Cash and cash equivalents at the end of the year	31	140,743,917	49,959,817

(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, 2023

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. 200 million. Refer to note 15.2.

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 following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's unconsolidated financial statements other than certain additional disclosures.

Standard or Interpretation	Effective date (Annual periods beginning on or after)
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021	01 April 2021
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	01 January 2022

Standard or Interpretation	Effective date (Annual periods beginning on or after)
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	01 January 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	01 January 2022
Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	01 January 2022

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)
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	01 January 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Classification liabilities as current or non-current	01 January 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Regarding the classification of debt with covenants	01 January 2024
Amendments to IAS-7 and IFRS-7 - Regarding supplier finance arrangements	01 January 2024
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	01 January 2023
Amendments to 'IAS 12 Income Taxes' -International Tax Reform — Pillar Two Model Rules	01 January 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction	01 January 2023
Amendments to IFRS 16 'Leases' - clarification on how seller-lessee subsequently measures sale and leaseback transactions	01 January 2024
Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

Other than the aforesaid amendments, the IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

IFRS 1 - First Time Adoption of International Financial Reporting Standards

IFRS 17 Insurance Contracts

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 (Note 3.14)
- Contingencies and commitments (Note 20)

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. Fully amortized intangible assets are recognised at rupee 1 in the financial statements.

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

These are valued at lower of cost and net realizable value

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 raw material costs, labor and appropriate manufacturing over-heads.

Net realizable value signifies the estimated selling price in the ordinary course of 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 payable are carried at cost which is the fair value considered to be paid in 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 as 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)

- 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 without 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.

At 30 June 2023

Cost/revalued amount	10,455,396	88,145,983	136,070,813	48,977,373	5,650,465	36,915,801	3,218,008	3,737,679	333,171,518
Accumulated depreciation	-	(46,102,911)	(65,209,626)	(29,900,246)	(2,788,380)	(12,410,634)	(1,845,704)	(2,678,189)	(160,935,690)
Net book value in Rupees	10,455,396	42,043,072	70,861,187	19,077,127	2,862,085	24,505,167	1,372,304	1,059,490	172,235,828
Annual rates (%) of depreciation 2023	-	10	15	15	15	20	15	30	

4.2 Disposal of property, plant and equipment

The following operating fixed assets were disposed off during the year:

Particulars	Cost	Accumulated depreciation	Net book value	Sale Proceeds	Gain / (loss)	Relationship of purchaser with the company	Mode of disposal	Buyer's name
VEHICLES								
MOTOR CAR								
Suzuki Cultus LEC-09-2291	808,704	764,581	44,123	780,000	735,877	Third Party	Negotiation	Bashir Khan
Suzuki Cultus LEH-16-6919	862,000	634,182	227,818	227,818	-	Employee	Executive Car Scheme	Sajid Hussain
Honda Civic-LED-11-8419	1,124,000	826,327	297,673	297,673	-	Employee	Executive Car Scheme	Naem Raza
Toyota Corolla GLI-LEC-14-101	1,124,000	825,528	298,472	298,472	-	Employee	Executive Car Scheme	Abdul Rehman Arif
Toyota Corolla GLI-LED-12-3694	1,682,600	1,512,954	169,646	169,646	-	Employee	Executive Car Scheme	Col(Ret) Javed Aslam
MOTOR BIKE								
Honda CD-70-LEN-16-8508	63,500	46,662	16,838	16,838	-	Employee	Executive Bike Scheme	Muhammad Jamil
Honda CD-70-LEN-16-8509	63,500	46,662	16,838	16,838	-	Employee	Executive Bike Scheme	Ali Asghar
Honda-CD-70-LEP-17B-1022	63,500	45,654	17,846	17,846	-	Employee	Executive Bike Scheme	Saeed Ahmad Riaz
Honda CD-70-AFU-21-9038	84,500	15,533	68,967	84,500	15,533	Theft	Insurance Claim	East West Insurance
Total	5,876,304	4,718,083	1,158,221	1,909,631	751,410			

PLANT AND MACHINERY

Main Furnace Pot-08 Ton	390,650	239,821	150,829	446,975	296,146	Third Party	Negotiation	Rana Nadeem
Melting Pot for alloy blending	227,700	202,704	24,996	74,075	49,079	Third Party	Negotiation	Rana Nadeem
Total	618,350	442,525	175,825	521,050	345,225			

4.3 Depreciation charge for the year has been allocated as follows:

	Note	2023 Rupees	2022 Rupees
Cost of sale	22	16,794,224	13,604,517
Administrative expenses	24	2,028,419	1,606,349
Distribution cost	23	1,014,209	803,174
Property, Plant and equipment	4.1	19,836,852	16,014,040

4.4 No impairment relating to operating fixed assets has been recognised in the current year.

4.5 Tools and equipment includes dies and moulds having book value of Rs 1,538,394/- (2022: Rs. 1,876,090/-) 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.

4.6 Particulars of immovable assets of the Company are as follows:

Location	Addresses	Usage of immovable property	Total Area	Covered Area
Kasur	49-k.m., off Multan Road, Bhai Pheru, Distt. Kasur	Production Unit	52 Kanals and 10 Marlas	47,080 square foot (ft ²)

5 CAPITAL WORK IN PROGRESS	Note	2023 Rupees	2022 Rupees
Plant and machinery		-	3,950,000
Buildings	5.1	146,730	-
		<u>146,730</u>	<u>3,950,000</u>
5.1 Movement in capital work in progress			
Opening		3,950,000	1,531,729
Additions during the year		789,862	17,802,961
		<u>4,739,862</u>	<u>19,334,690</u>
Transferred to operating assets	5.2	(4,593,132)	(15,384,690)
		<u>146,730</u>	<u>3,950,000</u>
5.2 Transfer to property, plant and equipment are represented by:			
Buildings		643,132	-
Plant and machinery		3,950,000	9,933,622
Tools and Equipment		-	5,451,068
		<u>4,593,132</u>	<u>15,384,690</u>
6 INTANGIBLE ASSETS			
Net carrying value			
Opening net book value		2,930,004	5,773,848
Additions		-	-
Amortization charge for the year		(2,930,003)	(2,843,844)
Net book value		<u>1</u>	<u>2,930,004</u>
		8,617,692	8,617,692
		(8,617,691)	(5,687,688)
		<u>1</u>	<u>2,930,004</u>
		<u>33%</u>	<u>33%</u>
		2023 Rupees	2022 Rupees
7 LONG TERM DEPOSITS AND PREPAYMENTS			
Security deposits - Unsecured and considered good			
Utilities		<u>4,661,000</u>	<u>4,661,000</u>
8 STORES AND SPARES			
General stores		<u>29,408,629</u>	<u>24,388,009</u>
9 STOCK IN TRADE			
Raw material			
-Stock at company premises		231,152,584	141,957,896
-Stock held with third parties	9.1	<u>3,242,166</u>	<u>4,218,846</u>
		<u>234,394,750</u>	<u>146,176,742</u>
Work in process		299,057,109	157,271,061
Finished goods		191,876,861	18,895,151
		<u>725,328,720</u>	<u>322,342,954</u>
9.1 Raw materials and components are held by following parties who under an arrangement with the Company, manufacture plastic containers, lids and vent plugs for the Company.			
		2023 Rupees	2022 Rupees
Ultima Technologies		2,091,701	4,218,846
Punjab Plastic		1,150,465	-
		<u>3,242,166</u>	<u>4,218,846</u>

	Note	2023 Rupees	2022 Rupees
10 TRADE DEBTS			
Trade debts - Unsecured and considered good	10.1	2,140,553	16,523,662
Dealers - Secured against guarantee cheques		271,811,108	62,190,923
Dealer and Customer Balance		273,951,661	78,714,585

10.1 TRADE DEBTS

Trade debts include balances due from the following related parties:

Millat Tractors Limited	10.2	2,140,553	16,523,662
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10.2 Aging of due from related parties	2023		2022	
	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	2,140,553	-	16,523,662	-

10.3 The maximum aggregate amount receivable from Millat Tractors Limited at the end of any month during the year was Rs. 49,065,130/-. (2022: Rs 31,101,180/-).

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.

		2023 Rupees	2022 Rupees
11 LOANS AND ADVANCES - CONSIDERED GOOD			
Import in transit - Secured		3,326,560	2,964,833
Advances to suppliers - Unsecured		7,311,041	1,933,401
Forced payment of sales tax to FBR	20.1.8	2,439,468	2,439,468
Sales Tax Refundable/Adjustable		7,907,618	4,284,108
Other receivables - unsecured		40,460	6,781,686
Insurance claims receivable		488,087	1,692,816
		21,513,234	20,096,312

12 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Security deposits - Unsecured and considered good		2,463,240	2,463,240
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13 TAXATION - NET

Opening balance		(12,703,411)	(19,677,069)
Add: Taxation - current	28	156,398,473	42,412,627
		143,695,062	22,735,558
Less: Tax payments / adjustments during the year		(108,208,257)	(35,438,969)
		35,486,805	(12,703,411)

14 SHORT TERM INVESTMENTS

Term Deposit Receipt		-	280,000,000
Mutual funds - at FVPL		-	-
		-	280,000,000

	Note	2023 Rupees	2022 Rupees
15 CASH AND BANK BALANCES			
Cash in hand		59,508	340,926
Cash in hand - Imprest account		320,858	239,902
Cash at bank			
- Current account		51,458,219	16,556,793
- Deposit account	15.1	77,044,069	31,791,520
- Running finance facility account	15.2	11,861,263	1,030,676
		140,743,917	49,959,817

15.1 These carry profit / markup ranging from 9% to 16% (2022: 4.50% to 6.50%) per

15.2 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 266.8 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% (2022: 3 month KIBOR + 0.40%). The total limit is Rs. 200 million (2022: Rs. 100 million). At year end, the unutilized facility aggregated to Rs. 122,775,800/- (2022: Rs. 30,991,749/-). Also refer notes 20.2.1 & 20.2.2.

16 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

Authorised Capital			
100,000,000 (2022: 11,000,000) Ordinary shares of Rs.10/-			
(2022:Rs.10/-) each			
		1,000,000,000	110,000,000
Issued, subscribed and paid up Capital			
Ordinary shares of Rs.10 each fully paid in cash		89,528,400	89,528,400
Ordinary shares of Rs.10 each issued as fully paid bonus shares:			
Opening balance		-	-
Bonus Share issued @15% during the year		13,429,260	-
Closing Balance		13,429,260	-
		102,957,660	89,528,400

16.1	Shares held by the related parties of the Company	-----Number of Shares-----	
	Parent company		
	Millat Tractors Limited	6,598,125	5,737,500
	Directors		
	Mr. Sikandar Mustafa Khan	622,437	541,250
	Mr. Laeeq uddin Ansari	390,425	339,500
	Mr. Muhammad Mustafa Khan	2,875	2,500
	Mr. Muhammad Mustafa Sohail	1,150	1,000
	Mr. Shehryar Ansari	26,450	23,000
	Mr. Qaiser Saleem	227,845	198,126
	Chief Executive		
	Javed Aslam	16.2	-
			20,000

16.2 Mr. Javed Aslam held the position of Chief Executive; however, he tendered his resignation within the year. Subsequently, a new Chief Executive was appointed during the same period, although the latter individual does not possess any ownership shares in his name.

	Note	2023 Rupees	2022 Rupees
17 DEFERRED TAXATION			
Deferred tax liability comprises temporary differences related to:			
Taxable temporary differences			
Accelerated depreciation for the tax purposes		12,505,050	11,841,208
Deductible temporary differences			
Provision for Warranty		(5,522,191)	(4,760,230)
Net deferred tax liability at the end of the year.		6,982,859	7,080,978
		Deferred Tax Liability	Deferred Tax Assets
		Net Liability	
		Rupees	
Balance as at July 01, 2021		10,620,124	(3,984,703)
Charged to statement of comprehensive income		1,221,084	(775,527)
Balance as at June 30, 2022		11,841,208	(4,760,230)
Charged/(Credited) to statement of comprehensive income		663,842	(761,961)
Balance as at June 30, 2023		12,505,050	(5,522,191)
18 TRADE AND OTHER PAYABLES			
Trade creditors		249,398,567	90,047,031
General suppliers		118,510,232	47,741,050
Provision for warranty claims	18.1	19,042,037	16,414,585
Workers' profit participation fund	18.2	23,070,372	9,724,598
Workers' welfare fund		8,766,742	3,695,347
Other payables		12,579,710	2,230,636
		431,367,660	169,853,247
18.1 Provision for warranty claims			
Opening balance		16,414,585	13,740,355
Claims paid/ (payable) during the period		(38,084,073)	(17,597,256)
Charge for the year		40,711,525	20,271,486
Closing balance		19,042,037	16,414,585
18.2 Workers' profit participation fund			
Opening balance		9,724,598	5,913,826
Payments made during the year		(9,724,598)	(5,913,826)
Allocation for the year		23,070,372	9,724,598
Closing balance		23,070,372	9,724,598
19 DEPOSITS, ACCRUED LIABILITIES AND ADVANCES			
Accrued liabilities		29,835,782	19,301,945
Advance from customers	19.1	20,434,296	79,083,321
Advance from staff	19.2	4,613,379	3,348,317
		54,883,457	101,733,583

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) for tax year 2015 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 was anticipated, Additional Commissioner created demand Rs. 13,403,845/- by disallowing tax credit under section 65B. Company has filed rectification application, also filed an appeal to commissioner appeals Inland Revenue against the order of additional Commissioner, On the basis of available records and history of assessment, prima facie the appeal is expected in favor of the company.

20.1.3 Proceeding finalized u/s 122(1)/177 of tax year 2016 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 of tax year 2017, 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 Proceeding finalized u/s 122(1)/177/214C of tax year 2018, vide order dated 30-09-2022 creating demand Rs.206,768,662/-. The Company had filed appeal to CIR(A) who vide order dated 31.05.2023 deleted the material additions, created demand of Rs.24,854,038/- and set aside partial issues. Company has filed appeal to income tax appellate tribunal against the decision 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. No tax liability is anticipated.

20.1.6 Proceeding finalized u/s 122(1)/177/214C of tax year 2019, vide order dated 03-10-2022 creating demand Rs.191,459,837/-. The Company had filed appeal to CIR(A) who vide order dated 31.05.2023 deleted the material additions, created demand of Rs.126,041/- and set aside partial issues. Company has filed appeal to income tax appellate tribunal against the decision 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. No tax liability is anticipated.

20.1.7 Proceeding finalized u/s 221(1) of tax year 2021, vide order dated 11-08-2022 creating demand Rs.3,061,598/-. The Company had filed appeal to CIR(A). 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.

20.1.8 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".

20.1.9 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".

20.1.10 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.

20.1.11 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/- (2022: Rs.26,242,183/-) in favor of Sui Northern Gas Pipelines Limited.

20.2.2 Commitment in respect of outstanding letter of credit amount to Rs. 38,509,658/- (2022: Rs.42,766,068/-) at the date of financial position.

20.2.3 The Company has no other contingencies and commitments as on June 30, 2023.

	Note	2023 Rupees	2022 Rupees
21 SALES			
-Local		3,818,322,534	2,563,004,029
-Export		247,068,360	142,758,734
		4,065,390,894	2,705,762,763
-Sales tax		(492,719,752)	(373,945,653)
-Discount		(403,543,877)	(236,965,561)
Commission on export sale		(3,016,227)	(2,357,958)
		3,166,111,038	2,092,493,591
22 COST OF GOODS SOLD			
Raw material consumed	22.1	2,462,407,450	1,522,001,552
Salaries, wages and benefits	22.2	128,175,988	88,976,922
Manufacturing expenses:			
Fuel and power		125,586,573	94,698,741
Communication		244,972	239,653
Stores and spares consumed	22.3	32,675,948	29,607,548
Warranty claims		40,711,525	22,945,716
Repair and maintenance		15,824,364	6,109,050
Insurance		4,619,311	3,797,662
Traveling and vehicle running		5,095,191	2,043,147
Freight Charges		3,187,458	1,936,522
Entertainment		1,262,562	1,119,816
Depreciation		16,794,224	13,604,518
Other manufacturing overheads		4,583,535	982,676
		250,585,663	177,085,049
Total factory cost		2,841,169,101	1,788,063,523
Add: Opening work in process		157,271,061	104,325,312
		2,998,440,162	1,892,388,835
Less: Closing work in process		299,057,109	157,271,061
Cost of goods manufactured		2,699,383,053	1,735,117,774
Add: Opening finished goods		18,895,151	47,532,250
Cost of goods available for sale		2,718,278,204	1,782,650,024
Less: Closing finished goods		191,876,861	18,895,151
		2,526,401,343	1,763,754,873
22.1 Raw material consumed			
Opening stock		141,957,896	116,738,499
Add: Purchases - net		2,569,155,418	1,557,129,241
		2,711,113,314	1,673,867,740
Less: Closing stock		231,152,584	141,957,896
		2,479,960,730	1,531,909,844
Less: Sale of waste material		17,553,280	9,908,292
Raw material consumed		2,462,407,450	1,522,001,552

22.2 Salaries, wages and benefits include Rs. 888,750/- (2022: Rs. 725,544/-) in respect of Provident Fund contributions.

	Note	2023 Rupees	2022 Rupees
22.3 Stores and spares consumed			
Opening stock		24,388,009	20,003,130
Add: Purchases - net		37,696,568	33,992,427
		62,084,577	53,995,557
Less: Closing stock		29,408,629	24,388,009
Stores and spares consumed		32,675,948	29,607,548

23 DISTRIBUTION COST

Salaries, wages and benefits	23.1	33,195,486	23,749,069
Fuel and power		4,186,219	2,773,703
Communication		393,380	333,859
Traveling & vehicle running		12,716,272	8,270,370
Freight charges		20,208,284	15,582,066
Advertisement		3,348,449	4,109,087
Printing and stationery		694,269	1,349,281
Entertainment		1,764,355	1,631,846
Rent, rates and taxes		1,997,094	1,866,990
Insurance		7,115,009	5,510,868
Depreciation		1,014,209	803,175
Miscellaneous		818,641	1,418,801
		87,451,667	67,399,115

23.1 Salaries, wages and benefits include Rs. 557,442/- (2022: Rs. 358,845/-) in respect of Provident Fund contributions.

24 ADMINISTRATION AND GENERAL EXPENSES

Salaries, wages and benefits	24.1	46,787,556	43,190,432
Director meeting fee		3,400,000	1,400,000
Fuel and power		9,767,844	8,177,750
Communication		1,130,880	846,600
Traveling and vehicle running		16,200,435	8,773,874
Printing and stationery		272,261	391,559
Newspapers and periodicals		9,360	7,430
Repairs and maintenance		1,115,336	1,378,392
Security expenses		5,045,272	3,563,338
Legal and professional charges		2,885,611	2,266,993
Auditors' remuneration	24.2	630,000	551,250
Entertainment		2,520,242	2,160,793
Rent, rates and taxes		152,167	275,896
Fee and subscription		8,847,619	1,627,401
Insurance		2,012,537	2,026,463
Depreciation		2,028,419	1,606,350
Amortization of intangible assets		2,930,003	2,843,844
Other expenses		1,717,372	1,454,773
		107,452,914	82,543,138

24.1 Salaries, wages and benefits include Rs. 677,735/- (2022: Rs. 581,174/-) in respect of Provident Fund contributions.

	Note	2023 Rupees	2022 Rupees
24.2 Auditors' remuneration			
Annual Audit fee		565,000	525,000
Out of pocket		65,000	26,250
	24	<u>630,000</u>	<u>551,250</u>
25. OTHER INCOME			
Income from financial assets:			
Interest Income		12,515,821	11,163,898
Income from assets other than financial assets:			
Misc. income		2,041,414	7,398,645
Cash Dividend - Mutual Fund		2,589,329	-
Capital Gain or Loss		998,185	-
Gain on disposal of property, plant and equipment		1,081,102	-
		<u>19,225,851</u>	<u>18,562,543</u>
26. FINANCE COST			
Mark-up on short term running finance - Secured		-	729,529
Bank charges		2,623,516	2,137,528
		<u>2,623,516</u>	<u>2,867,057</u>
27. OTHER CHARGES			
Workers' profit participation fund		23,070,372	9,724,598
Workers' welfare fund		8,766,742	3,695,347
		<u>31,837,114</u>	<u>13,419,945</u>
28. TAXATION			
For the year			
-Current		156,398,473	42,412,627
-Deferred		(98,119)	445,557
		<u>156,300,354</u>	<u>42,858,184</u>
Prior Years			
-Current		-	(13,540,591)
		-	(13,540,591)
		<u>156,300,354</u>	<u>29,317,593</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)
Income chargeable to tax at different rates	(0.10)	(0.14)
Others	7.49	(5.19)
	7.39	(12.81)
	<u>36.39</u>	<u>16.19</u>

28.2 The provision for current year tax represent tax on taxable income at the rate of 29% (2022: 29%). According to management, the tax provision made in the financial statements is sufficient. Income tax return has been filed to the income tax authorities up to tax year 2022 under the provisions of the Income Tax Ordinance, 2001.

29 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2023	2022	2023	2022	2023	2022
	Rs.					
Remuneration	7,766,493	6,102,444	-	4,958,955	20,678,916	9,883,284
Medical	158,477	120,000	-	-	743,600	516,000
Reimbursement expenses	2,080,128	951,854	-	724,094	4,088,407	798,053
LFA/ Bonus	2,760,300	4,157,110	-	3,276,085	3,785,731	4,286,478
Contribution to provident fund	-	-	-	-	556,896	320,160
Utilities	426,077	420,864	-	678,410	2,304,660	1,640,160
	13,191,475	1,752,272	-	9,637,544	32,158,210	17,444,135
Number of person	1	1	-	1	5	3

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

Earnings per share has been computed by dividing profit after taxation for the year by the weighted average number of shares outstanding during the year as follows:

	Note	2023 Rupees	2022 Rupees
Profit after taxation attributable to ordinary shareholders - Rupees		273,269,981	151,754,413
Weighted average number of ordinary shares outstanding during the year	16	10,295,766	10,295,766
Earnings per share	30.1.1	26.54	14.74

30.1.1 As disclosed in note 16 to these financial statements, the Company has approved and issued 13,429,260 (2022: Nil) bonus shares during the year. The effect of these has been accounted for in these financial statements and the prior year EPS has been restated as per requirements of the applicable financial reporting framework

30.2 Diluted earnings per share

The Company has not issued any instrument carrying options which would have a dilutive impact on earning per share when exercised therefore the earning per share and diluted earning per share remain the same.

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	140,743,917	49,959,817
------------------------	----	-------------	------------

31.1 Reconciliation of liabilities arising from financing activities

PARTICULARS	As at June 30, 2022	Non Cash Changes	Cash flows	As at June 30, 2023
	RUPEES			
Un claimed dividend	898,731	6,036,290	(263,254)	6,671,767
Dividend payable	2,718,589	76,238,285	(78,956,874)	-
Zakat Payable		168,396	(168,396)	-
I.Tax Payable U/s 150		14,118,443	(14,118,443)	-
Total liabilities from financing activities	3,617,320	96,561,414	(93,506,967)	6,671,767

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	2023	2022
FINANCIAL ASSETS	Rs.-----							
Trade Deposits				2,463,240		2,463,240	2,463,240	2,463,240
Trade debts	-	-	-	273,951,661	-	273,951,661	273,951,661	78,714,585
Loan & Advances	-	-	-	528,547	-	528,547	528,547	8,474,502
Short term investments	-	-	-	-	-	-	-	280,000,000
Bank balances	77,044,069	-	77,044,069	63,319,482	-	63,319,482	140,363,551	49,378,989
	77,044,069	-	77,044,069	340,262,930	-	340,262,930	417,306,999	419,031,316
FINANCIAL LIABILITIES								
Trade and other payables	-	-	-	422,600,918	-	422,600,918	422,600,918	169,853,247
Deposits, accrued liabilities and advances	-	-	-	29,835,782	-	29,835,782	29,835,782	19,301,945
Unpaid dividend	-	-	-	-	-	-	-	2,718,589
Unclaimed Dividend	-	-	-	6,671,767	-	6,671,767	6,671,767	898,731
	-	-	-	459,108,467	-	459,108,467	459,108,467	192,772,512
Off - balance sheet financial instruments								
Guarantees	-	-	-	26,242,183	-	-	26,242,183	26,242,183
	-	-	-	26,242,183	-	-	26,242,183	26,242,183

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.273,951,661/- (2022: Rs. 78,714,585/-). However, this risk is mitigated by applying individual credit limits, fidelity insurance cover and by securing the majority of trade debts against post dated 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.

	2023 Rupees	2022 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	-	-
Short term investments	-	-
Floating rate instruments:		
Financial assets		
Bank balances - deposit accounts	77,044,069	31,791,520
Short term investments	-	280,000,000

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 Rs 770,441 lower / higher (2022: 3,117,915) 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. 200 million (2022: Rs. 100 million) available borrowing limits from financial institutions and Rs.140,743,917/- (2022: Rs.49,959,817/-) cash and bank balances.

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

	2023		
	Carrying amount	Contractual cash flows	Less than 1 year
	-----Rs.-----		
Trade and other payables	422,600,918	422,600,918	422,600,918
Deposits, accrued liabilities and advances	29,835,782	29,835,782	29,835,782
Unpaid Dividend	-	-	-
Unclaimed Dividend	6,671,767	6,671,767	6,671,767
	459,108,467	459,108,467	459,108,467
	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

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, 2023 and June 30, 2022 are as follows:-

	2023 Rs.	2022 Rs.
Net debt / (Surplus)	-	-
Total Equity	835,060,412	651,318,831
Total Capital	835,060,412	651,318,831
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 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:

Relation with the Company	Nature of transaction		
Holding Company	Sales of goods	552,721,653	385,804,600
Associated Companies	Sales of goods	70,184	138,592
Staff Provident Fund	Provident Fund Contribution	2,123,927	1,665,563

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 Annual General Meeting.

34	NUMBER OF EMPLOYEES	2023	2022
	Total number of employees (including contractual labour) as at June 30 2022-23	269	263
	Total number of factory employees (including contractual labour) as at June 30 2022-23	259	253
	Average number of employees during the year (including contractual labour)	271	250
	Average number of factory employees during the year (including contractual labour)	261	240

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 300,070 batteries {Standard 15: plates 246,622 batteries} compared with (2022: 276,678 standard 15: plates 230,028 batteries} against annual manufacturing capacity of 330,000 (2022: 300,000) standard 15 plates batteries .

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

	2023 Rupees	2022 Rupees
36 DISCLOSURES RELATING TO PROVIDENT FUND		
Size of the fund	27,206,067	21,477,601
Cost of investment made	18,417,748	11,697,782
Percentage of investment made	68%	54%
Fair value of investments	18,417,748	11,697,782
36.1. Break up of investments		
Special accounts in a scheduled bank	1,917,748	197,782
Term finance certificates	16,500,000	11,500,000
	18,417,748	11,697,782
36.2. % age of investments made in terms of the size of the fund		
Special accounts in a scheduled bank	7%	1%
Term finance certificates	61%	54%
	68%	54%

36.3. The figures for 2023 and 2022 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. CORRESPONDING FIGURES

Other than as disclosed in note 30.1.1, there has been no significant re-classifications or rearrangement of corresponding figures in these financial statements.

39. EVENT AFTER THE REPORTING DATE

The Board of Directors has proposed the payment of dividend of Rs.15 per share (2022 : Rs 10 per share) on the ordinary share capital of the Company in their meeting held on August 31,2023.

40. DATE OF AUTHORISATION FOR ISSUE

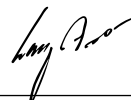
These financial statements were authorised for issue by the Board of Directors on August 31,2023.

41. GENERAL

Figures have been rounded off to the nearest rupee.



Chief Executive



Director

Proxy Form

22nd 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 Monday, October 30,
 2023 at 12:30 p.m. at Company's Registered Office, 8.8 km Sheikhpura Road, Lahore and at any
 adjournment thereof.

Signed this _____ day of _____ 2023.

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

22 واں سالانہ اجلاس عام

میں/ہم _____ ساکن _____
 ساکن _____ ملٹ انڈسٹریل پروڈکٹس لمیٹڈ
 رکن و حاصل _____ عام حصص بمطابق شیئر رجسٹر فو لیو نمبر _____،
 ساکن _____ یا بصورت دیگر _____ ساکن _____
 کو اپنی جگہ بروز پیر مورخہ 30 اکتوبر 2023ء 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 _____ 2023

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 بموجب 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: